NOx RECLAIM WORKING GROUP MEETING

SEPTEMBER 8, 2022 JOIN ZOOM WEBINAR MEETING <u>HTTPS://SCAQMD.ZOOM.US/J/98344812021</u> MEETING ID: 983 4481 2021 TELECONFERENCE DIAL-IN: 1-669-900-6833

Agenda

- Rulemaking Status on Landing Rules
- Responses to Stakeholder Comments from July 14, 2022 Working Group Meeting
- Ongoing Efforts and Next Steps

RULEMAKING STATUS ON LANDING RULES



Rules Under Development



PAR 1153.1 – Commercial Food Ovens

Public Hearing: December 2, 2022



PR 1159.1 – Nitric Acid Processing Tanks

Public Hearing: December 2, 2022

PR 1159.1 – Nitric Acid Processing Tanks

- Working Group Meeting #4 held on August 17, 2022
 - Presented estimated NOx emissions for universe and exemption for low emitting units
 - Discussed rule concepts
- Working Group Meeting #5 held on August 31, 2022
 - Presented initial rule language
- Public Hearing: December 2, 2022



https://tri-mer.com/tanks/polypro-tanks-case-study.html

PAR 1153.1 – Commercial Food Ovens

- Working Group Meeting #4 held on August 31, 2022
 - Discussed rule concepts
 - Considering stakeholder input
- Next Working Group Meeting: Late September 2022
- Public Hearing: December 2, 2022



Emission Reductions (Tons per Day*)



Total NOx Reductions = 13.38 tons per day*

* Sum of NOx reductions from RECLAIM facilities only. Some NOx reductions may be attributed to the 2015 RECLAIM shave.

RESPONSES TO STAKEHOLDER COMMENTS FROM JULY 14, 2022 WORKING GROUP MEETING

Comment #1: Reconciliation in Final Compliance Year

Comment

- Stakeholders asked about RECLAIM trading credit (RTC) availability after proposed NOx RECLAIM exit date of January 1, 2026
- Requested guidance document describing reconciliation for the final compliance year

Response

- RTCs will be available to reconcile emissions for the final compliance year
- RTCs will not be available to address compliance issues identified during annual audits that occur after the NOx RECLAIM exit date
 - Potential violations will be addressed by the Office of Compliance and Enforcement and are subject to penalties
- Staff will describe reconciliation process for the final compliance year in the staff report

Proposed Timeline for NOx RECLAIM Transition

Final compliance year ends

December 31, 2025

All NOx RECLAIM facilities will exit (except for reconciliation and annual audits) January 1, 2026

Reconcile emissions from final compliance year March 1, 2026

Annual audit report for Compliance Year 2024

March 2026

Annual audit report for Compliance Year 2025

March 2027

Comment #2: NOx RECLAIM Exit Date

Comment

- Stakeholders expressed concern with a fixed NOx RECLAIM exit date (i.e. January 1, 2026) given the need and uncertainty for CARB and U.S. EPA approval
 - Time needed for facilities to plan for reconciliation
- Proposed to tie exit date to U.S. EPA approval date
- Requested sufficient advance notice if Regulation XX needs to be reopened to postpone exit date

Response

- Staff is considering stakeholder request to tie exit date to U.S. EPA approval versus fixed exit date
 - Staff prefers fixed exit date to provide more certainty
- If fixed exit date approach is selected, staff commits to reporting to Stationary Source Committee in 1st quarter of 2025 if rulemaking needs to be reinitiated to postpone exit date
- Staff is seeking stakeholder feedback

Pros and Cons of Fixed Exit Date vs. Exit Date Tied to U.S. EPA Approval Date

	Pros	Cons
Fixed Exit Date (i.e. January 1, 2026)	 Exit date clear in Regulation XX 	 Possibility that staff will need to reinitiate rulemaking to postpone exit date if U.S. EPA has not approved
Exit Date Tied to U.S. EPA Approval Date	 Staff will not need to reinitiate rulemaking to postpose exit date 	 Exit date unclear in Regulation XX; facilities will need to monitor U.S. EPA approvals Timing of U.S. EPA approval in calendar year may give facilities less time to plan for reconciliation



Continue rulemaking activities

Ongoing Efforts and Next Steps



Continue working with U.S. EPA, CARB, and stakeholders



Monthly RECLAIM and Regulation XIII NSR Working Group Meetings



Quarterly Stationary Source Committee updates

Contacts – RECLAIM & New Source Review

General Questions	Michael Krause	Assistant Deputy Executive Officer	909-396-2706	mkrause@aqmd.gov
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To receive e-mail notifications for Regulation XX or Regulation XIII, sign up at: <u>www.aqmd.gov/sign-up</u> To view proposed rules and supporting documentation, visit the South Coast AQMD Proposed Rules webpage at: http://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules

Contacts – Proposed Rules

Proposed Rule 1159.1	Neil Fujiwara	Program Supervisor	909-396-3512	nfujiwara@aqmd.gov
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Proposed Amended Rule 1153.1	Heather Farr	Planning and Rules Manager	909-396-3672	hfarr@aqmd.gov
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Contacts – Amended/Adopted Rules

Rules 218, 218.2 & 218.3	Heather Farr	Planning and Rules Manager	909-396-3672	hfarr@aqmd.gov
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