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August 15, 2014

Ms. Molly Pearson
Planning and Grants Supervisor
Santa Barbara County Air Pollution Control District
260 N. San Antonio Rd, Suite A
Santa Barbara, CA 93110

Subject: WSPA Comments - SBCAPCD CEQA GHG Significance Threshold Development

Dear Ms. Pearson:

The Western States Petroleum Association (WSPA) is a non-profit trade association representing 27 companies that explore for, refine, transport, and market petroleum, petroleum products, natural gas and other energy supplies for California and five other western states. WSPA appreciates this opportunity to provide comments on the development of Santa Barbara County Air Pollution Control District (SBCAPCD) guidance for evaluating the significance of the impacts of greenhouse gas (GHG) emissions from new or modified stationary sources pursuant to the California Environmental Quality Act (CEQA).

On April 6, 2014, the SBCAPCD provided a public notice of their intention to revise their Environmental Review Guidelines to include methods for evaluating the significance of the impacts of GHG emissions from new or modified stationary sources. At public workshops held on May 6, 2014 and May 8, 2014, SBCAPCD staff indicated that the District would be assessing several options and requested input from stakeholders. On August 7, 2014, WSPA met with SBCAPCD staff at a Consultation Meeting. In response to these meetings and SBCAPCD requests for comments, WSPA suggests a step-wise approach for determining the significance of GHG emissions from stationary sources that is consistent with and complimentary to the comprehensive statewide GHG emission reduction program pursuant to AB 32 (Global Warming Solution Act of 2006) as implemented by the California Air Resources Board.

The following proposed approach is suggested for discussion purposes as a step-wise, integrated method which considers state and local CEQA objectives:

- **Step 1 - 10,000 MT/yr CO₂e Screening.** If a project's total GHG emissions are below a 10,000 metric ton per year (MT/yr) significance screening level, then the project would be determined to have a less than significant individual and cumulative impact for GHG emissions.

If a project has GHG emissions greater than 10,000 MT/yr CO₂e, then proceed to Step 2.

- **Step 2 - Approved GHG Emission Reduction or Mitigation Plan.** If a project is in compliance with an approved GHG emission reduction plan or GHG mitigation program which avoids or substantially

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reduces GHG emissions, the project would be determined to have a less than significant individual and cumulative impact for GHG emissions.

Such plans or programs must have provisions that are: (1) consistent with State law (i.e., AB 32) or (2) approved by the lead agency with jurisdiction over the affected resource, and supported by a CEQA compliant environmental review document adopted by the lead agency. For example, stationary sources subject to the AB 32 Cap & Trade requirements pursuant to Title 17, Article 5 (California Cap on Greenhouse Gas Emissions and Market-based Compliance Mechanisms) would meet the criteria of this step.

If a project does not have an approved GHG emission reduction or mitigation plan, then proceed to Step 3.

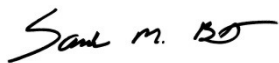
- **Step 3 - GHG Emission Reduction compared to BAU.** A project can demonstrate that project-specific GHG emissions would be reduced or mitigated by a percentage consistent with the AB 32 Scoping Plan, compared to “Business as Usual” (BAU) baseline (i.e., 3-year period prior to AB 32 promulgation in 2006). Thus, the project GHG emissions (which would be subject to current SBCAPCD rules and regulations) would be compared to project GHG emissions if the project had been permitted during the baseline period under the requirements in place during the baseline period. The most recent AB 32 Scoping Plan indicated a 15% target. Projects achieving designated GHG emission reduction compared to BAU would be determined to have a less than significant individual and cumulative impact for GHG.

If a project does not meet the GHG emission reduction criteria compared to BAU, then proceed to Step 4.

- **Step 4 - CEQA Review.** If a project does not meet any of the criteria set forth in Steps 1 through 3, then the project is deemed significant for GHG emissions and subject to CEQA review.

WSPA would again like to express our appreciation to SBCAPCD staff for meeting with us at the August 7 Consultation Meeting and the opportunity to provide input regarding this very important regulatory item. As discussed in the Consultation Meeting, this comment letter was intended to serve as an outline of a CEQA GHG approach. WSPA is committed to providing further details and rationale for the approach outlined above (specifically to demonstrate how this approach complies and is consistent with AB 32 and CEQA regulatory requirements and objectives). If you have any questions regarding the approach described in this letter, please contact me at (805) 966-7113.

Sincerely,



Sandra Burkhardt

CC: David Van Mullem - SBCAPCD

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