



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 Ben J. Benoit, Chair
Supervisor Sheila Kuehl, Vice Chair
Senator Vanessa Delgado (Ret.)
Board Member Veronica Padilla-Campos
Vice Mayor Rex Richardson
Supervisor Janice Rutherford

January 21, 2022 ♦ 10:30 a.m.

Pursuant to Assembly Bill 361 the South Coast AQMD Stationary Source Committee meeting will only be conducted via video conferencing and by telephone. Please follow the instructions below to join the meeting remotely.

ELECTRONIC PARTICIPATION INFORMATION (Instructions provided at bottom of the agenda)

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<https://scaqmd.zoom.us/j/94141492308>

Zoom Webinar ID: 941 4149 2308 (applies to all)

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Audience will be able to provide public comment through telephone or Zoom connection during public comment periods.

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 54954.3(a)). If you wish to speak, raise your hand on Zoom or press Star 9 if participating by telephone. All agendas for regular meetings are posted at South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the regular meeting. Speakers may be limited to three (3) minutes total for all items on the agenda.

Cleaning the air that we breathe...

CALL TO ORDER

ROLL CALL

INFORMATIONAL ITEMS (Items 1 through 5)

- 1. Rule 1146.2 – Emissions of Oxides of Nitrogen From Large Water Heaters and Small Boilers and Process Heaters (10 mins.)** Michael Krause
Assistant Deputy
Executive Officer
(No Motion Required)
Staff will provide initial findings for a technology assessment for potentially lowering the NOx emission limit for large water heaters and small boilers and process heaters and discuss staff recommendations to proceed with rulemaking.
(Written Material Attached)
- 2. Summary of Proposed Amended Rule 1115 – Motor Vehicle Assembly Line Coating Operations (10 mins.)** Michael Morris
Planning and Rules
Manager
(No Motion Required)
Proposed Amended Rule 1115 updates VOC limits for coatings used in automotive assembly line processes to comply with Reasonable Available Control Technology (RACT) requirements. Definitions, recordkeeping, and testing requirements are also proposed to be updated. Staff will provide a briefing on the proposed amended rule and any key issues.
(Written Material Attached)
- 3. RECLAIM Quarterly Report – 12th Update (15 mins.)** Michael Morris
(No Motion Required)
Staff will provide an update on the transition of NOx RECLAIM facilities to a command-and-control regulatory program.
(Written Material Attached)
- 4. Twelve-month and Three-month Rolling Average Price of Compliance Years 2021 and 2022 NOx and SOx RTCs (October – December 2021) (10 mins.)** David Ono
Engineering and
Permitting Manager
(No Motion Required)
Staff will present an update on the three-month and twelve-month rolling average prices of NOx and SOx RECLAIM Trading Credits (RTCs) and the actions required under Rule 2002 and Rule 2015 resulting from price increases reflected in this most recent quarterly update.
(Written Material Attached)
- 5. Status Report on Reg. XIII – New Source Review (10 mins.)** Jason Aspell
Deputy Executive
Officer
(No Motion Required)
This report presents the state and federal Preliminary Determination of Equivalency for January 2020 through December 2020. As such, it provides information regarding the status of Regulation XIII – New Source Review, (NSR) in meeting state and federal NSR requirements and shows that South Coast AQMD’s NSR program is in preliminary compliance with applicable state and federal requirements from January 2020 through December 2020.
(Written Material Attached)

WRITTEN REPORTS (Items 6 through 7)

6. AQMD Advisory Group Minutes

(No Motion Required)

Attached for information are minutes from AQMP Advisory Group Meetings from April 2020 through August 2021.

(Written Material Attached)

Sarah Rees
Deputy Executive
Officer

7. Notice of Violation Penalty Summary

(No Motion Required)

This report provides the total penalties settled in December 2021 which includes Civil, Supplemental Environmental Projects, Mutual Settlement Assessment Penalty Program, Hearing Board and Miscellaneous.

(Written Material Attached)

Bayron Gilchrist
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

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.

10. Next Meeting Date: Friday, February 18, 2022 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 South Coast AQMD. 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.

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 by contacting Catherine Rodriguez at (909) 396-2735, or send the request to crodriguez@aqmd.gov.

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION

Instructions for Participating in a Virtual Meeting as an Attendee

As an attendee, you will have the opportunity to virtually raise your hand and provide public comment.

Before joining the call, please silence your other communication devices such as your cell or desk phone. This will prevent any feedback or interruptions during the meeting.

Please note: During the meeting, all participants will be placed on Mute by the host. You will not be able to mute or unmute your lines manually.

After each agenda item, the Chairman will announce public comment.

A countdown timer will be displayed on the screen for each public comment.

If interpretation is needed, more time will be allotted.

Once you raise your hand to provide public comment, your name will be added to the speaker list. Your name will be called when it is your turn to comment. The host will then unmute your line.

Directions for Video ZOOM on a DESKTOP/LAPTOP:

- If you would like to make a public comment, please click on the “**Raise Hand**” button on the bottom of the screen.
This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions for Video Zoom on a SMARTPHONE:

- If you would like to make a public comment, please click on the “**Raise Hand**” button on the bottom of your screen.
- This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions for TELEPHONE line only:

- If you would like to make public comment, please **dial *9** on your keypad to signal that you would like to comment.

RULE 1146.2 - EMISSIONS OF OXIDES OF NITROGEN FROM LARGE WATER HEATERS AND SMALL BOILERS AND PROCESS HEATERS

STATIONARY SOURCE COMMITTEE
JANUARY 21, 2022

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BACKGROUND

- Rule 1146.2 regulates NOx emissions from natural gas-fired water heaters, boilers, and process heaters with a rated heat input capacity less than or equal to 2,000,000 BTU per hour
 - Divided into Type 1 ($\leq 400,000$ BTU/hr) and Type 2 ($> 400,000$ and $\leq 2,000,000$ BTU/hr)
 - Adopted in 1998 and amended in 2006 to lower NOx emission limit from 30 to 20 ppm
 - Applicable to manufacturers, distributors, retailers, re-furbishers, installers and operators
- Rule 1146.2 was amended along with Rules 1146 and 1146.1 in 2018, requiring:
 - 20 ppm NOx limit for new installations at RECLAIM and non-RECLAIM facilities; and
 - A technology assessment and report to the Board by January 2022 if current NOx emission limit represents BARCT
 - If more stringent BARCT requirements are applicable, initiate rule development for the more stringent BARCT requirements within six months
- This presentation provides the technology assessment results to the Board

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RULE 1146.2 TECHNOLOGY ASSESSMENT

- Evaluated water heaters and boilers rated $\leq 2,000,000$ BTU/hr in both non-RECLAIM and RECLAIM facilities
- Reviewed certification test reports submitted in recent years to understand the actual emission levels of certified models and the potential for lower NOx emissions
- Met with stakeholders for status and input
- Conducted a Working Group meeting on December 16, 2021

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AFFECTED UNITS

Units at Non-RECLAIM facilities

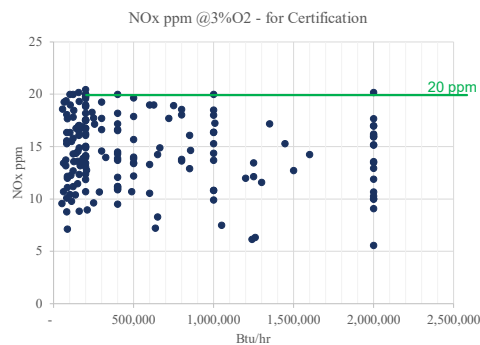
- Analysis during 2006 amendment estimated 43,600 Type 1 units and 22,000 Type 2 units in the South Coast AQMD based on data provided by SoCalGas

Units at RECLAIM/former RECLAIM facilities

- Previous to 2018 amendment not individually identified - grouped with other types of Rule 219 units for emission reporting
- About 80 RECLAIM facilities identified one or more Rule 1146.2 units in their 2020-2021 Annual Emission Reporting (AER)

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CURRENT TECHNOLOGY

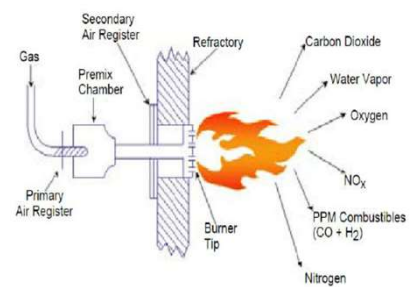


- There are two general designs of natural gas combustion systems that are used to meet current 20 ppm NO_x emission limit
 - Atmospheric burners
 - Fuel air premix
- Staff reviewed 181 source tests conducted in 2017 - 2021 for models certified at 20 ppm for NO_x emissions
 - 50 models (28% models) were tested <12 ppm
 - 25 models (14% models) were tested <10 ppm

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FUEL PRE-MIX COMBUSTION SYSTEM

- Well-established, commercially available system
- NO_x emissions dependent on fuel to air ratio, and how well they are mixed (i.e., pre-formation of combustion)
- Further lower NO_x emissions would rely on an enhancement of combustion pre-formation
- One South Coast AQMD funded project on commercial space heating furnace development is relying on burner redesign to:
 - Promote the mixing process even after the formation of the flame; and
 - Achieved 5-6 ng/J NO_x emission rate (10 ppm)



https://www.researchgate.net/figure/2Premix-burner-with-products-of-combustion_fig2_257728119

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STAFF RECOMMENDATIONS AND NEXT STEPS

- Based on the potential for further NO_x reductions, staff recommends a rulemaking process for a full BARCT analysis
- Rulemaking process will evaluate and address:
 - Technology development
 - Feasible and cost-effective lower emission limit
 - Potential implementation timeline
 - Impact assessment
 - Upcoming state and federal regulations
 - Stakeholder's concerns
- Schedule Public Hearing for the December 2022 Board Meeting



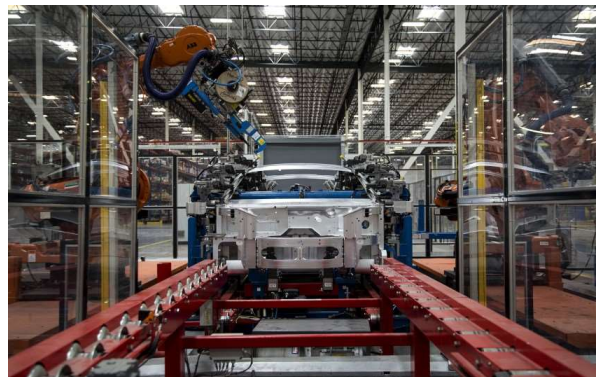
**Proposed Amended
Rule 1115**
Motor Vehicle
Assembly Line Coating
Operations

**Stationary Source
Committee**
January 21, 2022



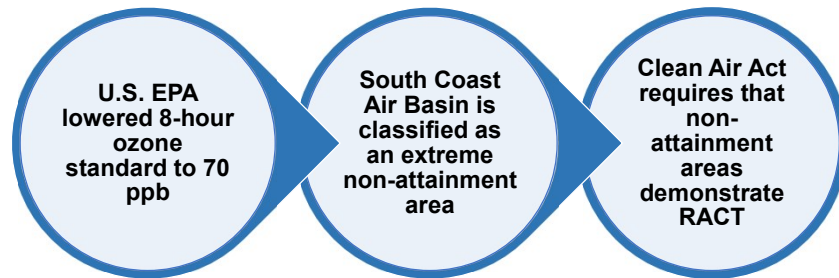
Rule Background

- Rule 1115 applies to coatings used in assembly line operations which includes both automatic and manual means
- Nine facilities subject to Rule 1115
- Rule last amended in 1995



Reasonable Available Control Technology (RACT)

- RACT assessment compares existing South Coast AQMD rules with guidelines established by U.S. EPA and with similar regulations from other air agencies
- South Coast AQMD Rule 1115 was identified as not meeting RACT
 - An updated Control Techniques Guidelines (CTG) for Automobile and Light-Duty Truck Assembly Coatings was issued by U.S. EPA (2008) and contains more stringent requirements than Rule 1115



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Proposed Rule Amendment

- Harmonization with U.S. EPA CTG VOC emission limits for coatings and miscellaneous materials used at motor vehicle assembly coating operations
- Additions and updates to definitions based on proposed rule language
- Explicit transfer efficiency requirements, where it was not clearly stated previously
- Requirement to keep records on-site for compliance determination
- Elimination of exemptions that are no longer applicable

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Comparison of Proposed Changes

Category	Proposed Change
Electrodeposition Primer (EDP) operations	Changed general limit from 1.2 lb VOC/gal to 0.7 lb VOC/gal of deposited solids
Primer-surfacer and Topcoat operations	Lower limit from 15.0 lb VOC/gal of deposited solids to 12.0 lb VOC/gal of deposited solids
Combined Primer-surfacer and Topcoat operations	Introducing new limit of 12.0 lb VOC/gal of deposited solids

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New Miscellaneous Materials Categories

U.S. EPA CTG

VOC Content Limits for Miscellaneous Materials Used at Motor Vehicle Assembly Coating Operations Issued in 2008

- Rule 1115 currently does not have limits for miscellaneous materials
- Other California air districts and other agencies across the country utilize these same limits
- Products are available on the market and in use that meet these limits

Material	VOC Emission Limit (lb VOC/gal)
Glass Bonding Primer	7.5
Adhesive	2.1
Cavity Wax	5.4
Sealer	5.4
Deadener	5.4
Gasket/Gasket Sealing Material	1.7
Underbody Coating	5.4
Trunk Interior Coating	5.4
Bedliner	1.7
Weatherstrip Adhesive	6.3
Lubricating Wax/Compound	5.8

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Impacts

- No additional costs expected from rule amendment
 - Compliant coatings currently being used
 - Compliant High Volume Low Pressure (HVLP) application equipment currently being used
 - Higher production facilities already equipped with air pollution controls (i.e. thermal oxidizers)
- No project elements requiring physical modifications that would cause a significant adverse effect on the environment
- No adverse socioeconomic impacts anticipated
- Staff is not aware of any key remaining issues

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Next Steps

- | | |
|---|------------------|
| <input type="checkbox"/> Set Hearing | February 4, 2022 |
| <input type="checkbox"/> Public Hearing | March 4, 2022 |

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NOx RECLAIM Quarterly Update

STATIONARY SOURCE COMMITTEE
JANUARY 21, 2022

Update “At a Glance” (August 2021 to January 2022)



Rule 1109.1 Adopted; Rules 1304 and 2005 Amended November 5, 2021
Rule 1135 Amended January 7, 2022



Rule Development
• 5 Working Group Meetings
• 2 Community Meetings
• 2 Public Workshops



Discussions with CARB
• 6 virtual meetings



Discussions with EPA
• 10 virtual meetings

Emission Reductions (Tons per Day*)

	Rules 1146, 1146.1, 1146.2 – Boilers, Process Heaters, and Steam Generators	0.27		Rule 1135 – Electricity Generating Facilities	1.7
	Rule 1118.1 – Non Refinery Flares	0		Rule 1110.2 – Liquid-Fueled and Gaseous Engines	0.29
	Rule 1109.1 – Refinery Equipment	7.7		Rule 1117 – Container Glass Melting/Sodium Silicate Furnaces	0.57
	Rule 1134 – Gas Turbines	1.8		Rule 1147.1 – Aggregate Facilities	0.04

Total NOx Reductions = 12.37 tons per day*

* Sum of NOx reductions from RECLAIM facilities only. Some NOx reductions may be attributed to the 2015 RECLAIM shave.

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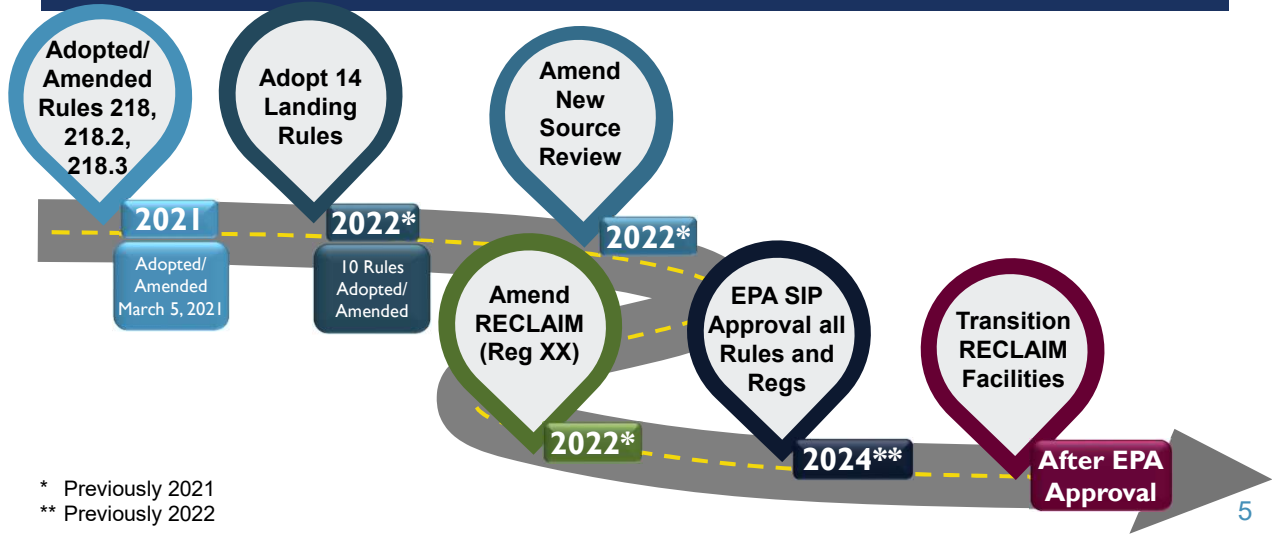
Rules Under Development

	PAR 1147 – Miscellaneous Combustion Sources Public Hearing: April 1, 2022		PR 1147.2 – Metal Melting and Heating Furnaces Public Hearing: April 1, 2022
	PAR 1153.1 – Commercial Food Ovens Public Hearing: August 5, 2022		PR 1159.1 – Nitric Acid Processing Tanks Public Hearing: October 7, 2022

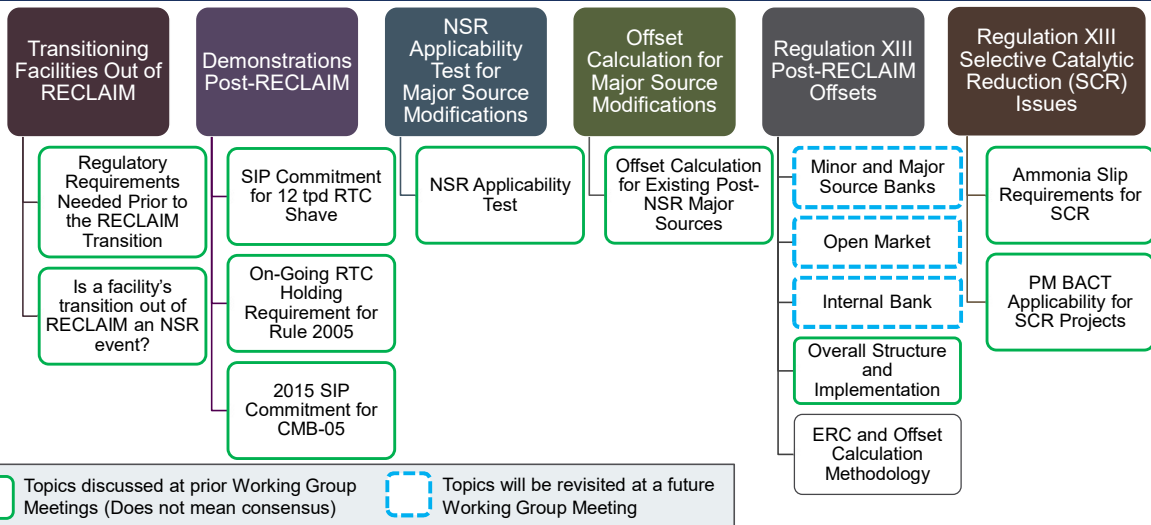
- Rule 1134 – Gas Turbines and Rule 429 – Startup and Shutdown are being amended to address startup and shutdown provisions at U.S. EPA's request
- Rule 218.2 – Continuous Emission Monitoring System: General Provisions and Rule 218.3 – Continuous Emission Monitoring System: Performance Specifications are being amended to include provisions for monitoring mass emission limits

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Overview of RECLAIM Transition



Overview and Status of RECLAIM and NSR Issues



Discussions with U.S. EPA and CARB

- Worked with U.S. EPA and CARB to address RECLAIM transition issues
 - Narrow BACT exemption for co-pollutant emissions for PR 1109.1
 - Interim emission limits to transition from RECLAIM to command-and-control
 - Startup and shutdown provision consistency with 2015 Guidance Policy
- Continuing discussions for pending NSR issues
 - Minor Source Bank and Major Source Bank



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Ongoing Efforts and Next Steps



Continue monthly RECLAIM Working Group and Regulation XIII NSR Working Group meetings



Continue rulemaking activities



Continue working with U.S. EPA, CARB, and stakeholders

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RECLAIM RTC PRICING UPDATE

STATIONARY SOURCE COMMITTEE

JANUARY 21, 2022

NO_x and SO_x RTC Pricing Report

- Rule 2002 requires reporting of RECLAIM Trading Credit (RTC) pricing on a quarterly basis
 - Three-month and 12-month average RECLAIM Trading Credit prices
 - Pricing compared to thresholds in Rule 2002* and Rule 2015**
- No threshold exceedances reported for NO_x or SO_x RTC pricing for any category through December 2021
- SO_x RTC pricing remains below thresholds in latest report

* Rule 2002 – Allocations for Oxides of Nitrogen (NO_x) and Oxides of Sulfur (SO_x)

** Rule 2015 – Backstop Provisions

NOx RTC Price Threshold Exceeded

- The Executive Officer is required to report current compliance year NOx RTC prices that exceed the thresholds established in Rule 2002
 - 12-month rolling average threshold is \$22,500* per ton
 - 3-month rolling average threshold is \$35,000* per ton
- January 2022 RTC Price Report shows that the 12-month and the 3-month rolling average thresholds were exceeded

Compliance Year NOx RTCs	12-Month Average (\$/ton)	3-Month Average (\$/ton)
Threshold	22,500	35,000
2021	18,846	20,636
2022	33,085	38,803

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* Thresholds established in Calendar Year 2015 with no subsequent Consumer Price Index adjustments

Factors Contributing to Increasing NOx RTC Price

RTC market is becoming more competitive due to the ongoing implementation of the 2015 NOx shave with the greatest shave (4 tons/day) in 2022

Reductions in emissions (and associated RTC demand) from projects to comply with RECLAIM landing rules have not been fully realized

- Most compliance deadlines in landing rules begin in 2023

Unexpected RTC demand from RECLAIM audit program

- RECLAIM Facilities subject to annual audits
- Findings from audit program and reconciliation added demand for over 58 tons of Compliance Year 2022 NOx RTC (~ \$1,900,000; ~ \$33,000/ton)
- NOx RTC prices pushed higher for future transactions

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Rule 2002 Procedures to Address NOx RTC Price

Report to the Board that NOx RTC price threshold was exceeded

Conduct an assessment of the RECLAIM Program including control technology implementation and socioeconomic impacts

Complete the assessment before July 1, 2022

Make a report to the Board no later than 90 days from the exceedance determination regarding the results of the commitment

The Board will determine if Non-tradable / Non-usable NOx RTCs shall be converted to Tradable / Usable NOx RTCs*

*Only for the period when RTC prices exceed applicable thresholds; Non-tradable/Non-usable NOx RTCs are not available after 2022

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Rule 2015 Procedures to Address NOx RTC Price

Forecasted price exceedance of Rule 2015 will be reported to Board in Annual RECLAIM Report in March 2021

Staff will complete an evaluation and review of the compliance and enforcement aspects of the RECLAIM program

Provide results of the evaluation to the Board

The Board will determine if Rule 2004 – Requirements* requires amendment

The results of the evaluation and recommendations regarding possible Rule 2004 amendment will be sent to CARB and U.S. EPA within six months

*Rule 2004 paragraphs (d)(1) through (d)(4)

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Summary

- Compliance Year 2022 NOx RTC price thresholds have been exceeded for Rule 2002, and forecasted to exceed Rule 2015 (to be reported in March)
- Staff will initiate actions as required by rules
- Staff will report to Board with results of assessments



South Coast Air Quality Management District

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Twelve-Month and Three-Month Rolling Average Price of Compliance Years 2021 and 2022 NOx and SOx RTCs (October – December 2021)

January 2022 Report to Stationary Source Committee

Table I

Twelve-Month Rolling Average Price Data for Compliance Year 2021 NOx RTCs
(Report to Governing Board if rolling average price greater than \$22,500/ton)

Twelve-Month Rolling Average Price Data for Compliance Year 2021 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-21	Jan-20 to Dec-20	76.2	\$717,162	15	\$9,418
Feb-21	Feb-20 to Jan-21	77.6	\$736,204	16	\$9,488
Mar-21	Mar-20 to Feb-21	71.7	\$667,889	15	\$9,321
Apr-21	Apr-20 to Mar-21	69.6	\$656,731	13	\$9,439
May-21	May-20 to Apr-21	73.6	\$917,864	12	\$12,470
Jun-21	Jun-20 to May-21	43.3	\$630,190	10	\$14,545
Jul-21	Jul-20 to Jun-21	134.1	\$2,265,703	20	\$16,898
Aug-21	Aug-20 to Jul-21	131.1	\$2,238,560	23	\$17,072
Sep-21	Sep-20 to Aug-21	204.7	\$3,499,147	31	\$17,091
Oct-21	Oct-20 to Sep-21	210.0	\$3,664,844	33	\$17,455
Nov-21	Nov-20 to Oct-21	309.8	\$5,429,848	55	\$17,529
Dec-21	Dec-20 to Nov-21	310.0	\$5,432,348	54	\$17,523
Jan-22	Jan-21 to Dec-21	368.1	\$6,937,025	64	\$18,846

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 annual RTC price exceeds \$15,000 per ton. The average annual RTC price is reported to the Board in the Annual RECLAIM Audit Report in March of each year.

Table II

Twelve-Month Rolling Average Price Data for Compliance Year 2022 NOx RTCs
(Report to Governing Board if rolling average price greater than \$22,500/ton)

Twelve-Month Rolling Average Price Data for Compliance Year 2022 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-22	Jan-21 to Dec-21	165.4	\$5,473,709	18	\$33,085

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 annual RTC price exceeds \$15,000 per ton. The average annual RTC price is reported to the Board in the Annual RECLAIM Audit Report in March of each year.

Table III

Three-Month Rolling Average Price Data for Compliance Year 2021 NOx RTCs
(Report to Governing Board if rolling average price greater than \$35,000/ton)

Three-Month Rolling Average Price Data for Compliance Year 2021 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-21	Oct-20 to Dec-20	1.3	\$16,750	3	\$13,400
Feb-21	Nov-20 to Jan-21	2.9	\$38,049	5	\$13,218
Mar-21	Dec-20 to Feb-21	2.1	\$26,049	3	\$12,238
Apr-21	Jan-21 to Mar-21	1.6	\$21,299	2	\$13,079
May-21	Feb-21 to Apr-21	32.4	\$482,253	3	\$14,900
Jun-21	Mar-21 to May-21	32.4	\$482,253	3	\$14,900
Jul-21	Apr-21 to Jun-21	123.1	\$2,117,767	13	\$17,201
Aug-21	May-21 to Jul-21	95.9	\$1,718,259	15	\$17,921
Sep-21	Jun-21 to Aug-21	169.5	\$2,978,846	23	\$17,575
Oct-21	Jul-21 to Sep-21	84.0	\$1,509,029	15	\$17,974
Nov-21	Aug-21 to Oct-21	178.6	\$3,191,288	32	\$17,865
Dec-21	Sep-21 to Nov-21	106.0	\$1,945,201	25	\$18,346
Jan-22	Oct-21 to Dec-21	159.4	\$3,288,931	34	\$20,636

Table IV

Three-Month Rolling Average Price Data for Compliance Year 2022 NOx RTCs
(Report to Governing Board if rolling average price greater than \$35,000/ton)

Three-Month Rolling Average Price Data for Compliance Year 2022 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-22	Oct-21 to Dec-21	97.4	\$3,780,324	10	\$38,803

Table V

Twelve-Month Rolling Average Price Data for Compliance Year 2021 SOx RTCs
(Report to Governing Board if rolling average price greater than \$50,000/ton)

Twelve-Month Rolling Average Price Data for Compliance Year 2021 SOx RTC ¹					
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-21	Jan-20 to Dec-20	None	-	-	-
Feb-21	Feb-20 to Jan-21	None	-	-	-
Mar-21	Mar-20 to Feb-21	None	-	-	-
Apr-21	Apr-20 to Mar-21	None	-	-	-
May-21	May-20 to Apr-21	None	-	-	-
Jun-21	Jun-20 to May-21	None	-	-	-
Jul-21	Jul-20 to Jun-21	None	-	-	-
Aug-21	Aug-20 to Jul-21	None	-	-	-
Sep-21	Sep-20 to Aug-21	None	-	-	-
Oct-21	Oct-20 to Sep-21	None	-	-	-
Nov-21	Nov-20 to Oct-21	None	-	-	-
Dec-21	Dec-20 to Nov-21	None	-	-	-
Jan-22	Jan-21 to Dec-21	37.5	\$112,500	1	\$3,000

1. 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.
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 exceeds \$15,000 per ton. The average annual RTC price is reported to the Board in the Annual RECLAIM Audit Report in March of each year.

Table VI

Twelve-Month Rolling Average Price Data for Compliance Year 2022 SOx RTCs
(Report to Governing Board if rolling average price greater than \$50,000/ton)

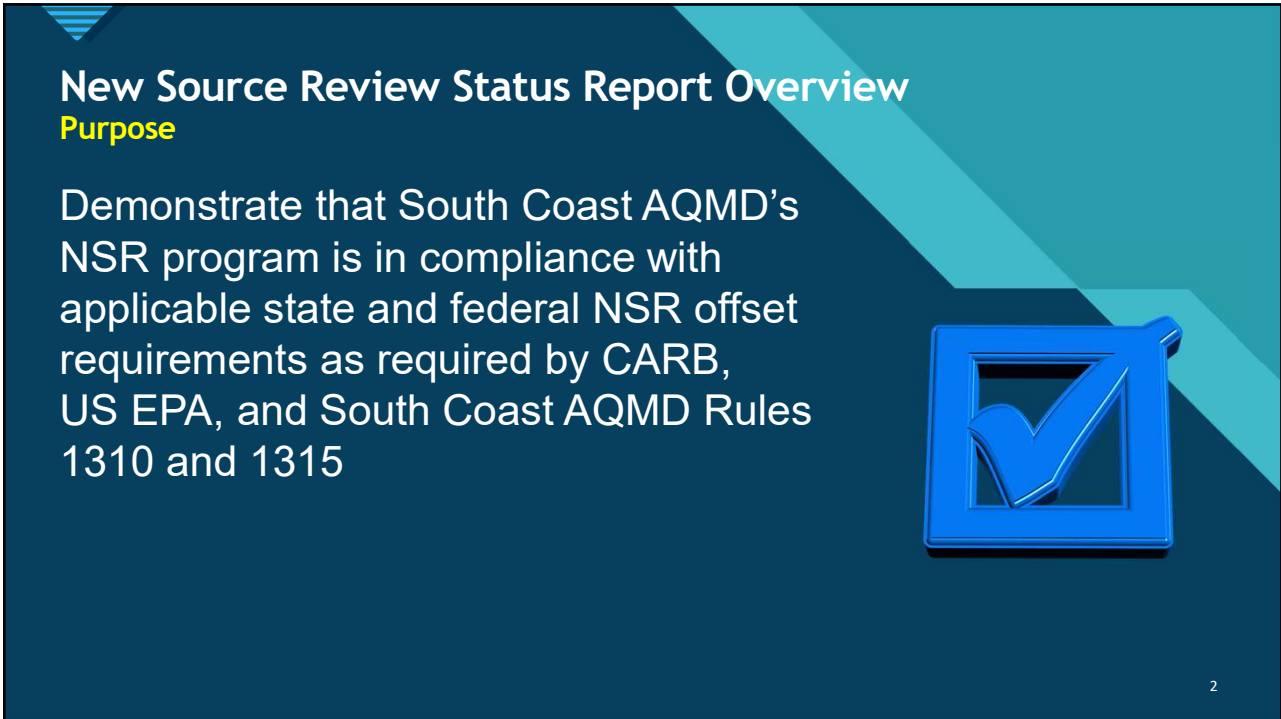
Twelve-Month Rolling Average Price Data for Compliance Year 2022 SOx RTC¹					
Reporting Month	12-Month Period	Total Volume Traded with Price During Past 12-month (tons)	Total Price of Volume Traded During Past 12-month (\$)	Number of Trades with Price	Rolling Average Price² (\$/ton)
Jan-22	Jan-21 to Dec-21	None	-	-	-

1. 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.
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 exceeds \$15,000 per ton. The average annual RTC price is reported to the Board in the Annual RECLAIM Audit Report in March of each year.



Status Report on Regulation XIII - New Source Review

Stationary Committee Meeting
January 21, 2022



New Source Review Status Report Overview

Purpose

Demonstrate that South Coast AQMD's NSR program is in compliance with applicable state and federal NSR offset requirements as required by CARB, US EPA, and South Coast AQMD Rules 1310 and 1315



NSR Status Report Overview

History

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



3

Rule 1315 - Federal NSR Tracking System

Rule 1315 established procedures to demonstrate equivalency with federal NSR offset requirements for sources exempt from offsets

- ✓ Tracks debits from and credits to South Coast AQMD's federal internal offset account for each pollutant
- ✓ Annual Preliminary Determination of Equivalency (PDE), Final Determination of Equivalency (FDE), and Projections
- ✓ Balances in South Coast AQMD's federal offset accounts must remain positive



4

Federal NSR Offset Accounts

Preliminary Determination of Equivalency (PDE), CY 2020

DESCRIPTION	(Tons / Day)			
	VOC	NOx	SOx	PM10
CY 2019 Final Ending Balance	113.22	24.26	4.37	16.87
CY 2020 Total Credits*	0.00	0.00	0.00	0.00
CY 2020 Total Debits	-0.09	-0.17	0.00	0.00
CY 2020 Total Discount of Credits for Surplus Adjustment	0.00	-0.07	0.00	0.00
CY 2020 Final Ending Balance	113.13	24.02	4.37	16.87

*The PDE does not account for any credits for CY 2020. Credits will be included in the Final Determination of Equivalency for CY 2020.

5

Projected Federal NSR Offset Accounts

CY 2021

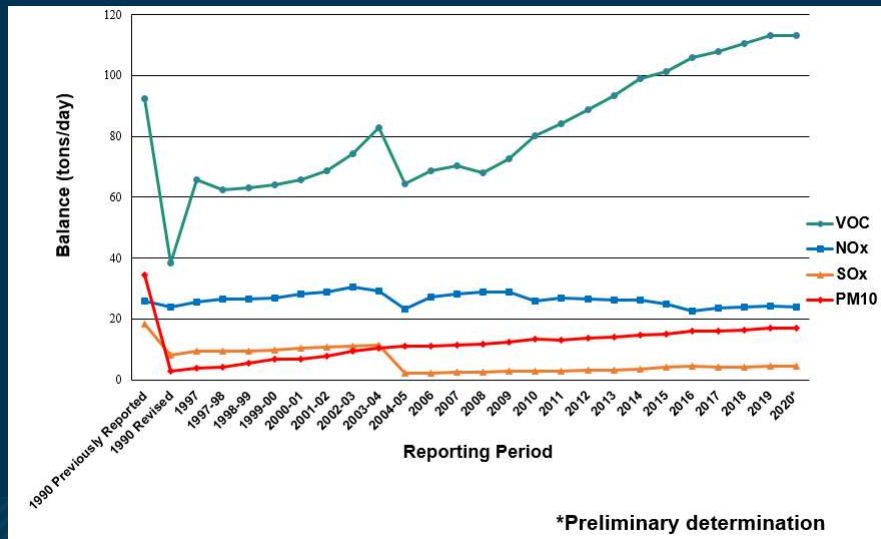
DESCRIPTION	(Tons / Day)			
	VOC	NOx	SOx	PM10
CY 2020 Final Ending Balance	113.13	24.02	4.37	16.87
CY 2021 Total Projected Credits	3.29	1.04	0.25	0.65
CY 2021 Total Projected Debits	-0.37	-0.19	-0.06	-0.18
CY 2021 Projected Ending Balance	116.05	24.87	4.56	17.34

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Projected Federal NSR Offset Accounts CY 2022

DESCRIPTION	(Tons / Day)			
	VOC	NOx	SOx	PM10
CY 2021 Projected Ending Balance	116.05	24.87	4.56	17.34
CY 2022 Total Projected Credits	3.29	1.04	0.25	0.65
CY 2022 Total Projected Debits	-0.37	-0.19	-0.06	-0.18
CY 2022 Projected Ending Balance	118.97	25.72	4.75	17.81

Federal Offset Account Balances (1990 - 2020*)



State NSR Offset Accounts

Preliminary Determination of Equivalency (PDE), CY 2020

DESCRIPTION	(Tons / Day)			
	VOC	NOx	SOx	PM10
CY 2020 Actual Starting Balance	86.57	35.40	9.11	22.72
CY 2020 Actual Total Credits*	0.00	0.00	0.00	0.00
CY 2020 Actual Total Debits	-1.11	-0.36	-0.04	0.00
CY 2020 Actual Ending Balance	85.46	35.04	9.07	22.72

*The PDE does not account for any credits for CY 2020. Credits will be included in the Final Determination of Equivalency for CY 2020.

9

Conclusions

- The preliminary analysis for CY 2020 shows South Coast AQMD's NSR program continued to be at least equivalent to the federal NSR offset requirements
- For CYs 2021 and 2022 it is also projected that South Coast AQMD's NSR program will continue to be equivalent to the federal NSR offset requirements
- The Final Determination of Equivalency for CY 2020 will be presented to the Board at its September 2022 meeting

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South Coast Air Quality Management District

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AIR QUALITY MANAGEMENT PLAN ADVISORY GROUP MEETING MINUTES

**Thursday April 16, 2020
2:00 p.m. to 4:00 p.m.**

1. Welcome, Introductions, Approval of Minutes, and Updates

Mr. Zorik Pirveysian, Planning and Rules Manager of South Coast Air Quality Management District's (South Coast AQMD) Planning, Rule Development, and Area Sources Division, called the Zoom videoconference meeting to order at 2:05 p.m. Dr. Philip Fine, Deputy Executive Officer of South Coast AQMD's Planning, Rule Development, and Area Sources Division, welcomed all participants. Self-introductions were skipped due to the Zoom videoconferencing. Dr. Fine asked if there were any comments on the previous meeting's minutes which there were none. Dr. Fine then provided an update on the 2016 AQMP related activities, including the U.S. EPA actions on the PM2.5 and Ozone State Implementation Plans (SIP) and Rule 445 amendments to address the contingency measure requirements for PM2.5 standards.

2. Upcoming State Implementation Plan Obligations

Dr. Sarah Rees, Assistant Deputy Executive Officer of South Coast AQMD's Planning, Rule Development, and Area Sources Division, provided updates on the attainment status of the 2006 24-hour PM2.5 standard for the South Coast Air Basin and the 1997 8-hour ozone standard for the Coachella Valley. Dr. Rees explained that based on the 2017–2019 monitoring data, the South Coast Air Basin did not attain the 24-hour PM2.5 standard by the 2019 attainment date. A SIP revision is due to the U.S. EPA by December 31, 2020. Elements of the SIP revision include emissions inventory update, attainment demonstration, five percent annual reductions of PM2.5 or PM2.5 precursors, additional feasible measures analysis, reasonable further progress (RFP), and contingency measures. A draft plan is scheduled to be released in fall 2020. Regarding the 1997 8-hour ozone standard in Coachella Valley, Dr. Rees mentioned that a request to reclassify the Coachella Valley from Severe to Extreme nonattainment was submitted in June 2019 which was subsequently approved by the U.S. EPA. The attainment date for the Coachella Valley as an Extreme nonattainment area is June 15, 2024. A SIP revision is due to the U.S. EPA by February 14, 2021. Key SIP elements include emissions inventory update, attainment demonstration, reasonably available control technology/measure (RACT/RACM), RFP, and contingency measures. Release of the draft plan is scheduled for fall 2020.

Comments from Advisory Group and Staff Responses:

Timing when the federal implementation plan (FIP) is triggered. Staff responded that the FIP would only be triggered upon a failure to submit a required SIP, or disapproval of a SIP submittal that was not remedied on time, or upon a failure to implement a SIP as approved.

3. 2022 AQMP Schedule and Overview

Mr. Pirveysian presented the SIP requirements for addressing the 2015 8-hour ozone standard (70 ppb) for the South Coast Air Basin (Extreme nonattainment) and Coachella Valley (Severe nonattainment) by the required deadlines. The key elements due to the U.S. EPA by August 2020 include an emissions statement certification, RACT demonstration, base year emissions inventory and vehicle miles traveled offset demonstration. The 2022 AQMP will be the next comprehensive plan which will address the other SIP requirements for the 2015 8-hour ozone standard including the attainment demonstration, RACM, RFP, transportation conformity budgets, and contingency measures. Mr. Pirveysian concluded his presentation with a draft schedule for the 2022 AQMP which is due to the U.S. EPA by August 2022.

Comments from Advisory Group and Staff Responses:

Whether the Scientific, Technical, and Modeling Peer Review (STMPR) meeting could occur earlier than June/July 2020 because baseline emissions inventory is scheduled to be submitted in August 2020. Staff responded that efforts are currently underway to prepare the updated 2017 base year inventory to meet the U.S. EPA's due date. However, staff will continue updating the emissions inventory for the base and the forecast years for the 2022 AQMP and will present the updated inventories to the STMPR and the AQMP Advisory Groups.

4. Reasonably Available Control Technology (RACT) Demonstration

Dr. Kalam Cheung, Program Supervisor of Policy/Climate/Energy/Incentives section of South Coast AQMD's Planning, Rule Development, and Area Sources Division, presented the analysis for the RACT Demonstration for the 2015 8-hour ozone standard. Dr. Cheung presented the regulatory history of RACT submittals, detailed approach for conducting the RACT Demonstration, and the summary of findings. Based on the RACT analysis, with the exception of Rule 1115 (Motor Vehicle Assembly Line Coating Operations), South Coast AQMD's current rules meet or exceed federal RACT requirements. Dr. Cheung also presented the public process and schedule for the RACT Demonstration.

Comments from Advisory Group and Staff Responses:

Assessment of economic impacts from Covid-19 pandemic on regulated community. Staff responded that it was too early to assess the corresponding economic impacts, but staff is looking at the economic outlook in terms of what it means for the regulated community and in terms of the assumptions used for future years inventory projections based on SCAG's Regional Transportation Plan (RTP). SCAG has the ability to amend their RTP after adoption.

5. 70 ppb 8-Hour Ozone Standard Baseline Inventory

Tiffany Be, Air Pollution Specialist in the Emissions Inventory Development Section of California Air Resources Board (CARB) presented the baseline emissions inventory for the 2015 8-hour ozone standard. Ms. Be went over the Clean Air Act (CAA) planning requirements for the baseline inventory for ozone nonattainment areas, the rationale for selecting 2017 as the baseline inventory year, and the major updates to the inventory including the 2013–2015 consumer and commercial product survey, EMFAC2017 on-road emissions, and off-road emissions updates. She then presented

the 2017 baseline inventory summary for the South Coast Air Basin and Coachella Valley and a comparison with the previous inventory.

Comments from Advisory Group and Staff Responses:

The impacts of Short-Lived Climate Pollutant Reduction Strategies (SB 1383) on VOC emissions from organic composting and whether there could be new standards or new technologies to reduce VOC emissions from this source category. Staff responded the implications of the changes in those regulations would be for both the control strategy and projected inventory in the future.

Inquiry on the old and new baseline NOx inventories for South Coast Air Basin and Coachella Valley. The new inventory of the NOx emissions in South Coast from on-road vehicles decreases, whereas NOx emissions increases in the Coachella Valley. Staff clarified that there are differences in emissions between what was projected in the last AQMP and the updated emissions in 2017. Therefore, the changes are not necessarily an actual increase or decrease but emissions are updated based on the latest available information. CARB staff further explained that the changes in on-road emissions were based on the differences between EMFAC2014 used in the last plan and the new EMFAC2017 used for the 2017 baseline inventory.

6. VMT Emissions Offset Demonstration

Nesamani Kalandiyur, Manager of Transportation Analysis Section at CARB gave a presentation on Vehicle Miles Traveled (VMT) offset demonstration. He described the methodology and presented the results for the on-road VMT offset demonstration for the South Coast Air Basin and Coachella Valley. For the 2032 attainment year for Coachella Valley and the 2037 attainment year for South Coast Air Basin, VOC emissions with baseline controls and VMT growth are equal to or less than those with no new measures and no VMT growth. These results indicate that the CAA requirements for VMT emissions offset demonstrations are satisfied for both South Coast Air Basin and Coachella Valley.

Comments from Advisory Group and Staff Responses:

Clarification of control measures considered in Step 4 in the methodology of the VMT Offset Demonstration. CARB staff clarified that the control measures included all the regulations adopted by CARB as well as the Transportation Control Strategies (TCS) and Transportation Control Measures (TCM) measures adopted by SCAG as part of their RTP are reflected in the attainment years on-road emissions. CARB staff further explained that Part 1 of, SAFE Vehicle Rule, is also reflected in this calculation.

Whether the same analysis was done for NOx on the VMT offset demonstration. CARB staff responded that per CAA requirements, the VMT offset demonstration is done only for VOC emissions.

7. Other Business

No additional comments, announcements, or reports from the Advisory Group members.

8. Public Comments

Municipalities in California are not taking any initiatives whether they operate the fleet of passenger cars or street sweepers or trash vehicles, and that it may be good to have a focus on the municipalities to do the same job as we expect from the rest of the industry. Staff responded that public fleets are subject to South Coast AQMD's fleet rules. Currently several categories of motor vehicles are subject to these fleet rules which are somewhat outdated. Staff is continuing to seek for additional legislative authority to be able to update these fleet rules to require the cleanest available technologies for the fleet vehicles.

9. Next Meeting tentatively planned for July/August 2020

Members Present (38)

Adrian Martinez, Earthjustice
Alexander Fung, San Gabriel Valley Council of Governments
Amy Zimpfer, United States Environmental Protection Agency (U.S. EPA), Region 9
Andy Silva, San Bernardino County Administrative Office
Bridget McCann, Western States Petroleum Association
Carlo De La Cruz, Sierra Club
Christopher Chavez, Coalition for Clean Air
Curtis Coleman, Southern California Air Quality Alliance
Dan McGivney, Southern California Gas
David Darling, American Coatings Association
David Rothbart, Southern California Alliance of Publicly Owned Treatment Works
Dawn Fenton, Volvo
Duane Baker, San Bernardino County Transportation Authority/San Bernardino Council of Governments
Frances Keeler, California Council for Environmental and Economic Balance
Greg Nord, Orange County Transportation Authority
Greg Osterman, Jet Propulsion Laboratory/NASA
John Ungvarsky, U.S. EPA
Kendal Asuncion, Los Angeles Area Chamber of Commerce
Lakshmi Jayaram, Future Ports
Lauren Nevitt, Southern California Gas
Lori Huddleston, Los Angeles County Metropolitan Transportation Authority
Lucetta Dunn, Orange County Business Council
Marc Carrel, Breathe LA
Marcos Holguin, International Longshore and Warehouse Union Locals 13, 63, and 94
Martha Masters, Riverside County Transportation Commission
Mike Carroll, Latham & Watkins
Patty Senecal, Western States Petroleum Association
Paul Ryan, California Refuse Recycling Council
Peter Okurowski, Association of American Railroads
Rhett Cash, American Coatings Association
Rita Loof, RadTech
Ryan Kenny, Clean Energy

Air Quality Management Plan Advisory Group Minutes for April 16, 2020

Sarah Wiltfong, BizFed
Stephanie Cadena, Gateway Cities Council of Governments
Thomas Jelenic, Pacific Merchant Shipping Association
Tim DeMoss, Port of Los Angeles
Todd Campbell, Clean Energy
William La Marr, California Small Business Alliance

Public Attendees and Interested Parties

Abas Goodarzi, US Hybrid
Alex Guenther, University of California, Irvine
Alyssa Rodriguez
Amy Jeffries
Bobby Gustafson
Cory Parmer, CARB
Carol Sutkus, CARB
Cynthia Pinto-Cabrera
Evelyn Kripal
Faisal Braish
Fang Yan, CARB
Francisco Donez, U.S. Environmental Protection Agency
Frank Forbes
Gabriele Pfister
Gary Fensel
Gideon Kracov, South Coast AQMD Governing Board
Greg Bush, Marathon Petroleum Corporation
Greg Roche, Clean Energy
Hao Jiang
Howard Berman
Jeff Serfass, California Hydrogen Business Council
Julia Lester, Ramboll
K Ni
Karen Calderon, Southern California Association of Governments
Lin Wang
Lisa Wunder, Port of Los Angeles
Mark Taylor
Morgan Caswell, Port of Long Beach
Nesamani Kalandiyur, CARB
Priscilla Hamilton, Southern California Gas Company
Ralph Morris, Ramboll Environ
Ross Zelen
Sam Emmerson
Scott King, Ph.D., CARB
Scott Weaver, Ramboll Environ
Sean Okamoto, Worley
Susan Collet, Toyota Motor North America, Inc.
Sylvia Vanderspek, CARB

Tiffanie Be, CARB
Tim Pohle, Airlines for America
Yasaman Azar Houshang, Alta Environmental

South Coast AQMD Staff Present

Barbara Baird, Chief Deputy Counsel
Barbara Radlein, Program Supervisor
Brian Choe, Program Supervisor
Cristina Lopez, Sr. Public Information Specialist
Jeanette Short, Sr. Public Information Specialist
Jong Hoon Lee, Ph.D., AQ Specialist
Kalam Cheung, Ph.D., Program Supervisor
Leeor Alpern, Sr. Public Information Specialist
Marc Carreras-Sospedra, Ph.D., AQ Specialist
Michael Morris, Planning and Rules Manager
Anthony Tang, Information Technology Specialist II
Philip Fine, Ph.D., Deputy Executive Officer
Rosalee Mason, Secretary
Sang-Mi Lee, Ph.D., Program Supervisor
Sarah Rees, Ph.D., Assistant Deputy Executive Officer
Scott Epstein, Ph.D., Program Supervisor
Tracy Goss, Planning and Rules Manager
Zorik Pirveysian, Planning and Rules Manager



South Coast Air Quality Management District

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AIR QUALITY MANAGEMENT PLAN ADVISORY GROUP MEETING MINUTES

Thursday, September 3, 2020
10:30 a.m. to 12:30 p.m.

1. Welcome, Introductions, Approval of Minutes, and Updates

Mr. Zorik Pirveysian, Planning and Rules Manager of South Coast Air Quality Management District's (South Coast AQMD) Planning, Rule Development, and Area Sources Division, called the Zoom videoconference meeting to order at 10:30 a.m. Dr. Sarah Rees, Assistant Deputy Executive Officer of South Coast AQMD's Planning, Rule Development, and Area Sources Division, welcomed all participants and introduced South Coast AQMD staff present. Dr. Rees asked if there were any comments on the previous meeting's minutes. Since there were no comments, the minutes were approved. Dr. Rees then provided an update on the 2016 AQMP related activities, including the recent U.S. EPA actions on the PM_{2.5} and Ozone State Implementation Plans (SIP) and Rule 445 amendments to address the contingency measure requirements for PM_{2.5} standards.

Comments from Advisory Group and Staff Responses:

No comments from the Advisory Group members on this agenda item.

Comments from Public and Staff Responses:

Comments on the implementation of solar technology, the effects of COVID-19, and the impacts of wild fires on the attainment status. Staff thanked the individual and appreciated the comments.

2. Attainment Plan for the 2006 24-hour PM_{2.5} Standard for the South Coast Air Basin

Dr. Rees provided updates on the draft attainment plan of the 2006 24-hour PM_{2.5} standard for the South Coast Air Basin. On July 10, 2020, the U.S. EPA proposed to determine that the South Coast Air Basin failed to attain the 24-hour PM_{2.5} standard by the 2019 attainment date based on the 2017–2019 monitoring data. Two sites, Mira Loma and Compton, exceeded the 24-hour PM_{2.5} standard. Due to the failure to attain by the deadline, a SIP revision is due to the U.S. EPA by December 31, 2020. Elements of the SIP revision include emissions inventory, attainment demonstration, five percent annual reductions of PM_{2.5} or PM_{2.5} precursors, additional feasible measures analysis, reasonable further progress (RFP), and contingency measures. The attainment demonstration includes a two-fold approach. The attainment demonstration for Mira Loma and other monitoring stations (except Compton) is based on the updated emissions inventory and regional air quality modeling analysis. The attainment demonstration for Compton relies on supplemental weight of evidence and air quality trend analysis based on monitoring data. Attainment is expected by 2023 relying on emission reductions from existing regulations included in the baseline. A draft plan will be released on or before September 18, 2020.

Comments from Advisory Group and Staff Responses:

No comments from the Advisory Group members on this agenda item.

Comments from Public and Staff Responses:

Inquiry on whether Compton's proximity to major surrounding freeways could have had an influence on the abnormally high PM2.5 readings in 2017. Staff responded that while higher PM2.5 levels can occur close to freeways, South Coast AQMD has near-roadway monitoring sites to quantify these impacts. The near-road site located close to Compton and adjacent to freeway I-710 measured lower PM2.5 concentrations when the Compton monitoring site experienced the peak readings in 2017, indicating the high PM2.5 levels in Compton were likely due to local human activity such as wood burning or fireworks.

Comments about concerns over fossil fuels, natural gas, and methane emissions, and that solar is competitive and should be incorporated into the new plan. Staff thanked the individual and appreciated the comments.

Inquiry regarding South Coast AQMD's plans to get low NOx trucks on the road, and the opportunities from CARB's mobile source strategy and cap and trade program. Staff responded that extensive penetration of near-zero and zero emission technology is needed to attain the ozone standards. Working groups are being established to develop specific mobile source control strategies over the next year for 2022 AQMP.

Inquiry regarding how wildfires started on government land or by arsonists affect 2006 PM2.5 attainment goals. Staff responded that South Coast AQMD works with other agencies including CALFIRE on wildfire management and prescribed burn management plans to minimize smoke impacts. While smoke from wildfires affects air quality, the days when air quality is strongly impacted by wildfire are eligible to be considered as exceptional events and be excluded from attainment determination calculations based on U.S. EPA's guidelines.

3. Coachella Valley Extreme Area Plan for the 1997 8-hour Ozone Standard

Dr. Rees provided updates on the draft attainment plan of the 1997 8-hour ozone standard for Coachella Valley. On July 10, 2019, the U.S. EPA granted South Coast AQMD's request to reclassify Coachella Valley from Serious to Extreme nonattainment, with a new attainment deadline of June 15, 2024. A SIP revision is due to the U.S. EPA by February 2021. Regional air quality modeling shows that existing rules provide the emission reductions needed for Coachella Valley to reach attainment by the deadline while recently-adopted rules and regulations since 2016 AQMP will provide additional assurance of attainment. Key SIP elements in the draft plan include emissions inventory update, attainment demonstration, reasonably available control technology/reasonably available control measure (RACT/RACM) analysis, RFP, and contingency measures. The draft plan will be released on or before September 11, 2020.

Comments from Advisory Group and Staff Responses:

Inquiry on whether the plan is specific to Coachella Valley and clarifications on the process of the RACT analysis. Staff clarified that the plan is specific to Coachella Valley. On the RACT analysis, staff explained that attainment by 2023 is expected to be achieved based on existing baseline emissions, and other recently adopted regulations provide additional emission reductions that will further ensure attainment. The RACM demonstration included in the Coachella Valley Plan builds upon the last AQMP and provides an update in some areas where there are new developments since the last AQMP. Emission reductions from all RACM, if identified, should advance the attainment

date by one year. Staff evaluated the recently adopted rules and regulations in other air agencies for additional possible control measures but did not identify any new feasible RACM.

Inquiry on whether South Coast Air Basin will need further control measures in order to reduce ozone levels in Coachella Valley, and if there will be an assessment of how COVID-19 affects ozone levels. Staff responded that modeling shows that existing regulations from 2016 AQMP for the South Coast Air Basin and regulations reflected in EMFAC 2017 are sufficient to attain the standard in Coachella Valley without additional controls. Staff is currently evaluating the impacts of COVID-19, but emission perturbations from the COVID-19 situation will not affect future attainment strategy.

Comments from Public and Staff Responses:

Inquiry on the whether the two ground ozone monitors (Palms Springs and Indio) are representative of all of Coachella Valley. Staff explained that ozone is a regional pollutant, and these two monitors are representative of a large area and are in locations consistent with U.S. EPA siting criteria. The monitors are placed where modeling shows the highest expected ozone concentrations. Due to meteorology and the closer proximity to South Coast Air Basin, Palm Springs, located further west of the Coachella Valley, shows higher levels of ozone than Indio which is located southeast of Palm Springs. Staff expects peak ozone levels to occur in northern and western Coachella Valley with concentrations decreasing further south and east. Therefore, the two existing monitors should represent the higher ozone levels in Coachella Valley.

Inquiry on who to contact regarding air quality modeling. Staff responded that Zorik Pirveysian and Sang-Mi Lee are the points of contact.

Inquiry regarding how wildfires are classified if they are started by people on government land. Staff responded that it is outside of South Coast AQMD's range of responsibilities to classify wildfires, but that smoke impacts have not been seen in Coachella Valley.

Comment that using modeling will not help reach the 2023 attainment deadline, and the transition to solar power will help climate and other problems. Staff thanked the individual and appreciated the comments.

4. 2022 AQMP Control Measure Development

Mr. Pirveysian presented updates for the 2022 AQMP, South Coast AQMD's next comprehensive plan to address the 2015 8-hour ozone standard (70 ppb) for the South Coast Air Basin (Extreme nonattainment) and Coachella Valley (Severe nonattainment). Four SIP requirements for the 2015 8-hour ozone standard that were due to the U.S. EPA on August 3, 2020, namely the base year emissions inventory, emissions statement certification, RACT demonstration, and VMT demonstration, have been adopted and submitted to the U.S. EPA by the August 3rd deadline. Other SIP requirements for the 2015 8-hour ozone standard include the attainment demonstration, RACM, RFP, transportation conformity budgets, and contingency measures. In addition to the AQMP Advisory Group, working groups for on-road mobile sources, off-road mobile sources, and residential and commercial buildings are being established to have focused discussions on potential control measures in these areas. The working groups are scheduled to meet regularly starting soon. The draft AQMP is scheduled to be released next fall, and a final AQMP is due to the U.S. EPA by August 2022.

Comments from Advisory Group and Staff Responses:

Inquiry on whether 2022 AQMP will focus specifically on 2015 ozone standard, or will it include other standards, and when will black box measures be identified. Staff responded that while the 2022 AQMP will focus on the 2015 standard, the 1997 and 2008 ozone standards will be addressed to the extent possible. South Coast AQMD submitted a Contingency Measure Plan in December 2019 to address black box reductions for the 1997 ozone standard.

Inquiry on how much NO_x reductions are needed for attainment and how reliant the plan will be on new sources of funding; also, when additional provisions for NO_x and VOCs need to be implemented via Clean Air Act Section 185(b). Staff is currently in the process of updating emissions inventory. The 2016 AQMP highlighted the need for near zero and zero emission technologies with 55% NO_x reductions needed by 2031. Based on air quality modeling analysis, NO_x controls are the fastest and most effective way for ozone attainment. The emission reductions from existing and future regulations and new measures will be estimated with incentives helping achieve the remaining balance of reductions needed for attainment. On the Section 185(b) requirement, staff responded that a program needs to be in place by 2028, 10 years prior to the attainment date of 2038, for non-attainment fees. The program will go into effect if South Coast Air Basin fails to reach attainment.

Inquiry on while NO_x emissions were reduced in the spring during the first part of the COVID-19 shutdown, a similar reduction in ozone did not take place. Staff responded that initially there were lower NO_x emissions due to reduced traffic during the COVID-19 shutdown. However, changes in weather and frequent precipitation affect the ozone levels. The rain was followed by high temperature days that promote ozone formation which also played a pivotal role in the high ozone episodes. Marginal level of NO_x reductions could result in a temporary increase of ozone due to ozone chemistry. However, significant amount of NO_x reductions would overcome this increase and result in ozone reductions. Staff is currently conducting air quality modeling for the COVID-19 shutdown period, which provides a unique opportunity to evaluate the modeling performance and attainment strategy. During COVID-19 period, there are also uncertainties regarding VOC emissions, such as increased use of disinfectant and hand sanitizers. VOCs are generally more difficult to measure, and the NO_x-to-VOC ratio is also an important factor governing ozone formation and chemistry.

Inquiry about what South Coast AQMD can do with regard to zero-emissions and near zero emissions mobile sources as well as facility-based indirect sources. Staff is continuing its efforts on facility-based mobile source measures despite South Coast AQMD's limited authority over mobile sources for indirect source rules. Staff considers an all-inclusive approach utilizing incentives, regulatory programs, leveraging CARB regulations, and voluntary commitments.

A study by Ramboll Engineering addresses the issue of no changes/increase in ozone emissions when NO_x concentrations significantly decreased. Staff is aware of the study and has had extensive discussion with the scientific community, other regulatory agencies, and the industry on the impact of NO_x since the 2016 AQMP. South Coast AQMD's strategy reflects the best-known practices to attain the ozone standards. A small reduction in NO_x results in a temporary increase in ozone, but substantial NO_x reductions will attain the ozone standard.

Comment that CARB's focus is on long-term goals, and that the 2023 attainment deadline is not a priority. Staff acknowledged the comment and thanked the individual.

Comments from Public and Staff Responses:

Inquiry on equity implications associated with pollution and near-zero emission technology and how closely South Coast AQMD works with SCAG regarding growth projections of commuters. Staff responded that the latest growth projections from 2020 RTP provided by SCAG will be used in the 2022 AQMP. South Coast AQMD sees the extensive need for near-zero technologies and will work with all levels of governments to promote and implement these technologies. Rongsheng Luo, Advisory Group member representing SCAG, responded that SCAG works closely with local jurisdictions, the public, and major stakeholders to develop growth projections and develop sustainability strategies to forecast regional trends.

Inquiry on whether South Coast AQMD can use the COVID-19 mandated shutdown to promote more telecommuting programs, if South Coast AQMD will deploy more air monitoring stations in the future, how many community members are in this group, and if more tree planting and greenspace programs can be implemented. Staff is monitoring changes in emissions due to COVID-19, and while there was a sharp decline in light duty passenger vehicles during COVID-19 shutdown, truck traffic remained at a similar level with truck emissions responsible for a significant portion of NOx emissions. Regulations are already in place for employee commute trip reductions, applicable to businesses over 250 employees. Teleworking is an option to comply with this regulation. Staff is evaluating how to further encourage telecommuting. Monitoring stations are subject to U.S. EPA siting requirements and are re-evaluated every 5 years. Biogenic emissions, including VOC emissions from trees, are already included in modeling. Low VOC tree planting programs as well as other greenhouse gas regulations from local cities are being investigated for co-benefits.

Inquiry on if there is a modeling working group, if the previously referenced in-house analysis on the relationship between NOx and ozone will be publicly available, and if emissions reductions from industries significantly affected by COVID-19, such as the airline sector, will be considered and reflected in the inventories. Staff responded that the off-road mobile source working group will address aircraft emissions and is open to ideas on how to move forward with improving modeling; the Scientific, Technical & Modeling Peer Review Advisory Group also addresses modeling at South Coast AQMD. VOC white papers developed during 2016 AQMP discuss temporary increases of ozone on the path to attainment. Temporary disbenefit is widely known in several publications. The 2022 AQMP is under development based on SCAG's growth projections. Rongsheng Luo, Advisory Group member representing SCAG, stated that long-term COVID-19 impacts will be reflected in 2024 growth projections and forecasts, but not the 2020 Regional Transportation Plan that is scheduled for adoption on the same day.

Comment that the environment is not in a clean state and renewable natural gas is not clean. Staff acknowledged the comment and thanked the individual.

5. Other Business

No additional comments, announcements, or reports from the Advisory Group members.

6. Public Comments

Comment that the incentive funding should benefit the communities. Staff acknowledged the comment and thanked the individual.

7. Next Meeting tentatively planned for November/December 2020

Members Present (43)

Adrian Martinez, Earthjustice
Alexander Fung, San Gabriel Valley Council of Governments
Amy Zimpfer, United States Environmental Protection Agency (U.S. EPA), Region 9
Bill LaMarr, California Small Business Alliance
Bridget McCann, Western States Petroleum Association
Carol Bohnenkamp, United States Environmental Protection Agency (U.S. EPA), Region 9
Christopher Chavez, Coalition for Clean Air
Chris Shimoda, California Trucking Association
Curtis Coleman, Southern California Air Quality Alliance
Dan McGivney, Southern California Gas
David Darling, American Coatings Association
David Rothbart, Southern California Alliance of Publicly Owned Treatment Works
David Pettit, Natural Resources Defense Counsel, Inc.
Dawn Fenton, Volvo
Frances Keeler, California Council for Environmental and Economic Balance
Greg Osterman, Jet Propulsion Laboratory/NASA
James Breitling, Southern California Contractors Association
Jeremy Avise, California Air Resources Board
Josh LaFarga, Laborers Local 1309
Kendal Asuncion, Los Angeles Area Chamber of Commerce
Lakshmi Jayaram, Future Ports
Lori Huddleston, Los Angeles County Metropolitan Transportation Authority
Marc Carrel, Breathe LA
Martha Masters, Riverside County Transportation Commission
Marcos Holguin, International Longshore and Warehouse Union
Margot Molloy, Association of American Railroads
Marisol Monge, Kenworth Truck Company
Michael Benjamin, California Air Resources Board
Michael Lewis, Southern California Contractors Association
Otis Greer, County of San Bernardino
Paul Ryan, California Refuse Recycling Council
Peter Herzog, NAIOP, Commercial Real Estate Development Association, SoCal Chapter
Peter Okurowski, Association of American Railroads
Richard Parks, Redeemer Community Partnership
Rita Loof, RadTech
Rongsheng Luo, Southern California Association of Governments
Ryan Kenny, Clean Energy
Priscilla Hamilton, Southern California Gas Company
Sarah Wiltfong, BizFed
Tammy Yamaski, Southern California Edison
Thomas Jelenic, Pacific Merchant Shipping Association
Tim DeMoss, Port of Los Angeles
Todd Campbell, Clean Energy

Public Attendees and Interested Parties

Aaron Rojas
Abas Goodarzi, US Hybrid
Alek Van Houghton
Alison Torres
Amber Coluso
Amy Jeffries
Charles Williams
Christine B.
Claire Garcia
Craig Sakamoto
E. Anderson
Florence Gharibian
Frank Forbes
Georgia Seivright
Greg Busch, Marathon Petroleum Corporation
Harvey Eder
Howard Berman
IBI Group
Jacqueline Moore
James Perez
Johnathan Burkett
Karin Fickerson
Kiersten Melville
Lauren Paladino
Lee Kindberg-Maersk
Lin Wang
Lisa Wunder, Port of Los Angeles
Mark Abramowitz
Marshall Waller
Matthew Densberger
Nancy Matson
Nicolas Serieys
Philip John Johnson
Robert Nguyen
Ron Brugger
Ross Zelen
Ryan McMullan
Rynda Kay
Scott King, Ph.D., CARB
Scott Weaver, Ramboll Environ
Shawn Weaver
Stephanie Bream
Tanya Seneviratne
Taylor Collison
Teja Ganapa
Tim French
Tim Pohle, Airlines for America

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Tom Williams
Tyler Harris
Yasaman Azar Houshang, Alta Environmental

South Coast AQMD Staff Present

Anthony Tang, Information Technology Supervisor
Barbara Baird, Chief Deputy Counsel
Barbara Radlein, Program Supervisor
Cristina Lopez, Sr. Public Information Specialist
Cui Ge, Ph.D., AQ Specialist
Dan Garcia, Planning and Rules Manager
Diana Thai, Program Supervisor
Elham Baranizadeh, Ph.D., AQ Specialist
Elliott Popel, AQ Specialist
Evelyn Aguilar, AQ Specialist
Ian MacMilian, Planning and Rules Manager
Jeanette Short, Sr. Public Information Specialist
Jo Kay Ghosh, Health Effects Officer
Kalam Cheung, Ph.D., Program Supervisor
Kathryn Roberts, Deputy District Counsel II
Kayla Jordan, Assistant AQ Specialist
Kelly Gamino, Program Supervisor
Lane Garcia, Program Supervisor
Marc Carreras-Sospedra, Ph.D., AQ Specialist
Melissa Maestas, Ph.D., AQ Specialist
Naveen Berry, Assistant Deputy Executive Officer
Paul Stroik, Ph.D., AQ Specialist
Pedro Piqueras, Ph.D., AQ Specialist
Philip Fine, Ph.D., Deputy Executive Officer
Rui Zhang, Ph.D., AQ Specialist
Ryan Finseth, Ph.D., AQ Specialist
Rosalee Mason, Secretary
Sang-Mi Lee, Ph.D., Program Supervisor
Sarah Rees, Ph.D., Assistant Deputy Executive Officer
Scott Epstein, Ph.D., Program Supervisor
Shah Dabirian, Ph.D., Program Supervisor
Veera Tyagi, Principal Deputy District Counsel
Xiang Li, Ph.D., AQ Specialist
Xinqiu Zhang, Ph.D., Senior Staff Specialist
Zorik Pirveysian, Planning and Rules Manager



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AIR QUALITY MANAGEMENT PLAN ADVISORY GROUP MEETING MINUTES

Wednesday, February 3, 2021
10:00 a.m.

1. Welcome, Introductions, Approval of Minutes, and 2016 AQMP Updates

Mr. Zorik Pirveysian, Planning and Rules Manager of South Coast Air Quality Management District's (South Coast AQMD) Planning, Rule Development, and Area Sources Division, called the Zoom videoconference meeting to order at 10:00 a.m. Dr. Sarah Rees, Deputy Executive Officer of South Coast AQMD's Planning, Rule Development, and Area Sources Division, welcomed all participants and introduced South Coast AQMD and California Air Resources Board (CARB) staff present. Since there were no comments on the previous meeting's minutes, the minutes were approved. Dr. Rees provided an update on the 2016 AQMP related activities including the recent U.S. EPA actions on the PM_{2.5} and Ozone State Implementation Plans (SIPs), CARB's South Coast On-Road Heavy-Duty Vehicle Incentive Measure, and contingency measure requirements.

Comments from Advisory Group and Staff Responses:

Whether the reduction for the on-road vehicle incentive measure is above and beyond the existing regulations that CARB has in effect. Staff confirmed that the reductions for this measure are beyond CARB's existing Truck and Bus Regulation.

Comments from Public and Staff Responses:

No comments from the public members on this agenda item.

2. Update on Other SIP Activities

Mr. Pirveysian provided updates on recent SIP-related activities. For the 2006 24-hour PM_{2.5} standard, the South Coast Air Basin (Basin) is classified as a Serious nonattainment area with an attainment date of 2019. Based on the 2017–2019 monitoring data, the Basin failed to attain the PM_{2.5} standard by the required deadline. Accordingly, the PM_{2.5} Attainment Plan (PM_{2.5} Plan) was prepared to address the Clean Air Act (CAA) requirements. Based on the updated emissions inventory and modeling analysis, the attainment is expected by 2023 (or earlier) based on ongoing emission reductions from implementation of adopted rules and regulations. The PM_{2.5} Plan was approved by the South Coast AQMD Governing Board in December 2020 and subsequently submitted to the U.S. EPA through CARB. Based on the preliminary PM_{2.5} design value for 2018–2020, the Basin actually met the 2006 PM_{2.5} standard by end of 2020. Exceptional event demonstrations such as wildfires or fireworks need to be submitted to the U.S. EPA. Once the U.S. EPA approves the exceptional event demonstrations and finalizes a clean data determination, attainment-related SIP requirements would be suspended.

For the 1997 8-hour ozone standard, the Coachella Valley was classified as Severe nonattainment with an attainment deadline of June 2019. Based on the monitoring data from 2016–2018, the Coachella Valley did not meet the standard by the required deadline and was subsequently

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reclassified as an Extreme nonattainment area with a new attainment date of June 2024. The Coachella Valley Extreme Area Ozone Plan was developed to address the CAA requirements for the Extreme classification. Based on the updated emissions inventory and modeling, the attainment is expected by 2023 based on ongoing emission reductions from adopted rules and regulations. The Extreme Area Ozone Plan was approved by the Governing Board in December 2020 and subsequently submitted to the U.S. EPA through CARB. Contingency measures will be addressed in a separate rulemaking process and vehicle miles traveled (VMT) offset demonstration will be addressed by CARB.

Comments from Advisory Group and Staff Responses:

No comments from the Advisory Group members on this agenda item.

Comments from Public and Staff Responses:

Comments on SCAG's VMT estimates for the region. Projections of lower VMTs are unrealistic and could adversely impact the SIP process and motor vehicle emissions budget. CARB staff responded that VMT offset is a specific requirement in the CAA demonstrating that the VMT increase is offset by transportation control strategies/measures. For the Coachella Valley, the demonstration shows that control programs in place would offset the increases in VMT. SCAG staff responded that SCAG's Regional Transportation Plan/Sustainable Community Strategy (RTP/SCS) development is an extensive process and reflects local inputs. The U.S. EPA staff also added that the VMT offset requirement dates back to the 1990 CAA Amendments and it only focuses on VOC. More information is provided in the staff report prepared by CARB.

Question on potential consequences or penalties to the region as a result of not meeting the PM2.5 standard. Staff responded that when the region fails to meet a standard, the U.S. EPA will issue a failure to attain notice which requires a new SIP that shows expeditious attainment of the standard as early as possible. The PM2.5 Plan was developed to fulfil this requirement. Potential sanctions can be triggered for failing to implement the plan.

3. Update on 2022 AQMP Development

Mr. Pirveysian presented updates on the development of the 2022 AQMP which primarily focuses on demonstrating attainment of the 2015 8-hour ozone standard of 70 ppb for which the Basin is classified as an Extreme nonattainment area with an attainment date of August 3, 2038, and the Coachella Valley is classified as a Severe nonattainment area with an attainment date of August 3, 2033. The 2022 AQMP is required to be submitted to the U.S. EPA by August 3, 2022. The other required SIP elements are the certifications for the New Source Review (NSR) and Clean Fuel for Boilers, which is due to the U.S. EPA in August 2021.

Dr. Sang-Mi Lee, Program Supervisor of Air Quality Modeling and Emissions Inventory Development, provided updates on the 2022 AQMP design values, emissions inventory, and regional modeling. Dr. Lee discussed the updated emissions inventory reflecting EMFAC2017, air quality modeling for the COVID-19 shelter-in-place period (March to May 2020) and the impact of meteorology on the Basin's ozone and PM2.5 levels. Dr. Lee reiterated that the NOx control path would provide the optimum path to attain the 8-hour ozone standards.

Mr. Pirveysian also provided quick updates on the AQMP stationary source working group (Residential and Commercial Buildings) and mobile source working groups (Heavy-Duty Trucks,

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Construction and Industrial Equipment, Ocean-Going Vessels, and Aircraft). Mr. Pirveysian concluded his presentation with the overall AQMP schedule and contact information.

Comments from Advisory Group and Staff Responses:

Question on the updated inventory for composting processes for the 2022 AQMP. Staff responded that area source inventories are reviewed and updated when applicable as part of the AQMP emissions inventory development. For the 2022 AQMP, emissions from composting processes are updated based on the latest activity data.

Inquiry on how quickly zero-emission vehicles (ZEVs) technology would come to fruition, and the need to revisit Rule 317 to avoid unintended consequences with penalties for not achieving attainment. Staff responded that the 2037 attainment date gives a longer horizon to implement clean technologies. The goal for the 2022 AQMP is to come up with specific defined measures and feasible technologies that can be implemented over this timeframe. CARB has recently adopted several regulations including the Omnibus and the Advanced Clean Truck Regulations. CARB is working with vehicle manufacturers on the supply side and with fleet vehicles on the demand side to bring as many ZEVs as possible into the market. CARB staff also explained that there are certain sources that are within federal authority such as federally-certified trucks operating in California, which account for almost 50 percent of California heavy-duty VMT, as well as construction equipment less than 175 horsepower preempted under federal law. CARB is hopeful to work with the U.S. EPA for the sources that are under CARB or federal authority to reduce emissions from heavy-duty trucks and also promote zero emission technologies at the national level.

Inquiry on South Coast AQMD's approach on the RACT demonstration for the 2022 AQMP. Staff responded that some of the U.S. EPA guidelines may be outdated and a letter was recently submitted to the U.S. EPA for consideration of updating the Control Techniques Guidelines (CTGs) for several outdated CTG categories. Staff will be looking at all available technologies and measures that have been adopted by other agencies and districts in the upcoming RACT analysis to evaluate whether there is any opportunity for further emission reductions.

Question on why the 2022 AQMP focuses only on 2015 8-hour ozone standard while there are closer deadlines for 80 ppb (2023) and 75 ppb (2031) ozone standards. Staff responded that the primary focus of this 2022 AQMP is to meet the 2015 8-hour ozone standard (70 ppb) with an attainment deadline of 2037 for the Basin and 2032 for the Coachella Valley which is statutorily required by the CAA. As strategies are developed to meet the 2015 ozone standard by 2037, staff will evaluate the benefits of the AQMP measures in the interim years.

Question on whether the ozone isopleth will change with the 2020 meteorology data. Staff responded that the ozone isopleths will be updated with 2018 meteorology data because 2018 is the base year for the 2022 AQMP. If the 2020 meteorology is used, isopleths may have different shapes, because factors affecting ambient measurement values (e.g., atmospheric transport, photochemistry, biogenic emissions and manmade emissions) are different from 2018.

Comments on the incorporation of green and renewable hydrogen and battery electric technologies for mobile transportation and building sectors into AQMP, which will help develop the infrastructure in the market and achieve reductions. Staff thanked the commenter and noted the comments.

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Question on the importance of NOx reductions compared to VOC reductions in meeting the 70 ppb ozone standard. Staff responded that NOx control strategy is the pathway to meet the 70 ppb standard.

Comments on the efficacy of continued focus on NOx reductions from stationary sources which have been well controlled over the past decades and are a small slice of total NOx emissions. Staff acknowledged that stationary sources contribute to about 20 percent of NOx emissions while mobile sources account for 80 percent of NOx emissions. To achieve the level of reductions needed for 2037 attainment, potential feasible reductions from stationary and mobile sources will be evaluated during the AQMP process.

Comments on the effects of the shifting meteorology and NOx-VOC chemistry on the ozone isopleth and on control approaches. Staff responded that per the U.S. EPA's guidelines, 2018 was chosen as the base year which represented typical ozone conditions for the Basin. Isopleth is used as general guidance to identify the best and the most effective control strategy. The U.S. EPA does not have official guidance on incorporating the impact of long-term change in meteorology on regional modeling. Staff is working with the U.S. EPA and other academic research groups to best address the impact of long-term change in meteorology on air quality.

Comments on the inclusion of strategy to meet the State 1-hour ozone standard (90 ppb) in addition to the federal 8-hour ozone standard (70 ppb). Staff responded that the primary focus of the 2022 AQMP is the 70 ppb ozone attainment as required by the federal CAA. California CAA requires nonattainment areas to continue to make progress towards achieving the state's air quality standards, but there are no fixed attainment deadlines. Staff noted the comment and would work with CARB to address the State 1-hour ozone standard.

Comments from Public and Staff Responses:

No comments from the public members on this agenda item.

4. Other Business

No additional comments, announcements, or reports from the Advisory Group members.

5. Public Comments

No additional comments from the public other than made above.

6. Next Meeting tentatively planned for May/June 2021

Members Present (32)

Andy Henderson, Building Industry Association (BIA)

Chris Shimoda, California Trucking Association

Curtis Coleman, Southern California Air Quality Alliance

Dan McGivney, Southern California Gas (SoCalGas)

David Darling, American Coatings Association

David Pettit, Natural Resources Defense Council, Inc. (NRDC)

David Rothbart, Southern California Alliance of Publicly Owned Treatment Works (SCAP)

Air Quality Management Plan Advisory Group Minutes for February 3, 2021 Meeting

Frances Keeler, California Council for Environmental and Economic Balance
Greg Nord, Orange County Transportation Authority (OCTA)
Greg Osterman, Jet Propulsion Laboratory/NASA
John Ungvarsky, U.S. EPA
Kendal Asuncion, Los Angeles Area Chamber of Commerce
Kim Fuentes, South Bay Cities Council of Governments
Lori Huddleston, Los Angeles County Metropolitan Transportation Authority (LA Metro)
Marc Carrel, Breathe LA
Marcos Holguin, International Longshore and Warehouse Union (ILWU) Locals 13, 63, and 94
Michael Lewis, Southern California Contractors Association
Patty Senecal, Western States Petroleum Association (WSPA)
Paul Ryan, California Refuse Recycling Council
Peter Herzog, NAIOP, Commercial Real Estate Development Association, SoCal Chapter
Peter Okurowski, Association of American Railroads
Priscilla Hamilton, Southern California Gas (SoCalGas)
Richard Parks, Redeemer Community Partnership
Rita Loof, RadTech
Rongsheng Luo, Southern California Association of Governments
Samuel McLaughlin, Volvo
Tammy Yamasaki, Southern California Edison (SCE)
Teresa Pisano, Port of Los Angeles
Thomas Jelenić, Pacific Merchant Shipping Association (PMSA)
Tim DeMoss, Port of Los Angeles
Todd Campbell, Clean Energy
William Zobel, California Hydrogen Business Council

Public Attendees and Interested Parties

Alan De Salvio, Mojave Desert AQMD
Alek Van Houghton, Ramboll
Amber Coluso, Port of Los Angeles
Annaleigh Ekman
Benjamin Leers
Bertrand Gaschot, Mojave Desert AQMD
Betsy Brien, PBF Energy
Bill LaMarr
Bobby Gustafson, Riverside County
Carlo Gavina
Charles Williams, The Lion Electric
Chris Gabelich, Metropolitan Water District of Southern California
Christine Batikian, Port of Los Angeles
Claire Garcia, The Lion Electric
Craig Sakamoto, PBF Energy
Cynthia Rollins, CoolSys, Inc.
Danielle Morone, Gatzke Dillon & Ballance LLP
Dianne Brickman, Sherwin-Williams
Elio Torrealba, SA Recycling
Eric Anderson, Toyota
Erin Berger, Southern California Gas (SoCalGas)

Air Quality Management Plan Advisory Group Minutes for February 3, 2021 Meeting

Greg Busch, Marathon Petroleum
Howard Berman, E4 Strategic Solutions
Janet Baad, Alaska Airlines
Jessica Coria, San Joaquin Valley APCD
Joe Leighton, Chevron
John Cho, Southern California Association of Governments
Lakshmi Jayaram, Ramboll/Future Ports
Lin Wang, Los Angeles World Airports
Loraine Lundquist
Madison Perkins, San Joaquin Valley APCD
Mana Sangkapichai, Southern California Association of Governments
Mark Abramowitz, Community Environmental Services, Inc. (CES)
Mark Taylor, San Bernardino County
Marshall Waller, Phillips 66
Michael Corder, San Joaquin Valley APCD
Mike Tunnell, American Trucking Associations
Mugi Lukito, Southern California Gas (SoCalGas)
Noel Muyco
Pat Dewey, Bosch
Ramine Cromartie, Western States Petroleum Association (WSPA)
Renee Nygaard, PBF Energy
Sam Pournazeri, CARB
Scott King, CARB
Scott Weaver, Ramboll
Susie Rodriguez, APM Terminals
Sylvia Vanderspek, CARB
Teja Ganapa, Los Angeles Department of Water and Power (LADWP)/University of Southern California
Tim French, Chicago Law Partners, LLC
Timothy Pohle, Airlines for America
Tom Swenson, Cummins
Tyler Harris, Ventura County APCD

South Coast AQMD Staff Present

Anthony Tang, Information Technology Supervisor
Carol Gomez, Planning and Rules Manager
Cristina Lopez, Sr. Public Information Specialist
Cui Ge, Air Quality Specialist
Elliott Popel, Air Quality Specialist
Eric Praske, Air Quality Specialist
Jong Hoon Lee, Air Quality Specialist
Josephine Lee, Sr. Deputy District Counsel
Kalam Cheung, Program Supervisor
Kathryn Roberts, Deputy District Counsel
Kayla Jordan, Air Quality Specialist
Kelly Gamino, Program Supervisor
Lane Garcia, Program Supervisor
Laurence Brown, Air Quality Specialist

Air Quality Management Plan Advisory Group Minutes for February 3, 2021 Meeting

Matt Miyasato, Deputy Executive Officer
Michael Krause, Planning and Rules Manager
Naveen Berry, Assistance Deputy Executive Officer
Paul Wright, Sr. Information Technology Specialist
Ricky Lai, Air Quality Specialist
Rosalee Mason, Secretary
Rui Zhang, Air Quality Specialist
Sang-Mi Lee, Program Supervisor
Sarah Rees, Deputy Executive Officer
Scott Epstein, Program Supervisor
Shah Dabirian, Program Supervisor
Veera Tyagi, Principal Deputy District Counsel
Wei Li, Air Quality Specialist
Xinqiu Zhang, Sr. Staff Specialist
Yanrong Zhu, Air Quality Specialist
Zorik Pirveysian, Planning and Rules Manager



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AIR QUALITY MANAGEMENT PLAN ADVISORY GROUP MEETING MINUTES

Tuesday May 18, 2021

1:00 p.m.

1. Welcome, Introductions, Approval of Minutes, and 2016 AQMP Updates

Dr. Sarah Rees, Deputy Executive Officer of South Coast AQMD's Planning, Rule Development, and Area Sources Division, called the virtual meeting to order at 1:00 pm, welcomed all participants and introduced South Coast AQMD staff present. Dr. Rees asked if there were any comments on the previous meeting's minutes. Since there were no comments, the minutes were approved. Dr. Rees then provided an update on the 2016 AQMP implementation including several regulatory actions adopted by South Coast AQMD and the California Air Resources Board (CARB).

Comments from Advisory Group and Staff Responses:

Inquiry on whether South Coast AQMD will attain the 2023 ozone standard, and if South Coast AQMD or CARB is responsible for attainment; stationary sources should not be penalized for nonattainment attributable to small reductions from mobile sources. Staff responded that it would be challenging to meet the 2023 standard based on the level of reductions needed for attainment. South Coast AQMD and CARB share this obligation. Section 185 fee requirement for major stationary sources is part of the federal Clean Air Act (CAA) provisions for not attaining the NAAQS.

Comments from Public and Staff Responses:

No comments from the Public on this agenda item.

2. Certification of Nonattainment New Source Review and Clean Fuels for Boilers Compliance Demonstration

Dr. Kalam Cheung, Program Supervisor of Policy, Climate, Energy, and Incentives provided an update on the specific SIP requirements for the 2015 8-hour ozone standard (70 ppb) for the South Coast Air Basin (Extreme nonattainment) and Coachella Valley (Severe nonattainment) related to Nonattainment New Source Review (NSR) and Clean Fuels for Boilers. Under NSR requirements, new sources must install the lowest achievable emission rate (LAER), offset emissions increases from new or modified sources, and have public participation in the permitting process. Based on staff's evaluation, the South Coast AQMD's NSR program is at least as stringent as the CAA requirements. In January 2021, the D.C. Circuit Court of Appeals ruled that Interpollutant Trading violates the CAA. As such, South Coast AQMD certifies not to use the IPT provision in the NSR program and commits to remove the IPT provision from Rule 1309 in a future rule amendment. The Clean Fuels for Boilers SIP element requires the use of clean fuels or advanced control technologies for electric utility and industrial and commercial boilers that emit more than 25 tons/year of NO_x in extreme nonattainment areas. South Coast AQMD meets this requirement through Rules 1146, 2002, 2004, and 1303. A certification was prepared to demonstrate that South Coast AQMD's rules and regulations meet the CAA requirements for Nonattainment NSR and Clean Fuels for Boilers for the 2015 8-hour ozone NAAQS. The Draft Final

Certification was released on May 4th and will be presented to the South Coast AQMD Governing Board on June 4th for approval and submission to U.S. EPA through CARB.

Comments from Advisory Group and Staff Responses:

Inquiry on what Reasonably Available Control Measures (RACM) process entails. Staff responded that RACM is due to the U.S. EPA in August 2022, and the evaluation will be included as part of the 2022 AQMP. RACM applies to both stationary and mobile sources. In general, RACM analysis includes an evaluation of rules and regulations from other agencies as well as the latest technologies that are available, feasible, and cost effective. More details will be provided in the next two Advisory Group meetings.

Comments from Public and Staff Responses:

No comments from the Public on this agenda item.

3. Update on 2022 AQMP Emissions Inventory

Dr. Sang-Mi Lee, Program Supervisor of Air Quality Modeling and Emissions Inventory Development provided updates on the preliminary emissions inventory for the 2018 base year and future attainment years' emissions. Emissions inventory is categorized into point, area, on-road mobile and off-road mobile sources, each developed with category-specific methodologies. While total NO_x continues to decrease over time, the preliminary 2022 AQMP NO_x inventory is higher in future years (2023 and 2031) compared to the 2016 AQMP inventory. Stationary point and area source emissions are estimated to be lower than the 2016 inventory, while off-road emissions are higher in the 2022 update. Both plans indicate stationary sources are the major contributor of VOCs, increasing in future years due to population and economic growth. Travel activity data and vehicle emissions rates are the main inputs to determine on-road emissions. The 2022 AQMP inventory uses travel activity data from the 2020 Regional Transportation Plan for on-road emissions, resulting in a slower rate of increase for Heavy Duty vehicles' Vehicle Miles Traveled (VMT) compared to the 2016 AQMP. The use of EMFAC 2017 in 2022 AQMP results in higher NO_x (lower VOC) vehicle emissions rates and increased NO_x (decreased VOC) emissions relative to EMFAC 2014. The slower VMT growth and higher NO_x emissions rate offset each other and resulted in the 2022 AQMP on-road NO_x emissions similar to the 2016 AQMP inventory. VOC emissions from on-road mobile sources are slightly lower in the 2022 AQMP inventory. Several off-road mobile source categories are still under development and will be updated in the near future.

Comments from Advisory Group and Staff Responses:

Inquiry on the cause of increase in VOCs from stationary sources. Staff responded that most of the increase is due to area source categories, which are linked to population growth, industry growth, and economic growth. A significant portion of the increase in VOCs is from consumer products such as hairsprays and cleaning detergents.

Inquiry on what category construction equipment emissions fall under. Staff responded that construction equipment is included in the off-road mobile source category. This category is currently being updated and there will be more information at future AQMP Advisory Group meetings.

Inquiry on why the 2018 Emissions Inventory uses EMFAC2017 instead of EMFAC2021. Staff responded that South Coast AQMD must use the U.S. EPA-approved version of EMFAC, which is

EMFAC2017. Impacts from regulations adopted since EMFAC2017 are accounted for through external adjustment factors.

Comments from Public and Staff Responses:

No comments from the Public on this agenda item.

4. Update on 2022 AQMP Working Groups

Mr. Zorik Pirveysian, Planning and Rules Manager of South Coast AQMD's Planning, Rule Development, and Area Sources Division, introduced the five Working Groups established to identify specific strategies for the 2022 AQMP attainment demonstration. These Working Groups are Residential and Commercial Buildings, Heavy-Duty Trucks, Construction and Industrial Equipment, Ocean-Going Vessels, and Aircraft. Other mobile sources not covered in these groups are going through their own public processes by South Coast AQMD and CARB. Mr. Michael Krause, Planning and Rules Manager of South Coast AQMD's Planning, Rule Development, and Area Sources Division provided an update on the Residential and Commercial Buildings Working Group. Mr. Pirveysian continued the presentation on current and proposed regulations as well as potential strategies for the heavy-duty trucks, construction and industrial equipment, ocean-going vessels, and aircraft. The next series of working group meetings are planned for June to continue evaluation of control strategies.

Comments from Advisory Group and Staff Responses:

Inquiry on reductions for adopted regulations for heavy duty trucks. Staff responded that emission reductions for CARB's adopted regulations were provided by CARB staff.

Inquiry on the process of translating concepts into actual proposals for OGVs. Staff responded that the purpose of working groups is to work with all stakeholders to define specific strategies for different categories for the 2022 AQMP, including OGVs.

Comment that reductions from Advanced Clean Trucks (ACT) regulation and reductions from Advanced Clean Fleet (ACF)/Zero Emissions Drayage regulation appear to be double counted. CARB staff responded that ACT requires manufacturers to sell a certain percentage of ZE trucks starting from model year 2024, while ACF is a regulation for fleet owners. Emissions reductions from ACF above and beyond ACT are due to additional ZEVs. The reductions are still preliminary and will continue to be refined.

Inquiry on if there will be a technical report for mobile source strategy to understand how numbers were derived and what assumptions were made, and if there was any analysis on feasibility. Staff responded that the CARB's Mobile Source Strategy is the basis for developing the State SIP strategy which will have more specific strategies and targets as a part of the 2022 AQMP. CARB staff responded that the Mobile Source Strategy is more of a long-term scoping document. It provides the potential pathways forward while considering feasibility to balance long-term air quality and climate goals with the state of technology. Over the next few months, CARB will identify the elements of the Mobile Source Strategy to be incorporated into the 2022 AQMP and State SIP Strategy as specific control measures for mobile sources.

Inquiry if specific components of various aspirational future scenarios will be in SIP Strategy or are emissions reductions changes anticipated from each individual element. CARB staff responded that it

can be a combination of both as plans are developed. The broader vision of Mobile Source Strategy will be captured and reflected in these more specific planning documents. South Coast AQMD staff added that over the next few months, the emissions inventory and forecast will be updated, and modeling will be conducted to determine preliminary carrying capacity and the needed emission reductions by 2037. Significant NO_x reductions will likely be required for attainment demonstration similar to the results in the 2016 AQMP.

Inquiry about CEQA implications and what impacts electrification could have on electrical transmission requirements, mining lithium or rare earths, outsource mining, and who is responsible for assessing these impacts. Staff responded that electrification impacts were considered and estimated in the 2016 AQMP. A CEQA analysis and an Environmental Impact Report (EIR) will be done for the 2022 AQMP. CARB staff also responded that a CEQA analysis is done for all air quality planning documents, including the 2022 State SIP Strategy and Mobile Source Strategy. There are also federal regulations on mining critical minerals and rare earths.

Comments from Public and Staff Responses:

No comments from the Public on this agenda item.

5. South Coast Air Basin PM₁₀ Maintenance Plan for 1987 24-hour PM₁₀ Standard

Dr. Scott Epstein, Program Supervisor of Air Quality Assessment, presented the PM₁₀ Maintenance Plan for the 1987 24-hour PM₁₀ Standard. In July 2013, South Coast Air Basin attained the PM₁₀ standard and has been in attainment since then. The Maintenance Plan, due to EPA in July 2021, demonstrates how South Coast AQMD will continue to attain through two successive parts. The first part of the Plan covers 2013-2023, and the second part covers 2023-2035. The Plan addresses 5 key elements including meteorology and air quality technical analysis, a Maintenance Demonstration to show continued attainment, a commitment to maintain future monitoring network, a commitment to verify continued attainment, and establishment of a contingency plan. South Coast Air Basin has maintained attainment of the PM₁₀ Standard in the first period, after the exclusion of exceptional events. Road dust and construction and demolition are the most significant direct sources of PM₁₀, while NO_x and VOCs are precursors and indirect sources of PM. South Coast Air Basin is expected to maintain attainment through 2035. The Contingency Plan will be activated if the standard is exceeded, with exclusion of exceptional events. The Final Draft Maintenance Plan was released on May 4th and will be presented to the South Coast AQMD Governing Board on June 4th for approval and submission to U.S. EPA through CARB.

Comments from Advisory Group and Staff Responses:

Inquiry on whether drought is considered an exceptional event. Staff responded that drought is explicitly not considered an exceptional event. The most common exceptional event for PM₁₀ is high winds. If the soil becomes dry from drought, high PM₁₀ episodes are more likely to occur with high winds.

Comments from Public and Staff Responses:

Inquiry on whether South Coast AQMD models future PM₁₀ emissions from the operation of newly installed SCRs under Rule 1109.1. Staff responded that while installing new SCRs under 1109.1 may increase PM emissions, this type of modeling was not done specifically for the PM₁₀ Maintenance Plan. Emissions from major facilities are required to be reported to South Coast AQMD through Annual Emissions Reporting (AER) and these reported emissions are included in the PM₁₀ Maintenance Plan.

Regulations on PM precursors have created a large margin in the emissions inventory to maintain PM10 attainment. So even if there is an increase in PM10, and more likely PM2.5 from the use of SCRs, it will not interfere with the maintenance attainment status. Any potential increase in newly installed SCRs will be reported in AER and accounted for in the inventory.

6. Other Business

No additional comments, announcements, or reports from the Advisory Group members.

7. Public Comment

No additional comments, announcements, or reports from the Public.

8. Next Meeting tentatively planned for July/August 2021

Members Present (23)

Bill LaMarr, California Small Business Alliance
Bridget McCann, Western States Petroleum Association
Christopher Chavez, Coalition for Clean Air
Chris Shimoda, California Trucking Association
Curtis Coleman, Southern California Air Quality Alliance
Dan McGivney, Southern California Gas
David Rothbart, Southern California Alliance of Publicly Owned Treatment Works
Dawn Fenton, Volvo
Frances Keeler, California Council for Environmental and Economic Balance
Greg Osterman, Jet Propulsion Laboratory/NASA
Jeremy Avise, California Air Resources Board
Marc Carrel, Breathe LA
Martha Masters, Riverside County Transportation Commission
Marcos Holguin, International Longshore and Warehouse Union
Michael Benjamin, California Air Resources Board
Paul Ryan, California Refuse Recycling Council
Peter Herzog, NAIOP, Commercial Real Estate Development Association, SoCal Chapter
Peter Okurowski, Association of American Railroads
Rita Loof, RadTech
Tammy Yamaski, Southern California Edison
Teresa Pisano, Port of Los Angeles
Thomas Jelenic, Pacific Merchant Shipping Association
Tim DeMoss, Port of Los Angeles

Public Attendees and Interested Parties (54)

Abas Goodarzi, US Hybrid
Alan De Salvio
Alison Torres
Allison Skidd
Andy Henderson

Air Quality Management Plan Advisory Group Minutes for May 18, 2021

Annaleigh Ekman
Archana
Ariel Fideldy
Ben Leers
Bernadette Shahin
Bertrand Gaschot, MDAQMD
Billy Leung
Chenxia Cai
Christine Batikian
Cory Parmer, CARB
Craig Sakamoto
Duane Baker
Eric Anderson
Erin Berger, Southern California Gas
Fang Yan, CARB
Fernando Gaytan, Earth Justice
Greg Nord
Howard Berman
Hsi-Hwa Hu, SCAG
Jacqueline Moore
James Perez
Janet Whittick
Jennifer K
Julia Lester, Ramboll
Melissa McMeechan
Michael Corder
Michelle Zumwalt - MDAQMD
Kiersten Melville
Kim Fuentes
Leonardo Ramirez
Mana Sangkapichai, SCAG
Mark Abramowitz
Marshall Waller
Mathew Watson
Morgan Caswell
Nicole Sanoski
Robert Freeman
Ramine Cromartie
Rynda Kay
Scott King, Ph.D., CARB
Scott Weaver, Ramboll Environ
Shawn Tieu
Sheilla Hadayat
Stephanie Ng
Steven Wadding
Sylvia Vanderspek
Tim French

Tim Pohle, Airlines for America
Tyler Nguyen

South Coast AQMD Staff Present (31)

Anthony Tang, Information Technology Supervisor
Barbara Baird, Chief Deputy Counsel
Brian Choe, Program Supervisor
Cui Ge, Ph.D., AQ Specialist
Eric Praske, Ph.D., AQ Specialist
Gary Quinn, Program Supervisor
Ian MacMillan, Assistant Deputy Executive Officer
Jong Hoon Lee, Ph.D., AQ Specialist
Kalam Cheung, Ph.D., Program Supervisor
Kathryn Roberts, Deputy District Counsel II
Kayla Jordan, Assistant AQ Specialist
Lisa Tanaka O'Malley, Assistant Deputy Executive Officer
Marc Carreras-Sospedra, Ph.D., AQ Specialist
Mark Henninger, Information Technology Manager
Matt Miyasato, Ph.D., Deputy Executive Officer
Michael Krause, Planning and Rules Manager
Nico Schulte, Ph.D., AQ Specialist
Paul Stroik, Ph.D., AQ Specialist
Paul Wright, Senior Information Technology Specialist
Ricky Lai, AQ Specialist
Rosalee Mason, Secretary
Rui Zhang, Ph.D., AQ Specialist
Sang-Mi Lee, Ph.D., Program Supervisor
Sarah Rees, Ph.D., Deputy Executive Officer
Scott Epstein, Ph.D., Program Supervisor
Shah Dabirian, Ph.D., Program Supervisor
Veera Tyagi, Principal Deputy District Counsel
Vicki White, Technology Implementation Manager
Wei Li, Ph.D. AQ Specialist
Xinqiu Zhang, Ph.D., Senior Staff Specialist
Zorik Pirveysian, Planning and Rules Manager



South Coast Air Quality Management District

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AIR QUALITY MANAGEMENT PLAN ADVISORY GROUP MEETING MINUTES

Friday, August 27, 2021
1:00 p.m.

1. Welcome, Introductions, and Approval of Minutes

Ian MacMillan, Assistant Deputy Executive Officer of South Coast AQMD's Planning, Rule Development, and Area Sources Division, called the virtual meeting to order at 1:00 pm, welcomed all participants and introduced South Coast AQMD staff and Advisory Group members present. Mr. MacMillan asked if there were any comments on the previous meeting's minutes. Since there were no comments, the minutes were approved.

Comments from Advisory Group and Staff Responses:

No comments from the Advisory Group on this agenda item.

Comments from Public and Staff Responses:

No comments from the Public on this agenda item.

2. 2022 AQMP Reasonably Available Control Measures (RACM) Demonstration Methodology for Stationary Sources

Dr. Kalam Cheung, Program Supervisor of Policy, Climate, Energy, and Incentives presented the methodology for RACM demonstration for stationary sources. Dr. Cheung provided the overview of RACM requirements, and presented the seven-step analysis for RACM which includes (i) Updated RACT/Prior RACM, (ii) EPA's Technical Support Documents, (iii) Control Measures Beyond RACM in 2016 AQMP, (iv) Other Districts' Control Measures, (v) EPA's Menu of Control Measures, (vi) EPA's Guidance Documents, and (vii) Control Measures Workshop and Working Group.

Comments from Advisory Group and Staff Responses:

Inquiry on how cost-effectiveness is calculated for mobile sources compared to stationary sources and availability of a cost-effectiveness number for mobile source measures. Staff responded that in the 2016 AQMP, \$50,000 per ton of NO_x reduced was used as threshold that triggers additional economic studies. The approach for cost effectiveness thresholds for the 2022 AQMP has not yet been determined. CARB staff responded that CARB uses a similar approach to South Coast AQMD for mobile source measures. Cost-effectiveness and technological feasibility assessment will be conducted for all measures included in CARB's 2022 State SIP strategy. Future workshops will propose specific dollar-per-ton cost-effectiveness thresholds for mobile sources.

Comment that South Coast AQMD needs to partner with U.S. EPA to revise the outdated Control Technique Guidelines (CTG) for ultraviolet/electron beam (UV/EB) technology. Staff responded that South Coast AQMD staff submitted a comment letter in June 2020 to recommend U.S. EPA to consider revisiting and updating all outdated CTGs. Once U.S. EPA's CTG documents are revised, staff will update the RACT analysis to reflect the current state of technology. The comparisons with recently adopted rules and regulations by other agencies, as well as the most recent versions of U.S. EPA

guidance documents and their technical support documents, would capture the latest technology development in this source category.

Inquiry on potential RACM rejected in 2016 AQMP. Staff responded that in the 2016 AQMP, a seven-step analysis was conducted to identify potential RACM. Based on the analysis, 20 potential RACM were identified and evaluated in more detail. Ten of the 20 measures were rejected as RACM because they were not technologically feasible or cost-effective to implement at the time of the evaluation. As technology evolves and cost of control is updated, these 10 measures will be evaluated again in this AQMP to re-assess feasibility based on updated information.

Comments from Public and Staff Responses:

Comment regarding the need for evaluation of solar technology for the 2022 AQMP. Staff thanked the individual and noted the comment.

Comment to evaluate permits and literature search to determine RACM and reevaluate traditional cost-effectiveness criteria to determine economic feasibility. Staff thanked the individual and noted the comments.

3. Updates on 2022 AQMP Emissions Inventory and Air Quality Modeling

Dr. Sang-Mi Lee, Program Supervisor of Air Quality Modeling and Emissions Inventory Development presented preliminary emissions inventory for the 2022 AQMP. The presentation included emissions from stationary, on-road mobile, and off-road mobile sources for the base (2018) and future milestone years (2023, 2031 and 2037). Dr. Lee provided comparisons between the preliminary emissions inventory and the 2016 AQMP emissions inventory, which were due to updated economic growth scalars, recently adopted regulations, and update methodologies where applicable. She also provided updates on air quality modeling to predict ozone and PM_{2.5} levels for the Basin, the Coachella Valley and adjacent air basins. Specifically, state-of-the-art tools were developed to allocate emissions from on-road mobile sources, ocean going vessels and aircraft to a modeling grid. These approaches utilize big data collected via remote sensing, sensors, and satellite-based communication.

Comments from Advisory Group and Staff Responses:

Comment that as more sources enter the Annual Emissions Reporting (AER) program in future years, projected contribution to total NO_x emissions from area sources versus point sources may change in the future. Staff responded that the distinction between area source and point source might be different depending on geographical areas. Point source emissions are reported data by facilities subject to AER. Area sources include permitted sources which are not included in point sources and aggregated sources that cannot be tracked individually. Emissions from residential fuel combustion or personal use products (consumer products) are example of area sources. Staff ensured emissions are not double counted in both area and point sources inadvertently through a “point-area source reconciliation” process.

Comments from Public and Staff Responses:

No comments from the Public on this agenda item.

4. Meteorological Impact on High Ozone Episodes in South Coast Air Basin

Dr. Sang-Mi Lee gave a presentation on the meteorological impact on high ozone episodes, which includes two independent approaches – one approach is based on a study conducted by external consultants and the other is an in-house approach conducted by South Coast AQMD staff. The results showed that ozone levels in the Basin are highly sensitive to meteorology, which fluctuates every year due to atmospheric dynamics. She also noted that it is challenging to precisely quantify the impact due to large uncertainties in emissions and volatile precursor levels in a large, heterogeneous urban air shed. Dr. Lee explained that high ozone concentrations for the next three decades show a marginally decreasing trend with the baseline emissions, while reduced emissions scenarios were predicted to show attainment of ozone standards, despite climate change.

Comments from Advisory Group and Staff Responses:

Inquiry on South Coast AQMD's next steps to analyze meteorological impact over a longer time frame than five years in the future, provided U.S. EPA recommends a span of no less than 20 years to account for climate signal in attainment demonstration. Staff responded that U.S. EPA does not recommend reflecting climate changes on attainment demonstration which has less than 20 year time span. Staff is working very closely with scientists in U.S. EPA, and CARB to address the long-term meteorological impact in the 2022 AQMP. Key factors such as long-range transport, background ozone, biogenic emissions, and other uncertainties, would be considered in the weight of evidence discussion.

Comments from Public and Staff Responses:

Inquiry on how real-world ozone levels in the South Coast Air Basin decreased while the number of exceedances was highest in 2020 since 1997. Staff explained there are different metrics to evaluate ozone air quality. Common metrics include U.S. EPA's standard using the 4th highest concentration in a year, averaged over a three-year period (design value), or the number of days exceeding this standard. Although exceedances and the design value have not reduced as much as desired in recent years, other metrics show that progress is still being made. For example, emissions levels continue to decline, and modeling demonstrates that this approach will overcome any natural fluctuation due to year-to-year meteorological variability. This fluctuation is expected to impact each metric differently, but overall there is a strong correlation between the significant reductions in NO_x and VOC emissions at a multi-decade scale and subsequent reduced ozone levels.

Comment that zero-emission solar conversion should be considered. Staff thanked the individual and noted the comment.

5. Update on 2022 AQMP Working Groups

Mr. Michael Krause, Planning and Rules Manager, provided updates on Residential and Commercial Buildings Working Group for the 2022 AQMP. Mr. Zorik Pirveysian, Planning and Rules Manager, provided updates on Mobile Source Working Groups, including Heavy-Duty Trucks, Construction and Industrial Equipment, Ocean-Going Vessels, and Aircraft Working Groups, and introduced potential control strategies for each of these mobile sources.

Comments from Advisory Group and Staff Responses:

Inquiry on whether funding strategies for incentive measures are specific to source categories. Staff responded that there will be a separate working group to discuss funding requirements, including how much funding is needed and the sources of funding.

Inquiry on the information on the cargo handling equipment working group. CARB staff answered that there is no specific working group on cargo handling equipment. As part of the regulatory development for cargo handling equipment, workshops and working group meetings where stakeholders can provide feedback will soon take place. CARB is updating the emissions inventory for cargo handling equipment with more up-to-date information through a public process.

Comment to consider additional working group process for statewide activity to address infrastructure needs. CARB staff responded that CARB would host future State SIP Strategy workshops for both hydrogen and zero-emission infrastructure. Staff will look at infrastructure holistically, including the grid reliability, grid connections, and cost at the statewide level.

Comments from Public and Staff Responses:

No comments from the Public on this agenda item.

6. Other Business

No additional comments, announcements, or reports from the Advisory Group members.

7. Public Comment

No additional comments, announcements, or reports from the Public.

8. Next Meeting tentatively planned for October/November 2021

Members Present (21)

Curtis Coleman, Sothern California Air Quality Alliance
Dan McGivney, Southern California Gas (SoCalGas)
David Rothbart, Southern California Alliance of Publicly Owned Treatment Works
David Darling, American Coatings Association
Greg Nord, Orange County Transportation Authority (OCTA)
Janet Whittick, California Council for Environmental and Economic Balance (CCEEB)
John Ungvasky, United States Environmental Protection Agency (U.S. EPA), Region 9
Kim Fuentes, South Bay Cities Council of Governments
Lakshmi Jayaram, Future Ports
Lori Huddleston, Los Angeles County Metropolitan Transportation Authority (LA Metro)
Marcos R. Holguin, International Longshore and Warehouse Union (ILWU) Locals 13, 63, and 94
Martha Masters, Riverside County Transportation Commission (RCTC)
Michael Carroll, Latham & Watkins LLP
Michael Lewis, Southern California Contractors Association
Paul Ryan, California Refuse Recycling Council
Peter Okurowski, Association of American Railroads
Ramine Cromartie, Western States Petroleum Association (WSPA)

Rita Loof, RadTech
Rongsheng Luo, Southern California Association of Governments (SCAG)
Thomas Jelenić, Pacific Merchant Shipping Association (PMSA)
William La Marr, California Small Business Alliance

Public Attendees and Interested Parties (45)

Abas Goodarzi, US Hybrid
Alek Van Houghton, Ramboll
Ali Ghasemi, Ventura County APCD
Amy Dryden, Association for Energy Affordability Inc.
Amy Jeffries, Boeing
Anjali Deodhar, Viatec Inc.
Annaleigh Ekman, SCAG
Anthony Endres
Ariel Fideldy, CARB
Austin Hicks, CARB
Bertrand Gaschot, Mojave Desert AQMD
Bethmarie Quiambao, Southern California Edison (SCE)
Claire Garcia, Lion Electric
Chadwick Collins, Kellen Company
Chris Dugan, MIG Inc.
Dustin Rice, Fedex
Eric Anderson, Toyota
Eric Berger, SoCalGas
Fernando Gaytan, Earthjustice
Ginger Vagenas, U.S. EPA
Harvey Eder
John Henkelman, Ventura County APCD
John Larrea, California League of Food Process (CLFP)
Ken Dami, Phillips 66
Laura Iannaccone, County of Los Angeles
Lauren Paladino, Los Angeles World Airports (LAWA)
Leah Louis-Prescott, Rocky Mountain Institute (RMI)
Leela Rao, Port of Long Beach
Les Swizer, California New Car Dealers Association (CNCDA)
Lin Wang, LAWA
Luis Amezcua, Building Decarbonation Coalition
Mark Abramowitz, Community Environmental Services
Patricio Portillo, Natural Resources Defense Council (NRDC)
Julia Lester, Ramboll
Resa Barillas, California Environmental Voters
Rynda Kay, U.S. EPA, Region 9
Sam Pournazeri, CARB
Scott King, CARB
Scott Weaver, Ramboll
Sylvia Vanderspek, CARB
Teja Ganapa, Los Angeles Department of Water and Power (LADWP)

Terry Ahn, Orange County Sanitation District
Timothy French, Chicago Law Partners LLC
Tyler Harris, Ventura County APCD
Xico Manarolla, Clean Power Alliance (CPA)

South Coast AQMD Staff Present (34)

Brian Choe, Program Supervisor
Carol Gomez, Planning and Rules Manager
Cui Ge, Ph.D., AQ Specialist
Elliott Popel, AQ Specialist
Eric Praske, Ph.D., AQ Specialist
Eugene Kang, Program Supervisor
Gary Quinn, Program Supervisor
Ian MacMillan, Assistant Deputy Executive Officer
Jong Hoon Lee, Ph.D., AQ Specialist
Josephine Lee, Senior Deputy District Counsel
Kalam Cheung, Ph.D., Program Supervisor
Kathryn Roberts, Deputy District Counsel II
Kayla Jordan, Assistant AQ Specialist
Lane Garcia, Program Supervisor
Laurence Brown, AQ Specialist
Marc Carreras Sospedra, Ph.D., AQ Specialist
Mary Reichert, Senior Deputy District Counsel
Mei Wang, Program Supervisor
Michael Krause, Planning and Rules Manager
Nico Schulte, Ph.D., AQ Specialist
Paul Wright, Senior Information Technology Specialist
Ricky Lai, AQ Specialist
Rosalee Mason, Secretary
Ross Zelen, Assistant to Board Member Kracov
Rui Zhang, Ph.D., AQ Specialist
Sang-Mi Lee, Ph.D., Program Supervisor
Sarah Rees, Ph.D., Deputy Executive Officer
Scott Epstein, Ph.D., Program Supervisor
Sheri Hanizavareh, Senior Deputy District Counsel
Veera Tyagi, Principal Deputy District Counsel
Wei Li, Ph.D., AQ Specialist
Xiang Li, Ph.D., AQ Specialist
Xinqiu Zhang, Ph.D., Senior Staff Specialist
Zorik Pirveysian, Planning and Rules Manager

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

Settlement Penalty Report (12/01/2021 - 12/31/2021)

Total Penalties

Civil Settlement: \$613,664.00
 Criminal Referral Settlement: \$9,646.36
 MSPAP Settlement: \$21,011.00
 Hearing Board Settlement: \$20,000.00

Total Cash Settlements: \$664,321.36

Fiscal Year through 12/31/2021 Cash Total : \$2,268,534.35

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
Civil						
189870	BAJA RANCH MARKET #5	1415.1	12/16/2021	JL	P66965	\$3,500.00
47771	DELEO CLAY TILE CO INC	2012	12/29/2021	VT	P68309	\$500.00
170682	LOAN DEPOT	2202	12/29/2021	RL	P64782	\$28,500.00
177219	PROLOGIS	403	12/29/2021	SH	P64770	\$1,750.00
189622	READY SEAL, INCORPORATION	314, 1113	12/03/2021	WW	P66963	\$566,664.00
800113	ROHR, INC.	2004	12/29/2021	DH	P64388	\$3,500.00
134013	SIMAAN SERVICES/ VALLERO	203(b), 461, H&S 41960.2	12/29/2021	SP	P67681, P67692	\$250.00
800128	SO CAL GAS CO	1110.2, 3002(C)(1)	12/15/2021	NS	P67925	\$5,000.00
164237	USA COLLISION CENTER	203, 1151	12/16/2021	DH	P68258, P68708	\$4,000.00
Total Civil Settlements: \$613,664.00						
Criminal Referral						
164111	COASTAL RISK MANAGEMENT INC	1403	12/30/2021	GV	P69409	\$4,709.92
188909	SYSTEM 1 INTERIORS	1403, 40 CFR 61.145	12/30/2021	GV	P66480	\$4,936.44
Total Criminal Referral Settlements: \$9,646.36						

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
Hearing Board						
104234	SCAQMD v. Mission Foods	1153.1, 1303, 202, 203(b)	12/29/2021	KCM	5400-4	\$20,000.00
Total Hearing Board Settlements: \$20,000.00						
MSPAP						
147565	ANB GAS MART#1, TRISHA ENT. INC.	203(b)	12/14/2021	GC	P66384	\$810.00
139541	AT CORPORATION	461, H&S 41960.2	12/29/2021	GC	P66388	\$553.00
168901	AUTOCRAFT ON SANTA MONICA	1151(e)(1)	12/14/2021	TCF	P66821	\$800.00
9366	BACHEM INC.	203	12/14/2021	GC	P50746	\$680.00
156561	BLESS AUTO COLLISION	1151(e)(1)	12/29/2021	GC	P65220	\$400.00
122538	CHEVRON PRODUCTS CO, STATION #91733	461, H&S 41960.2	12/29/2021	GC	P66018	\$750.00
162374	CITY OF DUARTE	203(b)	12/29/2021	GC	P66564	\$1,200.00
191621	COASTLINE DEVELOPMENT INC	1403, 40 CFR 61.145	12/29/2021	GC	P65532, P65533	\$1,600.00
171206	CORONA AIR PAINT, NORBERTO SEIDE	203(b), 1171	12/14/2021	TCF	P65389	\$1,600.00
134828	FERNANDO'S BODY SHOP, FERNANDO GONZALEZ	1151, 1171	12/29/2021	GC	P68512	\$800.00
181514	H & H GASOLINE	203(b), 461	12/29/2021	GC	P69602	\$1,200.00
100758	HARBOR CLEANERS	1402	12/15/2021	GC	P65654	\$640.00
23401	HOOD MFG INC	3002(c)(1)	12/15/2021	GC	P68904	\$850.00
175427	KAZI ASSOCIATES, INC.	203(a), 461	12/29/2021	GC	P69027	\$728.00
149722	MATRIX ENVIRONMENTAL, INC	1403	12/15/2021	TCF	P69445	\$500.00
189508	OTO CUSTOMS AUTOBODY AND PAINT	1151(e)(1)	12/29/2021	TCF	P65074	\$1,000.00
154633	RAAM INC DBA CYPRESS UNION	461	12/15/2021	GC	P68140	\$300.00
179544	SUNOIL RETAIL GROUP INC	203(A), 461(E)(2)	12/29/2021	TCF	P70165, P70172	\$4,000.00
152974	UNITED EXCAVATION	403	12/29/2021	TCF	P68644	\$1,000.00
170210	UNITED HEALTHCARE/JONES LANG LASALLE	1415	12/15/2021	TCF	P63892	\$1,600.00
Total MSPAP Settlements: \$21,011.00						

**SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX
FOR DECEMBER 2021 PENALTY REPORT**

REGULATION II - PERMITS

- Rule 202 Temporary Permit to Operate
- Rule 203 Permit to Operate

REGULATION III - FEES

- Rule 314 Fees for Architectural Coatings

REGULATION IV - PROHIBITIONS

- Rule 403 Fugitive Dust
- Rule 461 Gasoline Transfer and Dispensing

REGULATION XI - SOURCE SPECIFIC STANDARDS

- Rule 1110.2 Emissions from Gaseous- and Liquid-Fueled Internal Combustion Engines
- Rule 1113 Architectural Coatings
- Rule 1151 Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations
- Rule 1153.1 Emissions of Oxides of Nitrogen from Commercial Food Ovens
- Rule 1171 Solvent Cleaning Operations

REGULATION XIII - NEW SOURCE REVIEW

- Rule 1303 Requirements

REGULATION XIV - TOXICS

- Rule 1402 Control of Toxic Air Contaminants from Existing Sources
- Rule 1403 Asbestos Emissions from Demolition/Renovation Activities
- Rule 1415 Reduction of Refrigerant Emissions from Stationary Refrigeration and Air Conditioning Systems
- Rule 1415.1 Reduction of Refrigerant Emissions from Stationary Refrigeration Systems

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

REGULATION XXII ON-ROAD MOTOR VEHICLE MITIGATION

- Rule 2202 On-Road Motor Vehicle Mitigation Options

REGULATION XXX - TITLE V PERMITS

Rule 3002 Requirements for Title V Permits

CALIFORNIA HEALTH AND SAFETY CODE

41960.2 Gasoline Vapor Recovery

CODE OF FEDERAL REGULATIONS

40 CFR 61.145 Standard for Demolition and Renovation