A “Draft Report of CEQA GHG Guidance – Mitigation Measures (March 04, 2009)” was provided for today’s discussion.

**Questions/Concerns/Comments**

- Can allowances from other Cap and Trade initiatives be considered as a valid mitigation option?
- Currently the District doesn’t do so in terms of CEQA mitigations. Assuming that the allowances are available in the same year as the Cap and Trade requires them to and are in excess, they could be used as mitigations. That consideration will need to be further evaluated.
- A concern was raised on the validity of an agency’s credits on GHG mitigation in the Central Valley.
- It was suggested we keep in mind that mitigations from outside of California are not going to affect the State of California’s emission inventory in terms of emission reduction.
- It would be difficult for land use agencies to verify emission reduction outside of their jurisdiction because there’s no enforcement mechanism set up for it. Therefore, that would require some sort of emission credit verification process. That in turn would push for local emission reduction. It’d be preferential to have local emission reduction but what incentives can be provided?
- As an incentive idea, it was suggested that an agreement with the applicant could be established to fast track the review process for their projects that provide local emission reduction. Another suggestion was to have the project applicant pay for the project’s non-local emission reduction verification.
- Should credits be given for GHG emission reductions that occurred in the past and be allowed to be applied for today’s project and where should the baseline start? There’s support from the group for it. Although, the group agreed the timeframe in terms of how far back someone can take credits for is an issue. One commented that the baseline shouldn’t be a problem as business tracks emissions on project.
- It was suggested that an approach similar to District’s existing process for criteria pollutants could be used here in terms of a 180-day window for past emission reduction.
- Past emission reduction credits should be allowed when properly documented, and allowed to be used as mitigation for a project.
- There are concerns with mixing emissions reduction for mitigation with emissions reduction for banking/offset.
The District recognizes that land use agencies should be given flexibility for a mitigation approval process, to allow emission reductions not to go through the extensive costly protocol process and without going through the District. A land use agency is to make that approval independently anyway. Where the District can assist the land use agencies is to have something similar to the current process in recognizing emission reduction with criteria pollutants such as a banking system and officially certify to the extent that’s possible. (It was suggested that this comment be added to the Mitigation Measures Draft Report)

It was questioned whether or not the District has quantified GHG emission reductions from implementing District’s regulations for criteria pollutants, and the response was “no”.

It was asked whether or not the subcommittee discussed how to determine cost effectiveness for GHG mitigations. The response was that the discussion was based mainly on recognizing that a project proponent would make the decision as to whether it would be cost effective to buy emission credits or get emission reductions at the corporate level outside of the State. The discussion didn’t address what the land use agency would consider to be cost effective.

For example, an EIR for dairy would include a cost effectiveness analysis for a digester. It would not represent a cost effectiveness threshold but rather show the cost and what could be afforded.

Please provide written comments to Arnaud Marjollet at arnaud.marjollet@valleyair.org.

Please note that this is the last meeting for this Technical Workgroup. The next step with establishing guidance for GHG is to hold public workshops sometimes in May 2009 with recommendations to go the District’s Board in Summer 2009.

If you haven’t done so, please sign up to the Climate Change and Greenhouse Gas Activities email list here to receive future announcements: http://www.valleyair.org/lists/list.htm
A “Report to the APCO Regarding Development of the San Joaquin Valley Carbon Exchange (March 04, 2009)” was provided for today’s discussion.

**Comments:**

- Concerns and suggestions from the last meeting were incorporated into this revised document.
- In thinking about applying the 180-day window (that is already set up for criteria pollutants for claiming backtrack emissions) to GHG emission, District’s regulation may be too stringent. Some emissions from projects may just not be quantifiable and enforceable, or may not meet the criteria set to be claimable.
- It was suggested that District’s explanation given today on their direction with the SJVCE program be added to the conclusion of the report (eg.: establishing a formal registry and a local SJVCE).
- It was recommended that the conclusion section of the report keep a representation of the concerns raised with District’s administering a local carbon exchange program.
- District’s Rule 9410 (Employer Based Trip Reduction) is being developed and proposes to require a plan without meeting any specific emission reduction target. Because this rule doesn’t mandate a specific emission reduction target, could a firm claim GHG emission reduction?
- For the above, the District thinks that it would probably not be do-able. Conceptually it would be difficult to give GHG emission reduction while those reductions are being required under a different mechanism.
- It was suggested that the District does not limit itself to ARB’s approved protocols only. District clarified that until today the discussion was mainly on ARB’s protocols but through the rule development process protocols from other agencies as stringent as ARB’s and enforceable could be considered.
- Please provide written comments to Leonard Scandura at Leonard.scandura@valleyair.org.

Please note that this is the last meeting for this Technical Workgroup. The next step with establishing the SJVCE is to hold public workshops sometimes in May 2009 with recommendations to go the District’s Board in Summer 2009.

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