

NOTICE OF DECISION

To: Office of the Secretary for Resources
Attn: General Counsel's Office
1416 9th Street, Suite 1311
Sacramento, CA 95814

From: SCAQMD
Office of Planning and Rules
21865 Copley Drive
Diamond Bar, CA 91765

Subject: FILING OF NOTICE OF DECISION IN COMPLIANCE WITH §21080.5 OF THE PUBLIC RESOURCES CODE

Project Title: Addendum to the December 2015 Final Program Environmental Assessment for Proposed Amended Regulation XX – Regional Clean Air Incentives Market (RECLAIM)

SCH Number: 2014121018

Date Certified: October 7, 2016

SCAQMD Number: 12052014BAR

Contact Person: Barbara Radlein

Telephone Number: (909) 396-2716

Project Location: The proposed project will affect facilities located within the SCAQMD's boundary. South Coast Air Quality Management District area of jurisdiction: South Coast Air Basin (all of Orange County and the nondesert 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

Project Description: SCAQMD staff is proposing amendments to Rule 2002 - Allocations for Oxides of Nitrogen (NOx) and Oxides of Sulfur (SOx), which is one rule within Regulation XX – RECLAIM, to address the treatment of RECLAIM Trading Credits (RTCs) upon NOx RECLAIM facility shutdowns. The objective is to prevent NOx RTCs associated with a shutdown facility from the largest RECLAIM facilities from entering the market and potentially delaying the installation of pollution controls at other RECLAIM facilities. Specifically, the proposed amendments establish the criteria for determining a facility shutdown and the methodology to calculate the amount of NOx RTCs by which that facility's future holdings will be reduced. The proposed amendments also include exclusions from these provisions for facilities under the same ownership and for facilities with approved Planned Non-Operational status for up to five years. A facility may request Planned Non-Operational status if it experiences a temporary substantial drop in its NOx emissions and meets specific criteria. The proposed shutdown provisions would apply to facilities listed in Table 7 and Table 8 of Rule 2002 that have an initial allocation and that shut down entirely. Table 7 and Table 8 facilities in the RECLAIM program are those among the top 90 percent of RTC holders that are subject to the RTC holding reductions adopted for the December 4, 2015 amendments to Regulation XX - NOx RECLAIM.

This is to advise that the South Coast Air Quality Management District has approved the above described project and has made the following determinations regarding the above described project:

1. The project will not have a significant impact on the environment.
2. An Addendum to the December 2015 Final Program Environmental Assessment (PEA) was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures were not made a condition of the approval of this project.
4. A mitigation monitoring program, prepared pursuant to Public Resource Code §21081.6 and CEQA Guidelines §15097, was not adopted for this project.
5. Findings and a Statement of Overriding Considerations were not adopted for this project.

The Addendum to the December 2015 Final PEA, supporting documentation, and record of project approval may be examined at: SCAQMD, 21865 Copley Drive, Diamond Bar, CA 91765.

Date Received for Filing

Signature: _____

Barbara Radlein
Program Supervisor, CEQA
Planning, Rule Development, and Area Sources