



NATURAL RESOURCES DEFENSE COUNCIL
111 Sutter Street, 20th Floor
San Francisco, CA 94104
Tel: 415-875-6100

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Via: Electronic Submission at <http://www.arb.ca.gov/cc/localgov/ceqa/ceqacomm.htm>

California Air Resources Board Staff
1001 "T" Street
Sacramento, CA 95812

Re: Industrial Projects in "Preliminary Draft Staff Proposal: Recommended Approaches for Setting Interim Significance Thresholds under the California Environmental Quality Act"

Dear CARB Staff:

We appreciate the opportunity to comment on your *Preliminary Draft Staff Proposal on Recommended Approaches for Setting Interim Significance Thresholds under the California Environmental Quality Act*. Thank you for taking leadership on this important issue: local planners and facility owners across the state are seeking guidance on the significance of GHG emissions under CEQA, and recommendations from CARB will help answer some of their questions. We support the overall recommended approach of using performance standards in combination with a numerical threshold. We offer the following suggestions on how to improve the approach for industrial projects, and are concurrently submitting more detailed comments on the general approach and the approach for residential and commercial projects.

I. INDUSTRIAL SECTOR

A. Recommendations for how to develop a performance-based standard for construction.

Each construction project is likely to be unique in the amount and type of equipment used, as well as duration, operating conditions and other circumstances. We recommend that a performance standard for construction include the following requirements, as applicable and appropriate:

- (1) Prohibit all non-essential idling of equipment and vehicles onsite.
- (2) Use the lowest carbon fuels possible (such as biodiesel or other alternative fuels).

- (3) Electrify operations to the extent possible. Where access to the power grid is possible, this should be established instead of using stationary or mobile power generators. All cranes, forklifts and equipment that can be electrified, should be.

B. Recommendations for how to develop a performance-based standard for transportation.

Project related transportation is also likely to be unique in quantity and type of vehicles, as well as operating conditions and other circumstances. We recommend that a performance standard for transportation include the following requirements, as applicable and appropriate:

- (1) Prohibit all non-essential idling of vehicles onsite.
 - a. Provide waiting areas for drivers or otherwise prevent queuing at entry gates through appointment or other systems, as necessary.
 - b. Provide connections to the electrical power grid (or an alternative fuel on-site power source) for all transportation refrigeration units and similar “hoteling” needs such as pumps, compressors or safety equipment. This must be provided at all loading docks in addition to other desired locations.
- (2) Use the lowest carbon fuels possible (such as biodiesel or other alternative fuels).
- (3) US EPA SmartWay standards for heavy-duty trucks must be met for all applicable vehicles servicing a site.
- (4) Hybrid-electric vehicles should be utilized where possible, such as neighborhood delivery operations.
- (5) Electrify operations to the extent possible.
 - a. Where access to the power grid is possible, this should be established instead of using stationary or mobile power generators.
 - b. All locomotives, ships, cranes, forklifts and equipment that can be electrified, should be.
 - c. Drayage trucks operating on an exclusively local, non-freeway and low-speed capacity should be electrified.
- (6) Make the maximum operational efficiency improvement possible through enhanced logistics (i.e. minimizing the travel of empty trucks or containers) and other, site-specific optimization.
- (7) Utilize the most efficient transportation modes possible. For example, rail transport should be favored over truck transport where feasible.

C. The numerical threshold for industrial projects should be set at 4,500 MTCO₂e/year.

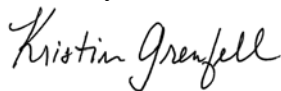
We recommend that the threshold of significance for industrial sector projects be set at 4,500 MT CO₂e/year. As noted in CARB’s draft proposal, GHG emissions from the industrial sector are dominated by combustion processes resulting from boilers with an input capacity greater than 10 MMBtu/hr. Therefore, projects employing boilers greater than 10 MMBtu/hr would be considered significant sources of GHG emissions and should be subject to CEQA’s requirement to impose feasible mitigation. According

to the draft proposal, the natural gas boiler benchmark of 10 MMBtu/hr corresponds to 4,660 MTCO₂e/yr and signifies a significant quantity of GHG emissions.¹ In order to adequately capture industrial projects with these emissions, the threshold should be set at 4,500 MT CO₂e/year.

We urge CARB to set the threshold by relying on the data it has, instead of speculating about the overall level of emissions from a facility that has a boiler of this capacity. Since CARB is using a boiler with a capacity of 10 MMBtu/hr as the basis for its proposed threshold of 7,000 MT CO₂e/year, it gains nothing from speculating as to the total emissions one might expect from a facility using such a boiler. Instead, the proposed threshold ends up having a weaker foundation in the data. CARB would be better served by relying on the known data and setting the threshold at 4,550 MT CO₂e/year.

Moreover, this threshold is more consistent with existing and proposed thresholds for greenhouse gas regulations in other contexts, especially in its application to modifications to existing facilities. Under AB 32's mandatory reporting protocols, facilities with emissions over 10,000 metric tons CO₂e/yr will be required to report their emissions to CARB. Under CARB's Proposed Scoping Plan, facilities with emissions over 25,000 metric tons CO₂e/yr will be required to participate in a cap and trade program. This recommended threshold of 4,500 MTCO₂e/yr would identify as significant *modification* projects which represent approximately half of the emissions that would trigger a facility's reporting obligation and one-fifth of the higher level of emissions that would trigger a facility's participation in a cap-and-trade program. It is reasonable for CEQA to capture projects that represent substantial modifications to facilities that have been identified as significant major sources under the state's GHG reduction program.

Sincerely,



Kristin Grenfell
Legal Director, Western Energy and Climate Projects

Diane Bailey
Senior Policy Analyst, Public Health Program

Avi Kar
Attorney, Public Health Program

Miriam Rotkin-Ellman
Policy Analyst, Public Health Program

¹ CARB draft proposal p. 10