



**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.)
Board Member Gideon Kracov
Council Member Judith Mitchell
Supervisor V. Manuel Perez
Supervisor Janice Rutherford

June 19, 2020 ♦ 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.

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

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<https://scaqmd.zoom.us/j/98486824939>

Zoom Webinar ID: 984 8682 4939 (applies to all)

Teleconference Dial In

+1 669 900 6833

One tap mobile

+16699006833,,98486824939#

Audience will be allowed 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 54854.3(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, 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

INFORMATIONAL ITEM (Item 1)

- 1. Update on Implementation of Rule 1111- Reduction of NOx Emissions from Natural-Gas-Fired, Fan Type Central Furnaces (10 mins)** Susan Nakamura
Assistant Deputy
Executive Officer
(No Motion Required)
Staff will provide an update on implementation of Rule 1111, summary of the consumer furnace rebate program and use of dual fuel systems.
(Written Material Attached)

WRITTEN REPORTS (Items 2 through 4)

- 2. 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)** Susan Nakamura
This is a monthly update on staff's work with U.S. EPA regarding New Source Review issues related to the RECLAIM transition.
(Written Material Attached)
- 3. Twelve-month and Three-month Rolling Average Price of RTCs for Compliance Years 2019 and 2020 (April – June) (No Motion Required)** Amir Dejbakhsh
Deputy Executive Officer
The attached report summarizes the twelve-month and three-month rolling average prices of NOx and SOx RTCs.
(Written Material Attached)
- 4. Notice of Violation Penalty Summary (No Motion Required)** Bayron Gilchrist
General Counsel
This report provides the total penalties settled in May of 2020 which includes Civil, Supplemental Environmental Projects, Mutual Settlement Assessment Penalty Program, Hearing Board and Miscellaneous.
(Written Material Attached)

OTHER MATTERS

- 5. 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)

6. 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.

7. Next Meeting Date: Friday, August 21, 2020 at 10:30 a.m.

ADJOURNMENT

Americans with Disabilities Act and Language Accessibility

Disability and language-related accommodations can be requested to allow participation in the Stationary Source Committee meeting. The agenda will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't Code Section 54954.2(a)). In addition, other documents may be requested in alternative formats and languages. Any disability or language related accommodation must be requested as soon as practicable. Requests will be accommodated unless providing the accommodation would result in a fundamental alteration or undue burden to the 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 1111 UPDATE

STATIONARY SOURCE COMMITTEE
JUNE 19, 2020

RULE 1111 BACKGROUND

- ❑ Adopted in December 1978 and established a NOx limit of 40 ng/J
- ❑ Applies to manufacturers, distributors, sellers, and installers of residential and commercial natural gas furnaces
- ❑ November 2008 NOx limit was lowered to 14 ng/J
- ❑ September 2014 extended compliance date with a mitigation fee

Category	Final Compliance Date (14 ng/J NOx)
Condensing/ Non-Condensing	October 1, 2019 
High Altitude Condensing/ Non-Condensing	October 1, 2020
Weatherized	October 1, 2020
Mobile Home	October 1, 2021

SUMMARY OF PREVIOUS RULE AMENDMENT

December 6, 2019 amendments to Rule 1111

- Provided exemption for condensing and noncondensing furnaces at higher elevations¹
- Exemption ends on October 1, 2020

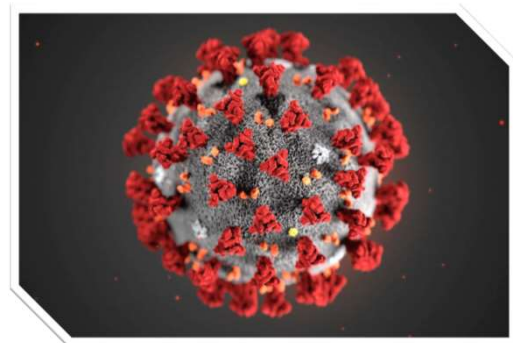
Board Resolution directed staff to return to Stationary Source Committee

- Staff to continue working with manufacturers, distributors and dealers regarding:
 - Availability of high altitude and weatherized furnaces by October 1, 2020
 - Consideration of dual fuel heating systems with a 40 ng/J furnace
 - Issues with 14 ng/J NOx furnaces

¹ 4,200 feet above sea level or higher

IMPACTS OF COVID-19

- ❑ Multiple furnace manufacturers communicated manufacturing delays or interruptions as a result of COVID-19
- ❑ Other COVID-19 effects
 - Plant closures to incorporate social distancing in operations – generally 2 weeks
 - Lower production rates
 - High rate of absenteeism
 - Need for plant-wide downtime when COVID-19 cases occur
 - Company travel restrictions
 - Impacts to business decisions



AREAS OF FOCUS BASED ON DIRECTION FROM STATIONARY SOURCE COMMITTEE



14 ng/J Furnaces

- Compliant 14 ng/J furnaces
- *CLEAN*air Furnace Rebate Program



High Altitude

- Availability of high altitude furnaces for the October 1, 2020 compliance date



Weatherized Furnaces

- Availability of weatherized (package units) furnaces for the October 1, 2020 compliance date



Dual Fuel Systems

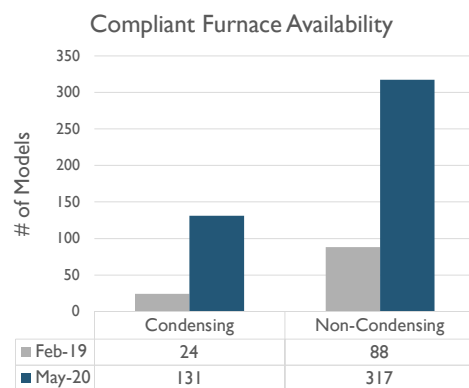
- Consideration of non-compliant furnace for dual fuel heating and cooling systems

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STATUS OF 14 NG/J COMPLIANT FURNACES

Mitigation fee period for condensing and non-condensing home furnaces ended on October 1, 2019

- ❑ As of May 2020, 448 models available from all seven furnace manufacturers
 - Furnaces range from 40,000 to 110,000 BTU/hr
- ❑ Based on input from manufacturers
 - No reports of excessive noise issues
 - Manufacturer modified and resolved overheating issue and was not aware of new issues
- ❑ Staff is investigating comments made by a contractor at the June 10th Working Group Meeting of noise and overheating



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FURNACE REBATE PROGRAM UPDATE

- ❑ Staff developed the *CLEANair* Rebate Program to help commercialize 14 ng/J furnaces
- ❑ Board approved an initial funding of \$3,000,000
 - Rebate website launched on June 28, 2018
 - Designed and maintained by the Electric & Gas Industries Association
- ❑ Initial funding of \$3,000,000 exhausted - 5,242 furnace rebates issued with an additional 300 in processing
- ❑ Rebate Program is currently suspended



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COMPLIANCE DEADLINES

Condensing and Non-Condensing
Furnaces

October 1, 2019



High Altitude Installations
(≥4,200 feet)

October 1, 2020

Upcoming
Deadlines

Weatherized Furnaces

October 1, 2020

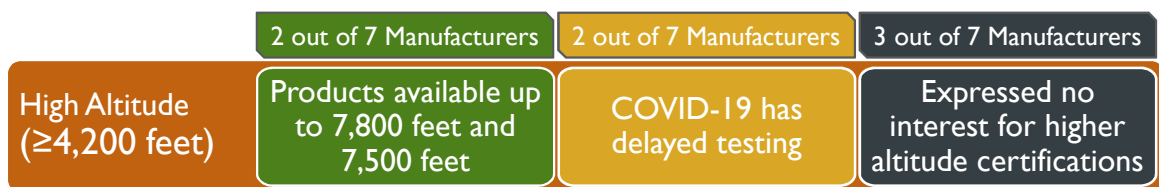
Mobile Home Furnaces

October 1, 2021

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HIGH ALTITUDE FURNACE UPDATE

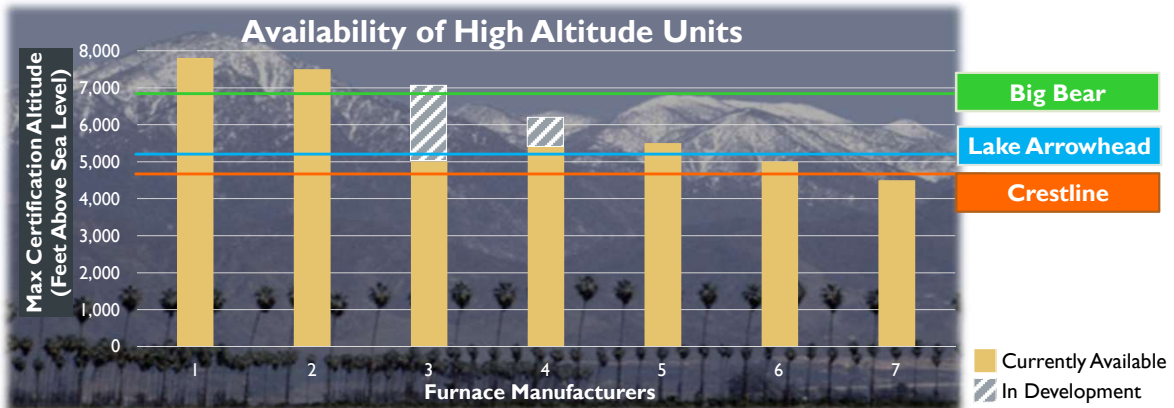
- ❑ December 6, 2019 amendment extended the compliance date from October 1, 2019 to October 1, 2020 for high altitude furnaces
- ❑ Travel restrictions due to COVID-19 has delayed testing for some manufacturers



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INITIAL RECOMMENDATION FOR HIGH ALTITUDE FURNACES



Initial Recommendation: Delay compliance date from October 1, 2020 to April 1, 2021 for condensing and non-condensing high altitude furnaces

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WEATHERIZED FURNACE UPDATE

- ❑ Mitigation period fee for weatherized furnaces ends October 1, 2020
- ❑ Rule 1111 does not make a distinction between residential and commercial weatherized furnaces
- ❑ Based on input from manufacturers, commercialization of residential weatherized units is ahead of commercial weatherized units

	5 out of 7 Manufacturers	1 out of 7 Manufacturers	1 out of 7 Manufacturers
Weatherized Furnaces (Residential)	Expected to Meet October Deadline	Expected After October Deadline	Development Suspended or Pending Update
	1 out of 7 Manufacturers	5 out of 7 Manufacturers	1 out of 7 Manufacturers
Weatherized Furnaces (Commercial)	Expected to Meet October Deadline	Expected After October Deadline	Development Suspended or Pending Update

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INITIAL RECOMMENDATION FOR WEATHERIZED FURNACES

- ❑ Multiple furnace manufacturers have expressed concern of supply chain impacts from COVID-19
 - Potential delays in product launch for weatherized furnaces
- ❑ For most manufacturers, development of commercial and residential weatherized furnaces are separate
- ❑ Based on comments from stakeholders at the June 10th Working Group meeting
 - Staff will discuss with individual manufacturers how they define commercial and residential weatherized furnaces to identify a common definition

Initial Recommendation: Extend the mitigation fee for weatherized furnaces from October 1, 2020 to April 1, 2021

- Extension will potentially apply to commercial weatherized furnaces only

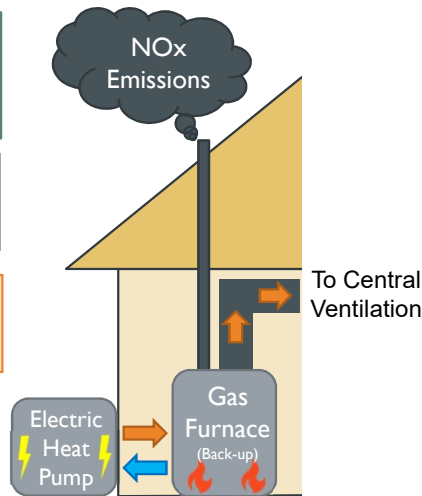
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DUAL FUEL HEATING SYSTEMS

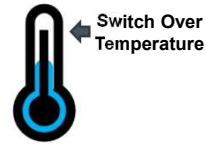
Dual fuel heating system is a natural gas furnace paired with an electric heat pump

Primary heating is provided by the electric heat pump

Furnace operation is determined by adjustable switchover temperature

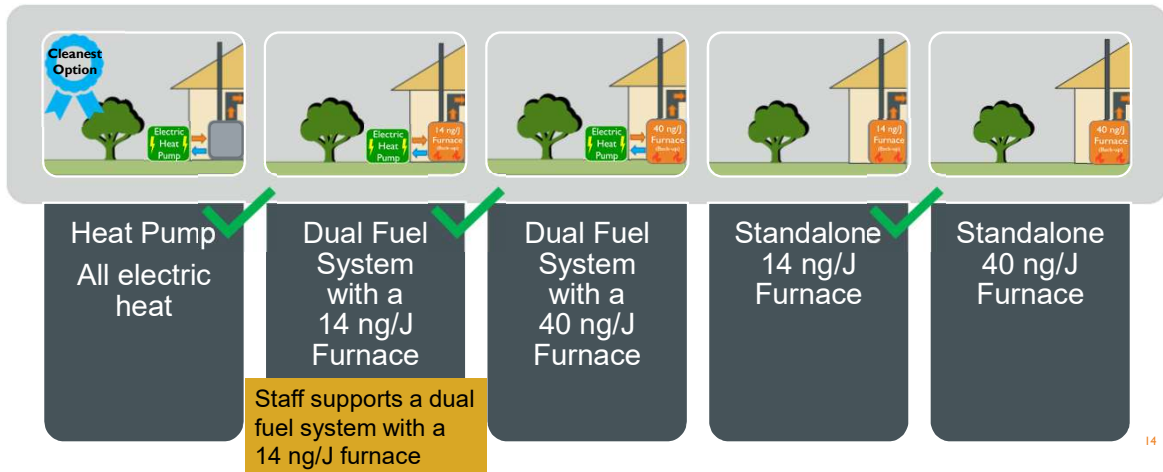


Gas-fired furnace is used as auxiliary heating when temperatures are very low



Higher the switchover set temperature, more often the furnace operates and more emissions

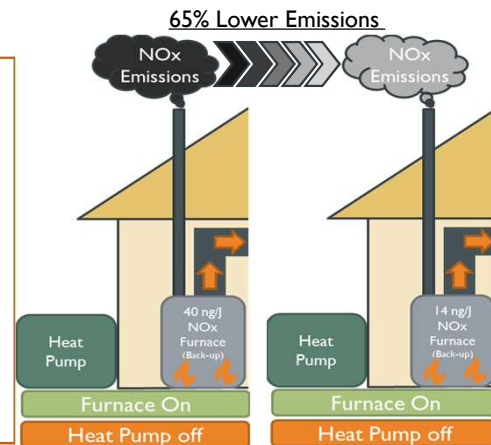
AVAILABLE TECHNOLOGIES FOR RULE 1111



DUAL FUEL HEATING SYSTEMS WITH AN ULTRA LOW-NO_x 14 NG/J FURNACE

Availability of Dual Fuel Heating Systems with 14 ng/J Furnace

- ❑ All seven furnace manufacturers have **14 ng/J NO_x** dual fuel systems available for sale
- ❑ Dual fuel systems equipped with **14 ng/J NO_x** furnaces emit 65% less NO_x than an equivalent systems with **40 ng/J NO_x** furnaces



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UC DAVIS STUDY – DUAL FUEL HYBRID HEATING

- ❑ The Western Cooling Efficiency Center of UC Davis conducted a study⁴ to analyze NO_x emissions from dual fuel hybrid heating technologies in California
 - Study funded by Trane Technologies
- ❑ Study focused on comparing emissions between:
 - A standalone **40 ng/J NO_x** non-compliant furnace
 - A dual fuel system using a non-compliant **40 ng/J NO_x** furnace
 - A standalone **14 ng/J NO_x** compliant furnace
- ❑ Based on the study:
 - Heating provided by electric heat pump
 - Gas furnace would not operate in most areas of Southern California
 - Since all heating was provided by electric heat pump, no emissions from furnace would occur

⁴ Dichter, N. 2020. Analysis of NO_x Emissions Hybrid Heating Technologies in California. WCEC Tech. Report WCEC 2020-01, 11 p (<https://wcec.ucdavis.edu/wp-content/uploads/Analysis-of-NOx-Emissions.WCEC-Technical-Report.2020-01.pdf>)

* Assuming average California residential natural gas cost of \$13.69/MSCF and residential electricity cost of \$0.21/kwh as of March 2020 per data obtained from the U.S. Energy Information Administration

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STAKEHOLDER COMMENTS AT JUNE 10TH WORKING GROUP MEETING REGARDING DUAL FUEL SYSTEMS

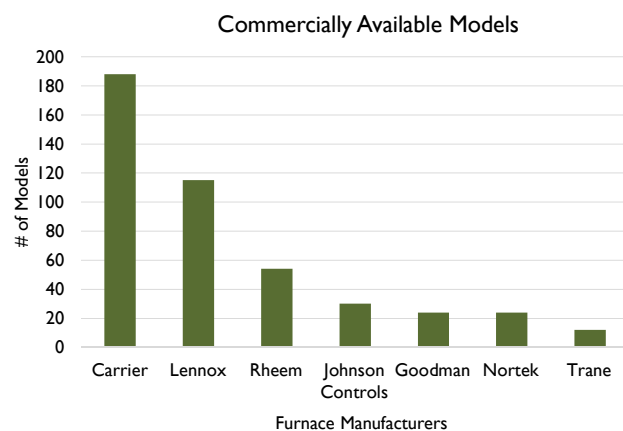
- ❑ Representative from UC Davis commented that
 - ❑ The lowest emission scenario is a dual fuel system with a **14 ng/J NOx** furnace
 - ❑ Dual fuel systems with a **40 ng/J NOx** furnace offers greater potential emissions reductions than a standalone **14 ng/J NOx** furnace
- ❑ Some manufacturers and installers commented that **40 ng/J NOx** dual fuel systems will provide consumers with additional choice at competitive price points
 - ❑ Dual fuel system with a **14 ng/J NOx** furnace does not provide the additional consumer choice
- ❑ One stakeholder commented that dual fuel systems of any kind are cost prohibitive for most consumers

* Installation costs associated with 14 ng/J NOx and 40 ng/J NOx dual fuel systems are assumed to be identical and excluded from price comparison

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STAFF'S RESPONSE REGARDING AVAILABILITY OF 14 NG/J FURNACES

- ❑ Some manufacturers support dual fuel systems with a 40 ng/J furnace to provide more consumer choices
- ❑ Rule 1111 does not preclude use of dual fuel systems, provided the furnace is a 14 ng/J furnace
- ❑ Over the first seven months of implementation, 448 models have been commercialized at or below 14 ng/J
- ❑ New models are continuing to be commercialized - further expanding consumer choice
- ❑ Some manufacturers are quicker to adopt ultra-low NOx technologies than other manufacturers



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STAFF'S ADDITIONAL RESPONSES

Staff Supports Dual Fuel Systems with a 14 ng/J Furnace

- Dual fuel with a 14 ng/J furnace has 65% less NOx compared to dual fuel system with a 40 ng/J furnace
- Standalone electric heat pump is the cleanest alternative

Compliance Loop Hole for Distribution 40 ng/J Non-Compliant Furnaces

- Allowing 40 ng/J NOx dual fuel systems creates a regulatory loophole
- Concern that standalone non-compliant 40 ng/J NOx furnaces could be more easily sold in the basin
- Creates additional enforcement challenges

Allowing 40 ng/J Dual Fuel Systems May Require Compliance to End User

- Need to enforce that the end user does not bypass the electric pump or change the temperature settings
- No mechanism to limit hours of operation of 40 ng/J furnace (residential furnaces are not permitted)

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SUMMARY AND NEXT STEPS

- ❑ End the *CLEANair* Furnace Rebate Program
- ❑ Support dual fuel units with a compliant 14 ng/J NOx furnace
- ❑ Initial recommendations for Proposed Amended Rule 1111:
 - Delay compliance date from October 1, 2020 to April 1, 2021 for high altitude condensing and non-condensing furnaces
 - Extend the mitigation fee period of weatherized furnaces from October 1, 2020 to April 1, 2021 (Potentially apply to only commercial weatherized furnaces)
- ❑ Proposed amendments would delay up to 1.35 lb of NOx/day for six months
- ❑ Public Hearing in September 2020
- ❑ Continue to work with stakeholders

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June 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 month.

Item	Discussion
Teleconference with U.S. EPA – May 28, 2020	<ul style="list-style-type: none"> • Discussed retaining current NSR applicability test • Discussed alternative NSR applicability test • Discussed issues related to co-pollutant emissions from air pollution control equipment
Video conference with CARB – June 2, 2020	<ul style="list-style-type: none"> • Discussed the proposed alternative emission calculation method for NSR applicability test
Teleconference with U.S. EPA – June 4, 2020	<ul style="list-style-type: none"> • Reviewed material for the June RECLAIM and Regulation XIII working group meetings
RECLAIM and Regulation XIII (New Source Review) Working Group Meeting – June 11, 2020	<ul style="list-style-type: none"> • Provided updates on rulemakings for the RECLAIM transition • Responded to comments received from the Regulatory Flexibility Group, Western States Petroleum Association, and Los Angeles Department of Water and Power



South Coast Air Quality Management District

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Twelve-Month and Three-Month Rolling Average Price of Compliance Years 2019 and 2020 NOx and SOx RTCs

June 2020 Report to Stationary Source Committee

Table I

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

Twelve-Month Rolling Average Price Data for Compliance Year 2019 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-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
Feb-20	Feb-19 to Jan-20	627.3	\$3,051,736	101	\$4,865
Mar-20	Mar-19 to Feb-20	763.8	\$3,657,124	117	\$4,788
Apr-20	Apr-19 to Mar-20	806.6	\$3,891,993	121	\$4,825
May-20	May-19 to Apr-20	857.5	\$4,163,172	138	\$4,855
Jun-20	Jun-19 to May-20	856.5	\$4,154,702	137	\$4,851

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
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

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 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
Feb-20	Nov-19 to Jan-20	422.7	\$2,002,719	51	\$4,738
Mar-20	Dec-19 to Feb-20	536.5	\$2,493,378	62	\$4,648

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)
Apr-20	Jan-20 to Mar-20	563.9	\$2,596,352	63	\$4,605
May-20	Feb-20 to Apr-20	241.4	\$1,190,089	40	\$4,930
Jun-20	Mar-20 to May-20	104.9	\$584,701	24	\$5,574

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
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 ¹	\$791,886 ¹	10	\$6,024 ¹
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

1. Revision from the April 2020 RTC Price Report reported values of 132.9 tons (3-month volume traded), \$799,386 (total price of volume traded), and \$6,013/ton (rolling average price).

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 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-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

Twelve-Month Rolling Average Price Data for Compliance Year 2019 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)
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
Feb-20	Feb-19 to Jan-20	160.7	\$1,191,808	11	\$7,416
Mar-20	Mar-19 to Feb-20	150.2	\$1,170,958	12	\$7,795
Apr-20	Apr-19 to Mar-20	150.2	\$1,170,958	12	\$7,795
May-20	May-19 to Apr-20	150.2	\$1,170,958	12	\$7,795
Jun-20	Jun-19 to May-20	148.8	\$1,167,582	11	\$7,846

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 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 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-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	-	-	-

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.

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

May 2020 Settlement Penalty Report

<u>Total Penalties</u>	
Civil Settlements:	\$138,250.00
MSPAP Settlements:	\$9,314.00
Hearing Board Settlements:	\$153,975.00
Total Cash Settlements:	\$301,539.00
Total SEP Value:	\$0.00
Fiscal Year through 5 / 2020 Cash Total:	\$12,235,094.36
Fiscal Year through 5 / 2020 SEP Value Only Total:	\$0.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Civil Settlements						
800264	EDGINGTON OIL COMPANY	2004 3002(c)(1)	5/5/2020	TRB	P65603 P67367 P67808	\$6,000.00
11034	ENWAVE LOS ANGELES INC.	2004 2012(c)(3)(A) 2012, Appendix A	5/5/2020	TRB	P66852	\$5,250.00
188379	IRVINE COMPANY	40 CFR 60, QQQ 1403	5/5/2020	NSF	P65513	\$2,500.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
21505	LA CITY COLLEGE	203(a)	5/5/2020	KCM	P68853	\$9,500.00
		222			P68854	
		461				
		1415				
41229	LUBECO INC	203	5/27/2020	NSF	P64524	\$100,000.00
		402			P65528	
		1402			P66001	
		1469				
		1469.1				
		H&S 41700				
20604	RALPHS GROCERY CO	2004	5/27/2020	NAS	P66172	\$5,000.00
					P66176	
188493	RIVERWALK POST ACUTE	40 CFR 60, QQQ	5/27/2020	NSF	P67438	\$10,000.00
		1403				

Total Civil Settlements: \$138,250.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
MSPAP Settlements						
103227	CALIFORNIA PAVING & GRADING	203 461	5/13/2020	GC	P66806	\$2,964.00
187730	CPT WINEVILLE LLC	203(a)	5/13/2020	GC	P63968	\$800.00
29844	JOHN MOELLER, PALISADES GAS-N-	461(c)(3)(Q)	5/13/2020	GV	P76614	\$600.00
183855	MOLLER RETAIL #6120	461(c)(3)(Q)	5/13/2020	GV	P77255	\$600.00
177384	MOLLER RETAIL, INC DBA CONSERV	461(c)(3)(Q)	5/13/2020	GV	P77124	\$600.00
183026	MOLLER RETAIL, INC.	461(c)(3)(Q)	5/13/2020	GV	P77237	\$600.00
155416	MOLLER RETAIL, INC. #6109	461(c)(3)(Q)	5/13/2020	GV	P76975	\$600.00
73610	SF HOLDING SUPERFINE TEXACO	461	5/13/2020	TF	P68431	\$1,950.00
185800	TOUCHUP AUTO COLLISION	1151	5/13/2020	TF	P67561	\$600.00
Total MSPAP Settlements: \$9,314.00						

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Hearing Board Settlements						
191012	CLIMATE INDUSTRIES, INC. dba	1111	5/13/2020	MJR	6153-2	\$81,975.00
104234	MISSION FOODS CORPORATION	202 203(b) 1153.1 1303	5/27/2020	KCM	5400-4	\$25,000.00
181758	RUDOLPH FOODS WEST, INC.	202	5/13/2020	KCM	6168-1	\$2,000.00
10966	WEBER METALS INC	1430	5/13/2020	DH	6136-1	\$45,000.00
Total Hearing Board Settlements: \$153,975.00						

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

REGULATION II - PERMITS

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

REGULATION IV - PROHIBITIONS

- Rule 402 Nuisance
- Rule 461 Gasoline Transfer and Dispensing

REGULATION XI - SOURCE SPECIFIC STANDARDS

- Rule 1111 NOx Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces
- Rule 1151 Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations
- Rule 1153.1 Emissions of Oxides of Nitrogen from Commercial Food Ovens

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 1430 Control of Emissions from Metal Grinding Operations at Metal Forging Facilities
- Rule 1469 Hexavalent Chromium Emissions from Chrome Plating and Chromic Acid Anodizing Operations
- Rule 1469.1 Spraying Operations Using Coatings Containing Chromium

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
- Appendix A
- Rule 2012 Protocol for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NOx) Emissions

REGULATION XXX - TITLE V PERMITS

- Rule 3002 Requirements for Title V Permits

CODE OF FEDERAL REGULATIONS

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

CALIFORNIA HEALTH AND SAFETY CODE

41700 Violation of General Limitations