



Western States Petroleum Association
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January 15, 2015

Ms. Molly Pearson
Planning and Grants Supervisor
Santa Barbara County Air Pollution Control District
260 N. San Antonio Rd, Suite A
Santa Barbara, CA 93110

Subject: WSPA Comments - SBCAPCD CEQA GHG Significance Threshold Development

Dear Ms. Pearson:

The Western States Petroleum Association (WSPA) is a non-profit trade association representing 26 companies that explore for, refine, transport, and market petroleum, petroleum products, natural gas and other energy supplies for California and four other western states. WSPA appreciates this opportunity to provide comments on the development of Santa Barbara County Air Pollution Control District (SBCAPCD) guidance for evaluating the significance of the impacts of greenhouse gas (GHG) emissions from new or modified stationary sources pursuant to the California Environmental Quality Act (CEQA) in cases where the SBCAPCD is the lead agency for the proposed project.

In our written comments submitted to the SBCAPCD on August 15, 2014, WSPA suggested a step-wise approach for determining the significance of GHG emissions from stationary sources that is consistent with and complimentary to the comprehensive statewide GHG emission reduction program pursuant to AB 32 (Global Warming Solution Act of 2006) as implemented by the California Air Resources Board (ARB). At the December 3, 2014 workshop conducted by the SBCAPCD on this issue, SBCAPCD presented an approach similar to the approach suggested by WSPA (Option 4, Percent Reduction from Business-As-Usual).

Option 4 as presented by the SBCAPCD incorporated two of the key elements suggested by WSPA:

A 10,000 MT/yr CO₂e Screening Threshold: If a project's total GHG emissions are below a 10,000 metric ton per year (MT/yr) significance screening level, then the project would be determined to have a less than significant individual and cumulative impact for GHG emissions.

Considers the ARB Cap & Trade Program as a Qualified GHG Reduction Plan: WSPA stated in our written comments that if a project is in compliance with an approved GHG emission reduction plan or GHG mitigation program which avoids or substantially reduces GHG emissions, the project would be determined to have a less than significant individual and cumulative impact for GHG emissions. WSPA agrees with the SBCAPCD that the ARB Cap & Trade Regulation is a qualified GHG reduction plan (reference the SJVAPCD CEQA Determinations of Significance for Projects Subject to the ARB GHG

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Cap & Trade Regulation). The ARB Cap & Trade Regulation is different from most other measures in the AB 32 Scoping Plan. The regulation was devised as a corrective mechanism as it sets a hard cap instead of an emissions limit, so the emission reductions from the program vary as estimates of “Business-As-Usual” emissions in the future are updated. As stated in ARB’s updated AB 32 Scoping Plan: “the Cap and Trade Regulation provides assurance that California’s 2020 limit will be met because the regulations sets a firm limit on 85% of California’s GHG emissions.” The emissions threshold for a stationary source’s inclusion in the ARB Cap & Trade Program is 25,000 MT/yr CO₂e. Therefore, it is WSPA’s assertion that stationary sources that exceed this threshold would automatically be deemed to have a less than significant impact for GHG emissions under a CEQA review by the SBCAPCD as a lead agency for the project.

What remains is an approach to determine significance criteria for projects greater than 10,000 or less than 25,000 MT/yr CO₂e. WSPA addressed this stationary source GHG emissions category in our past written comments as follows:

“A project can demonstrate that project-specific GHG emissions would be reduced or mitigated by a percentage consistent with the AB 32 Scoping Plan, compared to “Business-As-Usual” (BAU) baseline (i.e., 3-year period prior to AB 32 promulgation in 2006). Thus, the project GHG emissions (which would be subject to current SBCAPCD rules and regulations) would be compared to project GHG emissions if the project had been permitted during the baseline period under the requirements in place during the baseline period. The most recent AB 32 Scoping Plan indicated a 15% target. Projects achieving designated GHG emission reduction compared to BAU would be determined to have a less than significant individual and cumulative impact for GHG.”

In their presentation at the workshop, SBCAPCD staff presented a similar approach that addresses this GHG emissions category. WSPA has several comments on SBCAPCD’s approach:

- The SBCAPCD guidelines should incorporate a provision that if a project is in compliance with any approved GHG emission reduction plan or GHG mitigation program which avoids or substantially reduces GHG emissions, the project would be determined to have a less than significant individual and cumulative impact for GHG emissions.
- The SBCAPCD approach equates the BAU emissions scenario to the project GHG emissions as proposed in the permit application. The SBCAPCD’s approach is not, in fact, a BAU emissions scenario. Rather, it is only adjusting the applicant’s project emissions included in the application by the percent reduction listed in the updated AB 32 Scoping Plan. Consistent with our past written comments (cited above), WSPA suggests that the BAU emissions scenario be revised to be consistent with the BAU methodology outlined in the updated AB 32 Scoping Plan.
- The SBCAPCD presentation also suggested two options for a percent reduction for this GHG emissions category: the 15.3% reduction as outlined in the updated AB 32 Scoping Plan, and a 35% reduction that would be “tied to the 2050 goal set by the Governor in Executive Order S-3-05 and the AB 32 Scoping Plan goals and targets.” WSPA understands that projects to be reviewed by the SBCAPCD may last beyond 2020, but the SBCAPCD did not provide details on the derivation of the 35% reduction, and there is no current legislation or regulation supporting a post 2020 percent reduction. Therefore, WSPA suggests that the proposed percent reduction be

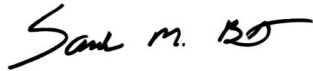
limited to one option: the 15.3% reduction that is supported by the updated AB 32 Scoping Plan and current regulations.

The SBCAPCD presented “Notes on Mitigation” at the workshop. WSPA has the following comments on this section:

- Although onsite or local mitigation is preferred by the SBCAPCD, it is recognized that climate change impacts are global not local, and mitigation that meets AB 32 protocols and requirements, regardless of location, must be allowed in the proposed SBCAPCD Guidelines;
- WSPA requests further details on the potential obligation to monitor, report, and mitigate project GHG emissions annually; and
- Projects subject to the Cap and Trade program are deemed less than significant and no further mitigation would be required by the SBCAPCD.

WSPA would again like to express our appreciation for the opportunity to provide comments regarding this very important regulatory item. If you have any questions regarding the approach described in this letter, please contact me at (805) 966-7113.

Sincerely,



Sandra Burkhart
Senior Coordinator, Coastal Region, State Marine, Waste, and Property Tax Issues

CC: David Van Mullem - SBCAPCD