



# South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178  
(909) 396-2000 • www.aqmd.gov

## HYBRID STATIONARY SOURCE COMMITTEE MEETING

### Committee Members

Vice Chair Larry McCallon, Committee Chair  
Supervisor Holly J. Mitchell, Committee Vice Chair  
Supervisor Curt Hagman  
Board Member Veronica Padilla-Campos  
Councilmember Nithya Raman  
Dr. Cedric Jamie Rutland

**February 20, 2026 ♦ 10:30 a.m.**

### TELECONFERENCE LOCATIONS

Kenneth Hahn Hall of Administration 500 W. Temple Street HOA Conference Room 372 Los Angeles, CA 90012	Los Angeles City Hall 200 N. Spring Street Conference Room 415 Los Angeles, CA 90012
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**A meeting of the South Coast Air Quality Management District Stationary Source Committee will be held at 10:30 a.m. on Friday, February 20, 2026, through a hybrid format of in-person attendance in the Dr. William A. Burke Auditorium at the South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, and remote attendance via videoconferencing and by telephone. Please follow the instructions below to join the meeting remotely.**

**Please refer to South Coast AQMD's website for information regarding the format of the meeting, updates if the meeting is changed to a full remote via webcast format, and details on how to participate:**

**<http://www.aqmd.gov/home/news-events/meeting-agendas-minutes>**

### **ELECTRONIC PARTICIPATION INFORMATION**

(Instructions provided at bottom of the agenda)

**Join Zoom Meeting - from PC or Laptop, or Phone**

**<https://aqmd.zoomgov.com/j/1602173870>**

Meeting ID: **160 217 3870** (applies to all)

Teleconference Dial In: +1 669 254 5252

One tap mobile: +1 669 254 5252, 160 217 3870#

**Audience will be allowed to provide public comment in person or through Zoom connection or telephone.**

**PUBLIC COMMENT WILL STILL BE TAKEN**

### AGENDA

*Cleaning the air that we breathe...*

*Members of the public may address this body concerning any agenda item before or during consideration of that item (Gov't. Code Section 54954.3(a)). If you wish to speak, raise your hand on Zoom or press Star 9 if participating by telephone. All agendas for regular meetings are posted at South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the regular meeting. Speakers may be limited to three (3) minutes total for all items on the agenda.*

*Please note that under the California Public Records Act (Gov't Code §7920.000 et seq.) your written and oral comments, attachments, and associated contact information (e.g., your address, phone, email) become part of the public record and can be released to the public on request or posted on the South Coast AQMD website.*

## **CALL TO ORDER**

## **ROLL CALL**

### **INFORMATIONAL ITEMS (Items 1-3)**

- 1. Update on Proposed Amended Rule 1136 – Wood Products Coatings (10 mins)** Heather Farr  
*Planning and Rules Manager*  
**(No Motion Required)** *Planning, Rule Development and Implementation*  
Staff will provide a summary of proposed amendments to Rule 1136 which seeks to phase out two toxic solvents, para-Chlorobenzotrifluoride (pCBtF) and tertiary-Butyl Acetate (tBAC), used in wood product coatings.  
*(Written Material Attached)*
- 2. Update on Proposed Amended Rule 1144 – Metalworking Fluids and Direct-Contact Lubricants (10 mins)** Michael Morris  
*Planning and Rules Manager*  
**(No Motion Required)** *Planning, Rule Development and Implementation*  
Staff will provide a summary of proposed amendments to Rule 1144, which will phase out two toxic solvents, para-Chlorobenzotrifluoride (pCBtF) and tertiary-Butyl Acetate (tBAC), from metalworking fluids and direct-contact lubricants.  
*(Written Material Attached)*
- 3. Annual RECLAIM Audit Report for 2024 Compliance Year (10 mins)** Jillian Wong, Ph.D.  
*Assistant Deputy Executive Officer*  
**(No Motion Required)** *Engineering and Permitting*  
The Annual RECLAIM Audit Report for 2024 Compliance Year for the NOx and SOx RECLAIM program is prepared in accordance with Rule 2015 - Backstop Provisions. This report assesses emission reductions, availability and average annual prices of RECLAIM Trading Credits (RTCs), job impacts, compliance issues, and other measures of performance for the 31st year of this program. A list of facilities that did not reconcile their emissions for the 2024 Compliance Year is also included in the report.  
*(Written Material Attached)*

### **WRITTEN REPORTS (Items 4-6)**

- 4. Quarterly Permitting Enhancement Program (PEP) Update (No Motion Required)** Jason Aspell  
*Deputy Executive Officer*  
This report is a quarterly update of staff's PEP implementation efforts for 4<sup>th</sup> Quarter 2025.  
*(Written Material Attached)* *Engineering and Permitting*

**5. 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 (No Motion Required)**

This is a monthly update on staff's work with U.S. EPA and CARB regarding New Source Review issues related to the RECLAIM transition.  
(Written Material Attached)

Michael Krause  
Assistant Deputy  
Executive Officer  
Planning, Rule  
Development and  
Implementation

**6. Notice of Violation Penalty Summary (No Motion Required)**

This report provides the total penalties settled in January 2026 which includes Civil, Supplemental Environmental Projects, Mutual Settlement Assessment Penalty Program, Hearing Board and Miscellaneous.  
(Written Material Attached)

Bayron Gilchrist  
General Counsel

**OTHER MATTERS**

**7. Other Business**

Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may ask a question for clarification, may make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter, or may take action to direct staff to place a matter of business on a future agenda. (Gov't. Code Section 54954.2)

**8. Public Comment Period**

At the end of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee's authority that is not on the agenda. Each speaker may be limited to three (3) minutes.

**9. Next Meeting Date:** Friday, March 20, 2026 at 10:30 a.m.

**ADJOURNMENT**

**Americans with Disabilities Act and Language Accessibility**

*Disability and language-related accommodations can be requested to allow participation in the Stationary Source Committee meeting. The agenda will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't Code Section 54954.2(a)). In addition, other documents may be requested in alternative formats and languages. Any disability or language related accommodation must be requested as soon as practicable. Requests will be accommodated unless providing the accommodation would result in a fundamental alteration or undue burden to the South Coast AQMD. Please contact Roula El Hajal at (909) 396-2763 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to [relhajal@aqmd.gov](mailto:relhajal@aqmd.gov).*

**Document Availability**

*All documents (i) constituting non-exempt public records, (ii) relating to an item on an agenda for a regular meeting, and (iii) having been distributed to at least a majority of the Committee after the agenda is posted, are available by contacting Roula El Hajal at (909) 396-2763, or send the request to [relhajal@aqmd.gov](mailto:relhajal@aqmd.gov).*

## **INSTRUCTIONS FOR ELECTRONIC PARTICIPATION**

### **Instructions for Participating in a Virtual Meeting as an Attendee**

As an attendee, you will have the opportunity to virtually raise your hand and provide public comment. Before joining the call, please silence your other communication devices such as your cell or desk phone. This will prevent any feedback or interruptions during the meeting.

**Please note:** During the meeting, all participants will be placed on Mute by the host. You will not be able to mute or unmute your lines manually. After each agenda item, the Chair will announce public comment. A countdown timer will be displayed on the screen for each public comment. If interpretation is needed, more time will be allotted.

**Once you raise your hand to provide public comment, your name will be added to the speaker list. Your name will be called when it is your turn to comment. The host will then unmute your line.**

### **Directions for Video ZOOM on a DESKTOP/LAPTOP:**

- If you would like to make a public comment, please click on the “**Raise Hand**” button on the bottom of the screen. This will signal to the host that you would like to provide a public comment and you will be added to the list.

### **Directions for Video Zoom on a SMARTPHONE:**

- If you would like to make a public comment, please click on the “**Raise Hand**” button on the bottom of your screen. This will signal to the host that you would like to provide a public comment and you will be added to the list.

### **Directions for TELEPHONE line only:**

- If you would like to make public comment, please **dial \*9** on your keypad to signal that you would like to comment.



## Proposed Amended Rule 1136: *Wood Products Coatings (PAR 1136)*

*Stationary Source Committee*  
*February 20, 2026*

### PAR 1136 Background

Adopted in 1983, last amended in 1996

- Regulates Volatile Organic Compounds (VOCs) that are emitted from wood coatings
- Manufacturers rely on exempt compounds to meet VOC limits

Proposed amendments needed to

- Reduce toxic risk by phasing out two exempt compounds with toxic endpoints
  - *tert*-Butyl Acetate (t-BAC) and para-Chlorobenzotrifluoride (pCBtF)

Public Process

- Five Working Group Meetings and one public workshop



# Background on Exempt Solvents

## Manufacturers rely on exempt solvents to comply with VOC limits

- Produce minimal ground-level ozone and are not counted toward the VOC content
- Over 85 percent of the wood coatings reported to South Coast AQMD contain pCBtF

## South Coast AQMD rules already ban other toxics in exempt solvents

- Group II exempts include toxics that are prohibited in many VOC rules, e.g., perchloroethylene and methyl chloroform

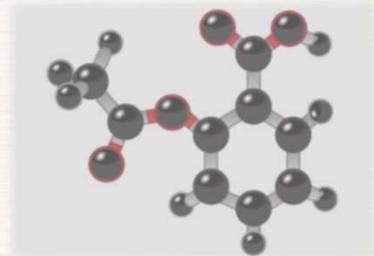
In 2017, Stationary Source Committee directed staff to prioritize lowering toxicity over achieving VOC emission reductions

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# South Coast AQMD Recent Actions to Address pCBtF and t-BAc

In 2018 and 2020, the California Office of Environmental and Health Hazard Assessment determined that t-BAc and pCBtF were determined to be potent carcinogens

- Staff has been systematically amending VOC rules to phase out their use in coatings and solvents

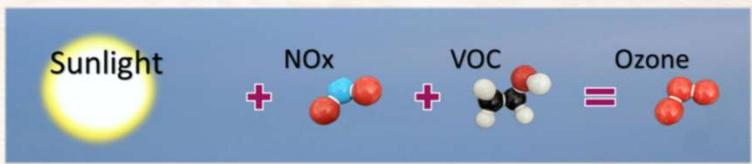


## Recent rule amendments to phase out or limit the use of pCBtF and t-BAc:

- **Rule 1168** – *Adhesives and Sealants* in 2022
- **Rule 1151** – *Automotive Coating* in 2024
- **Rule 1171** – *Solvent Cleaning Operations* in 2025
- **Rule 1107** – *Coating of Metal Parts and Products* in 2025
- **Rule 1124** – *Aerospace Assembly and Component Manufacturing Operations* - Public Hearing March 2026
  - *Allowed conditional continued use of some pCBtF/t-BAc based coatings due to challenges with aerospace and military specifications and testing*

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# VOC Reactivity and Ozone formation



- Maximum Incremental Reactivity (MIR) is a measure of how much smog a solvent produces
- MIR-based VOC limits are an option to reduce ozone impacts from solvents and coatings
  - CARB uses MIR-based VOC limits for aerosol coatings and some consumer products
  - Provide formulation flexibility while reducing air quality impacts
- Several recently adopted VOC rules includes alternative PW-MIR VOC limits for specialty category that are challenging to reformulate
- PAR 1136 includes alternative PW-MIR limits for all major categories due to limitations of using waterborne coatings on wood substrates
  - Wood coatings are predominantly solvent based and rely on exempts

Compound	MIR
2-pentenes	10.47
o-xylene	7.64
butanal	5.97
toluene	4.00
ethanol	1.53
MEK	1.48
nonane	0.78
methanol	0.67
isopropyl alcohol	0.61
tert-Butyl alcohol	0.41
acetone	0.36
pCBtF	0.13
methyl acetate	0.07
D4	0.00
benzaldehyde	0.00

## PAR 1136 Phase Out Approach

Maintain current VOC limits for all categories and establish alternative Product Weighted Maximum Incremental Reactivity (PW-MIR) VOC limits for categories that rely on pCBtF and t-BAC

- Alternative PW-MIR VOC limits provided for seven main coating categories to assist with pCBtF and t-BAC phase out

Establish a future effective prohibition date for pCBtF and tBAC

- Three years from rule adoption

Provide sell-through and use-through to address stranded assets and coatings in the supply chain

# Prohibition Schedule

	Final Manufacture	Sell -Through	Use -Through
Wood Coating Materials	April 2029	April 2031	April 2032
Colorants	April 2031	April 2032	April 2033
Paint Strippers	June 2026	April 2027	April 2028

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# Technology Check-In

Stakeholders requested a technology check-in prior to the manufacturing prohibition dates to:



Assess reformulation progress



Confirm that alternatives have been fully developed

Staff will include a technology check-in in the Resolution language

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# Socioeconomic Impact Assessment

Transition to reformulated products are not expected to result in substantial price increases

Minimal to no compliance costs are expected

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# California Environmental Quality Act (CEQA)

- Prohibition of pCBtF and t-BAc is health protective
- No significant impacts are expected
  - Reformulation is technically feasible and will not increase VOC emissions
  - No physical modifications are required
- PAR 1136 qualifies for an exemption from CEQA
- A Notice of Exemption will be prepared

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# Next Steps

Set Hearing: March 6, 2026

Public Hearing: April 3, 2026

# Proposed Amended Rule 1144 Metalworking Fluids and Direct-Contact Lubricants



Source: [U.S. Lubricants](#)



**Stationary Source Committee**

February 20, 2026

## Background

Rule 1144 first adopted in March 2009 and amended in July 2010

Limits emissions of volatile organic compounds (VOC) from metalworking fluids and direct-contact lubricants

Applies to about 3,300 facilities, most of which do not have South Coast AQMD permits

Proposed Amended Rule 1144 addresses toxicity concerns with para-Chlorobenzotrifluoride (pCBtF) and tertiary Butyl Acetate (t-BAc)



Picture Source: [Cerebral Overload](#)

## Use of pCBtF and t-BAc in Metalworking Fluids and Lubricants



Picture Source: [eWorkOrders](#)

- Current rules allow pCBtF and t-BAc to be used as exempt solvents to meet lower VOC limits
- OEHHA determined both solvents are carcinogenic, thus South Coast AQMD has recommended their phase-out
- Survey of metalworking fluid and lubricant manufacturers showed pCBtF and t-BAc are not being used in their products
  - Indicates early prohibition of pCBtF and tBAc is feasible

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## Proposed Phase-Out for pCBtF and t-BAc

Phase-out timeline for manufacture, sale and use of products containing pCBtF and/or t-BAc

Final Manufacture Date:  
July 1, 2027



Final Sale Date:  
July 1, 2028



Final Use Date:  
July 1, 2029

- Timeline allows sufficient time to comply for companies that:
  - Did not respond to survey
  - May be developing products containing pCBtF or t-BAc

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# Impact Assessment

No socioeconomic impact assessment is required pursuant to Health and Safety Code Sections 40440.8 and 40728.5

- PAR 1144 does not significantly affect air quality or emission limitations
- No significant socioeconomic impacts are expected

A Notice of Exemption from CEQA will be prepared

- Prohibition of pCBtF and t-BAc is health protective, and compliant formulations are currently available
- No significant adverse environmental impacts expected

Staff is not aware of any key issues

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# Next Steps

Set Hearing – March 6, 2026



Public Hearing – April 3, 2026

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# Annual RECLAIM Audit Report for 2024 Compliance Year

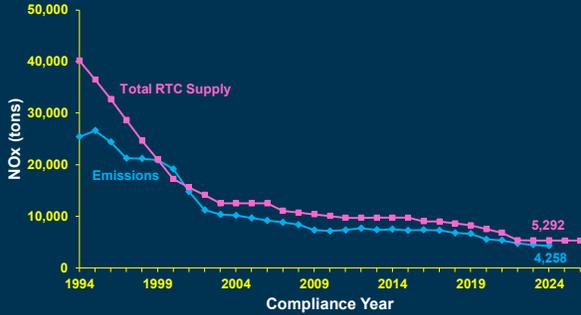
Stationary Source Committee  
February 20, 2026

## Background

- REgional Clean Air Incentives Market (RECLAIM) – Adopted October 1993
  - Cap and trade program for largest NO<sub>x</sub> and SO<sub>x</sub> sources
  - Each facility was issued an allocation of RECLAIM Trading Credits (RTCs) that declines over time
  - At the end of each compliance year, operators must hold sufficient RTCs to cover annual emissions
  - Operators can make reductions or purchase RTCs
- Rule 2015 requires an annual audit of the RECLAIM program
  - This is the Annual RECLAIM Audit Report for Compliance Year 2024

# NOx and SOx Emissions and Allocations Trend

**NOx Emissions in Compliance Year 2024  
Below Allocations by 1,033 Tons (20%)**



**SOx Emissions in Compliance Year 2024  
Below Allocations by 660 Tons (30%)**



# 2023 Annual RECLAIM Audit Findings



**Number of Facilities**

220 facilities at the end of Compliance Year 2024

8 less facilities than Compliance Year 2023



**Overall Goals**

Met overall NOx and SOx program goals  
Implemented NOx/SOx allocation shaves



**Compliance Rate**

High rate of facility compliance for holding sufficient RTCs to reconcile emissions  
96% of NOx facilities  
100% of SOx facilities



**RTC Price**

Annual average discrete prices for future NOx RTCs below \$58,802/ton\* threshold

Compliance Year 2025: \$12,950

Compliance Year 2026: \$37,000

\* Health and Safety Code 39616 program review. Adjusted by August 2025 CPI.

## NOx RTC Price Exceedances

### Summary and Recommendation

**Rule 2015 Threshold**  
\$15,000 per ton

RTC prices have exceeded Rule 2015 threshold since calendar year 2021

Required analysis of RECLAIM program performed and reported to Board in 2022

Board determined that the program continue without change and directed staff to send report to CARB and U.S. EPA

Circumstances have not changed since previous analysis and staff recommends no additional analysis and no further action in response to the continued Rule 2015 price threshold exceedance

**Health and Safety Code 39616 Threshold**  
\$58,802 per ton

Adjusted annually by CPI

Annual average discrete-year prices for future NOx RTCs are below threshold

No action required

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## Summary

- Programmatic compliance achieved (NOx and SOx emissions were 20% and 30% below allocations, respectively)
- Individual facility compliance rate remained high (96% and 100% for NOx and SOx, respectively)
- Annual average discrete-year NOx prices below H&SC threshold of \$58,802, there were no SOx RTCs traded with price in calendar year 2025
- Annual average discrete-year NOx price for Compliance Year 2026 RTCs traded in Calendar Year 2025 continues to exceed the \$15,000 per ton Rule 2015 backstop threshold
- For continuing RTC price exceedance, staff recommends no additional analysis because circumstances have not changed since the prior review
- Annual RECLAIM Audit Report for 2024 Compliance Year will be presented to the Governing Board for approval on March 6, 2026

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**Quarterly Permitting Enhancement Program (PEP) Update  
South Coast AQMD  
Stationary Source Committee – February 20, 2026**

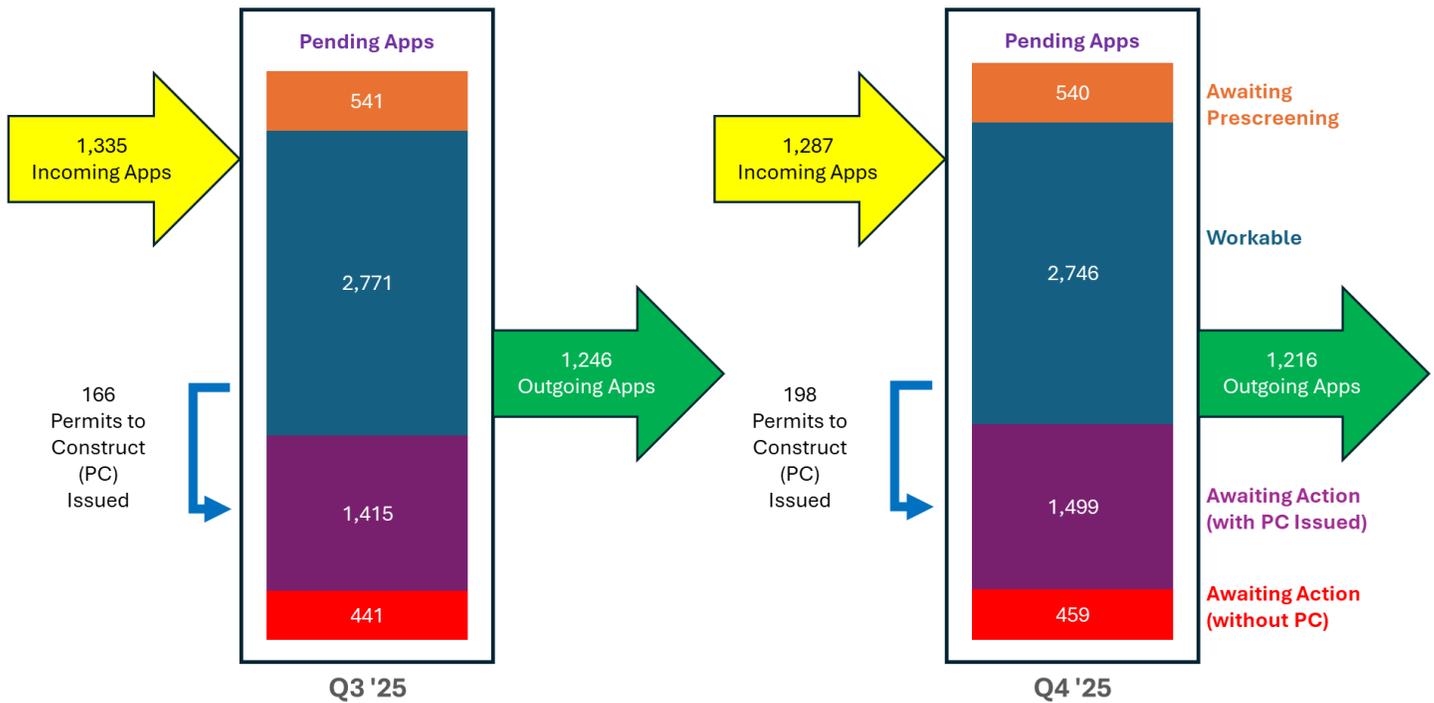
**Background**

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

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

**Summary****Pending Permit Application Inventory**

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



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

Not reflected in Figure 1 are an additional 763 applications processed through the online permitting system, which did not impact the permit application inventory. Staff have automated the permitting process for certain equipment allowing staff to focus their efforts on other permit applications. This amount is much larger than typical quarterly automated applications.

Outgoing applications (green arrow) plus permits to construct issued (blue arrow) were higher than the number of incoming applications in the fourth quarter, showing a mild decrease in the inventory of workable apps.

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

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

Awaiting Action (Non-Workable) Categories*	Without PC Issued			With PC Issued		
	Oct 2025	Nov 2025	Dec 2025	Oct 2025	Nov 2025	Dec 2025
Additional Information from Facility	197	218	184	19	10	14
CEQA Completion	37	37	82	-	-	1
Completion of Construction	-	-	-	1,328	1,331	1,378
Facility Compliance Resolution	20	19	19	-	-	-
Facility Draft Permit Review	31	49	32	-	-	-
<i>Initial Review</i>	21	37	20	-	-	-
<i>Supplemental Review</i>	10	12	12	-	-	-
Fee Payment Resolution	16	16	16	-	-	-
Other Agency Review	21	25	35	1	1	1
Other Facility Action	-	-	-	-	-	-
Other South Coast AQMD Review	-	-	-	-	-	-
Public Notice Completion	26	34	29	-	-	-
Regulatory Review	39	44	46	4	4	4
Source Test Completion	21	34	32	87	95	101

\*Please see Attachment 1 for more information on these categories.

For additional detailed information, the past PEP Updates may be accessed in Attachment 2.

The inventory of Awaiting Action applications has steadily increased. Most of the Awaiting Action applications (70%) have a Completion of Construction status. Staff must wait for construction of the equipment to be completed prior to moving forward on these applications. Facilities are required to submit extension requests if they do not complete construction and demonstrate compliance in the required Permit to Construct timeframes. Several permit applications from a single facility were shifted to CEQA Completion after the facility triggered CEQA requirements.

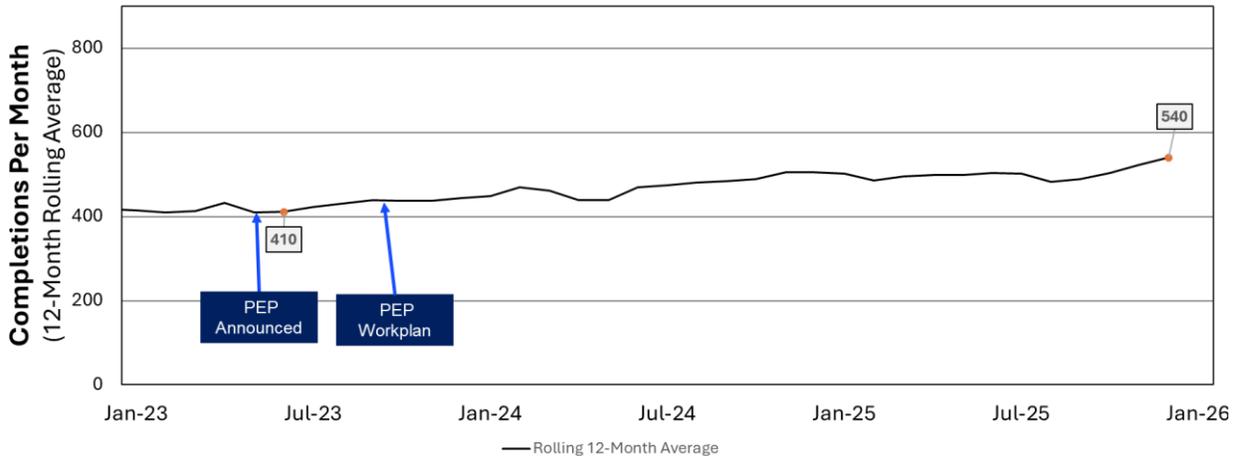
The rate of incoming applications is unpredictable and is dependent on business demands and the economic climate, as well as South Coast AQMD rule requirements. Maintaining the average production rate of outgoing applications greater than average rate of incoming applications is key to reducing the pending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

Maintaining a low vacancy rate with trained and experienced permitting staff is the biggest factor in maintaining high production and reducing the pending application inventory. In addition, data and analysis showed that addressing vacancies at the Senior and Supervising AQ Engineers was vital since these positions are the review and approval stages of the permitting process.

Production

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

**Figure 2: Application Completions - Rolling 12-Month Average**



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

For the most recent 12-month period, the average completion rate was 540 applications per month.

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

Engineering & Permitting (E&P) Vacancy Rate

The E&P vacancy rate at the end of the 4<sup>th</sup> Quarter increased due to a retirement and is now 8.5%. The minimum target vacancy rate for PEP is 10%. When PEP was first announced, the E&P vacancy rate was greater than 20%. At the end of the quarter, 134 of 137 engineer positions (97.8%) were currently filled in the E&P division.

E&P is anticipating multiple upcoming retirements. An external AQ Engineer recruitment was conducted and candidates are being assessed. Additionally, two Supervising AQ Engineer promotions were completed this quarter. Senior AQ Engineering Manager and Senior AQ Engineer recruitments will be initiated in the first quarter of 2026.

Key Activities

- Staff hosted a Permitting Working Group meeting on November 18 to introduce an emissions calculation tool for Open Process Tanks to better equip consultants and applicants to complete their permit applications. Open Process tanks are one of the key backlogged permit application types.
- Staff hosted a Permit Streamlining Task Force (PSTF) meeting on December 10. Staff presented the initial stages of the new permitting workflow and a detailed report on the application types in the pending permit application inventory.
- Staff hosted a BACT Scientific Review Committee meeting introducing several new BACT listings.
- Staff met with Bay Area Air District (BAAD) to share information regarding the agencies' respective permitting systems and organization.
- Staff met with and provided comments to CARB regarding the recently adopted Landfill Methane Rule (LMR). Staff's comments included concerns about resource impacts.

Upcoming Events:

- Staff will host a BACT Scientific Review Committee Meeting in Q2 2026.
- E&P has a division goal of conducting at least six public meetings this fiscal year.
- Staff will launch an initiative in Q1 2026 focused on aged applications and aged projects that have already been issued Permits to Construct.
- The next PEP Board update is scheduled to occur in Q2 2026

## **Attachment 1**

### **Explanation of Non-Workable Application Statuses**

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

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

#### **Description of Non-Workable/Awaiting Action Terms**

##### **Additional Information from Facility**

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

##### **CEQA Completion**

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

##### **Completion of Construction**

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

##### **Facility Compliance Resolution**

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

##### **Facility Draft Permit Initial Review**

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

### Facility Draft Permit Supplemental Review

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

### Fee Payment Resolution

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

### Other Agency Review

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

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

### Other Facility Action

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

### Other South Coast AQMD Review

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

### Public Notice Completion

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

### Regulatory Review

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

### Source Test Completion

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

## Attachment 2

### Links to Previous PEP Updates

#### **2024**

[April 19, 2024](#) – First PEP Update

[May 17, 2024](#)

[June 21, 2024](#)

July 2024 – No Stationary Source Committee meeting

[August 16, 2024](#)

[September 20, 2024 - Canceled](#)

[October 18, 2024](#)

[November 15, 2024](#)

[December 20, 2024](#)

#### **2025**

[January 24, 2025](#)

[February 21, 2025](#)

[March 21, 2025](#)

[April 18, 2025](#)

[May 16, 2025](#)

[June 20, 2025](#)

July 2025 – No Stationary Source Committee Meeting

[August 15, 2025](#)

[September 19, 2025](#)

Start of Quarterly Reporting

[November 21, 2025](#)

## **February 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 February
- 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 (01/01/2026 - 01/31/2026)**

**Total Penalties**

Civil Settlement: \$137,512.95  
Hearing Board Settlement: \$204,956.82  
MSPAP Settlement: \$103,015.50

**Total Cash Settlements: \$444,485.27**

**Total SEP Value: \$0.00**

**Fiscal Year through 01/31/2026 Cash Total: \$5,395,279.18**

**Fiscal Year through 01/31/2026 SEP Value Only Total: \$0.00**

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
<b>Civil</b>						
42645	BRITE PLATING CO INC	203, 1469	01/23/2026	SH	P69830	\$98,912.95
202379	CRYSTAL ART GALLERY	2305	01/13/2026	CL	O15188	\$5,000.00
143740	DCOR LLC	2012	01/20/2026	KCM	P80246	\$15,500.00
200826	JIL CONSTRUCTION SERVICES INC.	1403	01/16/2026	SH	P78608	\$1,500.00
200588	RIALTO UNIFIED SCHOOL DISTRICT	203, 1403, 40 CFR 61.145	01/27/2026	MR	P75777	\$750.00
203290	MCLANE GLOBAL	2305	01/20/2026	SP	O15240	\$12,350.00
4477	SO CAL EDISON CO	2004, 3002	01/09/2026	SH	P79460	\$1,500.00
144776	SPRAY ENCLOSURE TECHNOLOGIES, INC	203, 1147	01/08/2026	KCM	P68727, P74661	\$2,000.00
<b>Total Civil Settlements: \$137,512.95</b>						
<b>Hearing Board</b>						
140373	AMERESCO CHIQUITA ENERGY LLC	203, 431.1, 3002	01/22/2026	KER	6143-4	\$2,600.00
119219	CHIQUITA CANYON LLC	431.1, 3002	01/22/2026	KER	6177-4	\$202,356.82

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**Total Hearing Board Settlements: \$204,956.82**

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**MSPAP**

200415	13331 PETROLEUM INC	461	01/20/2026	CL	P63730	\$4,327.00
57946	ARCO DLR, S&S KOHANOFF	461, H&S 41960.2	01/20/2026	VB	P63593	\$3,447.00
158488	BEAUMONT SERVICE STATION INC.	461	01/06/2026	SW	P80980	\$624.00
188873	CHERRY AVENUE DEVELOPMENT INC	1403	01/06/2026	SW	P82021	\$879.00
188873	CHERRY AVENUE DEVELOPMENT INC	403, 1403	01/13/2026	SW	P79964, P79965	\$3,225.00
170747	CITY OF RIALTO, FIRE STATION #202	461	01/20/2026	CL	P81205	\$1,149.00
190655	CVWD WELL SITE 5683	203	01/06/2026	SW	P74300	\$1,049.00
191764	DG PREMIUM BRANDS, LLC	2305	01/20/2026	LT	O15395	\$25,740.00
200347	FUEL DEPOT INC	461, H&S 41960.2	01/16/2026	LT	P63584	\$1,873.50
175029	GOLDEN STATE FUEL	461, H&S 41960.2	01/06/2026	SW	P80227	\$2,307.00
158878	GRAND SHELL & SUBWAY, INC. HARRY HAHN	461, H&S 41960.2	01/06/2026	SW	P68834	\$3,846.50
24647	J. B. I. INC	3002	01/16/2026	VB	P80429	\$4,396.00
162254	JN C_STORE, OHANES NAHAS	461, H&S 41960.2	01/08/2026	CR	P64878	\$999.00
72697	LA UNI SCH DIST, EAGLE ROCK HIGH SCHOOL	1470, 203	01/16/2026	CL	P75492	\$824.00
196425	LOS ANGELES PETROLEUM INC	461, H&S 41960.2	01/08/2026	CR	P63588	\$839.00
206971	MBL INDUSTRIES LLC	203	01/23/2026	CL	P81351	\$1,198.00
169003	METROPOLITAN TRANSPORTATION AUTHORITY	203	01/06/2026	CL	P81953	\$1,678.00
58302	MOBIL DLR, VICHAI SANGNGEONON	461, H&S 41960.2	01/16/2026	VB	P63582	\$2,802.00
141429	MP GAS, INC/ PETRO EAGLE	461	01/06/2026	SW	P63587	\$1,099.00
205392	NEGAHDAR INC	203	01/20/2026	SW	P66999	\$1,049.00
142763	NORCO FUELING	203, 461	01/20/2026	VB	P73146, P80567	\$6,854.00
119815	NORTH HILLS RECYCLING, INC.	403	01/15/2026	CR	P79271	\$5,245.00
184727	OIL LEE, INC.	461, H&S 41960.2	01/23/2026	VB	P64873	\$2,747.00
163406	P.W. STEPHENS ENVIRONMENTAL INC	1403	01/06/2026	SW	P81155	\$2,498.00
202566	PORSCHE	2305	01/20/2026	VB	O15182	\$8,800.00
175290	PROTAB LABORATORIES	2305	01/06/2026	LT	O15384	\$8,800.00
195372	RALPHS FUEL FACILITY #233	461, H&S 41960.2	01/20/2026	LT	P63590	\$1,873.50
45086	SIGNAL HILL PETROLEUM INC	203	01/16/2026	CL	P80730	\$1,249.00
40841	THE DOT PRINTER INC	3002	01/23/2026	CL	P81408	\$1,598.00

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**Total MSPAP Settlements: \$103,015.50**

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

**REGULATION II - PERMITS**

Rule 203            Permit to Operate

**REGULATION IV - PROHIBITIONS**

Rule 403            Fugitive Dust  
Rule 431.1         Sulfur Content of Gaseous Fuels  
Rule 461            Gasoline Transfer and Dispensing

**REGULATION XI - SOURCE SPECIFIC STANDARDS**

Rule 1147         NOx Reductions from Miscellaneous Sources

**REGULATION XIV - TOXICS**

Rule 1403         Asbestos Emissions from Demolition/Renovation Activities  
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

**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

**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