



GHG and CEQA Workshop - Questions and Discussion Notes Buellton – March 25, 2015

On March 25, 2015 at 6:30 pm, a joint public workshop and District Community Advisory Council (CAC) meeting was convened in Buellton at the Santa Ynez Marriott. Roll call was taken for the CAC, the meeting agenda was reviewed, and District staff gave a presentation on the Environmental Review Guidelines update, summarizing the contents of the staff report that was prepared and distributed to the CAC and to the public in advance of the meeting. Following the staff presentation, the CAC and the public were given the opportunity to ask clarifying questions about the presentation and the staff report. After the question-and-answer period was completed, each member of the public was given three minutes to provide comment.

Questions and Answers

Q: Thanks, good summary of a very complex subject. I have a question about the pie chart, early on, greenhouse gas inventory circa 2007, where the slide's indicating that the only thing on the pie chart that we're looking at is the 19% that are stationary sources. You also reference area sources and electricity consumption. I was wondering if you could further define area sources. And, for electricity, do you mean production, or do you actually mean consumption?

A: I can clarify that, on the electricity, it's consumption. Because we don't have really any significant electricity generators or power plants here in the county, so it's consumption. Actually Brent might be able to talk about area sources, what's in the area sources portion of the inventory, it's things like landfill gas emissions that are not captured and combusted. To my knowledge, the area sources in our inventory here are accounting for gas stations and drycleaners, generally, they're very small. And those actually don't emit much GHG. So as far as the GHG stuff, we can look into that; our Clean Air Plan actually has a better explanation.

Q: I have a question about jurisdiction. The question came up last week, or I'm losing track of the weeks and meetings, but at the APCD board meeting, there seemed to be some question about when APCD would be the lead agency versus when the county would be the lead agency. Can someone clarify, I know generally speaking, if it's in the unincorporated area of the county, where most of our oil and gas development is, then it would be county jurisdiction. But you made a comment that it's also APCD so I'm trying to understand.

A: I can take a stab at it, Mr. Van Mullem may also might want to add something. But yeah, so we're obviously a CEQA lead agency when it's our project. When it's our Clean Air Plan, or it's a rule we're bringing forward, or if it's a permit action where there was no land use decision made. Basically, it may be an existing source where they're changing out a piece of equipment, and they don't need a revision to their development plan or their use permit, and then we're coming in and because we're making a discretionary decision, we need to cover our bases with CEQA. So, we don't end up doing very many CEQA documents. It's mostly for fairly small projects and they might fit into an exemption we have in our Environmental Review Guidelines, or they might fit into a CEQA exemption – one of the categorical exemptions. So, other cases where we might be a lead agency are federal places like Vandenberg Air



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Force Base, if they did a NEPA document and they didn't address CEQA. Ideally, the federal agency would do a joint NEPA/CEQA document. But if they haven't, we need to make sure we're doing our due diligence on CEQA. So, there are those unique situations that come up where we do take a CEQA lead role. But you're right, for a lot of oil and gas projects in unincorporated areas it's going to be the County of Santa Barbara that's the CEQA lead. Did I cover that? Does anyone want to add anything to that?

Q: Why don't we have this, you explained a little bit why the quote unquote zero threshold was not considered, but what I don't understand is, you have had approximately, according to page 4-3, there were many groups that asked for this zero, and also you had a petition with over 400 people. And normally when I view EIRs or anything like that, all points that were even implied or so forth need to be addressed. And not just say, we the District found that it was too expensive or anything like that, consequently we are not going to analyze. I think that, in my opinion, it should have been analyzed deeper, and not just say, we are not analyzing it.

A: *So, we're trying to deal with clarifying questions. Was there a question in there? Specifically, why didn't we analyze it more?*

Q: On page 4-3, you say, "A zero threshold would impose a substantial administrative burden to the District, without a corresponding climate benefit." Was a study done to make that statement?

A: *Well, we're basing it on the evidence we provided, which was: small amount of GHG emissions...so, small amount of mitigation. That was sort of, our analysis that we were presenting. I'm not sure if anyone wants to add any more response to that. That's the best I can say is that we've looked and there's not that much benefit to mitigating...you certainly have to quantify and disclose, if you're in the CEQA realm, that those emissions are occurring, if you're doing a neg dec or an EIR. But as far as mitigation requirements, we didn't think that it was really necessary to go there. I'm not sure if I've answered your question but...I think we're getting into commentary, and I'd like to really just get some clarification and people to understand what's in our report.*

Q: And I just have a follow-up question to that, maybe it's more of a question, because...you use the term small amount in that it's a small amount of additional reductions. And I'm wondering, if I'm reading this right, you said a 10,000 ton threshold, it covers 82% of emissions, so that would still leave, in your example, 183,000 tons of emissions. And I'm wondering, how do you qualify that as a small amount? Because that seems very large to me. 183,000 tons, that's like 36,000 cars. It's like, almost the entire reduction planned for the Climate Action Plan. So, define small.

A: *So, the point about small amounts is really geared toward each individual project. And the big concern there is not just the mitigation part of individual projects. But also the administrative cost of going through and preparing an initial study and mitigated negative declaration for an individual project that may have 500 metric tons of CO₂, or 1,000 tons of CO₂. So, yes, it is true that that category of 400 sources collectively does have a substantial amount of CO₂ emissions, but each individual one, which would have to go through CEQA individually, individually have very low levels of emissions.*



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Q: And then, on the 10,000 threshold, you say that piecemealing is a potential problem, where lots of projects come in just under it. But it's not clear how that's addressed. So, how would that be addressed, that problem?

A: *The big focus that we have in permitting, is making sure that the project is fully defined up front. And the way we address that is, we look at if a source comes in for an application for one permit, and then comes back later for an application for a second permit, that's part of the first step of the analysis in the completeness of the application, is, are these applications related? And so, if we see that multiple applications are for a related purpose at the same source, in a short period of time, we'll define that as one project, and analyze those as one project. And we do that already for our New Source Review rules, and we would envision using the same approach for CEQA.*

Q: And a short period of time is like a year later, or two years later...?

A: *The standard in New Source Review, is if an Authority to Construct application comes in within one year of when a Permit to Operate is issued. And so typically, given the time lag between issuing one Authority to Construct, another Permit to Operate, then another Authority to Construct, it usually works out, if it's within a couple of years of each other.*

Q: Going back to that question that was asked earlier about, you locate a bright line threshold, and the biggest issue you're talking about is the administrative burden and what that might be. This morning before the County Planning Commission it was proposed that you could reduce the bright line down to a thousand, and then those middle projects – the 95 and the 73 that get to 178,000 metric tons - projects up to 10,000 – could be covered in a programmatic EIR, such that those could come out of that, tier off of that, come out with mitigated negative declarations, avoiding that preparation of an individual EIR.

A: *Are you asking us what we think of that concept?*

Q: Could you do that?

A: *Could you do that. You know, this is something we didn't hear from the public, this has been almost a year process, so we really haven't analyzed that potential. It sounds like it may be some... (The questioner explained further: It kind of grows out of the numbers that you had in the report.) When you look at the numbers...the vast majority of projects were the small de minimis ones. And then the question was, you have that middle category...which again, yeah, maybe you don't want to put the administrative burden on those projects because individually they're small. But collectively, they are at least a bundle - that basically, you could consider, collectively, as those things - take away the administrative burden. Then deal with over 98% capture rate. So, it's just a different way of basically, get the threshold as a bright line, but do away with that administrative burden that you're concerned about.) So, I guess I'm not understanding...the concept of a program EIR – it would be done for a project. You do an EIR because there's a project. So what is the project? (The questioner explained further: No. The program EIR would look at, essentially, the cumulative effect of the projects which are reasonably foreseeable...however many there are there...50 some projects would be in that category. So you do a program EIR that in this case, would look at the effect of those 50 projects. You'd look at the cumulative. Again, it would have to be funded, individually over time, either the District or the County, do a*



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programmatic EIR.) *I happen to have watched the Planning Commission discussion of this item. And, it seems that the concept would be that you would have a project, maybe to do a GHG reduction plan, and then do a program EIR on that project? I mean, CEQA requires an EIR when there's a project before you. So, it's usually a program EIR would be done for a Clean Air Plan, or a General Plan, or something. (The questioner stated: And, that's not a bad way to do it.) OK. I'm just trying to understand... (The questioner explained: Again, let me get this...question...when does APCD get involved? And again, at least I understood, the lead agency, are usually only on the larger issues...when you're doing the Clean Air Plan, changing your requirements, or what have you. Not down to the project level except in those unique cases. But yes, it could be on a greenhouse reduction plan.) Interesting concept. And I think we need to move on with clarifying questions, and then take public comment, because we've got a lot of people here and I want them to have a chance.*

Q: In section 3, you lay out what the other Districts have done in terms of where they set their threshold. And, there's nine other districts, and, for four of them, you specify the capture rate, and for five of them, there is no capture rate. So my question is, did these other districts not have a capture rate at all in their justification for their thresholds?

A: *So, the ones that have capture rates are South Coast, Bay Area, San Luis Obispo, Sacramento, and...San Diego. (someone asked: Could you state the page number?) Page 3-9 and Page 3-10. So, the ones that didn't - I mean, each district sort of took its own process, and Mojave, East Kern, San Joaquin, and Mendocino – those are the ones that didn't do a capture rate sort of analysis. I can't really speak to exactly what their process was, but some of them it looks like they just relied on existing thresholds for regulations, or something like that. And then of course San Joaquin Valley took a very comprehensive but very different approach in looking at developing performance standards for each industry type.*

Q: John Gilliland with M. S. Hatch Consulting, I have a few questions. CEQA, you have mitigation measures, and one of the mitigation measures is greenhouse gas offsets. The Air Resources Board is developing regulations that will remove the surplus factor in your definition of emission reduction credits. As with criteria pollutants, emission offsets are a critical thing in California, and I see how greenhouse gases will go the same way. So the lower the threshold will go, the more it is going to stress greenhouse gas emission offsets, as you go with this bright line. So, I guess it's a commentary, I'm voicing a concern about greenhouse gas offsets. A question I have is, within appendix A of the staff report, you talk about some of the exemptions, exclusions from requiring CEQA. One of those is you've changed from the de minimis level of 2.4 pounds per day to the BACT level of 25 pounds per day. You also indicate that Air Quality Impact Analysis and offsets would only apply to the first time. So, if you are a source that has already triggered offsets and you come in with an application say for a boiler that does not trigger BACT and you've already offset, my understanding is that you would not need to do a CEQA review as a lead agency. Is that correct?

A: *That provision is specifically for a situation where someone constructs a new facility, provides offsets and an AQIA for the new facility up front. That is a big in depth review and is definitely appropriate for CEQA. What we'll see then is they come back to install a new separator that may have only have half a pound a day of emissions. Because they are already over the offset threshold, they have to provide*



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offsets for those additional emissions. We don't think those types of projects are the types of things that CEQA was intended to address.

Q: Using your same example an emergency standby generator that only emits 15 pounds a day. In that situation I think the same example would apply. Is that correct?

A: *Yes, Appendix A has a specific exemption for an emergency standby generator.*

Q: So if I have a permitted piece of equipment, my source has triggered offsets and at a subsequent time I come back with a permit action that does not trigger BACT, then I am not subject to CEQA? So as long as I am not triggering BACT and I have already provided offsets I am not subject to CEQA review?

A: *For sources that are specifically exempt, we would, to use an example: for boilers the threshold is 20 MMBtu/hour, so a boiler at 21 MMBtu/hour would have to go through CEQA. And those numbers were set to be equivalent to 10,000 Metric tons per year.*

Q: The question is on the pie chart we looked at (from 2007). For those categories that are not being discussed in this workshop, is there some approach to reduce those emissions in those categories: mobile sources, on-road sources, etc. How are those being addressed?

A: *Through various AB 32 programs, and also local climate action plans.*

Q: So the approach on those other categories would be a percent reduction consistent with AB 32 Cap and Trade?

A: *The market-based categories are through cap and trade, the others are through specific command and control measures.*

Q: There is a 3 year revision cycle in the scoping plan.

A: *It is 5 years.*

Q Ok, 5. Do you foresee that you would review the reduction in BAU about on that cycle?

A: *As we detailed in our staff report we intend to as additional targets come out that get at post-2020 targets that are probably more aggressive in a percent reduction we would commit to coming back to the CAC and our Board to consider additional revisions to our threshold.*

Q: Is next year, 2016, the next cycle for ARB?

A: *No, they just did one (scoping plan revision) in 2014. But legislation, and more aggressive targets, could come out sooner. There are legislative bills out there now that could suggest more aggressive post-2020 targets.*

Q: There was a suggestion for a zero threshold. The Board should look into the fact that under the AB 32 model these emissions need to be offset on an annual cycle. The current price is \$12.50 per metric ton. It is expected to go up to about \$40 in a couple of years when natural gas and the utilities come into the program and the gasoline retailers come into the program. So, when we are talking about a zero



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threshold are we talking about mom and pop shops paying \$40 per ton for every offset, annually? And, it would be at least 500 to 1,000 metric tons.

A: So, it sounds like we are moving into commentary. So, are there additional clarifying questions?

Q: Is there anything in here that excludes a life cycle approach?

A: Our staff report does not specifically address that, but we rely on the CEQA guidelines amendments and the extent to which they require a life cycle assessment. And that was pretty much vetted during the development of the guidelines revisions. The life cycle stuff gets pretty speculative, so we have not specifically addressed it in our staff report, but we would open to comments if people want to see that.

Q: So you can still bring it up?

A: Folks might bring it up, there might be a fair argument that there's a project that has those types of emissions.

Q: Please tell me if the Governor's executive order, which called for by 2050 achieving an 80 percent reduction below 1990 levels, has been changed, and that's why you deleted it?

A: No, we deleted a discussion of case law that is going to be heard by the Supreme Court. So, we were advised by our counsel that the trial court decision no longer has any bearing. So we need to wait for the Supreme Court ruling to know what that case is going to tell us.

Q: But is the executive order of the Governor still standing?

A: Yes, we were not deleting the acknowledgement of that. There are other places in the staff report that talk about that and other executive orders that talk about long term reduction goals.

Public Comment

Comment: I am Linda Krop, Chief Counsel of the Environmental Defense Center. Thank very much for holding this workshop. I wanted to focus on a couple of points. One is that cumulative nature of this issue, and I want to respond to some of the assertions about the zero emission threshold. Cumulative Impacts are those that may not be significant from one project alone, but in combination with other projects may be cumulatively significant, and that was mentioned by staff earlier. What troubled me by the comment was that, although staff recognized that the small projects together could result in a collective substantial reduction in greenhouse gas impacts, because on an individual basis they would not be as significant, they would not be included in the threshold. But that is the whole point of cumulative impacts is that they are not significant when based on one project alone but collectively they are. As was mentioned, a 10,000 metric ton threshold would not compensate or mitigate 20 percent of the emissions. That is collectively significant, and so another reason to support the zero emission threshold.



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This is a scientific determination. Scientists have already determined that existing carbon levels in the atmosphere are unsustainable. That is why we are so concerned about adding new net emissions into the atmosphere, because we do feel those impacts here. And that's one reason why CAPCOA has identified that a zero emission threshold does have merit, because climate change impacts are caused by, quote, both large and small GHG generators, and because countless small sources around the globe combine to produce a substantial portion of global GHG emissions. And that is why we think it is important to include those. California State Lands Commission does include a zero emission threshold in local oil projects. And as an example to show that it is not overly burdensome for even the smaller projects, for the Venoco lease 421 project, the EIR showed that just changing one aspect of their operations would generate more reduction of emissions than the project as a whole was going to create. So, even for the smaller projects, it is very easy to mitigate these emissions. If a project is already exempt, it stays exempt. State law requires that. If project can be processed with a Neg Dec, it will still be processed with a Neg Dec. Because mitigation is feasible, it is available. So we would like to see a zero threshold considered.

With respect to the AB 32 reduction from business as usual, during the Planning Commission hearing this morning, County Counsel did say that if business as usual is the approach, that it should be a post-2020. Thank You.

Comment: My name is Jefferson Litten, representing the Community Environmental Council. CEC has spent the better part of the past decade addressing issues pertaining to energy and climate change. So we are happy to see the APCD taking up the issue tonight. Given the dire threats posed by climate change and given the fact that carbon dioxide is at unsustainable levels, as Linda mentioned, CEC advocates that all GHG emissions are significant and should be mitigated to the fullest extent possible. Thus, our first choice would be a zero emission threshold. If the APCD chooses not to adopt a zero emission threshold, CEC advocates for a bright line threshold of 1,000 metric tons. This allows for simplicity in implementation and would capture 98.6 percent of emissions coming out of the region. The presentation noted the administrative burden of setting a threshold that would capture too many sources. To address this administrative burden, CEC proposes that projects with emissions ranging from 1,000 to 10,000 metric tons carbon dioxide be subject to a programmatic EIR with pre-approved, standard mitigation procedures. With this set-up, 347 of the stationary projects in the county would not be subject to any environmental review, the remaining 60 projects that fall within this threshold could be eligible for the programmatic EIR, subject to standard mitigation, and receive a mitigated negative declaration. This would leave only the largest emitters, 12 sources according to the report, that would be subject to a full environmental review. So the programmatic EIR thus removes the administrative burden on the APCD and the county, while providing project developers with a suite of mitigation options and offering 98.6 percent capture.

Comment: This is Marianne Strange, representing Western States Petroleum Association. We want to thank the APCD for the work they have done: the staff and all the comments that have gone into this. We would like to have projects that have emissions that are less than 10,000 metric tons per year be deemed less than significant under CEQA and therefore compliant with CEQA. We would like if a project's greenhouse gas emissions are between 10,000 and 25,000 metric tons, in order to be deemed



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less than significant under CEQA, they must be reduced or mitigated by whatever the current AB 32 scoping plan business as usual reduction is determined to be that would achieve statewide greenhouse gas reduction mandates. In addition, to continue to be deemed less than significant under CEQA, and therefore compliant with CEQA, over the life of the project, the business as usual reduction should be determined to be what is current with the statewide reduction mandates. So currently we are at 15.3 percent. If that changes in the next scoping plan, the project is reviewed, and meets the future BAU standards. Thank you.

Comment: My name is Mary Ellen Brooks, I am president of the Citizens' Planning Association. We have earlier submitted a letter and we have also advocated for a zero emission threshold. We agree with many of the comments that were made earlier by EDC. I have not been to any of the public hearings and I am curious to see why the zero emission threshold was not included. I was very surprised to read the rationale. You say it is consistent with the science of climate change and then you go on to say it's challenging. Many things are challenging in life, and I would like to think that our area, and air pollution control, we are up to the challenge. As far as cost of environmental review, I think those costs probably could be addressed and I don't think that should be used as a reason not to consider the zero emission threshold. Financial burdens on agencies and project proponents, again, I think those could be addressed and shouldn't be used as rationale. With all the technological advances that are being made, as was mentioned earlier, I don't think it's beyond the realm of possibility or shouldn't be that challenging to have a zero threshold emission.

I got interested in and joined Citizen's Planning Association years ago when they were building the Lompoc separation plant, and I live about a mile from that. So I'm very, very concerned, on a personal level, about these emissions. Several years after that plant was built I saw in some obscure magazine article that our elementary school was on a list of schools where the pollution was affecting the children playing outside. I thought that was a pretty strong statement about what was going on up on the hill. We were told that was to shut down in 15 years. Well, here we are 30 years later and it is now a full operational plant. I think a zero emission threshold should be in the game. Thank you.

Comment: Thank you, I'm Ken Hough, Executive Director of the Santa Barbara County Action Network. For thirteen years we have been working to support affordable housing, protect open space, efficient transportation, and generally support sustainable communities. We have a 12 member Board of Directors, equally split between north and south county. Two of my board members, Janet Blevins and Bill Shelor are on this council and far more articulate than me, so I'll be brief. Recently, our Board unanimously endorsed a zero or as close to zero as possible threshold. A year ago, after advocating for a zero threshold on the Santa Maria Energy project, we settled for the 10,000 ton threshold. It was a lot better than 88,000 or 60,000 that was proposed by County staff at the beginning. In doing so, we urged the County to develop a threshold that could be used for all projects, so we are glad to see that happening. Since that time, the scientific evidence has mounted and we are now very concerned that all projects need to mitigate all of their greenhouse gas emissions. At today's hearing on the same subject at the County Planning Commission, the first speaker, Robert Bernstein, of the Sierra Club and also SBCAN made a good point. He said there is a zero threshold for him; he can't dump his garbage in the street. And he asked, why should there not be a zero threshold for dumping harmful emissions into our



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atmosphere. If we are to allow an industrial project to emit 10,000 tons, where is the motivation for individuals to turn down their heater, to drive less, install solar panels, or pay more money for a more efficient car? Many of us are doing a lot, at some expense and some inconvenience, to address this problem. It is discouraging to see industry allowed to emit thousands of tons when mitigations are in fact readily available. I agree with the things that Linda Krop and Jefferson Litten said, and SBCAN endorses a zero threshold or as close as possible to it.

Comment: My name is Rebecca August. I am a private citizen, I don't represent anyone but myself. I was really curious to hear that there had been so much effort to outreach to the public, because this is the first time that I heard about the APCD and what was happening here. And I heard about it through local environmental groups, not through any kind of media. I believe, like President Obama, the Vatican, and Dalai Lama, and Prince Charles, and 97 percent of climate scientists that climate change is a real threat to humanity. On behalf of my children, who are 15 and 18 and just beginning their lives, and your children, and the families that they will be raising in 2050, when they are my age, a date we can't seem to look beyond when we plan for things, I advocate for a zero threshold. I don't understand exactly why it has been taken off the table. If you set a higher threshold, as high as 10,000, industry will find a way to break up projects to avoid compliance. There is already too much carbon in the atmosphere, so whatever we add to it from today on will only make the ocean warmer, the weather more extreme. Any more than zero is too much, especially considering how much oil development is proposed in this county. Last week I read in the paper that the Air Pollution Control District and the Fire Department are suggesting that property owners do not burn brush piles and that we chip brush, which seems like a whole lot more trouble than just setting a match to it. But, we are responsible for how our actions affect the lives and the health of others, even if those actions take place on private property, and I applaud all efforts to encourage private citizens to reduce carbon emissions. But they must not be the only ones making changes and sacrifices. Industry must also be held to take meaningful action. Not in the future, but now. Thank you.