

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Preliminary Draft Staff Report

Proposed Amended Rule 1118 – Control of Emissions from Refinery Flares

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EXECUTIVE SUMMARY

Rule 1118 – Control of Emissions from Refinery Flares (Rule 1118), was adopted by the South Coast Air Quality Management District (South Coast AQMD) Governing Board on February 13, 1998 to minimize emissions from flaring operations at petroleum refineries, sulfur recovery units, and hydrogen production plants that primarily supply hydrogen to refinery operations. The rule was most recently amended in 2024 as the latter part of a two-phase initiative to achieve further reductions in refinery flare emissions. Rule 1118 establishes requirements for emission monitoring, reporting, and performance targets for flares operated at petroleum refineries and related facilities.

Proposed Amended Rule (PAR) 1118 is administrative and will correct the following:

- (1) Replace the standard compliance date placeholder language “[18 Months After Date of Rule Adoption]” in paragraph (j)(10) with the actual compliance date of “October 5, 2025,” which is the date that corresponds to 18 months from the April 5, 2024, date of rule adoption.
- (2) Correct and clarify flare event notification requirements. The proposed amendment corrects paragraph (l)(7) to align with the original intent of the rule which allows facilities to submit notifications via 1-800-CUT-SMOG when FENS is unavailable or non-functional. This provision was originally intended to apply to all flare event notifications including paragraph (l)(5), which is the requirement to report daily cumulative exceedances of 100,000 standard cubic feet of vent gas during a flare event; however, it was inadvertently omitted during the 2024 rule amendment. This proposed rule amendment corrects the omission and clarifies that paragraph (l)(7) applies to all notifications described in paragraphs (l)(2) through (l)(5), not just the notifications in paragraphs (l)(2) through (i)(4).

The proposed amendment does not introduce new emission limits or control technology requirements and is not expected to result in direct emission reductions or increases; therefore, cost-effectiveness and incremental cost-effectiveness analyses are not required.

BACKGROUND

Rule 1118 was adopted by the South Coast AQMD on February 13, 1998, to control and minimize emissions from refinery flares. The refinery flares are used to combust and dispose gases due to emergency relief, overpressure, process upsets, startups, shutdowns, and other operational and safety reasons. The rule establishes requirements for flares operated at petroleum refineries and related operations and includes provision for emission monitoring, meeting emission reduction targets, submitting notifications and reports, and maintaining a public inquiry hotline. Rule 1118 applies to 13 facilities, including petroleum refineries, sulfur recovery units, and hydrogen production plants, with a total of 31 flares subject to the rule.

The rule has been amended four times since adoption in 2005, 2017, 2023 and most recently 2024. The 2024 amendment represented the second phase of a planned two-phase rule amendment aimed at achieving further emission reductions from flaring at refineries and related facilities by: lowering the annual SO₂ performance target threshold for all facilities; establishing a new annual

NO_x performance target for clean service flares at hydrogen production plants; including new operational requirements for liquified petroleum gas (LPG) clean service flares at refineries; adjusted mitigation fees based on the most recent consumer price index (CPI); and standardize reporting requirements for facilities through the flare event notification system (FENS).

PUBLIC PROCESS

PAR 1118 was developed through a public process. The Preliminary Draft Staff Report and Preliminary Draft PAR 1118 was released on September 23, 2025, and will be presented and discussed at a Public Workshop scheduled for October 7, 2025. Staff will also present PAR 1118 at the November 21, 2025, Stationary Source Committee Meeting.

AFFECTED FACILITIES

The types of refinery operations subject to this rule are petroleum refineries, sulfur recovery plants that recover sulfur compounds from sour water generated by petroleum refineries and hydrogen production plants that produce hydrogen from refinery gas for use at petroleum refineries. There are eight operating petroleum refineries, one sulfur recovery plant and four hydrogen production plants with a total of 31 existing flares affected by this proposed amended rule.

Table 1: Facilities Subject to Rule 1118

Facility Name	Facility Location	Number of Flares
Air Liquide	El Segundo, CA	1
Air Products Carson	Carson, CA	1
Air Products Wilmington	Wilmington, CA	1
Air Products Torrance**	Torrance, CA	0
Air Products Manufacturing	Paramount, CA	1
Chevron Products Company	El Segundo, CA	6
Phillips 66 Carson*	Carson, CA	2
Phillips 66 Wilmington*	Wilmington, CA	4
Marathon Petroleum (Tesoro) Carson	Carson, CA	5
Marathon Petroleum (Tesoro) Sulfur Recovery Plant	Carson, CA	1
Marathon Petroleum (Tesoro) Wilmington	Wilmington, CA	2
Torrance Refining Company**	Torrance, CA	3
Ultramar/Valero	Wilmington, CA	4
Total 13 Facilities		Total 31 Flares

* Phillips 66 Carson and Wilmington are scheduled to be idling by the fourth quarter of 2025.

**One flare shared between Air Products Torrance and Torrance Refining Company.

CONTROL TECHNOLOGY

The proposed amendment does not include any requirements for control technologies.

EXPECTED EMISSIONS REDUCTIONS

The proposed amendment will not reduce or increase emissions.

SUMMARY OF PROPOSAL

PAR 1118 is an administrative amendment that will correct two omissions from the last rule amendment.

PROPOSED AMENDMENT TO RULE 1118

Paragraph (j)(10) – Monitoring, Recordkeeping, and Reporting Requirements

PAR 1118 will update subparagraph (j)(10) to replace standard placeholder language “[18 Months After Rule Adoption]” with the actual compliance date of “October 5, 2025.”

Figure 1: PAR 1118 – Paragraph (j)(10)

(10) Effective on April 5, 2024, for General Service Flares, and effective on ~~[18 Months After Date of Rule Adoption]~~ October 5, 2025, for Hydrogen Clean Service Flares, the owner or operator of a Facility shall:

Paragraph (l)(7) – Flare Event Notification Requirements

Staff is proposing to amend paragraph (l)(7) to include paragraph (l)(5). Prior to the 2024 rule amendment, paragraph (l)(7) allowed facilities to submit notifications via 1-800-CUT-SMOG when FENS is unavailable; however, the notification requirement for the exceedance of 100,000 standard cubic feet of vent gas from a flare was inadvertently not included in paragraph (l)(7) during the 2024 rule amendment. The proposed amendment to paragraph (l)(7) aligns with the original intent for paragraph (l)(7) which applies to all notifications described in paragraphs (l)(2) through (l)(5).

Figure 2: PAR 1118 – Paragraph (l)(7)

(7) If FENS is not available, or if functions within FENS do not allow facilities to enter the necessary information required in paragraphs (l)(2) through ~~(4)(4)~~(1)(5), the owner or operator of a Facility shall provide the required information by calling 800-CUT-SMOG (800-288-7664).

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Pursuant to the California Environmental Quality Act (CEQA) and South Coast AQMD’s certified regulatory program (Public Resources Code Section 21080.5, CEQA Guidelines Section 15251(l) and South Coast AQMD Rule 110), the South Coast AQMD, as lead agency, is currently reviewing the proposed project (PAR 1118) to determine if it will result in any potential adverse environmental impacts. Appropriate CEQA documentation will be prepared based on the analysis.

SOCIOECONOMIC IMPACT ASSESSMENT

The proposed amendments to Rule 1118 are administrative in nature and do not significantly affect air quality or emission limitations, and thus, will not result in socioeconomic impacts. Therefore, a socioeconomic impact assessment is not required under Health and Safety Code Sections 40440.8 and 40728.5.

DRAFT FINDINGS UNDER HEALTH AND SAFETY CODE SECTION 40727

Before adopting, amending, or repealing a rule, the Health and Safety Code requires South Coast AQMD to adopt written findings of necessity, authority, clarity, consistency, non-duplication, and reference, as defined in Health and Safety Code Section 40727. The draft findings are as follows:

Necessity – PAR 1118 is necessary to correct an omission and align with the original intent of the rule by clarifying flare event notification procedures and updating compliance deadlines to reflect the adopted implementation schedule.

Authority – The South Coast AQMD Governing Board obtains its authority to adopt, amend, or repeal rules and regulations from Health and Safety Code Sections 39002, 40000, 40001, 40440, 40441, 40702, 40725 through 40728, 41508, and 41700.

Clarity – The South Coast AQMD Governing Board has determined that PAR 1118 is written and displayed so that the meaning can be easily understood by persons directly affected by them.

Consistency – The South Coast AQMD Governing Board has determined that PAR 1118 is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, federal or state regulations.

Non-Duplication – The South Coast AQMD Governing Board has determined that PAR 1118 does not impose the same requirement as any existing state or federal regulation, and the proposed amendments are necessary and proper to execute the powers and duties granted to, and imposed upon, the South Coast AQMD.

Reference – In adopting this regulation, the South Coast AQMD Governing Board references the following statutes, which the South Coast AQMD hereby implements, interprets, enforces, or makes specific: Health and Safety Code Sections 39002, 40440, 40441, and 40702 and the federal Clean Air Act, sections 110 and 182(e).

COMPARATIVE ANALYSIS

Health and Safety Code Section 40727.2(g) is not applicable because the proposed amended rule does not impose a new emission limit or standard, make an existing emission limit or standard more stringent, or impose new or more stringent monitoring, reporting, or recordkeeping requirements; therefore, a comparative analysis is not required.

COST-EFFECTIVENESS ANALYSIS

Health and Safety Code Section 40920.6 requires a cost-effectiveness analysis when establishing Best Available Retrofit Control Technology (BARCT) requirements. PAR 1118 is not establishing

or imposing any BARCT requirements; therefore, a cost effectiveness analysis was not conducted. The amendment to Rule 1118 is administrative in nature and it is not expected to have any associated costs.

INCREMENTAL COST-EFFECTIVENESS ANALYSIS

Health and Safety Code Section 40920.6(a)(3) states that an incremental cost-effectiveness assessment should be performed on identified potential control options that meet air quality objectives. PAR 1118 is not establishing or imposing any BARCT requirements that require control options; therefore, an incremental cost effectiveness analysis was not conducted.