



South Coast Air Quality Management District

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SENT VIA E-MAIL:

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Notice of Availability of a Draft Environmental Impact Report for the Signal Hill Petroleum Conditional Use Permit 97-03 Extension Project (Proposed Project)

South Coast Air Quality Management District (South Coast AQMD) staff appreciate the opportunity to review the above-mentioned document. The City of Signal Hill is the California Environmental Quality Act (CEQA) Lead Agency for the Proposed Project. To provide context, South Coast AQMD staff has provided a brief summary of the project information and prepared the following comments which are organized by topic of concern.

South Coast AQMD Staff's Summary of Project Information in the Draft EIR

Based on the Draft EIR, the Proposed Project is to propose 20-year extension of Signal Hill Petroleum's (SHP) Conditional Use Permit (CUP) 97-03. SHP is seeking to modify CUP 97-03 with the following objectives:

1. Extend the life of the CUP by an additional 20-year term.
2. Continue existing consolidated drill site operations, including drilling new wells within the existing CUP footprint on an as needed basis, to continue providing a local source of high-quality oil, natural gas, and electricity, and install upgrades to a natural gas processing system.

SHP would continue to operate the CUP facilities (Drill Sites and Central Processing Facilities) in accordance with the existing City Municipal Oil and Gas Code, conditions of approval and mitigation measures, and in continued compliance with existing county, state, and federal requirements, including those published by California Geologic Energy Management Division (CalGEM). SHP would also continue ongoing 'by right' oil and gas operations consistent with the City's Oil and Gas Code (Signal Hill Municipal Code – Title 16) and CalGEM requirements, as applicable.

South Coast AQMD Staff's Comments

South Coast AQMD Air Permits and Role as a Responsible Agency

If implementation of the Proposed Project would require the use of new stationary and portable sources, including but not limited to emergency generators, fire water pumps, boilers, etc., air permits from South Coast AQMD will be required. The final CEQA document, whether a MND

or EIR, should include a discussion about the potentially applicable rules that the Proposed Project needs to comply with. Those rules may include, for example, Rule 201 – Permit to Construct,¹ Rule 203 – Permit to Operate,² Rule 401 – Visible Emissions,³ Rule 402 – Nuisance,⁴ Rule 403 – Fugitive Dust,⁵ Rule 1110.2 – Emissions from Gaseous and Liquid Fueled Engines,⁶ Rule 1113 – Architectural Coating,⁷ Rule 1166 – VOC Contaminated Soil Excavation,⁸ Rule 1179 – Publicly Owned Treatment Works Operation,⁹ Regulation XIII – New Source Review,¹⁰ Rule 1401 – Air Toxics,¹¹ Rule 1466 – Control of Particulate Emissions from Soils with Toxic Air Contaminants,¹² Rule 1470 – Requirements for Stationary Diesel Fueled Internal Combustion and Other Compression Ignition Engines,¹³ etc. It is important to note that when air permits from South Coast AQMD are required, the role of South Coast AQMD would change from a Commenting Agency to a Responsible Agency under CEQA. In addition, if South Coast AQMD is identified as a Responsible Agency, per CEQA Guidelines Sections 15086, the Lead Agency is required to consult with South Coast AQMD.

CEQA Guidelines Section 15096 sets forth specific procedures for a Responsible Agency, including making a decision on the adequacy of the CEQA document for use as part of the process for conducting a review of the Proposed Project and issuing discretionary approvals. Moreover, it is important to note that if a Responsible Agency determines that a CEQA document is not adequate to rely upon for its discretionary approvals, the Responsible Agency must take further actions listed in CEQA Guideline Section 15096(e), which could have the effect of delaying the implementation of the Proposed Project. In its role as CEQA Responsible Agency, the South Coast AQMD is obligated to ensure that the CEQA document prepared for this Proposed Project contains a sufficient project description and analysis to be relied upon in order to issue any discretionary approvals that may be needed for air permits. South Coast

¹ South Coast AQMD. Rule 201 available at <https://www.aqmd.gov/docs/default-source/rule-book/reg-ii/rule-201.pdf>

² South Coast AQMD. Rule 203 available at <https://www.aqmd.gov/docs/default-source/rule-book/reg-ii/rule-203.pdf>

³ South Coast AQMD. Rule 401 available at <https://www.aqmd.gov/docs/default-source/rule-book/rule-iv/rule-401.pdf>

⁴ South Coast AQMD. Rule 402 available at <https://www.aqmd.gov/docs/default-source/rule-book/rule-iv/rule-402.pdf>

⁵ South Coast AQMD. Rule 403 available at <https://www.aqmd.gov/docs/default-source/rule-book/rule-iv/rule-403>

⁶ South Coast AQMD. Rule 1110.2 available at https://www.aqmd.gov/docs/default-source/rule-book/reg-xi/r1110_2.pdf

⁷ South Coast AQMD. Rule 1113 available at <https://www.aqmd.gov/docs/default-source/rule-book/reg-xi/r1113.pdf>

⁸ South Coast AQMD. Rule 1166 available at <https://www.aqmd.gov/docs/default-source/rule-book/reg-xi/rule-1166.pdf>

⁹ South Coast AQMD. Rule 1179 available at <https://www.aqmd.gov/docs/default-source/rule-book/reg-xi/rule-1179.pdf>

¹⁰ South Coast AQMD. Regulation XIII available at <https://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/regulation-xiii>

¹¹ South Coast AQMD. Rule 1401 available at <https://www.aqmd.gov/docs/default-source/rule-book/reg-xiv/rule-1401.pdf>

¹² South Coast AQMD. Rule 1466 available <https://www.aqmd.gov/docs/default-source/rule-book/reg-xiv/rule-1466.pdf>

¹³ South Coast AQMD. Rule 1470 available at <https://www.aqmd.gov/docs/default-source/rule-book/reg-xiv/rule-1470.pdf>

AQMD is concerned that the project description and analysis in its current form in the Draft EIR is inadequate to be relied upon for this purpose.

For these reasons, the final CEQA document should be revised to include a discussion about any and all new stationary and portable equipment requiring South Coast AQMD air permits, provide the evaluation of their air quality and greenhouse gas impacts, and identify South Coast AQMD as a Responsible Agency for the Proposed Project as this information will be relied upon as the basis for the permit conditions and emission limits for the air permit(s). Please contact South Coast AQMD's Engineering and Permitting staff at (909) 396-3385 for questions regarding what types of equipment would require air permits. For more general information on permits, please visit South Coast AQMD's webpage at <https://www.aqmd.gov/home/permits>.

Information on the CERP for the Designated AB 617 area

The Proposed Project area includes the AB 617-designated WCWLB community and is heavily impacted by air pollution generated from sources such as ports, refineries, oil and gas industry, heavy-duty diesel trucks, warehouses, and railroad activities. As part of the AB 617 process, South Coast AQMD is required to work with a Community Steering Committee (CSC) to develop a Community Emission Reduction Plan (CERP) that identifies air quality priorities and related actions to reduce air pollution in the community. The South Coast AQMD Governing Board adopted the WCWLB CERP on September 6, 2019. South Coast AQMD staff recommends that the Lead Agency review the actions to reduce air pollution in the community included in Chapter 5 of the WCWLB CERP, which can be found here: <https://www.aqmd.gov/docs/default-source/ab-617-ab-134/steering-committees/wilmington/cerp/final-cerp-wcwlb.pdf>. South Coast AQMD staff also recommends the Lead Agency continue working with South Coast AQMD to explore whether additional measures to mitigate or further reduce emissions can be implemented at the Proposed Project to support actions in the WCWLB CERP.

Related CERP objectives:

1. Chapter 5e, Objective 1: Reduce Air Pollution Leaks from Oil Wells and Associated Activity at these Facilities
2. Chapter 5e, Objective 2: Improved Public Information and Notifications on Activities at Oil Drilling and Production Sites

Conclusion

As set forth in California Public Resources Code Section 21092.5(a) and CEQA Guidelines Section 15088(a-b), the Lead Agency shall evaluate comments from public agencies on the environmental issues and prepare a written response at least 10 days prior to certifying the Final EIR. As such, please provide South Coast AQMD written responses to all comments contained herein at least 10 days prior to the certification of the Final EIR. In addition, as provided by CEQA Guidelines Section 15088(c), if the Lead Agency's position is at variance with recommendations provided in this comment letter, detailed reasons supported by substantial

evidence in the record to explain why specific comments and suggestions are not accepted must be provided.

Thank you for the opportunity to provide comments. South Coast AQMD staff is available to work with the Lead Agency to address any air quality questions that may arise from this comment letter. Please contact me at swang1@aqmd.gov should you have any questions.

Sincerely,

Sam Wang

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Planning, Rule Development & Implementation

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