BEFORE THE GOVERNING BOARD OF THE
SAN JOAQUIN VALLEY UNIFIED
AIR POLLUTION CONTROL DISTRICT

IN THE MATTER OF: ADOPTING
PROPOSED AMENDMENTS TO RULE 2301
(EMISSION REDUCTION CREDIT BANKING)

WHEREAS, the San Joaquin Valley Unified Air Pollution Control District (District) is a
duly constituted unified air pollution control district, as provided in California Health and
Safety Code Sections 40150 et seq. and 40600 et seq.; and

WHEREAS, said District is authorized by California Health and Safety Code Section
40702 to make and enforce all necessary and proper orders, rules, and regulations to
accomplish the purpose of Division 26 of the California Health and Safety Code; and

WHEREAS, said District is authorized by California Health and Safety Code Section
40709 to establish an Emission Reduction Credit Banking system; and

WHEREAS, the California Global Warming Solutions Act of 2006 (AB32) sets a
regulatory framework requiring the California Air Resources Board to achieve a
reduction in greenhouse gas (GHG) emissions in California to a 1990 equivalent
emissions level by the year 2020; and

WHEREAS, the California Environmental Quality Act of 1970 (CEQA) requires public
agencies to analyze potential adverse impacts for proposed projects undertaken by a
public agency and minimize those impacts where feasible; and

WHEREAS, the Governing Board adopted a District Climate Change Action Plan in
August 2008, which directed the Executive Director/Air Pollution Control Officer to
develop guidance for addressing greenhouse gas emission impacts under CEQA; and

WHEREAS, the District held numerous public meetings and workshops in 2008 and
2009 to develop a guidance document and adopted its GHG CEQA guidance on
December 17, 2009, contained in two documents: “Addressing GHG Emission

Resolution for Proposed Amendments to Rule 2301
Impacts for Stationary Source Projects Under CEQA When Serving as the Lead Agency” and “Guidance for Valley Land-use Agencies in Addressing GHG Emission Impacts for New Projects under CEQA”; and

WHEREAS, the District is now proposing amendments to Rule 2301 (Emission Reduction Credit Banking) to allow for the voluntary banking of GHG emission reductions; and

WHEREAS, the District prepared a draft Environmental Impact Report (“DEIR”) to analyze the potential environmental impacts on global climate change that may result from adoption of proposed amendments to Rule 2301; and

WHEREAS, the DEIR was published on August 8, 2011, the public comment period on the DEIR closed on September 26, 2011, and the District prepared a Final Environmental Impact Report (“FEIR”) addressing all comments received; and

WHEREAS, a public hearing for the adoption of Proposed Rule 2301 and certification of the Final EIR was duly noticed on December 15, 2011, in accordance with California Health and Safety Code Section 40725.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:


2. In accordance with provisions of Section 15090 of the California Public Resources Code the Governing Board hereby certifies that:

   a. The District has prepared and properly noticed the FEIR for Rule 2301 pursuant to the California Environmental Quality Act (CEQA) and CEQA guidelines;

   b. The FEIR concludes that the proposed amendments to Rule 2301 will not have a significant adverse impact on the environment and represents CEQA compliance for the proposed amendments to Rule 2301;

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c. The District Governing Board reviewed and considered the information in the FEIR prior to adopting Proposed Rule 2301 (Emission Reduction Credit Banking); and

d) The FEIR represents the District's independent judgment and analysis. In accordance with the provisions of Section 15094 of the CEQA guidelines, the Executive Director/Air Pollution Control Officer is hereby directed to cause to be filed a Notice of Determination with the County Clerks of each of the counties in the District.

3. The Governing Board hereby finds, based on the evidence and information presented at the hearing upon which its decision is based, all notices required to be given by law have been duly given in accordance with California Health and Safety Code Section 40725, and the Governing Board has allowed public testimony in accordance with California Health and Safety Code Section 40726.

4. In connection with said rulemaking, the Governing Board makes the following findings as required by California Health and Safety Code Section 40727:

   a. **NECESSITY.** The Governing Board finds, based on the staff report, and on public and industry testimony on the record for this rulemaking proceeding, that a need exists for said rule. Said rule satisfies the District's commitment in the District's 2008 Climate Change Action Plan.

   b. **AUTHORITY.** The Governing Board finds that it has the legal authority for said rulemaking under the California Health and Safety Code Sections 40000 and 40001.

   c. **CLARITY.** The Governing Board finds that said rule is written or displayed so that the meaning can be easily understood by those persons or industries directly affected by said rule.

   d. **CONSISTENCY.** The Governing Board finds that said rule is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations.
e. NONDUPLICATION. The Governing Board finds that said rule does not impose the same requirements as any existing state or federal regulation.

f. REFERENCE. The Governing Board finds that said rulemaking implements Section 172(c)(1) of the federal Clean Air Act, and Section 40709 of the California Health and Safety Code.

5. The Executive Director/Air Pollution Control Officer is directed to file with all appropriate agencies certified copies of this resolution and the rule adopted herein and is directed to maintain a record of this rulemaking proceeding in accordance with California Health and Safety Code Section 40728.
THE FOREGOING was passed and adopted by the following vote of the
Governing Board of the San Joaquin Valley Unified Air Pollution Control District this
19th day of January 2012, to wit:

AYES: Baines, Barba, Barwick, Bomprezzi, Case, Dominici, Hanson, Sherriffs, Walsh, Worthley, Vierra, Watson, O'Brien

NOES: Forman

ABSENT: Ornelas

SAN JOAQUIN VALLEY UNIFIED
AIR POLLUTION CONTROL DISTRICT

By ______________________
William O'Brien, Chair
Governing Board

ATTEST:

Clerk to the Governing Board

By ______________________
Michelle Franco
Clerk to the Board

Resolution for Proposed
Amendments to Rule 2301