



**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.)
Supervisor Janice Hahn
Mayor Judith Mitchell
Supervisor V. Manuel Perez
Supervisor Janice Rutherford

**June 21, 2019 ♦ 10:30 a.m. ♦ Conference Room CC8
21865 Copley Dr., Diamond Bar, CA 91765**

TELECONFERENCE LOCATIONS

Wildomar City Hall
City Council Chambers
23873 Clinton Keith Road
Wildomar, CA 92595

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

(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 District 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

INFORMATIONAL ITEMS (Items 1-2)

- 1. Determine That Proposed Amendment to Rule 301 - Permitting and Associated Fees, Is Exempt from CEQA; Amend Rule 301; and Submit Rule 301 to CARB for Inclusion into SIP** (10 mins) Philip Fine, Deputy Executive Officer

(No Motion Required)

As part of its review of the 2016 AQMP, U.S. EPA has recently requested that Rule 301 be amended to include a requirement that facilities submitting emission reports certify that the information is accurate to the best knowledge of the individual submitting and certifying the report. Facilities already certify their emission reports in practice, and the proposed minor amendment will now place this requirement into the rule. This action is to adopt the Resolution:

1) Determining that the proposed amendment to Rule 301- Permitting and Associated Fees, is exempt from the California Environmental Quality Act; 2) Amending Rule 301- Permitting and Associated Fees; and 3) Directing the Executive Officer to submit Rule 301 to CARB for inclusion into the SIP.

(Written Material Attached)

- 2. Update on Implementation of Rule 1118 - Refinery Flares** (20 mins) Michael Krause, Planning and Rules Manager

(No Motion Required)

Staff will provide an update to the actions taken since the 2017 amendments to Rule 1118 including remote sensing information gathering, the development of a new flaring event notification system, and review of the scoping documents submitted by the refineries. These actions will assist staff in implementing Rule 1118 requirements, conducting trials with new technology, and determining possible future rule amendments.

(Written Material Attached)

WRITTEN REPORTS (Items 3-4)

- 3. Monthly Update of Staff's Work with U.S. EPA on New Source Review Issues for the RECLAIM Transition** Philip Fine

(No Motion Required)

This is a summary of staff's work with U.S. EPA over the past month to resolve New Source Review issues for the transition of RECLAIM facilities to a command and control regulatory program

(Written Material Attached)

- 4. Notice of Violation Penalty Summary (*No Motion Required*)**
This report provides the total penalties settled in May 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

- 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, July 26, 2019 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 Crdriguez@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.

Proposed Amended Rule 301

INCLUSION OF CERTIFICATION REQUIREMENT FOR EMISSIONS
REPORTS

STATIONARY SOURCE COMMITTEE: JUNE 21, 2019

Background: Clean Air Act §182(a)(3)(B)

- “The statement shall contain a certification that the information contained in the statement is accurate to the best knowledge of the individual certifying the statement.”
- U.S. EPA has identified potential non-compliance with this requirement as part of its review of the 2016 AQMP
- Certification requirement is already effectively done in practice for emission reporting

Rule Language and Impact

➤ New subparagraph (e)(8)(D) would read:

The reported emissions shall be certified by an authorized official. For purposes of reporting, an “authorized official” is defined as an individual who has knowledge and responsibility for emissions data and has been authorized by an officer of the permit holder to submit and certify the accuracy of the data presented in the emissions report on behalf of the permit holder, based on best available knowledge.

➤ Change is administrative in nature and has no cost impact

➤ Upon approval of the amendment, Executive Officer would submit Rule 301 to CARB to be incorporated into the SIP



RULE 1118 Control of Emissions From Refinery Flares

Stationary Source Committee

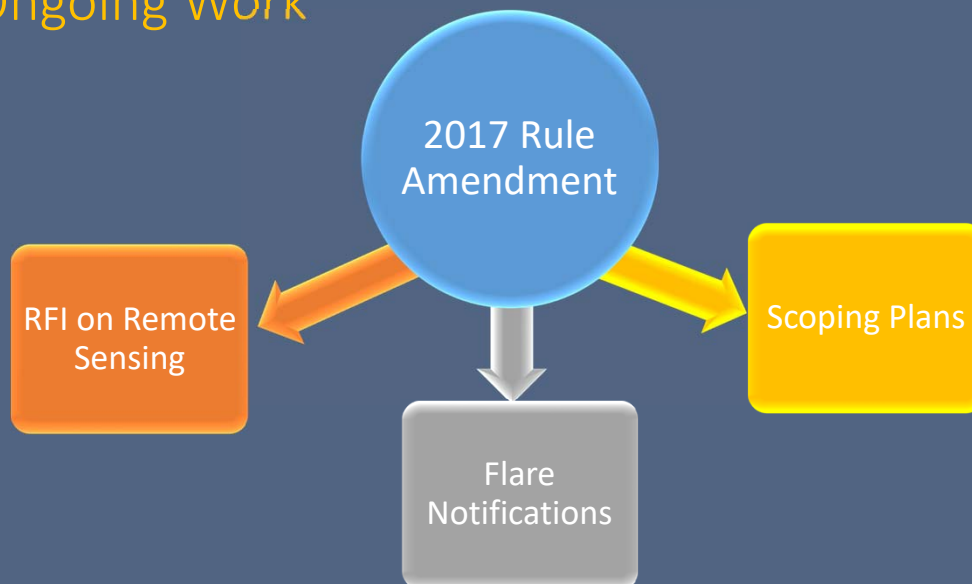
June 21, 2019

Background

- Rule 1118 adopted in 1998
 - ✓ Monitor quantity and composition of flare gas
 - ✓ Improve flare emission inventory
 - ✓ Assess the need for any future controls
- Last amendment July 7, 2017
 - ✓ Harmonized with EPA requirements
 - ✓ Removed \$4 million annual cap on mitigation fees
 - ✓ Updated emission factors
 - ✓ Required flare notifications be submitted via web-based application (once developed)
 - ✓ Included a Request for Information (RFI) on remote sensing technologies to directly measure flare emissions
 - ✓ Required refineries to submit scoping plans with strategies to reduce flaring
 - ✓ Resolution directive to provide an update to the Stationary Source Committee



Ongoing Work



3

Remote Sensing

- Emissions from refinery flares are challenging to measure due to the height of the flare and the nature of the open flame
 - ✓ NO_x, SO_x, and VOC emissions currently calculated based on flare throughput, default factors, etc.
 - ✓ Remote sensing potentially could provide real time emission data and toxics measurements
- Released RFI on July 2017 to gather information on optical remote sensing technologies
 - ✓ Seven companies responded
 - ✓ Information may be used to develop a Request for Proposal (RFP) for field demonstration
 - ✓ Data can be used for risk evaluation and studies
 - ✓ Data obtained can complement work conducted under AB 617 Community Exposure Reduction Plan

4

Optical Remote Sensing Options



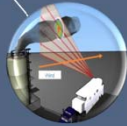
Infrared Flare Pyrometer

- Real-time feedback on combustion efficiency
- Can automate flows to maximize destruction efficiency/lower emissions
- \$10,000 for sensor – not including automated controls



Video Imaging Spectral Radiometry (VISR)

- Real-time feedback on combustion efficiency
- EPA currently testing VISR as enforcement tool – interested in conducting tests in South Coast AQMD
- \$40,000/week for demonstration



Differential Absorption Lidar (DIAL)

- Quantitative analysis
- Potential to measure toxics as well as hydrocarbons and VOCs
- Mini-DIAL (size of a van) could be developed
 - ~Two years /\$3.5 million

5

Flare Notifications

- 2017 rule amendment *required* flare notifications to be submitted electronically
- Improved notification system allows refineries to report flare events remotely via protected web access
 - ✓ Communities have access to relevant flare emission data
 - ✓ Data will be compiled to identify frequency and constituents of flare emissions
- New system will improve functionality, provide more information, and inform the public about flaring

6

Flare Event Notification System (FENS)

- Met with refineries and public
 - ✓ Solicited input prior to development
 - ✓ Provided community training on flare process and procedure, and received input
 - ✓ Providing further training to refinery personnel for data quality assurance
- Designed for ease of use by refinery personnel
 - ✓ Easy to access FENS during unplanned or emergency event at remote locations
 - ✓ Simple smart phone access with drop down menus
- Community access to FENS data complements AB 617 efforts
 - ✓ Community steering committee seeking improvements in flare notification, prioritizing flare reductions, and availability of flare data
 - Emissions
 - Reasons for flaring
 - Links to further incident information

7

FENS Improved Functionality

- Subscribers receive email flare notifications
- Flaring events will also be accessible on a web-based flare map
 - ✓ In the event of a major event, further details will be provided
- Past, current, and future flare events will be accessible to view or download

Flare Event Notification System

FACILITY INFO [SHOW ALL EVENTS](#)

Name: REFINERY ONE
ID: 8000000
Facility Address: 1234 Refinery Street, SoCal City, CA 90280
Flare Operator Information Page: [Click here](#)

CURRENT FLARE

Flare Event id: #123457
Start Date: 2/28/2019
Stop Date: 2/28/2019
Reason of event: Emergency Flaring

UPCOMING FLARE

Flare Event id: #123458
Start Date: 3/18/2019
Stop Date: 3/21/2019
Reason of event: Planned Maintenance

Flare Event id: #123459
Start Date: 4/18/2019
Stop Date: 4/20/2019
Reason of event: Reason of event

8

Scoping Documents

- Refineries were required to submit Scoping Documents by July 7, 2018
 - ✓ Evaluated emission reduction alternatives
 - ✓ Provided phase II rulemaking options to reduce flaring
 - ✓ Alternatives proposed were similar between refineries
 - ✓ Cost and time would be dependent on each refinery's turnaround schedule
- Feasibility of emission reductions dependent on several factors
 - ✓ Cost of controls ranges between \$16,000 to \$100,000,000
 - ✓ Planning maintenance and turnaround is most cost-effective
 - ✓ Most common engineering alternative is increase of vapor recovery
 - ✓ Power generation and transmission is least cost-effective
 - ✓ Procedural or engineering changes require hazard and operability study

9

Scoping Documents (*cont.*)

- Upcoming rulemaking could incorporate information from Scoping Documents
 - ✓ Utilize feasible alternatives evaluated by refineries
 - ✓ Consider requiring:
 - Increased recovery of flare gas
 - Backup power systems
 - Reducing planned flare events
 - Optical remote sensing
- Most facilities would make improvements during planned turnarounds, which could influence schedule

10

Next Steps

- Finalize and release Flare Event Notification System (Summer 2019)
- Potentially conduct remote sensing trial of VISR technology with EPA Region 5
- Discuss Scoping Plans with working groups and propose amended language
- Board consideration of PAR 1118 in 2020



June 2019 Update on Work with U.S. EPA on New Source Review Issues for the RECLAIM Transition

At the October 5, 2018 Governing 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, 2019	<ul style="list-style-type: none"> • Discussed calculation methodologies for NSR applicability and amount of offsets required • Staff discussed the supply and demand of NOx offsets in the South Coast AQMD Internal Bank
Teleconference with U.S. EPA – June 6, 2019	<ul style="list-style-type: none"> • Continued discussion on calculation methodology • U.S. EPA clarified the federal requirements and flexibility to determine NSR applicability and the offsetting obligation for new or modified sources
RECLAIM Working Group Meeting – June 13, 2019	<ul style="list-style-type: none"> • Discussed NSR issues regarding the RECLAIM transition • Presented potential revisions to Regulation XIII <ul style="list-style-type: none"> ○ Federal requirements for NSR applicability and offsetting obligations ○ Change in calculation methodologies to implement federal requirements

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

Item #4

DRAFT

May 2019 Settlement Penalty Report

 [Back to Agenda](#)

<u>Total Penalties</u>	
Civil Settlements:	\$763,300.00
MSPAP Settlements:	\$19,550.00
Hearing Board Settlements:	\$26,000.00
Total Cash Settlements:	\$808,850.00
Total SEP Value:	\$0.00
Fiscal Year through 5 / 2019 Cash Total:	\$6,680,131.50
Fiscal Year through 5 / 2019 SEP Value Only Total:	\$265,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Civil Settlements						
176263	A & L CORONA AUTO BODY & PAINT	203(a)	5/2/2019	GV	P62921	\$2,000.00
165095	AMERICAN INTEGRATED RESOURCES, INC	1403	5/7/2019	BST	P65902	\$7,100.00
181167	ARAM CONSTRUCTION CO	1403	5/17/2019	KCM	P66409	\$5,200.00
13244	ARROYO HI SCH	1403	5/23/2019	BST	P67253	\$1,200.00
22911	CARLTON FORGE WORKS	402 H&S 41700	5/21/2019	DH	P65223	\$1,200.00
2526	CHEVRON USA INC	3002(c)(1) 463(c)(3)(B)	5/31/2019	TRB	P65604	\$3,500.00
3721	DART CONTAINER CORP OF CALIFORNIA	2004	5/29/2019	MJR	P64147	\$2,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
800369	EQUILON ENTER.LLC , SHELL OIL PROD. U S	462(d)(1)(F) 3002	5/21/2019	BST	P60282 P60284 P67908	\$20,000.00
800089	EXXONMOBIL OIL CORPORATION	3002(c)(1)	5/10/2019	DH	P63405	\$268,500.00
12332	GATX CORPORATION	3002	5/14/2019	VKT	P64369	\$12,000.00
3885	JERRY L PETTIS MEMORIAL VETERANS HOSP	1146	5/8/2019	MJR	P64358	\$1,500.00
182131	NEW CENTURY BUILDERS	1403	5/15/2019	MJR	P64851	\$1,500.00
129660	NM MID VALLEY GENCO LLC	218 3002 1110.2	5/21/2019	BST	P66410	\$1,000.00
42218	PALM SPRINGS CITY (MUNICIPAL)	203	5/16/2019	MJR	P63139	\$17,000.00
118432	PRINCESS CRUISES	2202	5/3/2019	BST	P67011	\$109,000.00
128626	ROCK & ROLL CUSTOM PAINTWORKS	109 203(a)	5/30/2019	KCM	P56743 P56744	\$500.00
186520	SMARK COMPANY	1143	5/15/2019	WBW	P64828	\$25,000.00
110097	STUDIO STAR FOODMART	203	5/21/2019	BST	P67210	\$1,100.00
174655	TESORO REFINING & MARKETING CO, LLC	40 CFR 60 401(a)(1) 463(c)(3)(C)	5/8/2019	NSF	P58238 P58239 P58240	\$150,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
		1118			P65601	
		1173			P65607	
		1176(e)(1)				
		1178				
		1189				
		3002(c)(1)				
181667	TORRANCE REFINING COMPANY LLC	40 CFR 60	5/23/2019	DH	P65612	\$37,500.00
		1118				
		3002(c)(1)				
181667	TORRANCE REFINING COMPANY LLC	1303(a)(1)	5/23/2019	DH	P65608	\$20,750.00
		3002(c)(1)			P65609	
181667	TORRANCE REFINING COMPANY LLC	40 CFR 60	5/23/2019	DH	P65610	\$60,750.00
		463				
		1178				
		3002(c)(1)				
181667	TORRANCE REFINING COMPANY LLC	1173	5/23/2019	DH	P65613	\$15,000.00
		1176(e)(1)			P65614	

Total Civil Settlements: \$763,300.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
MSPAP Settlements						
173194	ARCO AM PM - SAFAR & SAFAR BROS, INC	461(c)(3)(Q)	5/22/2019	GV	P72576	\$300.00
155585	DOUBLETREE HOTEL	1415	5/23/2019	GC	P63867	\$800.00
22965	LA MIRADA CITY, YARDS DEPT	461(c)(3)(Q)	5/23/2019	TF	P65856	\$100.00
186807	LITWIN MANAGEMENT	40 CFR 60 1403	5/9/2019	TF	P66705	\$1,600.00
105544	LYNWOOD PETROLEUM, INC.	461 H&S 41960.2	5/24/2019	TF	P67673	\$1,600.00
2825	MCP FOODS INC	2004 2012 2012 Appen A	5/21/2019	TF	P67359	\$1,000.00
188560	NORMAN BURLINGAME	1403	5/9/2019	TF	P67455	\$1,600.00
186812	ORANGE BROOK LLC	40 CFR 60 1403	5/30/2019	TF	P66704	\$1,600.00
121318	SANTA CLARITA WATER COMPANY	203(b) 461(c)(3)(Q)	5/9/2019	TF	P65586	\$800.00
25786	SEVEN-UP/ROYAL CROWN BOTTLING CO OF SOCA	1146	5/30/2019	TF	P65269	\$800.00
177588	SIGNAL RESTORATION SERVICES	40 CFR 60 1403	5/24/2019	TF	P65411 P66291	\$1,600.00
175172	SLAUSON OIL INC. DBA AHN'S MOBIL	461	5/24/2019	TF	P67672	\$800.00
176677	SUKUT CONSTRUCTION, LLC	403	5/24/2019	TF	P63147	\$800.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
48716	SUNRISE COUNTRY CLUB	461(c)(3)(Q)	5/8/2019	GV	P71475	\$300.00
151999	TESORO REF & MKTG GRANADA HILLS #68539	461	5/24/2019	TF	P67217	\$250.00
124159	THROGMORTONS FRAME CLINIC INC	1151(e)(1)	5/30/2019	TF	P68059	\$400.00
187555	UNCOMMON DEVELOPERS	403(d)(2)	5/30/2019	TF	P65581	\$800.00
124770	UNITED RENTALS NORTHWEST, INC.	461	5/9/2019	TF	P65174	\$500.00
177508	VEN TERRA ENVIRONMENTAL INC	1403	5/30/2019	TF	P67454	\$500.00
82369	VONS # 2111, A SAFEWAY COMPANY	203(a) 1110.2	5/9/2019	TF	P65573	\$300.00
82357	VONS #2034	203(b) 1110.2	5/9/2019	TF	P68605	\$500.00
174521	WESTPORT CONSTRUCTION	403	5/24/2019	TF	P68058	\$1,000.00
26405	WORLD OIL CO	461	5/30/2019	TF	P64949	\$800.00
151281	YUCAIPA FOOD MART 76	461	5/24/2019	TF	P66366	\$800.00
Total MSPAP Settlements: \$19,550.00						

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Hearing Board Settlements						
104234	MISSION FOODS CORPORATION	202 203(b) 1153.1 1303	5/30/2019	KCM	5400-4	\$25,000.00
156902	PROVIDENCE TARZANA MEDICAL CENTER	203 1470	5/15/2019	TRB	6128-1	\$1,000.00

Total Hearing Board Settlements: \$26,000.00

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

REGULATION I - GENERAL PROVISIONS

Rule 109 Recordkeeping for Volatile Organic Compound Emissions

REGULATION II - PERMITS

Rule 202 Temporary Permit to Operate

Rule 203 Permit to Operate

Rule 218 Continuous Emission Monitoring

REGULATION IV - PROHIBITIONS

Rule 401 Visible Emissions

Rule 402 Nuisance

Rule 403 Fugitive Dust - Pertains to solid particulate matter emitted from man-made activities

Rule 461 Gasoline Transfer and Dispensing

Rule 462 Organic Liquid Loading

Rule 463 Storage of Organic Liquids

REGULATION XI - SOURCE SPECIFIC STANDARDS

Rule 1110.2 Emissions from Gaseous- and Liquid-Fueled Internal Combustion Engines

Rule 1118 Emissions from Refinery Flares

Rule 1143 Consumer Paint Thinners & Multi-Purpose Solvents

Rule 1146 Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators,
and Process Heaters

Rule 1151 Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations

Rule 1153.1 Emissions of Oxides of Nitrogen from Commercial Food Ovens

Rule 1173 Fugitive Emissions of Volatile Organic Compounds

Rule 1176 Sumps and Wastewater Separators

Rule 1178 Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities

Rule 1189 Emissions from Hydrogen Plant Process Vents

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

- 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