

BOARD MEETING DATE: October 2, 2026

AGENDA NO. 23

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee held a hybrid meeting on Friday, September 18, 2026. 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: Vice Chair Larry McCallon, Committee Chair
Committee Vice Chair Holly J. Mitchell
Chair Michael A. Cacciotti
Supervisor Curt Hagman
Board Member Veronica Padilla Campos
Board Member Dr. Cedric Jamie Rutland

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

ACTION ITEM:

1. Approve Phase 2 of GO ZERO Incentive Program

South Coast AQMD launched the GO ZERO Pilot Incentive Program on September 3, 2025, which provides rebates for zero-emission water and space heating units. Funds for the Single Family and Multifamily Homes have been exhausted. Staff is providing recommendations for expanding the program to Phase 2 with additional changes and \$60,200,000 from mitigation fees collected under the alternative compliance options for residential space heating appliances maintained in the Rule 1111 and Rule 1121 Air Quality Investment Fund (27). These actions are to: 1) Execute contracts from the Rule 1111 and Rule 1121 Air Quality Investment Fund (27) with: (a) Electric & Gas Industries Association (EGIA) up to \$20,000,000 to continue to implement the single family rebate program; (b) Willdan Energy Solutions up to \$20,000,000 to continue to implement the multifamily rebate program; (c) Up to \$20,000,000 for the single family, multifamily, and small business rebate program; and/or outreach, dispensed in \$5 million increments, upon their Phase 2 fund depletion with an allocation approved by the Executive Officer; (d) Community Connections, LLC up to \$200,000 to continue to implement outreach in all four counties; and 2) Allocate from the Rule 1111 and Rule 1121 Air Quality Investment Fund (27) five percent of Phase 2 funding as an administrative fee to cover staff resources.

Heather Farr, Planning and Rules Manager, Planning, Rule Development and Implementation, provided recommendations for expanding the GO ZERO program to Phase 2. For additional details, please refer to the [Webcast](#) beginning at 00:02:38.

The following people commented in support of GO ZERO Phase 2 and suggested long-term funding sources for GO ZERO, and development of a similar incentive program for commercial and industrial-sized heat pumps:

David Marrett, Riverside County resident;
Ayn Craciun, Climate Action Campaign;
Adrian Martinez, Earthjustice;
Chris Chavez, Coalition for Clean Air;
Richard Parks, Redeemer Community Partnership;
Cherice Flores, Redeemer Community Partnership;
Michael Rochmes, USGBC;
Kenneth Galbraith, Greenhouse South LA;
Melissa Ramos, American Lung Association

Committee Chair McCallon, Chair Cacciotti, Committee Member Padilla-Campos, Supervisor Mitchell, and Supervisor Hagman asked clarifying questions on small business outreach, application assistance, installation verifications, overburdened community goals, installation date eligibility, and limits on contractor's multifamily projects. For additional details, please refer to the [Webcast](#) beginning at 00:13:40.

The item was moved by McCallon, seconded by Cacciotti.

Ayes: Cacciotti, Hagman, Mitchell, Padilla-Campos, Rutland, McCallon.

Noes: None.

Absent: None.

The motion passed with six ayes.

For additional details, please refer to the [Webcast](#) beginning at 00:45:23.

INFORMATIONAL ITEMS:

2. Annual Permitting Update for Rule 1109.1 – Emissions of Oxides of Nitrogen from Petroleum Refineries and Related Operations

Bhaskar Chandan, Senior Air Quality Engineering Manager, Engineering and Permitting, provided the annual permitting update for Rule 1109.1. For additional details, please refer to the [Webcast](#) beginning at 00:46:04.

Supervisor Hagman asked if staff were in communication with refineries that were leaving the state and the impact on fuel supply if additional refineries leave the state. Wayne Nastri, Executive Officer, responded that he is on a refinery committee with the California Energy Commission and that CEC closely monitors fuel supply. For additional details, please refer to the [Webcast](#) beginning at 00:46:04.

3. Update on Proposed Amended Rule 1106 – Marine and Pleasure Craft Coatings

Heather Farr, Planning and Rules Manager, Planning, Rule Development and Implementation, provided an update on Proposed Amended Rule 1106. For additional details, please refer to the [Webcast](#) beginning at 01:05:00.

Rita Loof of RadTech International commented in opposition to the proposed amendments due to removal of a definition, not including a test method, and a Public Record Request (PRR) related to different rule amendments.

Supervisor Hagman asked clarifying questions regarding whether carcinogenic pollutants are regulated at the state and federal levels as well as at the air district level. Committee Chair McCallon asked clarifying questions regarding whether staff received the mentioned PRR. Staff responded to the comments and confirmed that staff responded the PRR.

For additional details, please refer to the [Webcast](#) beginning at 1:09:09.

4. Update on Proposed Amended Rule 1180 – Fenceline and Community Air Monitoring for Petroleum Refineries and Related Facilities and Proposed Amended Rule 1180.1 – Fenceline and Community Air Monitoring for Other Refineries

Michael Krause, Assistant Deputy Executive Officer, Planning, Rule Development and Implementation, provided a summary of proposed amendments to Rules 1180 and 1180.1, which provides guidance for facilities planning to decommission their operations. For additional details, please refer to the [Webcast](#) beginning at 01:15:55.

There were no comments received from the Board Members.

Scott Zerga, from Phillips 66, explained their operation and monitoring status and committed to continue working with staff. For additional details, please refer to the [Webcast](#) beginning at 01:15:20.

5. 2025 Annual Report on AB 2588 Program

The Committee Members decided that the item would be presented at the Board meeting due to the limited time remaining in the Stationary Source Committee meeting.

WRITTEN REPORTS:

6. 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.

7. Notice of Violation Penalty Summary

Chair Cacciotti requested a brief overview of the large penalty settlements involving several refinery facilities. Staff explained the basis of the various violations and settlements. For additional details, please refer to the [Webcast](#) beginning at 01:23:00.

OTHER MATTERS:

8. Other Business

There was no other business to report.

9. Public Comment Period

There were no public comments to report.

10. Next Meeting Date

The next Stationary Source Committee meeting is scheduled for Friday, October 16, 2026.

Adjournment

The meeting was adjourned at 11:54 a.m.

Attachments

1. Attendance Record
2. 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
3. Notice of Violation Penalty Summary

ATTACHMENT 1

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT STATIONARY SOURCE COMMITTEE

Attendance – September 18, 2026

Councilmember Michael A. Cacciotti South Coast AQMD Board Member
Supervisor Curt Hagman South Coast AQMD Board Member
Councilmember Larry McCallon South Coast AQMD Board Member
Supervisor Holly Mitchell South Coast AQMD Board Member
Board Member Veronica Padilla-Campos South Coast AQMD Board Member
Board Member Dr. Cedric Jamie Rutland South Coast AQMD Board Member

Sho Tay Board Consultant (Cacciotti)

Chris Chavez Coalition for Clean Air
Ayn Craciun Climate Action Campaign
Cherice Flores Redeemer Community Partnership
Kenneth Galbraith Greenhouse South LA
Rita Loof RadTech International
David Marrett Riverside County Resident
Adrian Martinez Earthjustice
Richard Parks Redeemer Community Partnership
Melissa Ramos American Lung Association
Michael Rochmes USGBC-CA
Scott Zerga Phillips 66

Jason Aspell South Coast AQMD staff
Cesar Ayala South Coast AQMD staff
Cindy Bustillos South Coast AQMD staff
Bhaskar Chandan South Coast AQMD staff
Scott Epstein 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
Ron Moskowitz South Coast AQMD staff
Ghislain Muberwa South Coast AQMD staff
Susan Nakamura South Coast AQMD staff

ATTACHMENT 1

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

Attendance – September 18, 2026

Wayne Natri	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
Victor Yip	South Coast AQMD staff

September 2026 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 September
- 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 (08/01/2026 - 08/31/2026)

**Total
Penalties**

Civil Settlement: \$1,436,684.10

MSPAP Settlement: \$269,619.00

Total Cash Settlements: \$1,706,303.10

Total SEP Value: \$0.00

Fiscal Year through 08/31/2026 Cash Total: \$2,656,124.13

Fiscal Year through 08/31/2026 SEP Value Only Total: \$0.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
Civil						
23752	AEROCRAFT HEAT TREATING CO INC	430, 3002	08/21/2026	KCM	P75561	\$32,674.00
19515	AJAX FORGE CO	202, 1430	08/04/2026	RM	P69533, P75336	\$12,000.00
206373	ALLSTARS CORPORATION	2305	08/25/2026	GML	O15537	\$20,000.00
206851	BBG KRG INC	1403	08/21/2026	SH	P68938	\$13,500.00
132886	BRAYTON - HODGES PETROLEUM INC	203, 463, 1148.1, 1173	08/07/2026	JL	P81053, P81055	\$15,500.00
800030	CHEVRON PRODUCTS CO.	401, 1118, 1173, 3002	08/04/2026	NW	P75112	\$266,887.50
800032	CHEVRON USA INC	462, 463, 3002	08/18/2026	NS	P73280, P74379, P75690, P79001, P79656, P80657, P80674, P81601, P81602	\$214,626.00
82507	COOPER & BRAIN BREA	203, 463, 1148.1, 1173, 2004	08/06/2026	KCM	P74400, P75683, P79913, P79917, P79919, P80669, P80701, P80702, P80703, P80705, P81616, P81618	\$58,090.00
166557	CORESITE REAL ESTATE 900 N, ALAMEDA, LLC	203, 3002, 3003	08/07/2026	ND	P80413, P80420	\$71,000.00
207647	DE WELL GROUP	2305	08/18/2026	JL	O15503	\$28,600.00

201145	FUNAI CORPORATION INC	2305	08/04/2026	JJ	O15569	\$42,000.00
175422	GI TC ONE WILSHIRE	203, 3002, 3003	08/04/2026	DH	P67132	\$20,340.60
202141	HONEYVILLE INC.	2305	08/04/2026	DH	O15523	\$33,300.00
206782	KW INTERNATIONAL, INC.	2305	08/14/2026	JL	O15436	\$14,200.00
206748	LOLLICUP USA INC	2305	08/14/2026	NS	O15367	\$37,000.00
206761	MAXIM LIGHTING	2305	08/11/2026	NW	O15403	\$3,500.00
206652	MCP INDUSTRIES INC	1403	08/21/2026	SH	P68931	\$6,500.00
12372	MISSION CLAY PRODUCTS	1403, 2004, 2012	08/21/2026	SH	P68930, P75883	\$28,000.00
58044	COUNTY OF SAN BERNARDINO, SOLID WASTE MGMT - COLTON	403, 1150, 3002	08/12/2026	RM	P79952, P79953, P79955	\$26,850.00
800436	TESORO REFINING AND MARKETING CO, LLC	463, 1118, 1173, 1178, 3002, 40 CFR 60.18, 40 CFR 60.482-6, 40 CFR 60.482-7, 40 CFR 63.670	08/25/2026	JL	P78810, P78811, P78814, P78815, P78816	\$250,045.00
199197	TEX - TECH ENGINEERED COMPOSITES INC	2004, 3002	08/04/2026	SH	P64628	\$6,500.00
206765	THUNDER GROUP INC	2305	08/25/2026	NW	O15407	\$3,500.00
181667	TORRANCE REFINING COMPANY LLC	1118, 1173, 1176, 1178, 1189, 3002, 40 CFR 60.482-6, 40 CFR 60.592, 40 CFR 63.648, 40 CFR 63.670	08/18/2026	JL	P67971, P67972, P67973, P67975, P67976, P67977, P68213, P75024, P80353, P81701	\$103,100.00
116272	TUJUNGA SHELL	461	08/18/2026	VB	P80607	\$1,958.00
800026	ULTRAMAR INC	1118, 1173, 1176, 2004, 3002, 40 CFR 61.346	08/04/2026	GML	P64193, P78837, P78838, P78839	\$118,013.00
171286	WATSON 860	2305	08/11/2026	ND	O15328	\$9,000.00

Total Civil Settlements: \$1,436,684.10

MSPAP						
196750	6060 (BLDG. 5) - EASTVALE	2305	08/04/2026	CR	O15551	\$9,000.00
196753	6060 (BLDG. 7) - EASTVALE	2305	08/04/2026	CR	O15549	\$9,000.00
148673	7-ELEVEN, INC./#33590	461, H&S 41960.2	08/07/2026	VB	P81902	\$1,573.00
198060	7-ELEVEN INC #46201	461, H&S 41960.2	08/07/2026	VB	P82480	\$1,558.00
201748	7662 - MORENO VALLEY	2305	08/04/2026	CR	O15561	\$28,600.00
3704	ALL AMERICAN ASPHALT, UNIT# 01	3002	08/07/2026	CL	P77959	\$7,455.00
29838	ANHEUSER BUSCH INC	461	08/11/2026	SW	P81857	\$5,745.00
177943	APRO LLC DBA UNITED OIL #144	203	08/21/2026	CL	P75742	\$1,021.00
185203	ARCO AM/PM	203, 461	08/21/2026	CR	P82205	\$647.00
133181	ARGUS CONTRACTING, LP	1403, 40 CFR 61.145	08/21/2026	CR	P64442	\$1,294.00
194221	BECK OIL INC.	203, 461	08/21/2026	VB	P82486	\$3,282.00

210889	CALICO BRANDS, INC.	203	08/25/2026	VB	P82623	\$1,094.00
92023	CITY OF RANCHO CUCAMONGA, SPORTS COMPLEX	461	08/04/2026	SW	P78493	\$1,249.00
184977	COACHELLA POWER GROUP, INC.	203, 461	08/25/2026	CL	P82211	\$784.00
108802	D & H SUPER SERVICE	461, H&S 41960.2	08/21/2026	LT	P75375	\$4,923.00
156596	DELAILLA, INC./ 26101 P.C. HOLDINGS	461, H&S 41960.2	08/07/2026	CL	P82463	\$2,288.00
190049	DINO STATION #2	203	08/14/2026	CL	P82498	\$1,144.00
85908	DOSHI'S ARCO	461, H&S 41960.2	08/14/2026	CR	P82484	\$3,938.00
136148	E/M COATING SERVICES	3002	08/14/2026	CL	P65814, P65815	\$6,564.00
147770	EAGLE PETRO LA INC	461	08/14/2026	VB	P75389	\$1,716.00
197692	FERN	2305	08/04/2026	LT	O15529	\$14,200.00
206771	FUSION TRANSPORT, LLC	2305	08/14/2026	VB	O15419	\$22,880.00
190938	GLENAIR INC.	203	08/07/2026	VB	P81662	\$2,188.00
149447	HACIENDA AM PM, #82539, MOHAMAD K. BABA	461, H&S 41960.2	08/21/2026	LT	P82495	\$2,953.00
179086	HOLLCIEN INC LA CIENEGA CHEVRON	203	08/25/2026	LT	P82359	\$1,094.00
201742	HOT TOPIC / BOX LUNCH	203	08/18/2026	LT	P81372	\$1,094.00
177033	IDECO INC	1166	08/11/2026	CL	P80990	\$3,576.00
171255	IDX LOS ANGELES	2305	08/07/2026	LT	O15349	\$11,237.00
200148	LA SPECIALTY DBA VESTA FOODSERVICE	2305	08/07/2026	VB	O15666	\$8,800.00
193607	LW SHELL INC	203	08/18/2026	LT	P82651	\$2,188.00
192834	MEL BUSINESS MANAGEMENT, LLC	461, H&S 41960.2	08/11/2026	SW	P82482	\$1,791.00
207835	MERITAGE HOMES	403	08/21/2026	CR	P81558	\$5,176.00
150458	NIMEH, INC	461, H&S 41960.2	08/18/2026	LT	P82496	\$1,320.00
25848	CITY OF PALM SPRINGS/FLEET OPERATIONS	203	08/14/2026	CR	P78937	\$1,294.00
50300	PARALLEL PRODUCTS	1147	08/07/2026	CL	P82553	\$2,860.00
208020	PULTE HOMES TRACT #38434	403	08/07/2026	CR	P74241	\$7,275.00
209322	QUALITY A 2 Z HOME IMPROVEMENT	1403	08/07/2026	CR	P82041	\$1,394.00
162263	ROBINSON MAINTENANCE	1166	08/25/2026	VB	P66579	\$3,282.00
165091	SANTA FE FUEL INC., DBA SLAUSON SHELL	461, H&S 41960.2	08/25/2026	LT	P75367	\$1,522.00
102966	SAUGUS UNION SCHOOL DISTRICT	203	08/25/2026	VB	P81879	\$2,825.00
206850	SBS (STEP BY STEP) ROOFING PROS INC	1403	08/21/2026	LT	P67272	\$1,491.00
101977	SIGNAL HILL PETROLEUM INC	2004	08/18/2026	CL	P78159	\$13,410.00

183008	SIGNAL HILL PETROLEUM, INC.	203, 463	08/21/2026	VB	P79686	\$7,164.00
188199	SMG	203	08/04/2026	CR	P78488	\$4,196.00
202557	SPEARS MFG	2305	08/14/2026	LT	O15164	\$4,000.00
194937	SPEEDWAY #6170 (USA)	461, H&S 41960.2	08/25/2026	VB	P75368	\$1,394.00
200278	SSA SOUTHERN CALIFORNIA FONTANA	2305	08/14/2026	LT	O15595	\$13,680.00
122083	STERICYCLE, INC.	1146	08/14/2026	CL	P68077	\$2,860.00
200159	STRAUB DISTRIBUTION COMPANY	2305	08/25/2026	LT	O15268	\$13,000.00
120620	TERMO COMPANY	203	08/25/2026	CL	P79928	\$1,888.00
208671	UTTERMOST	203	08/25/2026	CR	P82608	\$1,249.00
209375	VARDA SPACE INDUSTRIES INC.	201, 203	08/14/2026	SW	P73589	\$1,422.00
176786	VISTA BEHAVIORAL HOSPITAL, LLC, DBA PACI	203	08/14/2026	LT	P81379	\$1,094.00
193456	WESCO DISTRIBUTION	203	08/04/2026	SW	P75640	\$1,049.00
3197	WESLEY ALLEN INC	203	08/21/2026	CL	P79402	\$3,063.00
126188	WESTERN PUMP, INC	1166	08/21/2026	CR	P82356	\$3,882.00
190663	ZAVARO INC	203, 461	08/07/2026	VB	P64889	\$2,953.00
Total MSPAP Settlements: \$269,619.00						

SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX FOR AUGUST 2026 PENALTY REPORT

REGULATION II - PERMITS

Rule 201	Permit to Construct
Rule 202	Temporary Permit to Operate
Rule 203	Permit to Operate

REGULATION IV - PROHIBITIONS

Rule 401	Visible Emissions
Rule 403	Fugitive Dust
Rule 430	Breakdown Provisions
Rule 461	Gasoline Transfer and Dispensing
Rule 462	Organic Liquid Loading
Rule 463	Storage of Organic Liquids

REGULATION XI - SOURCE SPECIFIC STANDARDS

Rule 1118	Emissions from Refinery Flares
Rule 1146	Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters
Rule 1147	NOx Reductions from Miscellaneous Sources
Rule 1148.1	Oil and Gas Production Wells
Rule 1150	Excavation of Landfill Sites
Rule 1166	Volatile Organic Compound Emissions from Decontamination of Soil
Rule 1173	Fugitive Emissions of Volatile Organic Compounds
Rule 1176	Sumps and Wastewater Separators
Rule 1178	Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities
Rule 1189	Emissions from Hydrogen Plant Process Vents

REGULATION XIV - TOXICS

Rule 1403	Asbestos Emissions from Demolition/Renovation Activities
Rule 1430	Control of Emissions from Metal Grinding Operations at Metal Forging Facilities202

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 AUGUST 2026 PENALTY REPORT

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

Rule 3003 Applications

CODE OF FEDERAL REGULATIONS

40 CFR 60.18 General control device and work practice requirements

40 CFR 60.482-6 Standards: Open-ended Valves or Lines.

40 CFR 60.482-7 Standards: Valves in Gas/Vapor Service and in Light Liquid Service

40 CFR 60.592 Standards

40 CFR 61.145 Standards for Demolition and Renovation

40 CFR 61.346 Standards: Individual Drain Systems

40 CFR 63.648 Equipment Leak Standards

40 CFR 63.670 Requirements for Flare Control Devices

CALIFORNIA HEALTH AND SAFETY CODE

H&S § 41960.2 Gasoline Vapor Recovery

H&S § 42402 California Health and Safety Code