

November 26, 2008

Via Electronic Submittal:

<http://www.arb.ca.gov/cc/localgov/ceqa/ceqacomm.htm>

Douglas Ito
Air Resources Board
1001 I Street
P.O. Box 2815
Sacramento, CA 95812

Dear Mr. Ito:

Since June 2008, ENVIRON International Corporation (ENVIRON) has represented the Green Developer's Coalition (GDC) in connection with South Coast Air Quality Management District's (SCAQMD) stakeholder working group for the development of a California Environmental Quality Act (CEQA) greenhouse gas (GHG) significance threshold. The GDC consists of a group of developers who believe that large master-planned communities can balance employment, housing, and retail demand for new population centers, and in doing so, help California to meet its sustainability and GHG emissions goals.

In its capacity as a representative of the GDC, ENVIRON is submitting these comments on the California Air Resources Board's (ARB) *Preliminary Draft Staff Proposal: Recommended Approaches for Setting Interim Significance Thresholds for Greenhouse Gases under the California Environmental Quality Act*, dated October 24, 2008. The comments are intended to preserve the potential for master-planned communities to contribute to reductions in GHG emissions in California, and serve as industry leaders in sustainable development.

■ Comments

- 1. The significance threshold for commercial and residential projects should not specify a quantitative threshold. Setting an absolute numerical cap will discourage large-scale smart and sustainable planning and development. In fact, the inclusion of a numerical cap will produce disincentives, with respect to green building, as project applicants and lead agencies for large-scale developments will face an inevitable significant and unavoidable determination, no matter what the project design features.**

The standards for commercial and residential development include both (currently unspecified) performance standards and a quantitative emissions threshold. The development would have to meet both standards to be "not significant."

Because of the inherent "smart-growth" benefits of large master-planned communities, the GDC believes it imperative that the ARB's significance thresholds not discourage large-scale smart growth. The GDC is concerned that, as currently written, the ARB's suggested significance thresholds may, in fact, discourage large-scale smart growth and instead encourage smaller-scale development that, while not exceeding the numerical cap, results in piecemeal, uncoordinated development.

Although no quantitative threshold is currently listed, we believe that nearly any threshold chosen would limit the size of master-planned communities, even those master-planned communities that meet the highest standards for sustainability. If for example, choosing a threshold of 10,000 metric tons of carbon dioxide equivalents (CO₂e), which is the threshold for reporting obligations of the Western Climate Initiative, even moderately sized developments designed with very high levels of GHG controls would be deemed significant, as explained below.

For example, current annual GHG emissions in California, on a per capita basis, are approximately 13.4 metric tons CO₂e. Recognizing that at least 50% of that value is from industry and agriculture, the emissions associated with residential and commercial development are approximately 6.7 metric tons CO₂e per capita. If a new development resulted in emissions 75% below current emissions, most would consider this development to be implementing the targets of AB 32 and beyond. However, even this gold standard development would only be allowed to accommodate approximately 6,000 people before the emissions would reach 10,000 metric tons CO₂e. Given that master-planned communities in California accommodate up to 60,000 people, this would severely restrict the size of even the most sustainable development unless a Statement of Overriding Concern was adopted.

2. More detail on the performance standards is needed before the Preliminary Draft Staff Proposal can be further advanced.

We understand the rationale for and encourage the rapid development of guidance for CEQA significance thresholds. In addition, we believe that clear, simple performance standards will result in effective and useful thresholds. However, we believe that there needs to be far greater specificity on the performance standards and the rationale for those standards before this Preliminary Draft Staff Proposal is further advanced.

In that regard, it is imperative that the performance standards be achievable with existing technology. In addition, the performance standards need to be supported by evidence regarding the type of overall reductions in GHGs expected from their implementation. Finally, each performance standard needs to be coupled with clear and precise implementation guidelines. For example, with the exception of the residential energy standards, it is unclear how the performance standards will be characterized. It is critical that these performance standards be given more definition so that they can be evaluated for feasibility.

3. Alternative strategies to meet performance standards should be permitted.

Although we encourage clear performance standards, we also believe that alternative strategies to meet the same emission reductions should be permitted. For example, exceedance of standards in one area might allow lower reductions in other areas. The allowance of alternative strategies to meet performance standards will encourage innovation.

4. Compliance with an SB 375 plan (i.e., the Sustainable Community Strategy, as incorporated into the Regional Transportation Plan) should result in a determination of “not significant,” if building energy efficiency and other non-transportation related goals are met.

SB 375 is intended to address the land use and transportation component of AB 32. Accordingly, if a commercial and/or residential development complies with the region's SB 375 plan, it should be considered to be “not significant” for GHG emissions, once building energy

efficiency and other non-transportation related goals are met. This should be explicitly included in ARB's proposals for CEQA guidance.

■ **Closing**

We appreciate the opportunity to comment on the draft thresholds and look forward to future constructive discussions on these issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Shari Beth Libicki". The signature is fluid and cursive, with a large initial "S" and "B".

Shari Beth Libicki, Ph.D.
Principal, Global Air Quality Practice Leader