



CALIFORNIA METALS COALITION

Main Office and Mailing Address: 2971 Warren Lane, El Dorado Hills, CA 95762
Lobbying Office: 1215 K Street, 17th Floor, Sacramento, CA 95762
P. 916.933.3075 | F. 916.933-3072 | <http://www.metalscoalition.com>

March 18, 2019

Min Sue, Air Quality Specialist
South Coast Air Quality Management District
21865 East Copley Drive
Diamond Bar, California 91765

Dear Mr. Sue:

The California Metals Coalition appreciates the opportunity to comment on the South Coast Air Quality Management District (“District” or “SCAQMD”) workshop proceedings and consideration of **SCAQMD Proposed Rule (PR) 1480**.

These comments on PR 1480 are divided into the following sections: Summary; Background on CMC; Comments on Slides; and Recommendations for Further Scoping and Development.

SUMMARY

This comment letter addresses the PR 1480 slides presented on February 5, 2019 at working group meeting #4. At working group meeting #4, the SCAQMD explained Rule 1402, and discussed 1480 concepts and framework.

BACKGROUND ON CMC

California is home to approximately 4,000 metalworking facilities, employing over 350,000 Californians. The average industry salary is \$66,400/year in wages and benefits.

8 out of 10 employees in the metalworking sector are considered ethnic minorities or reside in disadvantaged communities throughout Southern California. A job in the metals sector is often the only path to the middle class for many of these Californians.

Here is a breakdown of the metalworking industry’s impact on the 4 counties within SCAQMD jurisdiction:

- **Los Angeles County:** 54,290 Direct Jobs | 52,741 Indirect Jobs | \$7 billion wages | \$26 billion economic activity

- **Orange County**: 25,448 Direct Jobs | 18,912 Indirect Jobs | \$2.9 billion wages | \$10.8 billion economic activity
- **San Bernardino**: 9,778 Direct Jobs | 8,378 Indirect Jobs | \$1.2 billion wages | \$4.5 billion economic activity
- **Riverside**: 6,971 Direct Jobs | 7,712 Indirect Jobs | \$957 million wages | \$3.2 billion economic activities
- **Total**: 96,487 Direct Jobs | 87,743 Indirect Jobs | \$12 billion wages | \$33.8 billion economic activity

California metal manufacturers use recycled metal (ex: aluminum, brass, iron and steel) to make parts for the aerospace industry, clean energy technologies, electric cars, biotech apparatuses, medical devices, national defense items, agriculture, infrastructure, construction machinery, household appliances, food processing and storage, movement of water, and millions of other products demanded by society.

COMMENTS ON SLIDES

Item #1, SLIDES 4-9: PR 1480 Triggers Could Have a Lower Evidentiary Standard than Rule 1402.

Rule 1402 was established to implement California’s Assembly Bill 2588 (AB2588) program. The rule provides applicability criteria for facilities. If the District Executive Officer (EO) determines, based on quadrennial emissions reporting, that emissions levels from the facility have the potential to cause an exceedance of specified risk thresholds, the facility is notified that it is considered a High Risk Facility.

SCAQMD also has pulled facilities into Rule 1402 working outside the standard applicability process based on an EO determination. But in these situations, the evidentiary standard for pulling facilities into Rule 1402 has varied from case to case.

CMC is concerned that PR 1480 will have a lower applicability threshold than the Rule 1402 threshold used to designate High Risk Facilities. To resolve this issue, PR 1480 must include specific guidelines that the District would follow before deeming a facility as a Potentially Significant Source. At a minimum, these guidelines should mirror the Rule 1402 criteria used when notifying a facility that it is considered a High Risk Facility. Without these criteria, facilities impacted by PR 1480 will be held to a lower evidentiary standard than those deemed a High Risk Facility through Rule 1402.

Item #2, SLIDES 4-9: Oppose Concurrent Applicability for Rule 1402 and Proposed Rule PR 1480

CMC appreciates District staff discussing the details of Rule 1402 with Working Group participants. However, CMC has concerns regarding the District’s proposal to concurrently link Rule 1402 applicability with PR 1480.

CMC recommends not linking Rule 1402 applicability to the initial PR 1480 determination. Rather, CMC recommends that a facility considered a Potentially Significant Source would initially be subject only to PR 1480 requirements. If based on PR 1480 monitoring and/or source attribution analysis the facility is confirmed as a Potentially Significant Source, then Rule 1402 requirements could be triggered.

Item #3, SLIDE 12 and 13, The District Should Provide a Quantitative Technical Assessment before Designating a Facility as a Potentially Significant Source. Such an Assessment Should Include an Affirmative Source Attribution Demonstration.

CMC recommends that as part of the PR 1480 rulemaking process, the District should specify the methods by which ambient air monitoring would be conducted. As an example, what procedures will be followed by the District in collecting ambient air data? CMC requests SCAQMD to identify and list specific EPA, CARB, SCAQMD, or any other guidance that the District would follow in collecting air samples under PR1480. The rule should clearly establish this requirement to use published guidance to be followed by SCAQMD—and the facility—when collecting samples.

CMC would also suggest that the SCAQMD establish quantitative guidelines for ambient air measurements so that there can be confidence in the technical evidence used in the designation of a Potentially Significant Source.

Any data collected outside established guidance for ‘screening purposes’ should not be used for such a determination. This should hold true for ambient measurements as well as any non-protocol source tests. For example, the District has acknowledged there is no established guidance for glass plate sampling so any information collected in this manner would be qualitative at best. Since the PR1480 determination requires a quantitative determination, such information would be of limited value.

Item #4, SLIDE 12-13, Facilities Should Be Allowed the Opportunity to Fully Review SCAQMD Data Before Being Responsible to Respond

Before notifying a facility to start monitoring for toxics under PR1480, facilities should be provided reasonable time to review the SCAQMD’s findings, monitoring data and any technical analysis.

Results from other near-by stations would also be useful to understand the full picture. Along with the data, the District should share information regarding methodologies used to collect data, and any deviation from established methods should be listed. The District should also be required to share information regarding surrounding facilities or other possible emission sources in the area.

CMC would request that a facility’s response to these findings be reviewed and responded to by SCAQMD prior to any further action under PR1480 or Rule 1402. CMC expects that PR 1480 establish definitive timelines for the above-described actions.

Item #5: SLIDES 13-14: Screening Tools Are Not Sufficient for Quantitative Determinations under PR 1480 (or Rule 1402):

CMC opposes the use of screening tools (ex: glass plate sampling, staff observations, and permits) as a basis for PR 1480 determinations. While screening tools may be useful for deciding where quantitative assessment is needed, they are not a substitute for quantitative assessment when the District is making a regulatory determination that is inherently quantitative.

Glass plate samples do not align with the goal set in the SCAQMD Air Toxic Action plan. SCAQMD's Air Toxic Action Plan states the District will systematically identify and prioritize high-risk facilities, then use the latest air monitoring technology to confirm specific sources causing high emissions.

If screening tools indicate the possibility of a high TAC source, the District can conduct an investigation using approved methods pursuant to applicable protocols. Any data collected outside of applicable protocols for 'screening purposes' is not a valid basis for identifying a facility as a Potentially Significant Source in PR 1480.

Lastly, PR 1480 should require the same test requirements be applied by facilities and the District, alike. If a facility is required to conduct PR 1480 monitoring, it should be the same scope and approach that the District adopts to reach the conclusion of a Potentially Significant Source, with similar frequency and methods.

Item #6: SLIDE 15: 14-day Response Period is Too Short and Should Be Removed:

As discussed previously in Item #4, facilities impacted by PR 1480 should be given ample time to review technical evidence, including air monitoring data, collected by SCAQMD. CMC suggests the 14-day response period be removed and updated to allow facilities reasonable time to review the District's data and respond.

Item #7: SLIDE 16: No Description of How SCAQMD Will Account for Other Pollution Sources:

In most Southern California locations, community air monitors will measure pollution from any number of surrounding sources. There needs to be a clear mechanism in PR 1480 that describes how the SCAQMD will conduct source attribution and control for other potential sources (e.g., trucks, trains, fireworks, street sweepers², etc.).

Item #8: SLIDE 17: SCAQMD Staff Should Re-Do Flow Chart:

As commented at the last Working Group Meeting, the flow chart on Slide 17 should include more detail. As noted above, this flow chart should be revised such that Rule 1402 is only triggered after 1480 monitoring results from the facility have been collected/analyzed. Facility monitoring could indicate the facility is not a Potentially Significant Source. Such a sequential approach would limit the possibility of a facility being erroneously encumbered with the economic burden of 1402.

Item #9: SLIDE 29: Costs Are Known and Should be Presented at Next Working Group Meeting on March 26, 2019:

Per SCAQMD's estimate in the Air Toxics Action Plan, deploying just two air monitors near a facility could cost about \$6,000 per week, including all costs for monitoring and analysis. This does not include costs the facilities would incur on preparing a monitoring plans for approval by the District. Based on this estimate,

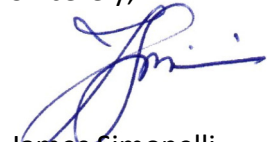
² [“Application of Next Generation Air Monitoring Methods in the South Coast Air Basin” January 2019 \(page 19\)](#)

the proposed one-in-three-day monitoring will be very expensive. This economic burden will be felt more severely by smaller facilities. For additional guidance, the District should reference the July 12, 2017 letter attached to this comments letter.

Finally, the costs related to a Health Risk Assessment (HRA) are also known and should be presented at the next working group meeting.

Thank you for your time, and for allowing CMC to participate and comment on PR 1480. We look forward to continued discussions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'James Simonelli', with a long horizontal stroke extending to the right.

James Simonelli
Executive Director

CC: Mike Morris, SCAQMD



July 12, 2017

Governor Jerry Brown
Members of the California Legislature
State Capitol
Sacramento, CA, 95814

Re: Air Districts' Opposition to GHG Cap & Trade Proposal Unfunded Mandates and Lack of Funding to Reduce Air Pollution in Impacted Communities

Dear Governor Brown and Members of the California Legislature:

The undersigned California Air Districts strongly support the goals of improving air quality in disadvantaged communities and reducing greenhouse gas emissions through the proposed legislation, AB 398 and AB 617. Reduction of criteria and toxic emissions will yield significant public and environmental health benefits, including, but not limited to, reduced mortality and illnesses associated with high air pollution levels. We also appreciate the proposed amendments to increase the air districts' penalty authority, and the reaffirmation of the air districts' primary authority over criteria and air toxic emissions from stationary sources. *However, as currently written, AB 398 and AB 617 would impose enormous new workloads on air districts without any funding source and without the needed funding to reduce air pollution in impacted communities.* It will be impossible to comply with the far-reaching new mandates of better protecting and improving public health without significant and sustained funding, including both funding to carry out the new work required, and funding to provide incentives to reduce mobile source pollution. Statewide, more than a billion dollars would be needed. Therefore, we must respectfully **oppose these new mandates.**

While there may be opportunities to further reduce toxic emissions from stationary sources, to really benefit disadvantaged communities, **diesel emissions** must be drastically reduced. AB 617 does not recognize that the best way to reduce exposure to toxics in disadvantaged communities is to significantly increase funding for diesel emission reduction from mobile sources. *The air districts do not have any ability to raise funds for these purposes on their own.* In South Coast and San Joaquin Valley, over 80% of NO_x emissions contributing to ozone and PM_{2.5}, and about 90% of the basin-wide risk from air toxics, comes from mobile sources (70% from diesel particulates). AB 617 needs to explicitly require reductions from mobile sources, and since the California Air Resources Board (CARB) and the districts have **limited regulatory ability to further reduce emissions from mobile sources**, incentive funding in the range of more than a billion dollars per year is needed.

AB 617 also requires CARB to prepare a monitoring plan requiring "advanced sensing monitoring networks" for criteria and toxic air pollutants, and requires CARB to identify the

highest priority locations around the state for these networks. The districts must implement such networks, however, the bill does not limit the number of networks that will be required, provide an end date for monitoring, or define "advanced sensing monitoring." For the air districts, new workloads and expenditures could be unlimited. *While the districts have the ability to charge fees for their work related to permitted sources, as a practical matter these fees cannot support the significant new mandates required by this bill.* As an example, assuming the use of filter-based PM2.5 samplers for toxic metals such as hexavalent chromium (not some unspecified advanced technology), it costs \$6,000 per week, or over \$300,000 per year, just to maintain one upwind and one downwind sampler at a single location or facility. It is unrealistic to expect a small plating shop or other metalworking facility to be able to support the amount of monitoring required, and this does not even consider the monitoring that is not focused on a given facility, but used to identify areas of high exposure. If the districts were to try to impose fees for this monitoring, it would likely be very controversial as to who should pay the fees when the source of high emissions is likely to be mobile sources or a specific facility that has not yet been identified. Therefore it is not realistic to think the districts could raise their fees sufficiently to support the required monitoring.

Moreover, the South Coast Air Quality Management District, Bay Area Air Quality Management District, Sacramento Metropolitan Air Quality Management District, and the San Joaquin Valley Air Pollution Control District recently increased their permit fees to help cover the costs of existing programs. It would not be realistic to expect permitted sources to pay yet another fee increase, of unknown but likely very large dimensions, to support AB 617 mandates.

AB 617 also requires CARB to select areas in the state for the development of a community emission reduction program, then require the districts adopt and implement such programs. Further, if CARB rejects the community plan, we would need at least 180 days to resubmit a revised plan, not the 30 days currently provided. We expect that the majority of areas selected would be in the larger districts, which already have robust programs to reduce air toxics and criteria pollutants, including in disadvantaged areas. Developing such plans may not be the most cost-effective way to achieve emission reductions, compared to increasing mobile source incentive funding for programs such as Carl Moyer, which sets a goal of expending 50% of its funds in disproportionately impacted areas, which in South Coast is defined as low-income areas that are disproportionately exposed to air toxics and/or particulate air pollution. In South Coast, the program has typically exceeded the 50% goal.

We also have concerns about the new mandates relative to imposing best available retrofit control technology (BARCT). Full implementation by 2023 may be too aggressive given the time it takes to determine BARCT, and the number of source types to consider. In the past, these determinations for a limited number of source types have typically involved at least a 1 to 2 year public process, and another three to five years for implementation. We also request clarification that the law's provisions do not preempt the districts from using information other than the CARB clearinghouse to establish BARCT or BACT.

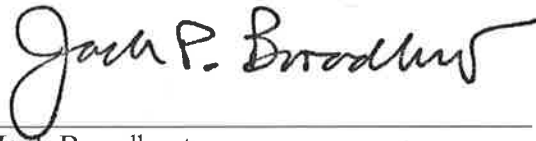
Furthermore, our public health objectives and the emission reduction goals require all interested parties to do their parts. Preempting local districts from working to achieve these goals is a strategic mistake.

Based on the foregoing, the undersigned air districts oppose AB 617 unless the bill is amended to provide that the mandates imposed on air districts must be implemented only to the extent the state provides significant and sustained funding to local air districts to help reduce air pollution in impacted communities

Sincerely,



Wayne Natri
Executive Officer
South Coast AQMD



Jack Broadbent
Executive Officer
Bay Area AQMD



Seyed Sadredin
Executive Director
San Joaquin Valley APCD



Larry Greene
Executive Director
Sacramento Metropolitan AQMD