



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 (CEQA)

PROJECT TITLE: PROPOSED AMENDED RULE 1302 – DEFINITIONS; AND, PROPOSED AMENDED RULE 1325 – FEDERAL PM2.5 NEW SOURCE REVIEW PROGRAM

Pursuant to 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 proposed amendments to Rule 1302 will: 1) revise the definition of the term Allocation to remove incorrect references to Emission Reduction Credits; and, 2) revise the definition of the term Major Polluting Facility to lower the SO_x potential to emit thresholds for facilities located in the South Coast Air Basin and Riverside County portion of the Salton Sea Air Basin from 100 tons per year (tons/year) to 70 tons/year, for consistency with the serious non-attainment classification for PM because SO_x is a precursor to PM formation. The proposed amendments to 1325 will: 1) revise the definition of the term Major Polluting Facility by clarifying that the Major Source threshold of 100 tons/year for PM_{2.5} and PM_{2.5} precursors will remain in effect until August 14, 2017 or until the effective date of U.S. EPA's approval of these amendments to Rule 1325, whichever is later; 2) add a new Major Source threshold of 70 tons/year for PM_{2.5} and PM_{2.5} precursors to go into effect after August 14, 2017 or upon the effective date of U.S. EPA's approval of these amendments to Rule 1325, whichever is later; 3) expand the definition of the term Precursors to include VOC and ammonia because these pollutants are precursors to PM_{2.5} formation, to go into effect after August 14, 2017 or upon the effective date of U.S. EPA's approval of these amendments to Rule 1325, whichever is later; 4) revise the definition of the term Significant to establish new thresholds for VOC and ammonia at 40 tons/year each; 5) revise subdivision (f) - Two Year Limit on Facility Exemption, to be consistent with the proposed revisions to the definition of Major Source threshold; and, 6) add new subdivision (j) – Offset Exemption for Regulatory Compliance, to allow an exemption from the requirement to provide offsets under limited circumstances. Other minor changes are proposed to improve clarity and provide consistency throughout the rules.

SCAQMD staff has reviewed the proposed project pursuant to: 1) CEQA Guidelines §15002 (k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and, 2) CEQA Guidelines §15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. The proposed Rule 1302 amendments to the definition of allocation are administrative in nature and will not cause any significant impacts. The proposed change in the SO_x threshold from 100 tons/year to 70 tons/year is already federally enforceable because the U.S. EPA never approved the previous rule amendment raising the threshold to 100 tons/year into the State Implementation Plan (SIP). Moreover, it is unlikely that any new SO_x sources will exceed this threshold especially since most SO_x sources of 4 tons/year

or more must enter the Regional Clean Air Incentives Market (RECLAIM) and provide offsets through RECLAIM Trading Credits (RTCs) in accordance with SCAQMD's Regulation XX. The proposed Rule 1325 amendments are federally required due to the change to a serious non-attainment status and will only take effect when the federal requirement takes effect, and therefore will not change the then existing requirements. Also, because providing an offset exemption for regulatory compliance in Rule 1325 would be restricted to sources that are required to comply with a SCAQMD, state or federal regulation or order and would not have an increase in the source's maximum rating, no change in emissions from these sources are expected. Finally, staff does not project any new or modified sources exceeding the 70 tons/year PM2.5 and PM2.5 precursors threshold, so there will be no environmental impact from the proposed amendments to Rule 1325 and any potential affected source would likely take a 70 tons/year cap. Therefore, the SCAQMD has determined that it can be seen with certainty that there is no possibility that the adoption of the proposed amendments to Rules 1302 and 1325 may have a significant adverse effect on the environment. Thus, the project is considered to be exempt from CEQA pursuant to CEQA Guidelines §15061 (b)(3) – Activities Covered by General Rule. Furthermore, the proposed project is categorically exempt from CEQA because the proposed amendments, if implemented, are considered actions to protect or enhance the environment pursuant to CEQA Guidelines §15308 – Actions by Regulatory Agencies for Protection of the Environment.

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

Any questions regarding this Notice of Exemption should be sent to Cynthia Carter (c/o PRDAS/CEQA) at the above address. Ms. Carter can also be reached at (909) 396-2431.

Date: October 26, 2016

Signature: _____



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

NOTICE OF EXEMPTION

To: County Clerks of Los Angeles, Orange, Riverside, San Bernardino	From: South Coast Air Quality Management District 21865 Copley Drive Diamond Bar, CA 91765
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Project Title:

Proposed Amended Rule 1302 – Definitions; and, Proposed Amended Rule 1325 – Federal PM2.5 New Source Review Program

Project Location:

Implementation of the proposed project will affect facilities located within the SCAQMD’s boundary. The SCAQMD has jurisdiction over 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.

Description of Nature, Purpose, and Beneficiaries of Project:

The proposed amendments to Rule 1302 will: 1) revise the definition of the term Allocation to remove incorrect references to Emission Reduction Credits; and, 2) revise the definition of the term Major Polluting Facility to lower the SOx potential to emit thresholds for facilities located in the South Coast Air Basin and Riverside County portion of the Salton Sea Air Basin from 100 tons per year (tons/year) to 70 tons/year, for consistency with the serious non-attainment classification for PM because SOx is a precursor to PM formation. The proposed amendments to 1325 will: 1) revise the definition of the term Major Polluting Facility by clarifying that the Major Source threshold of 100 tons/year for PM2.5 and PM2.5 precursors will remain in effect until August 14, 2017 or until the effective date of U.S. EPA’s approval of these amendments to Rule 1325, whichever is later; 2) add a new Major Source threshold of 70 tons/year for PM2.5 and PM2.5 precursors to go into effect after August 14, 2017 or upon the effective date of U.S. EPA’s approval of these amendments to Rule 1325, whichever is later; 3) expand the definition of the term Precursors to include VOC and ammonia because these pollutants are precursors to PM2.5 formation, to go into effect after August 14, 2017 or upon the effective date of U.S. EPA’s approval of these amendments to Rule 1325, whichever is later; 4) revise the definition of the term Significant to establish new thresholds for VOC and ammonia at 40 tons/year each; 5) revise subdivision (f) - Two Year Limit on Facility Exemption, to be consistent with the proposed revisions to the definition of Major Source threshold; and, 6) add new subdivision (j) – Offset Exemption for Regulatory Compliance, to allow an exemption from the requirement to provide offsets under limited circumstances. Other minor changes are proposed to improve clarity and provide consistency throughout the rules.

Public Agency Approving Project:

South Coast Air Quality Management District

Agency Carrying Out Project:

South Coast Air Quality Management District

Exempt Status:

CEQA Guidelines §15002 (k) – General Concepts (Three Step Process)
CEQA Guidelines §15061 (b)(3) – Activities Covered by General Rule
CEQA Guidelines §15308 – Actions by Regulatory Agencies for Protection of the Environment.

Reasons why project is exempt:

SCAQMD staff has reviewed the proposed project pursuant to: 1) CEQA Guidelines §15002 (k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and, 2) CEQA Guidelines §15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. The proposed Rule 1302 amendments to the definition of allocation are administrative in nature and will not cause any significant impacts. The proposed change in the SOx threshold from 100 tons/year to 70 tons/year is already federally enforceable because the U.S. EPA never approved the previous rule amendment raising the threshold to 100 tons/year into the State Implementation Plan (SIP). Moreover, it is unlikely that any new SOx sources will exceed this threshold especially since most SOx sources of 4 tons/year or more must enter the Regional Clean Air Incentives Market (RECLAIM) and provide offsets through RECLAIM Trading Credits (RTCs) in accordance with SCAQMD’s Regulation XX. The proposed Rule 1325 amendments are federally required due to the change to a serious non-attainment status and will only take effect when the federal requirement takes effect, and therefore will not change the then existing requirements. Also, because providing an offset exemption for regulatory compliance in Rule 1325 would be restricted to sources that are required to comply with a SCAQMD, state or federal regulation or order and would not have an increase in the source’s maximum rating, no change in emissions from these sources are expected. Finally, staff does not project any new or modified sources exceeding the 70 tons/year PM2.5 and PM2.5 precursors threshold, so there will be no environmental impact from the proposed amendments to Rule 1325 and any potential affected source would likely take a 70 tons/year cap. Therefore, the SCAQMD has determined that it can be seen with certainty that there is no possibility that the adoption of the proposed amendments to Rules 1302 and 1325 may have a significant adverse effect on the environment. Thus, the project is considered to be

exempt from CEQA pursuant to CEQA Guidelines §15061 (b)(3) – Activities Covered by General Rule. Furthermore, the proposed project is categorically exempt from CEQA because the proposed amendments, if implemented, are considered actions to protect or enhance the environment pursuant to CEQA Guidelines §15308 – Actions by Regulatory Agencies for Protection of the Environment.

If the project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside and San Bernardino counties.

Date When Project Will Be Considered for Approval (subject to change):

SCAQMD Governing Board Hearing: November 4, 2016, 9:00 a.m.; SCAQMD Headquarters

CEQA Contact Person:

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Date Received for Filing: _____

Signature: _____

(To be signed upon project approval)

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