

NOx RECLAIM

Working Group Meeting

June 4, 2015

Shave Approaches Posted Online After 4/29/2015 Meeting

		Refinery	Non-Refinery
#1	Across the Board <i>Affects all facilities and investors</i>	56%	56%
#2	Weighted by BARCT Reduction Contribution <i>Affects all facilities and investors</i>	77%	35%
#3	Hybrid of #1 and #2: BARCT reductions applied to adjusted initial allocation; C&C equivalent adjustment across the board <i>Affects all facilities and investors</i>	68%	44%
#4	Shave applied to top 90% of emitter's RTC holdings <i>33 facilities, plus investors as 1 company 25 non-major refinery facilities</i>	76%	76%
#5	Shave applied to top 90% of RTC holders <i>63 facilities, plus investors as 1 company 55 non-major refinery facilities</i>	62%	62%

RTC Reductions

- RTC reductions = 14.85 tons per day
- Adjustment applied to account for issues raised by stakeholders regarding the BARCT analysis, specifically potential uncertainties of:
 - Control costs for refinery boilers and heaters
 - Reliability and consistency in maintaining controlled NO_x concentrations from coke calciner
- Proposed RTC reductions after adjustment = 14 tons per day

Proposed Implementation Schedule

- 2016: 4 tons per day
- 2018: 2 tons per day
- 2019: 2 tons per day
- 2020: 2 tons per day
- 2021: 2 tons per day
- 2022: 2 tons per day
- **Total: 14 tons per day**

Set-Aside Account

- Considering set-aside for NSR holding and limited power plant needs
- Total shave to be applied first, followed by set-aside
- Individual holding requirements for NSR would no longer be necessary
- Discrete year credits only
- Access at program review threshold price of \$15,000 per ton

Revised Staff Proposal and CEQA Alternatives

		Major Refineries/ Investors	Non-Major Refineries	Power Plants	Bottom 10% of RTC Holders
Staff Proposal Under Consideration					
Staff Proposal	Shave applied to 90% of RTC Holders (Weighted by BARCT Reduction Contribution) <i>57 total facilities, plus investors as 1 company, and includes 48 non-major refinery facilities</i>	67%	47%	47%	0% (218 Facilities)
CEQA Alternatives Under Consideration					
CEQA Alternative #1	Across the Board <i>Affects all facilities and investors</i>	53%	53%	53%	53%
CEQA Alternative #2	Most Stringent Approach <i>Across the Board without 10% Compliance Margin</i>	60%	60%	60%	60%
CEQA Alternative #3	Industry Approach <i>Across the Board: Difference between previous BARCT and new BARCT</i>	33%	33%	33%	33%
CEQA Alternative #4	No Project	0%	0%	0%	0%
CEQA Alternative #5	Weighted by BARCT Reduction Contribution <i>Affects all facilities and investors</i>	67%	36%	36%	36%
CEQA Alternative #6	Shave applied to 90% of RTC Holders (Weighted by BARCT Reduction Contribution) <i>57 total facilities, plus investors as 1 company, and includes 48 non-major refinery facilities.</i> ALSO INCLUDES ALL POWER PLANTS	67%	46%	46%	0% (225 Facilities)