



## GHG and CEQA Workshop - Questions and Discussion Notes Santa Maria - May 6, 2014

23 attendees

Director Dave Van Mullen introduced presenters Brian Shafritz and Molly Pearson.

After the presentation, District staff offered to answer questions about the presentation and the information conveyed.

Q: What pollutants are greenhouse gases (GHGs)? How are they measured at sources?

A: *Showed slide that listed GHG pollutants and Global Warming Potential (CO<sub>2</sub>e), discussed reporting requirements to state and APCD. We're primarily looking at combustion sources.*

Q: Can you elaborate on how sources are required to report their GHG emissions to the state? Are sources also required to report GHG emissions to the APCD?

A: *Sources emitting more than 10,000 metric tons per year of combustion GHGs are required to report to the state under the Mandatory Reporting Regulation; data is available online from the California Air Resources Board. Sources report information to the District that allows us to estimate GHG emissions also.*

Q: You mentioned that there is no law that codifies the 2050 target, does this constrain the District in this process? A lot is made of AB 32, and if that's the target, we're on track, but that's just six years from now. 2050 seems like it's a more realistic target for this process.

A: *This does not necessarily constrain the District, and that's why we are here today, to put the information out and to hear peoples' opinions.*

Q: Does APCD possess the ability to monitor levels of contaminants? Which ones are you equipped to monitor? Equipment to monitor in Cat Canyon?

A: *APCD monitors in the ambient air all criteria pollutants listed on the slide (ozone, particulate matter, carbon monoxide, sulfur dioxide, nitrogen oxides, lead) except for lead. Some data on lead from ARB sites that they operate in Santa Barbara County in conjunction with us. We also have stack monitoring for some sources, originally designed to enforce existing rules and regulations. There are no GHG limits built into our rules. We have a testing program where we work with specialized contractors to conduct stack testing; we oversee that program and review/verify the data.*

Q: Regarding the 2050 target, ARB is already working on how to define it.

A: *The most recent draft version of the Scoping Plan does include discussion of targets beyond 2020, there may be legislation that helps to define future targets as well.*

Q: Is the District collaborating with other Districts such as San Luis Obispo, Ventura? Is consistency with other District's important?

A: *San Luis Obispo APCD has adopted thresholds for residential/commercial and for stationary source projects. That information is publicly available on their website. If you think that coordinating thresholds with other Districts is important, please provide that input. We do talk and work with other districts frequently; however, at this point we are pursuing this independently.*



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Q: I do have a comment and several questions. Regarding how these emissions are reported, facilities with emissions over 10,000 tons are required to report to the State, and facilities that emit over 25,000 tons are required to report to the federal government. These are substantial requirements. California reporting must be verified by a third party and there are substantial penalties for false reporting. Your schedule for your process is fairly open-ended. When will you be providing details on revisions to the Environmental Review Guidelines and to the Appendix A exemptions?

A: *This will likely happen at the same time that we propose draft revisions to the guidelines; the exemptions need to dovetail with the revisions.*

Q: What is your process to support significance criteria? You said you need substantial evidence. Bay Area went through an "intense 8-step process". What do you envision your process will be? Will you be doing a data analysis? What inventory would you be using as a baseline?

A: *Bay Area went through a several-step process for their commercial/residential thresholds. Stationary sources were treated differently. We don't have a specific path right now. We are aware that there are a lot of different data sets that can be used to support a threshold. There are also provisions (in the CEQA Guidelines) that we can rely on other lead agency determinations. We haven't decided where will go as far as developing substantial evidence.*

Q: Is your most recent greenhouse gas inventory what's in the 2010 Clean Air Plan (2007 inventory)? Is the most recent inventory available on your website?

A: *The inventory in the 2010 Clean Air Plan (2007 inventory year) is available on our website and includes not just stationary sources but other sources as well. We have done a more recent inventory of just stationary sources, but we have not posted that to our website. We can provide it if requested.*

Q: Will you be doing a CEQA analysis for this project?

A: *We are considering that and have not made a final decision, but we will need to consider the right approach to protect our agency from challenges under CEQA.*

Q: For now, until you come up with significance thresholds, you are determining significance on a case-by-case basis, is that correct?

A: *That's correct.*

Q: What's your anticipated schedule for this process? When would initial draft revisions be issued? When would it go to the CAC (Community Advisory Council), when would it go to the Board?

A: *Hard to say, depends on the feedback we get after the workshops. We also anticipate having stakeholder meetings. Earliest time frame is November – January at best. Also depends on the CEQA review. If we hear that we need to do more extensive research or studies, this will affect the timeline.*

Q: Has the 2013 Clean Air Plan been approved?

A: *We took it to the Community Advisory Council about a year ago. Then we took a proposal to our Board, but the Board requested us to package the Clean Air Plan with the proposals we had for addressing our offsets scarcity issue. So it is still in process.*

Q: The Santa Barbara Community Action Network (SBCAN) has advocated for a "zero" threshold, and we are advocating for that here. Are you talking about that with other air districts, and have they given it



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some consideration, or is it in your presentation just because people have suggested it? Are you giving it serious consideration?

*A: As far as other air districts, we're not aware of any that are considering a zero threshold, but we put it in our presentation because we have heard from various parties that it should be an option, and so we listed it as one.*

Q: We had the SME (Santa Maria Energy) decision, which was a case-by-case decision and not a policy or setting guidelines. This was the Board of Supervisors' initial decision on this issue. How much will that decision influence this process? Are you dealing with a "fresh sheet of paper"? Because eventually, it will go to the Board of Supervisors for approval.

*A: Yes, we are dealing with a "fresh sheet of paper". We are starting from the beginning. The APCD Board has the five supervisors plus eight representatives from each of the cities.*

Q: For projects that have been approved but have not been built, will the old greenhouse gas values be grandfathered, or will those projects have to comply with new values?

*A: The CEQA process is complete when the land use approval is complete. Projects do not need to be re-evaluated under CEQA because they have not been built yet. If the land use approval period lapses and a time extension is required, then the project may require additional CEQA review. Generally, once a land use approval is granted, that's it. This threshold that we develop and propose would only apply to our lead agency decisions from the time the threshold is approved, forward. Other agencies may choose whether or not to use it. Not retroactive.*

Q: Does the APCD have a budget for air quality measuring equipment? A friend that lives in Cat Canyon has called on APCD to monitor "transitory" emissions on an ongoing basis, and they never came to monitor those emissions. How do you verify the pollution from stacks if you don't go out and measure the pollution? How do you address complaints related to odors, rotten egg smell? I saw a contaminated soil permit condition that called for monitoring upwind of the project (to be done by an outside consultant).

*A: We have a policy that if we receive a real-time complaint, our inspectors will go out and investigate the complaint (conduct interviews, identify potential sources, generate a report). Regarding air quality monitoring, we operate our stations according to various state and federal programs and guidelines, and the stations require a significant amount of expense and oversight. Making changes to monitoring stations is not an easy process and can be very expensive. Our network monitoring plan is reviewed and approved annually. We don't have the capacity to deploy "portable" air monitoring stations. Regarding the contaminated soil permit monitoring, those permits require the applicants to use portable monitors to sample according to specific procedures to protect the public and not cause a nuisance.*

Q: What will the document and the recommendation on significance threshold look like? Are you looking to adopt one option, or several? Could there be a menu of options? For example, in the Santa Maria Energy hearing there was discussion of either a 10,000 metric ton threshold or a reduction from BAU of 90%, and they were presented as being roughly equivalent.

*A: We are seeking input on this. Would a menu of options be helpful/useful? Would it be confusing? There are agencies that have included a menu of options. Regarding the Santa Maria Energy project EIR, those options were presented as being roughly equivalent to give some perspective on the level of mitigation that would be required.*



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Q: San Joaquin Valley APCD has taken a checklist approach, where if you're a developer and you do A, B, C, or D, they've done the math to show that you've done enough as far as your fair share mitigation of cumulative impacts. Certainly makes it easier for the applicant, makes the analysis easier, determine what you are willing to commit to.

A: *This is one of the "consistency with AB 32" approaches that we reviewed in our presentation, called "best performance standards". It's a complex way to go about it and it took a lot of time to come up with those standards. They had to go through many hearings. It's a lot of work but it is an option.*

Q: What is the relationship of this process to Santa Barbara County Planning & Development Department (P&D)'s efforts to develop a GHG significance threshold? Are you coordinating with them? It would be awkward if APCD had a threshold and P & D had a different one. What is the status of P&D's threshold, or are they still on a case-by-case basis? Will they be developing something in parallel, or will they wait for APCD to develop a threshold?

A: *APCD is not aware that P&D is in a process to develop thresholds, but when they do, it will have to be a public process. We felt like it was time for us to start this process. We are glad to work with other agencies, hear what they're doing, and coordinate with them. As far as we know, P&D is right now in a "case by case" situation. Doug Anthony, who was in attendance at the workshop, added that he was representing Santa Barbara County P&D and that they are monitoring the APCD's process at this point.*

Q: As a follow-up, in observing a case before the County Planning Commission for an independent oil company for a project that was under 10,000 tons, one of the commissioners asked a hypothetical question: suppose this project was over 10,000 tons, would the project have to mitigate down to 10,000? The answer by P&D staff was yes. However in the document, it said that the 10,000 was just a guideline and that projects that exceeded that amount had to do an analysis of significance. It didn't mean that you had to mitigate down to 10,000 tons. So, I'm confused. Are they on a case-by-case, or do they have a 10,000 ton threshold?

A: *(Doug Anthony from P&D answered this question) P&D is on a case-by-case basis, there are only two cases that have gone through the process (that one and the Santa Maria Energy project). The Board of Supervisors has yet to adopt a threshold with the amount of certainty that you are looking for. The Board of Supervisors did request during the May budget workshops that P&D do a cost estimate for a threshold process, and at the June budget hearings they will consider whether or not to fund that effort.*

Q: Is CAPCOA considering adopting thresholds?

A: *CAPCOA is the California Air Pollution Control Officers Association, and no, they are not working on an effort currently. There are historical documents that CAPCOA has developed on this topic.*

Q: Can you clarify how GHG impacts are characterized as cumulative impacts versus a project specific impact? How have other air districts dealt with this cumulative evaluation?

A: *We acknowledge that one project will not necessarily cause climate change. Yet, one project may contribute a cumulatively considerable amount of GHG emissions so that the cumulative impact is significant (there is specific language in the CEQA Guidelines stating this). The point is that even though there's not a project-specific impact (as there might be with toxics/health risk thresholds, or with criteria pollutant thresholds), there is still an impact, and that impact still needs to be mitigated project-by-*



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*project, if it's above a threshold. Other air districts have taken lots of different approaches to GHG impact analysis. Most (if not all) air districts consider GHG impacts to be cumulative.*

Q: How will you determine who will participate in stakeholder meetings?

A: *We are asking for meeting requests. We do not have any scheduled at this point. Please contact us in the next couple of weeks if you would like to have a stakeholder group meeting.*

Q: If you have a residence, and it's a zero threshold, and you need to pull a permit from the county that's discretionary, would that trigger review under the threshold?

A: *Most residential building permits are ministerial, so CEQA doesn't apply. However, there may be smaller residential projects with a discretionary approval (such as projects in the coastal zone, or projects subject to ABR review), so this is a consideration. However, the thresholds we are considering are for stationary sources (not residences).*

Q: Are the CAPCOA mitigation standards proven to be effective to reduce GHG emissions? I read a Final EIR that included a statement that the CAPCOA mitigation standards have proven not to be effective. Why does an agency refer to them if it's acknowledged that they're not effective? Referring to a CAPCOA Manual.

A: *Not sure what language or document is being referenced. The CAPCOA CEQA and Climate Change "white paper" is frequently referenced in environmental documents and includes a number of strategies but is not a guidance document and does not advocate for any specific option.*

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Workshop participants were also asked to provide additional input or comments:

Comment: On the bright line threshold idea, there is the potential to encourage development of many smaller projects, rather than a fewer number of large projects. A case in point is the North Garey Project – if they went over the 10,000 ton threshold, they would have to mitigate the amount that they went over. I prefer the zero emission threshold approach but maybe a 90% reduction from BAU (business as usual) is better than a 10,000 ton bright line threshold, because you're not incentivizing to have lots of projects that are just under the 10,000 ton bright line.

Comment: I concur with the previous commenter. For instance, in Lompoc Hills, Freeport-McMoRan has a 9-well project that they don't have to do an EIR on, they don't have to do anything on, because it's under the threshold. Several have been commenting to Planning & Development on the inadequacy of this. Some sort of bright line encourages the smaller projects. They will hold back and add another well to the next project, to stay below the threshold.

Comment: Please provide the presentation in a more simplified format (black and white).

Comment: As a private citizen, I support a zero emissions threshold. Since we're only targeting new projects or major modifications to existing facilities, and the older projects are still contributing to emissions, I think doing a zero emissions threshold is the way to go. I also like that it would address the



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problems discussed regarding the bright line threshold, and incentivizing small projects to come in under the bright line.

Comment: I also support a zero emissions level. I live downwind from a project that has not come to fruition but will be built out by 2050. The City as the lead agency has not published thresholds. The project is a large industrial park. The City does not know what sources will move in, so how do they know what the cumulative GHG impact will be? The project has already undergone CEQA review. However, residents realize that there may be up to 72 wells, 2000 feet upwind of their homes, within Area 9. We would like to see the impact analysis done through the county as opposed to being done by private contractors. The City has not identified a complaint investigation process. We are exposed to fumes and would like to see the APCD be more involved in monitoring.

Comment: Request that for each of the options listed, you provide an analysis and also provide what the impacts to your resources are. If you will consider a zero emissions threshold, basically everything that emits will have to be examined. Analysis should be similar to what EPA did when the Supreme Court decided that GHGs were part of the (federal) Clean Air Act and would be under PSD permitting requirements. The PSD major source threshold was 250 tons. If they regulated GHGs under 250 tons, they estimated 15 to 20 million Title V permits would have to be submitted. If you do a zero emission threshold, it's going to have a major impact on your staff and your resources, I hope that you will consider this.

Comment: Suggestion that we should reach out to our regulated community and ask if they want to participate in a stakeholder meeting. *We clarified that we have done extensive outreach and noticing to the public, planning agencies, and to the regulated community.*