BOARD OF SUPERVISORS AGENDA LETTER

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Agenda Number:

Department Name:	Planning and Development
Department No.:	053
For Agenda Of:	Set Hearing on 5/12/15 for 5/19/15
Placement:	Administrative (on 5/12/15) Departmental (on 5/19/15)
Estimated Tme:	1.5 Hours on 5/19/15
Continued Item:	No
If Yes, date from:	
Vote Required:	Majority

TO: Board of Supervisors

FROM: Department Director(s) Glenn S. Russell, PhD., Director, Planning and Development, 568-2085
Contact Info: Matt Schneider, Deputy Director, Long Range Planning Division 568-2072
Lorianne DeFalco, Planner, Long Range Planning, 884-8060

SUBJECT: **Energy and Climate Action Plan (ECAP)**

County Counsel Concurrence
As to form: Yes

Auditor-Controller Concurrence
As to form: N/A

Other Concurrence: N/A

Recommended Actions:

On May 12, 2015, set a hearing for May 19, 2015 to: (1) certify the Energy and Climate Action Plan Final Environmental Impact Report (Case No. 14EIR-00000-00003); (2) consider recommendations of the County Planning Commission and Montecito Planning Commission; and (3) consider recommendations to: (a) adopt the Energy and Climate Action Plan; (b) adopt a Comprehensive Plan amendment to incorporate Policy 8.3 and Research Action 8.3.1 into the Santa Barbara County Comprehensive Plan Energy Element (Case No. 14GPA-00000-00003) requiring implementation of the ECAP with provisions for monitoring and updating at least every five years; and (c) consider the introduction (first reading) of an Ordinance, Case No. 15ORD-00000-00008, amending Articles VI, Primary Energy Code, and IX, Primary Green Building Standards Code, of Chapter 10, Building Regulations, of the County Code to promote photovoltaic and electric vehicle (EV) charging systems by requiring new one- and two-family dwellings to install conduit for future installation of an EV charging station and single-family residences to be built "solar ready."

A. On May 19, 2015, your Board should consider the following actions:

1. Make the required findings for the Energy and Climate Action Plan including findings for approval of the proposed Comprehensive Plan amendment and CEQA findings (**Attachment A**);

2. Certify the Energy and Climate Action Plan Final Environmental Impact Report, including revisions to the ECAP analyzed in Section 10.0 of the Final EIR, pursuant to the State Guidelines for Implementation of the California Environmental Quality Act (CEQA) (**Attachment C**);

3. Adopt a Resolution (**Attachment D**) accepting and adopting the Energy and Climate Action Plan;

4. Adopt a Resolution (**Attachment E**) adopting amendments to the Energy Element of the Comprehensive Plan, Case No. 14GPA-00000-00003;

5. Consider the introduction (first reading) of an Ordinance, Case No. 15ORD-00000-00008, amending Articles VI, Primary Energy Code, and IX, Primary Green Building Standards Code, of Chapter 10, Building Regulations, of the County Code to promote photovoltaic and electric vehicle (EV) charging systems by requiring new one- and two-family dwellings to install conduit for future installation of an EV charging station and single-family residences to be built "solar ready" (**Attachment F**); and

6. Set a hearing on the Administrative agenda of June 2, 2015, to consider the recommendations as follows:
   a. Consider the adoption (second reading) of an Ordinance, Case No. 15ORD-00000-00008, amending Articles VI, Primary Energy Code, and IX, Primary Green Building Standards Code, of Chapter 10, Building Regulations, of the County Code (**Attachment F**); and

   b. After reading the title, waive full reading into the record of an Ordinance, Case No. 15ORD-00000-00008, amending Articles VI, Primary Energy Code, and IX, Primary Green Building Standards, of Chapter 10, Building Regulations, of the County Code (**Attachment F**).

Background:

The ECAP (**Attachment B**) is being developed pursuant to the Board of Supervisors' (BOS) direction under BOS Resolution 09-059 to "take immediate, cost effective and coordinated steps to reduce the County's collective greenhouse gas emissions." In response to this direction, the County's Climate Action Strategy (CAS) was developed, which is a two-phase strategy to reduce GHG emissions. Phase I (Climate Action Study) included a countywide GHG inventory, forecast, and evaluation of potential Emission Reduction Measures (ERMs); and Phase II, the Energy and Climate Action Plan (ECAP), seeks to reduce the county's GHG emissions through implementation of selected ERMs with the goal of achieving a GHG reduction target established by the BOS of 15% below baseline (2007) levels by 2020.

The County Long Range Planning Division prepared the Santa Barbara Climate Action Study in 2011. The purpose of the study was to:

- Demonstrate the County's commitment to the Climate Change Guiding Principles, as adopted by the BOS on March 17, 2009, by identifying possible existing and future GHG reduction measures and programs;
- Set the framework for the County to help meet the goals of Executive Order S-3-05 and comply with the goals and requirements of AB 32 and Senate Bill (SB) 97, based on an inventory of the County's current and projected GHG emissions; and
- Identify the next steps toward meeting the state's GHG emissions reductions target.

After preparing the Climate Action Study in 2011, the Long Range Planning Division initiated the second phase of the County's CAS with preparation of this ECAP. Public outreach included a community visioning workshop, participation in the Santa Barbara Earth Day Festival, approximately five stakeholder meetings, and an online survey.

At a hearing of the BOS in March of 2013, the Board voted to recommend developing the ECAP with a County greenhouse gas (GHG) emission reduction target of 15% below baseline (2007) levels by 2020, which is aligned with the statewide GHG reduction goal established by AB 32.

Concurrent with the CAS, the County developed the Sustainability Action Plan (SAP)—a separate, more detailed reduction strategy for reducing GHG emissions from County operations that identifies desired operational changes, capital projects, and equipment or vehicles—as well as the Energy Action Plan (EAP), which establishes goals for electricity reduction in County facilities. This ECAP builds on and incorporates measures from the SAP and EAP such that the County is providing a leadership role in reducing community-wide emissions.

ECAP vs. Stationary Industrial Source Thresholds

The proposed ECAP is recommended as one of two tools undertaken by Santa Barbara County to address GHG emissions. The ECAP applies to the unincorporated areas of the County where the County has land use permit authority, focuses on community-wide emissions, and does not include emissions from stationary sources. The County's proposed Greenhouse Gas Emissions Threshold of Significance will guide the County's environmental analysis of GHG emissions from stationary industrial sources.

Both the proposed ECAP and the recommended stationary industrial source threshold are intended to complement one another during implementation. The ECAP will achieve an overall reduction in community-wide GHG emissions. Projects subject to the ECAP will have to demonstrate consistency through completion of a checklist. The GHG Emissions Threshold of Significance establishes a GHG emissions threshold for stationary industrial projects within the County. Stationary industrial source projects will need to demonstrate that project emissions are below the applicable threshold or will need to mitigate to below the threshold. There may be some unique future projects, e.g. a large hospital campus, where the land use could be found consistent with the ECAP but may include project components with a significant, non-industrial stationary source of GHG emissions (e.g. large commercial boilers). If GHG emissions from such a project would be cumulatively considerable notwithstanding compliance with the proposed ECAP, project-specific analysis of GHG emissions would be required, consistent with the requirements of CEQA.

Planning Commission Recommendations

In the fall of 2014, the ECAP was presented to the Montecito Planning Commission and the County Planning Commission. Feedback was received from a number of stakeholders including the Santa Barbara Association of Realtors. The Planning Commissions and various stakeholders expressed a desire for less mandatory measures, with a focus on voluntary, educational, and incentive-based measures and flexibility to meet the GHG target.

At the Montecito Planning Commission hearing of September 17, 2014, the Montecito Planning Commission recommended that the County Planning Commission recommend to the Board of Supervisors a restructured Energy and Climate Action Plan that includes the following three elements: 1) the plan is incentive-based and includes only voluntary measures; 2) the plan eliminates mandatory point-of-sale and energy audit measures; and 3) implementation funding should be used to increase public awareness of conservation and available incentives through outreach and education campaigns (see **Attachment H**).

At the County Planning Commission hearing of September 23, 2014, the County Planning Commission recommended that the BOS make the findings for approval of the proposed Comprehensive Plan amendment; certify the Energy and Climate Action Plan Final Environmental Impact Report (Final EIR) (State Clearinghouse No. 20144021021) for Case No. 14GPA-00000-00003 pursuant to the CEQA Guidelines; approve Case No. 14GPA-00000-00003 incorporating Policy 8.3 and Research Action 8.3.1 into the Santa Barbara County Comprehensive Plan Energy Element; and accept and adopt the Energy and Climate Action Plan including Staff's recommended revisions to emission reduction measures BE 2 (Energy-Efficient Renovations) and BE 4 (Energy Scoring and Audits), as reflected in the September 3, 2014 County Planning Commission Staff Report (see **Attachment I**).

Measures BE 2 and BE 4 have since been further refined in the Proposed Final ECAP to address community concerns that the measures could be burdensome for homeowners and sellers. For example, the energy audit requirement at point of sale has been removed from measure BE 4, which now emphasizes outreach and education to encourage new homeowners to make energy-efficient upgrades.

Project Summary:

The ECAP includes community-wide and County government operations measures, which recognize many of the County's existing policies and department initiatives to address energy efficiency. The ECAP provides a combination of voluntary, phased, and mandatory measures to achieve the reduction goal. The ECAP measures fall in a variety of categories including Transportation, the Built Environment, Renewable Energy, and Waste Reduction.

Purpose and Need

CEQA Tiering

The ECAP is designed as a Qualified GHG Reduction Plan, consistent with State CEQA Guidelines Section 15183.5(b), to streamline the analysis of greenhouse gases on a project level by using a programmatic GHG reduction plan meeting certain criteria. As individual projects are proposed, project-specific environmental documents may tier from and/or incorporate by reference that existing programmatic review in their cumulative impacts analysis. Therefore, applicants for discretionary land use permits will not have to prepare a cumulative GHG analysis if they can demonstrate consistency with the ECAP through the checklist. This will result in cost and time savings for individual applicants. Project-specific analysis of GHG emissions is required if GHG emissions from a project would be cumulatively considerable notwithstanding compliance with the proposed ECAP.

Co-Benefits

The ECAP provides important co-benefits. The reduction measures have beneficial impacts on local or regional economic, social, and environmental conditions such as public health, resource conservation, and transportation mobility. The measures may also benefit individuals by providing monetary savings through reduced utility bills.

Studies have shown that an initial investment in energy efficiency leads to new jobs; and that, over time, additional jobs result from lower energy costs and increased disposable income/household spending.

Plan Updates

Since the 2014 Planning Commission hearings, staff has worked with stakeholders, County departments, and interested parties to refocus the measures on those that are easily achievable, that incorporate existing County initiatives, and that are the most cost-effective. For example, staff:

- Met with the Santa Barbara Association of Realtors to modify measure BE 4 (see below);

- Collaborated with all affected County departments to integrate and build on existing County policies and initiatives aimed at energy, water, and transportation efficiency;
- Obtained input from local building/construction firms on the draft energy checklist for residential building permits (see BE 2, below);
- Revised the GHG forecast to incorporate the updated emission reductions from state-adopted programs since the draft ECAP was first prepared, such as the California Building Standards Code (Title 24) and Renewables Portfolio Standard (RPS);
- Quantified Government Operations measures; and
- Updated the Energy and Climate Action Plan Final Environmental Impact Report (EIR), including analyzing revisions to the ECAP in Section 10.0 of the Final EIR, pursuant to the State Guidelines for Implementation of the California Environmental Quality Act.

Most of the emission reduction measures are voluntary and aim to incentivize the community to implement energy and GHG reduction measures through education and outreach. For example, the mandatory point of sale energy audit was removed and the measure was re-focused to provide an educational outreach program for new homeowners to encourage energy efficient upgrades (BE 4).

Part of the update effort allowed staff to re-quantify the GHG reductions; as a result, implementation of the proposed measures is projected to reduce GHG emissions by approximately 17 percent below baseline levels, which will provide the County with additional flexibility moving forward to meet its target. The estimated GHG reductions from the ECAP do not assume implementation of Community Choice Energy (CCE), which is the current terminology for Community Choice Aggregation or CCA. Since the County may pursue CCE in the future, additional reductions beyond those predicted to result from the ECAP may occur.

Plan Highlights

A principle strategy of the ECAP is to incorporate and maximize to the greatest extent feasible, existing County projects, policies, and programs that will contribute to the ECAP's GHG reduction goal. Leveraging the County's existing efforts significantly reduces the cost for ECAP implementation as many of the actions are already underway and will continue with or without the adoption of the ECAP. It is important to recognize that a few of the measures are considered to be more aspirational, or longer-term, such as Measure AG 4 –"Energy-Efficient Agriculture Operations." This measure could support increased agriculture-related energy conservation by encouraging landowners to participate in voluntary energy conservation programs through the provision of incentives. Pursuing such programs would help to support the GHG reduction goals but is not necessary to achieve the goal. County staff proposes to focus initial implementation efforts on the most cost-effective measures. Advances in technology and the introduction and implementation of State programs that are not currently considered in the ECAP may provide additional GHG emissions reductions in the next few years, which in turn may reduce the ECAP's implementation resource needs.

The ECAP's reduction measures fall under a variety of different categories including the built environment, renewable energy, and waste reduction. Several reduction measures are highlighted below to provide an overview of the reduction measure strategy.

Energy Efficient Renovations (BE 2)

One of the Plan's key measures—Energy Efficiency Renovations (BE 2)—requires completion of an energy checklist (**Attachment G**) for residential building permits for additions and/or alterations,

excluding repair and maintenance. The checklist is designed to identify basic energy efficiency upgrade opportunities and information on potential cost savings and available rebates or other incentives. Applicants will also be directed to emPower's Energy Coach program, which provides free home energy site visits. This measure does not mandate energy retrofits, but is informative and encourages energy upgrades through education.

Energy Efficiency Education and Outreach to New Homeowners and Nonresidential Building Owners (BE 4)

Measure BE 4 (Energy Efficiency Education and Outreach to New Homeowners and Nonresidential Building Owners) promotes the energy efficiency of buildings, and encourages disclosure of energy use history when nonresidential buildings are leased or sold. Measure BE 4 includes development of an outreach program to encourage new homeowners to make energy-efficient upgrades when remodeling or repairing their homes. Outreach will include coordination with local contractors and realtor associations. New homeowners will be encouraged to utilize emPower's Energy Coach program, which provides free energy site visits. This measure as currently proposed was developed in consultation with the Santa Barbara Association of Realtors.

Alternative Energy Development (RE 1)

Measure RE 1 proposes to develop a new ordinance for solar photovoltaic (PV) ready construction. The new ordinance will require new single-family dwelling units to be built to accommodate future solar PV system installation. The proposed ordinance includes regulations requiring electric panel sizing to accommodate future improvements, the installation of conduit for future roof-mounted solar PV system, and the reservation of a minimum of 250 square feet of the south-facing roof for future installation of a solar PV or solar water-heating system. This ordinance is proposed to be concurrently adopted with the ECAP (see **Attachment F**). On July 1, 2014, changes to the California Building Energy Efficiency Standards mandated these requirements for new residential tract developments of 10 units or more.

Increased Recycling Opportunities (WR 2)

Measure WR 2 seeks additional opportunities for county residents to recycle cardboard, glass, paper, and plastic products. Increasing recycling and expanding the ways in which residents can recycle will aid in waste reduction throughout the county and will also contribute to GHG reductions. This measure also proposes to implement the Public Works Department's proposed Resource Recovery Project, which would process municipal solid waste currently disposed at the County-owned and -operated Tajiguas Landfill. The Resource Recovery Project's goal is to divert over 98% of organic waste and over 90% of recyclables still being buried at the landfill. Currently, the diversion rate for the county (includes North and South County) is approximately 73%. This project provides the opportunity to bring the countywide diversion rate closer to 85%. Measure WR 2 is anticipated to result in substantial GHG reductions (approximately 16,360 $MTCO_2e$).

Summary of Environmental Analysis

The County has prepared a Programmatic Environmental Impact Report (EIR) in compliance with the requirements of CEQA Guidelines Section 15183.5(b) for a Qualified GHG Reduction Plan.

The Draft EIR was released for a 45-day comment period on May 9, 2014 and a public comment hearing was held June 11, 2014 at the County Planning Commission Hearing Room. Public comment was received until the end of the comment period on June 24, 2014.

The Final EIR (**Attachment C**) has been prepared for the Energy and Climate Action Plan pursuant to CEQA (California Public Resources Code Section 21000, et seq.), State CEQA Guidelines (14

California Code of Regulations, Section 15000, et seq.), and the County of Santa Barbara CEQA Guidelines.

The Final EIR analyzed the following resource areas for potential change or new impacts: Land Use, Transportation and Circulation, Aesthetics, Agricultural Resources, Biological Resources, Noise, Air Quality, and Greenhouse Gas Emissions. The Final EIR analysis substantiates findings in **Attachment A** that the ECAP would result in less than significant impacts to the environment (Class III) in all subject areas.

The ECAP will serve as a Qualified Greenhouse Gas Reduction Plan consistent with the requirements of Section 15183.5 of the CEQA Guidelines, which provides a process to streamline the review of GHG emissions of specific projects that are consistent with the approved ECAP. Applicants for discretionary land use permits will not have to analyze cumulative GHG emissions if they can demonstrate project consistency with the ECAP. Project-specific analysis of GHG emissions is required if GHG emissions from a project would be cumulatively considerable notwithstanding compliance with the proposed ECAP.

Tribal Consultation

State planning law (SB 18) requires cities and counties to consult with California Native American tribes before amending or adopting any general or specific plan. The County sent letters to the Barbareno/Ventureno Band of Mission Indians, the Coastal Band of the Chumash Nation, and the Santa Ynez Band of Mission Indians with an invitation to consult regarding the ECAP. None of the bands responded to the invitation to consult.

Fiscal and Facilities Impacts:

Budgeted: Yes

Funding Sources	Current FY Cost	Annualized Ongoing Cost	Total One-Time Project Cost
General Fund	$ 126,158.00		$ 341,626.00
State			
Federal			
Fees			
Other:	$ 69,572.00		$ 254,223.00
Total	$ 195,730.00	$ -	$ 595,849.00

Narrative:
The total project cost to date for the ECAP, or Phase II of the County's Climate Action Strategy, is approximately $595,850. Grants from Southern California Edison and Pacific Gas & Electric Company funded approximately $254,000 of this amount. In the current fiscal year, staff salaries and other costs for the preparation of the ECAP are included in the County's budget under Planning and Development Department, Long Range Planning Budget Program on page D-212 of the FY 2014-15 budget book in the amount of approximately $196,000. Of this amount, approximately $126,000 is funded with General Fund Contribution and the remaining approximately $70,000 is funded with the use of fund balance.

Implementation of the ECAP occurs through the development review process as well as through implementation of new ordinances, education and outreach, and monitoring and tracking. Future ECAP action items would require Board approval and funding prior to implementation. The ECAP will be implemented through a number of different departments, including Community Services, General Services, Public Works, Planning and Development, Santa Barbara County APCD, and University of

California Cooperative Extension through the Agricultural Commissioner's Office. Departments will work to meet their goals and projects either through existing budget, seeking grants, or requesting additional monies. Planning and Development included $110,100 for ECAP implementation into the FY 2015-16 Long Range Planning Work Program, which received Board approval on April 8, 2015. Long Range Planning anticipates additional ECAP implementation work program items in subsequent fiscal years.

Currently, while different departments have specific goals, no single department is designated to coordinate and monitor the county's progress. In budget workshops, the Community Services Department (CSD) requested $150,000 and 1 FTE position to coordinate, monitor, and report on ECAP progress and other sustainability efforts. While Planning and Development plays a role in meeting ECAP goals, it is not the coordinating department for the county.

Resource requirements for implementation may need adjustment over time based on annual monitoring data and the degree to which the ECAP's actions are on track to achieve the targeted GHG reduction goal. In addition, it is anticipated that approximately $25,000 to $35,000 in consultant costs would be required in 2017 to update the GHG inventory as part of the ECAP's required monitoring component. Opportunities for grant funding from the State's Local Government Partnership (LGP) program will be explored.

Special Instructions:

1. The Planning and Development Department will satisfy all noticing requirements.
2. The Clerk of the Board will send a copy of the signed and numbered ordinance and minute order to the Planning and Development Department, attention Lorianne DeFalco.
3. Following the Board's action on June 2, 2015 to consider (second reading) adoption of Ordinance 15ORD-00000-00008, the Clerk of the Board to provide a certified copy of the adopted ordinance amending the County Building Code (15ORD-00000-00008) to the California Building Standards Commission.

Attachments:

A. Findings for Approval
B. Energy and Climate Action Plan (copy available at http://longrange.sbcountyplanning.org/programs/climateactionstrategy/climateaction.php)
C. Energy and Climate Action Plan Final EIR (copy available at http://longrange.sbcountyplanning.org/programs/climateactionstrategy/climateaction.php)
D. Resolution – Energy and Climate Action Plan Adoption
E. Resolution – Energy Element Amendments
F. Ordinance –Building Code Amendments Ordinance
G. Energy Checklist for Building Permits
H. Montecito Planning Commission Action Summary
I. County Planning Commission Action Summary

Authored by: Lorianne DeFalco, AICP, Long Range Planning Division