

South Coast Air Quality Management District 21865 Copley Drive, Diamond Bar, CA 91765-4178

21865 Copley Drive, Diamond Bar, CA 91765-41 (909) 396-2000 • <u>www.aqmd.gov</u>

SUBJECT:

NOTICE OF EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

PROJECT TITLE: AFFIRM AMENDMENT TO REGULATION XX TO ALLOW USE OF CERTIFIED EMISSION LEVELS FOR CERTAIN RULE 219 EXEMPT EQUIPMENT AND AMEND DEFINITION OF "STANDARD CONDITIONS" TO CONFORM TO EXISTING PRACTICE

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.

SCAQMD staff is proposing the affirmation of the December 4, 2015 adoption of a specific amendment to the Proposed Amended Regulation XX - Regional Clean Air Incentives Market (RECLAIM). Rule 2012 provisions allowing the use of certified emissions values for certain Rule 219 exempt equipment were presented and adopted as part of the December 4, 2015 Board package, even though the staff report had stated in error that this amendment would not be included. While this amendment was legally adopted, staff believes the public should be given a clear opportunity to comment on this amendment. Therefore, staff proposes that the Board affirm this amendment. (If not affirmed, the Board may choose to repeal this amendment.) In addition, SCAQMD staff is proposing to amend Rules 2011 and 2012 only to clarify a definition for "Standard Gas Conditions." This amended definition was inadvertently not included in the December 4, 2015 Board package although it was included in the October, 2015 Set Hearing package.

As part of the December 4, 2015 Board package, the Governing Board certified the Final Program Environmental Assessment (PEA) prepared pursuant to CEQA which comprehensively analyzed the environmental impacts that were expected to occur as a result of implementing the amendments to Regulation XX. The project description in the Final PEA contained a general summary of each the proposed changes to the rule language, definitions, and associated protocols. However, the general summary in the Final PEA did not specifically identify any proposed changes to the procedures for Rule 219 equipment emission reporting or to the definition of "Standard Gas Conditions." In the Final PEA, SCAQMD staff examined the original project, which comprised of several changes spanning multiple rules and protocols, and determined that the only portion of the changes to the rules and protocols that would be expected to cause environmental effects upon implementation was the requirement to reduce NOx RTC holdings from certain NOx RECLAIM RTC holders, which was expected to result in physical modifications and associated protocols were identified as having any potential environmental impacts.

The main effect of including the amendments pertaining to the use of certified levels of emissions for certain Rule 219 exempt equipment would result in correcting a problem of emissions being reported for certain Rule 219 exempt equipment that are higher than what is actually emitted instead allowing certified emission levels to be used. Thus, affirming the inclusion of the use of

certified levels of emissions for certain Rule 219 exempt equipment would improve emissions data reporting accuracy without affecting how the affected Rule 219 exempt equipment would operate. Thus, no environmental impacts would be expected to occur if these amendments are affirmed. Alternately, should the Board choose to repeal these amendments, then the emission factors in place prior to the December 4, 2015 public hearing would remain in effect for calculating and reporting emissions from the affected Rule 219 exempt equipment without affecting how this equipment would operate. Likewise, no environmental impacts would be expected to occur if these amendments are repealed.

The main effect of proposing to revise the definition of "Standard Gas Conditions" would give each facility operator the option to either apply the 60 °F standard or the 68 °F standard, to align the requirements in Rule 102 with Rule 2011. This proposed rule change would not substantially alter the current practice of applying standard conditions and no environmental impacts would be expected to occur if this definition is revised.

Thus, pursuant to CEQA Guidelines \$15002 (k) – General Concepts, and CEQA Guidelines \$15061 – Review for Exemption, the SCAQMD has determined that it can be seen with certainty that there is no possibility that the proposed project may have any significant effects on the environment, and is therefore exempt. A Notice of Exemption has been prepared. 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.

Further, SCAQMD staff has reviewed the proposed project and concluded that in the event that the Governing Board chooses to either affirm or repeal the amendments relative to the use of certified levels of emissions for certain Rule 219 exempt equipment and to modify the definition of "Standard Gas Conditions," none of these actions constitute: 1) significant new information; 2) a substantial increase in the severity of an environmental impact; or, 3) provide new information of substantial importance relative to the analysis in the Final PEA. In addition, the proposed project would not create new, avoidable significant effects.

Any questions regarding this Notice of Exemption should be sent to my attention at the above address. I can also be reached at (909) 396-2716. Mr. Gary Quinn is also available at (909) 396-3121 to answer any questions regarding the proposed amendments.

Date: January 5, 2016

Signature:

Konton Rall.

Barbara Radlein Program Supervisor, CEQA Section 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:

Affirm Amendment to Regulation XX to Allow Use of Certified Emission Levels for Certain Rule 219 Exempt Equipment and Amend Definition of "Standard Conditions" to Conform to Existing Practice

Project Location:

South Coast Air Quality Management District (SCAQMD) area of jurisdiction consisting of 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 the Mojave Desert Air Basin.

Description of Nature, Purpose, and Beneficiaries of Project:

SCAQMD staff is proposing the affirmation of the December 4, 2015 adoption of a specific amendment to the Proposed Amended Regulation XX - Regional Clean Air Incentives Market (RECLAIM). Rule 2012 provisions allowing the use of certified emissions values for certain Rule 219 exempt equipment were presented and adopted as part of the December 4, 2015 Board package, even though the staff report had stated in error that this amendment would not be included. While this amendment was legally adopted, staff believes the public should be given a clear opportunity to comment on this amendment. Therefore, staff proposes that the Board affirm this amendment. (If not affirmed, the Board may choose to repeal this amendment.) In addition, SCAQMD staff is proposing to amend Rules 2011 and 2012 only to clarify a definition for "Standard Gas Conditions." This amended definition was inadvertently not included in the December 4, 2015 Board package although it was included in the October, 2015 Set Hearing package.

Public Agency Approving Project:	Agency Carrying Out Project:
South Coast Air Quality Management District	South Coast Air Quality Management District

Exempt Status:

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

CEQA Guidelines §15061 - Review for Exemption

Reasons why project is exempt:

SCAQMD staff has determined that implementation of the proposed project (e.g., affirming the inclusion of use of certified levels of emissions for certain Rule 219 exempt equipment and modifying the definition of "Standard Gas Conditions") would result in administrative, procedural changes that would not be expected to cause any environmental impacts. Should the Board choose to repeal the inclusion of the use of certified levels of emissions for certain Rule 219 exempt equipment, no environmental impacts would be expected to occur. Finally, should the Board choose not to adopt the proposed modifications to the definition of "Standard Gas Conditions," no environmental impacts would be expected. Thus, pursuant to CEQA Guidelines §15002 (k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA and CEQA Guidelines §15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA, the SCAQMD has reviewed the proposed project has determined that it can be seen with certainty that there is no possibility that the proposed project may have any significant effects on the environment, and is therefore, also exempt pursuant to CEQA Guidelines §15061 – "general rule" exemption.

Project Approval Date:

SCAQMD Governing Board Hearing: February 5, 2016, 9:00 a.m.; SCAQMD Headquarters

	÷ ;		-
CEQA Contact Person:	Phone Number:	Fax Number:	Email:
Ms. Barbara Radlein	(909) 396-2716	(909) 396-3324	<u>bradlein@aqmd.gov</u>
Rules Contact Person:	Phone Number:	Fax Number:	Email:
Mr. Gary Quinn	(909) 396-3121	(909) 396-3324	<u>gquinn@aqmd.gov</u>

Date Received for Filing:	Signature:	(Signed Upon Project Approval)
—		

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