BOARD MEETING DATE: September 7, 2018

PROPOSAL: Set Public Hearing October 5, 2018 to Consider Adoption of and/or Amendments to SCAQMD Rules and Regulations

> Certify Final Subsequent Environmental Assessment and Amend Rule 2001 – Applicability and Rule 2002 – Allocations for Oxides of Nitrogen (NOx) and Oxides of Sulfur (SOx) On January 5, 2018, the Board adopted amendments to Rules 2001 and 2002 to initiate the transition of NOx RECLAIM to a command-and-control regulatory structure. To support ongoing efforts for transitioning RECLAIM facilities, PAR 2001 would add a provision to allow facilities to opt-out of RECLAIM if certain criteria are met. PAR 2002 would provide an option, for facilities that receive an initial determination notification, to stay in RECLAIM for a limited time while complying with applicable command-and-control requirements. PAR 2002 would also establish a provision that precludes any former RECLAIM facility from obtaining offsets from the SCAQMD internal bank. PAR 2002 also clarifies existing language and removes obsolete provisions, including requirements to report infinite year block (IYB) NOx RTC prices to the Board when the price falls below the minimum threshold. This action is to adopt the Resolution: 1) Certifying the Final Subsequent Environmental Assessment for Proposed Amended Rule 2001 – Applicability and Proposed Amended Rule 2002 – Allocations for Oxides of Nitrogen (NOx) and Oxides of Sulfur (SOx); and 2) Amending Rule 2001 – Applicability and Rule 2002 – Allocations for Oxides of Nitrogen (NOx) and Oxides of Sulfur (SOx). (Reviewed: Stationary Source Committee, July 20, 2018)

The complete text of the proposed amendments, staff report and other supporting documents will be available from the SCAQMD's Public Information Center, (909) 396-2001 and on the Internet (<u>www.aqmd.gov</u>) as of September 5, 2018.

RECOMMENDED ACTION: Set Public Hearing October 5, 2018 to amend Rules 2001 and 2002.

> Wayne Nastri Executive Officer