PROPOSED AMENDED RULES 1147 AND 1100 WORKING GROUP MEETING #7

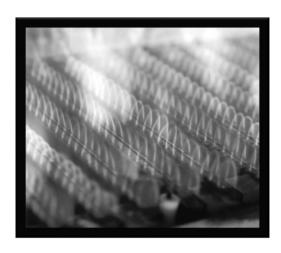
NOVEMBER 12, 2020 SOUTH COAST AQMD DIAMOND BAR, CA Zoom Meeting: https://scaqmd.zoom.us/j/96775184779

Meeting ID: 967 7518 4779 **Passcode:** 606512

Conference Call: 1 (669) 900-6833

AGENDA

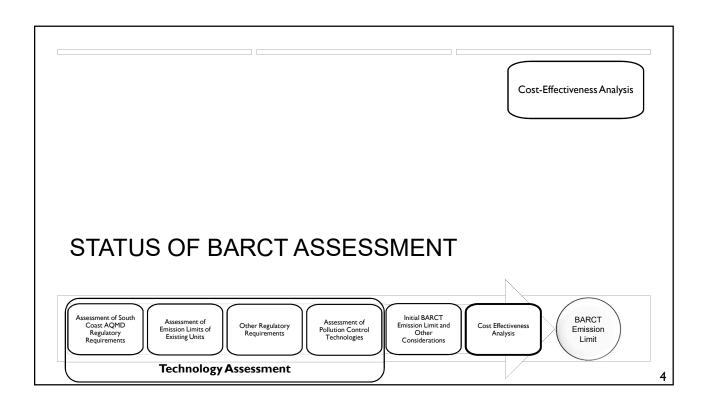
- ☐ Summary of Previous Working Group
- ☐ Status of BARCT Assessment and Proposed Implementation Approach
- □ Cost-Effectiveness Analysis
 - Afterburner, Thermal Oxidizer, RTO, and Oxidizer
 - Evaporator, Fryer, Heated Process Tank, and Parts Washer
 - Burn-off Furnace, Burnout Oven, Incinerator, Crematory with or without Integrated Afterburner
 - Tenter Frame, Fabric or Carpet Dryer
- Next Steps



PREVIOUS WORKING GROUP RECAP

Working Group #6

- Presented BARCT analysis for:
 - · Diesel fire tar pots,
 - Singeing machines,
 - · Absorption chillers,
 - · Microturbines (natural gas and diesel), and
 - Autoclaves
- Presented cost-effectiveness analysis for the category "Oven, Dryer, Heater, Furnace, Kiln, and Heated Process Tank"



STATUS SUMMARY OF BARCT ASSESSMENT

Cost-Effectiveness Analysis

Equipment Category	Equipment Size	Operating Temperature	Current Rule Limit [^]	Initial BARCT Limit [^]	Cost- Effectiveness	Proposed BARCT Limit
	<40 MMBtu/hr	<1,200°F	30 ppm	20 ppm	\$12,700/Ton	20 ppm
Oven, Dehydrator, Dryer, Heater, Kiln,	<40 IVIIVIDIU/III	≥1,200°F	60 ppm	30 ppm	\$5,600/Ton	30 ppm
Calciner, Cooker, Roaster, Furnace, or Heated Storage Tank	≥40 MMBtu/hr	<1,200°F	30 ppm	5 ppm	Per	iding
	≥40 IVIIVIDIU/III	≥1,200°F	60 ppm	5 ppm	Per	iding
Afterburner, Degassing Unit, Remediation Unit, Thermal Oxidizer, Catalytic Oxidizer or Vapor Incinerator	All	All	60 ppm	20 ppm	Per	iding
Evaporator, Fryer, Heated Process Tank, and Parts Washer	All	All	60 ppm	30 ppm	Per	ıding
Burn-off Furnace, Burnout Oven, Incinerator, Crematory with or without Integrated Afterburner	All	All	60 ppm	30 ppm	Per	nding
Tenter Frame, Fabric or Carpet Dryer	All	All	30 ppm	20 ppm	Per	iding
Other Unit and Process Temperature	All	<1,200°F ≥1,200°F	30 ppm 60 ppm	No Change	Per	iding

 $^{\wedge}$ NOx concentrations are corrected to 3% O₂ dry

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STATUS SUMMARY OF BARCT ASSESSMENT (CONT'D)

Cost-Effectiveness Analysis

Equipment Category	Equipment Size	Operating Temperature	Current Rule Limit [^]	Initial BARCT Limit [^]	Cost- Effectiveness	Proposed BARCT Limit [^]
Absorption Chillers	All	All	30 ppm	20 ppm	Pen	ding
Micro-Turbines (Natural Gas)	All	All	N/A	9 ppm*	Pen	ding
Micro-Turbines (Diesel)	All	All	40 ppm	40 to 77 ppm [*]	Pen	ding
Auto-Claves	All	All	30 ppm	30 ppm	Pen	ding
All Liquid Fuel-	All	<1,200°F	40 ppm	40 ppm	Pen	ding
Fired Units	All	≥1,200°F	60 ppm	60 ppm	Pen	ding

^NOx concentrations are corrected to 3% O₂ dry

Revised

PROPOSED IMPLEMENTATION APPROACH

Cost-Effectiveness Analysis

- □ Staff is proposing different implementation schedules for RECLAIM and non-RECLAIM facilities
- □ Different schedules are to recognize that non-RECLAIM facilities were required to meet Rule 1147 emission limits
- □ Non-RECLAIM facilities are currently required to meet the current Rule 1147 NOx emission limits when:
 - Unit turns 15 years of age (unit emissions are ≥ 1 pound per day);
 - July 1 of the year the unit becomes 35 years or older (for units < 1 pound per day);
 - A permit is required for:
 - > A new, relocated, or replacement unit;
 - > Combustion system modification or combustion system replacement; or
- □ Since not all units (≥ 1 pound per day) that are regulated under Rule 1147 have met the current Rule 1147 NOx emission limits, some existing Rule 1147 units will need to meet the proposed NOx emission limits when the unit reaches 15 years

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PROPOSED IMPLEMENTATION APPROACH FOR COST-EFFECTIVENESS EVALUATION

Cost-Effectiveness Analysis

RECLAIM Facilities

- ☐ Must meet proposed NOx BARCT emission limit by January 1, 2024
 - Evaluated the cost-effectiveness to meet the initial NOx limit by January 1, 2024
 - Accounted for stranded assets if unit was < 15 years old

Non-RECLAIM Facilities

- □ Equipment ≥ 1 pound per day, must meet the proposed NOx limit when the equipment turns 15 years of age or burner replacement, whichever is earlier (consistent with existing Rule 1147 provisions)
 - No cost-effectiveness analysis conducted
 - No additional costs to meet the proposed lower limit via burner replacement
- □ Equipment < 1 pound per day, must meet the proposed NOx limit July 1 of the year the unit becomes 35 years or older or when the unit is replaced, whichever is earlier
 - No cost-effectiveness analysis conducted
 - No additional costs to meet the proposed lower limit via burner replacement*

*Allow compliance demonstration to be postponed with recurring biennial source tests to demonstrate < I LB/Day NOx, consistent with existing Rule 1147

APPROACH FOR ANALYZING Cost-Effectiveness Analysis THE COST-EFFECTIVENESS ☐ For each Rule 1147 equipment category, staff used a 4% bottom-up approach to calculate cost-effectiveness for interest each RECLAIM unit rate Cost-effectiveness is expressed in dollar per ton of NOx reduced SCR Useful Stranded (\$/Ton) Asset (if applicable; 25 Years) (If Applicable) ☐ Cost-effectiveness for non-RECLAIM sources is not Costcalculated Effectiveness Staff is proposing non-RECLAIM units to follow existing Rule 1147 compliance schedule to meet new BARCT limits Burner Installation Useful Life Cost No additional cost for burner replacement (with outliers) (15 Years) ☐ Outliers with cost-effectiveness figures of >\$100,000/ton Potential Savings (if applicable) are identified and further analyzed Staff will assess alternative implementation approaches for outliers, if needed

ASSESSMENT OF PROCESS TEMPERATURES

Cost-Effectiveness Analysis

- ☐ Table 1 of Rule 1147 limits NOx emissions for each equipment category based on process temperatures
- ☐ For the categories presented in this working group, Rule 1147 establishes the same NOx limit across all process temperatures
- ☐ Staff proposes to collapse temperature separation and conduct BARCT assessment for each category as a whole, independent of process temperature
 - Staff found that burner and process type are found to be similar for equipment across all temperatures

	NOx Emission Limit					
Equipment Category(ies)		, dry or Pound/mn				
	Pro	ocess Temperat	ure			
Gascous Fuel-Fired Equipment	≤ 800° F	> 800 ° F and < 1200° F	≥ 1200 ° F			
Asphalt Manufacturing Operation	40 ppm	40 ppm				
Afterburner, Degassing Unit, Remediation Unit, Thermal Oxidizer, Catalytic Oxidizer or Vapor Incinerator ¹	60 ppm or 0.073 lb/mmBtu	60 ppm or 0.073 lb/mmBtu	60 ppm or 0.07 lb/mmBtu			
Burn-off Furnace, Burnout Oven, Incinerator or Crematory with or without Integrated Afterburner	60 ppm or 0.073 lb/mmBtu	60 ppm or 0.073 lb/mmBtu	60 ppm or 0.07 lb/mmBtu			
Evaporator, Fryer, Heated Process Tank, or Parts Washer	60 ppm or 0.073 lb/mmBtu	60 ppm or 0.073 lb/mmBtu				
Metal Heat Treating, Metal Melting Furnace, Metal Pot, or Tar Pot	60 ppm or 0.073 lb/mmBtu	60 ppm or 0.073 lb/mmBtu	60 ppm or 0.07 lb/mmBtu			
Oven, Dehydrator, Dryer, Heater, Kiln, Calciner, Cooker, Roaster, Furnace, or Heated Storage Tank	30 ppm or 0.036 lb/mmBtu	30 ppm or 0.036 lb/mmBtu	60 ppm or 0.07 lb/mmBtu			
Make-Up Air Heater or other Air Heater located outside of building with temperature controlled zone inside building	30 ppm or 0.036 lb/mmBtu	30 ppm or 0.036 lb/mmBtu				
Tenter Frame or Fabric or Carpet Dryer	30 ppm or 0.036 lb/mmBtu					
Other Unit or Process Temperature	30 ppm or 0.036 lb/mmBtu	30 ppm or 0.036 lb/mmBtu	60 ppm or 0.07 lb/mmBtu			
Liquid Fuel-Fired Equipment	≤ 800° F	> 800 ° F and < 1200° F	≥ 1200 ° F			
All liquid fuel-fired Units	40 ppm or 0.053 lb/mmBtu	40 ppm or 0.053 lb/mmBtu	60 ppm or 0.08			

Emission limit applies to burners in units fueled by 100% natural gas that are used to incinerate a toxics, VOCs, or other vapors; or to heat a unit. The emission limit applies solely when burnir 100% fuel and not when the burner is incinerating air toxics, VOCs, or other vapors. The ur shall be tested or certified to meet the emission limit while fueled with natural gas.



COST-EFFECTIVENESS ANALYSIS

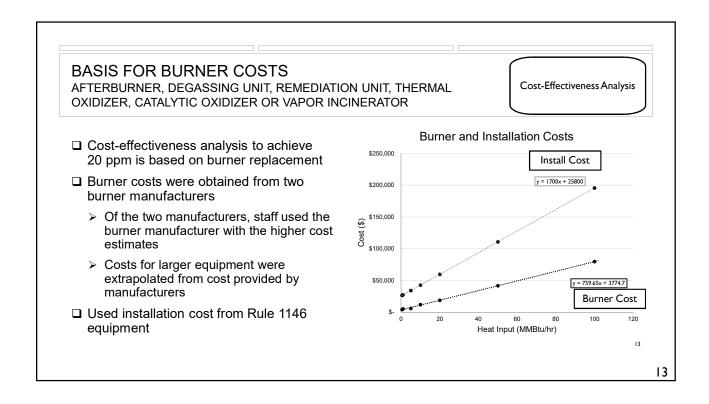
Afterburner, Degassing Unit, Remediation Unit, Thermal Oxidizer, Catalytic Oxidizer or Vapor Incinerator at RECLAIM Facilities

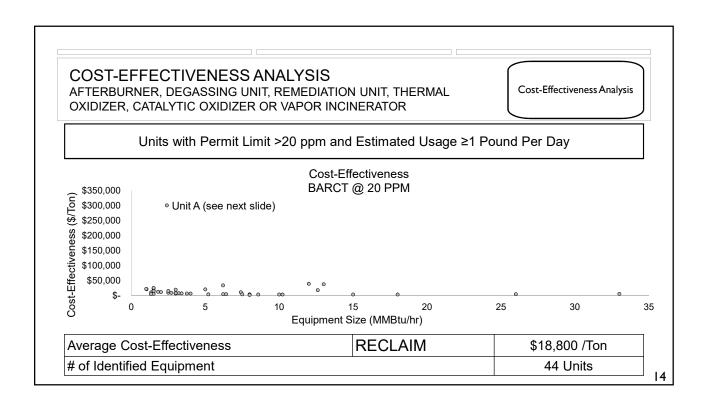
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SUMMARY OF INITIAL BARCT LIMIT Cost-Effectiveness Analysis AFTERBURNER, DEGASSING UNIT, REMEDIATION UNIT, THERMAL OXIDIZER, CATALYTIC OXIDIZER OR VAPOR INCINERATOR **Existing Units Meeting** Initial BARCT NOx South Coast Other Technology Initial BARCT Limit+ AQMD Limit[^] Regulatory# Limit* Assessment^a 7 of 13 **RECLAIM Units** Source Tested <20 ppm 30 ppm (via LNB¹) 20 ppm (via LNB¹) 60 ppm 30 to 175 ppm (30 ppm BACT) 27 of 67 Non-RECLAIM Units Source Tested <20 ppm 60 RECLAIM units representing 0.08 tons/day of NOx emissions² Cost-Effectiveness Analysis is needed + Emissions data collected from source test results $^{\wedge}$ NOx concentrations are corrected to 3% O_2 dry # Oxygen corrections for NOx concentrations vary depending on regulatory agency

Low NOx Burner (LNB) technology assessment is based off of vendor guarantees. Source test results analyzed demonstrate burners can achieve lower concentrations ²Emissions calculated based on permitted levels





ADDITIONAL OUTLIER ANALYSIS (UNIT A)

AFTERBURNER, DEGASSING UNIT, REMEDIATION UNIT, THERMAL OXIDIZER, CATALYTIC OXIDIZER OR VAPOR INCINERATOR

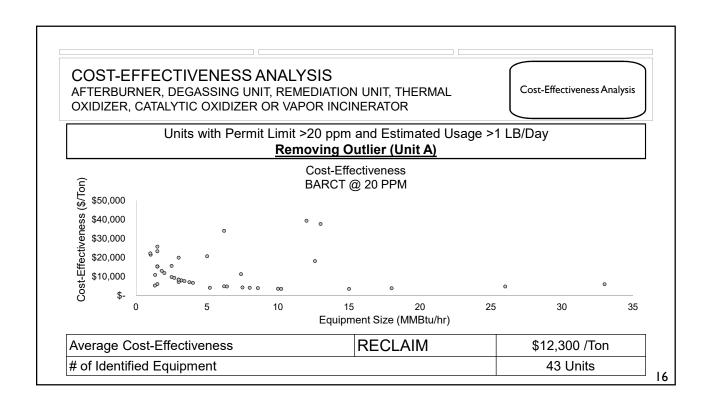
Cost-Effectiveness Analysis

☐ Unit A has a cost-effectiveness of \$300,700/Ton:

Heat Input	2.4 MMBtu/Hr		
Permit Limit	30 PPM [^]		
Source Test Results	24 PPM^		
Permit Date	01/03/2019		

- ☐ Equipment permit limit reflects current BACT
- □ Staff recommends to allow RECLAIM units with a permit limit at or below 30 ppm to meet rule limit at 15 years of age or burner replacement, whichever is earlier

^ NOx concentrations corrected to 3% O2 dry



AFTERBURNER, DEGASSING UNIT, REMEDIATION UNIT, THERMAL OXIDIZER, CATALYTIC OXIDIZER OR VAPOR INCINERATOR

Unit	NOx Emission Limit	Compliance Date
RECLAIM Facilities		
Afterburner, Degassing Unit, Remediation Unit, Thermal Oxidizer, Catalytic Oxidizer or Vapor Incinerator	20 ppm	January 1, 2024
Non-RECLAIM Facilities		
Afterburner, Degassing Unit, Remediation Unit, Thermal Oxidizer, Catalytic Oxidizer or Vapor Incinerator	20 ppm	When burner is 15 years old or burner is replaced, whichever is sooner

□ RECLAIM units with NOx permit limit less than 30 ppm, must meet 20 ppm limit when burner reaches 15 years or at burner replacement, whichever is sooner

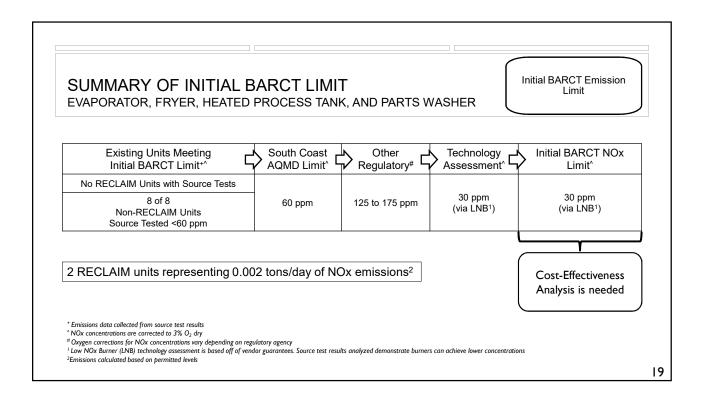
Total NOx emission reductions (RECLAIM and non-RECLAIM): 0.05 TPD by 2024 and 1.2 TPD at final implementation

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COST-EFFECTIVENESS ANALYSIS

Evaporator, Fryer, Heated Process Tank, and Parts Washer at RECLAIM Facilities



ADDITIONAL CONSIDERATIONS AVAILABILITY OF BURNER TECHNOLOGY One burner manufacturer has burners available that are capable of achieving 30 ppm for retrofit applications for this category Burner size is generally limited to units <3 MMBtu/hr Staff is not aware of any units within this category that are achieving 30 ppm Burner manufacturers for larger applications could not commit to meet NOx limit below 30 ppm for burner applications for this category of equipment Maximum heat input identified in analysis of this category is rated 14 MMBtu/hr Staff recommends to maintain the current Rule 1147 limit of 60 ppm

ADDITIONAL CONSIDERATIONS EXISTING EXEMPTIONS IN RULE 1147

Cost-Effectiveness Analysis

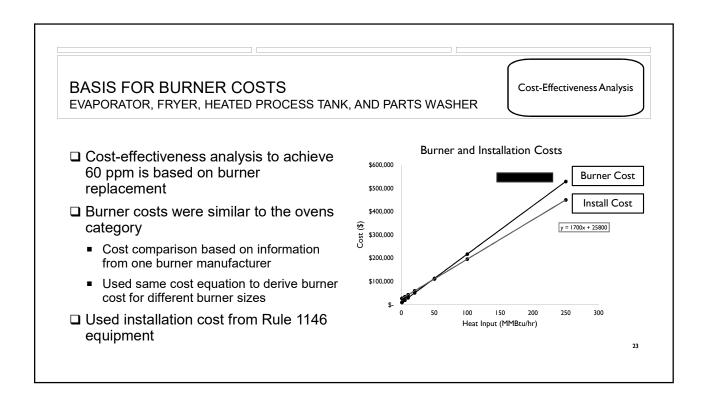
- □Rule 1147 existing exemptions for equipment in this category:
 - Rule 1147(g)(6) Provides additional time for fryers installed and operated between December 5, 2008 and January 1, 2014 to meet rule limit
 - Rule 1147(g)(8) Provides additional time for evaporators, heated process tanks, or parts washers installed and operating prior to January 1, 2014 to meet rule limit
- □Staff recommends to retain existing exemption for non-RECLAIM equipment
- □ Cost-effectiveness analysis conducted for RECLAIM equipment to demonstrate compliance by January 1, 2024

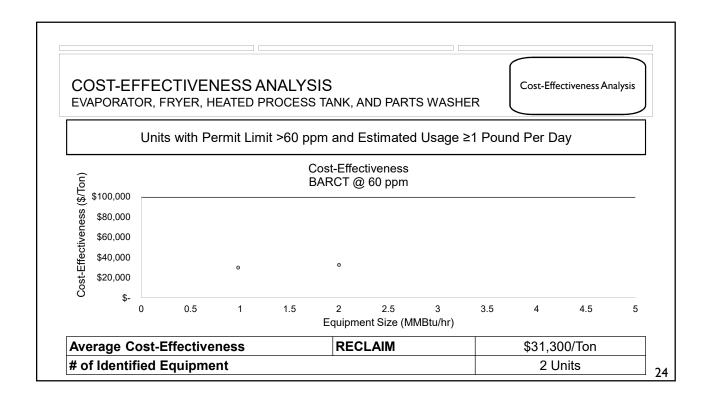
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ADDITIONAL CONSIDERATIONS BIFURCATING FRYER CATEGORIES

Cost-Effectiveness Analysis

- □Staff proposes to include new definitions for "Non-Integrated Fryer" and "Integrated Fryer" to be consistent with BACT guidelines
 - 1. **Integrated Fryer** Heating element is also used as an integrated emission control equipment
 - 2. Non-integrated Fryer Heating element solely used to heat oil bath





EVAPORATOR, FRYER, HEATED PROCESS TANK, AND PARTS WASHER

Unit	NOx Emission Limit	Compliance Date
RECLAIM Facilities		
Evaporator, Fryer, Heated Process Tank, and Parts Washer	60 ppm	January 1, 2024
Non-RECLAIM Facilities		
Evaporator, Heated Process Tank, Fryer, and Parts Washer	60 ppm	When burner is 15 years old or burner is replaced, whichever is sooner; unless applicable to exemption in Rule 1147(g)(5) or (g)(8)

- □ Identified RECLAIM equipment are cost-effective to demonstrate compliance to 60 ppm NOx limit by January 1, 2024
 - Feasibility supported by the July 2017 Technology Assessment

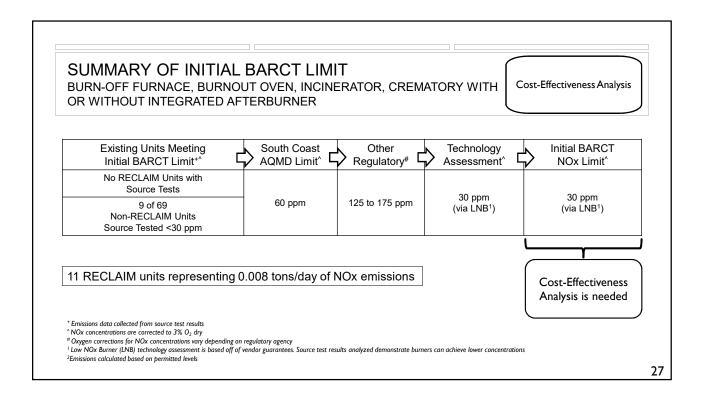
Total NOx emission reductions (RECLAIM and non-RECLAIM): 0.001 TPD by 2024 and 0.044 TPD at final implementation

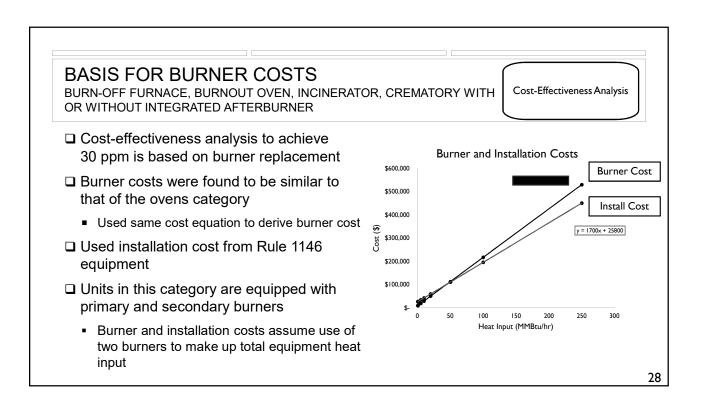
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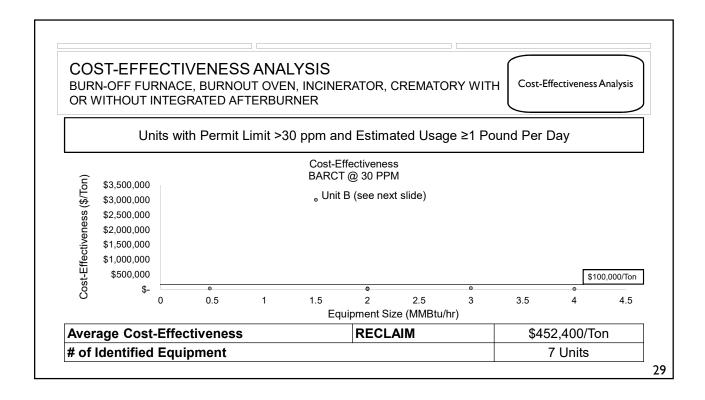


INITIAL BARCT EMISSION LIMIT

Burn-off Furnace, Burnout Oven, Incinerator, Crematory with or without Integrated Afterburner at RECLAIM Facilities







ADDITIONAL OUTLIER ANALYSIS (UNIT B)

BURN-OFF FURNACE, BURNOUT OVEN, INCINERATOR, CREMATORY WITH OR WITHOUT INTEGRATED AFTERBURNER

Cost-Effectiveness Analysis

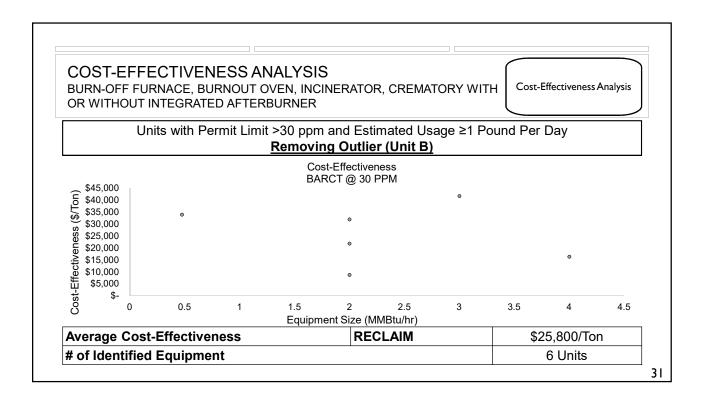
☐ Unit B has a cost-effectiveness of \$3,012,100/ton

Equipment Information:

Heat Input	1.5 MMBtu/Hr
Permit Limit	50 PPM [^]
Source Test Results	34 PPM [^]
Year Installed	2018

- Unit complies with existing Rule 1147 requirements
- □ Staff recommends to allow RECLAIM units with a permit limit below 40 ppm to meet rule limit at 15 years of age or at burner replacement, whichever is earlier
 - □ Requires operator to modify permit to lower the limit to 40 ppm no burner replacement would be needed

 $^{\wedge}$ NOx concentrations are corrected to 3% ${\rm O_2}$ dry



BURN-OFF FURNACE, BURNOUT OVEN, INCINERATOR, CREMATORY WITH OR WITHOUT INTEGRATED AFTERBURNER

Unit	NOx Emission Limit	Compliance Date	
RECLAIM Facilities	•		
Burn-off Furnace, Burnout Oven, Incinerator, Crematory with or without Integrated Afterburner	30 ppm	January 1, 2024	
Non-RECLAIM Facilities			
Burn-off Furnace, Burnout Oven, Incinerator, Crematory with or without Integrated Afterburner	30 ppm	When burner is 15 years old or burner is replaced, whichever is sooner	

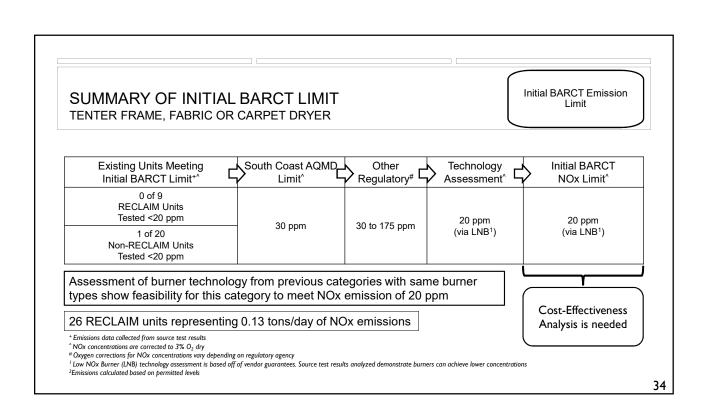
☐ Units with permitted limit less than 40 ppm, meet limit when burner reaches 15 years or at burner replacement, whichever is sooner

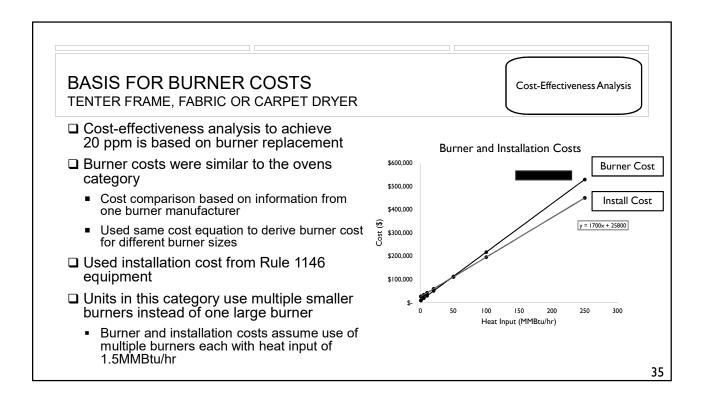
Total NOx emission reductions (RECLAIM and non-RECLAIM): 0.004 TPD by 2024 and 0.23 TPD at final implementation

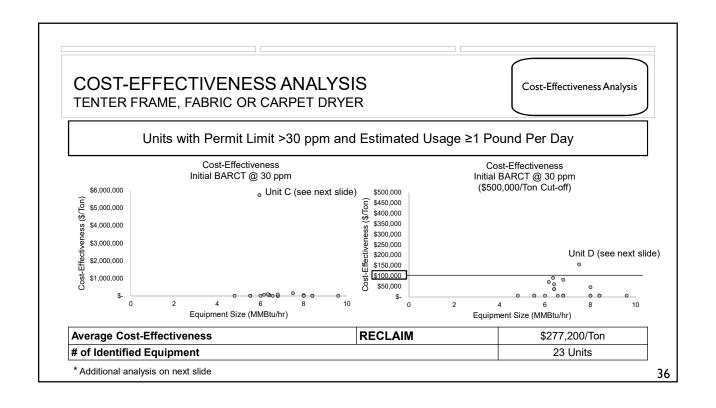


INITIAL BARCT EMISSION LIMIT

Tenter Frame, Fabric or Carpet Dryer at RECLAIM Facilities







ADDITIONAL OUTLIER ANALYSIS (UNITS C & D)

Cost-Effectiveness Analysis

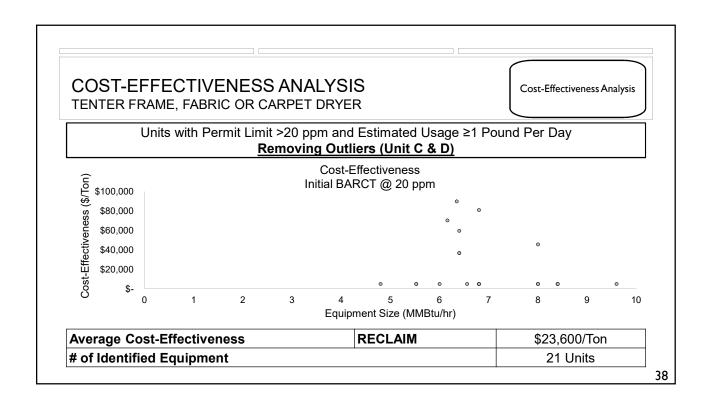
TENTER FRAME, FABRIC OR CARPET DRYER

☐ Two units with cost-effectiveness greater than \$100,000/Ton:

Unit	Unit Size (MMBtu/hr)	Permit Date	Permit Limit	Source Test Result^	Cost-Effectiveness
С	6.0	08/12/2004	40	20.3	\$ 5,724,400
D	7.5	11/17/2000	40	34.7	\$ 155,100

- □Unit D was found to have an estimated usage of near 1 pound/day
- □Staff recommends to allow RECLAIM units with a permit limit below 30 ppm to meet rule limit at 15 years of age or burner replacement, whichever is earlier

^ NOx concentrations are corrected to 3% O₂ dry



TENTER FRAME, FABRIC OR CARPET DRYER

Unit	NOx Emission Limit	Compliance Date
RECLAIM Facilities		
Tenter Frame, Fabric or Carpet Dryer	20 ppm	January 1, 2024
Non-RECLAIM Facilities		
Tenter Frame, Fabric or Carpet Dryer	20 ppm	When burner is 15 years old or burner is replaced, whichever is sooner

☐ Units with permitted limit less than 30 ppm, meet limit when burner reaches 15 years or at burner replacement, whichever is sooner

Total NOx emission reductions (RECLAIM and non-RECLAIM): 0.09 TPD by 2024 and 0.12 TPD at final implementation

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UPDATED STATUS SUMMARY OF BARCT ASSESSMENT

Cost-Effectiveness Analysis

Equipment Category	Equipment Size	Operating Temperature	Current Rule Limit [^]	Initial BARCT Limit [^]	Cost- Effectiveness*	Proposed BARCT Limit
_	<40 MMBtu/hr	<1,200°F	30 ppm	20 ppm	\$12,700/Ton	20 ppm
Oven, Dehydrator, Dryer, Heater, Kiln,	<40 MINIDIU/III	≥1,200°F	60 ppm	30 ppm	\$5,600/Ton	30 ppm
Calciner, Cooker, Roaster, Furnace, or Heated Storage Tank	≥40 MMBtu/hr	<1,200°F	30 ppm	5 ppm	Per	ding
Ğ	240 MINIDIU/III	≥1,200°F	60 ppm	5 ppm	Per	ding
Afterburner, Degassing Unit, Remediation Unit, Thermal Oxidizer, Catalytic Oxidizer or Vapor Incinerator	All	All	60 ppm	20 ppm	\$12,300/Ton	20 ppm
Evaporator, Fryer, Heated Process Tank, and Parts Washer	All	All	60 ppm	30 ppm	\$31,300/Ton	60 ppm
Burn-off Furnace, Burnout Oven, Incinerator, Crematory with or without Integrated Afterburner	All	All	60 ppm	30 ppm	\$25,800/Ton	30 ppm
Tenter Frame, Fabric or Carpet Dryer	All	All	30 ppm	20 ppm	\$23,600/Ton	20 ppm
Other Unit and Process	All	<1,200°F	30 ppm	No Chango	Pon	dina
Temperature	All	≥1,200°F	60 ppm	No Change	Change Pend	lullig

^ NOx concentrations are corrected to 3% $\rm O_2$ dry * Cost-effectiveness for RECLAIM facilities to meet NOx limit by January 1, 2024

UPDATED STATUS SUMMARY OF BARCT ASSESSMENT (CONT'D)

Cost-Effectiveness Analysis

Equipment Category	Equipment Size	Operating Temperature	Current Rule Limit [^]	Initial BARCT Limit [^]	Cost- Effectiveness	Proposed BARCT Limit [^]
Absorption Chillers	All	All	30 ppm	20 ppm	Pen	ding
Micro-Turbines (Natural Gas)	All	All	N/A	9 ppm*	Pen	ding
Micro-Turbines (Diesel)	All	All	40 ppm	40 to 77 ppm*	Pen	ding
Auto-Claves	All	All	30 ppm	30 ppm	Pen	ding
All Liquid Fuel-	All	<1,200°F	40 ppm	40 ppm	Pen	ding
Fired Units	All	≥1,200°F	60 ppm	60 ppm	Pen	ding

 $^{\wedge}$ NOx concentrations are corrected to 3% O $_{2}$ dry

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NEXT STEPS

Conduct cost-effectiveness analysis for remaining categories

Continue to hold stakeholder meetings

Next Working Group Meeting – TBD

CONTACTS

General RECLAIM Questions	Proposed Amended Rules 1147 and 1100	Proposed Amended Rule 1147, 1100 and Proposed Rule 1147.1	Proposed Amended Rule 1147, 1100 and Proposed Rule 1147.2
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