SUBJECT: NOTICE OF EXEMPTION FROM THE CALIFORNIA

ENVIRONMENTAL QUALITY ACT

PROJECT TITLE: PROPOSED AMENDED RULE 1118 – CONTROL OF

EMISSIONS FROM REFINERY FLARES

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.

The proposed project is amending Rule 1118 – Control of Emissions From Refinery Flares. 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.

As provided in CEQA Guidelines § 15306 - Information Collection, the proposed project is exempt because it will consist of basic data collection, research and resource evaluation activities and will not result in a serious or major disturbance to an environmental resource. CEQA Guidelines §15306 exempts such a project for information-gathering purposes, or as part of a study leading to future action which the agency has not yet taken. Furthermore, SCAQMD staff has determined that it can be seen with certainty that there is no possibility that the proposed project may have a significant adverse effect on the environment. Therefore, the project is considered to be exempt from CEQA pursuant to CEQA Guidelines § 15061(b)(3) – Activities Covered by General Rule. 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 Barbara Radlein (c/o Planning, Rule Development and Area Sources) at the above address. Ms. Radlein can also be reached at (909) 396-2716. Mr. Ian MacMillan is also available at (909) 396-3244 to answer any questions regarding the proposed amended rule.

Date: June 29, 2017 Signature:

Barbara Radlein

Program Supervisor, CEQA Section Planning, Rules, and Area Sources

Reference: California Code of Regulations, Title 14

NOTICE OF EXEMPTION

To: County Clerks From: South Coast Air Quality Management District

Counties of Los Angeles, Orange, 21865 Copley Drive Riverside and San Bernardino Diamond Bar, CA 91765

Project Title: Proposed Amended Rule 1118 – Control of Emissions From Refinery Flares

Project Location: The SCAQMD has jurisdiction over the four-county South Coast Air Basin (all of 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 (SSAB) and Mojave Desert Air Basin (MDAB). The SCAQMD's jurisdiction includes the federal nonattainment area known as the Coachella Valley Planning Area, which is a sub-region of Riverside County and the SSAB.

Description of Nature, Purpose, and Beneficiaries of Project: SCAQMD staff is proposing amendments to Rule 1118 that would: 1) harmonize Rule 1118 with key updates from US EPA's recent Refinery Sector Rule update regarding flares, including new prohibitions on some types of flaring; 2) require facilities subject to Rule 1118 to prepare a Scoping Document that evaluates the feasibility of minimizing or avoiding planned and unplanned flaring events; 3) remove the \$4 million annual cap on mitigation fees that facilities may pay for flaring; 4) update emission factors based on US EPA's updated AP-42 guidance; and 5) update and clarify reporting requirements for facilities. In addition, SCAQMD staff is proposing to allocate up to \$100,000 from the Rule 1118 Mitigation Fund to upgrade the web-based Flare Event Notification System.

Public Agency Approving Project: Agency Carrying Out Project:

South Coast Air Quality Management District South Coast Air Quality Management District

Exempt Status:

CEQA Guidelines § 15061(b)(3) – Activities Covered by General Rule

CEQA Guidelines § 15306 - Information Collection

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. As provided in CEQA Guidelines § 15306 - Information Collection, the proposed project is exempt because it will consist of basic data collection, research and resource evaluation activities and will not result in a serious or major disturbance to an environmental resource. CEQA Guidelines §15306 exempts such a project for information-gathering purposes, or as part of a study leading to future action which the agency has not yet taken. Furthermore, SCAQMD staff has determined that it can be seen with certainty that there is no possibility that the proposed project may have a significant adverse effect on the environment. Therefore, the project is considered to be exempt from CEQA pursuant to CEQA Guidelines § 15061(b)(3) – Activities Covered by General Rule.

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

SCAQMD Governing Board Hearing: July 7, 2017; SCAQMD Headquarters

CEQA Contact Person: Ms. Barbara Radlein	Phone Number: (909) 396-2716	Email: bradlein@aqmd.gov	Fax: (909) 396-3982
Rule Contact Person: Mr. Ian MacMillan	Phone Number: (909) 396-3244	Email: imacmillan@aqmd.gov	Fax: (909) 396-3324

Date Received for Filing: Signature: (Signed Upon Board Approval)

Barbara Radlein

Program Supervisor, CEQA Section

Planning, Rule Development & Area Sources