



**South Coast
Air Quality Management District**
21865 Copley Drive, Diamond Bar, CA 91765
(909) 396-2000, www.aqmd.gov

HYBRID STATIONARY SOURCE COMMITTEE MEETING

Committee Members

Mayor Pro Tem Larry McCallon, Committee Chair
Supervisor Holly J. Mitchell, Committee Vice Chair
Chair Vanessa Delgado
Vice Chair Michael A. Cacciotti
Supervisor Curt Hagman
Board Member Veronica Padilla-Campos

May 16, 2025 ♦ 9:00 a.m.

*** PLEASE NOTE TIME CHANGE ***

TELECONFERENCE LOCATION

Kenneth Hahn Hall of Administration
500 W. Temple Street
HOA Conference Room 372
Los Angeles, CA 90012

A meeting of the South Coast Air Quality Management District Stationary Source Committee will be held at 9:00 a.m. on Friday, May 16, 2025, 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://scaqmd.zoom.us/j/94141492308>

Meeting ID: **941 4149 2308** (applies to all)

Teleconference Dial In: +1 669 900 6833

One tap mobile: +16699006833,94141492308#

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

PUBLIC COMMENT WILL STILL BE TAKEN

Cleaning the air that we breathe...

AGENDA

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.

CALL TO ORDER

ROLL CALL

INFORMATIONAL ITEMS (Item 1-2)

- 1. Update on Proposed Amended Rule 462 – Organic Liquid Loading (10 mins)** Michael Morris
Planning and Rules Manager
(No Motion Required) *Planning, Rule Development and Implementation*
Staff will provide a summary of Proposed Amended Rule 462 which seeks to achieve VOC emission reductions at organic liquid loading facilities with enhanced leak detection technology and establishes a contingency measure to fulfill Clean Air Act requirements.
(Written Material Attached)
- 2. Update on Proposed Amended Rule 1111 – Reduction of NOx Emissions from Natural Gas-Fired Furnaces and Proposed Amended Rule 1121 – Reduction of NOx Emissions from Residential Type, Natural Gas-Fired Water Heaters (25 mins)** Heather Farr
Planning and Rules Manager
(No Motion Required) *Planning, Rule Development and Implementation*
Staff will provide an update on Proposed Amended Rules 1111 and 1121.
(Written Material Attached)

WRITTEN REPORTS (Items 3-5)

- 3. Monthly Permitting Enhancement Program (PEP) Update (No Motion Required)** Jason Aspell
Deputy Executive Officer
This report is a monthly update of staff's PEP implementation efforts for the previous month.
(Written Material Attached) *Engineering and Permitting*
- 4. 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)** Michael Krause
Assistant Deputy Executive Officer
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) *Planning, Rule Development and Implementation*
- 5. Notice of Violation Penalty Summary (No Motion Required)** Bayron Gilchrist
General Counsel
This report provides the total penalties settled in April 2025 which includes Civil, Supplemental Environmental Projects, Mutual Settlement Assessment Penalty Program, Hearing Board and Miscellaneous.
(Written Material Attached)

OTHER MATTERS

6. 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)

7. 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.

8. Next Meeting Date: Friday, June 20, 2025 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.

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.

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.



Rule 462 - Organic Liquid Loading



Stationary Source Committee
May 16, 2025

Rule 462 Regulatory History

- Adopted in 1976 with six amendments
 - Last amended in 1999
- Purpose: Control volatile organic compound (VOC) emissions during loading of organic liquids into any tank truck, trailer, or railroad tank car
- Applicable to approximately 50 organic liquid loading facilities



Contingency Measures



- Clean Air Act requires contingency measures for applicable ozone National Ambient Air Quality Standards (NAAQS)
- Contingency measures are additional requirements in rules that are not triggered or implemented unless the U.S. EPA determines that South Coast AQMD has failed:
 - To meet a reasonable further progress (RFP) milestone, or
 - To attain an ozone NAAQS

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Summary of Key Proposals



New requirement for monthly use of Optical Gas Imaging (OGI) for enhanced leak detection



Emission limit from control devices reduced from 0.08 to 0.04 pounds of VOC per 1,000 gallons transferred



Adding five-year periodic source tests for emission control devices

- Similar to what most permits require



Clarify procedure to remove residue from loading rack couplers prior to inspection

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Ozone Contingency Measure

- Effective 60 days from final determination of non-attainment for the 2008 or 2015 ozone NAAQS, or lack of reasonable further progress in meeting the standard for the Coachella Valley area
- Proposed contingency measure will increase OGI inspection frequency to every two weeks

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Impact Assessment

Emission Reductions and Cost-Effectiveness

- Proposed rule amendments expected to reduce emissions by 0.34 tons per day
- Estimated cost-effectiveness of \$32,000 per ton of VOC reduced

Socioeconomic Impact Assessment

- Much less than \$1 million in annual costs
- Fewer than five estimated jobs foregone
- Draft Assessment will be made available at least 30 days prior to the Public Hearing

California Environmental Quality Act

- No significant adverse environmental impacts are expected
- A Notice of Exemption will be prepared

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Next Steps

Set Public Hearing – June 6, 2025

Public Hearing – August 1, 2025



Proposed Amended Rule 1111 – Reduction Of NOx Emissions From Natural Gas-Fired Furnaces

Proposed Amended Rule 1121 – Reduction of NOx Emissions From Residential-Type, Natural Gas-Fired Water Heaters

*Stationary Source Committee
May 16, 2025*

Background

Rules 1111 and 1121

- Adopted in 1978
- Establishes NOx limits from natural gas space and water heating appliances
- Over 10 million furnaces and water heaters covered by the rules

Applicability

- Regulated through manufacturer, distributor, retailer and installer
- Only applies at natural turnover when appliances need to be replaced

Need for PAR 1111 and PAR 1121

NOx reductions needed to meet federal ozone ambient air quality standards and locally protect public health

At full implementation*, proposed rules will reduce **6.1 tons of NOx per day** based on proposed sales targets

Implements R-CMB-01 – Residential Water Heating and R-CMB-02 – Residential Space Heating in the 2022 AQMP

*2061 based on a 25-year and 15-year useful life of a furnace and water heater, respectively

Outreach Efforts

40

Presentations to Cities, COGS and Other Orgs
Presented original and revised rule concept

13,000+

Comment Letters
Received more than 13,000 comment letters

100+

Stakeholder Meetings
Met with utilities, manufacturers, community groups, and agencies

17,000+

Myths vs. Facts
Distributed "Myths vs. Facts" to over 17,000 emails

Myths vs Facts

Understanding the Proposed Space and Water Heating Appliance Rules (1111/1121)

MYTH: Building appliance rules are a new concept.

FACT:

- Building appliances have been regulated since the late 1970s.
- Concepts for zero-emission technology replacements began with the 2016 AQMP.

MYTH: Proposed rules limit consumer choice to only zero-emission units.

FACT:

- Proposed rules allow consumer choice between gas units (e.g., natural gas furnace, water heater) and zero-emission units (e.g., heat pump).

MYTH: Proposed rules will eliminate all natural gas appliances.

FACT:

- Manufacturers can continue to offer consumers the choice of natural gas units even while sales of zero-emission units are expected to increase.

MYTH: These proposed rules will not significantly reduce pollution.

FACT:

- The proposed rules are expected to achieve a reduction of 6 tons per day of NOx emissions from residential building appliances.
- For context by 2037:
 - Power plants emit 3 tons/day.
 - Refineries emit 4 tons/day.
 - Passenger vehicles emit 7 tons/day.

MYTH: The new proposed rules were developed quickly without much input from stakeholders.

FACT:

- Proposed rule development has been underway for over 2 years.
- More than 100 stakeholder meetings have contributed to shaping the rules.

South Coast Air Quality Management District
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V1.005



Comment Letters Received

Over 13,000 comments letters and emails as of May 9, 2025

• Opposition Letters Cite:

Zero-emission appliance mandate

- Rules allow consumer choice, do not mandate transition to zero-NOx Units

Ban on gas stoves

- Rules do not apply to cooking equipment

Increased costs

- Upfront mitigation fee is equivalent to ~\$3-4 per year for 15-25 years life of unit

Outdated or incomplete information

- Myths vs. Facts sheet was distributed to over 17,000 contacts

• Support Letters Cite:

Necessity of NOx reductions

- Needed to meet air quality standards and protect public health

Need higher fees

- Strike balance between affordability and funding Go Zero incentives

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Overview of PAR 1111 and 1121

PAR 1111

- ☐ (a) Purpose
- ☐ (b) Applicability
- ☐ (c) Definitions
- ☐ (d) Requirements
- ☐ (e) Certification
- ☐ (f) Alternative Compliance Options
- ☐ (g) Labeling, Recordkeeping, and Reporting
- ☐ (h) Exemptions
- ☐ (i) Severability

PAR 1121

- ☐ (a) Purpose
- ☐ (b) Applicability
- ☐ (c) Definitions
- ☐ (d) Requirements
- ☐ (e) Certification
- ☐ (f) Alternative Compliance Options
- ☐ (g) Labeling, Recordkeeping, and Reporting
- ☐ (h) Exemptions
- ☐ (i) Severability

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Applicability – Subdivision (b)

PAR 1111

Residential-sized space heating or combined heating and cooling units

- Less than 175,000 Btu/hour; or
- Cooling rate less than 65,000 Btu/hour

PAR 1121

Residential-sized water heaters

- Less than 75,000 Btu/hour

Initially proposed to increase Rule 1111 applicability from 175,000 to 2,000,000 Btu/hour

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Requirements – Subdivision (d) and Alternative Compliance Option – Subdivision (f)

PAR 1111 and PAR 1121 have two compliance options

- Sell only zero-emission units; or
- Sell gas units, with a mitigation fee, and zero-emission units

Manufacturer alternative compliance option

- Incorporated to address stakeholder concerns (e.g., consumer choice)

Zero-emission compliance option provides alternative for manufacturers that want to avoid a mitigation fee

Initial proposal only had mandate; shared modified proposal on February 7, 2025

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Manufacturer Targets and Sales Trends

11-year implementation period starting from rule adoption

Early targets reflect current installation trends

- California installations of zero-emission space and water heating units approximately 20⁽¹⁾ to 30⁽²⁾ percent

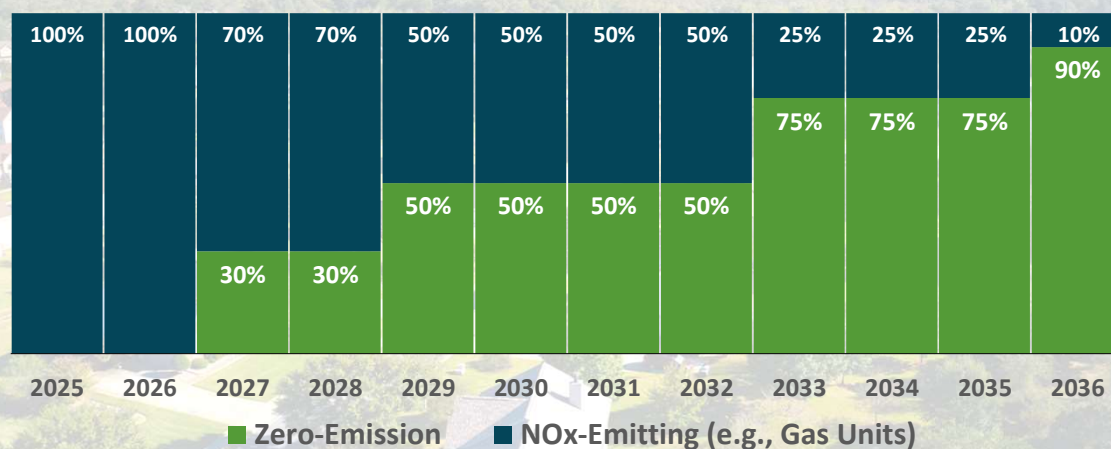
Sales targets are not hard caps, higher mitigation fee allows manufacturers to sell NOx-emitting units above targets

Targets based on current market adoption

⁽¹⁾ U.S. Energy Information Administration 2020 data for [space](#) and [water](#) heating units

⁽²⁾ [Rapid Energy Policy Evaluation and Analysis Toolkit](#) 2024 sales of space and water heating units

Manufacturer Targets for Zero-NOx Emission and NOx-Emitting Units (Gas Units)



Mitigation Fee on Gas Units

Mitigation Fee Tiered Approach

- Two-tiered approach provides flexibility to allow manufacturers to sell NOx-emitting units over the targets
- Manufacturers have commented that adding more tiers is more challenging to implement
- Exceeding targets is not a rule violation; targets are not hard caps
- Higher fee minimizes selling NOx-emitting units over the target

Within Target:
\$100 Space Heating
\$50 Water Heating

Over Target:
\$500 Space Heating
\$250 Water Heating

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Incentives Available for Both Unit Types

Incentivizes for Zero-NOx Emission Units

- Go Zero and other incentive programs (e.g., TECH Clean California, Southern California Edison)

AQMD Incentives
Clearinghouse Webpage:



Upcoming Go Zero
incentive program:



Incentives for NOx-emitting units

- SoCalGas Energy Efficiency Rebate Program
- Long-term program renewed every year

Tank type water heaters

\$75

Furnaces

\$84 - \$1500 for medium size furnace

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Mobile Home Furnace Alternative Compliance Option – Subdivision (f)

Rule 1111 currently has an alternative compliance option for mobile home furnaces

- Allows for sale of higher NO_x-emitting furnaces in lieu of meeting rule limit
- Current mitigation fee is \$150 per unit
- Currently set to expire September 2025

Proposed Amendment

- Reduce mitigation fee to \$100
- Remove the expiration date

Initial proposal required mobile homes to transition to zero-NO_x units in 2030

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Certification – Subdivision (e)

NO_x-emitting units must be certified to meet applicable NO_x emission limit

No change, existing requirements

Reporting – Subdivision (g)

Manufacturers will report information on NO_x-emitting and zero-NO_x units sold into South Coast AQMD

- Includes model numbers and quantity sold
- Used to determine if the manufacturer goals are being met
- Similar information required for existing Rules 1111 and 1121 alternative compliance option

Initial proposal included reporting serial numbers

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Manufacturer Target Process Flow

2026

- Opt-in to alternative compliance plan by November 1st

2027

- Track sales of NOx-emitting and zero-NOx emission units
- Tracking expected to be similar to past Rules 1111/1121 mitigation fee compliance options

2028

- Submit report 90 days after the end of each calendar year detailing:



Percentage of NOx-emitting unit and zero-NOx emission unit sales



Pay a per unit fee for each unit sold within the NOx-emitting sales target



Sales exceeding NOx-emitting target, pay per unit over target fee

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Exemptions – Subdivision (h)

Continue exempting downflow furnaces at high altitude

Zero-NOx standard exemption provided for the following:

- Space and water heaters for existing mobile homes and homes in master-metered communities
- Addresses cost and electrical readiness concerns for mobile home communities
- Space and water heaters for new buildings with building permit issued prior to the date of rule adoption

Initial proposal did not exempt existing mobile homes

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Severability – Subdivision (i)



Adding a subdivision for severability regarding rule implementation if lawsuit filed after rule adoption



If any provision is invalidated by judicial order, such order will not affect the implementation of the remainder of the rule

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Proposed Amended Rules 1111 and 1121 will Achieve Significant NOx Emission Reductions

Appliance Type	Lifetime NOx Emissions per Appliance	Total Number of Appliances	Emission Reductions	
			2037	2061 (Full Implementation)
Furnaces	16 pounds	5,237,000	1.20 tons/day	4.05 tons/day
Water Heaters	5 pounds	5,128,000	1.02 tons/day	2.07 tons/day
			2.22 tons/day	6.12 tons/day

NOx Emissions from other Sources (2037)

- All utilities: ~2 to 3 tpd
- All refineries: ~4 tpd
- All passenger vehicles: ~7 tpd

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Cost Comparison

- If consumer chooses to transition to zero-emission appliances, upfront costs will vary, but based on median costs:

Furnace + AC to
Heat Pump

- Equivalent

Furnace Only to
Heat Pump

- ~\$8,000 increased costs

Water Heater to
Heat Pump

- ~\$2,000 increased costs

- Operational costs for heat pumps estimated to result in lifetime utility savings due to their high efficiency

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Furnace and Water Heater Replacements

- Only applies when the unit needs to be replaced
 - Natural turnover
 - Consumers not required to replace their units
- Appliances are major household expense but have long useful life
 - Furnaces last ~25 years
 - Water heaters last ~15 years
- Mitigation fees established to balance affordability with funding opportunities
- Fees are upfront fees but translate to
 - Furnaces: \$4 per year for 25 years
 - Water heaters: \$3.30 per year for 15 years

Rules have
never forced
consumers to
replace their
appliances

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State and Local Utility Grid Readiness Planning

State agencies (e.g., CPUC, CEC) regulate/plan state power supply

CEC 2024
Integrated
Energy
Policy
Report

Forecast demand includes increases from zero-emission building appliance regulations

Local utilities (e.g., LADWP, SCE) supply power

Local
utilities
ensure
energy
needs are
captured

SCE recent study noted “combination of adoption of new equipment and sufficient planning horizons, SCE should be able to accommodate these impacts.”

11-year implementation glide path will ease impact

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Technology Check-in



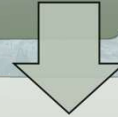
Staff will
provide rule
update/
technology
check-in

- Manufacturers will submit their first annual report by March 2028
- Reports will include sales data and progress in meeting rule targets
- Mitigation fees collected
- Staff could provide update to committee third quarter 2028

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Next Steps

June 6, 2025
Public Hearing



Mid-2025
Launch Go Zero Incentive Program

Monthly Permitting Enhancement Program (PEP) Update
South Coast AQMD
Stationary Source Committee – May 16, 2025

Background

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

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 monthly snapshots of the pending application inventory from this month and last month.

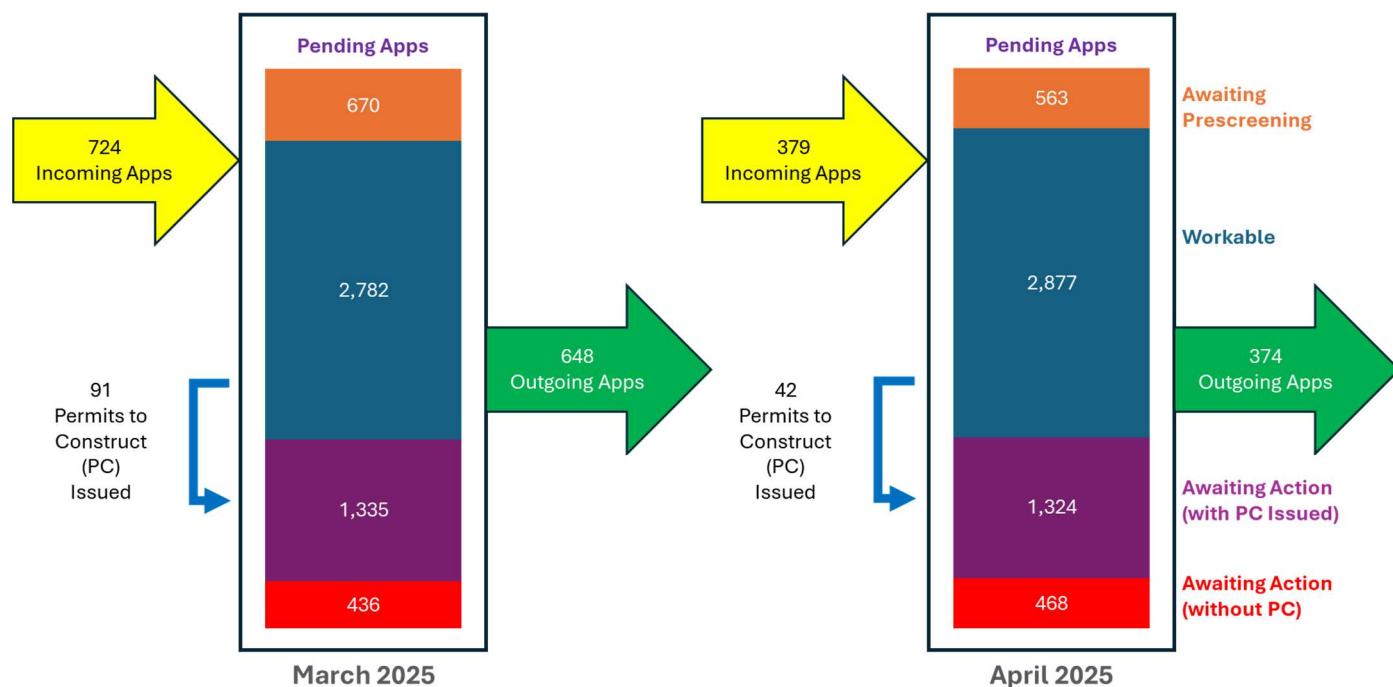


Figure 1: Application Processing Workflow – March and April 2025

Table 1 below lists the categories included in Awaiting Action (Non-Workable) for the last month. 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		
	Feb 2025	Mar 2025	Apr 2025	Feb 2025	Mar 2025	Apr 2025
Additional Information from Facility	282	235	284	23	26	24
CEQA Completion	29	29	30	-	-	-
Completion of Construction	1	-	-	1,162	1,192	1,190
Facility Compliance Resolution	22	28	20	-	-	-
Facility Draft Permit Review	63	43	29	-	-	-
Fee Payment Resolution	4	3	2	-	-	-
Other Agency Review	73	40	44	3	3	4
Other Facility Action	-	-	3	1	1	1
Other South Coast AQMD Review	-	-	-	-	-	-
Public Notice Completion	21	34	56	-	-	-
Source Test Completion	22	26	22	115	113	105

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

Not reflected in Figure 1 are an additional 63 applications processed through the online permitting system, which did not impact the permit application inventory. Staff has automated the permitting process for certain equipment allowing staff to focus their efforts on other permit applications. These 63 permit completions are reflected in Figure 2 below.

Since outgoing applications (green arrow) plus permits to construct issued (blue arrow) were lower than prescreened applications plus incoming applications (yellow arrow) this month, the number of workable applications in the inventory increased. When applications are accepted through the pre-screening process, they typically become workable applications. For April, due to the calendar layout, only four weeks of data are captured, which results in lower incoming and outgoing monthly numbers. For more detailed information the past Monthly PEP Updates may be accessed in Attachment 2.

The inventory of Awaiting Action applications has steadily increased. Most of the Awaiting Action applications have a Completion of Construction status. From March 2024 to April 2025, staff issued many Permits to Construct, thereby increasing the Completion of Construction status from 770 to 1,190, including 42 Permits to Construct issued in March. Staff must wait for construction of the equipment to be completed prior to moving forward on these applications.

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. Typically, a spike in incoming applications occurs in June each year due to the permit application fee increases on July 1. This typically results in a temporary swell in the inventory as more time is needed to address the surge of permit applications.

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 and the monthly production for the last six months. For most of the last year, increased monthly production levels (orange circles) are raising the rolling 12-month production averages (black line) in the chart below as compared to the period before PEP. The rolling 12-month average includes the monthly totals from the last year to visualize the trend over time, as production in individual months often fluctuates (in addition to fluctuations in incoming application submittals). The current rolling 12-month average production rate is 499

completions per month. A higher rolling 12-month average will indicate sustained higher production levels. These higher production levels will begin to reduce the pending application inventory and improve permit processing times. A new fiscal year (FY) goal was set to increase production by 500 completions as compared to 2023. This equates to a soft target of 489 completions per month. The red line in Figure 2 shows this new fiscal year goal. Staff will continue to balance production to meet the FY goal as well as address aged applications awaiting Permits to Construct.

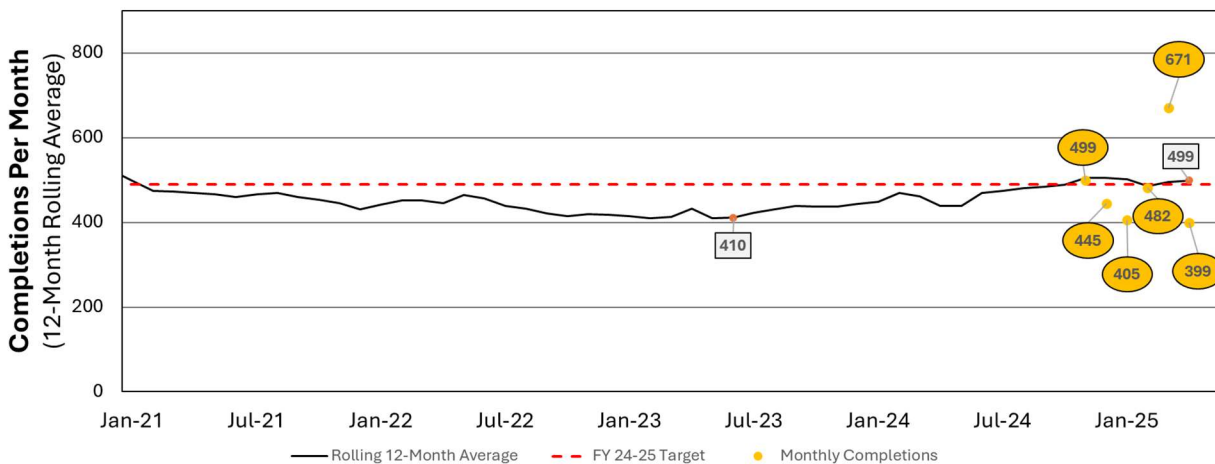


Figure 2: Application Completions - Rolling 12-Month Average and Recent Six Months

Production began to increase in the second half of 2023 as substantial promotions and hiring occurred. New engineering staff were trained and production increased over several months. As staff become more experienced in their duties, they can process more complex projects and become more efficient. Average production is stabilizing at the new increased levels.

Engineering & Permitting (E&P) Vacancy Rate

The current E&P vacancy rate is 13.4%. The minimum target vacancy rate for PEP is 10%. When PEP was first announced, the E&P vacancy rate was greater than 20%. Multiple E&P staff retired in March, which increased the vacancy rate. These retirements were anticipated, and a recruitment of engineers was timed to coincide with the retirements and is nearing completion. New engineers are expected to onboard in 2Q 2025 to reduce the vacancy rate.

Key Activities

- Staff hosted a Permitting Working Group meeting with an open discussion to discuss the Certified Permitting Professional (CPP) program and potential enhancements under PEP.
- Interviews for the Air Quality Engineer recruitment continued in April.

Upcoming Meetings:

- A Permit Streamlining Task Force meeting is tentatively scheduled for July 2025.
- The Best Available Control Technology (BACT) Scientific Review Committee meeting is targeted for early June.
- Staff met the FY 2024-2025 goal of conducting at least six public meetings. Staff will continue this goal for next FY.

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 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 a substantial time to review.

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.

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 Monthly PEP Updates

2024

[April 19, 2024](#) – First Monthly 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 2025 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 May
- 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 (04/01/2025 - 04/30/2025)**Total Penalties

Civil Settlement: \$175,564.00

Hearing Board Settlement: \$438,883.91

MSPAP Settlement: \$246,570.50

Total Cash Settlements: \$861,018.41**Total SEP Value: \$0.00****Fiscal Year through 04/30/2025 Cash Total: \$7,866,285.67****Fiscal Year through 04/30/2025 SEP Value Only Total: \$0.00**

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
Civil						
800016	BAKER COMMODITIES INC	415, 2004, 3002	04/03/2025	DH	P63824, P65291, P65293, P67318, P67319, P67321, P72855, P72866, P72871, P72872	\$15,000.00
202571	DREAM GIRL	2305	04/01/2025	JL	O15130	\$15,000.00
202361	EGREEN TRANSPORTATION	2305	04/22/2025	JL	O15171	\$1,500.00
139808	INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY	1133, 1133.2, 3002	04/01/2025	ND	P70146	\$22,971.00
201747	KEECO	2305	04/22/2025	JL	O15095, SRV2022-00049, SRV2022-00050	\$28,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
102159	RANCHO SAN JOAQUIN GOLF COURSE	403, 461	04/22/2025	KCM	P69936, P75307, P76407, P76409, P76412, P76414, P76418, P77611, P77803, P77804, P77805, P77808, P77809, P77817, P77819, P77820, P77831, P77832, P77833, P77834, P77835, P77836, P78555, P78557, P78558, P78559, P78560, P78562, P78563, P78564, P78565, P78568, P78570, P78571, P78572, P78573, P78574, P78575, P78576, P78578, P78579, P78582, P78583	\$60,000.00
198315	ROYAL WHITE CEMENT INC	201, 203, 403	04/01/2025	JL	P76258, P76281	\$16,700.00
202627	RSC CONSTRUCTION INC	1403	04/01/2025	EC	P75770	\$1,209.00
98296	SOUTH COAST OIL CORPORATION	203, 463, 1148.1, 1173	04/01/2025	SH	P74398, P80704, P80706, P80707	\$9,000.00
115184	TILDEN-COIL CONSTRUCTOR INC	1403, 40 CFR 61.145	04/25/2025	DH	P80311	\$1,500.00
178695	VIRAMONTES EXPRESS	403	04/17/2025	CL	P73920	\$4,684.00
Total Civil Settlements: \$175,564.00						
Hearing Board						
140373	AMERESCO CHIQUITA ENERGY LLC	203, 431.1, 3002	04/10/2025	KER	6143-4	\$2,600.00
119219	CHIQUITA CANYON LLC	431.1, 3002	04/22/2025	KER/MR	6177-4	\$435,283.91
146536	WALNUT CREEK ENERGY LLC	203, 2004, 3002	04/01/2025	KCM	6230-6	\$1,000.00
Total Hearing Board Settlements: \$438,883.91						
MSPAP						
203394	6TH ST	2305	04/25/2025	CM	O15245	\$5,000.00
145406	7-ELEVEN (#33459)	461, H&S 41960.2	04/01/2025	VB	P80207	\$1,437.00
197672	7-ELEVEN (#43183)	461, H&S 41960.2	04/15/2025	VB	P80572	\$4,313.00
139282	7TH & VALLEY JOINT VENTURE (DBA "SHELL GAS STATION")	203, 461	04/15/2025	SW	P80218	\$12,490.00
200565	AGUA CONSTRUCTION LLC	403	04/04/2025	VB	P79258	\$1,813.00
200565	AGUA CONSTRUCTION LLC	403	04/04/2025	VB	P79263	\$1,693.00
21321	AIRCRAFT X-RAY LABS INC	1469	04/08/2025	CL	P79956	\$1,891.00
129216	ALLEN INDUSTRIAL & MACHINE	203, 1469	04/18/2025	CL	P75873	\$3,706.00
155224	AMERICAN ROYAL PETROLEUM INC	203, 461	04/08/2025	SW	P80230	\$4,396.00
100318	ANAHEIM ARENA MANAGEMENT	203	04/04/2025	VB	P80283	\$1,049.00
100542	AUTRY NATIONAL CENTER	1146.1	04/01/2025	CL	P75468	\$6,045.00
119940	BUILDING MATERIALS MANUFACTURING CORP	3002	04/25/2025	CL	P77954	\$2,747.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
195686	CALTROL INC	203	04/01/2025	SW	P75337	\$1,009.00
153992	CANYON POWER PLANT	2009, 3002	04/01/2025	CL	P79467	\$4,435.00
104307	CHANDLER AGGREGATES INC	1157	04/25/2025	CL	P75889	\$1,715.00
27601	CHEVRON	203, 461	04/25/2025	SW	P79611	\$8,472.00
142435	CLAREMONT CITY	461	04/18/2025	VB	P78472	\$2,689.00
181377	COACHELLA VALLEY WATER DISTRICT	403, 403.1	04/11/2025	VB	P68352, P74285	\$2,098.00
200350	CORODATA	2305	04/04/2025	CM	O15276	\$5,000.00
170202	CPT 6TH & CLEVELAND LLC	203	04/25/2025	SW	P78473	\$996.00
167770	DATE PALM PETROLEUM INC (DBA "ARCO AMPM (#8321))	461, H&S 41960.2	04/25/2025	CM	P73530	\$1,049.00
98554	DECORE PLATING	203, 1469	04/08/2025	VB	P74788, P74789, P74798, P79516	\$19,344.00
139111	DEL AMO MILLS LIMITED PARTNERSHIP	203	04/25/2025	VB	P78308	\$3,513.00
181985	DINO STATION	461	04/01/2025	CM	P73529	\$2,098.00
140059	EL MONTE AUTO SPA & RESORT	203	04/25/2025	SW	P80216	\$847.00
194209	ESS SERVICE STATION	461, H&S 41960.2	04/15/2025	CM	P73521	\$1,009.00
39245	EXXONMOBIL	203, 461, H&S 41960.2	04/01/2025	SW	P80217	\$3,868.00
111357	G & M OIL CO LLC (#57)	203	04/15/2025	CM	P80220	\$1,049.00
126408	G & M OIL CO LLC (#97)	461, H&S 41960.2	04/15/2025	CM	P73543	\$1,049.00
203546	G&M OIL COMPANY (#222)	201, 203	04/15/2025	CM	P79396	\$2,098.00
200167	GRAND CHANNEL INC	2305	04/01/2025	CM	O15273	\$3,562.00
129571	HAWK II ENVIRONMENTAL CORP	461, H&S 41960.2	04/18/2025	VB	P80223	\$2,674.00
158146	HERMETIC SEAL CORP/AMETEK	203, 222	04/25/2025	CM	P74893	\$3,147.00
196133	HONOR RANCHO WAYSIDE CANYON HOLDINGS	2004	04/08/2025	CL	P79670	\$5,245.00
201743	IFS (RYDER)	2305	04/01/2025	CM	O15127	\$7,200.00
201891	KC EXCLUSIVE INC (DBA "ZENANA")	2305	04/08/2025	VB	O15143	\$3,800.00
114998	KIM'S ARCO AM/PM	203, 461	04/18/2025	VB	P80232	\$2,747.00
201487	LECANGS LLC	2305	04/11/2025	VB	O15263	\$11,000.00
178103	MARINE TERMINAL CORPORATION	203, 461.1	04/25/2025	CL	P76278	\$6,054.00
118986	MAYWOOD SHELL	461, H&S 41960.2	04/08/2025	SW	P73538	\$2,055.00
113241	MD CHEVRON (DUCM INC)	461	04/08/2025	VB	P79634	\$3,447.00
162110	MEYMARIAN BROTHERS INC (DBA "MIRACLE MILE")	461, H&S 41960.2	04/01/2025	SW	P74687	\$1,550.00
95451	MOBIL DLR (GLENDALE MOBIL SERVICE)	461, H&S 41960.2	04/01/2025	VB	P79091	\$1,400.00
150554	MONTECITO MEMORIAL PARK	461	04/11/2025	VB	P74659, P79717	\$1,209.00
193554	N & N OIL INC	203, 461	04/15/2025	SW	P68816	\$2,727.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
112931	NATIONAL READY MIXED CONCRETE COMPANY	403	04/11/2025	VB	P75466	\$2,875.00
192371	OAK VALLEY EXPRESS LLC	461	04/15/2025	VB	P80958	\$3,027.00
33572	ORANGE UNIFIED SCHOOL DIST	461	04/04/2025	CM	P80278	\$863.00
140600	PACIFIC MARITIME SERVICES LLC	462	04/08/2025	CL	P76288	\$1,813.00
202158	PIONEER TECHNOLOGY INC	2305	04/04/2025	VB	O15230	\$11,000.00
191746	PRECISION WORKS INC	1403	04/15/2025	CM	P80818	\$15,135.00
172840	R & R DEMO & GRADING CORPORATION	1403	04/25/2025	CM	P78132	\$1,009.00
162863	REDONDO BEACH 76	203	04/01/2025	VB	P80639	\$1,009.00
177835	ROCKET (#0280)	461, H&S 41960.2	04/01/2025	SW	P74686	\$1,800.00
198352	ROM INVESTMENTS	1403, 40 CFR 61.145	04/11/2025	VB	P79757	\$1,816.00
202781	SAI FUEL INC	461, H&S 41960.2	04/04/2025	VB	P73522	\$1,286.00
84043	SAN BERNARDINO CITY UNIFIED SCHOOL DISTRICT	461	04/01/2025	SW	P79722	\$4,436.00
171436	SPECIALTY SPRAY SERVICE INC	203	04/15/2025	CM	P78462	\$2,724.00
146879	SSA TERMINALS LLC	462	04/08/2025	CL	P76287	\$1,813.00
205576	TAN CONSTRUCTION INC	1403	04/25/2025	VB	P78639	\$2,269.00
113952	TMB OIL CO INC (#2)	461, H&S 41960.2	04/11/2025	VB	P79618	\$1,588.00
184258	TOP WRENCH	109, 1151	04/01/2025	VB	P74486	\$1,513.00
79193	UNITED PARCEL SERVICE	461	04/08/2025	SW	P80282	\$1,996.00
118622	VERNON FUEL DISTRIBUTING INC	461, H&S 41960.2	04/01/2025	CM	P74690	\$3,027.00
82395	VONS (#2384)	461, H&S 41960.2	04/08/2025	VB	P73523	\$1,513.50
146343	WALMART (#1832)	201	04/25/2025	CM	P80576	\$1,049.00
183120	WOLVERINE DISTRIBUTION CENTER PH1	2305	04/11/2025	VB	O15253	\$11,000.00
81068	YUCAIPA VALLEY WATER DISTRICT	461	04/18/2025	CL	P79337	\$5,274.00
Total MSPAP Settlements: \$246,570.50						

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Rule 109 Recordkeeping for Volatile Organic Compound Emissions

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Rule 203 Permit to Operate

Rule 222 Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II

REGULATION IV - PROHIBITIONS

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Rule 403.1 Wind Entrainment of Fugitive Dust

Rule 415 Odors from Rendering Facilities

Rule 431.1 Sulfur Content of Gaseous Fuels

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Rule 461.1 Gasoline Transfer and Dispensing for Mobile Fueling Operations

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Rule 1133 Composting and Related Operations – General Administrative Requirements

Rule 1133.2 Emission Reductions from Co-Composting Operations

Rule 1146.1 Emissions of Oxides of Nitrogen from Small Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters

Rule 1148.1 Oil and Gas Production Wells

Rule 1151 Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations

Rule 1157 PM10 Emission Reductions from Aggregate and Related Operations

Rule 1173 Fugitive Emissions of Volatile Organic Compounds

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Rule 1403 Asbestos Emissions from Demolition/Renovation Activities

Rule 1421 Control of Perchloroethylene Emissions from Dry Cleaning Operations

Rule 1469 Hexavalent Chromium Emissions from Chrome Plating and Chromic Acid Anodizing Operations

SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX FOR APRIL 2025 PENALTY REPORT

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Rule 2004 Requirements
Rule 2009 Compliance Plan for Power Producing Facilities

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Rule 2305 Warehouse Indirect Source Rule – Warehouse Actions and Investments to Reduce Emissions (Waire) Program

REGULATION XXX - TITLE V PERMITS

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40 CFR 61.145 Standards for Demolition and Renovation

CALIFORNIA HEALTH AND SAFETY CODE

H&S § 41960.2 Gasoline Vapor Recovery
H&S § 42402 Violation of Emission Limitations – Civil Penalty