



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4182
(909) 396-2000 - www.aqmd.gov

TO: SCAQMD Board Stationary Source Committee
Ben Benoit, Chairman; Dr. Joseph Lyou, Vice Chairman, Sheila Kuehl,
Judith Mitchell, Shawn Nelson and Janice Rutherford

FROM: Laki Tisopulos, Deputy Executive Officer, Engineering and Permitting
STATIONARY SOURCE COMMITTEE MEETING
April 21, 2017 ♦ 10:30 a.m. ♦ Conference Room CC8
21865 Copley Dr., Diamond Bar, CA 91765-4182

TELECONFERENCE

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

(Public may attend at the above locations)

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>

INFORMATIONAL ITEMS

- 1. Draft Assessment of tertiary-Butyl Acetate (tBAC) White Paper (15 mins.)** Philip Fine
The Preliminary Draft Assessment of tBAC white paper was released in October 2016 and presented to the November 2016 Stationary Source Committee. Staff will describe the revised draft version that includes information requested by the Committee on the feasibility and implications of removing the existing partial exemption of tBAC in Rule 1113 and Rule 1151. Deputy Executive Officer
(Written Material Attached)
- 2. Nonattainment New Source Review Compliance Demonstration (15 mins.)** Michael Krause
for 2008 Ozone Standard Manager
Staff will present a compliance demonstration showing that the current SIP-approved nonattainment New Source Review (NSR) program meets the Clean Air Act (CAA) requirements for the implementation of the 2008 ozone NAAQS for the South Coast Air Basin and Coachella Valley, which are designated extreme and severe-15 nonattainment, respectively. The District is required to submit a

nonattainment NSR plan to satisfy a failure to submit finding consistent with the CAA requirements.

(Written Material Attached)

- 3. Proposed Amendments to Rule 1147 – NO_x Reductions from Miscellaneous Sources** (20 mins.) Tracy Goss
Manager

Staff will provide a summary of proposed amendments to Rule 1147, including recommendations from the final Technology Assessment that would provide relief to sources emitting less than 1 pound per day NO_x.

(Written Material Attached)
- 4. Proposed Amended Rule (PAR) 219 - Equipment Not Requiring a Written Permit to Operate Pursuant to Regulation II; and PAR 222 - Filing Requirements for Specific Emission Sources** (20 mins.) Tracy Goss
Manager

Not Requiring a Written Permit to Operate Pursuant to Regulation II

At the March Stationary Source Committee meeting, several issues were raised by stakeholders relative to the proposed amendments for PAR 219 and PAR 222. As a follow-up, staff will provide a summary of efforts to address these issues and recommendation relative to the proposed amendments to Rules 219 and 222.

(Written Material Attached)
- WRITTEN REPORTS**

5. Twelve-month and Three-month Rolling Price of 2016 and 2017 Compliance Years RECLAIM Trading Credits (RTCs) Laki Tisopulos
Deputy Executive
Officer

The attached quarterly report summarizes the twelve-month and three-month rolling average prices of NO_x and SO_x RTCs.

(Written Material Attached)
- 6. Notice of Violation Penalty Summary** Kurt Wiese
General Counsel

This report provides the total penalties settled in March which includes Civil, Supplemental Environmental Projects, Mutual Settlement Assessment Penalty Program, Hearing Board and Miscellaneous.

(Written Material Attached)
- 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**

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.

Americans with Disabilities Act

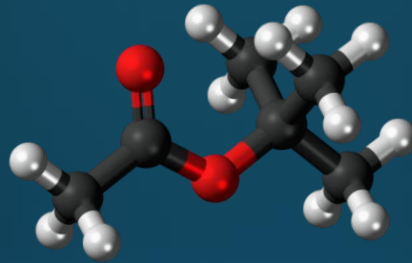
The agenda and documents in the agenda packet will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't. Code Section 54954.2(a)). Disability-related accommodations will also be made available to allow participation in the Stationary Source Committee 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.

NOTE: The next meeting is May 19, 2017

cc: SCAQMD Board Members



Update on tertiary-Butyl Acetate (tBAC) Assessment

Stationary Source Committee
April 21, 2017

tBAC Assessment

February 2016

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

October 2016

- Staff released preliminary draft assessment recommending to:
 - Use the precautionary principle – further tBAC exemptions will **not** be allowed unless deemed not a carcinogen
 - Work with OSHA to mitigate on-site worker exposure
 - Retain existing exemptions in Rules 1113 & 1151

November 2016

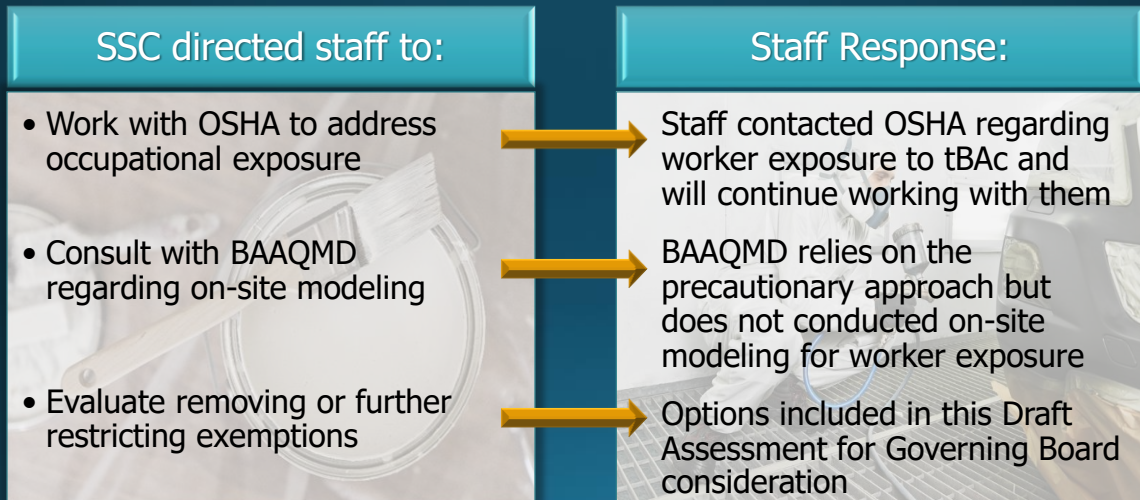
- Stationary Source Committee (SSC) directed staff to conduct further assessment on current exemptions

Summer 2017

- State Scientific Review Panel (SRP) expected to finalize cancer potency factor (CPF)



Current Exemptions – Rules 1113 & 1151



3

On-Site Analysis (Occupational Exposure)



Work with OSHA on occupational exposure



At this time, the SCAQMD does not have expertise, resources, or established methodology to perform an on-site analysis



In the future, on-site evaluation may be conducted if an approved methodology is identified or developed that can estimate the risk to workers

4

Suggestions for Current Exemptions:

(Assuming OEHHA Finalization)

Option 1

Leave limited tBAC exemptions & monitor sales

- If sales increase, exemptions can be re-assessed and, if necessary, amended
- Amendments may include facility usage limits, reporting and recordkeeping requirements, and/or removal of the exemption

Option 2

Remove tBAC exemptions

- Stakeholders will need time for reformulation and testing of replacement coatings
- Could increase VOC limits for niche uses resulting in VOC backsliding, and **may** not result in reduced use of tBAC
- Rulemaking process would analyze these issues in detail

Option 3

Remove tBAC exemptions & prohibit use

- Stakeholders will need time for reformulation and testing of replacement coatings
- Could increase VOC limits for niche uses resulting in VOC backsliding, but **will** eliminate use of tBAC
- Rulemaking process would analyze these issues in detail

5

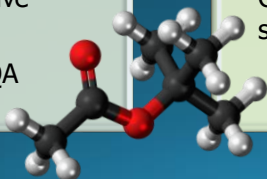
Discussion

Rule 1151

- If VOC limits increased (potential maximum backsliding): 0.3 tpd
- Initial estimates (2005) of substitution with tBAC were overestimated
- Staff did not identify any coatings containing tBAC for almost a decade after the exemption was adopted
- Recent field survey found minimal coatings using tBAC at automotive coating shops or by distributors
- Current risk analysis below CEQA significance threshold

Rule 1113

- If VOC limits increased (potential maximum backsliding): 2 tpd
- Exemption was initially included to address insufficient availability of atmospheric IM coatings
- Preliminary data from the 2014 CARB survey: 94.5% of IM coatings meet the VOC limit without tBAC
- Current risk analysis below CEQA significance threshold



6

Staff Recommendations

(Assuming OEHHA Finalization)

Work with OSHA on occupational exposure



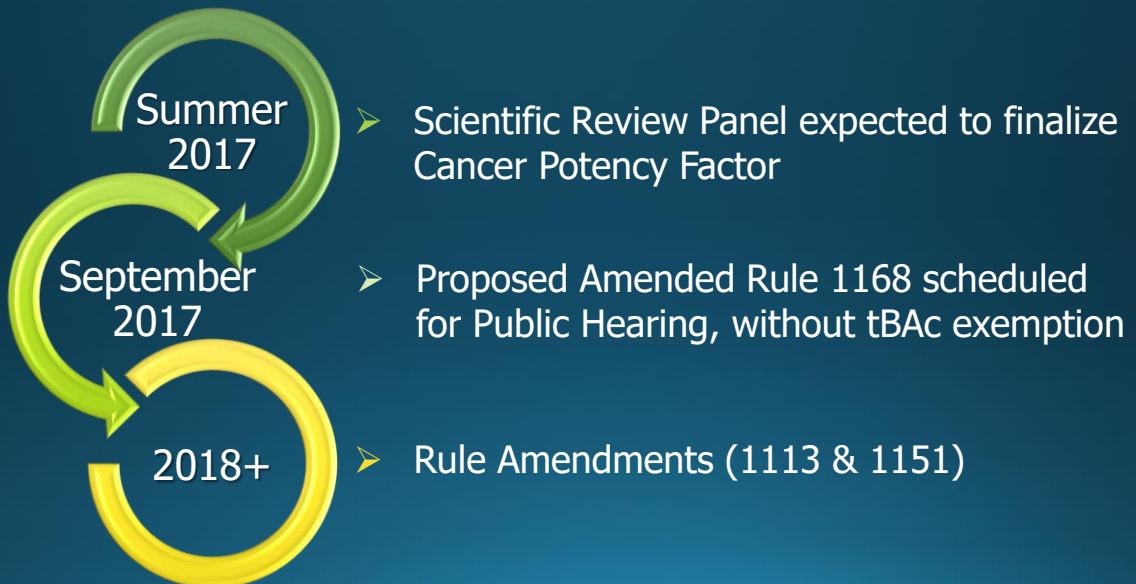
Precautionary approach moving forward for all future rules for all toxics



Remove current tBac exemptions (option 2) as resources allow or when the rules are next amended

7

Next Steps...



8



Certification of Nonattainment NSR Compliance Demonstration for the 2008 8-hour Ozone NAAQS

April 21, 2017
Stationary Source Committee Meeting

Cleaning The Air That We Breathe...

BACKGROUND

- ☐ Clean Air Act NSR requirement applies to new major stationary sources and major modifications in nonattainment area
- ☐ SCAQMD has a federally-approved Nonattainment NSR plan
- ☐ EPA's NAAQS Implementation Requirements for 2008 Ozone Standard calls for nonattainment NSR plans due 36 months after July 20, 2012 (effective date of designation)
- ☐ On February 3, 2017, EPA issued Finding of Failure to Submit the Nonattainment NSR demonstration for 2008 ozone standard for the South Coast Air Basin (SCAB) and Coachella Valley

ACTION TAKEN

- ❑ Prepared demonstration of compliance with the following nonattainment NSR requirements for both RECLAIM and non-RECLAIM sources:
 - ✓ Definition of major stationary source
 - ✓ Any significant net emissions increase of NO_x is considered significant for ozone
 - ✓ Any emissions change of VOC in “extreme” area triggers NNSR
 - ✓ Significant emissions rates for VOC and NO_x
 - ✓ Provisions for emission reduction credits
 - ✓ Requirements applicable to VOCs shall apply to NO_x
 - ✓ Offset ratios for VOC and NO_x
 - ✓ Anti-backsliding requirements
- ❑ No change to SCAQMD NSR program or requirements for affected facilities

3

PUBLIC PROCESS

- ❑ 2016 AQMP included a discussion of the nonattainment NSR requirement but not a detailed compliance demonstration requested by U.S. EPA
- ❑ SCAQMD submitted a public comment letter to U.S. EPA regarding a proposed consent decree on January 6, 2017 (*available online*)
- ❑ Compliance demonstration is not a “project” under CEQA and there is no socioeconomic impact
- ❑ 30-day public hearing notice published on April 5, 2017

4

RECOMMENDED BOARD ACTION

- ❑ Certify the Nonattainment NSR Compliance Demonstration for the 2008 8-Hour Ozone NAAQS
- ❑ Expedite transmittal to CARB for approval and subsequent submittal to U.S. EPA
- ❑ Adopt the Resolution that requests submittal into the SIP (will avoid triggering sanctions)

PROPOSED AMENDED RULE 1147



April 21, 2017

SCAQMD Stationary Source Committee

Rule 1147 Background

- Adopted December 2008 – Miscellaneous Sources
- February 2016 SCAQMD released a Draft Rule 1147 Technology Assessment on the availability of low-NOx burner systems for small and low emissions sources (< 1 pound/day)
- ETS, Inc., an independent air emissions control consulting firm, was selected by a panel including stakeholders and reviewed the Rule 1147 Technology Assessment
- SCAQMD staff incorporated ETS comments in the Final Rule 1147 Technology Assessment

Overview Proposed Amended Rule 1147

- Addresses findings from Final Rule 1147 Technology Assessment
- Relaxation of some requirements for new and in-use equipment
- Staff worked with stakeholders and incorporated some revisions that go beyond recommendations from Final Rule 1147 Technology Assessment

Rulemaking Process

- Task Force Meetings
 - January 17, 2017
 - April 20, 2017
- Public Workshop February 15, 2017
- Meetings with stakeholders and site visits throughout technology assessment and rulemaking process

Change Provisions for Units Less than 1 Pound/Day NOx

- Relieve in-use units <1 pound/day from compliance limits that become effective 7/1/2017
- Require units to meet emission limits if the burner or the unit is replaced
 - New burners and units are available that can meet NO_x emission limits
- Change equipment age compliance date to 30 years
- Clearly defined alternative paths to demonstrate compliance (fuel use or burner hours of operation)
- Remove compliance requirement for small units when a facility relocates

Change NOx Limits for Certain Equipment Categories

- Increase the NOx limit from 30 to 60 ppm for the following equipment categories
 - Afterburners, incinerators, and burn-off ovens
- Revisions are consistent with findings from Final Rule 1147 Technology Assessment which includes recommendations from stakeholders, ETS, and SCAQMD staff

Change Provisions for Units <325,000 BTU/hour

- Added provision for units <325,000 BTU/hour
 - New or existing in-use units are not required to meet NOx emission limit
- Based on typical hours of operation and emissions, these units would not exceed 1 pound/day of NOx emissions

Changes Based on Stakeholder Comments

- Added provisions to address specific issues raised by stakeholders:
 - Change emission limit for burn-off ovens, incinerators and afterburners
 - Exempt existing in-use pressure washers and tanks
 - Small or low emission unit exemption for facility relocation (consistent with NSR and BACT)
- Added testing exemption for infrared burners
- Additional changes under consideration:
 - Additional testing option for low temperature ovens
 - Small unit option to use vendor guarantees (e.g., 2 mm Btu/hour or smaller)

Emissions Reductions

- Overall delay in emission reductions of about 0.9 tons per day (removing in-use requirement for units < 1 pound/day)
 - Affecting approximately 4,900 to 5,600 pieces of equipment
- Emission reductions foregone is < 0.05 tons per day

Schedule

- Task Force Meeting April 20, 2017
- Draft Subsequent Environmental Assessment comment period – March 24, 2017 to May 9, 2017
- Public Hearing – June 2, 2017

UPDATE

Proposed Amended Rules 219 and 222

Stationary Source Committee

April 21, 2017

Background

- ▶ Rule 219 identifies sources that are exempt from SCAQMD permitting
- ▶ Rule 222 identifies sources that require registration
- ▶ At the March Stationary Source Committee meeting staff presented proposed amendments to Rules 219 and 222
 - ▶ Board members directed staff to work with stakeholders and return to Stationary Source regarding key issues raised
 - ▶ Most issues were resolved
- ▶ Two remaining key issues
 - ▶ Permit exemptions for UV/EB Materials
 - ▶ Permit exemptions for vapor socks for floating roof tanks

Proposed Permit Exemption for UV/EB and Other Low VOC Technologies

- ▶ Permit not required if:
 - ▶ Using materials <50 g/L and clean-up solvents <25 g/L; and
 - ▶ Total quantity of VOCs used is <1 tpy (~5 lbs/day)
 - ▶ Operator has two options:
 - ▶ Option 1: Annually submit Rule 222 Registration (~\$200 annually) or
 - ▶ Option 2: Annually submit low-VOC verification form - Simplified one-page form with no fee
- ▶ Technology neutral approach and no fee option is an additional compliance option
- ▶ Both options provide ability to verify compliance

South Coast Air Quality Management District
Form LV98
Low VOC Material Annual Verification

Complete one form per facility.

1. Facility Name (Business Name or Operator) _____ 2. Are you a new operator? ☐ Yes ☐ No
3. Checkmark Business Name or Operator Name or Operator Name _____ 4. Facility Name (Business Name or Operator Name) _____

Section 2: Equipment Location Information
5. Equipment Location: _____
6. Street Address: _____
7. City: _____ State: _____ Zip: _____
8. Construction: _____ Size: _____
9. Facility Name: _____
10. Date: _____

Section 3: Equipment Information
For facilities utilizing Rule 219 exemptions for all of the following categories:
• Printing and reproduction equipment - Rule 219(f)(1)(i)
• Coating and adhesive processes and equipment - Rule 219(g)(1)(i), and
• Drying Equipment - Rule 219(g)(1)(ii)
The facility Responsible Official hereby certifies that for the calendar year 2017, (Check all that apply):
☐ All inks, coatings, adhesives, fountain solutions, plateless ink and gel coat light systems, and associated VOC-containing materials (including clean up solvents) used in the equipment contain less than 50 g/L of VOC per liter of material, and
☐ All clean up solvents used in this equipment contain twenty five (25) grams or less of VOC per liter of material, and
☐ The total quantity of VOC emissions from this equipment does not exceed one ton of emissions.
Rule 109 Records, technical data sheets, and other information are not required to be submitted, rather made available upon request.

Section 4: Signature/Registration
11. Signature of Responsible Official: _____ 12. Title of Responsible Official: _____
13. Print Name: _____ 14. Date: _____

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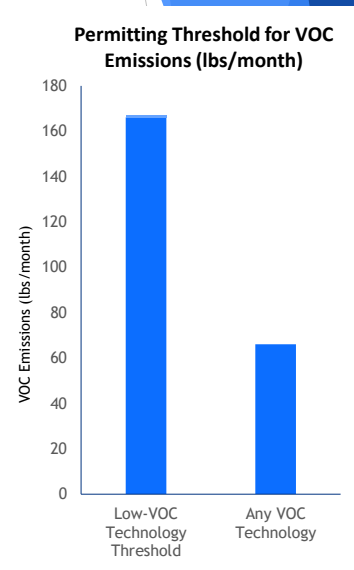
How Staff has Addressed Comments Regarding Permitting UV/EB

Comment	Staff Response
VOC content should be 50 g/L for materials	Incorporated Change
Add provision back for UV/EB and 6 gallons/day or 132 gallons/month material usage requirement	Incorporated Change
The registration is too burdensome for small businesses	• Added second option to submit Rule 109 records, further simplified (see below)
Submitting Rule 109 records is an additional requirement that will be difficult for small businesses	Further simplified • Basic facility information and 3 check boxes only • No fee • Submit annually
Remove the 1 ton/year restriction	• Staff retaining 1 ton/year requirement (~5 lbs/day) • See next slide

Need for 1 Ton per Year (~170 pounds/month) VOC Threshold

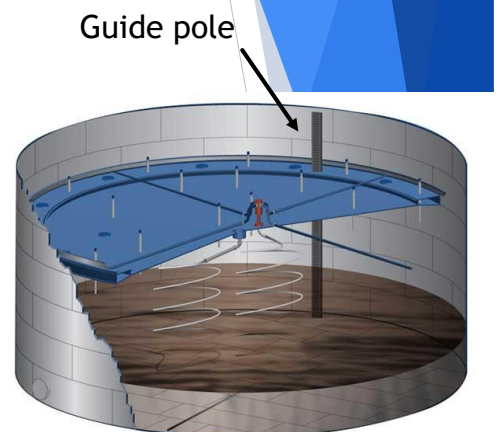
- ▶ Sources using low-VOC technologies* are allowed 2 ½ times more VOC emissions before a permit is required
 - ▶ Additional threshold recognizes low-VOC technology
 - ▶ Provides an incentive for low-VOC technologies
- ▶ Sources with ~1 ton/year can be high production (~400 gallons a month at 50 g/L)

* < 50 g/L materials and < 25 g/L solvents



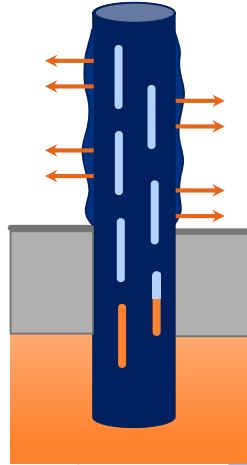
Replace Slotted Guide Pole Float with Vapor Sock on Floating Roof Tanks

- ▶ Floating roof tanks are permitted sources
- ▶ A floating roof tank uses a guide pole to stabilize roof (e.g., from rotating as it goes up and down)
- ▶ For slotted guide poles, secondary purpose is liquid level gauging (measurement)
 - ▶ Slots allow liquid to flow into pole
 - ▶ Pole float provides a barrier so vapors do not escape through slots in guide pole above tank roof



Replace Slotted Guide Pole Float with Vapor Sock on Floating Roof Tanks

- ▶ Float inside slotted guide pole prevents vapors from escaping slots
- ▶ Stakeholder proposes to remove pole float
- ▶ Vapors that escape through slots will be captured in the vapor sock made of urethane seal and UV treated material
- ▶ Allows for radar gauging



Replace Slotted Guide Pole Float with Vapor Sock on Floating Roof Tanks

- ▶ Staff concerns
 - ▶ Vapor sock lifespan unknown (manufacturer claims up to 10 year reliability)
 - ▶ Permit conditions needed to ensure proper installation and maintenance (including leak detection) and proper recordkeeping
- ▶ Staff committed to:
 - ▶ Amend Rule 1178 to recognize flexible enclosures (e.g. vapor sock)
 - ▶ Work with US EPA, CARB, and stakeholders



Rule Development Schedule

- ▶ Set Hearing April 7, 2017
- ▶ Public Hearing May 5, 2017



South Coast Air Quality Management District

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

April 2017 Quarterly Report to Stationary Source Committee

Table I

Twelve-Month Rolling Average Price Data for Compliance Year 2016 NOx RTCs¹
(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 ² (\$/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

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 ² (\$/ton)
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

1. A set of four trades was submitted in January 2016 for the internal transfer of RTCs from a RECLAIM facility to its wholly-owned subsidiary. This subsidiary is an investment holding company and not a RECLAIM facility. Upon further investigation, staff concluded that the transactions were not at arms-length and the prices reported for the transfer of RTCs in this set of four trades should not be regarded as market prices but "swap trades". Swap trades are not included in the determination of rolling average prices. Therefore, rolling average prices that were affected are corrected in this report to reflect the exclusion of these four trades.
2. 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 RTCs¹
(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 ² (\$/ton)
Jan-17	Jan-16 to Dec-16	79.5 69.7	\$558,841 \$460,621	10 9	\$7,025 \$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

1. A set of four trades was submitted in January 2016 for the internal transfer of RTCs from a RECLAIM facility to its wholly-owned subsidiary. This subsidiary is an investment holding company and not a RECLAIM facility. Upon further investigation, staff concluded that the transactions were not at arms-length and the prices reported for the transfer of RTCs in this set of four trades should not be regarded as market prices but "swap trades". Swap trades are not included in the determination of rolling average prices. Therefore, rolling average prices that were affected are corrected in this report to reflect the exclusion of these four trades.
2. 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

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

Table V

Twelve-Month Rolling Average Price Data for Infinite-Year Block NOx RTCs¹
 (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	806.0	\$216,080,023	45	\$268,106
		805.1	\$215,694,953	44	\$267,913
Jun-16	Jun-15 to May-16	782.5	\$212,055,023	45	\$271,014
		781.6	\$211,669,953	44	\$270,819
Jul-16	Jul-15 to Jun-16	352.4	\$128,924,099	32	\$365,856
		351.5	\$128,539,029	31	\$365,654
Aug-16	Aug-15 to Jul-16	513.8	\$167,048,669	33	\$325,150
		512.9	\$166,663,599	32	\$324,943
Sep-16	Sep-15 to Aug-16	518.5	\$168,336,169	33	\$324,655
		517.7	\$167,951,099	32	\$324,449
Oct-16	Oct-15 to Sep-16	442.8	\$150,972,051	31	\$340,968
		441.9	\$150,586,981	30	\$340,759
Nov-16	Nov-15 to Oct-16	322.8	\$121,624,924	26	\$376,820
		321.9	\$121,239,854	25	\$376,628
Dec-16	Dec-15 to Nov-16	322.8	\$121,623,424	25	\$376,830
		321.9	\$121,238,354	24	\$376,638
Jan-17	Jan-16 to Dec-16	302.7	\$115,116,675	21	\$380,252
		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

1. A set of four trades was submitted in January 2016 for the internal transfer of RTCs from a RECLAIM facility to its wholly-owned subsidiary. This subsidiary is an investment holding company and not a RECLAIM facility. Upon further investigation, staff concluded that the transactions were not at arms-length and the prices reported for the transfer of RTCs in this set of four trades should not be regarded as market prices but "swap trades". Swap trades are not included in the determination of rolling average prices. Therefore, rolling average prices that were affected are corrected in this report to reflect the exclusion of these four trades.

Table VI

Twelve-Month Rolling Average Price Data for Compliance Year 2016 SOx RTCs¹
(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 ² (\$/ton)
Jan-17	Jan-16 to Dec-16	32.2 16.5	\$52,049 \$20,700	3 2	\$1,618 \$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

1. A set of four trades was submitted in January 2016 for the internal transfer of RTCs from a RECLAIM facility to its wholly-owned subsidiary. This subsidiary is an investment holding company and not a RECLAIM facility. Upon further investigation, staff concluded that the transactions were not at arms-length and the prices reported for the transfer of RTCs in this set of four trades should not be regarded as market prices but "swap trades". Swap trades are not included in the determination of rolling average prices. Therefore, rolling average prices that were affected are corrected in this report to reflect the exclusion of these four trades.
2. 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 RTCs¹
(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 ² (\$/ton)
Jan-17	Jan-16 to Dec-16	6.5 0	\$19,361 0	1 0	\$3,000 -
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	-

1. A set of four trades was submitted in January 2016 for the internal transfer of RTCs from a RECLAIM facility to its wholly-owned subsidiary. This subsidiary is an investment holding company and not a RECLAIM facility. Upon further investigation, staff concluded that the transactions were not at arms-length and the prices reported for the transfer of RTCs in this set of four trades should not be regarded as market prices but "swap trades". Swap trades are not included in the determination of rolling average prices. Therefore, rolling average prices that were affected are corrected in this report to reflect the exclusion of these four trades.
2. 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.

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

March 2017 Settlement Penalty Report

Total Penalties

Civil Settlements:	\$190,800.00
Self-Reported Settlements:	\$3,500.00
MSPAP Settlements:	\$33,990.00
Total Cash Settlements:	\$228,290.00
Total SEP Value:	\$0.00
Fiscal Year through 3 / 2017 Cash Total:	\$2,485,179.65
Fiscal Year through 3 / 2017 SEP Value Only Total:	\$10,500.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Civil Settlements						
122666	A'S MATCH DYEING & FINISHING	2004, 2004(f)(1), 2012 2012(j)(2) 2004, 2004(d)	3/20/2017	NSF	P62806 P62807	\$50,000.00
110268	BLOOMINGDALE'S DEPARTMENT STORES	2202	3/22/2017	WBW	P60327	\$12,500.00
141450	CAMPUS 1000 FREMONT, LLC; THE ALHAMBRA	201, 203(a) 203 (a)	3/2/2017	RFL	P64102 P64109	\$1,000.00
94930	CARGILL INC	2004	3/6/2017	RFL	P55673	\$500.00
148322	EDE ENTERPRISES, INC. DBA EVA'S SHELL	461(c), 461(c)(2)(B), 41960.2	3/22/2017	KCM	 P64256	\$1,050.00
162281	GRAND GAS, INC.	203	3/14/2017	NAS	P65451	\$1,500.00
175388	Cash \$1,500.00 with Stipulated penalty and Civil Probation	203 (a)			P64277	
179762	Facility must install the Insite 360 FuelQuest System & Maintenance at three facilities and continuously maintain and operate the system for 12 months beginning April 1, 2017 through April 1, 2018. Facility is required to have all of its employees attend District Rule 461 Class no later than June 30, 2017. If the facility does not install the Insite 360 system at each of the three facilities, they will be required to pay a stipulated penalty of \$5,000 for each three facilities. Grand Gas Hacienda Heights facility will be under a civil probation for one year. If the facility is issued a NOV during the probation period for any District rule, Grand Gas will be required to install the Insite360 system at the Hacienda Heights facility and operate the system for 12 months. If not installed, Grand Gas shall pay a stipulated penalty of \$5,000.	203 (b) 206 41960.2 461 461 (e) (1) 461(c) 461(c)(1)(A) 461(c)(2)(B) 461(e)(2) 461(E)(2)(A) 461(e)(2)(C)			P64274 P63212 P63060 P63039 P63026 P63023 P62419 P62414 P62411 P62343 P59945 P59760 P58398	
91259	JOHANSON DIELECTRICS INC	1147, 3002(c)(1)	3/27/2017	SH	P62152	\$5,500.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
800335	LA CITY, DEPT OF AIRPORTS	2012	3/13/2017	NSF	P54984	\$10,000.00
800080	LUNDAY-THAGARD COMPANY	463(c), 2004, 3002(c)(1) 2004	3/13/2017 3/21/2017	NSF	P61514 P62071	\$42,500.00
2619	MARTIN LUTHER KING JR MEDICAL CAMPUS	1146, 3002 1146, 3002	3/16/2017	RRF	P58429 P62379	\$2,000.00
101128	MIRABELLA HOMEOWNERS' ASSOCIATION INC	1470 1470	3/13/2017	VKT	P61226 P61241	\$1,000.00
104234	MISSION FOODS CORPORATION	203(b), 1146.2, 1147	3/16/2017	KCM	P61429	\$15,000.00
142775	OCEANGATE PETROLEUM, INC	203, 461, 41960.2	3/2/2017	MJR	P61251	\$12,000.00
151198	RED STAR AUTO BODY	109, 203(a) 109, 203(a)	3/27/2017	NAS	P61209 P61239	\$1,500.00
171203	ROYCE OIL	203 (b)	3/15/2017	MJR	P64323	\$20,000.00
9898	SCIENTIFIC SPRAY FINISHES INC	3003	3/6/2017	MJR	P60676	\$1,500.00
114083	SOLUTIONS UNLIMITED, WILSON'S ART STUDIO	3003	3/16/2017	MJR	P60677	\$1,000.00
176140	SPHINX BROTHERS ENTERPRISES, INC	461(c)(2)(B), 41960.2 203 (a), 203(b), 41960.2 461(c)(1)(A), 461(c)(2)(B)	3/16/2017	NSF	P59321 P61494	\$1,000.00
112877	TALCO PLASTICS INC	402 402, 41700 402 402, 41700 402, 41700	3/27/2017	NAS	P56992 P60354 P60720 P61506 P61508	\$10,000.00
14966	U S GOV'T, V A MEDICAL CENTER, WEST L A	461(e)(2), 3002(c)(1)	3/6/2017	RRF	P60129	\$600.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
106009	VENOCO INC	1470	3/27/2017	VKT	P61234	\$500.00
		1470			P61244	
148839	WINCHESTER CLEANERS, KWANG HWAN LEE DBA	203	3/6/2017	VKT	P61181	\$150.00
		203			P61182	

Total Civil Settlements: \$190,800.00

Self-Reported Settlements

182026	PAC OPERATING LIMITED PARTNERSHIP	203	3/14/2017	SH		\$3,500.00
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Total Self-Reported Settlements: \$3,500.00

MSPAP Settlements

173007	ALAMEDA FUEL	203 (a), 461, 461(c), 461(c)(2) 461 (e) (2), 41960.2	3/29/2017	JS	P64651	\$2,310.00
128980	ALAMO DISCOUNT STORE	203 (a), 461	3/6/2017	JS	P63211	\$2,000.00
177968	APRO LLC DBA UNITED OIL #162	461	3/15/2017	JS	P64963	\$750.00
174624	ARCO #42121	203 (a)	3/15/2017	GC	P64955	\$800.00
172190	BIG DADDY'S OIL 21, INC	203 (a), 461(c)(2)(B), 461(e)(1)	3/6/2017	JS	P63037	\$1,645.00
159150	CALIFORNIA GOLF & ART COUNTRY CLUB	461	3/15/2017	JS	P59683	\$1,340.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
175074	CAMELOT GOLFLAND	461 (e) (2)	3/6/2017	JS	P60682	\$375.00
132784	CAPRI CLEANERS, JAMES ALEXANDER CHIANIS	1421	3/29/2017	JS	P59684	\$1,260.00
559	CERAMIC DECORATING CO INC	401(b)(1)(B)	3/15/2017	JS	P60529	\$1,890.00
152574	CITY OF INDUSTRY CITY HALL	203(b), 1470	3/6/2017	JS	P65351	\$1,800.00
121485	CITY OF MORENO VALLEY	461 (e) (2)	3/6/2017	TF	P64156	\$550.00
148882	CITY OF MORENO VALLEY FIRE STATION #2	461 (e) (2)	3/6/2017	TF	P64158	\$550.00
133591	CITY OF MORENO VALLEY FIRE STATION #91	461 (e) (2)	3/6/2017	TF	P64160	\$550.00
17722	COMMUNITY HOSPITAL OF SAN BERNARDINO	203	3/29/2017	JS	P61573	\$1,650.00
130235	DESIGNER FINE FINISHES, DAN UPCHURCH DBA	203 (a)	3/29/2017	GC	P64061	\$500.00
136148	E/M COATING SERVICES	3003	3/29/2017	GC	P62908	\$250.00
136173	E/M COATING SERVICES	3003	3/29/2017	GC	P60866	\$400.00
175840	FUEL PROS, INC	201, 461(c)	3/15/2017	GC	P63113	\$850.00
175840	FUEL PROS, INC	201	3/15/2017	GC	P36745	\$650.00
176411	GOLDEN STATE ENTERPRISES, LLC	203 (a), 203(b), 461 461(c)(2)(B)	3/15/2017	GC	P63121	\$1,000.00
114998	KIM'S ARCO AM/PM	201, 203(a)	3/29/2017	GC	P36744	\$470.00
178153	LOS ANGELES COUNTY METROPOLITAN TRANS	201, 203(a)	3/6/2017	TF	P64121	\$250.00
110868	MODEL CLEANERS, INC.	203(a)	3/15/2017	TF	P63753	\$250.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
78109	MORENO VALLEY, KENNEDY PARK FIRE STATION	461 (e) (2)	3/6/2017	TF	P64157	\$550.00
11508	PRESBYTERIAN INTERCOMMUNITY HOSPITAL	1146	3/29/2017	TF	P63905	\$3,300.00
114910	PROVIDENCE HOLY CROSS MEDICAL CENTER	1146	3/29/2017	TF	P62171	\$1,500.00
16812	OAKWOOD CEMETERY ASSN LA/MEMORIAL PK	461	3/15/2017	TF	P62167	\$2,200.00
175423	ORCHARD SUPPLY COMPANY, LLC	1470	3/15/2017	TF	P62170	\$550.00
138034	RAINBOW SANDALS CORP.	203 (b)	3/29//2017	TF	P64068	\$2,000.00
57549	RIVERSIDE CO FIRE DEPT STA #48	461 (e) (2)	3/6/2017	TF	P64159	\$550.00
177949	STAFFING AND MANAGEMENT GROUP INC DBA KA	203 (a)	3/15/2017	GV	P64338	\$800.00
183199	TESORO REFINING AND MARKETING COMPANY IN	203 (a)	3/6/2017	TF	P64904	\$450.00

Total MSPAP Settlements: \$33,990.00

DISTRICT RULES AND REGULATIONS INDEX FOR MARCH 2017 PENALTY REPORTS

REGULATION I - GENERAL PROVISIONS

Rule 109 Recordkeeping for Volatile Organic Compound Emissions (*Amended 8/18/00*)

REGULATION II – PERMITS

Rule 201 Permit to Construct (*Amended 1/5/90*)

Rule 203 Permit to Operate (*Amended 1/5/90*)

REGULATION IV - PROHIBITIONS

Rule 401 Visible Emissions (*Amended 9/11/98*)

Rule 402 Nuisance (*Adopted 5/7/76*)

Rule 403 Fugitive Dust (*Amended 12/11/98*) *Pertains to solid particulate matter emitted from man-made activities.*

Rule 461 Gasoline Transfer and Dispensing (*Amended 6/15/01*)

Rule 206 Posting of Permit to Operate (*Amended 10/8/93*) *Explains how and where permits are to be displayed.*

REGULATION IV - PROHIBITIONS

Rule 401 Visible Emissions (*Amended 9/11/98*)

Rule 461 Gasoline Transfer and Dispensing (*Amended 6/15/01*)

Rule 463 Storage of Organic Liquids (*Amended 3/11/94*)

REGULATION XI - SOURCE SPECIFIC STANDARDS

Rule 1146 Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters (*Amended 11/17/00*)

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

REGULATION XIV – TOXICS

Rule 1421 Control of Perchloroethylene Emissions from Dry Cleaning Operations (*Amended 6/13/97*)

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 (*Amended 5/11/01*)

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

REGULATION XXII ON-ROAD MOTOR VEHICLE MITIGATION

Rule 2202 On-Road Motor Vehicle Mitigation Options (*Amended 10/9/98*)

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

41960.2 Gasoline Vapor Recovery

CALIFORNIA HEALTH AND SAFETY CODE § 41700

41700 Violation of General Limitations

41960.2 Gasoline Vapor Recovery