

## **Attachment 1: Project description**

**Project Title:** Proposed Amended Rule (PAR) 1135 – Emissions of Oxides of Nitrogen from Electricity Generating Facilities

**Project Location:** PAR 1135 applies to electric generating units at electricity generating facilities located in the South Coast AQMD jurisdiction, which includes the four-county South Coast Air Basin (all of Orange County and the non-desert portions of Los Angeles, Riverside and San Bernardino counties), and the Riverside County portion of the Salton Sea Air Basin and the non-Palo Verde, Riverside County portion of the Mojave Desert Air Basin. However, only the electricity generating facility located on Santa Catalina Island within Los Angeles County, will be expected to undergo physical modifications to comply with PAR 1135 requirements.

**Description of Nature, Purpose, and Beneficiaries of Project:** PAR 1135 proposes revisions specific to electric generating units located on Santa Catalina Island which will: 1) remove the nitrogen oxides (NO<sub>x</sub>) emission limit of 50 tons per year (tpy) because the January 1, 2024 compliance date has passed; 2) delay the compliance dates of the NO<sub>x</sub> emission limits of: a) 45 tpy from January 1, 2025 to January 1, 2027, and b) 13 tpy from January 1, 2026 to January 1, 2030 (with a three-year extension option to meet 13 tpy by January 1, 2033) to allow for the installation of no more than three new diesel internal combustion engines with a cumulative rating of 5.5 megawatts (MW); 3) establish new 30 tpy and six tpy NO<sub>x</sub> emission limits with compliance dates of January 1, 2028 and January 1, 2035 respectively (with a three-year extension option to meet 6 tpy by January 1, 2038); 4) require the installation of Santa Catalina Island near zero emission (NZE) and/or zero emission (ZE) electric generating units by January 1, 2030 (with a three-year extension option to meet by January 1, 2033); 5) prohibit the installation of equipment after January 1, 2028 that does not meet the definition of a Santa Catalina Island NZE electric generating unit or a Santa Catalina Island ZE electric generating unit; 6) require all prime power diesel internal combustion engines installed prior to the Date of Adoption to be removed from service by January 1, 2030 or six month any applicable extensions; and 7) establish provisions for monitoring, reporting, and recordkeeping for NZE electric generating units. The Draft SEA concluded that significant and unavoidable adverse environmental impacts may occur for the topic of air quality during operation due to interim emission reductions foregone, interim exceedances of the PM<sub>2.5</sub> and PM<sub>10</sub> ambient air quality standards, and interim health risk impacts. However, upon full implementation, PAR 1135 would be expected to reduce NO<sub>x</sub> emissions by 65.3 tpy by January 1, 2038. No other significant adverse impacts were identified. Facilities subject to the proposed project may be identified on lists compiled by the California Department of Toxic Substances Control per Government Code Section 65962.5. However, implementation of PAR 1135 is not expected to alter the status of the facilities and other locations on the lists.

**Attachment 2: Areas of Controversy**

**Table 1**

**Areas of Controversy**

	<b>Area of Controversy</b>	<b>Topics Raised by the Public, Agencies, and/or Stakeholders</b>	<b>South Coast AQMD Evaluation</b>
1.	BARCT/BACT/LAER for Tier 4 Final diesel engines	Until a new analysis concludes otherwise, Tier 4 Final diesel engines remain BARCT, BACT, and LAER.	The rule development process determines BARCT, not BACT/LAER. The BARCT assessment in the Preliminary Draft Staff Report acknowledges the challenges and limitations of acquiring additional land but is not limited to the Pebbly Beach Generating Station (PBGS) footprint, and therefore incorporates, but is not limited to, the Tier 4 Final diesel engines. Further, BACT/LAER is determined by class and category of equipment and fuel availability on the island. The South Coast AQMD Engineering & Permitting Division will determine if Tier 4 Final diesel engines are BACT/LAER through the permit process.
2.	Delay prohibition on new diesel engines	Allowing Southern California Edison (SCE) to replace diesel engines with new Tier 4 Final diesel engines would reduce the facility's NOx emissions.	PAR 1135 contains a provision that intends to allow three new Tier 4 Final diesel internal combustion engines to be installed provided that a maximum cumulative rating of 5.5 MW is not exceeded. However, the required NOx reductions sought by PAR 1135, as well as the need to reduce DPM emissions, a toxic, will not be fully achieved solely with new Tier 4 Final diesel engines.
3.	Adjust implementation schedule	Timeline to start construction and operate new Tier 4 Final diesel engines needs to be adjusted to take into account permitting complexity, global supply chain issues, and facility construction constraints.	Staff extended the deadline to replace diesel internal combustion engines by four years from January 1, 2024 to January 1, 2028.

**Table 1 (concluded)**

**Areas of Controversy**

<b>Area of Controversy</b>	<b>Topics Raised by the Public, Agencies, and/or Stakeholders</b>	<b>South Coast AQMD Evaluation</b>
4.	Adjust mass emission limit	<p>NOx emission limit of 13 tpy is based on an unrealistic assumption that fossil fueled equipment can be completely replaced with ZE or NZE technology. SCE remains opposed to a facility mass emission limit because it disallows future load growth.</p> <p>The 13 tpy NOx emission limit was adopted in the November 2018 amendments to Rule 1135 and is not new to PAR 1135. Moreover, PAR 1135 contains a four-year extension of the compliance date (e.g., from January 1, 2026 to January 1, 2030) for the 13 tpy NOx emission limit. PAR 1135 also includes a final NOx limit of 6 tpy with a compliance date of January 1, 2035 and can be achieved through any combination of ZE/NZE technologies and Tier 4 Final diesel engines, so the cleaner the technology, the more opportunity there is for load growth and staying within the emission cap.</p>
5.	Prohibition on new diesel engines	<p>Prohibition deadline to install new diesel engines should not be revised.</p> <p>Due to limited available space both onsite at the PBGS facility and elsewhere on Santa Catalina Island for purchase or lease, fire code requirements regarding the storage, and dispensing of other non-diesel fuels, and only space for one barge to periodically deliver fuel to supply the engines, Tier 4 Final diesel engines are necessary to provide power on Santa Catalina Island. Tier 4 Final diesel engines emit fewer pollutants than the diesel engines currently operating at PBGS. PAR 1135 also contains interim and final NOx emission limits that are technologically feasible with any combination of technologies which cannot be achieved solely by Tier 4 Final diesel engines.</p>