



# South Coast Air Quality Management District

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*Office of the Executive Officer*

*Wayne Natri*

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April 25, 2018

Hilary Norton, et. al  
Biz Fed Chair  
Los Angeles County Business Federation  
6055 E. Washington Blvd., #260  
Commerce, CA 90040

Re: CEQA Analysis and Socioeconomic Analysis for RECLAIM Rulemaking

Dear Ms. Norton,

Thank you for your comment letter and participation during the rulemaking effort to transition facilities in the Regional Clean Air Incentives Market (RECLAIM or Regulation XX) to source-specific command and control rules pursuant to the 2016 Air Quality Management Plan (AQMP) approved by the South Coast Air Quality Management District (SCAQMD) Governing Board as control measure CMB-05 in the 2016 AQMP.

CMB-05 described equipment from all facilities in RECLAIM, including fluid catalytic cracking units, boilers, heaters, and furnaces, among others. The control measure identified a series of approaches that could be taken to ensure equivalency with command and control regulations implementing BARCT, with the expectation that there would be a 5 tpd NO<sub>x</sub> emission reduction commitment as soon as feasible, but no later than 2025.

The potential environmental impacts associated with the 2016 AQMP, including CMB-05, were analyzed in Program Environmental Impact Report (PEIR), certified in March, 2017. The 2016 AQMP PEIR determined that the overall implementation of CMB-05 has the potential to generate adverse environmental impacts to seven topic areas – air quality, energy, hazards and hazardous materials, hydrology and water quality, noise, solid and hazardous waste, and transportation. More specifically, the PEIR evaluated the impacts from installation and operation of additional control equipment and SCR or SNCR equipment potentially resulting in construction emissions, increased electricity demand, hazards from additional ammonia transport and use, increase in water use and wastewater discharge, changes in noise volume, generation of solid waste from construction and disposal of old equipment and catalysts replacements, as well as changes in traffic patterns and

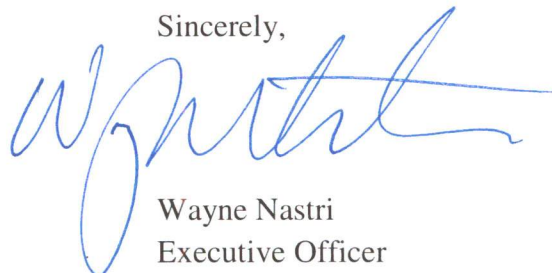
volume. In other words, the environmental impacts of the entire RECLAIM Transition project, as referenced by the commenter, were analyzed in the 2016 AQMP and the associated PEIR, which was a program level analysis. The commentator has not identified any additional impact areas, mitigation, or project alternatives from the RECLAIM Transition that were excluded from analysis in the 2016 AQMP PEIR. In any event, the time to challenge the 2016 AQMP PEIR has passed. (Pub. Res. Code §§ 21167, 21167.2.)

Since the SCAQMD has already prepared a program-level CEQA analysis for the 2016 AQMP, including the RECLAIM Transition, no additional program-level analysis is required and further analysis will be tiered off the 2016 AQMP PEIR. (CEQA Guidelines § 15168; *Al Larson Boat Shop, Inc. v. Board of Harbor Commissioners* (1993) 18 Cal.App.4th 729, 740-41.) The SCAQMD has and will continue to evaluate each individual RECLAIM Transition rule that is developed pursuant to the 2016 AQMP, to determine if any additional CEQA review is required. (CEQA Guidelines § 15168.) Additional analysis could include the preparation of a project-level EIR or Subsequent EIR to the 2016 AQMP PEIR. (CEQA Guidelines §§ 15161, 15162.) Streamlined environmental review pursuant to a Program EIR is expressly allowed in CEQA and is not considered piecemealing. (CEQA Guidelines §§ 15165, 15168.) Furthermore, any such review would include consideration of potential cumulative impacts with other RECLAIM Transition rules, as well as other activities. (CEQA Guidelines § 15355.)

Similarly, the Final Socioeconomic Report for the 2016 AQMP fully analyzed the socioeconomic impacts for the 2016 AQMP, including the entire RECLAIM Transition project. The commenter notes that a single 2016 AQMP policy directive controls the entire RECLAIM transition project. That policy directive, CMB-05, was presented in the socioeconomic report where the potential cost of reducing 5 tpd NOx emissions were estimated and the associated regional economic impacts projected. Specifically, the costs presented were scaled from a thorough BARCT assessment conducted as part of the 2015 NOx RECLAIM Amendments, and the analysis conservatively assumed that the estimated cost per ton of NOx emission reduction would be 50 percent higher than the cost-per-ton estimate of installing all BARCT control equipment identified in the 2015 NOx RECLAIM Amendments. The analysis comports with applicable Governing Board resolutions and statutory requirements.

If you have any questions or would like to discuss these issues, please contact me at 909-396-3131, [wnastri@aqmd.gov](mailto:wnastri@aqmd.gov), or Dr. Philip Fine, Deputy Executive Officer, Planning, Rule Development and Area Sources, at 909-396-2239, [pfine@aqmd.gov](mailto:pfine@aqmd.gov).

Sincerely,



Wayne Natri  
Executive Officer

Hilary Norton

April 25, 2018

cc: Jill Whynot, SCAQMD  
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