

Western States Petroleum Association

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Catherine H. Reheis-Boyd

Chief Operating Officer and Chief of Staff

July 25, 2008

Elaine C. Chang, Dr. P.H., Deputy Executive Officer Steve Smith, PhD., Program Supervisor South Coast Air Quality Management District 21865 Copley Drive, Diamond Bar, CA 91765-4182

RE: SCAQMD CEQA Greenhouse Gas Significance Threshold Development

Dear Dr. Chang and Dr. Smith:

The Western States Petroleum Association (WSPA) is providing comments on the revised flow chart recently issued by the South Coast Air Quality Management District (SCAQMD). On July 7, WSPA submitted comments on SCAQMD's earlier proposal, so, the District should treat this submittal as an addendum to those remarks.

With respect to the newest Flowchart:

RE: Tier 3: WSPA suggests the following:

- a. For implementation clarity, AQMD should show notation on the chart that Title 24 only applies to residential and commercial buildings and excludes industrial process equipment.
- b. Construction and operating emissions from projects required by local and state governmental agencies should not be accumulated toward GHG emissions totals for the purpose of determining a significance threshold and offsets.

Example: If a Company needs to construct projects at a refinery to meet the mandated requirements of a NOx or SOx shave, the refinery should not be penalized by having to purchase GHG offsets.

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RE: Tier 4: WSPA suggests adding more options similar to suggestions in our letter of July 3:

- a. Option #4: Project results in net energy efficiency or decrease in carbon intensity
- b. Option #5: Project meets applicable standards promulgated by CARB, Air Districts or other state agencies or commissions.

RE: Tier 5: WSPA recommends clarifying that regardless of the project life, construction emissions do not need to be offset.

If you have any questions about these additional comments provided by WSPA, please contact me.

Sincerely,

cc: Dr. Barry Wallerstein, SCAQMD Joe Sparano, WSPA