



South Coast Air Quality Management District

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February 3, 2016

Richard Corey
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: SCAQMD RECLAIM Program

Dear Richard:

I am writing in response to your January 7, 2016 letter concerning the December 4, 2015 amendments to SCAQMD's RECLAIM program. We were surprised at a number of the specific issues raised in the letter. We believe that several of CARB staff's conclusions are incorrect and do not accurately reflect the public process for the referenced rulemaking.

First, the letter states "the amendments would result in an air quality management plan we cannot approve" and "will negatively affect the health of people living in the region because it falls short of what is needed to attain federal [and state] air quality standards". The latest approved AQMP called for 3-5 tons per day NO_x reduction from RECLAIM; whereas the adopted rule requires 12 tons/day reduction (i.e., 240% to 400% **greater** than the AQMP target that CARB and EPA approved). Also, some additional restrictions on the use of shutdown credits are scheduled to be considered by our Board at the earliest practicable date over the next several months. Moreover, for the 2016 AQMP, a specific control measure to further amend the program as additional controls are feasible and cost effective will be proposed. The recent and upcoming amendments will therefore improve air quality, better protect public health, and bring the region closer to attainment.

CARB staff is likewise incorrect regarding compliance with minimum emission control requirements in California law known as Best Available Retrofit Control Technology (BARCT) and defined in Health and Safety Code Section 40406. BARCT is an emission limitation based on the "maximum degree of reduction achievable" considering "environmental, energy and economic impacts". Our Governing Board carefully weighed these specific factors in arriving at its decision on the RECLAIM NO_x shave and schedule. A CARB legal opinion has opined that

BARCT can be met in the aggregate, including emission trading and the December 4th amendments certainly do just that.

The letter also noted that our Board “overruled” staff. As you well know, every policy board must consider all the information before it and render a decision that may agree or disagree with the recommendations of its staff. For example, industry consistently argued that a larger compliance margin was needed. In this case, after numerous comment letters, a nearly four-hour hearing, with 60 members of the public testifying, our Board approved over 90% of the RTC reduction ultimately recommended by staff by approving all but 1 ton per day of reductions and granting a little more time for implementation.

Our agency is just as acutely aware of the emission reductions needed to achieve clean air in Southern California as anyone and works hard each day to provide cleaner air to breathe. To date, the existing RECLAIM rules have reduced both NO_x and SO_x emissions by nearly 75% each. The December 4th amendments for NO_x will raise that control percentage to about 86% by 2022 for NO_x. These reductions are on top of decades of emission reductions prior to RECLAIM’s initial approval.

As you know, our region’s ozone and particulate air quality problems are principally due to mobile source emissions under CARB and USEPA jurisdiction. SCAQMD will continue to do its part in appropriately controlling stationary source emissions. Our Board, however, continues to request that CARB and USEPA adopt the mobile source requirements and provide the incentives needed to allow the region to attain federal air quality standards. We look forward to continuing discussions regarding the attainment strategy as part of the 2016 State Implementation Plan Amendment.

Finally, I agree with your suggestion that it would be productive for members from our respective Boards and executive staff to meet to discuss both stationary and mobile source strategies necessary to achieve health-based air quality standards. I will contact you to begin arrangements for such a meeting. We will also be submitting the December RECLAIM Amendments to your agency for inclusion in the SIP next week.

Sincerely,

A handwritten signature in black ink that reads "Barry R. Wallerstein". The signature is written in a cursive, flowing style.

Barry R. Wallerstein, D.Env.,
Executive Officer

BRW/drw