

Agenda Date: May 15, 2014  
Agenda Placement: Regular  
Estimated Time: 10 Min.  
Continued Item: No

## Board Agenda Item

TO: Air Pollution Control District Board

FROM: Dave Van Mullem, Air Pollution Control Officer

CONTACT: Molly Pearson, Community Programs Supervisor (961-8838)

SUBJECT: Update of District Environmental Review Guidelines Document

---

### RECOMMENDATION

Receive and file information on the District's update of its Environmental Review Guidelines.

### BACKGROUND:

The District's Environmental Review Guidelines provide procedures for the District and other agencies to use when reviewing projects under the California Environmental Quality Act (CEQA). The Guidelines are applied directly to projects for which the District is the lead agency under CEQA, including District permits, rules, and plans. The Guidelines were first adopted by the Board in 1995 and were last revised in 2000. They include thresholds of significance for traditional pollutants such as ozone precursors, as well as criteria for exempting projects from CEQA. The current Guidelines do not address greenhouse gases. The California Office of Planning & Research developed amendments to the CEQA Guidelines that were adopted by the California Natural Resources Agency and became effective March 18, 2010. These amendments establish a framework for including climate change impacts in the CEQA process.

### DISCUSSION:

The CEQA Guidelines state in part that "each public agency is encouraged to develop and publish thresholds of significance that the agency uses in the determination of the significance of environmental effects" and that thresholds of significance "must be developed through a public review process."<sup>1</sup>

---

<sup>1</sup> CEQA Guidelines Section 15064.7 *Thresholds of Significance*.

The District is proposing to update its Guidelines to include guidance for evaluating the significance of the impacts of greenhouse gas emissions from new or modified stationary sources. We have initiated a public process that will unfold as described below:

- Hold public workshops to gather input from the public and stakeholders;
- Hold meetings with stakeholder groups as requested;
- Consider input received and develop draft revisions to the Guidelines;
- Hold a public workshop or workshops to present draft Guidelines revisions;
- Solicit input on the draft Guidelines and consider changes;
- Present proposed Guidelines revisions to Community Advisory Council (CAC) for consideration; and
- Proceed to Board with Guidelines in accordance with CAC recommendation.

The first two public workshops were held on May 6 and May 8 in Santa Maria and Santa Barbara. The outreach that was done for these workshops is detailed below.

- Public notices about the workshops were published in the *Santa Barbara News Press* (4/6/14); *Santa Maria Times* (4/6/14); *Lompoc Record* (4/6/14); *Santa Ynez Valley News/SYU Extra* (4/8/14); *Santa Barbara Independent* (4/10/14); *Santa Maria Sun* (4/17/14).
- Workshop notices were published on our website (4/4/14).
- Notice was sent to more than 100 individuals by both email and ground mail (4/4/14).
- Notice was emailed to all Board and CAC members (4/4/14).
- Developed and published a dedicated web page, [www.ourair.org/ghg-and-ceqa.htm](http://www.ourair.org/ghg-and-ceqa.htm), (4/4/14). Web page includes project information and background materials, and will serve as an information repository for all future materials.
- Workshop presentation was posted on web page, and emails were sent to stakeholders and Board and CAC members regarding that posting (4/4/14).

Scheduling of workshops and meetings subsequent to the two already scheduled workshops will depend on input submitted to the District. We have established a point of contact for this project and will be updating our website at each step of the process. We have identified a consultant that may be used for additional studies related to this project, if needed.

The process will involve staff from the Technology and Environmental Assessment Division. Necessary staff time to prepare and present at the workshops, to assemble comments, to develop additional information, and to draft the updates to the Guidelines is accounted for in the budget under CEQA activities.

#### Attachments:

- 1) Public Notice for May 6 and May 8 workshops
- 2) Workshop presentation that was posted on the website on April 24, 2014
- 3) List of organizations, agencies, and industry associations whose representatives were included in emails and mailings sent out

## ATTACHMENT 1

Public Notice for May 6 and May 8 workshops

May 15, 2014

Santa Barbara County Air Pollution Control District

260 San Antonio Road, Suite A  
Santa Barbara, California 93110

(805) 961-8800



## NOTICE OF PUBLIC WORKSHOPS

**May 6, 2014, 3:00 pm – Santa Maria**

Santa Maria Public Library, Shepard Hall  
421 South McClelland St, Santa Maria, CA

**May 8, 2014, 3:00 pm – Santa Barbara**

Santa Barbara Central Library, Faulkner Gallery  
40 East Anapamu St, Santa Barbara, CA

### **Updating District Guidelines to Address Greenhouse Gas Emissions under the California Environmental Quality Act**

The Santa Barbara County Air Pollution Control District's *Environmental Review Guidelines* provide procedures for the District and other agencies to use when reviewing projects under the California Environmental Quality Act, or CEQA. The District's Guidelines are applied directly to projects for which the District is the lead agency under CEQA, including District permits, rules, and plans. The state's CEQA guidelines have included a framework for addressing climate change impacts since 2010. The District proposes to update its *Environmental Review Guidelines* to include guidance for evaluating the significance of the impacts of greenhouse gas emissions from new or modified stationary sources.

The District will lead the workshops listed above to provide the framework and gather input from stakeholders and the public. Draft revisions to the District's Guidelines will be developed and presented at another public workshop for input. Proposed revisions and a summary of input from the public workshops will be reviewed by the District's Community Advisory Council, and may be brought to the District's Board for adoption.

The following individuals or groups may be interested in attending these workshops:

- Proponents of projects with new or modified stationary sources of air pollution in Santa Barbara County;
- Agencies in Santa Barbara County that serve as lead agencies under CEQA;
- Concerned members of the public;
- Agencies, organizations and industries involved in climate change/greenhouse gas impact evaluation and mitigation.

For additional information, please see the District's website at [www.ourair.org/notices.htm](http://www.ourair.org/notices.htm), or contact Molly Pearson at (805) 961-8838. To sign up to receive notices, please email [ceqa@sbcapcd.org](mailto:ceqa@sbcapcd.org).

## ATTACHMENT 2

Workshop presentation that was posted  
on the website on April 24, 2014

May 15, 2014

Santa Barbara County Air Pollution Control District

260 San Antonio Road, Suite A  
Santa Barbara, California 93110

(805) 961-8800



# Updating District Guidelines

TO ADDRESS GREENHOUSE GAS EMISSIONS UNDER THE  
CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

---

PUBLIC WORKSHOPS MAY 2014

# Overview

---

Project Description

Purpose & Need

Global and State Climate  
Change Framework

Thresholds under CEQA

Options

Next Steps

Questions/Open Discussion



# Santa Barbara County APCD

*Our mission is to  
protect the people and  
the environment of  
Santa Barbara County  
from the effects of air  
pollution.*

- We regulate “stationary sources” of air pollution within Santa Barbara County.
- We do not regulate motor vehicles or “portable” equipment/operations.
- We do not make land use decisions (this is done by the cities and SB County).





# Project Description

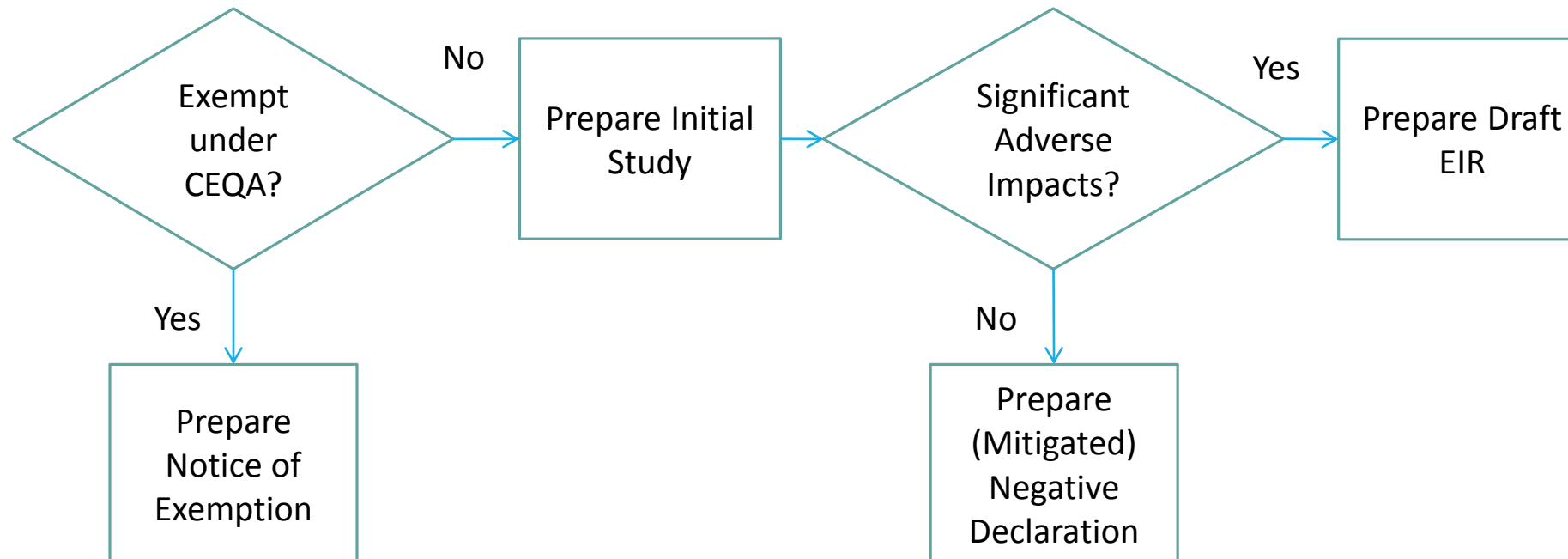
# Project Statement: Consider revisions to the APCD Environmental Review Guidelines

---

- Add GHG threshold to significance criteria for cumulative impacts
  - Applicable to new or modified stationary source projects
- Update Appendix A exemptions list
- Other minor updates to reflect current CEQA practice

# California Environmental Quality Act (CEQA)

- Purpose: Public disclosure, inform decision-makers, provide for an analysis of alternatives to avoid impacts
- A CEQA determination is required for all “discretionary projects” in California
- Level of review depends on the level of environmental impacts:



# APCD's Implementation of CEQA

---

- APCD has multiple roles under CEQA:
  - Lead Agency (plans, rules, permits)
  - Responsible Agency
  - Concerned/Trustee Agency
- APCD Environmental Review Guidelines currently set our significance thresholds for air quality impacts only; not GHGs
- CEQA lead agencies may choose to use our thresholds



# Purpose & Need



# Purpose & Need for GHG Thresholds

---

- Lead agencies are now legally required to quantify GHGs and make a significance determination (March 2010 CEQA Guidelines Amendments)
- Currently, individual jurisdictions in our county are applying varying significance criteria, project-by-project
- Creates uncertainty in permitting process (cost, timelines)
- Potential for legal challenges (less defensible)
- Need fairness and consistency



# Global and State Climate Change Framework



# Global Climate Change Framework

---

- The Intergovernmental Panel on Climate Change (IPCC), established in 1988, is the internationally accepted authority on climate change
- The IPCC has published four comprehensive assessment reports reviewing the latest climate science (in 1990, 1995, 2001, 2005); a Fifth Assessment Report (AR5) will be completed in late 2014

**“Warming of the climate system is unequivocal, and since the 1950s, many of the observed changes are unprecedented over decades to millennia” <sup>1</sup>**

**“Human influence on the climate system is clear. It is extremely likely (95-100% probability) that human influence was the dominant cause of global warming between 1951-2010.” <sup>2</sup>**

<sup>1,2</sup> IPCC (11 November 2013): D. Understanding the Climate System and its Recent Changes, in: Summary for Policymakers (finalized version), in: IPCC AR5 WG1 2013, p. 2, 13.

# Assembly Bill (AB) 32: the Global Warming Solutions Act

---

- Signed by Governor Schwarzenegger in 2006
- Legislation set goal to reduce greenhouse gases to 1990 levels by 2020
- Required the Air Resources Board (ARB) to prepare a Climate Change Scoping Plan
- Scoping Plan, originally approved in 2008, provides the outline for actions to reduce California's GHG emissions through 2020
- Amended and re-approved by the ARB in 2011
- Five year update in progress—concludes California is on target for meeting the 2020 GHG emission reduction goals
- Air Resources Board to consider Plan update later this month.

# California Executive Order S-3-05

---

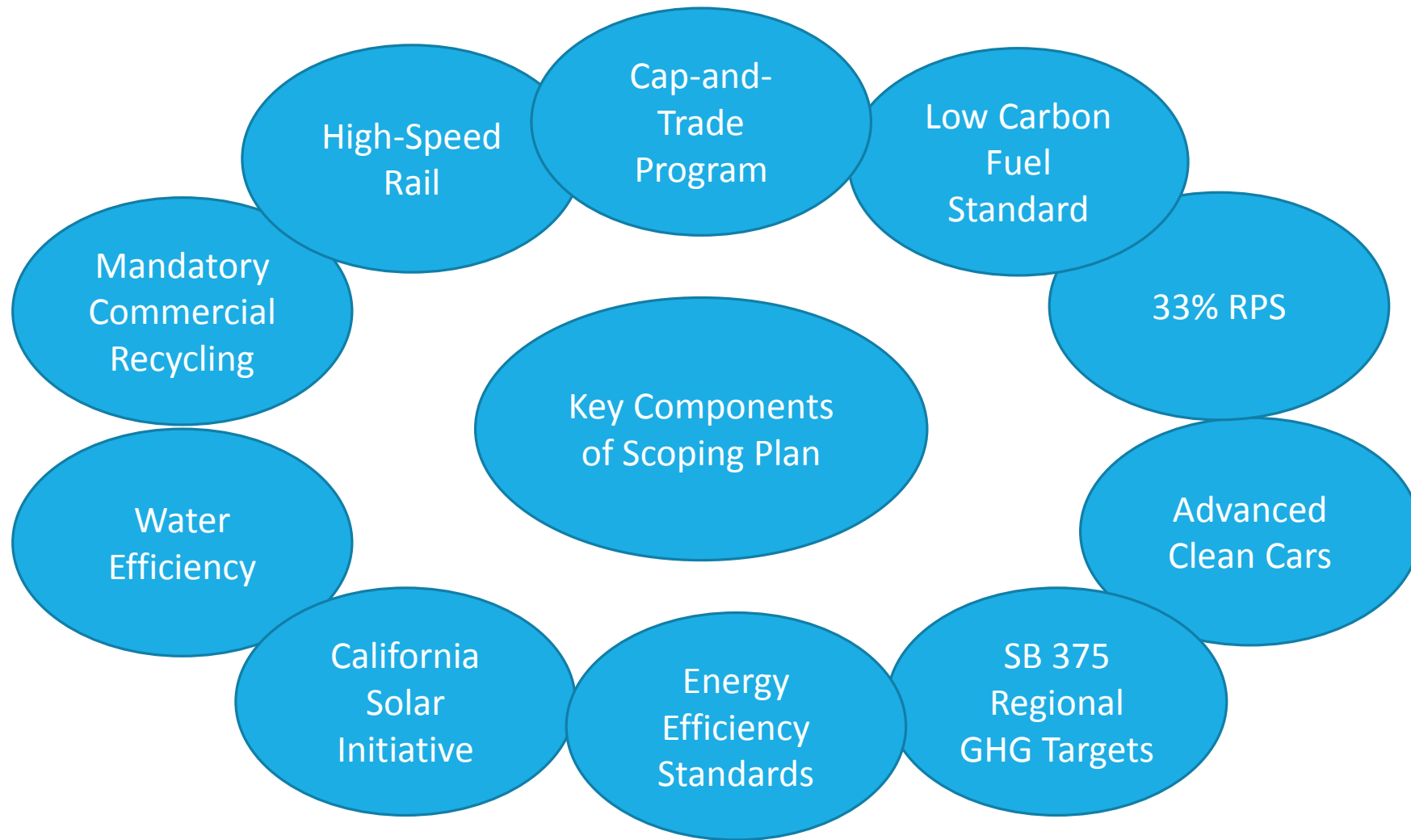
- Signed by Governor Schwarzenegger in June 2005
- Establishes short- and long-term GHG emission reduction targets for CA:
  - 1990 levels by 2020
  - 80% below 1990 levels by 2050
- The 2020 target was codified by AB 32
- No law has codified the 2050 target to date

# Climate Change Scoping Plan Targets

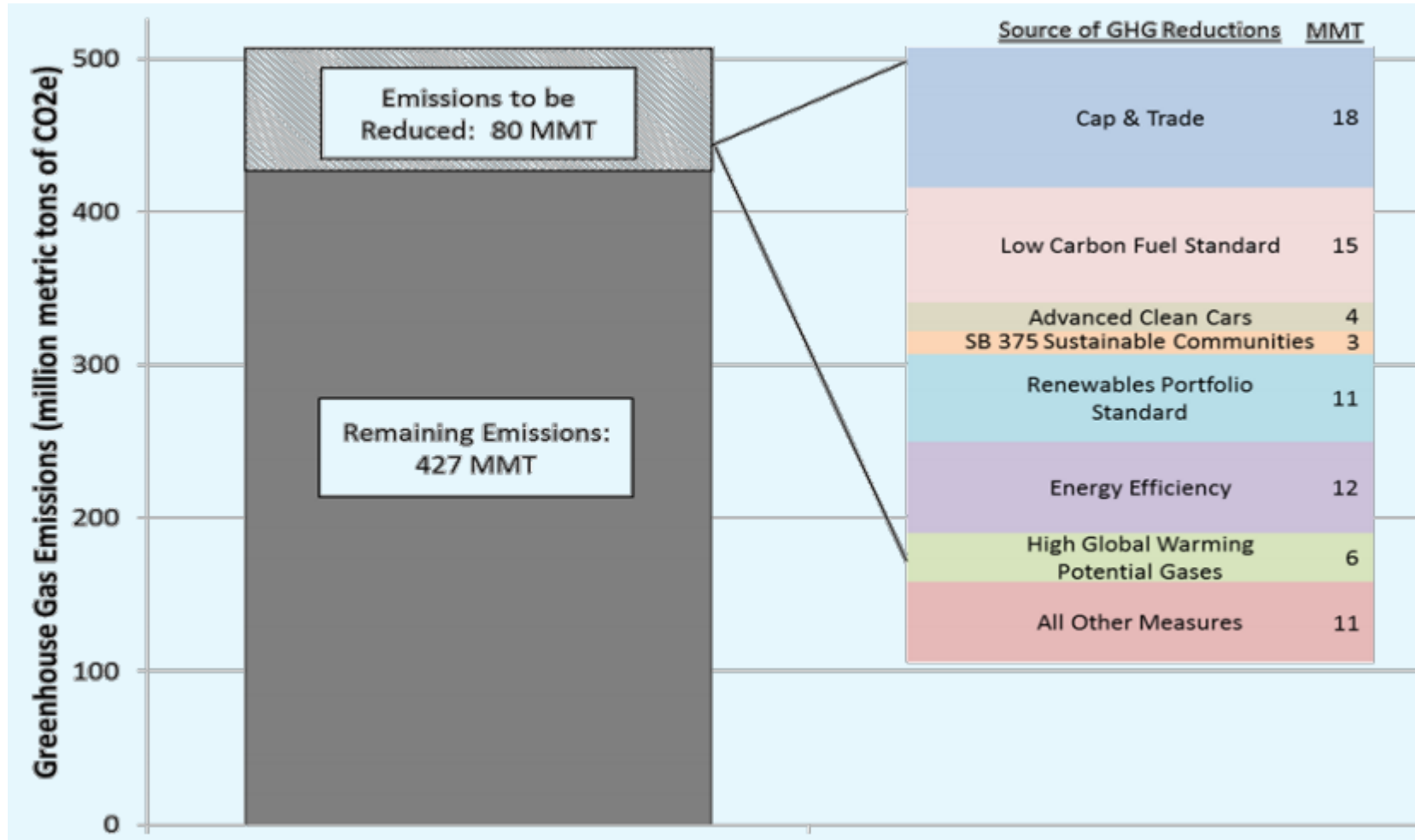
---

- Projected Statewide GHG emissions growth out to 2020 (Business-as-Usual scenario)
- 2008 Plan determined 29% reduction needed to reach 1990 GHG emissions level
- 2011 revision (revised growth and control assumptions) determined 16% reduction needed
- No specific reduction targets beyond 2020 have been set

# Scoping Plan Measures



# Projected Measure Effectiveness



Source:  
California Air Resources Board,  
[http://www.arb.ca.gov/cc/scopin\\_gplan/meetings/061313/spu\\_workshop\\_presentation\\_final.pdf](http://www.arb.ca.gov/cc/scopin_gplan/meetings/061313/spu_workshop_presentation_final.pdf).

# AB 32 Measures - Industrial Sources

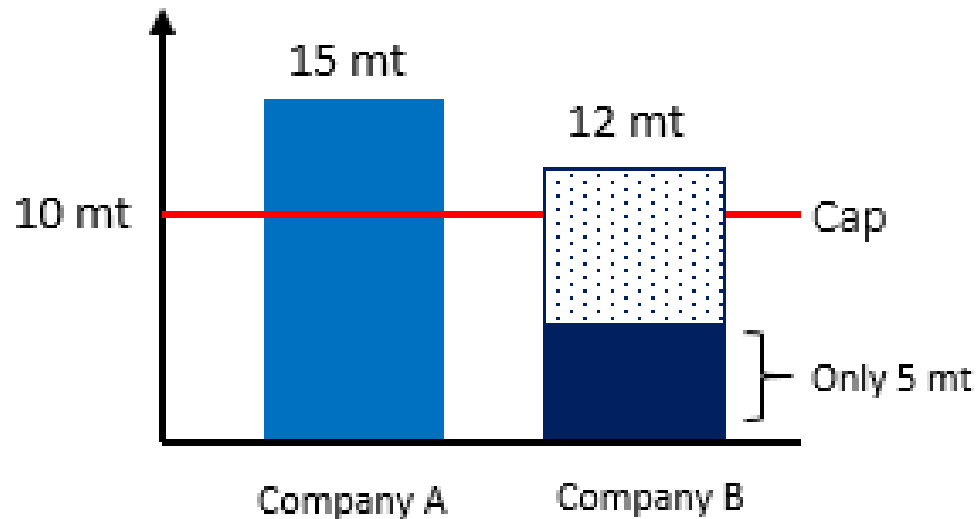
---

- Fee Regulation (HSC 38597)
- Low Carbon Fuel Standard (LCFS)
- Mandatory Reporting Regulation (MRR)
- Renewable Electricity Standard
- Landfill Methane Capture
- Cap-and-Trade
  - Subject to Cap-and-Trade if emissions exceed 25,000 metric tons GHG
  - Encompasses 85% of total statewide GHG emissions, and responsible for approximately 30% of the required GHG emission reductions to meet 2020 goal
  - Sets firm cap on GHG emissions—cap declines approx. 3% year



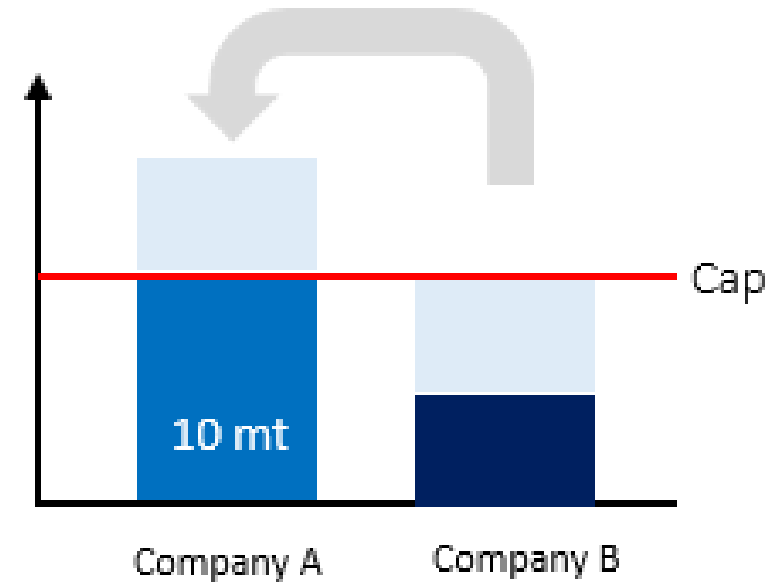
# Cap-and-Trade: How it Works

Company B can reduce emissions at a lower cost and more efficiently



**BEFORE**

Company A buys excess allowances from Company B



**AFTER**



# Thresholds under CEQA

# Requirements for Adoption

---

## Summary of CEQA Guidelines Section 15064.7, Thresholds of Significance:

*“(a) Each public agency is encouraged to develop and publish thresholds of significance of environmental effects...compliance with which means the effect normally will be determined to be less than significant.”*

*“(b) Thresholds of significance...must be adopted by ordinance, resolution, rule, or regulations, and developed through a public review process and be supported by substantial evidence.”*

*“(c) When adopting thresholds of significance, a lead agency may consider thresholds of significance previously adopted or recommended by other public agencies or recommended by experts, provided the decision of the lead agency to adopt such thresholds is supported by substantial evidence.”*

# Assessing Impacts from Greenhouse Gases

---

When assessing the significance of greenhouse gas impacts under CEQA, a lead agency can consider (*CEQA Guidelines § 15064.4*):

- Whether project emissions exceed a threshold of significance that a lead agency has applied to the project,
- If the project complies with regulations or requirements adopted to implement a statewide, regional, or local plan for the reduction or mitigation of GHGs

# Greenhouse Gases as Cumulative Impacts

---

- Global climate change is a cumulative impact; a project participates in this potential impact through its incremental contribution combined with the cumulative increase of all other sources of greenhouse gases.
- A proposed project could result in a cumulatively considerable contribution of GHG emissions and a cumulatively significant impact to global climate change.
- Cumulative impacts can be mitigated to a less than cumulatively considerable level by implementing its fair share of a mitigation measure or measures.

*CEQA Guidelines § 15130(a)(3): An EIR may determine that a project's contribution to a significant cumulative impact will be rendered less than cumulatively considerable and thus is not significant. A project's contribution is less than cumulatively considerable if the project is required to implement or fund its fair share of a mitigation measure or measures designed to alleviate the cumulative impact. The lead agency shall identify facts and analysis supporting its conclusion that the contribution will be rendered less than cumulatively considerable.*





# Options

# Options

To assess significance of greenhouse gas emissions from stationary sources

- ❖ No Threshold
- ❖ Zero
- ❖ Bright line
- ❖ Methodology tied to consistency with AB 32 Scoping Plan and goals



# No Threshold

Significance determined on a case-by-case, project-specific basis.

---

Absence of threshold does not relieve agencies of their obligation to address GHG emissions in CEQA.

Resource intensive and could result in inconsistent determinations.

# Zero

All project GHG emissions are significant and must be mitigated.

---

A zero threshold approach is based on the concept that,

- 1) all GHG emissions contribute to global climate change and could be considered significant, and
- 2) not controlling emissions from smaller sources would be neglecting a portion of the GHG inventory.

## Bright line

Establishes a quantitative value above which emissions are significant (e.g., 10,000 metric tons or 25,000 metric tons).

---

Value can be based on “percent capture” (i.e. capture 90% of emissions), or other numeric value, such as the ARB Mandatory Reporting Regulation threshold (10,000 MTCO<sub>2</sub>e/yr) or the Cap and Trade Program participation threshold (25,000 MTCO<sub>2</sub>e/yr).

Potential to mitigate a large quantity of emissions, but smaller projects not subject to GHG analysis under CEQA and reduces administrative burden.

# Consistency with AB 32 Scoping Plan and Goals

## Approaches:

- A. % reduction from Business-as-Usual (BAU)
- B. % mitigation consistent with AB 32 goals
- C. Performance based standards
- D. Consideration of Cap-and-Trade

- A. Starting with ARB's no-action taken scenario, known as business-as-usual, apply the necessary percent reduction to achieve 1990 emission levels by 2020.
- B. Apply the percent reduction needed to meet the state's 2020 emission reduction goals (e.g., 16%).
- C. Establish industry-specific standards for each equipment type or source category of emissions to produce overall GHG reductions aligned with AB 32 goals.
- D. Consider Cap-and-Trade as an approved GHG Emissions Reduction Plan.



# Process & Next Steps

# Process

---

- Gather input from the public and stakeholders (workshops)
- Hold meetings with stakeholder groups as requested
- Consider input received and develop draft revisions to the Guidelines
- Hold a public workshop to present draft Guidelines revisions
- Solicit input on the Draft and consider changes
- Present proposed Guideline revisions to Community Advisory Council (CAC) for consideration
- Proceed to Board with Guidelines in accordance with CAC recommendation

# Next Steps

---

- Provide written input by **June 5, 2014**.
- If individual stakeholder meeting is desired, request meeting by **May 22, 2014**
- Email to [ceqa@sbcapcd.org](mailto:ceqa@sbcapcd.org) or mail to:  
Attn: Molly Pearson  
Santa Barbara County APCD  
260 N. San Antonio Rd, Ste A,  
Santa Barbara, CA 93110
- Questions? Contact Molly Pearson at (805) 961-8838



## ATTACHMENT 3

List of organizations, agencies, and industry associations  
whose representatives were included in emails  
and mailings sent out

May 15, 2014

Santa Barbara County Air Pollution Control District

260 San Antonio Road, Suite A  
Santa Barbara, California 93110

(805) 961-8800

## List of Organizations, Agencies, and Industry Associations Contacted (81 total)

350.org	J&A Santa Maria, LLC
AECOM	Lompoc Chamber of Commerce
AMEC	Lompoc Valley Seed & Milling
APCD Board	M.F. Strange & Associates
APCD Community Advisory Council	Natural Resource Group
B.E. Conway Energy	Natural Resources Defense Council
California Independent Petroleum Association	Off Broadway Mineral
CalPortland Construction	Pacific Coast Energy Company
Carno ENTRIX	Pacific Operators Offshore
Carpinteria Valley Chamber of Commerce	Penfield and Smith
Citizens Planning Association	Purisima Hills
City of Buellton	Rincon Consultants
City of Carpinteria	Santa Barbara County Action Network
City of Goleta	Santa Barbara County Public Works – RRWM
City of Guadalupe	Santa Barbara County Taxpayers Association
City of Lompoc	Santa Barbara Region Chamber of Commerce
City of Santa Barbara	Santa Barbara Technology & Industry Assoc.
City of Santa Maria	Santa Maria Economic Development Commission
City of Solvang	Santa Maria Energy
Coalition of Labor, Agricultural, & Business	Santa Maria Valley Chamber of Commerce
Coastal Onshore Oil & Gas Operators Group	Santa Ynez Band of Chumash Indians
Community Action Commission	Santa Ynez Chamber of Commerce
Community Environmental Council	SESPE
County of Santa Barbara	Sierra Club - Los Padres Chapter
DCOR, LLC	Sierra Resources
Department of Conservation DOGGR, District 3	So Cal Gas Co.
Dudek	Solvang Chamber of Commerce
E & B Natural Resources	Surfrider Foundation - Santa Barbara Chapter
Econ. Alliance of Northern Santa Barbara County	The Okonite Company
Elements Markets	TriSep Corporation
Environmental Defense Center	University of California at Santa Barbara
ERG Resources	Urban Planning Concepts
ExxonMobil Production	URS
FORTISTAR Methane Group LLC	Vandenberg Air Force Base
Freeport-McMoRan Oil & Gas, LLC	Venoco
Goleta Valley Chamber of Commerce	Vintage Production California, LLC
Gordon Sand Company, Inc.	Wellhead Power Central Coast
Granite Construction	Western States Petroleum Association
Greka Oil and Gas	Wm. Bolthouse Farms
Grimmway Enterprises, Inc.	
Hanson Aggregates	
Imerys	