



**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

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

**January 24, 2020 ♦ 10:30 a.m. ♦ Conference Room CC8
21865 Copley Dr., Diamond Bar, CA 91765**

TELECONFERENCE LOCATIONS

73-710 Fred Waring Drive
Suite 222
Palm Desert, CA 92260

6055 E. Washington Blvd.
Suite 495
Commerce, CA 90040

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

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

Toll Free: 866-244-8528

Listen Only Passcode: 5821432

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

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

AGENDA

Members of the public may address this body concerning any agenda item before or during consideration of that item (Gov't. Code Section 54854.3(a)). Please provide a Request to Address the Committee card to the Committee Secretary if you wish to address the Committee on an agenda item. If no cards are available, please notify South Coast AQMD staff or a Board Member of your desire to speak. All agendas for regular meetings are posted at South Coast AQMD, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the regular meeting. Speakers may be limited to three (3) minutes each.

CALL TO ORDER

INFORMATION ITEMS (Items 1-4)

- 1. Food Waste Diversion Technology Assessment for Rule 1118.1 – Control of Emissions from Non-Refinery Flares** (15 mins.) Michael Krause
(No Motion Required) Planning and Rules
Manager
Pursuant to Board direction, staff will provide a summary of findings from the technical assessment of the potential impacts from the statewide effort to divert organics from landfills as required by Senate Bill 1383. Staff will present a background of the bill, current waste streams, site visits, collaboration with government agencies and stakeholders, as well as staff recommendations.
(Written Material Attached)
- 2. BACT Technical Assessment for Flares Receiving Biogas Derived from Organic Waste Digestion** (15 mins.) Alfonso Baez
(No Motion Required) Program Supervisor
Pursuant to Board direction, staff is to report back within 12 months of the adoption of Rule 1118.1 – Control of Emissions from Non-Refinery Flares to provide a summary of findings from the BACT technical assessment for flares receiving biogas derived from advanced digestion and/or organic waste digestion or co-digestion. Staff will provide a summary of the technical assessment including costs and staff recommendations.
(Written Material Attached)
- 3. Summary of Proposed Amended Rule 1107 – Coating of Metal Parts and Products** (10 mins.) Michael Morris
(No Motion Required) Planning and Rules
Manager
Staff will provide a summary of Proposed Amended Rule 1107 and any key issues.
(Written Material Attached)
- 4. Status Report on Reg. XIII – New Source Review** (10 mins.) David Ono
(No Motion Required) Engineering and
Permitting Manager
This report presents the federal Preliminary Determination of Equivalency for January 2018 through December 2018. As such, it provides information regarding the status of Regulation XIII – New Source Review, in meeting federal NSR requirements and shows that South Coast AQMD’s NSR program is in preliminary compliance with applicable federal requirements from January 2018 through December 2018.
(Written Material Attached)

WRITTEN REPORTS (Items 5-7)

- 5. Monthly Update of Staff's Work with U.S. EPA on New Source Review Issues for the Transition of RECLAIM Facilities to a Command and Control Regulatory Program**
(No Motion Required)
This is a summary of staff's work with U.S. EPA over the past month to resolve command and control regulatory program.
(Written Material Attached)
- Susan Nakamura
Assistant Deputy
Executive Officer
- 6. Twelve-month and Three-month Rolling Price of RTCs for Compliance Years 2019 and 2020**
(No Motion Required)
The attached quarterly report summarizes the twelve-month and three-month rolling average prices of NOx and SOx RTCs.
(Written Material Attached)
- Amir Dejbakhsh
Deputy Executive Officer
- 7. Notice of Violation Penalty Summary**
(No Motion Required)
This report provides the total penalties settled in December of 2019 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:** February 21, 2020 at 10:30 a.m.

ADJOURNMENT

Americans with Disabilities Act

The agenda and documents in the agenda packet will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't. Code Section 54954.2(a)). Disability-related accommodations will also be made available to allow participation in the Stationary Source Committee meeting. Any accommodations must be requested as soon as practicable. Requests will be accommodated to the extent feasible. Please contact 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.

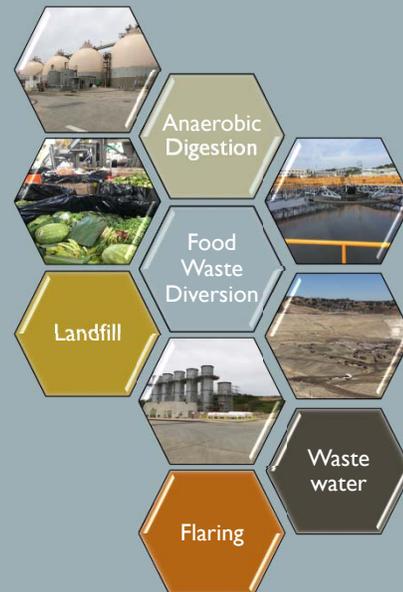
Document Availability

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 prior to the meeting for public review at the South Coast Air Quality Management District, Public Information Center, 21865 Copley Drive, Diamond Bar, CA 91765.

FOOD WASTE DIVERSION ASSESSMENT

Rule 1118.1 – Non-Refinery Flares

JANUARY 24, 2020
Stationary Source Committee



BACKGROUND

- On January 4, 2019, Rule 1118.1 - Control of Emissions from Non-Refinery Flares was adopted
- Senate Bill 1383 (*adopted September 2016*) – Short-lived Climate Pollutants requires the diversion of food waste from landfills to alternative locations
- During rule development, data was presented indicating there may be an increase in ammonia and NO_x emissions from food waste digestion
- Board Resolution directed staff to work with stakeholders to better understand potential impacts

BACKGROUND ON CASE STUDIES

➤ Toward the end of Rule 1118.1 development, stakeholders presented three facilities outside the South Coast AQMD experiencing high NO_x emissions

- In-vessel (dry) anaerobic digestion similar to composting
- Produces *significant* ammonia and NO_x
- No ammonia scrubber
- Process not common – not used in South Coast

Zero Waste Energy
Development
Company
San Jose, CA



- Thermophilic (high temperature) digestion
- Digesting animal blood and dairy waste (not SB 1383)
- No dairies in South Coast AQMD

East Bay Municipal
Utilities District
Oakland, CA



- Advanced Digestion (thermal hydrolysis) – high temperature pre-treatment prior to mesophilic digestion
- Process not common
- Not used in South Coast AQMD

DC Water Blue Plains
Water Resources
Recovery Facility
Washington, DC



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RULE 1118.1 ADOPTION RESOLUTION LANGUAGE

“BE IT FURTHER RESOLVED, that the SCAQMD Governing Board directs staff to work with the California Air Pollution Control Officers Association, California Department of Resources Recycling and Recovery (CalRecycle), California Association of Sanitation Agencies (CASA) and Southern California Alliance of Publicly Owned Treatment Works (SCAP) in an effort to balance air quality requirements with the state-wide effort to divert organics from landfills as required under Senate Bill 1383, and shall report back to the Stationary Source Committee within 12 months of rule adoption to present findings and potential recommendations”

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FOOD WASTE DIVERSION ASSESSMENT PROCESS

February 27, 2019	ReThink Methane Conference <ul style="list-style-type: none"> Met with CalRecycle and Southern California Alliance of Publicly Owned Treatment Works (SCAP)
January – November 2019	Site Visits <ul style="list-style-type: none"> Conducted eight site visits with BACT team to facilities conducting food digestion that were located within the South Coast AQMD
August 2, 2019	Working Group Meeting #1 <ul style="list-style-type: none"> CAPCOA, CARB and SCAP participated
September 27, 2019	Working Group Meeting #2 <ul style="list-style-type: none"> CalRecycle Presentation CAPCOA, CARB and SCAP participated

BACKGROUND ON SENATE BILL 1383

- Establishes statewide targets for reducing solid organic waste in landfills to achieve methane (GHG) emission reductions and increase the sustainable production and use of renewable gas
- Not intended to adversely impact air quality by increasing emissions



- ✓ Anaerobic Digestion
- ✓ Composting
- ✓ Recycling
- ✓ Biomass Conversion
- ✓ Other
 - (e.g., food waste recovery, recycling, chipping/grinding)

2020

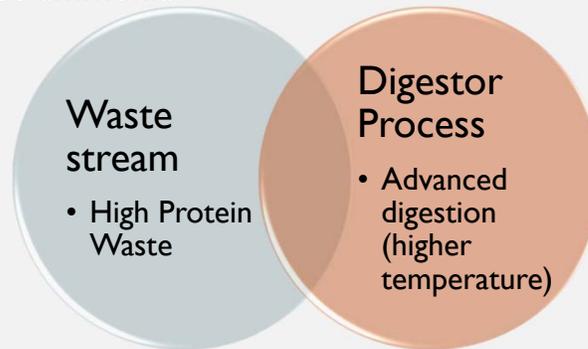


2025



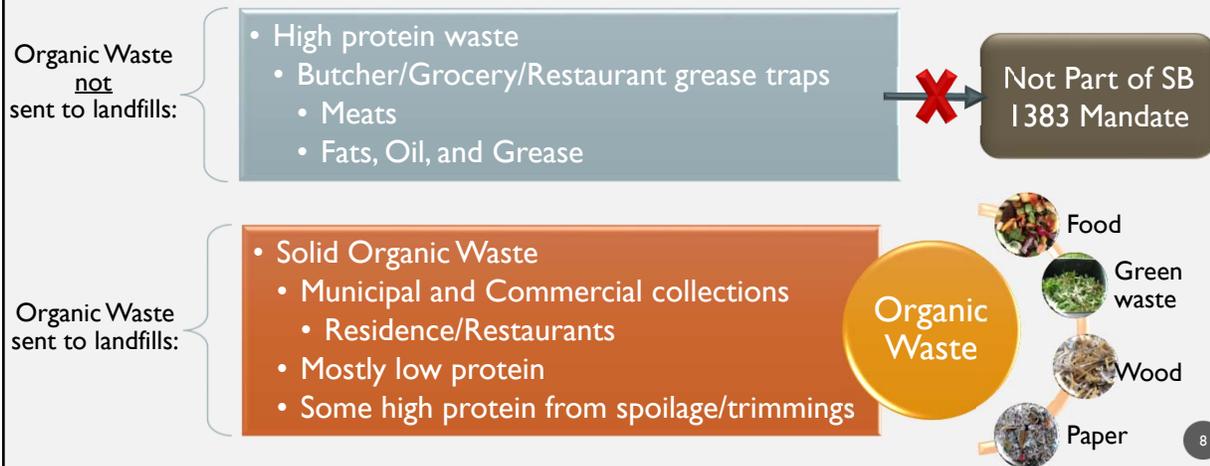
FACTORS THAT INCREASE NOX

- Ammonia in digester gas converts to NO_x emissions
- Factors that could increase ammonia:



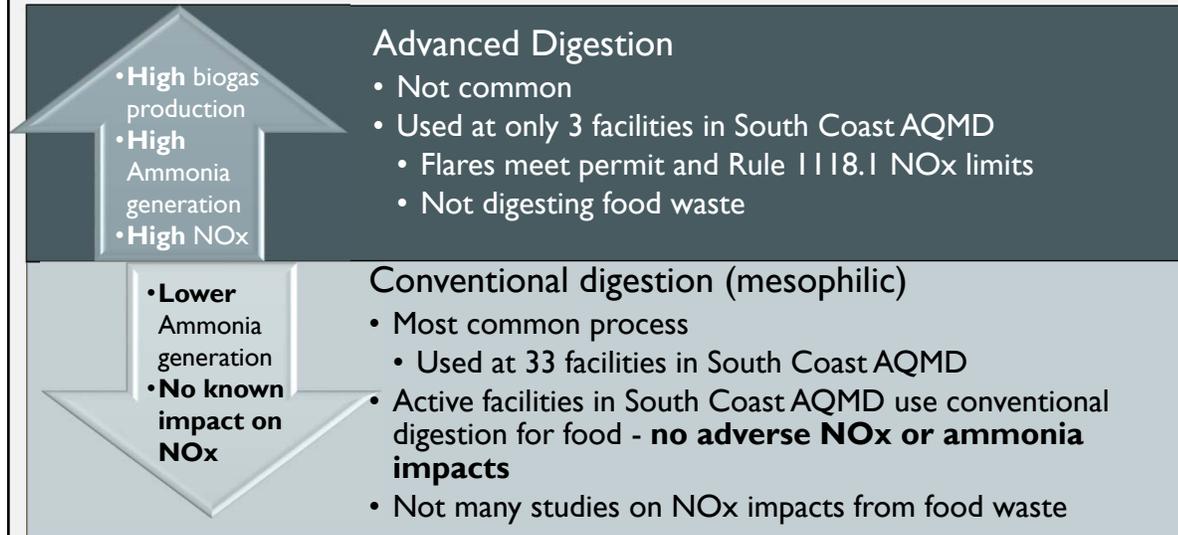
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WASTE STREAMS

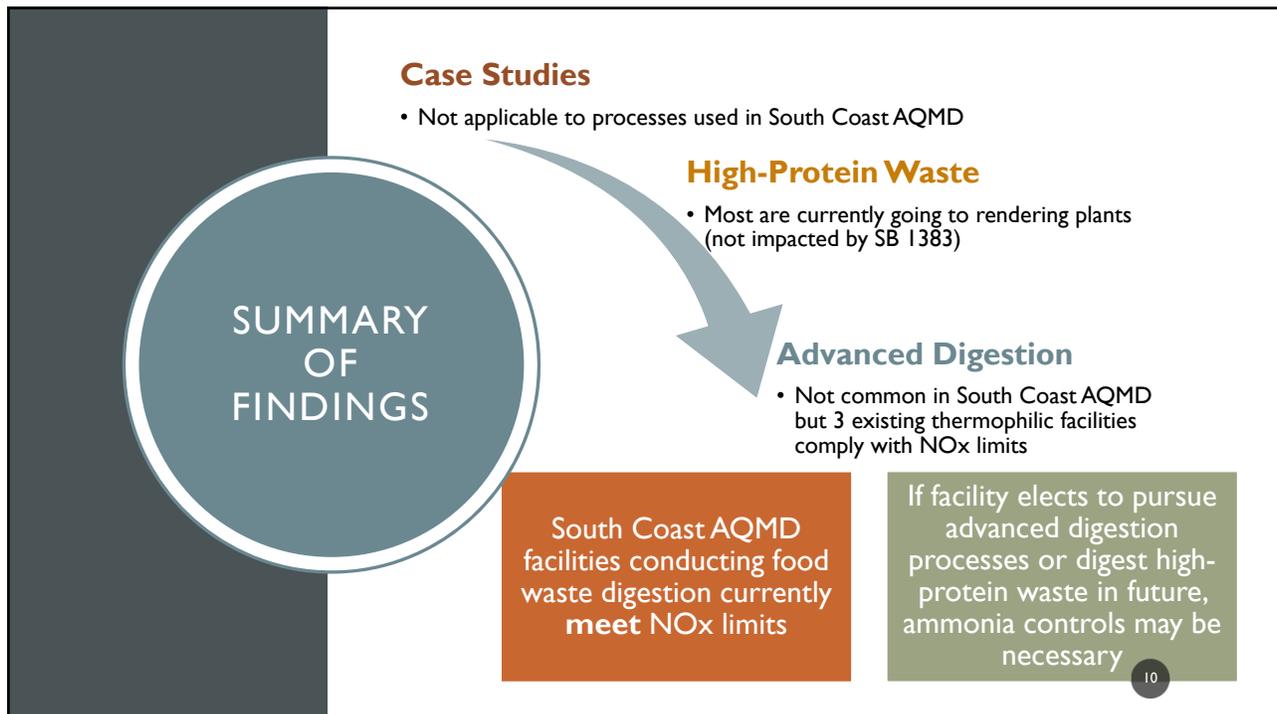


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IMPACTS OF DIGESTION PROCESS ON NOx



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STAFF RECOMMENDATIONS

Retain Rule 1118.1
NO_x limits

Insufficient data
to justify
increase at this
time

Continue to monitor
facilities accepting
food waste

Conduct
additional source
test(s)

BACT Technical Assessment for Flares Receiving Biogas Derived from Organic Waste Digestion

January 24, 2020
Stationary Source Committee

Background

- January 2019 Rule 1118.1- Control of Emissions from Non-Refinery Flares Adopted
- Resolution directed staff to conduct a BACT Technical Assessment of flares receiving biogas derived from advanced digestion and/or organic waste digestion or co-digestion
- Report back to Stationary Source Committee within 12 months



BACT Technical Assessment

Research and Review Process

- Scientific literature
- Measurement methods
- Achieved in Practice technology
- Reliability issues and field testing



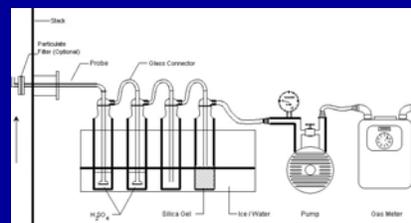
Scientific Literature

- Evaluation and Identification of Constituents Found in Common Carrier Pipeline Natural Gas, Biogas and Upgraded Biomethane in California” report to CARB 2019 (UC Davis/CARB)
- “Ammonia-Laden Digester Gas: The Next Frontier in NOx Emissions” 2018 (Brown & Caldwell)
- “Anaerobic Digestion Facilities Processing Food Waste in the United States in 2015” 2016 (EPA Region 3)
- “Effect of Ammonia in Gaseous Fuels on Nitrogen Oxide Emissions” 2012 (Shell Development Company)
- “Anaerobic Digestion of Food Waste” 2008 (EBMUD/EPA Region 9)
- “The Contributions of Ammonia and Volatile Acids to Pathogen Destruction During Mesophilic and Thermophilic Anaerobic Digestion” 2005 (EBMUD)



Measurement Methods

- South Coast AQMD Method 207.1 – Determination of Ammonia Emissions from Stationary Sources
 - Sampling train with mini-impingers containing sulfuric acid solution, a pump and calibrated meter to collect ammonia.
 - Ammonia is captured and retained in the acid solution for later recovery and analysis.
- BAAQMD Method ST-1B similar to Method 207.1



Local Review

- Staff did not identify any flare NO_x BACT limit non-compliance due to ammonia in biogas
- This could change as feedstock composition evolves due to SB 1383



Survey of SoCal Assoc. POTW (SCAP) Members

- In cooperation with SCAP, surveyed members subject to Rule 1118.1 in April 2019
- 14 responses
 - Two co-digest municipal organic waste sludge
 - Three facilities thermophilic high temp, all else mesophilic low temp
 - About half co-digest nominal Fat, Oil and Grease (FOG)
 - No ammonia testing
 - Most have plans for future food waste co-digestion projects to comply with SB1383 (1–2 years)



Achieved in Practice Technology

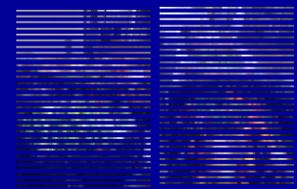
- Site visits to digester facilities in South Coast AQMD
 - CR&R – greenwaste & food waste
 - Ralph's Grocery Co. – waste food from grocery stores
 - MillerCoors LLC – organic waste from beer production
 - Ventura Foods – organic waste from condiments/dressings
 - The Coca Cola Company – organic waste from syrup
 - Riverside Regional Water Control Plant
 - Joint Water Pollution Control Plant (Carson)
 - Hyperion Water Reclamation Plant (Los Angeles high temp)
- Ammonia testing is not required



Reliability Issues/Field Testing – Case Study

Ralph's Grocery Company (Compton, CA)

- Wastewater treatment system with 2 MM gal. mesophilic anaerobic digester and 23.4 MMBtu/hr Flare
- Feedstock consists primarily of food waste from grocery stores (fruits, vegetables, eggs, cheese. NO meat)
- As part of regularly scheduled flare compliance test, biogas stream was also tested for ammonia in June 2019
- Measured 18.4 ppm ammonia @ 3% O₂ inlet digester gas stream to flare
- 0.0542 lb/MMBtu NO_x flare exhaust in compliance with 0.06 lb/MMBtu BACT permit limit



Outside of South Coast AQMD

Ammonia levels higher** with high protein organic waste in advanced digestion or co-digestion operations, some with low* levels

- East Bay Municipal Utility District, Oakland, CA**
- Zero Waste Energy Development Company (ZWEDC), San Jose, CA**
- Blue Plains Advanced Wastewater Treatment Plant, Washington DC**
- Central Valley Water Reclamation Facility, Salt Lake City, UT*

These operations are not common in South Coast

Digester Gas Ammonia Treatment Technology

- Potential control technology available
 - Water / Chemical Wet / Biological Scrubber
 - Adsorption Bed
 - Catalytic Oxidation
- For Chemical Wet Scrubber, cost effectiveness ranges from \$21,800/ton - \$29,590/ton NOx controlled



Observations

- In South Coast AQMD
 - Organic and food waste co-digestion is anticipated to increase
 - Staff did not identify flare NOx BACT limit non-compliance due to ammonia in biogas
- Other sites outside South Coast AQMD
 - Ammonia in biogas resulted in higher flare NOx levels
 - Air Districts evaluating for BACT compliance

Recommendations

- Continue to monitor new and existing local organic and food waste digestion and co-digestion projects
- Next Steps
 - Present at public BACT SRC meeting
 - Regular discussions with POTWs on anticipated/proposed projects

SUPPLEMENTAL SLIDES

Reliability Issues/Field Testing – Case Studies (cont'd)

- East Bay Municipal Utility District (Oakland, CA)
 - Wastewater treatment, high temp thermophilic digesters
 - Increased import of food waste and other high strength organic waste (1/3 by volume) which significantly increased digester gas production
 - Testing for ammonia after experiencing flare NOx compliance issues; > 0.06 lb/MM Btu (BACT limit)
 - Measured 81-298 ppm ammonia in digester gas stream to flares
 - Ongoing review by BAAQMD



Reliability Issues/Field Testing – Case Studies (cont'd)

- Zero Waste Energy Development Company (ZWEDC) San Jose, CA
 - High Solids Batch, Anaerobic Digestion & Composting; Dry fermentation anaerobic digestion of organic waste produces rich and lean biogas
 - Began testing for ammonia after experiencing flare NOx compliance issues with BACT limit
 - 200-800 ppm ammonia in lean gas, 15-25 ppm in rich gas; 50% of fuel-borne ammonia converted to NOx in lean gas flares
 - BAAQMD issued amended flare permit limits of 0.48 lb NOx/MMBtu(lean gas) & 0.17 lb NOx/MMBtu (rich gas)



Reliability Issues/Field Testing – Case Studies (cont'd)

- Central Valley Water Reclamation Facility (Salt Lake City, UT)
 - Wastewater treatment, low temp mesophilic digesters
 - Minimal import of food waste and other high strength organic waste
 - 2016 - Tests of digester gas measured less than 1.6 ppm ammonia
 - Flare BACT NO_x emissions limit compliance issues not experienced



Reliability Issues/Field Testing – Case Studies (cont'd)

- Blue Plains Advanced Wastewater Treatment Plant (Washington D.C.)
 - Wastewater treatment, thermal hydrolysis pre-conditioning with mesophilic digesters and minimal import of food waste and other high strength organic waste
 - Began testing for ammonia after experiencing flare NO_x compliance issues with BACT limits
 - Measured 85 ppm ammonia in digester gas stream to flares
 - DC Dept. of Energy and Env. Air Quality Division reissued amended emergency flare permit NO_x limit from 0.042 to 0.101 lb/MMBtu



Digester Gas NH₃ Treatment Technology Costs

- Chemical Wet Scrubber design and build cost quote provided to ZWEDC by consulting firm
 - Installation and Operating costs estimated based on EPA costing methodology for acid gas scrubbers
 - NO_x reduction from 0.42 lb/MM Btu to BACT level of 0.06 lb/MM Btu
 - \$29,590/ton NO_x | Incremental max cost effectiveness = \$80,590/ton NO_x
- Chemical Wet Scrubber design and build cost quote provided to EBMUD by consulting firm in August 2017
 - Installation and Operating costs estimated based on EPA costing methodology for acid gas scrubbers
 - NO_x reduction from 0.12 lb/MM Btu to BACT level of 0.06 lb/MM Btu
 - \$21,800/ton NO_x | Incremental max cost effectiveness = \$82,665/ton NO_x



Proposed Amended Rule 1107 Coating of Metal Parts and Products

Stationary Source Committee

January 24, 2020

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Background

- ▶ Rule 1107 was adopted in 1979; amended 17 times
 - ▶ Last amendment in January 2006
- ▶ Establishes VOC limits, work practices, test methods, and recordkeeping requirements for many metal coating operations
- ▶ In September 2008, U.S. EPA released Control Techniques Guideline (CTG) for Metal and Plastic Parts Coatings
 - ▶ Non-attainment areas are required to implement as soon as practicable
 - ▶ CTG includes improved work practices and more stringent requirements for certain exemptions
- ▶ CARB is requesting limits for two coating categories be reduced to reflect limits adopted in other air districts

Proposed Amendments Requested by U.S. EPA and CARB

Reduce VOC limits for baked metallic and baked camouflage coatings

Add work practices for storage and handling of coating-related activities

Remove high volume exemptions

Update test methods

Clarify and remove obsolete rule language

Potential Rule Impacts

- ▶ Proposed Amended Rule 1107 is not expected to result in direct emission reductions or increased costs
 - ▶ Compliant coatings have been used in affected coating categories for two decades
 - ▶ Using closed containers satisfies work practice requirements
- ▶ Staff is not aware of any unresolved key issues

Proposed Amendments Included as Requested by Stakeholders

Allow manufacturers to use ASTM D 7767 for Energy Curable Coatings

- ASTM D 7767 provides an improved test for VOC determination
- Staff will continue to work with stakeholders to develop field sample procedure – would require future rule amendment when complete

Exempt high-viscosity coatings from transfer efficiency requirements

- Transfer efficiency exemption will avoid unnecessary VOC emissions from thinning

Schedule

Public Hearing
February 7, 2020





Status Report on Regulation XIII – New Source Review (NSR)

Stationary Source Committee
January 24, 2020



NSR Status Report Overview

Purpose:

Demonstrate South Coast AQMD's NSR program meets federal NSR offset requirements for major sources, as required by EPA, for sources that are exempt from offsets under South Coast AQMD's NSR rule



NSR Status Report History

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



Rule 1315 Federal NSR Tracking System

- Rule 1315 established procedures to demonstrate equivalency with federal NSR offset requirements
 - Tracks debits from and credits to South Coast AQMD's federal internal offset account for each pollutant
 - Annual Preliminary Determinations of Equivalency (PDE), Final Determinations of Equivalency (FDE) and Projections
 - Balances in South Coast AQMD's federal offset accounts must remain positive



**South Coast AQMD's Federal NSR Offset Accounts
Preliminary Determination of Equivalency (PDE)*
Calendar Year (CY) 2018**

DESCRIPTION	VOC	NOx	SOx	PM10
2017 Final Ending Balance (tons/day)	107.86	23.74	4.27	16.02
2018 Total Discount of Credits for Surplus Adjustment (tons/day)	0.00	0.00	0.00	0.00
2018 Total Debits (tons/day)*	-0.16	-0.19	-0.06	-0.23
2018 Total Credits (tons/day)	0.00	0.00	0.00	0.00
2018 Preliminary Ending Balance (tons/day)	107.70	23.55	4.21	15.79

*The PDE does not account for any credits for CY 2018. Credits will be included in the Final Determination of Equivalency.



**South Coast AQMD's Projected Federal
NSR Offset Accounts
CY 2019**

DESCRIPTION	VOC	NOx	SOx	PM10
2018 Preliminary Ending Balance (tons/day)	107.70	23.55	4.21	15.79
2019 Total Projected Debits (tons/day)	-0.49	-0.19	-0.05	-0.15
2019 Total Projected Credits (tons/day)	4.40	1.25	0.26	0.64
2019 Projected Ending Balance (tons/day)	111.61	24.61	4.42	16.28

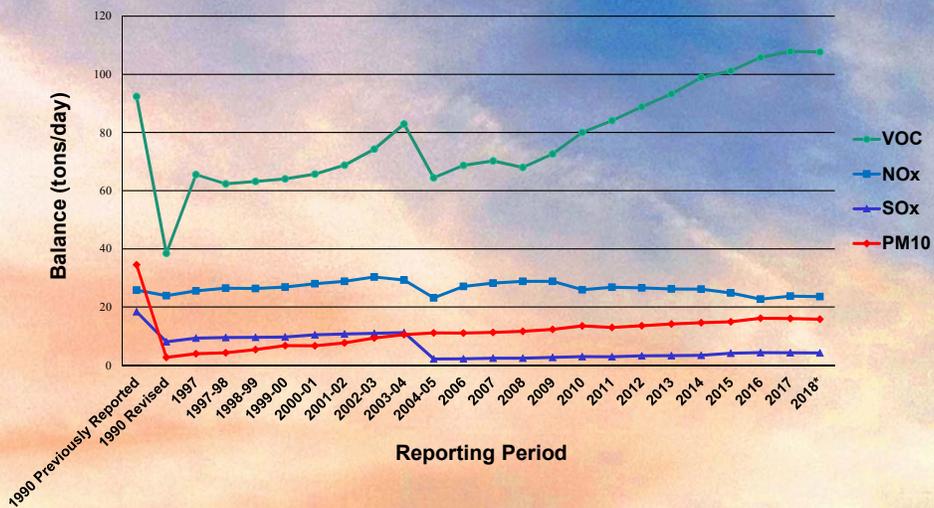


South Coast AQMD's Projected Federal NSR Offset Accounts CY 2020

DESCRIPTION	VOC	NOx	SOx	PM10
2019 Projected Ending Balance (tons/day)	111.61	24.61	4.42	16.28
2020 Total Projected Debits (tons/day)	-0.49	-0.19	-0.05	-0.15
2020 Total Projected Credits (tons/day)	4.40	1.25	0.26	0.64
2020 Projected Ending Balance (tons/day)	115.52	25.67	4.63	16.77



South Coast AQMD's Federal Offset Account Balances (1990 – 2018*)



*Preliminary determination



Conclusions

- The preliminary analysis for CY 2018 shows South Coast AQMD's NSR program continued to be at least equivalent to the federal NSR offset requirements
- For CYs 2019 and 2020 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 2018 will be presented to the Governing Board at its September 2020 meeting

January 2020 Update on Work with U.S. EPA on New Source Review Issues for the RECLAIM Transition

At the October 5, 2018 Board meeting, the Board directed staff to provide the Stationary Source Committee with a monthly update of staff's work with U.S. EPA regarding resolving NSR issues for the transition of facilities from RECLAIM to a command and control regulatory structure. The table below summarizes key activities over the past two months as there was no Stationary Source Committee meeting in December.

Item	Discussion
Teleconference with U.S. EPA – December 5, 2019	<ul style="list-style-type: none"> • Staff discussed with U.S. EPA the supply of offsets and stakeholder comments on RECLAIM transition issues
Teleconference with U.S. EPA – January 9, 2020	<ul style="list-style-type: none"> • U.S. EPA provided a follow-up discussion from the December 5, 2019 teleconference
RECLAIM and Regulation XIII (New Source Review) Working Group Meeting – January 14, 2020	<ul style="list-style-type: none"> • Staff provided updates on rulemakings for the RECLAIM transition • Staff discussed with the working group the supply of Emission Reduction Credits (ERCs) in the open market and supply of offsets in South Coast AQMD's internal bank



South Coast Air Quality Management District

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

Twelve-Month and Three-Month Rolling Average Price of Compliance Years 2019 and 2020 NO_x and SO_x RTCs

January 2020 Quarterly Report to Stationary Source Committee

Table I

Twelve-Month Rolling Average Price Data for Compliance Year 2019 NO_x RTCs
(Report to Governing Board if rolling average price greater than \$22,500/ton)

Twelve-Month Rolling Average Price Data for Compliance Year 2019 NO _x 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-19	Jan-18 to Dec-18	18.2	\$103,000	5	\$5,646
Feb-19	Feb-18 to Jan-19	19.0	\$108,200	6	\$5,682
Mar-19	Mar-18 to Feb-19	19.0	\$108,200	6	\$5,682
Apr-19	Apr-18 to Mar-19	29.6	\$181,921	8	\$6,153
May-19	May-18 to Apr-19	30.2	\$186,852	9	\$6,182
Jun-19	Jun-18 to May-19	31.2	\$195,323	10	\$6,256
Jul-19	Jul-18 to Jun-19	44.3	\$278,708	14	\$6,288
Aug-19	Aug-18 to Jul-19	54.2	\$336,213	18	\$6,200
Sep-19	Sep-18 to Aug-19	57.0	\$352,313	22	\$6,184
Oct-19	Oct-18 to Sep-19	121.2	\$648,018	29	\$5,348
Nov-19	Nov-18 to Oct-19	223.6	\$1,156,517	55	\$5,171
Dec-19	Dec-18 to Nov-19	241.4	\$1,243,747	59	\$5,153
Jan-20	Jan-19 to Dec-19	254.1	\$1,374,563	61	\$5,410

1. District Rule 2015(b)(6) - Backstop Provisions provides additional "evaluation and review of the compliance and enforcement aspects of the RECLAIM program" if the average RTC price exceeds \$15,000 per ton.

Table II

Twelve-Month Rolling Average Price Data for Compliance Year 2020 NOx RTCs
(Report to Governing Board if rolling average price greater than \$22,500/ton)

Twelve-Month Rolling Average Price Data for Compliance Year 2020 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-20	Jan-19 to Dec-19	71.0	\$865,215	11	\$12,190

1. District Rule 2015(b)(6) - Backstop Provisions provides additional "evaluation and review of the compliance and enforcement aspects of the RECLAIM program" if the average RTC price exceeds \$15,000 per ton. A single investor participated in nine of the 11 trades either as a buyer or seller (82%). Two of these nine trades represent 65% of the total value of all the trades, each with a price well above the average and above the \$15,000 per ton threshold, pushing the overall rolling average price (\$12,190 per ton) closer to the \$15,000 per ton threshold.

Table III

Three-Month Rolling Average Price Data for Compliance Year 2019 NOx RTCs
(Report to Governing Board if rolling average price greater than \$35,000/ton)

Three-Month Rolling Average Price Data for Compliance Year 2019 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-19	Oct-18 to Dec-18	18.2	\$102,300	4	\$5,621
Feb-19	Nov-18 to Jan-19	19.0	\$107,500	5	\$5,658
Mar-19	Dec-18 to Feb-19	14.0	\$80,000	4	\$5,714
Apr-19	Jan-19 to Mar-19	11.3	\$78,922	3	\$6,969
May-19	Feb-19 to Apr-19	11.2	\$78,653	3	\$7,034
Jun-19	Mar-19 to May-19	12.2	\$87,123	4	\$7,154
Jul-19	Apr-19 to Jun-19	14.8	\$96,787	6	\$6,560
Aug-19	May-19 to Jul-19	24.0	\$150,060	10	\$6,241
Sep-19	Jun-19 to Aug-19	25.8	\$157,690	13	\$6,113
Oct-19	Jul-19 to Sep-19	76.9	\$370,010	16	\$4,812
Nov-19	Aug-19 to Oct-19	169.4	\$820,304	37	\$4,842
Dec-19	Sep-19 to Nov-19	189.4	\$918,934	38	\$4,852
Jan-20	Oct-19 to Dec-19	151.1	\$828,845	36	\$5,485

Table IV

Three-Month Rolling Average Price Data for Compliance Year 2020 NOx RTCs
(Report to Governing Board if rolling average price greater than \$35,000/ton)

Three-Month Rolling Average Price Data for Compliance Year 2020 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-20	Oct-19 to Dec-19	71.0	\$865,215	11	\$12,190

Table V

Twelve-Month Rolling Average Price Data for Compliance Year 2019 SOx RTCs
(Report to Governing Board if rolling average price greater than \$50,000/ton)

Twelve-Month Rolling Average Price Data for Compliance Year 2019 SOx RTC					
Reporting Month	12-Month Period	Total Volume Traded with Price During Past 12-month (tons)	Total Price of Volume Traded During Past 12-month (\$)	Number of Trades with Price	Rolling Average Price ¹ (\$/ton)
Jan-19	Jan-18 to Dec-18	None	-	-	-
Feb-19	Feb-18 to Jan-19	None	-	-	-
Mar-19	Mar-18 to Feb-19	25.0	\$50,000	1	\$2,000
Apr-19	Apr-18 to Mar-19	25.0	\$50,000	1	\$2,000
May-19	May-18 to Apr-19	25.0	\$50,000	1	\$2,000
Jun-19	Jun-18 to May-19	26.4	\$53,376	2	\$2,021
Jul-19	Jul-18 to Jun-19	26.4	\$53,376	2	\$2,021
Aug-19	Aug-18 to Jul-19	78.9	\$263,384	5	\$3,338
Sep-19	Sep-18 to Aug-19	88.9	\$315,130	7	\$3,544
Oct-19	Oct-18 to Sep-19	88.9	\$315,130	7	\$3,544
Nov-19	Nov-18 to Oct-19	125.7	\$1,003,808	9	\$7,985
Dec-19	Dec-18 to Nov-19	125.7	\$1,003,808	9	\$7,985
Jan-20	Jan-19 to Dec-19	125.7	\$1,003,808	9	\$7,985

1. District Rule 2015(b)(6) - Backstop Provisions provides additional "evaluation and review of the compliance and enforcement aspects of the RECLAIM program" if the average RTC price exceeds \$15,000 per ton.

Table VI

Twelve-Month Rolling Average Price Data for Compliance Year 2020 SOx RTCs
(Report to Governing Board if rolling average price greater than \$50,000/ton)

Twelve-Month Rolling Average Price Data for Compliance Year 2020 SOx RTC					
Reporting Month	12-Month Period	Total Volume Traded with Price During Past 12-month (tons)	Total Price of Volume Traded During Past 12-month (\$)	Number of Trades with Price	Rolling Average Price¹ (\$/ton)
Jan-20	Jan-19 to Dec-19	None	-	-	-

1. District Rule 2015(b)(6) - Backstop Provisions provides additional "evaluation and review of the compliance and enforcement aspects of the RECLAIM program" if the average RTC price exceeds \$15,000 per ton.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
General Counsel's Office
DRAFT
December 2019 Settlement Penalty Report

[↑ Back to Agenda](#)

<u>Total Penalties</u>	
Civil Settlements:	\$308,400.00
MSPAP Settlements:	\$26,025.00
Hearing Board Settlements:	\$25,000.00
Total Cash Settlements:	\$359,425.00
Total SEP Value:	\$0.00
Fiscal Year through 12 / 2019 Cash Total:	\$9,563,084.86
Fiscal Year through 12 / 2019 SEP Value Only Total:	\$0.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Civil Settlements						
800196	AMERICAN AIRLINES, INC,	2004	12/17/2019	NSF	P66178	\$1,500.00
146336	AURORA LAS ENCINAS BEHAVIORAL HEALTHCARE	2202	12/18/2019	DH	P66956 P67018	\$27,000.00
800181	CALIFORNIA PORTLAND CEMENT CO	2004	12/26/2019	NSF	P64394	\$5,000.00
62649	CALIFORNIA PORTLAND CEMENT CO.	403	12/26/2019	NSF	P67104 P67115	\$5,000.00
137997	CANAY MFG., POWDER COATING PLUS, DBA	203(a) 1147	12/27/2019	NSF	P66155	\$7,500.00
110146	ECOLOGY CONTROL INDUSTRIES	402 H&S 41700	12/12/2019	KER	P65415	\$4,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
800066	HITCO CARBON COMPOSITES INC	2004(f)(1) 3002(c)(1) 3003	12/6/2019	BST	P66860	\$3,900.00
11245	HOAG HOSPITAL	3002(c)(1)	12/19/2019	KCM	P64089	\$3,500.00
173061	SLAUSON @DEANE INC.	203	12/18/2019	KER	P68421 P68435	\$1,500.00
18931	TAMCO	221 1420.2 2004 2011 2012 3002	12/17/2019	NSF	P64426 P64428 P64859 P66111 P69702	\$182,500.00
800436	TESORO REFINING AND MARKETING CO, LLC	1173 1176(e)(1)	12/10/2019	NSF	P63366	\$15,000.00
800436	TESORO REFINING AND MARKETING CO, LLC	2004	12/10/2019	NSF	P60589	\$10,000.00
11119	THE GAS CO./ SEMPRA ENERGY	2004	12/4/2019	NSF	P67369	\$1,500.00
156547	THE VUE	203(a) 222 1146.2 1415 1470	12/6/2019	KER	P68066 P68068	\$5,500.00
175187	VENICE BAKING, TORRANCE FACILITY <i>Other related matter: HB Case# 6144-1</i>	202(a) 203(a)	12/17/2019	KCM	P65071	\$32,500.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
187213	XEBEC CONSTRUCTION	1403	12/3/2019	NSF	P66417	\$2,500.00

Total Civil Settlements: \$308,400.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
MSPAP Settlements						
189175	ADVANCED STRUCTURAL BUILDERS DBA ASB	1403 40 CFR 60, QQQ	12/18/2019	GC	P67463	\$1,600.00
177872	APRO LLC DBA UNITED OIL #103	203	12/27/2019	GC	P68411	\$1,700.00
115339	ARCO DLR, JOHNY'S ARCO, JOHNY BOULOS	461 H&S 41960.2	12/18/2019	GC	P68120	\$1,200.00
5663	CUSTOM CONTROL SENSORS INC	203(b)	12/18/2019	GC	P65588	\$800.00
58842	FELBRO, INC.	203(b)	12/18/2019	GC	P65271	\$1,000.00
46888	G & M OIL CO, LLC #23	461 H&S 41960.2	12/18/2019	GC	P67671	\$3,000.00
182842	G&M OIL COMPANY #77	461	12/19/2019	GC	P67216	\$2,975.00
148693	JIMENEZ DEMOLITION	1403	12/19/2019	GC	P65940	\$900.00
150554	MONTECITO MEMORIAL PARK	461	12/19/2019	TF	P68704	\$500.00
11218	ORANGE CO, CENTRAL UTILITY FACILITY	203(b)	12/19/2019	TF	P68566	\$800.00
14037	PHILATRON INTL	203(b)	12/19/2019	TF	P65863	\$1,600.00
49898	PORTOFINO OASIS MARINE FUELS	203(b) 461(c)(3)(Q)	12/27/2019	TF	P69503	\$2,000.00
190009	R.I.C. CONSTRUCTION CO., INC.	403	12/19/2019	TF	P59286	\$2,400.00
181758	RUDOLPH FOODS WEST, INC.	202	12/18/2019	TF	P68265	\$1,600.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
114083	SOLUTIONS UNLIMITED, WILSON'S ART STUDIO	3002(c)(1)	12/27/2019	TF	P68756	\$500.00
48716	SUNRISE COUNTRY CLUB	203 461	12/27/2019	TF	P68261	\$800.00
152067	TESORO REFINING & MKTN RIMPCO.	461 H&S 41960.2	12/27/2019	TF	P67693	\$800.00
180478	US GASOLINE #2 INC	461	12/19/2019	GV	P67686	\$1,350.00
180478	US GASOLINE #2 INC	461(c)(3)(Q)	12/19/2019	GV	P67694	\$500.00

Total MSPAP Settlements: \$26,025.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
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Hearing Board Settlements

104234	MISSION FOODS CORPORATION	202 203(b) 1153.1 1303	12/26/2019	KCM	5400-4	\$25,000.00
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Total Hearing Board Settlements: \$25,000.00

**SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX
FOR DECEMBER 2019 PENALTY REPORT**

REGULATION II - PERMITS

- Rule 202 Temporary Permit to Operate
- Rule 203 Permit to Operate
- Rule 221 Plans
- Rule 222 Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II

REGULATION IV - PROHIBITIONS

- Rule 402 Nuisance
- Rule 403 Fugitive Dust - Pertains to solid particulate matter emitted from man-made activities
- Rule 461 Gasoline Transfer and Dispensing

REGULATION XI - SOURCE SPECIFIC STANDARDS

- Rule 1146.2 Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers
- Rule 1147 NOx Reductions from Miscellaneous Sources
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REGULATION XIII - NEW SOURCE REVIEW

- Rule 1303 Requirements

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- Rule 1403 Asbestos Emissions from Demolition/Renovation Activities
- Rule 1415 Reduction of Refrigerant Emissions from Stationary Refrigeration and Air Conditioning Systems
- Rule 1420.2 Emission Standards for Lead from Metal Melting Facilities
- Rule 1470 Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines

REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

- Rule 2004 RECLAIM Program Requirements
- Rule 2011 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Sulfur (SOx) Emissions
- 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
Rule 3003 Applications

CALIFORNIA HEALTH AND SAFETY CODE

41700 Violation of General Limitations
41960.2 Gasoline Vapor Recovery

CODE OF FEDERAL REGULATIONS

40 CFR 60, QQQ – Standards of Performance for VOC Emissions from Petroleum Refinery Wastewater