



MANUFACTURERS COUNCIL OF THE CENTRAL VALLEY

THE SAN JOAQUIN VALLEY'S COLLECTIVE
VOICE FOR MANUFACTURING INTERESTS

PO BOX 1564, MODESTO, CA * WWW.MCCV.ORG * (209) 523-0886

MCCV WORKING COMMITTEES AGENDA

WEDNESDAY, JAN. 21, 2008 * 8:30 TO 11:30 A.M.

E&J Gallo Winery * OPERATIONS TRAINING ROOM

Yosemite Blvd and Santa Rosa, Modesto (Map Available on Request)

8:30 A.M. WELCOME & INTRODUCTIONS

January Working Committees Meeting 8:45 a.m. - 9:45 a.m. Special Presentation Gary Lucks, Beyond Compliance...

Gary is back by popular demand and will provide his legislative and regulatory update covering new state and federal environmental legislation as well as relevant regulatory developments affecting MCCV Member companies. For information go to: <http://www.beyondcompliance.net/index.html>

WATER COMMITTEE

CO-CHAIRS: BURT FLEISCHER, HILMAR CHEESE & SHARON MELMON, KENNEDY JENKS CONSULTING

• STATE WATER RESOURCES CONTROL BOARD

- State Water Board set out proposed Enforcement Policy:
http://www.waterboards.ca.gov/water_issues/programs/enforcement/docs/notice_water%20quality_enf_policy_with_map.pdf
http://www.waterboards.ca.gov/water_issues/programs/enforcement/docs/enf_policy121808_2_for_distribution.pdf
- State Board Considers Water Recycling Policy
http://www.swrcb.ca.gov/water_issues/programs/water_recycling_policy/index.shtml
http://www.waterboards.ca.gov/water_issues/programs/water_recycling_policy/docs/draft_recycled_water_policy_110408.pdf

• CENTRAL VALLEY REGIONAL WATER RESOURCES CONTROL BOARD

- Central Valley Salinity Policy Group (CVSPG) & Salt and Nutrient Sources Pilot Study
http://www.waterboards.ca.gov/centralvalley/water_issues/salinity/
http://www.waterboards.ca.gov/centralvalley/water_issues/salinity/committees/13jan09_coop_salinity_srcs_srvy.pdf
http://www.waterboards.ca.gov/centralvalley/water_issues/salinity/committees/13jan09_cvsalts_workplan_outline.pdf
- Recycling and Regionalization (proposed resolution affecting waste water treatment plants)
http://www.waterboards.ca.gov/centralvalley/board_decisions/tentative_orders/index.shtml

• OTHER

GENERAL REGULATORY (Health, Safety, General Environmental & Misc.)

CO CHAIRS: STEVEN SYLVESTER, E&J GALLO WINERY & BRENDA MOPPINS, FRITO LAY

- EPA revises Spill Prevention Control and Countermeasure Plan (SPCC)
<http://www.epa.gov/emergencies/content/spcc/index.htm> and attached.
- California Energy Commission offers incentive funding for food industry projects
<http://www.energy.ca.gov/contracts/index.html>
- Careers in Manufacturing
www.mccv.org

AIR COMMITTEE

CO-CHAIRS TIM DURHAM, INGOMAR PACKING & DAVE DUKE, FOSTER FARMS

• SAN JOAQUIN VALLEY AIR DISTRICT

- District prepares Economic Feasibility Analysis for District Rules
http://www.valleyair.org/board_meetings/gb/agenda_minutes/agenda/2009/january/item_09/econ%20feasibility%20jan%202009.pdf
http://www.valleyair.org/Board_meetings/GB/agenda_minutes/Agenda/2009/January/Item_09/Agenda_Item_9_Jan_15_2009.pdf
www.baaqmd.gov/dst/regulation/rq0907.pdf and attached.
- Brandy and Wine Aging Rule Under Development
http://www.valleyair.org/Workshops/public_workshops_idx.htm#r4695%2002-04-09
- MCCV to co-host Citizens Advisory Group of Industries meeting in April
*Mark your calendars for Monday, April 13 * Modesto (Location TBA)*
- Reminder: New Boiler Rule Adopted: First deadline is July 1 if complying with 7 ppm

• CALIFORNIA AIR RESOURCES BOARD

- ARB considers adoption of AB 32 Administrative Fee (Jan.27 workshop)
<http://www.arb.ca.gov/cc/adminfee/adminfee.htm>
- ARB determining CEQA Significance Thresholds for GHGs
<http://www.arb.ca.gov/cc/localgov/ceqa/ceqa.htm>

NEXT MEETING: Wednesday, Feb. 18, 2009

MARK YOUR CALENDARS

MCCV ANNUAL LUNCHEON MEETING OF MEMBERS

Tuesday, April 21, 2009 * Modesto Double Tree

Keynote Speaker: Mary Nichols, Chair California Air Resources Board

Voting Member Check-In 10 a.m. * All Others: 11 a.m.

Luncheon Begins at 11:30 a.m.



Careers in Manufacturing * Road Shows

A special program for select high school seniors and their parents!

January through March 2009

TIME:

Jan. 21 through March 31

6 p.m. Employer/Participant Booths Open

8 p.m. Event Concludes

LOCATION:

Eight Stanislaus Area High Schools

Jan. 21 through March 31

EXPECTED AUDIENCE:

High School Seniors along with their parents/guardians and families. (150 to 250)

SEE NEXT PAGE FOR EVENT SCHEDULE

What is Careers in Manufacturing, and why such a fuss?

Careers in Manufacturing is a partnership program of employers, educators and workforce development professionals designed to:

- increase the number of young people considering and training for careers in manufacturing ;
- fill current and projected openings in the manufacturing workforce;
- reduce the dropout/fadeout rate at area high schools.

This is accomplished through:

- outreach programs promoting the industry and educational options;
- offering employment to qualified youth;
- providing incentives to motivate students to pursue additional education in technically skilled certificate and degree programs.

Still in the pilot stage, the program is in its fifth year. It has expanded to include 13-15 high schools in the Stanislaus County communities of Ceres, Denair, Hughson, Modesto, Newman, Oakdale, Patterson, Riverbank, Turlock, and Waterford.

All participating youth will be Work Keys assessed in three critical workplace skill areas. The assessments also help schools identify gaps in education, develop targeted triage, and encourage students who can see that their education has relevance to the workplace.

SET-UP:

School facilities at all sites will be open from 5:30 to 6 p.m. for set-up of employer booths. Booths will remain in place until conclusion of program. Electrical outlets available at some locations. Giveaways and samples welcome.

EXHIBITS (EMPLOYER & MJC) & REFRESHMENTS

Booths/Employer Exhibits will be open from 6 to 6:30 p.m. and 7:30 to 8 p.m. Refreshments will be available from 7:15 to 8 p.m.

STANDARD EVENING PROGRAM:

6 pm	Employer Booths Open
6:30	Program Begins * Welcome
6:40	Career Opportunities: 2 Manufacturing Employers * MCCV
7:00	Educational Pathways * Modesto Junior College
7:10	Making the Connection * Alliance WorkNet
7:20	How the Program Works * Stanislaus Partners in Education
7:30	Dismiss to Refreshments & Employer Booths
8 pm	Booths close; event concludes

PARTNERS

Stanislaus Partners in Education
Manufacturers Council of the Central Valley
Alliance & Alliance WorkNet
Modesto Junior College
Area High Schools

Okay...what's the catch?

To participate in this program, you need only be willing to interview and consider for employment, an 18-year-old high school graduate who has taken a Work Keys Assessment. For information visit: (www.workkeys.org).

The Alliance WorkNet is coordinating the job posting and application process and several changes have been implemented this year to streamline the process for both employers and participating youth.

To sign up contact the Manufacturers Council of the Central Valley (209) 523-0886.

See for yourself what the fuss is all about: join us at an upcoming event!



Careers in Manufacturing * Road Shows

A special program for select high school seniors and their parents!



2009 Schedule



Wed., Jan. 21, 2009

Orestimba High School

TBA

707 Hardin Road, Newman
Newman High School



Wed., Feb. 11, 2009

Patterson High School

Cafeteria

200 N. Seventh Street, Patterson
Patterson High School



Tues., Jan. 27, 2009

Ceres High School

Cafeteria/Student Center

2320 Central Avenue, Ceres
Ceres, Argus and Central Valley HS



Wed., Feb. 18, 2009

Riverbank High School

Cafeteria

6200 Claus Road, Riverbank
Riverbank, Adelante



Wed., Jan. 28, 2009

Turlock High School

Boys Gym

1600 E. Canal Drive, Turlock
Turlock, Pitman and Roselawn HS



Thurs., Feb. 26, 2009

Oakdale High School

Gymnasium

739 West G Street. Oakdale
Oakdale High School



Tues., Feb. 3, 2009

Central Valley High School (Ceres)

Cafeteria

4033 S. Central Avenue, Ceres
Central Valley, Ceres and HS



Tues., March 31, 2009

Johansen High School

Little Theater & Cafeteria

641 Norseman Drive, Modesto
*Beyer, Davis, Downey, Elliot,
Enochs, Johansen and Modesto*



Careers in Manufacturing 2009 Road Show Employer Signup Form

COMPANY

CONTACT

PHONE &
EMAIL

*Yes! Sign me up: I would like to participate in the following
Careers in Manufacturing Road Shows 2009:*

BOOTH	SPEAKER	DATE	LOCATION
		Wed., Jan. 21, 2009	Orestimba High School (Newman)
		Tues., Jan. 27, 2009	Ceres High School
		Wed., Jan. 28, 2009	Turlock High School
		Tues., Feb. 3, 2009	Central Valley High School (Ceres)
		Wed., Feb. 11, 2009	Patterson High School
		Wed., Feb. 18, 2009	Riverbank High School
		Thurs., Feb. 26, 2009	Oakdale High School
		Tues., March 31, 2009	Johansen High School (Modesto)

All events are from 6 to 8 p.m. Booth set-up 5:30 to 5:55 p.m.

Please Return to Jan Ennenga @ jan@mccv.org or (209) 523-0886

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

REQUEST FOR COMMENTS ON DRAFT FEASIBILITY STUDIES

NOTICE IS HEREBY GIVEN that written comments are being received on the following District draft feasibility studies:

Internal Combustion Engines

District staff has prepared a feasibility study on IC engines to evaluate the possibility of achieving further emission reductions from controlling certain IC engines and whether to provide incentive funds, if available, to retrofit or replace some IC engines and to the testing of the efficiency of water pumps.

For questions/comments regarding this project, please contact Mr. Saul Gamez.

Prescribed Burning and Hazard Reduction Burning

District staff has prepared a feasibility study on possible mitigations and incentives for prescribed burning and hazard reduction burning to achieve further emission reductions.

For questions/comments regarding this project, please contact Mr. Peter Biscay.

Open Burning Biomass Incentive

District staff has prepared a feasibility study on open burning biomass incentives to evaluate the possibility of achieving further emission reductions if incentive funds were provided for agricultural waste and if incentive funds are currently available.

For questions/comments regarding this project, please contact Mr. Saul Gamez or Ms. Koshoua Thao.

The preparation of the draft feasibility studies is to satisfy District commitments in the *2007 Ozone Plan* and *2008 PM2.5 Plan*. The draft feasibility studies are part of the District's strategy to achieve federal and state air quality standards in the upcoming years.

Copies of the draft feasibility studies can be downloaded from the District's website at: www.valleyair.org/workshops/public_workshops_idx.htm. If you are unable to download the documents from the District's website, a paper copy can be obtained by calling Ms. Noemi Walther at (559) 230-5800 or by faxing your request to her at (559) 230-6064.

Written comments should be addressed to the contact persons at San Joaquin Valley Air Pollution Control District, 1990 East Gettysburg Avenue, Fresno, CA 93726. All written comments must be received by 5:00 pm on January 29, 2009. For additional information, please contact District staff at (559) 230-5800 or by email at saul.gamez@valleyair.org, peter.biscay@valleyair.org, or koshoua.thao@valleyair.org.

You can also receive District news, workshop notices, and other important information via e-mail by subscribing to one of the District's email notification lists at:

www.valleyair.org/lists/list.htm



Air Resources Board



Linda S. Adams
Secretary for
Environmental Protection

Mary D. Nichols, Chairman
1001 I Street • P.O. Box 2815
Sacramento, California 95812 • www.arb.ca.gov

Arnold Schwarzenegger
Governor

January 9, 2009

TO: All Interested Parties

SUBJECT: Public Workshop on AB 32 Administrative Fee Regulation

The Air Resources Board (ARB) invites you to participate in a public workshop concerning the AB 32 Administrative Fee Regulation.

Health and Safety Code Section 38597 (AB 32, Nunez, Chapter 488, Statutes of 2006), added by the Global Warming Solutions Act of 2006, authorizes ARB to adopt by regulation a schedule of fees to be paid by sources of greenhouse gas emissions (GHG) to support the administrative costs of implementing AB 32. ARB recently adopted the Climate Change Scoping Plan which outlines California's framework for reducing GHGs. ARB is initiating a rulemaking for this fee, with the intent of bringing a proposed regulation to the Board for consideration in May 2009.

The public workshop will be held at the following location:

DATE: Tuesday, January 27, 2009
TIME: 1:00 p.m. to 4:00 pm
PLACE: Cal/EPA Headquarters Building
Coastal Hearing Room, 2nd Floor
1001 I Street
Sacramento, CA 95814

The workshop is intended to provide for stakeholders input into development of a fee structure that will support the administration of programs to implement in AB 32.

For those unable to attend in person, the workshop will be webcast. On the day of the workshop, the broadcast can be accessed at:

<http://www.calepa.ca.gov/broadcast/?BDO=1>

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.

California Environmental Protection Agency

All Interested Parties
January 9, 2009
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You can also submit your questions and comments during the workshop to ccworkshops@arb.ca.gov ARB recommends that you do not run other programs while viewing the webcast, as it may interrupt or lower the quality of the signal. The agenda and staff presentation for the workshop will be posted at least five days prior to the workshop on ARB's website at: <http://www.arb.ca.gov/cc/adminfee/adminfee.htm>

If you require special accommodations or language needs, please contact Mary Farr at (916) 445-8290 or mfarr@arb.ca.gov as soon as possible, but no later than 7-10 business days before the scheduled event/meeting. TTY/TDD/Speech to Speech users may dial 7-1-1 for the California Relay Service.

If you have questions regarding the workshop or the Administrative Fee Regulation Development, please contact Jeannie Blakeslee at (916) 445-8286 or jblakesl@arb.ca.gov

Sincerely,

/s/

Jon Costantino, Manager
Climate Change Planning Section
Office of Climate Change

TITLE 13. CALIFORNIA AIR RESOURCES BOARD

NOTICE OF PUBLIC HEARING TO CONSIDER PROPOSED AMENDMENTS TO THE REGULATION FOR IN-USE OFF-ROAD DIESEL-FUELED FLEETS AND AN UPDATE ON STATUS OF IMPLEMENTATION OF THE REGULATION

The Air Resources Board (the Board or ARB) will conduct a public hearing at the time and place noted below to consider adopting amendments to its regulation for In-Use Off-Road Diesel-Fueled Fleets. This notice summarizes the specific amendments being proposed. At the hearing, the Board will also receive an update from staff on the status of implementation of the regulation, which will include a technology update report regarding diesel emission control strategies that have been verified by ARB. The staff report (Initial Statement of Reasons) presents the proposed amendments and information supporting the adoption of the amendments in greater detail, as well as the update.

DATE: January 22, 2009

TIME: 9:00 a.m.

PLACE: California Environmental Protection Agency
Air Resources Board
Byron Sher Auditorium
1001 I Street
Sacramento, California 95814

This item will be considered at a two-day meeting of the Board, which will commence at 9:00 a.m., January 22, 2009, and may continue at 8:30 a.m., January 23, 2009. This item may not be considered until January 23, 2009. Please consult the agenda for the meeting, which will be available at least 10 days before January 22, 2009, to determine the day on which this item will be considered.

For individuals with sensory disabilities, this document and other related material can be made available in Braille, large print, audiocassette, or computer disk. For assistance, please contact ARB's Reasonable Accommodations/Disability Coordinator at 916-323-4916 by voice or through the California Relay Services at 711, to place your request for disability services, or go to <http://www.arb.ca.gov/html/ada/ada.htm>.

If you are a person with limited English and would like to request interpreter services to be available at the Board meeting, please contact ARB's Bilingual Manager at 916-323-7053.

**NON-REGULATORY UPDATE ON STATUS OF IMPLEMENTATION OF
REGULATION FOR IN-USE OFF-ROAD DIESEL VEHICLES AND SUBMITTAL OF
COMMENTS**

At the hearing, the Board will also receive a status update on implementation of the regulation. The update is described in the aforementioned staff report describing the proposed regulatory amendments. The public may present comments orally or in writing at the hearing, and in writing or by e-mail before the hearing. To be considered by the Board, written submissions not physically submitted at the hearing must be received **no later than 12:00 noon, January 21, 2009**, and addressed to the following.

Postal mail: Clerk of the Board
Air Resources Board
1001 I Street
Sacramento, California 95814

Electronic submittal: <http://www.arb.ca.gov/lispub/comm/bclist.php>
List name: **ordieslnr**

{NOTE: Comments submitted here, should be for the non-regulatory status update ONLY}

Facsimile submittal: (916) 322-3928

At the Board meeting, the Board may direct staff to develop additional modifications to the regulation to be considered at a later Board hearing. If directed to do so, ARB will prepare a separate notice of proposed rulemaking that will be published not less than 45 days before the scheduled hearing date.

CALIFORNIA AIR RESOURCES BOARD

/s/

James N. Goldstene
Executive Officer

Date: November 25, 2008

INTRODUCTION

Climate change is one of the most serious environmental problems facing the world, the United States, and California today. In this State, climate change already is impacting our coastlines, water supplies, agriculture, and public health, and putting millions of acres of forested land at increased risk of fire. These adverse effects will only increase in number and intensity if we do not promptly and substantially reduce pollution of the atmosphere with greenhouse gases (GHGs).

California law provides that climate change is an environmental effect subject to the California Environmental Quality Act (CEQA).¹ Lead agencies therefore are obligated to determine whether a project's climate change-related effects may be significant, requiring preparation of an Environmental Impact Report,² and to impose feasible mitigation to substantially lessen any significant effects.³ Determining significance, however, can be a challenging task. Accordingly, the Governor's Office of Planning and Research in its June 2008 Technical Advisory, "CEQA and Climate Change,"⁴ asked the Air Resources Board (ARB) to make recommendations for GHG-related thresholds of significance – identifiable benchmarks or standards that assist lead agencies in the significance determination.⁵

With this Staff Proposal, ARB staff is taking the first step toward developing recommended statewide interim thresholds of significance for GHGs that may be adopted by local agencies for their own use. The task that ARB staff is undertaking is, however, a limited one. Staff will not attempt to address every type of project that may be subject to CEQA, but instead will focus on common project types that, collectively, are responsible for substantial GHG emissions – specifically, industrial, residential, and commercial projects.⁶ ARB staff believes that thresholds in these important sectors will advance our climate objectives, streamline project review, and encourage consistency and uniformity in the CEQA analysis of GHG emissions throughout the State.

Staff intends to make its final recommendations on thresholds in early 2009, in order to harmonize with OPR's timeline for issuing draft CEQA guidelines addressing GHG emissions⁷ and to provide much needed guidance to lead agencies in the near term.

Public, stakeholder, and local lead agency participation is essential to the success of this project. ARB staff believes that the comment and feedback it receives, along with

¹ Senate Bill 97, Public Resources Code, § 21083.05.

² California Code of Regulations, tit. 14, § 15064, subd. (f)(1).

³ Id., § 15021, subd. (a)(2).

⁴ See: <http://opr.ca.gov/download.php?dl=ceqa/pdfs/june08-ceqa.pdf>

⁵ Id., § 15064.7, subd. (a).

⁶ The collective greenhouse gas emissions from the industrial, residential and commercial sectors, together with the transportation sector, represent approximately 80% of the statewide greenhouse gas emissions inventory in 2004.

⁷ See Senate Bill 97, Public Resources Code § 21083.05 (providing that draft guidelines are due June 1, 2009).

additional data and analyses, can form a body of evidence that lead agencies may rely on in adopting thresholds of significance consistent with ARB staff's recommendations.

Because the schedule is expedited, staff's recommendations must necessarily be interim and subject to review and revision as more information becomes available.⁸

BACKGROUND

Significance Under CEQA

A significant effect on the environment means a substantial, or potentially substantial, change in the environment caused directly or indirectly by the project.⁹ The incremental effect of a project can be significant when it is cumulatively considerable – that is, when the effect is added to that of other past, present, and reasonably foreseeable probable future projects that also contribute to the problem.¹⁰

To streamline and facilitate consistency in the significance determination, the CEQA Guidelines¹¹ encourage agencies “to develop and publish thresholds of significance that the agency uses in the determination of the significance of environmental effects.”¹² A threshold of significance is an identifiable quantitative, qualitative or performance level that marks the division between an impact that is significant and one that is not. A threshold of significance gives rise to a presumption, which can be rebutted by evidence that the threshold should not apply to a particular project.

Thresholds of significance must be supported by “substantial evidence.” This does not mean that there is one best threshold. In CEQA, substantial evidence “means enough relevant information and reasonable inferences from this information that a fair argument can be made to support a conclusion, even though other conclusions might also be reached.”¹³

Climate Change and GHG Thresholds of Significance

“The capacity of the environment is limited, and it is the intent of the Legislature that the government of the state take immediate steps to identify any critical thresholds for the health and safety of the people of the state and take all coordinated actions necessary to prevent such thresholds being reached.”¹⁴ But where should a threshold of significance be set for GHG emissions and climate change? This question can be answered only after considering the nature of the environmental problem.

⁸ ARB staff intends to monitor the implementation of thresholds that are adopted as a result of this process for effectiveness. In the same time frame as the update of the AB 32 Scoping Plan, staff intends to revisit its recommendations and to modify them if necessary.

⁹ California Code of Regulations, title 14, §§ 15064, subd. (d), 15382.

¹⁰ *Id.*, § 15355, subd. (b).

¹¹ *Id.*, § 15000, et. seq.

¹² *Id.*, § 15064.7, subd. (a).

¹³ *Id.*, § 15384, subd. (a).

¹⁴ Public Resources Code, § 21000, subd. (d).

There is a scientific consensus that human activities, chief among them the burning of fossil fuels, profoundly affect the world's climate by increasing the atmospheric concentration of GHG beyond natural levels. Contributing additional GHG pollution to the atmosphere leads to higher global average temperatures, changes to climate, and adverse environmental impacts here in California and around the world.¹⁵ Climate change, caused by “collectively significant projects taking place over a period of time[,]”¹⁶ is a quintessential cumulative impact.

The experts tell us that an additional increase in global average temperatures of just 2 degrees Celsius (3.6 degrees Fahrenheit) is very likely dangerous.¹⁷ With a 2 degree Celsius increase, disastrous effects become likely, including more extreme and more frequent severe weather, more wildfires, greater frequency of droughts and floods, rapid and higher sea level rise, and increased habitat destruction and extinctions.¹⁸ These environmental effects will undoubtedly lead to serious economic, political, and national security disruptions.

In order to reduce the risk of dangerous climate change, we must stabilize atmospheric levels of GHGs at approximately 450 parts per million (ppm) by mid-century.¹⁹ We are fast approaching this limit. Since the beginning of the industrial era, atmospheric concentrations of carbon dioxide, the primary GHG, have climbed to their highest point in the last half-million years, increasing from just under 300 ppm at the turn of the last century, to over 380 ppm today, and rising at about 2 ppm per year.²⁰

In response to the challenge of climate change, California has taken a leadership role by committing to reduce its GHG emissions to 1990 levels by 2020 (about a thirty percent reduction in business-as-usual emissions in 2020) and to eighty percent below 1990 levels by 2050.²¹ The latter target is consistent with the scientific consensus of the reductions needed to stabilize atmospheric levels of GHGs at 450 ppm by mid-century. Assembly Bill 32, the Global Warming Solutions Act of 2006, codifies the 2020 reduction

¹⁵ There is a large body of authoritative sources on the causes and current and projected impacts of climate change. An extended discussion of climate change is beyond the scope of this Staff Proposal. For additional information, ARB recommends the Fourth Assessment Report by the Intergovernmental Panel on Climate Change (IPCC) and, in particular, the IPCC's “Frequently Asked Questions,” available at: <http://www.ipcc.ch/pdf/assessment-report/ar4/wg1/ar4-wg1-faqs.pdf> and the 2006 California Climate Action Team's Report to the Governor and Legislature, available at: http://www.climatechange.ca.gov/climate_action_team/reports/index.html.

¹⁶ See California Code of Regulations, tit. 14, § 15355, subd. (b).

¹⁷ See IPCC 4th Assessment Report, Working Group II, Summary for Policymakers, Figure 2, available at: <http://www.ipcc.ch/graphics/graphics/ar4-wg2/jpg/spm2.jpg> (chart showing global impacts at various temperature increases); California Climate Change Center, Our Changing Climate: Assessing the Risks to California (2008) at p. 15, available at <http://www.energy.ca.gov/2006publications/CEC-500-2006-077/CEC-500-2006-077.PDF> (chart showing impacts in California at various temperature increases.)

¹⁸ *Id.*

¹⁹ See IPCC 4th Assessment Report, Working Group III, Summary for Policymakers at p. 17, available at <http://www.ipcc.ch/pdf/assessment-report/ar4/wg3/ar4-wg3-spm.pdf>.

²⁰ IPCC 4th Assessment Report, Working Group I, Figure FAQ 2.1, available at: <http://www.ipcc.ch/graphics/graphics/ar4-wg1/jpg/faq-2-1-fig-1.jpg>.

²¹ Executive Order S-03-05

target and charges ARB with development of a Scoping Plan to map out how the State will achieve this target, including regulatory, voluntary, and market-based mechanisms beginning in 2012.²²

There is strong need, however, to aggressively address GHG emissions right now. The pollution we contribute to the atmosphere today will continue to have climate impacts for years, decades, and, in some cases, millennia to come. And the longer we delay in addressing the problem, the more we risk being unable to meet our climate objective. CEQA provides a mechanism that is independent of AB 32 through which lead agencies can begin immediately to reduce the climate change-related impacts of the projects that come before them.

What Type of Threshold is Appropriate?

Some have suggested that because of the need for urgent action and the uncertainty of the precise “tipping point” for dangerous climate change, any contribution of GHGs to the atmosphere may be significant – a so-called “zero threshold.”

ARB staff believes that for the project types under consideration, non-zero thresholds can be supported by substantial evidence. ARB staff believes that zero thresholds are not mandated in light of the fact that (1) some level of emissions in the near term and at mid-century is still consistent with climate stabilization and (2) current and anticipated regulations and programs apart from CEQA (e.g., AB 32, the Pavley vehicle regulations, the Renewable Portfolio Standard, the California Solar Initiative, and the commitment to net-zero-energy buildings by 2020 (residential) and 2030 (commercial)) will proliferate and increasingly will reduce the GHG contributions of past, present, and future projects.

But any non-zero threshold must be sufficiently stringent to make substantial contributions to reducing the State’s GHG emissions peak, to causing that peak to occur sooner, and to putting California on track to meet its interim (2020) and long-term (2050) emissions reduction targets. ARB staff believes that the preliminary interim approaches outlined in this Staff Proposal are consistent with these objectives.

RECOMMENDED THRESHOLDS – CONCEPTUAL APPROACH

ARB staff believes that different GHG thresholds of significance may apply to projects in different sectors. Two primary reasons that sector-specific thresholds are appropriate are: (1) some sectors contribute more substantially to the problem, and therefore should have a greater obligation for emissions reductions, and, (2) looking forward, there are differing levels of emissions reductions expected from different sectors in order to meet California’s climate objectives. We also believe that different types of thresholds – quantitative, qualitative, and performance-based – can apply to different sectors under the premise that the sectors can and must be treated separately given the state of the science and data. A sector-specific approach is consistent with ARB’s

²² Health and Safety Code, § 38500, et. seq.

Proposed Scoping Plan. Consequently, the Staff Proposal takes different, although harmonious, approaches to setting thresholds for different sectors.

The attached flowcharts describe ARB staff's preliminary interim threshold concepts for two important sectors: industrial projects (**Attachment A**) and residential and commercial projects (**Attachment B**). The objective is to develop thresholds for projects in these sectors that will result in a substantial portion of the GHG emissions from new projects being subject to CEQA's mitigation requirement, consistent with a lead agency's obligation to "avoid or minimize environmental damage where feasible."²³ ARB staff is working on a proposal for an interim approach for thresholds for transportation projects and large dairies. Electricity generation is another sector where clarity is needed in the near term. The California Energy Commission (CEC) recently began a public process for identifying an approach for assessing the significance of GHG emissions from power plant projects. CEC staff anticipates concluding that work in Spring 2009.²⁴

ARB staff's proposed recommendations for GHG thresholds address projects for which local agencies are typically the CEQA lead agency. In addition to the CEC, other State agencies also serve as lead agencies under CEQA. ARB is coordinating with these State agencies on their approaches to thresholds of significance.

²³ California Code of Regulations, title 14, § 15021.

²⁴ The CEC adopted an Order Instituting Informational Proceeding on October 8, 2008 to address GHG emissions in power plant licensing cases: http://www.energy.ca.gov/ghg_powerplants/notices/2008-10-06_PROPOSED_GHG_CEQA_OII.PDF.

REQUEST FOR PUBLIC COMMENT

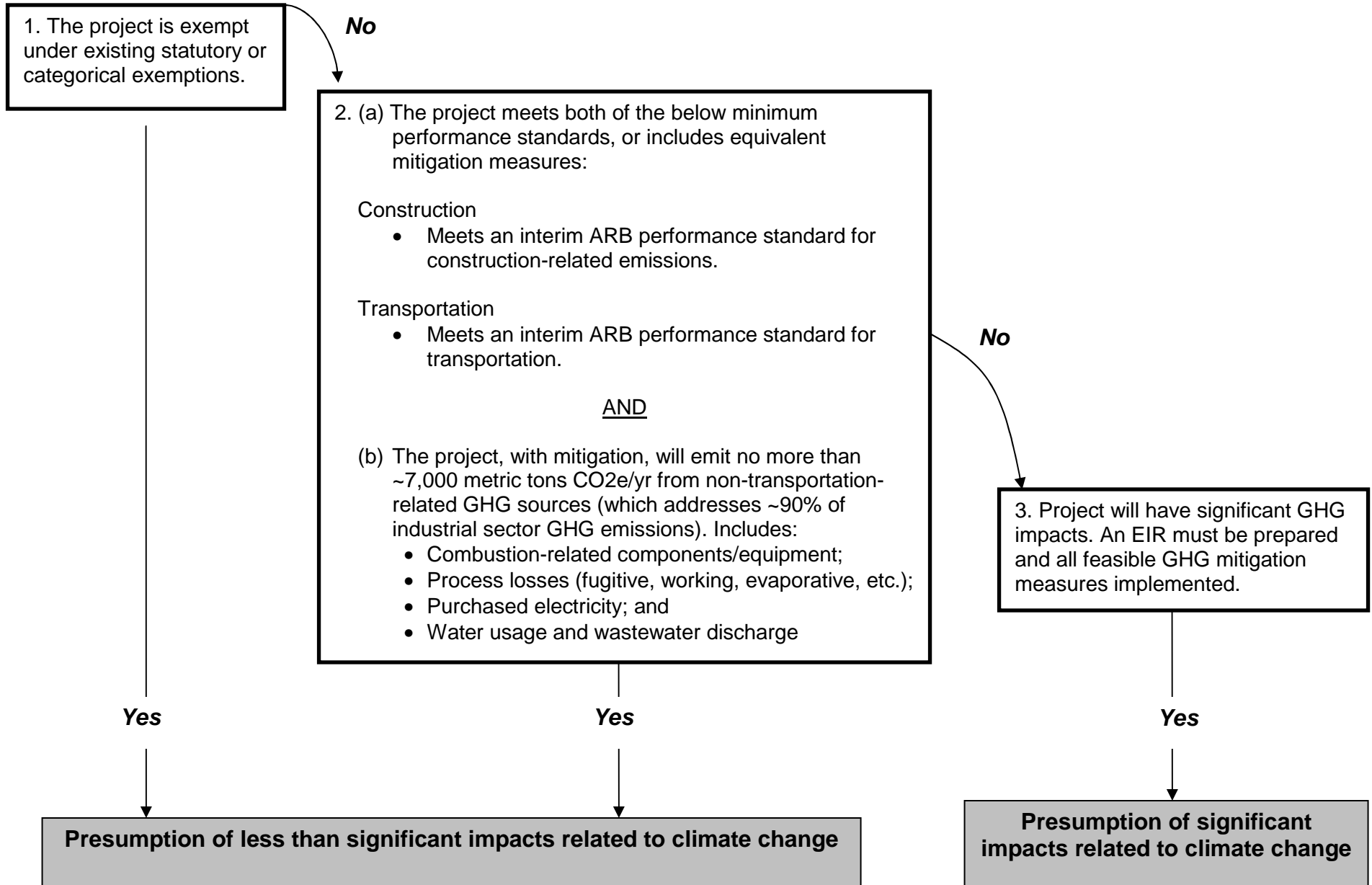
ARB staff believes that the concepts in this Staff Proposal can be further developed into interim thresholds of significance. However, staff recognizes that additional analyses and data are needed to fill in some of the blanks, and to understand how the thresholds will operate in the real world.

Comments on all aspects of the Staff Proposal are encouraged. In particular, ARB seeks the active participation of local lead agencies. Staff has identified a few questions to solicit public comment, but this list is not exhaustive.

- Will the recommended approaches have any unintended consequences, for example, encouraging the piecemealing of projects?
- As set out in the attachments to the Staff Proposal, staff proposes to define certain performance standards (e.g., for energy efficiency) by referencing or compiling lists from existing local, State or national standards. For some sub-sources of GHG emissions (e.g., construction, transportation, waste), ARB staff has not identified reference standards. How should the performance standards for these sub-sources be defined?
- Are any of the industrial, residential, or commercial project types eligible for categorical exemptions likely to contribute more significantly to climate change than staff's preliminary analysis indicates?
- For residential and commercial projects, staff has proposed that the GHG emissions of some projects that meet GHG performance standards might under some circumstances still be considered cumulatively considerable and therefore significant. What types of projects might still have significant climate change-related impacts?

ATTACHMENT A

Preliminary Draft Proposal for Industrial Projects



Preliminary Draft Proposal for Industrial Projects

Introduction

CEQA guidelines provide that thresholds of significance can be qualitative, quantitative, or in the form of performance standards. ARB staff's objective is to develop a threshold of significance that will result in the vast majority (~90% statewide) of the greenhouse gas (GHG) emissions from new industrial projects being subject to CEQA's requirement to impose feasible mitigation. ARB staff believes this can be accomplished with a threshold that allows small projects to be considered insignificant. ARB staff used existing data for the industrial sector to derive a proposed hybrid threshold. The threshold consists of a quantitative threshold of 7,000 metric tons of CO₂ equivalent per year (MTCO₂e/year) for operational emissions (excluding transportation), and performance standards for construction and transportation emissions.

The goal of this effort is to provide for the mitigation of GHG emissions from industrial projects on a statewide level. Over time, implementation of AB 32 will reduce or mitigate GHG emissions from industrial sources. Once such requirements are in place, they could become the performance standard for industrial projects for CEQA purposes. ARB staff intends to pursue this approach in conjunction with development of the regulatory requirements for industrial sources in the Proposed AB 32 Scoping Plan. Staff is proposing the use of a quantitative significance threshold at least until such time that performance standards, such as AB 32 regulatory requirements, are in place to ensure mitigation of significant impacts of GHG emissions from projects in the industrial sector.

The performance standards are largely self explanatory and similar to the approaches proposed for residential and commercial projects. The method for deriving the quantitative aspect of the threshold warrants further explanation.

Technical foundation for proposed quantitative aspect of the threshold

Based on the available data, ARB staff found that for the industrial sector, small projects – defined as the portion of new projects that, when viewed collectively, were responsible for only a relatively small amount of emissions – could be allowed to proceed without requiring additional mitigation under CEQA. The question for ARB staff was what line divides these small projects from the rest of the projects that should undergo mitigation to achieve the larger environmental objective.

ARB decided to construct a representative small project and to estimate that project's expected emissions. First, ARB considered the common sub-sources of GHG emissions in the industrial sector. The four main broad emission categories and their approximate statewide contribution to GHG emissions from industrial facilities other than power plants are:

Category	MMTCO2e/year	Percent (%)
Combustion processes	70	63 %
Process Losses (evaporative, fugitive, working, etc.)	15	13 %
Purchased Electricity	18	17 %
Water Use and Wastewater Treatment	7	7 %

As the table indicates, GHG emissions from industrial sources are dominated by combustion emissions. To ensure that significant industrial emissions would be captured by the proposed threshold, ARB staff evaluated industrial boilers because they are a very common piece of equipment, are essential in many energy-intensive industries, and are a top contributor to industrial combustion emissions.

A recent comprehensive survey of industrial boilers by Oak Ridge National Laboratory²⁵ found that boilers with an input capacity of 10 MMBtu/hr or greater correspond to 93 percent of total industrial boiler input capacity. Based on this data, ARB staff used a natural gas boiler input capacity benchmark of 10 MMBtu/hr which equates to emissions of 4,660 MTCO2e/yr. This capacity benchmark defines a significant combustion source.

As shown in the above table, combustion processes account for 63 percent of the statewide GHG emissions from industrial facilities. Process losses, purchased electricity, and water use and water treatment account for the remaining 27 percent of emissions. Staff applied these proportions to the benchmark combustion emissions estimate (4,660 MTCO2e/yr). The result is an overall emissions estimate of approximately 7,000 MTCO2e/yr for a representative small project that accounts for the four main categories in the table above.

Based on the available data, staff believes that the 7,000 MTCO2e/year benchmark can be used to effectively mitigate industrial projects with significant GHG emissions.

²⁵ Characterization of the U.S. Industrial/Commercial Boiler Population, Energy, and Environmental Analysis, Inc. submitted to Oak Ridge National Laboratory, available at: http://www.eea-inc.com/natgas_reports/BoilersFinal.pdf.