



South Coast Air Quality Management District

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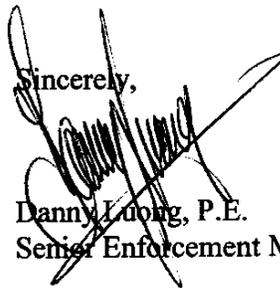
To: Interested Parties
Subject: Working Group to Support Evaluation and Review of the Compliance and Enforcement Aspects of the RECLAIM Program

The South Coast Air Quality Management District (AQMD) Governing Board found that the average annual price of compliance year 2010 NO_x RECLAIM Trading Credits (RTCs) traded in calendar year 2006 exceeded \$15,000 per ton. Therefore, consistent with Rule 2015(b)(6), the Governing Board directed staff to conduct an evaluation and review of the compliance and enforcement aspects of the RECLAIM program, and to assess the existing methodology for determining average annual RTC prices and propose a recommended methodology for determining average prices for infinite-year blocks of RTCs. In addition, the Governing Board also directed staff to assess the need to amend the RECLAIM program pursuant to Health & Safety Code §39616(f).

Therefore, we are forming a Working Group to participate in the execution of these items. You are invited to participate in this Working Group. The first Working Group meeting will be held Tuesday, April 17, 2007 from 1 p.m. to 3 p.m. at AQMD's Diamond Bar headquarters, Conference Room GB. Additional Working Group meetings are planned for May and June. We look forward to your involvement in the Working Group.

Feel free to contact Paul Park at (909) 396-2568/ppark@aqmd.gov if you have any questions regarding the Working Group or the program review.

Sincerely,



Danny Luong, P.E.
Senior Enforcement Manager

DL:MH:PYP