

November 5, 2010

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

To Whom It May Concern:

Enclosed please find two copies of the Notice of Decision (NOD) for the Final Program Environmental Assessment (PEA) prepared for proposed amended Regulation XX – Regional Clean Air Incentives Market (RECLAIM). The Final PEA was prepared for the proposed project pursuant to CEQA and the South Coast Air Quality Management District's (SCAQMD) certified regulatory program. The CEQA document was certified by SCAQMD's Governing Board at its November 5, 2010, Public Hearing. Please record and post the Notice of Decision according to the provisions of CEQA.

SCAQMD Rule 110 requires that written responses to public comments on a SCAQMD CEQA document be filed with the Secretary of Resources along with the Notice of Decision. Three comment letters were received on the Draft PEA for the proposed project. The comment letters and responses to the public comments can be found in Appendix E of the enclosed Final PEA for the proposed project.

Also enclosed is the original signed CEQA Filing Fee No Effect Determination Form from the Department of Fish and Game pursuant to §711.4 of the California Fish and Game Code.

Please confirm receipt of one copy of the NOD and return it to the undersigned. Two return envelopes have been provided for your convenience (one for the confirmed copies upon receipt, and one for the original NOD to be returned after the posting period). If you have any questions, please call me at (909) 396-3054 or Barbara Radlein at (909) 396-2716.

Sincerely,

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

Enclosures

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: Final Program Environmental Assessment for Proposed Amended Regulation XX – Regional Clean Air Incentives Market (RECLAIM)

SCAQMD Number: 06182009BAR

Date Certified: November 5, 2010

SCH Number: 2009061088

Contact Person: Barbara A. Radlein

Telephone Number: (909) 396-2716

Project Location: 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: Amendments are proposed to Regulation XX – Regional Clean Air Incentives Market (RECLAIM), Rule 2002 – Allocations for Oxides of Nitrogen (NOx) and Oxides of Sulfur (SOx), that would reduce the allowable SOx emission limits based on current Best Available Retrofit Control Technology (BARCT) for the following industrial equipment and processes: 1) petroleum coke calciners; 2) cement kilns; 3) coal-fired boiler (cogeneration); 4) container glass melting furnace; 5) diesel combustion; 6) fluid catalytic cracking units; 7) refinery boilers/heaters; 8) sulfur recovery units/tail gas treatment units; and, 9) sulfuric acid manufacturing. Additional amendments are proposed to establish procedures and criteria for reducing RECLAIM Trading Credits (RTCs) and RTC adjustment factors for year 2013 and later. Other minor changes are proposed for clarity and consistency throughout the regulation. The Initial Study identified the topics of aesthetics, air quality, energy, hydrology and water quality, hazards and hazardous materials, and transportation/traffic as areas that may be adversely affected by the proposed project. Further analysis of these environmental areas in the Final Program Environmental Assessment (PEA) has shown that only the topics of air quality and hydrology (water demand) exceed the SCAQMD's significance thresholds associated with implementing the proposed project.

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 have a significant impact on the environment.
2. Mitigation measures were made a condition of the approval of this project.
3. A mitigation monitoring program under PRC §21081.6 was adopted for this project
4. A Statement of Findings was adopted for this project.
5. A Statement of Overriding Considerations was adopted for this project.

The 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: _____

Steve Smith, Ph.D.
Program Supervisor, CEQA Section
Planning, Rules, and Area Sources