
NO_x RECLAIM WORKING GROUP MEETING

MAY 14, 2020

JOIN ZOOM MEETING

[HTTPS://SCAQMD.ZOOM.US/J/4285162364](https://scaqmd.zoom.us/j/4285162364)

MEETING ID: 428 516 2364

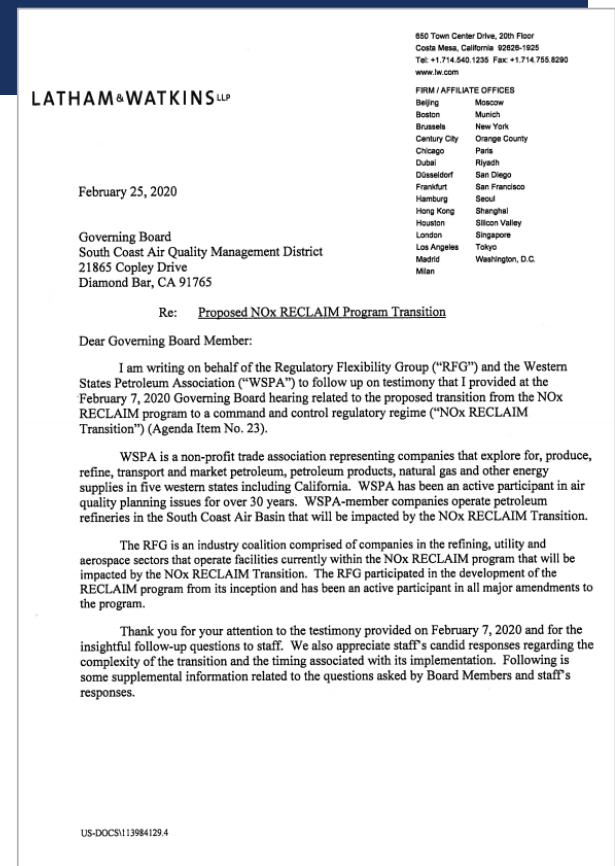
TELECONFERENCE DIAL-IN: 1-669-900-6833

Agenda

- Comment Letter from Latham & Watkins (on behalf of Regulatory Flexibility Group (RFG) and Western States Petroleum Association (WSPA)) (February 25, 2020)
- Rulemaking Status on Landing Rules
- RECLAIM Transition Plan Update
- Ongoing Efforts and Next Steps

RFG and WSPA Comment Letter

- Received comment letter from Latham and Watkins on behalf of RFG and WSPA on February 25, 2020
- Provided supplemental information related to questions asked by Board Members and staff's responses
- Three main comments:
 - Continued Success of the NOx RECLAIM Program
 - Timing of the NOx RECLAIM Transition
 - Cost of the NOx RECLAIM Transition



Continued Success of the NOx RECLAIM Program

- Declining rate of reduction is not evidenced by diminishing program effectiveness - reflects significant reductions already achieved
 - Measure of success of the program is whether or not actual emissions are below aggregate BARCT allocations
 - RECLAIM is achieving the same level of emission reductions and health protection as command-and-control, where each individual piece of equipment would be equipped with emission controls
- Emission reductions are a combination of installation of pollution controls and equipment/facility shutdowns
 - Over 60% of the equipment does not meet BARCT

Timing of the NO_x RECLAIM Transition

- Timing of RECLAIM transition must account for rulemaking, approval, and facility engineering/construction
 - Given complexity and uncertainty associated with RECLAIM Transition, the timing cannot be dictated by arbitrary deadlines
 - Facilities are implementing emission control projects to comply with the 2015 RECLAIM shave
- BARCT implementation schedules will account for engineering, permitting, installation, and commissioning of equipment

Cost of the NO_x RECLAIM Transition

- Focusing on cost-effectiveness masks the actual implementation costs of the RECLAIM transition
 - Some BARCT standards under consideration exceed the \$50,000 per ton cost-effectiveness threshold
 - Believe staff has underestimated the actual cost-effectiveness of proposed controls
 - Costs associated with implementing the proposed RECLAIM transition will reach well into the billions of dollars
- Most BARCT rules have an average cost-effectiveness less than \$50,000 per ton of NO_x
 - \$50,000 per ton of NO_x is a guide, not a threshold limit
 - Capital costs for some BARCT rules will be in the millions, possibly billions of dollars

Rulemaking Schedule – COVID-19

- Staff is moving at a measured pace in recognition of stakeholders' resource limitations associated with COVID-19
- Staff's goal is to move forward with critical and legal rulemaking activities without sacrificing full public participation
 - A number proposed rules have been moved to later dates in 2020 and 2021
 - Staff will continue to meet with stakeholders via tele- and video-conferencing to maintain social distancing
 - Review time of Working Group materials will be increased to allow additional time for stakeholders to prepare for meetings and to better facilitate participation
 - Working Group Meetings will be structured to be shorter in duration to better accommodate the tele- and video-conferencing format

Rules Under Development



PAR 1117 – Glass Melting and Sodium Silicate Furnaces

Public Hearing: June 2020



PAR 1147 – Miscellaneous Combustion Sources

Public Hearing: December 2020



PR 1109.1 – Refinery Equipment

Public Hearing: 1st Quarter 2021



PAR 218/218.1 and PR 218.2/218.3 – Continuous Emissions Monitoring Systems

Public Hearing: November 2020



PR 1147.2 – Metal Melting and Heating Furnaces

Public Hearing: 1st Quarter 2021



PR 1147.1 – Aggregate Facilities

Public Hearing: 1st Quarter 2021

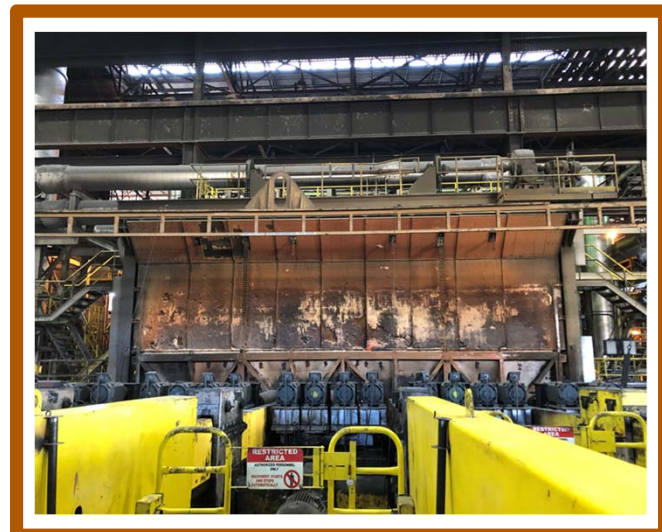
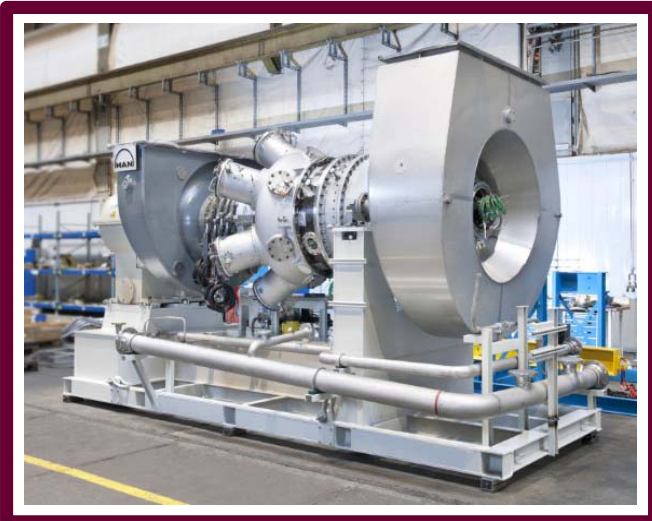
PAR 1117 – Glass Melting and Sodium Silicate Furnaces

- Affects two facilities
- Both using UltraCat Ceramic Filters
- Multiple site visits at both facilities
- Public Workshop held remotely on March 19
- Public Hearing: June 2020



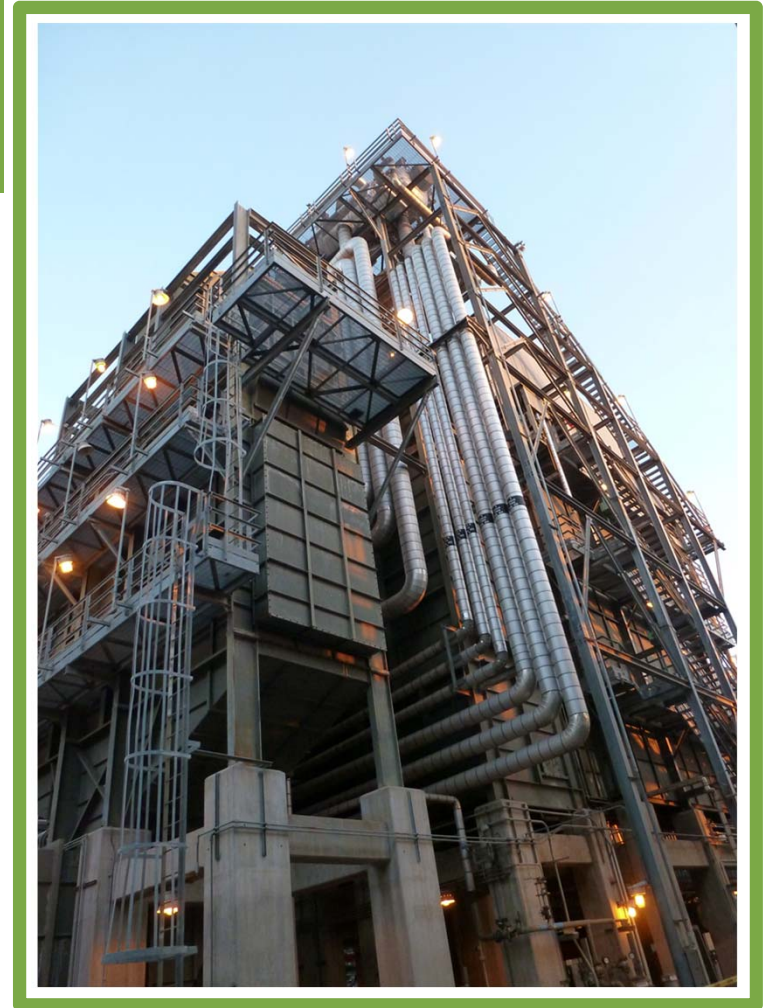
PAR 1147 – Miscellaneous Combustion Sources

- PAR 1147 will now include large miscellaneous sources that were previously under PR 1147.1
- Presented permitting and source test data
- Conducting BARCT analysis and cost-effectiveness analysis
- Working with equipment vendors and burner manufacturers
- Staff still accepting survey responses
 - Contained in Proposed Rules Page (Rule 1147/1147.1)
<http://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules>
- Public Hearing: December 2020



PR 1109.1 – Refinery Equipment

- Proposed NO_x limits for primary heaters and boilers, FCCUs, gas turbines and SRU/TG incinerators
- Initial BARCT limits for remaining categories expected in upcoming weeks
- Third party consultants reviewing staff's BARCT analysis
- Continuing meetings with stakeholders and follow-ups with technology vendors
- WGM #11 will be held on May 21, 2020 via tele- and video-conferencing (Zoom)
 - On-site community meeting in Carson-Long Beach Area postponed due to COVID-19
- Public Hearing: 1st Quarter 2021



PAR 218 & 218.1 and PR 218.2 & 218.3 – Requirements for Continuous Emissions Monitoring Systems

- Applicable to CEMS that are not in RECLAIM
- Implementation Schedule proposed for the transition
- Streamlined CEMS requirements and performance standards
- Preliminary Draft Rules to be introduced at the next Working Group meeting
- Public Hearing: November 2020



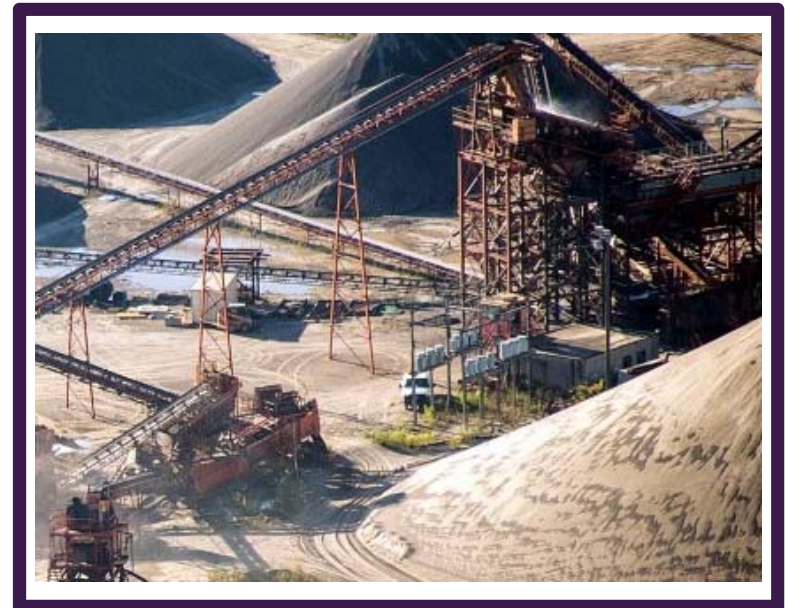
PR 1147.2 – Metal Processing Equipment

- Presented permitting and source test data
- Conducting BARCT analysis and cost-effectiveness analysis
- Meeting with burner manufacturers and stakeholders
- Two surveys sent (1147 equipment and 1147 permit-exempt equipment)
 - 31 surveys received and 12 permit-exempt surveys received
- Staff still accepting survey responses
 - Contained in Proposed Rules Page (Rule 1147.2)
<http://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules>
- Public Hearing: 1st Quarter 2021



PR 1147.1 – Aggregate Facilities

- Formerly Proposed Rule 1147.3
- Staff still assessing applicability
- Staff in data gathering phase
- Stakeholder meeting with California Construction and Industrial Materials Association (CalCIMA) and California Asphalt Pavement Association (CalAPA)
- Seeking to conduct virtual site visits in lieu of physical site visits
- Public Hearing: 1st Quarter 2021



RECLAIM Transition Plan – Version 2.0

- Staff is working on second version of RECLAIM Transition Plan
 - Provide update on current approach for RECLAIM transition
 - Provide update on adoption/amendment of landing rules
 - Discussion of New Source Review issues
 - Applicability and offsetting revisions for major sources
 - Availability of offsets
 - Concepts and approaches to reduce the demand and increase the supply of offsets post-RECLAIM transition
- Anticipate completion Spring/Summer 2020



Ongoing Efforts and Next Steps



Continue rulemaking activities



Continue working with U.S. EPA, CARB, and stakeholders on NSR issues



RECLAIM Working Group and Regulation XIII NSR Working Group meetings



Quarterly Stationary Source Committee updates

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