RECLAIM Working Group Meeting

June 23, 2004

BARCT Determinations, Cost Effectiveness, & Programmatic Reductions

Key Categories

- FCCUs
- Rule 1109 Boilers & Heaters
- Rule 1146 & 1146.1 Boilers

Rule 1109 Updates

- No new proposed BARCT for >40 to ≤110 mmbtu/hr
- Reasons:
  - Site visits
  - No vendor guarantee for ULNB <25 ppm for boilers and heaters using refinery gas
  - 25 ppm is current end factor
- SCR proposed for >110 mmbtu/hr only

Potential RTC Reductions, tpd

	Methodology	
	Allocation (1)	AQMP (2)
Current RTC Holdings	34.2	34.2
Estimated Emissions w/new BARCT	28.8	24.4
Potential 10% Adjustment	-----	2.4
Estimated Reductions w/o 10%	5.4	9.8
Estimated Reductions w/10%	-----	7.4 (3)
CY 2002 Emissions	30.0	30.0

(1) Peak Year and New BARCT
(2) 1997 Base Year x Growth x New BARCT
(3) Allowable RTCs = 26.8 tpd

Potential Exemptions from Reductions

- 1994 allocations = 2000 allocations and end factors for each equipment category ≤ new BARCT
- Trading restrictions unless same RTC reductions met
- Only applicable to original RTCs, not additional holdings acquired
- Minimal potential impact

Potential Exemptions from Reductions (Cont.)

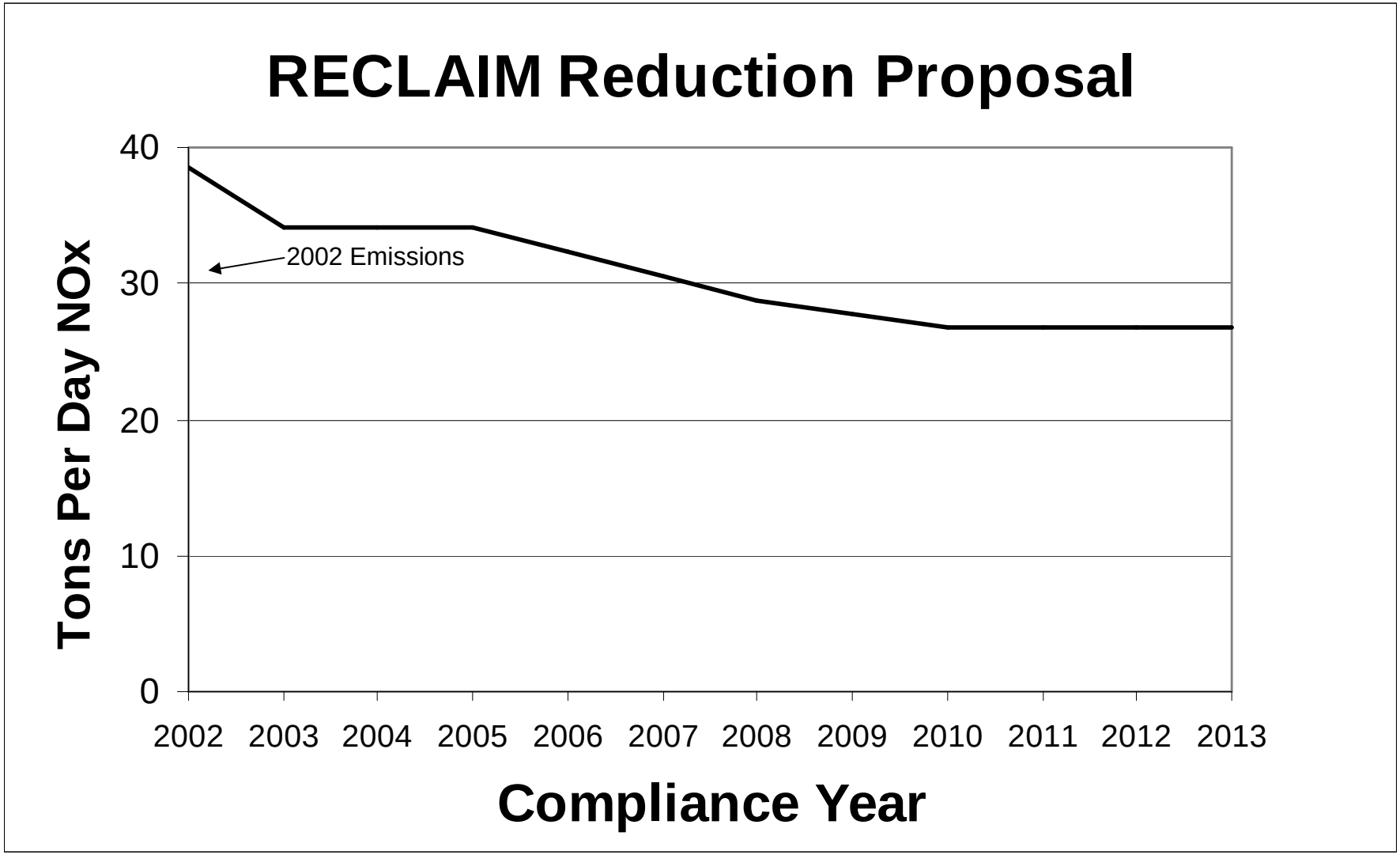
- Continue to assess other/additional criteria
- Seeking input

Market Analysis

- 3 contractors
- Analyze implications of reductions, considering:
  - unused RTCs & installation of controls
  - power plant reentry
- Seeking recommendations to:
  - minimize impacts
  - ensure market stability

Draft Staff Proposal

- 2-phase reductions
  - Phase I: 5.4 tpd BARCT reductions by 2008
  - Phase II: 2.0 tpd additional reductions by 2010


RECLAIM Reduction Proposal
Tons Per Day NOx
40
30
20
10
0
2002 Emissions
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
Compliance Year

Schedule

- Next Working Group meeting
  July 14, 2004 1:00 p.m.
  Conf. Rm. GB (tentative)
- Set Public Hearing August 6, 2004
- Public Hearing September 3, 2004