

NOTICE OF DECISION

To: Office of the Secretary of the
California Natural Resources Agency
General Counsel's Office
1416 9th Street, Suite 1311
Sacramento, CA 95814

From: South Coast Air Quality Management
District (South Coast AQMD)
21865 Copley Drive
Diamond Bar, CA 91765

Subject: Filing of Notice of Decision in compliance with Public Resources Code Section 21080.5(d)(2)(E), CEQA Guidelines Section 15252(b), and South Coast AQMD Rule 110(f)

Project Title: Final Subsequent Environmental Assessment (SEA) for Proposed Amended Rule 1135 – Emissions of Oxides of Nitrogen from Electricity Generating Facilities

State Clearinghouse No: 2016071006 **South Coast AQMD No:** 20240801ST/
09142018RB

Lead Agency: South Coast AQMD **Lead Agency Contact:** Sina Taghvaei,
21865 Copley Drive staghvaei@aqmd.gov
Diamond Bar, CA 91765 (909) 396-2192

Date of Certification / Project Approval: October 4, 2024

Project Location: Amended Rule 1135 applies to electric generating units at electricity generating facilities located in the South Coast AQMD jurisdiction, which includes 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 portion of the Salton Sea Air Basin and the non-Palo Verde, Riverside County portion of the Mojave Desert Air Basin. However, only the electricity generating facility located on Santa Catalina Island within Los Angeles County, will be expected to undergo physical modifications to comply with requirements in Amended Rule 1135.

Project Description: Rule 1135 was amended to contain revisions specific to electric generating units located on Santa Catalina Island which: 1) updated nitrogen oxides (NOx) emission limits and compliance dates; 2) established provisions for monitoring, reporting, and recordkeeping for near zero emission (NZE) electric generating units without Continuous Emission Monitoring System (CEMS); 3) extended the deadline for prohibiting the installation of new diesel internal combustion engines from January 1, 2024, to January 1, 2028 or six months after any applicable extensions; 4) prohibited the installation of more than three new diesel internal combustion engines with a cumulative rating of 5.5 megawatts (MW); 5) prohibited the installation of equipment that does not meet the definition of a Santa Catalina Island NZE electric generating unit or a Santa Catalina Island zero emission (ZE) electric generating unit after January 1, 2028 or six months after any applicable extensions; 6) will require the installation of Santa Catalina Island NZE and/or ZE electric generating

units by January 1, 2030 or six months after any applicable extensions with a minimum cumulative rating of 1.8 MW, excluding the highest rated Santa Catalina Island NZE and/or ZE electric generating unit, solar photovoltaic cells, and battery storage; 7) will require the removal of all prime power diesel internal combustion engines for which installation was completed earlier than Date of Adoption from service by January 1, 2030 or six months after any applicable extensions; 8) will require a feasibility analysis (e.g., progress in procuring and installing electric generating units) to be conducted for the 13 tons per year (tpy) and six tpy NO_x emission limits by January 1, 2028 and January 1, 2033, respectively; and 9) updated the time extension provision by including more specific criteria needed for approval, allowing the electricity generating facility located on Santa Catalina Island to request time extensions for extenuating circumstances (e.g., unforeseen construction interruptions and/or supply chain disruptions) for each compliance date or according to the feasibility analyses for meeting the 13 tpy and six tpy NO_x emission limits, and making requests for time extensions available for public review. Implementation of Amended Rule 1135 is expected to cause interim delayed NO_x emission reductions, interim exceedances of the air quality significance thresholds for project-specific changes in the 24-hour average concentrations of particulate matter with an aerodynamic diameter of less than 2.5 microns (PM_{2.5}) and particulate matter with an aerodynamic diameter of less than 10 microns (PM₁₀), and interim health risk impacts. However, upon full implementation, Amended Rule 1135 would be expected to reduce NO_x emissions by 65.3 tpy by January 1, 2035 or after any applicable extensions.


This is to advise that the South Coast AQMD has certified the Final SEA, approved the above-described project, and has made the following determinations:

1. Amended Rule 1135, being subject to consideration by the South Coast AQMD Governing Board, is a discretionary action, which has the potential for resulting in direct or indirect changes to the environment and, therefore, is considered a “project” as defined by the California Environmental Quality Act (CEQA). [CEQA Guidelines Section 15378].
2. The South Coast AQMD, as lead agency, has evaluated the potential environmental effects of the project pursuant to CEQA.
3. When examining the potential environmental impacts pursuant to CEQA Guidelines Section 15187 which requires South Coast AQMD to perform an environmental analysis when proposing to adopt a new rule or regulation requiring the installation of air pollution control equipment, or establishing a performance standard, the analysis revealed that the project contains new information of substantial importance which was not known and could not have been known at the time of certification of the November 2018 Final Mitigated SEA for Rule 1135. [CEQA Guidelines Section 15162(a)(3)].
4. The requirements for a Subsequent EIR were triggered pursuant to CEQA Guidelines Section 15162 and a Final SEA, a substitute document in lieu of a Subsequent EIR with significant impacts as allowed pursuant to CEQA Guidelines Section 15252 and South Coast AQMD’s Certified Regulatory Program [Public Resources Code Section 21080.5

- and CEQA Guidelines Section 15251(l); codified in South Coast AQMD Rule 110], was prepared.
5. The Final SEA contains the environmental analysis required by CEQA Guidelines Section 15187 and tiers off of the November 2018 Final Mitigated SEA for Rule 1135 as allowed by CEQA Guidelines Sections 15152, 15162, and 15385. The Final SEA is a subsequent document to the November 2018 Final Mitigated SEA for Rule 1135.
 6. The November 2018 Final Mitigated SEA for Rule 1135 (State Clearinghouse No. 2016071006), upon which the Final SEA relies, was incorporated by reference pursuant to CEQA Guidelines Section 15150.
 7. The project analyzed in the Final SEA contains new information of substantial importance which was not known and could not have been known at the time the November 2018 Final Mitigated SEA for Rule 1135 was certified and the project will have significant effects that were not previously discussed. [CEQA Guidelines Section 15162(a)(3)(A)].
 8. The Final SEA concluded that the project will have the potential to generate significant and unavoidable adverse air quality impacts during operation because: 1) the peak daily NOx operational impacts associated with the delayed NOx emission reductions exceed the South Coast AQMD's daily NOx operational significance threshold of 55 pounds per day until meeting the proposed 13 tpy NOx limits by January 1, 2030 (with a potential extension up to six years); 2) project-specific changes in the 24-hour average PM2.5 and PM10 concentrations exceed the South Coast AQMD's significance threshold from January 1, 2028 (with a potential extension up to three years) to January 1, 2030 (with a potential extension up to six years); and 3) the operational cancer risk impacts exceed the South Coast AQMD's significance threshold when meeting the 45 tpy, 30 tpy, and 13 tpy NOx limits in PAR 1135. However, once the electricity generating facility located on Santa Catalina Island meets the 6 tpy NOx limit on and after January 1, 2035 (with a potential extension up to six years), less than significant operational air quality impacts are expected.
 9. Because the Final SEA concluded that the project will have significant and unavoidable adverse impacts on the environment when meeting the proposed 45 tpy, 30 tpy, and 13 tpy NOx limits, pursuant to CEQA Guidelines 15252(a)(2)(A), the Final SEA included an alternatives analysis. However, no feasible mitigation measures were identified that would reduce or eliminate the significant adverse impacts for the air quality during operation when operating the equipment to meet the proposed 45 tpy, 30 tpy, and 13 tpy NOx limits. Thus, mitigation measures were not made a condition of project approval and were not adopted. Further, since mitigation measures were not adopted for the project, a Mitigation, Monitoring, and Reporting Plan, pursuant to Public Resources Code Section 21081.6 and CEQA Guidelines 15097 was neither required nor adopted.
 10. Because the Final SEA concluded that the project will have potentially significant and unavoidable adverse impacts on the environment when meeting the 45 tpy, 30 tpy, and 13 tpy NOx limits, Findings were made pursuant to Public Resources Code Section 21081.6 and CEQA Guidelines Section 15091 and a Statement of Overriding Considerations pursuant to CEQA Guidelines Section 15093 was adopted.

11. Pursuant to CEQA Guidelines Section 15092(b)(2)(B), the South Coast AQMD has determined that the remaining significant effects on the environment found to be unavoidable in accordance with the Findings made pursuant to CEQA Guidelines Section 15091 are acceptable due to overriding concerns described in the Statement of Overriding Considerations prepared pursuant to CEQA Guidelines Section 15093.
12. The South Coast AQMD Governing Board has reviewed and considered the Final SEA, the Findings, Statement of Overriding Considerations and supporting documentation prior to making a decision on the project.

The Final SEA, the Findings, Statement of Overriding Considerations, supporting documentation, and record of project approval may also be examined at: South Coast AQMD, 21865 Copley Drive, Diamond Bar, CA 91765.

	Signature:	 <i>October 4, 2024</i>
Date Received for Filing		Kevin Ni Program Supervisor, CEQA Planning, Rule Development, and Implementation