

BOARD MEETING DATE: September 5, 2014

AGENDA NO. 30

REPORT: Status Report on Regulation XIII – New Source Review

SYNOPSIS: This report presents the federal final determination of equivalency for January 2012 through December 2012. As such, it provides information regarding the status of Regulation XIII – New Source Review in meeting federal NSR requirements and shows that SCAQMD’s NSR program is in final compliance with applicable federal requirements from January 2012 through December 2012.

COMMITTEE: Stationary Source, July 25, 2014, Reviewed

RECOMMENDED ACTIONS:
Receive and file the attached report.

Barry R. Wallerstein, D.Env.
Executive Officer

MN:WCT:GT:GEI

SUMMARY

SCAQMD’s NSR Rules and Regulations are designed to comply with federal and state Clean Air Act requirements and to ensure that emission increases from new and modified sources do not interfere with efforts to attain and maintain the federal and state air quality standards, while economic growth in the South Coast region is not unnecessarily impeded. Regulation XIII - New Source Review regulates and accounts for all emission changes (both increases and decreases) from the permitting of new, modified, and relocated stationary sources within SCAQMD, excluding NOx and SOx sources that are subject to Regulation XX – Regional Clean Air Incentives Market (RECLAIM)¹.

¹ While the RECLAIM program is different than command and control rules for NOx and SOx and it provides greater regulatory flexibility to businesses, its NSR requirements, as specified in Rule 2005, are designed to comply with the governing principles of NSR contained in the federal Clean Air Act (CAA) and the California State Health and Safety Code.

Rule 1315 – Federal New Source Review Tracking System, was most recently adopted by the Board on February 4, 2011 to maintain SCAQMD’s ability to issue permits to major sources that require offsets, but obtain offset credits from the SCAQMD’s Priority Reserve under Rule 1309.1, and/or that are exempt from offsets under SCAQMD Rule 1304. In addition, Rule 1315 requires that, commencing with calendar year 2010, and for each calendar year thereafter, the Executive Officer prepare a Preliminary Determination of Equivalency (PDE) and Final Determination of Equivalency (FDE) which cover NSR activities for twelve-month periods. The calendar year 2012 FDE is required to be reported to the SCAQMD Board at the September 2014 Board meeting. In addition, Rule 1315 requires the Executive Officer to aggregate and track offsets debited from and deposited to SCAQMD’s offset accounts for specified periods between October 1, 1990 and December 31, 2005 and each calendar year from 2006 through 2030 for purpose of making periodic determinations of compliance. The last annual report submitted to the SCAQMD Board on February 7, 2014 presented the PDE for calendar year 2012 and demonstrated that SCAQMD’s NSR program continued to meet the federal offset requirements for calendar year 2012. This demonstration occurs in Table 1.

Rule 1315(g)(1)(C) requires that, commencing with calendar year 2011, and for each calendar year thereafter, the Executive Officer include in each FDE the cumulative net emission increase of each nonattainment air contaminant that occurred at major and minor facilities from February 4, 2011, the date of adoption of Rule 1315, through the end of the calendar year 2011 reporting period and through the end of each subsequent reporting period. This cumulative tracking is shown in Table 3. Rule 1315(g)(2) requires projection of the cumulative net emission increases at the end of each of the two subsequent reporting periods, which for the calendar year 2012 FDE are calendar years 2013 and 2014. This cumulative increase tracking is shown in Table 3 below. It differs from Table 1 because Table 1 only tracks debits and credits for major sources, as required for demonstrating equivalency to federal NSR to EPA. In contrast, Table 3 includes both major and minor source activity, in order to implement the cap on cumulative increases included in Rule 1315 to ensure that emission increases never exceed the amounts evaluated in the staff’s analysis for the rule prepared pursuant to the California Environmental Quality Act.

This report, which presents the FDE covering the calendar year 2012 reporting period, and includes the net emission increase of each nonattainment air contaminant, demonstrates compliance with federal NSR requirements by establishing aggregate equivalence with federal offset requirements for sources that were not exempt from federal offset requirements, but were either exempt from offsets or obtained their offsets from SCAQMD pursuant to Regulation XIII.

The PDE for calendar year 2012 is summarized in Table 1. Additionally, the projections of SCAQMD’s federal offset account balances for January 2013 through

December 2013 and January 2014 through December 2014, as specified and required pursuant to Rule 1315(e), are presented in Table 2. These results demonstrate that there were, and project that there will be, adequate offsets available to mitigate all applicable emission increases during these reporting periods. This report, therefore, demonstrates that, for calendar years 2012 through 2014, SCAQMD's NSR program continues to meet and is projected to meet federal offset requirements and is equivalent to those requirements on an aggregate basis². Although the United States Environmental Protection Agency (U.S. EPA) designated the SCAQMD as attainment with the federal CO standard effective June 11, 2007, SCAQMD will continue to track and report CO accumulated credits and account balances for informational purposes only.

**Table 1
Federal Offset Accounts FDE for January 2012 through December 2012**

DESCRIPTION	VOC	NO _x	SO _x	CO	PM ₁₀
2011 Actual Ending Balance^a (ton/day)	84.06	26.80	2.88	17.74	12.94
2012 Discount of Credits for Surplus Adjustment ^b (ton/day)	-0.44	-0.84	0.00	-0.63	-0.01
2012 Actual Total Credits ^c (lb/day)	10,632	2,205	670	3,587	1,323
2012 Actual Total Debits ^c (lb/day)	-224	-922	0	0	0
Sum of Actual Credits/Debits^c (lb/day)	10,408	1,283	670	3,587	1,323
Sum of Actual Credits/Debits^c (ton/day)	5.20	0.64	0.34	1.79	0.66
2012 Ending Balance^d (ton/day)	88.82	26.60	3.22	18.90	13.59

^a "2011 Actual Ending Balance" is from Table 1 of the 2011 PDE Report dated September 6, 2013.

^b This adjustment is surplus at the time of use discount, which is also discussed in Rule 1315(c)(4).

^c For an explanation of the sources of credits and debits please refer to page 9 of this report, as well as Rule 1315(c) and the February 4, 2011 Rule 1315 staff report. Credits are shown as positive and debits as negative, while sum of credits/debits are shown as positive or negative, as appropriate.

^d "2012 Ending Balance" equals the "2011 Actual Ending Balance," reduced by any surplus adjustments, and the sum of actual credits and actual debits.

² SCAQMD's NSR program is deemed to be equivalent to federal offset requirements because SCAQMD's ending offset account balances remained positive, indicating there were adequate offsets during this reporting period.

Table 2
Projections of SCAQMD’s Federal Offset Account Balances for
January 2013 through December 2013, and
January 2014 through December 2014

DESCRIPTION	VOC	NO _x	SO _x	CO	PM ₁₀
2012 Ending Balance^a (ton/day)	88.82	26.60	3.22	18.90	13.59
2013 Projected Discount of Credits for Surplus Adjustment ^b (ton/day)	-2.18	-1.14	0.00	-0.16	-0.02
2013 Projected Starting Balance (ton/day)	86.64	25.46	3.22	18.74	13.57
2013 Total Projected Credits ^c (lb/day)	11,680	2,420	460	4,220	1,680
2013 Total Projected Debits ^c (lb/day)	-520	-640	0	0	-180
2013 Sum of Projected Credits/Debits^c (lb/day)	11,160	1,780	460	4,220	1,500
2013 Sum of Projected Credits/Debits^c (ton/day)	5.58	0.89	0.23	2.11	0.75
2013 Projected Ending Balance^d (ton/day)	92.22	26.35	3.45	20.85	14.32
2014 Projected Discount of Credits for Surplus Adjustment ^b (ton/day)	-2.26	-1.13	0.00	-0.18	-0.02
2014 Projected Starting Balance (ton/day)	89.96	25.22	3.45	20.67	14.30
2014 Total Projected Credits ^c (lb/day)	11,680	2,420	460	4,220	1,680
2014 Total Projected Debits ^c (lb/day)	-520	-640	0	0	-180
2014 Sum of Projected Credits/Debits^c (lb/day)	11,160	1,780	460	4,220	1,500
2014 Sum of Projected Credits/Debits^c (ton/day)	5.58	0.89	0.23	2.11	0.75
2014 Projected Ending Balance^e (ton/day)	95.54	26.11	3.68	22.78	15.05

^a “2012 Ending Balance” is as shown in Table 1.

^b This adjustment is surplus at the time of use discount, which is also discussed in Rule 1315(c)(4).

^c For an explanation of the sources of credits and debits please refer to page 9 of this report, as well as Rule 1315(c) and the Rule 1315 staff report. Credits are shown as positive and debits as negative, while sum of credits/debits are shown as positive or negative, as appropriate.

^d “2013 Projected Ending Balance” equals the “2012 Ending Balance” plus any projected surplus adjustments and the sum of projected credits and projected debits.

^e “2014 Projected Ending Balance” equals the “2013 Projected Ending Balance” plus any projected surplus adjustments and the sum of projected credits and projected debits.

Table 3
Cumulative Net Emission Increase
(February 4, 2011 – December 31, 2012)

DESCRIPTION	VOC	NO _x	SO _x	CO	PM10
2011 Net Emission Increase^a (ton/day)	-1.76	0.06	0.03	NA	0.17
2012 Increases in Potential to Emit ^b (ton/day)	3.43	1.17	0.35	NA	0.76
2012 Decreases in Potential to Emit ^c (ton/day)	-6.10	-1.38	-0.42	NA	-0.75
Cumulative Net Emission Increase^d (ton/day)	-4.43	-0.15	-0.04	NA	0.18
Rule 1315(g) Table B Threshold (through December of 2012 - ton/day)	2.80	0.25	0.06	NA	0.40

- ^a “2011 Net Emission Increase” is from Table 3 of the FDE report dated September 6, 2013.
- ^b Increases in potential to emit that occur at major and minor facilities pursuant to Rule 1304 or Rule 1309.1.
- ^c Decreases in potential to emit that occur at major and minor facilities pursuant to Rule 1304 or Rule 1309.1.
- ^d “Cumulative Net Emission Increase” is the sum of the increases and decreases in the potential to emit that occur at major and minor facilities pursuant to Rule 1304 or Rule 1309.1.

Table 4
Projections of Cumulative Net Emission Increase
January 2013 through December 2013, and
January 2014 through December 2014

DESCRIPTION	VOC	NO _x	SO _x	CO	PM ₁₀
2012 Net Emission Increase^a (ton/day)	-2.67	-0.21	-0.07	NA	0.01
2013 Projected Emission Increase ^b (ton/day)	3.41	1.12	0.27	NA	0.97
2013 Projected Emission Decrease ^b (ton/day)	-5.62	-1.19	-0.29	NA	-0.88
2013 Projected Cumulative Net Emission Increase^c (ton/day)	-4.88	-0.28	-0.09	NA	0.10
Rule 1315(g) Table B 2013 Threshold (ton/day)	3.91	0.35	0.09	NA	0.55
2014 Projected Emission Increase ^d (ton/day)	3.41	1.12	0.27	NA	0.97
2014 Projected Emission Decrease ^d (ton/day)	-5.62	-1.19	-0.29	NA	-0.88
2014 Projected Cumulative Net Emission Increase^e (ton/day)	-7.09	-0.35	-0.11	NA	0.19
Rule 1315(g) Table B 2014 Threshold (ton/day)	5.03	0.45	0.11	NA	0.71

^a “2012 Net Emission Increase” is the sum of the 2012 increases and decreases in potential to emit shown in Table 3.

^b “2013 Projected Emission Increase” and “2013 Projected Emission Decrease” are the averages of the 2011 and 2012 increases and decreases, respectively, in potential to emit.

^c “2013 Projected Cumulative Net Emission Increase” is the sum of the 2013 projected emission increase and decrease added to the 2012 net emission increase.

^d “2014 Projected Emission Increase” and “2014 Projected Emission Decrease” are the averages of the 2011 and 2012 increases and decreases, respectively, in potential to emit.

^e “2014 Projected Cumulative Net Emission Increase” is the sum of the 2014 projected emission increase and decrease added to the 2013 net emission increase.

BACKGROUND

SCAQMD originally adopted its New Source Review Rules and Regulations (NSR program) in 1976. U.S. EPA approved SCAQMD’s NSR program into California’s State Implementation Plan (SIP) initially on January 21, 1981 (46FR5965) and again on December 4, 1996 (61FR64291). U.S. EPA approved SCAQMD’s May 3, 2002 Rule 1309.1 amendments into the SIP on June 19, 2006 (71FR35157). Rule 1315 was approved by U.S. EPA on May 25, 2012 (77FR31200). The original program has evolved into the current version of the Regulation XIII rules in response to federal and

state legal requirements and the changing needs of the local environment and economy. Specific amendments to the NSR rules were adopted by SCAQMD's Board on December 6, 2002 to facilitate and provide additional options for credit generation and use. Rule 1315 was adopted and re-adopted on September 8, 2006 and August 3, 2007, respectively. Rule 1309.1 was amended and replaced on September 8, 2006 and August 3, 2007, respectively. On November 3, 2008, in response to a law suit filed by a group of environmental organizations, a California State Superior Court Judge in the County of Los Angeles invalidated the August 3, 2007 adopted Rule 1315 and amendments to Rule 1309.1, and prohibited SCAQMD from taking any action to implement Rule 1315 or the amendments to Rule 1309.1 until it had prepared a new environmental assessment under the California Environmental Quality Act (CEQA). This resulted in a "permit moratorium" that lasted until January 1, 2010, when SB837 of the 2009 Legislative Session allowed the SCAQMD to resume issuing permits. On February 4, 2011 SCAQMD adopted a revised and enhanced version of Rule 1315, which included a new CEQA assessment. This CEQA assessment was upheld by the court.

One element of SCAQMD's NSR program design is to offset emission increases in a manner at least equivalent to federal and state statutory NSR requirements. To this end, SCAQMD's NSR program implements the federal and state statutory requirements for NSR and ensures that construction and operation of new, relocated and modified stationary sources does not interfere with progress towards attainment of the National and State Ambient Air Quality Standards. SCAQMD's computerized emission tracking system is utilized to demonstrate equivalence with federal and state offset requirements on an aggregate basis. Specific NSR requirements of federal law are presented below.

Federal Law

The NSR requirements of federal law vary with respect to the area's attainment status and classification. Based on their classification, the South Coast Air Basin (SOCAB) and Salton Sea Air Basin (SSAB) must comply with the requirements for extreme and severe non-attainment areas, respectively, for ozone precursors (*i.e.*, VOC and NO_x). During the equivalency period, both the SOCAB and the SSAB complied with the requirements for serious non-attainment areas for PM₁₀ and its precursors (*i.e.*, VOC, NO_x, and SO_x)³. SSAB is considered attainment for CO. Although effective June 11, 2007, U.S. EPA designated the SOCAB as attainment with federal CO standards, SCAQMD will continue to track and report CO accumulated credits and account balances for informational purposes only. Both SOCAB and SSAB are considered attainment for SO₂ and NO₂, however SO_x and NO_x are precursors to pollutants for which both SOCAB and SSAB are designated as non-attainment⁴. The Mojave Desert Air Basin (MDAB) is currently classified as moderate non-attainment for ozone precursors (*i.e.*, VOC and NO_x) and as attainment for NO_x, SO_x, and CO. Federal law

³ As of July 26, 2013, SOCAB was redesignated as attainment for the federal 24-hour PM₁₀ standard and EPA approved a PM₁₀ maintenance plan.

⁴ SO_x is a precursor to PM₁₀ and NO_x is a precursor to both PM₁₀ and ozone.

requires the use of LAER (Lowest Achievable Emissions Rate) and offsets for emissions of nonattainment pollutants (or their precursors) for new, modified, and relocated stationary sources, when the source is considered a major stationary source⁵ for the nonattainment pollutants (or their precursors). (State law and SCAQMD rules refer to “best available control technology” which is defined similarly to LAER.) This report demonstrates compliance with the federal NSR offsets requirements.

OVERVIEW OF ANALYSIS METHODOLOGY

The two most important elements of federal non-attainment NSR requirements are LAER and emission offsetting for major sources. As set forth in SCAQMD’s *Best Available Control Technology (BACT) Guidelines*, SCAQMD’s BACT requirements are at least as stringent as federal LAER for major sources. Furthermore, the NSR emission offset requirements that SCAQMD implements through its permitting process ensure that sources provide emission reduction credits (ERCs) to offset their emission increases in compliance with federal requirements. As a result, these sources each comply with federal offset requirements by providing their own ERCs. However, certain sources are exempt from SCAQMD’s offset requirements pursuant to Rule 1304 or qualify for offsets from SCAQMD’s Community Bank (applications received between October 1, 1990 and February 1, 1996 only) or Priority Reserve, both pursuant to Rule 1309.1. SCAQMD has determined that providing offset exemptions and the Priority Reserve (as well as the previously-administered Community Bank) is important to the NSR program and the local economy while encouraging installation of BACT. Therefore, SCAQMD has assumed the responsibility of providing the necessary offsets for exempt sources, the Priority Reserve, and the Community Bank. This report examines deposits to and withdrawals from SCAQMD’s emission offset accounts during calendar year 2012 and demonstrates programmatic equivalence on an aggregate basis with federal emission offset requirements for the sources exempt from providing offsets and the sources that receive offsets from the Priority Reserve or the Community Bank.

SCAQMD’s Offset Accounts

For the purposes of this report, federal debit and credit accounting for SCAQMD’s offset accounts was conducted pursuant to the same procedures previously agreed to by U.S. EPA and as delineated in Rule 1315 and described in the staff report. Each of the

⁵ The major source thresholds for SOCAB, SSAB and MDAB, based on their attainment status during the calendar year 2007 through 2010 reporting periods are summarized below:

Pollutant	SOCAB	SSAB	MDAB
VOC	10 ton/year	25 ton/year	100 ton/year
NOx	10 ton/year	25 ton/year	100 ton/year
SOx	100 ton/year	100 ton/year	100 ton/year
PM10	70 ton/year	70 ton/year	100 ton/year
CO	50 ton/year	100 ton/year	100 ton/year

pollutants subject to offset requirements has its own federal offset account. SCAQMD's NSR program is considered to provide equivalent or greater offsets of emissions as required by federal requirements for each subject pollutant provided the balance of offsets left in SCAQMD's federal offset account for each pollutant remains positive, indicating that there were adequate offsets available.

Debit Accounting

SCAQMD tracks all emission increases that are offset through the Priority Reserve or the Community Bank, as well as all increases that are exempt from offset requirements pursuant to Rule 1304 – Exemptions. These increases are all debited from SCAQMD's federal offset accounts when they occur at federal major sources. For federal equivalency demonstrations, SCAQMD uses an offset ratio of 1.2-to-1.0 for extreme non-attainment pollutants (ozone and ozone precursors, *i.e.*, VOC and NO_x) and uses 1.0-to-1.0 for all other non-attainment pollutants (non-ozone precursors, *i.e.*, SO_x, CO, and PM₁₀) to offset any such increases. That is, 1.2 pounds are deducted from SCAQMD's offset accounts for each pound of maximum allowable permitted potential to emit VOC or NO_x increase at a federal source and 1.0 pound is deducted for each pound of maximum allowable permitted potential to emit SO_x, CO, or PM₁₀ at a federal source. A more detailed description of federal debit accounting is provided in the Rule 1315 staff report and Rule 1315(c)(2).

Credit Accounting

When emissions from a permitted source are permanently reduced (*e.g.*, installation of control equipment, removal of the source) and the emission reduction is not required by rule or law and is not called for by an AQMP control measure that has been assigned a target implementation date⁶, the permit holder may apply for ERCs for the pollutants reduced. If the permit holder for the source generating the emission reduction had previously received offsets from SCAQMD or has a "positive NSR balance" (*i.e.*, pre-1990 net emission increase), the quantity of SCAQMD offsets used or the amount of the positive NSR balance is subtracted from the reduction and "paid back" to SCAQMD's accounts prior to issuance of an ERC pursuant to Rule 1306. In certain other cases, permit holders do not always submit applications to claim ERCs or do not qualify to obtain ERCs for their equipment shutdowns or other eligible emission reductions. These unclaimed reductions are referred to as "orphan shutdowns" and are deposited in SCAQMD's offset accounts. ERCs provided as offsets by major sources in excess of the applicable federally-required offset ratio and all ERCs provided as offsets by minor sources not subject to federal offset requirements are also deposited in SCAQMD's federal offset accounts. A more detailed description of federal credit accounting is provided in Rule 1315(c)(3)(A) and its staff report.

⁶ Refer to Rule 1309(b) for a complete explanation of eligibility requirements.

DETERMINATION OF EQUIVALENCY WITH FEDERAL OFFSET REQUIREMENTS

The federal offset requirements FDE for calendar year 2012 and the projections for calendar years 2013 and 2014 are summarized in Tables 1 and 2, respectively. The detailed listing of actual final withdrawals, deposits and sum of withdrawals and deposits are shown in Tables A and B of Attachment I to this letter.

These account balances, shown in Tables A and B reflect the tracking sequence described under Rule 1315(c)(5).

CALIFORNIA ENVIRONMENTAL QUALITY ACT NET EMISSION INCREASES

Pursuant to Rule 1315(g)(1), net emission increases of nonattainment air contaminants at major and minor facilities are based on the sum of increases and decreases at major and minor facilities pursuant to Rule 1304 – Exemptions or Rule 1309.1 – Priority Reserve, calculated as specified in Rule 1315(c).

Increases in potential to emit for major and minor sources include potential to emit increases from the Priority Reserve or Community Bank pursuant to Rule 1309.1 and exemptions from the offset requirements of Rule 1303 – Requirements pursuant to Rule 1304 – Exemptions.

Decreases to potential to emit for major and minor sources include, but are not limited to, potential to emit reductions as a result of orphan shutdowns and/or orphan reductions.

In addition, pursuant to Rule 1315(g)(2), projections of cumulative net emission increases at the end of the two subsequent reporting periods are based upon the average of the aggregate increase in potential to emit of each nonattainment air contaminant and the average of the aggregate emissions reductions of the same nonattainment air contaminant for the five reporting periods most recently included in a PDE or an FDE or each of the reporting periods commencing with the 2011 reporting period, whichever is fewer reporting periods. This calendar year 2012 FDE includes the second report of projections of cumulative net emission increases, and therefore the averages are based on the 2011 and 2012 increases in potential to emit and emissions reductions.

Cumulative net emission increases and projected cumulative net emission increase must remain below the thresholds shown in Table B of Rule 1315 in order for the Executive Officer to be able to continue to issue permits to exempt sources pursuant to Rule 1304 or subject to Rule 1309.1 Priority Reserve.

This provision, Rule 1315(g), is designed to ensure that cumulative net emission increases never exceed the amount analyzed in the Environmental Impact Report for Rule 1315, and is known as the “CEQA Backstop.”

CONCLUSIONS

The analysis presented in this report demonstrates the following:

- For calendar year 2012, SCAQMD’s NSR program provides equivalent offsets to those required by federal NSR requirements and is equivalent to the federal requirements on an aggregate basis. This conclusion is based on the fact that the final ending offset account balances for this calendar year reporting period, as shown in Table 1, remained positive for all pollutants.
- SCAQMD’s projected offset account balances for 2013 and 2014 are projected to remain positive. This means that the sum of the estimated deposits to and withdrawals from SCAQMD’s offset accounts during 2013 and 2014 are projected to remain positive and, therefore, it demonstrates that SCAQMD’s NSR program is projected to remain equivalent to federal NSR requirements.
- From the date of adoption of Rule 1315 (February 4, 2011) to the end of calendar year 2012, both the cumulative net emission increase of each nonattainment air contaminant at major and minor facilities and the projected cumulative net emission increase for 2013 and 2014 remained below the thresholds identified in Table B of Rule 1315, and therefore the Executive Officer can continue to issue permits to construct and permits to operate that rely on further use of Rule 1304 exemptions or Rule 1309.1 Priority Reserve offsets to major and minor sources.

ATTACHMENT

Attachment I – Detailed Listing of Actual Debits, Actual Credits and Sum of Debits and Credits

ATTACHMENT I

Detailed Listing of Actual Debits, Actual Credits and Sum of Debits and Credits

Table A
Total Actual Debits from SCAQMD's Federal Offset Accounts
(January 2012 through December 2012)

SCAQMD OFFSETS USED	VOC	NO_x	SO_x	CO	PM10
Priority Reserve (lb/day)	-12	-407	0	0	0
Community Bank (lb/day)	0	0	0	0	0
Rule 1304 Exemptions (lb/day)	-175	-361	0	0	0
Sum Total of SCAQMD Offsets (lb/day)	-187	-768	0	0	0
1.2-to-1.0 Offset Ratio (lb/day)	-37	-154	N/A	N/A	N/A
Total Actual Debits to SCAQMD Account (lb/day)	-224	-922	0	0	0
Total Actual Debits to SCAQMD Account (ton/day)	-0.11	-0.46	0	0	0

Table B
Total Actual Credits to SCAQMD's Federal Offset Accounts
(January 2011 through December 2011)

CREDITS RECEIVED	VOC	NO_x	SO_x	CO	PM₁₀
Major Source Orphan Credits (lb/day)	607	833	0	1,267	0
Minor Source Orphan Credits (lb/day)	11,602	1,922	830	3,117	1492
Total Orphan Credits (lb/day)	12,209	2,755	830	4,384	1,492
Adjustment to Actual Emissions* (lb/day)	-2,442	-551	-166	-877	-298
Discount of ERCs** (lb/day)	1	0	0	73	4
Creditable Minor Source ERC Use (lb/day)	864	1	6	0	125
Creditable Major Source ERC Use (lb/day)	0	0	0	7	0
Total Actual Credits to SCAQMD Account (lb/day)	10,632	2,205	670	3,587	1,323
Total Actual Credits to SCAQMD Account (ton/day)	5.32	1.10	0.34	1.79	0.66

* Adjustment of orphan shutdown and orphan reduction offset credits deposited in SCAQMD offset accounts to correct from potential emissions to actual emissions as discussed in Rule 1315(c)(3)(B)(i).

** Prior to issuance of ERCs, they are discounted for NSR "Payback," which includes payback of NSR balance, Community Bank and Priority Reserve allocations, and offset exemptions, as discussed in Rule 1315(c)(3)(A)(v) and Rule 1306(c).

Table C
Sum of Final Credits/Debits Activities in SCAQMD's Federal Offset
Accounts
(January 2012 through December 2012)

Description	VOC	NO _x	SO _x	CO	PM ₁₀
Total Actual Debits* (lb/day)	-224	-922	0	0	0
Total Actual Credits* (lb/day)	10,632	2,205	670	3,587	1,323
Sum of Actual Debits(-)/Credits(+)* (lb/day)	10,408	1,283	670	3,587	1,323
Sum of Actual Debits(-)/Credits(+)* (ton/day)	5.20	0.64	0.34	1.79	0.66

* Debits are shown as negative and Credits as positive, while their sum is shown as negative or positive, as appropriate.