

Agenda Date: April 16, 2015
Agenda Placement: Regular
Estimated Time: 45 Minutes
Continued Item: No

Board Agenda Item

TO: Air Pollution Control District Board

FROM: Dave Van Mullem, Air Pollution Control Officer

CONTACT: Ben Ellenberger, TEA Division Manager (961-8879)
Molly Pearson, Planning & Grants Supervisor (961-8838)

SUBJECT: Stationary Source Greenhouse Gas Emissions Threshold for CEQA

RECOMMENDATION:

Receive a briefing and discuss the District's proposed stationary source greenhouse gas emissions threshold for the California Environmental Quality Act.

BACKGROUND:

In April, 2014, District staff began a public process to establish a significance threshold for greenhouse gas emissions from new or modified stationary sources. Updates on this effort were provided to your Board on May 15 2014, August 21, 2014, and January 15, 2015. We set up a dedicated web page to keep the public informed, www.ourair.org/greenhouse-gases-and-ceqa.

Implementing a significance threshold requires revisions to the District's *Environmental Review Guidelines*. Because this Board item is solely focused on the proposed greenhouse gas emissions threshold, other revisions to the *Environmental Review Guidelines* will be presented at a subsequent Board meeting.

DISCUSSION:

Development of Threshold Options in a Public Process

Thresholds of significance are used by the District when it assumes the role of a CEQA lead agency; they are also recommended for use by other CEQA lead agencies in Santa Barbara County when the agency does not have its own adopted significance thresholds for air quality impacts.

The District embarked on this process to establish a GHG threshold in the spring of 2014. The public review process has involved extensive outreach and noticing:

- Public workshops on May 6, 2014 and May 8, 2014 in Santa Maria and Santa Barbara, respectively; on December 3, 2014 in Santa Barbara; and, a public workshop on March 25, 2015;
- Community Advisory Council meeting on March 25, 2015 which was combined with the public workshop on the same date;
- Publicly accessible stakeholder meetings; and
- Regular email updates on project activities.

At the public workshops, the District provided background information and outlined options, and received comments before, during and after the workshops. All of the public comments received as of April 6, 2015, as well as notes from all of the public workshops, are provided as Attachment 1. Workshop information, and public comments are also available for review online at www.ourair.org/greenhouse-gases-and-ceqa.

Community Advisory Council Process and Staff Report

A Staff Report titled, *Revisions to District Environmental Review Guidelines*, was prepared for the District's March 25, 2015 Community Advisory Council meeting that presents two GHG significance threshold options for consideration: A Bright Line threshold of 10,000 metric tons per year, and an AB 32 Consistency threshold. Key elements of the two threshold options are as follows:

Bright Line Threshold

- Projects with GHG emissions greater than 10,000 metric tons per year would be considered to have a significant impact under CEQA and would require mitigation down to the 10,000 metric tons per year level to be considered less than significant.
- Projects with emissions less than 10,000 metric tons per year would be considered to have a less than significant impact.

AB 32 Consistency Threshold

- Sources that fall under the State's Cap and Trade program (emissions greater than 25,000 metric tons per year) would not be required to mitigate over and above the requirements of that program.
- Projects with emissions less than the 10,000 metric tons per year screening threshold would be considered less than significant and would not be subject to mitigation requirements.
- Projects with emissions between 10,000 and 25,000 metric tons per year would be required to reduce emissions using a "percent reduction from business-as-usual" method (currently 15.3% based on the 2014 First Update to the Climate Change Scoping Plan).
- This option includes a commitment to revise the threshold to reflect additional GHG reductions to remain consistent with California's long-term GHG reduction goals.

The Staff Report provides the basis and the substantial evidence to support both of the threshold options. The Staff Report was posted to the District's website on March 9, 2015, and notice of the availability of the report was given to Community Advisory Council members on that day. We also prepared two addendums to the Staff Report (on March 17, 2015 and April 9, 2015). The full Staff Report, with both addendums incorporated, is provided as Attachment 2.

The public workshop on March 25, 2015 was a joint public workshop and Community Advisory Council meeting. The agenda and the staff memo to the Community Advisory Council for the meeting are included as Attachments 3 and 4, respectively. Immediately following the March 25, 2015 public workshop, the Community Advisory Council deliberated and considered whether to recommend a specific GHG significance threshold, and the revisions to the Environmental Review Guidelines, to the District Board of Directors. A motion was made to recommend adoption of the AB 32 Consistency threshold option, the motion was seconded, and the motion carried on a vote of 15 to 7.

A second motion was made to recommend that the proposed revisions to the Environmental Review Guidelines be adopted, as presented. The motion was seconded, and the motion carried on a vote of 20 to 2.

Following the deliberations and votes, council member Moldaver requested that a letter be presented to the District Board of Directors that summarizes an idea expressed by council member Davis. A letter was prepared by council member Davis and is included as Attachment 5.

ATTACHMENTS:

1. Public Comments
2. *Revisions to District Environmental Review Guidelines* Staff Report (Includes various attachments)
3. Agenda for March 25, 2015 Meeting of the District Community Advisory Council
4. Memorandum to District Community Advisory Council for March 25, 2015 Meeting
5. April 1, 2015 Letter from Dave Davis, member District Community Advisory Council