NEGATIVE DECLARATION

April 14, 2000

PROJECT SPONSOR

Bay Area Air Quality Management District

PROJECT LOCATION

This rule applies within the area covered by the Bay Area Air Quality Management District. The District includes all of seven counties - Alameda, Contra Costa, Marin, San Francisco, San Mateo, Santa Clara, and Napa - and portions of two others - southwestern Solano and southern Sonoma.

PROJECT DESCRIPTION

The proposed project consists of amendments to an existing District rule, Regulation 9, Rule 11, which requires reductions of NOx emissions from existing electric power generating steam boilers. In accordance with state law, AB 1890, the electric utility industry is being restructured under the direction of the California Public Utility Commission (CPUC). As a result, the original owner/operator of all the sources regulated by Regulation 9-11, PG&E, has divested three of the four facilities that contain these sources in the Bay Area. Under electric utility industry restructuring, the system of these boilers may no longer be a CPUC-regulated utility in the future, and as such, could, in theory, possibly avoid the requirements of the District Rule under the premise of non-applicability.

The proposed amendments are intended to ensure the continued applicability of the Rule to the affected boilers and to streamline compliance under the various possible ownership changes from the once single public electric utility. The amendments remove references to CPUC regulatory status, substitute generic state, federal, and local exemption requirements, and clarify definitions of an electric power generating system and an emergency natural gas curtailment.

With the clarified definition of an electric power generating system, each power plant or group of power plants under common ownership can be its own electric power generating system. Thus, each power plant or group of power plants commonly owned can meet the NOx emission standards of the Rule by meeting the systemwide emission rate limit year by year as specified in Section 309 of the Rule. The proposed amendments recognize industry divestiture and allow the same emission averaging for multiple facilities under common ownership as permitted under the current Rule. The emissions from two or more “bubbled” facilities, each “bubble” independently meeting the Rule systemwide emission limit, would be identical or slightly less than the collective emissions of a single “bubble”, as was the case before industry restructuring when a single entity, PG&E, owned all the affected facilities.

DETERMINATION

Pursuant to the California Environmental Quality Act (Public Resources Code Section 21000 et seq.), the District is the Lead Agency for the described project. The District has prepared an Initial Study (attached), and on the basis of that study, has determined that the project will not have a significant effect on the environment.

REVIEW PERIOD

Interested persons are invited to send written comments on the Negative Declaration to Ellen Garvey, Executive Officer/Air Pollution Control Officer, Bay Area Air Quality Management District, 939 Ellis Street, San Francisco, California, 94109. Comments must be received by 5:00 p.m. on Monday, May 8, 2000.

Questions regarding the project or the Negative Declaration should be directed to Kenneth Lim at 415-749-4710.