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

Source-Specific Command-and-Control Rules

- 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”

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

April 2018
Amend R1146 Series*
Exit Facilities with Equipment R1146 series

June 2018
Adopt R1118.1
Exit Facilities with Equipment R1146 series R1118.1

July 2018
Amend R1110.2
Exit Facilities with Equipment R1146 series R1118.1 R1110.2

Oct 2018
Amend R1134
Exit Facilities with Equipment R1146 series R1118.1 R1110.2 R1134

Nov 2018
Amend R1135 (EGFs)
Exit EGFs

Dec 2019
Adopt R1109 (Refineries)
Exit Refineries

1st Q 2019
Adopt R1147 (Metal)
Exit Metal Operations Facilities

1st Q 2019
Adopt R1147.2 (Aggregate)
Exit Aggregate Facilities

* 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>
</tr>
<tr>
<td>Rule 1118.1 (Non-Refinery Flares)</td>
<td>0</td>
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<tr>
<td>Rule 1110.2 (Gas and Liquid-Fueled Engines)</td>
<td>9</td>
</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>

Compliance Plans

- 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
Regulation XIII

- 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

Monitoring, Reporting, and Recordkeeping (MRR)

- 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: MRR in Command and Control Rule (Possibly minor modifications)
    - No
      - Assess MRR taking into consideration RECLAIM and MRR in applicable command and control rules

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**