



Minutes for the GHG CEQA Significance Threshold Stakeholder Working Group Meeting #4

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

1. Welcome and Introductions

Dr. Elaine Chang, Deputy Executive Officer, Planning, Rule Development and Area Sources (PRDAS), called the meeting to order at 10:10 a.m. and led the introductions of the working group members. After the introductions, Dr. Steve Smith, Program Supervisor, Planning, Rule Development and Area Sources (PRDAS), immediately began the staff presentation.

2. Further Discussion of Significance Screening Level

Dr. Smith indicated that the initially proposed significance screening level of 6,500 metric tons/year (MT/yr) was derived using URBEMIS modeling results of one mixed-use project where NOx emissions equaled the SCAQMD's daily NOx significance threshold of 55 pounds per day or annualized is 10 tons per year. Dr. Smith noted that CEQA staff had modeled 19 additional hypothetical projects using a variety of land uses. The land uses for the hypothetical projects modeled included residential only, commercial only and industrial only, as well as numerous variations of mixed-use combinations using single family residential, multi-family residential, office, drive-thru, bank, light industrial and manufacturing. He then provided an overview of the modeling details and results for each of the projects. All modeling was based on NOx emissions equaling 55 pounds per day or 10 tons per year and included both operational and area sources. A weighted trip rate average was also used, which included weekdays and weekends. GHG emissions ranged from 7,304 to 7,723 MT/yr of CO2, and the average CO2 emissions were 7,559 MT/yr. Dr. Smith stated that the average emission results were 16 percent greater than the initially proposed significance screening level of 6,500 MT/yr and, therefore, may result in more mitigated negative declarations, and in some cases, EIRs being prepared.

Additionally, CEQA staff modeled 13 actual Negative Declaration or Mitigated Negative Declaration projects using URBEMIS. All modeling was based on NOx emissions that were less than 55 pounds per day or 10 tons a year and land uses included single and multi-family residential, office, restaurant, elementary school, retail and industrial. GHG emissions ranged from 348 to 5,081 MT/yr of CO2, with an average of 1,574 MT/yr of CO2. These preliminary results indicated that typical Negative Declaration or Mitigated Negative Declaration projects would be less than the proposed GHG significance screening level.

Comments/Questions Regarding NOx / CO2 Correlation:

- a. Several members expressed concern regarding the “scientific” connection of NOx and GHG emissions. Numerous parties did not believe that NOx emissions could be utilized as a comparative pollutant to CO2 or GHG emissions. Dr. Chang and Dr. Smith responded that the exercise conducted to identify a screening level that would not result in a substantial increase in the number of projects that are only significant for GHG impacts, but not significant for other air quality impacts. Exceeding the annualized NOx significance level and the correlating CO2 emissions, would require a project proponent to mitigate or trigger the need for an EIR. The

model runs were conducted to provide that correlation in both the amount of CO2 emissions and size of potentially affected land use projects.

- b. Two working group members suggested that since a specific significance level based on a “scientific” correlation is not readily feasible, and if a political decision has to be made, it could be based on a “standard project” providing a 50 percent capture rate.

Comments/Questions Regarding Revised Significance Screening Level:

- a. A question was raised regarding whether or not the 6,500 MT/yr screening level was an official recommendation by the SCAQMD. Dr. Smith responded by saying that this screening level is a starting point for the discussion. The screening level is meant to identify small projects that are not likely to contribute substantially to global climate change, thus, indicating that the project would not be cumulatively significant for GHGs.
- b. A comment was made that the screening level of 900 MT/yr that is outlined in the CAPCOA guidelines should be used because it is reportedly based on scientific analyses. Some working group members emphasized that any thresholds established need to be supported by scientific evidence. Dr. Smith responded that the 90 percent capture rate of CEQA documents does not necessarily represent a scientific basis because there is no indication of what the correlation is between capture rate of documents and capture rate of emissions.
- c. Dr. Smith also indicated if administrative burden is a consideration when establishing the screening level, setting the screening level too low would substantially increase local resource requirements and may potentially result in substantially more EIRs. More EIRs, however, does not necessarily mean more mitigation or GHG reductions.
- d. One working group member noted that while the revised screening threshold would most likely generate more mitigated negative declarations, the threshold should be placed low enough to ensure it addresses “important emission issues” on all projects and not let some projects “slip through the cracks.”
- e. A was asked regarding how the SCAQMD’s land use analyses supported a 6,500 MTCO2eq/yr significance level when the average from the URBEMIS model runs was 7,559 MTCO2eq/yr. Dr. Smith responded that the URBEMIS model runs were intended to disclose a project’s CO2 levels in correlation with respective NOx emissions at the mass daily significance threshold. Further, the model runs confirmed that a 6,500 MT/yr threshold would capture 16 percent of projects not currently considered significant requiring mitigation to provide a margin of safety regarding GHG emissions that can be mitigated to less than the screening level.
- f. If the significance screening level is adopted by other air districts, a concern was raised that the proposed screening level was developed using SCAQMD trip rates and emission factors not applicable to other air districts. Dr. Smith responded that it may be more useful for other air districts to use the SCAQMD’s significance threshold methodology, but establish a screening level more applicable to projects in their areas. For example, small air districts in northern California that cover more rural areas, may not have many projects that approach 6,500 MTCO2eq/yr. Consequently, it would make more sense to establish a lower screening level.

Comments/Questions Regarding the URBEMIS model:

- a. The examples being presented in the staff presentation utilize the URBEMIS model, which can only calculate CO₂ emissions. A concern was raised that since URBEMIS only evaluates CO₂ emissions, it may not be legally defensible and, therefore, CEQA documents relying the URBEMIS model may be challenged because other GHGs such as methane and refrigerants are not addressed. Dr. Smith acknowledged the limitations of the URBEMIS model, but noted it is one of the few tools currently available that even addresses GHGs. Further, an upgrade is in the early stages to incorporate additional GHGs to the extent emission factors are available.
- b. Several members voiced concerns that the URBEMIS model is not the right tool to establish GHG thresholds because too many loopholes are present. It was pointed out that staff should not be referring to the URBEMIS CO₂ emission levels as “CO₂ equivalent,” seeing that refrigerants, utility emissions, etc., are not calculated in URBEMIS. It was suggested that since URBEMIS only calculates CO₂ emissions, perhaps staff should only develop a CO₂ significance threshold. Dr. Smith responded that he recognized the limitations of the model; however, we are actively working on updates for URBEMIS to better model GHG related gases. URBEMIS is still a good modeling tool with the current lack of resources. Further, if the GHG threshold is based solely on CO₂ emissions, then, when more GHGs are quantifiable, the CO₂ equivalent threshold will be more conservative.
- c. A request was made to clarify the definition of “weighted trip average” and explain why it was used. Dr. Smith responded that the daily trip rate analysis used in URBEMIS is based on the results of surveys in the ITE Trip Generation Manual. The Manual shows that trips per unit of land use type (e.g., area, number of buildings, etc.) are higher during weekdays than they are on Saturdays. For some land uses, Sunday trip rates are lower still. When analyzing daily impacts, the peak day (weekdays) is used. When evaluating projects on an annual basis, it is necessary to account for the fact that there are more weekdays, while trip rates on weekend days are typically lower. A simple average will not account for the difference in trip rates between weekdays and weekend days. To account for this difference, it is necessary to give more weight to weekdays because there are more of them per year and less weight to weekend days because there are fewer of them over a year.
- d. A statement was made that not enough raw data have been provided in order to make a non-controversial decision regarding a screening level. However, the level presented by the URBEMIS model runs could be a practical de minimus level. It was suggested that the URBEMIS model runs using 55 pounds per day of NO_x emissions should be considered the ceiling for the de minimus level.
- e. A comment was made that meetings should be set up with public works departments to see how the establishment of a threshold would affect their future development projects. A comment was made from a local public works representative that the URBEMIS model typically does not accurately depict emission levels associated with public works projects. A working group member expressed the opinion that the state is looking favorably to have projects meet and satisfy requirements outlined in regional plans. Dr. Smith responded that GHG reductions could occur at the local or city level and at the regional level.
- f. It was emphasized that certain “local efficiencies” should be taken into consideration when considering GHG emissions, especially when calculating trip generation. Dr. Smith responded that the URBEMIS model does a transportation analysis by using the latest ITE trip rates and

there is currently no easy way to incorporate local efficiencies into the model. If a traffic study is performed, the results could be incorporated in the URBEMIS model. In addition, URBEMIS does give credit for a project that is located in the proximity of urban centers and mass transit hubs.

Comments/Questions Regarding the Specific Tiers in the Proposed Threshold

- a. It was noted that the projects that go through the Tier 3 process have an obligation to do something to reduce GHG emissions, including going x percent beyond Title 24 requirements. Thus, Tier 3 should not only take into account project size, but also project efficiency. Dr. Smith noted that this could possibly be accounted for as a design feature.
- b. A question was asked if the quantification of vehicle miles traveled (VMT) was taken into account at the Tier 3 and Tier 4 levels. Dr. Chang responded that VMT was not considered as a GHG reduction strategy because there are not many opportunities to reduce VMT at the project-specific level. There are, however, greater opportunities to reduce VMT at the regional level through land use decisions, authority of local transit systems, etc. A comment was made that VMT should be addressed earlier than in the currently proposed approach because it can affect how a project is operated and where it is located.
- c. An inquiry was made as to how projects would be eliminated at the Tier 2 level. Dr. Smith responded that the lead agency for the project would ultimately have the responsibility to ensure a project's compliance with the applicable and appropriate regional GHG reduction plans.
- d. Tier 4 Performance Standards: A participant asked how would performance-based standards help projects that are efficiently designed and are in compliance with land use standards in regional plans? Projects complying with the GHG budgets in a regional plan would be considered less than significant would not need to go to Tier 4.
- e. Several members noted that the URBEMIS summary tables do not show business-as-usual (BAU) increases. A member also stated that he believed today's emission patterns should be adopted as the BAU level. It was suggested that BAU should be defined in Tier 4. It was also indicated that there is a need to consider the previous emissions footprint for a project area. For example, people moving into a new residential project lived somewhere else, therefore, their GHG emissions in the new residences should not be considered new. Dr. Smith responded that in order to fit GHG concepts into a CEQA context, it is necessary to account for the impacts from the CEQA project. Further, the only way to GHG emissions from the population in the residences should not be considered new is if the previous residences are eliminated. Dr. Smith also noted that BAU will not be a set level, but will change over time as the regulatory environment and technology change. The CAPCOA document also notes that BAU will change over time.
- f. Further clarification of BAU was requested. It was questioned if well-designed projects would be put at a disadvantage due to BAU calculations? Dr. Smith responded that well-designed projects would not be at a disadvantage because they would receive credit for design features that reduce GHG emissions. Dr. Smith added that projects in areas with progressive GHG reduction policies should also receive credit towards the 30 percent reduction goal.
- g. A concern was voiced as to how local governments will handle the increased administrative burden if the number of projects increased.

- h. A question was asked whether or not a tiered approach was needed at all due to the fact that it seemed like several of the tiers could be performed in parallel. Dr. Smith responded that the tiers are generally sequential nature. However, several tiers or options could be considered in parallel, until a final option/tier is selected.
- i. One working group member questioned where Tier 5 offsets would occur? Dr. Smith responded that offsets would occur (1) via any emission mitigation measures that were available on-site; (2) via local project area mitigation offsets; and (3) carbon offsets outside region (“offsite”). Dr. Chang also emphasized the need to discuss offset options with CARB. There were also requests for SCAQMD to develop mitigation design measures for projects that would create 30 percent emission reduction, as stated in Tier 4 - Option 2. It is important that developers and consultants have a “tool box” of mitigation features that they can easily integrate into their projects. Also, it was requested that design features reflect geographical differences: coastal/inland/mountain regions. Dr. Smith recognized the importance of design features reflecting the different geographic regions; however, quantification of the design features will not always be available. If the design features are not quantifiable, they will not be legally defensible. Dr. Smith also noted that the time it will take to craft the various needed design measures will be restrictive in implementing a significance threshold level.
- j. Several members indicated their concern for the lack of resources to implement Tiers 2 through 5 for legal justification. The need for a basin-wide plan for GHG emissions was expressed and supported.
- k. It was suggested that flexibility within the tiered decision tree approach would greatly assist developers. For example, a certain amount of flexibility at Tier 3 would allow development with less than significant impacts to be built without an EIR.

General Comments/Questions Regarding the Threshold Development:

- a. A question was asked if the intention of the significance screening level is to evaluate GHG emissions from a project on a cumulative basis? Dr. Smith responded yes, that was the intention.
- b. Several members noted the need for available mitigation measures to be provided. Dr. Smith responded that he was aware that mitigation measures need to be compiled to help lead agencies and project proponents achieve GHG emission. Because of the time and resource requirements to survey and compile GHG reduction mitigation measures, that effort would occur separately from the current process of establishing a GHG significance threshold.
- c. Clarification was requested if the level should be considered a “screening” level or a “significance” level. Dr. Smith responded that the level is simply a way to quantify GHG emissions for small projects. In actuality, the level is somewhere between a screening level and a significance level. Further analysis is still needed further support the concept of a screening level.
- d. A suggestion was made that an alternative threshold level should be made based on the CARB Scoping Plan. Dr. Chang responded that the any proposed GHG significance threshold is intended to be consistent with the AB32 GHG reduction goals. Achieving AB32 GHG

reduction goals could be achieved using Options 2 and 3 in the proposed tiered approach. Option 3 also opens up the possibility of providing sector-based efficiency standards.

- e. A comment was made that compliance with the AB32 Scoping Plan should relieve a project from the GHG threshold criteria. Dr. Chang and Dr. Smith responded that there are a number of criteria that trigger a CEQA analysis. Just because a project does not trigger significant impacts in one area, doesn't mean it won't trigger significance in other environmental areas.
- f. One working group member stated that one consideration in developing a GHG significance threshold is stabilization of global CO₂ concentrations.

3. Closing Remarks – None

4. Other Business – None

Future Action/Meeting

The next meeting is scheduled for Wednesday, August 27, 2008, at 10:00 a.m. in conference room GB.

ATTENDANCE

MEMBERS PRESENT (18)

Greg Adams – Los Angeles County Sanitation District (LACSD)
Doug Feremenga – San Bernardino County Land Use Planning Department
Gretchen Hardison – City of Los Angeles, Environmental Affairs
Michael Hendrix – Association of Environmental Professionals
Clayton Miller – Construction Industry Air Quality Coalition (CIAQC)
John Pastore, P.E. – SCAP
Bill Piazza – Los Angeles Unified School District (LAUSD)
Bill Quinn – California Council for Environmental and Economic Balance (CCEEB)
Janill L. Richards – California Department of Justice, Attorney General's Office
Terry Roberts – Office of Planning and Research (OPR)
Andrew Skanchy for James Arnone – Latham & Watkins – *on conference call*
David Somers – City of Los Angeles, Planning
Justus Stewart for Jonathan Nadler – Southern California Association of Governments (SCAG)
Cindy Thielman-Braun for Mike Harrod - Riverside County Planning Department
Jocelyn Thompson – Weston, Benshoof, Rochefort, Rubalcava, MacCuish, Attorneys at Law
Matthew Vespa – Center for Biological Diversity
Carla Walecka – Realtors Committee on Air Quality
Mike Wang for Cathy Reheis-Boyd - Western States Petroleum Association (WSPA)

OTHERS PRESENT (23)

Lysa Aposhian – Los Angeles County Sanitation District (LACSD)
Lori Balance – GD&B
Leila Barker – Los Angeles Department of Water and Power (LADWP)

Curtis Coleman – Law Offices of Curtis L. Coleman
Howard Golley – SLB
Patrick Griffith, P.E. – Los Angeles County Sanitation District (LACSD)
Miles Heller – BP
Sung Key Ma – Riverside County Waste Management Department
Diana Kitching – Los Angeles Department of City Planning (LADCP)
Leslie Krinsk – CARB – *on conference call*
Bryan Langpap, P.E. – Los Angeles County Sanitation District (LACSD)
Serena Lin – EDF
Daniel McGivney – Eastern Municipal Water District
Denise Michelson – BP
Pang Mueller – Tesoro Corporation
Jan Nguyan – ExxonMobil
Haseeb Qureshi – Urban Crossroads
Steven Schuyler – Western States Petroleum Association (WSPA)
Greg Tholen – Bay Area Air Quality Management District (BAAQMD) – *on conference call*
Charanya Varadarajan, Ph.D. – ENSR/AECOM
David Weaver – ENVIRON
Sarah Weldon – AAR
Garrett Zulegar – West Coast Environmental and Engineering

AQMD STAFF (8)

Elaine Chang, DrPH, Deputy Executive Officer
Barbara Baird, Principal District Counsel
Steve Smith, Ph.D., Program Supervisor
Daniel Garcia, Air Quality Specialist
Jeff Inabinet, Air Quality Specialist
Michael Krause, Air Quality Specialist
Gordon Mize, Air Quality Specialist
Barbara Radlein, Air Quality Specialist