



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

STATIONARY SOURCE COMMITTEE MEETING

Committee Members

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

June 18, 2021 ♦ 10:30 a.m.

Pursuant to Governor Newsom's Executive Orders N-25-20 (March 12, 2020) and N-29-20 (March 17, 2020), 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.

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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 each.

CALL TO ORDER

ROLL CALL

INFORMATIONAL ITEMS (Items 1 through 4)

1. **Fourth Update on the Development of Proposed Rule 1109.1** (20 mins) Susan Nakamura
(No Motion Required) Assistant Deputy
Staff will present an update on the development of Proposed Rule 1109.1. Executive Officer
(Written Material Attached)
2. **Summary of Proposed Amended Rule 1111** (10 mins) Michael Krause
(No Motion Required) Planning and Rules
Staff will provide a summary of Proposed Amended Rule 1111 which regulates Manager
NOx emissions from natural gas-fired, central furnaces. Proposed Amended
Rule 1111 extends the compliance date for mobile home furnaces and proposes
relief for other small market units such as high altitude furnaces in downflow
configuration.
(Written Material Attached)
3. **Summary of Proposed Rule 1147.1 - NOx Reductions from** (10 mins) Michael Krause
Aggregate Dryers
(No Motion Required)
Staff will provide a summary of Proposed Rule 1147.1 that establishes NOx
and CO emission limits for aggregate dryers greater than 2,000,000 BTU/hr at
RECLAIM and non-RECLAIM facilities, along with provisions for
implementation as well as monitoring, reporting, and recordkeeping.
(Written Material Attached)
4. **Update on Pending Permit Application Inventory** (10 mins) Jason Aspell
(No Motion Required) Deputy Executive
Staff will present an update on their efforts to maintain the pending permit Officer
application inventory below the targeted level.
(Written Material Attached)

WRITTEN REPORTS (Items 5 through 7)

5. **Twelve-month and Three-month Rolling Average Price of Compliance** Jason Aspell
Years 2020 and 2021 NOx and SOx RTCs (April – May 2021)
(No Motion Required)
The attached report summarizes the twelve-month and three-month rolling
average prices of NOx and SOx RTCs.
(Written Material Attached)
6. **Monthly Update of Staff's Work with U.S. EPA and CARB on New Source** Susan Nakamura
Review Issues for the Transition of RECLAIM Facilities to a Command
and Control Regulatory Program
(No Motion Required)
This is a monthly update on staff's work with U.S. EPA and CARB regarding
New Source Review issues related to the RECLAIM transition.
(Written Material Attached)

7. Notice of Violation Penalty Summary
(No Motion Required)

Bayron Gilchrist
General Counsel

This report provides the total penalties settled in May of 2021 which includes Civil, Supplemental Environmental Projects, Mutual Settlement Assessment Penalty Program, Hearing Board and Miscellaneous.
(Written Material Attached)

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, August 20, 2021 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.

PROPOSED RULE 1109.1 UPDATE

NO_x EMISSION REDUCTION FOR REFINERY EQUIPMENT



June 2021

Background

- Proposed Rule 1109.1 (PR 1109.1) applies to nine petroleum refineries and seven small refineries and related operations
- PR 1109.1 establishes NO_x BARCT limits for nearly 300 pieces of combustion equipment
- Staff briefed Stationary Source Committee in:
 - September 2020
 - February 2021
 - March 2021



PR 1109.1 Rulemaking Process to Date



Continued Meetings with Stakeholders



¹ Center for Biological Diversity, Coalition for Clean Air, Earth Justice, Communities for a Better Environment, Natural Resources Defense Council, and East Yard Communities for Environmental Justice

Key Topics



Update on Revised Cost Estimates and Socioeconomic Analysis



WSPA Meeting



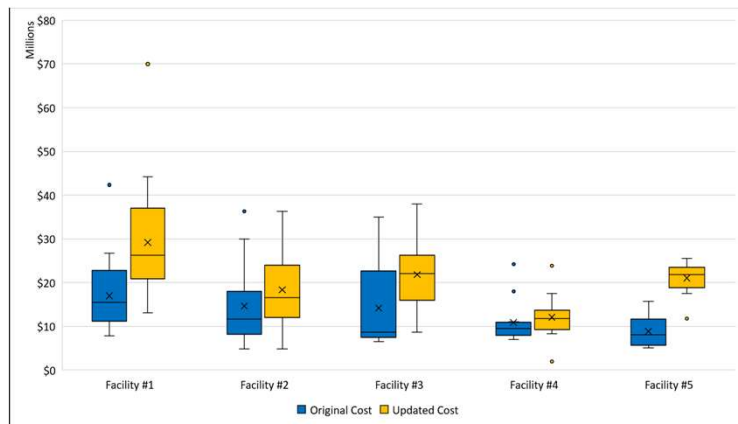
Co-Pollutant BACT Issue



Revisions to Address Key Issues

Revised Cost Estimates

- Received 108 new or revised cost estimates
- Box chart provides difference between the original and revised cost estimates
 - Outlier data is noted as points outside of boxes
- Chart includes:
 - Heaters and boilers ≥ 40 MMBtu/hr
 - SCR replacement and upgrades to achieve 5 ppm or less



Norton Engineering's Preliminary Assessment of Revised Costs

Norton Review of Revised Cost Data

- Staff provided revised facility cost data to Norton on April 27, 2021
- Norton conducted review of revised facility cost data



Norton Assessment

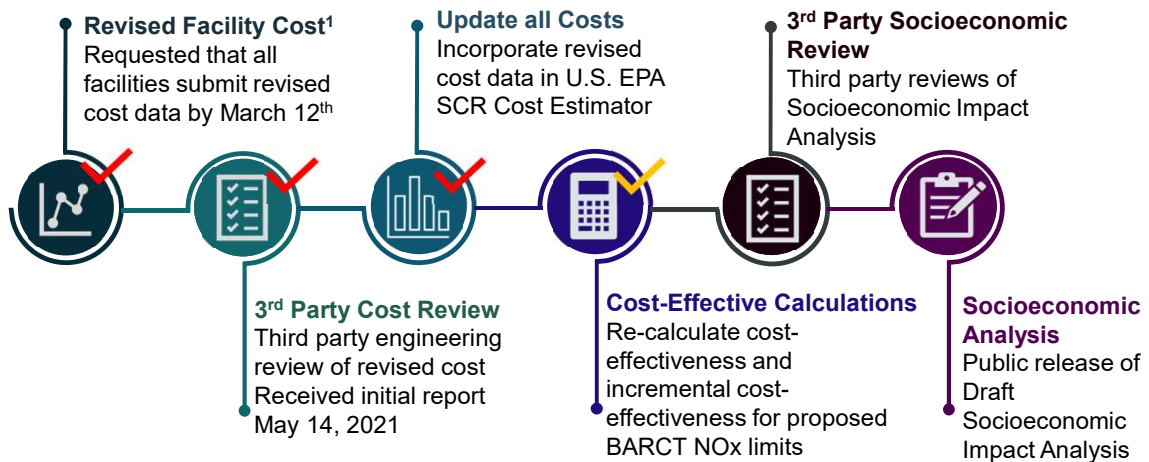
- Overall, assuming good reasons for outliers, the numbers are "reasonable", including a review of:
 - Ultra-Low NOx Burner Upgrade Costs
 - SCR Costs for Burner and Heaters



Staff Recommendation

- Staff will use all facility provided cost data when establishing the proposed BARCT NOx limit

Cost Data and Socioeconomic Analyses



¹ Received new or revised cost for over 100 units (originally received cost for 58 units).

PR 1109.1 Socioeconomic Analysis

Key Elements of Socioeconomic Analysis

- Affected facilities;
- Range of probable costs, including industry costs;
- Emission reduction potential;
- Availability and cost-effectiveness of alternatives to proposed rule;
- Regional employment and the economic impacts; and
- Need for rule adoption



Additional Elements for Socioeconomic Analysis

- Release Draft Socioeconomic Analysis 60 days before Public Hearing¹
- Consultant to help analyze downstream impacts on fuel-prices² **NEW**
- Public health benefits
- Three third-party reviews of:
 - Cost data
 - Socioeconomic impact analysis
 - Public health benefits assessment

¹ South Coast AQMD is required to prepare a socioeconomic impact assessment, released 30 days before a public hearing

² Dr. Erich Muehlegger, Associate Professor, UC Davis, publications on cost pass-through in the U.S. oil refinery sector

Recent Meetings with WSPA

- On May 20th staff met with WSPA and discussed an option for a bridge that would generally retain the RECLAIM structure with the PR 1109.1 endpoints
 - WSPA provided a general outline of their proposal on June 2nd
 - Staff met with WSPA on June 10th - additional discussions are needed
- WSPA also discussed:
 - Concerns regarding co-pollutant emissions associated with installation of SCR
 - South Coast AQMD's revised BARCT analysis
 - WSPA's cost methodology for equipment where facilities did not provide cost data

Revisions to Address Key Issues



Incorporating all recent cost data submitted by refineries and revising BARCT analysis



Revising implementation schedule in i-Plan to accommodate refinery turnaround schedules



Committing to timely permitting and including provisions if a unit falls out of a turnaround due to permitting delay



Incorporating incremental cost-effectiveness as part of BARCT analysis

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Additional and Ongoing Key Issues Staff is Working On



Evaluating WSPA's option as a bridge to PR 1109.1 emission limits



Evaluating WSPA's approach to estimating costs for facilities that did not provide cost data

PM

Need certainty that PM emissions from SCR projects will not trigger federal NSR



Considering an alternative approach that includes a mass emissions cap

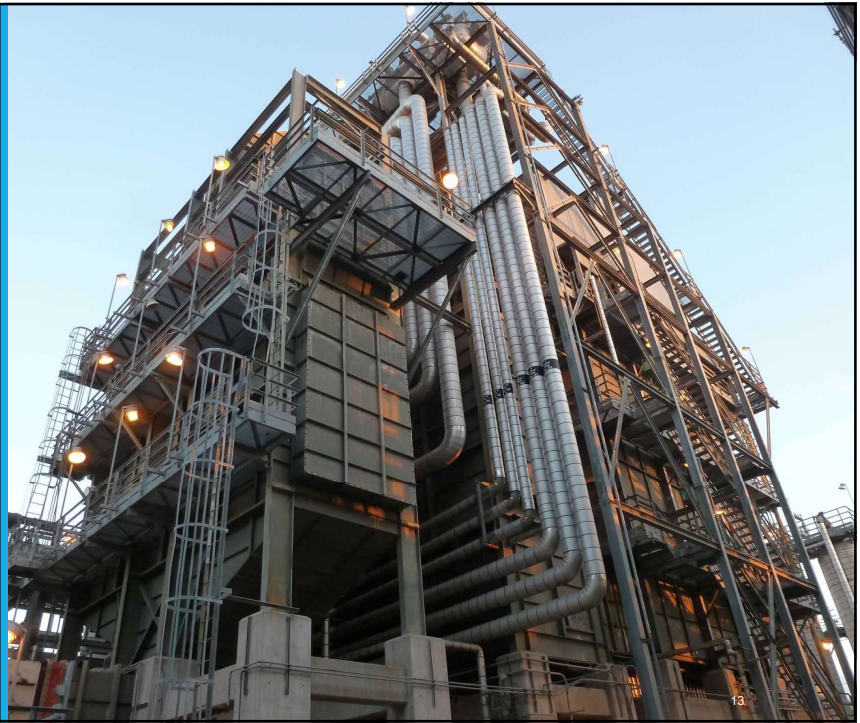


Ensuring the greatest emission reductions are achieved at the earliest timeframe feasible

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Schedule and Next Steps

- Public Hearing currently scheduled for September 2021
- Will continue to work with all stakeholders to address key issues



PROPOSED AMENDED RULE 1111 – REDUCTION OF NOX EMISSIONS FROM NATURAL GAS-FIRED, FAN-TYPE CENTRAL FURNACES

STATIONARY SOURCE COMMITTEE

JUNE 18, 2021

RULE 1111 BACKGROUND

- Rule 1111 establishes NOx limits for natural gas furnaces and applies to manufacturers, distributors, sellers, and installers
- In November 2009, NOx limit lowered from 40 to 14 ng/J with a staggered implementation schedule
- Since October 1, 2019, condensing and non-condensing furnaces have been meeting the 14 ng/J NOx limit, except for high-altitude¹ installation
- There are three furnace categories with an October 1, 2021 compliance date:
 - Condensing/non-condensing furnaces in high-altitude areas
 - Weatherized furnaces
 - Mobile home furnaces
- Provided a rule implementation status to the Stationary Source Committee on May 21, 2021

¹ For elevations $\geq 4,200$ feet above sea level

PROPOSED AMENDED RULE 1111

- Staff is proposing amendments to Rule 1111 to address:

Product Availability for High Altitude

Weatherized Furnaces Implementation

Mobile Home Furnace

- Public process
 - Two Working Group Meetings (April 14, 2021 and June 3, 2021)
 - High Altitude Stakeholder Meetings (April 29, 2021 and June 9, 2021)
 - Ongoing meetings with manufacturers, distributors, and installers

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PRODUCT AVAILABILITY FOR HIGH ALTITUDE¹



Added 1-Year Exemption for High Altitude Furnaces to Allow Manufacturers to Conduct High Altitude Testing

2019

Extended Exemption 12 Months for Delays in Testing in High Altitude Areas Due to COVID-19

2020

Compliance Date for High Altitude Furnaces

Oct 2021

- Four** manufacturers will have compliant furnaces available by October 1, 2021, for elevations up to 7,500-7,800 feet
 - Three** manufacturers have all their certified compliant units for the Basin available for usage in high altitude areas
- Currently no certified models designed for downflow configuration and large capacity units for high altitude areas
- Staff recommendation:
 - Consider an exemption for high-altitude downflow furnaces
 - No extension for general high-altitude exemption

¹ Condensing and non-condensing furnace installations

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WEATHERIZED FURNACES IMPLEMENTATION



Added Mitigation Fee
Compliance Option to
October 2019

2014

Extended Mitigation Fee
for all Furnace Categories

2018

Extended Mitigation Fee 12
Months for Manufacturer
Delays Due to COVID-19

2020

Compliance Date
for Weatherized
Furnaces

Oct
2021

- September 2020 amendment extended the compliance date for weatherized furnaces from October 1, 2020 to October 1, 2021
- All manufacturers except one are expected to meet the October 1, 2021 compliance date
 - All certified units from one manufacturer will be available for elevations up to 7,800 ft
- One manufacturer anticipates a delay for their commercial weatherized furnaces
 - Requested two-month delay at the May 21, 2021 Stationary Source Committee meeting
 - Staff working with manufacturer on potential compliance pathway
- Staff recommends weatherized furnaces meet the October 1, 2021 compliance data with no further extension of the mitigation fee

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MOBILE HOME FURNACE



- Mitigation period fee for mobile home furnaces ends October 1, 2021
- None of the manufacturers have developed a compliant 14 ng/J furnace for mobile homes
- The manufacturers will need to:
 - Develop propane kits for compliant split systems to meet the Department of Housing and Urban Development requirement for propane compatibility; and
 - Meet the Department of Energy upcoming energy efficiency standards
- Manufacturers suggested a January 1, 2023 compliance date to better align with other regulatory requirements
- Staff recommendation:
 - Extend the mitigation fee to September 30, 2023

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KEY ISSUE

High altitude installation exemption

- Comment received that furnaces in high altitude areas should be exempt due to the small amount of NOx reductions

Staff response

- The emission reductions forgone would be permanent and cumulative over time
- Furnace manufacturers have invested resources to complete high altitude testing
- All manufacturers have made progress and have variety of products at different elevations
- Concerned about equity for residences throughout the Basin (at or above elevation)

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NEXT STEPS

- Public Workshop - July 2021
- Public Hearing - September 3, 2021
- Continue to work with stakeholders through the rulemaking process

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PROPOSED RULE 1147.1 NO_x REDUCTIONS FROM AGGREGATE DRYERS

STATIONARY SOURCE COMMITTEE
JUNE 18, 2021

Background

- ❑ Aggregate dryers are currently regulated under Rule 1147 – NO_x Reductions from Miscellaneous Combustion
- ❑ Proposed Rule 1147.1 (PR 1147.1) is a landing rule for transitioning aggregate dryers located at RECLAIM facilities to a command and control regulatory structure
- ❑ Aggregate dryers impacted by PR 1147.1 are separated from Rule 1147 to address unique operating conditions of aggregate dryers than other combustion equipment
- ❑ PR 1147.1 establishes NO_x emission limits for aggregate dryers located at non-RECLAIM, RECLAIM, and former RECLAIM facilities

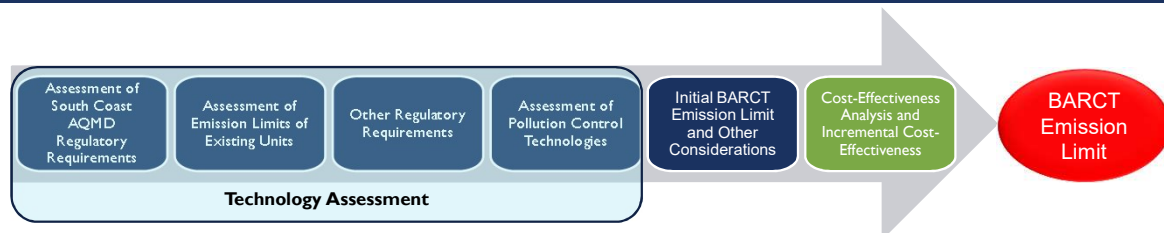
Impacted Equipment



- ❑ Aggregate dryers are combustion equipment fired on gaseous fuels used to reduce or minimize the moisture content from various aggregate materials
 - Ex. recycled concrete, recycled asphalt, and quarried materials
- ❑ PR 1147.1 will impact 43 pieces of equipment located at 37 facilities
 - 24 non-RECLAIM facilities
 - 13 RECLAIM facilities
- ❑ Industries affected by the proposed rule are construction and manufacturing
- ❑ Staff conducted virtual site visits to six potentially applicable facilities

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BARCT Assessment to Establish Proposed NO_x Limit



- ❑ BARCT emission limits represent the maximum degree of reductions achievable, taking into account environment, energy, and economic impacts for this class/category of sources
- ❑ BARCT assessment was conducted for gaseous fuel-fired aggregate dryers for PR 1147.1
- ❑ Separate compliance schedule for units with
 - Existing limits >40 ppm NO_x; and
 - Existing limits ≤40 ppm NO_x

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Proposed Interim NOx Emission Limits

Category	Prior to Meeting Proposed NOx and CO Limits
	NOx Emission Limit (@ 3% O ₂ , dry)
Non-RECLAIM Facilities	40 ppm
Former RECLAIM Facilities	102 ppm

- ❑ Interim limits for aggregate dryers located at non-RECLAIM and former RECLAIM facilities **until required to meet proposed NOx and CO emission limits**
- ❑ NOx limit for non-RECLAIM based on existing Rule 1147 requirements
- ❑ NOx limit for former RECLAIM units based on RECLAIM default of 130 lb/mmscf (~102 ppm)
 - Effective after the facility exits RECLAIM

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Proposed Emission Limits

- ❑ Rule 1147 establishes a NOx limit of 40 ppm that was effective as of 2008
- ❑ PR 1147 propose emission limits of 30 ppm NOx and 1,000 ppm CO
- ❑ Aggregate dryers above the current Rule 1147 limit are required to meet proposed limits when burner reaches 12 years of age or January 1, 2022, whichever is later
- ❑ Aggregate dryers at or below the current Rule 1147 limit are required to meet proposed limits when burner reaches 32 years of age or January 1, 2023, whichever is later¹
 - Provide additional time for aggregate dryers recently retrofitted to comply with Rule 1147 limits to avoid stranded assets
- ❑ Compliance schedules are based on existing compliance schedules found in Rule 1147 and stakeholder feedback
- ❑ All aggregate dryers must meet proposed limits upon burner replacement



¹ Rule 1147 limits represented BARCT in 2008. Any units modified to meet the Rule 1147 limit of 40 ppm or currently meet Rule 1147 limit of 40 ppm are allowed a longer implementation schedule consistent with Health and Safety Code Section 40920.6(c)(3)

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Monitoring and Reporting

Source Testing

- Frequency based on equipment size with more frequent source testing for larger aggregate dryers
- Aggregate dryers at or below the current Rule 1147 limit must conduct source testing when burner becomes 15 years of age
- Units not operated for at least 12 months prior to source test due date shall conduct source test after dryer resume operation

Existing Continuous Emissions Monitoring System (CEMS) or Equivalent

- Compliance to rule limits determined by a rolling averaging time of 60 minutes, corrected to 3% oxygen, dry

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Emission Reductions and Cost-Effectiveness

Emission Reductions

- 0.05 tons NO_x per day (tpd) by full implementation

Cost-Effectiveness

- Average category cost-effectiveness is \$46,000/ton of NO_x reduced

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Next Steps



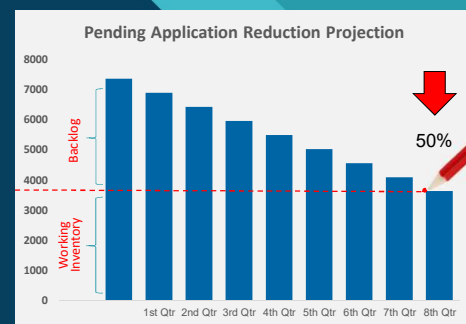
- ❑ Continue to work with stakeholders on details of proposed rule
- ❑ Public Hearing – August 4, 2021

Pending Permit Application Inventory Update

June 18, 2021

Pending Application Inventory Efforts

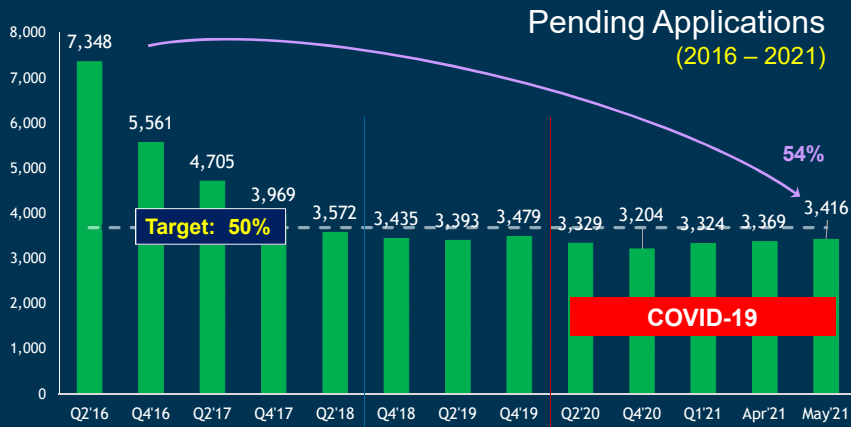
- Permit Inventory Backlog Reduction Efforts
 - October 2016 Pending Permit Inventory: 7,348
 - Board approved aggressive two-year initiative to cut permit inventory in half (3,674)
 - Exhaustive efforts by Engineering and Permitting staff achieved goal ahead of schedule and under budget
- Development of online permitting modules
- Launched pending permit application dashboard
- Ongoing development of paperless forms



October 2016 Plan

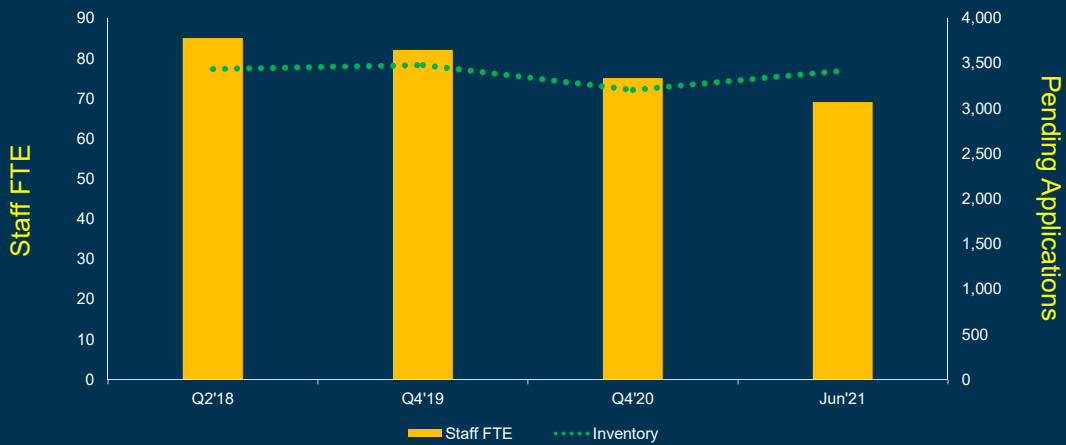
Permit Processing

2016 Inventory Reduction Initiative

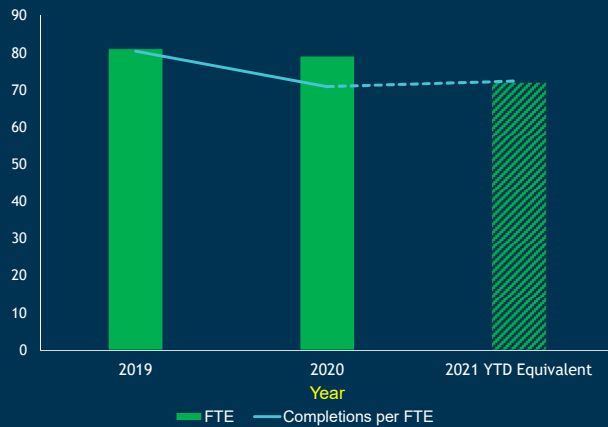


Achieved and continue to maintain 50% reduction goal set in 2016

Permitting Staffing Trends



Staff Permit Production



Production per FTE remains consistent

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Actions

- Staffing
 - Summer recruitment
 - Interdivisional Resource Sharing
- Strategies
 - Ensure complete application packages
 - Prioritization
 - Distribution of workload
- Continual improvement
 - Staff and Supervisor Training
 - Permit Processing Handbook
 - Management tools (Dashboard)
 - Automation efforts



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Summary

- E&P staff and Pending Permit Inventory Reduction Program continue to be successful and meet goals
- Despite COVID-19 teleworking challenges, no significant permit processing impacts
- Successful implementation of pending permit application dashboard
- Immediate measures
 - Overtime
 - Additional internal staff resources
- Long term measures
 - Ongoing recruitments and succession planning
 - Continual training and efficiency improvements
- Continue to monitor efforts and adjust as necessary





South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
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Twelve-Month and Three-Month Rolling Average Price of Compliance Years 2020 and 2021 NOx and SOx RTCs (April – May 2021)

June 2021 Report to Stationary Source Committee

Table I

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
Feb-20	Feb-19 to Jan-20	111.2	\$1,197,542	14	\$10,770
Mar-20	Mar-19 to Feb-20	200.4	\$1,646,922	19	\$8,220
Apr-20	Apr-19 to Mar-20	202.4	\$1,657,101	21	\$8,186
May-20	May-19 to Apr-20	221.7	\$1,755,883	26	\$7,921
Jun-20	Jun-19 to May-20	227.6	\$1,815,483	27	\$7,975
Jul-20	Jul-19 to Jun-20	313.6	\$3,016,787	33	\$9,620
Aug-20	Aug-19 to Jul-20	326.4	\$3,192,582	36	\$9,781
Sep-20	Sep-19 to Aug-20	343.4	\$3,350,824	48	\$9,758
Oct-20	Oct-19 to Sep-20	344.4	\$3,359,824	49	\$9,755
Nov-20	Nov-19 to Oct-20	419.5	\$3,963,013	69	\$9,447
Dec-20	Dec-19 to Nov-20	396.8	\$3,812,488	65	\$9,607
Jan-21	Jan-20 to Dec-20	404.9	\$3,370,270	69	\$8,323
Feb-21	Feb-20 to Jan-21	546.4	\$4,110,708	96	\$7,523
Mar-21	Mar-20 to Feb-21	497.0	\$3,821,251	100	\$7,689
Apr-21	Apr-20 to Mar-21	503.8	\$3,875,110	103	\$7,691
May-21	May-20 to Apr-21	571.2	\$4,351,083	118	\$7,617
Jun-21	Jun-20 to May-21	565.3	\$4,291,483	117	\$7,592

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 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

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

Table III

Three-Month Rolling Average Price Data for Compliance Year 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
Feb-20	Nov-19 to Jan-20	105.6	\$1,150,163	13	\$10,890
Mar-20	Dec-19 to Feb-20	167.6	\$1,414,218	12	\$8,438
Apr-20	Jan-20 to Mar-20	131.4	\$791,886	10	\$6,024
May-20	Feb-20 to Apr-20	110.5	\$558,341	12	\$5,054
Jun-20	Mar-20 to May-20	27.3	\$168,561	8	\$6,179
Jul-20	Apr-20 to Jun-20	111.2	\$1,359,687	12	\$12,232
Aug-20	May-20 to Jul-20	104.7	\$1,436,699	10	\$13,720
Sep-20	Jun-20 to Aug-20	115.8	\$1,535,341	21	\$13,261
Oct-20	Jul-20 to Sep-20	30.8	\$343,036	16	\$11,128
Nov-20	Aug-20 to Oct-20	98.7	\$817,811	34	\$8,286
Dec-20	Sep-20 to Nov-20	86.2	\$694,369	24	\$8,057
Jan-21	Oct-20 to Dec-20	131.5	\$875,661	31	\$6,659
Feb-21	Nov-20 to Jan-21	232.5	\$1,297,857	40	\$5,581
Mar-21	Dec-20 to Feb-21	267.7	\$1,422,980	47	\$5,315

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)
Apr-21	Jan-21 to Mar-21	230.3	\$1,296,726	44	\$5,630
May-21	Feb-21 to Apr-21	135.3	\$798,716	34	\$5,905
Jun-21	Mar-21 to May-21	95.6	\$638,793	25	\$6,685

Table IV

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

Table V

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 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-20	Jan-19 to Dec-19	None	-	-	-
Feb-20	Feb-19 to Jan-20	None	-	-	-
Mar-20	Mar-19 to Feb-20	None	-	-	-
Apr-20	Apr-19 to Mar-20	None	-	-	-
May-20	May-19 to Apr-20	None	-	-	-
Jun-20	Jun-19 to May-20	None	-	-	-
Jul-20	Jul-19 to Jun-20	None	-	-	-
Aug-20	Aug-19 to Jul-20	None	-	-	-
Sep-20	Sep-19 to Aug-20	None	-	-	-

Twelve-Month Rolling Average Price Data for Compliance Year 2020 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)
Oct-20	Oct-19 to Sep-20	None	-	-	-
Nov-20	Nov-19 to Oct-20	None	-	-	-
Dec-20	Dec-19 to Nov-20	None	-	-	-
Jan-21	Jan-20 to Dec-20	2.7	\$6,095	1	\$2,300
Feb-21	Feb-20 to Jan-21	2.7	\$6,095	1	\$2,300
Mar-21	Mar-20 to Feb-21	2.7	\$6,095	1	\$2,300
Apr-21	Apr-20 to Mar-21	2.7	\$6,095	1	\$2,300
May-21	May-20 to Apr-21	2.7	\$6,095	1	\$2,300
Jun-21	Jun-20 to May-21	2.7	\$6,095	1	\$2,300

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 RTC price exceeds \$15,000 per ton.

Table VI

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 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-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	-	-	-

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 RTC price exceeds \$15,000 per ton.

June 2021 Update on Work with U.S. EPA and California Air Resources Board on New Source Review Issues for the RECLAIM Transition

At the October 5, 2018 Board meeting, the Board directed staff to provide the Stationary Source Committee with a monthly update of staff's work with U.S. EPA regarding resolving NSR issues for the transition of facilities from RECLAIM to a command-and-control regulatory structure. The table below summarizes key activities with U.S. EPA and California Air Resources Board (CARB) since the last report.

Item	Discussion
Video Conference with U.S. EPA and CARB – May 27, 2021	<ul style="list-style-type: none"> Discussed methodology used to determine federal NSR applicability
Video Conference with CARB – May 28, 2021	<ul style="list-style-type: none"> Discussed rule development concepts for Proposed Amended Rule 1304
Video Conference with U.S. EPA and CARB – June 3, 2021	<ul style="list-style-type: none"> Discussed concepts for a bridge between RECLAIM and command-and-control
Video Conference with CARB – June 15, 2021	<ul style="list-style-type: none"> Discussed rule development concepts for Proposed Amended Rule 1304
RECLAIM and Regulation XIII Working Group Meetings – June 16, 2021	<ul style="list-style-type: none"> Provided updates on rulemakings for the RECLAIM transition Staff responded to a stakeholder comment letter regarding AB 617 Discussed Proposed Amended Rule 1304

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

Settlement Penalty Report (05/01/2021 - 05/31/2021)

Total Penalties

Civil Settlement:	\$51,097.59
Hearing Board Settlement:	\$25,000.00
MSPAP Settlement:	\$10,350.00
Total Cash Settlements:	\$86,447.59

Fiscal Year through 05/31/2021 Cash Total: \$4,318,988.78

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
Civil						
156257	BRISTOL FARMS CENTRAL KITCHEN	1415.1	05/18/2021	BT	P66967	\$2,300.00
105334	HOLLYWOOD ROOSEVELT HOTEL	1415, 2202	05/18/2021	JL	P66800	\$6,897.59
186952	MEDITERRANEAN HEATING & AIR CONDITIONING	1403	05/21/2021	WW	P66437	\$2,500.00
104004	MICROMETALS, INC	3002	05/21/2021	MR	P63872, P68758	\$2,500.00
186784	NICHOLAS SPENO	1403	05/18/2021	BT	P63098	\$1,100.00
115702	NIKRAD ENTERPRISES INC #5	203(b), 461	05/18/2021	BT	P67677	\$1,550.00
3968	TABC, INC	2004, 3002	05/26/2021	BT	P66907	\$1,000.00
68118	TIDELANDS OIL PRODUCTION COMPANY	2004, 2012	05/05/2021	DH	P64425, P67315	\$1,250.00
121299	TRC SOLUTIONS INC	1466	05/21/2021	WW	P66488	\$30,000.00
189418	URBAN CONSTRUCTION & DESIGN SOLUTIONS	1403	05/21/2021	WW	P67469	\$2,000.00
Total Civil Settlements: \$51,097.59						

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
Hearing Board						
104234	SCAQMD v. Mission Foods	202, 203(b), 1153.1, 1303	05/21/2021	KCM	5400-4	\$25,000.00
Total Hearing Board Settlements: \$25,000.00						
MSPAP						
40828	ARCO DLR, N&H ALLAHVERDI	461	05/18/2021	GC	P67226	\$200.00
25591	COUNTY OF RIVERSIDE (BA176)	1472	05/18/2021	TCF	P69110	\$500.00
174302	MOBIL SHOP N GO FOOD STORE	461(c)(3)(Q)	05/18/2021	TCF	P69613	\$500.00
190100	OCEAN DEVELOPMENT INC.	1403	05/18/2021	TCF	P69202, P69203, P69205	\$2,400.00
73582	OLTMANS CONSTRUCTION CO	403	05/18/2021	TCF	P69306, P69307	\$1,800.00
167924	SOUTH COAST POWDER COATING	203(b)	05/19/2021	TCF	P68751	\$1,600.00
137275	SPECTRUM CLEANERS, YOUNG B KIM DBA	1421	05/18/2021	TCF	P69106	\$250.00
147395	SUNBELT RENTALS INC	203(b)	05/19/2021	TCF	P66799	\$2,000.00
171690	TESORO 63264	461, H&S 41960.2	05/18/2021	TCF	P69019	\$800.00
143789	U.S. GAS & SMOG PROFESSIONAL, GHAJAR INC	461(c)(3)(Q)	05/18/2021	TCF	P69010	\$300.00
Total MSPAP Settlements: \$10,350.00						

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

REGULATION II - PERMITS

Rule 202 Temporary Permit to Operate
Rule 203 Permit to Operate

REGULATION IV - PROHIBITIONS

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

REGULATION XI - SOURCE SPECIFIC STANDARDS

Rule 1153.1 Emissions of Oxides of Nitrogen from Commercial Food Ovens

REGULATION XIII - NEW SOURCE REVIEW

Rule 1303 Requirements

REGULATION XIV - TOXICS

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
Rule 1421 Control of Perchloroethylene Emissions from Dry Cleaning Operations
Rule 1466 Control of Particulate Emissions from Soils with Toxic Air Contaminants
Rule 1472 Requirements for Facilities with Multiple Stationary Emergency Standby Diesel Fueled Internal Combustion Engines

REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

Rule 2004 RECLAIM Program Requirements
Rule 2012 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NOx) Emissions

REGULATION 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