State of California
AIR RESOURCES BOARD

ENVIRONMENTAL ANALYSIS PREPARED FOR THE LOW CARBON FUEL STANDARD AND ALTERNATIVE DIESEL FUEL REGULATIONS

Resolution 15-51

September 25, 2015

Agenda Item No.: 15-7-1

WHEREAS, Air Resources Board's (ARB's) regulatory program that involves the adoption, approval, amendment, or repeal of standards, rules, regulations, or plans has been certified by the Secretary for Natural Resources under Public Resources Code section 21080.5 of the California Environmental Quality Act (CEQA; CCR, title 14, section 15251(d)), and ARB conducts its CEQA review according to this certified program (California Code of Regulations, title 17, sections 60000-60007);

WHEREAS, ARB prepared a draft environmental analysis under its certified regulatory program for the proposed Regulation on the Commercialization of Alternative Diesel Fuels (ADF) and the proposed re-adoption of the Low Carbon Fuel Standard (LCFS) in the document entitled *Draft Environmental Analysis Prepared for the Low Carbon Fuel Standard and Alternative Diesel Fuel Regulations* (Draft EA), included as Appendix D to the respective Initial Statement of Reason (ISOR) prepared for each of the proposed regulations, and circulated for public review and comment for at least 45 days from January 2, 2015 through February 17, 2015;

WHEREAS, the Draft EA found that although the policy aspects and requirements of the proposed ADF and LCFS regulations do not directly change the physical environment, there are potential indirect physical changes caused by reasonably foreseeable actions undertaken by entities in response to the proposed regulations, referred to as "compliance responses" in the Draft EA;

WHEREAS, the Draft EA found the compliance responses to the proposed ADF and LCFS regulations would result in beneficial impacts through substantial reductions in emissions of greenhouse gases (GHGs) from transportation fuels in California from 2016 through 2020 and beyond, long-term beneficial impacts to air quality through reductions in criteria pollutants, and beneficial impacts to energy demand;

WHEREAS, the Draft EA also found the proposed regulations could result in less than significant impacts or no impacts to mineral resources, population and housing, public services, and recreation, and could result in potentially significant and unavoidable

adverse impacts to aesthetics, agriculture resources, biological resources, cultural resources, geology and soils, hazards and hazardous materials, hydrology and water quality, land use and planning, noise, transportation and traffic, utilities, and short-term construction-related impacts to air quality (primarily related to reasonably foreseeable construction projects and minor expansions to existing operations);

WHEREAS, on February 19, 2015, the Board conducted a public hearing on the proposed regulations and, following the public hearing, the Board approved Resolution 15-5 directing the Executive Officer to: make additional modifications to the proposed regulatory language for a period of at least 15 days; to consider written comments submitted during the public review period and make any additional appropriate conforming modifications available for public comment for at least 15 days; to evaluate all comments received during the public comment periods, including comments on the Draft EA; to prepare written responses to EA comments as required by ARB's certified regulations at California Code of Regulations, title 17, sections 60000-60007 and Government Code section 11346.9(a); and to present to the Board, at a subsequently scheduled public hearing, staff's written responses to any comments on the Draft EA for consideration for approval, along with the Final EA;

WHEREAS, following the February Board hearing, modified regulatory language and supporting documentation were made available for both the proposed ADF and LCFS regulations for additional 15-day public comment periods between May 22, 2015, and August 17, 2015;

WHEREAS, the modifications to the proposed ADF and LCFS regulations circulated for additional 15-day public comment periods did not affect the conclusions and significance determinations of the Draft EA previously circulated so the Draft EA was not revised and recirculated for additional comment;

WHEREAS, staff reviewed written comments received on the Draft EA from January 2, 2015, through February 17, 2015, at the February public hearing, and additional environmental comments received during the additional 15-day public comment periods provided for the modified regulatory language and supporting documentation, even though the Draft EA was not recirculated for comment, and prepared written responses to all those environmental comments in a document entitled *Response to Comments on the Environmental Analysis Prepared for the Low Carbon Fuel Standard and Alternative Diesel Fuel Regulations* (Response to EA Comments);

WHEREAS, on September 21, 2015, staff posted on the rulemaking pages for the proposed ADF and LCFS regulations the Final EA, which includes minor revisions, and the Response to EA Comments;

WHEREAS, before the duly noticed public hearing held on September 24, 2015, the Board received the Final EA and Response to EA comments for consideration, and also received for consideration the Responses to Comments on the Low Carbon Fuel Standard and Responses to Comments on the Alternative Diesel Fuel Regulation;

WHEREAS, following the public hearing held on September 24, 2015, staff prepared written responses to additional comments received at the hearing on both the LCFS and ADF regulations, including additional comments raising environmental issues, and compiled new comments raising environmental issues and responses to those comments in a document entitled *Supplement to the Responses to Comments on the Draft Environmental Analysis for the Low Carbon Fuel Standard and Alternative Diesel Fuel Regulations* (Supplement to EA Responses), and this document was provided to the Board for its consideration, along with separate documents containing responses to comments on the ADF and LCFS proposals that were received on September 24, 2015;

WHEREAS, the Board has considered the Final EA, the Response to EA Comments and the Supplement to EA Responses, the ISORs prepared for both the LCFS and ADF regulations, written comments, public testimony, responses to other comments on the LCFS and ADF resolutions, and the entirety of the record.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby certifies that the Final EA, set forth in Attachment A to this resolution, was completed in compliance with ARB's certified regulatory program to meet the requirements of CEQA, reflects the agency's independent judgment and analysis, and was presented to the Board whose members reviewed and considered the information therein.

BE IT FURTHER RESOLVED that the Board approves the Response to EA Comments set forth in Attachment B to this resolution and the Supplement to EA Responses, included in Attachment C to this resolution.

I hereby certify that the above is a true and correct copy of Resolution 15-51 as adopted by the Air Resources Board.

Tracy Jensen

Tracy Jensen, Clerk of the Board

Resolution 15-51

September 25, 2015

Identification of Attachments to the Board Resolution

Attachment A: *Final Environmental Analysis prepared for the Low Carbon Fuel Standard and the Alternative Diesel Fuel Regulations*, released to the public September 21, 2015.

Attachment B: *Response to Comments on the Environmental Analysis Prepared for the Low Carbon Fuel Standard and the Alternative Diesel Fuel Regulations*, released to the public September 21, 2015.

Attachment C: *Supplement to the Responses to Comments on the Draft Environmental Analysis for the Low Carbon Fuel Standard and Alternative Diesel Fuel Regulations*, provided at the hearing on September 25, 2015.