



South Coast  
AQMD

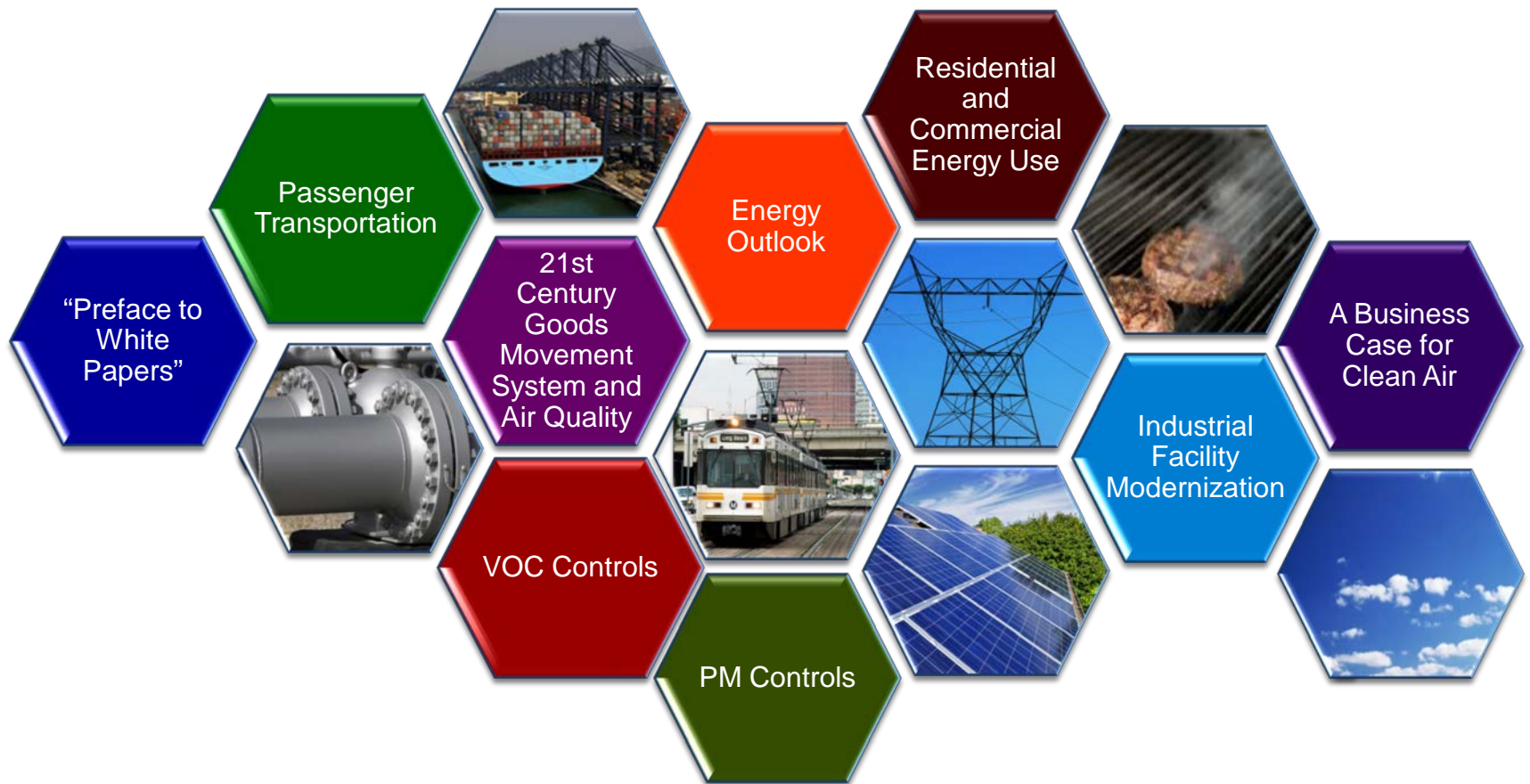
# Industrial Facility Modernization

**Working Group Meeting #1**

**August 13, 2014**

*Cleaning The Air That We Breathe...*

# White Papers for 2016 AQMP



# What is “Industrial Facility Modernization”?

- Replacing older higher emitting equipment with newer cleaner equipment
- “New cleaner” generally means that the equipment will be as good or better than Best Available Control Technology (BACT)
- Can include an individual piece of equipment such as a boiler or an entire facility
- Potentially substantial emission reductions
- Keep clean air investment locally by attracting manufacturing facilities producing zero and near zero technologies

# Purpose and Objective

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- Encourage replacement of existing equipment to newer cleaner equipment
- Encourage clean manufacturing facilities to site in the Basin, especially those providing zero and near zero emission technologies
- Evaluate advanced pollution control technologies and efficiency opportunities
- Identify potential barriers and incentives

# Initial Outline

- Background
- Industrial Equipment Profiles
- Advanced Technologies
- Incentivizing Clean Technologies
- Making the Basin “Home” for New Clean Businesses
- Breaking Barriers – Path Forward for Equipment Modernization
- Recommended Actions



# Background

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- Background
  - Scope of this White Paper
    - Industrial equipment and/or facility modernization
    - Incentivizing new cleaner businesses to the Basin
  - Sources
    - Industrial stationary sources (permitted facilities)
    - Focus on combustion sources - NO<sub>x</sub> and PM
    - Concurrent GHG benefits
- Purpose and Objective
- Emission reduction benefit for facility modernization

# Industrial Equipment Profiles

- Identify distribution of emissions for industrial sources
- Evaluate equipment age for key industrial source categories
- Compare equipment age to useful life
- Identify potential emission reductions for key industrial source categories



# Advanced Technologies

- Identify current status of advanced technologies for key industrial source categories
  - ❑ Best Available Control Technologies (BACT)
  - ❑ Technologies on the horizon
- Analysis of technologies
  - ❑ Emission reduction potential
  - ❑ Efficiency opportunities
  - ❑ Potential cost
  - ❑ Potential savings
  - ❑ Implementation issues





# Incentivizing Clean Technologies

- Identify types of incentives
  - ❑ Permitting
  - ❑ Funding
  - ❑ Market incentives
  - ❑ Other???
- Investigate situations for providing greater incentives
  - ❑ Total facility modernization vs. individual equipment
  - ❑ Higher impacted communities
  - ❑ Zero-emission technologies
  - ❑ Pollution prevention approach
  - ❑ Other???
- Identify mechanism within NSR to incentivize equipment modernization

# Making the Basin “Home” for New Clean Businesses

- Identify mechanisms to attract new clean manufacturing businesses to the Basin
- Key business issues (SCAQMD-related)
  - Permitting
  - Business certainty –
  - Ability to grow and/or expand
  - Other???



Vehicle  
Assembly

Harbor City  
California

# Breaking Barriers – Path Forward for Equipment Modernization

- Identify potential barriers to modernizing equipment
  - ❑ Technology
  - ❑ Physical constraint at existing site
  - ❑ Cost
    - Prior investments
  - ❑ Permitting - New Source Review
    - Offsets?
  - ❑ Other
- Identify solutions to “break the barriers” to provide a potential path forward

# Group Discussion



# Next Steps

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- Submit comments to [snakamura@aqmd.gov](mailto:snakamura@aqmd.gov)
- Staff to develop annotated Outline
- Next Working Group Meeting September 2015