

January 13, 2011

Leighann Moffitt, Interim Planning Manager
Planning and Community Development Department
Sacramento County
827 7th Street, Suite 230
Sacramento, CA 95814

RE: County of Sacramento Greenhouse Gas Thresholds for Development

Dear Ms. Moffitt:

The Sacramento Metropolitan Air Quality Management District, as a commenting agency under CEQA, has a keen interest in the County's environmental documents for discretionary actions, especially as they relate to air quality and climate change impacts and mitigation. Within the context of climate change and greenhouse gas (GHG) issues, the state of practice in CEQA documents has been evolving very quickly in the past several years. The field has seen a proliferation of new guidance, analysis tools, and scrutiny. Since AB 32 was enacted in 2006, the state's CEQA guidance has been amended to require GHG analysis; the California Air Pollution Control Officers Association, CAPCOA, has published 3 reference documents; and the state Attorney General has written over fifty letters to lead agencies and others concerning their treatment of GHG issues in environmental documents. The County of Sacramento, too, has proactively discussed and analyzed GHG impacts in recent environmental documents, seeking mitigation when appropriate, and is working on its Climate Action Plan. The county has tackled one of the most problematic issues in this emerging field by publishing its GHG Thresholds for Development in both the DEIR and the FEIR of the Sacramento County General Plan Update. We applaud the County's effort to supply some certainty to proponents in the arena of GHG impact analysis, but want to express our concerns with the currently published thresholds.

COUNTY'S PUBLISHED GHG THRESHOLDS FOR DEVELOPMENT

The GHG Thresholds for Development that are presented in Table CC-9 of the FEIR to the Sacramento County General Plan Update are "*designed to determine compliance of future development with the Climate Action Plan and with AB32.*"¹ According to the document, the target of 5,572,432 MTCO²e represents the Unincorporated County's GHG 2020 target, representing a 15% reduction from the Unincorporated County's 2005 Baseline of 6,555,802 MTCO²e. The baseline figure was taken from Sacramento County's draft inventory which was prepared by ICF Jones and Stokes in Feb, 2009. Table CC-9 advances 3 sector related

¹ Sacramento County General Plan Update FEIR, April, 2010, page 12-35, Climate Change chapter

“thresholds for development” which are: 1.30 MTCO²e /capita for residential energy, 8.08 MTCO²e / Kft² for commercial and industrial building energy, and 4.56 MTCO²e /capita for transportation emissions. The table does *not* advance any thresholds for the other sectors in the inventory: wastewater (energy related to removing waste water), water (energy related to supplying water to the project), solid waste (energy related to solid waste management), agriculture, high Global Warming Potential sources (like refrigerant emissions), off-road vehicle use (construction), or airport sources. The document states these other sectors are best addressed by other means or can’t be addressed through CEQA.

County Published Thresholds

	2005 Baseline	2020 Target	Thresholds
Residential Energy	1,033,142 MTCO ² e	877,769 MTCO ² e	1.30 MTCO²e /capita*
Commercial & Industrial Energy	793,163 MTCO ² e	674,175 MTCO ² e	8.08 MTCO²e per Kft²**
Transportation	3,610,937 MTCO ² e	3,070,083 MTCO ² e	4.56 MTCO²e /capita*
TOTAL	6,555,802 MTCO ² e	5,572,432 MTCO ² e	

*based on projected County population of 673,331

** based on County commercial & industrial square footage of 83,417,762 sq ft.²

REVISIONS TO COUNTY GHG INVENTORY

Since the FEIR was published (April, 2010), there have been several modifications to the inventory on which the GHG Thresholds for Development were based. First, the Final version of the GHG inventory was published in June 2009 and it amended the draft version slightly to identify a separate water sector. More recently, members of the Sacramento Area Green Partnership, a committee of all municipalities in Sacramento County, recognized that there were some issues with the transportation emissions attributed to the various municipalities in Sacramento County in the County’s inventory. The issues had to do with the way in which cross-jurisdiction trips and highway trips were treated, leading to erroneous VMT. The County and SMAQMD joined resources and paid for Fehr & Peers to reexamine the transportation VMT so that the modeling would be in line with RTAC recommendations. The resulting report ³ showed that the unincorporated County’s VMT had been overstated and should have been 4,093,758,970 vehicle miles traveled annually instead of the 6,293,430,00⁴ originally published in the draft 2009 inventory. The study also examined and restated the VMT for all the municipalities in the County. Even more recently, as part of the SMUD project to quantify GHG measures for Climate Action Plans, ICF Jones and Stokes conducted a critical review of the

² E-mail communication with Lauren Hocker, Environmental Analyst, DERA, County, 12/17/10

³ Fehr & Peers, Technical Memo, (Milan and Donkor), June 2, 2010

⁴ Draft GHG Emissions Inventory for Sacramento County, Feb 2009, ICF Jones & Stokes, Appendix B, Table B-8.

County's GHG inventory. The resulting report ⁵, dated Nov 19, 2010, identified the unincorporated County's GHG emissions from transportation as 2,046,617 MTCO²e instead of the 3,610,937 MTCO²e that was used to create the County's transportation threshold. These emissions were calculated using the revised VMT from the Fehr & Peers study. The report also revised the emissions for several other sectors: waste, wastewater, water, and High Global Warming Potential sources. In addition, the report stated the unincorporated County's projected population for 2020 would be 723,540. This number contrasts with the figure the County used for its threshold calculation which was reported to be 673,331⁶.

COUNTY GHG PUBLISHED THRESHOLDS NOW OBSOLETE

The fact that the GHG inventory numbers have been revised dramatically leads us to the important question as to whether the thresholds for development are still valid. Given all the revisions made, the County's GHG 2020 target should actually be 4,421,116 MTCO²e instead of 5,573,344 MTCO²e as published in the FEIR. This represents a reduction of 20%! This revision especially calls into question the validity of the transportation threshold. If one uses the Fehr & Peers transportation emissions above, reduces them in the same way the County did for Table CC-9, and then divides by the population used by the County, the transportation threshold would be **2.58 MTCO²e /capita**. If one uses the population cited by Jones and Stokes, the threshold would be **2.4 MTCO²e /capita**. Both of these figures are far below the FEIR's threshold of **4.56 MTCO²e /capita**.

Revised County Inventory & SMAQMD calculated revision to threshold

	2005 Baseline	2020 Target	Thresholds
Residential Energy	1,033,142 MTCO ² e	878,171 MTCO ² e	1.3 MTCO ² e /capita*
Commercial & Industrial Energy**	770,025 MTCO ² e	654,521 MTCO ² e	7.84 MTCO ² e per Kft2
Transportation	2,046,617 MTCO ² e	1,739,624 MTCO ² e	2.58 MTCO ² e /capita*
TOTAL	5,201,313 MTCO ² e	4,421,116 MTCO ² e	

*based on projected County population of 673,331

** The Final GHG Inventory separated out water-related emissions from the Commercial & Industrial sector

When we spoke with County staff ⁷ about the issue of the dramatically revised inventory and the need to revise the thresholds, we were told that staff believes SACOG will be revising the County's projected population downward and that is why they don't want to revise the threshold at this time. We understand that SACOG will come out with final population numbers when the MTP is adopted, sometime late this year, **many months from now**. In the meantime,

⁵ ICF International, "Revised Sacramento County 2005 Greenhouse Gas Inventory and 2020, 2030 and 2050 Business as Usual Projections," November 19, 2010

⁶ E-mail communication with Lauren Hocker, Environmental Analyst, DERA, County

⁷ Personal communication with Lauren Hocker, Environmental Analyst, DERA, County

we believe one can make some reasonable predictions of 2020 population in the face of recent documents. For example, DCE recently analyzed projected housing demand for a memo requested by the Interim County Executive. In that memo, DCE consultants state they believe that demand for housing units for 2030 will only reach 55,000 du as opposed to the 99,700 units originally foreseen. If one assumes 2.71⁹ persons/du and if one assumes ½ of the growth will take place by 2020, that would mean a growth of 74,525 persons by 2020. Add this growth to the County’s current population of 583,768¹⁰ and one reasonable projection for 2020 population could be 658,293, somewhat less than what was assumed in the General Plan Update DEIR. In addition, we have performed a simple sensitivity analysis, calculating revised transportation and residential energy thresholds, using various population levels. We found that only if the County’s projected population dropped to 380,000 people, would the per capita transportation threshold be close to the 4.56 MTCO₂e /capita currently promulgated by the County. This dramatic loss of population would be a very unlikely scenario.

Sensitivity Analysis on County Population and GHG Thresholds (Transportation & Energy)

Revised GHG targets	Assumed 2020 population	723,540 (Fehr & Peers memo)	673,331 (used by County)	644,336 (SMAQMD “reasonable projection”)	600,000	500,500	385,500
1,739,624 MT CO ₂	Transportation threshold	2.40	2.58	2.69	2.89	3.47	4.51
878,171 MT CO ₂	Residential energy threshold	1.21	1.3	1.36	1.46	1.75	2.27

OBSOLETE COUNTY GHG PUBLISHED THRESHOLDS CURRENTLY BEING USED

The threshold question would not be so critical if it were not for the fact these thresholds are being used by proponents in their current form. The County has urged current proponents to use the published Thresholds for Development as GHG thresholds of significance, even in their draft, non-Board-adopted form. We are currently working with proponents on GHG mitigation who are seeking entitlement from the County and who are relying on the FEIR’s Thresholds for Development. We are very concerned about this because we believe the transportation threshold, in particular, is overstated and will lead to lower levels of mitigation than appropriate. This will also place a higher burden on future development to achieve even higher mitigation than their fair share. For that reason, we urge you to restate this threshold, using the Fehr & Peers transportation inventory and the best available population projections. We also urge you to promulgate the new threshold to current proponents, despite the fact they may have started using the published thresholds. At the very least, proponents should be made aware that the transportation threshold is very likely unreliable. A more conservative threshold

⁸ “Sacramento General Plan Update,” Design, Community & Environment, Dec 15, 2010

⁹ CEC data for the SMUD area for year 2010

¹⁰ Unincorporated County population, County of Sacramento, Municipal Services Agency webpage, www.msa2.saccounty.net/Pages/AboutUs.aspx.

will be more protective for both the proponent and the County. The fact that the County General Plan Update is not yet Board adopted provides an opportunity to make a revision.

The transportation threshold is not the only threshold we have concerns about. The commercial & industrial energy threshold is currently based on both commercial and industrial sources. In our experience, there are few projects which come forward with industrial sources mixed in with commercial sources. The inclusion of industrial sources may make the threshold not very useful. The commercial/industrial threshold seems to be overly generous at 8.08 MTCO₂e /Ksf² because projects we review are found to be easily “less than significant” for this threshold, without doing any mitigation at all. That means that proponents feel free to build commercial buildings and schools and not seek energy efficiency measures for these non-residential uses that should be common for that type of development. Intuitively, that does not seem correct. It seems to contrast, too, with the fact the County is considering energy efficiency building measures and standards for commercial buildings in its Climate Action Plan and Green Building Task Force work.

Also, the fact that the County’s GHG thresholds do not cover other sources such as water or waste seems to disincentivize proponents from seeking water or waste mitigation measures. We have seen an alarming lack of mitigation measures in these other sectors in our review of current County projects. These sources obviously become more impactful the further away the development is from supporting infrastructure such as the source of water, the regional landfill or the regional wastewater treatment plant. We believe proponents should be encouraged to mitigate their GHG from all their sources.

LOOKING FORWARD

You may be aware that the District is currently exploring the formation and adoption of GHG Thresholds of Significance. We are working with the four nearby air districts and hope to have a regional approach. We are especially interested in a GHG efficiency metric which would take into account **all** land use source emissions and divide them by Service Population. The BAAQMD adopted such an approach and it seems to be working well, identifying projects that are GHG efficient and those that are not. Some jurisdictions throughout the state are relying on those thresholds as an interim strategy before they adopt their own threshold. We will be continuing our work on the adoption of such a threshold later this year.

In this period of fast evolving methods and protocols for the treatment of GHG/Climate Change in CEQA documents, both of our agencies seek to do the right thing. Already it’s clear that new land use development will need to be more compact and efficient and less sprawling in order to reduce its impact on climate change. It could be argued that since it is so difficult to affect existing development, more may be asked of new development than existing development. Certainly GHG Thresholds of Development which lead proponents to consider all their sources of GHG and to be more efficient are what is needed. We urge you, then, to reexamine your published thresholds in light of new inventory information and experience in the field. We urge you also to inform current proponents that the current draft thresholds,

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especially the transportation one, are likely not protective enough. If you have any questions, please contact Jeane Berry at (916) 874-4885 or me at (916) 874-4814. We look forward to discussions with you about this important topic.

Sincerely,



Tim Taylor

Division Manager/Communication, Land Use, Mobile Sources, Climate Change

c: Joyce Horizumi, Environmental Coordinator, Department of Environmental Review and Assessment, Sacramento County, 827 7th St., Suite 220, Sacramento, CA 95814

Larry Greene, Executive Director/Air Pollution Control Officer, SMAQMD