



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 11/7/2012

Agenda Placement: 10B

Napa County Planning Commission Board Agenda Letter

TO: Napa County Planning Commission
FROM: Charlene Gallina for Hillary Gitelman - Director
Planning, Building and Environmental Services
REPORT BY: Kirsty Shelton, Planner - 707 253 4417
SUBJECT: Climate Action Plan -- Status Report

RECOMMENDATION

PRESENTATION AND DISCUSSION ON GREEN BUILDING STANDARDS AND A STATUS REPORT ON THE PROPOSED CLIMATE ACTION PLAN (CAP)

CEQA: This is an informational item only and CEQA review is not required.

Request: Provide a status report on the Climate Action Plan, which is scheduled to be considered by the Board of Supervisors on December 11, 2012, and present information on the various green building industry standards and local alternative energy incentive programs.

Staff Recommendation: This is an information item only; no action is requested.

Staff Contact: Kirsty Shelton, Planner, 299-1377, Kirsty.shelton@countyofnapa.org

SET MATTER AT 10:00 A.M.

EXECUTIVE SUMMARY

Proposed Action: This is a discussion item only; no action is requested.

The Planning Commission considered the proposed Climate Action Plan (CAP) at their meeting of January 18, 2012 and recommended adoption by the Board of Supervisors. The CAP has been pending at the Board of Supervisors since then, allowing time for a "trial run" and for development of a fee mitigation or "off-set" program for applicants who cannot comply with green house gas reduction requirements on site. This agenda item will allow staff to brief the Commission on the status of the CAP and to provide information that the Commission has

requested about green building ordinances, the LEED program, and similar topics.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: This is an informational item only and CEQA review is not required.

BACKGROUND AND DISCUSSION

At their June 20th meeting, the Commission received a status report on the Climate Action Plan (CAP) and requested that staff provide a presentation on green building standards. This agenda item will allow staff to present an informational powerpoint about the various green building programs (e.g. LEED, Build it Green), green building codes, and local incentives. Staff will also provide a status report regarding the CAP, which the Planning Commission considered at their meeting of January 18, 2012 and recommended to the Board of Supervisors for adoption following a trial period. The Board of Supervisors opened their public hearing on the proposed CAP on Tuesday, April 3, 2012 and continued the hearing and the trial period until June 26, 2012, September 11th, and most recently until December 11th.

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."

Why Prepare & Adopt a CAP?

Local agencies across California are examining their practices and the sources of GHG emissions in their communities. They are doing this in the context of AB 32, which sets State policy and establishes requirements that apply to State agencies and large emission sources. While AB 32 does not require local agencies to adopt emission reduction plans, it did -- with SB 97 -- lead to changes in CEQA requirements, which necessitate that local agencies consider and address GHG emissions in their decision making.

Specifically, AB 32 and SB 97 lead to changes in the CEQA statues and the State CEQA Guidelines requiring agencies to consider whether projects that are being reviewed would lead to significant GHG emissions. Because the State does not offer a definition of "significant," local lead agencies must establish their own definition or threshold, or rely on one prepared and adopted by another agency. The Bay Area Air Quality Management District (BAAQMD) CEQA significance have been challenged in court and have been removed in the May 2012 BAAQMD CEQA Guidelines. There are no thresholds for vineyard development in which the County reviews pursuant to CEQA.

Thus, preparation and adoption of a CAP by Napa County will address the County's General Plan commitment, make Napa County an active participant in State-wide efforts to reduce GHG emissions, and provide a locally adopted basis for the analysis of future projects under CEQA. As discussed below, it could also provide an opportunity to develop a local carbon offset program that could be used to fund emission reduction programs in

Napa County such as habitat restoration, land conservation, energy conservation, renewable energy, alternative transportation, etc.

CAP Planning Process

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.

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 SB 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. At this point, an important 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. 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. 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 was the subject of a hearing at the Planning Commission on January 18, 2012. BAAQMD reviewed the revised CAP, providing a letter dated January 6, 2012 indicating that the "Plan meets the minimum standard elements of a Qualified GHG Reduction Strategy as defined by the District's CEQA Guidelines."

At their January 18, 2012 hearing, the Planning Commission recommended that the Board of Supervisors adopt the revised Climate Action Plan, asked the staff to make some minor, technical revisions to address comments that had been raised at the hearing, and directed staff to begin using the new GHG checklists on a trial basis. The Commission and staff discussed scheduling the Board of Supervisors hearing after a 60-day trial period which was continued from June 26, 2012 to September 11, 2012. At the September Board of Supervisors meeting staff requested a final continuance to December 11, 2012 to allow for more public outreach and a public meeting which took place at the library on October 9, 2012.

Contents of the CAP

The 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 97,100 MT CO₂e;
- a list of County actions that would reduce "business as usual" emissions in 2020 by 23,680 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 38% below "business as usual," they will collectively accomplish emission reductions of 18,770 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. The 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 under "business as usual," 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.

The checklists are considered living documents that will have to be amended from time to time. They are intended (i) to outline information required from project applicants to calculate GHG emissions under "business as usual" (ii) to provide the applicant with a checklist of GHG emission reduction measures for them to select for use with their project; and (iii) to provide the data that staff and consultants need to calculate emissions and reductions.

From the applicants' perspective, the checklists are intended to work just like the checklist of voluntary measures that has been part of the use permit application process for some time. The applicant would fill out the checklist when they submit their application to the County, and staff would use the information on the checklist to complete their analysis and recommendations.

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. (See next steps, below for a discussion of a local off-set program.)

Planning staff has used the proposed checklist to evaluate several past projects as examples to help us understand what adoption of the CAP will require from future developers. The examples fell into two categories: vineyard development and commercial/industrial development, and revealed the following number of observations:

- The CAP creates a clear standard for vineyard projects and most applicants will be able to meet its requirements by conserving potential vineyard land on or off site (i.e. "avoided deforestation"). In the examples examined -- which included large and small projects affecting various habitat types -- the conservation of land was already proposed by the applicant and could be used to meet the CAP's requirement.
- The CAP creates an incentive for vineyard developers to avoid placing new vineyards on habitat types that contain lots of carbon (e.g. forests and woodlands) if possible. This is because projects affecting grassland will involve fewer emissions, and, therefore, will have a smaller emission reduction requirement.
- Wineries and other types of building development will benefit from State-adopted measures more than vineyard projects and, thus, will have to come up with fewer project-specific reductions or offsets.
- New wineries and building development projects that are fairly "green" (i.e. the proposals include lots of energy conservation measures, renewable energy generation, etc.) and have a conservative marketing plan will have no problem meeting the 38% requirement.
- Less "green" development projects and projects that are increasing the marketing component will experience increased costs because they will need to implement emission reduction measures in order to comply with the CAP.
- Smaller discretionary projects (like use permit modifications involving changes in operations rather than lots of new construction) will find it challenging to meet the CAP's requirement because so many of their emissions will be transportation-related. To comply, applicants will either have to expand the scope of their projects to include energy retrofits to existing buildings, or they will have to resort to carbon offsets.

Voluntary Local Carbon Offset program

The Board of Supervisors continued the public hearing on the CAP until December 11th, giving staff additional time to work with stakeholders and pursue development of a local carbon offset program that will function much like a fee mitigation program for project applicants who find it infeasible to reduce project emissions to comply with the CAP.

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. However, it has been challenging to keep the cost competitive with the national average carbon credit. Refer to the attached memo describing the proposed program.

Next Steps

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 . CAP brochure
- B . Green House Gas Data Request
- C . Local offset fee memo

Napa County Planning Commission: Approve

Reviewed By: John McDowell