

**Regulation XX – NO_x RECLAIM
Working Group Meeting**

**Facility and Equipment
Shutdowns**

February 25, 2016

Agenda

- Shutdown Credits in RECLAIM vs. Command-and-Control
- Shutdown Data
- Summary of previous comments
- Proposed draft rule concepts
- Open Discussion
- Next Steps

ERC Application Process in Command-and-Control

- Applicant must submit an application as required by R1309(b)
- Application only deemed complete if it satisfies minimum requirements by supplying supporting data and documents [R1309(b)(1)]
- Once deemed complete, emission reductions must meet the eligibility requirements
 - Real, quantifiable, permanent, federally enforceable, and not greater than what would be achieved with current BACT [R1309(b)(4)]
- If emission reductions meet the eligibility requirements and no further emission reductions are required [R1309(b)(5)], ERCs are calculated pursuant to R1306

ERC Application Process in Command-and-Control

- The ERCs are determined from the emission credits calculated minus any payback necessary, e.g. offsets [(R1306(e)(3))
 - Based on actual emissions during the 2-year period preceding the date of application
- Prior to issuance of ERCs, a public notice is required in R1309(f)(3)

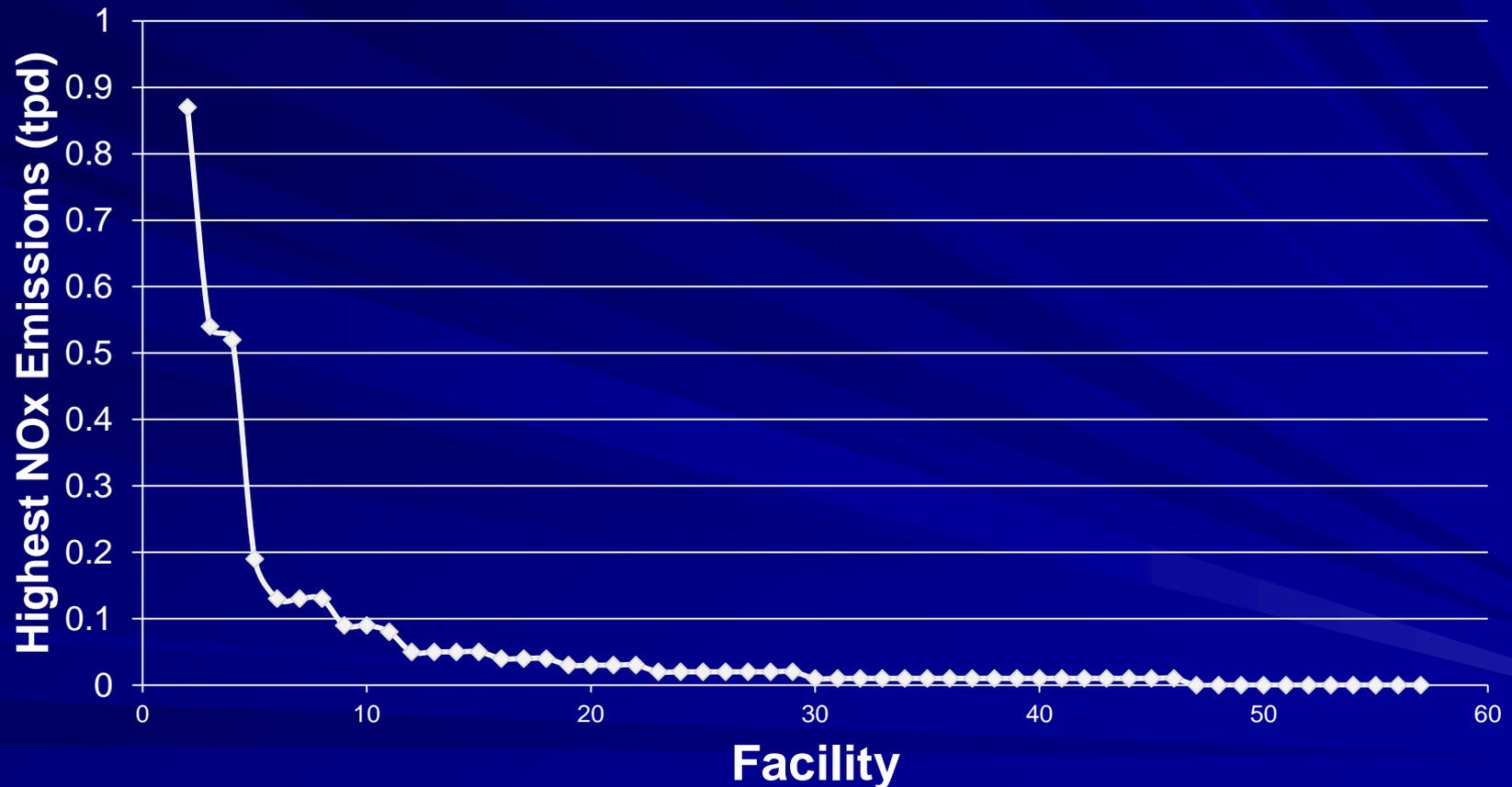
Shutdowns in RECLAIM

- Currently, RTCs that a facility holds after it shuts down any equipment may be sold in the market
- There is no adjustment upon shutdown

NO_x RECLAIM Emissions of Facilities That Have Shutdown

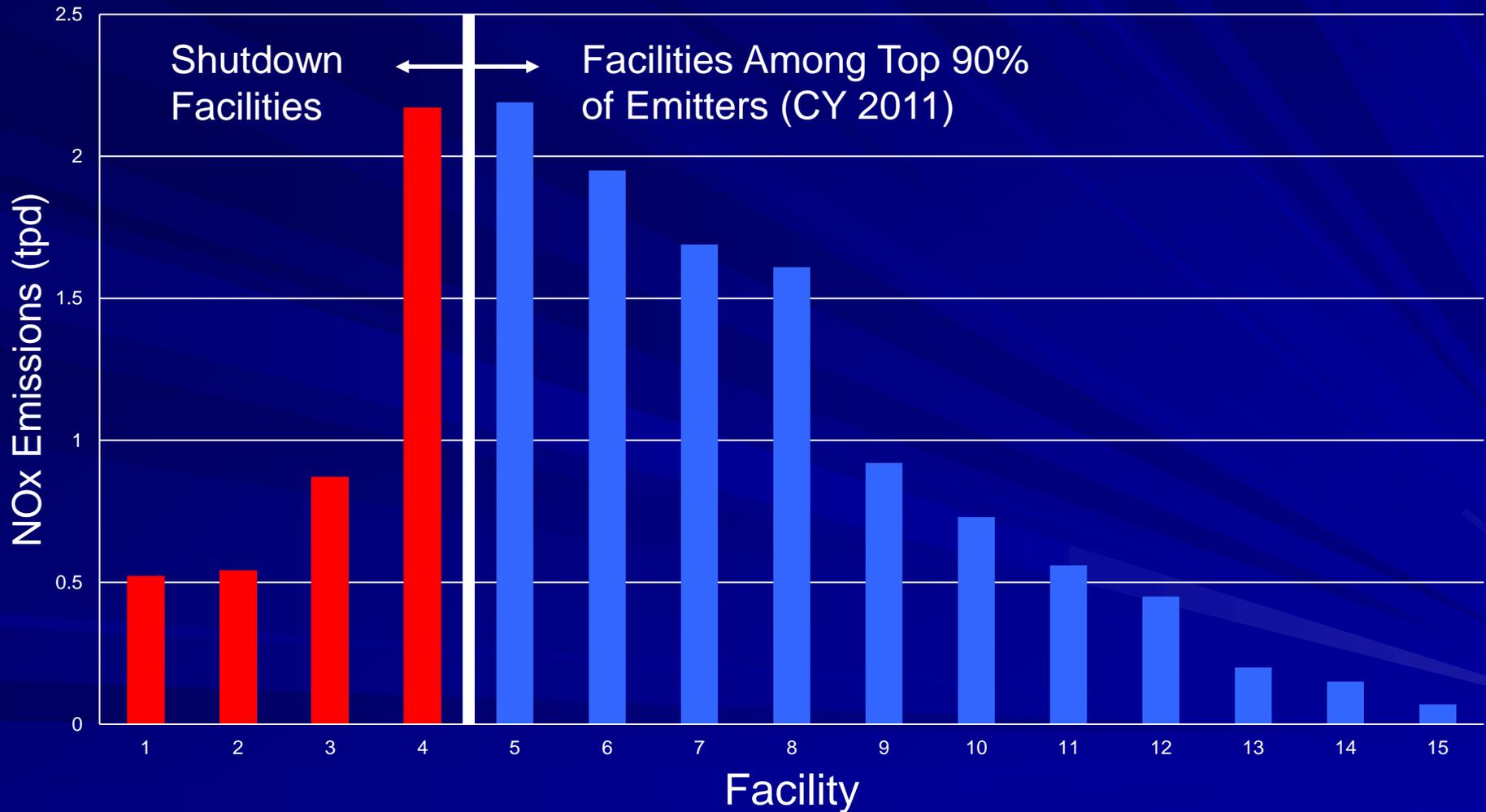
- Since 1994, 58 facilities have completely shutdown
- Emissions per facility range from ~0.01 to 0.9 tpd
- Only a few large facilities have shut down
- Still, there are facilities currently operating of similar comparable magnitude to shutdown facilities

NOx RECLAIM Emissions of Facilities That Have Shutdown



*Max actual of recent past data

Shutdown Facility Emissions vs. Currently Operating Facility Emissions



Summary of Prior Comments

- The shutdown requirements should not apply to shutdown equipment for which the equipment's operational capacity is replaced by new or existing equipment serving the same functional needs at the same facility or another facility under common control

Summary of Prior Comments

- The shutdown requirements should not apply to equipment that is used in a cyclical operation or for equipment that is out of service for repair
- The shutdown requirements should not apply to equipment that is planned to be returned to service at a future date
- Questioned need to remove shutdown credits from the market
- All shutdown credits should be removed

Proposed Draft Rule Concepts

- Achieves a closer alignment of the treatment of shutdown credits under RECLAIM and emission reduction credits (ERCs) under command-and-control rules
 - Discounted to BACT
 - Applies to all equipment
 - Based on recent emissions

Next Steps

- CEQA Draft Supplemental Environmental Assessment comment period – March 2016
- Continued Working Group Meetings
- Public Workshop – March 2016
- Stationary Source Committee Meeting – April 2016
- Rule Amendment – June 2016

Open Discussion

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