



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178

(909) 396-2000 • www.aqmd.gov

December 21, 2010

Stephen Caro
Plant Manager
Rhodia Inc., SCAQMD ID 114801
20720 S. Wilmington Ave.
Long Beach, CA 90810-1034

Adjustments to SOx RECLAIM Trading Credit (RTC) Holdings for Compliance Years 2013 and Beyond

Dear RECLAIM Trading Credit Holder:

On November 5, 2010, the Governing Board of the South Coast Air Quality Management District (AQMD) adopted amendments to its Regional Clean Air Incentives Market (RECLAIM) program that will result in cumulative reductions of 5.7 tons per day, or more than 51 percent reduction, of oxides of sulfur (SOx) from the total RECLAIM program by 2019. The changes are to be implemented in phases, which include total cumulative SOx reductions of: 3 tons per day by 2013, 4 tons per day between 2014 and 2016, 5 tons per day between 2017 and 2018, and an overall amount of 5.7 tons per day by 2019 and beyond.

Pursuant to the amended AQMD Rule 2002 (f)(1), your SOx RTC Holdings as of November 5, 2010 for Compliance Year 2013 and thereafter are adjusted by multiplying the amounts of your current RTC holdings by the following adjustment factors for the corresponding compliance years, to obtain tradable/usable and non-tradable/non-usable holdings:

<u>Compliance Year</u>	<u>Tradable/Usable RTC Adjustment Factor</u>	<u>Non-Tradable/Non-Usable RTC Adjustment Factor</u>
2013	0.7312	Not Applicable
2014	0.6416	Not Applicable
2015	0.6416	Not Applicable
2016	0.6416	Not Applicable
2017	0.5520	0.0896
2018	0.5520	0.0896
2019	0.4893	0.1523
All Years after 2019	0.4893	Not Applicable

On December 3, 2010, you were notified of the adjustments to be made pursuant to AQMD Rule 2002(f) retroactive back to November 5, 2010 and were provided with a summary table of your existing SOx RTC holdings, the adjustments, and the remaining balances. Non-Tradable/Non-Usable RTCs are issued to reflect the amount of RTC that are not to be traded nor used unless the AQMD Governing Board finds that the 12-month rolling average price for SOx RTC exceeds \$50,000 per ton and authorizes the conversion of these Non-Tradable/Non-Usable (either in part or in whole) to tradable and usable RTCs.

Your RTC holdings have been adjusted according to the methodology stated above. Your Facility Permit has been reissued to reflect the changes made to your SOx RTC balances.

The enclosed Facility Permit is also re-issued for Compliance Year 2011 (January 1, 2011 through December 31, 2011). The reissuance is an Administrative Permit Revision to your Title V Facility Permit and only includes Section B (RECLAIM Annual Emission Allocations) in accordance with Rule 2002(b)(4).

Please review the enclosed permit sections carefully, as they will be part of your official Facility Permit. The permit changes are stated below. Please note that the AQMD rules allow you to appeal the terms and conditions of any sections of the enclosed Facility Permit by petitioning the Hearing Board within thirty days of receipt of the permit.

You have recently been sent an invoice for the annual operating renewal fee for your facility permit. This must be paid on or before the due date indicated on the invoice or your facility permit will expire due to non-payment of fees.

A. Facility Permit

The enclosed sections of the Facility Permit contain changes described as follows:

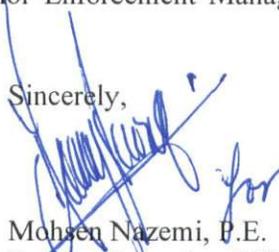
1. The revision number and dates of the Title Page and the Table of Contents have been updated to reflect the reissuance of the enclosed permit sections.
2. Section B – RECLAIM Annual Emission Allocation
Section B has been updated to reflect all approved RECLAIM Trading Credits transactions that have occurred during Compliance Year 2009 and the above mentioned adjustments to SOx RTCs. Please be aware that additional allocation changes may occur as a result of last year's audit.

B. Appeals

As previously mentioned, if you determine that certain changes or clarifications need to be made to any sections of the enclosed sections, you may appeal the terms and conditions by petitioning the Hearing Board within thirty days of receipt of the enclosed sections. If you determine there are administrative errors in these permit sections, please notify AQMD staff within thirty days of receipt of your permit sections. Your facility is still bound by the requirements of your entire Facility Permit while your appeal is under consideration by AQMD staff and/or Hearing Board.

If you have questions, please contact Mr. Danny Luong, Senior Enforcement Manager at (909) 396-2622 or dluong@aqmd.gov.

Sincerely,


Mohsen Nazemi, P.E.
Deputy Executive Officer
Engineering and Compliance

Attachments

Certified Return Receipt Mail

cc: Gerardo C. Rios, USEPA (via email to R9AirPermits_SC@epa.gov)
Brian Yeh



FACILITY PERMIT TO OPERATE

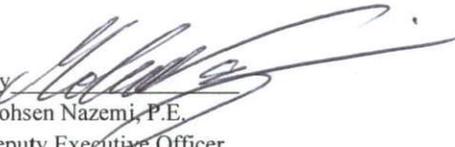
**RHODIA INC.
20720 S WILMINGTON AVE
CARSON, CA 90810**

NOTICE

IN ACCORDANCE WITH RULE 206, THIS PERMIT TO OPERATE OR A COPY THEREOF MUST BE KEPT AT THE LOCATION FOR WHICH IT IS ISSUED.

THIS PERMIT DOES NOT AUTHORIZE THE EMISSION OF AIR CONTAMINANTS IN EXCESS OF THOSE ALLOWED BY DIVISION 26 OF THE HEALTH AND SAFETY CODE OF THE STATE OF CALIFORNIA OR THE RULES OF THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT. THIS PERMIT SHALL NOT BE CONSTRUED AS PERMISSION TO VIOLATE EXISTING LAWS, ORDINANCES, REGULATIONS OR STATUTES OF ANY OTHER FEDERAL, STATE OR LOCAL GOVERNMENTAL AGENCIES.

Barry R. Wallerstein, D. Env.
EXECUTIVE OFFICER

By 
Mohsen Nazemi, P.E.
Deputy Executive Officer
Engineering & Compliance



FACILITY PERMIT TO OPERATE RHODIA INC.

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FACILITY PERMIT TO OPERATE RHODIA INC.

SECTION B: RECLAIM ANNUAL EMISSION ALLOCATION

The annual allocation of NO_x RECLAIM Trading Credits (RTCs) for this facility is calculated pursuant to Rule 2002. Total NO_x emission shall not exceed such annual allocations unless the operator obtains RTCs corresponding to the facility's increased emissions in compliance with Rules 2005 and 2007.

The level of Starting Allocation plus Non-Tradable Credits used to determine compliance with Rule 2005(c)(4) and applicability of Rule 2005(e) - Trading Zone Restrictions is listed on the last page of this Section.

The following table lists the annual allocations that were issued to this facility and the amounts of RTCs held by this facility on the day of printing this Section.

RECLAIM POLLUTANT ANNUAL ALLOCATION (POUNDS)

Year Begin End (month/year)	Zone	NO _x RTC Initially Allocated	NO _x RTC ¹ Holding as of 01/01/2011 (pounds)	Non-Tradable ² Non-Usable RTCs (pounds)
7/2008 6/2009	Coastal	0	0	324
1/2009 12/2009	Coastal	52336	2542	2982
7/2009 6/2010	Coastal	0	15948	648
1/2010 12/2010	Coastal	52336	44286	4473
7/2010 6/2011	Coastal	0	9624	972
1/2011 12/2011	Coastal	52336	42795	5964
7/2011 6/2012	Coastal	0	9300	1296
1/2012 12/2012	Coastal	52336	42795	5964
7/2012 6/2013	Coastal	0	9300	1296
1/2013 12/2013	Coastal	52336	42795	5964
7/2013 6/2014	Coastal	0	9300	1296
1/2014 12/2014	Coastal	52336	42795	5964
7/2014 6/2015	Coastal	0	9300	1296
1/2015 12/2015	Coastal	52336	42795	5964
7/2015 6/2016	Coastal	0	9300	1296
1/2016 12/2016	Coastal	52336	42795	5964
7/2016 6/2017	Coastal	0	9300	1296

Footnotes:

- This number may change due to pending trades, emissions reported under Quarterly Certification of Emissions Report (QCER) and Annual Permit Emission Program (APEP) Report required pursuant to Rule 2004, or deductions made pursuant to Rule 2010(b). The most recent total RTC information can be obtained from the District's RTC Listing.
- The use of such credits is subject to restrictions set forth in paragraph (f)(1) of Rule 2002.



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Year Begin End (month/year)	Zone	NO _x RTC Initially Allocated	NO _x RTC ¹	Non-Tradable ²
			Holding as of 01/01/2011 (pounds)	Non-Usable RTCs (pounds)
1/2017 12/2017	Coastal	52336	42795	5964
7/2017 6/2018	Coastal	0	9300	1296
1/2018 12/2018	Coastal	52336	42795	5964
7/2018 6/2019	Coastal	0	9300	1296
1/2019 12/2019	Coastal	52336	42795	5964
7/2019 6/2020	Coastal	0	9300	1296
1/2020 12/2020	Coastal	52336	42795	5964
7/2020 6/2021	Coastal	0	9300	1296
1/2021 12/2021	Coastal	52336	42795	5964
7/2021 6/2022	Coastal	0	9300	1296
1/2022 12/2022	Coastal	52336	42795	5964
7/2022 6/2023	Coastal	0	9300	1296
1/2023 12/2023	Coastal	52336	42795	5964
7/2023 6/2024	Coastal	0	9300	1296
1/2024 12/2024	Coastal	52336	42795	5964
7/2024 6/2025	Coastal	0	9300	1296
1/2025 12/2025	Coastal	52336	42795	5964

Footnotes:

1. This number may change due to pending trades, emissions reported under Quarterly Certification of Emissions Report (QCER) and Annual Permit Emission Program (APEP) Report required pursuant to Rule 2004, or deductions made pursuant to Rule 2010(b). The most recent total RTC information can be obtained from the District's RTC Listing.
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The following table lists the annual allocations that were issued to this facility and the amounts of RTCs held by this facility on the day of printing this Section.

RECLAIM POLLUTANT ANNUAL ALLOCATION (POUNDS)

Year Begin End (month/year)	Zone	NOx RTC Initially Allocated	NOx RTC ¹ Holding as of 01/01/2011 (pounds)	Non-Tradable ² Non-Usable RTCs (pounds)
7/2025 6/2026	Coastal	0	9300	1296
1/2026 12/2026	Coastal	52336	42795	5964

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The level of Starting Allocation plus Non-Tradable Credits used to determine compliance with Rule 2005(c)(4) and applicability of Rule 2005(e) - Trading Zone Restrictions is listed on the last page of this Section.

The following table lists the annual allocations that were issued to this facility and the amounts of RTCs held by this facility on the day of printing this Section.

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Year Begin End (month/year)	Zone	SO _x RTC Initially Allocated	SO _x RTC ¹ Holding as of 01/01/2011 (pounds)	Non-Tradable ² Credits (NTCs) (pounds)
7/2008 6/2009	Coastal	0	0	
1/2009 12/2009	Coastal	819911	179595	
7/2009 6/2010	Coastal	0	140000	
1/2010 12/2010	Coastal	819911	643911	
1/2011 12/2011	Coastal	819911	783911	
1/2012 12/2012	Coastal	819911	783911	
1/2013 12/2013	Coastal	819911	573196	
1/2014 12/2014	Coastal	819911	502957	
1/2015 12/2015	Coastal	819911	502957	
1/2016 12/2016	Coastal	819911	502957	
1/2017 12/2017	Coastal	819911	432719	70238
1/2018 12/2018	Coastal	819911	432719	70238
1/2019 12/2019	Coastal	819911	383568	119390
1/2020 12/2020	Coastal	819911	383568	
1/2021 12/2021	Coastal	819911	383568	
1/2022 12/2022	Coastal	819911	383568	
1/2023 12/2023	Coastal	819911	383568	

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			Holding as of 01/01/2011 (pounds)	Credits (NTCs) (pounds)
1/2024 12/2024	Coastal	819911	383568	
1/2025 12/2025	Coastal	819911	383568	
1/2026 12/2026	Coastal	819911	383568	

Footnotes:

1. This number may change due to pending trades, emissions reported under Quarterly Certification of Emissions Report (QCER) and Annual Permit Emission Program (APEP) Report required pursuant to Rule 2004, or deductions made pursuant to Rule 2010(b). The most recent total RTC information can be obtained from the District's RTC Listing.
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SECTION B: RECLAIM ANNUAL EMISSION ALLOCATION

The annual allocation of RECLAIM Trading Credits (RTCs) for this facility is calculated pursuant to Rule 2002. If the facility submits a permit application to increase in an annual allocation to a level greater than the facility's starting Allocation plus Non-Tradable credits as listed below, the application will be evaluated for compliance with Rule 2005 (c)(4). Rule 2005 (e) - Trading Zone Restrictions applies if an annual allocation is increased to a level greater than the facility's Starting Allocation plus Non-Tradable Credits:

Year			NOx RTC	
Begin	End	Zone	Starting Allocation	Non-Tradable
(month/year)			(pounds)	Credits(NTC)
				(pounds)
1/1994	12/1994	Coastal	72890	0



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Year		Zone	SOx RTC	Non-Tradable
Begin	End		Starting Allocation	Credits(NTC)
(month/year)			(pounds)	(pounds)
1/1994	12/1994	Coastal	1026471	223619



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AQMD

