



**Addressing Greenhouse Gas Emissions Impact
under the California Environmental Quality Act (CEQA)**

Stationary Source Projects

A. Purpose

To assist permit applicants, project proponents, and interested parties in assessing and reducing the impacts of project specific greenhouse gas emissions (GHG) on global climate change from stationary source projects, the San Joaquin Valley Air Pollution Control District (District) has adopted the policy: *District Policy – Addressing GHG Emission Impacts for Stationary Source Projects Under CEQA When Serving as the Lead Agency*: <http://www.valleyair.org/Programs/CCAP/12-17-09/3%20CCAP%20-%20FINAL%20LU%20Guidance%20-%20Dec%2017%202009.pdf>. This policy applies to projects for which the District has discretionary approval authority over the project and the District serves as the lead agency for CEQA purposes. Nonetheless, land use agencies can refer to it as guidance for projects that include stationary sources of emissions. The policy relies on the use of performance based standards, otherwise known as Best Performance Standards (BPS) to assess significance of project specific greenhouse gas emissions on global climate change during the environmental review process, as required by CEQA. Use of BPS is a method of streamlining the CEQA process of determining significance and is not a required emission reduction measure. Projects implementing BPS would be determined to have a less than cumulatively significant impact. Otherwise, demonstration of a 29 percent reduction in GHG emissions, from business-as-usual, is required to determine that a project would have a less than cumulatively significant impact.

B. Definitions

Baseline for Stationary Source projects, is – the three year average (2002-2004) of GHG emissions for a type of equipment or operation within an identified class and category, expressed as annual GHG emissions per unit.

Best Performance Standard for Stationary Source projects is – a specific Class and Category, the most effective, District approved, Achieved-In-Practice means of reducing or limiting GHG emissions from a GHG emissions source, that is also economically feasible per the definition of achieved-in-practice. BPS includes equipment type, equipment design, and operational and maintenance practices for the identified service, operation, or emissions unit class and category.

Business-as-Usual is - the emissions for a type of equipment or operation within an identified class and category projected for the year 2020, assuming no change in GHG emissions per unit of activity as established for the baseline period, 2002-2004. To relate BAU to an emissions generating activity, the District proposes to establish emission factors per unit of activity, for each class and category, using the 2002-2004 baseline period as the reference.

Category is - a District approved subdivision within a “class” as identified by unique operational or technical aspects.

Class is - the broadest District approved division of stationary GHG sources based on fundamental type of equipment or industrial classification of the source operation.

C. Determining Project Significance Using BPS

Use of BPS is a method of determining significance of project specific GHG emission impacts using established specifications. BPS is not a required mitigation of project related impacts. Use of BPS would streamline the significance determination process by pre-quantifying the emission reductions that would be achieved by a specific GHG emission reduction measure and pre-approving the use of such a measure to reduce project-related GHG emissions.

GHG emissions can be directly emitted from stationary sources of air pollution requiring operating permits from the District, or they may be emitted indirectly, as a result of increased electrical power usage, for instance. For traditional stationary source projects, BPS includes equipment type, equipment design, and operational and maintenance practices for the identified service, operation, or emissions unit class and category.

D. Process for Evaluating GHG Significance for Stationary Source Projects

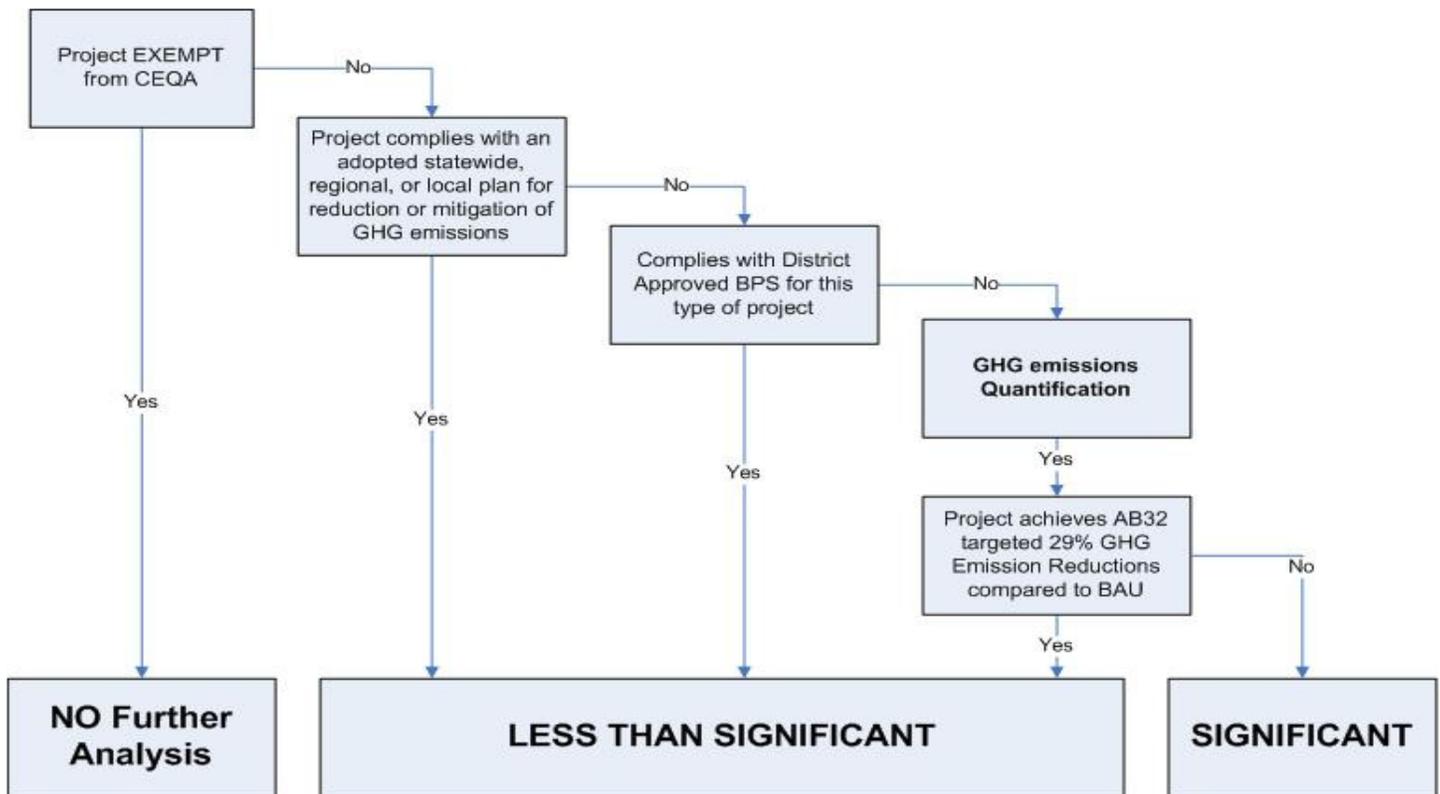
The following diagram illustrates the process for evaluating GHG significance. When serving as lead agency, the District would require all stationary source projects with increased GHG emissions to implement performance based standards, or otherwise demonstrate that project specific GHG emissions have been reduced or mitigated by at least 29%, as compared to BAU, consistent with GHG emission reduction targets established in the Air Resources Board’s AB 32 Scoping Plan.

Projects exempt from the requirements of CEQA, and projects complying with an approved GHG emission reduction plan or mitigation program would be determined to have a less than significant individual and cumulative impact. Such plans or programs must be specified in law or adopted by the public agency with jurisdiction over the affected resources and have a certified Final CEQA document.

Projects implementing BPS would be considered to have a less than significant individual and cumulative impact on global climate change.

Projects not implementing BPS would require quantification of project specific GHG emissions. To be determined to have a less than significant individual and cumulative impact on global climate change, such projects must be determined to have reduced or mitigated GHG emissions by 29% as compared to BAU, consistent with GHG emission reduction targets established in ARB's AB 32 Scoping Plan.

Furthermore, quantification of GHG emissions would be expected for all projects for which the lead agency has determined that an Environmental Impact Report is required, regardless of whether the project incorporates Best Performance Standards.



E. Establishing BPS

BPS will be established through a public process that provides ample opportunity for stakeholders and other interested parties to participate and provide valuable input into the establishment of baseline GHG emissions and BPS. To be approved by the District, BPS must be demonstrated to achieve real GHG emission reductions. Such reductions must be quantifiable to support a determination that project specific GHG emissions would have a less than significant individual and cumulative impact.

The public process will begin with an initial outreach via the District's CCAP list server. Individuals interested in participating in the public process would register themselves with a list server dedicated to the BPS under development. Those registered with the CCAP list server will be notified when the District initiates the process of establishing BPS for a specific equipment or operation within an identified Class and Category. When draft documents are available on the District's website for review and comment, a notice of availability will be send via the BPS list server. Workgroups would be convened as necessary to obtain additional technical information for use in establishing baseline emissions or BPS. After receiving public input, the BPS will be finalized and posted on the District's website. Availability of final BPS will be noticed via the District's general CCAP list server.

F. New GHG Emission Reduction Measure

In cases where there is no available BPS or where applicant is proposing a GHG emission reduction measure that is not listed on the District's compilation of BPS, the applicant is encouraged to consult with the District to quantify the GHG emission reduction benefits and add the proposed measure to the listing of District approved BPS.

G. Resources

Please refer to *District Policy – Addressing GHG Emission Impacts for Stationary Source Projects Under CEQA When Serving as the Lead Agency*. This document and related information can be found at: http://www.valleyair.org/Programs/CCAP/CCAP_menu.htm . For questions and comments associated with this guidance, contact District's CEQA Program Department at (559) 230-6000 or ceqa@valleyair.org.