

ATTACHMENT 2

CEQA FINDINGS

Findings for Adoption of Thresholds of Significance

In compliance with Section 15064.7(b) of the State of California's Guidelines for the Implementation of the California Environmental Quality Act (Title 14, California Code of Regulations, Sections 15000 *et. seq.*), the governing Board of the Santa Barbara County Air Pollution Control District makes the following findings:

Thresholds of significance to be adopted for general use as part of the lead agency's environmental review process must be adopted by ordinance, resolution, rule or regulation, and developed through a public review process and be supported by substantial evidence.

The Board has adopted this threshold of significance by resolution, following a public review process. The public review process entailed:

- Four duly noticed public workshops held on May 6, 2014 in Santa Maria, on May 8 and December 3, 2014 in Santa Barbara, and on March 25, 2015 in Buellton.
- Two public stakeholder meetings on June 17, 2014 and August 7, 2014 in Santa Barbara.
- One duly noticed meeting of the District Community Advisory Council held on March 25, 2015 in Buellton.
- One duly noticed special meeting of the Board of the Santa Barbara County Air Pollution Control District on April 16, 2015 in Santa Maria.
- Regular emails to 165 stakeholders and interested parties.
- A page on the District's web site dedicated to the process, including copies of presentations from each workshop, notes from each workshop, copies of all public comments received, the staff report, and material prepared in response to feedback received throughout the process.

The governing Board of the Santa Barbara County Air Pollution Control District finds that its adoption of the threshold of significance is supported by the following considerations and substantial evidence:

1. A 10,000 metric tons of carbon dioxide equivalent per year (MTCO_{2e}/year) screening threshold is low enough to capture a substantial amount of future projects, while setting the threshold high enough to intentionally exclude small projects that, in aggregate, will contribute a relatively small amount of cumulative statewide greenhouse gas emissions. As example, a total of 418 stationary sources reported 1,001,607 MTCO_{2e} of greenhouse gas emissions to the Santa Barbara County Air Pollution Control District in 2013. Of this total, 12 sources reported greenhouse gas emissions in excess of 10,000 MTCO_{2e}, accounting for 818,506 MTCO_{2e}, or approximately 82 percent of the aggregate emissions from less than 3 percent of all stationary sources. One of the policy objectives of setting this threshold is to encourage project proponents to design their projects in the most energy and greenhouse gas efficient way possible, while minimizing administrative burden on smaller greenhouse gas sources. A screening threshold of 10,000 MTCO_{2e}/year is more appropriate than a zero threshold, because it will assure that greenhouse gas mitigation will be implemented for a large majority of emissions, while not resulting in substantial administrative requirements for projects that individually produce only a small contribution towards cumulative statewide greenhouse emissions.

2. When adopting thresholds of significance, a lead agency may consider thresholds of significance previously adopted or recommended by other public agencies. The following agencies have adopted stationary source greenhouse gas emission significance thresholds of 10,000 MTCO₂e/year:
 - a. South Coast Air Quality Management District (adopted in 2008)
 - b. Bay Area Air Quality Management District (adopted in 2010)
 - c. San Luis Obispo Air Pollution Control District (adopted in 2012)
 - d. Sacramento Metropolitan Air Quality Management District (adopted in 2014)
 - e. Mendocino County Air Pollution Control District (adopted in 2010)
 - f. San Diego County Air Pollution Control District (adopted in 2013)

Section 3.7 of the District's *Revisions to District Environmental Review Guidelines Staff Report* (Staff Report), included as Attachment 6 to the Board Package, contains more detail on the thresholds adopted by other agencies throughout the state and the process by which they were adopted.

3. The District also considered two published CEQA court cases that have involved an AB 32 consistency/percent reduction from Business as Usual approach. One of them was also denied for review by the State Supreme Court. These court cases established precedents for how the impact of climate change and greenhouse gas emissions may be addressed under CEQA. These two cases are:
 - *Citizens for Responsible Equitable Environmental Development (CREED) v. City of Chula Vista*, replacement of a Target store (4th District Appellate Court; California Supreme Court denied petition for review.
 - *Friends of Oroville v. City of Oroville*, replacement of a Walmart store (3rd District Appellate Court)

Both of these court cases gave deference to the CEQA lead agency in utilizing a GHG significance threshold that was tied to consistency with the State's GHG reduction goals through implementation of the AB 32 Scoping Plan. They also provided additional reasoning and guidance for how a "percent reduction from Business as Usual" analysis may be conducted. The Staff Report, Section 6.2.2 incorporates further discussion of the mechanics for conducting a "percent reduction from Business as Usual" analysis.

4. When assessing the significance of impacts from greenhouse gas emissions on the environment, a lead agency may consider the extent to which the project complies with regulations or requirements adopted to implement a statewide, regional, or local plan to reduce or mitigate greenhouse gas emissions. The Cap and Trade program is a statewide regulation that was adopted to implement AB 32. It establishes a statewide cap on greenhouse gas emissions from entities with annual emissions over 25,000 MTCO₂e/year and reduces the cap each year. The Cap and Trade program, as part of the Climate Change Scoping Plan, was examined in the California Air Resources Board's Functional Equivalent Document under CEQA, and therefore underwent the required CEQA review and certification before it was promulgated.
5. The Climate Change Scoping Plan, updated in 2014, identifies the Cap and Trade program as one of the main measures that will help the state achieve its 2020 emission reduction goals. The program applies to approximately 85% of California's GHG emissions (Climate Change Scoping Plan, 2014, at Pg. 87). The table on Page 93 of the 2014 Scoping Plan update specifically shows that of the additional AB 32 measures that have not already been implemented, there are a total of 78 million MT of GHG reductions needed to meet the 2020 target. Of those 78 million MT, the Cap and Trade program is anticipated to achieve approximately 23 million MT (Climate Change Scoping Plan, 2014,

at Pg. 93). This constitutes approximately 30% of the additional emissions reductions needed to achieve the 2020 target. The remainder of the reductions necessary to meet the 2020 target are identified in four specific categories: Energy, Transportation, High Global Warming Potential gases, and Waste. The Climate Change Scoping Plan, Section IV, identifies key actions for each sector and identifies the timelines for each action. Entities subject to the compliance obligations set forth in the Cap and Trade program are reducing their emissions in the amounts needed to achieve the state's GHG reduction goals. This provides substantial evidence to support a finding that GHG emissions from projects subject to the Cap and Trade program are not cumulatively considerable, and the impacts are therefore less than significant.

6. Projects that emit greater than 10,000 MTCO₂e/year but are not subject to the Cap and Trade program are potentially significant. To demonstrate that these projects have provided mitigation roughly proportional to the impacts, the mitigation must be consistent with the Climate Change Scoping Plan's emission reduction goals. The most current update to the Climate Change Scoping Plan has identified a 15.3 percent reduction below "Business as Usual" emissions as necessary to meet the State's 2020 goals for greenhouse gas reductions. Therefore, a project that has mitigated 15.3 percent of its "Business as Usual" emissions above the 10,000 MTCO₂e/year screening threshold has provided mitigation consistent with the Climate Change Scoping Plan and is considered less than significant.
7. California is in the process of establishing greenhouse gas reduction goals beyond 2020, with the ultimate goal of reducing emissions 80 percent below 1990 levels by 2050. One of the policy goals of establishing this threshold is to remain consistent with California's greenhouse gas reduction goals. To do this, the District commits, at least once every five years, to reviewing the necessary percent reduction below business as usual for projects that emit greater than 10,000 MTCO₂e/year, but are not subject to Cap and Trade. This schedule is consistent with the schedule established in AB 32 for the California Air Resources Board to review and update the Climate Change Scoping Plan. If the legislature adopts new targets before five years have passed, or if other events including further updates to the Climate Change Scoping Plan show that a 15.3 percent reduction from business as usual is no longer sufficient to meet state-wide emission reduction goals, then the District commits to reviewing the percent reduction specified in the guidelines before five years have passed and proposing revisions as appropriate.
8. There are many indications that a target for a year beyond 2020 will eventually be developed by either the California legislature or the California Air Resources Board and will become codified:
 - Health & Safety Code Section 38551 specifically requires the California Air Resources Board to "...make recommendations to the Governor and the Legislature on how to continue reductions of greenhouse gas emissions beyond 2020."
 - Governor's Executive Orders S-3-05, S-21-09, and B-16-12 all include references to a 2050 emissions target of 80% below 1990 levels.
 - The 2014 update to the Climate Change Scoping Plan does not include specific numeric targets for post-2020 years, but includes expansive language and information on the types of measures needed to reach a 2050 emissions level of 80% below 1990 levels. It also indicates that a steeper reduction trajectory will be needed to meet 2050 goals (Climate Change Scoping Plan, 2014, Figure 6 at Pg. 33).
 - There are currently bills proposed in the legislature that relate to the development of post-2020

GHG emissions “targets” for California.

Based on this evidence, it is reasonable to conclude that either the legislature or the California Air Resources Board will develop greenhouse gas reduction targets beyond 2020. By updating the District’s guidelines on a regular basis, the quantity of mitigation will remain consistent with California’s greenhouse gas reduction plan.

Findings for Revisions to the District’s Environmental Review Guidelines

The project to revise the District’s Environmental Review Guidelines to include a greenhouse gas significance threshold and to incorporate other minor updates and revisions, is exempt from CEQA review pursuant to CEQA Guidelines Section 15064.7, Thresholds of Significance, and Section 15378, Definition of a Project. A Notice of Exemption is included as Attachment 3 of the Board Package.