

RECLAIM Facility Emissions - Frequently Asked Questions

Introduction:

RECLAIM is a market trading program where participating facilities are required to meet targets for annual emission reductions of Nitrogen Oxides (NOx) and Sulfur Oxides (SOx). Some of the program's key features are discussed below:

1. **RTCs:** RECLAIM Trading Credits are a limited authorization to emit a fixed amount of NOx or SOx. RTCs are issued in one-pound denominations and have a term of one year. RTCs can only be used to reconcile with emissions during their term and cannot be carried over to the next year. An Allocation is the total number of RTCs a RECLAIM facility holds for a specific compliance year.
2. **RTCs Trading Market:** Sources can buy or sell RTCs on the open market. There is a financial incentive to reduce air pollution since facilities that surpass their reduction targets can sell their surplus credits on the open market. Likewise, facilities with high emission control costs can opt to finance lower emission controls at other facilities by purchasing future RTCs from these facilities that have surplus RTCs resulting from the installation of control equipment.
3. **Compliance:** At the end of the reconciliation period for each quarter, a RECLAIM facility must have sufficient RTCs in its Allocation account to offset emissions and any other requirements in Regulation XX - Regional Clean Air Air Incentives Market (RECLAIM).

How Facilities Operate In RECLAIM:

The RECLAIM program comprises two compliance year cycles. Facilities operating under the first compliance year cycle, otherwise known as Cycle 1 facilities, are required to measure and report emissions on a compliance year period from January 1 through December 31. Cycle 2 facilities must measure and report emissions on a compliance year period from July 1 through June 30 of the following year. At the start of the program each RECLAIM facility was given RTCs Allocation for each compliance year that are valid for the same compliance period for which the facility is designated. At the end of each quarterly reconciliation period, facilities are required by Rule 2004 - Requirements, to have at least as many RTCs in their Allocation account as the accumulated emissions from the start of the compliance year to the end of each quarter.

While the expiration date of the RTCs may coincide with the operating cycle for which facilities are assigned to under RECLAIM, facilities may still acquire and use RTCs from either cycle. For example, during the compliance year from January through December of 2004, a Cycle 1 facility may use RTCs expiring in December 2004 to offset emissions for the entire period. However, the same facility may purchase and use Cycle 2 facility RTCs expiring in June 2004 to offset emissions for the first six months from January through June of 2004. Similarly, the facility may also use RTCs expiring in June 2005 to offset emissions for the last six months of the compliance year, from July through December of 2004. Any unused RTCs expiring in June 2005 may be carried over to offset emissions that occur during the first six months of the following compliance year, from January through June of 2005.

How Facilities Report Their Emissions:

Following the end of each of the first three quarters, facilities are allowed a 30- day reconciliation period to purchase additional RTCs and to report emissions to the SCAQMD by submitting a Quarterly Certification of Emissions Report (QCER).

Sixty days following the end of the compliance year, facilities are required to submit an Annual Permit Emissions Program (APEP) report to certify emissions for the fourth quarter and also for the year. Corrections to any QCER are allowed any time before the end of the reconciliation period for the last quarter of the compliance year, provided that the emissions were inaccurately certified due to an error caused by conditions beyond the reasonable control of the Facility Permit holder. If the corrected emissions are found to be greater than the previously certified emissions and the correction is made pursuant to Rule 2004, facilities are allowed an additional 30 days from the date that the corrected emission certification is submitted to acquire any RTCs necessary to reconcile the additional emissions. However, this additional period may not extend beyond the end of the reconciliation period for the last quarter of the same compliance year.

How the SCAQMD Determines Whether Facilities Are Meeting Their Goals:

The SCAQMD maintains the RTC Listing, which is the official record showing the amount of RTCs held by facilities. The RTC Listing is maintained as a checking account to track RTC issuances, trades and uses.

Upon receiving the APEP report at the end of each compliance year, the SCAQMD deducts the certified emissions from the RTC Listing. The SCAQMD may also audit the emissions reported by the facility for accuracy. Upon completion of the audit, the RTC Listing is updated to reflect differences, if any, between the reported and audited emissions.

If a facility fails to reconcile its emissions, paragraph (b)(1) of SCAQMD Rule 2010 - Administrative Remedies and Sanctions, requires that the RTC holdings for the compliance year subsequent to the determination of the violation be reduced by the same amount the Allocation was exceeded. This deduction of the RTC holdings is also recorded in the RTC Listing.

This summary information is provided for your convenience. Please consult the applicable rule/regulation.

What the Data in the Table Means:

Emission reconciliation data for each facility are presented in table format for a continuous five-year period starting from 2004. A sample table is shown below to identify the data presented:

Quarter	Category	Compliance Year 2004 Jan 1, 2004 - Dec 31, 2004			Description
		RTCs (lbs) Expiring:			
		Jun- 2004	Dec- 2004	Jun- 2005	
	Deduction per Rule 2010(b)(1) prior to start of compliance year	0	892	0	Shows the deduction of RTCs valid for this compliance year made before the start of the compliance year due to emissions exceeding Allocation that occurred in prior year(s).
	Starting balance	0	9,816	0	The amount of RTCs the facility held at the beginning of the compliance year. This balance includes the deduction shown in the line above.
	RTC Information				
Quarter 1	Deduction per Rule 2010(b)(1) during this quarter	0	0	0	The amount of RTCs deducted during this quarter due to violation of Rule 2004 in the prior year. If the deduction was entered at any point during this quarter, the value would appear in this line as a positive number. If any value in this line is negative, it indicates prior RTC deductions are being credited back to the facility.
	Total available at end of reconciliation	0	3,756	0	The amount of RTCs in the Allocation account at the end of the reconciliation period for this quarter. This balance reflects all transactions that occurred up through the end of the reconciliation period. These transactions include any transfers of RTCs by the facility, and deductions and adjustments of Allocations made by the SCAQMD,

			if any.
Emissions Data			
QCER (postmark date)	3,665 (10/27/2003)		The emissions for this quarter as reported by the facility on the QCER. The postmark date of the report is enclosed in parentheses. The report is due at the end of the reconciliation period for the quarter. The emissions are certified by the facility and have not been audited by the SCAQMD. "Not Reported" is shown where no report has been received by the SCAQMD for this quarter.
QCER corrections (postmark date)	Not Reported		Corrections to certified emission reports as allowed pursuant to Rule 2004(c). The postmark date of the report is enclosed in parentheses.
APEP (postmark date)	3,665 (2/17/2005)		Facilities certified their annual emissions in an APEP Report. The emissions for Quarter 1 as reported by the facility on its APEP Report are listed here. The postmark date of the report is enclosed in parentheses. "Not Reported" is shown where no report has been received by the SCAQMD.
Audit (completion date)	3,701 (7/28/2005)		The SCAQMD conducts audits of facility records after the end of the reconciliation period to ascertain the accuracy of the emission reports submitted by the facility. The emissions for the quarter as determined by SCAQMD's audit of the facility records is shown here. The completion date of the audit is enclosed in parentheses. "Not Completed" is shown where the audit has not been completed.

How the Data Can be Viewed:

NOx emissions data are presented by individual facilities in Adobe pdf files. You may access the data as sorted by SCAQMD issued **facility ID number**, **facility name**, or the **city where the facility is located**. The entire set of data is also available in zipped format.

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