

## NOTICE OF DECISION

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

**From:** SCAQMD  
Planning, Rule Development & Area Sources  
21865 Copley Drive  
Diamond Bar, CA 91765

**Subject:** Filing of Notice of Decision in compliance with Public Resources Code Section 21080.5(d)(2)(E), CEQA Guidelines Sections 15252(b) and 15094(b), and SCAQMD Rule 110(f)

**Project Title:** Final Subsequent Environmental Assessment (SEA) for Proposed Amended Rules 1146 – Emissions of Oxides of Nitrogen from Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters; 1146.1 – Emissions of Oxides of Nitrogen from Small Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters; 1146.2 – Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers and Process Heaters; and Proposed Rule 1100 – Implementation Schedule for NOx Facilities

**Lead Agency:** South Coast Air Quality Management District (SCAQMD)

**SCH Number:** 2018091051

**Date Certified:** December 7, 2018

**SCAQMD Number:**

04022018DT/200811127/070108BAR/032206BAR

**Contact Person:** Diana Thai

**Telephone Number:** (909) 396-3443

**Project Location:** The project will affect facilities subject to Rules 1146, 1146.1, and 1146.2 located within the SCAQMD's jurisdiction, which encompasses all of Orange County, the urban portions of Los Angeles and San Bernardino counties southwest of the San Bernardino and San Gabriel mountains, and nearly all of Riverside County, with the exception of communities near the state border.

**Project Description:** SCAQMD staff amended Rules 1146, 1146.1, and 1146.2 to reduce oxides of nitrogen (NOx) emissions from facilities with boilers, steam generators, water heaters, and process heaters rated with a heat capacity greater than two million British thermal units (Btu) per hour. The December 7, 2018 amendments to Rules 1146, 1146.1, and 1146.2: 1) expanded the applicability to include units at NOx Regional Clean Air Incentives Market (RECLAIM) facilities; 2) required RECLAIM facilities to submit a permit application for each unit that does not currently meet the NOx concentration limits in Rules 1146 and 1146.1; 3) extended the compliance date for RECLAIM facilities replacing Rule 1146 or 1146.1 units and require a permit application submittal for unit(s) being replaced; 4) required RECLAIM facilities with Rule 1146.2 units to meet applicable NOx emission limits by December 31, 2023, unless a more stringent Best Available Retrofit Control Technology (BARCT) limit is subsequently adopted; 5) limited ammonia emissions on new or modified units with applicable air pollution control equipment and require quarterly ammonia source testing (if four consecutive quarterly source tests demonstrate compliance, an annual source test may be conducted); 6) required certain units at non-RECLAIM facilities to meet new NOx emission limits according to the compliance schedules specified in Rules 1146 and 1146.1; and 7) allowed units at municipal sanitation service facilities to maintain existing NOx emission limits until a SCAQMD Regulation XI – Source Specific Standards rule is adopted or amended. Rule 1100 is an administrative rule which establishes the compliance schedule

for RECLAIM facilities with Rule 1146 and/or 1146.1 units. Implementation of the proposed project is estimated to reduce NOx emissions by 0.20 ton per day by January 1, 2021 and 0.27 ton per day by January 1, 2023. Although the reduction of NOx emissions are expected to create an environmental benefit and protect public health, the activities that the affected facilities may undertake to comply with the applicable NOx concentration limits (e.g., installing selective catalytic reduction (SCR) systems for air pollution control purposes) may also create potentially significant adverse environmental impacts for the topic of hazards and hazardous materials due to the storage and use of aqueous ammonia needed to operated SCR systems. As such, mitigation measures were crafted to reduce these potentially significant adverse hazards and hazardous materials impacts; however, they could not be mitigated to a level of less than significance. No other environmental topic areas were identified as having potentially significant adverse environmental impacts.

Thus, Findings, a Statement of Overriding Considerations, and a Mitigation, Monitoring, and Reporting Plan were adopted for this project. This is to advise that the SCAQMD has certified the Final SEA and approved the above described project, and has made the following determinations:

1. The Final SEA was prepared pursuant to SCAQMD's Certified Regulatory Program.
2. The Final SEA concluded that the project will have a significant effect on the environment for the topic of hazards and hazardous materials due to the storage and use of aqueous ammonia.
3. Because the Final SEA concluded that the project will have a significant adverse impact on the environmental topic of hazards and hazardous materials, mitigation measures were included and were made a condition of approval of the project. A Mitigation, Monitoring, and Reporting Plan, pursuant to Public Resources Code Section 21081.6 and CEQA Guidelines Section 15097, was required and adopted for this project. However, no feasible mitigation measures were identified that would reduce the hazards and hazardous materials impacts to a level of less than significant and still achieve the project's goals and objectives.
4. Thus, Findings pursuant to CEQA Guidelines Section 15091 and a Statement of Overriding Considerations pursuant to CEQA Guidelines Section 15093 were required and adopted for this project.

The Final SEA, supporting documentation, and record of project approval may be examined at: SCAQMD, 21865 Copley Drive, Diamond Bar, CA 91765.

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Date Received for Filing

Signature: \_\_\_\_\_  
Barbara Radlein  
Program Supervisor, CEQA  
Planning, Rule Development, and Area Sources