GHG and CEQA Workshop - Questions and Discussion Notes
Santa Barbara - May 8, 2014

33 attendees signed in; many joined late and/or did not sign in.

Director Dave Van Mullen introduced presenters Brian Shafritz and Molly Pearson.

After the presentation, District staff offered to answer questions about the presentation and the information conveyed.

Q: You say that the guidelines set significance thresholds for air quality impacts only, not GHGs. I'm confused, how do you measure air quality separately?
A: *Traditionally our agency has addressed impacts related to health-based criteria pollutants – those with known human health effects (ozone, NOx, SOx, PM, lead) and we have threshold levels for those pollutants in our guidelines. Greenhouse gases (GHGs) are different, and we have not yet incorporated thresholds for greenhouse gases into our guidelines.*

Q: What's your timeline? When would this go to the Community Advisory Council (CAC) and to the Board?
A: *We don't have an established date yet. We would like for it to move quickly, but we need to consider what people have said and whether we need to do further studies. Seeking input, no target date yet.*

Q: What is the hierarchy of agencies that make decisions on projects? Sometimes you're a lead agency, sometimes the lead agency would be the Planning Commission or the Board of Supervisors. Are there other agencies in the county also? If the City of Lompoc comes up with a project, what is the District's role? What about the state Air Resources Board? Is there an agency above you?
A: *Each city is its own jurisdiction, as well. Land use decisions are generally made either by the County, for the unincorporated areas, or by a City. A CEQA lead agency could be a division of the County, could be a special district (such as APCD). For a City of Lompoc approval, we may play a Responsible Agency role if we will be issuing a permit. The Air Resources Board is a CEQA lead agency for projects that they propose – for instance, they had to do a CEQA evaluation for their AB 32 Scoping Plan. For projects in Santa Barbara County, it's generally the county or cities that are the CEQA lead agency. We may be a CEQA lead agency for our permit action when another agency has not made a land use decision on a project. This does not happen frequently.*

Q: How many jurisdictions have adopted thresholds and out of the four that you presented, what have the majority adopted (statewide)? What is the statewide trend?
A: *There's a lot of variation throughout the state, from a "bright line" approach to a "business as usual" approach. For stationary sources, 4 districts out of 35 have adopted thresholds. They range from a bright line approach to a business as usual approach connected with the AB 32 Scoping Plan. There is no consistency statewide, it's all over the map. For stationary sources specifically, there are a few that have gone with bright line thresholds, and others that haven't. More often, Districts have not adopted anything but are applying thresholds on a case-by-case basis.*

Q: What are the top 5 stationary sources emitters?
A: *In Santa Barbara County for GHGs, they are the largest combustion devices. We can send you a list if you like. Generally, it's oil & gas sources. For example, there's an oil & gas processing facility in Las Flores Canyon that has a large cogen unit, and they're using a lot of natural gas to provide power for their*

plant. We don't have any large power plants here. The largest sources are the ones that burn gas to produce heat for their process. There is a mix – for example, Vandenberg Air Force Base and UCSB have a lot of boilers, and they are like a little city and they have a lot of sources spread out. Also there is a mineral facility (diatomaceous earth) in Lompoc that has some large furnaces.

Q: It seems that the County has adopted a bright line threshold, how will that influence your process? Are you open-minded at this point? How will what the County has done impact what you guys are doing?
A: *Just to clarify, the County has not adopted anything. They have applied it in practice to a number of projects. We are paying attention to what they are doing, they are paying attention to what we are doing. But, we are different agencies. We are starting with a clean slate in this process.*

Q: Are GHGs being measured just from production, or also from seepage? Reference to a situation in Carpinteria, where GHGs are released from seepage underneath the seawater.
A: *For the sources that we permit, the largest sources of emissions are the combustion emissions. But, there are also emissions of methane, which has a high global warming potential. We include that in our inventory, but it's not the biggest source. The naturally occurring seepage that you're referring to is something that we would not be taking a permitting action on, because it's occurring naturally out in the ocean.*

Q: How about in the case of "unnatural" seepage, where production occurred, then production discontinued, and emissions occur in the form of post-production seepage?
A: *We wouldn't necessarily take a permit action in that scenario. However, if a project were proposed to install a tent to capture seepage, that work would be reviewed under CEQA. (The commenter then asked, Would this be a Cap and Trade issue? District staff replied that it might be).*

Q: You mentioned the need to reduce by 2020 to the 1990 levels. I'm assuming the reduction would be the 80 metric tons (from presentation materials). So by 2050, what is the target reduction level?
A: *The way the Scoping Plan lays it out, it would be an 80% reduction from the Business as Usual projections for 2050; the 2050 projection is about 507 tons. The graphic we included was a snapshot in time; there is another draft of the Scoping Plan out with slightly different numbers. It's a moving target, but the goals are to get it down by a large amount.*

Q: I have heard that there are not many companies that have anything to trade under the Cap and Trade program. If there is nothing to trade, how are you going to do that?
A: *There are already a lot of emissions offsets banked under the Cap and Trade program. There are some early reductions/voluntary reduction projects that have been folded into the Cap and Trade program. There are several protocols, so there will be the ability to create additional offsets. The idea of Cap and Trade is to force efficiencies within that cap, so that companies that have the opportunity to reduce more can then trade those with other companies (as showed in the presentation earlier).*

Q: Right now, all the targets are for 2020, to meet 1990 levels (as codified in AB 32); the next threshold is 2050, to be 80% below 1990 levels. First, are we on target to meet the 2020 goals? Also, with the developments over the last few years, is there any talk about trying to hit much more aggressive thresholds earlier than 2050?

A: *The draft update to the Scoping Plan, which goes to the Air Resources Board on May 22, identifies that with the measures implemented so far, and the measures to be implemented in the next few years, we're on target to meet the 2020 levels. In the latest scoping plan, there is a discussion of a concerted effort to go after short-lived pollutants like black carbon. If you control that in the short-term, it has a lot more effect on the climate system more quickly.*

Q: How do you bank an asset for Cap and Trade?
A: *ARB has adopted a number of protocols including urban forest, forest management, and digester gas. There are a number of different methodologies that can be applied to different project types, and they are trying to get more protocols approved. They have also approved some of the credits that were created previously under the voluntary markets. These credits are generated all over the U.S., not just California, and not so much internationally. For example, you could capture emissions from a landfill in some other state, and get some offsets that could be used in the Cap and Trade program.*

Q: A mixed-use development would have direct and indirect impacts (transportation, waste, energy supplies, and stationary sources). Would the guidance your developing address impacts from a mixed-use development such as this?
A: *This is a challenge for agencies around the state, and agencies have been dealing with it differently. Projects might involve stationary source emissions but also impacts from commercial or residential development. Sometimes lead agencies have applied a stationary source threshold just to the stationary source aspect, and then some other threshold or performance metric to other aspects of the project. We are seeking input on the best way to go about this. We are mainly looking at our permit actions as a CEQA lead agency.*

Q: So, the South Coast AQMD developed a threshold that they could apply when they are a lead agency for a stationary source. Are you thinking more in those terms, what their process was?
A: *Yes.*

Q: Following up on the question earlier about seepage, there is leakage during drilling and extraction, and there is post-production leakage/seepage. According to the Union of Concerned Scientists, that totally negates natural gas as a replacement for coal. It's actually worse than coal when you include the leakage and seepage. The leakage is between 1 and 9%, depending on the operation, and the threshold is about 3%. If you get beyond 3% seepage, you might as well burn coal instead of natural gas. Are you going to fold in the long term post-production leakage and seepage?
A: *Haven't seen that type of analysis done for local projects. We look at stationary source emissions in our lead agency role, and we do inventory the process leakage emissions as part of that project. Mike Goldman, from APCD's Engineering Division, said that he's working now with ARB on a control measure for the oil and gas industry. They are looking at drilling and post-production emissions. That would be a statewide standard that would apply to those types of emissions.*

Q: You said earlier that Santa Barbara County has Cap and Trade credits readily available. My understanding is that our local supply of credits is very tight and there's not much available. Am I misunderstanding?

A*: Clarification: we do not have a readily available supply of locally-generated criteria pollutant emission reduction credits. For the Cap and Trade program and GHG offset credits, they are banked with the state and are not necessarily generated locally.*

Q: If they (the GHG offset credits) are "in the bank" for the state, can Santa Barbara County access that?
A: *Yes, for "compliance grade" credits for the Cap and Trade program, Santa Barbara County projects can access those credits. But, for CEQA mitigation, there are other offsets out there, that aren't under the Cap and Trade program, that can be accessed for CEQA mitigation.*

Q: Have any lead agencies adopted a "zero" threshold?
A: *We are not aware of any lead agencies that have officially adopted this as a threshold. However, the zero threshold concept has been applied to some projects. For example, California State Lands Commission has applied it to projects.*

Q: Right now, you're considering adding GHG thresholds to the significance criteria for permitting in Santa Barbara County, being that they are not a significance criteria now.
A: *We have to conduct a CEQA review if we are a lead agency, and you're right, there are no criteria in that document currently, and so now if we are a lead agency we have to do a case-by-case determination. Typically, we are not a lead agency. This project is to add significance criteria to this document under cumulative impacts. Currently, lead agencies are obligated to examine GHG impacts as part of a CEQA review for a proposed project. Comparing proposed projects to AB 32 reduction goals and targets is one way of doing the impact analysis.*

Q: Some jurisdictions have convened a task force to pursue this. Are you considering a task force for this effort?
A: *We have an internal team right now; if there's a need, we may utilize a consultant. Some districts have developed thresholds for commercial and residential projects as well, which is a much bigger effort.*

Q: How much of the GHG that is not "natural" is stationary vs. non-stationary? For example, what you regulate vs. what is under Santa Barbara County Association of Government's Sustainable Communities Strategy.
A: *We presented a pie chart from our 2010 Clean Air Plan GHG inventory; emissions don't change much from year to year. The pie chart shows that stationary sources are about 1/5 of the total (about 1 million metric tons out of 5 million metric tons total).*

Q: Do you expect that to change much in the next ten years with all of the oil and gas projects coming online?
A: *If we do get more oil and gas projects that burn more fuel, then that chunk of emissions would go up, but we don't know by how much. We anticipate that all of the pieces of the pie will change over the next ten years due to climate change measures in different sectors; oil and gas source emissions will be reduced through implementation of the Cap and Trade program.*

Q: Does the stationary source inventory fraction in the pie chart include all permitted and unpermitted sources?

A: *Just permitted sources. Smaller devices that aren't subject to permit are probably under the "area source" category.*

Q: So you're saying that 20% comes from oil & gas sources, and all that adds up to about 20%? Doesn't seem like much.
A: *Everything that we permit is about 1/5 of the "manmade" emissions. Other big sources/sectors of GHG emissions are transportation and electricity generation, as shown in the pie chart.*

Q: Your slide says that lack of an adopted threshold does not relieve lead agencies of the obligation to address GHG impacts under CEQA, but sometimes EIRs say that there is no threshold so they will not address the impact. Where can the city go for numbers?
A: *There are tools to assess GHG impacts and we can work with cities on estimating GHG emissions for CEQA compliance. The CalEEMod tool estimates emissions for health-based pollutant impacts as well as GHG impacts.*

Q: Not representing anybody but wondering if it's possible to separate out for-profit from nonprofit emissions? Is it possible to change policy in the future?
A: *Would have to change state law to have impact analysis be different for these different emission sources. CEQA does not make a distinction.*

Q: If you have anything other than a zero threshold, what's going to happen with fracking in Santa Maria and North County?
A: *Fracking is a separate issue from what we're talking about today. Are you concerned about GHG emissions associated with fracking? If a project proposes fracking, we would look at the impacts related to that project. Right now fracking in SB County requires a land use permit and CEQA analysis.*

Q: Would you look at water quality impacts if a project were proposed that involved fracking?
A: *This has not been put to the test in SB County, but if a project is proposed, the CEQA lead agency (likely SB County Planning & Development) would need to determine the extent of impacts in all the resource areas required to be analyzed under CEQA, including GHGs. This is required by the CEQA process.*

Q: Wasn't there a Venoco project in the Los Alamos area that did fracking?
A: *Yes there was a project that involved fracking a few years ago, APCD cannot speak to the Planning & Development lead agency permit actions on that one.*

Workshop participants were also asked to provide additional input or comments. When the commenter stated their name and affiliation as part of the comment, that information was included in the comment.

Comment: Linda Krop with the Environmental Defense Center. We've been providing input to APCD and other agencies for a number of years on this topic. First comment is that this is not a new requirement;

agencies have always had the responsibility to address any potential significant impacts, and GHGs are no exception. Both SB 97 and the implementing guidelines state that. If agencies are not doing it, they are violating the law. With respect to the options presented, we are in favor of a zero emission threshold. This is outlined as a credible option by CAPCOA in their Climate Change and CEQA report from 2008. There is scientific justification for that. It is based on the most current global stabilization target. It does not stop projects, it simply allows them to go forward but guarantees mitigation. There are so many ways to feasibly mitigate GHGs now. No need to be afraid of a zero emission threshold. State Lands Commission does use a zero emission threshold in their environmental documents consistently. They recently certified an EIR for the Venoco Lease 421 project and they identified potential mitigation measures. That's what we support and advocate for. I will also take the opportunity to comment on the other options that were laid out. In terms of the bright line threshold, this was identified as a hypothetical approach by the APCD in 2011, we had a similar workshop 3 years ago. At that time there was a hypothetical to use a bright line threshold of 10,000 tons a year. My comment on this would be to favor a zero threshold. But if a bright line is used, it's important to use it appropriately. A bright line threshold is intended to capture as much of the emission source as possible. Other air districts have used 90 or 95% capture. If you're going to use a bright line, use it knowing that's the principle behind it. Using reporting requirements as a bright line has been discounted – CAPCOA, CARB, everybody says don't do that. The third option that was discussed that was the AB 32 target, which is totally inappropriate for two main reasons. First of all, the target was based on an outdated target from the IPCC of 427 million metric tons, and we know that that's too high. AB 32 is on the books and there are things that the state is doing to get to that target, but in terms of identifying significant impacts it's meaningless. The other irrelevance of AB 32 is that it only addresses a 2020 target. Any projects that are permitted by APCD or other agencies are not going to be dismantled in 2020. It's the wrong target, and it only lasts until 2020, so that should not be used. Finally, I was surprised to not see an approach based on the 2050 target, and that is identified in CAPCOA's CEQA and Climate Change report as a potential approach. So even though I don't like those kinds of approaches, if you're going to use a future target then it should at least be a 2050 target instead of 2020, because projects aren't going to stop in 2020.

Comment: My understanding of the bright line is that there was a 10,000 metric ton threshold. I know that on a weekly basis there are applications for smaller oil and gas projects that would be well under the threshold. And bigger projects can be broken down into smaller projects. So to me, it doesn't make sense to have a fixed threshold. Either some kind of percentage threshold or a zero threshold would apply to the cumulative effects of the projects or still have a significant GHG emissions. The bright line doesn't make any sense because projects can be divvied up into smaller projects. Also, I understand that there are projects in the permit pipeline right now which, based on existing EIRS of other projects, could potentially generate as much as 500 metric tons of CO2 emissions. So, that's based on what I've heard is a 7,700 well site potential. So if that were to be realized, it would be equivalent to almost the entire county's existing CO2 emissions. So, what's the APCD's take on that? *APCD Response: We are not aware of those numbers, or the EIR that it's based on*. (*Another commenter attempted to clarify that County Planning & Development put out notice for a request for permit of that number of wells for SME.)* The commenter concluded that a zero threshold would be the appropriate choice, given that these huge projects are in the pipeline; and also that a bright line threshold doesn't address the cumulative effect of a large number of smaller projects.

Comment: A few points to highlight: The League of Women Voters believes that it's certainly time for the District to adopt a threshold for GHG emissions from stationary sources. A formal threshold will add an element of certainty to the environmental analysis, and this will benefit both applicants and the lead agencies. The League considers climate change to be an extremely serious problem, one that needs to be attacked by all means possible. In this case a threshold of zero would be ideal. However, we recognize that practical considerations may be raised, and consequently we would accept a somewhat higher threshold, with a proposed 10,000 metric tons per year as an upper limit. We would prefer to see something below that. The threshold should recognize emissions from all phases of the project as a single amount. No piecemealing. Almost every day we read of new evidence of the harm these GHGs are inflicting on us today. And the impact will be even greater on future generations. The League urges you, the District, to adopt as low a threshold as possible.

Comment: Supporting the zero threshold, controlling emissions from small sources. I'd like to see the parts per million, and the weight measure, turned into a calculus that picks out the individual sources of GHG rather than saying tons. Rather than refer to the total tons, try and measure out what parts are methane, what parts are H2O, what parts are carbon from fuels. This would help people reading and writing CEQA documents to understand the specific components.

Comment: Michael Chiacos representing the Community Environmental Council. Thank you for taking this topic up again, we did make comments when the District was looking at thresholds for GHGs a few years ago. We'd like to advocate for a zero emission threshold. These are industrial sources that are making a lot of profit, and they can afford to pay to mitigate this pollution. Otherwise society has to pay for the pollution that they create. If you're looking at a bright line of 10,000 metric tons, that's a lot of pollution, equivalent to about 2,000 cars. That level that the County chose to apply to the Santa Maria Energy project is actually a very high level. If there is a bright line that's chosen, it should be a much lower level. Similar to what EDC is saying, in terms of capturing at least 95% of emissions. We're also concerned that business as usual projections don't account for increase oil production. We're hoping that Cap and Trade will lower emissions statewide, but in the next 5-10 years, Cap and Trade doesn't do very much. A lot of these allowances are given away for free, and we're not going to see much from Cap and Trade in the near term. So it's very important for the APCD to set a lower threshold immediately. Oil and gas projects are equal to the emissions from whole cities. Very large sources. Zero emissions threshold.

Comment: Worked for Greenpeace in 1987, tracking these issues for a long time. Always thought I'd be dead before it go too bad, but it's already getting bad. Suggest moving to 2050 targets as soon as possible. Definitely add GHGs as a significant criteria. I'm starting to understand the cumulative threshold standard to use. I would also argue for a zero threshold to be used, and if it has to be negotiated to maybe 95% reduction. Pretty much anything that has business as usual written on it before has to get scratched.

Comment: Jackie Campbell with City of Carpinteria. Please be thoughtful about the standard that you adopt. There still can be small projects that can be caught in a CEQA analysis where perhaps they don't have any other type of environmental impact but they're going to create some GHG emissions and that might throw what might be a minor project into a more thorough review process. I hope that you consider that. Also regarding direct and indirect emissions – provide guidance on how far out to go in

evaluating associated indirect impacts. Not all polluters are for-profit. City of Carpinteria operates a pool which we have a permit for.

Comment: Three related comments. First, climate scientists agree that if our temperature goes up 2 degrees centigrade (quoting James Hansen of NASA), game over for the climate, we will see uncontrollable and unpredictable weather events everywhere. We are currently at a 1 degree centigrade increase, and we have a window of perhaps 15 years to keep that increase from increasing. Urge everyone in the position of regulatory power to keep that in mind and that zero emissions is necessary for the good of all of us. I see the problem with a bright line threshold being that oil companies know that this bright line exists. In Mission Hills in Lompoc, a 9-well project was requested and doesn't have to go through an EIR or public comment because it's just approved, it's under the threshold, and that's not okay. I attended this meeting in Santa Maria and it struck me that other than questions, the only positions that were stated were positions like mine, asking for zero emissions. The other attendees listened and don't make a position. We all have the ability to go in and have a private stakeholder conference. But I would like it on the record that a private stakeholder conference is very different from a public forum. I'm disappointed that I'm not hearing anything public from industry representatives, but I know there will be lots of stakeholder meetings.

Comment: I also want to be on record that I vote for a zero emission threshold.

Comment: While there is not fracking, there is a ramp-up in steam injection projects. In terms of GHG emissions that is the most GHG intensive form of oil production in the world. That's what they're doing in the Tar Sands and here, and that's why that's a concern. If you think about the Cap and Trade and a percentage off, the concept is that you've got an existing source of emissions and if you ramp it down every year it will eventually go down, in Santa Barbara County and in CA as a whole, where you have large potential shale oil reserves and heavy oil that weren't economically viable to go after, they didn't have the technologically to pursue it before and now you are, so you're in a situation where you're potentially increasing production quite a bit, then a percentage off doesn't help you, you shave a percentage off something that is increasing and still goes up. Nor does a 10,000 limit, which is a lot – a fleet of 2000 cars would be a significant source of emissions – so the only way to actually not increase emissions is if you have a zero threshold. And if that zero threshold is real and those offsets are really offsetting those emissions, then you also have to do additional work to actually make it go down, to get an 80% reduction. It's not only the zero, it's the steps beyond that as well. At this point a few people mentioned the term "sub-zero" threshold.

Comment: Pointing out why a business as usual approach (BAU) doesn't make sense. For example, if you have a project that will emit 100,000 metric tons per year, and you use a 16% reduction from BAU, they can emit 84,000 tons per year with no mitigation and it's not significant. You have another project that emits 10,000 tons per year, you knock off 1,600. If they emit anything more than 8,400, then they're significant. So 84,000 is not significant but 8,500 is. Doesn't make any sense from an environmental perspective.

Comment: How do you respond to that, and to those points? What is your process for consideration?
APCD response: we're not responding to any specific proposals at this point. It's a good point, and we'll

consider it. We are looking at what other agencies are doing. We are looking for your input on the options we presented today. We will propose more workshops. We are recording this. We are here to take in everything at this point and we will synthesize information and look at themes.

Comment: You say you have a recorder here but there is no microphone. Most likely what you are taping will not be understandable. Next time please bring a microphone.

Comment: Building on my previous comment, instead of referring to GHGs in terms of tons, please would elaborate on the potency of the different elements that make up a "ton" of GHG emissions, because a ton of methane is different than a ton of another GHG pollutant (*this commenter was referring to the "global warming potential" of different GHGs). APCD Response: We do account for the potency in our calculations and state things in terms of CO2 equivalent, or CO2e. You are asking for more of a breakout of the specific pollutants. In terms of our inventory and large combustion sources, a majority of the emissions are CO2; a very small portion is methane, even when you consider the global warming potential of methane.*

Comment: More clarification, regarding the Cap and Trade program, it uses the CO2e measurement also. It is a statewide cap, and it's a climate cap. And if you believe in it, if you think that the emissions are being tracked and verified, it does require a 3% emissions reduction per year, across the state, no matter where the emission sources are in California. So sources can move around – they could be in Santa Barbara County, they could be in Bakersfield, or they could be in Northern California. It would still require a 3% reduction across the board in California. So, if you believe in Cap and Trade, it should provide the substantial reductions that CARB says that it is going to. Somewhere on the order of 30% from these stationary sources, statewide. No matter where they're located. *(Another commenter interjected: provided there aren't new sources*). It does account for new sources. New sources are included in that inventory, and they are also subject to the cap. It's a declining cap that includes new sources.

Comment: I have talked to the scientist at the California Air Resources Board who does the carbon intensity scores on all of the oil fields in California who did say that they could meet their guidelines of the percentage reduction and still see an increase in GHG emissions if production increases. So that is a risk and it's not built into that percentage reduction. (*Other commenter: I'd like to hear more about that, that's not my understanding.)*

APCD staff comment: the Cap and Trade program is complicated and we're all trying to understand it as the program is rolled out. A commenter interjected and said that the mechanisms and the reporting requirements are certainly complicated but that the ultimate goal is easily stated.

Comment: Thank you again for holding this workshop, and making it possible for us to have some input. I appreciate your receptive way of listening to the comments.

Comment: I'm for a "sub-zero" threshold. If the 2050 goal is an 80% reduction, you can't just have a flatline, you've got to go downhill. You have to mitigate more than you emit, basically. APCD response: If you're seriously proposing that, we'd like to hear more about it in a written comment, and identify the mechanism to implement it. If you propose that new projects compensate for more than they're

emitting, please clearly state that. (*Another commenter identified that the 2050 goal does allow for some growth, so what the commenter is proposing would be much more restrictive than the 2050 goal.)* There was more discussion between these participants about 2050 goals and what reductions are needed to get there. The commenter stated that everything has to go carbon negative. *APCD staff clarified that the overarching goal of the AB 32 Scoping Plan is to reduce emissions in all sectors to reach the 2050 target.*

Comment: A general announcement that at 7:30 tonight at the Unitarian Universalist Society there is a meeting of the Citizens Climate Lobby on this topic, all are invited.

APCD staff reiterated that we are looking for input by June 5, and requests for stakeholder meetings by May 22 (note that both of those dates were extended after the workshop). Please send us your comments and questions, and Molly Pearson is the central point of contact for this project.