



## California Council for Environmental and Economic Balance

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Ms. Susan Nakamura

South Coast Air Quality Management District

21865 Copley Drive

Diamond Bar, CA 91765

Submitted electronically to [snakamura@aqmd.gov](mailto:snakamura@aqmd.gov)

RE: RECLAIM Transition Plan

Dear Susan,

Thank you for providing the opportunity for public comment on the South Coast Air Quality Management District's (District) Regional Clean Air Incentives Market (RECLAIM) Transition Plan Version 2.0 (Transition Plan). We are submitting these comments on behalf of the California Council for Environmental and Economic Balance (CCEEB) a nonpartisan, nonprofit coalition of business, labor, and public leaders that advances strategies for a healthy environment and sound economy. CCEEB represents many facilities that operate in the District and that are subject to the requirements of the RECLAIM and is an active stakeholder in the RECLAIM Sunset Working Group. We appreciate that the Transition Plan is a living document that is subject to revision as new information is obtained and new issues are identified and appreciate staff's tremendous efforts in continuing to identify and resolve the many complex issues the RECLAIM Transition presents. We look forward to continuing to work with the District to ensure a smooth and equitable transition.

CCEEB agrees with many of the basic principles the District has outlined in the document regarding the BARCT determination and rule development processes. CCEEB appreciates that staff has been working diligently to design and implement the RECLAIM transition. Of particular note is the process staff is undertaking to resolve the many complex new source review (NSR) issues. CCEEB will provide comments on the NSR issues as the program develops further. At this time, CCEEB provides the following specific comments on three areas raised in the Transition Plan: disparate impacts, the definition of BARCT, and incremental cost-effectiveness that we hope will help to improve the process.

First, the district notes on page 2-2 of the Transition Plan that because sources will not transition out of RECLAIM until amended and approved by U.S. EPA, "RECLAIM facilities will need to comply with provisions in command-and-control rule while in RECLAIM." This creates a disproportionate impact "on those stationary sources included in the program compared to other permitted stationary sources in the district's plan for attainment", contrary to the intent of California Health and Safety Code Section 39616 (c)(7). Non-RECLAIM

sources need only comply with the adopted command-and-control rules, while RECLAIM sources would need to comply both with the command-and-control rules and additional requirements and possible costs, such as complying with the RECLAIM annual allocations and RTC shaves. The simple solution to eliminating this disproportionate impact is to make the command-and-control requirements effective on RECLAIM sources upon approval by U.S. EPA. This would not prevent any source from voluntarily complying with impending requirements while still subject to RECLAIM.

Next, on pages 3-6 to 3-8 the District outlines its reasoning for attempting to redefine a long-standing statutory definition of BARCT to include equipment replacement as an option. CCEEB disagrees with this new interpretation. California Health and Safety Code Section 40406 was added in 1987 by the state legislature. It is not a District requirement or definition. Thus, the District must look to the intent of the legislature in adopting this provision. Since that time, the California Air Resources Board as well as every air district in the state including the South Coast Air Quality Management District has interpreted this provision to require retrofitting only. We are unaware of any application of the statute or interpretation to date that would support the District's reinterpretation. We disagree with the District's proposal to overturn a long-standing interpretation of BARCT as a means to require more stringent emissions limitations.

Finally, on page 3-1 the District iterates the statutory requirements of California Health and Safety Code Section 40920.6 mandating that the district identifies one or more potential control options, evaluate the cost-effectiveness of those control options and conduct an incremental cost-effectiveness analysis between those options. CCEEB believes that these steps are crucial and requests that the District identify and analyze these options earlier in the process to allow stakeholders the opportunity to review and comment on the options and incremental cost-effectiveness analysis before the rule is brought before the Governing Board.

Thank you for considering these comments. We look forward to continuing to work with you to develop a reasoned approach to a transition of facilities out of the RECLAIM Program while minimizing unnecessary and unintended impacts to RECLAIM facilities. Please feel free to contact me at (415) 512-7890 ext. 113 should you have any questions.

Thank you,



Frances Keeler  
CCEEB Vice President

Cc: Mr. Bill Quinn, CCEEB  
Mr. Wayne Nastro  
Ms. Sarah Rees