

---

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

FEBRUARY 20, 2020  
SOUTH COAST AQMD  
DIAMOND BAR, CA  
CALL-IN # 1-866-705-2554  
PASSCODE: 8794752

# Agenda

- Comment Letter from California Council for Environmental and Economic Balance (CCEEB)
- February 2020 Update to Governing Board on RECLAIM Transition
  - Comment Letter from Earthjustice
- Rulemaking Status on Landing Rules
- Adopted/Amended Landing Rules
- Ongoing Efforts and Next Steps

# CCEEB Comment Letter

- Recommendations regarding updates to the RECLAIM Transition Plan:
  - Conduct comprehensive programmatic analysis of all RECLAIM components
  - Complete analysis before additional landing rules are adopted
- Comments on NSR/ERCs:
  - Continue NSR discussions to find sources of ERCs
    - Include possibility of converting RTCs that were obtained from ERCs
  - Ensure that the distribution of ERCs generated from RTCs be equitable and account for RECLAIM facility investments
- Comments on SOx RECLAIM/Co-pollutants:
  - Staff needs to analyze the impacts of SOx RECLAIM before including as part of the NOx RECLAIM transition
- Comment letter posted on South Coast AQMD's Proposed Rules Page site



California Council for Environmental and Economic Balance  
101 Mission Street, Suite 805, San Francisco, California 94105  
415-512-7890 phone, 415-512-7897 fax, [www.cceeb.org](http://www.cceeb.org)

February 14, 2020

Ms. Susan Nakamura  
South Coast Air Quality Management District  
21865 Copley Drive  
Diamond Bar, CA 91765  
Submitted electronically to [snakamura@aqmd.gov](mailto:snakamura@aqmd.gov)

RE: RECLAIM Transition Plan

Dear Susan,

Thank you for acknowledging the need to revise the Regional Clean Air Incentives Market (RECLAIM) Transition Plan (Transition Plan) at the last RECLAIM Working Group Meeting. We are submitting these comments on behalf of the California Council for Environmental and Economic Balance (CCEEB) on the South Coast Air Quality Management District's (District) ongoing efforts to analyze the impacts of and sunset the RECLAIM program. CCEEB is a nonpartisan, nonprofit coalition of business, labor, and public leaders that advances strategies for a healthy environment and sound economy. CCEEB represents many facilities that operate in the South Coast Air Quality Management District that are subject to the requirements of the RECLAIM, and is an active stakeholder in the RECLAIM Sunset Working Group.

#### Transition Plan

CCEEB agrees that the March 2018 Transition Plan Version 1.0 no longer reflects the actions the District is taking to transition from RECLAIM and that the current path requires further analysis to fully assess the many program elements and impacts of a transition. Many changes that affect the design of the transition have occurred since the District embarked on the program changes, not the least of which is the U.S. EPA's mandate that the full transition program be developed and SIP approved by U.S. EPA before any RECLAIM participants are allowed to leave the program, its requirement that the District revise its entire new source review (NSR) program, and the District's consideration to include SOx RECLAIM in the transition. As the District develops a revised Transition Plan, CCEEB offers the following input to consider in the development of the revisions program assessment.

CCEEB appreciates that staff has been working diligently to achieve the requirements of AB 617, but we also note that this is a large undertaking and believe a full and thorough programmatic analysis must be completed in order to ensure that there are no inadvertent adverse impacts from a transition. The Transition Plan revision provides the District the opportunity to undertake such a comprehensive programmatic analysis, as CCEEB and its members have previously requested. The RECLAIM transition will impact NSR, permitting, rule development through new rules and amendments to existing rules, monitoring, reporting, recordkeeping requirements, and other district activities, and the District should analyze these impacts in connection with revisiting the Transition Plan. RECLAIM was developed and adopted as a whole, comprehensive and complex program that fully accounted for all impacts and

---

## February 2020 Update on NOx RECLAIM Transition

- Provided update to Governing Board on the RECLAIM Transition
- Provided background on RECLAIM
- Discussed 2016 AQMP Control Measure CMB-05 and AB 617 timelines for BARCT
- Highlighted overall timeline, challenges, and progress to date

# Earthjustice Comment Letter

- Submitted comments on staff's update to the Governing Board on the RECLAIM Transition
  - Supports the significant work to date to transition RECLAIM to a command-and-control regulatory structure
  - Concerns about the deadlines for the remaining six landing rules, particularly Rule 1109.1
  - Requests that the Board continue to support the expeditious transition of RECLAIM
- Comment letter posted on South Coast AQMD's Proposed Rules Page site



February 6, 2020

Chair Burke and Members of the Governing Board  
South Coast Air Quality Management District  
21865 Copley Drive  
Diamond Bar, CA 91765  
[cob@aqmd.gov](mailto:cob@aqmd.gov)

Re: Agenda Item No. 23 – NOx BARCT Rulemaking Update

Dear Chair Burke and Members of the Board:

On behalf of Earthjustice, I submit comments on the South Coast AQMD staff's update on the REgional Clean Air Incentives Market (RECLAIM) transition to the Governing Board. As implementation of the 2016 Air Quality Management Plan (AQMP) continues, Earthjustice and our partners really appreciate the Governing Board's wise decision to shift the Nitrogen Oxide (NOx) and Sulfur Oxide (SOx) RECLAIM program to a command-and-control system. Ensuring the largest stationary sources in the South Coast Air Basin actually install state-of-the-art and life-saving pollution controls is critical to providing cleaner air to millions of breathers in the region. While significant progress has been made to date in dismantling this flawed program, including passing several life-saving command-and-control regulations, significant work remains to achieve emissions reductions.

Earthjustice and our partners have consistently been critical of the RECLAIM program over the years. Indeed, our concerns have been substantiated as the evidence shows facilities in the RECLAIM program pollute our air more than they would if a command-and-control system was in place. In fact, the South Coast AQMD staff's review of the permit database determined that "well over half of the equipment at RECLAIM facilities is currently **not** at BARCT."<sup>1</sup> The presentation before the Board today shows that approximately 60% of the equipment in the RECLAIM program does not meet the Best Available Retrofit Control Technology (BARCT) standard. This means the most ozone polluted basin in the country operates a pollution control system where more than half of the equipment does not even meet standards that staff has determined are achievable when taking into account costs and technological feasibility.

Earthjustice appreciates the significant work to date to transition the RECLAIM program from a cap-and-trade program to a command-and-control regulatory structure. But we remain

<sup>1</sup> SCAQMD, RECLAIM Transition Plan Version 1.0, at p. vi (March 2018), available at <http://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/reqcv/draft-transition-plan-version1-final.pdf?sfvrsn=6> (emphasis added).

# Challenges



## New Source Review

- Complex program
- Availability of offsets post-RECLAIM
- Applicability
- Offset calculations



## BARCT Analysis

- ~1,600 pieces of equipment<sup>1</sup>
- BARCT analysis needed for each class and category
- Establish NO<sub>x</sub> emission limits

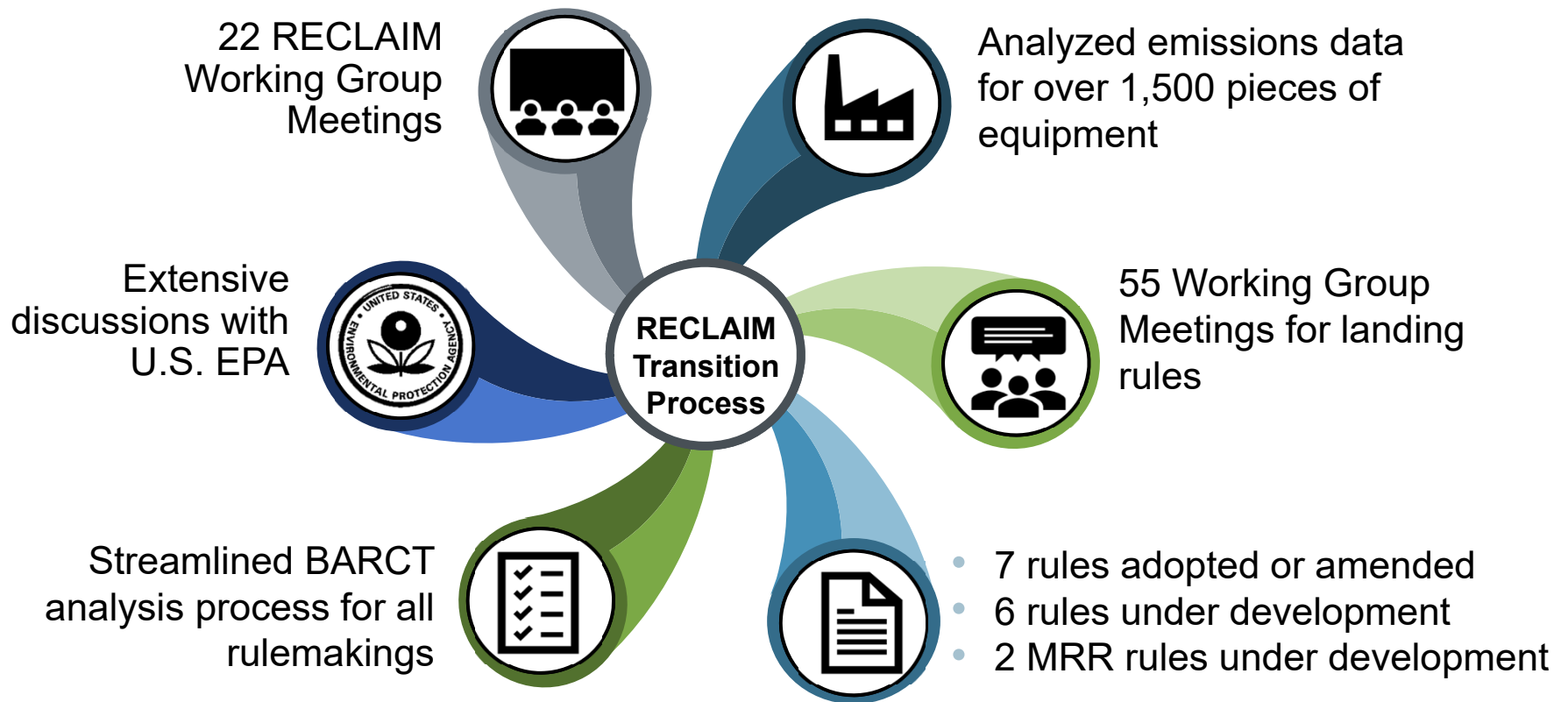


## RECLAIM Transition

- EPA approval
- 250+ facilities to transition
- Amending permits

<sup>1</sup> Excludes emergency engines and equipment exempt from permitting

# Progress to Date



# Adopted/Amended Landing Rules



Rules 1146, 1146.1, and 1146.2 –  
Boilers, heaters, and steam generators

0.27  
tons per day\*



Rule 1118.1 - Non Refinery Flares

0  
tons per day\*



Rule 1134 - Gas Turbines

1.8  
tons per day\*



Rule 1135 - Electric Generating Facilities

1.7  
tons per day\*



Rule 1110.2 - Gaseous- and Liquid-Fueled Engines

0.29  
tons per day\*

4.06  
tons per day  
of NOx\*

\*Sum of NOx reductions from RECLAIM facilities only



# Rules Under Development



PAR 1117 – Glass Melting Furnaces

Public Hearing: June 2020



PR 1147.2 – Metal Processing Equipment

Public Hearing: August 2020



PAR 1147 – Miscellaneous Combustion Sources

Public Hearing: August 2020



PR 1109.1 – Refinery Equipment

Public Hearing: September 2020



PR 1147.1 – Large Miscellaneous Combustion Sources

Public Hearing: August 2020



PR 1147.3 – Aggregate Facilities

Public Hearing: December 2020

\*PAR 218/218.1 – Requirements for Continuous Emissions Monitoring Systems public hearing currently scheduled for April 2020

## PAR 1117 – Glass Melting Furnaces

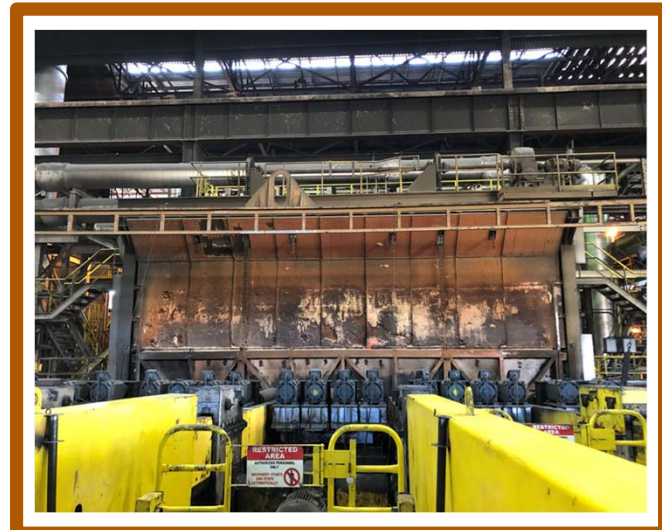
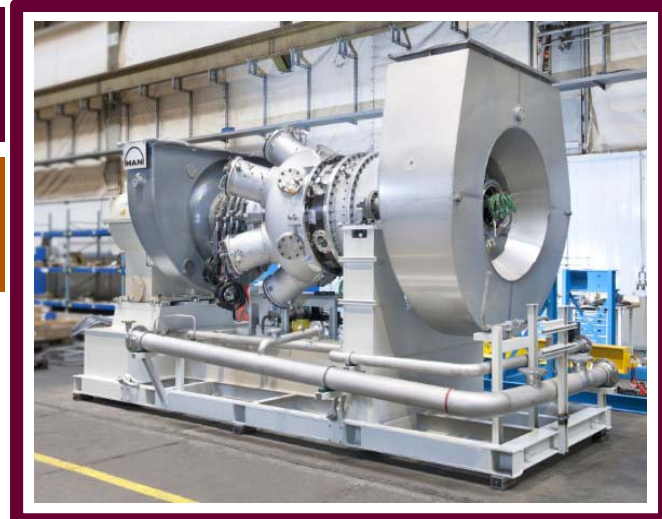
- Affects 2 facilities
- Both using UltraCat Ceramic Filters
- Multiple site visits at both facilities
- Public Hearing: June 2020



## PAR 1147 – Miscellaneous Combustion Sources

### PR 1147.1 – Large Miscellaneous Combustion Sources

- Presented permitting and source test data
- Conducting BARCT analysis and cost-effectiveness analysis
- Working with equipment vendors and burner manufacturers
- Conducting stack sampling for equipment with default RECLAIM NO<sub>x</sub> emission factors
- 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: August 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: August 2020



## PR 1109.1 – Refinery Equipment

- Conducting detailed BARCT analysis on each piece of equipment
- Proposed NOx concentration limits for boilers and heaters
- Initial BARCT limits for all categories expected in next few months
- Two third party consultants on contract reviewing staff's BARCT analysis
- Continuing meetings with technology vendors and stakeholders
- Next WGM in late March/early April will be held in Carson-Long Beach Area
- Public Hearing: September 2020



## PR 1147.3 – Aggregate Facilities

- Staff in data gathering phase
- Public Hearing: December 2020



## PAR 218 & 218.1 – Requirements for Continuous Emissions Monitoring Systems

- Applicable to non-RECLAIM and RECLAIM facilities
- Specifying CEMS requirements and performance standards
- Staff in the process of drafting rule language
- Public Hearing: April 2020



---

## Ongoing Efforts and Next Steps

- Continue rulemaking activities
- Continue working with U.S. EPA, CARB, and stakeholders on addressing NSR issues
- Monthly RECLAIM Working Group and Regulation XIII New Source Review Working Group meetings
- Quarterly Stationary Source Committee updates
- Update RECLAIM Transition Plan



# Contacts

## General RECLAIM Questions

- Gary Quinn, P.E.  
Program Supervisor  
909-396-3121  
gquinn@aqmd.gov
- Kevin Orellana  
Program Supervisor  
909-396-3492  
korellana@aqmd.gov

## New Source Review

- Michael Morris  
Planning and Rules Manager  
909-396-3282  
mmorris@aqmd.gov
- Kevin Orellana  
Program Supervisor  
909-396-3492  
korellana@aqmd.gov
- Uyen-Uyen Vo  
Program Supervisor  
909-396-2238  
uvo@aqmd.gov
- Lizabeth Gomez  
Air Quality Specialist  
909-396-3103  
lgomez@aqmd.gov
- Melissa Gamoning  
Assistant Air Quality Specialist  
909-396-3115  
mgamoning@aqmd.gov

# Rule Contacts – Proposed Amended/Adopted

Proposed Rule 1109.1	Heather Farr	Program Supervisor	909-396-3672	hfarr@aqmd.gov
	Sarady Ka	Air Quality Specialist	909-396-2331	ska@aqmd.gov
Rule 1147 & Proposed Rule 1147.1	Gary Quinn, P.E.	Program Supervisor	909-396-3121	gquinn@aqmd.gov
	Shawn Wang	Air Quality Specialist	909-396-3319	swang@aqmd.gov
Proposed Rule 1147.2	Uyen-Uyen Vo	Program Supervisor	909-396-2238	uvo@aqmd.gov
	James McCreary	Assistant Air Quality Specialist	909-396-2451	jmccreary@aqmd.gov
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
Proposed Amended Rule 1117	Kevin Orellana	Program Supervisor	909-396-3492	korellana@aqmd.gov
	Rudy Chacon	Air Quality Specialist	909-396-2729	rchacon@aqmd.gov

# Rule Contacts – Amended/Adopted

Rule 1110.2	Kevin Orellana	Program Supervisor	909-396-3492	korellana@aqmd.gov
	Rudy Chacon	Air Quality Specialist	909-396-2729	rchacon@aqmd.gov
Rule 1134 & 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
Rules 1146, 1146.1, & 1146.2	Gary Quinn, P.E.	Program Supervisor	909-396-3121	gquinn@aqmd.gov
	Kalam Cheung, Ph.D.	Program Supervisor	909-396-3281	kcheung@aqmd.gov
	Lizabeth Gomez	Air Quality Specialist	909-396-3103	lgomez@aqmd.gov
	Shawn Wang	Air Quality Specialist	909-396-3319	swang@aqmd.gov
Rule 1118.1	Heather Farr	Program Supervisor	909-396-3672	hfarr@aqmd.gov
	Steve Tsumura	Air Quality Specialist	909-396-2549	stsumura@aqmd.gov