



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4182
(909) 396-2000 • www.aqmd.gov

SUBJECT: NOTICE OF EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

PROJECT TITLE: PROPOSED AMENDED REGULATION XX – REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

Pursuant to the California Environmental Quality Act (CEQA) Guidelines, the South Coast Air Quality Management District (SCAQMD) is the Lead Agency and has prepared a Notice of Exemption for the project identified above.

The SCAQMD has reviewed the proposed project pursuant to CEQA Guidelines §15002 (k)(1), the first step of a three-step process for deciding which document to prepare for a project subject to CEQA. Since it can be seen with certainty that the proposed project has no potential to adversely impact air quality or any other environmental area, it is exempt from CEQA pursuant to CEQA Guidelines §15061(b)(3) - Review for Exemption (General Rule Exemption).

A Notice of Exemption has been prepared pursuant to CEQA Guidelines §15062 - Notice of Exemption. The Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside and San Bernardino counties immediately following the adoption of the proposed project.

Any questions regarding this Notice of Exemption should be sent to Barbara Radlein (c/o Planning, Rule Development and Area Sources) at the above address. Ms. Radlein can also be reached at (909) 396-2716. Ms. Jill Whynot is also available at (909) 396-3104 to answer any questions regarding the proposed amendments.

Date: March 6, 2007

Signature: Steve Smith

Steve Smith, Ph.D.
Program Supervisor
Planning, Rule Development & Area Sources

Reference: California Code of Regulations, Title 14

NOTICE OF EXEMPTION

To: County Clerks
Counties of Los Angeles, Orange,
Riverside and San Bernardino

From: South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Project Title:

Proposed Amended Regulation XX – Regional Clean Air Incentives Market (RECLAIM): Rule 2004 – Requirements; Rule 2007 – Trading Requirements; and Rule 2010 – Administrative Remedies and Sanctions

Project Location:

South Coast Air Quality Management District: the four-county South Coast Air Basin (Orange County and the non-desert portions of Los Angeles, Riverside, and San Bernardino counties) and the Riverside County portions of the Salton Sea Air Basin and Mojave Desert Air Basin.

Description of Nature, Purpose, and Beneficiaries of Project:

The proposed amendments to Regulation XX – Regional Clean Air Incentives Market (RECLAIM) are administrative in nature and focus on the following rules: Rule 2004 – Requirements; Rule 2007 – Trading Requirements; and Rule 2010 – Administrative Remedies and Sanctions. Amendments are proposed to Rule 2004 to provide an exemption from submitting Quarterly Certification Emission Reports for facilities that do not have any NOx or SOx emitting equipment located on site. Amendments are proposed for Rule 2007 to clarify trading requirements for foreign entities who are not residing or licensed to conduct business in California, and to clarify reporting requirements for parties entering into a forward contract or a contingent right contract. Amendments are proposed for Rule 2010 to specify liability for allocation violations when changes of ownership occur. Other minor administrative changes are proposed to improve the clarity of these rules.

Public Agency Approving Project:

South Coast Air Quality Management District

Agency Carrying Out Project:

South Coast Air Quality Management District

Exempt Status:

Three-Step Process: CEQA Guidelines §15002(k)(1)

General Rule Exemption: CEQA Guidelines §15061(b)(3)

Reasons why project is exempt:

The project was reviewed and determined to have no potential to generate significant adverse impacts on the environment. Therefore, the SCAQMD has determined that the proposal is exempt from CEQA pursuant to CEQA Guidelines §15061(b)(3) - Review for Exemption, since it can be seen with certainty that there is no possibility that the proposed project in question has the potential to have a significant adverse effect on the environment.

Certification Date:

SCAQMD Governing Board Hearing: April 6, 2007, 9:00 a.m.; SCAQMD Headquarters

CEQA Contact Person: *Ms. Barbara Radlein*

Phone Number: *(909) 396-2716*

Rule Contact Person: *Ms. Jill Whynot*

Phone Number: *(909) 396-3104*

Date Received for Filing: _____

Signature: _____

(Signed Upon Certification)

*Steve Smith, Ph.D., Program Supervisor
Planning, Rule Development & Area
Sources*