South Coast
Air Quality Management District
21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 · www.aqmd.gov

July 2, 2013

Mr. Tim Gray
Facility Manager
Sempra Energy (The Gas Co.) [ID# 14926]
8101 S. Rosemead Blvd., SC723D
Pico Rivera, CA 90660

Dear Mr. Gray:

SUBJECT: RECLAIM Facility Permit

Please find enclosed a revised Title Page, Table of Content, and Section B of your RECLAIM Facility Permit for your facility located at 1801 S. Atlantic Blvd., Monterey Park, CA 91754. The revised Section B reflects the deductions made to your NOx Allocations based on a self-reported NOx Allocation exceedance for Compliance Year 2012. This deduction was previously explained to you in our May 10, 2013 letter (copy enclosed).

Please review the enclosed pages carefully, insert them into your Facility Permit, and discard the earlier versions of these pages. If you have any questions concerning the changes to your permit, please call Mr. Don Nguyen in the RECLAIM Administration Team at (909) 396-2352.

Very truly yours,

Andrew Y. Lee, P.E.
Sr. Air Quality Engineering Manager
Energy/Public Services/Waste Mgmt/Terminals

AL:JY:DN

Enclosures

cc: Gerardo Rios, EPA Region IX (R9Airpermits_sc@epa.gov)
RECLAIM Administration Team

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
21865 Copley Drive, Diamond Bar, CA 91765

Title Page	
Facility ID:	014926
Revision #:	30
Date:	July 02, 2013

FACILITY PERMIT TO OPERATE

SEMPRA ENERGY (THE GAS CO)
1801 S ATLANTIC BLVD
MONTEREY PARK, CA 91754

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

FACILITY PERMIT TO OPERATE
SEMPRA ENERGY (THE GAS CO)

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FACILITY PERMIT TO OPERATE
SEMPRA ENERGY (THE GAS CO)

SECTION B: RECLAIM ANNUAL EMISSION ALLOCATION

The annual allocation of NOx RECLAIM Trading Credits (RTCs) for this facility is calculated pursuant to Rule 2002. Total NOx 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 (month/year)	End	Zone	NOx RTC Initially Allocated	NOx RTC [1] Holding as of 07/02/2013 (pounds)	Non-Tradable [2] Non-Usable RTCs (pounds)
7/2011	6/2012	Coastal	0	1500	0
1/2011	12/2011	Inland	7522	282	812
1/2012	12/2012	Inland	7522	215	812
1/2013	12/2013	Inland	7522	18188	812
1/2014	12/2014	Inland	7522	4533	812
1/2015	12/2015	Inland	7522	5830	812
1/2016	12/2016	Inland	7522	5830	812
1/2017	12/2017	Inland	7522	5830	812
1/2018	12/2018	Inland	7522	5830	812
1/2019	12/2019	Inland	7522	5830	812
1/2020	12/2020	Inland	7522	5830	812
1/2021	12/2021	Inland	7522	5830	812
1/2022	12/2022	Inland	7522	5830	812
1/2023	12/2023	Inland	7522	5830	812
1/2024	12/2024	Inland	7522	5830	812
1/2025	12/2025	Inland	7522	5830	812
1/2026	12/2026	Inland	7522	5830	812

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.

2. The use of such credits is subject to restrictions set forth in paragraph (f)(1) of Rule 2002.

FACILITY PERMIT TO OPERATE
SEMPRA ENERGY (THE GAS CO)

SECTION B: RECLAIM ANNUAL EMISSION ALLOCATION

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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 (month/year)	Year End (month/year)	Zone	NOx RTC Initially Allocated	NOx RTC [1] Holding as of 07/02/2013 (pounds)	Non-Tradable [2] Non-Usable RTCs (pounds)
1/2027	12/2027	Inland	7522	5830	812
1/2028	12/2028	Inland	7522	5830	812

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.

2. The use of such credits is subject to restrictions set forth in paragraph (f)(1) of Rule 2002.

FACILITY PERMIT TO OPERATE
SEMPRA ENERGY (THE GAS CO)

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 Begin (month/year)	Year End (month/year)	Zone	NOx RTC Starting Allocation (pounds)	Non-Tradable Credits(NTC) (pounds)
1/1994	12/1994	Inland	95536	0

South Coast
Air Quality Management District
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May 10, 2013

Mr. Tim Gray
Sempra Energy (The Gas Co) (Facility ID #14926)
8101 S. Rosemead Bl
Pico Rivera, CA 90660

Dear Mr. Gray:

The South Coast Air Quality Management District (AQMD) adopted the RECLAIM program on October 15, 1993 to provide industry clear emission reduction goals without prescribing the method to achieve these goals. One of the requirements of RECLAIM is that participating facilities monitor and report their RECLAIM emissions on an ongoing basis and quarterly reconcile their year-to-date emissions with RECLAIM Trading Credits (RTCs).

Based on your facility's certified emissions reports submitted for the Compliance Year 2012, the NOx emissions from your facility for the period January 1, 2012 through December 31, 2012 exceeded your Allocation as follows:

Quarter	Year-to-Date NOx Emissions (lbs)	Available NOx RTCs (lbs) as of the end of the Quarterly Reconciliation Period			Exceed/ Comply	Amount Exceeded By Quarter (lbs)
		NOx RTCs exp. Jun-12	NOx RTCs exp. Dec-12	NOx RTCs exp. Jun-13		
First (1/12 – 3/12)	322	0	1,230	(0) Not Available For This Quarter	Comply	None
Second (4/12 – 6/12)	1,628	0	1,230	(0) Not Available For This Quarter	Exceed	398
Third (7/12 – 9/12)	2,527	Bal = 1,500 Used = 0	1,230	0	Exceed	899
Last (10/12 – 12/12)	3,312	Bal = 1,500 Used = 0	2,230	0	Exceed	0

The reason for the exceedance was that your facility did not acquire sufficient RTCs to reconcile with your reported emissions. As a result, your facility is in violation of Rule 2004(b)(1) and Rule 2004(b)(4), which require a facility to have acquired and have credited to the facility sufficient RTCs to reconcile its quarterly emissions, in the second and third quarters, as well as Rule 2004(d)(1), which prohibits a facility's emissions from exceeding its annual Allocations from the beginning of a compliance year through the end of any quarter, in the second, third, and last quarters. A Notice of Violation is enclosed.

Rule 2010(b)(1)(A) requires the exceedance amount to be deducted from the facility's Allocation for the compliance year subsequent to determination of Rule 2004(d)(1) violation. Therefore, the above total exceedance amount of 1,297 pounds is hereby deducted from your facility's Compliance Year 2014 NOx

Allocation (Inland RTCs with expiration date of December 31, 2014). The deducted amounts should be taken into account when you reconcile your emissions with your Allocation for the 2014 compliance year. Alternatively, if you wish to offset this Compliance Year 2012 exceedance with unexpired RTCs with an earlier expiration date (e.g., expiring June 30, 2014), a written request must be sent to RECLAIM Administration.

The above exceedance amount of 1,297 pounds is based solely on your facility's certified emissions reports. Once an audit of your facility's records for the subject Compliance Year is completed, AQMD may determine that your facility's emissions are different than you reported, and as a result, may make any changes in the exceedance amount and debit/credit your Allocation account accordingly.

If you have any questions on this matter, please contact Mr. Mitch Haimov at (909) 396-3129.

Sincerely,

Danny Luong, P.E.
Senior Enforcement Manager
RECLAIM Administration
Engineering & Compliance

DL:MH:DN:JL

Enclosure
Certified Mail Return Receipt Requested
Cc: Ed Pupka
Rafael Reynosa