

BOARD MEETING DATE: May 2, 2025

AGENDA NO. 21

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee held a hybrid meeting on Friday, April 18, 2025. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Larry McCallon, Committee Chair
Stationary Source Committee

JA:reh

Committee Members

Present: Mayor Pro Tem Larry McCallon, Committee Chair
Supervisor Holly J. Mitchell, Committee Vice Chair
Chair Vanessa Delgado
Vice Chair Michael A. Cacciotti
Supervisor Curt Hagman
Board Member Veronica Padilla-Campos

Call to Order

Committee Chair McCallon called the meeting to order at 10:33 a.m.

For additional information of the Stationary Source Committee Meeting, please refer to the [Webcast](#).

Roll Call

INFORMATIONAL ITEMS:

1. Update on Proposed Amended Rule 1171 – Solvent Cleaning Operations

Michael Krause, Assistant Deputy Executive Officer, Planning, Rule Development and Implementation presented an overview of Proposed Amended Rule 1171. For additional details please refer to the [Webcast](#) beginning at 00:02:40.

Steve Jepsen, Clean Water SoCal, expressed concerns regarding potentially hindering the ability to provide safe, disinfected drinking water and requested that water treatment facilities and public water systems be exempted from PAR 1171. Similarly, Alison Torres, Eastern Municipal Water District, expressed concerns regarding potentially limiting the ability to conduct maintenance and cleaning of water treatment and distribution equipment, especially as future projects are implemented.

Bill Quinn, CCEEB, thanked staff for their collaboration in addressing industry concerns and supported the new allowance of liquid solvent cleaning materials, but expressed concern regarding proposed on-site recordkeeping requirements. Mr. Krause explained that staff has already addressed the recordkeeping issue and it will be reflected in the next version of the proposed amended rule.

Rita Loof, RadTech, raised concern with proposed recordkeeping and labeling requirements for solvents used to clean ultraviolet (UV) equipment, and requested that all solvent cleaning activities performed on UV equipment be exempted from PAR 1171. In addition, Perri Katzman, International Ultraviolet Association, commented that UV disinfectants used in municipal water treatment systems are chemical-free and are expected to grow in the future, citing plans from Los Angeles Department of Water and Power (LADWP) to expand their UV disinfection system in the future and also requested that the facilities be exempt from the rule.

Ambar Rivera, Communities for a Better Environment (CBE), thanked staff for the phase-out of toxic compounds and requested that facilities located near environmental justice communities be required to post a notice or sign regarding solvent use located at the facilities.

In response, Mr. Krause, highlighted that staff has been working with utilities, particularly LADWP and the Metropolitan Water District, on establishing the proposed usage limits for the UV light treatment equipment and to exempt utilities would be backsliding from current requirements. Mr. Krause acknowledged that there could be increased usage in the future and staff could revisit the usage limits if the potential need to increase arises. In addition, Mr. Krause reiterated the amendments do not propose any changes to the VOC limits and the proposed amended rule does not preclude the usage of UV light equipment.

No comments from Board Members.

For additional details please refer to the [Webcast](#) beginning at 00:11:57.

2. Update on Proposed Amended Rule 1111 – Reduction of NO_x Emissions from Natural Gas-Fired Furnaces and Proposed Amended Rule 1121 – Reduction of NO_x Emissions from Residential Type, Natural Gas-Fired Water Heaters

Mr. Krause, Assistant Deputy Executive Officer, provided an update on Proposed Amended Rules 1111 and 1121 since the March Stationary Source Committee, including the manufacturer alternative compliance option mitigation fees and comments received.

For additional details please refer to the [Webcast](#) beginning at 00:27:33.

Committee Chair McCallon inquired about the compliance date for manufacturers to apply for the option and what happens if a manufacturer does not apply for the option. He also inquired about the manufacturers who were contacted regarding the proposal and mitigation fee structure as well as how to ensure the mitigation fees will not be passed down to consumers. Mr. Krause explained that the mitigation fees for appliances sold within the zero-emission target were set to be nominal and not change the level of affordability; those for appliances sold above the zero-emission target were set similar to the mitigation fee manufacturers have paid previously under the rule. Committee Chair McCallon expressed support on the mitigation fee rates in the current proposal.

Supervisor Hagman raised a question about how utility rates are evaluated for the socioeconomic assessment and staff noted the assessment used forecasted rates for future years.

Committee Vice Chair Mitchell noted that the mitigation fees were intended to serve as a deterrent to installing NO_x emitting appliances, but should be higher, and should not be passed down to consumers by manufacturers. She further raised concerns that the proposal would be out of alignment with other agencies' goals addressing zero NO_x appliances standards, such as the California Air Resources Board and the Northeast States for Coordinated Air Use Management. Supervisor Mitchell asked if staff efforts to revise the rule proposal and increase outreach had reduced the level of opposition expressed for the rule. Staff responded that they were still receiving comments opposing the rule.

Board Member Padilla-Campos commented that the current rule proposal has less emission reductions and a decreased mitigation fee to \$250 for water heaters sold above the NO_x-emitting unit sales targets. Board Member Padilla Campos spoke in favor of a suggestion from environmental groups to institute a tiered mitigation fee structure that would penalize sales over the target and provide funding for future incentive programs. She expressed concerns that the current version of the rule falls short of reaching needed emission reductions. Staff clarified that the mitigation fee

for appliances sold over the zero-emission target is not a penalty and noted that the rule would achieve significant emission reductions of about 6 tons per day.

Vice Chair Cacciotti stated he felt the current version of the rule provided a good balance and inquired on the effects of tariffs on the rule implementation. Vice Chair Cacciotti asked for clarification on job impacts and suggested staff highlight the health effects of natural gas and the health benefits from moving to zero-emission equipment.

Chair Delgado raised a concern on the non-compliant manufacturers with sales of NOx-emitting units above the targets and expressed a willingness to discuss the mitigation fee structure to further increase fees on manufacturers who do not meet the sales targets.

For additional details please refer to the [Webcast](#) beginning at 00:40:01.

The following commenters, including members and representatives from environmental groups, residents, and an installer, supported the rules. Commenters suggested zero-emission technologies are feasible, requested no further delay, and emphasized the importance of emission reduction for public health. A commenter suggested that there should be rules preventing pass-through costs and others urged staff to strengthen the rule proposal with a tiered mitigation fee. Public Commenters in support are listed below:

Fernando Gaytan, Earthjustice
Ayn Craciun, Climate Action Campaign
David Martinez, Climate Action Campaign
Obed Leon, Climate Action Campaign
Francis Yang, Sierra Club
Yue Shen, resident
Jennifer Cardenas, Sierra Club
Margee Hills, Sierra Club
Dalinef Leon, community member in the Inland Empire
Jessie Parks, RPYA
Michael Rochmes, US Green Building Council
Pete Marsh, US Green Building Council
Chris Chavez, Coalition for Clean Air
Annika Weber, Climate Action Campaign
Lucy Reed, resident
Dan Thomsen, Building Doctors, Inc.
Sydney, resident
Dylan Plummer, Sierra Club
Elsie Sable, resident

Jed Holtzman, RMI
Amri Gussenhoven, student
Marven Norman, resident
Rondha Plank-Richard, West Fernando Valley Elementary School
Wynn Tucker, Green and Healthy Home Initiative
Scott, resident
David Marrett, resident
Tony Sirna, Evergreen Action
Laura, CBE
For additional details please refer to the [Webcast](#) beginning at 01:15:13.

Michael Corbett, Bradford White Corporation, suggested a flat mitigation fee instead of an increasing mitigation fee for units sold that are outside the target.

The following commenters, including commenters representing chambers of commerce, business associations, SoCalGas, realtors and local unions, expressed opposition or raised concerns. Commenters suggested the mitigation fee will be passed down and expressed concern on the financial impact to consumers, especially low income residents, renters, and small businesses. Some commenters recommended conducting more outreach, implementing incentives but not mitigation fees, and some expressed concerns on the job impacts to gas workers. Public Commenters who expressed opposition or raised concerns are listed below:

Dave Coffaro, Greater Irvine Chamber of Commerce
Larry Black, Property Owner
Lacy Schoen, Brea Chamber of Commerce
Tanya Huynh, Brea Chamber of Commerce
Tim Shaw, Tri-Counties Association of Realtors
Bill Gilbertson, UWUA Local 132
Hadley Nolan, SoCal Gas
Mike Learakos, Abound Food Care
Beena Khakhria, Small business Owner
Clint Olivier, Business Federation of the Central Valley
Bill Lamar, California Small Business Alliance
Unidentified commenter
Gus Torres, UA Local 250 Pipefitters, Welders and Apprentices
Drew Burcey, Antelope Valley Economic Development and Growth Enterprise
Joshua Costella, resident
Danielle Holley, Fontana Chamber of Commerce
Sterling Scott, Boys Republic
Greg Lewis, Plumbers & Fitters Local 761
Rita Loof, RadTech International
Justin Walters, UA Local 78

Alexander Kim, Asian Business Association of Orange County

For additional details please refer to the [Webcast](#) beginning at 01:15:13.

WRITTEN REPORTS:

3. Monthly Permitting Enhancement Program (PEP) Update

The report was acknowledged by the committee.

4. 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.

5. Notice of Violation Penalty Summary

The report was acknowledged by the committee.

OTHER MATTERS:

6. Other Business

There was no other business to report.

7. Public Comment Period

Patty Senecal, Western States Petroleum Association (WSPA), expressed concerns about the high cost associated with Proposed Amended Rule 301 which includes additional fees for implementation of Rule 1180 for fence line monitoring. Ms. Senecal explained that WSPA sent a letter to the Board on April 3 and is recommending to bifurcate the Rule 1180 fees which will allow more time to work with staff.

For additional details please refer to the [Webcast](#) beginning at 2:07:55.

Mr. Juan De Lara was interrupted as his comment was for the Proposed Amended Rules 1111 and 1121, item number 2 on the agenda.

For additional details please refer to the [Webcast](#) beginning at 2:09:07.

Mr. Harvey Eder was interrupted as his comment was not within the jurisdiction of the Stationary Source Committee.

For additional details please refer to the [Webcast](#) beginning at 2:10:13.

8. Next Meeting Date

The next Stationary Source Committee meeting is scheduled for Friday, May 16, 2025.

Adjournment

The meeting was adjourned at 12:40 p.m.

Attachments

1. Attendance Record
2. Monthly 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 – April 18, 2025

Councilmember Cacciotti	South Coast AQMD Board Member
Senator Vanessa Delgado (Ret)	South Coast AQMD Board Member
Supervisor Curt Hagman	South Coast AQMD Board Member
Mayor Pro Tem Larry McCallon	South Coast AQMD Board Member
Supervisor Holly J. Mitchell	South Coast AQMD Board Member
Board Member Veronica Padilla-Campos	South Coast AQMD Board Member
Debra Mendelson	Board Consultant (McCallon)
Larry Black	Property Owner
Drew Burcey	Antelope Valley Economic Development & Growth Enterprise
Jennifer Cardenas	Sierra Club
Chris Chavez	Coalition for Clean Air
Dave Coffaro	Greater Irvine Chamber
Michael Corbett	Bradford White Corporation
Joshua Costella	resident
Ayn Craciun	Climate Action Campaign
Juan De Lara	resident
Harvey Eder	Public Solar Power Coalition
Fernando Gaytan	Earthjustice
Bill Gilbertson	UWUA Local 132
Amri Gussenhoven	student
Margee Hills	Sierra Club
Danielle Holley	Fontana Chamber of Commerce
Jed Holtzman	RMI
Tanya Huynh	Brea Chamber of Commerce
Steve Jepsen	Clean Water SoCal
Perri Katzman	International Ultraviolet Association
Beena Khakhria	Small Business Owner
Alexander Kim	Asian Business Association of Orange County
Bill LaMarr	California Small Business Alliance
Laura	CBE
Mike Learakos	Abound Food Care
Delinef Leon	Community member in the Inland Empire
Obed Leon	Climate Action Campaign
Greg Lewis	Plumbers and Fitters Local 761
Rita Loof	RadTech International
David Marrett	resident
Pete Marsh	US Green Building Council
David Martinez	Climate Action Campaign
Hadley Nolan	SoCal Gas
Marven Norman	resident
Clint Olivier	Business Federation of the Central Valley
Jessie Parks	RPYA
Rondha Plank-Richard	West Fernando Valley Elementary School
Dylan Plummer	Sierra Club
Public Commenter	Unidentified member of the public
Bill Quinn	CCEEB

ATTACHMENT 1

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATIONARY SOURCE COMMITTEE**

Attendance – April 18, 2025

Lucy Reed	resident
Ambar Rivera	CBE
Michael Rockness	US Green Building Council
Elsie Sable	resident
Lacy Schoen	Brea Chamber of Commerce
Scott	resident
Sterling Scott	Boys Republic
Patty Senecal	WSPA
Tim Shaw	Tri-Counties Association of Realtors
Yue Shen	resident
Sydney	resident
Tony Sirna	Evergreen Action
Dan Thomsen	Building Doctors, Inc.
Alison Torres	EMWD
Gus Torres	UA Local 250 Pipefitters, Welders & Apprentices
Wynn Tucker	Green and Healthy Home Initiative
Justin Walters	US Local 78
Annika Weber	Climate Action Campaign
Francis Yang	Sierra Club

Jason Aspell	South Coast AQMD staff
Barbara Baird	South Coast AQMD staff
Cindy Bustillos	South Coast AQMD staff
Roula El Hajal	South Coast AQMD staff
Heather Farr	South Coast AQMD staff
Scott Gallegos	South Coast AQMD staff
Bayron Gilchrist	South Coast AQMD staff
De Groeneveld	South Coast AQMD staff
Sheri Hanizavareh	South Coast AQMD staff
Anissa (Cessa) Heard-Johnson	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
Ron Moskowitz	South Coast AQMD staff
Ghislain Muberwa	South Coast AQMD staff
Susan Nakamura	South Coast AQMD staff
Sarah Rees	South Coast AQMD staff
Alberto Silva	South Coast AQMD staff
Lisa Tanaka	South Coast AQMD staff
Brian Tomasovic	South Coast AQMD staff
Jillian Wong	South Coast AQMD staff

**Monthly Permitting Enhancement Program (PEP) Update
South Coast AQMD
Stationary Source Committee – April 18, 2025**

Background

At the February 2, 2024 Board meeting, the Board directed staff to provide monthly 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, monthly production, and other PEP related activities.

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 monthly snapshots of the pending application inventory from this month and last month.

Figure 1: Application Processing Workflow – February and March 2025

Table 1 below lists the categories included in Awaiting Action (Non-Workable) for the last month. 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.

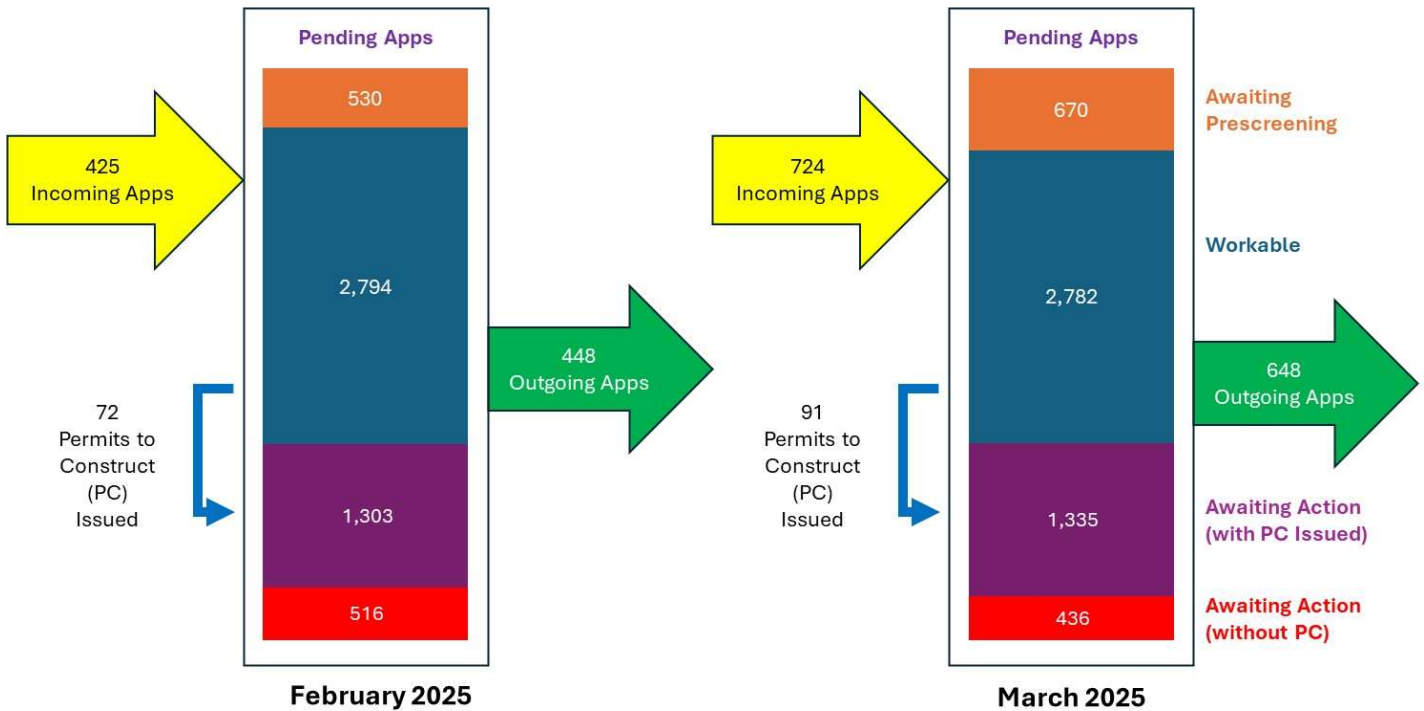


Table 1: Awaiting Action (Non-Workable) Applications Summary

Awaiting Action (Non-Workable) Categories	Without PC Issued			With PC Issued		
	Jan 2025	Feb 2025	Mar 2025	Jan 2025	Feb 2025	Mar 2025
Additional Information from Facility	292	282	235	29	23	26
CEQA Completion	32	29	29	-	-	-
Completion of Construction	-	1	-	1,119	1,162	1,192
Facility Compliance Resolution	20	22	28	7	-	-
Facility Draft Permit Review	75	63	43	-	-	-
Fee Payment Resolution	5	4	3	-	-	-
Other Agency Review	51	73	40	3	3	3
Other Facility Action	25	-	-	1	1	1
Other South Coast AQMD Review	-	-	-	-	-	-
Public Notice Completion	16	21	34	-	-	-
Source Test Completion	27	22	26	127	115	113

Please see Attachment 1 for more information on these categories.

Not reflected in Figure 1 are an additional 46 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. These 46 permit completions are reflected in Figure 2 below.

Since outgoing applications (green arrow) plus permits to construct issued (blue arrow) were greater than incoming applications (yellow arrow) this month, the number of workable

applications in the inventory decreased. A large number of applications were submitted in March after a period of lower application submittals in January and February. For more detailed information the past Monthly PEP Updates may be accessed in Attachment 2.

The inventory of Awaiting Action applications has steadily increased. Most of the Awaiting Action applications have a Completion of Construction status. From March 2024 to March 2025, staff issued many Permits to Construct, thereby increasing the Completion of Construction status from 770 to 1,192, including 91 Permits to Construct issued in March. Staff must wait for construction of the equipment to be completed prior to moving forward on these applications.

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. As stated above, the spike in incoming applications occurred in June as expected, and this typically results in a swell in the inventory as time is needed to address the surge of permit applications.

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 and the monthly production for the last six months. For most of the last year, increased monthly production levels (orange circles) are raising the rolling 12-month production averages (black line) in the chart below as compared to the period before PEP. The rolling 12-month average includes the monthly totals from the last year to visualize the trend over time, as production in individual months often fluctuates (in addition to fluctuations in incoming application submittals). The current rolling 12-month average production rate increased to 496 completions per month. March production had a sharp increase to 671 as staff efforts shifted from the Aged Application Initiative for the previous two months. Additionally, March 2025 includes an additional week of production data due to the calendar. A higher rolling 12-month average will indicate sustained higher production levels. These higher production levels will begin to reduce the pending application inventory and improve permit processing times. A new fiscal year (FY) goal was set to increase production by 500 completions as compared to 2023. This equates to a soft target of 489 completions per month. The red line

in Figure 2 shows this new fiscal year goal. Staff will continue to balance production to meet the FY goal as well as address aged applications awaiting Permits to Construct.

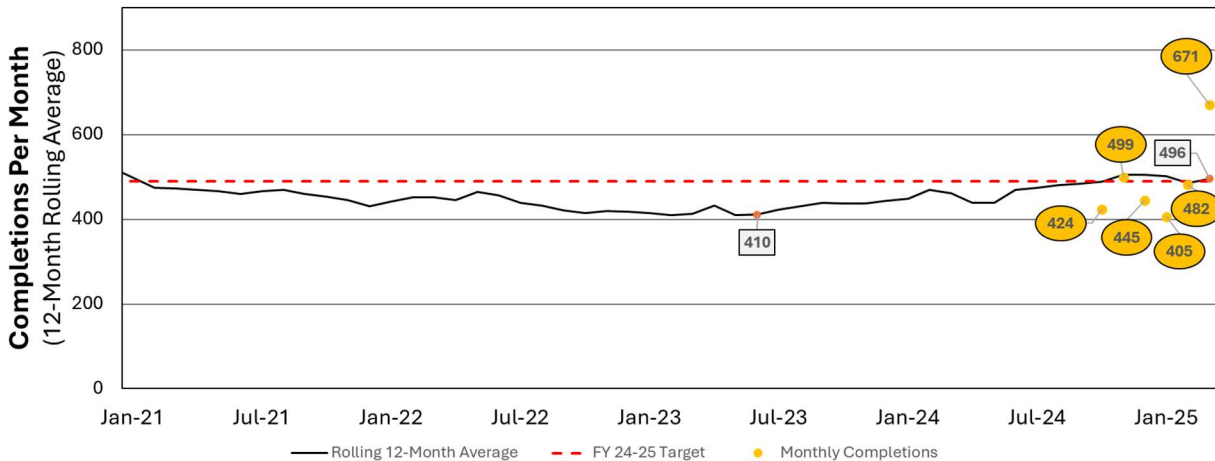


Figure 2: Application Completions - Rolling 12-Month Average and Recent Six Months

Production began to increase in the second half of 2023 as substantial promotions and hiring occurred. New engineering staff were trained and production increased over several months. As staff becomes more experienced in their duties, they can process more complex projects and become more efficient.

Engineering & Permitting (E&P) Vacancy Rate

The current E&P vacancy rate is 13.4%. The minimum target vacancy rate for PEP is 10%. When PEP was first announced, the E&P vacancy rate was greater than 20%. Multiple E&P staff retired in March, which increased the vacancy rate. These retirements were anticipated, and a recruitment of engineers was timed to coincide with the retirements and is nearing completion. New engineers are expected to onboard in 2Q 2025 to reduce the vacancy rate.

Key Activities

- Staff met with their contractor and the consultant who assisted with authoring the previous Certified Permitting Professional Manual to discuss potential options for enhancing the CPP program. A Permitting Working Group meeting will be held in April to discuss the program.
- Several interviews were conducted for the Air Quality Engineer recruitment in March and early April.
- Staff participated on a panel for the Women in Engineering event at Cal State Long Beach. Approximately 40 participants attended the panel discussion regarding engineering careers.
- Staff introduced a Title V Workplan to address and prioritize several items for the federal permitting program that is implemented by South Coast AQMD. Staff is committing to these matters over the next two years and includes a strategy to address aged Title V permit renewal applications.

Upcoming Meetings:

- Staff will conduct a hybrid format Permitting Working Group meeting tentatively scheduled for April 23, 2025 to discuss the Certified Permitting Professional (CPP) program and potential enhancements under PEP.
- Staff will conduct at least six public meetings regarding permitting in Fiscal Year 2024-2025.

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 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 a substantial time to review.

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.

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 Monthly PEP Updates

2024

[April 19, 2024](#) – First Monthly 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 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 April
- 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 (03/01/2025 - 03/31/2025)

Total Penalties

Civil Settlement: \$229,588.00
Hearing Board Settlement: \$1,000.00
MSPAP Settlement: \$256,353.00

Total Cash Settlements: \$486,941.00

Total SEP Value: \$0.00

Fiscal Year through 03/31/2025 Cash Total: \$7,005,267.26

Fiscal Year through 03/31/2025 SEP Value Only Total: \$0.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
Civil						
132266	AMERICA WOOD FINISHES CORP	1113	03/25/2025	EC	P79805	\$3,500.00
201117	AMWARE FULFILLMENT	2305	03/25/2025	RM	O15148, SRV2024-00089	\$14,000.00
800016	BAKER COMMODITIES INC	415, 2004, 3002	03/06/2025	DH	P63824, P65291, P65293, P67318, P67319, P67321, P72855, P72866, P72871, P72872	\$30,000.00
187400	GIBRALTAR CHEMICAL WORKS INC	1113	03/14/2025	JL	P65666	\$5,000.00
190666	H&T SEAFOOD, INC	2305	03/05/2025	JL	O15128	\$4,000.00
202595	HANCHETT PAPER COMPANY	2305	03/05/2025	JL	O15215	\$15,000.00
12841	HARTWELL CORP	1469	03/05/2025	JL	P76128, P76139	\$3,000.00
189973	HESTAN COMMERCIAL CORPORATION	201, 203	03/11/2025	DH	P65198, P78724	\$780.00
189433	HOME CHEF	2305	03/05/2025	JL	O15212	\$11,000.00
193561	IBY LLC	1100, 2004, 3002	03/05/2025	JL	P73174, P76060, P76067, P76086	\$97,300.00
181257	MONTEBELLO CONTAINER COMPANY LLC	203	03/05/2025	ND	P65893	\$14,508.00
187493	POLYGUARD PRODUCTS INC	1113	03/25/2025	EC	P73899	\$16,500.00
39097	SO CAL GAS CO	203	03/26/2025	JL	P79216	\$2,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
202558	WELLNESS	2305	03/12/2025	JJ	O15167	\$13,000.00
Total Civil Settlements: \$229,588.00						
Hearing Board						
146536	WALNUT CREEK ENERGY LLC	203, 2004, 3002	03/06/2025	KCM	6230-6	\$1,000.00
Total Hearing Board Settlements: \$1,000.00						
MSPAP						
160637	4929 WILSHIRE LP	203, 1470	03/21/2025	VB	P76000	\$1,059.00
199873	AERONET WORLDWIDE ONT	2305	03/14/2025	CL	O15125	\$5,000.00
82584	AIR TEC	461	03/14/2025	VB	P73816	\$12,168.00
134184	ALL COUNTY ENVIRONMENTAL INC	1403, 40 CFR 61.145	03/07/2025	VB	P78642	\$1,209.00
185365	AMAZON.COM SERVICES LLC	203	03/21/2025	SW	P81201	\$1,009.00
127600	AMERICAN HONDA MOTOR CO	461	03/07/2025	CM	P79718	\$1,513.00
204119	APARTMENTS AT PARK VIEW LLC	1403, 40 CFR 61.145	03/21/2025	CM	P79755	\$1,513.00
205230	BRIDGEVIEW CONSTRUCTION SERVICES	403	03/07/2025	CM	P78468	\$7,254.00
169573	CIRCLE K STORES INC (#2709440)	203	03/21/2025	CL	P73518, P75361	\$3,627.00
169742	DANNY RYAN PRECISION CONTRACTING INC	1403	03/07/2025	CL	P80317	\$911.00
155429	DOWNEY ENERGY INC	461, H&S 41960.2	03/07/2025	CM	P79382	\$1,513.00
191903	DWWMO INC	461	03/14/2025	SW	P80279	\$4,036.00
74607	E & F ARCO (#81356)	461, H&S 41960.2	03/21/2025	CM	P73540	\$1,783.00
155640	EARTH TEK ENGINEERING CORP	1401, 40 CFR 61.145, 13 CCR 2454	03/07/2025	CL	P75759, P79345	\$4,292.00
149032	FLORENCE SHELL	461	03/14/2025	SW	P80937	\$3,060.00
170504	FOOTHILL 550 INC (DBA "LA CANADA ARCO")	203	03/14/2025	CM	P74685	\$2,727.00
148373	FULLERTON CUSTOM WORKS INC	203, 1469	03/07/2025	VB	P69178	\$2,342.00
203659	FUMITO NAGASU	1403	03/14/2025	VB	P78124	\$2,522.00
40682	G & M OIL CO LLC (#5)	461, H&S 41960.2	03/14/2025	CM	P77683	\$1,009.00
178953	G & M OIL CO (#19)	201	03/14/2025	CM	P80968	\$1,009.00
187233	G & M OIL CO (#131)	201, 203	03/14/2025	CM	P80641	\$2,018.00
198447	G & M OIL CO (#133)	201	03/14/2025	CM	P80646	\$1,009.00
81338	GARDENA CITY	203, 461	03/07/2025	CM	P78447	\$8,885.00
140117	GARY CARDIFF ENTERPRISES INC	461	03/07/2025	CM	P74280	\$2,395.00
183567	GS II INC.	3002	03/14/2025	CL	P76266, P76286	\$8,872.00
184007	HI GRADE MATERIALS CO	1157	03/07/2025	CL	P80322	\$4,036.00
2912	HOLLIDAY ROCK CO INC	2012	03/07/2025	CL	P78470	\$2,647.00
12582	INGLEWOOD CITY	203	03/07/2025	VB	P79407	\$3,836.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
196309	JAMISON PROPERTIES LP	403	03/07/2025	CL	P75959	\$3,075.00
195775	JNIK INC	203	03/21/2025	VB	P80635, P80643	\$24,663.00
201499	JT THORPE & SONS INC	203, 13 CCR 2460	03/07/2025	CL	P78720	\$11,461.00
189076	K3M BUILDING CONTRACTORS INC	1403, 40 CFR 61.145	03/07/2025	CM	P79754	\$1,286.00
198756	KEHE BUILDING A	2305	03/21/2025	CM	O15255	\$6,000.00
91147	LA PREP INC	461	03/14/2025	SW	P73838	\$4,765.00
36585	LA CITY DWP	203, 461	03/07/2025	CM	P80417	\$1,209.00
196849	LIPPERT CONSTRUCTION INC	403	03/07/2025	CL	P76458	\$4,656.00
12748	LMDD ENTER INC (DBA "DIXON HARD CHROME")	203, 1469	03/07/2025	CL	P78260	\$6,654.00
17623	LOS ANGELES ATHLETIC CLUB	2004	03/07/2025	CL	P66895	\$2,000.00
111379	LOS ANGELES DWP	203, 1470	03/07/2025	CM	P80416	\$1,209.00
182968	MATRIX OIL CORP	1173	03/07/2025	CL	P80729	\$2,522.00
41131	MEREDITH & SIMPSON CONSTRUCTION CO	461	03/07/2025	CM	P79350	\$2,143.00
20280	METAL SURFACES INTERNATIONAL LLC	203, 430	03/07/2025	CL	P75761, P75767	\$13,078.00
195849	MITTERA CALIFORNIA LLC	2012	03/07/2025	CL	P80156	\$7,254.00
162044	MONTEBELLO COLLISION CENTER	1151	03/21/2025	CL	P74484	\$1,009.00
169896	MULTI INVESTMENT ASSOCIATES	203, 1415	03/07/2025	CM	P74880	\$3,027.00
182712	NEWHOPE AUTO SERVICE LLC	461	03/14/2025	SW	P74699	\$2,572.00
204664	NEWPORT COAST SURGICAL INSTITUTE	203	03/07/2025	CM	P77837	\$1,009.00
177613	NICK OIL AND MARKET	461	03/07/2025	CM	P74700	\$1,715.00
119285	ORANGE COUNTY ORANGEWOOD CHILDRENS HOME	203	03/07/2025	CM	P78597	\$909.00
146908	PROVIDENCE LITTLE COMPANY MARY MEDICAL CENTER	1146	03/21/2025	VB	P75907	\$14,508.00
194573	PULTE HOMES	403	03/07/2025	VB	P74282	\$4,436.00
144019	RADA INDUSTRIES INC	461, H&S 41960.2	03/14/2025	VB	P73537	\$1,286.00
150363	REBILT METALIZING CO	203, 1469	03/21/2025	CL	P78618	\$3,097.00
146643	RJ'S CHIPPING AND GRINDING OPERATION	403	03/14/2025	VB	P75558	\$2,418.00
115117	S & S FOODS LLC	203, 222	03/07/2025	CM	P73184	\$7,254.00
94656	SANNIPOLI CORPORATION	222	03/07/2025	CL	P79306	\$1,914.00
203378	SASCO	2305	03/07/2025	CL	O15243	\$3,000.00
200294	SCP DISTRIBUTORS LLC	2305	03/07/2025	CM	O15122	\$5,000.00
76065	THE TERMO CO	203, 1173	03/21/2025	CL	P67915, P80725	\$5,700.00
205002	TRUE HEAT SOLUTIONS	203	03/14/2025	SW	P77838	\$908.00
197081	UNITED BUSINESS MANAGEMENT INC	461, H&S 41960.2	03/07/2025	SW	P79389	\$2,572.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
152974	UNITED EXCAVATION	1403	03/07/2025	CM	P75282	\$1,009.00
172373	UNITED GAS SOLUTIONS	203, 461	03/07/2025	CM	P74684	\$3,177.00
198405	VINAI JETVIROJ	1403	03/21/2025	CL	P76250	\$1,150.00
14495	VISTA METALS CORPORATION	461	03/07/2025	CL	P80276	\$1,059.00
205575	WEN CHAO LIU	1403	03/07/2025	VB	P78640	\$2,395.00
Total MSPAP Settlements: \$256,353.00						

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

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

REGULATION IV - PROHIBITIONS

- Rule 403 Fugitive Dust
- Rule 415 Odors from Rendering Facilities
- Rule 430 Breakdown Provisions
- Rule 461 Gasoline Transfer and Dispensing

REGULATION XI - SOURCE SPECIFIC STANDARDS

- Rule 1100 Implementation Schedule for NOx Facilities
- Rule 1113 Architectural Coatings
- Rule 1146 Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters
- 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

REGULATION XIV - TOXICS

- Rule 1401 New Source Review of Toxic Air Contaminants
- 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
- Rule 1470 Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines

REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

- Rule 2004 Requirements
- Rule 2012 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NOx) Emissions

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

REGULATION XXIII - FACILITY BASED MOBILE SOURCE MEASURES

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

REGULATION XXX - TITLE V PERMITS

Rule 3002 Requirements

CODE OF FEDERAL REGULATIONS

40 CFR 61.145 Standards for Demolition and Renovation

CALIFORNIA HEALTH AND SAFETY CODE

H&S 41960.2 Gasoline Vapor Recovery

CALIFORNIA CODE OF REGULATIONS

13 CCR 2454 Portable Equipment Registration Process

13 CCR 2460 Portable Equipment Testing Requirements