BOARD MEETING DATE: December 5, 2025 AGENDA NO. 22

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee held a hybrid meeting on Friday, November 21, 2025. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Larry McCallon,
Committee Chair
Stationary Source Committee

JA:reh

Call to Order
Committee Chair McCallon called the meeting to order at 10:30 a.m.

Roll Call

Committee Members
Present**:** Mayor Pro Tem Larry McCallon, Committee Chair
Supervisor Holly J. Mitchell, Committee Vice Chair
Vice Chair Michael A. Cacciotti
Chair Vanessa Delgado
Supervisor Curt Hagman

Absent**:** Board Member Veronica Padilla-Campos

For additional information of the Stationary Source Committee Meeting, please refer to the Webcast.

ACTION ITEM:

1. **Execute Contract Amendment for Street Sweeping With Coachella Valley Association of Governments Using Incentive Funding From South Coast AQMD Special Revenue Fund**

   Ian MacMillan, Assistant Deputy Executive Officer, Planning, Rule Development and Implementation, presented a proposal to amend an existing street sweeping contract with Coachella Valley Association of Governments to add up to an additional $220,000 from Special Reserve Fund 1309.1. Mr. MacMillan noted a typographical error in the board letter which should reflect that the previous contract award was $1.15M and not $1.37M. For additional details, please view the Webcast for this item beginning at 00:02:54.

   Supervisor Hagman asked about emission reductions for the street sweeping program, and if staff could get data on the effectiveness after a year. Mr. MacMillan confirmed that staff can pursue the requested data. For additional details, please view the Webcast for this item beginning at 00:04:50.

   The item was moved by McCallon, seconded by Cacciotti.
   Ayes: Cacciotti, Delgado, Hagman, McCallon, and Mitchell.
   Noes: None
   Absent: Padilla-Campos.
   The motion passed with four ayes.
   For additional details, please view the Webcast for this item beginning at 00:06:04.

INFORMATIONAL ITEMS:

2. **Update on Proposed Amended Rule 463 – Organic Liquid Storage**

   Michael Morris, Planning and Rules Manager, Planning, Rule Development and Implementation, provided an overview of the provisions in Proposed Amended Rule 463 to better clarify requirements for smaller gasoline tanks. There were no comments received from Committee members or the public. For additional details, please refer to the Webcast beginning at 00:06:33.

3. **Update on Proposed Amended Rule 1118 – Control of Emissions from Refinery Flares**

   Heather Farr, Planning and Rules Manager, Planning, Rule Development and Implementation, presented an overview of Proposed Amended Rule 1118, which seeks to make administrative changes and clarify flare notification requirement. There were no comments received from Committee members or the public. For additional details, please refer to the Webcast beginning at 00:11:26.

4. **Update on Proposed Amended Rule 1111 – Reduction of NOx Emissions from natural-Gas-Fired, Fan-Type Central Furnaces**

Ms. Farr, provided an update on the Proposed Amended Rule 1111, which will extend the mobile home mitigation fee alternate compliance option. For additional details, please refer to the Webcast beginning at 00:13:33.

Vice Chair Cacciotti inquired about the timeframe for mobile home furnaces to comply with the 14 ng/J NOx emission limit. Staff clarified that manufacturers have successfully developed burner technologies for other types of furnaces, but there are unique challenges for mobile homes. There were no comments received from the public. For additional details, please refer to the Webcast beginning at 00:17:20.

5. Background on Emission Offset Requirements and Priority Reserve

Jason Aspell, Deputy Executive Officer of Engineering and Permitting, provided an overview of the Background on Emission Offset Requirements and Priority Reserve. For additional details, please refer to the Webcast beginning at 00:18:02.

Tom Koutrolis, OCWR, commented that New Source Review regulations are penalizing facilities for installing emission reducing covers to comply with the SB 1383, because the covers are being viewed as a new source of emissions. As a result, OCWR would need to purchase $3 to 5 million for offsets, which is a financial barrier that undermines compliance efforts across the region.

Jeff Arbour, OCWR, commented that he believes that Rule 1304 can classify composting equipment as part of resource recovery. This technical change would prevent air quality rules from treating emission-reducing covers as a new source of pollution, eliminating the need for millions of dollars in required offsets and supporting public agencies in their efforts to comply with state environmental mandates without unnecessary costs to ratepayers.

Sharon Frank, Bowerman Power LFG, LLC, explained that the company is developing a Renewable Natural Gas (RNG) facility at the F.R. Bowerman Landfill to beneficially use excess landfill gas and reduce emissions compared to flaring. Ms. Frank commented that South Coast AQMD's narrow interpretation of Rule 1302 has triggered an excessive $17 million emission reduction credit calculation, putting the project in jeopardy.

David Rothbart, Clean Water SoCal, urged the committee to adjust Regulation XIII to encourage and enable facilities to process food waste as part of SB 1383. He emphasized that clarifying or opening Regulation XIII is necessary because the food waste must be diverted, and it will benefit reuse projects while avoiding unnecessary cost and depletion of the emissions bank.

Adrian Martinez, Earthjustice, raised concerns about the scope of any potential definitional change related to RNG projects, warning it could cause massive regional

impacts. Mr. Martinez pointed out that RNG projects are already heavily incentivized by the state's Low-Carbon Fuel Standard (LCFS), suggesting the high value of the commodity should be factored into any review of costly emissions offsets. He suggested that South Coast AQMD staff to engage the environmental community directly.

Steve Jepsen, Clean Water SoCal, confirmed that wastewater treatment plants have enough existing capacity to handle all SB 1383 food waste. However, he emphasized that these projects must be revenue neutral to be financially viable for public agencies. He requested the Stationary Source Committee ensure flexibility in the Priority Reserve to encourage and enable these projects, which offer a great solution for diverting food waste and beneficially utilizing biomethane. For additional details, please refer to the Webcast beginning at 00:28:54.

Mr. Aspell clarified that permits are required for the aeration process, and facilities can reduce their ERC burden by committing to control efficiencies above the 80% minimum requirement and explained that the requested Rule 1304 offset exemption is not applicable to the composting project, and that the emissions would still count toward the CEQA cumulative threshold. Mr. Aspell stated that solving this complex issue cannot be done via case-by-case permitting actions and should be addressed through the rulemaking process, which will be initiated in January. For additional details, please refer to the Webcast beginning at 00:42:02.

Chair Delgado noted the complexity of the issue and questioned the urgency of the current proposal and asked what is the best path moving forward. Executive Officer Nastri explained that NSR is a complex set of rules that are SIP-approved and legally binding, meaning the district must pursue a formal rule revision rather than quick fixes. His concern is that improper handling or depletion of the offset reserve could trigger a devastating permit moratorium across the entire basin, emphasizing that staff must urgently determine the fastest, safest path to rule revision without causing damage to businesses.

Susan Nakamura, Chief Operational Officer, clarified that the potential permit moratorium would not apply universally but would be limited to businesses and facilities that are utilizing the district's internal offset pool.

Chair Delgado followed up by asking if the committee could establish clarifying language committing staff to work with impacted entities until the rule is fixed, emphasizing the need to avoid penalizing beneficial projects while staff finalize the necessary regulatory. Executive Officer Nastri confirmed that staff will initiate the rulemaking process and contact all parties and will then report their findings and proposed actions back to the full committee. For additional details, please refer to the Webcast beginning at 00:48:07.

Vice Chair Cacciotti voiced concern about costs to ratepayers, a potential permit moratorium, and asked about the state-of-the-art technology for composting to reduce emissions at the source. Mr. Aspell responded that this could be explored in rulemaking or through BACT since it is not required and confirmed that new controls are being considered at certain RNG facilities. He noted that CalRecycle's initial assessment failed to properly account for the critical CEQA provision that limits the available offsets. For additional details, please refer to the Webcast beginning at 00:51:14.

Supervisor Hagman expressed frustration with the operational reality and cost of SB 1383 and suggested that staff focus on expediting the Proposed Amendments to bring relief from the requirements. For additional details, please refer to the Webcast beginning at 00:56:06.

WRITTEN REPORTS:

6. Quarterly Permitting Enhancement Program (PEP) Update

The report was acknowledged by the committee.

Mr. Rothbart commended staff efforts on the permit streamlining work and requested that the Committee prioritize updating outdated rules to streamline the permitting process, citing his experience that obtaining a research permit to test a cleaner technology was more difficult than a standard permit. He specifically identified Rule 441 as a major bottleneck that needs immediate revisions to expedite permits.

Executive Officer Nastri committed to reviewing Mr. Rothbart's suggestion about specific rule updates. He confirmed that South Coast AQMD's rulemaking calendar will be finalized in the December board package, and staff will consider his request. For additional details, please refer to the Webcast beginning at 00:58:24.

Mr. Jepsen thanked staff for permit streamlining efforts and noted that long permit timelines for cleaner equipment persists and creates liability issues for public. Mr. Jepsen stated that some delays stem from unnecessarily complicated rules and urged the Committee to modify Rule 441, which is critical for research permits to develop new technologies needed to meet new requirements. For additional details, please refer to the Webcast beginning at 01:00:26.

Curtis Coleman, Southern California Air Quality Alliance commended Mr. Aspell and his permitting staff for vastly improved communication and cooperation with facility applicants. Members of the Southern California Air Quality Alliance appreciate the staff's openness and promptness in finding solutions..
For additional details, please refer to the Webcast beginning at 01:02:47.

7. **Monthly Update of Staff's Work with U.S. EPA and CARB on New Source Review Issues for the Transition of RECLAIM Facilities to a Command-and-Control Regulatory Program**
   The report was acknowledged by the committee.

8. **Notice of Violation Penalty Summary**
   Vice Chair Cacciotti asked about a settlement for Phillips 66 LA Refinery (Wilmington), noting dozen violations and the resulting, enormous $460,000 fine. He requested staff to explain the cause of the penalty, as the fine amount indicates a very significant issue occurred at the facility.

   Terrence Mann, Deputy Executive Officer, Compliance and Enforcement, stated that the large Phillips 66 fine likely resulted from Blue Sky inspections and represents cumulative violations that were resolved through legal negotiations. Barbara Baird, Chief Deputy Counsel, confirmed that the large Phillips 66 settlement was based on seven different NOVs covering a wide variety of issues.

   Executive Officer Nastri confirmed that Phillips 66 is the process of idling its refining operations and is supplying fuel from storage, while Valero in Benicia has also signaled closure. Due to these and other operational concerns, staff is closely monitoring all refineries and actively participating in a statewide refinery task force with the California Energy Commission to address fuel availability and consumer impacts.

   For additional details, please refer to the Webcast beginning at 01:04:33.

OTHER MATTERS:

9. **Other Business**
   There was no other business to report.

10. **Public Comment Period**
    Rita Loof, RadTech International, asked that the UV/EB/LED coating technology be added to the exemption section of Rule 1107. She stated that facilities switching from to non-toxic alternatives should be encouraged, not subjected to the same prescriptive permitting requirements, which would add to the permit backlog.
    For additional details, please refer to the Webcast beginning at 01:10:32.

    Howard Ragin, UV Specialties, LLC, asked for the amendment of Rule 1107 to provide incentives, including an exemption, for businesses adopting energy-curable coatings, which generate low emissions. He stressed that confusing language creates an unnecessary enforcement risk, which acts as an implementation barrier.
    For additional details, please refer to the Webcast beginning at 01:13:10.

Todd Griffin, Greenpack Inks and Coatings, Inc., urged the Committee to grant an exemption in Rule 1107 for UV/EB/LED coatings, stating that these clean products do not contain the toxic chemicals being phased out and have minimal VOC content. For additional details, please refer to the Webcast beginning at 01:15:50.

Michael Krause, Assistant Deputy Executive Officer, Planning, Rule Development and Implementation, confirmed that while UV/EB/LED coatings are non-toxic, the rule must still regulate the potential VOCs in coatings and solvents used in that curing technique. He also stated that the requested test method is excluded from the rule because it lacks EPA approval. For additional details, please refer to the Webcast beginning at 01:18:28.

11. Next Meeting Date

The next Stationary Source Committee meeting is scheduled for Friday, January 23, 2026.

Adjournment

The meeting was adjourned at 11:49 a.m.

Attachments

1. Attendance Record
2. Quarterly Permitting Enhancement Program (PEP) Update
3. Monthly Update of Staff's Work with U.S. EPA and CARB on New Source Review Issues for the Transition of RECLAIM Facilities to a Command-and-Control Regulatory Program
4. Notice of Violation Penalty Summary

ATTACHMENT 1

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATIONARY SOURCE COMMITTEE
Attendance – November 21, 2025

Councilmember Cacciotti ..... South Coast AQMD Board Member
Supervisor Holly J. Mitchell ..... South Coast AQMD Board Member
Senator Vanessa Delgado (Ret) ..... South Coast AQMD Board Member
Supervisor Hagman ..... South Coast AQMD Board Member
Mayor Pro Tem Larry McCallon ..... South Coast AQMD Board Member

Jeff Arbour ..... OCWR
Curtis Coleman ..... Southern California Air Quality Alliance
Sharon Frank ..... Bowerman Power LFG, LLC
Todd Griffin ..... Greepack Inks and Coatings, Inc.
Steve Jepsen ..... Clean Water SoCal
Tom Koutrolis ..... OCWR
Rita Loof ..... RadTech International
Adrian Martinez ..... Earthjustice
Howard Ragin ..... UV Specialties, LLC
David Rothbart ..... Clean Water SoCal

Jason Aspell ..... South Coast AQMD staff
Barbara Baird ..... South Coast AQMD staff
Cindy Bustillos ..... South Coast AQMD staff
Heather Farr ..... South Coast AQMD staff
Scott Gallegos ..... South Coast AQMD staff
Bayron Gilchrist ..... South Coast AQMD staff
Carlos Gonzalez ..... South Coast AQMD staff
De Groeneveld ..... South Coast AQMD staff
Aaron Katzenstein ..... South Coast AQMD staff
Angela Kim ..... South Coast AQMD staff
Michael Krause ..... South Coast AQMD staff
Howard Lee ..... South Coast AQMD staff
Jason Low ..... South Coast AQMD staff
Terrence Mann ..... South Coast AQMD staff
Ian MacMillan ..... South Coast AQMD staff
Michael Morris ..... South Coast AQMD staff
Ghislain Muberwa ..... South Coast AQMD staff
Ron Moskowitz ..... South Coast AQMD staff
Susan Nakamura ..... South Coast AQMD staff
Wayne Nastri ..... South Coast AQMD staff
Robert Paud ..... South Coast AQMD staff
Sarah Rees ..... South Coast AQMD staff
Alberto Silva ..... South Coast AQMD staff

ATTACHMENT 1

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATIONARY SOURCE COMMITTEE
Attendance – November 21, 2025

Lisa Tanaka .....South Coast AQMD staff
Brian Tomasovic .....South Coast AQMD staff
Mei Wang ..... South Coast AQMD staff
Jillian Wong .....South Coast AQMD staff
Victor Yip ..... South Coast AQMD staff

Quarterly Permitting Enhancement Program (PEP) Update
South Coast AQMD
Stationary Source Committee – November 21, 2025

Background

At the February 2, 2024 Board meeting, the Board directed staff to provide updates to the Stationary Source Committee to report progress made under the Permitting Enhancement Program (PEP). The Chair's PEP initiative was developed to enhance the permitting program and improve permitting inventory and timelines. This report provides a summary of the pending permit application inventory, quarterly production, and other PEP related activities.

After September 2025, this report has shifted from monthly report to quarterly reporting.

Summary

Pending Permit Application Inventory

The permitting process consists of a constant stream of incoming applications and outgoing application issuances, rejections, and denials. The remainder of the applications are considered the pending application inventory. The inventory consists of applications that are being prescreened prior to being accepted, workable applications, and non-workable applications. Non-workable means that staff are unable to proceed with processing an application because it is awaiting actions to address various regulatory requirements or deficiencies. As an example, after staff issues a Permit to Construct to a facility, staff must wait for the facility to construct and test the equipment prior to issuing a final Permit to Operate. Once a final Permit to Operate is issued, the permit application is removed from the pending application inventory. Other examples include facilities that may be in violation of rules and cannot be permitted until a facility achieves compliance, staff awaiting additional information from facilities, or facilities that have not completed the CEQA process for their project. During the life of an application, it may switch several times between being workable and non-workable as actions are taken by facilities and staff. Attachment 1 contains more detailed descriptions of the categories of non-workable permit applications. Figure 1 below provides quarterly snapshots of the pending application inventory from the previous and current quarters.

Figure 1: Application Processing Workflow – Second and Third Quarter, 2025

Not reflected in Figure 1 are an additional 129 applications processed through the online permitting system, which did not impact the permit application inventory. Staff has automated the permitting process for certain equipment allowing staff to focus their efforts on other permit applications.

Outgoing applications (green arrow) plus permits to construct issued (blue arrow) were similar to the number of incoming applications in the third quarter. Outgoing applications and Permits to Construct in Q2 2025 were greater than typical production due to an end of fiscal year focused production sprint.

Table 1 below lists the categories included in Awaiting Action (Non-Workable) for the last quarter. Please note that Table 1 provides a snapshot of data and applications may change status several times before final action. Multiple categories may apply to a single application, so the category totals in Table 1 may exceed the number of applications in Figure 1.

Table 1: Awaiting Action (Non-Workable) Application Category Summary

Awaiting Action (Non-Workable) Categories*	Without PC Issued			With PC Issued		
	Jul 2025	Aug 2025	Sep 2025	Jul 2025	Aug 2025	Sep 2025
Additional Information from Facility	249	230	216	21	23	15
CEQA Completion	33	33	31	-	-	-
Completion of Construction	-	-	-	1,229	1,268	1,302
Facility Compliance Resolution	22	19	22	2	2	2
Facility Draft Permit Review	43	32	27	1	-	2
Initial Review	*32*	*29*	*26*	-	-	*2*
Supplemental Review	*11*	*3*	*1*	*1*	-	-
Fee Payment Resolution	7	5	18	-	-	-
Other Agency Review	10	54	38	4	4	4
Other Facility Action	3	6	-	-	-	-
Other South Coast AQMD Review	-	-	-	-	-	-
Public Notice Completion	20	26	33	-	-	-
Regulatory Review**	**	40	55	**	2	4
Source Test Completion	20	22	19	98	101	88

*Please see Attachment 1 for more information on these categories.
**New category added August 2025 as further detailed in Attachment 1.

This new category is for applications where additional regulatory review may be required to address an emerging or unique technology or process that may not have been fully accounted for in the original applicable rule making. Rulemaking has been initiated to address these applications that need to be kept on hold until there is a resolution. For additional detailed information, the past PEP Updates may be accessed in Attachment 2.

The inventory of Awaiting Action applications has steadily increased. Most of the Awaiting Action applications (70%) have a Completion of Construction status. Staff must wait for construction of the equipment to be completed prior to moving forward on these applications. Facilities are required to submit extension requests if they do not complete construction and demonstrate compliance in the required Permit to Construct timeframes. Staff is evaluating new methods to confirm construction status with these facilities to help streamline the work.

The rate of incoming applications is unpredictable and is dependent on business demands and the economic climate, as well as South Coast AQMD rule requirements. Maintaining the average production rate of outgoing applications greater than average rate of incoming applications is key to reducing the pending application inventory until a manageable working inventory is established.

Maintaining a low vacancy rate with trained and experienced permitting staff is the biggest factor in maintaining high production and reducing the pending application inventory. In addition, data and analysis showed that addressing vacancies at the Senior and Supervising AQ

Engineers was vital since these positions are the review and approval stages of the permitting process.

Production

Prior to staff retirements, permit production levels in 2020 were typically above 500 completions per month. Prior to PEP implementation, high vacancy rates resulted in decreased permit completions. Lower production rates nearing 400 completions per month occurred as the vacancy rate peaked. As the vacancies have been reduced and staff have been trained, production has increased. Figure 2 below shows a rolling 12-month average of application completions.

Figure 2: Application Completions - Rolling 12-Month Average

Production levels under PEP increased as part of the 2024-2025 Fiscal Year goal to increase annual completions by 500 over the 2023 baseline year. Staff continues to monitor completions on a rolling 12-month basis and maintain the new baseline production at or near these levels while refocusing efforts to address aged applications of increasing complexity.

For the most recent 12-month period, the average completion rate was 488 applications per month. Production was impacted this quarter by a reorganization as workloads shifted between engineers and permitting teams, and staff physically moved their workspaces for increased in-office collaboration.

Moving forward staff is developing a workplan to address aged applications while maintaining baseline production levels (approximately 500 per month). During this time staff will act on any significant decreases in the 12-month average production that are beyond normal production fluctuation.

Engineering & Permitting (E&P) Vacancy Rate

The current E&P vacancy rate increased and is now 8.0%. The minimum target vacancy rate for PEP is 10%. When PEP was first announced, the E&P vacancy rate was greater than 20%. 135 of 137 engineer positions (98.5%) are currently filled in the E&P division. An external AQ Engineer recruitment is currently open for potential future vacancies in 2026.

Key Activities

- As part of the current AQ Engineer recruitment, E&P and Human Resources staff attended STEM-focused career fairs at UCLA, UCI, and UCR in October.
- There was a reorganization of engineering staff to optimize permitting production.
- Staff hosted a BACT Scientific Review Committee meeting introducing several new BACT listings. Multiple Waste Industry related BACT listings are being proposed to help clarify and streamline the permitting requirements.
- Staff is hosting a Permitting Working Group on November 18 to introduce an emissions calculation tool for Open Process Tanks to better equip consultants and applicants to complete their permit applications. Open Process tanks are one of the key backlogged permit application types.
- Staff participated in a panel for the Golden State Manufacturing Forum hosted by the State Treasurer's Office. Staff explained the permitting process and resources available to small and mid-sized manufacturers in attendance.
- Staff is developing a new workplan to identify key focus areas of the Permit Inventory specifically addressing aged applications.
- Staff initiated the testing phase of the new Permitting Workflow for PEP that will convert the existing permitting process to a paperless system starting with the most common equipment applications received.

Upcoming Meetings:

- Staff will host a Permit Streamlining Task Force meeting in December 2025.
- Staff will host a BACT Scientific Review Committee Meeting in Q2 2026.
- E&P has a division goal of conducting at least six public meetings this fiscal year.

Attachment 1

Explanation of Non-Workable Application Statuses

Workable applications are those applications where staff have the required information to process the permit application.

Non-workable applications are those applications where the application process has been paused while staff are awaiting the resolution of one or more related tasks or where the permit cannot be issued.

Description of Non-Workable/Awaiting Action Terms

Additional Information from Facility
During permit processing staff may need additional information from a facility that was not included in the original permit application package or a change of scope of the proposed project. Additional information may include items regarding materials used in the equipment (such as toxics), equipment information, or other items to perform emission calculations or determine compliance for the proposal in the application.

CEQA Completion
Prior to issuing permits, CEQA requirements are required to be evaluated and completed. South Coast AQMD can either be the Lead Agency that certifies or approves the CEQA document or the Responsible Agency that consults with the Lead Agency (typically a land use agency) on the CEQA document.

Completion of Construction
After a Permit to Construct is issued, the permit application file remains in the pending application inventory. Staff must wait for the facility to complete construction prior to completing other compliance determination steps before the permitting process can continue. Typically, a Permit to Construct is valid for one year, but it may be extended for various reasons if the facility demonstrates they are making increments of progress. For some large projects, construction may take years while the permit application remains in the pending application inventory.

Facility Compliance Resolution
Prior to issuing permits the affected facility must demonstrate compliance with all rules and regulations [Rule 1303(b)(4)]. Prior to the issuance of a Permit to Construct, all major stationary sources that are owned or operated by, controlled by, or under common control in the State of California are subject to emission limitations must demonstrate that they are in compliance or on a schedule for compliance with all applicable emission limitations and standards under the Clean Air Act. [Rule 1303(b)(2)(5)].

Facility Draft Permit Initial Review
If a facility requests to review their draft permit, staff provides the facility a review period prior to proceeding with issuance. During the review period, staff do not perform any additional evaluation until feedback from the facility is received. Some projects include several permits or large facility permit documents which may take substantial time to review.

Facility Draft Permit Supplemental Review

Once staff provides a draft permit to a facility for review, staff is typically ready to proceed with permit issuance based on the proposed draft. If a facility requests revisions to their draft permit, provided additional evaluation is not required, the application continues to be pending until feedback from the facility is resolved. If additional evaluation is required, an additional permit modification application may be required. Some projects include several permits or large facility permit documents which may take substantial time to review. This category was added in May 2025 after experiencing noticeable delays to the permitting process.

Fee Payment Resolution

Prior to issuing permits, all fees must be remitted, including any outstanding fees from associated facility activities including, but not limited to, annual operating and emission fees, modeling or source testing fees, and permit reinstatement fees.

Other Agency Review

The Title V permitting program requires a 45-day review of proposed permitting actions by U.S. EPA prior to many permitting actions. During the review period, staff are unable to proceed with permit issuance. If U.S. EPA has comments or requests additional information, the review stage may add weeks or months to the process before staff can proceed with the project.

For Electricity Generating Facilities (Power Plants), CEC may provide a review of proposed permits prior to issuance.

Other Facility Action

Prior to issuing a permit, a facility may need to take action to address deficiencies or take steps to meet regulatory requirements. This may include acquiring Emission Reduction Credits after staff notifies a facility the project requires emissions to be offset, performing an analysis for Best Available Control Technology requirements, or conducting air dispersion modeling.

Other South Coast AQMD Review

Prior to proceeding with a permit evaluation, permit engineering staff may require assistance and support from other South Coast AQMD departments. For example, IM support for electronic processing due to unique or long-term project considerations or to complete concurrent review of separate phases or integrated processes for multi-phase projects is routinely needed.

Public Notice Completion

There are several South Coast AQMD requirements that may require public noticing and a public participation process prior to permit issuance. Rule 212 and Regulation XXX both detail public noticing thresholds and requirements which include equipment located near schools, high-emitting equipment, equipment above certain health risk thresholds, or significant projects or permit renewals in the Title V program. The public notice period is typically 30 days, and staff are required to respond to all public comments in writing prior to proceeding with the permitting process. Other delays in the public notice process may include delays in distribution of the notice by the facility, incomplete distribution which may require restarting the 30-day period, or requests for extension from the public.

Regulatory Review

Additional regulatory review may be required to address an emerging or unique technology or process that may not have been fully accounted for in the original applicable rule making. Such cases may result in the development of a subsequent regulatory amendment or formal advisory to fully demonstrate compliance prior to permit issuance.

Source Test Completion

Many rules require source testing prior to permit issuance. Source testing is the measurement of actual emissions from a source that may be used to determine compliance with emission limits, or measurements of toxic emissions may be used to perform a health risk assessment. Lab analysis of an air sample is often required as part of the process. The testing is performed by third party contractors who prepare a source test protocol to detail the testing program, and a source test report with the results of the testing and equipment operation. Both the protocol and report need to be reviewed and approved by South Coast AQMD staff.

Attachment 2

Links to Previous PEP Updates

2024

April 19, 2024 – First PEP Update

May 17, 2024

June 21, 2024

July 2024 – No Stationary Source Committee meeting

August 16, 2024

September 20, 2024 - Canceled

October 18, 2024

November 15, 2024

December 20, 2024

2025

January 24, 2025

February 21, 2025

March 21, 2025

April 18, 2025

May 16, 2025

June 20, 2025

July 2025 – No Stationary Source Committee Meeting

August 15, 2025

September 19, 2025

November 2025 Update on Work with U.S. EPA and California Air Resources Board on New Source Review Issues for the RECLAIM Transition

At the October 5, 2018, Board meeting, the Board directed staff to provide the Stationary Source Committee with a monthly update of staff's work with U.S. EPA regarding resolving NSR issues for the transition of facilities from RECLAIM to a command-and-control regulatory structure. Key activities with U.S. EPA and CARB since the last report are summarized below.

- RECLAIM/NSR Working Group meeting is not planned for November
- The RECLAIM/NSR Working Group will be reconvened when there is information to report

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
General Counsel's Office

Settlement Penalty Report (10/01/2025 - 10/31/2025)

Total Penalties

Civil Settlement: $708,493.45

Hearing Board Settlement: $3,600.00

MSPAP Settlement: $217,910.55

Total Cash Settlements: $930,004.00

Total SEP Value: 0.00

Fiscal Year through 10/31/2025 Cash Total: $3,379,775.91

Fiscal Year through 10/31/2025 SEP Value Only Total: 0.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
Civil						
201677	525 FARMER BROTHERS DISTRIBUTION CENTER	2305	10/02/2025	RM	O15114	$22,500.00
5137	ACCU CROME PLATING CO INC	1469	10/07/2025	JJ	P69850	$3,500.00
202662	ALEX GALINDO	1403	10/14/2025	NS	P79958	$6,480.00
173008	AMERICAN PREMIUM GASOLINE	461	10/10/2025	EC	P80923, P80933	$3,300.00
97316	AMERICAN WRECKING INC	1403, 40 CFR 61.145	10/10/2025	EC	P79169, P79170, P79171	$12,000.00
116080	CARDLOCK FUELS SYSTEM, LLC.	203, 461	10/24/2025	JJ	P78769, P78774	$4,000.00
33395	CITY OF HUNTINGTON BEACH	461	10/23/2025	KER	P70426, P70427, P73850, P81409, P81410	$16,851.00
13999	CITY OF HUNTINGTON BEACH, WATER DEPT	203	10/23/2025	KER	P73843, P73844, P73845, P73846, P73847	$12,490.00
194542	INLAND ENGINEERING SERVICES INC.	402, H&S 41700	10/17/2025	JJ	P69290	$1,000.00
151843	INSULFOAM	3002	10/14/2025	JJ	P68748	$4,000.00
139759	LAKESIDE HIGH SCHOOL	203, 222, 1146.1, 1415	10/21/2025	MR	P68540, P75405	$2,000.00

201822	LEOPARD	2305	10/02/2025	ND	O15121	$55,085.45
200002	NEW WORLD INTERNATIONAL LLC	1403	10/07/2025	DH	P78105, P78111	$6,245.00
199230	ONTARIO HVC	2305	10/14/2025	SP	O15320	$28,600.00
184001	PACIFIC BAY, INC.	203, 461	10/01/2025	CR	P78677, P79352	$2,400.00
148773	PAN CONSTRUCTION, INC	1403	10/03/2025	DH	P78107	$6,245.00
171109 171107	PHILLIPS 66 CO/LA REFINERY WILMINGTON PL	407, 461, 463, 468, 1114, 1118, 1178, 2004, 3002, 40 CFR 60.18, 40 CFR 60.104, 40 CFR 60.482-6, 40 CFR 60.592, 40 CFR 63.670	10/08/2025	ND	P66722, P66891, P66939, P67770, P67774, P68999, P78806	$460,000.00
152830	RESOURCE ENVIRONMENTAL	403, 1403, 40 CFR 61.145	10/01/2025	NS	P63082, P69169, P69171, P69172, P74586, P78613	$12,490.00
184301	SENTINEL PEAK RESOURCES CALIFORNIA, LLC	463, 1173, 2004	10/03/2025	RM	P73275, P73294, P73295, P74375, P74391, P78907	$31,930.00
203387	SYCAMORE COLLECTION	2305	10/2/2025	SP	O15244	$13,000.00
200536	WICKS HEATING & AIR CONDITIONING, INC.	1111	10/01/2025	MR	P74277	$3,627.00
205832	WWL MANAGEMENT LLC	402, H&S 41700	10/01/2025	SP	P68912	$750.00

Total Civil Settlements: $708,493.45

Hearing Board

140373	AMERESCO CHIQUITA ENERGY LLC	203, 431.1, 3002	10/23/2025	KER	6143-4	$2,600.00
146536	WALNUT CREEK ENERGY, LLC	203, 2004, 3002	10/07/2025	KCM	6230-6	$1,000.00

Total Hearing Board Settlements: $3,600.00

MSPAP

208079	3K AUTO BODY & REPAIR	203	10/14/2025	CR	P81412	$896.55
207068	ABEL CONSTRUCTION & ROOFING INC	1403, 40 CFR 61.145	10/02/2025	CM	P67268	$1,273.00
169992	ALPHA ENERGY INC.	461	10/02/2025	SW	P80210	$2,728.00
167319	ANABI OIL CORP. BEN TRADING CO	203, 461, H&S 41960.2	10/02/2025	CL	P74846	$4,084.00
160237	BAKSH CONSTRUCTION	403, 1403	10/24/2025	CL	P79967, P79968, P79969, P79970	$19,486.00
200950	BEAZER HOMES	403	10/07/2025	CR	P81556	$2,098.00
121794	BIXEL ENTERPRISES LLC	203, 461	10/09/2025	SW	P80234	$1,318.00
207748	BUILDERS READY MIX	403	10/02/2025	SW	P79873	$1,468.00
800387	CAL INST OF TECH	461, 3002	10/24/2025	CL	P73190	$1,099.00
147022	CITY OF PERRIS, FIRE STN #2	203	10/02/2025	CL	P79230	$949.00
193555	CRASH CHAMPIONS - ORANGE	203	10/07/2025	SW	P80291	$2,098.00
113651	DANIELS TIRE SERVICE	461	10/02/2025	CR	P81413	$3,147.00

193490	DINO STATION #3	203, 461	10/02/2025	CR	P66991	$2,498.00
196850	DMB DEVELOPMENT LLC/COTINO	403	10/14/2025	CL	P80325	$3,447.00
187379	ENCOMPASS HEALTH REHAB HOSP OF MURRIETA	1146.1	10/02/2025	CL	P81363	$2,622.00
208190	FLEET YARDS, INC.	403	10/02/2025	CR	P78486	$3,147.00
189790	FLEISCHMANN'S VINEGAR COMPANY, INC	3002	10/09/2025	CL	P74498	$312.00
207891	HARBER COMPANIES, INC	203	10/02/2025	CR	P75895	$1,249.00
186575	IMPERIAL VALLEY CLEANERS	203	10/09/2025	CL	P81401	$1,729.00
195570	INGLEWOOD ENERGY	201	10/21/2025	CR	P70085	$1,893.00
172231	JOHN'S SERVICE CENTER	461, H&S 41960.2	10/14/2025	CR	P63571	$2,104.00
205865	KIK INTERNATIONAL LLC	2305	10/17/2025	LT	O15451	$19,800.00
189706	KRETUS GROUP	203	10/07/2025	CL	P80299	$2,068.00
201471	KUEHNE + NAGEL, INC	2305	10/07/2025	LT	O15467	$28,600.00
150573	LUIS BODY SHOP	109, 203, 1151	10/09/2025	CL	P81518	$2,989.00
105544	LYNWOOD PETROLEUM, INC.	461, H&S 41960.2	10/07/2025	SW	P64867	$3,747.00
118282	MANHATTAN BEACH, CITY, WELL # 11A	203	10/02/2025	CM	P81506	$892.00
166118	MAYHEW AGGREGATES & MINE RECLAMATION	403, 1157	10/24/2025	CL	P75893, P75896	$8,792.00
191082	MOLLER RETAIL, INC. #6126	203	10/14/2025	VB	P80972	$28,323.00
143701	NOOR NFA INC.	461	10/09/2025	LT	P63565	$1,873.50
194573	PULTE HOMES	403	10/07/2025	VB	P78485	$9,992.00
204106	RADC ENTERPRISES INC #112	461, H&S 41960.2,	10/14/2025	CL	P63563	$4,012.00
137099	RD 786, INC.	203	10/07/2025	SW	P68818	$804.00
161747	ROUND UP JR MART	461, H&S 41960.2,	10/07/2025	VB	P68825	$1,873.00
199079	ROYAL APPLIANCE	2305	10/09/2025	CL	O15218	$5,000.00
83377	S & S SERVICE STN, INC. FREEWAY CHEVRON	461, H&S 41960.2,	10/17/2025	VB	P73527	$1,648.00
155670	SAM'S UNIVERSAL AM/PM	461, H&S 41960.2,	10/24/2025	CL	P68850	$1,236.00
5888	CITY OF SAN MARINO	461	10/02/2025	CR	P81654	$4,021.50
207379	SERRA LASER & WATERJET INC.	203	10/02/2025	SW	P78736	$1,049.00
183005	SIGNAL HILL PETROLEUM, INC	1148.1	10/24/2025	CL	P81613	$1,798.00
160437	SOUTHERN CALIFORNIA EDISON	2004, 3002	10/24/2025	CL	P79479	$5,495.00
143446	SRS VENTURES, INC/PRESTIGE COLLISION AUT	203	10/07/2025	CL	P80260	$857.00
151849	TESORO WEST COAST CO LLC #68101	201	10/02/2025	SW	P68835	$879.00
199164	THE VONS COMPANY	2305	10/17/2025	LT	O15309	$13,000.00

136558	VERIZON WIRELESS	203	10/07/2025	VB	P80163	$1,049.00
131954	VERIZON WIRELESS	203	10/14/2025	VB	P75481	$1,049.00
134444	VERIZON WIRELESS	203	10/17/2025	VB	P75482	$1,049.00
104084	VERIZON WIRELESS: MARINA MTSO	203	10/17/2025	VB	P73580	$1,049.00
188822	VERIZON WIRELESS: MILFORD	203	10/07/2025	VB	P75484	$1,049.00
76271	WALLY PARK GARAGE	203	10/14/2025	SW	P81512	$1,149.00
175551	WASMO RUN CORPORATION	203, 461, H&S 41960.2	10/14/2025	VB	P63568	$3,122.00

Total MSPAP Settlements: $217,910.55

SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX FOR OCTOBER 2025 PENALTY REPORT

REGULATION I - GENERAL PROVISIONS

Rule 109	Recordkeeping for Volatile Organic Compound Emissions

REGULATION II - PERMITS

Rule 201	Permit to Construct
Rule 203	Permit to Operate
Rule 222	Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II

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Rule 403	Fugitive Dust
Rule 407	Liquid and Gaseous Air Contaminants
Rule 431.1	Sulfur Content of Gaseous Fuels
Rule 461	Gasoline Transfer and Dispensing
Rule 463	Storage of Organic Liquids
Rule 468	Sulfur Recovery Units

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Rule 1114	Petroleum Refinery Coking Operations (MCS-01)
Rule 1118	Emissions from Refinery Flares
Rule 1146.1	Emissions of Oxides of Nitrogen from Small Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters
Rule 1148.1	Oil and Gas Production Wells
Rule 1151	Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations
Rule 1157	PM10 Emission Reductions from Aggregate and Related Operations
Rule 1173	Fugitive Emissions of Volatile Organic Compounds
Rule 1178	Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities

REGULATION XIV - TOXICS

Rule 1403	Asbestos Emissions from Demolition/Renovation Activities
Rule 1415	Reduction of Refrigerant Emissions from Stationary Air Conditioning Systems
Rule 1469	Hexavalent Chromium Emissions from Chrome Plating and Chromic Acid Anodizing Operations

REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

Rule 2004	Requirements

REGULATION XXIII - FACILITY BASED MOBILE SOURCE MEASURES

Rule 2305	Warehouse Indirect Source Rule – Warehouse Actions and Investments to Reduce Emissions (Waire) Program

REGULATION XXX - TITLE V PERMITS

Rule 3002	Requirements

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SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX FOR OCTOBER 2025 PENALTY REPORT

40 CFR 60.18	General control device and work practice requirements
40 CFR 60.104	Standards for Sulfur Oxides
40 CFR 60.482-6	Standards: Open-ended valves or lines
40 CFR 60.592	Standards of Performance for Equipment Leaks of VOC
40 CFR 61.145	Standards for Demolition and Renovation
40 CFR 63.670	Requirements for Flare Control Devices

CALIFORNIA HEALTH AND SAFETY CODE

H&S § 41700	Prohibited Discharges
H&S § 41960.2	Gasoline Vapor Recovery