

Climate Change Action Plan- Meeting Notes

GHG CEQA Technical Workgroup

February 4, 2009

The previous report "~~Conclusions and Recommendations~~ regarding Characterization of Greenhouse Gas Emissions – Draft document" was revised to add clarification to direct/indirect/life cycle emissions, reference to CCAR, pie charts, comments received, and additional appendixes.

A "Draft Status Report of CEQA GHG Guidance – Level of Significance Subcommittee (February 2, 2009)" as well as other documents were also provided for today's discussion. Please refer to: http://www.valleyair.org/Programs/CCAP/CCAP_idx.htm

Questions/Concerns/Comments

- While this technical workgroup was developing its report, the Governor's Office of Planning and Research (OPR) released draft CEQA guideline amendments for greenhouse gas on January 8, 2009. The Attorney General has contacted the District and recommended that the District look at OPR's draft guidance. The District will revise the reports developed under this workgroup, as appropriate when OPR issues the final guideline. This workgroup has evaluated several documents regarding significance level (including OPR's) and has provided a progress report for today's discussion.
- The District does not have any preconceived ideas at this time on GHG significance. This topic is open for discussion.
- For example, City of Fresno does its CEQA analysis at the time of entitlement. Most agencies allow years for a business/project to be fully built or completed. A developer can make significant changes anytime before completion. So, what is the point of specificity to a project's business elements in relation to GHG operational emissions when a business can change its operations at any time?
- Regarding the three approaches diagrammed for today's discussion (qualitative or quantitative approach; qualitative and quantitative approach; and mixed qualitative/quantitative cascade approach), the arrow directing from "Criteria 1: project exempt" to "less than significant" should be removed because exemption does not necessarily means a project is less than significant.
- If using the mixed qualitative/quantitative cascade approach, there will need to be another set of criteria (eg. applying sectors). Projects should do a quantitative approach first and then the qualitative.
- A numerical threshold does not particularly relate to the level of significance so it'll preclude projects from GHG emission reduction with innovative technologies. The quantitative approach is based on emission inventories and not on level of significance.
- Concerns were expressed regarding a "zero threshold" approach. There could not be a "zero threshold" approach, especially in air quality. It was recommended that numbers need to be associated as a threshold for air quality.

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- Regarding statutory exemptions (e.g.: prisons), if there is no analysis on a project, how should they be told to mitigate? Who would be responsible for implementing GHG mitigations?
- Because a project is not subject to CEQA does not necessarily mean that it is not subject to AB32.
- Could a qualitative approach be one where a project meets Indirect Source Review (ISR)? It's a feasible framework for GHG.
- ARB broke their approaches into two sectors (Industrial, and Residential/Commercial). ARB has struggled with the Res/Commercial approach. Standardizing a performance standard is difficult.
- For example, with industrial projects there are transportation and other impacts related to them. Will the emissions from these impacts be overlapped?
- Transportation activities related to a project are characterized as the project's emissions. Determination of significance for GHG would have to evaluate transportation.
- Would it be that transportation from an industrial project vs. a residential project be compartmentalized differently?
- How would the double-counting in URBEMIS be avoided when dealing with transportation (e.g.: highway trips and transportation trips to facility)?
- On a sector by sector approach, would there be any overlap in emissions? Or would there be different significance thresholds for various projects?
- Concern on how to approach local and regional planning in dealing with greenhouse gas.
- The District asks for input on an approach per sector or non-sector.
- Personally support a sector approach because performance standards would be different by sectors and we can leverage on ARB's effort.
- There are many land use agencies and therefore different ways to approach a project. The land use agencies have been receiving letters regarding GHG evaluation. How would the District address this variety in conducting GHG evaluation?
- Based on past experiences, ARB's guidance changes to "that's how it's done" after several years. So, it is suggested that the District guideline/effort should be phrased as this is how it's done for the San Joaquin Valley. If the CARB Guidelines are legislated. In the SJVAPCD greenhouse gas process, incorporation of what the workgroup concluded needs to be incorporated into the Draft Guidelines as guidance for the Central Valley.

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- The District asks the group for input on “how to demonstrate equivalency” if using the “qualitative or quantitative approach”. One suggested that it should start with a performance standard (could be a tier approach). If the project passes the performance standard(s), then it will not be significant. If not, then it’ll have to meet a quantitative threshold even though there’s struggle in determining an appropriate numerical threshold. Another suggested that the same philosophy used for criteria pollutants can be used for GHG.
- Need to have an escape clause for EIRs (e.g.: programmatic EIR, development EIR, adopted general plan) because how would changes in mitigations be addressed for those?
- If the District goes to a numerical threshold approach, logic will need to be provided for backing.
- The District asks for input on an approach per sector or non-sector. A sector approach was recommended because different projects would be analyzed in different forms. (Example: Boiler vs. 25 Residential Homes).
- Please provide written comments to Arnaud Marjollet at arnaud.marjollet@valleyair.org by February 18th, 2009.

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SJVCE Program Technical Workgroup

February 4, 2009

Chapter 7 of the report "Draft Report to APCO Regarding the Development of the San Joaquin Valley Carbon Exchange (February 4, 2009)" was expanded. New Chapters 8 (Alternatives to the San Joaquin Valley Carbon Exchange) and 9 (Conclusion) were added.

Comments:

- To look into these possibilities: to have the ability to trade using local credits with other banking programs and to have the fund received through a District air quality mitigation program (e.g.: ISR, Voluntary Emission Reduction Agreement (VERA)) be used for enhancing the infrastructures Cities are developing/trying to develop.
- The buyer or seller does not have to be in the San Joaquin Valley in order to trade credits.
- A suggestion for the District is to use the District's existing mechanisms to help with addressing banking/trading rather than creating a SJVCE. The District has a role in assisting people getting into these types of program. An example would be someone with a small scale business who does not know how in get involved/get into the bigger trading programs but has a project for GHG.
- If the District chooses to go with the Climate Action Reserve, then it is recommended that District's existing programs be extended/expanded to include GHG for a local use.
- Having a SJVCE may be unnecessary when asking how many people would actually use it, taking into account the administrative burden in developing a protocol, and taking into account CEQA.
- It's understandable that the District relies on different types of funding sources such as permit fees and State funds, but as a permit holder the question is how would the District manage the SJVCE and fund it? It is suggested that text be added in the report presented today to reflect potential funding sources for the SJVCE.
- There could be a conflict of interest if the District is to create a program and certify it.
- Would like to see as a possibility the ability to allow a source to bank all credits (e.g.: GHG, NOx) when shutting down a facility and opening a new one elsewhere, or for example, when replacing an ICE directly to solar (e.g.: doing more than what regulations require).
- The issue of "additionality" and "surplus" would have to be further evaluated for the examples noted above.

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- The District plans to present this working group's discussion in favor for and in opposition to the SJVCE and the supporting reasons, and to let the APCO make a determination as to whether or not a SJVCE is needed.
- Please provide written comments to Leonard Scandura at Leonard.scandura@valleyair.org by February 18th, 2009.

Note: This is the last meeting for this SJVCE Technical workgroup (previously called "GHG Emissions Banking Technical Workgroup"). No future meetings will be held.