

# REVISED



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

## STATIONARY SOURCE COMMITTEE MEETING

### Committee Members

Council Member Ben Benoit, Chair  
Senator Vanessa Delgado (Ret.)  
Board Member Gideon Kracov  
Council Member Judith Mitchell  
Supervisor V. Manuel Perez  
Supervisor Janice Rutherford

March 20, 2020 ♦ 10:30 a.m.  
21865 Copley Dr., Diamond Bar, CA 91765

**\* PLEASE NOTE THE LOCATION CHANGE \***

**Pursuant to Governor Newsom's Executive Order N-29-20, (March 18, 2020), previously noticed locations are no longer available. The Stationary Source Committee meeting will only be conducted via video conferencing and by telephone. Please follow the instructions below to join the meeting remotely.**

### TELECONFERENCE LOCATION

Per Governor Newsom's Executive Order N-25-20, (March 12, 2020), teleconference locations do not need to be disclosed nor open to the public.

### **INSTRUCTIONS FOR ELECTRONIC PARTICIPATION**

*Join Zoom Meeting - from PC or Laptop*

<https://scaqmd.zoom.us/j/113718569>

**Meeting ID: 113 718 569 (applies to all)**

**Teleconference Dial In**

+1 669 900 6833

**One tap mobile**

+16699006833,113718569#

**Audience will be allowed to participate during public comment periods.**

### **Phone controls for participants:**

The following commands can be used on your phone's dial pad while in Zoom meeting:

- \*6 - Toggle mute/unmute
- \*9 - Raise hand

**PUBLIC COMMENT WILL STILL BE TAKEN**

## **AGENDA**

*Members of the public may address this body concerning any agenda item before or during consideration of that item (Gov't. Code Section 54854.3(a)). All agendas for regular meetings are posted at South Coast AQMD, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the regular meeting. Speakers may be limited to three (3) minutes each.*

### **CALL TO ORDER**

#### **INFORMATION ITEMS (Items 1-2)**

- 1. Summary of Proposed Amendments to Rule 445 – Wood Burning Devices (15 mins)** Tracy Goss  
Planning and Rules  
Manager  
*(No Motion Required)*  
Staff will provide a summary of the proposed amendments to Rule 445 to add contingency measures required by the federal CAA.  
*(Written Material Attached)*
  
- 2. RECLAIM Quarterly Report – 7<sup>th</sup> Update (10 mins)** Susan Nakamura  
Assistant Deputy  
Executive Officer  
*(No Motion Required)*  
Staff will provide an update on the transition of NO<sub>x</sub> RECLAIM facilities to a command and control regulatory program.  
*(Written Material Attached)*

#### **WRITTEN REPORT (Item 3)**

- 3. Notice of Violation Penalty Summary (No Motion Required)** Bayron Gilchrist,  
General Counsel  
This report provides the total penalties settled in February of 2020 which includes Civil, Supplemental Environmental Projects, Mutual Settlement Assessment Penalty Program, Hearing Board and Miscellaneous.  
*(Written Material Attached)*

#### **OTHER MATTERS**

- 4. Other Business**  
Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may ask a question for clarification, may make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter, or may take action to direct staff to place a matter of business on a future agenda. (Gov't. Code Section 54954.2)

**5. Public Comment Period**

At the end of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee's authority that is not on the agenda. Speakers may be limited to three (3) minutes each.

**6. Next Meeting Date:** April 17, 2020 at 10:30 a.m.

**ADJOURNMENT**

**Americans with Disabilities Act and Language Accessibility**

*Disability and language-related accommodations can be requested to allow participation in the Stationary Source Committee meeting. The agenda will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't Code Section 54954.2(a)). In addition, other documents may be requested in alternative formats and languages. Any disability or language related accommodation must be requested as soon as practicable. Requests will be accommodated unless providing the accommodation would result in a fundamental alteration or undue burden to the District. Please contact Catherine Rodriguez at (909) 396-2735 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to [Crodriguez@aqmd.gov](mailto:Crodriguez@aqmd.gov).*

**Document Availability**

*All documents (i) constituting non-exempt public records, (ii) relating to an item on an agenda for a regular meeting, and (iii) having been distributed to at least a majority of the Committee after the agenda is posted, are available prior to the meeting for public review at the South Coast Air Quality Management District, Public Information Center, 21865 Copley Drive, Diamond Bar, CA 91765.*



# PROPOSED AMENDED RULE (PAR) 445 WOOD BURNING DEVICES

## STATIONARY SOURCE COMMITTEE

March 20, 2020



### Rule 445 – Wood-Burning Devices

- Applies to residential fireplaces or wood-burning stoves
- Intended to help reduce ambient fine particulate (PM2.5) levels
  - ▶ Increased mortality
  - ▶ Cardiovascular and respiratory impacts
- Key to attainment of health based National Ambient Air Quality Standards (NAAQS)
  - ▶ Approximately 20% of area-wide PM2.5 is from wood-burning devices
  - ▶ Currently nonattainment for the 2012 annual and 2006 24-hour PM2.5 NAAQS

## Requirements & Exemptions

### Requirements

- New developments
- Existing devices
- Seasoned wood fuel
- Non-wood fuel burning prohibition
- Wood-burning curtailment
- “No-Burn” day
  - ▶ Unhealthful levels of ambient PM2.5 forecast
  - ▶ Wood-burning prohibited
  - ▶ Source Receptor Area or Basin-wide

### Exemptions

- Sole source of heat
- Low-income households
- No natural gas service within 150 feet
- $\geq 3,000$  feet above mean sea level
- Ceremonial fires exempted under Rule 444 – Open Burning

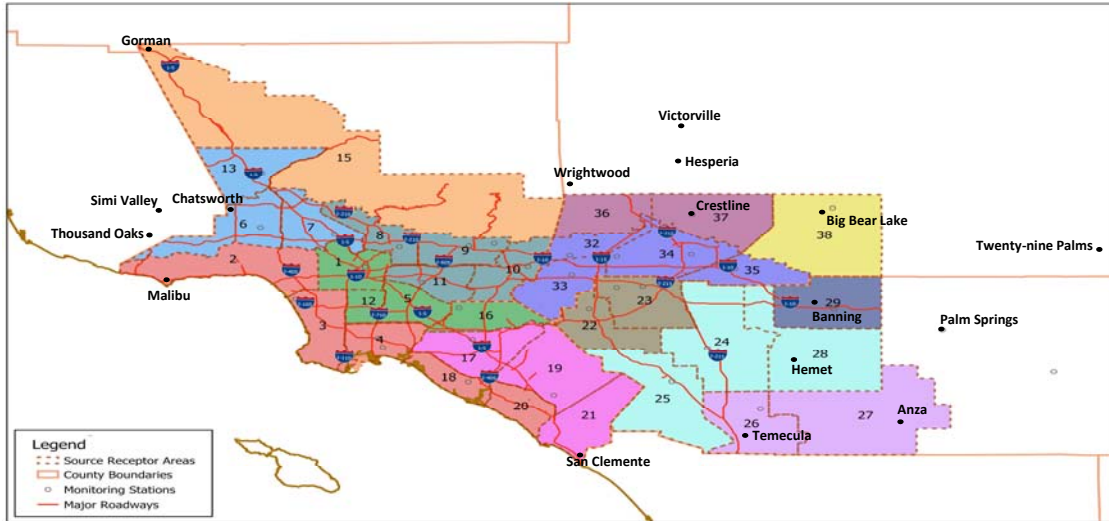
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## Reason for Proposed Amendment

- Implement control contingency measure BCM-09 from 2016 AQMP
  - ▶ Further reducing PM2.5 emissions from wood-burning devices
- Address CAA contingency measure requirements for PM2.5
  - ▶ Requiring specific measures in case of a failure to comply
  - ▶ Specified in 40 CFR Section 51.104(a)
- Proposed amendment would add contingency measures increasing number of No Burn days

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# Basin-wide Source Receptor Areas (SRAs)



# PM2.5 National Ambient Air Quality Standards (NAAQS)

- Health based revisions

Adopted	Standard	Measuring Period	South Coast AQMD Status
1997	65 $\mu\text{g}/\text{m}^3$	24-Hour Average	Attained
	15 $\mu\text{g}/\text{m}^3$	Annual Average	
2006	35 $\mu\text{g}/\text{m}^3$	24-Hour Average	Attainment Due December 31, 2019
2012	12 $\mu\text{g}/\text{m}^3$	Annual Average	Attainment Due December 31, 2021

May not have been met by the deadline

## Rule 445(c)(6) Current No-Burn Day Provision

- During wood-burning season – November through February
- Triggered when PM2.5 levels forecast > 30  $\mu\text{g}/\text{m}^3$  for a specific source/receptor area
- Applies Basin-wide if PM2.5 levels > 30  $\mu\text{g}/\text{m}^3$  predicted for a source/receptor area with monitoring data showing a violation of the 24-hour PM2.5 NAAQS in either of the two previous three year design value periods

## Proposed “No-Burn” Day Amendments

- Clarification that devices  $\geq 3,000$  feet above mean sea level are exempt
- Clarification that the wood-burning season is November through February inclusive and not just winter
- If, any SRA forecast to exceed 30  $\mu\text{g}/\text{m}^3$  during the wood-burning season, then Basin-wide No-Burn day declared
- Subsequent to a final determination by US EPA of a failure to attain PM2.5 requirements pursuant to 40 CFR § 51.1014(a) No-Burn day threshold lowered according to subdivision (f)

## Proposed Contingency Measures PAR 445(f)

- Mirrors requirements in 40 CFR §51.104(a)
- Upon a final determination by US EPA that the Basin has failed to:
  - ▶ Meet any Reasonable Further Progress (RFP) requirement;
  - ▶ Meet any Quantitative Milestone;
  - ▶ Submit a Quantitative Milestone report; or
  - ▶ Attain the applicable PM<sub>2.5</sub> NAAQS by the deadline
- Triggers incremental reduction in No-Burn threshold as follows:
  - 29  $\mu\text{g}/\text{m}^3$  for any failure;
  - 28  $\mu\text{g}/\text{m}^3$  for a second failure;
  - 27  $\mu\text{g}/\text{m}^3$  for a third failure; and
  - 26  $\mu\text{g}/\text{m}^3$  for a fourth failure

## Estimated PM<sub>2.5</sub> Emission Reductions

No-Burn Day Threshold Mandatory Basin-wide Curtailment ( $\mu\text{g}/\text{m}^3$ )	Total Additional Reductions Beyond Current Rule (TPY)
30	25.4
29	46.3
28	67.1
27	81.0
26	100.1





## Rule Development Schedule (2020)

- ✓ February 27 – Public Workshop
- ✓ March 13 – Close of Formal Comment Period
- ✓ March 20 – Stationary Source Committee Meeting
- April 3 – Set Hearing
- May 1 – Public Hearing

# NOx RECLAIM Quarterly Update

STATIONARY SOURCE COMMITTEE  
MARCH 20, 2020

## Previous Quarter Update “At a Glance”



**3 RECLAIM Working Group Meetings**  
**2 New Source Review Working Group Meetings**



**Rule Development**  
• **6 Working Group Meetings**  
• **1 Public Workshop**

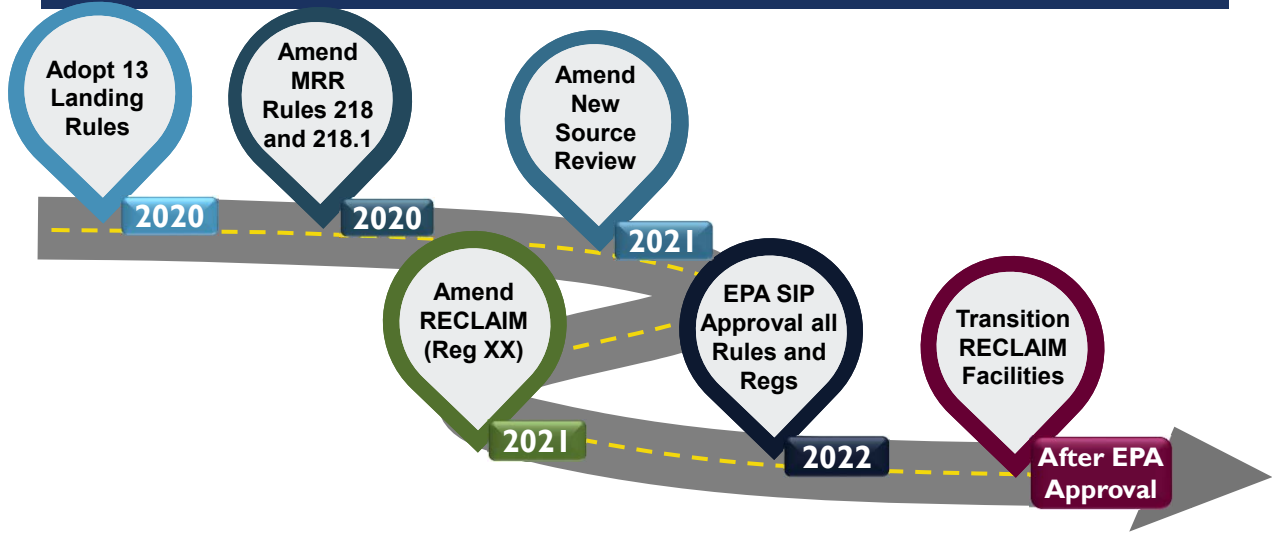


**Rule 1110.2 Amended November 1, 2019**



**Discussions with EPA**  
• **8 conference calls**  
• **Face-to-face meeting**

# Overview of RECLAIM Transition



# RECLAIM and New Source Review Working Group Meetings

November 2019	January 2020	February 2020
<p>Discussion Topics by Regulatory Flexibility Group Regarding RECLAIM Transition</p> <ul style="list-style-type: none"> <li>New BARCT Standards</li> <li>New Source Review and Anti-Backsliding Concerns</li> </ul>	<p>Projections for Internal Bank Offsets(Continued)</p> <p>VOC, PM10, and SOx internal offsets projected to increase; NOx internal offsets declining.</p> <p>Next slides focuses on NOx only - since other pollutants are projected to increase.</p>	<p>Five Scenarios for Question 1</p> <p>Scenario 1: What pollutants are exempt from offsetting when installing controls?</p> <p>Scenario 2: Does a like-for-like replacement qualify for the offsetting exemption?</p> <p>Scenario 3: Will the replacement of two or more units with one unit qualify for the offsetting exemption?</p> <p>Scenario 4: Will the replacement of one unit with two or more units qualify for the offsetting exemption?</p> <p>Scenario 5: Will the replacement of two or more units with two or more units qualify for the offsetting exemption?</p>
<ul style="list-style-type: none"> <li>Provided summary of comments Regulatory Flexibility Group and initial responses from South Coast AQMD and U.S. EPA</li> </ul>	<ul style="list-style-type: none"> <li>Presented current and projected availability of offsets in the:                             <ul style="list-style-type: none"> <li>Open market; and</li> <li>Internal bank</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Presented options to reduce demand for offsets</li> <li>Discussed use of air quality modeling for projects with increased secondary PM emissions</li> </ul>

## Face-to-Face Meeting with U.S. EPA

- March 5, 2020 staff met with U.S. EPA (video conference)
- Update of regulatory timeline
- Air quality modeling for NSR applicability
- RECLAIM transition
- Summary of availability of offsets in the Open Market and Internal Bank
- Methodology for BARCT Discount for Internal Bank
- Use of Internal Bank offsets for sources > 4 tons per year



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## February 2020 Board Meeting Update

- Presented update to Board on the RECLAIM Transition
- Provided background on RECLAIM
  - Need for transition
  - 2016 AQMP Control Measure CMB-05 and AB 617 BARCT timelines
- Challenges
- Progress to date
- Update on BARCT rulemaking and upcoming rules
- Highlights of Proposed Rule 1109.1 – Refinery Equipment, rulemaking



## RECLAIM Transition Plan – Version 2.0

- Staff is working on second version of RECLAIM Transition Plan
  - Provide update on current approach for RECLAIM transition
  - Provide update on adoption/ amendment of landing rules
  - Discussion of New Source Review issues
    - Applicability and offsetting revisions for major sources
    - Availability of offsets
    - Concepts and approaches to reduce the demand and increase the supply of offsets post-RECLAIM transition
- Anticipate completion Spring 2020



## Comment Letters Received



February 6, 2020



February 14, 2020



February 25, 2020

## Earthjustice Comments

- Critical to ensure largest stationary sources install state-of-the-art pollution controls
- Concerns about the deadlines for the remaining six landing rules, particularly Rule 1109.1
- Requests the Board continue to support the expeditious transition of RECLAIM

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## CCEEB Comments

- Transition Plan needs to be updated to reflect current actions
  - Conduct programmatic analysis to ensure that there are no inadvertent adverse impacts from a transition
  - Analyze issues surrounding the transition - NSR, permitting, rule development, and monitoring, reporting, recordkeeping requirements
- Complete analysis of environmental impacts, NSR, socioeconomic impacts, implications of emissions trading, enforcement and monitoring issues before additional landing rules are adopted
- Continue NSR discussion to find additional sources of ERCs
  - Ensure that any RTC to ERC conversion accounts for facility investments
- Conduct analysis of SO<sub>x</sub> RECLAIM impacts on NO<sub>x</sub> transition before working on SO<sub>x</sub> RECLAIM
- Analyze and address co-pollutant issues with installation of SCR before the landing rule is adopted

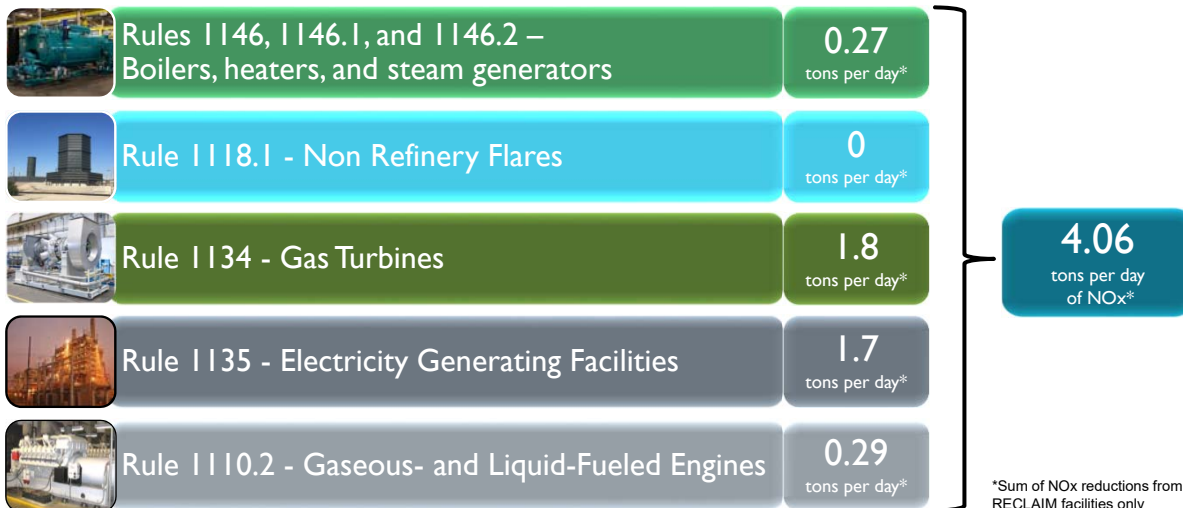
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## Latham & Watkins on Behalf of RFG and WSPA

- Declining rate of reduction is not evidenced by diminishing program effectiveness –reflection of significant reductions already achieved
- Provided emissions are below allocations, RECLAIM is achieving same level of emission reductions as command-and-control
- Timing of NOx RECLAIM transition must account for rulemaking, approval, and facility engineering/construction
- Focusing on cost-effectiveness masks the implementation costs of the RECLAIM transition
  - Costs expected to be billions of dollars

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## Update on Adopted/Amended Landing Rules



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## Rules Under Development



PAR 1117 – Glass Melting  
Furnaces

Public Hearing: June 2020



PAR 1147 – Miscellaneous  
Combustion Sources

Public Hearing: September 2020



PR 1109.1 – Refinery  
Equipment

Public Hearing: September 2020



PAR 218/218.1 and  
PR 218.2/218.3 – Continuous  
Emissions Monitoring Systems

Public Hearing: October 2020



PR 1147.2 – Metal Melting  
and Heating Furnaces

Public Hearing: November 2020



PR 1147.1 – Aggregate  
Facilities

Public Hearing: December 2020

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## On-Going Efforts and Next Steps

- Continue monthly RECLAIM Working Group and Regulation XIII New Source Review Working Group meetings
- Complete second version of RECLAIM Transition Plan
- Continue rulemaking activities
- Continue working with U.S. EPA, CARB and stakeholders on addressing NSR and RECLAIM transition issues

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## SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

General Counsel's Office

DRAFT

## February 2020 Settlement Penalty Report

[Back to Agenda](#)**Total Penalties**

Civil Settlements:	\$195,335.00
MSPAP Settlements:	\$2,153.00
Hearing Board Settlements:	\$49,175.00

<b>Total Cash Settlements:</b>	<b>\$246,663.00</b>
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<b>Total SEP Value:</b>	<b>\$0.00</b>
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<b>Fiscal Year through 2 / 2020 Cash Total:</b>	<b>\$11,600,255.36</b>
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<b>Fiscal Year through 2 / 2020 SEP Value Only Total:</b>	<b>\$0.00</b>
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Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
<b>Civil Settlements</b>						
107653	CALMAT CO	2004	2/28/2020	VKT	P64141	\$4,000.00
137421	CORONA OIL CO, CORONA SHELL	461 H&S 41960	2/14/2020	NAS	P64669	\$1,000.00
123774	HERAEUS PRECIOUS METALS NO. AMERICA, LLC	2012	2/12/2020	BT	P69367	\$1,200.00
78137	JUANITA'S FOODS	203 1146	2/14/2020	NAS	P64022	\$3,000.00
2812	LA CO.,DEPT OF PUBLIC WRKS,EL MONTE AIRP	203(b) 461	2/19/2020	WBW	P60544 P67560	\$16,135.00
137767	MADISON MATERIALS INC	403	2/14/2020	DH	P63164 P63165	\$6,000.00

**DRAFT**

<b>Fac ID</b>	<b>Company Name</b>	<b>Rule Number</b>	<b>Settled Date</b>	<b>Init</b>	<b>Notice Nbr</b>	<b>Total Settlement</b>
59618	PACIFIC CONTINENTAL TEXTILES, INC.	2004	2/4/2020	KER	P66915 P66918 P66923	\$5,500.00
800183	PARAMOUNT PETR CORP	3002(c)(1)	2/11/2020	NSF	P60368 P64029 P64034 P64037 P67801 P67802	\$151,500.00
52517	REXAM BEVERAGE CAN COMPANY	2004	2/27/2020	SH	P67370	\$2,000.00
182752	TORRANCE LOGISTICS COMPANY LLC	109 1146 1178 3002(c)(1)	2/28/2020	VKT	P65317 P65327	\$2,500.00

**Total Civil Settlements: \$195,335.00**

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
<b>MSPAP Settlements</b>						
180501	AMERICAN PACIFIC ENTERPRISES GROUP INC.	461 H&S 41960.2	2/7/2020	GC	P67213	\$330.00
98727	ANAHEIM CITY	1415	2/7/2020	GC	P68504	\$552.50
5981	ANAHEIM CITY, POLICE DEPT	461 1415	2/7/2020	GC	P68502	\$718.00
6638	ANAHEIM CITY, PUBLIC UTILITIES DEPT	1415	2/7/2020	GC	P68501	\$552.50
<b>Total MSPAP Settlements: \$2,153.00</b>						

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
<b>Hearing Board Settlements</b>						
191012	CLIMATE INDUSTRIES, INC. dba HOWARD INDUSTRIES	1111	2/11/2020	MJR	6153-2	\$49,175.00

**Total Hearing Board Settlements: \$49,175.00**

**SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX  
FOR FEBRUARY 2020 PENALTY REPORT**

**REGULATION I - GENERAL PROVISIONS**

Rule 109 Recordkeeping for Volatile Organic Compound Emissions

**REGULATION II - PERMITS**

Rule 203 Permit to Operate

**REGULATION IV - PROHIBITIONS**

Rule 403 Fugitive Dust - Pertains to solid particulate matter emitted from man-made activities

Rule 461 Gasoline Transfer and Dispensing

**REGULATION XI - SOURCE SPECIFIC STANDARDS**

Rule 1111 NOx Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces

Rule 1146 Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters

Rule 1178 Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities

**REGULATION XIV - TOXICS**

Rule 1415 Reduction of Refrigerant Emissions from Stationary Refrigeration and Air Conditioning Systems

**REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)**

Rule 2004 RECLAIM Program Requirements

Rule 2012 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NOx) Emissions

**REGULATION XXX - TITLE V PERMITS**

Rule 3002 Requirements for Title V Permits

**CALIFORNIA HEALTH AND SAFETY CODE**

41960 Certification of Gasoline Vapor Recovery System

41960.2 Gasoline Vapor Recovery