

State of California
 Natural Resources Agency / Department of Conservation
 GEOLOGIC ENERGY MANAGEMENT DIVISION

California Environmental Quality Act
Notice of Exemption

To: Office of Land Use and Climate Innovation **From:** Department of Conservation
 State Clearinghouse 715 P Street, MS 1803
 1400 Tenth Street, Room 113 Sacramento, CA 95814
 Sacramento, CA 95814 **Contact:** CEQA@conservation.ca.gov

Project Title: Chemical Inventory and Root Cause Analysis Regulation Rulemaking

Project Applicant: Department of Conservation, Geologic Energy Management Division

Project Location: Statewide

Project Description: The Project is to amend CalGEM's underground gas storage (UGS) regulations according to Senate Bill 463 (SB 463) (Stern, Stats. October 2019, Ch. 773) and other statutory authority (e.g., PRC § 3106). The amendments generally serve to:

- Reduce threats to life, health, property, and natural resources;
- Protect stored resources, surface and underground waters, and the public welfare;
- Increase transparency and public information regarding UGS operations, especially regarding potential hazards in the event of a leak; and
- Augment, modernize, and clarify CalGEM's regulatory standards and expectations for UGS projects.

Exempt Status: As the Lead Agency, CalGEM has determined that the proposed Project is exempt from full environmental review requirements of the California Environmental Quality Act (CEQA), pursuant to the specified exemptions marked in the section below. CalGEM further finds that the proposed Project would not result in a significant adverse impact to the environment, or that any of the exceptions to the application of the exemptions apply (14 CCR § 15300.2).

Exemption Type		Statute (PRC)	Regulation (14 CCR)
<input type="checkbox"/>	Statutory Exemption:		
<input type="checkbox"/>	Ongoing Project (<i>pre-CEQA approval on April 5, 1973</i>)	21169	15261 (b)
<input type="checkbox"/>	Ministerial	21080 (b)(1)	15268
<input type="checkbox"/>	Declared Emergency	21080 (b)(3)	15269 (a)
<input type="checkbox"/>	Emergency Projects	21080 (b)(4)	15269 (b) or (c)

<input checked="" type="checkbox"/>	Categorical Exemption:	21084		
<input type="checkbox"/>	Class 1: Existing Facilities		15301	1684.1
<input type="checkbox"/>	Class 2: Replacement or Reconstruction			
<input type="checkbox"/>	Class 3: New Construction/Conversion of Small Structures		15303	
<input type="checkbox"/>	Class 4: Minor Alterations to Land		15304	1684.2
<input checked="" type="checkbox"/>	Class 7: Protection of Natural Resources		15307	
<input checked="" type="checkbox"/>	Class 8: Protection of the Environment		15308	
<input type="checkbox"/>	Class 11: Accessory Structures		15311	
<input type="checkbox"/>	Class 21: Enforcement Actions to revoke a permit		15321	
<input type="checkbox"/>	Class 30: Minor Actions to Prevent, Minimize, Stabilize, Mitigate, or Eliminate a Release (Actual or Threat) of Hazardous Substances (Waste or Material)		15330	
<input type="checkbox"/>	Class 33: Small Habitat Restoration Projects		15333	
<input checked="" type="checkbox"/>	General Exemption ("common sense")		15061 (b)(3)	
<input type="checkbox"/>	Not a "Project" subject to CEQA		15378 (b)(2)	
<p>CEQA Exceptions to the Exemptions (14 CCR § 15300.2): where project is located (e.g., sensitive environment); Cumulative Impact; Significant Effect due to Unusual Circumstances; Scenic Highways; Hazardous Waste Sites; Historical Resources.</p>				

Reasons Why Project is Exempt: The basis for CalGEM's determination that the Project is exempt from the requirements of CEQA is provided in the brief explanation below.

Class 7, Actions by Regulatory Agencies for Protection of Natural Resources (14 CCR § 15307): Class 7 consists of "actions taken by regulatory agencies as authorized by state law or local ordinance to assure the maintenance, restoration, or enhancement of a natural resource where the regulatory process involves procedures for protection of the environment. Examples include but are not limited to wildlife preservation activities of the State Department of Fish and Game. Construction activities are not included in this exemption."

Class 8, Actions by Regulatory Agencies for Protection of the Environment (14 CCR § 15308): Class 8 consists of "actions taken by regulatory agencies, as authorized by state or local ordinance, to assure the maintenance, restoration, enhancement, or protection of the environment where the regulatory process involves procedures for protection of the environment. Construction activities and relaxation of standards allowing environmental degradation are not included in this exemption."

CalGEM is undertaking the Project as authorized by SB 463 and other statutory authority, such as PRC § 3106. The Project action would assure the maintenance and

enhancement of natural resources (e.g., air and water) and the environment by modernizing, clarifying, and augmenting regulatory standards and procedures to protect the environment. Many of the changes relate to planning, monitoring, tracking, and reporting well integrity to avoid or timely identify leak-causing well failures at UGS facilities.

Implementing SB 463 and addressing the findings in the Blade Report, the California Council on Science and Technology (CCST) Study, and CASPER are critical to reducing the risk of well failure to protect the environment. The Project also reflects the extensive experience of CalGEM engineers in regulating UGS facilities.

The documentation underlying the Project supports that the changes proposed would prevent or lessen the hazardous effects of gas leaks at UGS facilities, including the type of gas leak that occurred at Aliso Canyon. For example, changes related to risk management planning will allow operators and CalGEM to monitor, assess, and mitigate factors affecting the integrity of wells more effectively and efficiently. Given the critical importance of emergency response planning, the Project will require more frequent plan updates to reflect existing conditions more accurately and prompt operators to maintain more current data on chemical usage. Requiring a complete chemical inventory with usage, testing, and other information would aid in more timely and effective responses to emergency situations by local agencies, the operator, and state agencies to protect public health and the environment. The information would also allow for mitigation to occur sooner than under the current regulatory framework.

Common Sense Exemption (14 CCR § 15061 (b)(3)): The common sense exemption applies only “[w]here it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment[.]” This Project will modernize, clarify, and augment the regulatory standards applicable to UGS projects in California to reduce threats to life, health, property, and natural resources, and protect stored resources, surface and underground waters, and the public welfare. The changes to the regulations were designed to protect the environment, primarily through planning, monitoring, tracking, and reporting protocols. This action would be beneficial to the protection of people, the environment, and natural resources by reducing the risk of UGS well failure and the release of toxic air pollutants into the environment. Therefore, there is no possibility that the activity may have a significant effect on the environment.

Exceptions to Exemptions: CalGEM further finds that there are no exceptions to the application of the categorical exemptions (PRC § 21084; 14 CCR § 15300.2(c)) referenced above. There is no substantial evidence that there are any “unusual circumstances” associated with the proposed Project that create a reasonable possibility that the activity will have a significant effect on the environment, and that there are no significant “cumulative impacts” resulting from successive projects of the same type in the same place. Therefore, reliance on the exemptions is appropriate.

A copy of this NOE (as required by 14 CCR § 15062(a)) and all other related materials can be made available to the public by contacting the CalGEM CEQA Program, located at 715 P Street, MS 1803, Sacramento, CA 95814-3530; by calling (916) 445-9686; or an electronic copy of these documents may be requested by contacting

CEQA@conservation.ca.gov. A copy of this NOE may also be accessed online at the State Clearinghouse: <https://ceqanet.opr.ca.gov>

Certified:

greg chittick

Date: *May 6, 2025*

Department of Conservation,
Geologic Energy Management Division
CEQA Program