



Updating District Guidelines

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

PUBLIC WORKSHOP/CAC MEETING MARCH 25, 2015

Tonight's Schedule

- CAC Roll Call
- Public Comment on items not on the Community Advisory Council (CAC) agenda
- Presentation
- Questions/clarifications on presentation
- Public Comment on item on the CAC agenda
- Close of Public Workshop
- CAC Deliberations & Decision

Presentation Overview

Project Description & Application

Summary of Public Process

Threshold Options

Next Steps

Questions

Mission:

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



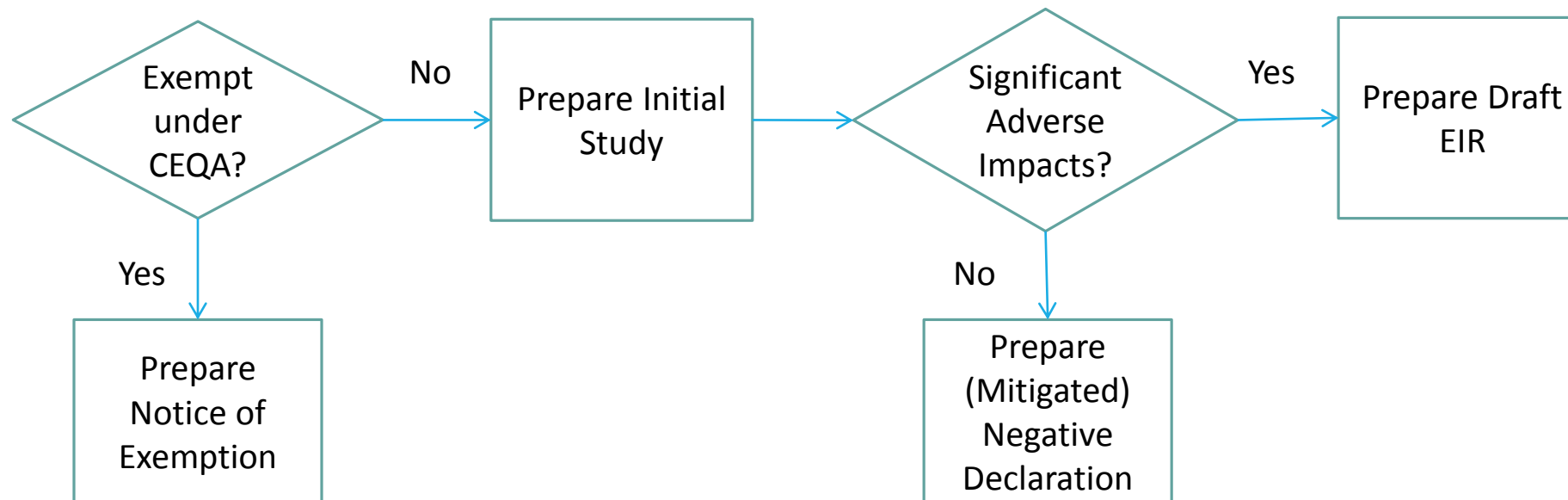
Project Statement:

Consider revisions to the APCD Environmental Review Guidelines

- ✓ Add GHG threshold to significance criteria for cumulative impacts
- ✓ Update Appendix A exempt project 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:

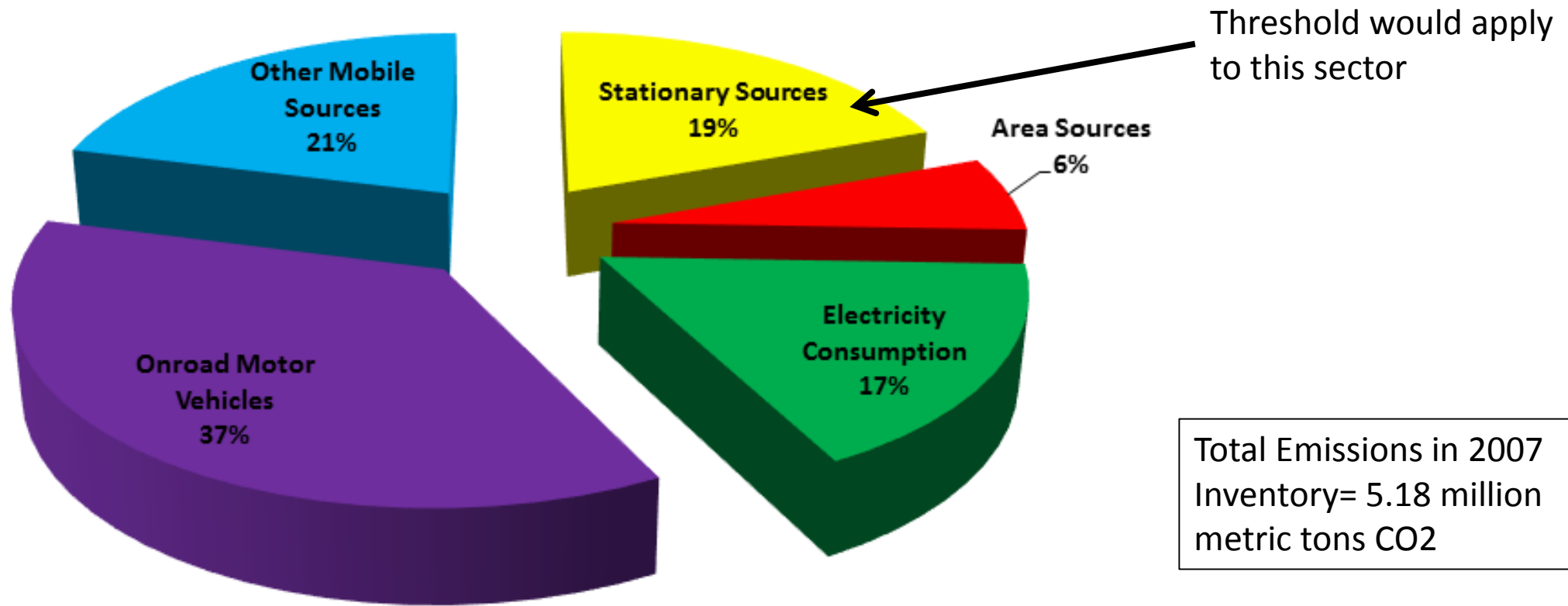


Application

- District has multiple roles under CEQA: lead agency, responsible agency, or as a concerned/trustee agency
- Environmental Review Guidelines used when the District is the lead agency
- Threshold would apply to new or modified stationary sources (e.g. oil and gas facilities, landfills, large facilities such as hospitals or universities, and a wide-range of other types of facilities that have combustion devices)
- Other lead agencies are encouraged to use the District's Environmental Review Guidelines (and thresholds contained therein)

Greenhouse Gas Inventory

2007 Combined OCS and SBC CO₂ Emissions



Public Involvement

- Thorough outreach and noticing
- Three public workshops: two in May 2014 and one in December 2014
- Stakeholder meetings open to the public
- Regular email updates on project activities
- Solicitation of verbal and written input (received many phone calls, emails, and letters)
- Posting of all written input, and notes from workshops, on our website

Public Workshops

May 6 and 8, 2014 – Santa Maria and Santa Barbara

- Background
- Early input – verbal and written

December 3, 2014 – Santa Barbara

- Presented input received from the public
- Four potential options for consideration and discussion

Responses to Comments and Asks

Asked that the visual flow charts and graphs be revised	➡	Flow charts and graphs revised and posted on website
Asked for capture rate for 10,000 MT threshold, and what threshold would be at 95% capture	➡	Developed Table 5.1 that explores bright line threshold levels based on various capture rates, including 95% capture
Asked for more information regarding the stationary source GHG inventory, source types	➡	Developed Figure 5-1 and 5-2 that show # of sources in various emissions brackets
Asked for definition of BAU	➡	Provided a definition and explanation of expectations of a BAU analysis in Section 6
Asked for more details on mitigation & monitoring	➡	Preparing a mitigation “white paper”
Asked to clarify position on acceptability of purchased, Cap-and-Trade compliance offsets	➡	Discussion included in Section 6; yes, purchased offsets from projects done under a CARB-approval protocol are acceptable mitigation
Asked to clarify position on purchased vs. allocated allowances	➡	Discussion included in Section 6; compliance obligations above and beyond what is freely allocated represent a GHG reduction
Asked to show mitigation calculation for a 87,000 MT/yr project under performance-based measure threshold	➡	Performance-based measure threshold option not moved forward so request no longer applicable
Asked for justification for using 2020 versus 2050 targets for the percent reduction required	➡	Section 6 includes an explanation of why the 2020 reduction value is referenced at this point; commitment to revisit

Table 5-1: Hypothetical Bright-Line Significance Thresholds			
<i>Threshold Level (MT CO₂e)</i>	<i>Percentage of Emissions Captured</i>	<i>Number of Sources Within Santa Barbara County</i>	<i>Total County-Wide Emissions Within Category</i>
Zero	100.0%	418	1,001,607
1,000	98.6%	347	987,481
5,000	89.1%	23	891,978
10,000	82.4%	12	818,506
25,000	74.1%	7	730,578
<i>Percent Capture Rate</i>	<i>Mass Emissions Level (MT CO₂e)</i>	<i>Number of Sources Within Santa Barbara County</i>	<i>Total Emissions Within Category</i>
80% Capture	16,315	8	750,985
85% Capture	7,422	17	858,126
90% Capture	3,974	25	900,130
95% Capture	1,754	44	950,701
98% Capture	1,149	65	981,139
100% Capture	Zero	418	1,001,607
Note: All values are approximate.			

Figure 5-1

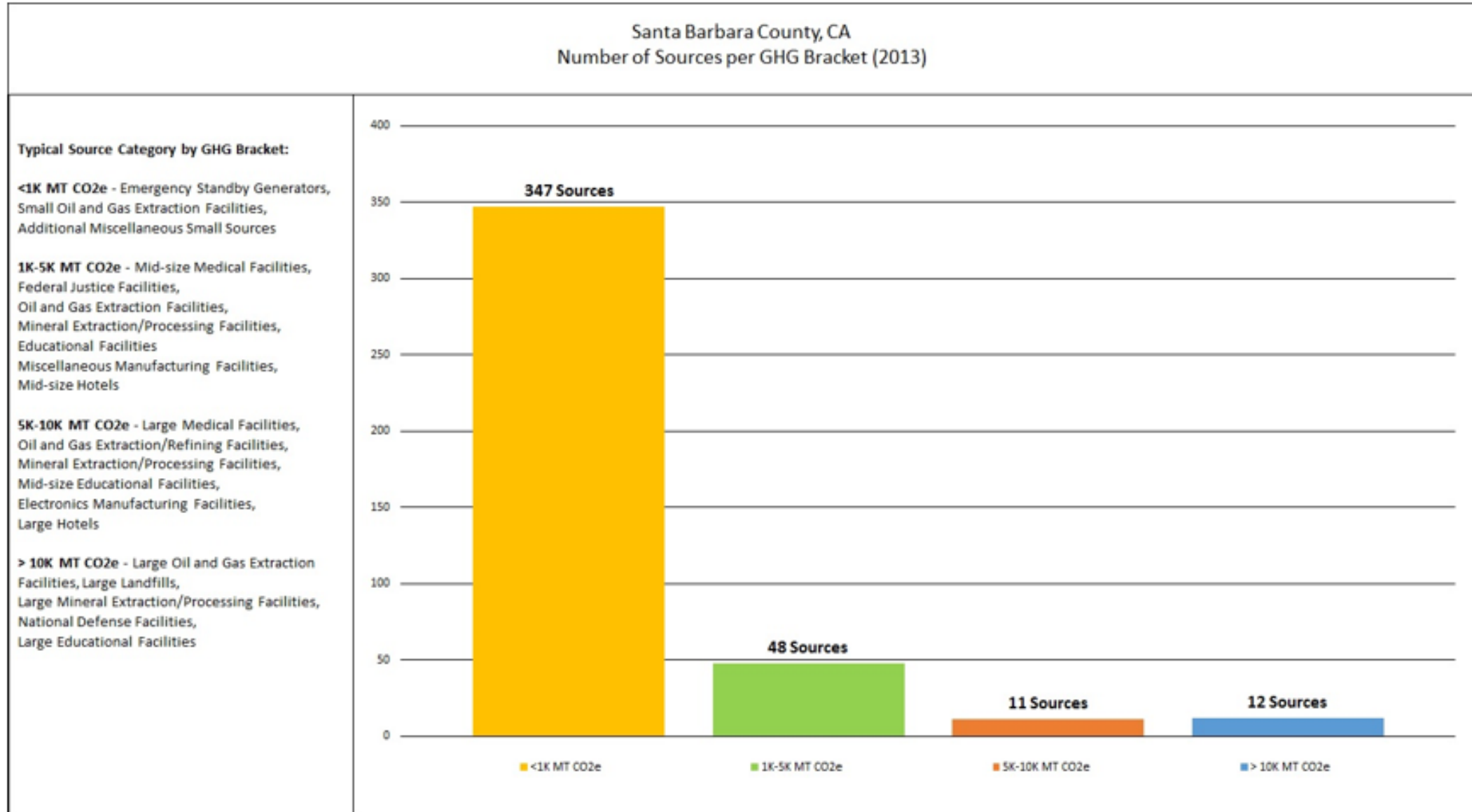
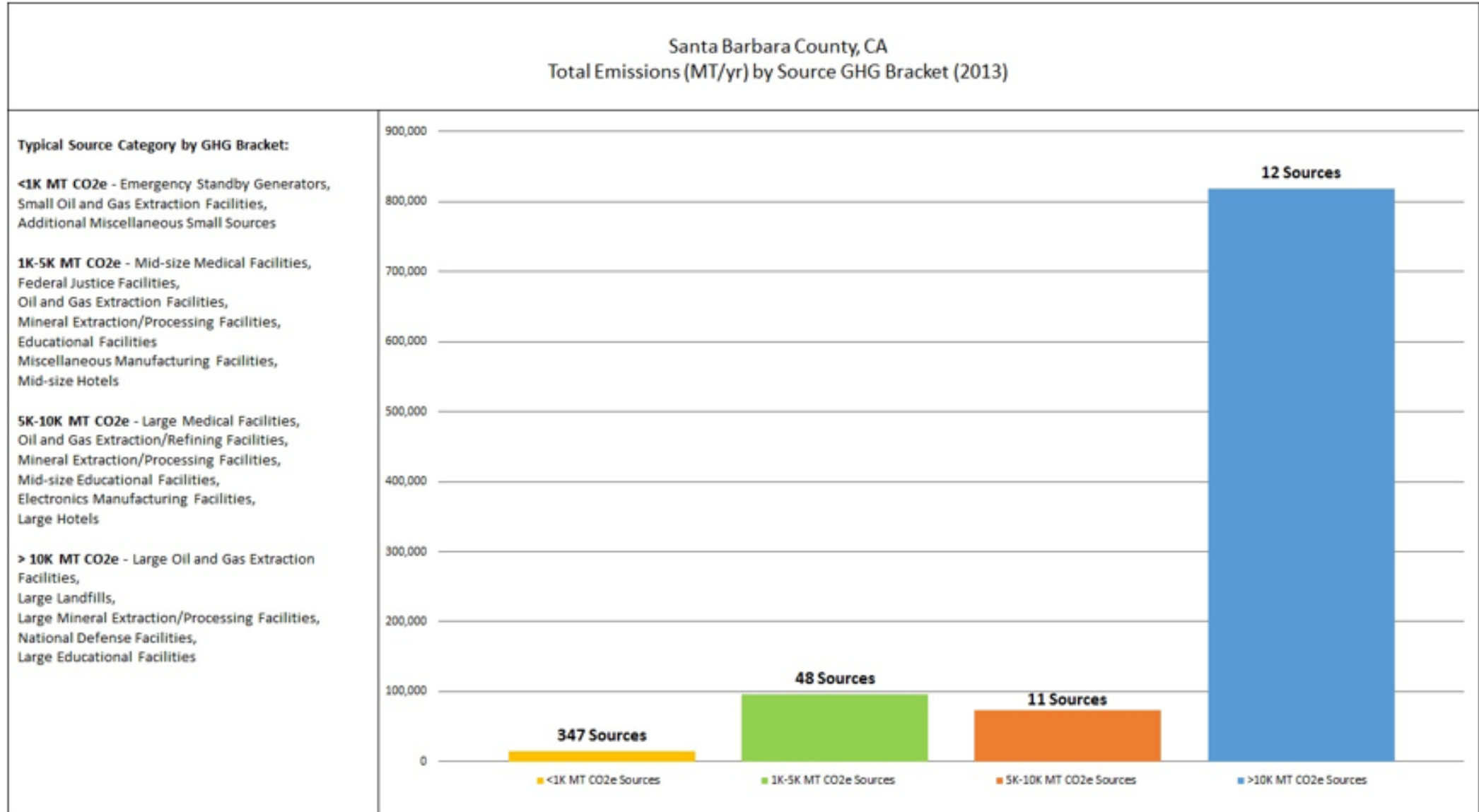


Figure 5-2



Zero Threshold

- Many commenters urged adoption of a zero threshold
- Consistent with the science of climate change
- Challenging to implement:
 - Even small sources subject to potentially costly environmental review
 - Administrative and financial burden on agencies and project proponents: mitigation funding, environmental review, mitigation monitoring and reporting
- Would only achieve a small amount of additional reductions, but subject many more small sources to substantial administrative requirements

Threshold Options



Bright Line 10,000 MT/yr

AB 32 Consistency

Assessing Impacts from Greenhouse Gases

When assessing the significance of greenhouse gas impacts under CEQA, a lead agency should consider the following factors, among others ([*CEQA Guidelines § 15064.4*](#)):

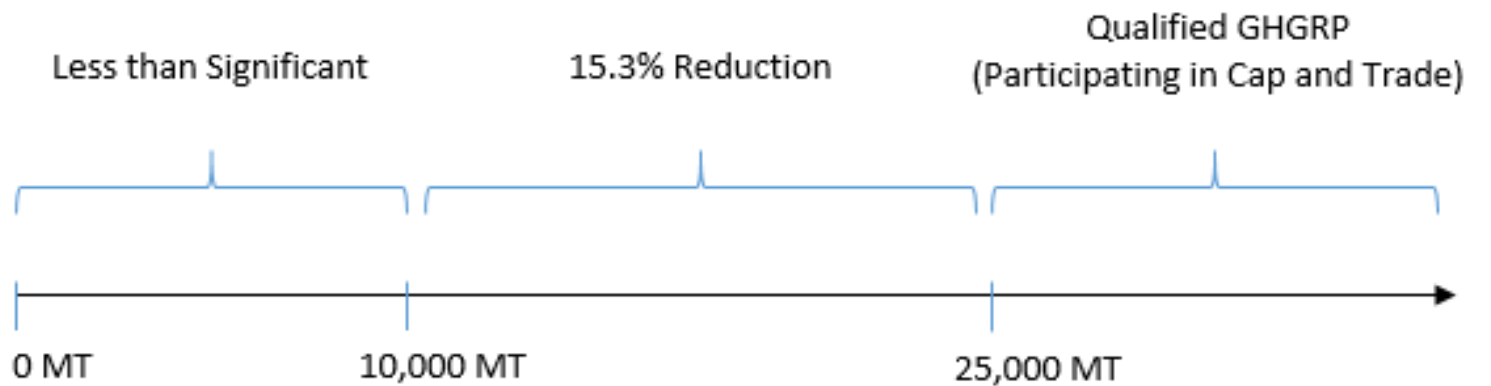
- The extent to which the project may increase or reduce GHGs compared to the existing environment.
- Whether project emissions exceed a threshold of significance that a lead agency has applied to the project.
- The extent to which the project complies with regulations or requirements adopted to implement a statewide, regional, or local plan for the reduction or mitigation of GHGs.

Bright Line 10,000 MT/yr Threshold

- Establishes a strictly numeric emissions threshold (defined amount of MTCO₂e/yr)
- Requires mitigation to below 10,000 MT to make a finding of less than significant
- Capture rate of 82.4% on 2013 County GHG stationary source emissions
- Threshold set low enough to capture a substantial fraction of future emissions, while high enough to exclude small projects
- Applied in California and to date has not been challenged in the courts

AB 32 Consistency Threshold

- Utilizes a 10,000 MTCO₂e/yr screening threshold and considers Cap-and-Trade as a Qualified Greenhouse Gas Reduction Plan
- Requires a 15.3% percent reduction from business-as-usual (BAU) emissions
- The “% reduction from BAU” method has been challenged (successfully and unsuccessfully) in the courts
- Commitment to update percent reduction as the state adopts new reduction targets



Business-As-Usual (BAU)

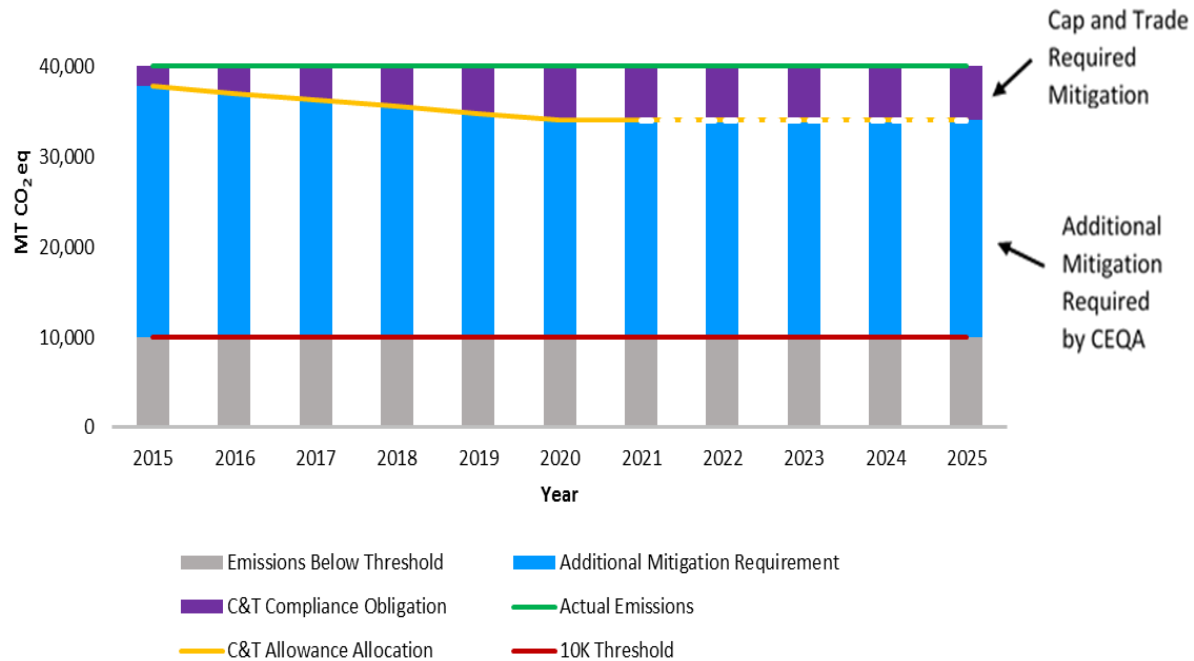
A BAU analysis involves a comparison of the ***proposed project's*** anticipated GHG emissions to what the project's GHG emissions would be in the absence of additional AB 32 measures.

BAU emissions scenario guidelines:

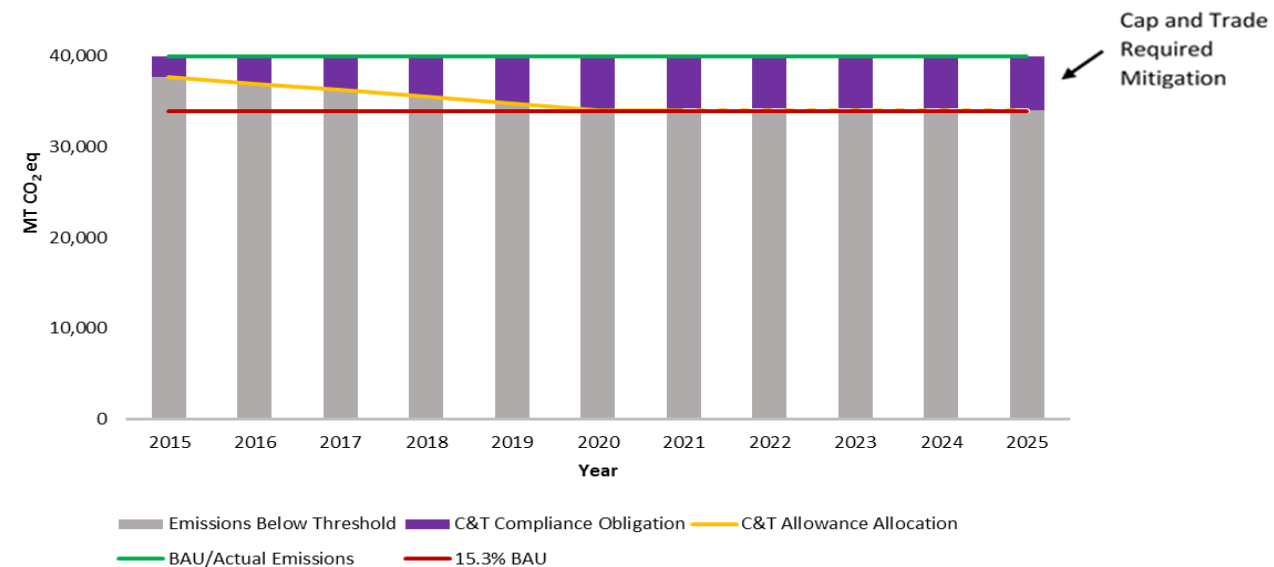
- Assume full implementation of Pavley 1 motor vehicle standards and the Renewable Portfolio Standard
- Comparison of the *project's emissions as proposed in the permit application*
- Cannot be hypothetical and something that hasn't been requested for approval; should be practical and credible
- Note that there are a limited amount of AB 32 measures that apply directly to stationary source combustion devices (Cap and Trade may be the only program that is expected to achieve reductions in that sector)

Comparison of Mitigation Examples

Project subject to a Bright Line 10,000 MT/yr Threshold



Project subject to the Cap and Trade Program (under AB 32 Consistency Threshold Approach)



Comparison of Mitigation Requirements

(assuming 30 yr project life)

Project Scenario/ Option	Stationary Source Emissions (Annual)	Threshold Level (Annual)	Purchased C&T Allowances ¹ (Project Lifetime)	Additional Mitigation Required (Project Lifetime)	Total Mitigation Required (C&T Purchased Allowances ¹ + <u>Add'l</u> , Project Lifetime)	Total Project Lifetime Emissions
AB 32 Consistency (15.3% down from BAU) - Project 10K-25K	15,000	12,705	N/A	68,850	68,850	450,000
Bright Line (10,000 MT) - Project 10K-25K	15,000	10,000	N/A	150,000	150,000	450,000
AB 32 Consistency - Project Subject to Cap and Trade (C& T)	40,000	Declining cap per C&T regulation	171,400	0	171,400	1,200,000
Bright Line (10,000 MT) - Project Subject to C&T	40,000	10,000	171,400	728,600	900,000	1,200,000

¹ Purchased C&T Allowances are defined as the amount of additional allowances/offsets that are required by the Cap and Trade program, above and beyond those that are directly (freely) allocated to the covered entity as established in Section 95891, Allocation for Industry Assistance, of the Cap and Trade regulation.

Mitigation

Basic requirements:

- Relates directly to the impact, roughly proportional to the impact
- Implement or fund its fair share of a mitigation measure designed to alleviate the cumulative impact
- Should not be deferred
- Can be done up-front or through a mitigation monitoring and reporting plan
- Offsets real, quantifiable, surplus, enforceable, and permanent

Priority:

- onsite reductions first
- offsite within the region
- elsewhere in California
- elsewhere in the U.S.

The District is preparing additional information on how to implement mitigation for different scenarios.

Next Steps

- CAC meeting directly following close of public workshop
- CAC to discuss and consider a threshold recommendation to the Board
- Board of Directors to discuss greenhouse gas emissions for CEQA at April 16, 2015 meeting

Questions or comments?

Contact Molly Pearson at (805) 961-8838 or email at ceqa@sbcapcd.org or mail to:

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Santa Barbara, CA 93110

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