# CHAPTER 1

## INTRODUCTION AND EXECUTIVE SUMMARY

Introduction
California Environmental Quality Act
Notice of Preparation and Initial Study
Type of EIR
Intended Use of this Document
Areas of Controversy
Project Objectives
Document Format
Executive Summary of Draft EIR

# 1.0 INTRODUCTION

The Bay Area Air Quality Management District (BAAQMD or District) was established in 1955 by the California Legislature to control air pollution in the counties around San Francisco Bay and to attain federal air quality standards by the dates specified in federal law. The BAAQMD is also required to meet state standards by the earliest date achievable. There have been significant improvements in air quality in the Bay Area over the last several decades.

The District is considering proposed amendments to update its New Source Review (NSR) and Title V permitting regulations to address a number of recent regulatory developments, including new requirements by U.S. Environmental Protection Agency (EPA) for permitting of particulate matter less than 2.5 micrometers in diameter ($PM_{2.5}$), new EPA requirements for permitting Greenhouse Gases (GHGs), and other requirements for EPA approval of the District's permitting programs. The proposed amendments also include other miscellaneous revisions to strengthen and enhance the regulations.

The BAAQMD regulations that would be affected are in District Regulation 2, Rules 1, 2, 4 and 6. The text of the proposed amendments to these permitting regulations is set forth in drafts of the proposed amendments in Appendix B.

The major rule amendments being proposed include the following:

- Expanding NSR and $PM_{2.5}$ permitting requirements to encompass $PM_{2.5}$ emissions;
- Ensuring that the District's NSR and Title V permitting requirements adequately encompass GHG emissions;
- Adopting and/or amending regulatory provisions for a District "Prevention of Significant Deterioration" program (an important sub-element of NSR permitting) for EPA approval;
- Revising the District's existing NSR applicability test in the definition of "modified source" to address a change in EPA policy regarding this definition;
- Expanding the requirements for NSR permit applicants to demonstrate that they will not cause or contribute to an exceedance of a National Ambient Air Quality Standard;
- Expanding public noticing requirements and public participation opportunities for NSR permitting;
- Reorganizing and clarifying the NSR and Title V permitting regulations so that they are easier to understand and implement; and

- Making certain other miscellaneous revisions to strengthen the regulations and address deficiencies that have been identified since the last time these programs were updated.

## 1.1 CALIFORNIA ENVIRONMENTAL QUALITY ACT

The California Environmental Quality Act (CEQA), Public Resources Code Section 21000 et seq., requires that the potential environmental impacts of proposed projects be evaluated to determine whether they will have any significant adverse environmental impacts. Where a project will result in such significant adverse environmental impacts, CEQA requires that feasible mitigation measures be identified and implemented to reduce such impacts to a level that is not significant and that alternatives be considered to avoid or substantially lessen any significant impacts.

To fulfill the purpose and intent of CEQA, the BAAQMD has prepared this Environmental Impact Report (EIR) to address the potential environmental impacts associated with the proposed amendments to the NSR and Title V permitting regulations. Prior to making a decision on the adoption of the proposed rule amendments, the BAAQMD Governing Board must review and certify the EIR as providing adequate information on the potential adverse environmental impacts of implementing the proposed amendments.

## 1.2 NOTICE OF PREPARATION AND INITIAL STUDY

A Notice of Preparation and Initial Study (NOP/IS) for the proposed amendments to NSR and Title V permitting regulations (included as Appendix A of this EIR) were distributed to responsible agencies and interested parties for a 30-day review on June 12, 2012. A copy of the NOP/IS was received by the State Clearinghouse on June 13, 2011. A notice of the availability of this document was distributed to other agencies and organizations and was placed on the BAAQMD's web site, and was also published in newspapers throughout the area of the BAAQMD's jurisdiction. The comment period was open until July 16, 2012. No comment letters were received on the NOP/IS.

The NOP/IS identified the following environmental resources as being potentially significant, requiring further analysis in the EIR: air quality and greenhouse gas emissions. The following environmental resources were considered to be less than significant in the NOP/IS: aesthetics, agricultural and forest resources, biological resources, cultural resources, geology and soils, hazards and hazardous materials, hydrology and water quality, land use and planning, mineral resources, noise, population and housing, public services, recreation, transportation and traffic, and utilities service systems (see Appendix A).

## 1.3 TYPE OF EIR

In accordance with § 15121(a) of the State CEQA Guidelines (California Administrative Code, Title 14, Division 6, Chapter 3), the purpose of an EIR is to serve as an

informational document that: "will inform public agency decision-makers and the public generally of the significant environmental effect of a project, identify possible ways to minimize the significant effects, and describe reasonable alternatives to the project."

The EIR is an informational document for use by decision-makers, public agencies and the general public. The proposed project requires discretionary approval and, therefore, it is subject to the requirements of CEQA.

## 1.4 INTENDED USES OF THIS DOCUMENT

In general, a CEQA document is an informational document that informs a public agency's decision-makers, and the public generally, of the potential for significant adverse environmental effects of a project. Where a project will result in significant adverse environmental impacts, the CEQA document also identifies possible ways to avoid or minimize the significant effects, and describes reasonable alternatives to the project (CEQA Guidelines §15121). A public agency's decision-makers must consider the information in a CEQA document prior to making a decision on the project. Accordingly, this EIR is intended to: (a) provide the BAAQMD Governing Board and the public with information on the environmental effects of the proposed amendments; and, (b) be used as a tool by the BAAQMD Governing Board to facilitate decision making on the proposed amendments.

Additionally, CEQA Guidelines §15124(d)(1) require a public agency to identify the following specific types of intended uses of a CEQA document:

1. A list of the agencies that are expected to use the EIR in their decision-making;

2. A list of permits and other approvals required to implement the project; and

3. A list of related environmental review and consultation requirements required by federal, state, or local laws, regulations, or policies.

The District is the only agency that will be making permitting decisions using the NSR and Title V rules that are the subject of the proposed amendments. Other governmental agencies may have decisions that tangentially implicate these programs (for example, decisions on how a governmental agency will construct or use some piece of equipment that emits air pollution subject to the programs' permitting requirements). But there are no other agencies that will be making any discretionary decision subject to CEQA that will rely on this EIR to evaluate the potential environmental impacts of such a decision.

The proposed rule amendments require approval by the District's Board of Directors, and do not require any other approvals as a legal matter. The District's NSR and Title V programs will be reviewed by the California Air Resources Board (ARB) and by EPA to ensure that they adequately contain all required elements that must be in these programs under state and federal law, and these agencies have the power to demand that the District

adopt additional requirements to the extent that the District's programs are deficient in some way. Review by these agencies is therefore very important for the District's programs and the District will be circulating this EIR to those agencies for review and comment. Technically, however, those agencies do not need to grant the District's Board of Directors any permit or authorization to adopt regulations, however. Similarly, there are no other formal environmental review and consultation requirements that must be satisfied before the Board of Directors can adopt the proposed amendments, although ARB and EPA will obviously be reviewing the proposed amendments after they are adopted as explained above.

## 1.5 AREAS OF CONTROVERSY

In accordance to CEQA Guidelines §15123(b)(2), the areas of controversy known to the lead agency including issues raised by agencies and the public shall be identified in the EIR. "Controversy" is defined as a difference in opinion or a dispute. After public notification and review of the NOP/IS, the BAAQMD received no comment letters on the NOP/IS. Several commenters submitted comments on draft rule language that was circulated during the rule development process, however, some of which made comments related to CEQA. These comments were summarized in the NOP/IS. The primary comments concerned: (i) the potential for adverse impacts associated with implementing a $PM_{2.5}$ offsets requirement with a provision allowing the use of "banked" emission reduction credits to comply with it; and (ii) the potential for adverse impacts associated with adopting District PSD permitting requirements without using the less-stringent applicability test adopted by EPA known as "NSR Reform". The EIR has considered all such issues, as explained in detail in Chapter 3 and Chapter 4.

## 1.6 PROJECT OBJECTIVES

The objective of these rule amendments is for the District (i) to incorporate current federal NSR and Title V permitting requirements into its permitting programs in Regulation 2 so that EPA can approve the programs and allow the District to implement them under the Clean Air Act; (ii) to ensure that the District's permitting programs comply with all applicable requirements of state law; (iii) to ensure that the District's NSR and Title V permitting programs are implemented as efficiently and effectively as possible; and (iv) to ensure that the District's NSR and Title V permitting regulations are drafted and presented in a manner that is clear and easy to understand and implement. In updating the District's permitting program in keeping with these objectives, the proposed amendments will help further the Air District's overall goals of attaining and maintaining ambient air quality standards in the San Francisco Bay Area, ensuring clean air, and protecting the public health and welfare.

## 1.7 DOCUMENT FORMAT

State CEQA Guidelines outline the information required in an EIR, but allow the format of the document to vary [CEQA Guidelines §15120(a)]. The information in the EIR complies with CEQA Guidelines §15122 through §15131 and consists of the following:

Chapter 1: Introduction
Chapter 2: Project Description
Chapter 3: Environmental Setting, Impacts, Mitigation Measures, and Cumulative Impacts
Chapter 4: Alternatives
Chapter 5: References
Appendix A: Notice of Preparation/Initial Study
Appendix B: Proposed Rule Amendments

## 1.8 EXECUTIVE SUMMARY OF DRAFT EIR

### 1.8.1 EXECUTIVE SUMMARY – CHAPTER 2: PROJECT DESCRIPTION

#### 1.8.1.1 Introduction

The District is considering the proposed amendments to update its NSR and Title V permitting regulations to address particulate matter less than 2.5 micrometers in diameter ($PM_{2.5}$), new EPA requirements for permitting Greenhouse Gases (GHGs), additional requirements for EPA approval of the District's permitting programs, and other miscellaneous changes to strengthen and enhance the regulations. The BAAQMD regulations that would be affected are in District Regulation 2, Rules 1, 2, 4 and 6.

#### 1.8.1.2 Background and Project Description

The District is proposing a number of revisions to Regulation 2, the details of which are summarized in this subsection.

1.8.1.2.1 "New Source Review" and Title V Permitting

The proposed amendments update the District's regulations that implement two important Clean Air Act permitting programs, NSR and Title V.

New Source Review

NSR is a pre-construction permitting review requirement that ensures that when a new source of air pollution is built, or when an existing source of air pollution is modified, the project will implement and comply with all current regulatory standards governing air emissions. NSR applies to "major" facilities – facilities with emissions over 100 or 250 tons per year (depending on the source category) – and it requires new and modified sources at such facilities to obtain an NSR permit where the new source or modification will result in a "significant" increase in emissions of air pollutants. This "significant" increase threshold varies by pollutant, but it is generally between 10 tons per year and 100 tons per year.

For *non-attainment pollutants* (pollutants for which the region is not in attainment of the National Ambient Air Quality Standards (NAAQS)), the NSR requirements are more stringent. This element of NSR permitting is called "Non-Attainment NSR", and the principal requirements are the following:

- Best Available Control Technology: Non-Attainment NSR requires that new and modified sources use Best Available Control Technology or BACT to control emissions. BACT is the most effective type of control technology that is technically feasible for the source to implement.

- Emission Offsets: Non-Attainment NSR also requires that new and modified sources obtain emission reductions from existing sources to counter any new emission increases.

- Compliance Certification: Non-Attainment NSR requires that the permit applicant for a new or modified source must certify that all of the facilities that it owns in California are in compliance with applicable air quality regulatory requirements.

- Alternatives Analysis: Non-Attainment NSR requires that the applicant must demonstrate that the benefits of the proposed new or modified source outweigh any environmental or social costs.

- Public Notice and Comment Opportunity: Non-Attainment NSR requires public notification before any permit is issues or modified.

For *attainment pollutants* (pollutants for which the region is in attainment of the NAAQS), the NSR permitting requirements are somewhat less stringent. This element of NSR permitting for attainment pollutants is called "Prevention of Significant Deterioration", or "PSD". The principal elements of PSD permitting are the following:

- PSD Best Available Control Technology: PSD also requires BACT, although in a slightly less stringent manner than Non-Attainment NSR.

- Air Quality Impact Analysis (and related analyses): PSD does not require "offsets" for new emissions increases. Instead, PSD requires an analysis of the impacts that the emission increases will have to ensure that they will not cause or contribute to an exceedance of the NAAQS. PSD also requires an analysis of whether such increases will adversely affect visibility, soils or vegetation in the region; and any air-quality related values in areas of special environmental value such as National Parks (called "Class I Areas").

- Public Notice and Comment Opportunity: The public must be notified before any permit is issued for a new or modified source and must have an opportunity to provide input on the permitting decision.

These two sub-elements, "Non-Attainment NSR" for non-attainment pollutants and "PSD" for attainment (and unclassified) pollutants, are the primary provisions of the NSR program. California law imposes certain additional requirements for the District's NSR program, which include additional provisions for implementing the District's NSR program, including requirements for BACT and offsets at lower thresholds.

Title V

Title V permits are operating permits. Instead of applying at the pre-construction stage like NSR permits, the Title V permit requirement – also known as "Major Facility Review" – applies once a source is constructed and begins operating. Title V operating permit requirements also apply to "major" facilities, those with emissions of 100 tons per year or more.

Title V permits compile all substantive requirements in one single document covering the facility's operation, thus providing facility operators, District inspectors, interested members of the public, and others with a single location to readily access all of the applicable air quality requirements to which the facility is subject.

District Permit Programs Implementing Federal Clean Air Act Requirements

Both the NSR and Title V permitting programs have their genesis in the federal Clean Air Act. In the Clean Air Act, Congress established a requirement that every region of the country must have NSR and Title V permitting programs in place that satisfy the Act's minimum standards. The basic concept is that Congress established certain minimum requirements that need to be in place in every region throughout the county, and then looked to states (often through local or regional agencies such as the Air District) to adopt their own state-law programs that meet or exceed these federal minimum requirements. Where a state is unwilling or unable to do so, then the federal government, through EPA, steps in and implements its own federal program to ensure that the federal minimum requirements are met in all cases (and imposes sanctions on the non-complying state).

### 1.8.1.3 The District's Current New Source Review and Title V Programs

The District has adopted permitting programs to implement these federal NSR and Title V programs, with certain additional and more stringent provisions as required by California law and/or District regulations. With respect to NSR, the District has adopted Non-Attainment NSR permitting requirements in Regulation 2, Rule 2 (New Source Review) and related provisions.

The EPA has never approved the District's PSD program. Instead, EPA's federal PSD program governs PSD permitting for sources in the Bay Area. PSD permits issued under this program are federal permits issued through EPA's authority under the Clean Air Act, not District permits issued through the District's authority under the California Health & Safety Code.

With respect to Title V permitting, EPA has approved the District's Title V program. Title V permitting in the Bay Area is a District permitting program implemented through District Regulation 2, Rule 6.

### 1.8.1.4 Recent Regulatory Developments

There have been a number of recent regulatory developments regarding NSR and Title V permitting since the Air District last updated its programs. District staff has developed the proposed revisions to address these recent developments.

**Bay Area Designated "Non-Attainment" of 24-Hour $PM_{2.5}$ NAAQS:** EPA revised its National Ambient Air Quality Standards for particulate matter to include standards specific to both $PM_{10}$ and $PM_{2.5}$. EPA has subsequently begun implementing its NAAQS for $PM_{2.5}$. Effective December 14, 2009, EPA designated the San Francisco Bay Area as non-attainment of the short-term (24-hour-average) $PM_{2.5}$ NAAQS. This means that EPA has made an administrative determination that the amount of $PM_{2.5}$ in the ambient air in the Bay Area exceeds EPA's federal health-based standard for $PM_{2.5}$, averaged over 24 hours. This "non-attainment" designation means that $PM_{2.5}$ emission sources in the Bay Area are now subject to Non-Attainment NSR requirements (i.e., BACT, offsets, a compliance certification and alternatives analysis, and public notice and comment) for that pollutant. To implement these requirements for the longer term under the District's NSR program, the District must update its NSR permitting regulations to add these requirements for sources that emit $PM_{2.5}$.

**Federal Regulation of GHGs:** EPA has also begun regulating GHG emissions from light duty cars and trucks. Although these requirements apply to mobile sources, they are the first time that EPA has imposed substantive emissions limitations on GHG emissions under the Clean Air Act. As a result of these regulations, GHGs are now "subject to regulation" under the NSR and Title V programs. Those programs require NSR and Title V permitting for major stationary sources for all pollutants that are "subject to regulation", which now includes GHGs. The District's permitting programs must now include GHGs to reflect this requirement.

**Lack of PSD Program in the Bay Area:** Since the District has never had an EPA-approved PSD program, EPA has been administering the PSD program itself under its federal regulations, with the District issuing PSD permits on EPA's behalf (for most sources) under a federal delegation agreement. A number of situations have arisen where slight differences between the District's permitting requirements and the federal PSD requirements have led to problems with PSD permitting that resulted in procedurally defective PSD permits. To avoid such problems, the District needs to have District PSD permitting requirements approved by EPA so they can be effective under the Clean Air Act for PSD permitting in the Bay Area.

**EPA-Identified Deficiencies in Current District NSR Provisions:** EPA Region IX staff identified several deficiencies in the District's current regulations that need to be

addressed. There are certain areas in which the District's NSR program does not fully satisfy EPA's current requirements for such programs, which need to be addressed in order for EPA to be able to continue to approve the District's program. If the District does not incorporate these federal requirements into its NSR program, then EPA will not be able to approve the District's program and will need to implement the requirements itself under its federal regulatory authority.

**Additional Deficiencies and Clarifications:** The Air District has identified areas in which the District's NSR and Title V programs should be amended in order to achieve the District's clean air goals. Further, the current NSR regulations are in some places difficult to understand and implement. District staff has realized that Regulation 2, Rule 2 (and certain other provisions) are in need of an overhaul to reorganize and clarify them.

### 1.8.1.5 Proposed Amendments to Regulation 2

The proposed amendments will affect the District's permitting rules in Regulation 2, and in particular the NSR regulations in Regulation 2, Rule 2 and the Title V regulations in Regulation 2, Rule 6. The proposed revisions to each of these Rules in Regulation 2 are set forth in draft revised regulations included as Appendix B of this EIR. A more detailed discussion of each specific change involved in the proposed amendments is provided in the Staff Report being issued in connection with this Draft EIR.

**Adding New NSR Permitting Requirements for $PM_{2.5}$:** The proposed amendments will add Non-Attainment NSR permitting requirements for $PM_{2.5}$ to Regulation 2, Rule 2, including: (i) a BACT requirement for $PM_{2.5}$; (ii) $PM_{2.5}$ offsets requirements; (iii) a compliance certification requirement; (iv) an alternatives analysis requirement; and (v) a public notice and comment requirement. The proposed amendments also include revisions to the District's emissions offsets banking regulation to ensure that the banking provisions will address $PM_{2.5}$.

The proposed amendments also specify that $PM_{2.5}$ and $PM_{10}$ must be addressed taking into account both the filterable and condensable portion of the particulate matter emissions. They add a new definition for $PM_{2.5}$, and revise the existing definition of $PM_{10}$, to specify that the condensable portion must be included.

**Adding NSR and Title V permitting requirements for GHGs:** For Title V, adding GHGs is primarily a matter of adding GHGs to the list of regulated air pollutants. For NSR, GHGs are regulated under the PSD element of the NSR program because they are not "non-attainment" pollutants. GHG emission sources in the Bay Area are currently regulated under the federal PSD program; the proposed amendments will shift PSD regulation for federal purposes to an EPA-approved District program.

**Adopting a PSD Permitting Program for Approval by EPA:** The proposed amendments add provisions to create a PSD permitting program that can be approved by EPA under the Clean Air Act. The primary PSD provisions include (i) a new term "PSD Project"; (ii) a PSD BACT requirement; (iii) a PSD air quality impact analysis

requirement; (iv) a PSD additional impacts analysis requirement; (v) a Class I Area impact analysis; and (vi) a public notice and comment requirement. These provisions will apply to major emitters of all PSD pollutants, which include GHGs as noted above. The proposed amendments will shift federal PSD permitting under the Clean Air Act to the District's program under Regulation 2, Rule 2.

**Revising the Applicability Test for NSR Permitting for "Modifications" to Existing Sources:** The proposed amendments also revise the applicability test for NSR permitting requirements as they apply to "modifications" to existing sources. Whether NSR requirements apply when a change is made at an existing source depends on whether the change constitutes a "modification" under that definition.

The District's current provision bases the definition of "modification" on whether the change being implemented at the existing source will result in an increase in the source's potential to emit air pollution. EPA Region IX staff have taken the position that the NSR "modification" test must be based on the source's actual historical emissions, not on its maximum potential emissions (at least for major modifications to major facilities – what EPA calls "major NSR"). The proposed amendments include adding an additional element to the current "modification" test to incorporate EPA's test for any situation where that test may be more stringent than the District's test. This element will create a "backstop" to ensure that the District's regulations are no less stringent than EPA's on this issue. The District's current test will still apply to require NSR permitting for any change at an existing source that will result in an increase in the source's potential to emit. In every instance, the more stringent test will apply.

**Expanding the NAAQS Compliance Demonstration Requirement:** The proposed amendments also add an expanded requirement for all new sources and modifications that will result in a significant increase in emissions to demonstrate that they will not cause or contribute to an exceedance of any NAAQS. The expanded NAAQS compliance demonstration requirement applies to all facilities regardless of their size, and for all pollutants, including non-attainment pollutants. The requirement will apply to all new sources and modifications to existing sources that will result in a "significant" increase in emissions.

**Public Notice and Comment for Smaller Sources:** The public notice and comment requirements would be expanded to provide public notice and comment for all facilities, regardless of size, where a new source or modification to an existing source will result in a "significant" increase in emissions.

**Miscellaneous Minor Revisions:** The proposed amendments also include several more minor changes. Some of these changes were requested by EPA Region IX staff to address deficiencies where the District's existing NSR program does not fully satisfy EPA requirements for NSR, as discussed above. Other changes are being made based on Staff's determination that they are needed to make the District's permitting program work more effectively.

**Non-Substantive Reorganization and Revision of Regulatory Language:** The proposed amendments include a major reorganization of Regulation 2, Rule 2. This reorganization is not intended to make substantive changes but will make the regulation clearer and easier to understand and implement.

### 1.8.2 EXECUTIVE SUMMARY – CHAPTER 3: ENVIRONMENTAL SETTING, IMPACTS AND MITIGATION MEASURES

#### 1.8.2.1 Introduction

The chapter describes the environmental resource areas that are addressed in these analyses; including the environmental setting; the thresholds of significance for determining whether the project could have a significant adverse impact on any of these resources areas; the potential adverse impacts of the proposed project, including a cumulative impact in conjunction with other similar projects; and mitigation measures to mitigate any significant potential impacts that are identified in the analysis.

The analyses included in this chapter focus on those aspects of the environmental resource areas that were identified in the NOP/IS as having a potential to be significantly impacted, and do not focus on those environmental resource areas where it was determined that the proposed amendments will not cause any significant adverse impact. The NOP/IS identified air quality and greenhouse gas emissions as the two resource areas in which there was a potential for a significant adverse impact that needed to be evaluated in the EIR.

#### 1.8.2.2 Air Quality

The NOP/IS identified air quality as an area with a potential for the proposed amendments to have a significant adverse impact that needs to be evaluated in the EIR. The potential for significant adverse air quality impacts associated with the proposed amendments are evaluated in this Section of this EIR.

1.8.2.2.1 Environmental Setting

Criteria Pollutants

Health-based air quality standards have been established by California and the federal government for the following criteria air pollutants: ozone, carbon monoxide (CO), nitrogen dioxide ($NO_2$), $PM_{10}$, $PM_{2.5}$, sulfur dioxide ($SO_2$) and lead. The California standards are more stringent than the federal standards. California has also established standards for sulfate, visibility, hydrogen sulfide, and vinyl chloride.

The BAAQMD monitored levels of various criteria pollutants at 23 monitoring stations in 2010. All monitoring stations were below the state standard and federal ambient air quality standards for CO, $NO_2$, and $SO_2$. The federal 8-hour ozone standard was exceeded on 9 days in the District in 2010, while the state 8-hour standard was exceeded

on 11 days. The State 1-hour ozone standard was exceeded on 8 days in 2010 in the District. The ozone standards are most frequently exceeded in the Eastern District (Bethel Island (7 days) and Livermore (6 days)), and the Santa Clara Valley (San Martin (8 days), and Gilroy (7 days).

Air quality conditions in the San Francisco Bay Area have improved since the District was created in 1955. Ambient concentrations of air pollutants and the number of days on which the region exceeds air quality standards have fallen consistently. The District is in attainment of the State and federal ambient air quality standards for CO, NOx, and $SO_2$. The District is not considered to be in attainment with the ozone standards and State $PM_{10}$ and $PM_{2.5}$ standards. All monitoring stations were in compliance with the federal $PM_{10}$ standards. The California $PM_{10}$ standards were exceeded on two days in 2010, at the San Rafael and Bethel Island monitoring stations. The Air District exceeded the federal $PM_{2.5}$ standard on 6 days, most frequently in San Rafael in 2010.

Non-Criteria Pollutants (Toxic Air Contaminants)

TACs are a defined set of airborne pollutants that may pose a present or potential hazard to human health. TACs can be emitted directly and can also be formed in the atmosphere through reactions among different pollutants. The health effects associated with TACs are quite diverse and generally are assessed locally, rather than regionally. TACs can cause long-term health effects such as cancer, birth defects, neurological damage, asthma, bronchitis or genetic damage; or short-term acute affects such as eye watering, respiratory irritation, running nose, throat pain, and headaches.

The Air District's air toxics program was established as a separate and complementary program to the health-based ambient air quality standards that have been established for criteria pollutants. For TACs, the air toxics program is aimed at ensuring that no one breathing the air in the Bay Area (known as "sensitive receptors") is exposed to unsafe levels of toxic risk.

#### 1.8.2.2.2 Thresholds of Significance

The following thresholds of significance are being used to evaluate whether the proposed amendments will have a significant impact on air quality. The proposed amendments will have a significant air quality impact if any of the following situations will apply:

1. The proposed amendments will have a significant air quality impact if they will result in an increase in emissions from an individual emissions source that (i) exceeds the NSR offsets threshold levels or NSR significance threshold levels for criteria pollutants (whichever is lower); (ii) will result in any exposure with a non-carcinogenic toxic hazard index of greater than 1; or (iii) will result in any exposure to a carcinogenic health risk of greater than 10 in one million ($10^{-5}$).
2. The proposed amendments will have a significant air quality impact if they will be inconsistent with the District's 2010 Clean Air Plan, federal or state New Source Review program requirements, or any other plan or program with specific

requirements adopted to address significant air quality concerns in the San Francisco Bay Area.

Air quality impact concerns are primarily cumulative impact concerns. If the proposed amendments will not exceed these thresholds, then they will not result in a "cumulatively considerable" contribution to any significant cumulative air quality impacts. CEQA Guidelines Section 15130(a) provides that where the additional contribution from a project's emissions to a cumulatively significant impact will not be "cumulatively considerable", then the impact is not considered significant for purposes of CEQA and it does not have to be discussed in any further detail in the EIR. The EIR must briefly describe the basis for concluding that the project's contribution is not "cumulatively considerable", however.

1.8.2.2.3 Environmental Impacts

The principal elements of the proposed amendments are summarized below. The proposed amendments are being adopted to help implement the NSR and Title V permitting programs in the San Francisco Bay Area. The proposed amendments will allow the District to continue to obtain EPA's approval to implement the federal aspects of these programs for sources in the Bay Area, as well as strengthen the District's regulations and enhance their effectiveness.

**Adding Non-Attainment NSR Requirements for $PM_{2.5}$:** Non-Attainment NSR imposes two substantive requirements, BACT and offsets, as well as certain administrative and procedural requirements. The proposed amendments will incorporate these requirements into Regulation 2, Rule 2, which will help implement the Non-Attainment NSR program for $PM_{2.5}$ in the Bay Area.

The first requirement of Non-Attainment NSR for $PM_{2.5}$ is that $PM_{2.5}$ emissions sources must use BACT to control their $PM_{2.5}$ emissions. The current regulatory baseline conditions (i) require BACT for $PM_{2.5}$ at facilities with emissions of 100 tpy or more under Appendix S; and (ii) require BACT for $PM_{10}$ at sources with emissions of 10 lb/day or more under current District Regulation. The proposed amendments will require BACT for $PM_{2.5}$ for sources with emissions of 10 lb/day or more.

This amendment will have benefits in helping implement the NSR program through District regulations. It is not expected to result in any significant adverse impacts to air quality because it will not allow any increases in $PM_{2.5}$ emissions, and it is not expected to result in any significant physical changes at any facility that could result in an increase in any other air pollutant emissions.

**Adding $PM_{2.5}$ to the Offsets Requirements in Section 2-2-303:** The second main requirement of Non-Attainment NSR for $PM_{2.5}$ is the offsets requirement. This element of Non-Attainment NSR requires emissions reductions from existing sources to offset any emissions increases from new or modified sources. The current regulatory baseline conditions (i) require offsets for $PM_{2.5}$ emissions at new major facilities (i.e., facilities

with emissions of 100 tpy or more) and at major modifications to existing major facilities (i.e., modifications at such facilities that will increase $PM_{2.5}$ emissions by 10 tpy or more); and (ii) require offsets for all $PM_{10}$ emissions increases at facilities with the potential to emit over 100 tpy of $PM_{10}$.

This amendment will have benefits in helping implement the NSR program through District regulations. It will not result in any increase in air emissions or any adverse impacts to air quality because it will not be any less stringent than the existing offsets requirements under currently applicable regulations. The proposed amendments will therefore be no less stringent than what is currently required, and will achieve all of the same emission reduction benefits as the federal requirements under Appendix S.

Concerns were raised during the rule development process that allowing emissions banking for compliance with the $PM_{2.5}$ offsets requirements could result in localized adverse environmental impacts by allowing additional projects to go forward with air emissions that would impact air quality in the vicinity of the project. Imposing the offsets requirement for $PM_{2.5}$ with a provision for emissions banking will not result in any new increases of air pollutants at all, either locally in the region of a proposed project or anywhere else in the Bay Area. This is a new requirement that will act to reduce emissions, not a relaxation that will allow any increase in emissions from what is currently allowed under the regulatory baseline conditions. Moreover, there are a number of other regulatory requirements imposed by District regulations and other legal requirements that will ensure that there are no such significant localized increases from any project in any location, whether the project utilizes emissions banking for its $PM_{2.5}$ offsets obligations or not. These include modeling requirements designed to ensure that no new or modified stationary source will cause or contribute to an exceedance of the NAAQS; air toxics requirements designed to prevent significant toxics impacts; and project-specific CEQA review to identify the potential for any significant air quality impacts and implement mitigation measures to address them.

For all of these reasons, there will not be any adverse impacts to air quality from moving from the current EPA offset requirements for $PM_{2.5}$ under 40 C.F.R. Part 51, Appendix S to the District offset requirements under Section 2-2-303 under the proposed amendments.

**Administrative and Procedural Provisions Applicable to $PM_{2.5}$:** Beyond BACT and offsets, the Non-Attainment NSR requirements also require (i) that permit applicants certify that all facilities that they own or control in California are in compliance with all applicable air quality requirements; (ii) that permit applicants demonstrate that the benefits of the proposed project outweigh any environmental and social costs that would result from its location, construction, or modification; and (iii) that the public be notified and provided with an opportunity to comment before any final Non-Attainment NSR permit is issued. The proposed amendments will apply these requirements for major new sources of $PM_{2.5}$ emissions and major modifications to existing sources. These amendments will not result in any physical change in the environment. For one, they are already required under the existing Non-Attainment NSR regulatory requirements for

$PM_{2.5}$ under Appendix S. They are also required for $PM_{10}$ emissions sources under current District regulation, and any source with $PM_{2.5}$ emissions high enough to trigger them under the proposed amendments will also trigger them because of its $PM_{10}$ emissions under existing requirements. Accordingly, there will be no change to the current regulatory setting regarding these requirements as a result of the proposed amendments. Moreover, even if these requirements were wholly new requirements, they are administrative and procedural in nature, and will not affect the physical environment in any way with respect to any proposed projects that may be permitted under them. For all of these reasons, the proposed amendments will not have any adverse impacts on air quality with regard to these changes.

**Specifying that Condensable PM Emissions Must be Included in All NSR Regulatory Determinations:** EPA's NSR implementation regulations for particulate matter now specify that for all NSR permitting purposes, $PM_{10}$ and $PM_{2.5}$ emissions must be measured taking into account both the filterable and condensable portions of particulate matter emissions. With respect to Non-Attainment NSR requirements for $PM_{2.5}$, the current regulatory requirements are those in Appendix S, which specify that both filterable and condensable emissions must be included. With respect to PSD requirements for $PM_{10}$, the current regulatory requirements are those in EPA's federal PSD regulations, which also specify that both filterable and condensable emissions must be included.

The proposed amendments will not result in any significant air quality impacts as a result of specifying this requirement in Regulation 2, Rule 2. Although the proposed amendments will move the implementation of this requirement into Regulation 2, Rule 2, doing so will not involve a change from existing regulatory situation. They will simply specify exactly how emissions must be measured under this definition to clear up an existing ambiguity and require the most current, accurate scientific testing methodologies. Moreover, although there may be some sources whose $PM_{10}$ emissions were treated as exempt from certain particulate matter permitting requirements based on filterable emissions that will find themselves subject to such requirements in the future when the condensable $PM_{10}$ emissions are included, the effect of doing so will be beneficial to air quality because of the potential for particulate matter emission reductions. There are no adverse air quality impacts associated with implementing these requirements. For all of these reasons, the proposed amendments will not have any adverse impacts on air quality with regard to these changes.

**Adopting/Amending PSD Requirements to Obtain SIP-Approved PSD Program:** The proposed amendments will adopt a District PSD program that EPA will be able to approve as part of California's SIP. The current regulatory baseline conditions for PSD permitting are (i) the federal PSD program in 40 C.F.R. section 52.21 applicable to emissions sources in the Bay Area under federal law; and (ii) the existing PSD provisions in Regulation 2, Rule 2, that have not been approved for federal purposes but are still legally effective and binding under state law. The proposed amendments will adopt and/or revise District PSD provisions to (i) establish a PSD applicability test using the term "PSD Project"; and (ii) set forth the required elements for PSD permitting that will

apply to such "PSD Projects". These revisions will ensure that the District's PSD provisions will meet all applicable federal NSR requirements so that EPA can approve them into the SIP.

The proposed amendments will not result in any significant adverse impacts on air quality because, for the most part, they will not make any substantive changes to the PSD requirements that are currently applicable for emissions sources in the Bay Area. The proposed amendments will incorporate by reference the substantive requirements for PSD permitting that currently apply under 40 C.F.R. Section 52.21. Furthermore, no increases in air emissions or significant adverse impacts on air quality are expected from the District's adoption of the proposed PSD program without using the NSR Reform applicability tests.

**Ensuring that Regulation 2 Adequately Addresses GHGs:** The proposed amendments will adopt provisions to ensure that the District's NSR and Title V permitting regulations adequately address GHGs. GHGs are already subject to NSR and Title V permitting requirements under current regulations, based on EPA's adoption of GHG emission standards for light duty cars and trucks. The proposed amendments will ensure that the District's permitting programs adequately implement these requirements. Adding provisions to the District's regulations to ensure that they adequately encompass GHG emissions will not result in any change to these requirements as they apply to GHG emissions sources in the Bay Area and will not result in any impacts to air quality.

**Revising NSR Applicability Test in "Modified Source" Definition:** The proposed amendments will revise the District's applicability provisions for NSR permitting to ensure that they will not be any less stringent in any situation that the federal NSR program. This revision will be made by amending the definition of "modified source". The current regulatory baseline conditions for when modifications are subject to NSR permitting are (i) the federal NSR program requirements, which require applicability to be based on emissions increases over the facility's actual historical emissions; and (ii) the District's current "modified source" definition, which bases applicability on emissions increases over a source's maximum potential emissions. The proposed amendments will add a "federal backstop" applicability provision to address any specific situation where the federal test could apply in a more stringent manner than the District's current test. This revision will not have any significant impacts on air quality.

**Expanding NAAQS Compliance Demonstration:** The proposed amendments will expand the requirement to demonstrate that new and modified sources will not cause or contribute to an exceedance of any NAAQS. PSD permitting currently requires such a demonstration for projects at major PSD facilities (i.e., facilities with emissions over the 100 tpy/250 tpy PSD "major" threshold) that will result in significant net increases in emissions of PSD pollutants. The proposed amendments will expand this requirement to include any project with a significant emissions increase at <u>any</u> facility, regardless of size; and to include <u>all</u> pollutants, not just PSD pollutants. This expanded NAAQS compliance demonstration analysis will not have any impacts on the environment,

because it is an administrative requirement only and will not affect how any project is built or operated.

**Expanding Public Notice-and-Comment Requirements:** The proposed amendments will also revise the current notice-and-comment requirements for NSR permitting to cover all permits for new and modified sources that will result in a significant increase in emissions. This is an administrative requirement only, and while it will improve the permitting process it will not have any effect on the physical environment.

**Miscellaneous Minor Revisions:** In addition to the major revisions discussed above, the proposed amendments also include a number of relatively minor changes to improve the way the District's permitting programs work and to ensure that they comply with all EPA requirements. None of these more minor revisions will change the way that any control requirements apply to any sources, affect the programs' applicability so as to bring more sources into these programs or to exclude any additional sources from regulation, or otherwise change the way these permitting programs work in any significant way. No significant adverse impacts on air quality are expected from these minor revisions.

**Non-Substantive Clarifications and Amendments to Regulatory Language:** The District is also proposing a major reorganization and overhaul of the regulatory language for its NSR and Title V permitting programs. Although this will involve major changes to the language and structure of the regulations, the District is not intending to make any significant substantive changes to the way these programs work. Because there will be no substantive change to the regulations and what they require (other than the specific changes discussed above), no air quality impacts are expected from these non-substantive clarifications and amendments.

#### 1.8.2.2.4 Mitigation Measures

No significant adverse air quality impacts are expected due to implementation of the proposed amendments to the District's rules and regulations. Therefore, there is no need for the District to evaluate or implement mitigation measures in connection with the proposed amendments in order to avoid any significant impacts or reduce them to a less than significant level. Mitigation measures are required only where there are significant adverse impacts to be mitigated. (See CEQA Guidelines § 15126.4(a)(3).)

#### 1.8.2.2.5 Cumulative Air Quality Impacts

Most types of air pollution are primarily cumulative concerns. That is, most air quality problems are not caused by a single source of emissions, they are caused by the cumulative effect of many individual sources around the region combining together to create a cumulative problem. The discussion of air quality impacts in Section 3.2.3. is therefore both a project-specific air quality impact analysis and a cumulative impacts analysis. The analysis demonstrating that the proposed amendments will not have a significant impact on air quality supports both the conclusion that the amendments by themselves will not have a significant impact, and also the conclusion that the proposed

amendments will not make a cumulatively considerable contribution to the cumulative air quality challenges that the Bay Area faces. (See Guidelines § 15064(h)(1).)

Furthermore, the updates to the District's NSR regulations also comply with and implement provisions the District's 2010 Clean Air Plan, the most recent air quality plan approved in the District. Stationary Source Measure SSM-16 in the Clean Air Plan committed the District to updating its NSR regulations to incorporate $PM_{2.5}$ requirements in light of the Bay Area's non-attainment designation. The Clean Air Plan was adopted specifically to address cumulative air quality concerns in the Bay Area. Implementing these requirements will help ensure that $PM_{2.5}$ emissions from regulated sources will not make a cumulatively considerable contribution to ambient particulate matter concentrations.

For all of these reasons, the proposed amendments will not result in any cumulatively considerable contribution to any significant cumulative impacts. To the contrary, they are part of a comprehensive regulatory effort by the District and other regulatory agencies to achieve net reductions in air pollution emissions, to reduce significant cumulative air quality concerns, and to ensure safe and healthy air quality for the San Francisco Bay Area.

### 1.8.2.3 Greenhouse Gas Emissions

#### 1.8.2.3.1 Introduction

The NOP/IS identified greenhouse gas emissions as an area with a potential significant adverse impacts that needed to be evaluated in the EIR.

The six major GHGs identified by the Kyoto Protocol are carbon dioxide ($CO_2$), methane ($CH_4$), nitrous oxide ($N_2O$), sulfur hexafluoride ($SF_6$), hydrofluorocarbons (HFCs), and perfluorocarbons (PFCs). As reported by the California Energy Commission (CEC), California contributes 1.4 percent of the global and 6.2 percent of the national GHG emissions. More than 80 percent of GHG emissions in California are from fossil fuel combustion.

#### 1.8.2.3.3 Thresholds of Significance

Greenhouse gas emissions are primarily a cumulative concern. The CEQA analysis considers whether the project's additional contribution is "cumulatively considerable". If the project's contribution is "cumulatively considerable", then the project's impact is treated as significant. If the project's contribution is not "cumulatively considerable", then the project's impact is not treated as significant and it does not need to be addressed further in the EIR.

CEQA Guidelines lists three factors for lead agencies to consider in assessing whether a project will result in significant GHG impacts. The first factor is the extent to which the project will result in an increase or decrease in GHG emissions, compared to the existing

baseline conditions. The second factor is whether, if the project will result in an increase in GHG emissions, the increase will exceed a threshold of significance that is applicable to the situation being evaluated. The third factor is extent to which the project complies with the requirements of a statewide, regional, or local plan that has been adopted by a government agency to reduce GHG emissions. One such regulatory program that has been adopted to reduce GHG emissions is AB 32, and this EIR looks to consistency with AB 32 as a measure of whether the proposed amendments will result in significant GHG emissions. As explained in Chapter 3, the proposed amendments will result in significant environmental impacts if they will result in an increase in GHG emissions and if they are inconsistent with implementation of AB 32.

1.8.2.3.4 Environmental Impacts

Due to the complex physical, chemical, and atmospheric mechanisms involved in global climate change, it is difficult using current tools and methodologies to identify any impact on global climate change from one project's incremental increase in GHG emissions. Therefore, GHG and the related climate change impacts are evaluated as cumulative impacts.

1.8.2.3.5 Cumulative GHG Impacts

The EIR evaluates the following potential GHG impacts resulting from the proposed amendments.

**GHG Emissions Reduction Benefits From Proposed Amendments:** The proposed amendments will allow the District to implement federal NSR and Title V regulatory initiatives that EPA has put into effect through its federal programs. The proposed amendments will not achieve substantial additional GHG emission reductions, as these requirements are already in effect under federal programs. However, the proposed amendments will help implement them effectively in the Bay Area. The proposed amendments will therefore have an overall benefit in the context of GHG emissions impacts by enhancing the implementation and enforcement of federal permitting programs.

**PSD Requirement Impacts on GHG Emissions:** The proposed amendments will adopt District PSD provisions to transfer responsibility for PSD permitting from the federal program to the District. The only substantive requirement that applies for GHG emissions sources under PSD permitting is the requirement to use the "Best Available Control Technology," or BACT. Adding this PSD BACT requirement in Regulation 2, will not result in any significant GHG emissions impacts because it will not make any change to the existing regulatory baseline conditions. There are currently no other emission control requirements that apply for GHGs, and so subjecting these emissions to a BACT requirement and imposing permit limits would not result in any GHG emission increases.

With respect to regulating GHGs, the proposed amendments will incorporate one principal aspect of NSR Reform, the more flexible baseline period. This provision allows a facility to base its emissions increases on the highest historical emissions over a 10-year period when determining whether a project will have a "significant" increase that requires PSD permitting. Allowing a facility to use its highest baseline emissions in the past 10 years allows it to avoid a situation where it has recently been operating at artificially depressed levels, for example because of reduced demand during a recession. If a facility is going to implement an improvement project that will reduce emissions (or increase emissions by a less-than-significant amount), it will be required to demonstrate that the project will not in fact result in a significant emissions increase through an enforceable limit on emissions. This is the principal difference between how the proposed amendments will implement the PSD requirements for GHGs and how EPA's PSD regulations in 40 C.F.R. Section 52.21 apply for facilities in the Bay Area. No increase in GHG emissions is expected from the proposed PSD provisions applicable to GHG emissions.

**Title V Program Impacts on GHG Emissions:** The proposed amendments will make the District's Title V program explicitly cover GHG emissions sources by adding GHGs to the definition of "Regulated Air Pollutant". This revision will ensure that the District's Title V program adequately addresses GHG permitting requirements in order to implement EPA's federal program requirements. It is not expected to have any impact on GHG emissions.

**Impacts from Other GHG Regulatory Initiatives:** The proposed amendments are not expected to result in any significant adverse GHG impacts, as discussed above. In addition, the proposed amendments along with the Air District's other related regulatory initiatives in the 2010 CAP are expected to promote a significant net decrease in GHG emissions. The overall GHG emissions associated with the 2010 CAP, including the TCMs developed as part of MTC's Regional Transportation Plan, Transportation 2035, is expected to be about 15,150 tons per year, providing a large reduction in GHG emissions. Overall, the proposed amendments, 2010 CAP and related TCMs will reduce GHG emissions on a regional level, so that significant cumulative beneficial impacts are expected.

#### 1.8.2.4 Growth Inducing Impacts

CEQA defines growth-inducing impacts as those impacts of a proposed project that "could foster economic or population growth, or the construction of additional housing, either directly or indirectly, in the surrounding environment. Included in this are projects, which would remove obstacles to population growth" (CEQA Guidelines §15126.2(d)).

The proposed amendments would not directly foster economic or population growth or the construction of new housing in the Bay Area. The proposed amendments are not expected to involve any significant construction activities or new development. Therefore, they would not stimulate significant population growth, remove obstacles to population growth, or necessitate the construction of new community facilities that would

lead to additional growth. Further, the proposed amendments would not result in growth inducement, such as the development of new infrastructure that would cause the growth of new populations, communities, or currently undeveloped or open space areas. The proposed rule amendment will largely implement existing federal air permitting requirements, and would not result in precedent-setting actions that might cause significant environmental impacts.

#### 1.8.2.5 Significant Environmental Effects Which Cannot be Avoided and Significant Irreversible Environmental Changes

CEQA Guidelines require that an EIR describe significant environmental impacts that cannot be avoided, including those effects that can be mitigated but not reduced to a less than significant level. The proposed amendments are not expected to result in any significant or unavoidable impacts.

#### 1.8.2.6 Environmental Effects not Found to be Significant

Air Quality and GHG impacts were evaluated in this EIR and were found to have no potentially significant adverse impacts. The following topics of analysis were found to have no potentially significant adverse effects in the Initial Study: Aesthetics, Agriculture and Forestry Resources, Biological Resources, Cultural Resources, Geology/Soils, Hazards and Hazardous Materials, Hydrology/Water Quality, Land Use/Planning, Mineral Resources, Noise, Population/Housing, Public Services, Recreation, Transportation/Traffic, and Utilities and Service Systems. No potentially significant adverse impacts were identified for the implementation of the proposed amendments.

### 1.8.3 EXECUTIVE SUMMARY – CHAPTER 4: ALTERNATIVES

Chapter 4 provides a discussion of policy alternatives that the District considered in developing the proposed alternatives. CEQA technically does not require an alternatives analysis where there are no significant impacts to be avoided or substantially lessened through adoption of a feasible alternative. Chapter 4 nevertheless discusses the alternatives that were considered in order to provide the public with as much information as possible about this project, and also to address any concerns that alternatives should be considered under CEQA even where there are no significant impacts to be avoided.

The analysis considers a "No Project Alternative", which is required in EIRs in most situations under CEQA Guidelines § 15126.6(e). Under the "No Project Alternative," none of the proposed rule amendments would occur and the NSR and Title V programs would continue to operate under the existing regulatory provisions. Alternative 1 (the "No Project Alternative") would not reduce any potentially significant impacts, as no significant impacts have been identified for the proposed amendments. Alternative 1 could also potentially result in some additional emission increases, although it is difficult to quantify the extent of any such increases at this time. Further, Alternative 1 would not achieve any of the project objectives.

Alternative 2 would implement the $PM_{2.5}$ offsets requirements for NSR permitting, but without providing for the use of banked emission reduction credits as a means of complying with the requirement. Compliance would have to be achieved by providing contemporaneous on-site emission reduction credits, not through the use of banked credits. Alternative 2 would not reduce any potentially significant impacts, as no significant impacts have been identified for the proposed amendments. Alternative 2 is also not a feasible alternative, as it would not achieve an important objective of the proposed amendments. It would not allow for the flexibility in implementing the offsets requirements for $PM_{2.5}$ that is necessary for effectively implementing these requirements in the Bay Area.

Alternative 3 would adopt/amend PSD provisions to obtain EPA approval of a District PSD program, but using the NSR Reform applicability methodologies described in Chapter 3. Alternative 3(a) would adopt/amend PSD provisions using the NSR Reform methodologies for all PSD Pollutants. Specifically, Alternative 3(a) would allow facilities to determine whether a modification will result in a "significant" increase in emissions and trigger PSD permitting requirements using: (1) their highest 24-month emissions average in the past 10 years as their baseline emissions; and (2) their projected future emissions, rather than their maximum permitted emissions, as their future emissions. Relaxing the applicability procedures for pollutants that are currently regulated under PSD provision would violate state laws, which prohibit any relaxation of air district's NSR programs in effect as of 2002.

Alternative 3(b) would adopt the NSR Reform methodologies for PSD permitting requirements for GHGs only. The alternative would allow facilities to use their unenforceable projections of future emissions to determine whether the emissions increase from a modification will be significant and trigger PSD permitting requirements, instead of enforceable permit limits. Alternative 3(b) would not be prohibited by SB 288, but its feasibility is questionable given that it would undermine the enforceability of the PSD requirements for GHG emissions.

Alternative 3 would not reduce any potentially significant impacts, as no significant impacts have been identified for the proposed amendments. Moreover, Alternative 3 could potentially result in increased impacts if it allows facilities to be built without implementing PSD requirements based on projections that they will not result in significant emissions increases, but then later do actually cause significant emissions that are not subject to any enforceable permit limits. Alternative 3 would allow for such unmitigated significant emissions increases, compared to the proposed amendments which would not.

Accordingly, none of the three alternatives discussed herein would have the potential to reduce or eliminate any significant impacts; and none of them would feasibly achieve all of the objectives of this project. These are the reasons why none of these alternatives were adopted by the District in developing the proposed amendments. The same reasons would also support a conclusion under CEQA that none of them is a preferred alternative,

to the extent that an alternatives analysis were required for this project. The proposed project is the preferred alternative to update the District's NSR and Title V permitting regulations.

### 1.8.4 EXECUTIVE SUMMARY – CHAPTER 5: REFERENCES

Information on references cited (including organizations and persons consulted) are presented in Chapter 5.