

NO_x RECLAIM WORKING GROUP MEETING

JUNE 14, 2018
SCAQMD
DIAMOND BAR, CA

Agenda

- Rule Updates
 - PAR 1146 Series/PR 1100
 - PR 1118.1
 - PAR 1134
 - PAR 1135
 - PR 1109.1
 - PAR 1110.2
- Public comments received
- Proposed amendments to Rules 2001/2002
 - BARCT Compliance plans
 - Opt-out provisions
 - Option to remain in RECLAIM

UPDATE ON PROPOSED RULES AND PROPOSED AMENDED RULES

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Upcoming Working Group Meetings

Proposed Amended Rules
1146, 1146.1, 1146.2 and
Proposed Rule 1100

- Working Group Meeting #5
Late June 2018

Proposed Rule 1109.1

- Working Group Meeting #2
June 14, 2018
2 PM

Proposed Amended Rule 1110.2

- Working Group Meeting #1
June 28, 2018
1:30 PM

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Upcoming Working Group Meetings

Proposed Amended Rule 1135

- Working Group Meeting #4
July 2018

Proposed Amended Rule 1134

- Working Group Meeting #4
July 2018

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PAR 1146 Series and PR 1100

- Staff is continuing work on BARCT assessment for affected units
- Staff is conducting further evaluation of BARCT levels
- Received comments at the May 4 Set Hearing regarding BARCT analysis
- Board delayed Set Hearing
- Next Working Group Meeting scheduled for the end of June 2018
- Public Hearing currently scheduled for December 2018

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PR 1118.1 - Control of Emissions from Non-Refinery Flares

- Preliminary rule concepts released on March 4, 2018
- Received nine comment letters
- Met with key stakeholders
 - Southern California Alliance of Publicly Owned Treatment Works (SCAP)
 - Western States Petroleum Association (WSPA)
 - Eastern Municipal Water District
 - City of San Bernardino
- Sixth Working Group Meeting held June 12, 2018
 - Based on stakeholder input, revised initial rule concepts
 - Discussed alternative rule concepts and other proposed provisions
- Public Hearing scheduled for November 2, 2018

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PAR 1134 – Emissions of Oxides of Nitrogen from Stationary Gas Turbines

- Third Working Group Meeting held June 13, 2018 and discussed:
 - BARCT analysis
 - Cost effectiveness
 - Recommended emission limits based on BARCT analysis
 - Monitoring, Reporting, and Recordkeeping
- Fourth Working Group Meeting scheduled for July 2018
- Public Hearing scheduled for 2019

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PAR 1135 – Emissions of Oxides of Nitrogen from Electric Power Generating Systems

- Third Working Group Meeting held June 13, 2018 and discussed:
 - BARCT analysis
 - Cost effectiveness
 - Recommended emission limits based on BARCT analysis
 - Monitoring, Reporting, and Recordkeeping
- Fourth Working Group Meeting scheduled for July 2018
- Public Hearing scheduled for October 2018

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PR 1109.1 – Refinery Equipment

- First Working Group Meeting held February 21, 2018
- Worked with stakeholders to establish the format for a survey questionnaire of detailed information on equipment and pollution controls
- Survey questionnaire spreadsheets pre-populated with data and sent to 17 affected refineries
- NOx emissions data analysis and initial BARCT level identification in progress
- Next Working Group Meeting scheduled for June 14, 2018

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PAR 1110.2 – Emissions from Gaseous- and Liquid-Fueled Engines

- First Working Group Meeting scheduled for June 28, 2018
- Items for discussion:
 - Initial rule concepts
 - Universe of sources
 - BARCT analysis

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PUBLIC COMMENTS RECEIVED

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Recent Comment Letters Received

- Comment Letters have been received from CCEEB, WSPA and Biz Fed
 - Posted on Proposed Rules page
<http://www.aqmd.gov/home/rules-compliance/rules/proposed-rules>
- General summary of comments:
 - Program level CEQA and Socioeconomic analysis should be conducted
 - NSR issues should be resolved before facilities transition out of RECLAIM
 - Individual rulemaking is considered piecemealing of the project
 - MRR requirements should provide flexibility in meeting command-and-control rules

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CEQA/Socioeconomic Assessments

- Comments
 - Program level CEQA and Socioeconomic assessments need to be conducted
 - CEQA and Socioeconomic assessments stemming from CMB-05 of the 2016 AQMP are insufficient to apply to the RECLAIM Transition project
- Response
 - The CEQA Program Impact Environmental Report (PEIR) analysis for the 2016 AQMP includes the RECLAIM Transition
 - SCAQMD will continue to evaluate each RECLAIM transition rule that is developed to determine if any additional CEQA review is required

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CEQA/Socioeconomic Assessments

- Response (*continued*)
 - Additional CEQA analysis could include the preparation of a project level EIR or Subsequent EIR to the PEIR
 - The PEIR addressed the environmental impacts of implementing CMB-05, including the impacts from installation and operation of control equipment pertaining to the RECLAIM Transition project, which represents the convergence of a market structure with a command-and-control structure
 - The Final Socioeconomic Report for the 2016 AQMP fully analyzed the socioeconomic impacts for the 2016 AQMP, which includes the entire RECLAIM transition project

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New Source Review (NSR)

- Comments
 - NSR should be determined before facilities transition out of RECLAIM
 - Uncertainty about permit transition requirements and effect of changes on operations
 - RTCs should be able to cover any offsets
 - Concerns with NSR equivalency, SIP, ERCs
- Responses
 - The Draft Transition Plan states that staff will not issue Final Determination Notifications to facilities to transition out of RECLAIM until NSR issues are resolved
 - Staff is currently working with stakeholders and EPA to address all NSR issues related to the RECLAIM transition
 - Staff is also introducing an option for facilities to remain in RECLAIM until these matters are resolved

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Piecemealing

- **Comments**
 - Individual rulemaking without an all-inclusive transition plan is concerning and makes it difficult for facilities to create a comprehensive plan
 - Fragmented rulemaking is piecemealing of the project and is forbidden by CEQA
- **Responses**
 - The Draft Transition Plan document was made available to the public on March 8, 2018
 - Streamlined environmental review pursuant to a Program EIR is allowed and is not considered piecemealing

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Monitoring, Reporting and Recordkeeping (MRR)

- **Comments**
 - Title V permits would require modifications
 - MRR requirements should provide flexibility in meeting command-and-control rules
 - Concerns about daily reporting and reporting cycles
- **Responses**
 - Facilities with Title V permits will maintain the RECLAIM MRR requirements with possible changes to reporting frequency
 - When MRR requirements in the command-and-control rules and RECLAIM are similar, the command-and-control MRRs will be used
 - Other differences will require further assessment

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PROPOSED AMENDMENTS TO RULES 2001/2002

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Proposed Amendments to Rule 2001

- Developing two provisions for transitioning facilities from RECLAIM to command-and-control
 - BARCT Compliance Plan – Transition approach for facilities with equipment where there is no current or planned landing rule
 - Opt-out Provision – Provision for facilities that meet specific criteria to opt-out of RECLAIM before an Initial Determination Notification is sent

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Overview for BARCT Compliance Plan

- Key elements of provisions for BARCT Compliance Plan
 - Applicability
 - Initiating use
 - Required elements
 - Submittal and evaluation
 - Approval/Denial
 - Implementation

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Applicability of BARCT Compliance Plan

- Purpose of the BARCT Compliance Plan is to establish the BARCT requirements that otherwise would have been achieved through a command-and-control landing rule
- Preference is to address BARCT requirements through command-and-control landing rules - approach recognizes unique situations
- Some equipment may not have landing rules because the equipment or the use of the equipment is unique
- Use of BARCT Compliance Plans are limited to those facilities with equipment without a current or proposed landing rule for some or all of their equipment

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Initiating Use of a BARCT Compliance Plan

- Use of a BARCT Compliance Plan can be initiated by:
 - Executive Officer; or
 - Facility
- Facility would provide basic information pertaining to its equipment
 - e.g., equipment description, control technology, emissions data, cost data, etc.
- Executive Officer would verify that the facility meets the criteria for use of a BARCT Compliance Plan and will notify the facility
- Upon verification by the Executive Officer, a BARCT Compliance Plan can be submitted by the facility

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Elements of BARCT Compliance Plan

- BARCT Compliance Plan must include the following information:
 - Description of all RECLAIM equipment at the facility
 - Proposed NO_x limits for each device
 - Proposed method of NO_x control for each device
 - Implementation schedule for all RECLAIM NO_x sources, including permit application submittal deadlines
 - Proposed MRR for each device

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Submittal and Evaluation of a BARCT Compliance Plan

- A BARCT Compliance Plan would be:
 - Submitted with Form 400-A; and
 - Subject to Rule 306 plan fees
- Upon submittal, staff will conduct evaluations for RECLAIM equipment without landing rules for the following:
 - Available control technology
 - BARCT emission level
 - Cost effectiveness
 - Implementation schedule
 - MRR requirements
- Staff will meet with facilities and discuss the BARCT Compliance Plan requirements throughout the evaluation process

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Approval/Denial of BARCT Compliance Plan

- Executive Officer will review and approve the BARCT Compliance Plan based on the following criteria:
 - RECLAIM equipment has BARCT limits
 - Permit application submittal dates demonstrate the earliest feasible compliance dates
 - Implementation schedules demonstrate the earliest feasible compliance date for all RECLAIM equipment
 - Proposed MRR requirements reflect those in command-and-control or equivalent
- If approved, facility will be required to implement all provisions of the BARCT Compliance Plan (further explanation on next slide)
- If denied, facility must revise and resubmit the BARCT Compliance Plan, addressing the deficiencies identified by the Executive Officer
- After a second denial of a BARCT Compliance Plan, the Executive Officer will issue a BARCT Compliance Plan that will be enforceable

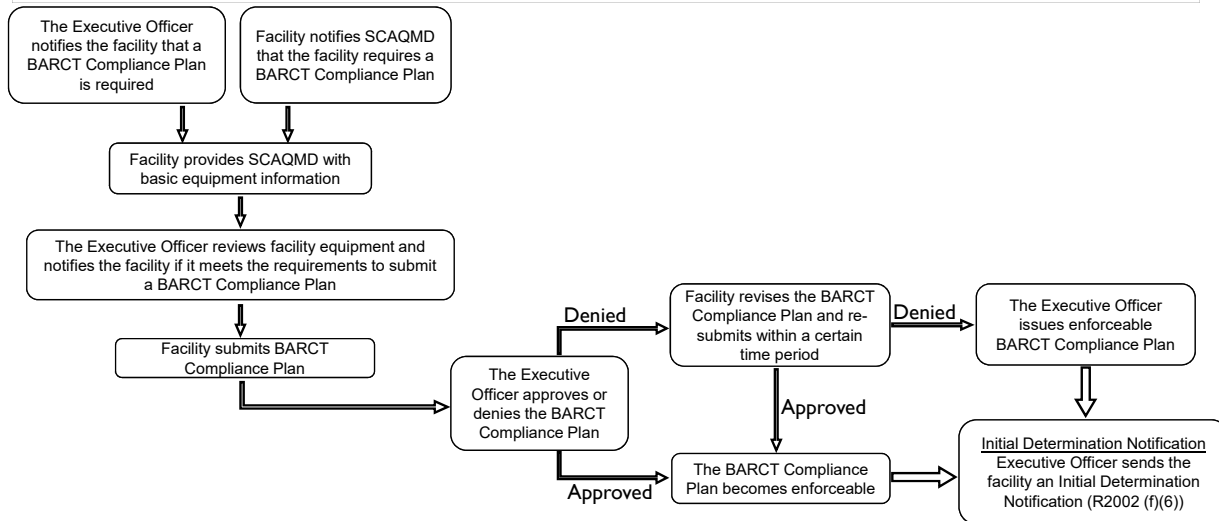
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Implementation of BARCT Compliance Plan

- BARCT Compliance Plan would be enforceable and contain conditions for:
 - NOx BARCT levels
 - Implementation schedule for installation of BARCT (including permit application deadlines)
 - MRR provisions
- Modifications to the BARCT Compliance Plan can be made under certain specific circumstances
 - e.g., changing the control technology as long as it can achieve the same BARCT level of control

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Overview of RECLAIM Transition Process w/ BARCT Compliance Plan



Overview for Opt-Out Provisions

- Key elements of opt-out provisions
 - Opt-out provisions
 - Need for opt-out
 - Criteria for opt-out
 - Approval process for opt-out requests

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PAR 2001 – Opt-Out Provisions

- Adding provision to allow facilities that meet specific criteria to exit RECLAIM through an opt-out process
- Existing opt-out provisions are currently contained in Rule 2001(g) [Exit from RECLAIM]
 - These were adopted for the 2015 RECLAIM amendments
 - Applies only to EGFs
 - Involves an approval/denial process based on defined criteria
 - These criteria would not apply today due to the sunset of the RECLAIM program

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Need for Opt-Out Provisions

- Initial Determination Notifications for first set of RECLAIM facilities identified facilities that generally met the criteria for opt-out provision
- Some facilities may not have been identified to transition out of RECLAIM because:
 - Previously non-compliant equipment has been either retrofitted, replaced, or removed
 - Previously shutdown equipment has been removed from the facility permit
- Opt-out provision provides a pathway for these facilities to exit RECLAIM

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Criteria for Opt-Out Provisions

- Facilities would be eligible to opt-out upon notifying the Executive Officer if they meet the following criteria:
 - Facility has no NOx equipment and, therefore, no NOx emissions; or
 - Facility has NOx emissions from Rule 219 equipment, equipment that is subject to various location permits, or unpermitted equipment; and/or
 - NOx emissions from RECLAIM source equipment (Major Source, Large Source, or Process Unit) meets current command-and-control BACT; and
 - All applicable landing rules have been amended

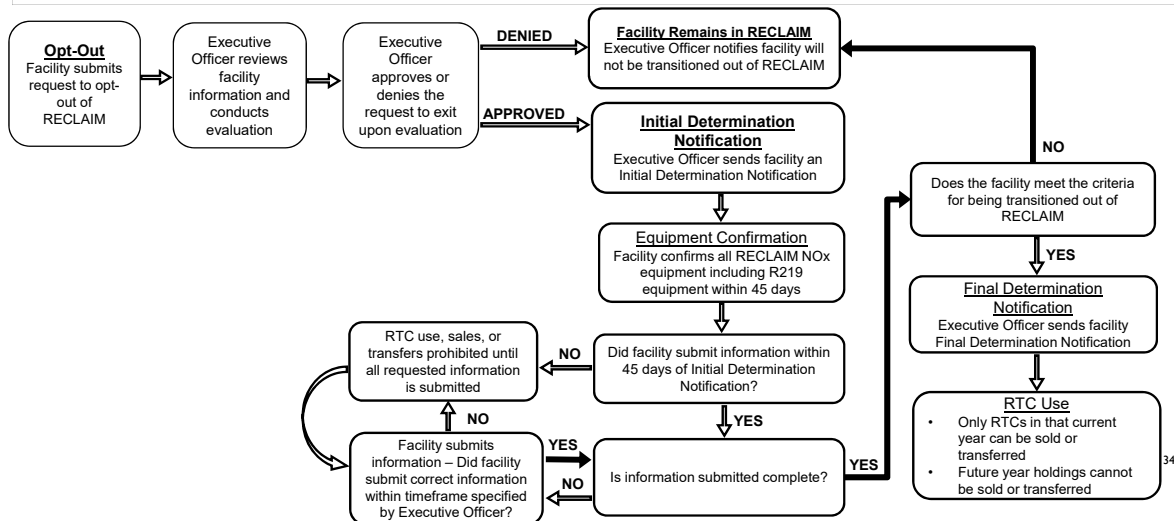
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Approval Process for Opt-Out Requests

- Proposed opt-out provisions would also be contained in Rule 2001(g) (Exit from RECLAIM)
- Facility that elects to opt-out would be required to submit a request to opt-out
- Request to opt-out must include:
 - Demonstration that facility meets the criteria to opt-out
 - List of all applicable NOx equipment and the NOx emission limit and mass emissions
 - If applicable, evidence that existing NOx equipment is no longer operating
 - Identification of applicable landing rules, if any
 - RECLAIM equipment emission levels and applicable landing rules would be evaluated by the Executive Officer upon receipt of an opt-out request from the facility
- The Executive Officer shall approve or deny the opt-out request and notify the facility if facility meets the criteria for opting out
 - If approved, the facility would be issued an Initial Determination Notification, and would be subject to the requirements of Rule 2002(f)(6) through (f)(9)
 - If denied, the facility would remain in RECLAIM

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Overview of RECLAIM Transition Process w/ Opt-Out



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Proposed Amendments to Rule 2002

- Developing provisions to provide facilities the option to remain in RECLAIM subsequent to receiving an Initial Determination Notification
- Allows facilities to remain in RECLAIM while staff resolves issues pertaining to the transition

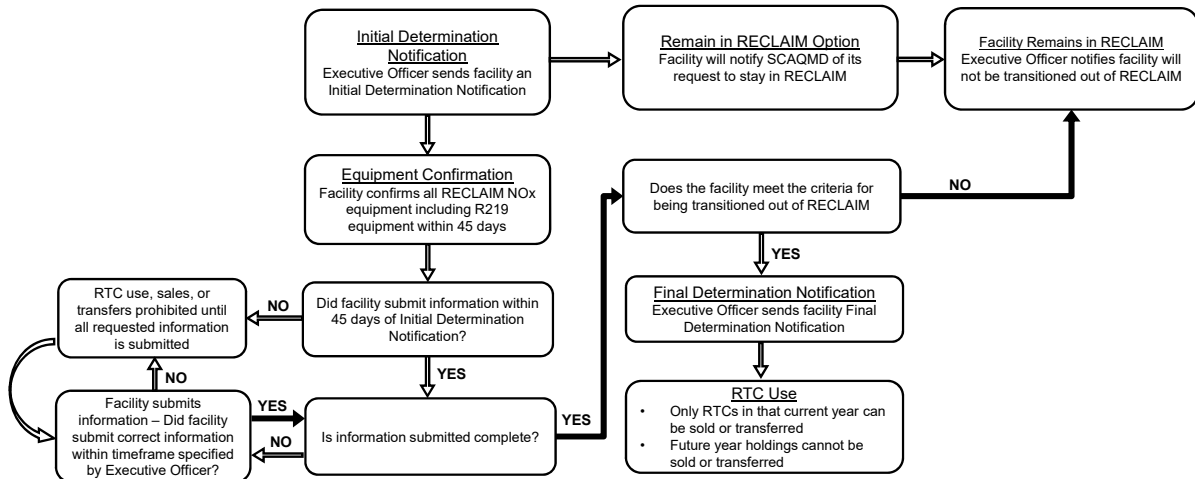
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Remaining in RECLAIM

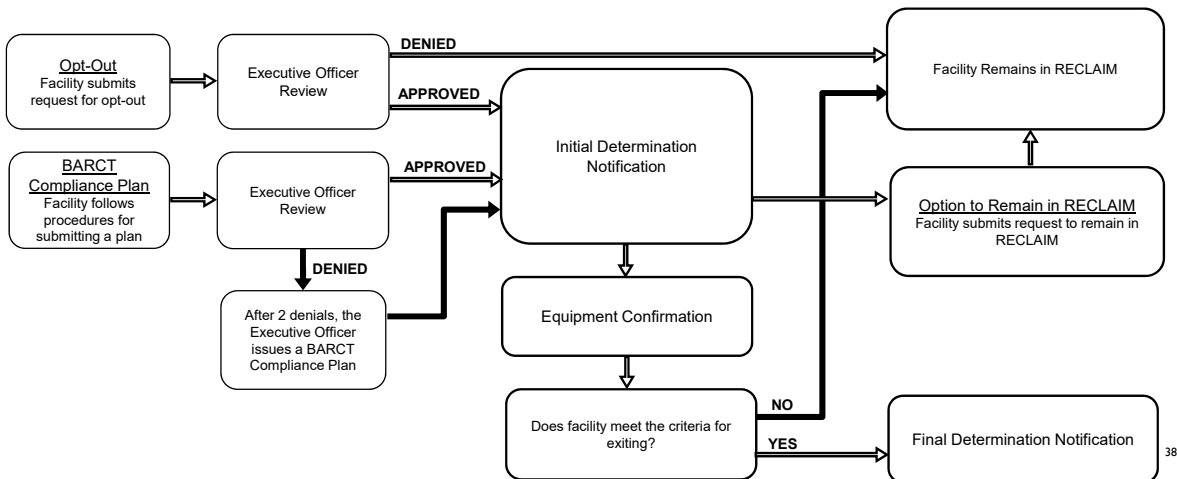
- Upon receiving an Initial Determination Notification, a facility would notify the District of its request to remain in RECLAIM
- Facilities would remain in the RECLAIM program until it is officially sunsetted, or some time before based on the status of the program
- Facilities would still be subject to any implementation schedules for BARCT that are contained in Rule 1100 while remaining in RECLAIM

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Overview of RECLAIM Transition Process w/ Option to Remain in RECLAIM



Overview of RECLAIM Transition Process



Rule 2001/2002 Development Schedule

July 20, 2018	July 2018	Sept. 7, 2018	Oct. 5, 2018
Stationary Source Committee Meeting	Public Workshop	Set Hearing	Public Hearing

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Contacts

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