State of California
Air Resources Board

CLIMATE CHANGE SCOPING PLAN

Resolution 14-16

May 22, 2014

Agenda Item No: 14-4-3

WHEREAS, the Legislature enacted the California Global Warming Solutions Act of 2006 (AB 32, Statutes of 2006, Chapter 488; Health and Safety Code section 38500 et seq.) that declares global warming poses a serious threat to the economic well-being, public health, natural resources, and environment of California;

WHEREAS, AB 32 charges the Air Resources Board (ARB or the Board) with monitoring and regulating sources of emissions of greenhouse gases that cause global warming in order to reduce emissions of greenhouse gases (Health and Safety Code section 38510);

WHEREAS, AB 32 directed ARB to create a comprehensive multi-year program to reduce California's greenhouse gas (GHG) emissions to no greater than 1990 levels by 2020, maintain and continue reductions in emissions of GHGs beyond 2020, and initiate the transformations required to achieve the AB 32's long-range climate objectives;

WHEREAS, AB 32 required ARB to determine California's 1990 statewide GHG emissions level, which would become California's near-term statewide emissions limit to be achieved by 2020;

WHEREAS, ARB developed a California statewide GHG emission inventory for years 1990–2004 to support the effort of determining the 1990 level and 2020 emissions limit and in December 2007, the Board approved a total statewide GHG 1990 emissions level and 2020 emissions limit of 427 $MMTCO_2e$, based on the Intergovernmental Panel on Climate Change's (PCC's) Second Assessment Report;

WHEREAS, Health and Safety Code section 38561(a) required ARB to prepare and approve a "scoping plan" for achieving the maximum technologically feasible and cost-effective GHG emission reductions by 2020;

WHEREAS, ARB prepared and approved the first AB 32 climate change scoping plan (initial Scoping Plan) in 2008 and reapproved it in 2011;

WHEREAS, the initial Scoping Plan contains a mix of recommended strategies that combine direct regulations, market-based approaches, voluntary measures, policies,

and other emission reduction programs calculated to limit California's GHG emissions to no greater than the 2020 statewide GHG emission limit and initiate the transformations needed to achieve AB 32's long-range climate objectives;

WHEREAS, Health and Safety Code section 38561(h) requires ARB to update the State's scoping plan for achieving the maximum technologically feasible and cost-effective reductions of GHG emissions at least once every five years;

WHEREAS, Executive Order S-3-05 and Governor Brown's Executive Order B-16-2012 (for the transportation sector) require reductions in GHG emissions to 80 percent below 1990 levels by 2050;

WHEREAS, to reduce California's GHG emissions to the scientifically recognized level necessary for climate stabilization will require California to keep building on the framework of the initial Scoping Plan by continuing to pursue the maximum technologically feasible and cost-effective actions that will steadily drive down greenhouse gas emissions over the coming decades;

WHEREAS, the latest science contributes even stronger evidence to substantiate that the widespread impacts of climate change are occurring at a faster pace than documented in previous assessments, and that human beings are extremely likely to be the primary contributors to this phenomenon, further underscoring the urgent need to accelerate GHG emission reductions;

WHEREAS, short lived climate pollutants have greater ability to trap heat compared to carbon dioxide and the development of a short lived climate pollutant strategy by 2015 could provide immediate air quality and public health benefits to help to slow the rate of human-caused climate change;

WHEREAS, in June 2013, ARB held a kickoff public workshop in Sacramento to discuss developing an update to the initial Scoping Plan (Update), public process, and overall schedule;

WHEREAS in July 2013, ARB co-hosted public regional workshops with local air districts and metropolitan planning organizations throughout the State (Bay Area, South Coast, and San Joaquin Valley) to discuss region-specific issues, concerns, and priorities related to the Update;

WHEREAS, ARB reconvened the Environmental Justice Advisory Committee, which met four times between June 2013 and April 2014 to advise and provide recommendations on developing the Update;

WHEREAS, in preparing the Update, ARB staff collaborated with the Climate Action Team and solicited input and expertise from a range of state agencies to identify and describe a long-term vision and near-term activities to put California on the path to its 2050 emission reduction goal in six key areas comprising major components of the

State's economy: Energy; Transportation; Agriculture; Water; Waste Management; and Natural and Working Lands;

WHEREAS, in preparing the Update, ARB staff considered advice and input from the Environmental Justice Advisory Committee, economic advisors, and experts in the field of climate change;

WHEREAS, in October 2013, ARB staff prepared and circulated for public review a *Draft Discussion of the First Update to the Climate Change Scoping Plan* (Discussion Draft);

WHEREAS, staff held a public workshop on the Discussion Draft on October 15, 2013, and provided an informational update to the Board on the Discussion Draft at the October 24, 2013, Board meeting;

WHEREAS, in February 2014, after considering public comments received on the Discussion Draft, ARB staff prepared and circulated for public review a *Proposed First Update to the Climate Change Scoping Plan* (Proposed Update), provided an informational update to the Board on the Proposed Update at the February 20, 2014, Board meeting, considered public comments received, and prepared and released the final version of the proposed *First Update to the Climate Change Scoping Plan* (final Update) on May 15, 2014;

WHEREAS, the final Update finds California is on track to meet the near-term 2020 greenhouse gas limit and is well positioned to maintain and continue reductions beyond 2020 as required by AB 32;

WHEREAS, the final Update recommends establishing a mid-term statewide emission reduction target, informed by climate science, to help frame the additional suite of policy measures, regulations, planning efforts, and investments in clean technologies needed to continue driving down emissions and ensure that the State stays on course to meet its long-term reduction objectives;

WHEREAS, the final Update makes recommendations on the creation of new policies, and expanding and refining existing policies, in the major economic sectors in the State to achieve reductions in greenhouse gas emissions;

WHEREAS, the final Update proposes to update the number for the 2020 limit from the 427 $MMTCO_2e$ limit adopted by the Board in 2007 to 431 $MMTCO_2e$ to reflect weighting the 1990 emissions with 100-year global warming potentials (GWPs) from the IPCC's Fourth Assessment Report, which updated the global warming potential of GHGs, especially methane and HFCs;

WHEREAS, the final Update finds that cumulative emissions drive climate change and a continuum of action is needed to reduce emissions to achieve AB 32's long-term objective of reducing California's greenhouse gas emissions to the scientifically recognized level necessary for climate stabilization;

WHEREAS, Health and Safety Code section 38551(c) states that ARB shall make recommendations to the Governor and the Legislature on how to continue reductions in greenhouse gas emissions beyond 2020;

WHEREAS, in consideration of the final Update to the Climate Change Scoping Plan, written and oral testimony presented by the public, industry, and government agencies, the Board finds that:

The 431 $MMTCO_2e$ for the 2020 limit more accurately reflects weighting the 1990 emissions with 100-year GWPs from the IPCC's Fourth Assessment Report;

The creation of new policies and expanding and refining existing policies in every major economic sector in the State will be necessary both to maintain and continue reduction in emissions of GHGs beyond 2020, and to achieve the State's emission reduction goals;

Establishing a mid-term statewide emission reduction target will send a clear signal that California is solidifying its commitment to a low-carbon future, giving businesses the long-term certainty they need to plan for the future;

A short lived climate pollutant strategy is necessary to slow the near-term rate of global warming, especially in areas most vulnerable to climate change;

California's local and regional governments are critical partners in meeting the State's GHG emission reduction goals and strong collaboration with these agencies will be necessary to achieve the State's near-term and longer-term emission goals and improve its ability to adapt to potential climate change impacts;

Ongoing assessment and monitoring is necessary for AB 32 implementation, including economic impacts;

The development of an AB 32 economic assessment and monitoring plan will provide data to help ensure the overall costs of reaching GHG emission reduction goals are reduced by estimating the costs and benefits of measures on the California economy and identifying the distribution of impacts on industry, small businesses, households, environmental justice communities, and the public sector;

Annual reports to the Board on AB 32 implementation will inform the public on whether California is on track to meet the near-term 2020 limit and is well-positioned to maintain and continue reductions beyond 2020.

WHEREAS, the California Environmental Quality Act (CEQA) requires that a public agency not approve a project as proposed if there are feasible alternatives or feasible mitigation measures available which would substantially lessen the significant

environmental impacts of such a project; in the event that specific economic, social, or other conditions make infeasible the alternatives or mitigation measures, the project may be approved if it is determined that any remaining unavoidable significant impacts are acceptable due to overriding considerations;

WHEREAS, Public Resources Code section 21080.5 allows public agencies with regulatory programs to prepare a plan or other written document in lieu of an environmental impact report or negative declaration once the Secretary of the Resources Agency has certified the regulatory program;

WHEREAS, that portion of the ARB's regulatory program that involves the adoption, approval, amendment, or repeal of standards, rules, regulations, or plans has been certified by the Secretary of Resources Agency (CEQA Guidelines, California Code of Regulations, title 14, section 15251(d));

WHEREAS, in accordance with ARB's certified regulatory program at California Code of Regulations, title 17, section 60005 (b), and the policy and substantive requirements of CEQA, ARB staff prepared an Environmental Analysis (EA), included at Appendix F to the Proposed Update, to assess the potential for significant adverse and beneficial environmental impacts associated with implementation of the recommendations in the Proposed Update;

WHEREAS, the draft EA was circulated for a 45-day written public comment period from March 14, 2014, through April 28, 2014;

WHEREAS, staff reviewed written comments received that raised issues related to the Draft EA and prepared written responses to those comments;

WHEREAS, on May 15, 2014, staff posted the Final EA which includes minor revisions to the Draft EA, and a document containing staff's written responses to comments received on the EA entitled *Responses to Comments on the Draft Environmental Analysis for the Proposed First Update to the Climate Change Scoping Plan* (Response to EA Comments); and

WHEREAS, prior to the duly noticed public hearing held on May 22, 2014, staff provided the Final EA, the Response to EA Comments, and the final version of the proposed *First Update to the Climate Change Scoping Plan* to the Board for consideration for approval.

NOW, THEREFORE, BE IT RESOLVED that the Board certifies that the EA, as set forth in Attachment B to this resolution, was completed in compliance with ARB's certified regulatory program to meet the requirements of CEQA, reflects the agency's independent judgment and analysis, and was presented to the Board whose members reviewed and considered the information therein before taking action to approve the final Update.

BE IT FURTHER RESOLVED that the Board hereby approves the Responses to EA Comments as set forth in Attachment C to this resolution.

BE IT FURTHER RESOLVED that in consideration of the EA and the Responses to EA Comments, the Board adopts the Findings and Statement of Overriding Considerations as set forth in Attachment D to this resolution.

BE IT FURTHER RESOLVED that the Board hereby approves the final First Update to the Climate Change Scoping Plan, as set forth in Attachment A to this resolution.

BE IT FURTHER RESOLVED that the Board hereby directs staff to develop a short lived climate pollutant strategy by 2015 that will include an inventory of sources and emissions, and the identification of additional research needs and control measures.

BE IT FURTHER RESOLVED that the Board hereby directs staff to develop an economic assessment work plan by 2014 identifying the timeline, data requirements, and appropriate methodology to estimate the overall costs and benefits of the suite of AB 32 measures on the California economy and identify the distribution of impacts on industry, small businesses, households, environmental justice communities, and the public sector.

BE IT FURTHER RESOLVED that the Board hereby directs staff to report annually on AB 32 implementation, including whether California is on track to meet the near-term 2020 limit and is well-positioned to maintain and continue reductions beyond 2020.

BE IT FURTHER RESOLVED that the Board adopts the updated number of 431 $MMTCO_2e$ for the 2020 limit to more accurately reflect weighting the 1990 emissions with 100-year GWPs from the IPCC's Fourth Assessment Report.

BE IT FURTHER RESOLVED that the Board directs the Executive Officer to transmit the Notice of Decision along with the Response to EA Comments to the Secretary of the Natural Resources Agency for posting.

I hereby certify that the above is a true and correct copy of Resolution 14-16 as adopted by the Air Resources Board.

Tracy Jensen

Tracy Jensen, Clerk of the Board

Resolution 14-16

May 22, 2014

Identification of Attachments to Board Resolution 14-16

Attachment A: *First Update to the Climate Change Scoping Plan*, released to the public in May 2014.

Attachment B: *Final Environmental Analysis Prepared for the First Update to the Climate Change Scoping Plan*, released to the public May 15, 2014.

Attachment C: *Responses to Comments on the Draft Environmental Analysis for the Proposed First Update to the Climate Change Scoping Plan*, released to the public May 15, 2014, and provided to the Board

Attachment D: Findings and Statement of Overriding Considerations

ATTACHMENT D

Findings and Statement of Overriding Considerations

for the

FIRST UPDATE TO THE CLIMATE CHANGE SCOPING PLAN

Introduction

ARB, as the lead agency for the proposed First Update to the Climate Change Scoping Plan (Update), prepared a draft environmental analysis (EA) in accordance with its certified regulatory program (Cal. Code Regs., tit. 17, §§ 60000 – 60008) to comply with the requirements of the California Environmental Quality Act (CEQA). (Pub. Resources Code, § 21000 et seq.) For the purposes of the EA, ARB considers the recommended actions in the Proposed Update to be the "project" under CEQA. CEQA defines a "project" as a discretionary action that has the potential to result in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. (Cal. Code Regs., tit. 14, § 15378.) While the Update itself would have no direct adverse impact on the environment, and it would result in beneficial impacts through the reduction in greenhouse gas emissions contributing to climate change, ARB recognizes that actions that may be carried out to implement the broad recommendations could result in indirect adverse impacts on the environment. Therefore, ARB prepared the EA to analyze and disclose the reasonably foreseeable indirect physical changes in the environment that may result from the reasonably foreseeable actions associated with implementing the recommendations in the Update. Pursuant to ARB's certified regulatory program, the EA discusses the potential beneficial and adverse impacts and feasible mitigation measures for the recommended actions in each of the nine sectors discussed in the Update.

The EA supplements the environmental analysis prepared for the initial Scoping Plan in the *California Environmental Quality Act Functional Equivalent Document* (2008 FED) and *2011 Final Supplement to the AB 32 Scoping Plan Functional Equivalent Document* (2011 Supplement). Like these prior environmental documents it builds upon, the EA is necessarily a programmatic level document. (See Cal. Code Regs., tit. 14, § 15168 "Program EIR.") The level of detail reflects that the project is a broad plan with recommended strategies to further align the State's longer-term GHG reduction goals with other State policy priorities, including those related to economic development, water, waste, natural resources, agriculture, clean energy, transportation, and land use. Specific regulatory actions that ARB or other agencies decide to pursue to implement the recommendations will require additional action by the lead agency with jurisdiction over that action. Those agency actions would include compliance with the procedures included in the lead agency's authorizing statute and other statutory requirements such as the Administrative Procedure Act (APA; Government Code § 11340 et seq.) and

CEQA as required. Consequently, the level of detail in the EA reflects that the project is a broad plan, and the analysis does not, and cannot, provide the level of detail that will be provided in subsequent environmental documents prepared for future agency actions to implement a recommendation. Should ARB pursue any regulations to implement GHG reduction strategies discussed in the Update, ARB must comply with the public process required by the APA and ARB's CEQA certified regulatory program.

While the EA analysis does not replace the more detailed "project-level" environmental review to be carried out for implementation of any particular recommendation, the EA analysis makes a good faith effort to address the types of impacts associated with the types of foreseeable actions that can be reasonably predicted at this time. Because the specific location, design, and setting of potential actions cannot feasibly be known at this time, the EA's programmatic level of analysis broadly applies statewide rather than at any particular site or project-specific location.

The impact discussion includes, where relevant, construction-related effects, operational effects of new or modified facilities, and influences of the recommended actions on GHG and air pollutant emissions. Because the specific location, extent, and design of potential new and/or modified facilities cannot be known at this time, the impact discussions reflect a conservative assessment to describe the type and magnitude of effects that may occur. These impact discussions are followed by the types of mitigation measures that could typically be required to reduce potentially significant environmental impacts. The EA takes a conservative approach (i.e., tending to overstate environmental impacts) in finding some impacts to be potentially significant after mitigation because the authority to determine project-level impacts and require project-level mitigation lies with the lead agency with authority over those particular projects. Additionally, because the programmatic level of analysis cannot address project-specific details of mitigation, there is inherent uncertainty in the degree of mitigation that may ultimately by implemented to reduce potentially significant impacts. It is expected that many of the impacts identified as potentially significant in this EA could feasibly be avoided or mitigated to a less-than-significant level during the project-specific environmental review process.

Collectively, across all sectors, the EA concluded the reasonably foreseeable actions associated with implementation of the recommendations in the Update could result in the following impacts: beneficial impacts to agriculture and forest resources, air quality, biological resources, energy demand, greenhouse gases, hydrology and water quality; less than significant impacts to aesthetics, agriculture and forest resources, air quality, biological resources, energy demand, geology and soils, greenhouse gases, hazards and hazardous materials, land use planning, mineral resources, noise, population and housing, public services, recreational services, transportation/ traffic, and utilities and services systems; and potentially significant and unavoidable adverse impacts to aesthetics, agriculture and forest resources, air quality, biological resources, cultural resources, geology and soils, hazards and hazardous materials, hydrology and water quality, noise, transportation/traffic, and utilities and service systems, primarily related to

short-term construction related activities. (See Attachment 1 of the EA for a table with a summary of impacts by sector.)

ARB's certified regulatory program requires that, prior to adoption of an action for which significant adverse environmental impacts have been identified during the review process, ARB consider feasible mitigation measures and alternatives that could substantially reduce the impacts. (Cal. Code Regs, tit. 17, § 60006.) CEQA places the burden on the approving agency to affirmatively show that it has considered feasible mitigation and alternatives that can lessen or avoid identified impacts through a statement of findings for each identified significant impact. (See Pub. Resources Code, § 21081.) CEQA Guidelines section 15091 provides direction on the content of the statement of findings. That section states that one or more of the following findings should be identified for each impact:

- Changes or alterations have been required in, or incorporated into, such projects which avoid or substantially lessen the significant environmental effect as identified in the final environmental impact report.

- Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency, or can and should be adopted by such other agency.

- Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the environmental impact report.

An agency may approve a project with unavoidable (unmitigated) adverse environmental impacts. When doing so, CEQA requires the agency to make a statement in the record of its views on the ultimate balancing of the merits of approving the project despite the environmental impacts in a "statement of overriding considerations." (Pub. Resources Code, § 21081(b); Cal. Code Regs, tit. 14, § 15093.) The following presents the Board's statement of findings for each adverse impact identified in the EA, accompanied by a brief explanation, and its statement of overriding considerations.

Statement of Findings

The Board has considered the entire record, including the information contained in the EA and Scoping Plan Update, public testimony, written comments received, and the written responses to comments on the EA. Based on this information, the Board makes the following written findings for each significant adverse impact identified, accompanied by a brief explanation of the rationale for each finding. These findings are supported by substantial evidence in the record.

Aesthetics

Finding and Explanation

The EA found that the reasonably foreseeable actions associated with implementation of the recommended actions under the Energy, Transportation, Water, Waste Management, and Natural Working Lands Sectors, as well as actions taken to address Short Lived Climate Pollutants and Green Buildings, could result in potentially significant short-term construction-related impacts and long-term operational impacts on aesthetics.

The EA identified recognized measures, including existing statutes and regulations and operating permit requirements, designed to reduce these potentially significant impacts on the environment. Public agencies undertaking actions to implement the recommendations in the Update can and should adopt the identified measures to the degree feasible. ARB does not have the authority to require project-level mitigation be incorporated for future actions that may be carried out by other agencies to implement the recommendations in the Update. Further, the programmatic analysis in the EA does not allow project-specific details of mitigation resulting in an inherent uncertainty in the degree of mitigation ultimately implemented to reduce the potentially significant impacts. Consequently, while the EA finds that this impact could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds this impact to aesthetics to be potentially significant and unavoidable.

Agricultural and Forest Resources

Finding and Explanation

The EA found that the reasonably foreseeable actions associated with implementation of the recommended actions under the Energy, Transportation, Water, Waste Management, and Natural Working Lands Sectors, as well as actions taken to address Short Lived Climate Pollutants and Green Buildings, could result in potentially significant short-term construction-related impacts and long-term operational impacts to agricultural and forest resources.

The EA identified recognized measures, including existing statutes and regulations and operating permit requirements, designed to reduce these potentially significant impacts on the environment. Public agencies undertaking actions to implement the recommendations in the Update can and should adopt the identified measures to the degree feasible. ARB does not have the authority to require that project-level mitigation be incorporated for future actions that may be carried out by other agencies to implement the recommendations in the Update. Further, the programmatic analysis in the EA does not allow project-specific details of mitigation resulting in an inherent uncertainty in the degree of mitigation ultimately implemented to reduce the potentially significant impacts. Consequently, while the EA finds that this impact could be reduced

to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds this impact to agricultural and forest resource to be potentially significant and unavoidable.

Air Quality

The EA found that the reasonably foreseeable actions associated with implementation of the recommended actions under the Energy, Transportation, Water, Waste Management, and Natural Working Lands Sectors, as well as actions taken to address Short Lived Climate Pollutants and Green Buildings, could result in potentially significant short-term construction-related air quality impacts.

The EA found that the reasonably foreseeable actions under the Transportation Sector related implementation of the Low Carbon Fuel Standard (LCFS) could result in potentially significant NOx emissions in some regions of the State if future diesel blends contain higher percentages of biodiesel than currently in use. ARB is the lead agency for the LCFS program and is currently preparing an EA for the proposed LCFS amendments to assess the environmental effects associated with implementation of various low-carbon fuel options. It is expected that potential increases in NOx emissions associated with combustion of some higher biodiesel blends would be reduced to a less-than-significant level through the regulatory process by which alternative diesel fuels are evaluated so that appropriate restrictions can be imposed as the new fuels are introduced into the market. However, because that regulatory process, and its associated environmental review processes, is not complete at this time, the EA took a conservative approach and found this impact to be potentially significant. While the EA finds that this impact could be reduced to a less-than-significant level through the current regulatory process being undertaken for the LCFS and alternative diesel fuels, the Board takes a conservative approach in its post-mitigation significance conclusion and finds at this time that this future impact to air quality is potentially significant and unavoidable.

The EA also found that implementation of recommended actions in the Waste Management Sector associated with anaerobic digestion or composting facilities could lead to significant long-term operation-related odor impacts. Further, the recommended actions under the Natural Working Lands Sector associated with the development of biomass facilities could also result in potentially significant long-term operational air quality impacts. The EA identified recognized measures, including existing statutes and regulations and operating permit requirements, designed to reduce these potentially significant impacts identified for the Waste Management and Natural Working Lands Sectors. Public agencies undertaking actions to implement the recommendations in the Update can and should adopt the identified measures to the degree feasible. ARB does not have the authority to require project-level mitigation be incorporated for future actions that may be carried out by other agencies to implement the recommendations in the Update. Further, the programmatic analysis in the EA does not allow project-specific details of mitigation, resulting in an inherent uncertainty in the degree of mitigation ultimately implemented to reduce the potentially significant impacts. Consequently,

while the EA finds that this impact could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds these impacts to air quality to be potentially significant and unavoidable.

Biological Resources

The EA found that the reasonably foreseeable actions associated with implementation of the recommended actions under the Energy, Transportation, Water, Waste Management, and Natural Working Lands Sectors, as well as actions taken to address Short Lived Climate Pollutants and Green Buildings, could result in potentially significant short-term construction-related impacts to biological resources. The reasonably foreseeable actions associated with implementation of the recommended actions under the Energy, Transportation, Water, Waste Management, as well as actions taken to address Short Lived Climate Pollutants and Green Buildings, could also result in potentially significant long-term operational impacts to biological resources.
The EA identified recognized measures, including existing statutes and regulations and operating permit requirements, designed to reduce these potentially significant impacts on the environment. Public agencies undertaking actions to implement the recommendations in the Update can and should adopt the identified measures to the degree feasible. ARB does not have the authority to require project-level mitigation be incorporated for future actions that may be carried out by other agencies to implement the recommendations in the Update. Further, the programmatic analysis in the EA does not allow project-specific details of mitigation, resulting in an inherent uncertainty in the degree of mitigation ultimately implemented to reduce the potentially significant impacts. Consequently, while the EA finds that this impact could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds this impact to biological resources to be potentially significant and unavoidable.

Cultural Resources

The EA found that the reasonably foreseeable actions associated with implementation of the recommended actions under the Energy, Transportation, Water, Waste Management, and Natural Working Lands Sectors, as well as actions taken to address Short Lived Climate Pollutants and Green Buildings, could result in potentially significant short-term construction-related impacts to cultural resources.

The EA identified recognized measures, including existing statutes and regulations and operating permit requirements, designed to reduce these potentially significant impacts on the environment. Public agencies undertaking actions to implement the recommendations in the Update can and should adopt the identified measures to the degree feasible. ARB does not have the authority to require project-level mitigation be incorporated for future actions that may be carried out by other agencies to implement the recommendations in the Update. Further, the programmatic analysis in the EA does not allow project-specific details of mitigation, resulting in an inherent uncertainty in the degree of mitigation ultimately implemented to reduce the potentially significant impacts.

Consequently, while the EA finds that this impact could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds this short-term construction-related impact to cultural resources to be potentially significant and unavoidable.

Geology and Soils

The EA found that the reasonably foreseeable actions associated with implementation of the recommended actions under the Energy, Transportation, Water, Waste Management, and Natural Working Lands Sectors, as well as actions taken to address Short Lived Climate Pollutants and Green Buildings, could result in potentially significant short-term construction-related impacts and long-term operational impacts on geology and soils.

The EA identified recognized measures, including existing statutes and regulations and operating permit requirements, designed to reduce these potentially significant impacts on the environment. Public agencies undertaking actions to implement the recommendations in the Update can and should adopt the identified measures to the degree feasible. ARB does not have the authority to require project-level mitigation be incorporated for future actions that may be carried out by other agencies to implement the recommendations in the Update. Further, the programmatic analysis in the EA does not allow project-specific details of mitigation, resulting in an inherent uncertainty in the degree of mitigation ultimately implemented to reduce the potentially significant impacts. Consequently, while the EA finds that this impact could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds this impact to geology and soils to be potentially significant and unavoidable.

Hazard and Hazardous Materials

The EA found that the reasonably foreseeable actions associated with implementation of the recommended actions under the Energy, Transportation, Water, Waste Management, and Natural Working Lands Sectors, as well as actions taken to address Short Lived Climate Pollutants and Green Buildings, could result in potentially significant short-term construction-related impacts related to hazards and hazardous materials. The reasonably foreseeable actions associated with implementation of the recommended actions under the Energy Sector could also result in potentially significant long-term operational impacts related to hazards and hazardous materials. The EA identified recognized measures, including existing statutes and regulations and operating permit requirements, designed to reduce these potentially significant impacts on the environment. Public agencies undertaking actions to implement the recommendations in the Update can and should adopt the identified measures to the degree feasible. ARB does not have the authority to require project-level mitigation be incorporated for future actions that may be carried out by other agencies to implement the recommendations in the Update. Further, the programmatic analysis in the EA does not allow project-specific details of mitigation, resulting in an inherent uncertainty in the

degree of mitigation ultimately implemented to reduce the potentially significant impacts. Consequently, while the EA finds that this impact could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds this impact related to hazards and hazardous materials to be potentially significant and unavoidable.

Hydrology and Water Quality

The EA found that the reasonably foreseeable actions associated with implementation of the recommended actions under the Energy, Transportation, Water, Waste Management, and Natural Working Lands Sectors, as well as actions taken to address Short Lived Climate Pollutants and Green Buildings, could result in potentially significant short-term construction-related impacts to hydrology and water quality.

The reasonably foreseeable actions associated with implementation of the recommended actions under the Energy, Transportation, Water, Waste Management Sectors, as well as actions taken to address Short Lived Climate Pollutants and Green Buildings, could also result in potentially significant long-term operational impacts to hydrology and water quality. The EA identified recognized measures, including existing statutes and regulations and operating permit requirements, designed to reduce these potentially significant impacts on the environment. Public agencies undertaking actions to implement the recommendations in the Update can and should adopt the identified measures to the degree feasible. ARB does not have the authority to require project-level mitigation be incorporated for future actions that may be carried out by other agencies to implement the recommendations in the Update. Further, the programmatic analysis in the EA does not allow project-specific details of mitigation, resulting in an inherent uncertainty in the degree of mitigation ultimately implemented to reduce the potentially significant impacts. Consequently, while the EA finds that this impact could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds this impact to hydrology and water quality to be potentially significant and unavoidable.

Noise

The EA found that the reasonably foreseeable actions associated with implementation of the recommended actions under the Energy, Transportation, Water, Waste Management, and Natural Working Lands Sectors, as well as actions taken to address Short Lived Climate Pollutants and Green Buildings, could result in potentially significant short-term construction-related impacts to noise. The reasonably foreseeable actions associated with implementation of the recommended actions under the Energy and Natural Working Lands Sectors, as well as actions taken to address Green Buildings, could result in potentially significant long-term operational impacts to noise.
The EA identified recognized measures, including existing statutes and regulations and operating permit requirements, designed to reduce these potentially significant impacts on the environment. Public agencies undertaking actions to implement the

recommendations in the Update can and should adopt the identified measures to the degree feasible. ARB does not have the authority to require project-level mitigation be incorporated for future actions that may be carried out by other agencies to implement the recommendations in the Update. Further, the programmatic analysis in the EA does not allow project-specific details of mitigation, resulting in an inherent uncertainty in the degree of mitigation ultimately implemented to reduce the potentially significant impacts. Consequently, while the EA finds that this impact could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds this impact to noise to be potentially significant and unavoidable.

Transportation and Traffic

The EA found that the reasonably foreseeable actions associated with implementation of the recommended actions under the Energy, Transportation, Water, Waste Management, and Natural Working Lands Sectors, as well as actions taken to address Short Lived Climate Pollutants and Green Buildings, could result in potentially significant short-term construction-related impacts to transportation and traffic. The EA identified recognized measures, including existing statutes and regulations and operating permit requirements, designed to reduce these potentially significant impacts on the environment. Public agencies undertaking actions to implement the recommendations in the Update can and should adopt the identified measures to the degree feasible. ARB does not have the authority to require project-level mitigation be incorporated for future actions that may be carried out by other agencies to implement the recommendations in the Update. Further, the programmatic analysis in the EA does not allow project-specific details of mitigation, resulting in an inherent uncertainty in the degree of mitigation ultimately implemented to reduce the potentially significant impacts. Consequently, while the EA finds that this impact could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds this impact to transportation and traffic to be potentially significant and unavoidable.

Utilities and Service Systems

The EA found that the reasonably foreseeable actions associated with implementation of the recommended actions under the Energy, Transportation, Water, Waste Management, and Natural Working Lands Sectors, as well as actions taken to address Short Lived Climate Pollutants and Green Buildings, could result in potentially significant long-term operational impacts to utilities and service systems. The EA identified recognized measures, including existing statutes and regulations and operating permit requirements, designed to reduce these potentially significant impacts on the environment. Public agencies undertaking actions to implement the recommendations in the Update can and should adopt the identified measures to the degree feasible. ARB does not have the authority to require project-level mitigation be incorporated for future actions that may be carried out by other agencies to implement the recommendations in the Update. Further, the programmatic analysis in the EA does not allow project-specific details of mitigation, resulting in an inherent uncertainty in the degree of

mitigation ultimately implemented to reduce the potentially significant impacts. Consequently, while the EA finds that this impact could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds this impact to utilities and service systems to be potentially significant and unavoidable.

Findings on Alternatives to the Project

In addition to the No-Project Alternative, the EA considered a reasonable range of alternatives that could reduce or eliminate the project's significant environmental impacts while accomplishing most of the project objectives.

The Board finds the alternatives analysis is sufficient to inform the Board and the public regarding the tradeoffs between the degree to which the alternatives could reduce environmental impacts and the corresponding degree to which the alternatives could achieve the project objectives.

Based upon a full evaluation of the alternatives, the Board finds that adoption and implementation of the proposed Update is the most desirable, feasible, and appropriate action for achieving the objectives of the project, and the Board rejects the other alternatives as either less desirable or infeasible based on consideration of the relevant factors identified in the EA and briefly described below:

Alternative 1: No Project Alternative

Alternative 1 in the EA describes a reasonably foreseeable scenario if ARB did not approve the proposed Update. Under this No-Project Alternative, those measures included in the initial Scoping Plan that are already being implemented, as well as those measures carried out under authority outside of AB 32, would continue to be implemented. The No-Project Alternative does not contemplate that there would be no further action by ARB or other state agencies related to the reduction of GHG emissions. Some of the recommended actions contained in the Update may occur as a result of subsequent regulatory actions by ARB or other agencies under separate statutory authority regardless of their inclusion in the Update.

The No-Project Alternative would not meet many of the project objectives listed in Chapter 2 of the EA. The No-Project Alternative fails to meet the basic project objective to achieve the maximum technologically feasible and cost-effective GHG reductions and to maintain and continue reductions in GHG emissions beyond 2020. Progressing toward California's long-term climate goals will require that GHG emission reduction rates be significantly accelerated through a continuation of existing policies and implementation of new ones to encourage market adoption of the cleanest, most efficient technologies. The No-Project Alternative is also not consistent with the project objectives to achieve additional air quality and health co-benefits.
Further the No-Project Alternative does not substantially avoid the adverse environmental impacts associated with the Update. While some of the additional environmental impacts associated with the recommended actions in the Update would

be avoided, the adverse environmental impacts of measures being implemented from the initial Scoping Plan, and from regulatory actions by ARB or other agencies carried out under separate statutory authority, would still occur. Finally, this alternative is not feasible because ARB is legislatively mandated to update the Scoping Plan at least once every five years to achieve "the maximum technologically feasible and cost-effective reductions of GHGs." (Health & Saf. Code, § 38561, subd. (h).) For these reasons, the Board rejects this alternative.

Alternative 2: Reduced-Intensity Project Alternative

Alternative 2 describes an alternative where only some of the recommended actions in the economic sectors of the Update would be approved based on the goal of reducing or avoiding potentially significant impacts. Three variations for limiting the proposed project are described under this alternative. The only scenario in which all potentially significant and unavoidable impacts would be avoided is if the recommended actions in the Agriculture Sector only were implemented. Implementation of that scenario, however, would provide considerably fewer GHG emission reductions, and therefore, does not meet the basic project objective to achieve the maximum technologically feasible and cost-effective GHG reductions and to maintain and continue reductions in GHG emissions beyond 2020. The other two scenarios avoid the significant impacts only in certain resource areas (e.g., air quality or utilities and service systems) so they are not considerably more advantageous environmentally. Further, these variations are less effective at meeting the main project objectives of reducing GHG emissions and achieving the outcomes of the other project objectives, including achieving additional air quality and health co-benefits. For these reasons, the Board rejects this alternative.

Alternative 3: Extend the Cap-and-Trade Regulation to All Economic Sectors Alternative

Alternative 3 describes an alternative where ARB would broaden the reach of the State's market-based Cap-and-Trade Regulation to include regulation of a full range of economic sectors under the emissions cap, rather than the focused application to specific covered entities that is the basis for the existing program. Under this alternative, any GHG emission reductions that would have otherwise occurred through implementation of specific actions or regulations in the "uncapped sectors" would become covered under the declining emissions cap post-2020, along with those currently in the capped sectors. Under this alternative, ARB or other lead agencies could still pursue any of the recommended actions under the Proposed Update in addition to implementing the broader Cap-and-Trade Regulation under this alternative because changes to the Cap-and-Trade Regulation would not replace the recommended actions.

This alternative would be consistent with a number of the project objectives, including maintaining and continuing reductions beyond 2020 and reducing fossil fuel use, but it forgoes the opportunity to align and implement specific recommended actions that would support or complement other statewide initiatives and maximize a broad range of benefits to the economy, environment, and public health. Further, this alternative is not environmentally superior because of the similarity in the scope and types of reasonably

foreseeable compliance responses between the Update and this alternative. For these reasons, the Board rejects this alternative.

STATEMENT OF OVERRIDING CONSIDERATIONS

Although ARB expects that many of the significant adverse impacts identified in the EA will be avoided or mitigated, because uncertainty exists as to the extent of mitigation to be required at the project level, the Board is conservatively considering the impacts to be significant and unavoidable. The Board finds that, despite the potential for adverse environmental impacts associated with the Update, other benefits of the Update, which will flow to all residents of the State, are determined to be overriding considerations that warrant approval of the Update and outweigh and override its unavoidable significant impacts. These benefits include:

1. Creating a framework for ongoing reductions in greenhouse gas emissions necessary to achieve climate stabilization;
2. Promoting cleaner and more efficient energy, diversified energy sources, and innovation in a range of advanced technologies;
3. Forging a cleaner, healthier, and more sustainable future for all Californians;
4. Promoting statewide health benefits from the reduction of other co-pollutants by complementing and support California's existing efforts to reduce criteria and toxic air pollutants;
5. Coordinating State policies and planning across economic sectors to build a higher-quality, resilient economy while continually reducing GHG emissions;
6. Fostering the opportunity to continue growing the State's green economy and expand the growth of green job opportunities throughout the State;