



**South Coast
Air Quality Management District**

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

STATIONARY SOURCE COMMITTEE MEETING

Committee Members

Mayor Pro Tem Ben Benoit, Chair
Dr. Joseph Lyou, Vice Chair
Supervisor Sheila Kuehl
Councilmember Judith Mitchell
Supervisor Shawn Nelson
Supervisor Janice Rutherford

**July 21, 2017 ♦ 10:30 a.m. ♦ Conference Room CC8
21865 Copley Dr., Diamond Bar, CA 91765**

TELECONFERENCE LOCATIONS

Hall of Administration	400 Squaw Creek,
Planning Commission Room	Olympic Valley
333 West Santa Ana Blvd.	CA 96146
Santa Ana, CA 92701	

(The public may attend at any location listed above.)

Call-in for listening purposes only is available by dialing:

Toll Free: 866-244-8528

Listen Only Passcode: 5821432

In addition, a webcast is available for viewing and listening at:

<http://www.aqmd.gov/home/library/webcasts>

AGENDA

CALL TO ORDER

ACTION ITEMS – Item 1

- 1. Home Rule Advisory Group Membership (*Motion Requested*)**
Based on the Blue Ribbon Panel Recommendations approved by the Board, requests from Supervisor Shawn Nelson to appoint Nan Harrold as his Community Representative, Supervisor Sheila Kuehl to appoint Kristen Pawling Torres as her Community Representative, and Southern California Gas to appoint Lauren Nevitt as their alternate for the Home Rule Advisory Group are being submitted for the concurrence of this Committee.

Philip Fine,
Deputy Executive
Officer

(No written material)

INFORMATIONAL ITEMS – Items 2 through 4

- 2. Summary of Proposed Amended Rule 1401 – New Source Review of Toxic Air Contaminants *(No Motion Required)*** Susan Nakamura,
Deputy Executive
Officer
In 2015, the Governing Board adopted amendments to Rule 1401 to incorporate use of the 2015 OEHHA Guidance to estimate health risks. Two source categories, spray booths and retail gasoline stations were excluded from the 2015 amendments to allow staff additional time to better understand potential permitting impacts if the 2015 OEHHA Guidance is used to estimate risk. Staff will present findings from its analyses and proposed amendments to Rule 1401.
(Attachment 1)
- 3. Update on Proposed Rules 1304.2 - California Public Utilities Commission Regulated Electrical Generating Facility Fee for Use of SO_x, PM₁₀ and NO_x Offsets and 1304.3 - Local Publicly Owned Electrical Generating Facility Fee for Use of SO_x, PM₁₀ and NO_x Offsets *(No Motion Required)*** Tracy Goss,
Manager
At the January 2017 Stationary Source Committee meeting, staff recommended to suspend rulemaking as it appeared that electrical generating facility development projects may not need access to emissions offsets beyond those currently available in the open markets. Staff will provide an update on current EGF projects and discuss recommendations regarding further rule development.
(Attachment 2)
- 4. Status Report on Reg. XIII – New Source Review *(No Motion Required)*** William Thompson,
Manager
This report presents the federal Final Determination of Equivalency for January 2015 through December 2015. As such, it provides information regarding the status of Regulation XIII in meeting federal New Source Review (NSR) requirements and shows that SCAQMD's NSR program is in final compliance with applicable federal requirements from January 2015 through December 2015.
(Attachment 3)

WRITTEN REPORTS – Items 5 and 6

- 5. Twelve-month and Three-month Rolling Price of 2016 and 2017 Compliance Years RTCs *(No Motion Required)*** Laki Tisopulos,
Deputy Executive
Officer
The attached quarterly report summarizes the twelve-month and three-month rolling average prices of NO_x and SO_x RTCs.
(Attachment 4)
- 6. Home Rule Advisory Group – Bi-Monthly Report for May 2017 *(No Motion Required)*** Philip Fine
Deputy Executive
Officer
This report summarizes the topics discussed at the May 2017 Home Rule Advisory Group Meeting and also includes the second quarter attendance record for 2017.
(Attachment 5)

- 7. Notice of Violation Penalty Summary (*No Motion Required*)**
This report provides the total penalties settled in June which includes Civil, Supplemental Environmental Projects, Mutual Settlement Assessment Penalty Program, Hearing Board and Miscellaneous.
(Attachment 6)

Kurt Wiese,
General Counsel

OTHER MATTERS

- 8. 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)*
- 9. Public Comment Period**
Members of the public may address this body concerning any agenda item before or during consideration of that item (Gov't. Code Section 54954.3(a)). All agendas for regular meetings are posted at District Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of a regular meeting. 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. Speakers may be limited to three (3) minutes each.
- 10. Next Meeting Date** – September 15, 2017 at 10:30 a.m.

ADJOURNMENT

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.

Americans with Disabilities Act

The agenda and documents in the agenda packet will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't. Code Section 54954.2(a)). Disability-related accommodations will also be made available to allow participation in the Stationary Source Committee meeting. Any accommodations must be requested as soon as practicable. Requests will be accommodated to the extent feasible. Please contact Evangelina Barrera at 909.396.2583 from 7:30 a.m. to 6:00 p.m., Tuesday through Friday, or send the request to ebarrera@aqmd.gov

Proposed Amended Rule 1401 New Source Review of Toxic Air Contaminants

Stationary Source Committee Meeting
July 21, 2017



Background

- Rule 1401 establishes cancer and non-cancer risk requirements for new, relocated, or modified permitted sources
- Rule 1401 was amended in June 2015 to utilize the 2015 OEHHA Guidelines which are incorporated in the SCAQMD Risk Assessment Procedures Version 8.0
 - 2015 OEHHA Guidelines increase the estimated health risk by ~2.3 times with no increase in emissions
- June 2015 amendments to Rule 1401 excluded spray booths and gasoline dispensing facilities to:
 - Provide additional time to analyze potential permitting impacts of the 2015 OEHHA Guidelines and CARB's gasoline dispensing emission factors and speciation profiles

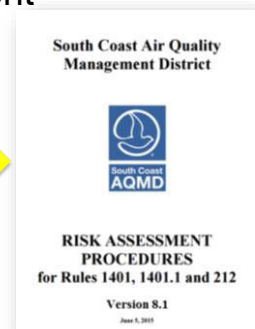


Proposed Amendments



- Require spray booths and gasoline dispensing facilities to begin using the proposed SCAQMD Risk Assessment Procedures (Version 8.1)*, which incorporates:

- 2015 OEHHA Guidelines
- Proposed gasoline dispensing emission factors and speciation profiles
- Current air dispersion model (AERMOD) and updated meteorological data



- Update the list of toxic air contaminants in Table I of Rule 1401 to be consistent with the current list used by OEHHA

* Guidelines will be a receive and file

3

Background on CARB Gasoline Dispensing Emission Factors

- CARB released revised gasoline dispensing emission factors in 2013 and gasoline speciation profiles in 2015
- With the exception of the refueling emission factor, SCAQMD staff is proposing to use all other CARB emission factors for gasoline dispensing (loading, breathing, spillage and hose permeation) and the speciation profiles
 - SCAQMD staff has been discussing the refueling emission factor with CARB since 2013
 - SCAQMD believes CARB's approach double counts refueling emission reductions
 - Displaced vapor can either be controlled by an Onboard Refueling Vapor Recovery system OR Phase II Enhanced Vapor Recovery but not both
- CARB has agreed to revisit the refueling emission factors – no schedule specified

4

Assessing Potential Permitting Impacts

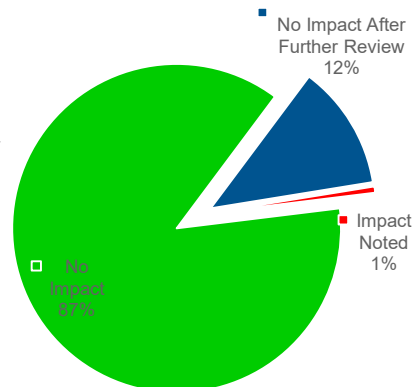
- Existing permits for spray booths and gasoline dispensing facilities were evaluated
- SCAQMD Risk Assessment Procedures (Version 8.1) used existing permits to estimate the revised health risk and to determine if future permitted spray booths or gasoline dispensing facilities would require:
 - New or additional pollution controls to stay under health risk thresholds* or
 - Throughput reduction to avoid pollution controls
- Since gasoline dispensing facilities are equipped with T-BACT, if the revised health risk is > 10 in-a-million, potential options are:
 - Reduce the requested throughput;
 - Conduct a more refined health risk assessment (Tier 4) analysis if applicable; or
 - Reorient sources within the facility away from homes or other sensitive land uses

* Rule 1401 cancer risk threshold with no T-BACT is 1 in-one-million and with T-BACT is 10 in-one-million

5

Spray Booths

- Analyzed 327 permits (random sampling) out of ~1,400 permits issued from 2009 – 2014 (includes new and modified)
- If SCAQMD Risk Assessment Procedures (Version 8.1) which incorporates the 2015 OEHHA Guidelines are used for spray booths:
 - 87% of spray booth permits, no impact expected
 - 12% of spray booth permits, more refined assumptions on material usage or amount of toxic air contaminant in material formulation would eliminate need for pollution controls
 - ~1% of spray booth permits may need to upgrade filters in pollution controls from HEPA to ULPA
 - May need a larger blower (increase cost)
 - Filter costs are similar



Staff Recommendation: Remove exemption and reference Revised SCAQMD Risk Assessment Procedures (Version 8.1) for spray booths

6

Gasoline Dispensing Facilities

- If SCAQMD Risk Assessment Procedures (Version 8.1) which incorporates the 2015 OEHHA Guidelines and revised emission factors are used for new and modified gasoline dispensing facilities:
 - For 300 permits (random sampling) out of ~1,200 permit modifications between 2009 and 2014
 - ♦ 100% of modified gasoline dispensing facilities are expected to be < 10 in-a-million
 - For all 140 new permits for gasoline dispensing facilities issued from 2009 – 2016
 - ♦ 97% of new gasoline dispensing facilities – no impact expected
 - ♦ 3% of new gasoline dispensing facilities would need to do a more refined health risk analysis (Tier 4 which includes air dispersion modeling), accept a lower throughput, or re-orient emission sources

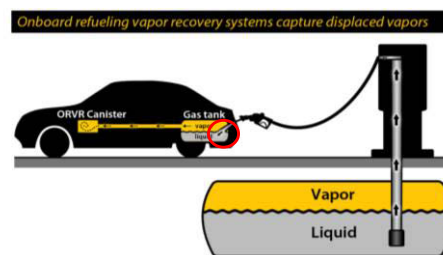
Staff Recommendation: Remove exemption and reference Revised SCAQMD Risk Assessment Procedures (Version 8.1) and use revised emission factors for gasoline dispensing facilities

7

Key Issues



- **Comment:** SCAQMD should wait for CARB to revisit refueling emission factor
- **Staff Response:**
 - CARB has not provided a schedule
 - SCAQMD staff is confident that CARB's approach is double counting emission reductions
- **Comment:** The rule development schedule is abbreviated and stakeholders do not have enough time to review materials
- **Staff Response:**
 - Gas station appendix was released in mid-July
 - All documents will be available on or before August 2



With Onboard Refueling Vapor Recovery (ORVR) systems, motor vehicles capture gasoline vapors displaced during refueling.

8

Schedule



- June 1, 2017 Working Group # 1
- July 6, 2017 Working Group # 2
- July 7, 2017 Set Hearing
- July 12, 2017 Public Workshop
- July 20, 2017 Working Group # 3
- July 21, 2107 Stationary Source Committee
- September 1, 2017 Public Hearing

Proposed Rule 1304.2
California Public Utilities Commission Regulated
Electrical Generating Facility Fee for Use of SO_x,
PM₁₀ and NO_x Offsets

Proposed Rule 1304.3
Local Publicly Owned Electrical Generating Facility
Fee for Use of SO_x, PM₁₀ and NO_x Offsets

Stationary Source Committee

July 21, 2017



Background and Purpose

- ▶ September 2016
 - ▶ Staff presented the status and a summary of the proposed rules at the September 2016 SSC meeting
- ▶ October 2016
 - ▶ Governing Board directed staff to report to SSC on:
 - ▶ Projected need
 - ▶ Offset and project eligibility conditions
 - ▶ Rule alternatives
- ▶ January 2017
 - ▶ Staff provided an update to SSC with the following recommendations:
 - ▶ Suspend rulemaking
 - ▶ Report back to SSC in July 2017 with status update

Status of Power Projects

- ▶ Stanton Energy Reliability Center in permitting process
 - ▶ Do not expect to need offsets from the market
- ▶ Glendale (Grayson)
 - ▶ Filed permit applications last week of June 2017
 - ▶ Examining offset needs with initial proposal to purchase ERCs
- ▶ Alta Gas/Pomona has requested California Energy Commission to put project on hold for 1 year
- ▶ LADWP (Scattergood) repower project
 - ▶ Asked staff to continue processing applications but is no longer on a fast track for project as City re-examines needs
- ▶ AES (Alamitos and Huntington Beach)
 - ▶ Filed applications under Rule 1304.1
 - ▶ Submitted first annual fee (~\$7.2 million for both plants)

3



Recommendations

- ▶ Given the status of current and known upcoming power projects:
 - ▶ Continue suspension of rulemaking while projects undergo further evaluation
 - ▶ Return to committee with status update when more information becomes available

4





Status Report on Regulation XIII – New Source Review

Stationary Source Committee
July 21, 2017



NSR Status Report Overview

Purpose:

Demonstrate SCAQMD's NSR program meets federal NSR offset requirements for Major Sources, as required by EPA, for sources that are exempt from offsets under SCAQMD's NSR rule



NSR Status Report History

- SCAQMD has produced Annual NSR Status Reports going back to 1990
- Around 2002-2004 EPA requested SCAQMD to adopt a rule to memorialize equivalency demonstrations
- SCAQMD adopted Rule 1315 - Federal NSR Tracking System in 2006/2007 and adopted a revised Rule 1315 in February 2011
- EPA approved Rule 1315 into the SIP and it became effective on June 25, 2012



Rule 1315 Federal NSR Tracking System

- Rule 1315 established procedures to demonstrate equivalency with federal NSR offset requirements
 - Tracks debits from and credits to SCAQMD's federal internal offset account for each pollutant
 - Annual Preliminary Determination of Equivalency (PDE), Final Determination of Equivalency (FDE) and Projections
 - Balance of credits in SCAQMD's federal offset account must remain positive
 - Cumulative Net Emission Increase must remain below Rule 1315(g) thresholds



SCAQMD's Federal NSR Offset Accounts Final Determination of Equivalency (FDE) (CY 2015)

DESCRIPTION	VOC	NOx	SOx	CO	PM10
2015 Final Ending Balance (tons/day)	98.89	26.13	3.39	12.33	14.59
2015 Total Credits (tons/day)	2.97	1.82	0.76	3.32	0.52
2015 Total Debits (tons/day)	-0.36	-0.42	0.00	-0.85	-0.06
2015 Total Discount of Credits for Surplus Adjustment (tons/day)	-0.03	-3.04	0.00	0.00	0.00
2015 Final Ending Balance (tons/day)	101.47	24.49	4.15	14.80	15.05



Cumulative Net Emission Increase February 4, 2011 – December 31, 2015

DESCRIPTION	VOC	NOx	SOx	CO	PM10
2014 Net Emission Increase (tons/day)	-12.82	-0.85	0.02	N/A	-0.28
2015 Increases in Potential to Emit (tons/day)	2.23	1.24	0.26	N/A	0.67
2015 Decreases in Potential to Emit (tons/day)	-3.72	-2.28	-0.96	N/A	-0.64
Cumulative Net Emission Increase (tons/day)	-14.31	-1.89	-0.68	N/A	-0.25
Rule 1315(g) Table B Threshold (tons/day)	6.30	0.53	0.14	N/A	0.90



SCAQMD's Projected Federal NSR Offset Accounts CY 2016

DESCRIPTION	VOC	NOx	SOx	CO	PM10
2015 Final Ending Balance (tons/day)	101.47	24.49	4.15	14.80	15.05
CY 2016 Total Projected Credits (tons/day)	4.86	1.16	0.29	1.99	0.62
CY 2016 Total Projected Debits (tons/day)	-0.37	-0.20	0.00	-2.08	-0.06
CY 2016 Total Projected Discount of Credits for Surplus Adjustment (tons/day)	-0.11	-1.16	0.00	-0.11	0.00
CY 2016 Projected Ending Balance (tons/day)	105.85	24.29	4.44	14.60	15.61

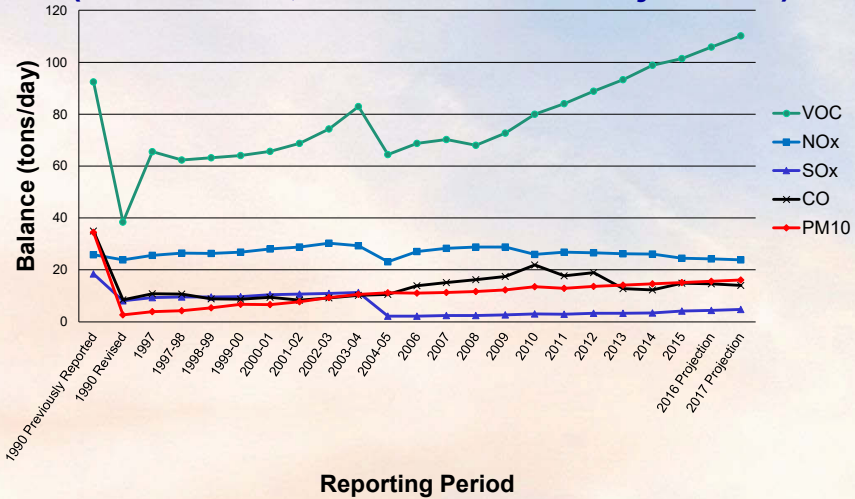


SCAQMD's Projected Federal NSR Offset Accounts CY 2017

DESCRIPTION	VOC	NOx	SOx	CO	PM10
CY 2016 Projected Ending Balance (tons/day)	105.85	24.29	4.44	14.60	15.61
CY 2017 Total Projected Credits (tons/day)	4.89	1.20	0.31	2.02	0.56
CY 2017 Total Projected Debits (tons/day)	-0.39	-0.22	0.00	-2.50	-0.02
CY 2017 Total Projected Discount of Credits for Surplus Adjustment (tons/day)	-0.14	-1.38	0.00	-0.12	0.00
CY 2017 Projected Ending Balance (tons/day)	110.19	23.89	4.75	14.00	16.15



SCAQMD's Federal Offset Account Balances (1990 – 2015, and 2016-2017 Projections)



Conclusions

- The Final Determination of Equivalency for CY 2015 shows SCAQMD's NSR program continued to be at least equivalent to the federal NSR offset requirements
- For CYs 2016 and 2017 it is also projected that SCAQMD's NSR program will continue to be at least equivalent to the federal NSR offset requirements
- The Cumulative Net Emission Increase for CY 2015 remained below the thresholds identified in Table B of Rule 1315(g)(4)
- Next Preliminary Determination of Equivalency for CY 2016 will be presented to the Governing Board in February 2018



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
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Twelve-Month and Three-Month Rolling Average Price of Compliance Years 2016 and 2017 NOx and SOx RTCs

July 2017 Quarterly Report to Stationary Source Committee

Table I

Twelve-Month Rolling Average Price Data for Compliance Year 2016 NOx RTCs
(Report to Governing Board if rolling average price greater than \$22,500/ton)

Twelve-Month Rolling Average Price Data for Compliance Year 2016 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 ¹ (\$/ton)
Jan-16	Jan-15 to Dec-15	224.2	\$635,305	13	\$2,833
Feb-16	Feb-15 to Jan-16	224.2	\$635,305	13	\$2,833
Mar-16	Mar-15 to Feb-16	262.9	\$797,077	16	\$3,032
Apr-16	Apr-15 to Mar-16	268.3	\$817,792	18	\$3,049
May-16	May-15 to Apr-16	275.0	\$846,346	23	\$3,078
Jun-16	Jun-15 to May-16	294.6	\$929,752	27	\$3,156
Jul-16	Jul-15 to Jun-16	298.2	\$946,490	30	\$3,174
Aug-16	Aug-15 to Jul-16	296.0	\$928,978	34	\$3,138
Sep-16	Sep-15 to Aug-16	318.7	\$1,017,153	42	\$3,191
Oct-16	Oct-15 to Sep-16	225.7	\$841,616	45	\$3,730
Nov-16	Nov-15 to Oct-16	290.7	\$1,030,619	62	\$3,546
Dec-16	Dec-15 to Nov-16	342.4	\$1,136,149	66	\$3,318
Jan-17	Jan-16 to Dec-16	748.6	\$2,195,315	76	\$2,932
Feb-17	Feb-16 to Jan-17	1,128.2	\$2,785,334	110	\$2,469
Mar-17	Mar-16 to Feb-17	1,293.2	\$2,926,614	128	\$2,263

Twelve-Month Rolling Average Price Data for Compliance Year 2016 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 Price¹ (\$/ton)
Apr-17	Apr-16 to Mar-17	1293.9	\$2,917,770	129	\$2,255
May-17	May-16 to Apr-17	1,383.9	\$3,318,537	149	\$2,398
Jun-17	Jun-16 to May-17	1,366.0	\$3,243,007	146	\$2,374
Jul-17	Jul-16 to Jun-17	1,413.9	\$3,400,528	154	\$2,405

1. 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 RTC price exceeds \$15,000 per ton.

Table II

Twelve-Month Rolling Average Price Data for Compliance Year 2017 NOx RTCs
(Report to Governing Board if rolling average price greater than \$22,500/ton)

Twelve-Month Rolling Average Price Data for Compliance Year 2017 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 Price¹ (\$/ton)
Jan-17	Jan-16 to Dec-16	69.7	\$460,621	9	\$6,606
Feb-17	Feb-16 to Jan-17	94.7	\$610,693	11	\$6,446
Mar-17	Mar-16 to Feb-17	82.2	\$573,193	10	\$6,970
Apr-17	Apr-16 to Mar-17	125.3	\$824,493	12	\$6,581
May-17	May-16 to Apr-17	113.8	\$741,828	15	\$6,519
Jun-17	Jun-16 to May-17	113.8	\$741,828	15	\$6,519
Jul-17	Jul-16 to Jun-17	134.4	\$867,079	22	\$6,450

1. 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 RTC price exceeds \$15,000 per ton.

Table III

Three-Month Rolling Average Price Data for Compliance Year 2016 NOx RTCs
(Report to Governing Board if rolling average price greater than \$35,000/ton)

Three-Month Rolling Average Price Data for Compliance Year 2016 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 (\$/ton)
May-16	Feb-16 to Apr-16	50.8	\$211,041	10	\$4,158
Jun-16	Mar-16 to May-16	31.7	\$132,675	11	\$4,188
Jul-16	Apr-16 to Jun-16	29.9	\$128,699	12	\$4,304
Aug-16	May-16 to Jul-16	32.9	\$130,194	12	\$3,953
Sep-16	Jun-16 to Aug-16	36.0	\$134,963	16	\$3,747
Oct-16	Jul-16 to Sep-16	39.4	\$142,688	18	\$3,623
Nov-16	Aug-16 to Oct-16	157.2	\$436,641	32	\$2,778
Dec-16	Sep-16 to Nov-16	186.2	\$453,996	28	\$2,438
Jan-17	Oct-16 to Dec-16	635.3	\$1,741,442	41	\$2,741
Feb-17	Nov-16 to Jan-17	887.4	\$2,007,458	56	\$2,262
Mar-17	Dec-16 to Feb-17	1,039.3	\$2,204,979	73	\$2,122
Apr-17	Jan-17 to Mar-17	589.3	\$904,942	58	\$1,536
May-17	Feb-17 to Apr-17	306.4	\$744,245	49	\$2,429
Jun-17	Mar-17 to May-17	104.5	\$449,068	29	\$4,296
Jul-17	Apr-17 to Jun-17	149.9	\$611,457	37	\$4,079

Table IV

Three-Month Rolling Average Price Data for Compliance Year 2017 NOx RTCs
(Report to Governing Board if rolling average price greater than \$35,000/ton)

Three-Month Rolling Average Price Data for Compliance Year 2017 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 (\$/ton)
Jan-17	Oct-16 to Dec-16	41.1	\$310,586	6	\$7,561
Feb-17	Nov-16 to Jan-17	66.1	\$460,658	8	\$6,971
Mar-17	Dec-16 to Feb-17	65.0	\$452,221	7	\$6,962
Apr-17	Jan-17 to Mar-17	68.1	\$401,372	4	\$5,897
May-17	Feb-17 to Apr-17	46.6	\$272,479	6	\$5,847
Jun-17	Mar-17 to May-17	46.6	\$272,479	6	\$5,847
Jul-17	Apr-17 to Jun-17	24.2	\$146,430	11	\$6,051

Table V

Twelve-Month Rolling Average Price Data for Infinite-Year Block NOx RTCs
 (Report to Governing Board if rolling average price after 2018 is less than \$200,000/ton)

Twelve-Month Rolling Average Price Data for Infinite-Year 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 (\$/ton)
May-16	May-15 to Apr-16	805.1	\$215,694,953	44	\$267,913
Jun-16	Jun-15 to May-16	781.6	\$211,669,953	44	\$270,819
Jul-16	Jul-15 to Jun-16	351.5	\$128,539,029	31	\$365,654
Aug-16	Aug-15 to Jul-16	512.9	\$166,663,599	32	\$324,943
Sep-16	Sep-15 to Aug-16	517.7	\$167,951,099	32	\$324,449
Oct-16	Oct-15 to Sep-16	441.9	\$150,586,981	30	\$340,759
Nov-16	Nov-15 to Oct-16	321.9	\$121,239,854	25	\$376,628
Dec-16	Dec-15 to Nov-16	321.9	\$121,238,354	24	\$376,638
Jan-17	Jan-16 to Dec-16	301.9	\$114,731,605	20	\$380,057
Feb-17	Feb-16 to Jan-17	183.0	\$46,520,577	10	\$254,172
Mar-17	Mar-16 to Feb-17	174.3	\$41,738,077	7	\$239,491
Apr-17	Apr-16 to Mar-17	174.3	\$41,738,077	7	\$239,491
May-17	May-16 to Apr-17	176.8	\$42,113,977	8	\$238,223
Jun-17	Jun-16 to May-17	175.3	\$41,588,977	7	\$237,266
Jul-17	Jul-16 to Jun-17	172.2	\$40,437,201	6	\$234,802

Table VI

Twelve-Month Rolling Average Price Data for Compliance Year 2016 SOx RTCs
(Report to Governing Board if rolling average price greater than \$50,000/ton)

Twelve-Month Rolling Average Price Data for Compliance Year 2016 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 Price¹ (\$/ton)
Jan-17	Jan-16 to Dec-16	16.5	\$20,700	2	\$1,255
Feb-17	Feb-16 to Jan-17	27.0	\$35,183	4	\$1,304
Mar-17	Mar-16 to Feb-17	27.5	\$35,933	5	\$1,308
Apr-17	Jan-17 to Mar-17	27.5	\$35,933	5	\$1,308
May-17	May-16 to Apr-17	17.0	\$25,433	4	\$1,498
Jun-17	Jun-16 to May-17	17.0	\$25,433	4	\$1,498
Jul-17	Jul-16 to Jun-17	17.0	\$25,433	4	\$1,498

1. 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 RTC price exceeds \$15,000 per ton.

Table VII

Twelve-Month Rolling Average Price Data for Compliance Year 2017 SOx RTCs
(Report to Governing Board if rolling average price greater than \$50,000/ton)

Twelve-Month Rolling Average Price Data for Compliance Year 2017 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 Price¹ (\$/ton)
Jan-17	Jan-16 to Dec-16	0	0	0	-
Feb-17	Feb-16 to Jan-17	0	0	0	-
Mar-17	Mar-16 to Feb-17	0	0	0	-
Apr-17	Jan-17 to Mar-17	0	0	0	-
May-17	May-16 to Apr-17	0	0	0	-
Jun-17	Jun-16 to May-17	0	0	0	-
Jul-17	Jul-16 to Jun-17	0	0	0	-

1. 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 RTC price exceeds \$15,000 per ton.



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4182
(909) 396-2000 • www.aqmd.gov

HOME RULE ADVISORY GROUP Wednesday, May 10, 2017 MEETING MINUTES

CHAIR:

Dr. Joseph Lyou, Governing Board member

MEMBERS PRESENT:

Curt Coleman (Southern California Air Quality Alliance); Michael Downs (Downs Energy); Jaclyn Ferlita (Air Quality Consultants); Jayne Joy (Eastern Municipal Water District); Bill LaMarr (California Small Business Alliance); Mark Olson (Gerdau Rancho Cucamonga Mill); Art Montez (AMA International); Noel Muyco (Southern California Gas); Terry Roberts (American Lung Association of California); David Rothbart (Los Angeles County Sanitation District); Larry Smith (Cal Portland Cement); and TyRon Turner (Dakota Communications).

The following members participated by conference call: Chris Gallenstein (CARB); Rongsheng Luo (SCAG); Bill Quinn (California Council for Environmental & Economic Balance); Larry Rubio (Riverside Transit Agency); and Amy Zimpfer (EPA).

MEMBERS ABSENT:

Micah Ali (Compton Unified School District Board of Trustees); Mike Carroll (Regulatory Flexibility Group); Penny Newman (Center for Community Action and Environmental Justice); Patty Senecal (Western States Petroleum Association); and Morgan Wyenn (Natural Resources Defense Council).

OTHER ATTENDEES:

Mark Abramowitz (Board Consultant to Dr. Lyou); and Susan Stark (Tesoro)

SCAQMD STAFF:

- | | |
|----------------------|-----------------------------------|
| Jill Whynot | Chief Operating Officer |
| William Wong | Principal Deputy District Counsel |
| Philip Crabbe | Community Relations Manager |
| Lisa Tanaka O'Malley | Community Relations Manager |
| Ann Scagliola | Administrative Secretary |

OPENING COMMENTS AND SELF-INTRODUCTIONS

The meeting was called to order at 10:00 a.m. by Dr. Joseph Lyou (Chairman).

APPROVAL OF JANUARY 11, 2017 MEETING MINUTES

Dr. Lyou asked for comments on the March 15, 2017 meeting minutes. Hearing none, the minutes were approved.

EPA AND FEDERAL ACTIVITIES

Amy Zimpfer provided an update on recent U.S. EPA and federal activities.

- Working with AQMD and CARB to resolve the sanctions related to the partial approval/disapproval of the 2006 PM2.5 Plan.
- Working with AQMD and CARB to resolve the partial approval/disapproval of the 2008 Ozone RACT SIP.
- Reviewing the AQMD amendment to the RECLAIM program, regarding the actions taken in 2015 and 2016.
- Reviewing the AQMD's 2016 Air Quality Management Plan (AQMP).
- Reviewing recommendations received on the Implementation of EPA's 2015 Ozone National Ambient Air Quality Standard.

Discussion

Bill LaMarr inquired about responses to the President's Executive Order #137771 - Reducing Regulation and Controlling Regulatory Costs and the public comment period which ends May 15, 2017. Amy Zimpfer indicated that voluminous input was received and all recommendations will be reviewed.

Bill La Marr inquired about the next steps, once the comment period ends. Amy Zimpfer replied that the Administration staff will evaluate all comments received.

David Rothbart inquired about the relative timeframe of EPA's approval or comments on the 2016 Ozone AQMP. Amy Zimpfer indicated there are statutory requirements, but a specific agenda has not been established.

David Rothbart inquired about possible concerns that EPA may have on the incentive based measures. Amy Zimpfer indicated that the challenges will be to ensure that the integrity measures are met.

Bill Quinn inquired about what can be expected from EPA on the RECLAIM amendment. Amy Zimpfer indicated that EPA cannot make any amendments, but will evaluate whether the Clean Air Act requirements are met and then provide the necessary approvals, disapprovals or recommendations.

Rongsheng Luo inquired if the expected actions on the 2006 National Ambient Air Quality Standards for Particulate Matter (2006 Standard) and RECLAIM amendment are related. Amy Zimpfer replied yes and will provide an update at the next Home Rule Advisory meeting.

Rongsheng Luo inquired if there is an designation statute deadline. Amy Zimpfer indicated that once the Governor's recommendation is received, there are 120 days to issue the initial designation.

Jill Whynot added at the May 2017 Stationary Source Committee meeting staff will present a supplemental analysis of the Reasonably Available Control Measures (RACM) / Reasonably Available Control Technology (RACT) to provide clarity for the RECLAIM 2006 24-hour PM2.5 and 2008 8-hour ozone standard to satisfy US EPA disapprovals. These items will go to the SCAQMD Governing Board in June 2017.

CARB REGULATORY ACTIVITIES

Johnnie Raymond reported on the following items to be discussed at the May 2017 CARB Board Meeting and other important items.

- Consider approval of California's Proposed State Plan for compliance with the Federal Municipal Solid Waste Landfill Emission Guidelines.
- Consider approval of the 2016 Ozone State Implementation Plan for the Western Mojave Desert Nonattainment Area.
- Provided an overview of items going to future Board Meetings (June to October).
 - ✓ Ozone SIP for Imperial County
 - ✓ Final 2030 Target Scoping Plan
 - ✓ Statewide Portable Equipment Registration Program and the Airborne Toxic Control Measure for diesel-fueled portable engines
 - ✓ Progress report on the Low Carbon Fuel Standard
 - ✓ Proposed amendments to greenhouse gas emissions reporting regulations
 - ✓ Proposed amendments to the Cap-and-Trade regulation
 - ✓ State Implementation Plans for East Kern and Imperial Counties and San Joaquin Valley.
- Climate Investments Program (Greenhouse Gas Reduction Fund) interactive map now available on website (www.caclimateinvestments.ca.gov).

Discussion

Dr. Lyou commented on a meeting with Kairos Aerospace and their development of an optical and infrared aerial survey technology, which monitors methane hot spots (i.e. oil field leaks, dairy farms). Johnnie Raymond indicated that CARB is working with SCAQMD, and others, on development and deployment of low-cost, next generation monitoring sensors.

Dr. Lyou commented on a commitment from Cynthia Marvin and CARB's legal staff to generate a memo to the District and Ports on how to properly interpret SB 1 in-use provisions, and requested an update for the next Home Rule meeting.

LEGISLATIVE UPDATE

Philip Crabbe reported on the following items discussed at the April Legislative Committee meeting.

SCAQMD's federal legislative consultants provided a written report on various key Washington, D.C. issues. In addition, it was verbally reported that on March 15th, the U.S. EPA and U.S. Department of Transportation put out their notice to review the emissions standards for cars and light-duty trucks. The emissions standards dictate the fuel economy standards at 54.5 miles per gallon by 2025. The EPA had finalized the fuel economy standards in January for the years 2022 through 2025; however, the new Administration announced that they will conduct their own review, which does not have to be released until April 1, 2018.

It was reported that the current appropriations process was still addressing bills for Fiscal Year (FY) 2017, which started October 1st of 2016 and will end on September 30th of 2017. Congress had been operating on a continuing resolution (CR), as they had not passed FY 17 bills yet, and the CR was set to expire on April 28th. However, with the successful completion of an Omnibus Appropriations bill for the remainder of FY 2017, EPA's overall FY 17 Budget represents a 1 percent reduction in the House-Senate Omnibus package, which is far better than the 30 percent cut suggested by the Trump Administration for FY18 released in mid-March. Funding for the Diesel Emission Reduction Act (DERA) program will increase to \$60 million from \$50 million in FY

2017. The Targeted Airshed Grant Program, which received \$20 million last year, will receive \$30 million.

It is expected that the FY 2018 appropriations process will be starting in May. President Trump's FY 2018 budget is expected to be released in mid-May.

Federal Legislative Issues

SCAQMD's state legislative consultants provided only written reports on various key issues in Sacramento, which can be seen in the April Legislative Committee packet.

State Legislative Issues

AB 1014 (Cooper) Diesel Backup Generators: Health Facility

AB 1014 would codify industry guidelines that direct health facilities to limit the tests they conduct of their diesel backup generators and standby systems. This includes a requirement that hospitals test their diesel generators once a month for a half-hour period.

Staff recommended a position of SUPPORT on this bill. The Legislative Committee and later the Governing Board approved that recommendation.

SB 49 (De Leon) California Environmental, Public Health, and Workers Defense Act of 2017

This bill seeks to insulate California from rollbacks in federal environmental regulations and public health protections. This bill would establish current federal clean air, climate, clean water, worker safety, and endangered species standards to be enforceable under state law, in an attempt to counter any weakening of federal standards. The bill also prohibits state and local agencies from amending or revising any of their rules or regulations to be less stringent than the baseline federal law, but allows for the establishment of more stringent rules or regulations.

It was reported that staff is supportive of the bill's basic intent to maintain existing clean air requirements in effect regardless of potential future actions weakening EPA regulations or the Clean Air Act. However, CAPCOA has identified a number of unintended consequences which could be detrimental to the District's operations.

Districts would be required to adopt a wide variety of federal requirements including new source performance standards, national emission standards for hazardous air pollutants, and prevention of significant deterioration permit programs, which would require significant staff and Board resources to adopt, implement and enforce.

Staff believes it would be more workable to identify certain key Clean Air Act requirements, such as the existing National Ambient Air Quality Standards and the obligation to attain such NAAQS by specified dates, which should be incorporated into state law, rather than trying to impose the entire Clean Air Act and its implementing mechanisms.

Staff recommended a position of Work with Author; because neither this recommendation nor any other was approved by the Committee, this item went to the Governing Board with no recommendation. The Governing Board later approved staff's original recommendation to WORK WITH AUTHOR.

H.R. 1090 (Reed) Technologies for Energy Security Act of 2017

This bill would reinstitute and extend, through 2021, commercial and residential installation tax credits for geothermal heat pumps, fuel cells, micro turbines, small wind and combined heat and power.

This bill would also make stationary fuel cells and other clean energy technologies more affordable and help spur innovation. By establishing tax parity for fuel cell technologies, thermal energy, combined heat and power, and other technologies, treating them all the same as wind and solar, it will help spur the development of these technologies and not favor one technology over another.

Staff recommended a position of SUPPORT. The Legislative Committee and later the Governing Board approved that recommendation.

Informational Item on SB 1 (Beall) – Transportation Funding

SB 1 dedicates funds to transportation infrastructure repairs as well as other projects which could potentially increase transportation emissions. However, SB 1 does not expressly dedicate funds to mitigate air quality impacts of goods movement projects included within the bill.

It is unclear what potential impacts SB 1 could have on the California Air Resources Board's and SCAQMD's ability to adopt emission reduction measures. SB 1 prevents CARB from requiring the replacement and repowering of commercial heavy duty vehicle engines until the vehicles reaches 800,000 miles or 18 years past engine certification, whichever is earlier. However, SB 1 includes a statement of legislative intent which states that it is not meant to limit the authority of CARB and local air districts. SCAQMD legal staff noted that the language included is ambiguous and could invite litigation. However, CARB and the California State Transportation Agency stated that this language does not have any effect on CARB or local air district indirect source authority.

SB 1 also incorporates the provisions of SB 174 (Lara) and requires the Department of Motor Vehicles to deny registration to trucks and buses that do not meet CARB's clean truck and bus mandate.

Proposed Legislation for Approval

SCAQMD legal staff presented on proposed legislation for approval. This proposed legislation was based on amendments made to the 2016 AQMP, which directed staff to seek necessary legislative authority to authorize SCAQMD to require accelerated purchase and use of near-zero and zero-emission heavy duty on-road vehicles for public fleets.

A late adjustment to the proposed amendments to the bill language was provided by SCAQMD staff at Legislative Committee. These changes to the proposed amendment language further clarified the definition of "near-zero and zero emission vehicles" and also clarified that the local air district would set the requirements related to those definitions, rather than the fleet operators. Additionally, SCAQMD staff has secured a potential bill, AB 302, which was amended to include the new proposed language. The bill was authored by Assembly Member Mike Gipson.

Staff recommended approval for the legislative proposal. At the Committee's request, the legislative proposal was continued until the next Legislative Committee meeting on May 12, 2017. However, the Governing Board took a Support with Amendments position on this item. However, the bill did not pass its first policy committee in the State Assembly and is now a 2-year bill.

Proposed Legislative Action for Approval

This proposed action would be to work with the Governor's Office and the Legislature to recover costs associated with proactive region-wide toxics air monitoring plan to identify high risk emitters of toxic air contaminants, similar to what was experienced in Paramount, and would be asking for approximately \$7.7 million per year for ten years to recover costs for the air toxics program.

Staff recommended approval for the proposed legislative action relating to seeking funding for enhanced toxic air monitoring. The Legislative Committee and later the Governing Board approved that recommendation.

Discussion

David Rothbart inquired about AB 302, specifically the Legislative Committee's concerns and the Governing Board's position. Dr. Lyou explained that an industry advocacy organization asked the Assembly Member to amend the bill, even though South Coast had not taken a position on it. A scheduled Transportation Hearing subsequently occurred and SCAQMD's position was needed.

Dr. Lyou inquired about a series of bills introduced by Assembly Member Muratsuchi, regarding a potential ban on modified HF use for refineries. Staff commented that the bill was made a two-year bill.

Art Montez inquired about the money borrowed by the state and funding for the State's Cap-and-Trade Program and the bullet train. Staff indicated that the Cap-and-Trade funding is potentially available but is currently on hold. Art Montez further inquired about how to guarantee that funds set aside for a particular program will not be encumbered for another program. Staff indicated that there are many ways that the Governor's office and State legislators can allocate available money.

Art Montez asked if there are any programs to address the purchase of bonds, specifically for more efficient air conditioning units for schools. Dr. Lyou replied that he was not aware of any such programs, but suggested he contact Edison or the California Energy Commission.

Jaclyn Ferlita inquired if there is any support or insight for future Cap-and-Trade bills. Staff indicated that it is difficult to predict, but will know more towards the end of the legislative year. Dr. Lyou commented that a busy end-of-year session is expected. Bill Quinn added that an important hearing was currently occurring with the Senate Environmental Quality Committee on the future of the Cap-and-Trade Program.

Bill LaMarr inquired if there was any movement on the proposed container fee. Staff indicated this is being pursued at a Federal, national level.

Amy Zimpfer commented that the Diesel Emissions Reduction Act (DERA) funding was increased significantly and proposals are being solicited nationwide, for projects that achieve significant reductions in diesel emissions.

UPDATE REGARDING LITIGATION ITEMS AND RELATED EPA ACTIONS

William Wong proved updates to the litigation status report handout.

- Case #1 – SCAQMD is working on an agreement to relocate one of the monitors, negotiations are ongoing.
- Case #2 – A case management conference occurred on May 8, 2017 and the court has set a trial date for February 27, 2018. Other facilities in Paramount are also seeking damages, along with an outstanding class action lawsuit. The court is considering relating these lawsuits to SCAQMD's case.
- Case #6 – An extended briefing schedule was entered into with the plaintiffs, which the court has not yet approved. The trial date could be moved to November 2017.

Discussion

David Rothbart inquired about Case #3 and what could happen if the contingency measures could not be used. Staff indicated that SCAQMD has relied on these measures and if this case is not overturned there could be severe consequences.

OUTREACH EFFORTS

Lisa Tanaka presented on the outreach component of Legislative, Public Affairs and Media Relations (LPAM). The presentation covered numerous aspects of outreach for the SCAQMD ranging from government relations to the general public, to health and environmental and educational organizations, and chambers of commerce. The presentation included an overview of the types of outreach activities such as town hall meetings, rules, permitting, events, partnerships with Small Business Assistance and other initiatives.

Discussion

TyRon Turner inquired about LPAM's community outreach plan and the targeted areas. He further explained that he is a neighborhood council member and has realized that many community members are unaware of SCAQMD, and inquired about the possibility of a future community forum in South Los Angeles. Ms. Tanaka responded that her geographic field staff (GEO) staff would welcome the opportunity to provide presentations for various groups, and provided a recap of the various meetings/events that her staff currently attends. She mentioned the calendar of events located on AQMD's website.

Dr. Lyou inquired about upcoming events and the locations. Ms. Tanaka commented that the SCAQMD mobile app is a great way to stay current and the calendar of events is updated regularly. She further suggested that HRAG members can provide her with requests for upcoming events, where GEO staff can attend to promote AQMD awareness.

Art Montez inquired about possible outreach to the Orange County school districts, educators and school boards. Staff requested that Mr. Montez provide a contact list for follow-up.

Bill LaMarr inquired about the Small Business Assistance team and their function within LPAM. Ms. Tanaka indicated that the team consists of a Public Advisor and five staff members, whose functions are to conduct no-fault inspections, assist with permit applications and issuance of clearance letters for small businesses.

Bill LaMarr commented on the number of clearance letters issued in the past two months and how staff is not aware of facility operations, especially in the current Paramount issue. Ms. Tanaka indicated that revisions were recently made to the clearance letter process and that a Pilot Program was initiated with the City of Paramount for renewal of business licenses, where SCAQMD will also review the requests; check on business types, their processes and permitted/non-permitted equipment. Staff indicated that the GEO staff are educating cities on business license and clearance letter policies, and have requested cities' business lists to compare with SCAQMD facility lists.

CONSENSUS BUILDING

Jayne Joy inquired about the possibility of the group participating in a tour of CR&R facility in Perris. Dr. Lyou indicated that this is complicated because of public meeting laws, but encouraged individuals to tour the facility.

SUBCOMMITTEE STATUS REPORTS

A. Freight Sustainability (Dan McGivney)

Dan McGivney gave a report on the following items.

- California Energy Commission's May 2017 meeting agenda includes items to approve a \$3M grant to CR&R for expansion, and freight sustainability projects for zero or near zero technology.
- The State is looking at how to divide up the \$420M settlement from Volkswagen.
- On May 30, 2017 there is a meeting on the implementation of the California Freight Sustainability Plan (Caltrans, Los Angeles).

Discussion

Dr. Lyou reported that the Ports of Los Angeles and Long Beach continue to work on their Clean Air Action Plans.

B. Small Business Considerations (Bill LaMarr)

There was no report.

C. Environmental Justice (Curt Coleman)

There was no report.

D. Climate Change (David Rothbart)

There was no report.

REPORT FROM AND TO THE STATIONARY SOURCE COMMITTEE

Jill Whynot reported on items related to the April and May 2017 meetings.

- Draft Assessment of tertiary-Butyl Acetate (tBac) White Paper.
- Proposed Amendments to Rule 1147.
- Proposed Amended Rules 219 and 222.
- Nonattainment New Source Review Compliance Demonstration for 2008 Ozone Standard.
- Proposed Amended Rule 1118.
- Proposed Rule 1466.

Discussion

Curt Coleman requested that staff not schedule rule working group meetings when Home Rule Advisory Group meetings are occurring.

OTHER BUSINESS

Michael Downs inquired about the transportation fuel sector waiver process, should a catastrophic event occur in the Southern California area. Staff indicated that a Governor's declaration would waive requirements, for both Statewide and local catastrophic events.

PUBLIC COMMENT

There were no public comments.

ADJOURNMENT

The meeting was adjourned at 12:20 p.m. The next meeting of the Home Rule Advisory Group is scheduled for 10:00 a.m. on July 12, 2017, and will be held at SCAQMD in Conference Room CC8.

**South Coast Air Quality Management District
HOME RULE ADVISORY GROUP – Attendance Record – 2017**

	NAME (Term: 1/1/17 - 1/1/2019)	1/11	FEB	3/15	APR	5/10	JUN	7/12	AUG	9/13	OCT	11/8	DEC
	Board/Member, Business & Community Reps, SCAQMD Staff												
1	Dr. Joseph Lyou, Chairman	X		X		X							
2	Dr. Philip Fine (Agency Member) - SCAQMD	X*		X		X*							
3	Zimpfer, Amy (Agency Member) - EPA <i>Representing Elizabeth Adams</i>	T		A*		T							
4	Gallenstein, Chris (Agency Member) - CARB <i>Representing Richard Corey</i>	T*		T		T							
5	Chang, Ping (Agency Member) - SCAG <i>Alternate – Rongsheng Luo</i>	T*		T*		T*							
6	Carroll, Mike (Business Representative) <i>Alternate – Robert Wyman</i>	A		A		A							
7	Coleman, Curtis (Business Representative) <i>Alternate – Susan Stark</i>	X		X		X							
8	Senecal, Patty (Business Representative)	A		A		A							
9	Joy, Jayne (Business Representative) <i>Alternate – Al Javier</i>	T		A*		X							
10	La Marr, Bill (Business Representative)	X	dark	X	dark	X	dark		dark		dark		dark
11	McGivney, Dan (Business Representative) <i>Alternate – Noel Muyco</i>	X		X*		X							
12	Newman, Penny (Environmental Representative)	X		X		A							
13	Roberts, Terry (Environmental Representative)	X		X		X							
14	Quinn, Bill (Business Representative)	T		T		T							
15	Wyenn, Morgan (Environmental Representative)	A*		A*		A*							
16	Ali, Micah (Parker Representative)	T		A		A							
17	Downs, Michael (McCallon Representative)	X		A		X							
18	Ferlita, Jaclyn (Lyou Representative)	X		A*		X							
19	Montez, Art (Lyou Representative)	A		X		X							
20	Olson, Mark (Rutherford Representative)	X		A*		X							
21	Rothbart, David (Mitchell Representative)	X		X		X							
22	Rubio, Larry (J. Benoit Representative)	A*		T		T							
23	Smith, Larry (B. Benoit Representative)	X		A		X							
24	Turner, TyRon (Burke Representative)	T		X		X							

Attendance Codes			
X	Present	X*	Alternate in Attendance
T	Teleconference Participation	T*	Teleconference Participation (Alternate)
A	Absence	A*	Absence Excused

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
General Counsel's Office**

June 2017 Settlement Penalty Report

Total Penalties

Civil Settlements:	\$582,963.00
SEP Cash Settlements:	\$1,250,000.00
MSPAP Settlements:	\$28,515.00
Hearing Board Settlements:	\$15,000.00
Total Cash Settlements:	\$1,876,478.00
Total SEP Value:	\$250,000.00
Fiscal Year through 6 / 2017 Cash Total:	\$13,301,022.65
Fiscal Year through 6 / 2017 SEP Value Only Total:	\$300,000.00

Fac ID	Company Name	Rule Number	Settlement Date	Initials	NOV	Total Settlement
Civil						
148236	AIR LIQUIDE LARGE INDUSTRIES U.S., LP	2004(f)(1) 2005 3002(c)(1)	6/27/2017	TRB	P57083	\$10,000.00
22911	CARLTON FORGE WORKS	2004	6/19/2017	DH	P64403	\$73,150.00
146284	FLAVURENCE CORPORATION	203 (b)	6/6/2017	BTG	P62373	\$365,500.00
161141	JR OIL Small Claims Case No. 17AHSC03837	41960.2 461(c) 461(c)(2)(B)	6/26/2017	JS	P64260	\$350.00
800074	LA CITY, DWP HAYNES GENERATING STATION	2004 3002	6/13/2017	NSF	P37245	\$5,000.00
800234	LOMA LINDA UNIV	3002 1134 3002(c)(1) 3002(c)(1)	6/13/2017	TRB	P58093 P59279 P59281	\$3,500.00
172005	NEW INDY ONTARIO, LLC	2004	6/1/2017	KRW	P64408	\$1,000.00
47781	OLS ENERGY-CHINO	2004	6/19/2017	TRB	P57084	\$250.00
164257	ORCHARD SUPPLY HARDWARE "OSH"	1143	6/19/2017	WW	P60340	\$85,613.00

Fac ID	Company Name	Rule Number	Settlement Date	Initials	NOV	Total Settlement
60812	OVERHILL FARMS INC \$8000.00 for NOV \$2,000 for terms under the Order for Abatement Settlement includes terms and conditions for Hearing Board Case No. 6076-1 Facility paid penalties for four months in relation to the timeline proposed and agreed upon to install the new burners and provide source testing data for review and approval. 1153.1	203 (b) 1153.1	6/1/2017	DH	P64124	\$10,000.00
7427	OWENS-BROCKWAY GLASS CONTAINER INC	2004 2011 3002(c)(1)	6/26/2017	TRB	P57865	\$2,500.00
173247	PACIFIC CHROME SERVICES	1469	6/19/2017	TRB	P53994	\$6,000.00
800079	PETRO DIAMOND TERMINAL CO	303 1178 463 3002(c)(1) 3002(c)(1)	6/13/2017	TRB	P34694 P61510 P61511 P61512	\$7,500.00
132192	PUREENERGY OPERATING SERVICES	2012	6/15/2017	TRB	P57091	\$500.00

Fac ID	Company Name	Rule Number	Settlement Date	Initials	NOV	Total Settlement
14437	SAN ANTONIO COMMUNITY HOSPITAL	1146 3002	6/8/2017	VKT	P59273	\$5,000.00
159208	SHAHKOT PETROLEUM, INC Small Claims Case No. 30-2017-00920600-SC-SC-HNB	461(E)(2)(A)	6/22/2017	JS	P63040	\$600.00
153199	THE KROGER CO/RALPHS GROCERY CO	2004 2004 2012 2004 2012	6/15/2017	MJR	P53143 P57090 P57863 P57870	\$6,500.00

Total Civil Settlements: \$582,963.00

Supplemental Environmental Project Settlement:

177615	Brenntag Pacific UP Yard Cash \$1,250,000.00; SEP: \$250,000.00 Facility shall pay \$250,000 as a SEP to the District and shall be managed and used by the District to benefit the residents of the District.	201, 203	6/30/2017	BTG	P60503	\$1,500,000.00
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Fac ID	Company Name	Rule Number	Settlement Date	Initials	NOV	Total Settlement
Total SEP: \$1,500,000.00						
MSPAP Settlements						
175516	7-ELEVEN #35343/MAKHTAR KAMARA	201 203(a) 461	6/22/2017	GV	P64340	\$1,000.00
175516	7-ELEVEN #35343/MAKHTAR KAMARA	461	6/22/2017	GV	P64346	\$1,300.00
182118	AESOS OIL INC	201 203(a) 41960.2 461	6/22/2017	JS	P64341	\$720.00
182118	AESOS OIL INC	201 203 (a) 461	6/22/2017	JS	P64344	\$2,580.00
143695	ANAHEIM GASOLINE FOODMART & CARWASH	461	6/22/2017	JS	P64347	\$1,365.00
169906	ARCO FACILITY, 82872, FARZ, INC.	203 (b)	6/1/2017	GC	P64324	\$1,700.00
121570	C B SHEETS	1146	6/1/2017	JS	P63910	\$675.00
55810	DEL MAR GAS, OHANES KEJEJIAN DBA	461(E)(2)(A)	6/22/2017	GC	P65001	\$650.00

Fac ID	Company Name	Rule Number	Settlement Date	Initials	NOV	Total Settlement
118937	FAHMI TEXACO, RAGAA FAHMI, DBA	461(c)(2)(B)	6/1/2017	TF	P64309	\$1,500.00
183192	HOMELAND CENTER SHELL, AL HUSN, INC	201	6/1/2017	TF	P36747	\$550.00
158340	I & V VENTURES INC.	203 (b) 41960.2 461(c) 461(c)(2)(B)	6/1/2017	GC	P65002	\$800.00
20943	LA CO., BARRY J. NIDORF PROBATION	1146	6/1/2017	TF	P62173	\$1,100.00
37781	MONROVIA CLEANERS	1421	6/22/2017	TF	P65355	\$750.00
100159	NORTH COUNTY SAND & GRAVEL	PERP 2457	6/22/2017	GV	P65552	\$1,500.00
176731	PACIFIC TANK LINES	461(c)	6/1/2017	TF	P63125	\$750.00
157059	RENAISSANCE CLUB SPORT	1470	6/15/2017	TF	P64065	\$1,500.00
160406	RIVERSIDE USD, NORTH HIGH SCHOOL	203 (a)	6/22/2017	TF	P64163	\$375.00
24244	S.T. & I. INC.	203	6/22/2017	GV	P63510	\$1,000.00
100168	SIAM MINH CORPORATION	41960.2 461 461(c) 461(c)(2)(A) 461(c)(2)(B)	6/1/2017	GV	P63129	\$600.00

Fac ID	Company Name	Rule Number	Settlement Date	Initials	NOV	Total Settlement
78782	SO CAL SANDBAGS	PERP 2457	6/22/2017	GV	P65354	\$1,500.00
181526	STATE OF CALIFORNIA	203 (a)	6/1/2017	GV	P64165	\$2,000.00
139448	SUNRISE CLEANERS, NAM KI KIM DBA	1421	6/1/2017	GV	P65356	\$400.00
136929	T.G.L.	461 461(c)(2)(B)	6/1/2017	GV	P65011	\$450.00
182827	TORRANCE LOGISTICS COMPANY LLC	1403	6/22/2017	GV	P63558	\$1,100.00
170424	VALERO GAS	461	6/1/2017	GV	P64967	\$450.00
165278	VALLEY VIEW 76	41960.2 461	6/1/2017	GV	P64345	\$600.00
141488	VIP CLEANERS, INC	1146.2	6/1/2017	GV	P63677	\$1,600.00

Total MSPAP Settlements: \$27,565.00

Hearing Board Settlements

61981	County of Riverside Indio Juvenile Hall Hearing Board Case No. 6075-1	203(a), 1470((c)	6/22/2017	NSF		\$15,000.00
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Fac ID	Company Name	Rule Number	Settlement Date	Initials	NOV	Total Settlement
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Total Hearing Board Settlements: \$15,000.00

DISTRICT RULES AND REGULATIONS INDEX FOR JUNE 2017 PENALTY REPORTS

REGULATION II – PERMITS

- Rule 201 Permit to Construct (*Amended 1/5/90*)
- Rule 203 Permit to Operate (*Amended 1/5/90*)

REGULATION III - FEES

- Rule 303 Hearing Board Fees (*Amended 5/11/01*)

REGULATION IV - PROHIBITIONS

- Rule 461 Gasoline Transfer and Dispensing (*Amended 6/15/01*)
- Rule 463 Storage of Organic Liquids (*Amended 3/11/94*)

REGULATION XI - SOURCE SPECIFIC STANDARDS

- Rule 1134 Emissions of Oxides of Nitrogen from Stationary Gas Turbines (*Amended 8/8/97*)
- Rule 1143 Consumer Paint Thinners & Multi-Purpose Solvents
- Rule 1146 Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters (*Amended 11/17/00*)
- Rule 1146.2 Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers (*Adopted 1/9/98*)
- Rule 1153.1 Emissions Of Oxides Of Nitrogen From Commercial Food Ovens
- Rule 1178 Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities (*Amended 4/7/06*)

REGULATION XIV – TOXICS

- Rule 1403 Asbestos Emissions from Demolition/Renovation Activities (*Amended 4/8/94*)
- Rule 1421 Control of Perchloroethylene Emissions from Dry Cleaning Operations (*Amended 6/13/97*)
- Rule 1469 Hexavalent Chromium Emissions From Chrome Plating and Chromic Acid Anodizing Operations (*Adopted 10/9/98*)
- Rule 1470 Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines

REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

- Rule 2004 Requirements (*Amended 5/11/01*)
- Rule 2005 New Source Review for RECLAIM (*Amended 4/20/01*)
- Rule 2011 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Sulfur (SO_x) Emissions
- Rule 2012 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NO_x) Emissions
(*Amended 5/11/01*)

REGULATION XXX - TITLE V PERMITS

- Rule 3002 Requirements (*Amended 11/14/97*)

CALIFORNIA HEALTH AND SAFETY CODE § 41700

- 41960.2 Gasoline Vapor Recovery

CODE OF FEDERAL REGULATIONS

- 40 CFR – Protection of the Environment

CALIFORNIA CODE OF REGULATIONS

- PERP 2457 Requirements for Portable Equipment Units