

Stationary Source Greenhouse Gas Emissions Threshold for CEQA

**Board of Directors
Santa Barbara County
Air Pollution Control District**

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Planning & Grants Supervisor**

April 16, 2015



Overview

- Project description and application
- Summary of the public process
- Threshold options
- Community Advisory Council and Next Steps
- Questions

Project Description

- Establish a stationary source greenhouse gas (GHG) threshold of significance to be used by the District when acting as a lead agency under the California Environmental Quality Act (CEQA)
- Incorporate threshold into the District's Environmental Review Guidelines

CALIFORNIA NATURAL RESOURCES AGENCY



FINAL STATEMENT OF REASONS FOR
REGULATORY ACTION

Amendments to the State CEQA Guidelines
Addressing Analysis and Mitigation of Greenhouse Gas
Emissions Pursuant to SB97

December 2009

Environmental Review Guidelines

for the

Santa Barbara County
Air Pollution Control District

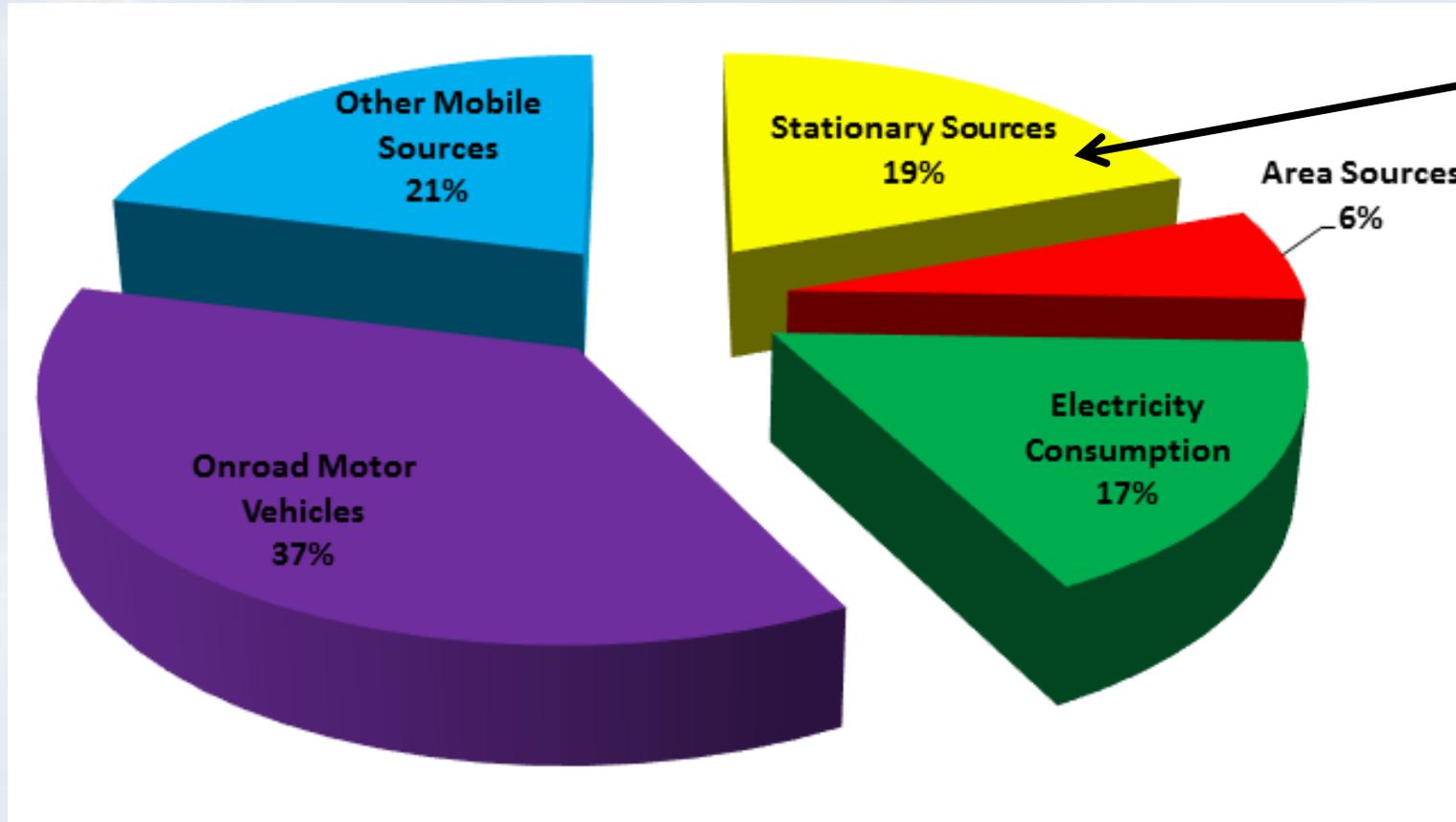
*Guidelines for the Implementation of the
California Environmental Quality Act of 1970, as amended*

*Adopted by the
Air Pollution Control District Board
October 19, 1995
Revised November 16, 2000*

Application

- Threshold would apply to new or modified stationary sources (e.g. oil and gas facilities, landfills, hospitals or universities, and a wide range of other types of facilities that have combustion devices)
- Threshold used when the District is the CEQA lead agency
- Other lead agencies are encouraged to use the District's threshold

GHG Inventory



Threshold would apply to this sector

Total CO₂ Emissions in 2007 Inventory = 5.18 million metric tons CO₂

Public Involvement

- Thorough outreach and noticing
- Four public workshops: two in May 2014, one in December 2014, one in March 2015
- Stakeholder meetings open to the public
- Regular email updates on project activities
- Solicitation of verbal and written input
- Posting on our website of all written input and notes from workshops

Public Workshops

- May 6 and 8, 2014 – Santa Maria and Santa Barbara
 - Background
 - Early input – verbal and written
- December 3, 2014 – Santa Barbara
 - Presented input received from the public
 - Four potential options for consideration and discussion
- March 25, 2015 – Buellton
 - Presented two potential options

Staff Report

- Developed prior to March 25, 2015 joint public workshop/CAC meeting
- Widely noticed and posted online in advance
- Includes:
 - Background, public process, local/state/federal initiatives
 - Responses to comments and requests from the public
 - Two options for consideration, with substantial evidence to support both options

Responses to Comments and Asks

Asked for capture rate for 10,000 MT threshold, and what threshold would be at 95% capture	➔	Developed Table 5-1 that explores bright line threshold levels based on various capture rates, including 95% capture
Asked for more information regarding the stationary source GHG inventory, source types	➔	Developed Figure 5-1 and 5-2 that show # of sources in various emissions brackets
Asked for definition of BAU	➔	Provided a definition and explanation of expectations of a BAU analysis in Section 6
Asked to show mitigation calculation for a 87,000 MT/yr project under performance-based measure threshold	➔	Performance-based measure threshold option not moved forward so request no longer applicable
Asked for justification for using 2020 versus 2050 targets for the percent reduction required	➔	Section 6 includes an explanation of why the 2020 reduction value is referenced at this point; commitment to revisit when post-2020 targets are adopted

Responses to Comments and Asks

Asked for more details on mitigation & monitoring



Preparing a mitigation “white paper”

Asked to clarify position on acceptability of purchased, Cap-and-Trade compliance offsets



Discussion included in Section 6; yes, purchased offsets from projects done under a CARB-approval protocol are acceptable mitigation

Asked to clarify position on purchased vs. allocated allowances



Discussion included in Section 6; compliance obligations above and beyond what is freely allocated represent a GHG reduction

Table 5-1: Hypothetical Bright-Line Significance Thresholds

<i>Threshold Level (MT CO2e)</i>	<i>Percentage of Emissions Captured</i>	<i>Number of Sources Within Santa Barbara County</i>		<i>Total County-Wide Emissions Within Category</i>
		<i>Above Threshold</i>	<i>Below Threshold</i>	
Zero	100.0%	418	0	1,001,607
1,000	98.6%	71	347	987,481
5,000	89.1%	23	395	891,978
10,000	82.4%	12	406	818,506
25,000	74.1%	7	411	730,578

<i>Percent Capture Rate</i>	<i>Emissions Level (MT CO2e)</i>	<i>Number of Sources Within Santa Barbara County</i>		<i>Total County-Wide Emissions Within Category</i>
		<i>Above Threshold</i>	<i>Below Threshold</i>	
80% Capture	16,315	8	410	750,985
85% Capture	7,422	17	401	858,126
90% Capture	3,974	25	393	900,130
95% Capture	1,754	44	374	950,701
98% Capture	1,149	65	353	981,139
100% Capture	Zero	418	0	1,001,607

Note: All values are approximate



Typical Source Category by GHG Bracket:

<1K MT CO₂e:

Emergency Standby Generators,
Small Oil and Gas Extraction Facilities,
Additional Miscellaneous Small Sources

1K-5K MT CO₂e:

Mid-size Medical Facilities,
Federal Justice Facilities,
Oil and Gas Extraction Facilities,
Mineral Extraction/Processing Facilities,
Educational Facilities
Miscellaneous Manufacturing Facilities,
Mid-size Hotels

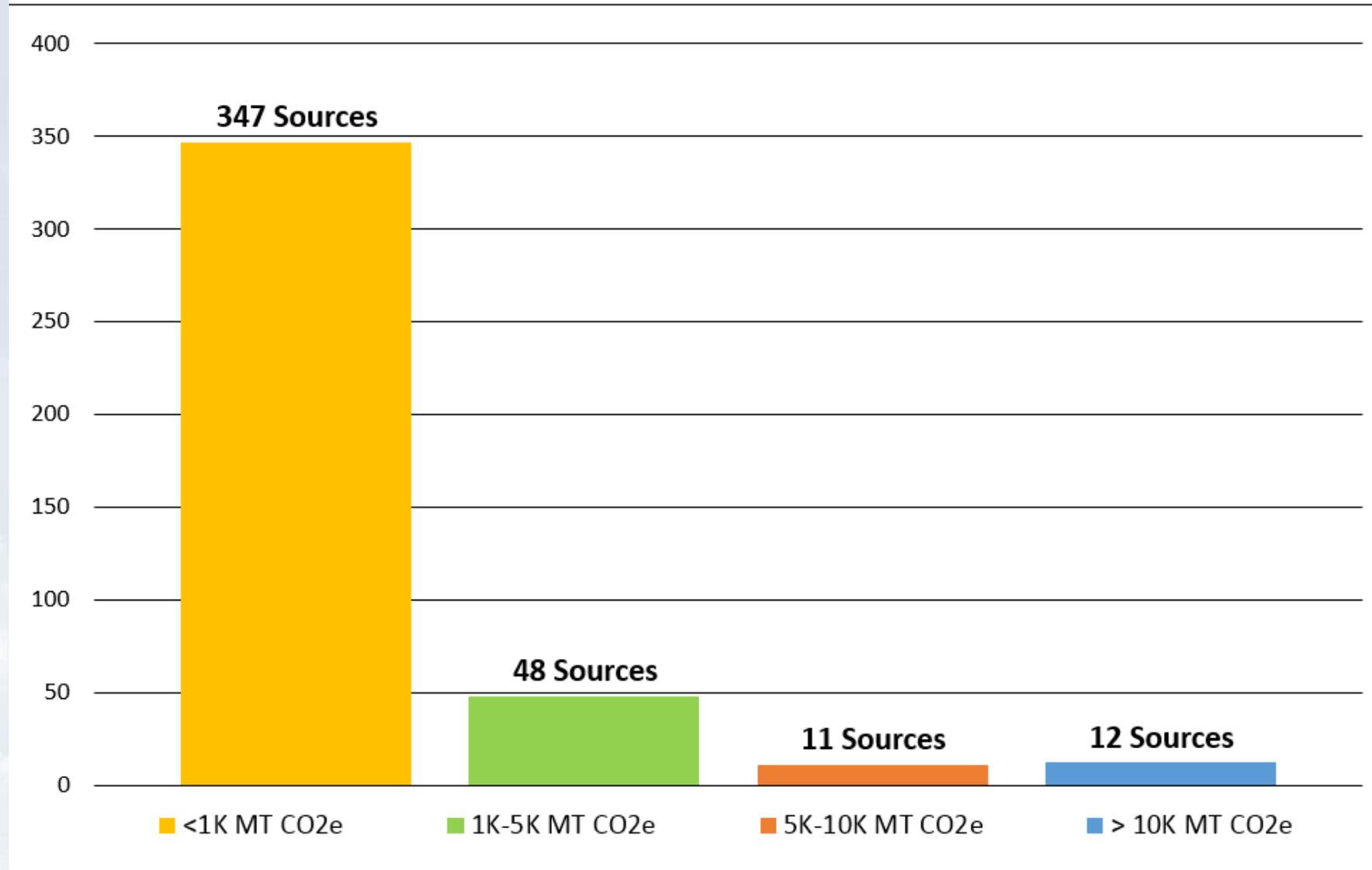
5K-10K MT CO₂e:

Large Medical Facilities,
Oil and Gas Extraction/Refining Facilities,
Mineral Extraction/Processing Facilities,
Mid-size Educational Facilities,
Electronics Manufacturing Facilities,
Large Hotels

> 10K MT CO₂e:

Large Oil and Gas Extraction Facilities,
Large Landfills,
Large Mineral Extraction/Processing
Facilities,
National Defense Facilities,
Large Educational Facilities

Santa Barbara County, CA
Number of Sources per GHG Bracket (2013)



Typical Source Category by GHG Bracket:

<1K MT CO2e:

Emergency Standby Generators,
Small Oil and Gas Extraction Facilities,
Additional Miscellaneous Small Sources

1K-5K MT CO2e:

Mid-size Medical Facilities,
Federal Justice Facilities,
Oil and Gas Extraction Facilities,
Mineral Extraction/Processing Facilities,
Educational Facilities
Miscellaneous Manufacturing Facilities,
Mid-size Hotels

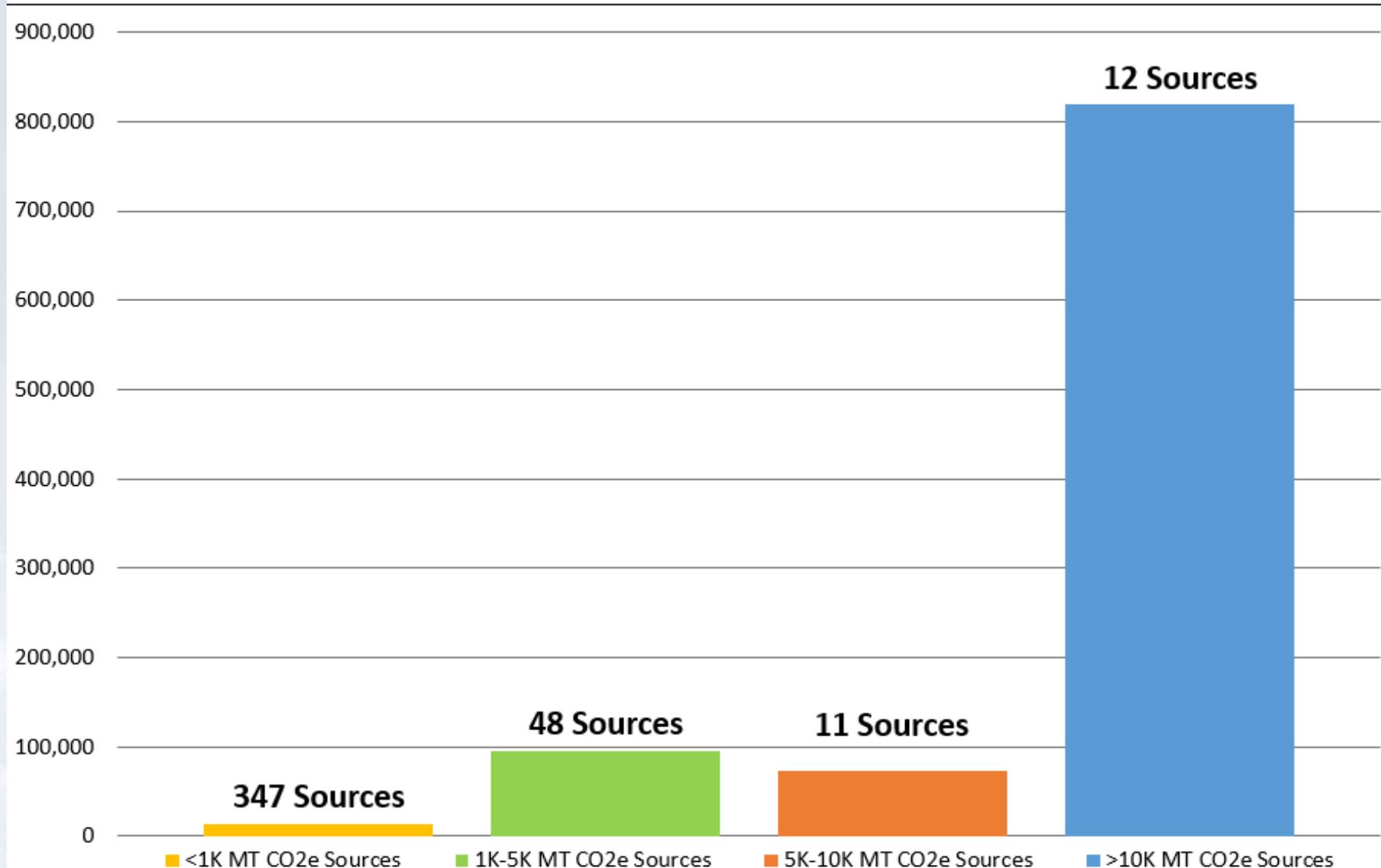
5K-10K MT CO2e:

Large Medical Facilities,
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Mineral Extraction/Processing Facilities,
Mid-size Educational Facilities,
Electronics Manufacturing Facilities,
Large Hotels

> 10K MT CO2e:

Large Oil and Gas Extraction Facilities,
Large Landfills,
Large Mineral Extraction/Processing
Facilities,
National Defense Facilities,
Large Educational Facilities

Santa Barbara County, CA
Total Emissions (MT/yr) by Source GHG Bracket (2013)



Zero Threshold

- Many commenters urged adoption of a zero threshold
- Consistent with the science of climate change
- Challenging to implement:
 - Even small sources subject to potentially costly environmental review
 - Administrative and financial burden on agencies and project proponents: mitigation funding, environmental review, mitigation monitoring & reporting
- Only achieves a small amount of additional reductions, but subjects many more small sources to substantial administrative requirements

Threshold Options

Bright Line 10,000 MT/yr

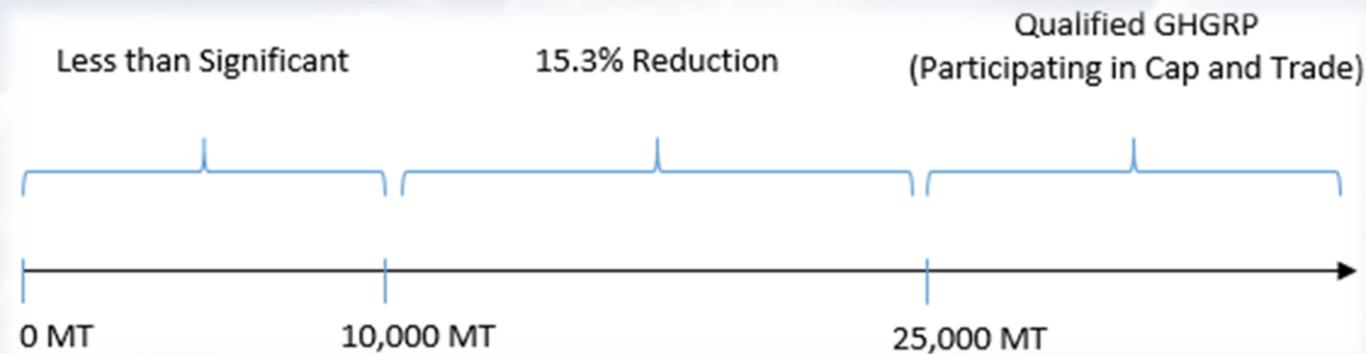
AB 32 Consistency

Bright Line 10,000 MT/yr Threshold

- Establishes a strictly numeric emissions threshold and requires mitigation to below 10,000 MT to make a finding of less than significant
- Capture rate of 82.4% on 2013 County GHG stationary source emissions
- Threshold set low enough to capture a substantial fraction of future emissions, while high enough to exclude small projects
- Applied in California and to date has not been challenged in the courts

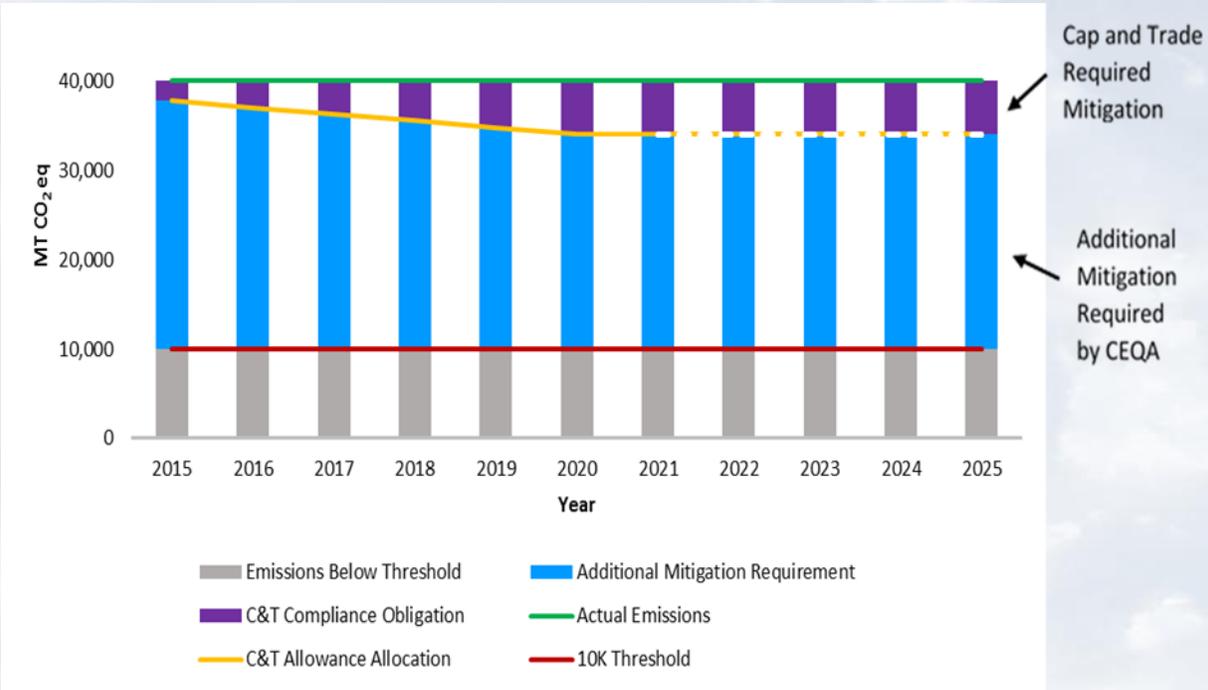
AB 32 Consistency Threshold

- Utilizes a 10,000 MT/yr *screening threshold* and considers Cap-and-Trade as a *Qualified Greenhouse Gas Reduction Plan*
- Requires a 15.3% reduction from business-as-usual (BAU) emissions
- The “% reduction from BAU” method has been challenged (successfully and unsuccessfully) in the courts
- Commitment to update % reduction as the state adopts new reduction targets

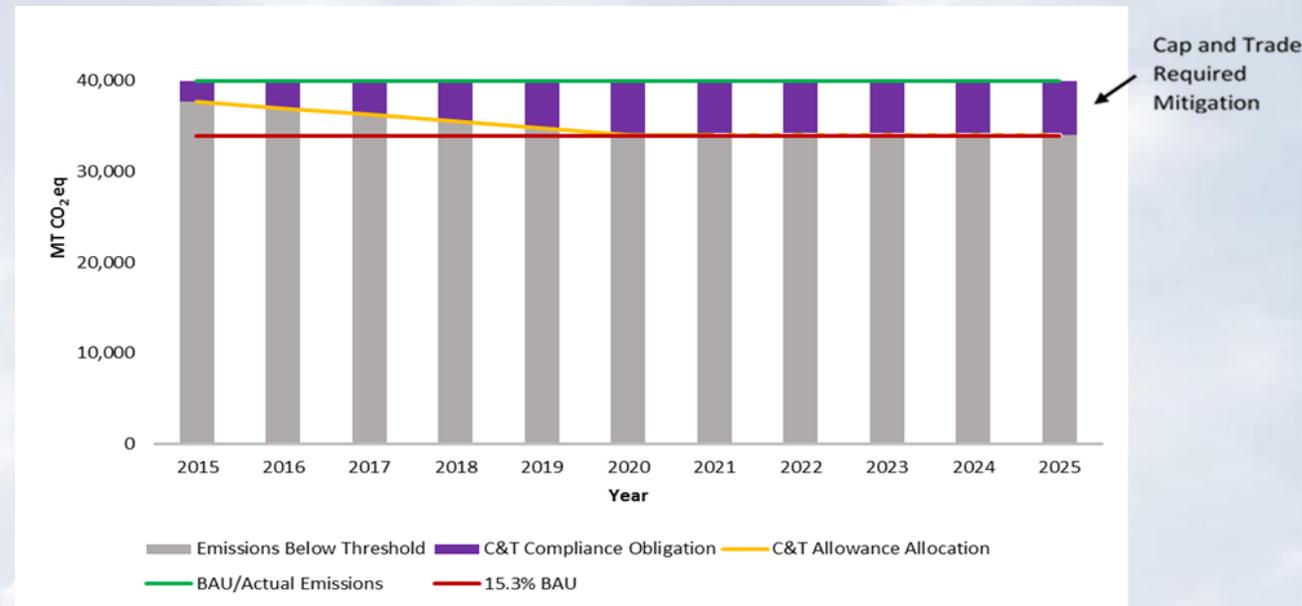


Comparison of Mitigation Examples

Project subject to a Bright Line 10,000 MT/yr Threshold



Project subject to the Cap and Trade Program (under AB 32 Consistency Threshold Approach)



Comparison of Mitigation Requirements (30 yr project life)

Project Scenario/ Option	Stationary Source Emissions (Annual)	Threshold Level (Annual)	Purchased C&T Allowances ¹ (Project Lifetime)	Additional Mitigation Required (Project Lifetime)	Total Mitigation Required (C&T Purchased Allowances ¹ + <u>Add'l</u> , Project Lifetime)	Total Project Lifetime Emissions
AB 32 Consistency (15.3% down from BAU) - Project 10K-25K	15,000	12,705	N/A	68,850	68,850	450,000
Bright Line (10,000 MT) - Project 10K-25K	15,000	10,000	N/A	150,000	150,000	450,000
AB 32 Consistency - Project Subject to Cap and Trade (C& T)	40,000	Declining cap per C&T regulation	171,400	0	171,400	1,200,000
Bright Line (10,000 MT) - Project Subject to C&T	40,000	10,000	171,400	728,600	900,000	1,200,000

Mitigation

Basic requirements:

- Relates directly to the impact, roughly proportional to the impact
- “Fair share” funding of a measure that addresses the cumulative impact
- Should not be deferred
- Done up-front or through a mitigation monitoring & reporting plan
- Offsets = real, quantifiable, surplus, enforceable, and permanent

Mitigation

Priority:

- onsite reductions first
- offsite within the region
- elsewhere in California
- elsewhere in the U.S.



Preparing a “Mitigation White Paper” with additional information on how to implement mitigation for different scenarios.

Community Advisory Council Consideration

- Presented to CAC on March 25, 2015, concurrent with public workshop presentation
- Received public comment at joint workshop/CAC meeting
- Discussion and deliberation amongst CAC members
- Majority of the CAC voted to recommend the AB 32 Consistency threshold to your Board (15 out of 22)
- Minority also forwarded a letter to your Board

Next Steps

- Board to consider threshold options and CAC recommendations on May 21, 2015:
 - Adopt a GHG threshold for projects when APCD is CEQA lead agency
 - Review and consider approval of other changes to Environmental Review Guidelines

Questions?



Thank you