



Western States Petroleum Association
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Sue Gornick
Manager, SoCal Technical

VIA ELECTRONIC MAIL

September 2, 2016

Dr. Philip Fine
Deputy Executive Officer
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

**SUBJECT: WSPA COMMENTS REGARDING PROPOSED AMENDMENTS TO
REGULATION XX, REGIONAL CLEAN AIR INCENTIVES MARKET
(RECLAIM) NO_x RECLAIM**

Dear Dr. Fine:

Western States Petroleum Association (WSPA) is a non-profit trade association representing twenty-five companies that explore for, produce, refine, transport and market petroleum, petroleum products, natural gas and other energy supplies in California, Arizona, Nevada, Oregon, and Washington. WSPA-member companies operate petroleum refineries and other facilities in the South Coast Air Basin that are within the purview of the RECLAIM program and that will be impacted by the proposed amendments regarding retirement of credits from facility or equipment shutdowns.

WSPA's August 25, 2016 letter recommended the following revisions to PAR 2002 Section (i)(6) as follows:

(i) Facility Shutdowns

*(6) The requirements specified in this subdivision shall not apply to facility shutdowns where the RTCs are transferred to another facility with **integrated operations and/or under common control** as of (INSERT ADOPTION DATE).*

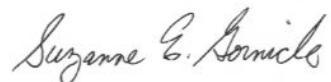
(a) Integrated Operations means RECLAIM Facilities which are owned or operated by the same company and whose operations are interconnected or interdependent. Integrated Operations may include RECLAIM Facilities which are located on non-contiguous properties within the District.

This would be consistent with the “common ownership or control” language contained in source/facility definitions found in existing AQMD rules (e.g., R1302, R1714, R2002, and R3000). It is also consistent with past EPA policy guidance as detailed in WSPA’s August 25, 2016 letter.

The revised draft language dated August 30, 2016 uses the term “same ownership”; however, it is not defined in the rule. At the August 31, 2016 Working Group meeting, staff stated that this term would be defined in the staff report. WSPA also requests that the definition be included in the rule for future reference and ease of use. Additionally, WSPA requests that proposed paragraph (i)(13) be amended to read “same ownership and/or common control” to be consistent with the definitions found in existing AQMD rules as previously mentioned. Additionally, we request that rule language clearly state that facilities do not need to be contiguous to meet the definition of “same ownership and/or common control”. WSPA notes that staff indicated at the Working Group meeting their belief that same ownership does not require facilities to be contiguous so rule language clarification is consistent.

Thank you for your consideration of these comments.

Sincerely,

A handwritten signature in cursive script, reading "Suzanne E. Hornick".