



**Minutes for the GHG CEQA Significance Threshold  
Stakeholder Working Group #15  
Tuesday, September 28, 2010  
SCAQMD, Room GB, 10:00 AM – 12:00 PM**

**1. Welcome and Introductions**

Dr. Elaine Chang, Deputy Executive Officer of SCAQMD's Planning Rule Development and Area Sources Division, called the meeting to order at 10:10 A.M. and asked for self introductions of the working group members and SCAQMD staff. Dr. Chang then presented an overview of the meeting agenda.

**2. Review of Significance Threshold Approach**

Mr. Mike Krause, Program Supervisor of the CEQA Special Projects section in SCAQMD's Planning Rule Development and Area Sources Division, provided a summary of SCAQMD staff's proposed GHG significance threshold approach, shown in the following bullet points:

- Tier I – Exemptions, e.g., categorical, statutory, etc.
- Tier II – Consistency with a locally adopted GHG reduction plan
- Tier III – Numerical Screening Thresholds

Mr. Krause reminded the group that on December 5, 2008, the SCAQMD Governing Board adopted a numerical GHG significance threshold of 10,000 MTCO<sub>2</sub>e/year for industrial projects where the SCAQMD is the lead agency. Staff is now proposing to extend the industrial GHG significance threshold for use by all lead agencies. Similarly, with regard to numerical residential/commercial GHG significance thresholds, at the 11/19/2009 stakeholder working group meeting staff presented two options that lead agencies could choose: option #1 – separate numerical thresholds for residential projects (3,500 MTCO<sub>2</sub>e/year), commercial projects (1,400 MTCO<sub>2</sub>e/year), and mixed use projects (3,000 MTCO<sub>2</sub>e/year) and; option #2 – a single numerical threshold for all non-industrial projects of 3,000 MTCO<sub>2</sub>e/year. If a lead agency chooses one option, it must consistently use that same option for all projects where it is lead agency. The current staff proposal is to recommend the use of option #2, but allow lead agencies to choose option #1 if they prefer that approach.

- Tier IV – Performance Standards
  - Option 1 – Percent Emission Reduction Target

SCAQMD staff has no recommendation regarding this approach at this time. Instead, if lead agencies enquire about using this approach, staff would reference the GHG significance approach recommended by San Joaquin Valley APCD and describe some of the challenges of using this approach.
  - Option 2 – Early Implementation of Applicable Measures – this option has been folded into option 3.
  - Option 3 – Sector-based Standard

Dr. Elaine Chang presented information on the currently proposed Tier IV performance standards. Option 3 has been modified to incorporate the Bay Area AQMD's concept of efficiency-based threshold for two target dates: 2020 and 2035. Relative to the 2020 target date, staff agrees with the methodology for establishing the efficiency threshold value of 6.6 MTCO<sub>2</sub>/yr for plans because this number is based on statewide service population (SP) in 2020. With regard to the project level efficiency threshold SCAQMD staff took a slightly different approach than BAAQMD. To derive the project level efficiency threshold of 4.6, it appears that BAAQMD took the 2020 statewide GHG reduction target for land use only (295,530,000 MTCO<sub>2</sub>e/yr) and divided it by the total 2020 statewide SP (population plus employment) (44,135,923 + 20,194,661), i.e.,  $(295,530,000 \text{ MTCO}_2\text{e/yr}) / (44,135,923 + 20,194,661) = 4.6 \text{ MTCO}_2\text{e/yr}$ . SCAQMD staff believes that instead of using total 2020 statewide employment for all sectors, this approach should have used total 2020 statewide employment for the land use sectors only (17,064,489). If you use total 2020 statewide employment for land use sectors instead of total 2020 statewide employment for all sectors as BAAQMD did, your local project efficiency threshold becomes:  $(295,530,000 \text{ MTCO}_2\text{e/yr}) / (44,135,923 + 17,064,489) = 4.8 \text{ MTCO}_2\text{e/yr}$ .

Relative to the 2035 target date, this target date was selected to be consistent with the GHG reduction target date of SB375. Overall, GHG reductions by the SB 375 target date of 2035 would be approximately 40 percent. This 40 percent reduction was applied to the 2020 targets, resulting in an efficiency threshold for plans of 4.1 MTCO<sub>2</sub>e/yr and an efficiency threshold at the project level of 3.0 MTCO<sub>2</sub>e/yr.

- Tier V – Mitigation: CEQA Offsets – no changes.

A question was asked whether or not a project must be less than or equal to both the 2020 and 2035 efficiency threshold in order to be considered insignificant. Staff responded yes.

Another stakeholder asked if the lead agency could take credit for GHG design features when determining the significance of GHG impacts. Staff responded yes.

Staff was asked whether or not they had looked at any test cases to see if projects could meet the 2035 efficiency threshold. Staff responded that no test cases were evaluated. However, it may be likely that projects can achieve the 2035 efficiency threshold because the SB375 target GHG reductions are expected to be met primarily through cleaner fleets as a result of fleet turnover and reducing VMT. Consequently, fleet turnover plus a small increment of GHG reductions from land use projects could potentially achieve the 2035 efficiency threshold.

A comment was made that by establishing a GHG significance threshold for both 2020 and 2035, a lead agency would have to continue mitigating GHG emission impacts for 40 years, which is equivalent to establishing a reasonably available control technology (RACT) rule. Dr. Chang responded that by establishing the 2035 efficiency threshold, to reduce potential GHG impacts to less than significant, the lead agency and project proponent may need to “sharpen their pencils” to identify mitigation measures to remain less than significant. The staff proposal is not considered to be equivalent to a RACT rule because a

project could exceed the 2020 and or 2035 efficiency threshold, but still be approved and built.

A comment was made that exceeding the target efficiency threshold is not just a question of going through the CEQA process, which would require preparation of an EIR, feasible mitigation measures, alternatives, etc. The lead agency would have to approve a project with significant impacts, make findings, and prepare a statement of overriding considerations. In this situation there is legal vulnerability to a certain extent.

A question was asked about how to treat projects where GHG impacts from VMT are a small part of the project. Dr. Chang responded that for this type of project, the lead agency and/or project proponent would have to look at other measures or design features to reduce impacts to less than the 2020 and 2035 efficiency threshold. For these types of projects, it may be difficult to achieve the target efficiency threshold.

A comment was made that the SCAQMD's approach to Tier IV option one, that is, no recommendation, but discuss challenges, implies opposition to this approach. This perceived opposition could jeopardize the Tier II approach, which relies on consistency with a GHG reduction plan. GHG reduction plans will likely rely on a percent GHG reduction to achieve some future target, e.g., AB 32 2020 GHG reduction targets. Although there may be some issues with the percent reduction approach, e.g., gaming the system, there may be valid reasons for using this approach, so the SCAQMD should not discourage it. Another participant suggested that perhaps the SCAQMD could simply say that staff has not sufficiently evaluated this approach and will evaluate the appropriateness of this option on a case-by-case basis.

A comment was made that using SB 375 targets may require GHG reductions that go beyond what would be required in sustainable community strategies (SCSs) and alternative planning strategies (APSs). Further, SB 375 is primarily related to reducing GHG emissions from mobile sources, so establishing 2035 efficiency threshold based only on SB 375 ignores the GHG emission effects from AB 32 (CARB's Scoping Plan). SB 375 relies primarily on process or incentives to reduce GHG emissions rather than mandates. SB 375 also relaxes state requirements to update Housing Elements from five to eight years. CARB's Scoping Plan has provisions for updating the GHG reduction targets every four or eight years, which would provide more flexibility in developing future target efficiency threshold. For this reason and the fact that the Scoping Plan addresses GHG emission reductions from various land use sectors, it may be more appropriated to rely on the GHG emission reduction targets identified by CARB in the Scoping Plan for developing future target efficiency threshold.

A question was asked whether or not a lead agency could use GHG emission offsets to achieve the target efficiency threshold. Staff responded that there did not seem to be a downside to using offsets to get below the target efficiency threshold.

A request was made for SCAQMD staff to eliminate the maximum GHG limit proposal that was discussed at the November 19, 2009 stakeholder working group meeting. Any projects that exceed the maximum GHG limit would be considered significant, even though they

achieved or are less than the target efficiency threshold. Staff stated that they were no longer including the maximum limit in the staff proposal.

A suggestion was made that the SCAQMD should not move forward with the efficiency threshold approach because lead agencies in the Bay Area are encountering a number of serious issues using this approach. In addition, because of the way the efficiency threshold is derived, it may inhibit proposals for mixed use projects rather than encourage them.

### **3. Other Topics**

None.

### **4. Next Steps**

A question was asked regarding when staff expected to bring the current GHG proposals to the Governing Board for consideration. Staff responded that the hope was to bring the proposals to the Board by December 2010. However, this schedule will depend on any feedback from the working group and necessary changes to the current proposals. In addition, the guidance document prepared for the numerical industrial GHG significance threshold needs to be revised and updated to reflect the current proposals.

### **5. Closing Remarks**

The meeting ended at approximately 11:00 a.m. The next meeting is scheduled for August 26, 2009 in meeting room GB at 10:00 AM.

### **6. Other Business**

None.

### **MEMBERS PRESENT (11)**

Greg Adams – City of Los Angeles Bureau of Sanitation  
James Arnone – Latham & Watkins  
Doug Feremenga – San Bernardino County Land Use Planning Department  
Michael Hendrix – Association of Environmental Professionals (AEP)  
Shari Libicki, Green Developers Coalition (*on conference call*)  
Debbie Stevens – Refineries  
Cindy Thielman – Riverside County Planning Department  
Jocelyn Thompson - Alston  
Matt Vespa – Center for Biological Diversity (CBD) (*on conference call*)  
Carla Walecka – Realtors Committee on Air Quality (RCAQ)  
Lee Wallace – Sempra Energy Utilities

### **OTHERS PRESENT (7)**

Lilia Barker – LADWP (*on conference call*)

Patrick Griffith – County Sanitation Districts of Los Angeles County  
Mark Hagmann – Matrix (*on conference call*)  
Sung Key Ma – Riverside County Waste Management Department  
Vince Mirabella – Michael Brandman Associates  
Molly Pearson – Santa Barbara County APCD (*on conference call*)  
Haseeb Qureshi – Urban Crossroads

**AQMD STAFF PRESENT (8)**

Elaine Chang – Deputy Executive Officer  
Steve Smith – Program Supervisor  
Daniel Garcia – Air Quality Specialist  
Jeff Inabinet – Air Quality Specialist  
James Koizumi – Air Quality Specialist  
Mike Krause – Program Supervisor  
Gordon Mize – Air Quality Specialist  
Barbara Radlein – Air Quality Specialist