SUBJECT: NOTICE OF EXEMPTION FROM THE CALIFORNIA

ENVIRONMENTAL QUALITY ACT

PROJECT TITLE: PROPOSED AMENDED REGULATION XX – REGIONAL

CLEAN AIR INCENTIVES MARKET (RECLAIM): PROPOSED AMENDED RULE 2001 – APPLICABILITY, AND PROPOSED AMENDED RULE 2002 – ALLOCATIONS FOR OXIDES OF NITROGEN (NOx) AND OXIDES OF

SULFUR (SOx)

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 has reviewed the proposed amendments to Regulation XX which includes Proposed Amended Rule 2001 – Applicability, and Proposed Amended Rule 2002 – Allocations for Oxides of Nitrogen (NOx) and Oxides of Sulfur (SOx) pursuant to: 1) CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA.

SCAQMD staff has determined that it can be seen with certainty that there is no possibility that Proposed Amended Rules 2001 and 2002 may have a significant adverse effect on the environment. Therefore, the project is considered to be exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Activities Covered by General Rule. A Notice of Exemption has been prepared pursuant to CEQA Guidelines Section 15062 - Notice of Exemption. If the proposed 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 my attention at the above address. I can also be reached at (909) 396-2716. Mr. Kevin Orellana is also available at (909) 396-3492 to answer any questions regarding the proposed amended rules.

Date: November 30, 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,
Riverside and San Bernardino Diamond Bar, CA 91765

Project Title: Proposed Amended Regulation XX – Regional Clean Air Incentives Market (RECLAIM): Proposed Amended Rule 2001 – Applicability, and Proposed Amended Rule 2002 – Allocations for Oxides of Nitrogen (NOx) and Oxides of Sulfur (SOx)

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:

Amendments are proposed to Regulation XX - RECLAIM to initiate the transition of facilities that are currently in the RECLAIM program to a command-and-control regulatory structure. In particular, Proposed Amended Rule (PAR) 2001 would prohibit new or existing non-RECLAIM facilities emitting four or more tons per year of NOx or SOx emissions from entering the RECLAIM program. PAR 2002 contains procedures for notifying facilities transitioning out of the NOx RECLAIM program and adds provisions for RECLAIM Trading Credits (RTCs) during the transition period.

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

Exempt Status:

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

Reasons why project is exempt: SCAOMD staff has reviewed the proposed amendments to Regulation XX, which includes PAR 2001 and PAR 2002, pursuant to: 1) CEQA Guidelines Section 15002(k) - General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. The effect of preventing any new or existing non-RECLAIM facility that emits four or more tons per year of NOx or SOx from entering the RECLAIM program would result in no change to these facilities in continuing to be subject to their current permits and/or all applicable non-RECLAIM, SCAOMD Rules and Regulations. Further, the action of identifying facilities that will be transitioning out of the RECLAIM program will not alter the applicability of SCAQMD Rules and Regulations on the identified facilities. Thus, PAR 2001 would not be expected to cause any physical changes that would affect emissions or any other environmental topic area. Similarly, the proposed amendments to Rule 2002 establishing procedures for notifying facilities to be transitioned out of the NOx RECLAIM program, and addressing the use of RTCs during the transition period for the set of facilities are also not be expected to cause any physical changes that would affect emissions or any other environmental topic area. Therefore, SCAQMD staff has determined that it can be seen with certainty that there is no possibility that PAR 2001 and PAR 2002 may have a significant adverse effect on the environment. Thus, PAR 2001 and PAR 2002 are considered to be exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Activities Covered by General Rule.

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

SCAQMD Governing Board Hearing: January 5, 2018; SCAQMD Headquarters

CEQA Contact Person:	Phone Number:	Email:	Fax:
Ms. Barbara Radlein	(909) 396-2716	bradlein@aqmd.gov	(909) 396-3982
Rules Contact Person:	Phone Number:	Email:	Fax:
Mr. Kevin Orellana	(909) 396-3492	korellana@aqmd.gov	(909) 396-3324

Date Received for Filing:	Signature:	(Signed Upon Board Approval)
		Barbara Radlein
		Program Supervisor, CEQA Section
		Planning Rule Development & Area Sources