

April 21, 2011

Ms. Colleen McDuffee
City of Citrus Heights
Planning and Community Development
Cmcduffee@citrusheights.net

Subject: Draft Greenhouse Gas Reduction Plan - City of Citrus Heights

Dear Ms. McDuffee:

Thank you for submitting the draft Greenhouse Gas Reduction Plan (GHGRP) to the Sacramento Metropolitan Air Quality Management District (District) for review. Our comments follow.

We also thank staff for working with us very early in the process. We commend the fact that the City of Citrus Heights is the first in Sacramento County to tackle the very difficult task of developing a greenhouse gas reduction plan. We also commend the city for not including the statewide reduction measures in the analysis, and instead relying on its own efforts to reach the reduction goal.

2-1

Some of the aspects of the GHGRP which we thought were noteworthy are:

- Mandatory measures, such as 3-7. A, which will require purchasing low or zero-emission vehicles when current City vehicles are retired from service.
- Measure 4-3. C, which will require that all new multi-tenant buildings be sub-metered. This is a good start at providing price signals for energy use to tenants. [An ordinance which would require existing multi-tenant buildings to also be sub-metered would be even more effective and we encourage the City to move in that direction.]
- The GHGRP's requirement for periodic updates, and clear timelines for implementation.

Our concerns with the GHGRP are largely two-fold and interrelated: the 13.7 percent reduction goal falls short of the 15 percent goal called for in the State of California's Scoping Plan and the GHGRP relies on the success of GHG reduction measures that are primarily voluntary in nature.

2-2

Reduction Goal

Regarding the 13.7 percent reduction goal, we are sympathetic to the fact that Citrus Heights is fairly built-out, which limits opportunities for big GHG reductions from new development as compared to jurisdictions that still have those opportunities. Despite that, the District believes that the goals set by AB32 should be echoed by all lead agency greenhouse gas reduction plans.

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Therefore, the appropriate targets would be either the achievement of its 1990 emissions or the 15% reduction of baseline emissions (2008 or earlier) by 2020. There are two sources of state guidance for the appropriate target setting for local greenhouse gas reduction plans: the ARB Proposed Scoping Plan and the Department of Natural Resources' CEQA Guidelines.

The Proposed Scoping Plan states "ARB encourages local governments to adopt a reduction goal for municipal operations emissions and move toward establishing similar goals for community emission that parallel the State commitment to reduce greenhouse gas emission by approximately 15 percent from current levels by 2020."¹ The City's GHG Plan itself states that the 15 percent reduction goal is the "fair proportion of reductions by local jurisdictions to meet the statewide target."²

2-4

The Natural Resources Agency's CEQA Guidance states: "public agencies...should establish a level, based on substantial evidence, below which the contribution to greenhouse emissions from activities covered by the plan would not be cumulatively considerable;"³ Nowhere in AB32 or in the Scoping Plan is it foreseen that a less than 15 percent reduction from a lead agency's Business-as-Usual (BAU) emissions would lead to a less than "cumulatively considerable" determination.

Hence, we urge Citrus Heights to revisit the GHGRP and to strive for at least a 15 percent reduction as recommended by the Scoping Plan. The [Sacramento Green Building Task Force](#) is an organization that provides reports and support that you may find helpful, as well as the California Air Pollution Control Officers' Association's (CAPCOA) "[Quantifying Greenhouse Gas Mitigation Measures](#)" document, released in August of 2010.

2-5

Also, the Sacramento Area Green Partnership will soon release a guidance document on climate action plan measures. We will forward you a copy once we become aware of its release.

Reduction Measures

The GGRP states that its measures "are grounded in actions directly influenced by the City and rely on community participation." This community participation is largely voluntary. One example, Measure 4-2 B, relies on energy upgrades to solar water heaters through outreach programs and collaborative efforts, and seeks to achieve 7,480 MT CO₂e/yr in residential GHG emissions. Likewise, measure 4-3D, the voluntary upgrade of home and business appliances seeks to achieve 12,340 MT CO₂e/yr in reductions. While we are not opposed to voluntary measures, we do question associating a reduction value for a measure that relies on voluntary participation to reach its 13.7 percent reduction goal.

2-6

One of the most powerful consequences of having an adopted GHGRP which complies with Natural Resources' new CEQA Guidance will be the ability of subsequent projects to tier off of the GHGRP's environmental analysis. Section 15183.5 b2 states:

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¹ ARB Proposed Scoping Plan, Recommended Actions, pg 27.

² Citrus Heights Greenhouse Gas Reduction Plan, Page 1-7

³ CEQA Guidelines, Section 15183.5b1B Tiering and Streamlining the Analysis of Greenhouse Gas Emissions.

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“An environmental document that relies on a greenhouse gas reduction plan for a cumulative impacts analysis must identify those requirements specified in the plan that apply to the project, and, if those requirements are not otherwise binding and enforceable, incorporate those requirements as mitigation measures applicable to the project.

2-27
Con't.

As we look at the City's GHGRP, we don't see many measures that are "binding and enforceable" and could be required of new development. Relying on voluntary measures will make future CEQA tiering and project-level compliance difficult, if not impossible.

What follows is a non-exhaustive list of quantifiable example measures that Citrus Heights could consider adding to the Plan to help reach a 15 percent reduction.

- A green building ordinance that exceeds Title 24 (by 15% or 30%) for existing and new residential and commercial development. The City of Palo Alto has had one in place for several years now; their website may be of help:
http://www.cityofpaloalto.org/depts/pln/sustainability_green_building/green_building/history_and_ordinances/default.asp.)
- The adoption of a VMT reducing ordinance for the city fleet. There now exists GPS technology which allows fleet managers to better monitor fleet trips. The technology also assists in better trip routing. This technology is typically less expensive and can be implemented quicker than the replacement of a fleet.
- An ordinance that requires energy efficiency upgrades upon change of title, and perhaps renovations, for residential and commercial uses. (The City of Berkeley's webpage is a good resource for more information:
<http://www.ci.berkeley.ca.us/ContentDisplay.aspx?id=16030>.)
- Water conservation ordinances for indoor (low flow fixtures) and outdoor (landscaping) water use in existing and new residential and commercial development.
- Permit streamlining for solar hot water heating and solar photovoltaic technologies.
- Implementing parking pricing policies, such as charging for on-street parking in certain parts of town. More information can be found at the Victoria Transport Institute's webpage: <http://www.vtpi.org/tdm/tdm26.htm>.
- A mandatory employer TDM program including flex time, bike and pedestrian facilities, parking cash-out, preferential parking for LEVs, car/vanpools, etc., and other features as appropriate.
- An ordinance that would require the use of "cool" pavements whenever city streets were repaired.

2-8

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As discussed previously, the Sacramento Green Building Task Force and CAPCOA are good resources for help in identifying and quantifying additional greenhouse gas mitigation measures.

2-9

We appreciate staff's hard work with us and look forward to continuing the effort. Please do not hesitate to contact me using the information below if you have any questions, concerns, or comments.

Sincerely,



Larry Greene
Air Pollution Control Officer
Sacramento Metropolitan Air Quality Management District (SMAQMD)

C: Jeane Berry, Sacramento Metropolitan Air Quality Management District (SMAQMD)
Larry Robinson, Sacramento Metropolitan Air Quality Management District (SMAQMD)

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- 2-1 The commenter thanks the City for submitting the draft Greenhouse Gas Reduction Plan (GGRP) to the Sacramento Metropolitan Air Quality Management District (District) for review and for coordinating with District staff early in the plan development process. The commenter also commends the City for being the first in Sacramento County to develop a GGRP, and for not including statewide reduction measures in the analysis, and identifies three examples of noteworthy content within the GGRP. The comment does not raise any issue related to the adequacy of environmental analysis conducted in the Draft EIR (DEIR). No further response is necessary.
- Although the District's letter concerns the GGRP, as opposed to the DEIR, the City considers the District's comments on the GGRP relevant to its analysis of greenhouse gas (GHG) emissions in Section 4.14 of the DEIR. The City therefore offers the following responses to the District's comments on the GGRP.
- 2-2 The commenter identifies two interrelated concerns with the GGRP: the reduction goal and the primarily voluntary nature of reduction measures. Please refer to Response to Comments 2-3, 2-4, and 2-5 regarding the reduction target. Please refer to Response to Comments 2-6, 2-7, and 2-8 regarding the reduction measures.
- 2-3 The commenter notes the 13.7% reduction target contained in the GGRP, and states that the District believes Assembly Bill (AB) 32 goals should be echoed by all lead agency GHG reduction plans.
- On February 17, 2010, the Citrus Heights City Council recommended a communitywide reduction target of 10% to 15% below 2005 baseline emission levels by 2020. This target is now captured within the Draft General Plan as Goal 55: "Reduce community-wide GHG emissions 10 to 15% below 2005 levels by 2020" (Draft General Plan, page 4-14). The Draft GGRP is premised on this target (Draft GGRP, page 2-6), which was established in light of the relatively built-out character of development in Citrus Heights and recognizes that there are limited opportunities to achieve GHG reductions within new development in the City.
- Please refer to Response to Comment 2-4 for additional discussion concerning the suitability of the City's 10% to 15% below 2005 emission reduction target relative to the ARB *Climate Change Scoping Plan* (Scoping Plan) and the CEQA Guidelines. The comment does not raise any issue related to the adequacy of environmental analysis conducted in the DEIR. No further response is necessary.
- 2-4 The commenter states that appropriate GHG reduction targets consistent with AB 32 would be either the achievement of the City's 1990 emissions or a 15% reduction from baseline emissions by 2020, citing two sources of state guidance for these targets, the Scoping Plan and the state CEQA Guidelines. With regard to the Scoping Plan, the commenter cites page 27, wherein ARB "encourage(s) local governments to ... move toward establishing ... goals for community emissions that parallel the State commitment to reduce GHG emissions by approximately 15 percent from current levels by 2020." With regard to the CEQA Guidelines, the commenter cites Section 15183.5(b)(1)(B), which states that "public agencies ... should establish a level, based on substantial evidence, below which the contribution to GHG emissions from activities covered by the plan would not be cumulatively considerable."

The commenter further states that “nowhere in AB 32 or in the Scoping Plan is it foreseen that less than 15% reduction from a lead agency’s Business-as-Usual (BAU) emission would lead to a less than ‘cumulatively considerable’ determination.”

Although the District has not established significance thresholds for GHGs, some other California air districts have made efforts to establish GHG thresholds. For example, in December 2009, the San Joaquin Air Pollution Control District (SJAPCD) adopted a threshold requiring a 29% reduction in emissions, measured against “business-as-usual” 2020 emissions. However, this guidance does not recommend particular targets for local land use plans. In June 2010, the Bay Area Air Quality Management District (BAAQMD) adopted a range of significance thresholds for GHGs applicable to both projects and plans. In September 2010, the South Coast Air Quality Management District (SCAQMD) released proposed thresholds for projects, but has not released proposed thresholds for planning level decisions. The variety of approaches used by air districts throughout California in establishing significance thresholds demonstrates the extent to which this decision has relied on local discretion.

The City notes that the Scoping Plan does not identify 15% as a *minimum*, fair share, or threshold level of reductions, but rather an *approximate* level that would parallel State commitments under AB 32. The City anticipates that the GGRP will result in reductions of *approximately* 15%, which is the Scoping Plan goal. Emission reductions totaling approximately 13.7% by 2020 are anticipated based on quantified primary measures, for which assumptions and substantial evidence are provided throughout the GGRP and its appendices. The remainder of the reductions will come from implementation of supporting measures, such as adopting LEED silver criteria for new City buildings [Measure 1-1.C], continuing to build the City’s Intelligent Transportation System [ITS] to synchronize traffic signals [Measure 3-3.B], and requiring use of recycled building materials in new construction projects [Measure 4-1.C]). As stated in the GGRP, these measures are not quantifiable at this time due to three reasons, a) insufficient data exists to quantify their GHG reduction potential, (b) no reliable quantification methodology is currently available, and/or (c) the GHG reductions are not directly related to the emissions inventory (Draft GGRP, page 3-2).

Citrus Heights’ communitywide emissions reduction target is a range that reaches as high as 15% below current levels, and commits the City to a variety of actions to achieve reductions of up to 15%. When combined with reasonably foreseeable reductions brought about by statewide low carbon fuel standards, vehicle fuel efficiency standards, and renewable energy portfolio standards, the combined emissions reduction would be in excess of 25%, as described below.

The CEQA Guidelines do not provide guidance regarding specific values to be used by agencies as thresholds of significance, and nothing within the Guidelines speaks to specific targets that should be incorporated in a qualified GGRP. Rather, the Guidelines state that the GGRP must establish thresholds based on substantial evidence. CEQA Guidelines Section 15183.5(b)(1)(C), states that a plan for the reduction of GHG emissions should “... identify and analyze the GHG emissions resulting from specific actions or categories of actions anticipated within the geographic area.” Several air districts have provided guidance regarding how best to satisfy this criterion in their CEQA guidelines. The District’s December 2009 CEQA Guide (revised April 2011, page 9-12) acknowledges this provision of the CEQA Guidelines, but offers no guidance regarding how to interpret it. However, BAAQMD CEQA Guidelines Section 4.3 (updated May 2011, page 4-10) states, in part (*emphasis added*):

The Air District recommends the Plan Elements in the state CEQA Guidelines as the minimum standard to meet the GHG Reduction Strategy Thresholds of Significance option. To meet this threshold of significance, a GHG Reduction Strategy must include the following elements (corresponding to the state CEQA Guidelines Plan Elements):

- (A) *Quantify greenhouse gas emissions, both existing and projected over a specified time period, resulting from activities within a defined geographic area.*
- (B) *Establish a level, based on substantial evidence, below which the contribution to GHG emissions from activities covered by the plan would not be cumulatively considerable.*
- (C) ***Identify and analyze the GHG emissions resulting from specific actions or categories of actions anticipated within the geographic area.***

*A Strategy should identify and analyze GHG reductions from anticipated actions in order to understand the amount of reductions needed to meet its target. Anticipated actions refer to local and state policies and regulations that may be planned or adopted but not implemented. For example, ARB's Scoping Plan contains a number of measures that are planned but not yet implemented. BAAQMD recommends for the Strategy to include an additional forecast analyzing anticipated actions. **Element (C), together with (A), is meant to identify the scope of GHG emissions to be reduced through Element (D).***

- (D) *Specify measures or a group of measures, including performance standards that substantial evidence demonstrates, if implemented on a project-by-project basis, would collectively achieve the specified emissions level.*

Based on the BAAQMD guidance noted above, statewide reductions associated with implementation of low carbon fuel standards, vehicle fuel efficiency standards, and renewable energy portfolio standards should be counted toward reduction targets within a communitywide GHG reduction plan. As described within the Draft GGRP (page 2-7) and DEIR (page 4.14-29), statewide reductions from implementation of Assembly Bill 1493 (Pavley), Low Carbon Fuel Standards (LCFS), and the Renewable Energy Portfolio Standard (RPS) were considered during the development of the GHG emission reduction target and analysis of anticipated emission reductions. While statewide reductions alone are nearly sufficient to achieve the reduction target, the City considers their effects uncertain, and acknowledges that implementing them is an action beyond the City's control. The City has established a goal to implement GHG reduction measures addressing communitywide emissions within its control. Thus, the recommended GGRP measures outline a path to achieving the 10% to 15% GHG reduction target through the City's own actions, without relying on statewide reductions.

However, CEQA Guidelines Section 15183.5(b)(1)(C) acknowledges that lead agencies should consider statewide reductions when determining anticipated emission reductions. Therefore, the combined effect of the City's actions, together with the effects of AB 1493, LCFS, and the RPS in Citrus Heights is the appropriate metric to use when comparing the City's efforts to guidance offered by the CEQA Guidelines, and by extension, the Scoping Plan. This metric results in a total GHG emission reduction of 145,677 MT CO₂e/year, or about 24.5% below 2005 levels. This exceeds all established reduction levels, including the City's stated 10% to 15% reduction target, the approximately 15% reduction level identified in the Scoping Plan (ARB 2008, page 27), and the 15% reduction level identified in BAAQMD's interpretation of the CEQA Guidelines (BAAQMD 2011, page 4-9). Both the Scoping Plan and the BAAQMD CEQA Guidelines constitute evidence that substantiates the City's conclusion that communitywide activities covered by the GGRP would generate GHG emissions that would not be cumulatively considerable, per CEQA Guidelines Section 15183.5(b)(1)(B).

2-5

The commenter urges the City to revisit the GGRP and strive for at least 15% reduction, and refers the City to documents prepared by the Sacramento Green Building Task Force, California Air Pollution Control Officers' Association (CAPCOA), and Sacramento Area Green Partnership

for technical assistance. Please refer to Response to Comments 2-3 and 2-4 for discussion regarding the City's 10% to 15% below 2005 levels reduction target, and how the GGRP exceeds 15% reduction.

Although the District's comment concerns the GGRP, the GGRP is predicated on the GHG reduction target and broad spectrum of emission reduction strategies established within the Draft General Plan. Thus, the City considers the discussion regarding the appropriateness of the GGRP reduction target as a discussion regarding the appropriateness of the City's Draft General Plan policies.

Embedding GHG reduction targets within a general plan affords a local government considerable discretion to craft an approach that responds directly to its local conditions and circumstances. California Government Code Sections 65300.7 and 65301.5 establish the City Council's legislative authority regarding the general plan, and its ability to exercise discretion to tailor the contents of the general plan to fit local conditions and circumstances, so long as general plan policies and actions meet minimum requirements of State legislation. When the City addresses GHG emissions within the context of the Draft General Plan, this same authority and discretion extend to: a) setting a GHG reduction target, b) identifying emission reduction strategies to achieve the target, and c) determining the desired degree of mandatory or non-binding communitywide participation needed to achieve the target, considering local conditions and circumstances.

The Natural Resources Agency recently updated the state CEQA Guidelines to address GHG emissions as an environmental impact requiring CEQA analysis, and the Guidelines now set forth desired elements for plans for the reduction of GHG emissions. However, neither the Scoping Plan (ARB 2008, page 27) nor the state CEQA Guidelines (Natural Resources Agency 2010, Section 15183.5) establish a *minimum* 15% reduction threshold for 2020 applicable to local government GHG reduction plans. Furthermore, although the commenter states in Comment 2-4 that 15% below baseline (prior to 2008) emissions would be an appropriate GGRP reduction target, the District, to date, has not adopted this or any other threshold of significance for GHG emissions. Rather, the District recommends that lead agencies consider thresholds of significance for GHG emissions that are related to AB 32's GHG reduction goals (SMAQMD CEQA Guide, page 2-8). This is precisely what the City has done.

CEQA Guidelines Section 15064.7(c) enables the City to consider thresholds established by other public agencies when setting a significance threshold. The City considered the experience of other jurisdictions preparing Climate Action Plans and GGRPs (OPR 2010, pages 137–138), guidance offered by the Proposed Scoping Plan (ARB 2008, page 27), and December 2009 draft versions of the BAAQMD CEQA Guidelines (BAAQMD 2009, page 2-7). City decision-makers publicly deliberated the advantages and disadvantages of three potential reduction targets, in light of local conditions and circumstances: 15% below current emissions, 10%-15% below current emissions, and 15%–25% below current emissions. The City held both a Planning Commission meeting (January 27, 2010), and a City Council meeting (February 17, 2010) related to this topic. Materials supporting each meeting are hereby made part of the record, and are available online and on-file at the City of Citrus Heights Community and Economic Development Department. These materials include a memorandum summarizing GHG reduction target options and issues to consider when setting reduction targets which was provided to the City Council to support the February 17, 2010 meeting (City of Citrus Heights 2010. *Agenda Report to the City Council*, February 17, 2010, pages 6 and 13-14).

CEQA Guidelines Section 15064(b) directs the City to consider local conditions when establishing the significance of environmental impacts, and recognizes that the significance of an impact will vary depending on the specific conditions of the setting. The City Council has

exercised discretion in establishing a communitywide reduction target of 10% to 15% below 2005 baseline emission levels by 2020 as Goal 55 in the Draft General Plan. Because the reduction target is embedded within the Draft General Plan, setting the reduction target is also a legislative act that considers Citrus Heights' built-out development character and limited opportunities to achieve GHG reductions within new development as local conditions and circumstances per Government Code Sections 65300.7 and 65301.5.

The City's GHG emission reduction policy is aimed at reducing emissions as compared to the existing environment. As noted in the Draft EIR, the GGRP baseline inventory consisted of 543,727 MT CO₂e in 2005 (Draft EIR Table 4.14-3, page 4.14-13). The Draft EIR also identifies that implementation of the GHG emission reduction measures and actions in the GGRP would result in a reduction of 87,267 MT CO₂e/yr exclusive of statewide reductions (-13.7%), or 145,677 MT CO₂e/y with statewide reductions (-24.5%). Both amounts are greater than the projected emission increase (2.3%) above existing conditions associated with new development and population growth (Draft EIR Table 4.14-7, page 4.14-23). Thus, implementation of the GGRP would result in a net decrease in emissions, as compared to the 2005 baseline. The requirement to go beyond the baseline level of reductions is a function of AB 32, rather than a function of CEQA, as CEQA focuses on potentially significant impacts to the existing environment (in this case, the 2005 baseline). Reducing emissions beyond baseline conditions is a policy response to AB 32, rather than a function of the City's duty to mitigate potentially significant impacts under CEQA.

The commenter's recommendations regarding adopting a more aggressive reduction target will be provided to the Planning Commission and City Council for consideration in public hearings regarding the Draft General Plan and GGRP. The City also appreciates the District's efforts to provide informational resources to assist in implementing the GGRP. In preparing the GGRP and DEIR, the City consulted the CAPCOA guidance document noted by the commenter, as noted on page 4.14-24 of the DEIR. The City also consulted information available from the Sacramento Green Building Task Force. The City is a participant in the Sacramento Area Green Partnership. The Partnership has not issued guidance on Climate Action Plan measures; the City will consider such guidance when it becomes available. Please see Response to Comment 2-7 with respect to consideration of future guidance.

The comment does not raise any issue related to the adequacy of environmental analysis conducted in the DEIR. No further response is necessary.

2-6

The commenter notes the voluntary nature of most GGRP emission reduction measures, and questions associating emission reduction values with voluntary participation in emission reduction measures, identifying two GGRP measures as examples.

The City believes that future non-binding actions can reasonably be expected to produce emission reductions due to changing technological factors and other related events (i.e., legislative and policy directives, economic trends). As an example, for many years mobile source air emission models approved for use by the District have assumed reduced vehicular emissions in the future on a vehicle-by-vehicle basis because as the vehicle fleet ages, it is reasonable to assume that old, high-emission automobiles would be replaced by new, low-emission vehicles. The purchase of a new automobile is voluntary, however anticipation of the future change in the fleet is reasonable.

As described on Page 3-2 of the Draft GGRP, the plan includes two types of measures: primary measures with directly attributable quantified emission reductions based on achievement of performance standards and substantial evidence, which are credited toward the communitywide target; and secondary measures that are not quantified, but do facilitate and support the reduction

potential of primary measures. Both examples identified by the commenter are primary measures. Each is presented below.

Measure 4-2.B

Measure 4-2.B presumes that water heaters have a finite life expectancy, and will be replaced. Furthermore, the City has used conservative assumptions regarding participation rates based on empirical evidence, as described below. In this instance, as with others in the GGRP, the voluntary participation noted by the commenter represents a combination of need, incentives, and choice that is reasonable and practical for Citrus Heights' local condition and circumstances pursuant to Government Code Section 65300.7, and is supported by substantial evidence pursuant to CEQA Guidelines Section 15183.5(b)(1)(D).

Measure 4-2.B directs the City to "Collaborate with utility companies to provide financial incentives/rebates for residential and commercial buildings to upgrade from inefficient water heaters to solar hot water heaters" (Draft GGRP, page 3-36). This measure is enabled by Draft General Plan Policy 41.2, which directs the City to "provide financial incentives to maximize energy conservation and the use of clean and renewable energy". This policy is established as a legislative act pursuant to Government Code Section 65301.5. No State regulation exists that would supersede the City's legislative authority. No legal basis exists that would compel the City to mandate replacement of older hot water heaters with energy efficient solar hot water heaters at point of sale or any other time.

By proposing and adopting this General Plan policy and GGRP measure, the City is committing to use its resources to assist City residents to find available funding and provide incentives that would enable installation of solar hot water heaters and reduce communitywide energy consumption and associated GHG emissions. Specifically, Measure 4-2.B directs four implementing actions that the Community and Economic Development and General Services Departments must complete before June 20, 2013 (Draft GGRP, page 3-36):

- A. Develop a resident outreach program to support solar water heater installation on residential buildings.
- B. Develop a business outreach program and remove code barriers to solar water heater installation on commercial buildings.
- C. Collaborate with utilities to offer low-interest loans for homeowners with swimming pools to switch to solar water heating systems.
- D. Collaborate with utilities and other agencies to provide public information about local, regional, state, and national funding sources and financial incentives to support installation and maintenance of solar water heaters.

A 2020 GHG reduction of 7,480 MT CO₂e/yr is anticipated from implementation of this GGRP measure in residential buildings. An additional 1,190 MT CO₂e/yr is anticipated in commercial buildings, for a total reduction of 8,670 MT CO₂e/yr. Achieving 8,670 MT CO₂e/yr in reductions by 2020 relies on achievement of performance standards identified in Table 4-1 of the GGRP (Draft GGRP, page 4-2). For Measure 4-2.B, the following performance standards apply:

Measure	GHG Reduction Potential (MT CO₂e)	Performance Standards	Target Year
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Measure 4-2.B	Collaborate with utility companies to provide financial incentives/ rebates for residential and commercial buildings to upgrade from inefficient water heaters to solar water heaters.	8,670	i. 30% of total residential (new and existing) units install solar water heaters.	by 2020
			ii. 20% of total commercial (new and existing) properties install solar water heaters.	

As described in Appendix B to the GGRP (refer to Draft GGRP, page B-10), a bottom-up calculation was performed assuming that solar hot water heaters will supply approximately 70% of the energy required for water heating. The emission reductions were calculated by multiplying participation rates (30% for residential, and 20% for commercial) by the percent reduction in natural gas consumption for water heating (60% for residential, 40% for commercial). These reductions are based on empirical evidence offered within the following sources:

- ▶ Energy Star. 2009. *Solar Water Heaters*. Accessed May 19, 2011. Available <www.energystar.gov/ia/new_homes/features/WaterHtrs_062906.pdf>
- ▶ Department of Energy. California Energy Commission [CEC] 2007. Impact Analysis 2008 Update to the California Energy Efficiency Standards for Residential and Nonresidential Buildings

The average life of a high-efficiency storage tank powered exclusively by natural gas or electricity is approximately 8-10 years (Energy Star 2009). Draft General Plan Policy 41.2 and Draft GGRP Measure 4-2.B, Actions A through D require the City to provide financial incentives by removing regulatory barriers to solar hot water installation; by working with SMUD and PG&E to offer low-interest loans for homeowners with swimming pools to convert to solar water heating systems; and by providing public information regarding the availability of local, regional, state, and national funding sources to support installation and maintenance of solar water heaters. The City conservatively assumes that 30% of homeowners and 20% of business owners in Citrus Heights would replace a hot water heater powered by natural gas or electricity with a solar heater using available incentives over a 15-year period between 2005 (the inventory year) and 2020 (the target year).

Measure 4-3.D

Measure 4-3.D presumes that various appliances have finite life expectancy, and will be replaced. When replaced, consumers will likely choose more energy efficient options, supported by financial incentives. Furthermore, the City has used conservative assumptions regarding participation rates based on empirical evidence, as described below. As with other measures in the GGRP, the voluntary participation noted by the commenter represents a combination of need, incentives, and choice that is reasonable and practical for Citrus Heights' local condition and circumstances pursuant to Government Code Section 65300.7, and is supported by substantial evidence pursuant to CEQA Guidelines Section 15183.5(b)(1)(D).

Measure 4-3.D directs the City to “Develop an Energy Efficient Upgrade program for residents and business owners to promote upgrades from inefficient appliances, lighting, and roofing to Energy Star certified systems” (Draft GGRP, page 3-41). This measure is enabled by the following Draft General Plan policies:

- ▶ **40.1:** Encourage new buildings to maximize solar access to promote passive solar energy use, natural ventilation, effective use of daylight, and on-site solar generation.

- ▶ **41.1:** Require energy-efficient site and building designs in new construction.
- ▶ **41.2:** Provide financial incentives to maximize energy conservation and the use of clean and renewable energy.
- ▶ **41.3:** Retrofit existing buildings using low maintenance, durable building materials and high-efficiency energy systems and appliances.

These policies are established as a legislative act pursuant to Government Code Section 65301.5. No State regulation exists that would supersede the City's legislative authority. No legal basis exists that would compel the City to mandate replacement of inefficient appliances, lighting, and roofing at point of sale or any other time¹.

By proposing and adopting these policies and the GGRP measure, the City is committing to use its resources to connect consumers with available funding and provide incentives that would enable installation of Energy Star appliances and reduce communitywide energy consumption and associated GHG emissions. Specifically, Measure 4.3.D directs the following implementation action that the Community and Economic Development Department must complete before December 31, 2012 (Draft GGRP, page 3-41):

- A. Collaborate with utility companies and other non-profit agencies to develop a comprehensive outreach and financial incentives program to encourage non-binding replacement of inefficient appliances with new Energy Star appliances.

A 2020 GHG reduction of 12,340 MT CO₂e/yr is anticipated from implementation of this GGRP measure. Achieving 12,340 MT CO₂e/yr in reductions by 2020 relies on achievement of performance standards identified in Table 4-1 of the GGRP (Draft GGRP, page 4-3). For Measure 4-3.D, the following performance standards apply:

Measure		GHG Reduction Potential (MT CO ₂ e)	Performance Standards	Target Year
Measure 4-3.D	Develop an Energy Efficient Upgrade program for residents and business owners to promote upgrades from inefficient appliances, lighting and roofing to Energy Star certified systems.	10,080	i. 20 incandescent bulbs replaced with CFLs per housing unit. (669,500 bulbs)	by 2020
		796	ii. 5,000 residential refrigerators upgraded to Energy Star models	
		390	iii. 5,000 dishwashers upgraded to Energy Star models	
		265	iv. 5,000 clothes washers upgraded to Energy Star models	
		35	vi. 500 water coolers upgraded to Energy Star models	
		90	vii. 1,000 computers and monitors upgraded to Energy Star models	
		130	viii. 500 copy machines upgraded to Energy Star models	

¹ The City acknowledges that SB 407 (2009) will require replacement of plumbing fixtures in homes older than 1994 at point of sale beginning in 2017. That requirement is addressed separately by Measure 5-1.A and supporting actions, and is not considered within Measure 4-3.D.

		93	ix. 1,000 exit signs upgraded to LED	
		459	x. 1,500,000 square feet of roof area replaced with Energy Star cool roofs.	

As described in Appendix B to the GGRP (Draft GGRP, page B-12), energy efficient appliances and building materials generate GHG emissions reductions by decreasing the electricity demand of a given building. These reductions are based on empirical evidence offered by the ICLEI – Local Governments for Sustainability in the *Climate and Air Pollution Planning Assistant* (CAPPA) model (ICLEI 2011).

The appliances listed below each have average energy savings compared to typical or conventional systems. This average energy savings was applied to participating home and building owners to arrive at a total annual energy savings (kWh/yr). Participation rates for these various appliance upgrades are based on an average appliance life of 25 years, which results in 4% of all appliances being replaced each year and attaining the average energy savings. The final calculation was completed using the CAPPA model.

Appliance Type	Average Energy Savings (kWh/yr)	Annual Participation Rate (4% of total/yr)	GHG Reductions (MT CO ₂ e/yr)
Refrigerator	464	5,000 households	796
Dishwasher	137	5,000 households	390
Clothes washer	144	5,000 households	265
Light bulbs	44	20 replacements per building: 669,000 bulbs	10,080
Copy machines	12–1,702	500	130
Exit signs	272	1,000	91
Water coolers	408	500	35
Monitors	61	1,000	20
Computers	201	1,000	70
Cool roofs	0.84/sq. ft.	1,500,000 sf	461

Draft General Plan Policies 40.1, 41.1, 41.2, and 41.3 and Draft GGRP Measure 4-3.D, Action A require the City to develop an energy efficient appliance upgrade program, and to collaborate with SMUD, PG&E, and other non-profit agencies (e.g., Energy Upgrade California) to provide outreach and financial incentives to achieve participation levels that would accomplish the changes described above.

Other Primary Measures

Similar analysis and conclusions regarding the two measures described above can be applied to all 19 primary measures within the Draft GGRP. Each is enabled by the legislative authority of the City Council absent superseding legislation, is transparently quantified using defined performance metrics and relying on empirical evidence, is reasonable and practical for Citrus Heights' local condition and circumstances, and is supported by substantial evidence.

The comment does not raise any issue related to the adequacy of environmental analysis conducted in the DEIR. No further response is necessary.

2-7

The commenter notes that one of the most powerful consequences of having an adopted GGRP which complies with the CEQA Guidelines is the ability of subsequent projects to tier from the GGRP's environmental analysis (i.e., the General Plan EIR). The City acknowledges that CEQA tiering is indeed a powerful consequence of adopting a GGRP, and is one of a number of reasons why the City is considering a GGRP as part of its General Plan update process.

The commenter provides reference to CEQA Guidelines Section 15183.5(b)(2), which states:

A plan for the reduction of greenhouse gas emissions, once adopted following certification of an EIR or adoption of an environmental document, may be used in the cumulative impacts analysis of later projects. An environmental document that relies on a greenhouse gas reduction plan for a cumulative impacts analysis must identify those requirements specified in the plan that apply to the project, and, if those requirements are not otherwise binding and enforceable, incorporate those requirements as mitigation measures applicable to the project. If there is substantial evidence that the effects of a particular project may be cumulatively considerable, notwithstanding the project's compliance with the specified requirements in the plan for the reduction of greenhouse gas emissions, an EIR must be prepared for the project.

The commenter states that not many of the GGRP measures would qualify as binding and enforceable mitigation for new development, and further states that the City's reliance on voluntary measures will make future CEQA tiering and project-level compliance difficult, if not impossible.

As explained in the Draft EIR, the City anticipates that little growth will occur in Citrus Heights between 2005 and 2020. The City's discretion to impose conditions of approval on proposed new development will therefore play a limited role in its ability to meet GGRP goals. Instead, most of the GGRP's reduction measures are incentive-based, and aimed at the existing, built environment. The City cannot lawfully exercise its discretion to impose conditions of approval on existing development, absent a request by a landowner for discretionary permits or other entitlements. Even then, conditions of approval imposed by the City must observe constitutional limits of "nexus" and "rough proportionality." (See State CEQA Guidelines, Section 15041 [citing U.S. Supreme Court decisions].)

The comment appears to be concerned that measures that are not cast in mandatory terms may be ignored when new development is proposed. The City does not believe that the non-binding measures will be ignored. With regard to new development, as noted in the Draft EIR (page 4.14-20 through 4.14.22), the Draft General Plan and GGRP include policies, measures, and actions to reduce GHG emissions. The DEIR analyzed potential GHG emissions impacts of the increment of new growth anticipated within the Draft General Plan (DEIR Section 4.14, Greenhouse Gas Emissions, page 4.14-22). The analysis cites multiple policies and actions that would reduce potentially significant impacts to a less-than-significant level. Analysis in the DEIR related to GHG emissions is adequate, and no further analysis is necessary.

Tiering principles are well established within the State CEQA guidelines, even if their application to GHG emissions is new. With regard to future tiering, CEQA Guidelines Section 15183.5(b)(2) acknowledges that there may be both binding and non-binding measures in a GGRP. The approach is the same as that described in other CEQA Guidelines sections addressing consistency with plans (See, e.g., CEQA Guidelines Sections 15064(h)(3), 15183), and tiering (See, e.g., CEQA Guidelines Sections 15152, 15168). In all of these instances, for later projects consistent

with the plan or zoning action, the agency considers whether the mitigation measures adopted as part of the plan or zoning decision are applicable to the proposed project.

In the future, when new development is proposed, the City will review the proposed project to determine whether the measures listed in the GGRP are applicable to the particular project that is proposed. For example, if a proposed project includes residential development, then those measures that apply to residential development will be “applicable.” This review will consider all measures listed in the GGRP, including measures that use mandatory language and those that use non-mandatory language. The City will consider whether to incorporate all applicable measures into the proposed project, regardless of the use of mandatory or non-mandatory language. If the City determines that some applicable measures will not be incorporated into the project, then the City may not be able to use the tiering principles embodied in CEQA Guidelines Section 15183.5 for that project.

As an example, new projects that include solar hot water heaters would contribute to the anticipated GHG reductions for Measure 4-2.B, and should be credited for doing so. In this instance, tiering would be enabled by the City imposing a condition of approval or mitigation measure for the project that requires installation of a solar hot water heater, which in turn would enable the applicant to use the Section 15183.5 tiering provisions. If an applicant chooses not to include non-binding GGRP measures within a project, then the City’s environmental analysis would not be able to rely on the GGRP as a first-tier document addressing the project’s GHG emissions. Rather, a site-specific analysis of GHG emissions analysis would be required. That analysis would consider whether the project’s contribution to GHG emissions was “cumulatively considerable” and, if so, would identify mitigation measures that reduce GHG emissions.

In response to the District’s comment, and to facilitate the CEQA tiering process, the City will develop a checklist of potential mitigation measures based on both mandatory and non-binding GGRP measures, identifying measures that, like the solar hot water heater example, could reasonably be incorporated within future projects to enable tiering. The City will also build a mechanism into the GGRP monitoring process to reconsider the balance between mandatory and non-binding approaches to GHG reduction, considering the effectiveness to date in implementing the plan. **In response to the comment, the following paragraphs are hereby added to the Draft GGRP following the third paragraph under “Conclusion” on page 4-1 of the Draft GGRP:**

The GGRP favors incentive-based approaches to reducing GHG emissions, as opposed to regulatory mandates. The intent of these approaches is to promote high levels of community participation and, working with stakeholders and utilities, to provide adequate incentives to achieve emission reductions. This approach also considers the fact that the City is largely built out, so that opportunities to achieve communitywide GHG reductions by imposing conditions of approval on new development are limited. After at least three annual monitoring reports, staff shall prepare a report analyzing whether the GGRP is on track to achieve the reduction target. If the report concludes the GGRP is not on track to achieve the reduction target, the report shall include recommendations regarding potential new or revised measures to: a) encourage more aggressive implementation, b) include new and/or modified non-binding measures, and/or c) modify certain non-binding measures to be mandatory if supported by available funding and technical assistance. The report shall also consider updated guidance that has been provided by agencies or working groups in the region with respect to such measures.

Additionally, within three months of adoption of the GGRP, the City will develop a checklist of potential mitigation measures based on mandatory and non-binding GGRP measures. The City

will use this checklist in evaluating applications for discretionary entitlements in accordance with CEQA Guidelines Section 15183.5.

2-8

The commenter provides a listing of quantifiable example GHG reduction measures for the City to consider adding to the GGRP to achieve a 15% reduction. Please refer to Responses to Comments 2-3 and 2-4 for discussion regarding the City's legislative authority to establish a GHG reduction target, the City's 10% to 15% below 2005 levels reduction target, and how the GGRP exceeds 15% reduction. The DEIR analyzed the potential for the communitywide GHG targets and reduction plan identified in the Draft General Plan and GGRP to conflict with the Scoping Plan and District guidance (refer to Section 4.14, Greenhouse Gas Emissions, page 4.14-29 of the DEIR). The analysis concludes that the Draft General Plan and GGRP would not conflict with the Scoping Plan, or any other plans, policies, or regulations adopted for the purpose of reducing GHG emissions, resulting in a less-than-significant impact. Analysis in the DEIR related to GHG emissions is adequate, and no further analysis is necessary. Therefore, the District's recommended emission reduction measures are considered by the City as policy recommendations that could potentially be included in the Draft General Plan or Draft GGRP. These recommendations will be provided to the Planning Commission and City Council for consideration.

The City considered many of the recommended measures when crafting the Draft GGRP, and the Planning Commission, City Council, and general public discussed several of them, including mandatory point-of-sale energy efficiency upgrades, during public meetings devoted to the GGRP held throughout 2009, 2010, and 2011. Most were determined to be inconsistent with the City's local conditions and circumstances pursuant to Government Code Section 65300.7, and the overall desire to establish an incentive-based approach to reducing emissions that would motivate communitywide action. Others (e.g., green building ordinance, water conservation ordinance) were implemented when the City upgraded the building code to comply with CalGreen. Nevertheless, City staff has identified that permit streamlining for solar hot water heaters and PV panels would be a reasonable addition to the GGRP. **In response to the comment, Actions 4-2.B.A. and 4.2.B.B. on page 3-36 of the Draft GGRP are hereby modified as follows:**

Actions	Implementation Target	Responsible Party
A. Develop a resident outreach program, <u>remove code barriers, and implement permit streamlining for to support</u> solar water heater installation on residential buildings.	Before December 31, 2012	Community and Economic Development
B. Develop a business outreach program, <u>and remove code barriers, to and implement permit streamlining for</u> solar water heater installation on commercial buildings.	Before December 31, 2012	Community and Economic Development

In response to the comment, Action 4-2.C.C. is hereby added on page 3-37 of the Draft GGRP as follows:

Actions	Implementation Target	Responsible Party
C. Develop an outreach program, <u>remove code barriers, and implement permit streamlining for photovoltaic panel installation on residential and commercial buildings.</u>	<u>Before December 31, 2012</u>	<u>Community and Economic Development</u>

2-9

The commenter reiterates the availability Sacramento Green Building Task Force and CAPCOA resources to identify and quantify additional mitigation measures, and notes appreciation for staff's efforts to complete the plan and coordinate with the District. Please refer to Response to Comment 2-5. The comment does not raise any issue related to the adequacy of environmental analysis conducted in the DEIR. No further response is necessary.