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## Board Agenda Item

TO: Air Pollution Control District Board

FROM: Dave Van Mullem, Air Pollution Control Officer

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SUBJECT: California Air Pollution Control Officers Association's Greenhouse Gas Registry,  
or GHG Rx

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### RECOMMENDATION:

Receive a presentation on the California Air Pollution Control Officers Association (CAPCOA)'s Greenhouse Gas Registry, or GHG Rx.

### DISCUSSION:

#### *Background*

Local projects that undergo review pursuant to the California Environmental Quality Act (CEQA) are often required to provide mitigation to compensate for environmental impacts. In the case of global climate change impacts in the form of greenhouse gas (GHG) emissions, locally proposed projects may be mitigated onsite, through project modifications and efficiencies, but may also seek mitigation offsite. Because climate change impacts are considered to be global in nature and cumulative impacts under CEQA, although preferable, mitigation does not necessarily need to be local. Some projects may seek to purchase "emission reduction credits" or "offsets" to compensate for local project GHG emissions. For example, the Climate Action Reserve is a carbon offset registry for the North American carbon market. Carbon offsets that are registered with the Climate Action Reserve, in theory, can be purchased by a local project proponent and used as mitigation to compensate for the cumulative climate change impacts of that local project. A majority of the projects that were used to create carbon offsets via the Climate Action Reserve were done outside of California.

Many air districts, local planning agencies, and project proponents have expressed concern over the fact that mitigating climate change impacts using carbon offsets that were obtained from out-of-state projects result in a loss of very important co-benefits. These co-benefits include the

reductions of criteria air pollutants, such as ozone precursors and particulate matter, that often occur along with GHG emissions reductions. Other important social benefits include community awareness, and benefits to the local economy such as jobs, business growth, and transportation infrastructure that might occur with GHG reduction projects.

#### *California Air Pollution Control Officers Association*

The California Air Pollution Control Officers Association (CAPCOA) is a non-profit association of the air pollution control officers from all 35 local air quality agencies throughout California. CAPCOA was formed in 1976 to promote clean air and to provide a forum for sharing of knowledge, experience, and information among the air quality regulatory agencies around the State. The Association promotes unity and efficiency, and strives to encourage consistency in methods and practices of air pollution control. CAPCOA activities include training and information on current air quality issues, coordination between regional, state and federal air quality officials and the regulated community, and active participation in the air quality legislative process. The District is active in CAPCOA, and Dave Van Mullem is Chair of the CAPCOA committee of medium-sized District Air Pollution Control Officers.

#### *CAPCOA GHG Rx*

CAPCOA and member air districts recognize the need for statewide coordination on climate change issues, and specifically the potential need for carbon offsets to mitigate climate change impacts under CEQA. CAPCOA is developing a program whereby California-based carbon offsets can be created by an entity, using a well-defined protocol, and listed on a registry to be used as future GHG emissions mitigation. The program is under development and nearing completion. We see the potential for this type of program to function as a resource for local project proponents. The GHG Rx aims to facilitate local GHG mitigation, keep projects and jobs in California, and also achieve the co-benefits of reducing criteria pollutant emissions and addressing other local community goals.

#### Format and Similarity to Other Programs

The GHG Rx follows the same general format as other carbon registries such as the Climate Action Reserve, the American Carbon Registry, and the California Air Resources Board's Cap-and-Trade registry, which can be summarized as follows:

- A set of protocols that have been reviewed and approved by program administrators;
- Training and/or certification requirements for the staff that will verify the emission reductions/offsets;
- Credit certification;
- Listing of the carbon offsets in a centralized location (online registry), and tracking of usage; and
- Ongoing enforcement of protocol requirements, to ensure lasting validity of the carbon offsets.

#### Differences Between GHG Rx and Other Programs

The GHG Rx differs from other registries in the following ways:

- California-based program, with an emphasis on locally generated carbon offsets;
- Administered by participating Air Districts through an agreement (MOU) between the individual District and CAPCOA; and

- Utilizes rigorous protocols, yet offers more expanded opportunities by allowing project-specific protocols and other protocols that have not been folded into the CARB Cap-and-Trade program.

The District's role and interface with the GHG Rx is depicted in the attached flow chart.

In conclusion, as the GHG Rx offers a potential local solution for CEQA required GHG mitigation, we see it as a positive step forward. The District intends to actively monitor CAPCOA's advance towards a fully operational system and if successful will bring an MOU to your Board for consideration at a future date.

Attachment: Flow Chart of GHG Rx Project Process

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