

BOARD MEETING DATE: May 3, 2024

AGENDA NO. 24

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee held a hybrid meeting on Friday, April 19, 2024. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Mayor Pro Tem Larry McCallon,
Committee Chair
Stationary Source Committee

JA:cr

Committee Members

Present: Mayor Pro Tem Larry McCallon, Committee Chair
Supervisor Holly J. Mitchell, Committee Vice Chair
Chair Vanessa Delgado
Vice Chair Michael A. Cacciotti
Mayor José Luis Solache

Absent: Board Member Veronica Padilla-Campos

Call to Order

Committee Vice Chair Mitchell called the meeting to order at 10:50 a.m.

For additional information of the Stationary Source Committee Meeting, please refer to the [Webcast](#).

Roll Call

INFORMATIONAL ITEMS:

1. Update on Proposed Amended Rule 1146.2 – Emissions of Oxides of Nitrogen from Large Water Heaters, Small Boilers and Process Heaters

Michael Krause, Assistant Deputy Executive Officer/Planning, Rule Development and Implementation, provided updates to Proposed Amended Rule 1146.2 since the March Stationary Source Committee. For additional details please refer to the [Webcast](#) beginning at 5.10.

Committee Chair McCallon expressed concern on the availability of zero-emission technologies for dry cleaners, the space needed, and challenges dry cleaners may face as tenants in commercial spaces, along with support for the proposed technology assessment prior to the compliance dates. Chair Delgado expressed the need to monitor rule implementation and supported the technology assessment. Committee Vice Chair Mitchell supported the rule including small business consideration, and Vice Chair Cacciotti inquired about the rule enforcement through the supply chain. Mr. Krause responded that labeling requirements will be used to help enforce the rule and to ensure proper distribution. For additional details please refer to the [Webcast](#) beginning at 21:45.

Peter Wittingham, Whittingham Public Affairs Advisor, commented that the cost-effective analysis did not include some higher cost cases, highlighted the high cost of the rule, requested staff to conduct more site visits, and presented slides for a replacement unit with large footprint and high cost. For additional details please refer to the [Webcast](#) beginning at 27:50.

Michael Shader, Milt & Edie's Dry Cleaning and Sarah Wiltfong, Los Angeles County Business Federation, requested that staff conduct more site visits and requested delay of the rule. For additional details please refer to the [Webcast](#) beginning at 31:11.

Adrian Martinez, Earthjustice, expressed support for the rule amendments, cited the 2022 AQMP goals, emphasized the importance of the proposed future technology assessment as well as sending a market signal to manufacturers, and highlighted the large amount of emission reductions. For additional details please refer to the [Webcast](#) beginning at 34:30.

Jed Holtzman, RMI, requested the rule adoption in June without further delay, emphasized the need for strong enforcement of the alternative compliance options, and supported the proposed rebate program with a focus on disadvantaged communities. For additional details please refer to the [Webcast](#) beginning at 36:22.

Sassan Rahimzadeh, ARYA Cleaners, expressed concern on the cost of new infrastructure for shopping centers and tenant challenges, and expressed support for the proposed future technology assessment prior to compliance dates. For additional details please refer to the [Webcast](#) beginning at 39:43.

Blake Perez, The Building Owners and Managers Association, expressed concern on cost and footprint of zero-emission technology and recommended consideration of green hydrogen fuel. For additional details please refer to the [Webcast](#) beginning at 41:49.

Chris Chavez, Coalition for Clean Air, concurred with the need for expedient adoption of the proposed amended rule to address extreme nonattainment of the ozone standard and the 2022 AQMP goals as well as the need to prioritize disadvantaged communities for incentives. For additional details please refer to the [Webcast](#) beginning at 43:51.

Committee Chair McCallon suggested that staff continue to work with stakeholders and report back to the Stationary Source Committee in May for a further update. For additional details please refer to the [Webcast](#) beginning at 46:00.

2. Update on Proposed Amended Rule 463 – Organic Liquid Storage

Michael Morris, Planning & Rules Manager/Planning, Rule Development and Implementation, presented a summary of Proposed Amended Rule 463. For additional details please refer to the [Webcast](#) beginning at 46:44.

Committee Chair McCallon inquired about the reason for the different implementation timeframes for doming and secondary seals. Mr. Morris replied that staff will confirm the need to take the tank out of service to install secondary seals. For additional details please refer to the [Webcast](#) beginning at 50:23.

Connie Cunningham, Zenith Energy West Coast Terminals, expressed concern regarding costs associated with doming and requested an updated analysis to consider increased costs for larger diameter tanks. Mr. Morris confirmed staff is revising the analysis to include these costs from larger tanks but noted that while there might be higher costs for larger tanks, those tanks also have more potential emissions reductions. For additional details please refer to the [Webcast](#) beginning at 53:52.

Mark Abramowitz, Community Environmental Services, expressed concern regarding use of the cost-effectiveness thresholds and requested an increased OGI inspection frequency due to impacts on environmental justice communities. For additional details please refer to the [Webcast](#) beginning at 56:23.

3. Proposed Rule 317.1 – Clean Air Act Nonattainment Fees for 8-Hour Ozone Standards

Kalam Cheung, Planning & Rules Manager, Planning/Rule Development and Implementation, provided a summary of Proposed Rule 317.1 (PR 317.1). For additional details please refer to the [Webcast](#) beginning at 58:40.

Committee Chair McCallon expressed concerns on imposing a fee for cities, highlighting nonattainment is driven by emissions from mobile sources, so the funds collected should be used to benefit stationary sources or the communities surrounding stationary sources. For additional details, please refer to the [Webcast](#) beginning at 1:07:30.

Committee Vice Chair Mitchell reiterated that if PR 317.1 is not implemented, U.S. EPA would collect the fee and South Coast AQMD would have no control over how the fee would be used. For additional details, please refer to the [Webcast](#) beginning at 1:10:10.

David Rothbart, Los Angeles County Sanitation Districts and Clean Water SoCal, Steve Jepsen, Clean Water SoCal, Alison Torres, Eastern Municipal Water District, and Randa AbuShaban, OC Sanitation District explained that wastewater facilities are subject to the nation's most stringent air quality regulations and cannot reduce the amount of sewage to be treated or relocate to avoid the penalty fee. They requested flexibility similar to other air districts' rules. For additional details, please refer to the [Webcast](#) beginning at 01:11:35.

Rita Loof, RadTech International, requested that South Coast AQMD recognize facilities that have voluntarily reduced their emissions and expressed concerns over the process to exit the Title V program. For additional details, please refer to the [Webcast](#) beginning at 1:20:32.

Jason Aspell, Deputy Executive Officer/Engineering and Permitting, responded to Rita Loof and stated he provided responses to a previous inquiry in the public rule meeting on how to exit the Title V program and that participation in the Title V Program is a business decision for the facility. For additional details, please refer to the [Webcast](#) beginning at 1:24:55.

Adrian Martinez, EarthJustice, supported PR 317.1 and stated that major stationary sources have not been paying nonattainment fees due to Rule 317 which is based on an alternative fee equivalency approach. He commented that a majority of the fees would not be paid by essential public services and would instead likely be paid by other companies. For additional details, please refer to the [Webcast](#) beginning at 1:22:43.

Committee Chair McCallon inquired about the comments made by Clean Water SoCal. Executive Officer Wayne Nastri responded that South Coast AQMD could consider Clean Water SoCal's recommendations on how the CAA nonattainment fees would be assessed but issues raised have already been considered and discussed. For additional details, please refer to the [Webcast](#) beginning at 1:25:45.

Committee Chair McCallon requested that PR 317.1 return to the Stationary Source Committee in May to address the issues raised by Clean Water SoCal. For additional details, please refer to the [Webcast](#) beginning at 1:26:33.

4. Update on Proposed Amended Rule 1148.1 – Oil and Gas Production Well

Due to time constraints, this item was continued to the next Stationary Source Committee meeting. For additional details please refer to the [Webcast](#) beginning at 1:27:35.

WRITTEN REPORTS:

5. Monthly Permitting Enhancement Program (PEP) Update

The report was acknowledged by the committee.

6. Twelve-month and Three-month Rolling Average Price of Compliance Years 2023 and 2024 NO_x and SO_x RTCs (January – March 2024)

Mr. Nastri made a recommendation to the Committee for consideration regarding the frequency of reporting. Mr. Aspell explained that staff has been providing these reports for several years and though the NO_x shave prices did spike, the prices are now back down and stabilized. Staff reported these prices to the Board and received no comments. Staff recommended to report these prices annually in the RECLAIM Audit. The Committee had no objections to having an annual report. For additional details please refer to the [Webcast](#) beginning at 1:29:27.

7. 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

The report was acknowledged by the committee.

8. Notice of Violation Penalty Summary

Committee Vice Chair Mitchell stated she requested from her staff a list of penalties on companies in her district and was surprised by the significant increase. She noted she is tracking the penalized companies on behalf of her constituents and may have a follow up conversation with staff about them. For additional details please refer to the [Webcast](#) beginning at 1:30:40.

OTHER MATTERS:

9. Other Business

There was no other business to report.

10. Public Comment Period

There were no public comments to report.

11. Next Meeting Date

The next Stationary Source Committee meeting is scheduled for Friday, May 17, 2024, at 10:30 a.m.

Adjournment

The meeting was adjourned at 12:17 p.m.

Attachments

1. Attendance Record
2. Monthly Permitting Enhancement Program (PEP) Update
3. Twelve-month and Three-month Rolling Average Price of Compliance Years 2023 and 2024 NO_x and SO_x RTCs (January – March 2024)
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
5. Notice of Violation Penalty Summary

ATTACHMENT 1

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATIONARY SOURCE COMMITTEE**

Attendance –April 19, 2024

Councilmember Michael A. Cacciotti	South Coast AQMD Board Member
Senator Vanessa Delgado (Ret)	South Coast AQMD Board Member
Mayor Pro Tem Larry McCallon	South Coast AQMD Board Member
Supervisor Holly J. Mitchell	South Coast AQMD Board Member
Mayor José Luis Solache	South Coast AQMD Board Member
William Kelly	Board Consultant (Cacciotti)
Uduak-Joe Ntuk	Board Consultant (Solache)
Andrew Silva	Board Consultant (Dawson)
Mark Taylor	Board Consultant (Rodriguez)
Mark Abramowitz	Community Environmental Services
Randa Abushabad	OC Sanitation District
Chris Chavez	Coalition for Clean Air
Connie Cunningham	Zenith Energy West Coast Terminals
Jed Holtzman	RMI
Steve Jepsen	Clean Water SoCal
Rita Loof	RadTech International
Adrian Martinez	Earthjustice
Blake Perez	The Building Owners and Managers Association
Sassan Rahimzadeh	ARYA Cleaners
David Rothbart	Los Angeles County Sanitation District
Michael Shader	Milt & Edie’s Dry Cleaning
Alison Torres	Eastern Municipal Water District
Peter Whittingham	Whittingham Public Affairs Advisors
Sarah Wiltfong	Los Angeles County Business Federation
Derrick Alatorre	South Coast AQMD staff
Jason Aspell	South Coast AQMD staff
Barbara Baird	South Coast AQMD staff
Cindy Bustillos	South Coast AQMD staff
Kalam Cheung	South Coast AQMD staff
De Groeneveld	South Coast AQMD staff
Sheri Hanizavareh	South Coast AQMD staff
Michael Krause	South Coast AQMD staff
Howard Lee	South Coast AQMD staff
Jason Low	South Coast AQMD staff
Terrence Mann	South Coast AQMD staff
Ian MacMillian	South Coast AQMD staff
Michael Morris	South Coast AQMD staff
Ron Moskowitz	South Coast AQMD staff
Susan Nakamura	South Coast AQMD staff
Wayne Nastri	South Coast AQMD staff
Sarah Rees	South Coast AQMD staff
Catherine Rodriguez	South Coast AQMD staff
Lisa Tanaka O’Malley	South Coast AQMD staff
Mei Wang	South Coast AQMD staff
Jillian Wong	South Coast AQMD staff
Victor Yip	South Coast AQMD staff

Monthly Permitting Enhancement Program (PEP) Update
South Coast AQMD
Stationary Source Committee - April 19, 2024

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 a monthly snapshot of the pending application inventory.

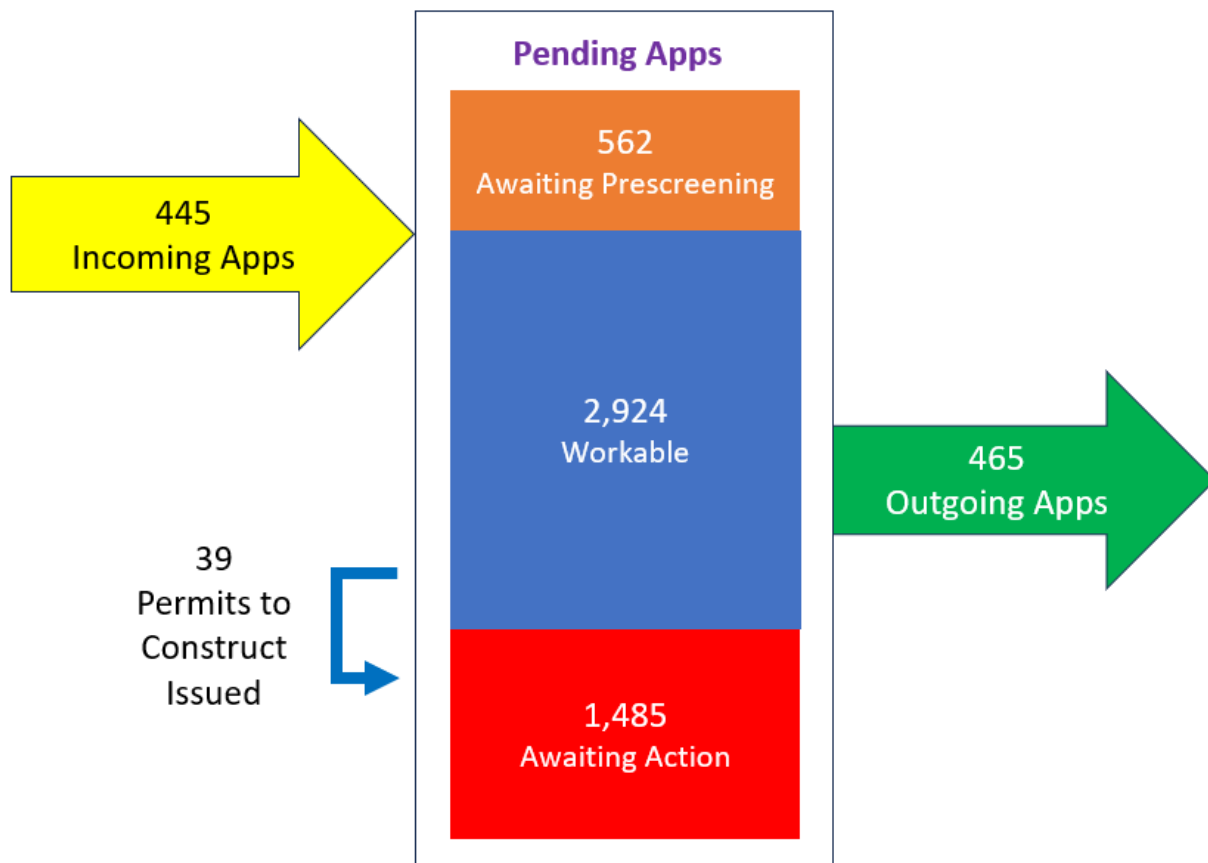


Figure 1: Application Processing Workflow – March 2024

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 statuses several times before final action.

Table 1: Awaiting Action (Non-Workable) Applications Summary

Awaiting Action (Non-Workable) Categories	March 2024
Additional Information from Facility	235
CEQA Completion	25
Completion of Construction	770
Facility Compliance Resolution	17
Facility Draft Permit Review	92
Fee Payment Resolution	2
Other Agency Review	35
Other Facility Action	69
Other South Coast AQMD Review	100
Public Notice Completion	23
Source Test Completion	117

Please see Attachment 1 for more information on these categories.

In March, 445 incoming applications were submitted which was a decrease of 160 incoming applications from the previous month. There were 465 outgoing applications which was a decrease of 312 applications from February. Note that the high number of outgoing applications in February was due to the completion of more than 200 change of ownership applications received from the AltAir Refinery in Paramount. Since outgoing applications (green arrow) exceeded incoming applications (yellow arrow) this month, the pending application inventory decreased.

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. 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. Now that vacancies and process bottlenecks are in the final stages of being addressed, production is improving.

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 vacancy rate has 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 three months. Recently, increased monthly production levels (orange circles) are raising the rolling 12-month production averages (black line) in the chart below. 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 470 completions per month. In the coming months, staff anticipates production rates will return to 2020 levels. 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.

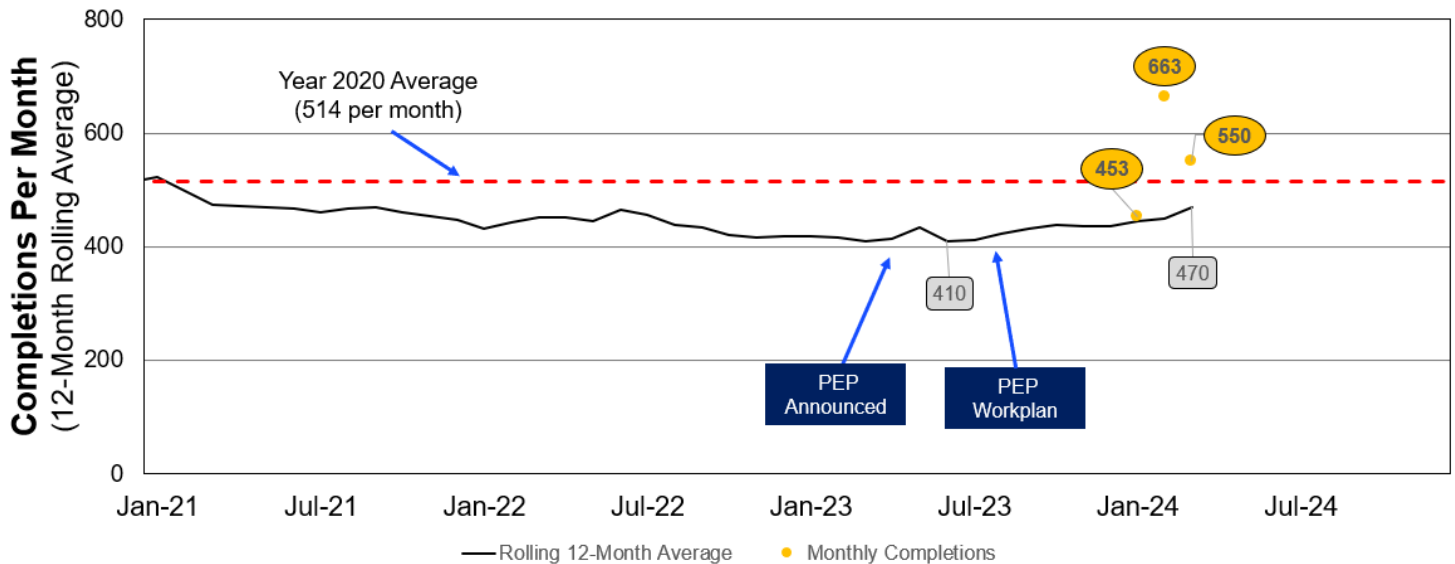


Figure 2: Application Completions - Rolling 12-Month Average and Recent Three Months

Production began to increase in the second half of 2023 as substantial promotional and hiring occurred. New engineering staff are currently being trained and production is expected to increase over the coming months and years as they become more experienced in their duties. Production was exceptionally high for February 2024 as staff completed a large change of ownership project for AltAir Refinery in Paramount that included over 200 applications.

Engineering & Permitting (E&P) Vacancy Rate

The current E&P vacancy rate is 10%, which is the minimum target vacancy rate for PEP. This is an increase from the February 2, 2024 report to the Board due to three staff resignations (all Air Quality Engineers). External recruitments are in progress, which will reduce the vacancy rate. When PEP was first announced, the E&P vacancy rate was greater than 20%.

Key Activities This Month

- Staff concluded interviews to address two Waste Management Supervisor vacancies to relieve permit processing bottlenecks. The waste management sector is a focus of PEP efforts, and these positions will relieve identified bottlenecks in the coming months. One of the positions is a new addition to better address the workload and compliance challenges in this team.
- Staff conducted hiring interviews for a Staff Specialist position to consolidate permit public noticing functions. This new process is expected to streamline the public notice process and decrease the time to distribute public notices and therefore improve permit processing timelines.
- Staff training was conducted to provide permit processing support to the Waste Management team to process time-critical soil remediation projects. Several additional projects have been issued permits after this training to relieve bottlenecks.
- Staff conducted a meeting of the Permitting Streamlining Task Force (PSTF) subcommittee meeting on April 11.

Upcoming Meetings:

- Staff will conduct Permitting Working Group (PWG) meetings that will be a collaborative public effort to discuss permitting requirements with various industry sectors and receive public input.
- Staff are targeting to conduct at least six public meetings regarding permitting in Fiscal Year 2024-2025. A schedule of future PSTF and PWG meetings is under development.
- A PEP update to the Board will occur in the third quarter of 2024.

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.



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

Twelve-Month and Three-Month Rolling Average Price of Compliance Years 2023 and 2024 NOx and SOx RTCs (January – March 2024)

April 2024 Report to Stationary Source Committee

Table I

Twelve-Month Rolling Average Price Data for Compliance Year 2023 NOx RTCs
(Report to Governing Board if rolling average price greater than \$22,500/ton)¹

Twelve-Month Rolling Average Price Data for Compliance Year 2023 NOx RTC					
Reporting Month	12-Month Period	Total Volume Traded with Price During Past 12-month (tons)	Total Price of Volume Traded During Past 12-month (\$)	Number of Trades with Price	Rolling Average Price ² (\$/ton)
Jan-23	Jan-22 to Dec-22	40.8	\$1,954,673	5	\$47,864
Feb-23	Feb-22 to Jan-23	40.9	\$1,956,548	6	\$47,866
Mar-23	Mar-22 to Feb-23	40.9	\$1,956,548	6	\$47,866
Apr-23	Apr-22 to Mar-23	40.9	\$1,956,548	6	\$47,866
May-23	May-22 to Apr-23	60.7	\$2,386,163	10	\$39,311
Jun-23	Jun-22 to May-23	51.7	\$1,468,779	11	\$28,422
Jul-23	Jul-22 to Jun-23	72.8	\$2,130,599	14	\$29,269
Aug-23	Aug-22 to Jul-23	73.8	\$2,152,599	15	\$29,171
Sep-23	Sep-22 to Aug-23	82.7	\$2,290,774	20	\$27,711
Oct-23	Oct-22 to Sep-23	73.7	\$1,931,554	19	\$26,213
Nov-23	Nov-22 to Oct-23	181.6	\$3,574,020	42	\$19,676
Dec-23	Dec-22 to Nov-23	188.0	\$3,652,720	46	\$19,425
Jan-24	Jan-23 to Dec-23	179.4	\$3,173,637	46	\$17,686
Feb-24	Feb-23 to Jan-24	344.1	\$5,206,263	79	\$15,129
Mar-24	Mar-23 to Feb-24	382.3	\$5,626,714	98	\$14,718
Apr-24	Apr-23 to Mar-24	382.5	\$5,631,114	99	\$14,722

Table II

Twelve-Month Rolling Average Price Data for Compliance Year 2024 NOx RTCs
(Report to Governing Board if rolling average price greater than \$22,500/ton)¹

Twelve-Month Rolling Average Price Data for Compliance Year 2024 NOx RTC					
Reporting Month	12-Month Period	Total Volume Traded with Price During Past 12-month (tons)	Total Price of Volume Traded During Past 12-month (\$)	Number of Trades with Price	Rolling Average Price ² (\$/ton)
Jan-24	Jan-23 to Dec-23	27.9	\$700,760	4	\$25,126
Feb-24	Feb-23 to Jan-24	27.9	\$700,760	4	\$25,126
Mar-24	Mar-23 to Feb-24	27.9	\$700,760	4	\$25,126
Apr-24	Apr-23 to Mar-24	33.4	\$788,760	5	\$23,623

Table III

Three-Month Rolling Average Price Data for Compliance Year 2023 NOx RTCs
(Report to Governing Board if rolling average price greater than \$35,000/ton)¹

Three-Month Rolling Average Price Data for Compliance Year 2023 NOx RTC					
Reporting Month	3-Month Period	Total Volume Traded with Price During Past 3-month (tons)	Total Price of Volume Traded During Past 3-month (\$)	Number of Trades with Price	Rolling Average Price ² (\$/ton)
Jan-23	Oct-22 to Dec-22	14.4	\$545,813	3	\$38,000
Feb-23	Nov-22 to Jan-23	14.4	\$547,688	4	\$38,031
Mar-23	Dec-22 to Feb-23	14.4	\$547,688	4	\$38,031
Apr-23	Jan-23 to Mar-23	0.04	\$1,875	1	\$50,000
May-23	Feb-23 to Apr-23	19.82	\$429,615	4	\$21,671
Jun-23	Mar-23 to May-23	28.3	\$561,871	6	\$19,857
Jul-23	Apr-23 to Jun-23	49.4	\$1,223,691	9	\$24,765
Aug-23	May-23 to Jul-23	30.6	\$816,076	6	\$26,680
Sep-23	Jun-23 to Aug-23	31.0	\$821,995	9	\$26,524
Oct-23	Jul-23 to Sep-23	9.9	\$160,175	6	\$16,221
Nov-23	Aug-23 to Oct-23	116.8	\$1,780,641	28	\$15,241
Dec-23	Sep-23 to Nov-23	114.4	\$1,721,166	27	\$15,051
Jan-24	Oct-23 to Dec-23	120.1	\$1,787,896	30	\$14,885
Feb-24	Nov-23 to Jan-24	176.9	\$2,179,931	41	\$12,324
Mar-24	Dec-23 to Feb-24	208.7	\$2,521,682	56	\$12,085
Apr-24	Jan-24 to Mar-24	203.1	\$2,459,352	54	\$12,109

Table IV

Three-Month Rolling Average Price Data for Compliance Year 2024 NOx RTCs
(Report to Governing Board if rolling average price greater than \$35,000/ton)¹

Three-Month Rolling Average Price Data for Compliance Year 2024 NOx RTC					
Reporting Month	3-Month Period	Total Volume Traded with Price During Past 3-month (tons)	Total Price of Volume Traded During Past 3-month (\$)	Number of Trades with Price	Rolling Average Price ² (\$/ton)
Jan-24	Oct-23 to Dec-23	11.6	\$395,760	2	\$34,000
Feb-24	Nov-23 to Jan-24	11.6	\$395,760	2	\$34,000
Mar-24	Dec-23 to Feb-24	11.6	\$395,760	2	\$34,000
Apr-24	Jan-24 to Mar-24	5.5	\$88,000	1	\$16,000

¹ District Rule 2002 (f)(1)(H) requires that any rolling average price greater than the threshold triggers a report to the Governing Board. The Governing Board determined at the March 3, 2023 meeting that the requirements of Rule 2002 (f)(1)(H) are no longer applicable to the RECLAIM program, therefore this information is provided as a courtesy.

² District Rule 2015(b)(6) - Backstop Provisions provides additional "evaluation and review of the compliance and enforcement aspects of the RECLAIM program" if the average annual RTC price reported in the RECLAIM Annual Audit Report exceeds \$15,000 per ton. The average annual RTC price is reported to the Governing Board in March of each year. The Governing Board determined at the March 1, 2024 meeting that no additional analysis or action was required in response to the price threshold exceedance from the most recent report.

Table V

Twelve-Month Rolling Average Price Data for Compliance Year 2023 SOx RTCs
(Report to Governing Board if rolling average price greater than \$50,000/ton)³

Twelve-Month Rolling Average Price Data for Compliance Year 2023 SOx RTC					
Reporting Month	12-Month Period	Total Volume Traded with Price During Past 12-month (tons)	Total Price of Volume Traded During Past 12-month (\$)	Number of Trades with Price	Rolling Average Price ⁴ (\$/ton)
Jan-23	Jan-22 to Dec-22	None	-	-	-
Feb-23	Feb-22 to Jan-23	None	-	-	-
Mar-23	Mar-22 to Feb-23	None	-	-	-
Apr-23	Apr-22 to Mar-23	None	-	-	-
May-23	May-22 to Apr-23	None	-	-	-
Jun-23	Jun-22 to May-23	None	-	-	-
Jul-23	Jul-22 to Jun-23	None	-	-	-
Aug-23	Aug-22 to Jul-23	None	-	-	-
Sep-23	Sep-22 to Aug-23	None	-	-	-
Oct-23	Oct-22 to Sep-23	None	-	-	-
Nov-23	Nov-22 to Oct-23	8.0	\$20,000	1	\$2,500
Dec-23	Dec-22 to Nov-23	8.0	\$20,000	1	\$2,500
Jan-24	Jan-23 to Dec-23	8.0	\$20,000	1	\$2,500
Feb-24	Feb-23 to Jan-24	8.0	\$20,000	1	\$2,500

Twelve-Month Rolling Average Price Data for Compliance Year 2023 SOx RTC					
Reporting Month	12-Month Period	Total Volume Traded with Price During Past 12-month (tons)	Total Price of Volume Traded During Past 12-month (\$)	Number of Trades with Price	Rolling Average Price ⁴ (\$/ton)
Mar-24	Mar-23 to Feb-24	8.0	\$20,000	1	\$2,500
Apr-24	Apr-23 to Mar-24	8.0	\$20,000	1	\$2,500

Table VI

Twelve-Month Rolling Average Price Data for Compliance Year 2024 SOx RTCs

(Report to Governing Board if rolling average price greater than \$50,000/ton)³

Twelve-Month Rolling Average Price Data for Compliance Year 2024 SOx RTC					
Reporting Month	12-Month Period	Total Volume Traded with Price During Past 12-month (tons)	Total Price of Volume Traded During Past 12-month (\$)	Number of Trades with Price	Rolling Average Price ⁴ (\$/ton)
Jan-24	Jan-23 to Dec-23	None	-	-	-
Feb-24	Feb-23 to Jan-24	None	-	-	-
Mar-24	Mar-23 to Feb-24	None	-	-	-
Apr-24	Apr-23 to Mar-24	None	-	-	-

³ Pursuant to District Rule 2002(f)(1)(Q), the requirement to report 12-month rolling average SOx RTC price ended February 1, 2020. This table is provided as a courtesy.

⁴ District Rule 2015(b)(6) - Backstop Provisions provides additional "evaluation and review of the compliance and enforcement aspects of the RECLAIM program" if the average annual RTC price reported in the RECLAIM Annual Audit Report exceeds \$15,000 per ton. The average annual RTC price is reported to the Governing Board in March of each year.

April 2024 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.

- Scheduled meeting on April 18th with U.S. EPA (Region IX) to continue discussions from February 29, 2024 meeting
- RECLAIM/NSR Working Group meeting will not be held in April
- The next Working Group Meeting is planned for second quarter 2024 to provide an update on discussions with U.S. EPA regarding the New Source Review issues for the RECLAIM transition

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
General Counsel's Office
Settlement Penalty Report (03/01/2024 - 03/31/2024)

Total Penalties

Civil Settlement: \$224,861.53
MSPAP Settlement: \$202,121.00

Total Cash Settlements: \$426,982.53
Total SEP Value: \$0.00

Fiscal Year through 03/31/2024 Cash Total: \$4,272,493.46
Fiscal Year through 03/31/2024 SEP Value Only Total: \$668,125.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
Civil						
46980	ALEXANDER OIL, CO.	203, 463, 1148.1	03/13/2024	KCM	P75661	\$3,500.00
800196	AMERICAN AIRLINES, INC.	2004	03/06/2024	DH	P76078	\$7,611.00
196868	ANDERSON LOGISTICS ASSETS, LLC	203	03/06/2024	ND	P74672	\$1,171.00
144438	ANDRES TECHNICAL PLATING	203, 301, 1426, 1469	03/01/2024	KER	P70130, P76123	\$6,210.00
177917	APRO LLC (DBA "UNITED OIL #133")	203	03/13/2024	JL	P75741	\$750.00
181510	AVCORP COMPOSITE FABRICATION, INC.	2004, 2012, 2012 Appendix A, 3002	03/21/2024	DH	P66884, P66894	\$11,486.00
107654	CALMAT CO.	2004	03/21/2024	DH	P75991	\$5,270.00
153992	CANYON POWER PLANT	2004, 3002	03/26/2024	KER	P76084	\$4,836.00
169565	CIRCLE K STORES INC. - # 2709430	461	03/06/2024	ND	P78759	\$971.00
73820	DONALD G. HUNT	203, 1148.1	03/20/2024	JL	P74524	\$2,300.00
186899	ENERY HOLDINGS, LLC	2004, 2012, 2012 Appendix A, 3002	03/14/2024	SH	P73512, P76069, P76079	\$6,000.00
181945	EXCLUSIVE AUTO BODY & CUSTOMS	203	03/19/2024	CL	P74165	\$1,767.00
189838	F&B CUSTOM CABINETS	203	03/01/2024	SP	P69506, P76355	\$3,000.00
12332	GATX CORPORATION	3002	03/06/2024	JL	P75242	\$13,500.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
157359	HENKEL ELECTRONIC MATERIALS, LLC	2004, 2012, 3002	03/21/2024	SH	P66223, P66932, P66935, P66942, P66948, P78708	\$15,000.00
47445	HERLEY KELLY, CO.	203, 463	03/06/2024	ND	P69281, P75658	\$7,611.50
148693	JIMENEZ DEMOLITION	1403	03/01/2024	SH	P74567	\$2,750.00
149285	JIN'S SHELL SERVICE	203, 461	03/20/2024	RM	P74819	\$800.00
196899	KRISWIN HOME, LLC	1403	03/20/2024	JL	P75875	\$4,700.00
191061	LILACH BASSON	1403	03/06/2024	ND	P67620, P67627, P74434	\$1,500.00
190695	ME GUADALAPANA	222, 401	03/20/2024	JJ	P67513, P69123	\$900.00
8073	METROPOLITAN STEVEDORE COMPANY	203, 403, 1155	03/13/2024	EC	P73671	\$2,900.00
131160	MITSUBISHI CEMENT CORPORATION	403, H&S 42402	03/01/2024	RM	P69594, P73680	\$4,700.00
200351	NORAH	402, H&S 41700	03/06/2024	KCM	P74028	\$2,913.00
184672	ORGANIC ENERGY SOLUTIONS	402, H&S 41700	03/06/2024	ND	P63477	\$3,162.00
9391	P & M OIL, CO.	203, 463, 1148.1	03/26/2024	ND	P69264, P74052, P74501, P74526	\$18,736.00
180410	REICHHOLD, LLC	2004	03/01/2024	SH	P66898	\$2,500.00
193825	REPIPE 1	1403, 40 CFR 61.145	03/20/2024	JL	P73633	\$3,500.00
118620	ROBERTSON'S READY MIX, L.P.	203, 403	03/19/2024	KER	P64787, P64794, P73164, P74110	\$5,439.00
173222	SHYBARY GRAND, INC.	203	03/22/2024	EC	P62461, P62463, P62464, P62465, P62466, P62469, P62470, P62471, P62472, P62473, P68873, P68874, P68875, P68879, P68880, P68881, P73568	\$37,000.00
196374	SIGNAL HILL CONSTRUCTION	1403, 40 CFR 61.145	03/06/2024	JL	P79162	\$8,000.00
99720	SLOAN'S DRY CLEANERS	203, 1102	03/08/2024	RL	P73880	\$1,453.53
181234	SUNVAIR	1426, 203	03/01/2024	RM	P75257, P75271	\$9,500.00
121461	TARGET - LOS ANGELES	201, 203, 1470	03/06/2024	SH	P73555, P78004, P78009, P78018, P78553	\$10,000.00
84273	TEVA PARENTERAL MEDICINES, INC.	1155, 3002	03/01/2024	EC	P65656, P65659, P78561	\$800.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
196316	THE JIM HENSON COMPANY	201, 203	03/06/2024	ND	P62779	\$1,756.50
167957	TRUMP NATIONAL GOLF COURSE	203, 461	03/12/2024	KER	P73698	\$9,368.00
18452	UNIVERSITY OF CALIFORNIA, LOS ANGELES (UCLA)	3002	03/06/2024	MR	P65277	\$1,500.00

Total Civil Settlements: \$224,861.53

MSPAP						
177123	120 W. WILSON AVENUE APARTMENTS, LP	203	03/22/2024	CL	P75967	\$3,535.00
191341	3921 WILSHIRE APARTMENTS	201, 203	03/22/2024	CL	P76529	\$1,942.00
133855	7-ELEVEN - #33289	461	03/22/2024	CL	P78685	\$1,650.00
126566	76 SERVICE STATION	461	03/01/2024	CL	P76159	\$1,756.00
188604	ALAMEDA AUTO SPA, INC.	203	03/22/2024	CL	P75739	\$690.00
168966	ALI'S ENTERPRISES, INC. 2	461	03/22/2024	CL	P79086	\$1,650.00
138968	ALL AMERICAN PETROLEUM	203, 461	03/01/2024	CL	P78765	\$3,191.00
119951	ALLEN VILLA MOBIL	461	03/22/2024	VB	P66043	\$1,508.00
117435	ALLOY PROCESSING	1469	03/01/2024	CL	P79517	\$2,552.00
177839	APRO LLC (DBA "UNITED OIL - #9")	461, H&S 41960.2	03/22/2024	CL	P77717	\$6,750.00
107976	AQHI, INCORPORATED	221, 1403	03/08/2024	CL	P77853	\$3,063.00
57946	ARCO DLR	461	03/22/2024	VB	P70074	\$2,042.00
148834	BAGCRAFT PAPERCON	203	03/01/2024	VB	P80402	\$2,463.00
163402	BALBOA FUELS, LLC (DBA "BALBOA SHELL")	461	03/01/2024	VB	P77741	\$1,300.00
179482	BENDER READY MIX, INC.	203, 403	03/01/2024	CL	P74462, P74477	\$4,084.00
202309	BLACK DIAMOND PAVER STONES & LANDSCAPE	403	03/22/2024	CL	P77825	\$3,027.00
167755	BON APPETIT BAKERY	201, 203	03/22/2024	CL	P78428	\$4,084.00
194036	BUENA VIVA APARTMENT COMPLEX	1403, 40 CFR 61.145	03/01/2024	CL	P63473	\$11,900.00
156096	CT PROPANE	461	03/01/2024	VB	P79065	\$1,531.00
8865	C. J. SEGERSTROM & SONS	461	03/01/2024	VB	P76415	\$2,342.00
9120	CAL ELECTROPLATING, INC.	203, 1469	03/22/2024	CL	P78101	\$2,012.00
118464	CARDLOCK FUELS SYSTEM, LLC.	203	03/01/2024	CL	P78767	\$7,147.00
169559	CIRCLE K STORES, INC. - #2709434	461	03/01/2024	CL	P76161	\$485.00
191645	CRESCENT FUEL, INC.	203, 461	03/22/2024	CL	P70486	\$782.00
145298	DALLA, INC.	461	03/22/2024	VB	P79077	\$1,633.00
193490	DINO STATION #3	203	03/22/2024	CL	P75745	\$17,357.00
198770	DOWNEY GAS STATION	461, H&S 41960.2	03/22/2024	VB	P78695	\$1,456.00
144403	FLORENCE FOOD MART CORP	461, H&S 41960	03/22/2024	CL	P74823	\$1,236.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
127964	G & M OIL CO, LLC	203	03/01/2024	VB	P66039	\$1,700.00
133930	HYDROFORM USA	1469	03/22/2024	CL	P78052	\$825.00
17168	KRYLER CORP	1469	03/22/2024	CL	P75863	\$1,148.00
22312	LA AIRPORT MARRIOTT HOTEL	1146	03/22/2024	CL	P78412	\$10,210.00
800313	LAXFUEL CORP	3002, 461	03/22/2024	CL	P78414	\$5,269.00
182885	LEE'S ARCO	203, 461, H&S 41960	03/01/2024	CL	P75726	\$3,479.00
201129	LEGAL TRUCKING, INC.	1403, 40 CFR 61.145	03/08/2024	CL	P76274	\$1,173.00
200402	LINEAGE LOGISTICS/WALMART	203	03/22/2024	CL	P78358	\$1,852.00
194641	MAMCO, INC. (DBA "ALABBASI CONSTRUCTION")	403	03/01/2024	CL	P75209, P76455	\$11,138.00
167111	METRO GAS COMPANY, INC.	461, H&S 41960.2	03/01/2024	VB	P79057	\$2,603.00
199248	MORENO AUTOBODY	203	03/08/2024	CL	P78020	\$1,171.00
172777	NIKRAD ENT, INC. (DBA "CHEVRON ALONDRA")	461, H&S 41960.2	03/22/2024	VB	P78694	\$1,456.00
115702	NIKRAD ENTERPRISES, INC.	461, H&S 41960	03/22/2024	VB	P75729	\$3,513.00
175261	OSI RIVERSIDE	1146	03/01/2024	VB	P75420	\$9,210.00
105606	QUALITY CLEANERS	201, 203, 1102	03/22/2024	CL	P78404	\$2,169.00
140997	QUIXTOP	461	03/01/2024	CL	P76158	\$3,748.00
164133	RALPH'S FUEL CENTER	461, H&S 41960.2	03/22/2024	CL	P77722	\$3,649.00
142375	RALPH'S STORE	203	03/22/2024	VB	P77658	\$1,021.00
29352	REDLANDS COUNTRY CLUB	461	03/22/2024	VB	P79310	\$1,606.00
74551	RICHMORE GARDENS TOWERS HOMEOWNERS ASSOCIATION	203	03/08/2024	CL	P76544	\$1,942.00
160714	RON'S MINI MART, INC.	203, 461	03/22/2024	VB	P78764	\$3,674.00
120890	SAN GABRIEL COUNTRY CLUB	203, 461	03/01/2024	CL	P80401	\$2,342.00
185592	SANTA FE PROPERTIES LP	203	03/22/2024	CL	P75627	\$857.00
191504	SEA BREEZE PET MEMORIAL PARK	203	03/01/2024	CL	P68594, P76405	\$2,092.00
73610	SF HOLDING SUPERFINE TEXACO	461	03/08/2024	CL	P77747	\$4,338.00
117851	SHORE TERMINALS, LLC	203	03/01/2024	VB	P78218	\$1,071.00
195006	SPEEDWAY NO. 6164 - ARCO	461, H&S 41960.2	03/08/2024	VB	P78690	\$1,301.00
18845	STUTZMAN PLATING, CO.	203, 1469	03/22/2024	CL	P75256	\$4,288.00
197612	TIERRA SITE WORKS, INC	403	03/08/2024	CL	P74021	\$3,182.00
128815	TRAVEL CENTERS OF AMERICA - COACHELLA VALLEY	461, H&S 41960.2	03/01/2024	VB	P73140	\$2,042.00
192421	UNITED PACIFIC	461, H&S 41960	03/22/2024	VB	P74843	\$1,513.00
164522	USA CANNING	203, 1146.1	03/22/2024	CL	P77608	\$7,147.00
183873	VEER GAS PARTNERS, INC.	203, 461	03/01/2024	CL	P75734	\$2,552.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
187377	WALMART DISTRIBUTION CENTER	203	03/08/2024	CL	P79701	\$971.00
109146	WALMART	461, H&S 41960.2	03/22/2024	CL	P77659	\$1,171.00
40674	WEBB'S AUTO & TRUCK SERVICE	461, H&S 41960	03/01/2024	VB	P75740	\$1,530.00
Total MSPAP Settlements: \$202,121.00						

**SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX
FOR MARCH 2024 PENALTY REPORT**

REGULATION II - PERMITS

- Rule 201 Permit to Construct
- Rule 203 Permit to Operate
- Rule 221 Plans
- Rule 222 Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II

REGULATION III - FEES

- Rule 301 Permitting and Associated Fees

REGULATION IV - PROHIBITIONS

- Rule 401 Visible Emissions
- Rule 402 Nuisance
- Rule 403 Fugitive Dust
- Rule 461 Gasoline Transfer and Dispensing
- Rule 463 Storage of Organic Liquids

REGULATION XI - SOURCE SPECIFIC STANDARDS

- Rule 1102 Petroleum Solvent Dry Cleaners
- Rule 1146 Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters
- Rule 1146.1 Emissions of Oxides of Nitrogen from Small Industrial, Institutional, and Commercial Boilers, Steam Generators,
- Rule 1148.1 Oil and Gas Production Wells
- Rule 1155 Particulate Matter Control Devices

REGULATION XIV - TOXICS

- Rule 1403 Asbestos Emissions from Demolition/Renovation Activities
- Rule 1426 Emissions from Metal Finishing Operations
- Rule 1469 Hexavalent Chromium Emissions from Chrome Plating and Chromic Acid Anodizing Operations
- Rule 1470 Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines

**SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX
FOR MARCH 2024 PENALTY REPORT**

REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

- Rule 2004 Requirements
- Rule 2012 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NOx) Emissions
- Rule 2012
- Appendix A Protocol for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NOx) Emissions

REGULATION XXX- TITLE V PERMITS

- Rule 3002 Requirements

CODE OF FEDERAL REGULATIONS

- 40 CFR 61.145 Standard for Demolition and Renovation

CALIFORNIA HEALTH AND SAFETY CODE

- 41700 Prohibited Discharges
- 41960 Certification of Gasoline Vapor Recovery System
- 41960.2 Gasoline Vapor Recovery
- 42402 Violation of Emission Limitations – Civil Penalty