

CHAPTER 1

RECLAIM UNIVERSE

Summary

When RECLAIM was adopted in October 1993, 394 facilities were identified as the initial “universe” of sources subject to the requirements of RECLAIM. Between program adoption and June 30, 2002, 92 facilities were included into the program, 66 were excluded from the program, and 90 facilities ceased operation. Thus, the RECLAIM universe consisted of 330 facilities on July 1, 2002. During Compliance Year 2002, seven facilities were included into the RECLAIM universe, one was excluded from the program, and four facilities shut down. These changes resulted in a net increase of two facilities in the universe, bringing the total number of facilities to 332 at the end of Compliance Year 2002. All of these changes occurred within the NOx universe only. There were no changes to the SOx universe.

Background

The RECLAIM program replaced the traditional “command-and-control” rules for a defined list of facilities participating in the program (the RECLAIM “universe”). The criteria for inclusion in the RECLAIM program are specified in Rule 2001 – Applicability. Facilities are generally subject to RECLAIM if they have NOx or SOx emissions greater than or equal to four tons in 1990 or any subsequent year, although certain facilities are categorically excluded from RECLAIM. The categorically excluded facilities include restaurants, police and fire fighting facilities, potable water delivery operations, and all facilities located in the Riverside County and Los Angeles County portions of the Mojave Desert Air Basin and the Salton Sea Air Basin. Furthermore, there are other categories of facilities that are not automatically subject to RECLAIM, but individual facilities in these categories have the option to enter the program at their discretion. These categories include ski resorts, prisons, hospitals, and publicly-owned municipal waste-to-energy facilities. An initial universe of 394 RECLAIM facilities was developed using these criteria based on 1990, 1991 and 1992 facility emissions data.

A facility that is not categorically excluded from the program may voluntarily join RECLAIM, regardless of its emission level. Additionally, a facility may be required to enter the RECLAIM universe if:

- It increases its emissions above the four-ton threshold; or
- It ceases to belong to an exempt category; or
- It is discovered by AQMD staff to meet the applicability requirements of RECLAIM, but was initially misclassified as not subject to RECLAIM.

The facilities in the RECLAIM universe were issued an annually declining allocation of emission credits (“RECLAIM Trading Credits” or “RTCs”) that

constitutes an annual emissions budget. RTCs may be bought or sold as the facilities deem appropriate.

RECLAIM facilities that permanently go out of business after January 1, 1994 (Cycle 1) or after July 1, 1994 (Cycle 2) are removed from the active emitting RECLAIM universe, but may retain their RTCs and participate in the trading market.

Universe Changes

The RECLAIM rules include several mechanisms to exclude facilities originally included in the universe and to add new facilities to the universe. The overall changes to the RECLAIM universe from the date of adoption through June 30, 2002 were: inclusion of 92 facilities (69 facilities were included and 23 facilities were created by partial change of operator of existing RECLAIM facilities), exclusion of 66 facilities, and 90 facility shutdowns. Thus, the net change in the RECLAIM universe during the first eight compliance years was a decrease from 394 to 330 facilities. During Compliance Year 2002, seven facilities were added to the RECLAIM universe. Among this group, four new facilities opted to join RECLAIM, two facilities were created by partial change of operator, and one facility was found to continue operations even though it previously reported to have shut down its operations. During the same time period, one facility was excluded from the RECLAIM program, and four facilities were shut down. These changes brought the total number of facilities in the RECLAIM universe to 332 facilities.

Table 1-1 summarizes the changes in the RECLAIM universe between the start of program and the end of Compliance Year 2002. The most current list of facilities in the RECLAIM universe as of June 30, 2003 is listed in Appendix A.

Table 1-1
RECLAIM Universe Changes

	NOx Facilities	SOx Facilities	Total Facilities
Start of Program	392	41	394
Inclusions—1994-2001	92	8	92
Exclusions—1994-2001	65	4	66
Shutdowns—1994-2001	89	9	90
End of Compliance Year 2001	330	36	330
Inclusions—2002	7	0	7
Exclusions—2002	1	0	1
Shutdowns—2002	4	0	4
End of Compliance Year 2002	332	36	332

Facility Inclusions and Exclusions

During Compliance Year 2002, four new facilities opted to join RECLAIM, two facilities were created from partial changes in operator, and one facility that previously reported to be shut down was found to have continued operations. A partial change of operator occurs when a new operator takes over the operation of a part of an existing facility. The two facilities co-exist at the same location. As a result, a new facility is created. A list of facilities included from the RECLAIM universe during Compliance Year 2002 is shown in Appendix B.

One facility that had been in RECLAIM since the onset of the program was found to be a potable water delivery operation and therefore was excluded pursuant to Rule 2001(i)(1)(H). This facility is now subject to Command and Control Regulations.

Facilities Permanently Ceasing Operations

Four RECLAIM facilities permanently ceased operations between January 1, 2002 and June 30, 2003. Shutdown facilities have the option to retain or sell their RTCs. None of these facilities cited RECLAIM as a contributing factor in their decision to cease operation. Appendix C lists the shutdown facilities and brief descriptions of the known reasons for closing down operations.

All of the affected facilities were NO_x facilities. These changes resulted in a net increase of two facilities in the RECLAIM Universe. Additionally, overall changes to the RECLAIM universe that occurred during Compliance Year 2002 for both NO_x and SO_x facilities are illustrated in Figure 1-1.

Figure 1-1
Universe Changes during Compliance Year 2002

