



THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

*Office of the General Manager*

July 28, 2011

Clerk of the Board  
Mr. James Goldstene, Executive Officer  
Ms. Mary Nichols, Chair  
California Air Resources Board  
1001 I Street  
Sacramento, California 95814

Dear Mr. Goldstene and Ms. Nichols:

**Comments Regarding ARB's Supplement to the AB 32 Scoping Plan Functional Equivalent Document Dated June 13, 2011**

The Metropolitan Water District of Southern California (Metropolitan) has reviewed the Air Resources Board's (ARB) Supplement to the AB 32 Scoping Plan Functional Equivalent Document dated June 13, 2011 (FED Supplement), and is providing the following comments on this document. Metropolitan has closely followed and participated in the AB 32 rulemaking process, including the submittal of detailed written comments on the Cap and Trade Proposed Draft Regulation on January 11, 2010, and on the Proposed Regulation to Implement the California Cap and Trade Program on December 14, 2010. Additionally, Metropolitan provided comments on the AB 32 Scoping Plan in 2008. Metropolitan has provided testimony at ARB workshops and public hearings, and has had several meetings with ARB staff to discuss the Cap and Trade Program, and its impacts on Metropolitan and the Southern California water sector. Metropolitan will be providing comments next month on the 15-Day Modified Text for the Proposed California Cap on Greenhouse Gas Emissions and Market Based Compliance Regulation that the ARB released on Monday, July 25, 2011.

**Background**

As the nation's largest provider of drinking water, Metropolitan distributes water from the Colorado River and Northern California to 26 member agencies (cities and water districts), and supplies more than one-half of the water used by nearly 19 million people in the 5200 square-mile coastal plain of Southern California. Metropolitan's regional water supply and distribution system includes five of the largest pumping plants and water treatment facilities in the United States. Metropolitan's mission is to provide its member agencies with adequate and reliable supplies of high quality water to meet present and future needs in an environmentally and economically responsible way. Recognizing the existence of a nexus between water and energy

Mr. James Goldstene, Executive Officer

Ms. Mary Nichols, Chair

Page 2

July 28, 2011

supplies, Metropolitan's Board of Directors adopted Energy Management Policies which serve as a blueprint to help ensure energy reliability and efficiency, and protection of the environment. In order to bring Colorado River water to Southern California, Metropolitan will often directly import wholesale energy into California to serve exclusively the electrical pumping requirements of the Colorado River Aqueduct (CRA). This wholesale energy is not marketed or resold to other entities; it is used only by Metropolitan to bring water into Southern California, and does not serve any type of retail load. Metropolitan is a public water supply agency and not an electric utility. It does not provide electrical service to any load other than its CRA pumping plants. Metropolitan is unique in all of these aspects, and not comparable to utilities in the electric sector. As such, we do not believe Metropolitan should be included in a Cap and Trade program structured for the electric and industrial sectors.

### **Comments on ARB's FED Supplement**

Metropolitan has carefully reviewed the five alternatives and environmental analyses that ARB has prepared, as a supplement to the Functional Equivalent Document prepared by the ARB in 2008. Metropolitan has concerns about and therefore opposes ARB's environmental analysis contained in the FED Supplement based upon the identified deficiencies in this letter.

Metropolitan's specific comments on ARB's failure to comply with and satisfy the requirements of ARB's certified regulatory program, 17 California Code of Regulations (CCR) Sections 60000 et seq., the California Environmental Quality Act (CEQA), Public Resource Code (PRC) Sections 21000 et seq. and the Guidelines for Implementation of the California Environmental Quality Act at 14 CCR Sections 15000 et seq. are contained in the attached table.

Metropolitan has also reviewed the descriptions and discussions of the alternatives, and the assumptions used under the various options, with focus on the discussions that relate to water supply. Metropolitan favors the hybrid alternative, Alternative 5, "Adopt a Variation of the Combined Strategies and Measures," which includes a combination of command and control regulations and a Cap and Trade Program. However, Metropolitan does not support the inclusion of the public water sector in a Cap and Trade Program that is designed and tailored for the electric and industrial sectors. In its December 2008 Scoping Plan, ARB discussed several specific water sector measures which include the following:

- (W-1) Water Use Efficiency
- (W-2) Water Recycling
- (W-3) Water System Energy Efficiency
- (W-4) Reuse Urban Runoff
- (W-5) Increase Renewable Energy Production

According to the FED Supplement, implementation of the above measures would result in an estimated reduction of 4.8 million metric tons of carbon dioxide equivalent (MMTCO<sub>2e</sub>) by 2020 (page 10 Table 1.2-1 of FED Supplement). Metropolitan and its member agencies are

Mr. James Goldstene, Executive Officer

Ms. Mary Nichols, Chair

Page 3

July 28, 2011

implementing water supply projects that provide for water supply reliability with co-benefits of also reducing greenhouse gas (GHG) emissions. Metropolitan and other public water agencies prepare long-range integrated water resource plans that include projects supporting several of the above-listed water sector measures. We believe it is more appropriate to capture water sector emissions in specific requirements or regulations directly applicable to the water industry's unique interests and operations, rather than include the water sector as part of the Cap and Trade Program while denying the water sector free allowances.

The FED Supplement needs to include an assessment under Alternative 5 of the implementation of water-sector specific measures, which will likely result in improved environmental and economic benefits. Section 6 of Appendix C of the December 2008 Scoping Plan includes a plan for implementation of the water-sector measures, with recommended actions and estimated projections of the associated potential GHG emission reductions in 2020. However, the current status of these water measures and the implementation plan is not clear in the FED Supplement. In lieu of capturing the water sector in the proposed Cap and Trade Program, Metropolitan requests that ARB, the State Water Resources Control Board and the Department of Water Resources partner to develop a separate program that is appropriate for the water sector.

### **Recommendations and Requests**

Because of the deficiencies identified in this comment letter and the attached list, the FED Supplement undermines the purposes of CEQA by omitting material necessary for informed decision-making and informed public participation (PRC Section 21005). Metropolitan requests the provision of the additional information identified throughout our comments, in order to understand the changes to ARB's 2008 Scoping Plan and to complete a review of the alternatives presented in the FED Supplement.

As provided in ARB's certified regulatory program, 17 CCR Section 60005, where "... the action contemplated may have a significant effect on the environment, a staff report, together with the proposed ... plan shall be prepared and published by the staff of the state board." Metropolitan requests a copy of ARB's final staff report for the AB 32 Scoping Plan, which we assume will incorporate the additional information analyzed in the FED Supplement, responses to comments, and any additional CEQA analysis that results.

Mr. James Goldstene, Executive Officer

Ms. Mary Nichols, Chair

Page 4

July 28, 2011

If you have any questions on our comments, please contact Carissa Dunn in our Legal Department at (213) 217-5652 or via e-mail at [cdunn@mw2o.com](mailto:cdunn@mw2o.com), or Janet Bell in our Environmental, Health & Safety Section at (213) 217-5516 or via e-mail at [jbelle@mw2o.com](mailto:jbelle@mw2o.com).

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Kightlinger". The signature is fluid and cursive, with the first name "Jeff" and last name "Kightlinger" clearly distinguishable.

Jeffrey Kightlinger

General Manager

Attachment

Specific Comments on the Supplement to the AB 32 Scoping Plan Functional Equivalent Document (FED Supplement)  
By The Metropolitan Water District of Southern California (7/28/2011)

Issue	Page Number	Paragraph Number	Sentence Number in Paragraph	Comments/Questions	CEQA Ramifications	Notes
California Air Resources Board (ARB) certified regulatory program	1	1	1	<p><b>Sentence:</b> "...prepared in accordance..and the...ARB... certified regulatory program (title 17, California Code of Regulations (CCR) Sections 60006-60008)."</p> <p><b>Comment:</b> Incomplete reference to ARBs certified regulatory program. Section 60005 is cited and included in related program documents. (See page 25 of ARB's October 28, 2010 Functional Equivalent Document (FED) for the California Cap on Greenhouse Gas (GHG) Emissions and Market-Based Compliance Mechanisms).</p>	<ul style="list-style-type: none"> <li>Assurance that with the inclusion of missing CCR sections, ARB is fully complying with all aspects of its certified regulatory program under the California Environmental Quality Act (CEQA).</li> </ul>	17 CCR Sections 60005-60008
GHG reduction measures	1	1	5 <sup>th</sup> (last)	<p><b>Sentence:</b> "It is not required that a particular [GHG reduction] measure be encompassed in a scoping plan in order for ARB to pursue such a measure as a proposed regulation."</p> <p><b>Question:</b> Will ARB be presenting such measures, as currently known, in the Proposed Scoping Plan or in Alternatives 3 and/or 5? Or will such measures be analyzed in separate CEQA documents by ARB?</p> <p><b>Comment:</b> ARB should acknowledge that measures known at the time the FED Supplement was developed were evaluated and that future measures will undergo project level review.</p>	<ul style="list-style-type: none"> <li>Lack of certainty whether public will have the opportunity to comment on other GHG measures, either at this time or through future CEQA analyses.</li> <li>Potential piecemealing of the analyses.</li> <li>Uncertainty on level of significance from cumulative impacts.</li> </ul>	PRC Section 21003.1

Specific Comments on the Supplement to the AB 32 Scoping Plan Functional Equivalent Document (FED Supplement)  
By The Metropolitan Water District of Southern California (7/28/2011)

Issue	Page Number	Paragraph Number	Sentence Number in Paragraph	Comments/Questions	CEQA Ramifications	Notes
Proposed Scoping Plan	2	3	5,6	<b>Sentences:</b> “First, this Supplement relies on emissions projections updated in light of current economic forecasts (i.e., accounting for the economic downturn since 2008). In addition, the Proposed Scoping Plan excludes one measure identified in the 2008 Scoping Plan that has been adopted as of publication of this Supplement, and one measure no longer under consideration by ARB.”	<ul style="list-style-type: none"> <li>• Lack of a clear and finite project description for the Proposed Scoping Plan upon which to build CEQA alternatives.</li> <li>• No specific details on how forecasting was done for the revised 2020 baseline. (business as usual) or reductions from other measures.</li> <li>• Ambiguity on what the ARB decision making body will act on with regards to AB 32 planning efforts.</li> <li>• Lack of fairness, equity, transparency, and consistency in not following an established ARB protocol for public discussion on the revisions to the 2008 plan prior to the release of the FED Supplement.</li> <li>• No effort to examine specific impacts (direct and indirect, short-term and long-term) on the revisions to the original 2008 scoping plan.</li> </ul>	<p>PRC Sections 21001.1 and 21002</p> <p>14 CCR Section 15126.2</p>
	6	1 (under Proposed Scoping Plan Description)	1	<b>Sentence:</b> “The Proposed Scoping Plan referenced in this Supplement is substantially the same Scoping Plan considered by the Board in 2008, and therefore, contains the same objectives and framework of measures for GHG reduction described in the 2008 Scoping Plan (ARB 2009).”		
	11	2	All sentences	<b>Sentence:</b> “While ARB has compiled..., many of these strategies have either been implemented and are ongoing or have authority under other statutes and will proceed regardless of the outcome of the reconsideration of the Proposed Scoping Plan...One measure...Refrigerant Management Program...[is already in effect]...and therefore this measure will proceed because it is already codified.” A fee was proposed, “...[but due to several factors] will no longer be pursued as part of the Proposed Scoping Plan.”		
	12	2	1	<b>Sentence:</b> “The shortfall of the AB 32 target is the allocation of GHG reduction that has been estimated to be gained from a Cap-and-Trade Program (18 MMTCO <sub>2</sub> E) and an advanced clean car program (4 MMTCO <sub>2</sub> E) that are included as measures to be pursued as part of the Proposed Scoping Plan.”		
	12	3	3,4	<b>Sentences:</b> “ARB recognizes that due to several factors...actual reductions from individual measures aimed at achieving the 2020 target may be higher or lower than current estimates. The inclusion of many of these emissions within the Cap-and-Trade Program, along with a margin of safety in the uncapped sectors, would help ensure that the 2020 target is met.”		
	15	2	All	<b>Sentences:</b> “At a public meeting, the Board will make a new decision whether to adopt the Proposed Scoping Plan or an alternative, based on the information contained in the FED, the Supplement, public comments, and responses to comments.”		

Specific Comments on the Supplement to the AB 32 Scoping Plan Functional Equivalent Document (FED Supplement)  
By The Metropolitan Water District of Southern California (7/28/2011)

Issue	Page Number	Paragraph Number	Sentence Number in Paragraph	Comments/Questions	CEQA Ramifications	Notes
Proposed Scoping Plan (continued)				<p><b>Comment:</b> The description of the Proposed Scoping Plan appears to be scattered amongst several documents, conflicting at times, i.e., ARB states that this reconsidered plan is essentially the same as the 2008, yet there are substantial differences, such as updated emission projections and exclusion of previously analyzed emission reduction measures, some of which have already been adopted.</p> <p><b>Question:</b> Where is the information on how the revised 2020 baseline was developed? What is planned for those industries/agencies in the uncapped sectors within the context of this plan?</p>		
Board action by ARB	1	4	1	<p><b>Sentence:</b> "...to facilitate the Board's reconsideration of its previous decision, based on an expanded environmental analysis of the project alternatives."</p> <p><b>Question:</b> What about the revisions to the 2008 plan, now referred to as the Proposed Scoping Plan? Doesn't the FED Supplement contain an environmental analysis on the revisions to the plan as well?</p>	Without addressing the amendments or revisions to the 2008 plan, the FED Supplement will not fully support the decision-making action by ARB, along with a lack of full disclosure to the public.	PRC Sections 21001.1 and 21002
Bias	2  14	2  5	1-4  All	<p><b>Overall Comment:</b> The text in the paragraphs appears to bias the analysis in the FED Supplement, i.e., the court is wrong about ARB's original analysis but ARB will go along with this in the interest in public participation and informed decision-making.</p>	The spirit and intent of CEQA are compromised by ARB's statement. It is the responsibility of the lead agency to carry out an independent, objective, and factual analysis. Anything less, renders the documentation useless for both the public and the decision makers.	PRC Section 21002.1(e)

Specific Comments on the Supplement to the AB 32 Scoping Plan Functional Equivalent Document (FED Supplement)  
By The Metropolitan Water District of Southern California (7/28/2011)

Issue	Page Number	Paragraph Number	Sentence Number in Paragraph	Comments/Questions	CEQA Ramifications	Notes
Developing feasible alternatives	2	4	2	<p><b>Sentence:</b> “Each of the action alternatives is a feasible alternative to the proposed project that could potentially attain most of the project’s basic objectives...”</p> <p><b>Comment:</b> In addition to attaining most of the project’s objectives, CEQA requires that feasible alternatives avoid or substantially reduce any significant impacts identified with the plan’s implementation. Did the development of these alternatives occur with the intent to reduce one or more of the significant impacts associated with the Proposed Scoping Plan? It appears that the alternatives were not based upon mitigating the proposed projects impacts but rather upon attaining project objectives, in violation of State CEQA Guidelines Section 15126.6(b), 17 CCR Section 60005(b), 14 CCR Section 15252(a)(2)(A) and 14 CCR Section 15126.6(a) and (b).</p>	The CEQA certified regulatory program for the ARB clearly states: “The analysis shall address feasible mitigation measures and feasible alternatives to the proposed action which would substantially reduce any significant adverse impact identified.”	17 CCR Section 60005(b), 14 CCR Section 15252(a)(2)(A) 14 CCR Section 15126.6(a) and (b)
Programmatic approach	2	4	3-5	<p><b>Comment:</b> The ARB refers to Section 15168(b)(4) in the 14 CCR (State CEQA Guidelines) stating that the FED Supplement’s primary goal is to take a programmatic approach to consider broad policies related to AB 32. However, ARB appears to be very selective in applying this particular State CEQA Guidelines section in the context of its evaluation, by not conducting an exhaustive analysis of the alternatives pursuant to part (b)(1) of the same section.</p>	The FED Supplement does not comply with Section 15168(b)(1) in the State CEQA Guidelines: “Provide an occasion for a more exhaustive consideration of effects and alternatives than would be practical in an EIR on an individual action.”	14 CCR Section 15168(b)(1)
Developing Proposed Scoping Plan	3	3	3rd bullet, paragraph starting with “Develop a “Scoping Plan....”	<p><b>Question:</b> It is acknowledged that a plan by its very nature is to be a “living document” that will change over time. But this particular text in the FED Supplement is confusing: “Adoption of a Scoping Plan does not, however, mean that ARB is giving final approval to every strategy contained in the Plan. A substantial number of the strategies contained in an approved Scoping Plan will require their own regulatory processes, at the end of which ARB may choose a course that is different from that set in a Scoping Plan. Furthermore, adoption of a Scoping Plan is not a condition precedent for the adoption of greenhouse gas reduction measures ARB may pursue under other provisions of AB 32.” Please clarify the components of the Proposed Scoping Plan that are part of the plan to be acted upon by the decision-making body in the near future.</p>	<ul style="list-style-type: none"> <li>• Lack of clarity on plan description.</li> <li>• Confusion in text as to what focus the public and decision makers should take in understanding the plan.</li> <li>• Potential piecemealing.</li> </ul>	PRC Section 21002.1(e)

Specific Comments on the Supplement to the AB 32 Scoping Plan Functional Equivalent Document (FED Supplement)  
By The Metropolitan Water District of Southern California (7/28/2011)

Issue	Page Number	Paragraph Number	Sentence Number in Paragraph	Comments/Questions	CEQA Ramifications	Notes
Comparison between the Proposed Scoping Plan and alternatives	7	1	1	<p><b>Sentence:</b> “Because discussions of the alternatives sometimes use the Proposed Scoping Plan as a point of comparison, it is helpful to summarize the key strategies in the Proposed Scoping Plan as a foundation of the alternatives analysis.”</p> <p><b>Question:</b> Is the ARB not following its own certified regulatory program requirement? The proposed scoping plan should be the point of comparison with all of the alternatives with regards to the plan’s significant adverse impacts and those of the alternatives’ effects that might be less adverse.</p>	The CEQA certified regulatory program for the ARB clearly states: “The analysis shall address feasible mitigation measures and feasible alternatives to the proposed action which would substantially reduce any significant adverse impact identified.”	17 CCR Section 60005(b), 14 CCR Section 15252(a)(2)(A)
Updated BAU emissions projections	10	Below Table 1.2-1	All	<p><b>Question:</b> Is the ARB going to release the technical analysis that was conducted to develop these projections, including the assumptions? What specific growth factors were used?</p>	Lack of full public disclosure; inability to verify the validity of these calculations and assumptions.	PRC Section 21003.1(b)
Data gathering in the development of the alternatives	16	1	All	<p><b>Paragraph:</b> This paragraph details how ARB met with a variety of governmental entities in the development of components on emissions trading programs.</p> <p><b>Questions:</b> Who were the other representatives contacted and were other programs examined on other methods to reduce GHG emissions? Was an emphasis made in judging the alternatives primarily with emissions trading programs? While the following paragraph in the FED Supplement indicates that sources/methods other than trading emissions were examined, the specifics aren’t there and Section 3 (References Cited) is heavily weighed on emissions trading.</p>	<ul style="list-style-type: none"> <li>• Developing alternatives around particular methods rather than developing alternatives to reduce one or more of the Plan’s significant impacts.</li> <li>• Not consistent with alternative methodology approach discussed on page 14, notwithstanding with ARB’s CEQA certified regulatory program.</li> </ul>	14 CCR 15126.6

Specific Comments on the Supplement to the AB 32 Scoping Plan Functional Equivalent Document (FED Supplement)  
By The Metropolitan Water District of Southern California (7/28/2011)

Issue	Page Number	Paragraph Number	Sentence Number in Paragraph	Comments/Questions	CEQA Ramifications	Notes
Incorporation by reference	16	2	2	<p><b>Sentence:</b> "Documents incorporated by reference are listed in Section 3.0."</p> <p><b>Question:</b> Are the references cited in Section 3 truly for incorporation by reference as defined in 14 CCR Section 15150? Or are they just references cited?</p>	<p>If the FED Supplement is incorporating by reference all the documents in Section 3, then CEQA requires that such documentation be made available to the public. There is no mention of the incorporated by referenced documentation in the Notice of Availability for the FED Supplement or on ARB's website.</p>	<p>14 CCR Section 15150 PRC Section 21003</p>
Analysis of alternatives	17	4	All	<p><b>Question:</b> This paragraph is very confusing. The first part of the paragraph indicates that the analysis will examine a range of alternatives to evaluate "whether reasonable alternatives to the Proposed Scoping Plan" will reduce or eliminate the project's significant effects while meeting most of the project objectives. Since the Proposed Scoping Plan is not yet available (See ARB's definition on page 1 of the FED Supplement indicating that the Proposed Scoping Plan will be brought back to the Board at some future date) it is difficult to understand alternatives to that yet disclosed Proposed Scoping Plan that would reduce or eliminate the plan's significant effects. Also, ARB's analysis description suggests that a study is first being conducted to determine if a range of feasible alternatives exists rather than just proceeding with the actual analysis. It does not pertain explicitly to the five alternatives. The next part of the paragraph indicates that the second part of the FED Supplement's analysis of each of the five alternative's feasibility and their ability to reduce impacts shall be conducted as identified in the FED's analysis of the Proposed Scoping Plan. Again, it is confusing as to which Plan is being referred to, as the Proposed Scoping Plan is "the plan being brought back to the Board for reconsideration along with this Supplement," and therefore a document that has yet to be developed, based upon ARB's response to comments as part of the required review of the Supplement to the AB 32 FED. The FED's analysis is solely on the existing 2008 Plan. Also, CEQA or the ARB's CEQA certified regulatory program does not call for a comparative analysis of the feasibility of the alternatives</p>	<ul style="list-style-type: none"> <li>• Lack of clarity in setting up the analysis, by placing undue emphasis on feasibility.</li> <li>• Not following typical CEQA alternative analysis methodology.</li> </ul>	<p>17 CCR Sections 60005(b) and 60006 PRC Section 15126.6</p>

Specific Comments on the Supplement to the AB 32 Scoping Plan Functional Equivalent Document (FED Supplement)  
By The Metropolitan Water District of Southern California (7/28/2011)

Issue	Page Number	Paragraph Number	Sentence Number in Paragraph	Comments/Questions	CEQA Ramifications	Notes
Analysis of alternatives (continued)				themselves ...only that they are feasible. The analysis should compare the alternatives to the Proposed Scoping Plan to determine if one or more of the alternatives reduces the significant impacts of the Porposed Scoping Plan, while meeting most of the plan's objectives.		
Assumptions for Alternative 1: No-Project Alternative	17-18	Bottom of page 17/top of page 18	All	<b>Comment:</b> The FED Supplement indicates that, contrary to the current litigation, the ARB believes that the proposed cap-and-trade regulation and other emission reduction measures are independently authorized by the HSC Section 38562. If that is truly the case, why wasn't a second No-Project Alternative developed that included these measures? While such analysis is unusual, it is not prohibited by CEQA nor the ARB's CEQA certified regulatory program and would provide additional relevant information to the public and decision makers.	The lead agency is not fully disclosing potential impacts of a version of the No-Project alternative that includes GHG reduction measures the agency believes would be implemented even if the Proposed Scoping Plan was not adopted.	4 CCR Section 15126.6(e)(3)
Alternative 5: Adopt a variation of the proposed strategies or measures	19	Top bullet item	1	<b>Comment:</b> This characterization of the alternative is too vague..either a subset or a different combination of measures from Alternatives 2, 3, and 4. Is this alternative being developed to spread the regulatory requirements and lessen the economic impacts to the various sectors affected or has it been developed as a fifth alternative that reduces one or more of the Proposed Scoping Plan's significant impacts?	Is this a valid CEQA alternative for analysis?	14 CCR Sections 21001(f) & 21001(g)
Attributes of Alternative 1: Baseline condition	20	4 (last paragraph)	3	<b>Sentence:</b> "ARB staff derived the updated emissions estimates by projecting emissions from a past baseline estimate using three-year average emissions, by sector, for 2002 to 2004 and considering the influence of the recent recession and measures that are already in place."  <b>Question:</b> Given the baseline was an average for the No-Project alternative, will a different baseline be used for the Proposed Scoping Plan? According to page 10 in the FED Supplement, the baseline for the Proposed Scoping Plan will be updated using a past baseline average by sector for 2006-2008. How can a straight forward comparison regarding impacts between the Proposed Scoping Plan and the No-Project alternative be made?	<ul style="list-style-type: none"> <li>Relying on different baselines between Alternative 1 and the Proposed Scoping Plan is not a proper comparison; it does not provide an accurate presentation of the severity of the impacts between the plan and the no-project scenario.</li> <li>The standard CEQA use of baseline conditions should be employed (i.e., existing conditions when CEQA document is published or when analysis is commenced).</li> </ul>	14 CCR Section 15125

Specific Comments on the Supplement to the AB 32 Scoping Plan Functional Equivalent Document (FED Supplement)  
By The Metropolitan Water District of Southern California (7/28/2011)

Issue	Page Number	Paragraph Number	Sentence Number in Paragraph	Comments/Questions	CEQA Ramifications	Notes
Attributes of Alternative 1: BAU Conditions	23-31			<p><b>Comments:</b> The discussion of existing conditions/future foreseeable outcomes are either incomplete or reflect a skewed perspective. For example, while ARB cites issues of water/energy challenges facing the state and indicates that the measures in DWR’s California Water Plan Update must be implemented to avoid additional water shortages, the FED Supplement does not cite or consider other applicable statewide and regional water resource plans that would also characterize the environmental setting. Additionally, other assumptions seem to lack balance. The Supplement forecasts the trend for larger houses and more electronics; however, historic housing trends may not be relevant here given California’s continuing high unemployment, housing foreclosures, and difficulties in securing bank loans. For Port-related matters, in Southern California, both the Port of Los Angeles and the Port of Long Beach are committed to reducing air impacts. According to a recent News release by the Port of Los Angeles (May 5, 2011): “Latest air monitoring data shows concentrations of diesel particulate matter (DPM) down by 50 percent in Wilmington and 40 percent in San Pedro compared to 2006.” The Port of Los Angeles has an adopted Clean Air Action Plan that includes a wide variety of measures and incentives to aid in achieving clean air goals at the port.</p>	<p>Conditions described for Alternative 1 are not balanced in terms of achievements attained by local government entities as well as the unique circumstances in California in 2011, including an over abundance of water supplies, high unemployment, etc. This lack of an objective presentation tends to overstate adverse conditions under the No Project alternative.</p>	<p>14 CCR Section 15126.6</p>

Specific Comments on the Supplement to the AB 32 Scoping Plan Functional Equivalent Document (FED Supplement)  
By The Metropolitan Water District of Southern California (7/28/2011)

Issue	Page Number	Paragraph Number	Sentence Number in Paragraph	Comments/Questions	CEQA Ramifications	Notes
Alternative 1: Impact Discussion	32-37			<p><b>Comments:</b></p> <ul style="list-style-type: none"> <li>• This section would do well to have a matrix comparing the Proposed Scoping Plan with Alternative 1.</li> <li>• There is no reason why impacts from the “Scoping Plan” (again, we’re not sure whether the reference to “Scoping Plan” in this section is the 2008 Scoping Plan or the Proposed Scoping Plan) that are less than significant be compared with the No-Project alternative. The analysis needs to focus on significant impacts.</li> <li>• It appears that the No-Project alternative reduces the Plan’s significant impacts in eight out of nine environmental categories: agriculture, air quality, biological resources, cultural resources, geology, hydrology/water, land use, noise, and traffic. As certain early action GHG reduction measures are expected to continue with the No-Project alternative, why are all of the objectives for the No-Project alternative listed as no or low likelihood to achieve one or more of the 20 objectives in Table 2.8-1? Even though ARB cannot adopt the No-Project alternative due to AB 32 requirements, it appears that the analysis is too simplistic and limited.</li> <li>• Forestry Resources impacts are included in each of the Environmental Impacts sections for each of the analyzed alternatives in the FED Supplement. As such, the CEQA environmental checklist in the final FED and/or FED Supplement should be appropriately updated by adding Forestry Resources and including items II(c),(d) and (e) from the 2011 CEQA environmental checklist.</li> </ul>	<ul style="list-style-type: none"> <li>• Confusing analysis that does not support a balanced and objective comparison between the Proposed Scoping Plan and Alternative 1.</li> <li>• The analysis does not consider achievements by local government agencies throughout the state to improve local air quality issues, plan for water reliability and source protection, and implement renewable energy strategies.</li> </ul>	14 CCR Section 15126.6

Specific Comments on the Supplement to the AB 32 Scoping Plan Functional Equivalent Document (FED Supplement)  
By The Metropolitan Water District of Southern California (7/28/2011)

Issue	Page Number	Paragraph Number	Sentence Number in Paragraph	Comments/Questions	CEQA Ramifications	Notes
Alternative 2: Impact Discussion	51-60			<p><b>Questions:</b></p> <ul style="list-style-type: none"> <li>• What is the baseline condition for Alternative 2? Is it based on criteria established for the baseline of the 2008 Scoping Plan, Proposed Scoping Plan or for the No-Project alternative?</li> <li>• Why so much emphasis on the background information on cap-and-trade to the detriment of the overall analysis? This emphasis suggests that the FED Supplement is skewed in favor of a cap-and-trade approach, rather than examining all alternatives objectively.</li> <li>• The analysis is strictly on impacts generated by Alternative 2. Where is the comparative impact analysis between Alternative 2 and the Proposed Scoping Plan?</li> </ul>	<ul style="list-style-type: none"> <li>• Not a valid alternatives' analysis because the analysis does not indicate if this Alternative reduces the significant impacts of the project (Proposed Scoping Plan).</li> <li>• Unclear as to what the baseline is for Alternative 2.</li> </ul>	<p>14 CCR Section 15126.6, 14 CCR Section 15125, and 17 CCR Section 60005(b)</p>
Alternative 3: Impact Discussion	72-83			<p><b>Questions:</b></p> <ul style="list-style-type: none"> <li>• What is the baseline condition for Alternative 3? Is it based on criteria established for the baseline of the 2008 Scoping Plan, Proposed Scoping Plan or for the No-Project alternative?</li> <li>• The analysis is strictly on impacts generated by Alternative 3. Where is the comparative impact analysis between Alternative 3 and the Proposed Scoping Plan?</li> </ul>	<ul style="list-style-type: none"> <li>• Not a valid alternatives' analysis because the analysis does not indicate if this Alternative reduces the significant impacts of the project (Proposed Scoping Plan).</li> <li>• Unclear as to what the baseline is for Alternative 3.</li> </ul>	<p>14 CCR Section 15126.6, 14 CCR Section 15125, and 17 CCR Section 60005(b)</p>
Alternative 4: Impact Discussion	94-102			<p><b>Questions:</b></p> <ul style="list-style-type: none"> <li>• What is the baseline condition for Alternative 4? Is it based on criteria established for the baseline of the 2008 Scoping Plan, Proposed Scoping Plan or for the No-Project alternative?</li> <li>• The analysis is strictly on impacts generated by Alternative 4. Where is the comparative impact analysis between Alternative 4 and the Proposed Scoping Plan?</li> </ul>	<ul style="list-style-type: none"> <li>• Not a valid alternatives' analysis because the analysis does not indicate if this Alternative reduces the significant impacts of the project (Proposed Scoping Plan).</li> <li>• Unclear as to what the baseline is for Alternative 4.</li> </ul>	<p>14 CCR Section 15126.6, 14 CCR Section 15125, and 17 CCR Section 60005(b)</p>

Specific Comments on the Supplement to the AB 32 Scoping Plan Functional Equivalent Document (FED Supplement)  
By The Metropolitan Water District of Southern California (7/28/2011)

Issue	Page Number	Paragraph Number	Sentence Number in Paragraph	Comments/Questions	CEQA Ramifications	Notes
Alternative 5: Impact Discussion	106-109			<p><b>Questions:</b></p> <ul style="list-style-type: none"> <li>• What is the baseline condition for Alternative 5? Is it based on criteria established for the baseline of the 2008 Scoping Plan, Proposed Scoping Plan or for the No-Project alternative?</li> <li>• The analysis is strictly on impacts generated by Alternative 5. Where is the comparative impact analysis between Alternative 5 and the Proposed Scoping Plan?</li> </ul>	<ul style="list-style-type: none"> <li>• Not a valid alternatives' analysis because the analysis does not indicate if this Alternative reduces the significant impacts of the project (Proposed Scoping Plan).</li> <li>• Unclear as to what the baseline is for Alternative 5.</li> </ul>	<p>14 CCR Section 15126.6, 14 CCR Section 15125, and 17 CCR Section 60005(b)</p>
Comparison of Alternatives	109	3	1	<p><b>Sentence:</b> "With the exception of Alternative 1, No-Project, all of the project alternatives are designed to cover...[the plan's overall target reduction for AB 32-GHG emissions]."</p> <p><b>Comment:</b> Should provide a second No-Project alternative that includes GHG measures that will be adopted regardless of the AB 32 Scoping Plan.</p>	Lead agency is not providing an analysis, despite litigation, that it feels is warranted under separate requirements of the Health and Safety Code.	<p>14 CCR Section 15126.6, 17 CCR Section 60005(b)</p>
Comparison of Alternatives	110	1	3	<p><b>Sentence:</b> "Therefore, Alternative 1 would incur the majority of the environmental impacts of the Proposed Scoping Plan, but would not achieve the GHG reduction benefit needed to comply with AB 32."</p> <p><b>Comment:</b> This conclusion conflicts with the previous analysis in pages 32-37 that indicated that the No-Project alternative would avoid at least eight of the nine significant environmental impacts due to the Proposed Scoping Plan.</p>	Confused and contradictory conclusion that is not supported in the FED Supplement.	<p>14 CCR Section 15126.6, 17 CCR Section 60005(b)</p>
Comparison of Alternatives	110-111			<p><b>Comment:</b> The remaining discussion on the various alternatives to the Proposed Scoping Plan are vague and do not clearly delineate those significant impacts related to the Plan where one or more of the alternatives could further reduce to less than significant.</p>	Comparison is focused more on objectives and less on reducing environmentally significant impacts by the Proposed Scoping Plan.	<p>14 CCR Section 15126.6, 17 CCR Section 60005(b)</p>