



**San Joaquin Valley**  
AIR POLLUTION CONTROL DISTRICT

**Guidance for Valley Land-use Agencies  
in Addressing GHG Emission Impacts  
for New Projects under CEQA**

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# Guidance for Valley Land-use Agencies in Addressing GHG Emission Impacts for New Projects under CEQA

## PURPOSE

CEQA requires lead agencies to establish specific procedures for administering its responsibilities under CEQA, including orderly evaluation of projects and preparation of environmental documents. Each lead agency is encouraged to develop and publish thresholds of significance for use in determining the significance of environmental effects.

This guidance is intended to assist Valley land-use agencies in addressing the impacts of greenhouse gases (GHG) in their role as lead agency for California Environmental Quality Act (CEQA) purposes. This guidance establishes a streamlined process that can be used to evaluate the significance of project specific GHG emission impacts on global climate change, based on the use of Best Performance Standards to reduce project specific GHG emissions.

Valley land-use agencies choosing to implement this guidance would adopt it for their own use in addressing GHG emissions impacts when acting as lead agency for CEQA purposes.

Questions and comments associated with this guidance should be directed to the District's CEQA Program, at (559) 230-6000, or [ceqa@valleyair.org](mailto:ceqa@valleyair.org).

## 1. BACKGROUND

CEQA requires lead agencies to establish specific procedures for administering its responsibilities under CEQA, including orderly evaluation of projects and preparation of environmental documents. On April 13, 2009, the Governor's Office of Planning and Research sent proposed amendments of the CEQA Guidelines to the Secretary of the Resources Agency for promulgation. The proposed amendments require lead agencies to determine whether greenhouse gases generated by a proposed project would have an individual or cumulative significant impact on global climate change.

In August 2008, the San Joaquin Valley Air Pollution Control District's Governing Board adopted the Climate Change Action Plan (CCAP). The CCAP directed the District's Air Pollution Control Officer to develop guidance to assist District staff, valley businesses, land-use agencies, and other permitting agencies in addressing GHG emissions as part of the CEQA process.

In support of this guidance, District staff has prepared a staff report, *Addressing Greenhouse Gas Emissions under the California Environmental Quality Act*, available on the [Climate Change page](#) of the District's website, [www.valleyair.org](http://www.valleyair.org). The staff report provides a summary of background information on Global Climate Change, the current regulatory environment surrounding GHG emissions, and the various concepts in addressing the potential impacts of Global Climate Change under CEQA. The report also evaluates different approaches for estimating impacts, and summarizes potential GHG emission reduction measures. As presented in the Staff Report, District staff concludes that existing science is inadequate to support quantification of impacts that project specific GHG emissions have on global climatic change. This is readily understood when one considers that global climatic change is the result of the sum total of GHG emissions, both man made and natural that occurred in the past; that is occurring now; and will occur in the future. The effects of project specific GHG emissions are cumulative, and unless reduced or mitigated, their incremental contribution to global climatic change could be considered significant. District staff concludes that this cumulative impact is best addressed by requiring all projects subject to CEQA to reduce their GHG emissions through project design elements.

## **2. OVERALL METHODOLOGY**

District staff proposes an approach intended to streamline the process of determining if project specific GHG emissions would have a significant effect. The methodology being proposed relies on the use of performance based standards that would be applicable to projects that result in increased GHG emissions. Use of performance based standards is not a method of mitigating emissions. Rather it is a method of determining significance of project specific GHG emission impacts using established specifications or project design elements: Best Performance Standards (BPS). Establishing BPS would help project proponents, lead agencies, and the public by proactively identifying effective, feasible GHG emission reduction measures. Emission reductions achieved through implementation of BPS would be pre-quantified, thus negating the need for project specific quantification of GHG emissions.

Best Performance Standards (BPS) are defined as the most effective achieved-in-practice means of reducing or limiting GHG emissions from a GHG emissions source. 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. For development projects, BPS focuses on measures that improve energy efficiency and those that reduce vehicle miles travelled. Both categories of BPS, and their implementation for specific projects, are discussed more thoroughly below. District staff will establish BPS for specific classes and categories of stationary sources and for development projects, and will maintain a listing of the established BPS on the [Climate Change page](#) of the District's webpage, [www.valleyair.org](http://www.valleyair.org).

Projects implementing Best Performance Standards in accordance with this guidance would be determined to have a less than significant individual and cumulative impact on global climate change and would not require project specific quantification of GHG emissions. Projects exempt from the requirements of CEQA, and projects complying with an approved GHG emission reduction plan or mitigation program would also be determined to have a less than significant individual or 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 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 changes, such projects must be determined to have reduced or mitigated GHG emissions by 29%, 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.

### **3. DETERMINING PROJECT SIGNIFICANCE**

#### **Principle**

The effects of project specific GHG emissions are cumulative, and unless appropriately reduced or mitigated their incremental contribution to global climatic change could be considered significant. Valley land-use agencies adopting this guidance as policy for addressing GHG impacts under CEQA, as a lead agency will require all new 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%. Nothing in this guidance shall be construed as limiting a lead agency's authority to adopt a statement of overriding consideration for projects with significant GHG impacts.

#### **Process for Evaluating GHG Significance**

- Projects determined to be exempt from the requirements of CEQA would be determined to have a less than significant individual and cumulative impact for GHG emissions and would not require further environmental review, including analysis of project specific GHG emissions. Projects exempt under CEQA would be evaluated consistent with established rules and regulations governing project approval and would not be required to implement BPS.
- Projects complying with an approved GHG emission reduction plan or GHG mitigation program which avoids or substantially reduces GHG emissions within the geographic area in which the project is located would be determined to have a less than significant individual and cumulative impact for GHG emissions. Such plans or programs must be specified in law or 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. Projects complying with an approved GHG emission reduction plan or GHG mitigation program would not be required to implement BPS.

- Projects implementing Best Performance Standards would not require quantification of project specific GHG emissions. Consistent with CEQA Guideline, such projects would be determined to have a less than significant individual and cumulative impact for GHG emissions.
- Projects not implementing Best Performance Standards would require quantification of project specific GHG emissions and demonstration that project specific GHG emissions would be reduced or mitigated by at least 29%, compared to Business-as-Usual (BAU<sup>\*</sup>), including GHG emission reductions achieved since the 2002-2004 baseline period. Projects achieving at least a 29% GHG emission reduction compared to BAU would be determined to have a less than significant individual and cumulative impact for GHG.
- Notwithstanding any of the above provisions, projects requiring preparation of an Environmental Impact Report for any other reason would require quantification of project specific GHG emissions. Projects implementing BPS or achieving at least a 29% GHG emission reduction compared to BAU would be determined to have a less than significant individual and cumulative impact for GHG.

In summary, the use of BPS streamlines 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. Establishing BPS also streamlines the CEQA review process by providing project proponents, lead agencies and the public with clear guidance on how to reduce GHG emission impacts. Thus, project proponents would be able to incorporate project specific GHG reduction measures during the initial project design phase, which could reduce project specific GHG impacts to less than significant levels.

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\* BAU is referenced in the California Air Resources Board's AB 32 Scoping Plan as the Business-as-Usual emissions occurring in 2020 if the average baseline emissions during the 2002-2004 period were grown to 2020 levels, without control. Therefore, 2002-2004 emissions factors, on a unit of activity basis, multiplied by the activity expected to occur in 2020, is an appropriate representation of 2020 BAU. Our analysis uses a comparison of 2002-2004 emissions factors to a proposed controlled emissions factor, as shown in Attachments A and B, to determine the percent reductions generated by the proposed control.

## Application of BPS to Stationary Source Equipment

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. In many cases, a land-use agency will act as the lead agency under CEQA for projects that will eventually require Permits to Operate from the Air District. In such cases, the District recommends that the lead agency apply the District's policy for assessing significance of GHG emission impacts from stationary source projects, under CEQA.

For GHG emissions increases associated with such projects, the land-use agency should consult the [Climate Change Action Plan](http://www.valleyair.org) page of the District's webpage at [www.valleyair.org](http://www.valleyair.org) to ascertain the appropriate BPS for the class and category of source of GHG emissions, and require the source to apply the BPS contained in the listing at the time the application for discretionary approval was deemed complete by the lead agency.

If such BPS is proposed and required, the GHG impacts from the stationary source equipment shall be determined to have a less than individually and cumulatively significant impact on global climate change for CEQA purpose.

In cases where BPS has not been developed for the source, the lead agency or the project proponent may request that the District develop a project-specific BPS through the process described in Attachment A, or the lead agency may choose to develop the appropriate BPS themselves. In the latter case, the District recommends that the lead agency follow the District procedure for establishing BPS for stationary sources and obtain written concurrence from the District Air Pollution Control Officer.

To ensure that the District incorporates compliance with BPS into the project's air quality permits, when approving projects that would be subject to District permit requirements, Lead Agencies adopting or using the District's *Guidance for Valley Land Use Agencies in Addressing GHG Emission Impacts for New Projects Under CEQA* should notify the District that compliance with BPS was made a condition of project approval. This notification will also facilitate the District's triennial evaluation of emission reductions achieved by implementing BPS, as discussed below.

## Application of BPS to Development Projects

GHG emission from development projects, such as proposed residential, commercial, industrial, or governmental operations, primarily occur indirectly through energy consumption and vehicle miles traveled (VMT). Developers can reduce GHG emissions from energy consumption through building designs that increase energy efficiency, water conservation, and the use of energy efficient appliances. Developers can further reduce GHG emissions through project designs that reduce VMT through features that promote pedestrian access and use of public transportation. Land use planning decisions, such as creating mixed-use development, discouraging leap-frog development, and creating favorable jobs to housing ratios can significantly reduce VMT and the associated GHG emissions.

Land-use agencies act as lead agencies under CEQA for development projects, and are expected to determine the environmental impacts of the project, and the significance of those impacts.

For GHG emissions increases associated with such projects, land-use agencies adopting this guidance should consult the [Climate Change Action Plan](#) page of the District's webpage at [www.valleyair.org](http://www.valleyair.org) to ascertain the appropriate GHG emission reduction measures for sources of GHG emissions associated with development projects, and require the project proponent to apply GHG emissions reduction measures sufficient to reduce GHG emissions by 29%, when compared to BAU. Nothing in this policy shall be construed as limiting a lead agency's authority to adopt a statement of overriding consideration for projects with significant GHG impacts.

Given the diversity of development projects occurring in the Valley, it is not feasible to develop a single set of standards that would be applicable to all development projects. Instead, the District will establish a list of GHG emission reductions measures with pre-quantified GHG emission reduction effectiveness. Projects implementing BPS and reducing GHG emissions by 29% through any combination of GHG emission reduction measures, including GHG emission reductions achieved as a result of changes in building and appliance standards occurring since the 2002-2004 baseline period, would be considered to have a less than significant individual and cumulative impact on global climate change.

To assist Valley land-use agencies, the District has committed to maintaining a listing of all approved development project GHG emissions reduction measures, and will provide an easy-to-use web-based interface that allows developers, land-use agencies, and any other interested parties the ability to enter the mitigation measures proposed for a given project, and total up the GHG reductions expected from those measures. The program will report the reductions in terms of percentage of reductions compared to baseline emissions.

If total GHG emissions reductions measures add up to 29% or more, are enforceable, and are required as a part of the development's approval process, the project achieves the Best Performance Standard (BPS) for the respective type of

development project. Thus, the GHG emissions from the development project would be determined to have a less than individually and cumulatively significant impact on global climate change for CEQA purposes.

In cases where GHG emission reduction measures are proposed that are not listed in the District's compilation of development project GHG emission reduction measures, the lead agency or the project developer may request that the District review and, if appropriate, approve the proposed GHG emissions reduction measures through the public process described in Attachment B, or the lead agency may choose to develop the appropriate GHG emissions reduction measures themselves. In the latter case, the lead agency that has adopted this guidance should follow the procedures presented below.

#### **4. PROCESS FOR EVALUATING EFFECTIVENESS OF THE BEST PERFORMANCE STANDARD SIGNIFICANCE DETERMINATION METHOD**

As presented in the District Staff Report, the District's analysis demonstrates that implementing BPS is expected to equal or exceed 29 percent reduction in GHG emissions from stationary sources<sup>1</sup> and development projects. To ensure that implementation of BPS will achieve the GHG emission reduction targets; the District will prepare a triennial report evaluating the effectiveness of the Best Performance Standard significance determination method.

The District report will include a comparison of actual GHG emissions reductions achieved by stationary source projects permitted under this policy to the 29% GHG emission reduction goal, consistent with the GHG emission reduction target established in ARB's AB 32 Scoping Plan. If the report demonstrates that a gap exists the District will revise BPS accordingly, or will take other steps to assure that the shortfall is addressed for future projects.

By definition, BPS for development projects is achieving a project-by-project 29% reduction in GHG emissions, compared to BAU<sup>2</sup>. Thus, it is reasonable to conclude that Lead Agencies implementing the proposed *Guidance for Valley Land-use Agencies in Addressing GHG Emission Impacts for New Projects under CEQA* threshold will achieve an overall reduction in GHG emissions consistent with AB 32 emission reduction targets, and therefore no triennial evaluation is necessary for development projects.

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<sup>1</sup> San Joaquin Valley Air Pollution Control District, Final Draft Staff Report on *Addressing Greenhouse Gas Emissions Under the California Environmental Quality Act*. November 5, 2009. (See p. 55 & 280)

<sup>2</sup> San Joaquin Valley Air Pollution Control District, Final Draft Staff Report on *Addressing Greenhouse Gas Emissions Under the California Environmental Quality Act*. November 5, 2009. (See p. 57)



# Guidance for Valley Land-use Agencies in Addressing GHG Emission Impacts for New Projects under CEQA

## Attachment A

### Procedure for Determining BPS for Stationary Sources

Land-use agencies are strongly encouraged to use the Air District's compilation of Best Performance Standards for stationary sources of air pollution, maintained on the [Climate Change page](#) of the District webpage at [www.valleyair.org](http://www.valleyair.org). In cases where the District has not yet developed an appropriate BPS, the land-use agency is encouraged to consult with the District and request the development of an appropriate BPS. However, lead agencies may occasionally find it necessary to develop BPS for stationary sources of emissions, in which case the following procedure is to be used.

#### DEFINITIONS

##### Achieved-in-Practice

Achieved-in-Practice is – Any equipment, technology, practice or operation available in the United States that has been installed and operated or used at stationary source site for a reasonable period of time sufficient to demonstrate that the equipment, technology, practice or operation is reliable when operated in a manner that is typical for the process. In determining whether equipment, technology, practice or operation is Achieved-in-Practice, the District will consider the extent to which grants, incentives or other financial subsidies influence the economic feasibility of its use.

##### Approved Alternate Technology

Approved Alternate Technology is – Any District approved, Non-Achieved-in-Practice GHG emissions reduction measure equal to or exceeding the GHG emission reduction percentage for a specific BPS

##### Baseline

Baseline 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

Best Performance Standard is – For 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

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.

Category

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

Class

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

**ESTABLISHING BUSINESS-AS-USUAL AND BASELINE**

In executing its legislative mandate to establish emission reduction targets which would achieve the 1990 GHG emission levels by the year 2020, the California Air Resources Board (CARB) used its emission inventory to establish a three-year average for GHG emissions occurring by sector during the baseline period of 2002-2004. This three-year average baseline emissions inventory was projected to the year 2020 using assumptions about potential growth, and assuming no change in the existing business practices. CARB designated the baseline emissions inventory projected to the year 2020 as Business-as-Usual (BAU) and determined that a 29% reduction from BAU is necessary to achieve the 1990 GHG emissions level.

BAU, as established by CARB, is a projected emissions inventory and does not represent actual business or operational practices generating GHG emissions. To translate BAU into an emissions generating activity, District staff will establish emission factors per unit of activity, for each class and category, using the 2002-2004 baseline period. For example, for a combustion process, an emissions factor could be expressed as pounds of GHG emissions generated per cubic feet of gas consumed, or pounds of GHG emissions generated per unit of production.

GHG emission reductions would be determined by establishing a GHG emissions factor per unit of activity for the proposed project and comparing it to the emissions factor established for the 2002-2004 baseline period. Projects implementing BPS, or otherwise demonstrating that GHG emissions have been reduced or mitigated by 29% will be determined to have a less than significant individual and cumulative impact on global climate change.

The percent reduction in GHG emissions would be calculated using the following methodology:

$$\% \text{ Reduction in GHG emissions} = \frac{(2002 - 2004 \text{ baseline GHG emission factor}) - (\text{Proposed project GHG emissions factor})}{2002 - 2004 \text{ baseline GHG emission factor}} \times 100\%$$

## **ESTABLISHING BEST PERFORMANCE STANDARDS FOR STATIONARY SOURCES**

### **Public Process**

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.

The public process will begin with an initial outreach via the District's CCAP list server. Individuals 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. Individuals interested in participating in the public process would register themselves with a list server dedicated to the BPS under development. Using the dedicated BPS list server, stakeholders and other interested parties will have opportunity to provide the District with information to be considered when drafting documents establishing baseline GHG emissions and BPS. When draft documents are available on the District's website for review and comment, a notice of availability will be sent 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.

### **Process for Establishing BPS For Stationary Sources**

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.

In evaluating GHG emissions from a specific project, District staff will characterize both direct and indirect GHG emissions. Direct GHG emissions would include emissions resulting from a specific operation or process, e.g. fuel combustion emissions from a boiler. Indirect GHG emissions would include emissions resulting from project related energy consumption, e.g. electricity consumed by the production and electricity required to produce and transport water used by the project. For projects resulting in increased vehicle miles traveled (VMT), indirect GHG emissions associated with transportation related activities would also be included in the GHG emissions quantification.

## Process Steps

BPS is intended to achieve the maximum GHG emission reductions from a stationary source project compared to BAU. BPS is established per the following process:

1. Establish Baseline GHG emissions factor per unit of activity for the proposed equipment or operation identified within a specific class and category
2. For the specific equipment or operation being proposed within a specific class and category, list all technologically feasible GHG emissions reduction measures, including equipment selection, design elements and best management practices, that do not result in an increase in criteria pollutant emissions compared to the proposed equipment or operation
3. For all technologically feasible GHG emission reduction measures identified in steps 2, identify all GHG reduction measures determined to be Achieved-in-Practice. In determining Achieved-in-Practice, consider the extent to which grants or other financial subsidies influence economic feasibility.
4. For each Achieved-in-Practice GHG emission reduction measure identified in step 3 above:
  - a. Quantify the potential GHG emission reduction, as compared to the Baseline GHG emissions factor per unit of activity
  - b. Express the potential GHG emission reduction as a percent of Baseline GHG emissions factor per unit of activity, using the following methodology:

$$\% \text{ Reduction in GHG emissions} = \frac{(2002 - 2004 \text{ baseline GHG emission factor}) - (\text{Proposed project GHG emissions factor})}{2002 - 2004 \text{ baseline GHG emission factor}} \times 100\%$$

5. Rank all Achieved-in-Practice GHG emission reduction measures by order of percent GHG emissions reduction,
6. Deem the Achieved-in-Practice GHG emissions reduction measure(s) with the highest percent reduction in GHG emissions as the District approved Best Performance Standard (BPS) for the respective class and category of equipment or operation being proposed, and
7. Eliminate all other Achieved-In-Practice options from consideration as BPS

# Guidance for Valley Land-use Agencies in Addressing GHG Emission Impacts for New Projects under CEQA

## Attachment B

### Procedure for Determining BPS for Development Projects

Land-use agencies are strongly encouraged to use the Air District's compilation of GHG emissions reduction measures used to meet Best Performance Standards (BPS) for development projects and maintained on the [Climate Change page](#) of the District webpage at [www.valleyair.org](http://www.valleyair.org). In cases where the land-use agency or project proponent is proposing a GHG emission reduction measure that is not listed on the District's compilation of development project GHG emission reduction measure, the land-use agency 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 GHG emission reduction measures. However, lead agencies that have adopted this guidance may occasionally find it necessary to propose and approve a GHG emission reduction measure themselves. In which case, the District recommends that the land use agency use the following procedure.

#### DEFINITIONS

##### Achieved-in-Practice

Achieved-in-Practice is – Any equipment, technology, practice or operation available in the United States that has been installed and operated or used at stationary source site for a reasonable period of time sufficient to demonstrate that the equipment, technology, practice or operation is reliable when operated in a manner that is typical for the process. In determining whether equipment, technology, practice or operation is Achieved-in-Practice, the District will consider the extent to which grants, incentives or other financial subsidies influence the economic feasibility of its use.

##### Baseline

For Residential Development projects, Baseline is – the three year average of GHG emissions from all dwelling units in the San Joaquin Valley Air District, during the 2002 through 2004 baseline period, expressed as annual GHG emissions per unit.

For Commercial and Industrial Development projects, Baseline is – the three year average of GHG emissions from all commercial or industrial units in the San Joaquin Valley Air District, during the 2002 through 2004 baseline period, expressed as annual GHG emissions per commercial or industrial unit.

Best Performance Standard

Best Performance Standard is – Any combination of District approved, Achieved-In-Practice emission reduction measures reducing or limiting GHG emissions by at least a 29% compared to BAU. GHG emission reduction measures include building standards, appliance standards, project design elements, and land use decisions.

Business-as-Usual

Business-as-Usual is – total baseline emissions for all emissions sources within the development type, projected for the year 2020, assuming no change in GHG emissions per unit of activity as established for the baseline period.

**ESTABLISHING BUSINESS-AS-USUAL AND BASELINE**

In executing its legislative mandate to establish emission reduction targets which would achieve the 1990 GHG emission levels by the year 2020, the California Air Resources Board (CARB) used its emission inventory to establish a three-year average for GHG emissions occurring by sector during the baseline period of 2002-2004. This three-year average baseline emissions inventory was projected to the year 2020 using assumptions about potential growth, and assuming no change in the existing business practices. CARB designated the baseline emissions inventory projected to the year 2020 as Business-as-Usual (BAU) and determined that a 29% reduction from BAU is necessary to achieve the 1990 GHG emissions level.

BAU, as established by CARB, is a projected emissions inventory and does not represent actual business or operational practices generating GHG emissions. To translate BAU into an emissions generating activity, District staff will establish emission factors per unit of activity, for each class and category, using the 2002-2004 baseline period. For example, for a combustion process, an emissions factor could be expressed as pounds of GHG emissions generated per cubic feet of gas consumed, or pounds of GHG emissions generated per unit of production.

GHG emission reductions would be determined by establishing a GHG emissions factor per unit of activity for the proposed project and comparing it to the emissions factor established for the 2002-2004 baseline period. Projects implementing BPS, or otherwise demonstrating that GHG emissions have been reduced or mitigated by 29% will be determined to have a less than significant individual and cumulative impact on global climate change.

The percent reduction in GHG emissions would be calculated using the following methodology:

$$\% \text{ Reduction in GHG emissions} = \frac{(2002 - 2004 \text{ baseline GHG emission factor}) - (\text{Proposed project GHG emissions factor})}{2002 - 2004 \text{ baseline GHG emission factor}} \times 100\%$$

## **ESTABLISHING BEST PERFORMANCE STANDARDS FOR DEVELOPMENT PROJECTS**

To be approvable, GHG emissions reduction measures used to meet BPS requirements must be demonstrated to achieve real GHG emission reductions when compared to baseline conditions. Such reductions must be quantifiable to support a determination that project specific GHG emissions would have a less than significant individual and cumulative impact. To ensure that these criteria are satisfied, the following process should be used to establish GHG emission reduction measures.

### **Public Process**

Approval of GHG emission reduction measures 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 quantification of GHG emission reductions measures.

### **Process for Establishing BPS For Development Projects**

To be approved, GHG emission reduction measures 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.

In evaluating GHG emissions from a specific project, Land-use agencies should characterize both direct and indirect GHG emission reductions. Direct GHG emission reductions would include emission reductions resulting from decreased operational emissions e.g. reduced natural gas consumption. Indirect GHG emission reductions would include emission reductions resulting from reduced vehicle miles traveled (VMT).

## Process Steps

1. Establish Baseline GHG emissions factor per unit of activity for the residential, commercial, or industrial development project. Baseline emissions are average emissions that would have occurred for such a project during the 2002-2004 period (baseline for the State's AB 32 Scoping Plan).
2. For the specific proposed new GHG emission reduction measure, establish the GHG emissions factor per unit of activity, and calculate the percent reduction in GHG emissions.

The percent reduction in GHG emissions would be calculated using the following methodology:

$$\% \text{ Reduction in GHG emissions} = \frac{(2002 - 2004 \text{ baseline GHG emission factor}) - (\text{New GHG emissions factor})}{2002 - 2004 \text{ baseline GHG emission factor}} \times 100\%$$

3. Clearly identify the proposed new GHG emission reduction measure in the project's CEQA documentation, and include the details of the above analysis of the expected emissions reductions.
4. Invite comment on the new GHG emission reduction measure as a part of the public process associated with the CEQA document prepared for the project.
5. Demonstrate as a part of the public process associated with the CEQA document prepared for the project that a combination of approved GHG emissions reduction measures, including the new measure, achieves a combined 29% of GHG emissions compared to the established Baseline GHG emissions factor per unit of activity for the project, thus achieving the Best Performance Standard (BPS) for the respective type of development project. In such a case, the project's GHG emissions would be considered to have a less than significant individual and cumulative impact.
6. After final approval of the proposed development project, forward to the District the above analysis and conclusions about the new GHG emission reduction measure. The District will review new GHG emission reduction measure and, if the District concurs with the analysis, will propose adding the GHG emission reduction measure to the District's compilation of GHG emission reduction measures for development projects.