

REVISED



**South Coast
Air Quality Management District**

21865 Copley Drive, Diamond Bar, CA 91765

(909) 396-2000, www.aqmd.gov

STATIONARY SOURCE COMMITTEE MEETING

Committee Members

Mayor Pro Tem Ben Benoit, Chair

Dr. Joseph Lyou, Vice Chair

Supervisor Sheila Kuehl

Council Member Judith Mitchell

Supervisor Shawn Nelson

Supervisor Janice Rutherford

October 20, 2017 ♦ 10:30 AM ♦ CC8

21865 Copley Dr., Diamond Bar, CA 91765

TELECONFERENCE LOCATIONS

Hall of Administration
Planning Commission Room
333 West Santa Ana Blvd.
Santa Ana, CA 92701

Wildomar City Hall
City Council Chambers
23873 Clinton Keith Road
Wildomar, CA 92595

(The public may attend at any location listed above.)

Call-in for listening purposes only is available by dialing:

Toll Free: 866-244-8528

Listen Only Passcode: 5821432

In addition, a webcast is available for viewing and listening at:

<http://www.aqmd.gov/home/library/webcasts>

AGENDA

CALL TO ORDER

INFORMATIONAL ITEMS

- 1. Permit Application Backlog Reduction Report (*No Motion Required*)**
Staff will provide an end of the fiscal year report on the permit application backlog reduction and automation efforts.
(Written Material Attached)

Laki Tisopulos,
Deputy Executive
Officer
- 2. Proposed Rule 1148.3 Requirements for Natural Gas Underground Storage Facilities (*No Motion Required*)**
On July 17, 2017 the Office of Administrative Law approved CARB's regulation for Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities. Many provisions are similar to concepts for Proposed Rule 1148.3. Staff will present a comparison and recommendations for rulemaking for Proposed Rule 1148.3
(Written Material Attached)

Susan Nakamura,
Assistant Deputy
Executive Officer
- 3. Proposed Amended Rule 1466 - Control of Particulate Emissions from Soils with Toxic Air Contaminants (*No Motion Required*)**
Rule 1466 was adopted July 7, 2017 to minimize fugitive dust emissions from earth moving activities for soils containing specific toxic air contaminants. The adoption Resolution directed staff to return to the Board with an amendment for the Board's consideration to expand the list of applicable toxic air contaminants to include pesticides, herbicides, other metals, persistent bio-cumulative toxics, and semi-volatile organic compounds. Staff will present proposed amendments to Rule 1466 which incorporate provisions consistent with the adoption Resolution and additional provisions to improve the clarity and enforceability of the rule.
(Written Material Attached)

Susan Nakamura,
Assistant Deputy
Executive Officer
- 4. Proposed Rule 1180 Petroleum Refinery Fenceline and Community Air Monitoring (*No Motion Required*)**
Staff will provide an update on rule development given recent legislation signed by the Governor on October 8, 2017 (AB 1647).
(Written Material Attached)

Philip Fine,
Deputy Executive
Officer
- 5. RECLAIM Quarterly Report (*No Motion Required*)**
Staff will provide an update on efforts to transition the RECLAIM program to a command-and-control regulatory structure.
(Written Material Attached)

Tracy Goss,
Manager

6. **Update on the Draft Assessment of tertiary-Butyl Acetate (tBAc) (*No Motion Required*)** Philip Fine,
Deputy Executive
Officer
- The Draft Assessment of tertiary-Butyl Acetate (tBAc) white paper was released in April 2017 and presented to the April Stationary Source Committee. As directed by the committee, staff will provide an update on the status of the Office of Environmental Health Hazard Assessment (OEHHA) Scientific Review Panel's assessment of the draft cancer potency factor for tBAc.
(Written Material Attached)

WRITTEN REPORTS

7. **Twelve-month and Three-month Rolling Price of RTCs for Compliance Years 2016 and 2017 (*No Motion Required*)** Laki Tisopulos,
Assistant Deputy
Executive Officer
- The attached quarterly report summarizes the twelve-month and three-month rolling average prices of NOx and SOx RTCs.
(Written Material Attached)
8. **Notice of Violation Penalty Summary (*No Motion Required*)** Kurt Wiese,
General Counsel
- This report provides the total penalties settled in September which includes Civil, Supplemental Environmental Projects, Mutual Settlement Assessment Penalty Program, Hearing Board and Miscellaneous.
(Written Material Attached)

OTHER MATTERS

9. **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)
10. **Public Comment Period**
- 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)). All agendas for regular meetings are posted at District Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of a regular meeting. 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. Speakers may be limited to three (3) minutes each.
11. **Next Meeting Date: November 17, 2017**

ADJOURNMENT

Americans with Disabilities Act

The agenda and documents in the agenda packet will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't. Code Section 54954.2(a)). Disability-related accommodations will also be made available to allow participation in the Stationary Source Committee meeting. Any accommodations must be requested as soon as practicable. Requests will be accommodated to the extent feasible. Please contact Evangelina Barrera at 909.396-2583 from 7:30 a.m. to 6:00 p.m., Tuesday through Friday, or send the request to ebarrera@aqmd.gov.

Document Availability

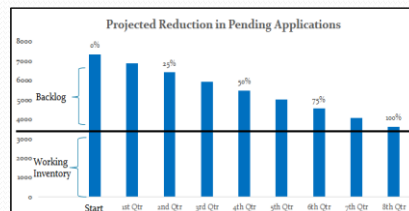
All documents (i) constituting non-exempt public records, (ii) relating to an item on an agenda for a regular meeting, and (iii) having been distributed to at least a majority of the Committee after the agenda is posted, are available prior to the meeting for public review at the South Coast Air Quality Management District, Public Information Center, 21865 Copley Drive, Diamond Bar, CA 91765.

FY 2016-17 End of the Year Report on Permit Backlog Reduction and Automation

Stationary Source Committee
October 20, 2017

Accomplishments

- Focused on reducing permit application backlog
 - Developed and implemented Action Plan
 - Two year horizon and targeted 50% reduction
- Improved production rates
- Exceeded goals, objectives and targets for 1st year



Organizational Efficiencies

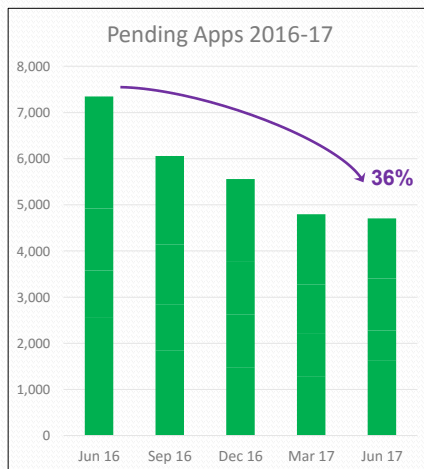
- Reduced vacancy rates
- Senior Engineer promotions

October 2017

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Progress to Date

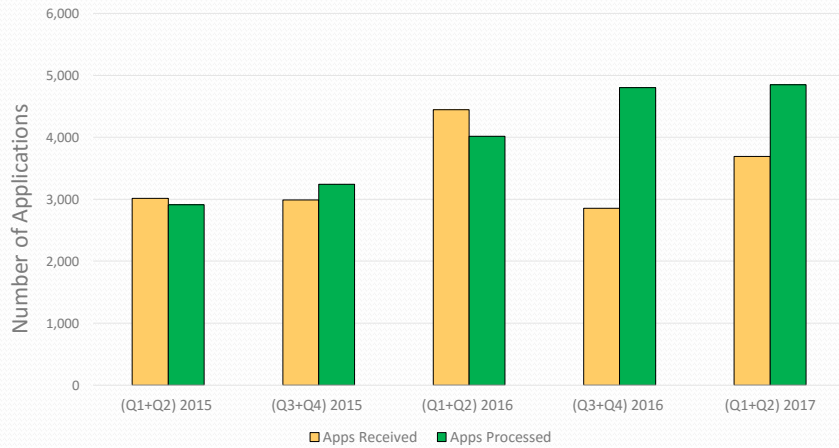
- Focused on optimizing productivity
- Reduced pending permit applications by 36% in 12 months
- Utilized voluntary overtime ~50% of allocated budget



October 2017

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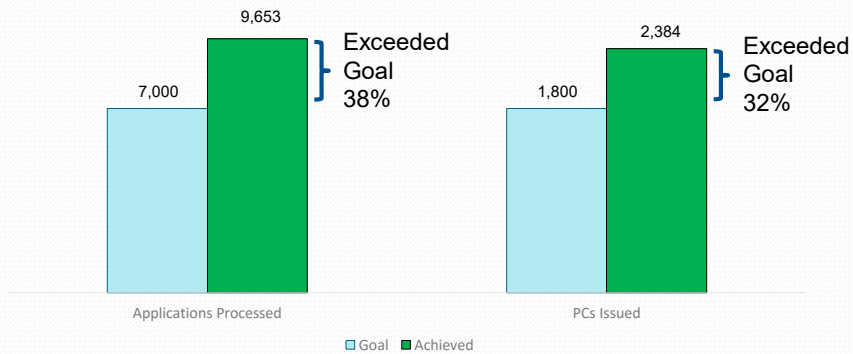
Improved Production Rates



October 2017

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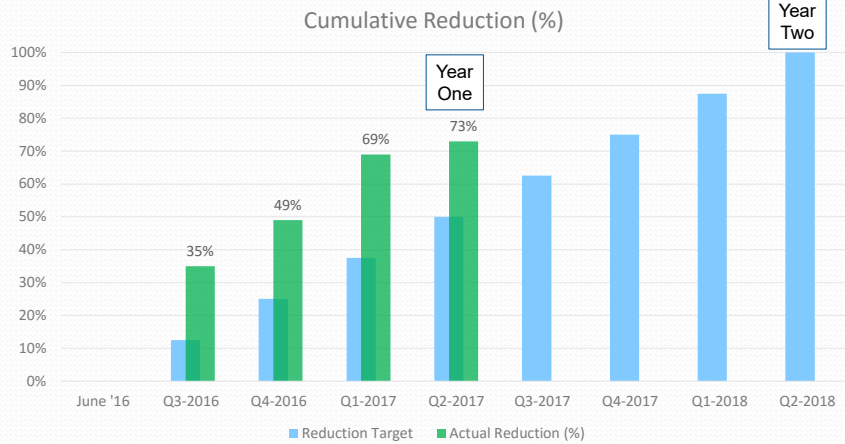
Applications Processed Exceeding FY 2016-2017 Targets



October 2017

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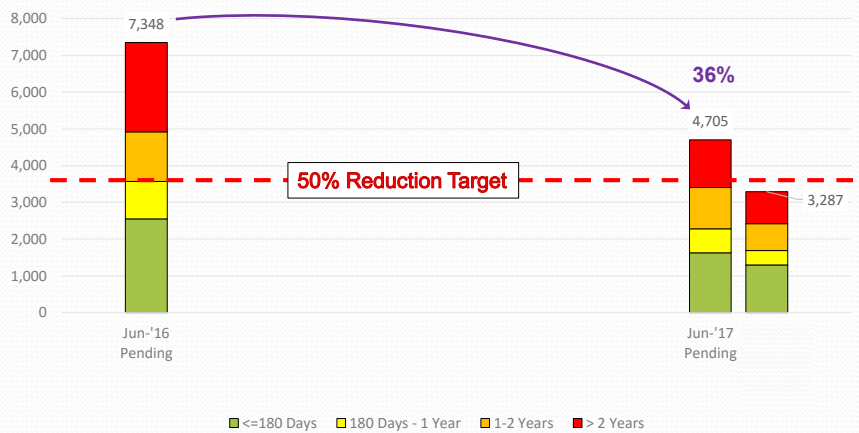
Pending Applications Reductions Exceeding Targets



October 2017

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Pending Applications 2016/2017 Enhanced Metric – Exclude PCs Issued



October 2017

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Automation/Modernization

- Initiated development of on-line permitting tools
 - Electronic submittal
 - Automated permit issuance
 - E-Forms: 400-A, 400-PS, 400-CEQA
- Focusing on three simpler / high use process equipment



Dry Cleaners



Gas Stations



Automotive Spray Booths

- Prototypes in Testing

October 2017

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Next Steps

- Continue permit application backlog reduction efforts
- Online permitting tool development
 - Test and deploy prototypes received
 - Dry Cleaners – September 30 Initial Deployment Scheduled
 - Develop additional tools
- Migrate to electronic filing and processing
- Review outdated policies and procedures
- Focus on customer satisfaction/improved metrics
- Seek enhancements to XPP program

October 2017

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Status of Proposed Rule 1148.3 Natural Gas Underground Storage Facilities

Stationary Source Committee
October 20, 2017

Background

- Staff began work on Proposed Rule 1148.3 - Natural Gas Underground Storage Facilities (PR 1148.3) in Spring 2016
- PR 1148.3 would apply to natural gas underground storage facilities (Aliso Canyon, Honor Rancho, Playa Vista, and Montebello)
- Key rule concepts
 - Fenceline and community monitoring
 - Leak Detection and Repair (LDAR) requirements
 - Require optical gas imaging to complement Method 21
 - Public notification and communication with surrounding community
- Designed to complement CARB and DOGGR regulations
- Updated Stationary Source Committee in April 2016

CARB's Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities

- CARB Issued Initial Statement of Reasons in May 2016
 - Purpose: establish greenhouse gas emission standards for crude oil and natural gas facilities (California Global Warming Solutions Act, AB32)
 - Six broad oil and gas source categories
 - Incorporated provisions to address potential leaks at underground natural gas storage facilities in response Aliso Canyon natural gas leak in 2015
- 2 Public Hearings
 - July 2016
 - March 2017
- Office of Administrative Law approved July 17, 2017



Key Features of CARB Regulation

- Submittal of monitoring plan – January 2018
 - Install and operate continuous ambient methane monitors
 - Perform daily screening (OGI or Method 21), or install continuous monitoring of wellhead/ surrounding areas
- Audio-visual inspection of various components once every 24 hours
- Quarterly leak detection and repair requirements at wellhead using EPA Method 21
- Notification to agencies upon methane exceedance detected by:
 - Ambient monitors
 - Method 21 inspections

CARB Regulation and PR 1148.3

- When staff began rule development for PR 1148.3, CARB regulation lacked specificity on Monitoring Plan
- Approved CARB regulation added specificity and included most elements that PR 1148.3 contemplated
- There are three areas of CARB's regulation that PR 1148.3 could address
 - Appropriate identification of critical components and critical process units that are allowed additional time to repair if a leak is detected
 - Appropriate number and location of community monitors
 - Applicability of the Montebello storage field in CARB's Regulation



Staff Recommendation

- CARB's regulation includes a provision that allows agencies to enter into MOAs to define implementation and enforcement responsibilities and share information
- Provision allows staff to work with CARB on overall implementation and enforcement and to address the areas PR 1148.3 would cover
- Staff recommendation
 - Suspend rule development on PR 1148.3
 - Work with CARB on implementation of their regulation
 - Seek delegation of enforcement under an MOA
 - If issues not addressed, staff can re-initiate rule development





Proposed Amended Rule 1466 Control of Particulate Emissions from Soils with Toxic Air Contaminants



STATIONARY SOURCE COMMITTEE MEETING
OCTOBER 20, 2017

Background

- Adopted July 7, 2017
- In the adoption Resolution, the Board directed staff to expand the list of toxic air contaminants to include pesticides, herbicides, other metals, persistent bioaccumulative toxics, and semi-volatile organic compounds as early as practicable
- Two Working Group Meetings
 - August 3, 2017
 - September 12, 2017
- Public Workshop
 - September 19, 2017





Applicability

- Rule currently applicable to sites designated and notified by U.S. EPA, DTSC, and Water Boards
- Expands applicability to include sites that have been designated and notified as Hazardous Material Release Sites by a county, local, or state regulatory agency pursuant to Health and Safety Code Section 25260, effective January 1, 2018
- Discourages sites from selectively choosing other county, local, or state regulatory agencies to avoid complying with Rule 1466

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Applicable Toxic Air Contaminants

US EPA, DTSC, Water Board,
and Other Agency
Designated Sites

Arsenic, Asbestos,
Cadmium, Hexavalent
Chromium, Lead,
Mercury, Nickel, PCBs



Dioxins (Rule 1401 Table
1), Pesticides, and PAHs

SCAQMD Designated Sites

Arsenic, Asbestos,
Cadmium, Hexavalent
Chromium, Lead,
Mercury, Nickel, PCBs



Dioxins (Rule 1401 Table
1), Pesticides, and PAHs



Any Rule 1401 or
California Code of
Regulations Toxic Air
Contaminant

4

Applicable Toxic Air Contaminants

- For sites identified by the U.S. EPA, DTSC, Water Boards, and other regulatory agencies
- Effective January 1, 2018
- Dioxins
 - 2,3,7,8-tetrachlorodibenzo-p-dioxin
 - 1,2,3,7,8-pentachlorodibenzo-p-dioxin
 - 1,2,3,4,7,8-hexachlorodibenzo-p-dioxin
 - 1,2,3,6,7,8-hexachlorodibenzo-p-dioxin
 - 1,2,3,7,8,9-hexachlorodibenzo-p-dioxin
 - 1,2,3,4,6,7,8-heptachlorodibenzo-p-dioxin
 - 1,2,3,4,6,7,8,9-octachlorodibenzo-p-dioxin
 - total tetrachlorodibenzo-p-dioxin
 - total pentachlorodibenzo-p-dioxin
 - total hexachlorodibenzo-p-dioxin
 - total heptachlorodibenzo-p-dioxin
- Pesticides
 - chlordane
 - dichlorodiphenyltrichloroethane (DDT)
 - dichlorodiphenyldichloroethylene (DDE)
 - dichlorodiphenyldichloroethane (DDD)
- Polycyclic Aromatic Hydrocarbons (PAHs)
 - benzo[a]anthracene
 - benzo[a]pyrene
 - benzo[b]fluoranthene
 - benzo[k]fluoranthene
 - chrysene
 - dibenz[a,h]anthracene
 - indeno[1,2,3-c,d]pyrene

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Clarifications and Other Provisions

- Require monitors to be identical in model, configuration, settings, and calibration
- Notification Requirements
 - Require additional information for notification of intent to conduct earth-moving activity
 - Require notification updates for changes in start date and exemption status
 - Add reference to Rule 3101 for notification fees
- When the Executive Officer is considering designating a site, also include information regarding site history
- In addition to linear sewage projects, include an exemption for certain provisions for linear trenching for water and power projects on roadways

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Schedule

- November 3, 2017 Set Hearing
- December 1, 2017 Public Hearing



Proposed Rule 1180

Refinery Fenceline and Community Air Monitoring



Stationary Source Committee
October 20, 2017

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Background

- Presented Proposed Rule 1180 to Stationary Source Committee on September 15, 2017
 - Committee direction to move Rule to December 2017
- Key activities since the last Stationary Source Committee meeting include:
 - September 21, 2017, Working Group meeting #5 in Wilmington
 - October 8, 2017, Governor signed AB 1647 into law requiring community air monitoring and fenceline monitoring systems to be installed on and near petroleum refineries before January 1, 2020



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Key Comments from Working Group

- Monitor for “all” air pollutants from “all” refineries, including, asphalt facilities
 - Technical limitations to monitoring for all air pollutants
 - Community monitors will pick up refinery-related emissions
- Ensure that requirements for community air monitoring are consistent with AB 1647
 - Staff is revising the proposed rule language and guidelines to be consistent with AB 1647, including, cost recovery provisions for refinery-related community air monitoring
- Provide sufficient notification to the public when elevated emission levels are measured
 - Staff has revised the guidelines to provide clarification about the design of the public notification system for a fenceline air monitoring system



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Overview of AB 1647

- Approved by Governor on October 8, 2017
- Requires by January 1, 2020:
 - The District to design, develop, install, operate, and maintain the refinery-related community air monitoring system, and
 - Petroleum refineries to develop, install, operate, and maintain the fenceline monitoring system
- Petroleum refinery shall be responsible for the cost associated with implementing the community air monitoring system



4

Key Revisions – Applicability

- Applies to petroleum refineries that have a capacity to process more than 40,000 barrels per day of crude oil
 - Staff revised threshold from 10,000 barrels per day to exclude asphalt facilities
 - Based on revised threshold, seven facilities would be covered by the proposed rule
 - Throughput values are based on total crude oil capacity reported annually by the California Energy Commission



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Key Revisions – Fenceline Air Monitoring Requirements

- Require petroleum refineries to install and operate real-time fenceline air monitoring systems by January 1, 2020
 - Remove previous requirements for installation and operation of a community air monitoring system, and
 - Ensure that fenceline air monitoring plans are submitted on a schedule that will meet AB 1647 deadlines



6

Key Revisions – Plan Requirements

- Remove previous plan requirements for community air monitoring systems since it will be conducted by SCAQMD



Fenceline Monitoring

- Equipment and siting specifications
- Equipment maintenance and quality assurance procedures



Public Information

- Method for continuous dissemination of data



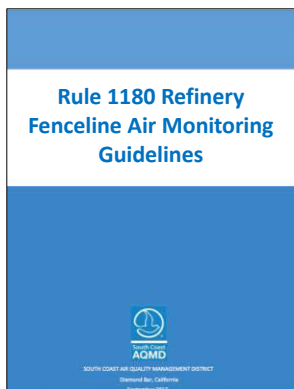
Independent Oversight

- Procedures for implementing quality assurance by a qualified independent party (e.g., audits)

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Key Revisions – Guidelines

- Remove community air monitoring from guidelines, thereby limiting them to fenceline air monitoring



Emissions Sources and Affected Communities

- Identify potential sources of emissions from the facility, nearby affected communities and other potential sources of emissions



Fenceline and Community Air Monitoring System

- Develop a fenceline air monitoring system that provides real-time information about air pollutant levels
- Use state-of-the-art technology (e.g., open path technology)



Information Management and Displays

- Develop a data management system for air monitoring information
- Develop a website w/ dashboards capable of delivering real-time information to the public

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Cost-Recovery Requirements

- Remove option for exemption allowing for a cost-recoverable community air monitoring agreement with the District
- Add cost recovery provision(s) and fees to support refinery-related community air monitoring system:
 - Cost to be recovered for equipment, siting, operation, maintenance, data processing, and public dissemination of data
 - Consistent with AB 1647
 - Staff developing cost schedule



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Public Process

- Five Working Group Meetings held:
 - April 5, 2017
 - June 13, 2017
 - July 28, 2017
 - August 29, 2017
 - September 21, 2017
- Public Workshop held:
 - September 6, 2017



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Schedule

- Set Hearing:
 - November 3, 2017
- Public Hearing:
 - December 1, 2017



RECLAIM QUARTERLY REPORT

Stationary Source Committee
October 20, 2017

Background

- May 2017 Governing Board Meeting - staff provided a Report on Transitioning NOx RECLAIM to a Command and Control structure
 - Governing Board recommended that staff report to Stationary Source Committee quarterly
- Since the May 2017 Governing Board Meeting, staff has met with the RECLAIM Working Group three times
 - June 8, 2017
 - July 13, 2017
 - September 14, 2017
 - October 12, 2017
- Over 25 meetings with individual facilities and trade groups

AB 617: BARCT at Cap and Trade Facilities

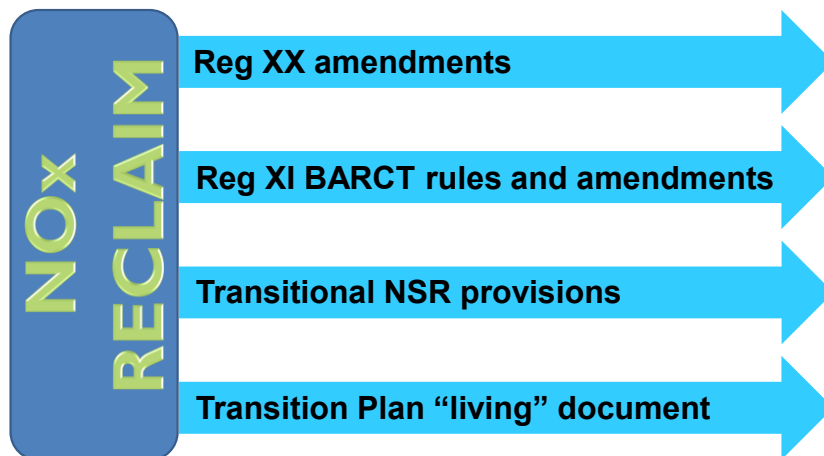
- Companion bill to Cap and Trade extension signed by the Governor on July 26, 2017
- RECLAIM facilities that are in the CA GHG Cap and Trade program are required to install BARCT
 - An expedited “schedule” for implementing BARCT is required to be developed by January 1, 2019, with full implementation no later than December 31, 2023
 - Highest priority to be placed on units that have not modified emissions-related permit conditions for the greatest period of time
- Staff continues to assess impact to RECLAIM transition planning
 - Increased urgency for larger facilities
 - Need to establish BARCT levels sooner to allow time for implementation
 - Resources needed to complete rulemaking by January 2019

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General Approach for Transitioning NOx RECLAIM to Command and Control

- Evaluation of need to create or amend “Landing Rules” which require BARCT
- Amendments to Regulation XX
 - No new entries to RECLAIM
 - Mandatory exits
 - Early voluntary exits
 - Transition provisions (timing, NSR, etc.)

Parallel RECLAIM Transition Activities



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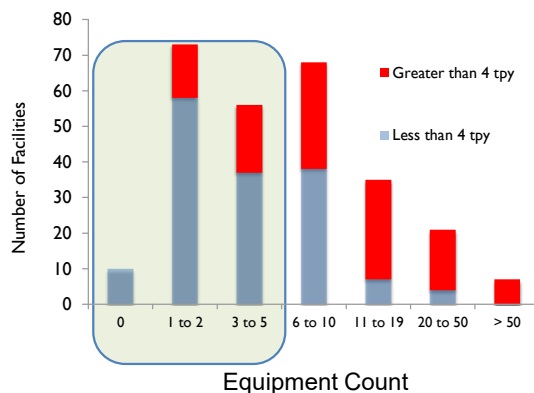
Evaluation of Existing Landing Rules

- Must ensure as facilities transition out of RECLAIM, there is a corresponding command and control “landing rule” with up-to-date BARCT requirements
- Amendments to corresponding command and control landing rules may be needed to account for:
 - Implementation timeframe to achieve BARCT compliance limits
 - Monitoring and recordkeeping requirements
- ~27 amendments to existing BARCT command and control rules will be needed
- ~5 new BARCT command and control rules will be needed

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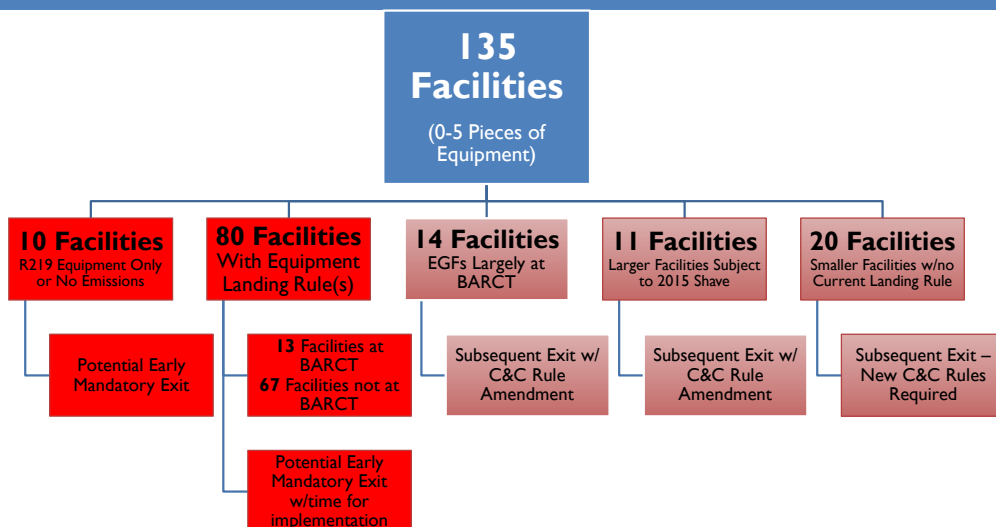
Detailed Evaluation of NOx RECLAIM Universe

- Evaluation of equipment or process by facility
- Is the equipment or process currently regulated by a “landing rule”?
- Analysis of RECLAIM facilities with 0 to 5 pieces of equipment completed
- Staff working on facilities > 5 pieces of equipment – will update at next quarterly report



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Summary of <5 Pieces of Equipment Facilities



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Update on Proposed Amended Rule 2001

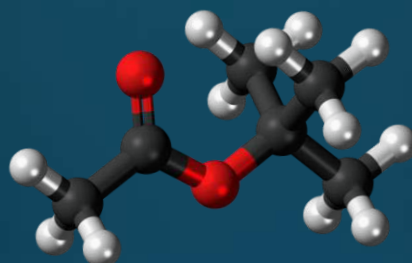
- Key elements of amendment:
 - No new facilities would be added to RECLAIM
 - No facilities can elect to enter RECLAIM
 - Concepts to expand
 - Mandatory exit provisions
 - Opt-out provisions – reassess existing provisions (i.e., EGFs) and establish additional provisions
 - Proposed concepts for “Structural Buyer” (i.e., those without an initial allocation)
- Schedule: 1st Quarter 2018

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Next Steps

- Begin development of high priority rules
 - AB 617 BARCT rule development/adoption by January 1, 2019
 - Reg XX, refineries, power plants, other...
 - Provide regulatory certainty as soon as possible (i.e., BARCT effective dates)
- Sub-topic working group meetings will be convened for:
 - New Source Review
 - Permitting
 - Possibly other topics
- Continue with the development of the RECLAIM Transition Plan
- Work with facilities to identify any new issues

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Update on tertiary-Butyl Acetate (tBAC) Assessment

Stationary Source Committee
October 20, 2017

tBAC Assessment Background

February 2016

- Governing Board directed staff to re-assess limited tBAC exemptions

October 2016

- SCAQMD released preliminary draft tBAC assessment
- Stationary Source Committee (SSC) directed staff to conduct further assessment

April 2017

- SCAQMD released revised draft tBAC assessment
- SSC elected to wait until State Scientific Review Panel (SRP) to take any further action, asked staff to provide an update in the summer



Update and Recommendation



OEHHA SRP meeting on tBAC now scheduled for December 2017

Staff recommends waiting for OEHHA decision and will report back once finalized



South Coast Air Quality Management District

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(909) 396-2000 • www.aqmd.gov

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Twelve-Month and Three-Month Rolling Average Price of Compliance Years 2016 and 2017 NOx and SOx RTCs

October 2017 Quarterly Report to Stationary Source Committee

Table I

Twelve-Month Rolling Average Price Data for Compliance Year 2016 NOx RTCs
(Report to Governing Board if rolling average price greater than \$22,500/ton)

Twelve-Month Rolling Average Price Data for Compliance Year 2016 NOx RTC					
Reporting Month	12-Month Period	Total Volume Traded with Price During Past 12-month (tons)	Total Price of Volume Traded During Past 12-month (\$)	Number of Trades with Price	Rolling Average Price ¹ (\$/ton)
Jan-16	Jan-15 to Dec-15	224.2	\$635,305	13	\$2,833
Feb-16	Feb-15 to Jan-16	224.2	\$635,305	13	\$2,833
Mar-16	Mar-15 to Feb-16	262.9	\$797,077	16	\$3,032
Apr-16	Apr-15 to Mar-16	268.3	\$817,792	18	\$3,049
May-16	May-15 to Apr-16	275.0	\$846,346	23	\$3,078
Jun-16	Jun-15 to May-16	294.6	\$929,752	27	\$3,156
Jul-16	Jul-15 to Jun-16	298.2	\$946,490	30	\$3,174
Aug-16	Aug-15 to Jul-16	296.0	\$928,978	34	\$3,138
Sep-16	Sep-15 to Aug-16	318.7	\$1,017,153	42	\$3,191
Oct-16	Oct-15 to Sep-16	225.7	\$841,616	45	\$3,730
Nov-16	Nov-15 to Oct-16	290.7	\$1,030,619	62	\$3,546
Dec-16	Dec-15 to Nov-16	342.4	\$1,136,149	66	\$3,318
Jan-17	Jan-16 to Dec-16	748.6	\$2,195,315	76	\$2,932
Feb-17	Feb-16 to Jan-17	1,128.2	\$2,785,334	110	\$2,469
Mar-17	Mar-16 to Feb-17	1,293.2	\$2,926,614	128	\$2,263
Apr-17	Apr-16 to Mar-17	1293.9	\$2,917,770	129	\$2,255
May-17	May-16 to Apr-17	1,383.9	\$3,318,537	149	\$2,398
Jun-17	Jun-16 to May-17	1,366.0	\$3,243,007	146	\$2,374
Jul-17	Jul-16 to Jun-17	1,413.9	\$3,400,528	154	\$2,405
Aug-17	Aug-16 to Jul-17	1,487.7	\$3,631,962	166	\$2,441

Twelve-Month Rolling Average Price Data for Compliance Year 2016 NOx RTC					
Reporting Month	12-Month Period	Total Volume Traded with Price During Past 12-month (tons)	Total Price of Volume Traded During Past 12-month (\$)	Number of Trades with Price	Rolling Average Price ¹ (\$/ton)
Sep-17	Sep-16 to Aug-17	1,778.4	\$4,268,466	186	\$2,400
Oct-17	Oct-16 to Sep-17	Compliance Year 2016 RTCs can no longer be traded after August 2017			

1. District Rule 2015(b)(6) - Backstop Provisions provides additional "evaluation and review of the compliance and enforcement aspects of the RECLAIM program" if the average RTC price exceeds \$15,000 per ton.

Table II

Twelve-Month Rolling Average Price Data for Compliance Year 2017 NOx RTCs
(Report to Governing Board if rolling average price greater than \$22,500/ton)

Twelve-Month Rolling Average Price Data for Compliance Year 2017 NOx RTC					
Reporting Month	12-Month Period	Total Volume Traded with Price During Past 12-month (tons)	Total Price of Volume Traded During Past 12-month (\$)	Number of Trades with Price	Rolling Average Price ¹ (\$/ton)
Jan-17	Jan-16 to Dec-16	69.7	\$460,621	9	\$6,606
Feb-17	Feb-16 to Jan-17	94.7	\$610,693	11	\$6,446
Mar-17	Mar-16 to Feb-17	82.2	\$573,193	10	\$6,970
Apr-17	Apr-16 to Mar-17	125.3	\$824,493	12	\$6,581
May-17	May-16 to Apr-17	113.8	\$741,828	15	\$6,519
Jun-17	Jun-16 to May-17	113.8	\$741,828	15	\$6,519
Jul-17	Jul-16 to Jun-17	134.4	\$867,079	22	\$6,450
Aug-17	Aug-16 to Jul-17	144.8	\$920,041	29	\$6,355
Sep-17	Sep-16 to Aug-17	150.4	\$955,120	35	\$6,351
Oct-17	Oct-16 to Sep-17	151.2	\$956,005	36	\$6,323

1. District Rule 2015(b)(6) - Backstop Provisions provides additional "evaluation and review of the compliance and enforcement aspects of the RECLAIM program" if the average RTC price exceeds \$15,000 per ton.

Table III

Three-Month Rolling Average Price Data for Compliance Year 2016 NOx RTCs
(Report to Governing Board if rolling average price greater than \$35,000/ton)

Three-Month Rolling Average Price Data for Compliance Year 2016 NOx RTC					
Reporting Month	3-Month Period	Total Volume Traded with Price During Past 3-month (tons)	Total Price of Volume Traded During Past 3-month (\$)	Number of Trades with Price	Rolling Average Price (\$/ton)
May-16	Feb-16 to Apr-16	50.8	\$211,041	10	\$4,158
Jun-16	Mar-16 to May-16	31.7	\$132,675	11	\$4,188
Jul-16	Apr-16 to Jun-16	29.9	\$128,699	12	\$4,304
Aug-16	May-16 to Jul-16	32.9	\$130,194	12	\$3,953
Sep-16	Jun-16 to Aug-16	36.0	\$134,963	16	\$3,747
Oct-16	Jul-16 to Sep-16	39.4	\$142,688	18	\$3,623
Nov-16	Aug-16 to Oct-16	157.2	\$436,641	32	\$2,778
Dec-16	Sep-16 to Nov-16	186.2	\$453,996	28	\$2,438
Jan-17	Oct-16 to Dec-16	635.3	\$1,741,442	41	\$2,741
Feb-17	Nov-16 to Jan-17	887.4	\$2,007,458	56	\$2,262
Mar-17	Dec-16 to Feb-17	1,039.3	\$2,204,979	73	\$2,122
Apr-17	Jan-17 to Mar-17	589.3	\$904,942	58	\$1,536
May-17	Feb-17 to Apr-17	306.4	\$744,245	49	\$2,429
Jun-17	Mar-17 to May-17	104.5	\$449,068	29	\$4,296
Jul-17	Apr-17 to Jun-17	149.9	\$611,457	37	\$4,079
Aug-17	May-17 to Jul-17	136.8	\$443,619	29	\$3,244
Sep-17	Jun-17 to Aug-17	448.4	\$1,160,423	56	\$2,588
Oct-17	Oct-16 to Sep-17	Compliance Year 2016 RTCs can no longer be traded after August 2017			

Table IV

Three-Month Rolling Average Price Data for Compliance Year 2017 NOx RTCs
(Report to Governing Board if rolling average price greater than \$35,000/ton)

Three-Month Rolling Average Price Data for Compliance Year 2017 NOx RTC					
Reporting Month	3-Month Period	Total Volume Traded with Price During Past 3-month (tons)	Total Price of Volume Traded During Past 3-month (\$)	Number of Trades with Price	Rolling Average Price (\$/ton)
Jan-17	Oct-16 to Dec-16	41.1	\$310,586	6	\$7,561
Feb-17	Nov-16 to Jan-17	66.1	\$460,658	8	\$6,971
Mar-17	Dec-16 to Feb-17	65.0	\$452,221	7	\$6,962
Apr-17	Jan-17 to Mar-17	68.1	\$401,372	4	\$5,897
May-17	Feb-17 to Apr-17	46.6	\$272,479	6	\$5,847

Three-Month Rolling Average Price Data for Compliance Year 2017 NOx RTC					
Reporting Month	3-Month Period	Total Volume Traded with Price During Past 3-month (tons)	Total Price of Volume Traded During Past 3-month (\$)	Number of Trades with Price	Rolling Average Price (\$/ton)
Jun-17	Mar-17 to May-17	46.6	\$272,479	6	\$5,847
Jul-17	Apr-17 to Jun-17	24.2	\$146,430	11	\$6,051
Aug-17	May-17 to Jul-17	31.0	\$178,213	14	\$5,753
Sep-17	Jun-17 to Aug-17	36.6	\$213,292	20	\$5,828
Oct-17	Jul-17 to Sep-17	17.9	\$97,616	15	\$5,468

Table V

Twelve-Month Rolling Average Price Data for Infinite-Year Block NOx RTCs
(Report to Governing Board if rolling average price after 2018 is less than \$200,000/ton)

Twelve-Month Rolling Average Price Data for Infinite-Year NOx RTC					
Reporting Month	12-Month Period	Total Volume Traded with Price During Past 12-month (tons)	Total Price of Volume Traded During Past 12-month (\$)	Number of Trades with Price	Rolling Average Price (\$/ton)
May-16	May-15 to Apr-16	805.1	\$215,694,953	44	\$267,913
Jun-16	Jun-15 to May-16	781.6	\$211,669,953	44	\$270,819
Jul-16	Jul-15 to Jun-16	351.5	\$128,539,029	31	\$365,654
Aug-16	Aug-15 to Jul-16	512.9	\$166,663,599	32	\$324,943
Sep-16	Sep-15 to Aug-16	517.7	\$167,951,099	32	\$324,449
Oct-16	Oct-15 to Sep-16	441.9	\$150,586,981	30	\$340,759
Nov-16	Nov-15 to Oct-16	321.9	\$121,239,854	25	\$376,628
Dec-16	Dec-15 to Nov-16	321.9	\$121,238,354	24	\$376,638
Jan-17	Jan-16 to Dec-16	301.9	\$114,731,605	20	\$380,057
Feb-17	Feb-16 to Jan-17	183.0	\$46,520,577	10	\$254,172
Mar-17	Mar-16 to Feb-17	174.3	\$41,738,077	7	\$239,491
Apr-17	Apr-16 to Mar-17	174.3	\$41,738,077	7	\$239,491
May-17	May-16 to Apr-17	176.8	\$42,113,977	8	\$238,223
Jun-17	Jun-16 to May-17	175.3	\$41,588,977	7	\$237,266
Jul-17	Jul-16 to Jun-17	172.2	\$40,437,201	6	\$234,802
Aug-17	Aug-16 to Jul-17	10.8	\$2,311,624	4	\$213,249
Sep-17	Sep-16 to Aug-17	4.1	\$624,124	3	\$152,598
Oct-17	Oct-16 to Sep-17	4.1	\$624,124	3	\$152,598

Table VI

Twelve-Month Rolling Average Price Data for Compliance Year 2016 SOx RTCs
(Report to Governing Board if rolling average price greater than \$50,000/ton)

Twelve-Month Rolling Average Price Data for Compliance Year 2016 SOx RTC					
Reporting Month	12-Month Period	Total Volume Traded with Price During Past 12-month (tons)	Total Price of Volume Traded During Past 12-month (\$)	Number of Trades with Price	Rolling Average Price ¹ (\$/ton)
Jan-17	Jan-16 to Dec-16	16.5	\$20,700	2	\$1,255
Feb-17	Feb-16 to Jan-17	27.0	\$35,183	4	\$1,304
Mar-17	Mar-16 to Feb-17	27.5	\$35,933	5	\$1,308
Apr-17	Jan-17 to Mar-17	27.5	\$35,933	5	\$1,308
May-17	May-16 to Apr-17	17.0	\$25,433	4	\$1,498
Jun-17	Jun-16 to May-17	17.0	\$25,433	4	\$1,498
Jul-17	Jul-16 to Jun-17	17.0	\$25,433	4	\$1,498
Aug-17	Aug-16 to Jul-17	52.0	\$39,433	5	\$759
Sep-17	Sep-16 to Aug-17	46.0	\$29,233	4	\$636
Oct-17	Oct-16 to Sep-17	Compliance Year 2016 RTCs can no longer be traded after August 2017			

1. District Rule 2015(b)(6) - Backstop Provisions provides additional "evaluation and review of the compliance and enforcement aspects of the RECLAIM program" if the average RTC price exceeds \$15,000 per ton.

Table VII

Twelve-Month Rolling Average Price Data for Compliance Year 2017 SOx RTCs
(Report to Governing Board if rolling average price greater than \$50,000/ton)

Twelve-Month Rolling Average Price Data for Compliance Year 2017 SOx RTC					
Reporting Month	12-Month Period	Total Volume Traded with Price During Past 12-month (tons)	Total Price of Volume Traded During Past 12-month (\$)	Number of Trades with Price	Rolling Average Price ¹ (\$/ton)
Jan-17	Jan-16 to Dec-16	0	0	0	-
Feb-17	Feb-16 to Jan-17	0	0	0	-
Mar-17	Mar-16 to Feb-17	0	0	0	-
Apr-17	Jan-17 to Mar-17	0	0	0	-
May-17	May-16 to Apr-17	0	0	0	-
Jun-17	Jun-16 to May-17	0	0	0	-
Jul-17	Jul-16 to Jun-17	0	0	0	-
Aug-17	Aug-16 to Jul-17	4.0	\$4,400	1	\$1,100
Sep-17	Sep-16 to Aug-17	14.0	\$19,400	2	\$1,386
Oct-17	Oct-16 to Sep-17	14.0	\$19,400	2	\$1,386

1. District Rule 2015(b)(6) - Backstop Provisions provides additional "evaluation and review of the compliance and enforcement aspects of the RECLAIM program" if the average RTC price exceeds \$15,000 per ton.

DISTRICT RULES AND REGULATIONS INDEX FOR SEPTEMBER 2017 PENALTY REPORT

REGULATION II – PERMITS

- Rule 201 Permit to Construct (*Amended 1/5/90*)
- Rule 203 Permit to Operate (*Amended 1/5/90*)
- Rule 222 Filing Requirements for Specific Emission Sources Not Requiring a Written permit Pursuant to Regulation II

REGULATION IV - PROHIBITIONS

- Rule 402 Nuisance (*Adopted 5/7/76*)
- Rule 403 Fugitive Dust
- Rule 461 Gasoline Transfer and Dispensing (*Amended 6/15/01*)

REGULATION XI - SOURCE SPECIFIC STANDARDS

- Rule 1146.2 Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers (*Adopted 1/9/98*)
- Rule 1147 Nox Reductions From Miscellaneous Sources (9/08)
- Rule 1151 Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations (*Amended 12/11/98*)

REGULATION XIV – TOXICS

- Rule 1415 Reduction of Refrigerant Emissions from Stationary Refrigeration and Air Conditioning Systems
- Rule 1420.1 Emissions Standards for Lead from Large Lead-Acid Battery Recycling Facilities

REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

- Rule 2004 Requirements (*Amended 5/11/01*)
- Rule 2012 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NO_x) Emissions (*Amended 5/11/01*)

REGULATION XXX - TITLE V PERMITS

- Rule 3002 Requirements (*Amended 11/14/97*)
- Rule 3003 Applications (*Amended 3/16/01*)

CALIFORNIA HEALTH AND SAFETY CODE § 41700

41700	Violation of General Limitations
41954	Compliance for Control of Gasoline Vapor Emissions
41960.2	Gasoline Vapor Recovery
42401	Violation of Order for Abatement

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
General Counsel's Office**

September 2017 Settlement Penalty Report

Total Penalties

Civil Settlements:	\$188,950.00 (includes \$31,000.00 cash SEP)
SEP Value:	\$70,000.00
Self-Reported Settlements:	\$13,500.00
MSPAP Settlements:	\$29,925.00
Total Cash Settlements:	\$232,375.00
Total SEP Value:	\$70,000.00
Fiscal Year through 9 / 2017 Cash Total:	\$2,218,875.97
Fiscal Year through 9 / 2017 SEP Value Only Total:	\$1,120,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
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Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Civil Settlements						
174406	ARLON GRAPHICS LLC	2004(f)(1) 2004, 2012 2012, 2012(e)(2)(B)	9/19/2017	NAS	P62508 P64460	\$3,000.00
130924	COLOR SCIENCE INC	203(b)	9/5/2017	DH	P63856	\$11,000.00
135298 53213	MODIFIED PLASTICS	203 (b) 203(b)	9/4/2017	DH	P63854 P63855	\$11,000.00
146633	MONROVIA COLLISION CTR, HRK INDUSTRIES	1151(e)(1)	9/6/2017	BST	P65553	\$900.00
52753	OC WASTE & RECYCLING, PRIMA DESHECHA	3002, 3003 3002, 3003 3002, 3003 3002, 3003 3002, 3003	9/13/2017	KCM	P63066 P63067 P63068 P63069 P63073	\$3,750.00
69454	PRECISION AEROSPACE CORP	203(a), 203(b), 1146.2 203 (b)	9/11/2017	NAS	P61435 P62000	\$50,000.00
8547	QUEMETCO INC	1420.1 201, 3002 3002 3002 2012	9/28/2017	NSF	P49173 P52406 P61067 P61071 P64402	\$37,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
20203	RECYCLE TO CONSERVE INC.	2004	9/4/2017	SH	P57868	\$500.00
32840	ROYAL TRUCK BODY INC	3002 3003	9/26/2017	MJR	P52996	\$1,500.00
1334	SOC-CO PLASTIC COATING CO \$9000 suspended until October 2019 if facility violates District rule.	3003 3002(c)(1) 1147, 222, 3002	9/26/2017	BST	P62028 P63950 P65501	\$12,000.00
158265 163592	SUPER 8 GAS CORPORATION	203 461 203 (b)	9/29/2017	NSF	P63222 P63224 P64952	\$12,000.00
150604	SWEISS PETROL Small Claims Case No. 17VESCO6677	461(c), 41954, 41960.2	9/21/2017	JS	P61281	\$300.00
11119	THE GAS CO./ SEMPRA ENERGY	2004 2004	9/12/2017	KCM	P37244 P59394	\$10,000.00
140519	Z & R OIL COMPANY Hearing Board Case No. 5464-4	203(b), 461, 461(c)(2)(B) 403, 461		WW	P35779 P61959	\$5,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
		203 (b), 461(c), 41960.2			P61962	
		203(b), 461(c)(1)(A)			P61980	
		461(c)(2)(B)				
		42401			P61985	
		42401			P61988	
		461			P62235	
		461(c)(2)(B)			P62337	

Total Civil Settlements: \$157,950.00

Supplemental Environmental Project Settlement

20061	RAINBOW ENVIRONMENTAL SERVICES	402	9/7/2017	KCM	P61572	\$101,000.00
	Cash: \$31,000.00; SEP: \$70,000.00	41700				
	Facility's reimbursement to the District for fenced-line	42401			P63159	
	PM monitoring project with an expected date of May	402			P64516	
	2018	41700				

Total SEP Settlement: \$101,000.00

Self-Reported Settlements

139938	SUNSHINE GAS PRODUCERS LLC	3003	9/5/2017	SH		\$13,500.00
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Total Self-Reported Settlement: \$13,500.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
MSPAP Settlements						
178441	AGROMIN OC CHINO GREEN MATERIAL COMPOST	403	9/1/2017	GV	P65357	\$800.00
7235	ANNANDALE GOLF CLUB	203 (b), 461	9/29/2017	JS	P64125	\$2,125.00
183276	ATWOOD SALES	403(d)(1), 403(d)(2)	9/6/2017	JS	P63859	\$5,500.00
181506	BROOKDALE CHERRY HILLS	203 (a), 222	9/6/2017	JS	P59689	\$4,000.00
161083	DREAMS OIL COMPANY INC	461	9/6/2017	GC	P64964	\$500.00
176907	L & G PORTABLE CRUSHING & MATERIALS, INC	203 (a) 203 (b) 403 403(d)(2)	9/6/2017	TF	P61522	\$5,600.00
139750	NOHL RANCH MINIMART	461	9/6/2017	TF	P64971	\$850.00
85487	PASADENA AUTO WASH	461, 461(c)(2)(B), 41960.2	9/26/2017	TCF	P65025	\$550.00
37376	PEEK FAMILY COLONIAL FUNERAL HOME	203	9/6/2017	TF	P64221	\$1,000.00
108901	QWIK STOP, ALI YASIN DBA	461	9/6/2017	TF	P63221	\$750.00
177304	SUNSET FAIRFAX MOBIL	41960.2 461(c)	9/6/2017	GC	P60092	\$700.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
84273	TEVA PARENTERAL MEDICINES, INC	3002(c)(1)	9/19/2017	GV	P64073	\$850.00
178125	THE CULVER STUDIOS OWNER, LLC	203, 1415	9/19/2017	JS	P63679	\$2,000.00
183536	UNIVERSAL INTERMODAL SERVICES	403(d)(1) 403(d)(2)	9/6/2017	GV	P59542	\$1,600.00
11034	VEOLIA ENERGY LOS ANGELES, INC	2004	9/19/2017	GV	P62078	\$850.00
167392	VICTORY 76, KBC INVESTMENTS, INC.	461, 41960	9/6/2017	GV	P64916	\$650.00
178695	VIRAMONTES EXPRESS	403	9/1/2017	GV	P65358	\$800.00
121477	WEST ED	222	9/19/2017	GV	P64224	\$800.00

Total MSPAP Settlements: \$29,925.00