



CALIFORNIA METALS COALITION

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Mike Morris, Planning and Rules Manager
South Coast Air Quality Management District
21865 East Copley Drive
Diamond Bar, California 91765

Dear Mr. Morris:

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) 1147.2**.

These comments on PR 1147.2 are divided into the following sections: Summary; Background on CMC; Comments on Slides; and, Closing Comments.

SUMMARY

This comment letter addresses the PR 1147.2 slides presented on November 6, 2019 at working group meeting #3. At working group meeting #3, SCAQMD staff provided a summary of the previous working group, discussed process temperatures, reviewed source test results, and discussed BARCT.

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, SLIDE #4: Using “Metal Heat Treating Furnaces” to Reference Different Processes:

PR 1147.2 discussions have included numerous processes under the description “heat treating.” In working group meeting #1 (May 16, 2019), slide #29, furnaces listed under this description included the following: annealing, aging, extruding, forging, galvanizing, hardening, holding, homogenizing, pre-heating, reheating, and tempering.

CMC commented at working group meeting #3 that this list of processes goes beyond the common technical understanding of “heat treating.” More specifically, extruding, forging, galvanizing, and pre-heating are not usually categorized as “heat treating.”

CMC suggests that if staff wants to refer to this broad range of furnace processes in 1147.2, it should use a generic term such as “metal heating.”

CMC is not suggesting creating a new definition within the draft rule language for “metal heating.” But rather, working group meeting announcements and discussions would be better served using the term “metal heating” instead of “heat treating.”

Item #2, SLIDE #5: BARCT Analysis for Different Types of Equipment Categories:

PR 1147.2 is seeking to establish Best Available Retrofit Control Technologies (BARCT) for numerous metal furnace processes.

As stated in “Item #1” of these comments, BARCT for “heat treating” furnaces currently includes annealing, aging, extruding, forging, galvanizing, hardening, holding, homogenizing, pre-heating, reheating, and tempering.

Unfortunately, putting all these processes into a single BARCT category is not in accordance with the technical aspects, class and category of each process. While a common link may generally be made with temperature, there are many process/operation factors within each category that further differentiate

each process. Overall, temperature alone is not enough to establish a single BARCT standard for all the aforementioned processes.

To be more specific, processes and furnace equipment for extruding, forging, galvanizing, and pre-heating are different than annealing, aging, hardening, holding, homogenizing, reheating and tempering. There are significant differences in the types of furnaces and burners, and the oxygen levels that are required.

CMC objects to using a single BARCT determination for all the aforementioned processes under “heat treating.”

Item #3, SLIDE 13 and 19: More Detailed Information Needs to Be Shared on Ultra-Low Source Test Results

On Slide 13, the presentation shows test results as low as 7ppm. On Slide 19, the presentation shows test results as low as 5ppm. When considering potential rulemaking requirements that can come from this information, ultra-low results need to be further explained by providing all the input data.

For ensuing working group meetings, information—especially that which is on the outer scope of general test findings—should be further described (ex: type of metal facility operation, process, burner size, burner controls, hours of operation, dynamic or static loads, temperature, etc).

Item #4, SLIDE 32: Product Literature for Low NOx Burners vs. Real World Applications

On Slide 32, the presentation stated that “product literature for two manufacturers claim that both low and high temperature burners can meet 30 ppm at 3% O2.”

When establishing thresholds for PR 1147.2 supporting data must go beyond a vendor’s product literature—or even worse oral statements—about emission reductions. Too often product literature is based on laboratory studies or conditions that would not match an industrial business setting.

Facilities impacted by 1147.2 will be expected to demonstrate compliance with specific standards in real-world manufacturing settings. As such, SCAQMD staff should be asking manufacturers if they can guarantee the claims in their literature. Without guarantees, this information is purely hypothetical for the regulated community and should not be relied upon for PR 1147.2 or to set a BARCT level.

Item #5, GENERAL COMMENT: Acknowledging Previous Investments Incurred Under Rule 1147:

Rule 1147 has been adopted or amended three times in the last 11 years. Changing the requirements of 1147 every 36-60 months leaves many businesses with stranded investments. As an example, if a burner has an expected life of 20 years, but new regulations force the removal of the upgraded technology prior to 20 years, then the cost of the original installation does not meet a reasonable timeframe for investment recovery.

Proposed Rule 1147.2 is another proposed change to the 1147 rule series. SCAQMD staff should acknowledge the previous investment requirements of the 1147 rule series. As an example, how will SCAQMD account for investments made in 2008, 2011 and 2017 for Rule 1147.2?

CMC requests that SCAQMD staff revisit the previous economic studies under Rule 1147, previously anticipated life of burners, and compare it to required new investments under PR 1147.2.

Item #6, GENERAL COMMENT: History of Rule 1147 Includes Challenges with One-Size-Fits-All

The goal of Rule 1147 (Adopted December 5, 2008)(Amended September 9, 2011)(Amended July 7, 2017) was to reduce NOx emissions from miscellaneous sources. This was a very complicated rulemaking process with several amendments needed to make the rule coherent for all impacted facilities.

The SCAQMD issued a 2-page Rule 1147 Advisory Notice on December 23, 2010¹ stating:

“AQMD staff intends to notify the Governing Board at their next Board meeting on January 7, 2011 that it will use enforcement discretion by not issuing any Notices of Violations (NOVs) or Notices to Comply (NTCs) and by cancelling the previously issued NOVs and NTCs specifically related to the items that are subject of this proposed rule amendment and as listed above, until the proposed rule amendments are approved by the AQMD Governing Board, and will not take any further enforcement action for the period prior to the new compliance date in the amended rule.”

While CMC appreciated SCAQMD’s willingness to fix inconsistent language and cancel previous NOVs and NTCs, the action reminds us that a one-size-fits-all approach to rulemaking can lead to problems.

CMC suggests making sure that PR 1147.2 rule requirements are supported by data specific to each furnace and/or process type.

Item #7, Cumulative Economic Impacts of Numerous SCAQMD Rules Over the Last 48 Months

Over the span of 6 years, 10 rules will cost this small sector of metal facilities tens to hundreds of millions of dollars. Middle class jobs in distressed communities will be at risk or lost. Cumulatively, the impact of Proposed Rule 1147.2 will only add to this economic impact.

Over the last 48 months, the metals sector has seen the following rules passed:

- 1407: Control of Emissions of Arsenic, Cadmium, and Nickel from Non-Ferrous Metal Melting Operations
- 1420: Emission Standards for Lead
- 1420.1: Emission Standards for Lead and Other Toxic Air Contaminants from Large Lead-Acid Battery Recycling Facilities
- 1420.2: Emission Standards for Lead from Metal Melting Facilities
- 1430: Control of Emissions from Metal Grinding Operations at Metal Forging Facilities

¹ http://www.metalscoalition.com/uploads/2/4/3/5/24359359/compliance_advisory_rule1147.pdf

- 1469: Hexavalent Chromium Emissions from Chromium Electroplating and Chromic Acid Anodizing Operations
- 1480: Ambient Monitoring and Sampling of Metal Toxic Air Contaminants

Over the next 24 months, the metals sector anticipates at least the following rules to be considered:

- 1426: Emissions from Metal Finishing Operations
- 1435: Control of Toxic Emissions from Metal Heat Treating Processes
- 1407.1: Emissions of Toxic Air Contaminants from Chromium Alloy Melting Operations

CMC requests that SCAQMD provide an economic analysis regarding the cumulative cost impact of SCAQMD metals industry rulemaking over the past 5 years, and analyze how PR 1147.2 will add to the overall economic impact.

CONCLUSION

Thank you for your time, and for allowing CMC to participate and comment on PR 1147.2. We look forward to continued discussions.

Sincerely,



James Simonelli
Executive Director

CC: Susan Nakamura, SCAQMD
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