



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Planning and
Development
Department No.: 053
For Agenda Of: March 12, 2013
Placement: Departmental
Estimated Tme: 1 hour
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Glenn S. Russell, Ph.D., Planning and Development Department
Director (s) (x2085)
Contact Info: Jeffrey S. Hunt, AICP, Deputy Director, Long Range Planning
Division (x2072)
SUBJECT: Climate Action Strategy – Phase 2: Energy and Climate Action Plan Briefing

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

1. Receive a briefing on the Energy and Climate Action Plan, and
2. Accept staff's recommendation to develop the Energy and Climate Action Plan with a target of 15% reduction in greenhouse gas emissions from the baseline level through the development of Option 4 as the project description to be studied in the Environmental Impact Report.

Summary Text:

The Energy and Climate Action Plan (ECAP) is the second phase of the County's Climate Action Strategy which seeks to reduce greenhouse gas (GHG) emissions in the County. In September of 2011, the Board of Supervisor's received a report on the Climate Action Study (Attachment 1) which is the first phase of the overall Climate Action Strategy, and directed staff to implement its recommendations through the development of the second phase, the ECAP.

The Climate Action Strategy is being developed pursuant to Board of Supervisor (BOS) direction under BOS Resolution 09-059 (Attachment 2) which adopted the County Climate Change Guiding Principles and directed staff to "take immediate, cost effective and coordinated steps to reduce the County's collective GHG emissions".

Background:

Development of the ECAP has involved the following:

- 1) Updating of the Baseline and Community GHG Emissions Inventory;
- 2) Conducting a Public Workshop on the inventory and general climate action planning in April of 2012;
- 3) Developing draft emission reduction measures;
- 4) Conducting three stakeholder meetings to receive comments on draft emission reduction measures and refine many of the measures based on feedback received; and
- 5) Completing quantification of the draft emission reduction measures and presenting them to stakeholders at a fourth stakeholder meeting in October of 2012. Stakeholders in attendance had the opportunity to provide input on their priorities for measure implementation.

PROGRAMMATIC MITIGATION UNDER CEQA

Staff has been working towards developing a climate action plan which is consistent with the requirements for a “Qualified GHG Reduction Strategy” in the CEQA Guidelines. If the plan meets these requirements, future development projects in the County may tier off the plan or incorporate by reference for their analysis of GHG emissions, potentially relieving applicants of site specific analysis of GHG impacts and mitigation, and thus streamlining the development review process. The requirements for the Qualified GHG Reduction Strategy as stated in section 15183.5(b)(1) of the CEQA Guidelines are:

- 1) Quantify greenhouse gas emissions, both existing and projected over a specified time period, resulting from activities within a defined geographic area;
- 2) Establish a level, based on substantial evidence, below which the contribution to greenhouse gas emissions from activities covered by the plan would not be cumulatively considerable;
- 3) Identify and analyze the greenhouse gas emissions resulting from specific actions or categories of actions anticipated within the geographic area;
- 4) Specify reduction measures or a group of measures, including performance standards, that substantial evidence demonstrates, if implemented on a project-by-project basis, would collectively achieve the specified emissions reduction target level;
- 5) Establish a mechanism to monitor the plan’s progress toward achieving the target level and to require amendment if the plan is not achieving specified levels; and
- 6) Adopt the Strategy through a public process following environmental review.

Item one above has been satisfied through the completion of the Baseline and Forecasted Community GHG Emissions Inventory. Adoption of a plan with a GHG reduction target consistent with AB 32 would fulfill the second requirement. The quantitative analysis completed on the proposed emission reduction measures and their affect on the baseline and forecasted emissions are expected to satisfy requirements three and four. The complete plan will include a monitoring plan that, if implemented, will satisfy requirement five and will be included in the final plan. Lastly, staff is proposing to complete environmental review on the proposed plan per requirement six.

Once adopted, subsequent project-specific environmental review documents for individual projects may tier from and/or incorporate environmental review conducted for the ECAP to address cumulative impacts related to GHG emissions if the project under review is within the scope of the ECAP. The

benefit of developing and adopting the ECAP consistent with these guidelines is that it can remove the burden and cost of quantifying and analyzing cumulative GHG impact under CEQA on a project-specific basis for project applicants.

GHG REDUCTION TARGET AND EMISSION REDUCTION MEASURES

Neither state nor federal law currently mandates a specific GHG reduction target, and the BOS has wide latitude to determine a reduction target unique to Santa Barbara County. However, in order to meet the requirements of a “Qualified GHG Reduction Strategy” a target must be set to “establish a level, based on substantial evidence, below which the contribution to greenhouse gas emissions from activities covered by the plan would not be cumulatively considerable” (CEQA Guidelines Section 15183.5(b)(1)(B)). AB 32, the Global Warming Solutions Act of 2006, identified a statewide level of GHG emissions in 1990 to serve as the emissions limit to be achieved by 2020. The California Air Resources Board (CARB) completed a statewide GHG emissions inventory and determined 1990 levels to be approximately 15% below current emissions. CARB issued the AB 32 Scoping Plan which outlined how the state would achieve this goal and provided a recommendation for local governments to assist the state in achieving this target through a reduction of 15% below current emissions at the local level. Because of this recommendation, staff believes that the state may require that any GHG reduction target used for programmatic GHG mitigation in a “Qualified GHG Reduction Strategy” meet the goals of AB 32. Based on this, staff is recommending a GHG emission target of at least 15% below baseline emissions.

Staff and their consultant, PMC, have identified five GHG reduction options for the Board of Supervisors (BOS) to consider. When developing these options, staff took a conservative approach to identifying and quantifying meaningful emission reduction measures which could feasibly be implemented at the county government level. The quantification of each measure was also completed using conservative assumptions to model realistic implementation of the proposed measures. The measures presented might appear to be different than those you would find in a city climate action plan due to the different options that a county can choose from to implement a climate action plan. Counties require a different approach since they generally have less urban land uses, and have a greater diversity of rural, suburban, and community land uses; can contain multiple energy providers and climate zones; and can have other land uses in their boundaries over which they have no jurisdictional control, including State and Federal institutions such as University of California, Santa Barbara; Vandenberg Air Force Base; Forest Service land, and Tribal Lands.

Each of the five options includes a list of emission reduction measures and implementing actions, which when collectively implemented, reach a specified amount of GHG reduction. Each option includes a mixture of reduction measures organized into eight topic areas:

- Land Use Design (LUD)
- Transportation (T)
- Built Environment (BE)
- Renewable Energy (RE)
- Industrial Energy Efficiency (IEE)
- Waste Reduction (WR)
- Agriculture (AG) and

- Water Efficiency (WE).

There are two additional measures which have been identified which do not fit into the other categories: Sustainable Communities Strategy and Community Choice Aggregation. These are both discussed in further detail below. The emission reduction measures and their implementing actions under each option are presented in Attachment 3. Table 4 of Attachment 3 provides a quick summary of the reductions each measure provides under each option.

SUSTAINABLE COMMUNITIES STRATEGY (SCS)

Santa Barbara County Association of Governments (SBCAG) is in the process of completing the SCS. In October of 2012, the SBCAG Board endorsed the preferred scenario of Transit-Oriented Development/Infill plus an enhanced transit strategy. SBCAG staff is currently completing the SCS based upon this scenario and is expected to move forward for adoption in summer of 2013. By committing to fully implementing the SCS in the unincorporated county, the County can take credit for reductions achieved through SCS implementation in the climate action plan. Such a commitment would involve upzoning some properties along the Hollister Avenue corridor in the Goleta Planning Area. Upzoning of individual parcels would require separate Board approval.

COMMUNITY CHOICE AGGREGATION (CCA)

CCA allows communities to offer procurement service to electric customers within their boundaries. This allows cities and counties to aggregate the buying power of customers within a defined boundary to secure increased alternative energy supply. This can include developing and owning electric generating resources, such as county owned utility-scale solar plant, but is not required. The environmental benefit from CCA is driven from the CCA having the ability to procure energy from a portfolio of sources of their choosing allowing them to increase the amount of renewable beyond what the Investor-owned utility offers. Customers within a CCA boundary may “opt-out” and continue to receive electricity from the Investor-owned utility. Other benefits of a CCA include:

- Ability to locally control electric rates.
- Ability to know exactly where/how your electricity is created (increase use of renewable energy).
- Ability for communities to develop electric generation projects that increase local employment.

The City of Santa Barbara included Community Choice Aggregation in its Climate Action Plan and General Plan Update. They propose to complete a feasibility study to include a cost benefit analysis of the measure. The feasibility study being completed is contingent upon other agencies partnering with them on the effort such as the County of Santa Barbara or the County of Ventura.

Other communities in California have developed or are pursuing CCA's including Marin County, Sonoma County, Kings County, and the City and County of San Francisco.

REDUCTION TARGET OPTIONS

The five options staff has identified are discussed below. In Option 2, 3, 4, and, 5 the County can reach at least 15% GHG reduction target consistent with State guidance provided in the AB 32 Scoping Plan.

Option 1: 10% Reduction Target
Est. GHG Reduction: 10.2%
CEQA Tiering: No

(Includes Voluntary Measures)

Staff modeled implementation of a completely voluntary approach to the ECAP. This option reaches an estimated 10.2% reduction in GHG emissions from the baseline year. It primarily relies on providing incentives and education to encourage residences and businesses to participate in programs and make decisions about their lifestyles which result in lower GHG emissions.

As this option would not meet the goals of AB 32 and lacks required, specific performance standards, this approach does not meet the minimum requirements to allow the ECAP to be used for programmatic CEQA tiering of future projects.

Option 2: 15% GHG Reduction Target
Est. GHG Reduction: 17%
CEQA Tiering: Unlikely

(Includes Voluntary Measures, Sustainable Communities Strategy (SCS), and Community Choice Aggregation (CCA))

This approach utilizes the exact same measures as those in the voluntary option and adds implementation of the SCS and CCA. This approach exceeds the target and is estimated to achieve a 17% reduction in GHG emissions from the baseline year. While this approach is consistent with the AB 32 target, with the lack of required, specific performance standards, it is unlikely the plan would meet the minimum requirements to allow the ECAP to be used for programmatic tiering for future projects.

Option 3: 15% GHG Reduction Target
Est. GHG Reduction: 15.2%
CEQA Tiering: Possible

(Includes Phased Measures and CCA)

This option builds off of the voluntary approach utilizing the same measures in Option 1 but phases in mandatory requirements for four measures (BE 2 – Energy-Efficient Renovations, BE 4 – Energy Scoring and Audits, BE 8 – Energy Efficiency and Green Building Standards, and IEE 3 – Energy Upgrade Incentives) and includes CCA.

BE 2, BE 4, and BE 8 are related to efficiency of buildings, both existing and new construction. Measure IEE 3 targets energy efficiency in the industrial sector. Phased measures would initially be implemented on a voluntary basis until the designated check-in year of 2015 when the measures are evaluated for effectiveness and considered for required implementation if the voluntary option is not successful. Additionally, this approach includes CCA. A GHG reduction of 15.2% is estimated to be achieved under this approach. If fully implemented, Option 3 could

allow the County to use the ECAP for programmatic CEQA tiering. However, the feasibility of implementing CCA program in Santa Barbara County is not yet known. If CCA is not developed and implemented by the 2020 target date, the County would need to identify an alternative method to reach the 15% reduction target.

Option 4: 15% GHG Reduction Target
Est. GHG Reduction: 15%
CEQA Tiering: Yes

(Includes Required and Phased Measures and SCS)

This option builds off of the voluntary approach utilizing the same measures but includes five measures which have immediate mandatory requirements (BE 2 – Energy-Efficient Renovations, BE 4 – Energy Scoring and Audits, BE 8 – Energy Efficiency and Green Building Standards, RE 1- Alternative Energy Development, & RE 2- Solar Water Heaters), one phased measure (IEE3 – Energy Upgrade Incentives) and the SCS.

Measure IEE 3 is the same measure as in Option 3 above. Measures BE 2, BE 4, and BE 8 are also the same measures as Option 3 above, but with required implementation rather than a phased approach. Measures RE 1 and RE 2 put requirements in place related to alternative energy development in new construction and requirements for solar water heaters. Similar to Option 3 above, the measure proposed to be implemented in a phased approach would initially be implemented on a voluntary basis until the designated check-in year of 2015 where the measures are evaluated for effectiveness and considered for required implementation if the voluntary option is not successful. As in Option 3, this approach achieves greater reductions than the voluntary only approach because there is a performance standard to provide certainty. Additionally, this approach includes a measure to implement the SCS. This would likely require rezones and a general plan amendment to comply with the infill development approach proposed by SBCAG. Rezones of individual parcels would require separate Board approval.

Option 4 achieves a 15% reduction with full implementation of all measures. This approach meets the minimum criteria for a Qualified GHG Reduction Plan and would allow the County to use the ECAP for programmatic CEQA tiering of future development. County staff recommends Option 4 as the project description for the ECAP because it is a balanced approach of voluntary, phased, and mandatory measures that would likely allow for CEQA tiering.

Option 5: 20 +% GHG reduction target
Est. GHG Reduction: 24.2%
CEQA Tiering: Yes

(Includes Required Measures, CCA, and SCS)

Option 5 estimates the County could reduce its GHG emissions by up to 24.2% from the baseline year by 2020. This approach further builds upon the 15% approach and further requires implementation of nine emissions reduction measures (BE 2 – Energy-Efficient Renovations, BE 4 – Energy Scoring and Audits, BE 8 – Energy Efficiency and Green Building Standards, RE 1- Alternative Energy Development, & RE 2- Solar Water Heaters, IEE3 – Energy Upgrade

Incentives, WR 1 – Waste Reduction, WR 2 – Increased Recycling Opportunities, WR 3- Construction and Demolition Waste Recycling).

Similar to Option 4, this approach also includes full implementation of the SCS and also adds CCA as a GHG reduction measure. This required approach sets aggressive goals in measures BE 4, WR 1, WR 2, WR 3 that set a zero waste goal for the County and required energy audits of all residential and non-residential buildings and retrofit to reduce energy use by 30% by 2020.

Option 5 would allow the County to use the ECAP for programmatic tiering under CEQA. However, staff does not recommend this approach as it would be very costly to implement and it is not necessary to provide for programmatic CEQA tiering.

PUBLIC PARTICIPATION

To develop the ECAP, County staff worked to engage the public through community education about climate action planning and related implications for land use policy in Santa Barbara County. Public outreach included a community workshop, participation at the Santa Barbara Earth Day Festival, four facilitated stakeholder meetings, and an online survey. The overall strategy was designed to ensure that balanced and effective communication occurred through an inclusive community-wide outreach and engagement campaign.

Public Engagement Goals

- Educate the community about the purpose of the ECAP and clearly describe the process, impacts, and benefits of project implementation.
- Educate key target audiences and stakeholders about the importance of daily lifestyle choices and community-wide efforts, including County efforts, to achieve ECAP goals.
- Provide opportunities for community members to give input into development of the ECAP .
- Provide community members and other key stakeholders with a clear understanding of their important role in the planning process.

Key Findings

Several key viewpoints emerged during the public engagement process:

- The citizens of Santa Barbara County feel strongly about climate change planning. Some have already taken steps to improve the energy efficiency of their homes and are enthusiastic about the ECAP. Some are supportively skeptical and want to know more details about how the ECAP measures will affect them. Others are apprehensive about the very idea of an ECAP. Regardless of individual positions, this outreach program has indicated that people want to be involved in the process to help shape the future of their community.
- Throughout the events, actions that the County itself might take to reduce GHG emissions, such as improved bicycle and transit infrastructure, gathered more support than individual actions. Those in the building industry especially found it hard to support measures that could impact viability of new construction and wanted to make sure they were not being asked to take on more than a fair share of the GHG reduction mandates.
- Nearly everyone agreed that improvements can be made to the county's transportation system.
- Among those who provided input and feedback, opinions about an incentive-based approach to implementation of the ECAP, versus a required-mandatory approach to implementation, varied

by the specific subject matter the measure addressed. Generally speaking, environmental non-profit organizations supported the mandatory measures which provide for greater reductions with greater certainty. The industry organizations generally preferred a completely voluntary approach to most measures included in the ECAP.

Fiscal and Facilities Impacts:

Budgeted: Yes

Funding for the ECAP work effort is budgeted in the Planning and Development Department’s Long Range Planning Division on page D-138 of the fiscal year 2012/2013 budget book. If the BOS does adopt the ECAP, implementation of the measures would begin following adoption and continue into FY 2013/2014. The costs of implementation will vary depending on the option chosen.

The ECAP focuses on community policy and therefore, there are no expected facilities impacts.

Fiscal Analysis: The budget for the ECAP is as follows:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund	\$ 75,374.00		\$ 97,374.82
State			
Federal			
Fees			
Other: Grants	\$ 103,821.00		\$ 263,491.00
Total	\$ 179,195.00	\$ -	\$ 360,865.82

Narrative:

Development of the ECAP is partially funded by grants from Pacific Gas & Electric and Southern California Edison under the auspices of the California Public Utilities Commission. The grant funding was awarded to the County to implement activities to achieve statewide energy efficiency goals. General Fund applied to the project is to fund the project components which are not energy efficiency related.

Attachments:

1. Climate Action Study and BOS Letter, September 2011
2. Resolution 09-059
3. Energy and Climate Action Plan Summary Information

Authored by:

Heather Imgrund, Planning and Development

cc: