

Climate Change Action Plan – Meeting Notes

GHG CEQA Technical Workgroup December 10, 2008

South Coast Air Quality Management District's Workgroup:

- South Coast AQMD's workgroup had a whole lot of consensus, but no scientific evidence or significant backing on GHG thresholds. South Coast AQMD backed off from significance thresholds for commercial/residential projects. In relation, they left it up to ARB who will take the lead in establishing these thresholds.
 - Which threshold would be used? ARB's or District's?
 - Note-If District's threshold is weak, legal action could be taken if it is less stringent than ARB's threshold.
- South Coast AQMD is in the process of re-discussing the tiered approach. The San Joaquin Valley Air District's (District) approach would be helpful as it is good for ARB to hear comments from local processes/agencies.

ARB Process:

- Good: Broke the process out into sectors.
- Bad: ARB staff lacked the defensibility of the thresholds. No significant backing or reason on numerical thresholds. For example, no good reason for commercial/industrial thresholds.

Questions/Concerns:

- What is the jurisdiction of the District for cumulative impacts when mitigation is found in the air district boundaries? How is the District going to jurisdiction outside for example, in another state, county or country? Defining a project's boundary is a legal issue.
- How to identify the scoping of a project according to the CEQA Guidelines? Recommend that those projects under CEQA case law should not be looked at.
- If a project gets mitigation from the local area, how far out does a project need to go out? It raises a concern, who's getting controlled and from where?
- Because CEQA is a public process, global impact should be included in the evaluation and made available to offer options.
- What effects will greenhouse gas play on the economic basis of a project?
- From a CEQA practitioner's standpoint, knowledge on knowing the difference between a global pollutant, local pollutant, regional pollutant, and the impact it can have is necessary for this process.

Climate Change Action Plan – Meeting Notes

- Should look at the amount of work load versus diminishing results/reward.
- Projects with indirect emissions
 - How much indirect emission is appropriate for a project?
 - CEQA provides that impacts be mitigated to the local area. Global emissions?
 - Indirect emissions (impacts) are hard to quantify (eg.: life cycle). (Example, Wal-Mart and products coming from all over).

Recommendations:

- Good guideline tools for District to use: (1) World Resources Institute, and (2) ARB Protocol –California Climate Action Registry.
- Create a subcommittee to investigate the references mentioned above and to evaluate sample life-cycle scenarios.

Climate Change Action Plan – Meeting Notes

GHG Emissions Banking Technical Workgroup December 10, 2008

Cons:

- Greenhouse gas (GHG) is a global issue. There are national and international programs being developed for banking. In the context of local pollutants, it needs to be able to cross over and be recognized on those higher program levels. How do we get other credits into the local banking system and use it elsewhere, and vice versa? Carbon Credits could be issued in the form of a certification with a climate registry instead of in the form of banking them. The main point is being able to use credits here locally.
- The disadvantages of the banking system is greater than the advantages. The three protocols listed in the Issue paper are huge projects. It's like creating a currency where the details of the system are unknown.
- A banking system would disproportionately impair the environmental justice areas. The environmental justice areas in the San Joaquin Valley are not defined. Therefore, it makes it difficult to deal with that if there's no protocol established to address it. So, no banking system should be established.
- The establishment of a banking system is not necessary. It will tax District's time and staff.
- Banking allows future emission increase not to be mitigated so the real time air quality seen at that moment is emissions increase. A lot of the emission reduction would occur anyway so to allow them to be banked is not good. It facilitates a market based program. GHG issues are not just localized issues. It's been seen that some of this type of program failed, so would another one work?

Pros:

- The establishment of a local banking system gives San Joaquin Valley residents/businesses local access to the program. Otherwise they would have to go to a program at a national level and the credits may not be recognized.
- The program should be developed to see what comes out of it and let the District Board decide whether or not it's worth pursuing.

Other:

- It is requested that a discussion be included in the Issue Paper on the legislature that allows the District to set up a banking system.

Climate Change Action Plan – Meeting Notes

- Are there other credit system that District would recognize in decreasing GHG emissions and in reducing economic impact?
- If use GHG credits in a CEQA context without a banking system, will that show as the project being mitigated?
- There are price signals being seen from the CA Climate Action Registry and the Chicago exchange. Under the CA Climate Action Registry, it's \$10-14 RCT (a RCT equaling one metric ton). Under the Chicago exchange, it's \$11.50 per metric ton. There's no much supply because of a lack of infrastructure so developers didn't submit their project, but the supply will increase as developers do so.
- Will the District continue to pursue this banking issue if this meeting's overall consensus from the attendees is that a banking system should not be established?
- To provide a roundtable discussion format for the next meeting.