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(Amended May 6, 2005)(Amended December 4, 2020) (Version 07-08-2022)

PROPOSED AMENDED RULE 2000. GENERAL

(a) Program Objective

REgional CLean Air Incentives Market (RECLAIM) is a market incentive program designed to allow facilities flexibility in achieving emission reduction requirements for Oxides of Nitrogen (NO_x), and Oxides of Sulfur (SO_x) under the Air Quality Management Plan (AQMP) using methods which include, but are not limited to: add-on controls, equipment modifications, reformulated products, operational changes, shutdowns, and the purchase of excess emission reductions.

(b) Purpose

This rule provides the definitions for terms found in Regulation XX ~~—~~ RECLAIM. Any identical term found elsewhere in DistrictSouth Coast AQMD Rules and Regulations with a conflicting definition shall be superseded, for the purposes of this regulation, by the definition provided in this rule.

(c) Definitions

(1) ACTUAL EMISSIONS means the emissions of a pollutant from an affected source determined by taking into account, actual emission rates and actual or representative production rates (i.e., capacity utilization and hours of operation).

(2) AIR CONTAMINANT means any air pollutant for which there is a national ambient air standard, or precursor to such air pollutant, including but not limited to: carbon monoxide, sulfur dioxide, nitrogen oxides, particulate matter, lead compounds and volatile organic compounds.

(3) ALLOCATION is the number of RECLAIM Trading Credits (RTCs) [as defined in paragraph (c)(63)] a RECLAIM facility holds for a specific compliance year, as referenced in the Facility Permit.

(4) ALLOWABLE EMISSIONS means the emissions rate of a stationary source calculated using the maximum rated capacity of the sources (unless the source is subject to federally enforceable limits which restrict the operating rate or hours of operation, or both) and the most stringent of the following:

(A) the applicable standards set forth in 40 CFR part 60 or 61;

- (B) any applicable State Implementation Plan (SIP) emissions limitation, including those with a future compliance date; or
 - (C) the emissions rate specified as a federally enforceable permit condition, including those with a future compliance date.
- (5) ALTERNATIVE EMISSION FACTOR is a SO_x emission value in units of pounds per million standard cubic feet or pounds per thousand gallons derived using the methodology specified in Appendix A, Protocols for Monitoring, Reporting, and Recordkeeping for Oxides of Sulfur (SO_x) Emissions, Chapters 3 and 4.
- (6) ANNUAL PERMIT EMISSIONS PROGRAM (APEP) is the annual Facility Permit compliance reporting, review, and fee reporting program.
- (7) BASIN means the South Coast Air Basin as defined by the California Air Resources Board.
- (8) BEST AVAILABLE RETROFIT CONTROL TECHNOLOGY (BARCT) means an emission limitation that is based on the minor source criteria and methodology specified in the most current version of the District's South Coast AQMD's BACT Guidelines. Parameters used for cost-effectiveness, such as equipment life less than ten years or operating conditions, except for hours of operation for gas turbines used as peaking units at Power Producing Facilities, shall be included as Facility Permit conditions.
- (9) BEST AVAILABLE CONTROL TECHNOLOGY (BACT) means the most stringent emission limitation or control technique which:
- (A) has been achieved in practice for such category or class of source; or
 - (B) is contained in any ~~state implementation plan (SIP)~~ approved by the United States Environmental Protection Agency (U.S. EPA) for such category or class of source; or
 - (C) is any other emission limitation or control technique, including process and equipment changes of basic or control equipment which is technologically feasible for such class or category of source or for a specific source, and cost-effective as compared to AQMP measures or adopted ~~District~~South Coast AQMD rules.

A specific limitation or control technique shall not apply if the Facility Permit holder demonstrates that such limitation or control technique is not presently achievable. BACT shall be at least as stringent as Standards of Performance for New Stationary Sources (40 CFR Part 60).

BACT for sources located at major polluting facilities shall be at least as stringent as Lowest Achievable Emissions Rate (LAER) as defined in the federal Clean Air Act Section 171(3) [42 U.S.C. Section 7501(3)].

BACT for sources not located at major polluting facilities shall be as specified in the BACT Guidelines for such source categories, unless the BACT specified in the Guidelines is less stringent than required by state law in which case BACT shall be as defined in state law considering economic and technical feasibility.

When updating the BACT Guidelines to become more stringent for sources not located at major polluting facilities, economic and technical feasibility shall be considered in establishing the class or category of sources and the applicable requirements.

- (10) BREAKDOWN means a condition caused by circumstances beyond the Facility Permit holder's control which result in fire, or mechanical or electrical failure. If the breakdown causes an emission increase at a RECLAIM facility in excess of emissions under normal operating conditions, determined pursuant to Rules 2011 ~~—~~ Requirements for Monitoring, Reporting and Recordkeeping for Oxides of Sulfur (SO_x) Emissions, and 2012 ~~—~~ Requirements for Monitoring, Reporting and Recordkeeping for Oxides of Nitrogen (NO_x) Emissions, and Appendices A of Rules 2011 and 2012, the excess emissions from such breakdown are not counted in determining compliance with the RECLAIM facility's annual allocation if all criteria specified in Rule 2004 ~~—~~ Requirements, subparagraph (i)(2)(A) are met. Malfunctions in monitoring, reporting, and recordkeeping equipment as required by Rule 2011 and Rule 2012 shall not be considered to be a breakdown under Rule 2004 subdivision (i).
- (11) BUYER is any person who acquires RTCs from another person through purchase, trade or other means of transfer.

- (12) CEMENT KILN is a device for the calcining and clinkering of limestone, clay and other raw materials, and recycle dust in the dry-process manufacture of cement.
- (13) CERTIFIED REPORT means there has been a reasonable and diligent inquiry into the accuracy of the report by the certifying official and that the contents of the report are true and accurate to the best of his or her knowledge.
- (14) CLINKER is a mass of fused material produced in a cement kiln from which the finished cement is manufactured by milling and grinding.
- (15) COMBUSTION EQUIPMENT is any equipment that burns fuel, including but not limited to natural gas or fuel oil in order to operate. Combustion equipment includes, but is not limited to, boilers, turbines, heaters, engines, kilns, furnaces, ovens, dryers, flares, and afterburners.
- (16) COMPLIANCE YEAR is the twelve-month period beginning on January 1 and ending on December 31 for Cycle 1 facilities, and beginning on July 1 and ending on June 30 for Cycle 2 facilities, except for the final NO_x RECLAIM compliance period, which begins on January 1, 2025, and ends on December 31, 2025, for Cycle 1 NO_x RECLAIM facilities, and begins on July 1, 2025, and ends on December 31, 2025, for Cycle 2 NO_x RECLAIM facilities.
- (17) CONCENTRATION LIMIT is a value expressed in ppmv, is measured over any continuous 60 minutes, is elected by the Facility Permit holder for a large NO_x source or a super compliant SO_x major source which has been reclassified as a SO_x process unit, and is specified in the Facility Permit.
- (18) CONTINUOUS EMISSIONS MONITORING SYSTEM (CEMS) means the equipment required by the Protocols for Monitoring, Reporting and Recordkeeping for Oxides of Sulfur (SO_x) and Oxides of Nitrogen (NO_x) Emissions used to continuously measure all parameters necessary to determine mass emissions expressed in pounds per hour (lb/hr) for SO_x and NO_x. A CEMS includes, but is not limited to, the following component parts and systems:
 - (A) sulfur dioxide pollutant concentration monitor;
 - (B) flow monitor;
 - (C) nitrogen oxides pollutant concentration monitor;
 - (D) diluent gas monitor (oxygen or carbon dioxide);

- (E) a data acquisition and handling system;
 - (F) moisture monitor, as applicable; and
 - (G) sample acquisition, conditioning, and transport system, as applicable.
- (19) CONTINUOUS PROCESS MONITORING SYSTEM (CPMS) is equipment that measures process parameters including, but not limited to, fuel usage rate, oxygen content of stack gas, or process weight, and meets all performance standards for CPMS set forth in the Protocol for Monitoring, Reporting and Recordkeeping for Oxides of Nitrogen (NO_x) Emissions. Such CPMS data will be used in conjunction with the concentration limit or emission rate, as stated in the Facility Permit, to determine mass NO_x emissions.
- (20) CONTINUOUSLY MEASURE means to measure at least once every 15 minutes except during periods of routine maintenance and calibration, or as otherwise specified in the Protocols for Monitoring, Reporting, and Recordkeeping Oxides of Nitrogen (NO_x) and Oxides of Sulfur (SO_x) Emissions.
- (21) CONTRACTOR means a person, other than the facility permit holder and its employees, who operates equipment at a RECLAIM facility.
- (22) DAILY means occurring once between 12 midnight and 24 hours later at midnight.
- (23) DIRECT MONITORING DEVICE is a device that measures the emissions of NO_x or SO_x or fuel sulfur content and all other variables as specified in Rules and Protocols for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NO_x) and Oxides of Sulfur (SO_x) Emissions.
- (24) DISTRICT CENTRAL NO_x STATION is the South Coast AQMD's District's designated computer system for NO_x emission monitoring.
- (25) DISTRICT CENTRAL SO_x STATION is the South Coast AQMD's District's designated computer system for SO_x emission monitoring.
- (26) ELECTRIC UTILITY is all in-Basin facilities which generate power and are owned or operated by any one of the following: Southern California Edison, Los Angeles Department of Water and Power, City of Burbank, City of Glendale, City of Pasadena, or any of their successors.

- (27) ELECTRONICALLY REPORT means transmitting measured data between the point of measurement and the point of receipt of the transmission, as specified in Rules 2011 and 2012 and their Appendices.
- (28) EMERGENCY STANDBY EQUIPMENT is equipment solely used on a standby basis in cases of emergency and is listed -as emergency equipment on the Facility Permit; or is equipment that does not operate more than 200 hours per compliance year and is listed as emergency equipment in the Facility Permit.
- (29) EMISSION FACTOR is the applicable value specified in Tables 1 or 2 of Rule 2002 - Allocations for Oxides of Nitrogen (NO_x) and Oxides of Sulfur (SO_x).
- (30) EMISSION RATE is a value expressed in terms of NO_x mass emissions per unit of heat input, is derived using the methodology specified in the Protocol for Monitoring, Reporting and Recordkeeping for Oxides of Nitrogen (NO_x) Emissions, and is used to calculate NO_x mass emissions on an average basis.
- (31) EMISSION REDUCTION CREDIT (ERC) means the amount of credit for emission reductions verified and determined by the Executive Officer pursuant to Regulation XIII --New Source Review.
- (32) ENTRY is the process by which a facility not included in the RECLAIM program pursuant to Rule 2001 -- Applicability, can enter the program pursuant to conditions established in Rule 2001.
- (33) EXTERNAL OFFSET means an emission reduction determined pursuant to Rule 1309 - Emission Reduction Credits and Short Term Credits, paragraph (b)(1) and approved by the Executive Officer for use to mitigate an emission increase, where the emission reduction is made at a facility other than the facility creating the emission increase.
- (34) EXISTING EQUIPMENT is any equipment operating at a RECLAIM facility for which there was a DistrietSouth Coast AQMD Permit to Construct, temporary Permit to Operate, or Permit to Operate, or equipment which existed but was exempt pursuant to Rule 219 -- Equipment Not Requiring a Written Permit Pursuant to Regulation II -- Permits, before October 15, 1993.

- (35) EXISTING FACILITY is any facility that submitted Emission Fee Reports pursuant to Rule 301 ~~— Permit~~ Permitting and Associated Fees, for 1992 or earlier years, or with valid ~~Distriet~~ South Coast AQMD Permits to Operate issued prior to October 15, 1993, and continued to be in operation or possess valid ~~Distriet~~ South Coast AQMD permits on October 15, 1993.
- (36) EXPIRATION DATE is the last date a pollutant can be emitted under the authority conveyed by a Facility Permit specifying allowable emissions based upon the amount of RTCs held by a Facility Permit holder.
- (37) FACILITY means any source or grouping of sources or other air contaminant-emitting activities which are located on one or more contiguous properties within the Basin in actual physical contact, or separated solely by a public roadway or other public right-of-way, and are owned or operated by the same person (or by persons under common control) or an Outer Continental Shelf (OCS) source as defined in 40 CFR Section 55.2. Such above-described groupings, if on noncontiguous properties, connected only by land carrying a pipeline, shall not be considered one facility. Equipment or installations involved in crude oil and gas production in Southern California Coastal or OCS waters and transport of such crude oil and gas in Southern California Coastal or OCS waters shall be included in the same facility which is under the same ownership or use entitlement as the crude oil and gas facility on-shore.
- (38) FACILITY PERMIT is a permit which consolidates permits for existing equipment, a permit for previously non-permitted NO_x and/or SO_x emitting Rule 219 equipment, and permits for any new equipment, into a single permit. A Facility Permit shall serve as a Permit to Construct new or altered equipment, pursuant to Rule 201 ~~— Permit to Construct~~ and a Permit to Operate, pursuant to Rules ~~202~~ 202 – Temporary Permit to Operate subdivisions (a) ~~and~~, ~~202~~(b) and Rule 203 – Permit to Operate, for all equipment at a RECLAIM facility. Requirements for non-RECLAIM pollutants shall also be included in the Facility Permit.
- (39) FEDERALLY ENFORCEABLE means all permit limitations and conditions which are enforceable by the U.S. EPA Administrator.
- (40) FUNCTIONALLY IDENTICAL SOURCE REPLACEMENT is the replacement of an existing source with another source that performs the same function, and has a maximum rated capacity less than or equal to the source being replaced.

- (41) GASEOUS FUELS include, but are not limited to, any natural, process, synthetic, landfill, sewage digester or waste gases with a gross heating value of 300 Btu per cubic foot or higher, at standard conditions.
- (42) HIGH EMPLOYMENT/LOW EMISSIONS FACILITY (HILO) is a new facility which has a high employment to pollution ratio. A HILO Facility has an emission rate for NO_x, SO_x, ROC, and PM₁₀, per full-time manufacturing employee, that is equal to or less than one-half (1/2) of any estimate stated in the AQMP for emissions per full-time manufacturing employee by industry class in the year 2010.
- (43) ISSUE DATE is the first date a pollutant can be emitted under the authority conveyed by a Facility Permit specifying allowable emissions based upon the amount of RTCs held by a Facility Permit holder.
- (44) MAJOR MODIFICATION means any modification, at an existing major polluting facility that will cause:
 - (A) an increase of one or more pounds per day, of the facility's potential to emit oxides of nitrogen (NO_x) or volatile organic compounds (VOCs) provided the facility is located in the South Coast Air Basin or the Riverside County portion of the Salton Sea Air Basin, or
 - (B) an increase of 40 tons per year or more, of the facility's potential to emit oxides of sulfur (SO_x); or
 - (C) an increase of 15 tons per year or more, of the facility's potential to emit particulate matter with an aerodynamic diameter of less than or equal to a nominal ten microns (PM₁₀); or
 - (D) an increase of 100 tons per year or more, of the facility's potential to emit carbon monoxide (CO).

For an existing major polluting facility located in the non-Palo Verde, Riverside County portion of the Mojave Desert Air Basin, major modification means any modification that will cause an increase of 25 tons per year or more, of the facility's potential to emit NO_x or VOC; whereas the requirements for SO_x, PM₁₀ and CO are as specified above in paragraphs (44)(B), (44)(C), and (44)(D).
- (45) MAJOR STATIONARY SOURCE means any facility which emits, or has the potential to emit 10 tons per year or more of NO_x or 100 tons per year or more of SO_x.

- (46) MANUFACTURING EMPLOYEES are those full-time employees directly involved in the manufacture or sale of the product created by a RECLAIM facility.
- (47) MITIGATION FEE PROGRAM means a program where power producing facilities that exceed annual allocations and meet specified applicability requirements in Rule 2004 subdivision (o), pay a participation fee to the DistrietSouth Coast AQMD for generation of NO_x emission reductions by the DistrietSouth Coast AQMD to mitigate emission exceedances.
- (48) MODIFICATION means any physical change or change in the method of operation of a source. The following shall not be considered a modification: (A) routine maintenance and repair; (B) any change in operator or ownership of the facility; (C) use of an alternative fuel as required by DistrietSouth Coast AQMD rule or federal or state statute, regulation or law; and, (D) an increase in the hours of operation or in the production rate, unless a permit condition limiting hours of operation, throughput or mass emissions would be exceeded.
- (49) MONTHLY EMISSIONS REPORT is a report which takes inventory of all RECLAIM pollutant emissions at a facility during a calendar month, submitted by the Facility Permit holder to the Executive Officer, within 30 days of the close of each month.
- (50) NATURAL GAS is a mixture of gaseous hydrocarbons, with at least 80 percent methane (by volume), and of pipeline quality, such as the gas sold or distributed by any utility company regulated by the California Public Utilities Commission.
- (51) NEW FACILITY is any facility which has received all DistrietSouth Coast AQMD Permits to Construct on or after October 15, 1993.
- (52) NON-RECLAIM POLLUTANTS are those pollutants other than RECLAIM NO_x and SO_x.
- (53) NORMAL OPERATING CONDITION means the condition that conforms with the established norm or standard prescribed in Rule 2011—Requirements for Monitoring, Reporting and Recordkeeping for Oxides of Sulfur (SO_x) Emissions and Rule 2012—Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NO_x) Emissions, and the Appendices thereto.

- (54) NO_x EMISSIONS means the sum of nitric oxides and nitrogen dioxides emitted, calculated as nitrogen dioxide.
- (55) ON-SITE, OFF-ROAD MOBILE SOURCES means non-stationary devices powered by an internal combustion engine or motor of 50 horsepower or greater, used off public roads and solely at the facility to propel, move, or draw persons or property. Such devices include, but are not limited to: forklifts, aerial lifts, motor graders, backhoes, excavators, dozers, trenchers, and tractors.
- (56) POWER PRODUCING FACILITY is an electric utility as defined in paragraph (c)(26), operated as of May 11, 2001, which has a generation capacity of 50 megawatts or more of electrical power.
- (57) QUARTER is a three-month period from January 1 to March 31, April 1 to June 30, July 1 to September 30, or October 1 to December 31, inclusive.
- (58) QUARTERLY CERTIFICATION OF EMISSIONS is a certified report inventorying all RECLAIM pollutant emissions at a facility during a quarter.
- (59) RATED BRAKE HORSEPOWER (bhp) is the maximum rating specified by the manufacturer and listed on the nameplate.
- (60) RECLAIM is the Regional Clean Air Incentives Market established by this Regulation.
- (61) RECLAIM AIR QUALITY INVESTMENT PROGRAM (RECLAIM AQIP) is a voluntary emission reduction compliance option for RECLAIM facilities pursuant to Rule 2004 subdivision (p), where a participation fee is paid by the RECLAIM facility to the DistrietSouth Coast AQMD for generation of NO_x emission reductions by the DistrietSouth Coast AQMD.
- (62) RECLAIM POLLUTANTS are NO_x emissions and SO_x emissions at a facility subject to RECLAIM requirements excluding any NO_x or SO_x emissions from on-site, off-road mobile sources and any SO_x emissions from equipment burning natural gas exclusively, unless the emissions are SO_x emissions at a facility that elected to enter RECLAIM pursuant to Rule 2001 subparagraph (i)(2)(A) and including NO_x and SO_x emissions:
 - (A) from rental equipment as required to be reported by the Facility Permit holder pursuant to Rule 2011, Appendix A, Chapter 1 or Rule 2012, Appendix A, Chapter 1;

- (B) from equipment operated by a contractor as required to be reported by the Facility Permit holder pursuant to Rule 2011, Appendix A, Chapter 1 or Rule 2012, Appendix A, Chapter 1;
 - (C) from ships during the loading or unloading of cargo and while at berth at a RECLAIM facility which was required to provide offsets pursuant to Rule 2005 – New Source Review for RECLAIM paragraph (b)(2) and subdivision (f) for these emissions; and
 - (D) from non-propulsion equipment on ships within Coastal Waters under DistrictSouth Coast AQMD jurisdiction and from ships destined for or traveling from a RECLAIM facility which was required to provide offsets pursuant to Rule 2005 paragraph (b)(2) and subdivision (f) for these emissions.
- (63) RECLAIM TRADING CREDIT (RTC) is a limited authorization to emit a RECLAIM pollutant in accordance with the restrictions and requirements of DistrictSouth Coast AQMD rules and state and federal law. Each RTC has a denomination of one pound of RECLAIM pollutant and a term of one year, and can be held as part of a facility's Allocation or alternatively may be evidenced by an RTC Certificate.
- (64) RECLAIM TRADING CREDIT LISTING is maintained by the Executive Officer and is the official and controlling record of RTCs held by any person.
- (65) REMOTE TERMINAL UNIT (RTU) is a data collection and transmitting device used to transmit data and calculated results to the District Central Station Computer.
- (66) RENTAL EQUIPMENT is equipment which is rented or leased for operation by someone other than the owner of the equipment.
- (67) REPORTED VALUE, for the purpose of developing Allocations, means the emissions data provided to the DistrictSouth Coast AQMD by the facility representative, pursuant to Rule 301.
- (68) RTC CERTIFICATES are issued by the DistrictSouth Coast AQMD and constitute evidence of RTCs held by any person and are used for information only. The official and controlling record of RTCs held by any person is the RTC listing maintained by the Executive Officer.
- (69) RESEARCH OPERATIONS are those operations the sole purpose of which is to permit investigation of experimental research to advance the state of knowledge or state-of-the-art technology.

- (70) SELLER is any person who transfers RTCs to another person through sale, trade or other means of transfer.
- (71) SOURCE is any individual unit, piece of equipment or process which may emit an air contaminant and which is identified, or required to be identified, in the RECLAIM Facility Permit.
- (72) SO_x EMISSIONS means sulfur dioxides emitted.
- (73) STANDARD INDUSTRIAL CODE (SIC) is the classification number assigned to a facility based on its primary economic activity as specified in the "Standard Industrial Classification Manual," published by the Office of Management and Budget, dated 1987.
- (74) STRUCTURAL BUYER is any RECLAIM facility which has not sold RTCs as of May 1, 2000, for any compliance year during which the RECLAIM AQIP is requested and meets one of the following criteria:
 - (A) was or is initially totally permitted for construction of new equipment on or after October 15, 1993; or
 - (B) emitted 6 tons or less of NO_x in the 1999 compliance year, provided:
 - (i) all equipment requiring a permit at the facility is equipped with a minimum of BARCT as defined in paragraph (c)(8); and
 - (ii) the emission reductions requested through RECLAIM AQIP do not exceed 50 percent of the facility's emissions in compliance year 1999.
- (75) THROUGHPUT means a measure of activity including, but not limited to: weight of glass pulled for a glass melting furnace, weight of clinker for cement kilns, amount of nitric acid used in metal stripping processes, amount of nitric or sulfuric acid manufactured for nitric or sulfuric acid manufacturing processes, weight of aluminum produced for aluminum production and/or fuel usage for all other sources as reported pursuant to Rule 301.
- (76) TRADING ZONE is one of two areas delineated in Rule 2005 - New Source Review for RECLAIM, Map 1.
- (77) ZONE OF ORIGINATION is the trading zone or Regulation XIII zone in which an RTC is originally assigned by the District South Coast AQMD.