

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Draft Staff Report

Proposed Amended Rule 1302 – Definitions

July 2026

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EXECUTIVE SUMMARY

California Senate Bill 1383 (SB 1383) requires organic waste diversion from landfills. The legislature recognized that significant investment is required to develop organics recycling capacity and local funding mechanisms are needed to support the expansion of organics recycling capacity. The law aims to reduce methane emissions by reducing organic waste in landfills. It mandates statewide residential and commercial organic waste collection to compost or recycle food scraps, yard waste, and paper. These materials would otherwise continue to be deposited in landfills ultimately generating methane which is a greenhouse gas.

Rule 1302 – Definitions (Rule 1302) defines terms used in Regulation XIII – New Source Review (NSR). The purpose of Proposed Amended Rule 1302 (PAR 1302) is to update the definition of Essential Public Service to include composting operations vented to emission control systems that reduce emissions by 80 percent or greater by weight that are subject to Rule 1133.3 – Emission Reductions from Composting Operations (Rule 1133.3). The proposed amendment addresses composting operations impacted by increased organic waste diversion away from landfills as required by SB 1383. South Coast AQMD is identifying composting operations as Essential Public Services, granting access to emission offsets in the Priority Reserve.

PAR 1302 will allow composting operations which meet emission reduction requirements to access offsets from the Priority Reserve, which could lead to emission reductions when compared to an emission baseline of windrow composting. PAR 1302 will not require the use of aerations systems or enhanced emission controls and therefore, there will be no additional costs from the adoption of PAR 1302. However, PAR 1302 will eliminate offset costs for facilities opting to use aerations systems or enhanced emission controls.

PAR 1302 was developed through a public process. One Working Group meeting was held on February 25, 2025. A Public Workshop was held on June 2, 2026.

CHAPTER 1: BACKGROUND

INTRODUCTION

BACKGROUND

REGULATORY BACKGROUND

AFFECTED FACILITIES AND EQUIPMENT

PUBLIC PROCESS

INTRODUCTION

Rule 1302 defines terms used in Regulation XIII – New Source Review (NSR). The purpose of PAR 1302 is to expand the definition of Essential Public Service to include composting operations vented to emission control systems that reduce emissions by 80 percent or greater. The proposed amendment is needed to address composting operations impacted by increased organic waste diversion away from landfills as required by SB 1383¹. SB 1383 states that the California Legislature finds and declares significant investment is required to develop organics recycling capacity and local funding mechanisms are needed to support the expansion of organics recycling capacity. South Coast AQMD is identifying composting operations as Essential Public Services, granting access to emission offsets in the Priority Reserve.

BACKGROUND

California Senate Bill 1383 requires organic waste diversion from landfills. The law aims to reduce methane emissions by reducing organic waste in landfills by 75 percent². It mandates statewide residential and commercial organic waste collection to compost or recycle food scraps, yard waste, and paper. These materials would otherwise continue to be deposited in landfills ultimately generating methane which is a greenhouse gas.



Figure 1-1: Organic Waste Diversion

Composting is the aerobic decomposition of organic, carbon-based wastes and other feedstocks to produce a biologically-stable nutrient-rich soil amendment and usable



Figure 1-2: Windrow Composting

byproducts. Common feedstocks for composting include: chipped and ground greenwaste; chipped and ground woodwaste and associated byproduct sawdust; and chipped and ground foodwaste. Under favorable biological conditions with consideration for temperature, moisture, oxygen levels, and pile shape, naturally-occurring bacteria, archaea, and other organisms consume the wastes and its byproducts for energy and reproduction³. The elevated temperatures of composting also reduce pathogens like *E. coli* and other coliform bacteria and destroy weed seeds⁴. Some specialized organisms consume VOC

and ammonia as energy sources, such as the nitrifying bacteria *Nitrosomonas*. Composting and stockpiling prior to composting are associated with VOC and ammonia emissions⁵.

¹ CalRecycle: <https://calrecycle.ca.gov/Organics/SLCP/collection/>

² CalRecycle: <https://calrecycle.ca.gov/organics/slcp/> SB 1383 also has provisions to address livestock and dairy manure management operations, but there are not any demonstrated issues or concerns for consideration of those operations to be in the scope of PAR 1302.

³ U.S. EPA: <https://www.epa.gov/sustainable-management-food/approaches-composting>

⁴ Composting Magazine: <https://www.compostmagazine.com/compost-pathogen-elimination/>

⁵ Environmental Science and Technology: <https://pubs.acs.org/doi/pdf/10.1021/acs.est.2c05846>

Composting operations are subject to Rule 1133.3. Facilities may windrow compost with best management practices including a six-inch-thick cover of finished compost or compost overs and adequately wetting the piles prior to turning. Rule 1133.3 best management practices reduce VOC emissions by 40% and ammonia emissions by 20%⁶. Alternatively, facilities can compost utilizing aeration systems that ventilate compost piles, accelerating decomposition, albeit with higher initial capital costs. Rule 1133.3 aeration systems are required to be vented to emission control systems that reduce VOC and ammonia emissions by 80 percent or greater by weight. Benefits of controlled aeration systems, as compared to windrow composting, include reduced VOC and ammonia emissions, less handling, smaller area required to compost similar tonnage, and a faster composting process; composting with aeration systems is roughly twice as fast as windrow composting⁷. This process differs from co-composting where the feedstock includes at least 20% bio-solids and is subject to Rule 1133.2 – Emission Reductions from Co-Composting Operations (Rule 1133.2).



Figure 1-3: Aeration System Composting

Some composting facilities are seeking to change their windrow composting operations to aeration systems to increase throughput while not having to increase acreage. On a facility basis, doing so will likely result in similar or reduced VOC and ammonia emissions. Emissions of short-lived climate pollutants such as methane are expected to decrease. Windrow composting operations are not “equipment” and thus do not require a permit with South Coast AQMD pursuant to Rule 203 – Permit to Operate. Sources of pollution that are associated with equipment (i.e. aeration systems) and equipment that controls air pollution equipment require air permits to ensure emission reductions are occurring.

REGULATORY BACKGROUND

NSR is a regulatory program required by the federal and state Clean Air Acts that is designed to protect air quality as new or modified sources (equipment or processes) are permitted. Before a permit is issued, NSR ensures that the new or modified source meets Best Available Control Technology (BACT) at the time of permitting and an emission increase is offset by emission reductions from other existing sources. The purpose of NSR is to ensure that emission increases from new and modified sources do not interfere with the progress towards meeting the National Ambient Air Quality Standards (NAAQS) and state ambient air quality standards, while ensuring that future economic growth and facility modernization are not unnecessarily restricted.

South Coast AQMD Regulation XIII – New Source Review (Regulation XIII), sets forth the federal and state mandated pre-construction review program for new, modified, or relocated sources in the South Coast AQMD jurisdiction. Under Regulation XIII, a permit action that results

⁶ South Coast AQMD Final Staff Report for Proposed Amended Rule 1133 Series – Composting, Chipping and Grinding, and Related Operations https://www.aqmd.gov/docs/default-source/agendas/governing-board/2025/2025-sep5-031.pdf?sfvrsn=86dc6d7e_6

⁷ Approaches to Composting, U.S. EPA <https://www.epa.gov/sustainable-management-food/approaches-composting>

in an emission increase of any nonattainment air contaminant⁸ generally must install Best Available Control Technology⁹, conduct a modeling analysis¹⁰, and offset emission increases.

Regulation XIII requires offsets for any permitting action that results in an emission increase of greater than or equal to one pound per day of any nonattainment air contaminant. Most organic waste is sent to landfills where construction and operation of a landfill gas control or processing facility qualifies as an Essential Public Service. Windrow composting does not require an air permit, so NSR is not triggered, and therefore offset requirements of NSR are not triggered. However, because aeration systems and associated controls require an air permit, permits are subject to NSR, and therefore offsets are required.

Regulation XIII establishes applicability requirements and provisions for generating and using emission offsets. Under Regulation XIII there are two types of offsets: Open Market and the Internal Account. The Open Market allows individual entities to hold, buy, sell, and transfer Emission Reduction Credits (ERCs) that can be used for offsetting requirements for new and modified sources. Quantification of ERCs is specified under Rule 1306 – Emission Calculations and the process to generate an ERC is established in Rule 1309 – Emission Reduction Credits and Short Term Credits. Use of the Internal Account is specified under Rule 1315 – Federal New Source Review Tracking System.

The Internal Account is funded primarily by facility shutdowns. Offsets from the Internal Account are available to sources that are exempted from South Coast AQMD offset requirements including federal nonattainment NSR sources pursuant to Rule 1315. Sources with a Potential to Emit less than four tons per year utilize offset exemptions pursuant to Rule 1304 – Exemptions. Rule 1309.1 – Priority Reserve allocates offsets for Essential Public Services. Through the Internal Account, South Coast AQMD provides the NSR required offsets rather than the individual entity. There is no fee for using the Internal Account.

Rule 1302 defines Essential Public Service as applicable operations by type. Listed operations are the following:

- Sewage treatment facilities, which are publicly owned or operated, and consistent with an approved regional growth plan
- Prisons
- Police facilities
- Fire fighting facilities
- Schools
- Hospitals
- Construction and operation of a landfill gas control or processing facility
- Water delivery operation
- Public transit

⁸ Based on National Ambient Air Quality Standards (NAAQS) and California Ambient Air Quality Standards (CAAQS) attainment status

⁹ Regulation XIII also requires BACT for emission increases of ammonia and Ozone Depleting Compounds (ODCs)

¹⁰ Regulation XIII does not require modeling for VOC and SOx

Most operations are listed with no qualifiers on type of activity (i.e. schools and hospitals), except for sewage treatment plants and certain landfill operations. Composting operations switching from windrows to aeration systems are requesting to be defined as an Essential Public Service to avoid the need to purchase ERCs to implement certain SB 1383 projects.

AFFECTED FACILITIES AND EQUIPMENT

PAR 1302 affects approximately 53 composting facilities within South Coast AQMD's jurisdiction based on Rule 1133 registrations and CalRecycle Solid Waste Information System (SWIS)¹¹. Three of the 53 facilities already utilize aeration systems and are not expected to modify their operations. Of the remaining 50 facilities, 19 emit less than four tons of VOC per year, nine emit more than four tons of VOC per year but less than ten tons of VOC per year, and 22 emit more than ten tons of VOC per year. Almost two-thirds of the facilities are located in Riverside and San Bernardino Counties.

PUBLIC PROCESS

The development of PAR 1302 was conducted through a public process. One Working Group meeting was held on February 25, 2026. The Working Group is composed of representatives from public agencies, consultants, equipment providers, environmental and community representatives, and other interested parties. The purpose of the Working Group meetings is to discuss details of the proposed rule and to listen to concerns with the objective to build consensus and resolve key issues. Additionally, a Public Workshop was held on June 2, 2026. The purpose of the Public Workshop was to present the proposed rule language to stakeholders and to solicit comment. Staff also conducted multiple site visits as part of this rulemaking process.

¹¹ CalRecycle SWIS Facility/Site Search <https://www2.calrecycle.ca.gov/SolidWaste/Site/Search>

CHAPTER 2: PROPOSED AMENDED RULE 1302

INTRODUCTION PROPOSED AMENDED RULE 1302

INTRODUCTION

Rule 1302 defines terms used in Regulation XIII. PAR 1302 will amend the definition of Essential Public Service to include composting operations which meet the specified emission reduction requirement. Minor stylistic changes are made for consistency.

PROPOSED AMENDED RULE 1302

Subdivision (m) — Essential Public Service

The purpose of this amendment is to include composting operations vented to an emission control system that reduce emissions by 80 percent or greater as specified in Rule 1133.3 as an Essential Public Service. The methodology to determine emission control efficiency is also specified in Rule 1133.3. This will allow facilities that utilize an aeration system with emission controls or another composting process with equal or better emission reductions qualified to draw from a pool of credits established every quarter pursuant to Rule 1309.1 (a).

Rule 1133.3 defines Composting Operations and includes provisions on how to determine control efficiency for composting operations. Rule 1133.3 is to be utilized when determining applicability for Rule 1302. Rule 1133.3 subdivision (b) specifies applicability. Similarly, Rule 1133.3 contains the methodology for determining control efficiency. Rule 1133.3 subparagraph (d)(3)(A) – Aeration System Vented to Control System delineates the methodology which allows facilities to 1) compare inlet and outlet concentrations of VOC and ammonia; 2) utilize standard baseline emission factors; or 3) derive operation-specific baseline emission factors approved by the Executive Officer. Co-composting operations subject to Rule 1133.2 are not included in this definition.

However, the proposed amendment should not be construed to be limited to aeration systems with emission controls. Further improvements and efficiencies of composting operations are expected and any technology that can demonstrate a control efficiency of 80 percent or greater by weight utilizing one of the methodologies above are defined as an Essential Public Service.

Two major considerations were evaluated when determining if composting operations should be included as an Essential Public Service. First is if the service provided to the public is a critical infrastructure needed to maintain health, safety, and societal function. While this could be interpreted broadly, South Coast AQMD has limited the list to core services that provide public health and emergency services (hospital, police, fire fighting, prison), public transit, water supply, schools, and waste management (sewage treatment and landfill gas control). Inclusion of composting operations is consistent with South Coast AQMD's earlier designation of landfill gas control or processing as an Essential Public Service. Increased composting is directly associated with organic waste diversion mandated by California Senate Bill 1383. Without organic waste diversion, the organic waste would have been deposited in a landfill and the emissions would have been generated at landfill gas control or processing facility.

The second major consideration was the availability of sufficient offsets when expanding the definition of Essential Public Service. The funding of the Priority Reserve offsets is made on a quarterly basis as noted in Table 2-1 below:

Table 2-1: Quarterly Allocation of Priority Reserve¹²

Air Contaminant	Quarterly Allocation (pounds per day)	Quarterly Allocation (tons per day)
VOC	500	0.25
NOx	250	0.13
SOx	60	0.03
PM10	125	0.06

Over time, the offset balance in the Priority Reserve has grown. Current Priority Reserve offset balance is provided in Table 2-2 below.

Table 2-2: Current Priority Reserve Offset Balance (Dec 2025)

Air Contaminant	Current Balance (tons per day)
VOC	31.36
NOx	9.63
SOx	0.92
PM10	5.24

The current emission inventory from all composting operations in the South Coast Air Basin is 2.0 tons of VOC per day based on emission reporting and emission estimates from Rule 1133.3¹³. Three of the 53 existing composting operations already utilize aeration systems. The remaining 50 composting operations currently utilize windrow composting in the South Coast Air Basin have an annual throughput of 540,000 tons per year. At an emission rate of 2.55 pounds of VOC per ton of compost, current emissions from windrow composting are 1.9 tons per day. As noted earlier, switching to an aeration system would roughly double throughput to approximately 1.1 million tons per year. The emission rate for composting with an aeration system is 0.85 pounds of VOC per ton of compost. Thus, doubling the throughput by use of aeration systems would result in 1.3 tons of VOC emissions per day of VOC emissions, a decrease of 0.6 tons per day. However, because these operations would now require air permits and need offsets pursuant to Regulation XIII, 1.6 tons per day of VOC offsets would be necessary. The estimated cost to purchase the offsets on the Open Market would be \$11.2 million based on an Open Market VOC ERC price of \$7,200,000 per ton per day (\$20,000 per ton) of VOC offset¹⁴.

In a worst-case scenario, an additional 2.6 million tons of waste per year could be composted if all organic waste occurring in the South Coast Air Basin was diverted to composting operations for a total of 3.2 million tons processed. Assuming that 1.1 million tons of organic waste would be processed via aeration system by the 50 existing composting operations, emissions are estimated

¹² South Coast AQMD Rule 1309.1 <https://www.aqmd.gov/docs/default-source/rule-book/reg-xiii/rule-1309-1-priority-reserve.pdf?sfvrsn=4>

¹³ South Coast AQMD, PAR 1133 Series Final Staff Report https://www.aqmd.gov/docs/default-source/agendas/governing-board/2025/2025-sep5-031.pdf?sfvrsn=86dc6d7e_6

¹⁴ <https://www.aqmd.gov/home/research/documents-reports/erc-transaction-report-archive>

to be 1.3 tons of VOC per day. The remaining 2.1 million tons of additional organic waste composted via aeration system would result in an increased 2.4 tons of VOC emission per day. Approximately 3.7 tons per day of offsets would be required at a cost of \$31 million on the Open Market. Current Priority Reserve VOC balance is more than 31 tons per day and increasing due to current low demand. The addition of composting operations to the Essential Public Service definition could be adsorbed by the Priority Reserve without jeopardizing the availability, even in the worst-case scenario.

Under the same worst-case scenario, the associated VOC offset demand would also remain below the cumulative net emission increase threshold established in Rule 1315 Table B – Cumulative Net Emission Increase Thresholds for the year 2026 (20.23 tons per day of VOC). With an estimated offset requirement of approximately 3.7 tons per day, the total would not approach the applicable annual cumulative threshold for VOC emissions, indicating that even under conservative assumptions, the demand for offsets from increased composting operations would not trigger the backstop provisions of Rule 1315¹⁵. Under the worst-case scenario, the level of increased composting activity would remain consistent with South Coast AQMD's NSR framework and should not constrain future permitting actions that rely on offsets from the Internal Account or the Priority Reserve.

It should be noted that worst case scenario is extremely unlikely. While the potential offset costs are sizable, the purchase cost of the land necessary to do the composting would easily dwarf the cost of the offsets. Decades ago, South Coast AQMD was home to a large agriculture and ranching industry that used finished compost as a soil amendment, such as the hay fields that supported the dairy industry in the Chino-Corona area, at one time the most productive source of fresh milk in the United States. However, in the 21st century, these areas formerly used for agriculture or ranching now support residential homes, warehousing, or other industries. The demand for finished compost within South Coast AQMD is low and local officials report issues with excess finished compost at their facilities. Staff understands that already organic waste is being diverted to areas outside of the South Coast Air Basin that have robust agriculture and ranching activity where the finished compost will be used.

¹⁵ South Coast AQMD Status Report on Regulation XIII – New Source Review: https://www.aqmd.gov/docs/default-source/agendas/governing-board/2025/2025-sep5-018.pdf?sfvrsn=80df6d7e_2

CHAPTER 3: IMPACT ASSESSMENTS

INTRODUCTION

EMISSION REDUCTIONS

COSTS

SOCIOECONOMIC IMPACT ASSESSMENT

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) ANALYSIS

DRAFT FINDINGS UNDER HEALTH AND SAFETY

CODE SECTION 40727

COMPARATIVE ANALYSIS

INTRODUCTION

Impact assessments were conducted as part of PAR 1302 rule development to assess the environmental and socioeconomic implications. These impact assessments include costs, emission reductions, socioeconomic impacts, and a California Environmental Quality Act (CEQA) analysis. Staff prepared draft findings and a comparative analysis pursuant to Health and Safety Code Sections 40727 and 40727.2, respectively.

EMISSION REDUCTIONS

The proposed amendment to Rule 1302 does not impose a new or more stringent emissions limit or standard. PAR 1302 will allow composting operations which meet emission reduction requirements to access offsets from the Priority Reserve, which could lead to emission reductions when compared to an emission baseline of windrow composting. However, PAR 1302 does not mandate the use of aerations systems or enhanced emission controls.

COSTS

PAR 1302 will not require the use of aerations systems or enhanced emission controls and therefore, there will be no additional costs from the adoption of PAR 1302. However, PAR 1302 will eliminate offset costs for facilities opting to use aerations systems or enhanced emission controls.

SOCIOECONOMIC IMPACT ASSESSMENT

A socioeconomic impact assessment is not required by Health and Safety Code Sections 40440.8 and 40728.5 because PAR 1302 contains administrative changes that will not significantly affect air quality or emission limitations, and thus, will not result in significant socioeconomic impacts.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Pursuant to CEQA Guidelines Sections 15002(k) and 15061, the proposed project (PAR 1302) is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3). A Notice of Exemption will be prepared pursuant to CEQA Guidelines Section 15062 and if the proposed project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside, and San Bernardino counties, and with the State Clearinghouse of the Governor's Office of Land Use and Climate Innovation.

DRAFT FINDINGS UNDER HEALTH AND SAFETY CODE SECTION 40727

Requirements to Make Findings

Health and Safety Code Section 40727 requires that the Governing Board make findings of necessity, authority, clarity, consistency, non-duplication, and reference based on relevant information presented at the public hearing and in the staff report. In order to determine compliance with Health and Safety Code Section 40727, Health and Safety Code Section 40727.2 requires a

written analysis comparing the proposed amended rule with existing regulations, if the rule meets certain requirements.

Necessity

A need exists to amend PAR 1302 to address composting operations impacted by increased organic waste diversion required by California Senate Bill 1383.

Authority

The South Coast AQMD obtains its authority to adopt, amend, or repeal rules and regulations pursuant to Health and Safety Code Sections 39002, 40000, 40001, 40440, 40702, 40725 through 40728, and 41508.

Clarity

PAR 1302 is written or displayed so that its meaning can be easily understood by the persons directly affected by them.

Consistency

PAR 1302 is in harmony with and not in conflict with or contradictory to existing statutes, court decisions, or state or federal regulations.

Non-Duplication

PAR 1302 will not impose the same requirements as any existing state or federal regulations. The proposed rules are necessary and proper to execute the powers and duties granted to, and imposed upon, the South Coast AQMD.

Reference

In amending this rule, the following statutes which the South Coast AQMD hereby implements, interprets or makes specific are referenced: Health and Safety Code Sections 39002, 40001, 40406, 40702, 40440, and 40725 through 40728.5.

COMPARATIVE ANALYSIS

PAR 1302 does not impose a new or more stringent emissions limit or standard, or a new or more stringent monitoring, reporting, or recordkeeping requirement. Therefore, consistent with Health and Safety Code Section 40727.2 (g), no comparative analysis is required.

APPENDIX A: RESPONSE TO PUBLIC COMMENTS

PUBLIC WORKSHOP COMMENTS COMMENT LETTERS

Public Workshop Comments**Public Workshop Commenter #1: David Rothbart – Clean Water SoCal**

The commenter expressed the following:

- 1a) The proposal excludes co-composting. Co-composting also would take some food waste (organic waste) and including co-composting would be more consistent with the intent of supporting food waste diversion.
- 1b) The amended definition should be restricted to just the public sector. It would be better suited for the composting to be done by the public sector.

Staff Response to Public Workshop Commenter #1

- 1a) SB 1383 requires diversion of organic waste away from landfills. Landfills have options of where to redirect the waste including biomass conversion, digestion, and composting. Of those options, landfills are expected to divert much of their organic waste to composting operations subject to Rule 1133.3.

Co-composting is associated with wastewater treatment rather than landfills. While co-composting operations may wish to augment their portfolio by taking additional food waste that would otherwise be sent to a landfill, the proposal does not incentivize that business opportunity by providing offsets through the Essential Public Service provision.

- 1b) SB 1383 requires organic waste diversion from landfills, both public and private. The existing definition for essential public service applies to landfill gas control or processing facilities, both public and private. The requirements for compliance with Rule 1133.3 are the same for both public and private operations. Inclusion of composting operations as an Essential Public Service for both public and private operations is consistent with South Coast AQMD's earlier designation of landfill gas control or processing as an Essential Public Service.

Increased composting is directly associated with organic waste diversion mandated by SB 1383. Without organic waste diversion, the organic waste would have been deposited in a landfill and the emissions would have been generated at landfill gas control or processing facility. Limiting the definition for Essential Public Service to just public composting operations would create an unfair playing field tilted in favor of public operations when the driver to address SB 1383 requirements is the same to both public and private landfills.

Public Workshop Commenter #2: Casey Corliss – OC Waste and Recycling

The commenter expressed the following:

- 2) OC Waste and Recycling supports the District’s recognition that composting operations constitute critical infrastructure needed to maintain health, safety, and basic functioning of our communities.

Staff Response to Public Workshop Commenter #2

- 2) Thank you for your support.

Public Workshop Commenter #3: Bill Quinn – California Council for Environmental and Economic Balance (CCEEB)

The commenter expressed the following:

- 3) CCEEB supports the proposal, as is, with respect to allowing both private and public sectors access to the Priority Reserve.

Staff Response to Public Workshop Commenter #3

- 3) Thank you for your support.

Public Workshop Commenter #4: Bill LaMarr – California Alliance of Small Business Associations

The commenter expressed the following:

- 4) The definitions in Rule 1302, Rule 102 – Definition of Terms, and the federal definition for small business differ. Is there any consideration for changing the definition in Rule 102 to be consistent with this rule and better reflect the true size of a small business?

Staff Response to Public Workshop Commenter #4

- 4) Changing the definition of Rule 102 is beyond the scope of amending Rule 1302. The inclusion of “small business” in Rule 102 is to provide monetary relief from permit fees while Rule 1302 applies to New Source Review. In that view, there is no need for consistency between the two rules as they serve different purposes. However, to the commenter’s second point, the number of employees and gross annual receipt figures were established more than 30 years ago and could be ripe for reevaluation, particularly when considering inflation.

Public Workshop Commenter #5: David Rothbart – Clean Water SoCal

The commenter expressed the following:

- 5) Rule 1133.2 requires a total enclosure. Would that establish your floor for Best Available Control Technology (BACT)? If so, that is a huge economic burden on facilities.

Staff Response to Public Workshop Commenter #5

- 5) Rule 1133.2 requires the active phase of composting to be conducted within the confines of an enclosure. BACT for a total enclosure, or any activity related to co-composting is listed as compliance with Rule 1133.2. If Rule 1133.2 were to be amended to require something besides an enclosure, the new requirements would presumably become BACT.

Comment Letters

Comment Letter #1



June 3, 2026

Michael Morris
 Planning, Rule Development, and Implementation
 South Coast Air Quality Management District
 21865 Copley Drive, Diamond Bar, CA 91765

RE: Proposed Amended Rule 1302

Dear Mr. Morris:

On behalf of the California Compost Coalition (CCC), I am writing to express our strong support for Proposed Amended Rule 1302 which would amend the definition of Essential Public Service to include composting operations under specific circumstances, allowing qualified operations to draw from a pool of credits from the Priority Reserve. Being defined as an Essential Public Service will eliminate offset costs for qualified operators, enabling the development of composting infrastructure within the South Coast AQMD.

California Compost Coalition is a coalition of organic material recyclers and compost operators located across the state that share a unified vision to increase the recycling of organic materials, as required under SB 1383, and further the use of clean compost as a way to: reduce organics in landfills, reduce greenhouse gas emissions, reduce the use of petro-based chemicals (fertilizers, pesticides, and herbicides) in agriculture and landscaping, reduce water consumption, and create green jobs in the district and throughout California.

Composters across California, and within the AQMD, have been hampered in the development of the necessary infrastructure to meet the lofty goals of SB 1383 by New Source Review requirements, and the costs of emissions reduction credits (ERCs) – or a lack of available ERCs – in many air districts. While the regulatory and financial challenges to SB 1383 infrastructure development are many, the measures presented in the proposed amendments to Rule 1302 will have a significant impact on helping mitigate some of the difficulties associated with ERC purchases.

For these reasons, CCC is pleased to support Proposed Amended Rule 1302.

Sincerely,

Neil Edgar
 Executive Director

1822 21st Street • Sacramento, CA 95811 • (916) 739-1200 • Fax: (916) 739-1216
 Neil@californiacompostcoalition.org • www.californiacompostcoalition.org

1-1

Staff Response to Comment Letter #1

Response to Comment 1-1

Thank you for your support.

Comment Letter #2



12645 6th Street, Rancho Cucamonga, CA 91739
PO Box 2470 Chino Hills, CA 91709
Phone: (909) 993-1500 Fax: (909) 993-1510

Quality Products for Healthy Soil

June 16, 2026

Attention: Michael Morris
Planning and Rules Manager
South Coast AQMD
21865 Copley Drive
Diamond Bar, CA 91765

Subject: Comments on Proposed Amended Rule 1302 – Essential Public Services Definition

Dear Mr. Morris:

On behalf of the Inland Empire Regional Composting Authority (IERCA), we appreciate the opportunity to comment on Proposed Amended Rule (PAR) 1302.

IERCA is a publicly owned Joint Powers Authority between the Inland Empire Utilities Agency (IEUA) and the Los Angeles County Sanitation Districts (LACSD). The facility provides regional biosolids management services, receiving material from IEUA, LACSD, and the Orange County Sanitation District, and supports wastewater treatment operations in Southern California.

IERCA supports the District's efforts to expand the Essential Public Services (EPS) definition to help meet SB 1383 organics diversion needs. We would like to raise a concern regarding the exclusion of co-composting facilities subject to Rule 1133.2.

Co-composting is a direct extension of wastewater treatment, which is already included in the EPS definition. As a potential solution for SB 1383, wastewater treatment facilities have the capacity to accept organic waste. This would result in an increase in biosolids production and create a greater need for co-composting operations. As SB 1383 implementation continues, co-composting plays an important supporting role.

IERCA's facility is subject to Rule 1133.2 and achieves approximately 80 percent emissions reduction efficiency. Since the proposal would extend EPS to composting facilities that meet a similar emissions reduction threshold, it would be reasonable to also consider co-composting facilities that demonstrate comparable emission reductions.

When IERCA was permitted, the facility was required to obtain emission reduction credits despite receiving biosolids from public wastewater agencies. The only consideration given was its proximity

2-1

Paul Hofer
Vice Chairman

Kevin Alexander
Director

Margaret Finlay
Director

Robert Ferrante
Director

Jasmin A. Hall
Director

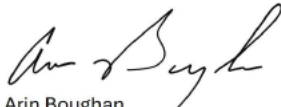
Cory Moss
Director

to a wastewater treatment plant. This may be worth considering when evaluating the role of co-composting within the EPS definition.

IERCA respectfully requests that South Coast AQMD consider including co-composting facilities subject to Rule 1133.2 in the EPS definition when they demonstrate comparable emissions performance and support wastewater operations.

Thank you for your consideration.

Sincerely,



Arin Boughan
Manager of Regional Composting Authority

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(cont.)

Paul Hofer
Vice Chairman

Kevin Alexander
Director

Margaret Finlay
Director

Robert Ferrante
Director

Jasmin A. Hall
Director

Cory Moss
Director

Staff Response to Comment Letter #2

Response to Comment 2-1

Please see response to Public Workshop Comment 1a.

Comment Letter #3



COUNTY OF ORANGE

Waste & Recycling

Our Community. Our Commitment.

Thomas D. Koutroulis, Director
601 N. Ross Street, 5th Floor
Santa Ana, CA 92701

www.oclandfills.com
Telephone: (714) 834-4000
Fax: (714) 834-4183

June 16, 2026

South Coast Air Quality Management District
Attn: Wayne Nastri
21865 East Copley Drive
Diamond Bar, California 91765

**Subject: Comments on Proposed Amendments to Rule 1302 – New Source
Review Definitions and Scope**

Dear Mr. Wayne Nastri,

OC Waste & Recycling (OCWR) is a public enterprise agency that operates one of the nation's premier solid waste infrastructure systems, including three compost greeneries, that serve residents and businesses across 34 cities and unincorporated communities.

We appreciate the District's extensive collaboration with the County to update Rule 1302 to align the regulation with ambitious statewide mandates. This amendment is critical to ensure that Rule 1302 supports the development and long-term viability of local organics-processing infrastructure, we respectfully submit the following recommendations.

At present, OCWR has 62 pending permit applications with the South Coast AQMD—22 of which directly support composting operations essential to achieving SB 1383's Short-Lived Climate Pollutant Reduction Strategy with a mandated 75 percent organic waste diversion for every jurisdiction. These permits not only serve to help achieve SB 1383 compliance goals but are also critical for maintaining operational compliance for our ongoing landfill management, maintenance and operations. OCWR is working to reduce emissions through diversion and increasing our efforts on landfill gas collection and control system.

OCWR appreciates the recognition that composting operations constitute Essential Public Services (EPS) necessary for maintaining community health, safety, and environmental protection and is necessary to comply with state law. However, to fully realize the organic waste diversion targets mandated by state law, we urge the District to broaden the EPS definition in Proposed Amended Rule (PAR) 1302 to clearly include **the entire composting operation**, encompassing both direct emissions and the full suite of processing equipment. Currently, PAR 1302 narrowly defines EPS as composting operations subject to Rule 1133.3 that are vented to an emission control system that reduces VOC and ammonia equal to or greater than 80 percent by weight.

3-1

OCWR Comments on PAR 1302

While this is a good start, this narrow EPS designation does not consider the broader scope involved in a composting operation needed to support SB 1383. To achieve the goals of SB 1383 there are a number of strategies from traditional windrow composting to diversion of organic food waste that are equally important. Each strategy involves different equipment and technologies to manage the collection programs implemented by various cities and to convert that material into a product that can be distributed as compost, mulch, or for renewable energy. Each of these products are included within SB 1383 as pathways for cities to meet their Recovered Organic Waste Product (ROWP) targets. By recognizing the broader spectrum of technologies and strategies to process organic waste, the District has the opportunity to develop Rule 1302 that fully aligns it with SB 1383.

For example, we respectfully request that the District extend this EPS classification—and any associated exemption provisions—to **organics processing facilities**, including preprocessing systems, depackaging equipment, grinding and material handling units, and all supporting mechanical and biological processes. Food waste processing facilities provide for the collection of commercial food waste in large volumes that traditionally cannot be composted through windrow composting or covered aerated static piles. Food waste processing facilities are operated in conjunction with diverting the material to an anaerobic digester that can generate renewable energy. These organics facilities are integral to SB 1383 compliance, as they provide the necessary capacity to divert organic materials that would otherwise enter the landfill. Treating organics processing as an EPS ensures that the infrastructure required for statewide organics diversion is not financially or operationally disadvantaged.

Failure to broaden the EPS definition to include all necessary composting and organic processing equipment could unintentionally hinder future investment in organics infrastructure, undermining the state's Short-Lived Climate Pollutant Reduction Strategy thus further preventing innovative solutions and collaboration. Ensuring these operations qualify as EPS also provides critical access to the Priority Reserve for offsets—particularly important given that Rule 317.1 contains no categorical exemption for Essential Public Services. Public agencies often operate largescale facilities classified as Major Stationary Sources. Without EPS recognition, they face significant financial liability for emissions generated while carrying out state mandated activities.

We also note that SCAQMD has previously determined that composting is an “integral part of the landfill,” as reflected in our Title V permits. It would be inconsistent to treat these operations as unified for permitting purposes, but fragmented when identifying which components qualify as Essential Public Services. As organic waste previously disposed of in landfills is now processed on landfill property to meet SB 1383 requirements, the full composting and organic processing system should be recognized as an EPS.

For these reasons, OCWR respectfully urges the District to refine PAR 1302 to include both composting and organic processing emissions, along with all associated mechanical and biological processing equipment, within the definition of Essential Public Service. Proposed

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(cont.)

OCWR Comments on PAR 1302

rule language is attached. These clarifications will ensure consistent regulatory treatment, protect public agencies from unintended financial burdens, and support the statewide effort to reduce organics disposal and achieve California's climate goals.

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(cont.)

Thank you for your time and consideration of our comments. We appreciate the collaboration and look forward to the successful adoption of Proposed Amended Rule 1302. Please do not hesitate to reach out with any questions.

Sincerely,



Thomas D. Koutroulis
Director

cc: Michael Morris, AQMD

Attachments: Proposed Rule 1302(m) Language

OCWR Comments on PAR 1302

Proposed Rule 1302(m) Language:

ESSENTIAL PUBLIC SERVICE includes:

- (1) sewage treatment facilities, which are publicly owned or operated, and consistent with an approved regional growth plan;
- (2) prisons;
- (3) police facilities;
- (4) fire fighting facilities;
- (5) schools;
- (6) hospitals;
- (7) construction and operation of a landfill gas control or processing facility;
- (8) water delivery operations; and
- (9) public transit.
- (10) **composting operations**, and all supporting equipment necessary for the handling, storage, treatment, and processing of organic materials, including but not limited to green waste, biosolids, food scraps, manure, and agricultural waste, as well as all mechanical and biological components integral to composting.
Equipment qualifying under this provision includes, but is not limited to: screening systems, conveyors, grinders, chippers, turners, aeration systems, bagging equipment, stone removal systems, covered or enclosed processing areas, material handling units, and any ancillary systems required to convert organic materials into compost, mulch, or other products recognized under SB 1383 as Recovered Organic Waste Products (ROWPs).
- (11) **organics processing operations**, and all related processing, material handling, and odor control equipment used to manage source separated organic materials.
This includes equipment such as: depackaging systems, preprocessing equipment, conveyors, storage tanks and silos, mechanical separators, pumps, mixing systems, grinding units, receiving and holding systems, and odor control systems including biofilters, carbon adsorption units, chemical scrubbers, misting systems, and enclosure ventilation systems, as well as any ancillary equipment required for the preparation of organic materials for beneficial use, including delivery to anaerobic digestion or renewable energy systems.

Staff Response to Comment Letter #3

Response to Comment 3-1

By way of background, the current proposed amendments to New Source Review Rule 1302 are in response to OC Waste and Recycling's original request to consider composting emissions due to organic waste diversion, required by SB 1383's Short-Lived Climate Pollutant Reduction Strategy, as an Essential Public Service. Pursuant to Rule 201 and Rule 203, use of equipment which may cause the issuance of air contaminants (e.g. aerated static pile composting) or may reduce or control the issuance of air contaminants (e.g. biofilter) require air permits for construction and operation. These sources are subject to New Source Review Rule 1303 requirements, which include BACT, modeling, and offsets. If the equipment is determined to be an Essential Public Service, it may qualify to utilize Priority Reserve emission credits instead of requiring procurement of ERCs available in the open market. The proposed addition of "composting operations subject to Rule 1133.3 that are vented to an emission control system that reduces VOC and ammonia equal to or greater than 80 percent by weight" to the Essential Public Service definition would allow OCWR's composting projects, which have been proposed to control VOC and ammonia emissions ranging from 80% to 95%, to qualify for Priority Reserve emission credits assuming Rule 1309.1(a)(3) requirements are met.

The South Coast AQMD recognizes every operation has upstream and downstream processes that are chosen to provide results one might be seeking (e.g., generating compost or mulch). However, these choices are business decisions. Prior to the passage of SB 1383, organic waste was sent to landfills. The current Essential Public Service definition includes construction and operation of landfill gas control or processing, which may qualify for access to Priority Reserve emission credits. Therefore, as proposed, composting operations may qualify to use Priority Reserve emission credits, consistent with the current Essential Public Service allowance for landfill gas processing equipment. Since *open* composting does not require a permit, any project requiring a permit starts with zero emission baseline under New Source Review. Therefore, even if the applicant is installing a less emissive composting process, all emissions from the less emissive composting process, such as aerated static pile composting, would be required to be offset. Recognizing the need for waste diversion combined with the need to offset all composting emissions, staff agreed to define these operations as Essential Public Service.

However, it should be noted that landfills have other equipment (e.g., engines driving landfill tippers, which "tip" refuse into the landfill) that do not meet the Essential Public Service definition. By broadening the Essential Public Service definition to include the entire composting operation and any organics processing facilities without guardrails or criteria, there would be no incentive for these operations to reduce their emissions and this request has the potential to drain the emission credits in the Priority Reserve and affect the permitting of other future Essential Public Service projects in our region. Given that the region fails to attain multiple health-based federal air quality standards, it is critical to not only implement all feasible measures to reduce air pollution, but to safeguard existing regulation by properly enforcing and not backsliding from any achievements.

OCWR has been engaged in the rulemaking process and had been supportive of the current approach staff has taken with the proposed amendments to Rule 1302. As recently as the Rule 1302 Public Workshop on June 2, OCWR staff voiced support for the current rule amendments and did not identify additional concerns. The recent comment letter is a substantial departure from OCWR's feedback during this public process and would require restarting the rulemaking process to further identify,

define, and evaluate the scope of such a change, further delaying any changes to the rule. Therefore, we cannot accommodate your request to broaden the Essential Public Service definition at this time.

Comment Letter #4

Hi Mike,

Per our conversation, Clean Water SoCal appreciates the opportunity to comment on Proposed Amended Rule (PAR) 1302. We believe it is critical to support SB 1383 mandates by recognizing food waste diversion as an essential public service. While we support the inclusion of Rule 1133.3 facilities, co-composting facilities subject to Rule 1133.2 should also be included in the proposed essential public service definition.

Under the current framework, unless a co-composting facility is located within a wastewater treatment plant, access to the Priority Reserve is not permitted. However, no wastewater treatment plant in the South Coast Air Basin currently performs composting inside its facility boundaries. While several plants practiced on-site composting years ago, the practice was largely abandoned due to nuisance odors.

Because Rule 1133.2 is more restrictive than Rule 1133.3, any new co-composting facilities constructed in the future should be defined as essential public services. Ultimately, these facilities are required to process biosolids generated by wastewater treatment plants, making them an extension of the overall wastewater treatment process. Moreover, these facilities can accept food waste and should be incentivized to support SB 1383 goals.

In addition to including Rule 1133.2 facilities, we respectfully request that the proposed essential public services definition be limited exclusively to publicly owned and operated facilities. We have concerns regarding privately owned and operated landfills gaining access to the Priority Reserve for composting operations. While the existing essential public service definition covers landfill gas control or processing facilities, landfill gas management represents a fundamentally different public health dynamic. Collecting and processing landfill gas directly prevents fugitive emissions that would otherwise impact surrounding communities, which is clearly an essential public service.

This same dynamic does not apply to a private landfill that elects to construct a compost facility on its property. Operating such a facility can generate significant VOC emissions and cause nuisance odors, particularly if the operator is not diligent. Based on our experience, private landfills are generally not operated as conservatively as facilities managed by public agencies. To avoid rewarding private, for-profit entities, we respectfully recommend that SCAQMD limit the proposed exemption to public facilities.

For your consideration, we recommend the following language for the exemption:

(m)(10) *Publicly owned and operated composting operations subject to Rules 1133.2 and 1133.3 that are vented to an emission control system that reduces VOC and ammonia equal to or greater than 80 percent by weight.*

Please let me know if you have any questions regarding these comments.

4-1

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Best regards,

David

David L. Rothbart, P.E., BCEE

Air Quality Manager

[Clean Water SoCal](http://CleanWaterSoCal.org)

drothbart@cleanwatersocal.org

(714) 878-9655 (cell)



Staff Response to Comment Letter #4*Response to Comment 4-1*

Please see Staff Response to Public Workshop Commenter #1a.

Response to Comment 4-2

Please see Staff Response to Public Workshop Commenter #1b. Additionally, the same regulatory standards are applied in Rule 1133.3 to both public and private composting operations.

Response to Comment 4-3

Thank you for your proposed rule language. For the reasons stated above, the South Coast AQMD is not planning to limit the Essential Public Service definition to public facilities and is not planning to include facilities subject to Rule 1133.2.