

California Environmental Quality Act (CEQA)

NOTICE OF EXEMPTION

**TO: Contra Costa County
County Clerk-Recorder
555 Escobar Street
Martinez, CA 94553**

**FROM: Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, CA 94105**

SUBJECT: FILING OF NOTICE OF EXEMPTION PURSUANT TO CEQA § 21152(b) AND CEQA GUIDELINES § 15062.

Project Title: Phillips 66 San Francisco Refinery - Issuance of Nitrogen Oxide Interchangeable Emission Reduction Credits (IERCs), Source 438 (Air District Application 698215).

Public Agency Approving Project (Lead Agency): Bay Area Air Quality Management District (Air District), 375 Beale Street, Suite 600, San Francisco, CA 94105. Contact Person: Ali Roohani, Air Quality Engineer; Telephone: (415) 749-4707; Email: aroohani@baaqmd.gov

Project Applicant and Entity Carrying Out Project: Phillips 66 San Francisco Refinery.

Project Applicant Mailing Address: 1380 San Pablo Avenue, Rodeo, CA, 94572.

Project Applicant Contact Person: Phillips 66 San Francisco Refinery, 380 San Pablo Avenue, Rodeo, CA, 94572. Contact Person: Kait Lane, Environmental Specialist; Telephone: (510) 245-4672; Email: Kait.N.Lane@p66.com

Project Location: 1380 San Pablo Ave., Rodeo, **Contra Costa County**, CA 94572. Nearest Cross Street: Road 5 and D street.

Project Description:

This permit action was to issue the following Interchangeable Emission Reduction Credits (IERCs) to Phillips 66 Company:

IERC Banking Certificate #11-W	2.44 Tons of Nitrogen Oxides
IERC Banking Certificate #11-X	3.67 Tons of Nitrogen Oxides
IERC Banking Certificate #11-Y	1.88 Tons of Nitrogen Oxides.

The IERCs are generated by emission reductions at S-438 U110 H-1 Hydrogen Reforming Heater for the following three credit generation periods pursuant to Air District Regulation 2, Rule 9:

February 24, 2019 through February 23, 2020
February 24, 2020 through February 23, 2021
February 24, 2021 through February 23, 2022.

Finding of Exemption:

- The Air District has determined that emissions banking is not a “project” as that term is used in the California Environmental Quality Act (CEQA), because it does not involve a “physical change in the environment.” (See Pub. Res. Code § 21065.)
- Moreover, even if the issuance of a banking certificate was considered to be a “physical change in the environment,” it can be seen with certainty that the mere issuance of the certificate will not have any significant environmental impacts because simply issuing a certificate does not authorize any emissions. The action would therefore be exempt under the “common sense” exemption. (See CEQA Guidelines, 14 Cal. Code Regs. 15061(b)(3).)

Basis for Exemption:

Emissions banking does not authorize or result in any direct or reasonably foreseeable indirect physical or operational changes at the facility, air emissions, or impacts to the environment, so it is not a “project” pursuant to CEQA. In addition, the Air District has concluded with certainty, based on materials in the applicant’s permit application including a CEQA Appendix H, that the issuance of these IERCs has no potential to result in any additional or different environmental impacts beyond what is already entailed in the applicant’s existing use of the source. Therefore, if issuance of the IERCs were a “project” pursuant to CEQA, it would be subject to the “common sense” exemption.



Pamela J. Leong
Director of Engineering
Bay Area Air Quality Management District

Date May 30, 2024