

BEFORE THE HEARING BOARD OF THE
SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

In the Matter of

SOUTH COAST AIR QUALITY
MANAGEMENT DISTRICT,

Petitioner,

vs.

SOUTHERN CALIFORNIA EDISON –
PEBBLY BEACH GENERATING STATION

Facility ID No. 4477

Respondent.

CASE NO. 1262-115

**[PROPOSED] FINDINGS AND
DECISION FOR STATUS/MOD. OF
ORDER FOR ABATEMENT**

District Rule 1470

Date: November 19, 2025

Time: 9:30 a.m.

Place: Hearing Board
South Coast Air Quality
Management District
21865 Copley Drive
Diamond Bar, CA 91765

FINDINGS AND DECISION OF THE HEARING BOARD

The petition for a Stipulated Order for Abatement (SOA) was heard on January 4, 2022, September 1, 2022, January 24, 2023, July 25, 2023, January 25, 2024, November 20, 2024, May 27, 2025, and November 19, 2025, pursuant to notice and in accordance with the provisions of California Health and Safety Code Section 40823 and District Rule 812. The following members of the Hearing Board were present: Micah Ali, Chair; Robert Pearman, Esq., Vice-Chair; Jerry P. Abraham, MD MPH CMQ (7/25/23, 1/25/24, 5/21/25, 11/19/25); Dr. Allan Bernstein (1/4/22, 9/1/22, 1/24/23); Mohan Balagopalan; and Cynthia Verdugo-Peralta. Sharon Williams, MD, FACAAI (Alternate) recused herself from the decision on November 20, 2024, due to lack of time to have reviewed information from previous hearings.

This Petition for a status update/modification of the SOA was heard on the South Coast Air Quality Management District Hearing Board's Nov. 19, 2025 Consent Calendar, in accordance with the provisions of California Health and Safety Code Section 42450 and District Rule 510. Five members of the Hearing Board were present: Micah Ali, Chair; Robert Pearman, Esq., Vice Chair; Jerry P. Abraham, MD MPH CMQ; Mohan Balagopalan; and Cynthia Verdugo-Peralta.

Petitioner, Executive Officer of South Coast AQMD, represented by Mary J. Reichert, Senior Deputy District Counsel, did not appear. Respondent, Southern California Edison – Pebbly Beach Generating Station (hereinafter referred to as “Respondent” or “SCE”), represented by Kelly Henderson, did not appear. The public was given the opportunity to testify. The Joint Stipulation, the Declaration of Krystal Stangeland, and the Proposed Findings and Decision for Status Update/Modification of the SOA were received as evidence. The matter was submitted, and evidence received. The Hearing Board finds and decides as follows:

FINDINGS OF FACT

1. Petitioner is a body corporate and politic established and existing pursuant to Health and Safety Code §40000, *et seq.* and §40400, *et seq.*, and is the sole and exclusive local agency with the responsibility for comprehensive air pollution control in the South Coast Basin.

2. Respondent owns and operates the facility located at 1 Pebbly Beach Road, Avalon, CA 90704 (“Facility”) within the District’s jurisdiction and subject to the District’s regulations.

3. Respondent maintains and is responsible for the operation of equipment described in SCAQMD A/N 595203 as INTERNAL COMBUSTION ENGINE, LEAN BURN, NON-EMERGENCY, UNIT NO. 15, DIESEL FUEL, EMD, MODEL 16-710G4B, TWO CYCLE, WITH AFTERCOOLER, TURBOCHARGER, 3900 HP WITH GENERATOR, 2800 KWA, hereinafter "Unit 15." Unit 15 is vented to air pollution control equipment consisting of a selective catalytic reduction module and a CO oxidation catalyst module, operated pursuant to SCAQMD A/N 548965. Unit 15 is one of six diesel engines providing electric power to Santa Catalina Island.

4. In 2017, Respondent performed a zero-time overhaul on Unit 15, which resulted in a “reconstruction” of the engine. Under various federal and SCAQMD rules, including Rule 1470(b)(47)(B), a reconstructed engine is considered a “new” engine if the costs of reconstruction equal 50% or more of the lowest-available purchase price of a new, comparably equipped engine. The costs of the 2017 zero-time overhaul of Unit 15 exceeded this 50% threshold, and thus Unit 15 was subject to the emission limits and other requirements for “new” engines under those federal and SCAQMD rules.

1 5. When the permit to construct was issued for the zero-time overhaul in 2017, the permit
2 conditions related to Rule 1470 were not changed from those in the then-existing permit to operate,
3 and the 0.01 g/bhp-hr particulate matter (PM) emission limit for new engines under Rule
4 1470(c)(4)(A) was inadvertently omitted from the emission limits applicable to Unit 15 in the permit.

5 6. Petitioner and Respondent agree that the 0.01 g/bhp-hr PM emission limit for “new”
6 engines under Rule 1470 should have been included in the permit conditions applicable to Unit 15
7 after the 2017 zero-time overhaul. However, even if a permit were issued correcting the omission,
8 Unit 15 would not have been able to meet the 0.01 g/bhp-hr PM emission limit, and still cannot.

9 7. Even though it cannot meet the applicable PM emission limit under Rule 1470, Unit
10 15 is the lowest-emitting engine for NOx and CO among the six engines at the Facility, and
11 preferential operation of Unit 15 allows the Facility to meet a lower facility-wide NOx limit than
12 would otherwise be possible. While Respondent could operate the other five engines located at the
13 Facility in lieu of Unit 15, this would increase overall emissions and Respondent would be unable to
14 comply with the facility-wide NOx limit in its Title V permit.

15 8. Petitioner and Respondent agree that a stipulated order for abatement should be issued
16 to assure that (i) operation of the Equipment be done with appropriate conditions, including
17 monitoring, recordkeeping, and reporting to the District; and (ii) a feasible plan for achieving
18 compliance be developed, approved, and implemented as expeditiously as practicable.

19 9. As part of the considerations impacting this Order for Abatement process is the Clean
20 Fuels Policy (CFP) of South Coast AQMD.

21 10. Respondent has complied with the conditions issued by this Board at the January 25,
22 2024, status update and modification hearing.

23 11. Until its amendment on October 4, 2024, Rule 1135 prohibited the installation of new
24 diesel internal combustion engines on Santa Catalina Island. On October 4, 2024, the Governing
25 Board amended Rule 1135 to extend the deadline for Unit 15’s installation to January 1, 2028, or six
26 months after a time extension is granted. *See* Rule 1135 (d)(2)(B). On October 29, 2024, South Coast
27 AQMD submitted the permit to construct (PTC) the replacement of Units 8, 10, and 15 to U.S. EPA
28

1 for review. On February 13, 2025, South Coast AQMD notified SCE that the PTC had been issued.¹
2 The PTC identifies Unit 15's replacement as Cummins Model No. QSK60-G17 (see Section H, p.
3 2), which SCE had specified in its PTC application in January 2022.²

4 12. In November 2024, SCE asked Cummins to submit a direct-award proposal for Model
5 No. QSK60-G17.³ Cummins responded that it had discontinued its line of U.S. EPA Tier 4 Final-
6 certified generators (which included Model No. QSK60-G17) and they were no longer available for
7 sale.⁴ In December 2024, SCE evaluated an initial pool of 19 potential suppliers for a Unit 15
8 replacement but only seven suppliers indicated they might be able to meet the technical
9 requirements.⁵ On December 19, 2024, SCE issued a Request for Proposals (RFP) to those seven
10 suppliers.⁶ Cummins sent a letter to SCE dated December 20, 2024 confirming the discontinuation
11 of the Tier 4 Final product line.⁷ SCE received zero bids when the RFP closed on January 30, 2025.⁸

12 13. SCE has complied with the requirements listed in paragraph 1 on pages 13-14 of the
13 May 27, 2025 Order. SCE hired a company to search the secondary market to identify an appropriate
14 substitute for the U.S. EPA-certified Tier 4 Final engine listed in the Permit to Construct (Cummins
15 Model No. QSK60-G17). The company located a never-used Cummins U.S. EPA-certified Tier 2
16 Final unit from a third-party owner (see below).

17 14. SCE conducted a formal Request for Proposals from 9/12/25 to 10/17/25. SCE
18 received three proposals:

- 19 a) Purchase a new Cummins Tier 2-certified unit (from Cummins) intended for
20 emergency use and add aftermarket controls to bring emissions into compliance with
21 SCAQMD Rules 1135 and 1470;

25 ¹ See Declaration of Krystal Stangeland at ¶ 3. A copy of the PTC is attached to that declaration as Attachment A

26 ² *Id.*

26 ³ *Id.* at ¶ 4.

27 ⁴ *Id.*

27 ⁵ *Id.* at ¶ 5.

28 ⁶ *Id.*

⁷ A copy of the letter is attached to the Declaration of Krystal Stangeland as Attachment B.

⁸ Declaration of Krystal Stangeland at ¶ 5

b) Purchase a secondhand (but never used) Tier 2 Final-certified Cummins unit manufactured in 2019 from a third-party owner and add aftermarket controls to bring emissions into compliance with SCAQMD Rules 1135 and 1470; and

c) Purchase a new Tier 2-certified non-Cummins unit intended for emergency use from a different manufacturer and add aftermarket controls to bring emissions into compliance with SCAQMD Rules 1135 and 1470.

15. SCE provided written biweekly updates to Chris Perri and Mary Reichert, in addition to periodic meetings with staff.

16. SCE has identified grounds on which U.S. EPA can grant an exemption pursuant to 40 CFR Part 1068, Subpart C allowing Cummins to sell to SCE a new Tier 2 diesel generator for a non-emergency application (baseload generation at PBGS). SCE has drafted a request to be sent to U.S. EPA jointly by SCE and Cummins (after Cummins approves it) once the federal government has resumed operations.

CONDITIONS AND INCREMENTS OF PROGRESS

FROM ORDER ISSUED JANUARY 4, 2022

1. Respondent shall provide the following to South Coast AQMD (cperri@aqmd.gov) no later than January 4, 2022:

- a. The manufacturer specification sheet showing the maximum allowable back pressure for Unit 15;
- b. The current measured back pressure on Unit 15 at minimum, average, and maximum load;
- c. All correspondence to date from Johnson Matthey and EMD concerning SCE's inquiry as to the feasibility of a diesel particulate filter (DPF) on Unit 15.

2. Respondent shall begin to investigate the feasibility of installing an active DPF on Unit 15 by contacting at least one active DPF manufacturer no later than January 4, 2022. Respondent shall provide South Coast AQMD (cperri@aqmd.gov) with all correspondence from the DPF manufacturer concerning that inquiry within one week after the initial contact and every two weeks thereafter as long as discussions with the DPF manufacturer are continuing. Respondent

1 shall provide a report to South Coast AQMD (cperri@aqmd.gov) by January 18, 2022, detailing the
2 findings of the investigation of the feasibility of installing an active DPF on Unit 15, including all
3 technical details relating to the conclusion as to feasibility, any supporting documentation, and any
4 other information necessary for South Coast AQMD to evaluate the validity of the conclusion.

5 3. If either an active or passive DPF is jointly determined by South Coast AQMD and
6 SCE to be technically feasible for Unit 15, Respondent shall submit required permit applications no
7 later than 14 days after the feasibility determination is made, with expedited processing requested
8 and paid for. Respondent shall place a purchase order for the DPF within 7 days of receipt of the
9 South Coast AQMD permit, and shall request and pay for expedited processing by the manufacturer,
10 if available. Respondent shall commence installation of the DPF on Unit 15 within 10 days of receipt
11 of the DPF and shall achieve final compliance no later than 60 days after installation is commenced.

12 4. If SCE and South Coast AQMD do not reach agreement as to whether either an active
13 or passive DPF is feasible, SCE and South Coast AQMD agree to bring the issue back to the Hearing
14 Board for consideration.

15 5. Beginning January 10, 2022, Respondent shall: (a) assess the feasibility and the
16 environmental, service, and operational impacts of increasing the use of the microturbines that are
17 both permitted and currently operational at the Pebbly Beach facility; and (b) shall report the results
18 of that assessment to the South Coast AQMD by March 18, 2022. The assessment shall include a
19 conclusion regarding whether at least 1,270,000 kWh of power can be generated by the
20 microturbines each calendar year until Unit 15 is brought into compliance, and if not, the maximum
21 kWh/year of electric power production that can be reasonably and reliably achieved using those
22 microturbines.

23 6. Respondent shall, by January 18, 2022, begin investigating the feasibility of the
24 following:

- 25 a. Using biodiesel or renewable diesel fuel for Unit 15 by contacting at least one
26 biodiesel or renewable diesel supplier and provide South Coast AQMD with all
27 correspondence from the biodiesel or renewable diesel supplier concerning that
28 inquiry;

- b. Installing DPFs on all other engines at Pebbly Beach by contacting at least one DPF manufacturer and provide South Coast AQMD with all correspondence from the DPF manufacturer concerning that inquiry;
- c. Installing a 100kW-250kW fuel cell at the Pebbly Beach facility;
- d. Installing a 100kW-400kW PV solar system at the Pebbly Beach facility and provide South Coast AQMD with the preliminary results of that investigation.

7. By April 1, 2022, Respondent shall submit to the South Coast AQMD (cperri@aqmd.gov and mreichert@aqmd.gov) a report and preliminary action plan describing options determined to be infeasible and evaluating feasible options resulting from the analyses described in Conditions 5 and 6 (and any other options or combinations of options considered by Respondent) and outlining the strategy selected from these options. In evaluating these options and designing a strategy, Respondent shall examine whether some subset or smaller version of the option(s) would be feasible and shall endeavor in good faith to find one or more options feasible for implementation. The report shall include for all options considered, whether determined to be feasible or infeasible, all technical details relating to the analysis, all supporting documentation, and any other information necessary for South Coast AQMD to independently evaluate Respondent's determinations and conclusions.

8. By July 8, 2022, Respondent shall submit to the South Coast AQMD (cperri@aqmd.gov and mreichert@aqmd.gov) a final plan including detailed descriptions of the proposed solution and associated increments of progress and deadlines by which each of the stated milestones shall be met. Respondent shall offer to consult with the South Coast AQMD by early August 2022.

9. If the South Coast AQMD does not object to Respondent's final selection by August 5, 2022, Respondent shall submit complete applications to South Coast AQMD no later than August 19, 2022 for a Permit to Construct as necessary for any new equipment needed to achieve the selection. Respondent shall request the application be reviewed on an expedited basis and pay all applicable fees at the time the application is submitted. Respondent shall also submit and request

1 and pay for expedited processing, if available, any required applications to local, state, or federal
2 agencies for necessary permits by August 19, 2022.

3 10. Respondent shall complete and issue all necessary purchase orders for any equipment
4 necessary to achieve the strategy set forth in Conditions 8 and 9 within 30 days of the issuance of
5 the last of all required agency approvals, including the South Coast AQMD Permit to Construct.

6 11. If Respondent will be implementing a plan developed under Conditions 5-10,
7 Respondent shall install all necessary equipment and have the equipment fully operational within
8 six months of either receiving a South Coast AQMD Permit to Construct and all necessary permits
9 from other agencies, or receiving the required equipment, whichever comes later.

10 12. Respondent has complied with Condition/Increment of Progress Nos. 1 through 10
11 (inclusive) of the Findings and Decision and Order of this Board adopted January 4, 2022.
12 Respondent anticipates that it will be able to demonstrate compliance with Condition/Increment of
13 Progress No. 11 by December 31, 2022. After evaluation of the potential options, Respondent chose
14 to proceed with installing a catalyst on Unit 15 to meet the emission requirements of Rule 1470.
15 Respondent expects to begin the replacement of Unit 15's catalyst in September 2022, after which
16 two emissions source tests must be completed (the first within 90 days of installation and the second
17 within 90 days of the first test). The permit expires on March 31, 2023. If the installation can be
18 successfully completed in September 2022, Respondent expects to complete the required emissions
19 source tests by December 31, 2022. If the installation is delayed beyond September 2022,
20 Respondent will notify the District by September 30 and provide an estimated installation date.

21 **CONDITIONS AND INCREMENTS OF PROGRESS**

22 **FROM ORDER ISSUED JANUARY 23, 2023**

23 1. Respondent shall complete installation of the catalyst on Unit 15 by September 30,
24 2022, unless it notifies the District by September 30, 2022, that it requires additional time. Such
25 notification shall be made to cperri@aqmd.gov, mreichert@aqmd.gov, and ishine@aqmd.gov and
26 shall include the reasons requiring an extension of time for installation. If such a notification is made,
27 Respondent shall complete installation of the catalyst on Unit 15 by October 21, 2022.

1 2. Respondent shall complete two emissions source tests on Unit 15 after the installation
2 of the catalyst. The first shall be completed within 90 days of installation of the catalyst, and the
3 second shall be completed at least 60 days, but no later than 90 days, of the first test (or re-test, if
4 such a re-test is performed under condition 4(a)).

5 3. Respondent shall request expedited preliminary results from both source tests of Unit
6 15 with the newly installed catalyst. Respondent agrees to notify the District (cperri@aqmd.gov,
7 mreichert@aqmd.gov, and ishine@aqmd.gov) of the results within 5 days of receipt of those
8 preliminary results.

9 4. If the preliminary results from the first source test show that Unit 15 is not meeting
10 the requirements of Rule 1470, Respondent shall determine whether actions can be taken such that a
11 re-test may demonstrate compliance.

12 a) If Respondent believes steps can be taken such that a re-test would demonstrate
13 compliance, Respondent shall, within 10 days of the preliminary test results,
14 provide South Coast AQMD with evidence that the reason the catalyst did not
15 reduce emissions to the required level is due to an issue that can be resolved with
16 equipment modifications prior to the re-test. Respondent shall perform any
17 necessary actions and shall make all reasonable efforts to complete a re-test within
18 15 days of the original source test. Respondent shall request expedited preliminary
19 test results from this re-test. If the preliminary results of the repeated source test
20 show that Unit 15 is still not meeting the requirements of Rule 1470, within 60
21 days of receipt of the preliminary re-test results, Respondent shall comply with
22 condition 4(c).

23 b) If Respondent believes no steps can be taken such that a re-test may demonstrate
24 compliance, within 60 days of receipt of the preliminary test results, Respondent
25 shall comply with condition 4(c).

26 c) If triggered, Respondent shall submit to the District (cperri@aqmd.gov,
27 mreichert@aqmd.gov, and ishine@aqmd.gov) within 60 days Respondent's
28 proposed plan and timeline to bring Unit 15 into compliance with District Rule

1 1470(c)(4)(A). Respondent shall not be obligated to commence procurement of a
2 unit that cannot comply with Rule 1135 or the conditions of the Permit to Construct
3 issued by the District. [Condition 4c was triggered and Respondent has submitted
4 an application for a Permit to Constrict for a replacement generator for Unit 15].

5 5. If the first source test results (including a retest) show that Unit 15 is in compliance
6 with Rule 1470, but the second preliminary test results show that Unit 15 will not meet the
7 requirements of 1470, Respondent shall determine whether actions can be taken such that a re-test of
8 the second test may demonstrate compliance.

9 a) If Respondent believes steps can be taken such that a re-test would demonstrate
10 compliance, Respondent shall, within 10 days of the preliminary test results,
11 provide South Coast AQMD with evidence that the reason the catalyst did not
12 reduce emissions to the required level is due to an issue that can be resolved, and
13 any equipment modifications planned for the re-test. Respondent shall perform
14 any necessary actions and shall make all reasonable efforts to complete a re-test
15 within 15 days of the second source test. Respondent shall request expedited
16 preliminary test results from this re-test. If the preliminary results of the repeated
17 source test show that Unit 15 is still not meeting the requirements of Rule 1470,
18 within 60 days of receipt of the preliminary re-test results, Respondent shall
19 comply with condition 4(c).

20 6. No later than September 30, 2022, Respondent shall submit to the District
21 (cperri@aqmd.gov, mreichert@aqmd.gov, and ishine@aqmd.gov) the results of the grid stability
22 study, which shall include an analysis of the maximum percentage of inverter-based technology is
23 feasible at the Facility. [Further conditions for the grid stability study are as set forth below in the
24 Order, paragraphs 3 and 4].

25 7. No later than October 1, 2022, Respondent shall submit to the District
26 (cperri@aqmd.gov, mreichert@aqmd.gov, and ishine@aqmd.gov) the status of the design and
27 installation of 100 kW of solar photovoltaic panels on new carports at two locations at PBGS (the
28 west side of the main building and the east side of the main building over existing parking spaces

1 along the shoreline). Respondent shall complete installation of these solar photovoltaic panels no
2 later than January 31, 2026.

3 8. Nothing in this Order requires SCE to withdraw its pending application for a Permit
4 to Construct a third U.S. EPA Tier 4 Final-certified diesel generator (if Unit 15 cannot be brought
5 into compliance with Rule 1470 and must be removed from service).

6 **CONDITIONS AND INCREMENTS OF PROGRESS**

7 **FROM ORDER ISSUED JULY 25, 2023 (ORDER SIGNED AUGUST 8, 2023)**

8 1. Respondent shall confer with District staff regarding whether it is required to re-
9 submit its application for a Permit to Construct a replacement generator for Unit 15. If the
10 application must be resubmitted, Respondent shall do so no later than August 15, 2023.
11 [Completed.]

12 2. Respondent shall, no later than August 4, 2023, provide the District
13 (cperri@aqmd.gov, mreichert@aqmd.gov, and ishine@aqmd.gov) with the Building and Safety
14 Department, Fire Code, and State Fire Marshal regulations upon which it is relying regarding the
15 operation and limitations of its propane storage tanks and propane fuel deliveries, including but not
16 limited to required distance from buildings and water suppression requirements. To the extent
17 Respondent is relying on verbal representations from the Fire Chief or other Authority Having
18 Jurisdiction, Respondent shall request no later than July 28, 2023, a written determination, decision,
19 or explanation from that entity explaining their conclusions regarding the propane storage tanks and
20 propane fuel deliveries at the Facility. Respondent shall ask that this written explanation be provided
21 as quickly as possible and shall provide it to the District no later than two (2) business days after
22 receipt. [Completed.]

23 3. Respondent shall, as part of its grid reliability study, perform the following repower
24 scenarios using HOMER Pro® microgrid software using these configuration descriptions and
25 assumptions: [Completed.]

26 a. Assumptions for both configurations:

27 i. 10% minimum charge on the existing battery system
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- 1 ii. Load demand forecasted data for 2026 reflecting a peak of 6 MW and
2 approximately 31 GWh annual loading
- 3 iii. Existing NaS BESS modeled as 1 MW / 7 MWh with a round-trip-
4 efficiency of 85%
- 5 iv. Annual consumption of 500,000 gallons of diesel
- 6 v. Annual consumption of 2.1 million gallons of propane
- 7 vi. No minimum spinning reserve requirement
- 8 b. Configuration 1
- 9 i. Utility Scale Renewable PV System (30% of annual load)
- 10 ii. Three Tier 4 Final Diesel Generators (1.825 MW each)
- 11 iii. Existing NaS Battery System
- 12 iv. Five new battery systems (1 MW each)
- 13 v. Propane near zero emission (NZE) technology with a combined rating of at
14 least 2.25 MW (65% of annual load)
- 15 c. Configuration 2
- 16 i. Utility Scale Renewable PV System (30% of annual load)
- 17 ii. Three Tier 4 Final Diesel Generators (1.825 MW each)
- 18 iii. Existing NaS Battery System
- 19 iv. Five new battery systems (1 MW each)
- 20 v. Propane NZE technology with a combined rating of at least 2 MW (50% of
21 annual load)
- 22 d. If both parties agree an assumption is in whole, or in part, infeasible, they may
23 mutually agree to an appropriate modification thereof. [Completed.]
- 24 4. Respondent shall complete the grid reliability study and submit it to the District
25 (cperri@aqmd.gov, mreichert@aqmd.gov, and ishine@aqmd.gov) no later than August 30, 2023,
26 but on good cause at the request of the Respondent, the District may grant an extension to September
27 29, 2023. [Completed.]
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5. Respondent shall, no later than August 4, 2023, provide the District (cperri@aqmd.gov, mreichert@aqmd.gov, and ishine@aqmd.gov) with records demonstrating the amount of propane fuel used for utility purposes on Catalina Island for the last three years.

[Completed.]

CONDITIONS AND INCREMENTS OF PROGRESS
FROM ORDER ISSUED JANUARY 25, 2024

1. Respondent shall, no later than February 9, 2024, submit to the District (cperri@aqmd.gov, mreichert@aqmd.gov, and ishine@aqmd.gov) the following information:

- a. Data over the past five years related to daily temperature impacts on maximum propane storage tank fill.
- b. Information and/or documentation from the propane storage tank manufacturer(s), propane storage tank maintenance vendor(s), or other impartial third parties upon which SCE is relying regarding maximum propane tank levels during propane tank maintenance events and at elevated temperatures (with specific temperature reference points as relevant).
- c. Records of the three most recent propane tank maintenance events which required reduced propane tank levels performed at the facility.
- d. Records from the vendor(s) performing the propane tank maintenance of the date(s) of the last three propane tank maintenance events.
- e. Documents supporting the recommended and/or required schedule for propane tank maintenance provided by the propane tank manufacturer and/or other source relied upon by Respondent.
- f. Data and explanation as to why the propane tank levels were low in late 2022 if propane tank maintenance was not being performed at that time.

CONDITIONS AND INCREMENTS OF PROGRESS
FROM ORDER ISSUED MAY 27, 2025

1. In addition to continuing discussions with Cummins about whether another unit can meet the Rule 1135/1470 emission requirements, Respondent shall:

- a. conduct an exhaustive search of the secondary engine market with the assistance of a reseller;
- b. As soon as possible, conduct a new RFP with broader specifications (but still requiring a unit that complies with Rules 1135(d)(4)(A), 1470(c)(4)(A), and other requirements);
- c. provide written updates to South Coast AQMD (cperri@aqmd.gov and mreichert@aqmd.gov) every two weeks until a suitable replacement unit has been identified; and
- d. explore whether an exemption from U.S. EPA regulations regarding the use of emergency engines for non-emergency use is available.

CONCLUSION

1. The operation of the Equipment will result in a violation of the PM limit for “new” engines in District Rule 1470 whenever Unit 15 is operated.

2. The issuance of the prayed-for Stipulated Order for Abatement is not expected to result in the closing or elimination of an otherwise lawful endeavor, but if it does result in such closure or elimination, it would not be without a corresponding benefit in reducing air contaminants.

3. This Stipulated Order for Abatement is not intended to be nor does it act as a variance.

4. The issuance of this Stipulated Order for Abatement upon a fully noticed hearing will not constitute a taking of property without due process of law.

5. There is good cause to issue this Stipulated Order for Abatement to assure that operation of the Equipment is done in a manner that will minimize and mitigate excess emissions and bring the Facility into compliance as expeditiously as practicable.

ORDER

THEREFORE, based on these findings of fact and good cause appearing, the Hearing Board hereby orders Respondent to immediately cease and desist from violating District Rule 1470, or in the alternative comply with the following conditions and increments of progress:

1. Respondent shall begin negotiations with the preferred vendor to work toward a purchase order for the selected unit.
2. If necessary, Respondent shall request an exemption from U.S. EPA allowing Cummins to sell a Tier 2-certified unit to SCE for baseload generation.
3. Respondent shall prepare a revised application for a Permit to Construct for the selected unit and submit it to the SCAQMD.
4. Respondent shall provide an updated schedule to the SCAQMD for compliance with Rule 1135 based on the acquisition of the preferred unit. Respondent shall identify any necessary changes to Rule 1135 and communicate them to the SCAQMD.
5. The Parties shall return to the Hearing Board for a status and modification hearing on May 27, 2026, or as soon thereafter as a hearing may be scheduled.
6. The Hearing Board may modify this Order for Abatement without the stipulation of the parties upon a showing of good cause therefore, and upon making the findings required by Health and Safety Code Section 42451(a) and District Rule 806(a). Any modification of the Order shall be made only at a public hearing held upon 10 days published notice and appropriate written notice to Respondent.
7. Unless terminated earlier, the Hearing Board shall retain jurisdiction over this matter until September 30, 2026, at which time this Order for Abatement, if it has not been properly extended, shall expire.
8. This Order for Abatement does not act as a variance, and Respondent is subject to all rules and regulations of the District, and with all applicable provisions of California law. Nothing herein shall be deemed or construed to limit the authority of the District to issue Notices of Violation, or to seek civil penalties, criminal penalties,

1 or injunctive relief, or to seek further orders for abatement, or other administrative
2 or legal relief.

3 **FOR THE BOARD:** _____
4

5 **DATED:** _____
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8 Prepared by Kelly Henderson, Attorney for Respondent and Mary J. Reichert, Attorney for
9 Petitioner
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