



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 1/18/2012

Agenda Placement: 9C

Napa County Planning Commission Board Agenda Letter

TO: Napa County Planning Commission

FROM: John McDowell for Hillary Gitelman - Director
Conservation, Development & Planning

REPORT BY: Hillary Gitelman, Director - 253-4805

SUBJECT: Climate Action Plan

RECOMMENDATION

CLIMATE ACTION PLAN, COUNTY-INITIATED GENERAL PLAN IMPLEMENTATION ACTION

CEQA Status: In accordance with CEQA and the State CEQA Guidelines (Section 15168), the County is proposing to use the program level Environmental Impact Report (EIR) for the General Plan Update (SCH#2005102088, certified June 2008) as the EIR for the Climate Action Plan. As discussed in a separate memorandum and checklist (initial study) dated January 28, 2011, this approach is consistent with CEQA and the State CEQA Guidelines because (1) the project is within the scope of the General Plan approved in 2008, and (2) the program EIR prepared for the General Plan Update adequately describes the activity for purposes of CEQA. In addition, (3) the County has not identified any changes in the General Plan, changes in circumstances under which the General Plan Update was adopted, or new information of substantial importance that would necessitate subsequent environmental review pursuant to CEQA Guidelines Section 15162. A copy of the General Plan Update EIR may be reviewed during business hours at the offices of the Department of Conservation, Development and Planning, 1195 Third Street in Napa, or on the County's website, www.countyofnapa.org.

Request: Conduct a public hearing and then (1) recommend the revised Climate Action Plan to the Napa County Board of Supervisors for adoption by resolution; and (2) direct staff to begin using the proposed green house gas checklist on a trial basis. The revised Climate Action Plan provides a baseline inventory of green house gas (GHG) emissions from all sources in unincorporated Napa County as well as strategies for reducing those emissions to 1990 levels by 2020 consistent with California Assembly Bill 32 from 2006. Emission reduction strategies included in the plan would be implemented by the State, the County itself, and by individual project applicants. Specifically, the plan would require discretionary projects approved by the County to reduce their "business as usual" emissions by 39%. The proposed checklist would be used by project applicants to select the emission reduction strategies they would implement, and would allow staff and consultants to calculate project emissions and emission reductions. Adoption of the Climate Action Plan would implement an action item in the General Plan Update of 2008 and would effectively establish a CEQA significance threshold for GHG emissions pursuant to CEQA Guidelines Section 15064.7.

Staff Recommendation: Recommend that the Board of Supervisors find the proposed project within the scope of

the General Plan Program EIR and adopt the Climate Action Plan. Also direct staff to begin using the proposed green house gas checklist on a trial basis.

Staff Contacts: Hillary Gitelman 253-4805 hillary.gitelman@countyofnapa.org and Steve Lederer 253-8228 steve.lederer@countyofnapa.org.

EXECUTIVE SUMMARY

Proposed Action:

Recommend that the Board of Supervisors:

1. Find that the proposed project is within the scope of the General Plan Program EIR; and
2. Adopt the Climate Action Plan by resolution.

Also, direct staff to begin using the proposed green house gas checklist on a trial basis in anticipation of plan adoption.

Discussion: On January 28, 2011, the Departments of Conservation, Development & Planning and Environmental Management released a draft Climate Action Plan for unincorporated Napa County, which built off of the non-binding Climate Action Framework developed and adopted by the Napa County Transportation & Planning Agency in 2009. The Planning Commission conducted a public hearing on the draft plan on February 16, 2011 and written comments were accepted until the close of business on April 4, 2011.

After meeting with various stakeholders on numerous occasions and modifying the plan in response to community questions and input, County staff and consultants issued a revised plan on October 31, 2011. The revised plan contains an emissions inventory for 2005, an emissions forecast for 2020 assuming "business as usual," an emission reduction goal consistent with Assembly Bill 32 from 2006 (i.e. 15% below 2005 emissions), emission reduction measures, supporting technical analyses, and a checklist. The checklist would be used by project applicants to select the emission reduction strategies they would implement, and would allow staff and consultants to calculate project emissions and emission reductions.

Adoption and implementation of the revised climate action plan would reduce Napa County's green house gas emissions consistent with State policy and is also intended to (a) reduce uncertainties and risks for individual projects being reviewed pursuant to CEQA; (b) give project applicants the information and flexibility they need to meet plan requirements by selecting emission reduction strategies that are consistent with their objectives and lower in cost than other possible strategies; and (c) lay the foundation for a local offset program so that any resulting habitat restoration, land conservation, and energy efficiencies would accrue to Napa County rather than elsewhere.

Once adopted, the plan would not be static, but would be reviewed and revised to reflect changes in circumstances and new information. While the plan is in force, compliance with its requirements would essentially constitute the County's CEQA significance threshold pursuant to CEQA Guidelines Section 15064.7 and the incremental contributions of such projects to cumulative GHG emissions would not be "considerable" per CEQA Guidelines Section 15064(h)(3).

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

In accordance with CEQA and the State CEQA Guidelines (Section 15168), the County is proposing to use the program level Environmental Impact Report (EIR) for the General Plan Update (SCH#2005102088, certified June 2008) as the EIR for the Climate Action Plan. As discussed in a separate memorandum and checklist (initial study) dated January 28, 2011, this approach is consistent with CEQA and the State CEQA Guidelines because (1) the project is within the scope of the General Plan approved in 2008, and (2) the program EIR prepared for the General Plan Update adequately describes the activity for purposes of CEQA. In addition, (3) the County has not identified any changes in the General Plan, changes in circumstances under which the General Plan Update was adopted, or new information of substantial importance that would necessitate subsequent environmental review pursuant to CEQA Guidelines Section 15162. A copy of the General Plan Update EIR may be reviewed during business hours at the offices of the Department of Conservation, Development and Planning, 1195 Third Street in Napa, or on the County's website, www.countyofnapa.org.

BACKGROUND AND DISCUSSION

Action Item CON CPSP-2 in the Napa County General Plan states that the County "shall conduct a GHG emission inventory analysis of all major emission sources in the County by the end of 2008 in a manner consistent with Assembly Bill 32, and then seek reductions such that emissions are equivalent to year 1990 levels by the year 2020. Development of a reduction plan shall include consideration of a "green building" ordinance and other mechanisms that are shown to be effective at reducing emissions."

After adoption of the General Plan Update in June 2008, County staff participated in a county-wide planning effort by the Napa County Transportation and Planning Agency (NCTPA) to develop a "Climate Action Framework" containing a county-wide emission inventory analysis and a list of emission reduction measures that could be implemented by all six county jurisdictions. The framework was ultimately adopted by NCTPA as a non-binding foundation for more specific planning efforts by the individual jurisdictions. Since the framework was adopted, the City of St. Helena and the City of Napa have both spent considerable effort on sustainability planning and the County's Departments of Conservation, Development & Planning and Environmental Management undertook preparation of the Climate Action Plan (CAP) with the assistance of ICF consultants.

CAP Planning Process

Preparation of the CAP began with a request for proposals (RFP) from qualified consultants to assist the County. ICF was selected over other firms because they demonstrated an understanding of the County's unique challenges associated with GHG emissions from vineyard development as well as conventional residential and non-residential development.

To begin their work, ICF first refined the emissions inventory prepared by NCTPA by adding emissions from vineyard development and by adjusting transportation emissions based on a methodology developed by the Regional Targets Advisory Committee (RTAC) appointed after passage of Senate Bill 375 in 2009. Following development of the 2005 inventory, the consultants developed a "business as usual" forecast for 2020 and evaluated the list of emission reduction measures included in NCTPA's framework for possible inclusion in the CAP. They also evaluated the effectiveness of measures planned at the State level. A "gap analysis" then determined remaining emissions in 2020 that would have to be addressed by individual permit applicants. (The

decision was made to ask applicants proposing discretionary projects to participate, and not to impose requirements on ministerial construction projects like single family homes and vineyard replants.)

A draft of the CAP was released for public review on January 28, 2011 and was the subject of a hearing at the Planning Commission on February 16, 2011. Written comments on the plan were accepted until the close of business on April 4, 2011, and the County received many comment letters and emails. Most commenters found the draft plan confusing and many asked for further explanation of agricultural emissions and the emission-reduction value of voluntary programs like the "Napa Green" winery and land programs.

In response to the comments, County staff and consultants undertook revisions to the CAP, meeting with interested stakeholders on numerous occasions to discuss various issues. Revisions to the plan included more refined projections of future vineyard development based on historic data, more refined calculations of agricultural emissions from a variety of sources, and an analysis of emission reduction "credit" available to business which participate in third party certification programs like Napa Green.

The revised plan, including "master responses" to the most frequently asked questions and criticisms of the draft plan, was released on October 31, 2011 and noticed for hearing on January 18, 2012. Between release of the revised draft and the hearing, staff used the proposed checklist to evaluate several past projects as examples of how the CAP's requirements might be met (see below). Also, the Bay Area Air Quality Management District (BAAQMD) reviewed the revised CAP and provided a letter dated January 6, 2012 (attached) indicating that the "Plan meets the minimum standard elements of a Qualified GHG Reduction Strategy as defined by the District's CEQA Guidelines." The BAAQMD also provided some suggestions regarding strengthening the plan, which are discussed further below.

Contents of the CAP

The revised CAP contains six chapters plus references and appendixes. While there is a brief executive summary, the plan is fairly technical, and assumes some familiarity with the concepts and terminology associated with climate change and green house gas emission reduction planning. Nonetheless, the structure of the plan is straight forward. There is:

- a green house gas emissions inventory for 2005 with total emissions of 443,670 MT CO₂e;
- a green house gas emission forecast for 2020 under "business as usual" with total emissions of 516,670 MT CO₂e;
- a green house gas emission reduction target for 2020 (based on AB 32 and the County General Plan) that is equivalent to 15% below 2005 emissions (377,120 MT CO₂e);
- A list of State-level emission reduction measures that would reduce "business as usual" emissions in 2020 by 96,480 MT CO₂e;
- A list of County actions that would reduce "business as usual" emissions in 2020 by 23,720 MT CO₂e;
- A checklist tool that will help applicants proposing discretionary projects requiring County approval to select emission reduction measures that would apply to their projects;
- calculations demonstrating that if discretionary projects reduce their emissions 39% below "business as usual," they will collectively accomplish emission reductions of 19,350 MT CO₂ in 2020;
- a commitment to monitor the plan and revise as necessary, particularly as the planning year of 2020 gets closer.

The plan is built upon a variety of data and assumptions, including data about what the County looked like in 2005, and assumptions about the development that will occur between now and 2020. Population, housing and employment development assumptions were derived from the County General Plan EIR, and development assumptions related to vineyard development were derived from a close analysis of Agricultural Commissioner's data and aerial photography. (See explanation in power point slides attached.)

The revised CAP also includes a series of six "master responses" providing detailed written responses to common criticisms and questions about the January 28, 2011 draft plan. More abbreviated responses to individual comments on the draft CAP are included in a spread sheet available in the project file.

How it Works: Sample Projects

Once the CAP is adopted, applicants who propose discretionary projects will use a GHG checklist to provide information about their proposed project and the emission reduction strategies they wish to implement. Information on the form will be used by staff (or consultants) to estimate project emissions in 2020, and to calculate the effectiveness of emission reduction measures that are selected. Only emission reduction measures that can be quantified will be useful in this calculation, although applicants can indicate other measures they wish to implement, and staff expects to be able to quantify more and more measures as scientific research continues.

If the emission reduction measures selected do not meet the 38% target even when State measures like improved fuel efficiency standards are accounted for, the applicant will have the option of selecting more measures, or choosing emission off-sets. Off-sets can include off-site habitat restoration, avoided deforestation, or buying emission "credits" from a reputable source. (Following adoption of the CAP, County staff hopes to establish a local off-set program -- see next steps, below.)

Since the revised CAP was issued on October 31, 2011, planning staff has tried to use the proposed checklist to evaluate several past projects as examples that will help the Commission, the Board, and members of the public understand what adoption of the CAP will require from future developers. The examples fell into two categories: vineyard development and commercial/industrial development and demonstrated that some adjustments were needed. Most notably, the industry representative consulted suggested a separate checklist for vineyards and for other types of development because so many sections of the original checklist were not germane to vineyards.

Several samples demonstrating possible changes to the checklist are attached for the Commission's review. Please note that these are drafts and subject to change. Staff will come to the January 18, 2012 hearing prepared to walk through the examples, discuss remaining issues and challenges, and ways that the checklist(s) can be improved and implemented on a trial basis.

BAAQMD Suggestions

Prior to sending their January 6, 2012 letter, the staff of the BAAQMD requested and County staff provided the attached clarifications to Table A-14 of the CAP. These clarifications do not change requirements of the CAP.

In their January 6, 2012 letter, the staff of the BAAQMD also suggested some additional measures to meet the AB 32 climate protection goals. Specifically, they recommended a more stringent Green Building Ordinance and requiring large employers (50+ employees) to adopt a Commute Trip Reduction Program. (Their suggestions regarding water efficient landscapes are already part of the County's ordinance and therefore the CAP.) In addition, the BAAQMD staff suggests imposing "cool" roof and paving requirements and parking pricing changes. All of these suggestions can be evaluated when the County undertakes the first review of the adopted CAP (see below).

Next Steps

The CAP will not become mandatory unless it is adopted as policy by the Board of Supervisors. If the Planning Commission agrees that the CAP represents a positive and necessary step towards addressing green house gas emissions and one that will improve the predictability of the CEQA process for discretionary projects, it

should forward the CAP to the Board with a positive recommendation.

Once a CAP has been adopted, it will be used by the County in evaluating discretionary projects and will effectively create a market demand for carbon "credits" or "offsets" when applicants choose not to reduce their emissions on site. County staff has been talking with the local non-profit organization, Sustainable Napa County, about establishing a local offset program to meet this market demand. Establishment of a local program would require identification and quantification of emission reduction projects in various sectors (e.g. waste-to-energy, building energy conservation, habitat restoration, etc.), pricing of resulting credits, and a robust organizational foundation to ensure effectiveness and accountability. Once established, a local offset program would offer the advantage of keeping co-benefits of emission offset projects local (e.g. habitat restoration would happen here instead of elsewhere), and would allow for local monitoring. The Sustainable Communities Planning Grant and Incentive Program is seen as a possible funding source for planning and implementation. (Grant proposals are due to the State in mid-February.)

Following adoption of the CAP, County staff will also have an obligation to monitor the plan's effectiveness over time, and to prepare revisions as needed to achieve the plan's goals. Since the plan is based on assumptions about the amount of development that will occur, the amount of emissions that will result, and the emission reductions that will be achieved due to State and local actions, it will be important to revisit these assumptions regularly and revise the CAP if needed. Any revisions that would alter requirements for project applicants would be subject to Planning Commission review and Board of Supervisors approval.

SUPPORTING DOCUMENTS

- A . Revised CAP October 31, 2011
- B . Revised CAP Public Notice
- C . CEQA Document - January 2011
- D . Refined Vineyard Development Projections for 2020
- E . Draft Board of Supervisors Resolution
- F . Table A-14 Revisions for BAAQMD
- G . BAAQMD Letter January 6_2012
- H . GHG Revised Checklist Proposal - Vineyard Only
- I . GHG Revised Checklist Proposal - Winery Sample
- J . GHG Revised Checklist Proposal - Winery Mod Sample

Napa County Planning Commission: Approve

Reviewed By: John McDowell