



Minutes for the GHG CEQA Significance Threshold Stakeholder Working Group Meeting #1

Wednesday, April 30, 2008
SCAQMD, GB, 10:00 am – 12 pm

1. Welcome / Introduction Working Group

Dr. Elaine Chang, Deputy Executive Officer, Planning, Rule Development and Area Sources (PRDAS), called the meeting to order at 10:05 p.m., led the introductions of the working group members and presented a brief overview of the purpose and goals of the Greenhouse Gas (GHG) CEQA significance threshold stakeholder working group. Dr. Chang highlighted that the evaluation and significance determination of GHG impacts is new and continuously evolving. The SCAQMD staff is committed to developing thresholds for use in the district and working with, and making recommendations to other lead agencies. The results from the working group are intended to be an interim policy or threshold while the California Air Resources Board (CARB) works on developing statewide guidance.

2. Goals of Working Group

Dr. Steve Smith, Program Supervisor, California Environmental Quality Act (CEQA) Section, PRDAS, discussed the goals of the working group, which included establishing GHG significance thresholds; achieving consensus to the extent possible; obtaining approval from the SCAQMD Governing Board; and have the group be advocates for the usage of the thresholds. One working group member suggested that minutes should be prepared to summarize the key points raised in the meeting.

3. Process and Schedule

Dr. Smith outlined the process and schedule of the working group by establishing monthly meetings; discussing feasible GHG significance thresholds; eliminating infeasible GHG significance thresholds; coordinating efforts with other air agencies; establishing a recommended GHG significance threshold; conducting a public workshop; taking the recommended threshold to the Governing Board; and providing public outreach.

SCAQMD staff explained that Senate Bill 97 directs the Office of Planning and Research (OPR), the state agency that reports to the Governor, to amend the CEQA Guidelines (draft by July 1, 2009) to include a requirement to evaluate GHG impacts but will not establish thresholds as part of this effort. A question was asked if the CEQA Guidelines specifically identify significance thresholds? Dr. Smith responded that the environmental checklist in Appendix G could be used as guide for significance thresholds, but the CEQA Guidelines currently do not explicitly establish significance thresholds and the state does not dictate specific thresholds except for historical resources and more recently, hydrology (water demand).

The California Attorney General (AG) office was asked if this working group and process would be beneficial. The AG representative sent a letter to the SCAQMD in response to the invitation to join the working group and expressed support for the group, indicated that the process was appropriate, and filled “a need.”

A question was asked whether or not the SCAQMD was coordinating with other air districts. Dr. Smith responded that Bay Area Air Quality Management District (BAAQMD) was invited to participate in the working group via conference call. BAAQMD is also establishing their own working group but it is in the very early stages of development. BAAQMD staff indicated that they are considering hiring consultant to review the proposal options in the California Air Pollution Control Officers Association (CAPCOA) paper. In addition, notice of the meeting was sent to approximately ten other air district. A working group member suggested that San Joaquin Valley Air Pollution Control District (SJVAPCD) be invited to participate as the SJVAPCD has recommended a draft significance threshold for a dairy project. CARB noted that the SCAQMD's working group's effort is "noble" but that GHG impacts are more than a regional issue; guidance should be statewide; and that CARB will be making recommendations in the near future. When questioned whether there will be "statewide thresholds," and, if so, when this might occur? CARB responded that they might consider statewide thresholds. CARB also reminded the working group that it has the technical expertise to make these decisions and will need to work quickly to come to a decision. A working group member added that GHG impacts do not only affect the state, but the entire world. As such, the working group should consider the localization effects of mitigation.

A question was raised about whether the thresholds need to be statewide. The working group member was informed that a statewide threshold may be desirable but is not required. However, due to the recent challenges of various projects by the AG about the lack of significance determinations in the CEQA analyses, lead agencies are expected to face continued challenges if a threshold is not adopted.

CARB confirmed that it is considering significance threshold as a regulatory measure under AB32 to be separate from its process under the Scoping Plan. The need to work together and maintain consistency during this parallel process of developing the thresholds was emphasized. If a numerical threshold is chosen, the protocol in conducting a GHG inventory would need to be developed. Emission inventories have been conducted by CARB. Thus, the methodology of conducting the emission inventory for different project types will need to be discussed in the future.

4. Background

Dr. Steve Smith outlined the impetus for forming a working group to develop significance thresholds for GHG in the context to CEQA. Several lawsuits have been filed by the AG's office based on the failure to analyze GHGs or failure to conclude whether or not GHG impacts are significant. One working group member noted that the working group is tackling a global problem with a localized threshold in a CEQA format. Another working group member highlighted that AB32 did not have a connection to CEQA, but due to the AG lawsuits and comment letters on CEQA documents, a relationship between GHGs and environmental impacts was created and, therefore, it is now in the realm of CEQA. Thus, an analysis of GHGs is being fit into the CEQA framework. It would be more efficient, noted one working group member, if the state established the methodology, thresholds, and mitigation, because different counties with different community concerns may have different mitigation measures.

Dr. Smith noted that the Association of Environmental Professionals has written a white paper that provides eight approaches for handling GHG analyses. CAPCOA has published a white paper on climate change that contains a number of possible threshold options. In March 2008, SJVAPCD recommended a draft significance threshold of 38,477 metric tons (MT) carbon dioxide equivalent

(CO2 eq) for a dairy project in response to comments from the AG's office. Currently, SJVAPCD has no plans to formally approve the threshold through a public process.

Dr. Smith went on to explain that under the state law, "air pollutant" includes gases, particulate matter, dust, carbon, etc. This means that air districts have primary authority over pollution from non-vehicular sources. Thus, AB32 does not "limit or expand" existing authority of air districts. Further, CARB is required to adopt rules for sources including non-vehicular sources (AB32).

One working group member noted that he is assisting San Bernardino County with preparing tiered significance screening tables that are based on certain square footage or number of units, and would provide points based on the type of mitigation measures implemented. For example, 500 units and a set of mitigation measures that would constitute a 30 percent reduction from "business-as-usual" would be considered less than significant. An EIR would have to be prepared if the mitigation points fall short of reducing the GHG impacts to less than significant or the project is unable to achieve the 30 percent reduction. Draft versions of the screening tables are expected to be available late spring and would be made available to the working group, along with the methodology and data calculations. However, it is too early to determine if the screening table approach that would form the basis of any threshold established by the working group. A question was raised whether thresholds and screening tables would be different for construction and operational emissions. This is a topic that will be decided by the group.

A working group member suggested that the screening tables and mitigation points could be a combination of both a performance standard (incorporate certain mitigation to reduce project impacts to less than significant) and size (numerical threshold). Another member suggested that the working group should consider both numeric and non-numeric thresholds as outlined in the CAPCOA White Paper.

A working group member noted that the SCAQMD is in the process of developing an indirect source rule (Proposed Rule 2301), which may require mitigation measures for new and redevelopment projects. Because of the mitigation component, he asked if staff had considered any relationships or linkages between PR 2301 and the GHG working group effort? Staff responded that PR 2301 at this time does not include the GHG component.

5. Considerations in Preparing Significance Thresholds

a. Direct GHG Emissions or Life Cycle

Dr. Smith discussed possible considerations for developing significance thresholds. The first issue to be addressed was whether direct GHG emissions or life cycle emissions should be evaluated. Staff is recommending that direct and indirect GHG emissions in California be analyzed, not life cycle emissions. The reason for this recommendation is that life cycle emission calculations will be difficult as the process could occur outside of California. Further, information to calculate life cycle emissions is not readily available. The working group agreed that direct emissions should include impacts from electricity generation as well as indirect impacts, such as potable water, electricity, and municipal waste services, and that mitigation measures can be used for reducing overall GHGs. A comment was made that CEQA applies statewide, and as such is not limited to GHG in the Basin.

b. CEQA Guidelines and other Considerations

Dr. Smith continued the discussion about how the CEQA Guidelines require careful judgment by public agencies in determining significance and that the significance threshold should be based on scientific and factual data. The CEQA Guidelines recognize that an ironclad definition of significance may not be possible and may vary depending on setting. Further, the threshold should be an identifiable quantitative or qualitative performance level. Dr. Smith provided other considerations in developing significance thresholds such as, if significant, an applicant would need to consider all feasible mitigation measures and alternatives to the project, such as energy conservation. The working group reached a consensus that GHGs are considered cumulative impacts and not project-specific impacts.

6. Policy Objectives

The concept of using GHG thresholds as a means of complying with AB32 emission reduction goals or in parallel with AB32 to achieve reductions from non-regulated sources was discussed. It was agreed that AB32 would be used as a guideline in developing the significance thresholds. One working group member suggested that the GHG CEQA significance threshold should be consistent with AB32 and would be ineffective if on a “separate track” from AB32. Thus, only a zero threshold or CAPCOA’s 900 MT CO2 eq. option would support AB32. In response, one working group member indicated that a zero threshold is not as beneficial as it might appear because it would not necessarily provide incentives for project proponents to reduce emissions and instead, because of the tremendous burden of offsetting to zero, would encourage the purchasing of questionable credit offsets. As a result, instead of implementing mitigation the lead agency would simply prepare findings and overriding considerations. Others in the working group supported the policy objective that the GHG CEQA significance threshold should prevent or minimize environmental degradation and should be - consistent with the goals set out in CEQA law. Concern was raised that AB32 does not address new development but focuses on existing land uses. Dr. Smith noted that CEQA requires evaluation of all “projects,” which are typically new and not exclusively existing sources unless undergoing modifications. The working group is reminded that, unlike AB32, CEQA does require the evaluation of non-regulated sources.

7. Design Criteria Considerations

Dr. Smith concluded the presentation by reviewing various design criteria considerations including the impacts to resources such as staffing and costs if the significance threshold results in more EIRs, which could increase administrative burden. In addition, the working group would have to decide on a single or multiple (e.g., tiered) threshold approach. Another consideration is whether to establish thresholds over the short-term (2008 through 2020) in conjunction with AB 32 requirements or long-term (2021 through 2050) in connection with the Governor’s Executive Order, which sets a goal of reducing GHG emissions by approximately 80 percent by 2050.

Besides the six Kyoto pollutants, the question of whether carbon black should be considered in a GHG pollutant analyses. In addition, another issue to consider is whether mitigations can occur offsite, as well as the time frame upon which the mitigation takes place in reference to the analysis and occurrence of the impact should be considered.

One working group member emphasized the importance of transportation and the need to be provided with the appropriate tools to evaluate vehicle miles traveled (VMT). The working group was reminded that VMT for trip types and appropriate emission factors are established by SCAG and CARB, respectively, so they are established standards and are not in the control of the individual air districts. The representative noted that SCAG runs a regional model, which is not intended for project-specific level. The Urban Emissions Model (URBEMIS) evaluates specific project impacts on a daily basis but not on annual basis, which is the “currency” of GHG emissions. Further, the URBEMIS model does not evaluate GHG mitigation measures. One working group member raised a concern that the VMT calculation in the URBEMIS model does not accurately reflect actual trip rates for land use projects. Others felt that the methodology for determining VMT should be a separate discussion.

Two working group members stated that costs for maintenance or replacement of infrastructure should be considered when developing the threshold so as to not trigger an EIR evaluation for basic maintenance or small projects. The working group was reminded that EIRs or significance determination are based on the calculated impacts from the projects and not necessarily specific to the type of project. However, a de minimus level for small projects could be considered.

A working group member asked what is the intent of the working group in setting a threshold. Dr. Smith responded by saying that in absence of no existing significance threshold, the threshold established by the SCAQMD could be an interim threshold until the state adopts thresholds or counties incorporate a GHG component into their general plans. It is possible that a threshold could be a situation where a project is consistent with the local GHG reduction component in the general plan, then the project would not be significant.

8. Future Action/Meeting

The working group was provided an outline of the various CAPCOA White Paper proposals, as well as other proposals, plus a worksheet to study in preparation for discussion at the next meeting. A webpage (<http://www.aqmd.gov/ceqa/handbook/GHG/GHG.html>) has been created to provide access to any GHG documents, meeting agendas, presentations and meeting times. At the conclusion of the discussion, the next meeting scheduled for May 28, 2008, at 10:00 a.m. in conference room GB.

SUMMARY OF ACTION ITEMS:

- Summarize points raised in the meeting and make available to the working group.
 - Make available draft screening tables being developed for San Bernardino County.
 - After determining the significance thresholds, future topics to consider include calculation methodology, mitigation measures and a GHG module for the URBEMIS model.
 - Make comment letters received accessible online.
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ATTENDANCE

April 30, 2008

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MEMBERS PRESENT

Greg Adams - Los Angeles County Sanitation District (LACSD)
James Arnone - Latham and Watkins
Mark Elliott – Substitute for Bill Quinn, CA Council for Environmental and Economic Balance
Jonathan C. Evans - Center for Biological Diversity
Doug Feremenga – San Bernardino County Land Use Planning Department
Mike Harrod - Riverside County Planning Department
Michael Hendrix – Association of Environmental Professionals
Thomas Jelenic - Port of Long Beach
Julia C. Lester, Ph.D. - Dairies/California Farm Bureau
Shari B. Libicki, Ph. D. - Green Developers Coalition
Daniel R. McGivney – Southern California Alliance of Public Owned Treatment Works (SCAP)
Marty Meisler – Metropolitan Water District (MWD)
Clayton Miller - Construction Industry Air Quality Coalition (CIAQC)
Jonathan Nadler – Southern California Association of Governments (SCAG)
Peter Okurowski – California Environmental Associates – *on conference call*
Bill Piazza - Los Angeles Unified School District (LAUSD)
Cathy Reheis-Boyd - Western States Petroleum Association (WSPA)
Janill Richards – California Department of Justice – *on conference call*
Terry Roberts – Office of Planning and Research (OPR)
Jamesine Rogers – California Air Resources Board (CARB) – *on conference call*
David Somers - City of Los Angeles, Planning
Debbie Stevens - Refineries
Jocelyn Thompson – Weston, Benshoof, Rochefort, Rubalcava, MacCuish, Attorneys at Law
Carla Walecka - Realtors Committee on Air Quality
Lee Wallace - The Gas Company

OTHERS PRESENT

Leila Barker – Los Angeles Department of Water and Power (LADWP)
Jack R. Bean – Tesoro Refinery and Marketing Company
Amy Gaylord - Pillsbury Winthrop Shaw Pittman
William Gorman, Ph.D. – ENSR
Jay M. Grady – California Portland Cement Co.
Miles Heller – BP
Jonathan Hershey – City of Los Angeles, Planning
Steve Jenkins – Michael Brandman Associates
Bob Jenne – CARB – *on conference call*
Leslie Krinsk – CARB – *on conference call*
Chandra Krout - City of Irvine
Rina Leung – City of Rancho Cucamonga
Sung Key Ma - Riverside County Waste Management Department
Denise Michelson - BP
Vince Mirabella - Michael Brandman Associates

Jan Nguyen – ExxonMobil
John Pastore. P.E. – SCAP
Lynn Perkinton – URS Corp.
Haseeb Qureshi, Urban Crossroads
Andy Skanchy, Latham and Watkins
Justus Stewart - SCAG
Darren Stroud – Valero – *on conference call*
Ryan Taylor – Brian F. Smith Associates
Matthew Vespa, Center for Biological Diversity
A.L. Wilson – Southern California Edison
Cori Wilson - Michael Brandman Associates
Greg Wolffe – ENSR
Lisa Wunder – Port of Los Angeles
Michael Zischke – Cox Castle & Nicholson LLP – *on conference call*

AQMD STAFF

Elaine Chang, DrPH, Deputy Executive Officer
Susan Nakamura, Planning and Rules Manager
Steve Smith, Ph.D., Program Supervisor
Barbara Baird, Principal District Counsel
Jill Whynot, Director of Strategic Initiatives
James Koizumi, Air Quality Specialist
Michael Krause, Air Quality Specialist
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Barbara Radlein, Air Quality Specialist
Lori Inga, Secretary