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# NO<sub>x</sub> RECLAIM WORKING GROUP MEETING

APRIL 11, 2019  
SCAQMD  
DIAMOND BAR, CA

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## Agenda

- Landing Rule Updates
  - Rule 1134
  - PAR 1110.2
  - PR 1109.1
  - PAR 218/218.1
  - 1147 Series
- New Source Review
  - EPA Meeting

## LANDING RULE UPDATES

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## Command-and-Control BARCT Rulemaking Status

### Rule 1134



#### Gas Turbines

- Amended  
April 2019

### PAR 1110.2



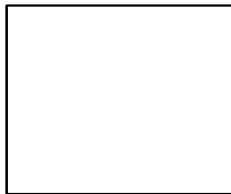
#### Gaseous- and Liquid-Fueled Engines

- Ongoing site visits
- Next Working Group meeting  
April 24, 2019
- Public Workshop  
2<sup>nd</sup> Quarter 2019
- Public Hearing  
3<sup>rd</sup> Quarter 2019

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## Command-and-Control BARCT Rulemaking Status

### PR 1109.1



#### Refineries

- Recommendation to April Administrative committee on consultant selection for third party review of BARCT assessment
- Staff requested additional CEMS data from refineries
- Next Working Group Meeting late April/early May
- Public Hearing Oct. 2019

### PAR 218 & 218.1



#### Monitoring, Reporting, and Recordkeeping (MRR)

- Applicable to non-RECLAIM facilities
- Will also be applicable to facilities exiting RECLAIM
- Emphasis on CEMS
- Specifying CEMS general requirements and performance standards
- Working Group Meeting #1 March 13, 2019
- Public Hearing Oct. 2019

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## Command-and-Control BARCT Rulemaking Status

### PAR 1147



#### Miscellaneous Combustion Sources

- 1<sup>st</sup> Working Group February 2019
- Facility surveys mailed March 22, 2019
- Next Working Group meeting April 17, 2019
- Public Hearing: Sept. 2019

### PR 1147.1



#### Large Miscellaneous Combustion Sources

- 1<sup>st</sup> Working Group February 2019
- Facility surveys mailed March 22, 2019
- Next Working Group meeting April 17, 2019
- Public Hearing: Sept. 2019

### PR 1147.2



#### Metal Melting Facilities

- 1<sup>st</sup> Working Group May 2019
- Public Hearing: Nov. 2019

### PR 1147.3



#### Aggregate Facilities

- 1<sup>st</sup> Working Group April 2019
- Public Hearing: Dec. 2019

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## UPDATE ON NEW SOURCE REVIEW

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## EPA Meeting

- SCAQMD met with EPA at Region IX on 3/14/19
- Discussed the 3 Key Issues

**Key Issue #1** For new sources that are permitted in RECLAIM, what are the offset obligations as facilities transition out of RECLAIM?

**OFFSETTING REQUIREMENTS**

**Key Issue #2** When and how pre-modification potential to emit (PTE) is calculated to determine if an emission increase occurs that triggers NSR after facilities transition out of RECLAIM?

**PERMITTING**

**Key Issue #3** How will the SCAQMD ensure that sufficient offsets are available to satisfy NSR requirements?

**OFFSET AVAILABILITY**

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## EPA's Approach in Face-to-Face Meeting

- Still in listening mode
- No major decisions made
- Provided initial feedback and insight on the three key issues
- Strong desire to work through issues
- Will continue with phone calls and additional face to face meetings



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## EPA Meeting – Areas of General Agreement

- New and modified sources in RECLAIM must comply with Rule 2005 – New Source Review for RECLAIM
- New and modified sources outside of RECLAIM must comply with Regulation XIII – New Source Review
  - BACT is required for all new and for modified sources with an emission increase
- The transition of a facility from RECLAIM to command-and-control rules is not an NSR event

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## EPA Initial Feedback

- Equivalency demonstration
  - Accounting to ensure equivalency demonstration – SIP Commitment
  - On-going NSR demonstration
- Large NOx Source Internal Bank
- Concerns for retaining RECLAIM NSR post-RECLAIM
- Discussed permitting - more discussions needed

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## Background

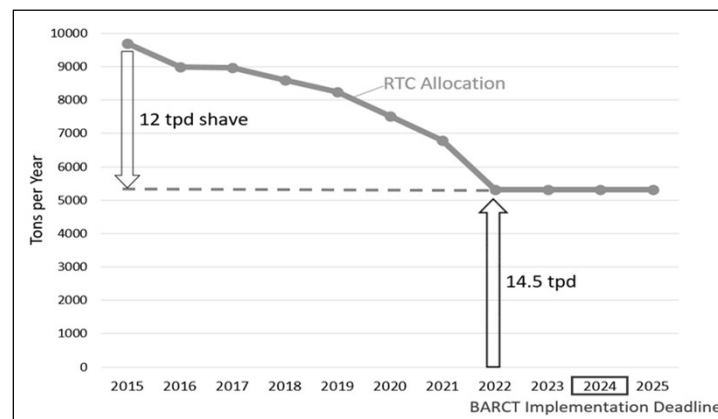
- Federal CAA 110(l) states:
  - “...The Administrator shall not approve a revision of a plan if the revision would interfere with any applicable requirement concerning attainment and reasonable further progress...or any other applicable requirement of this chapter.”
- CA Senate Bill 288 requires:
  - “No air quality management district or air pollution control district may amend or revise its new source review rules or regulations to be less stringent than those that existed on December 30, 2002.”
- Need to ensure compliance with SB 288 and CAA 110(l) requirements for these sources as they transition out of RECLAIM <sup>12</sup>

## Staff's Initial Thoughts

- Staff agrees that an on-going demonstration is needed for:
  - SIP commitment for RECLAIM program to achieve 12 tpd NO<sub>x</sub> shave [Federal CAA 110(l)]
  - New facilities that entered RECLAIM are required to hold RTCs to offset the total facility emissions at the commencement of each compliance year (SB 288 – May be demonstrated programmatically)
- Possible that 14.5 tpd by 2022 can be used for both the SIP commitment and for RECLAIM NSR holding requirements

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## 14.5 tpd of NO<sub>x</sub> by 2022



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## Equivalency Demonstration

- Concept for programmatic demonstration
  - Establish threshold – possibly 14.5 tons per day (2022+ Allocation)
    - 12 tpd shave (SIP commitment)
    - RECLAIM NSR cap (no backsliding)
  - Beginning January 2025 and every year thereafter, demonstrate
    - Previous years actual emissions of RECLAIM universe < 14.5 tons per day
  - January 2024 will be first year after AB617 BARCT implementation deadline

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## Ensuring Equivalency

- In the event that the 14.5 tpd threshold is exceeded:
  - Notify the Board, U.S. EPA, and CARB within 45 days of exceedance
  - Conduct an assessment of why 14.5 tpd is exceeded
  - Report to the Board within 60 days from notifying the Board of the following:
    - Reason(s) for exceedance
    - Remedies for exceedance
    - Timeframe to implement remedies
- This approach will determine what specific measures, based on the cause of the exceedance, are needed to reduce emissions below the 14.5 tpd threshold (e.g. required action might be short-term, source specific, etc.)

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## Additional 5 tpd of NO<sub>x</sub> by 2025 (CMB-05)

- 2016 AQMP Control Measure CMB-05: Further NO<sub>x</sub> Reductions from RECLAIM Assessment
  - Commits to achieving additional 5 tpd no later than 2025
  - CMB-05 and the associated landing rules are implemented as a post-RECLAIM emission reduction strategy
  - The 5 tpd would be achieved through implementation of command-and-control rules – focus is on an emission standard or concentration limit, not on mass emissions
- SCAQMD staff believes no on-going demonstration needed for the 5 tpd
  - Implementation of control measures historically do not have an on-going mass emissions demonstration requirement
  - Non-RECLAIM facilities regulated under command-and-control rules do not have an on-going mass emissions demonstration obligation
  - Upon exiting RECLAIM, facilities should not be held to a different standard once they are under a command-and-control regulatory program, simply because they were in RECLAIM

## Estimated Reductions from Landing Rules Adopted or Amended

- 6 landing rules have been adopted or amended representing 3.97 tpd of emission reductions

| Landing Rules Adopted/Amended   | Reductions (tpd) |
|---|------------------|
| Rules 1146, 1146.1, and 1146.2 - Boilers, heaters, and steam generators | 0.27             |
| Rule 1118.1 - Non Refinery Flares                                       | 0                |
| Rule 1135 - Electric Generating Facilities                              | 1.9              |
| 1134 - Gas Turbines   | 1.8              |
| TOTAL   | 3.97             |

## Other Landing Rules

- Additional NOx reductions will result from other NOx rules

### Other NOx Rules

|                      |                                     |  |                         |                                   |                                   |                   |
|----------------------|-------------------------------------|--|-------------------------|-----------------------------------|-----------------------------------|-------------------|
| 1109.1<br>Refineries | 1147<br>Miscellaneous<br>Combustion | 1147.1<br>Large<br>Miscellaneous<br>Combustion | 1147.2<br>Metal Melting | 1147.3<br>Aggregate<br>Facilities | 1117<br>Glass Melting<br>Furnaces | 1110.2<br>Engines |
|----------------------|-------------------------------------|--|-------------------------|-----------------------------------|-----------------------------------|-------------------|

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## Recommendations for Exiting Facilities

- Stakeholders have expressed concerns about exiting facilities
  - RTCs taken out of the market, especially from large RTC holders, could increase the price of RTCs
- EPA recommends to keep facilities in RECLAIM until:
  - Landing rules are adopted or amended; and
  - Regulation XX, Regulation XIII, and landing rules are SIP approved
- RECLAIM facilities will be required to comply with:
  - Landing rules;
  - 12 tpd shave; and
  - Rule 2005 RECLAIM NSR
- SCAQMD recommends amending Rule 2001 to remove the opt-out provisions, so that facilities do not exit RECLAIM until the program sunsets

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## Rule 2015 – Backstop Provisions

- Current backstop provisions in Rule 2015 may not be applicable during the transition of the RECLAIM program to a command-and-control regulatory structure
  - Requirement to amend RECLAIM to implement backstop provisions if allocations are exceeded during the implementation period of the landing rules
- Staff recommends amending Rule 2015 since facilities will comply with command-and-control rules while in RECLAIM
- Potential amendments will be discussed with EPA

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## Next Steps - Large NOx Source Internal Bank

- Additional details regarding the Large NOx Source Internal Bank will be developed after further discussion with EPA

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## NSR – Process Moving Forward

### Continuing discussions with USEPA regarding RECLAIM NSR transition

Ensure all NSR, AQMP, and CAA requirements will be met after sunset of RECLAIM program

SCAQMD will continue weekly calls with EPA

EPA participation in RECLAIM Working Groups

### RECLAIM Working Group Meetings

Monthly working group meetings focused on NSR

Continued discussions with stakeholders

### Updates to Stationary Source Committee (SSC)

Quarterly presentation with quarterly RECLAIM update

Monthly written report

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## RECLAIM Transition Web Page

- A brand new web page that provides one-stop access to:
  - Upcoming meetings pertaining to the RECLAIM transition
  - Links to the South Coast AQMD Proposed Rules page
    - Individual links to landing rule materials from the Proposed Rules page
    - Link to RECLAIM Archive page
  - <http://www.aqmd.gov/home/rules-compliance/reclaim-transition>



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# RECLAIM Transition Web Page

**RECLAIM Transition**

Filter: All Events    Sort by Date: Newest -> Oldest

Search Events

**All Events**

Meeting  
**04/11/2019 AT 10:00 AM**  
**RECLAIM Working Group April**  
 RECLAIM general working group meetings will occur on a monthly basis on the second Thursday of each month.  
 Location: SCAQMD/CR  
 Resources: [Download](#) | [888-757-3760](#) | [Passcode: 6068990](#)  
 Contact: Kevin Orellana, (909) 396-3492 | [korellana@aqmd.gov](mailto:korellana@aqmd.gov)

Meeting  
**03/13/2019 AT 2:00 PM**  
**Working Group #1 Proposed Rule 113/ PAR 218 & PAR 218.1**  
 South Coast Air Quality Management District (SCAQMD) staff has scheduled a Working Group meeting for Proposed Rule (PR) 113, PAR 218 & PAR 218.1 - Requirements for Monitoring, Reporting, and Recordke...  
[Read More](#)

**EVENTS** →

- Proposed Rules Page
  - Regulation XX : NOx RECLAIM
    - Archive 2013-2017
  - PAR 218 and PAR 218.1
  - PAR 2001, PAR 2002 : Allocations for Oxides of Nitrogen (NOx) and Oxides of Sulfur (SOx)
  - PR 1109.1 : Refinery Equipment
  - PAR 1110.2 and PAR 1100 : Emissions from Gaseous and Liquid-Fueled Engines
  - PR 1118.1 : Control of Emissions from Non-Refinery Flares
  - PAR 1134 : Emissions of Oxides of Nitrogen
  - PAR 1135 : Emissions of Oxides of Nitrogen from Electricity Generating Facilities
  - PAR 1146, PAR 1146.1, PAR 1146.2, PR 1100 : Emissions of Oxides of Nitrogen from Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters; Emissions of Oxides of Nitrogen from Small Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters; Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers and Process Heaters; and - Implementation Schedule for NOx Facilities
  - PAR 1147 and PR 1147.1

**LINKS TO PROPOSED RULES PAGE** →

# Contacts

| General RECLAIM Questions  | New Source Review  |  |
|--|--|--|
| <ul style="list-style-type: none"> <li>• Gary Quinn, P.E.<br/>Program Supervisor<br/>909-396-3121<br/><a href="mailto:gquinn@aqmd.gov">gquinn@aqmd.gov</a></li> <li>• Kevin Orellana<br/>Program Supervisor<br/>909-396-3492<br/><a href="mailto:korellana@aqmd.gov">korellana@aqmd.gov</a></li> </ul> | <ul style="list-style-type: none"> <li>• Michael Morris<br/>Planning and Rules Manager<br/>909-396-3282<br/><a href="mailto:mmorris@aqmd.gov">mmorris@aqmd.gov</a></li> <li>• Kevin Orellana<br/>Program Supervisor<br/>909-396-3492<br/><a href="mailto:korellana@aqmd.gov">korellana@aqmd.gov</a></li> </ul> | <ul style="list-style-type: none"> <li>• Lizabeth Gomez<br/>Air Quality Specialist<br/>909-396-3103<br/><a href="mailto:lgomez@aqmd.gov">lgomez@aqmd.gov</a></li> <li>• Melissa Gamoning<br/>Assistant Air Quality Specialist<br/>909-396-3115<br/><a href="mailto:mgamoning@aqmd.gov">mgamoning@aqmd.gov</a></li> </ul> |

## Contacts

### Proposed Rule 1109.1

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• Heather Farr<br/>Program Supervisor<br/>909-396-3672<br/>hfarr@aqmd.gov</li> <li>• Jong Hoon Lee<br/>Air Quality Specialist<br/>909-396-3903<br/>jhlee@aqmd.gov</li> </ul> | <ul style="list-style-type: none"> <li>• Sarady Ka<br/>Air Quality Specialist<br/>909-396-2331<br/>ska@aqmd.gov</li> </ul> |
|---|--|

### Rule 1134

- Michael Morris  
Planning and Rules Manager  
909-396-3282  
mmorris@aqmd.gov
- Uyen-Uyen Vo  
Program Supervisor  
909-396-2238  
uvo@aqmd.gov

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## Contacts

### Proposed Amended Rules 218/218.1

- Gary Quinn, P.E.  
Program Supervisor  
909-396-3121  
gquinn@aqmd.gov
- Yanrong Zhu  
Air Quality Specialist  
909-396-3289  
yzhu1@aqmd.gov

### Rule 1135

- Michael Morris  
Planning and Rules Manager  
909-396-3282  
mmorris@aqmd.gov
- Uyen-Uyen Vo  
Program Supervisor  
909-396-2238  
uvo@aqmd.gov

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## Contacts

### Proposed Amended Rule 1110.2

- Kevin Orellana  
Program Supervisor  
909-396-3492  
korellana@aqmd.gov
- Rudy Chacon  
Air Quality Specialist  
909-396-2726  
rchacon@aqmd.gov

### Rules 1147/1147.1

- Gary Quinn  
Program Supervisor  
909-396-3121  
gquinn@aqmd.gov
- Shawn Wang  
Air Quality Specialist  
909-396-3319  
swang@aqmd.gov

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## Contacts

### Rules 1146, 1146.1, 1146.2

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Gary Quinn, P.E.<br/>Program Supervisor<br/>909-396-3121<br/>gquinn@aqmd.gov</li> <li>• Kalam Cheung, Ph.D.<br/>Program Supervisor<br/>909-396-3281<br/>kcheung@aqmd.gov</li> </ul> | <ul style="list-style-type: none"> <li>• Lizabeth Gomez<br/>Air Quality Specialist<br/>909-396-3103<br/>lgomez@aqmd.gov</li> <li>• Shawn Wang<br/>Air Quality Specialist<br/>909-396-3319<br/>swang@aqmd.gov</li> </ul> |
|--|---|

### Rule 1118.1

- Heather Farr  
Program Supervisor  
909-396-3672  
hfarr@aqmd.gov
- Steve Tsumura  
Air Quality Specialist  
909-396-2549  
stsumura@aqmd.gov

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