

Greenhouse Gas CEQA
Significance Threshold
Stakeholder Working Group #3

June 19, 2008

SCAQMD

Diamond Bar, California

GHG Significance Threshold

Staff Proposal # 1 – General Concepts

- Staff proposal #1 – tiered Approach:
 - ✓ 1st – Any applicable exemption; if not
 - ✓ 2nd – Consistent with approved general plans; if not
 - AB 32 reduction targets
 - Emissions inventory, tracking and reduction remedy
 - ✓ 3rd – Implement prescribed mitigation measures by sector / source; if not
 - ✓ 4th – Implement offsite emission reduction projects or offsets (full mitigation required); if not
 - ✓ 5th – Project is concluded to be significant

Comments on Staff Proposal #1 from the May 28, 2008 Stakeholder Meeting

- Tier III – mitigation measures not quantified:
 - ✓ Concerns regarding lack of detail for the mitigation measures
 - ✓ Concerns regarding how long it will take to develop the lists of mitigation measures
 - ✓ A “Fair Argument” could be made that GHG impacts are significant for some projects after implementing prescribed projects
 - ✓ CEQA document may be vulnerable in court if control efficiencies of mitigation measures are not identified
 - ✓ Mitigation measure list should be flexible to encourage innovative GHG control technologies with equivalent control efficiencies

Other Comments Received on Staff Proposal #1

- Any GHG significance threshold must be supported by substantial evidence
- How do you envision projects qualifying for an exemption?
 - ✓ Similar to current process, may require some quantification to demonstrate no effects
- Proposal #1 does not explicitly state any target objectives, especially Tier III
 - ✓ Is the objective qualitative?
 - ✓ Is there a numerical objective?
 - ✓ Is the objective a performance standard?

Other Comments Received on Staff Proposal #1 (Cont.)

- Is staff proposal #1 a zero threshold proposal?
 - ✓ Zero threshold only applies to projects that mitigate all or parts of GHG impacts per Tier IV, i.e., offsets
 - ✓ The intent is to provide incentives for lead agencies to pursue onsite emission reductions 1st then offsite emission reductions
- Is the 2nd Tier consistency similar to current consistency provisions in CEQA? If so cite relevant CEQA Guidelines
 - ✓ Yes, the intent is to apply the GHG analysis to the existing provisions of CEQA to the extent possible
 - ✓ Recommend Tier II be tied directly to consistency sections in CEQA, e.g., §§15064(h)(3), 15125(d), 15130(d), or 15152(a)

Other Comments Received on Staff Proposal #1 (Cont.)

- Other considerations when establishing GHG significance thresholds:
 - ✓ Re-evaluate CAPCOA White Paper options or portions of the options as these are based on substantial evidence
 - ✓ Could establish a de minimis level, e.g., 900 MT CO₂eq./year
 - Projects < de minimis level not significant, but must implement minimal mitigation
 - Projects > de minimis level that mitigate to < de minimis level not significant
 - ✓ Could establish mitigation measures based on size of projects
 - ✓ GHG significance thresholds could consist of performance standards

GHG Significance Threshold Revised Staff Proposal #1 – General Concepts

- Tier & decision tree approach:
 - ✓ Tier 1 – Any applicable exemption; if not
 - ✓ Tier 2 – Is project < established de minimis level, e.g., 900 MTCO₂eq/year, or can it be mitigation to < de minimis level; if not
 - ✓ Tier 3 – Implement prescribed mitigation measures based on decision tree of options
 - Implement percent reduction below BAU (e.g., 40%) for projects exceeding de minimis level (demonstrated by lead agency)
 - Early implementation of AB32 Scoping Plan measures
 - Offsets alone or in combination with above options
 - Project's GHG emissions are within the GHG budget of an approved regional plan (similar to existing consistency requirements in CEQA); if not
 - ✓ Project is concluded to be significant

Pros and Cons of Tier/Decision Tree Approach

- **Pros:**

- ✓ Allows flexibility by establishing multiple thresholds to cover a wide range of projects
- ✓ Projects exceeding Tier 2 must implement mitigation
- ✓ Tier 3 options may minimize administrative burden & costs
- ✓ Tiers could be set at different levels depending on GHG emissions, size, & characteristics of projects
- ✓ Would support AB 32 goals

- **Cons:**

- ✓ BAU to be defined by CARB or local air district, may be difficult to define for all projects
- ✓ Could have large remaining GHG emissions
- ✓ Could "game" the system by inflating BAU

Bright Line Approach – General Concepts

- Bright line approach (numerical threshold)
- One possible approach to establishing a bright line threshold:
 - ✓ Tie CO₂ threshold to an existing threshold, e.g., NO₂
 - ✓ Calculate annual CO₂ emissions that would be equivalent to the annual emissions for the NO₂ threshold, e.g.
 - Daily NO₂ = 55#, is approximately 10 T/yr (55#/D x 365 D/yr)
 - Equivalent CO₂ emissions for a medium to large mixed use project: 23.1 T/D or approximately 8,100 T/yr
 - ✓ Bright line threshold ~ 8,000 MTCO₂eq./yr as an initial/short term threshold

Other GHG Bright Line Approaches

- Examples

- ✓ 900 MTCO₂eq./yr – (90% capture of residential projects)
- ✓ 10,000 MTCO₂eq./yr – Market Advisory Committee for the GHG Cap and Trade System in California
- ✓ 25,000 MTCO₂eq./yr – CARB AB 32 reporting threshold

Pros and Cons of Bright Line Approach

- Pros:

- ✓ Intent of approach to tie to an existing criteria pollutant threshold is to capture at least the same percentage of CEQA projects (i.e., significant) as is currently the case (~42% - 56%)
- ✓ Excludes small projects that have a relatively small contribution to state GHG inventory
- ✓ Single threshold easier to apply to projects & more easily understood by the public, applicants & lead agencies

- Cons:

- ✓ Potentially greater administrative & cost burden, especially on larger projects & projects in developing & moderate growth areas
- ✓ If set too low may discourage mitigation – overriding considerations
- ✓ If set too high may not capture enough projects to achieve AB 32 GHG reduction targets
- ✓ May not recognize lower carbon footprint per unit of production for large projects

Other Proposals

- Other proposals?
- Further consideration of CAPCOA proposals?
- Discussion