

(Adopted October 15, 1993)(Amended December 7, 1995)  
(Amended February 14, 1997)(Amended May 11, 2001)(Amended January 7, 2005)  
(Amended May 6, 2005)(Amended December 4, 2015)(Amended January 5, 2018)  
(PAR 2001 090518)

**PROPOSED AMENDED RULE 2001.      APPLICABILITY**

(a) Purpose

This rule specifies criteria for inclusion in RECLAIM for new and existing facilities and also establishes a final date for any facility inclusions. It also specifies requirements for sources electing to ~~enter~~ opt-out of RECLAIM and identifies provisions in current District rules and regulations that do not apply to RECLAIM sources.

(b) Criteria for Inclusion in RECLAIM

The Executive Officer will maintain a listing of facilities which are subject to RECLAIM. The Executive Officer will include facilities up until January 5, 2018, unless otherwise exempted pursuant to subdivision (i), if emissions fee data for 1990 or any subsequent year filed pursuant to Rule 301 - Permit Fees, shows four or more tons per year of NO<sub>x</sub> or SO<sub>x</sub> emissions where:

(1) NO<sub>x</sub> emissions do not include emissions from:

- (A) any NO<sub>x</sub> source which was exempt from permit pursuant to Rule - 219 Equipment Not Requiring A Written Permit Pursuant to Regulation II;
- (B) any NO<sub>x</sub> process unit which was rental equipment with a valid District Permit to Operate issued to a party other than the facility;
- (C) on-site, off-road mobile sources; or
- (D) ships as specified in Rule 2000(c)(62)(C) and (D).

(2) SO<sub>x</sub> emissions do not include emissions from:

- (A) any SO<sub>x</sub> source which was exempt from permit pursuant to Rule - 219 Equipment Not Requiring A Written Permit Pursuant to Regulation II; or
- (B) any SO<sub>x</sub> source that burned natural gas exclusively, unless the emissions are at a facility that elected to enter the program pursuant to subparagraph (i)(2)(A); or
- (C) any SO<sub>x</sub> process unit which was rental equipment with a valid District Permit to Operate issued to a party other than the facility;

- (D) on-site, off-road mobile sources; or
  - (E) ships as specified in Rule 2000(c)(62)(C) and (D).
  - (3) The Executive Officer will not include a facility in RECLAIM if a permit holder requests exclusion no later than January 1, 1996 and demonstrates prior to October 15, 1993 through the addition of control equipment, the possession of a valid Permit to Construct for such control equipment, or a Permit to Operate condition that the emissions fee data received pursuant to Rule 301, which shows emissions equal to or greater than four tons per year of a RECLAIM pollutant, is not representative of future emissions.
- (c) Amendments to RECLAIM Facility Listing
- (1) The Executive Officer will amend the RECLAIM facility listing to add, delete, change designation of any facility or make any other necessary corrections upon any of the following actions:
    - (A) Approval by the Executive Officer pursuant to Rule 2007 - Trading Requirements, of the permanent transfer or relinquishment of all RTCs applicable to a facility.
    - (B) Approval by the Executive Officer of a change of Facility Permit holder (owner or operator) or change of facility name.
    - (C) Upon the transition of a facility out of RECLAIM, pursuant to Rule 2002.
  - (2) The actions specified in this subdivision shall be effective only upon amendment of the Facility Listing.
- (d) Cycles
- (1) The Executive Officer will assign RECLAIM facilities to one of two compliance cycles by computer-generated random assignment which, to the extent possible, ensures an even distribution of RTCs. The Facility Listing will distinguish between Cycle 1 facilities, which will have a compliance year of January 1 to December 31 of each year, and Cycle 2 facilities, with a compliance year of July 1 to June 30 of each year.
  - (2) The issue and expiration dates of the RTCs allocated to a facility shall coincide with the beginning and ending dates of the facility's compliance year.

(3) Within 30 days of October 15, 1993, facilities assigned to Cycle 2 may petition the Executive Office or the Hearing Board to change their cycle designation. Facilities assigned to Cycle 1 may not petition the Executive Officer or Hearing Board to change their cycle designation. Facilities entering the RECLAIM program after October 15, 1993 will be assigned to the cycle with the greatest amount of time remaining in the compliance year.

(e) High Employment/Low Emissions (HILO) Facility Designation

A new facility may, after January 1, 1997 apply to the District for classification as a HILO Facility. The Executive Officer will approve the HILO designation upon the determination that the emission rate for NO<sub>x</sub>, SO<sub>x</sub>, ROC, and PM<sub>10</sub> is less than or equal to one-half (1/2) of any target specified in the AQMP for emissions per full-time manufacturing employee by industry class in the year 2010.

(f) Entry Election

On and after January 5, 2018, a non-RECLAIM facility may not elect to enter the RECLAIM program.

(g) Exit from RECLAIM

(1) ~~The owner or operator of an electricity generating facility (EGF) may submit a plan application (i.e., opt-out plan) subject to plan fees specified in Rule 306 to request to opt-out of the NO<sub>x</sub> RECLAIM program provided that the following requirements are met as demonstrated in an opt-out plan submitted to the Executive Officer:~~ To exit the NO<sub>x</sub> RECLAIM program, all the NO<sub>x</sub> emitting equipment located at the RECLAIM facility, except the equipment specified below, must be subject to a non-RECLAIM rule that regulates NO<sub>x</sub> emissions that is adopted or amended after (date of amendment).

(A) Equipment subject to Rule 1470 – Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines; and/or

(B) Equipment exempt from permitting per Rule 219 – Equipment Not Requiring a Written Permit Pursuant to Regulation II, not including equipment:

- (i) Defined in Rule 1146.2 – Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers and Process Heaters; and/or
  - (ii) Nitric acid equipment listed in Rule 219 subdivisions (m) and (p).
  
- (2) The owner or operator of a RECLAIM facility that is eligible to exit the NOx RECLAIM program, pursuant to the requirements of paragraph (g)(1), that elects to exit RECLAIM shall notify the Executive Officer with a request to opt-out. Except for facilities that received an initial determination notification before (date of amendment), facilities shall include with the opt-out request, the identification of:
  - (A) All permitted and unpermitted NOx RECLAIM emission equipment, including applicable control equipment; and
  - (B) Permitted NOx emission levels, and if not available, manufacturer guaranteed NOx emission levels.
  
- (3) If the owner or operator of a RECLAIM facility meets the criteria for exiting the NOx RECLAIM program, specified in paragraph (g)(1) and has satisfied the requirements of paragraph (g)(2), the Executive Officer will issue an initial determination notification and the facility shall be subject to the provisions of Rule 2002, paragraphs (f)(6) through (f)(10), excluding the requirements in subparagraphs (f)(6)(A) and (f)(6)(B). If the request to opt-out is denied, the facility shall remain in RECLAIM, and the owner or operator will be notified.
  - (A) ~~At least 99 percent of the EGF's NOx emissions for the most recent three full compliance years are from equipment that meets current Best Available Control Technology (BACT) or Best Available Retrofit Control Technology (BARCT), for NOx.~~
  - (B) ~~The EGF is subject to NOx RECLAIM as of December 4, 2015 or has been subject to NOx RECLAIM for at least 10 years as of the plan submittal date.~~

~~For the purpose of this rule an electricity generating facility (EGF) is a NOx RECLAIM facility that generates electricity for distribution in the state or local grid system, excluding cogeneration facilities.~~

- (2) ~~If the Executive Officer approves an opt-out plan, based on the criteria specified in paragraph (g)(1), then the EGF Facility Permit holder shall submit applications to include in its permit and accept permit conditions that ensure all of the following apply:~~
- (A) ~~NOx RTCs held by the EGF shall be treated as follows:~~
    - (i) ~~For an EGF that does not meet the definition of an existing facility, as defined in Rule 2000(c)(35), the quantity of NOx RTCs for all compliance years after the date of approval of the opt-out plan required to be held by the EGF pursuant to Rule 2005— New Source Review for RECLAIM shall be surrendered by the facility, retired from the market, and used to satisfy any NOx requirements for continuing obligations under Regulation XIII— New Source Review. If needed to equal this amount, any Non-tradable/Non-usable RTCs and any RTCs corresponding to the EGF’s contribution to the Regional NSR Holding Account may be used for this purpose and, if RTCs from the Regional NSR Holding Account are used, these RTCs shall be removed from the Regional NSR Holding Account.~~
    - (ii) ~~For existing EGFs, that meet the definition of an existing facility, as defined in Rule 2000(c)(35), an amount of NOx RTCs equivalent to the EGF’s NOx holdings as of September 22, 2015 adjusted pursuant to Rule 2002(f)(1) for all compliance years after the date of approval of the opt-out plan shall be surrendered by the EGF and retired from the market.~~
    - (iii) ~~Any NOx RTCs held by an EGF beyond those referred to in clauses (i) and (ii) above may be sold, traded, or transferred by the facility.~~
  - (B) ~~The EGF operator shall ensure that all equipment identified in the opt-out plan as meeting BACT or BARCT shall not exceed the respective BACT or BARCT levels of emissions or any existing permit condition limiting NOx emissions that is lower than BACT or BARCT as of the date of the opt-out plan submittal.~~
  - (C) ~~Limits on EGF Emissions~~

- ~~(i) For an EGF that meets the definition of an existing facility in Rule 2000(c)(35), total facility emissions shall be limited to the amount of Compliance Year 2015 RTCs held as of September 22, 2015.~~
- ~~(ii) For an EGF that does not meet the definition of an existing facility in Rule 2000(c)(35), emissions from each NO<sub>x</sub> source shall be limited to the amount of RTCs required to be held for that source pursuant to Rule 2005 as of the date of opt-out plan approval.~~
- ~~(D) The owner or operator of multiple EGFs under common control shall have one opportunity to apportion the NO<sub>x</sub> emission limits among its facilities under common control for the purpose of meeting the requirements of clause (C)(i) or (C)(ii) as part of its opt-out plan as specified in paragraph (g)(1), provided all of the facilities opt out concurrently. The apportionment shall be described in the opt-out plan that shall be submitted to the Executive Officer. Each facility shall not have a limit that exceeds the amount of emissions that can be generated by all equipment located at the facility.~~
- ~~(E) Subdivision (j) shall not be applicable to the EGF for any equipment installed or modified after the date of approval of the opt-out plan, and for other equipment at the earliest practicable date but no later than three years after the date of approval of the opt-out plan except Regulation XIII—New Source Review shall apply upon permit issuance.~~
- ~~(F) Notwithstanding the requirements specified in subparagraph (g)(2)(E), the EGF operator shall continue to comply with the requirements of Rule 2012 and its associated protocols unless the Executive Officer has approved an alternative monitoring and recordkeeping plan which is sufficient to determine compliance with all applicable rules.~~

- ~~(G) Notwithstanding the requirements specified in subparagraph (g)(2)(E), for EGFs not subject to Regulation XXX, the EGF's permit shall be re-designated as an "opt-out facility permit" and shall remain in effect, subject to annual renewal, unless expired, revoked, or modified pursuant to applicable rules. The EGF operator shall continue to pay RECLAIM permit fees pursuant to Rule 301(l).~~
- ~~(3) The Executive Officer shall approve or deny the opt-out plan within 180 days of receipt of a complete plan, unless the EGF and the Executive Officer have mutually agreed upon a longer time period. The Executive Officer shall not approve the opt-out plan unless it has been determined that the requirements of subparagraphs (g)(1)(A) and (g)(1)(B) are met, and the EGF accepts appropriate permit conditions to ensure compliance with the requirements of subparagraphs (g)(2)(B) through (H). If, within 180 days or within the mutually agreed upon time period of receiving a complete opt-out plan, the Executive Officer does not take action on the plan, the EGF may consider the plan denied. Executive Officer denial of an opt-out plan can be appealed to the Hearing Board. The Executive Officer shall not re-issue the facility permit removing the EGF from RECLAIM unless the EGF surrenders the required amount of RTCs pursuant to subparagraph (g)(2)(A). Removal from RECLAIM of an EGF with an approved opt-out plan is effective upon issuance of a facility permit incorporating the conditions specified in paragraph (g)(2).~~
- ~~(4) No facility, on the initial Facility Listing or subsequently admitted to RECLAIM, may opt out of the program, unless approved by the Executive Officer pursuant to paragraph (g)(3).~~
- (h) Non-RECLAIM Facility Generation of RTCs  
Non-RECLAIM facilities may not obtain RTCs due to a shutdown or curtailment of operations which occurs after October 15, 1993. ERCs generated by non-RECLAIM facilities may not be converted to RTCs if the ERCs are based on a shutdown or curtailment of operations after October 15, 1993.

(i) Exemptions

(1) The following sources, including those that are part of or located on a Department of Defense facility, shall not be included in RECLAIM and are prohibited from electing to enter RECLAIM:

- (A) dry cleaners;
- (B) fire fighting facilities;
- (C) construction and operation of landfill gas control, processing or landfill gas energy recovery facilities;
- (D) facilities which have converted all sources to operate on electric power prior to October 15, 1993;
- (E) police facilities;
- (F) public transit;
- (G) restaurants;
- (H) potable water delivery operations;
- (I) facilities located in the Riverside County portions of the Salton Sea and Mojave Desert Air Basins, except for a facility that has elected to enter the RECLAIM program pursuant to subparagraph (i)(2)(M); and
- (J) facilities that have permanently ceased operations of all sources before January 1, 1994.
- (K) The facility was removed from RECLAIM pursuant to paragraph (g)(3).

~~(2) The following sources, including those that are part of or located on a Department of Defense facility, shall not be initially included in RECLAIM but may enter the program pursuant to subdivision (f):~~

- ~~(A) electric utilities (exemption only for the SO<sub>x</sub> program);~~
- ~~(B) equipment rental facilities;~~
- ~~(C) facilities possessing solely "various location" permits;~~
- ~~(D) hospitals;~~
- ~~(E) prisons;~~
- ~~(F) publicly owned municipal waste to energy facilities;~~
- ~~(G) portions of facilities conducting research operations;~~
- ~~(H) schools or universities;~~
- ~~(I) sewage treatment facilities which are publicly owned and operated consistent with an approved regional growth plan;~~



- ~~(J) electric power generating systems owned and operated by the City of Burbank, City of Glendale or City of Pasadena or any of their successors;~~
- ~~(K) ski resorts;~~
- ~~(L) facilities located on San Clemente Island;~~
- ~~(M) any electric generating facility that has submitted complete permit applications for all equipment requiring permits at the facility on or after January 1, 2001 may elect to enter the NO<sub>x</sub> RECLAIM program if the facility is located in the Riverside County portions of the Salton Sea or Mojave Desert Air Basins;~~
- ~~(N) facilities that are an agricultural source as defined in California Health and Safety Code § 39011.5; and~~
- ~~(O) any EGF as defined in paragraph (g)(1), except for an EGF that has been removed from NO<sub>x</sub> RECLAIM, pursuant to paragraph (g)(3).~~

(j) Rule Applicability

Facilities operating under the provisions of the RECLAIM program shall be required to comply concurrently with all provisions of District rules and regulations, except those provisions applicable to NO<sub>x</sub> emissions under the rules listed in Table 1 adopted or amended prior to (date of amendment), and shall not apply to NO<sub>x</sub> emissions from NO<sub>x</sub> RECLAIM facilities, and those provisions applicable to SO<sub>x</sub> emissions of the rules listed in Table 2 shall not apply to SO<sub>x</sub> emissions from SO<sub>x</sub> RECLAIM facilities after the later of the following:

- ~~(1) December 31, 1994 for Cycle 1 facilities and June 30, 1995 for Cycle 2 facilities; or~~
- ~~(2) the date the facility has demonstrated compliance with all monitoring and reporting requirements of Rules 2011 or 2012, as applicable.~~

~~Notwithstanding the above, NO<sub>x</sub> and SO<sub>x</sub> RECLAIM facilities shall not be required to comply with those provisions applicable respectively to NO<sub>x</sub> and SO<sub>x</sub> emissions of the listed District rules in Tables 1 and 2 which have initial implementation dates in 1994. In addition, NO<sub>x</sub> RECLAIM facilities are required to comply with all NO<sub>x</sub> provisions in rules contained in Table 1 that are adopted or amended on or after (date of amendment). The Facility Permit holder shall comply with all other provisions of the rules listed in Tables 1 and 2 relating to any other pollutant.~~

Table 1

~~EXISTING RULES~~  
 NOT APPLICABLE TO RECLAIM FACILITIES FOR  
 REQUIREMENTS PERTAINING TO NO<sub>x</sub> EMISSIONS IF RULE WAS  
ADOPTED OR AMENDED PRIOR TO (DATE OF AMENDMENT)

RULE	DESCRIPTION
218	Stack Monitoring
429	Start-up & Shutdown Exemption Provisions for NO <sub>x</sub>
430	Breakdown Provision
474	Fuel Burning Equipment - NO <sub>x</sub>
476	Steam Generating Equipment
1109	<del>Emissions of Oxides of Nitrogen from NO<sub>x</sub> Boilers and</del> & <del>Process Heaters in Petroleum Refineries</del>
1110	<del>Emissions from Stationary Internal Combustion Engines</del> <del>(Demonstration)</del>
1110.1	<del>Emissions from Stationary Internal Combustion Engines</del>
1110.2	<del>Emissions from Gaseous and Liquid-Fueled I. C. Engines</del>
1112	<del>Emissions of Oxides of Nitrogen</del> NO <sub>x</sub> from Cement Kilns
1117	<del>Emissions of Oxides of Nitrogen</del> NO <sub>x</sub> from Glass Melting Furnaces
1134	<del>Emissions of Oxides of Nitrogen</del> NO <sub>x</sub> from Stationary Gas Turbines
1135	<del>Emissions of Oxides of Nitrogen</del> NO <sub>x</sub> from Electricity <del>Power-Generating Facilities</del> Systems
1146	<del>Emissions of Oxides of Nitrogen from Industrial,</del> <del>Institutional, and Commercial Boilers, Steam Generators,</del> <del>and Process Heaters</del> NO <sub>x</sub> from Boilers, Steam Generators, and <del>Process Heaters</del>
1146.1	<del>Emissions of Oxides of Nitrogen from Small Industrial,</del> <del>Institutional, and Commercial Boilers, Steam Generators,</del> <del>and Process Heaters</del> NO <sub>x</sub> from Small Boilers, Steam Generators, and <del>Process Heaters</del>
<u>1146.2</u>	<u>Emissions of Oxides of Nitrogen from Large Water</u> <u>Heaters and Small Boilers and Process Heaters</u>
<u>1147</u>	<u>NO<sub>x</sub> Reductions from Miscellaneous Sources</u>
<u>1153.1</u>	<u>Emissions of Oxides of Nitrogen from Commercial Food</u> <u>Ovens</u>
1159	Nitric Acid Units - Oxides of Nitrogen
Reg. XIII	New Source Review

Table 2

EXISTING RULES  
 NOT APPLICABLE TO RECLAIM FACILITIES FOR  
 REQUIREMENTS PERTAINING TO SO<sub>x</sub> EMISSIONS

RULE	DESCRIPTION
53	Sulfur Compounds - Concentration - L.A. County
53	Sulfur Compounds - Concentration - Orange County
53	Sulfur Compounds - Concentration - Riverside County
53	Sulfur Compounds - Concentration - San Bernardino County
53A	Specific Contaminants - San Bernardino County
218	Stack Monitoring
430	Breakdown Provisions
407	Liquid and Gaseous Air Contaminants
431.1	Sulfur Content of Gaseous Fuels
431.2	Sulfur Content of Liquid Fuels
431.3	Sulfur Content of Fossil Fuels
468	Sulfur Recovery Units
469	Sulfuric Acid Units
1101	Secondary Lead Smelters/Sulfur Oxides
1105	Fluid Catalytic Cracking Units SO <sub>x</sub>
1119	Petroleum Coke Calcining Operations - Oxides of Sulfur
Reg. XIII	New Source Review