Transition Plan

- Received comments that more clarity is needed regarding the transition of RECLAIM facilities to command and control
- Discussed various parts at some Working Group Meetings
- Staff will provide an overview of transition plan
  - General overview of the succession of rulemakings and how facilities will exit RECLAIM
  - Key policy considerations
- Staff still intends to develop a transition plan document
Transition Pathways

- At the November 2017 Working Group Meeting, staff identified four different pathways to transition facilities out of RECLAIM
  - Source-Specific Command-and-Control Rules
  - Industry-Specific Command-and-Control Rules
  - Compliance Plans

- A facility where an industry-specific command-and-control rule applies, will not follow the implementation schedule for the source-specific rule

- The Transition Rule – Proposed Rule 1100 establishes the compliance schedule as facilities transition out of RECLAIM
Seven source-specific command-and-control rules identified for the transition
Establish BARCT limits and other requirements for RECLAIM facilities
Rule actions (adoption/amendment) needed prior to exiting facilities from RECLAIM
After adopting/amending landing rule, transition process will be initiated for facilities with equipment subject to the landing rules
Facilities with equipment where the applicable landing rule is not ready, will remaining in RECLAIM
  - For example a facility with an Rule 1146 boiler and a gas turbine will stay in RECLAIM until Rule 1134 (gas turbines) is amended
  - Facility will still be subject to amended Rule 1146 requirements
Implementation and compliance schedule will be established in a separate rule – Rule 1100
Overview of Source-Specific Command-and-Control “Landing Rules”

Facilities with Equipment with No Landing Rule Remain in RECLAIM until Landing Rule is Adopted/Amended

- **April 2018**: Amend R1146 Series* (Boilers, Steam Generators and Heaters)
- **June 2018**: Adopt R1118.1 (Non-Refinery Flares)
- **July 2018**: Amend R1110.2 (Gaseous and Liquid-Fueled Engines)
- **Oct 2018**: Amend R1134 (Gas Turbines)
- **1st Q 2019**: Amend R1147 (Misc. Combustion Sources)

* Includes Rules 1146, 1146.1, and 1146.2
Industry-Specific Command-and-Control Rules

- Four industry-specific categories have been identified
  - Refineries
  - Electrical Generating Facilities
  - Metal Operations Facilities
  - Aggregate Facilities
- Additional industry-specific categories may be identified – seeking input
- General concept
  - Industry-specific rules will address most and possibly all RECLAIM equipment at facility
  - Specify BARCT limits for RECLAIM equipment
    - May refer to other source-specific rules (such as Rule 1146, 1146.1, 1110.2)
  - Establish the overall implementation approach and compliance schedule
Industry-Specific Command-and-Control Rules

- **Nov 2018**: Amend R1135 (EGFs)
- **Exit EGFs**

- **Dec 2019**: Adopt R1109.1 (Refineries)
- **Exit Refineries**

- **1st Q 2019**: Adopt R1147.1 (Metal)
- **Exit Metal Operations Facilities**

- **1st Q 2019**: Adopt R1147.2 (Aggregate)
- **Exit Aggregate Facilities**
Overview of Transitioning of Facilities for Source- and Industry-Specific Rules

* Includes Rules 1146, 1146.1, and 1146.2
### General Transitioning of RECLAIM Facilities

<table>
<thead>
<tr>
<th>Rule Action</th>
<th>Estimated Number of Facilities to Exit RECLAIM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rule 1146 Series (Boilers, Steam Generators and Heaters)</td>
<td>27</td>
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<tr>
<td>Rule 1118.1 (Non-Refinery Flares)</td>
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<tr>
<td>Rule 1110.2 (Gas and Liquid-Fueled Engines)</td>
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</tr>
<tr>
<td>Rule 1134 (Gas Turbines)</td>
<td>21</td>
</tr>
<tr>
<td>Rule 1135 (Electrical Generating Facilities)</td>
<td>29</td>
</tr>
<tr>
<td>Rule 1109.1 (Refineries)</td>
<td>13</td>
</tr>
<tr>
<td>Rule 1147 (Misc. Combustion)</td>
<td>85</td>
</tr>
<tr>
<td>Rule 1147.1 (Metal Operations Facilities)</td>
<td>29</td>
</tr>
<tr>
<td>Rule 1147.2 (Aggregate Facilities)</td>
<td>18</td>
</tr>
</tbody>
</table>
Preference is to exit facilities through source-specific or industry-specific rules.

Expected that some facilities with unique equipment will be exited through use of a compliance plan.

Provisions for use of a compliance plan to exit facilities will be developed through a rule, possibly included in Rule 1100.

In general compliance plan would include:
- A facility-specific compliance schedule for each piece of equipment
- Reference emission limits in applicable BARCT rules
- Emission limits in the absence of a BARCT rule
- MRR requirements
October 2017 RECLAIM Working Group Meeting discussed 5 key New Source Review-related issues

Continuing to work with EPA regarding:
- Use of SCAQMD’s internal bank for offsets for NSR offsets post-RECLAIM
- Accounting of RTCs and NSR offsets

Amendments to Regulation XIII are schedule for May 2018 – pending discussions with EPA
As facilities transition out of RECLAIM, staff is assessing MRR requirements.

**Initial staff recommendations:**
- For Title V facilities, maintain RECLAIM MRR approach.
- Major, non-Title V, sources still require CEMS but reassess reporting, recordkeeping, and missing data provisions.
- Non-major, non-Title V sources will use MRR in source-specific rules:
  - May need minor modifications.
  - If MRR requirements are not comparable, will need to assess.
General Approach for Addressing Monitoring, Reporting, and Recordkeeping

Title V Facility?
- Yes: Maintain RECLAIM Monitoring Approach
- No:
  - Major NOx Source?
    - No: Assess MRR taking into consideration RECLAIM and MRR in applicable command and control rules
  - No: MRR in Command and Control Rule (Possibly minor modifications)
Other Key Topics

- Permitting
  - General approach is to minimize change to existing permits, where feasible
  - As equipment is modified, update permits
- Rule 301 Fees
  - Assessing fee structure as facilities exit RECLAIM
- Rule 430 – Breakdowns
- RTC Accounting – EPA and CARB