



Climate Change Action Plan (CCAP)

Scoping Meeting

November 18, 2008

Agenda

- Introduction
- Key GHG mandates
- GHG CEQA guidance
- SJV carbon exchange
- Next steps



Climate Change Action Plan

Introduction



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Background

- Legislative mandates
- CEQA challenges/litigation relating to greenhouse gases (GHGs)
- Local agencies and businesses are seeking assistance from air districts concerning GHGs and CEQA
- District's CCAP is intended to provide guidance and mechanisms to address GHGs impacts when addressing CEQA



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Introduction

- District's Climate Change Action Plan (CCAP) adopted by the Governing Board in August 2008
- CCAP directs the APCO to:
 1. Provide guidance on addressing GHGs in CEQA
 2. Investigate the development of a GHG banking program
 3. Facilitate reporting of GHG emissions as part of the existing emissions inventory process
 4. Administer Voluntary GHG Emission Reduction Agreements



Introduction (cont'd)

CCAP: GHG Reporting Requirements

- *Requirement:* Sources required to report GHG data to ARB by 2009 for the 2008 period
- *Proposed Method:* GHG and criteria pollutant submittal combined into a single emissions inventory system
- *Development:* District is currently developing a web based reporting system (Criteria pollutant and GHG)
- *Schedule:* System available early 2009 (for the 2008 reporting year)



Introduction (cont'd)

CCAP: GHG Voluntary Emission Reduction Agreements (GHG-VERA)

- Similar system currently used to mitigate criteria pollutant emissions impacts (considerable experience)
- Such agreements may be used to mitigate GHG impacts in particular during the CEQA process
- Each agreement must be approved by the Governing Board



Introduction (cont'd)

CCAP: GHG Guidance and Carbon Exchange System

- Stakeholders input is requested for the following issues identified in CCAP
 - Develop guidance for evaluating GHG emissions in the CEQA process
 - Investigate the need and feasibility of a District administered carbon exchange system



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Key GHG Mandates



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AB 32 - Summary

- Reduce greenhouse gases to 1990 levels by 2020 (25% reduction)
- Mandatory GHG emissions reporting
- Early Action Measures (GHG reductions) to be implemented before 2010
- “AB 32 Scoping Plan” to achieve the 2020 reductions

Note: Governor's EO targeting a greenhouse gases reduction to 80% below 1990 levels by 2050



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California Attorney General's Office

- Challenged CEQA documents due to lack of evaluations of GHGs due to project
- Entered into agreements with project proponents to mitigate GHG emissions



Office of Planning and Research Technical Advisory

- Technical advisory released in June 2008
- Provides interim guidance for addressing GHGs during CEQA review process
- Lead agencies must quantify project GHG emissions, and determine significance
- For projects with significant GHG impacts, mitigation measures are required



SB 97 - Summary

- By July 1, 2009: OPR to develop guidelines on how to address GHG during CEQA process
- By January 1, 2010: OPR guidelines to be adopted by the California Resources Agency



SB 375 - Summary

- Focused on Housing & Transportation project planning
- Incentives for projects that reduce Vehicle Miles Traveled (VMT)
- Provisions to exempt certain projects from CEQA requirements



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GHG CEQA Guidance



Addressing GHG in CEQA

- CEQA requires Lead Agency to
 - Identify and quantify project environmental impacts
 - Assess project's significance
 - Identify mitigation measures to reduce project's impact
- No currently approved GHG significance threshold

HOWEVER



Addressing GHG in CEQA (cont'd)

- **CEQA requirements still apply**
- Legislative mandates (AB32, SB97, etc)
- Multiple legal challenges for failure to address GHG impacts
- Local agencies, project proponents, and the public have no guidance to address GHG impacts

CONSEQUENTLY



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Addressing GHG in CEQA (cont'd)

- Air District Governing Board adopted the Climate Change Action Plan (CCAP)
- CCAP directs District staff to develop GHG CEQA guidance



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Options for Addressing GHG in CEQA

- Single GHG significance threshold
- Multiple GHG significance thresholds
- Specific project type determination
- Program level CEQA determination
- Facility level CEQA determination
- Performance based threshold
- Tiered classification of projects' impacts
- Combination of any of the above
- Others, to be determined



Options for Addressing GHG in CEQA

- Single GHG Significance Threshold -

- All projects evaluated using the same GHG emissions level of significance (*x tons-GHG/year*)
- Similar to method used by all agencies for criteria pollutants



Options for Addressing GHG in CEQA

- Multiple GHG Significance Thresholds -

- Project-type specific GHG emissions threshold:
 - Industrial projects: X tons-GHG/year
 - Commercial/residential projects: Y tons-GHG/year
- Currently under consideration by ARB



Options for Addressing GHG in CEQA

- Specific Project Type Determination -

- Projects from different sectors subject to sector-specific evaluation criteria
For example: Industrial project vs Residential/Commercial development
- Part of ARB's and South Coast AQMD's approach



Options for Addressing GHG in CEQA

- Program Level CEQA Determination -

- Local agency adopts plan addressing GHG reduction consistent with AB32 targets

For example: Planning agency has adopted plans to promote green development

- Proposed projects consistent with the adopted agency plan < significant
- Part of South Coast AQMD tiered approach



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Options for Addressing GHG in CEQA

- Facility Level CEQA Determination -

- Facility develops GHG reduction plan consistent with AB32 targets

For example: project achieves AB32 targeted % GHG emission reduction compared to "Business As Usual"

- Proposed projects consistent with the adopted facility plan < significant



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Options for Addressing GHG in CEQA

- Performance Based Threshold -

- Performance based threshold: project significance evaluated consistent with pre-established available GHG emission reduction technologies

For example: project consistent with established GHG-BACT technologies



Options for Addressing GHG in CEQA

- Tiered Classification of Projects' Impacts -

- Multiple screening criteria successively applied to a project to determine significance

For example:

- Tier 1: Project exempt under CEQA
- Tier 2: Project part of an approved regional plan
- Tier 3: Project size characterization (small/large)
- Tier 4: etc

- Currently being evaluated by CARB and South Coast AQMD



Options for Addressing GHG in CEQA

- Any combination of any of the above suggested options
- Other options to be determined



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SJV Carbon Exchange



SJV Carbon Exchange

- To identify the possible development of a District administered GHG emissions reduction banking program
- Stakeholders input will be considered in determining if such a program is warranted



SJV Carbon Exchange (cont'd)

- Allow for the voluntary banking of GHG emission reductions in the Valley
- Provide a level of certainty not found in other GHG banking programs



SJV Carbon Exchange (cont'd)

- Compatible with other GHG exchanges to the extent possible:
 - Chicago Climate Exchange, New York Climate Exchange, Northeast Climate Exchange, Climate Action reserve, SoCal Climate Solutions Exchange, others
- Exchanges outside of California allow banking GHG reductions that may not be “additional” in California



GHG Banking Requirements

- Emission reductions must be real, enforceable, quantifiable, and additional
- “Additional” means surplus of any GHG requirement (AB32) and would not occur in the absence of the banking project



GHG Banking Requirements (cont'd)

- Temporary GHG emission reductions may qualify if the emission reduction occurs before AB32 mandates



GHG Banking Requirements (cont'd)

- GHG reductions must be quantified using District/ARB approved protocols
- Currently three ARB approved protocols
 - Forestry sector
 - Urban forestry
 - Manure management
- Additional protocols may be developed



GHG Emission Reduction Projects

- If protocols are developed, possible GHG reductions projects could include
 - Landfill methane capture
 - Combustion equipment efficiency upgrades
 - Reduced flaring from industrial processes
 - Switching to lower carbon fuels
 - Forestation projects



Possible Uses of Banked GHGs

- Allow for the purchase and retirement of GHG emission reductions to satisfy CEQA mitigation requirements
- Promote early GHG (and associated criteria/toxics) emission reductions



Possible Uses of Banked GHGs

- Possible compliance with AB32 (feasibility to be determined)
- Trading of GHG emission reductions
- Purchasing and surrendering GHG emission reductions for societal benefit



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Next Steps



CCAP - Next Steps

- 2 technical workgroups to develop recommendations
- Technical workgroups consisting of District staff, industry, land use agencies, and environmental group representatives



CCAP - Next Steps (cont'd)

- First meetings in December 10, 2008
 - GHGs and CEQA 10:00 am – 12:00 pm
 - GHG banking 1:00 pm – 3:00 pm
- Subsequent meetings every few weeks



CCAP - Next Steps (cont'd)

- Technical workgroup recommendations will be forwarded to APCO
- District recommendations to be presented to the Governing Board for their consideration in the summer of 2009



CCAP - Next Steps (cont'd)

- GHG CEQA guidance technical workgroup -

Please direct interest in participating in the technical workgroup, and questions and comments to:

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CCAP - Next Step (cont'd)

- GHG banking technical workgroup -

Please direct interest in participating in the technical workgroup, and questions and comments to:

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Important! Sign up for future notices!

<http://www.valleyair.org/lists/list.htm>

Questions and Comments



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