



South Coast Air Quality Management District

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Mr. Andrew Barnsdale,
Aliso Canyon Turbine Replacement Project
505 Sansome Street, Suite 300
San Francisco, CA 94111

Review of the Draft Environmental Impact Report (Draft EIR) for the Proposed Aliso Canyon Turbine Replacement Project

The South Coast Air Quality Management District (AQMD) appreciates the opportunity to comment on the above-mentioned document. The following comments are meant as guidance for the lead agency and should be incorporated into the Final Environmental Impact Report (Final EIR) as appropriate.

The AQMD staff is concerned about the project's potentially significant regional air quality impacts from construction of the proposed project. Specifically, the lead agency determined that the project will exceed the AQMD's CEQA regional significance thresholds for NO_x and VOC emissions. As a result, the lead agency incorporated Mitigation Measure AQ-1 (MM AQ-1) that requires the purchase of Regional Clean Air Incentive Market Trading Credits (RTCs). Therefore, to ensure insignificant air quality impacts from the proposed project the AQMD staff recommends that the lead agency revise MM AQ-1 in the Final EIR to make certain that, "All emission credits used to mitigate significant air quality impacts from construction of the proposed project adhere to the AQMD's CEQA policies and procedures document titled: Revised CEQA Policy and Procedures in Allowing the Use of Emissions Credits to Mitigate Significant Air Quality Impacts from Construction" (See Attachment). Also, the AQMD staff notes that past projects that have selected this type of mitigation measure required the Mitigation Agreement for the credits to be presented to the AQMD Governing Board. Consistent with this document the AQMD staff recommends that the lead agency also include the following mitigation measures pursuant to Section 15126.4 of the CEQA Guidelines.

- Require the use of 2010 and newer diesel haul trucks (e.g., material delivery trucks and soil import/export) and if the lead agency determines that 2010 model year or newer diesel trucks cannot be obtained the lead agency shall use trucks that meet EPA 2007 model year NO_x emissions requirements,

- During project construction require all internal combustion engines/construction equipment operating on the project site greater than 50 hp to meet EPA Tier 4 emission standards, where available. Also, all construction equipment shall be outfitted with BACT devices certified by CARB. Any emissions control device used by the contractor shall achieve emissions reductions that are no less than what could be achieved by a Level 3 diesel emissions control strategy for a similarly sized engine as defined by CARB regulations.
- A copy of each unit's certified tier specification, BACT documentation, and CARB or SCAQMD operating permit shall be provided at the time of mobilization of each applicable unit of equipment.
- Encourage construction contractors to apply for AQMD "SOON" funds. Incentives could be provided for those construction contractors who apply for AQMD "SOON" funds. The "SOON" program provides funds to accelerate clean up of off-road diesel vehicles, such as heavy duty construction equipment. More information on this program can be found at the following website:
<http://www.aqmd.gov/tao/Implementation/SOONProgram.htm>

For additional measures to reduce off-road construction equipment, refer to the mitigation measure tables located at the following website:

www.aqmd.gov/ceqa/handbook/mitigation/MM_intro.html.

Pursuant to Public Resources Code Section 21092.5, AQMD staff requests that the lead agency provide the AQMD with written responses to all comments contained herein prior to the adoption of the Final EIR. Further, staff is available to work with the lead agency to address these issues and any other questions that may arise. Please contact Dan Garcia, Air Quality Specialist CEQA Section, at (909) 396-3304, if you have any questions regarding the enclosed comments.

Sincerely,



Ian MacMillan

Program Supervisor, CEQA Inter-Governmental Review
Planning, Rule Development & Area Sources

[IM:DG](#)

LAC120404-01
Control Number

Attachment



Revised CEQA Policy and Procedure in Allowing the Use of Emission Credits to Mitigate Significant Air Quality Impacts from Construction Phase

To allow the use of emission credits to mitigate significant air quality impacts from the construction phase of a project, the project applicant should pursue the following procedure in order to comply with this SCAQMD CEQA Policy.

Alternative Technology Mitigation

1. Initially, the project applicant should attempt to reduce construction NO_x emissions by using off-road construction equipment that meets lower future emission standards, alternative fuels and control technology on the construction equipment. If the project applicant is unsuccessful in locating equipment retrofitted with NO_x oxidation catalysts and meeting the California 2001 off-road emission standards, the project applicant may request the SCAQMD's approval to surrender emission credits as CEQA mitigation to mitigate the exceedances in construction NO_x emissions as a good faith effort to the SCAQMD and the lead agency.

Localized Impacts

2. Prior to the approval of the mitigation measure, the project applicant shall provide a localized air quality modeling analysis to demonstrate that localized NO₂ impacts would be less than significant. The SCAQMD has established a significance threshold for NO_x construction emissions recommended for use by lead agencies to ensure that the effort to achieve federal or state ambient air quality standards for ozone is not hindered. The use of emission credits to mitigate NO_x construction emissions may mitigate regional air quality impacts, but will not ensure that localized impacts are not significant.

Emission Credits

3. Prior to commencement of the construction project in accordance with established procedures set forth under SCAQMD's Regulation XX – Regional Clean Air Incentives Market (RECLAIM), the project applicant shall purchase the amount of pounds of NO_x emission credits needed to mitigate the exceedance of the construction significance threshold for NO_x emissions from the construction phase of the project. The offset credits must meet the following criteria:
 - (a) The project applicant must demonstrate that the emission credits were derived from emission reduction project(s) through existing SCAQMD protocols.
 - (b) The credit needs to be current for the time the project takes place meaning the RTCs/MSERCs have not expired before or during the time period when the emissions from the project would occur.

Surrendering Emission Credits

4. The project proponent is required to retire the entire amount of NO_x emission credits needed to mitigate the exceedance of the construction significance threshold for NO_x emissions prior to commencement of the construction project.

Penalty for Not Reconciling in a Timely Manner

5. If NO_x emissions exceed the original estimation, the project applicant or consultant shall reconcile NO_x (and, if applicable, ROG, CO and SO_x) emissions that exceed the original estimation of emission credits purchased. The project proponent will be given a 15-day reconciliation period without penalties to purchase additional emission credits, if needed, to continue the project; and failure to do so will result in a penalty of purchasing additional credits in an amount equal to the additional excess emissions plus 100 percent of the additional excess emissions. For example, if the project emits 500 pounds of additional excess NO_x emissions beyond the required amount of pounds of NO_x credits, and the 500 pounds of additional excess NO_x emissions are not mitigated with suitable emission credits within the reconciliation period, then the project proponent will be responsible for providing 1,000 pounds of NO_x credits to the SCAQMD;

Recordkeeping and Reporting

6. Construction contractor shall record the hour meter reading for each piece of equipment and the project applicant shall record all the equipment used and hours of operations. The project applicant or consultant shall prepare and submit a monthly report within seven days after the end of each construction month to demonstrate that conditions have been met. The monthly report shall summarize equipment used, hours of operation, NO_x emissions as well as identifying any problems that occur and corrective actions implemented by the contractor. If NO_x emissions exceed the original estimation, the report should also include the additional ROG, CO and SO_x emissions emitted to ensure no exceedance of the SCAQMD's CEQA NO_x construction significance threshold.

Posting of Contacts

7. The project applicant shall post a sign at the project boundary containing contact information (contact name, telephone number, and email address) for lead agency people with questions or comments regarding construction activities at the site.

Approval Documentation

Because the SCAQMD is not the Lead Agency for land development projects, it is not responsible for approving the environmental document and/or Mitigation Monitoring Plan (MMP) in which the mitigation measure is required. However, the SCAQMD typically has approval authority over the mitigation measure as well as enforcement and

monitoring responsibility under the MMP. In accordance with the Public Resources Code §21081.6, the MMP should outline the party responsible for implementing mitigation and the enforcement agency. Pursuant to CEQA Guidelines §15126.4(a)(2), to ensure that the mitigation measure is fully enforceable through a legally binding instrument, a Memorandum of Understanding (MOU) or other legally binding contractual agreement should be prepared. The MOU must be signed by the project proponent, the SCAQMD and the Lead Agency.

**Purchasing and Surrendering Mobile Source Emission Reduction Credits
(MSERCs) as CEQA Mitigation for Construction Emissions**
CEQA Policy, March 2005

1. Comply with the “Revised CEQA Policy and Procedure in Allowing the Use of Emission Credits to Mitigate Significant Air Quality Impacts from Construction Phase” by:
 - a. providing a localized air quality modeling analysis to demonstrate that localized NO₂ impacts would be less than significant;
 - b. demonstrating that the emission credits were derived from emission reduction project(s) through existing SCAQMD protocols (e.g., Rule 1612 – Credits for Clean On-Road Vehicles);
 - c. ensuring the credit is current for the time the project takes place meaning the MSERCs have not expired before or during the time period when the emissions from the project would occur;
 - d. reconciling NO_x (and, if applicable, ROG, CO and SO_x) emissions that exceed the original estimation of emission credits purchased if NO_x emissions exceed the original estimation; and
 - e. preparing and submitting a monthly report within seven days after the end of each construction month to demonstrate that conditions have been met.
2. Contact Vicki White, Air Quality Specialist, in the SCAQMD Technology Advancement Office, at (909) 396-3436 who can provide the list of MSERC brokers.
3. Contact the broker to negotiate the purchase of the amount needed to offset the emissions which exceed the daily significance threshold during the construction phase of the project.
4. Retire the entire amount of NO_x emission credits prior to commencement of the project to mitigate the exceedance of the construction significance threshold for NO_x emissions to the SCAQMD through one of two means:
 - a. Convert the credit amount into a physical certificate which is issued to the purchaser of the credit and is surrendered back to the SCAQMD; or
 - b. Establish an MSERC account with the SCAQMD (Vicki White) and transfer the MSERCs into that account to retire them with the SCAQMD.