

SANTA BARBARA COUNTY PLANNING COMMISSION
Staff Report for County of Santa Barbara Energy and Climate Action Plan

Hearing Date: September 3, 2014
Staff Report Date: August 18, 2014
Case No.: 14GPA-00000-00003
Environmental Document: 14EIR-00000-00003

Interim Deputy Director: David Lackie
Division: Long Range Planning
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1.0 REQUEST

Hearing on the request of the Planning and Development Department that the County Planning Commission:

- 1.1 **Case No. 14GPA-00000-00003.** Recommend that the Board of Supervisors 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 requiring implementation of the ECAP with provisions for monitoring and updating at least every five years.
- 1.2 **Case No. 14EIR-00000-00003.** Recommend that the Board of Supervisors certify the Environmental Impact Report pursuant to the State Guidelines for Implementation of the California Environmental Quality Act.

2.0 RECOMMENDATION AND PROCEDURES

- 2.1 **Case No. 14GPA-00000-00003.** Follow the procedures outlined below and recommend that the Board of Supervisors approve Case No. 14GPA-00000-00003 based on the ability to make the appropriate findings. Your Commission's motion should include the following:
 1. Recommend that the Board of Supervisors make the findings for approval of the proposed Comprehensive Plan amendment (Attachment A of this staff report), including CEQA findings; and
 2. Recommend that the Board of Supervisors certify the Energy and Climate Action Plan Final Environmental Impact Report (Final EIR) (State Clearinghouse No. 20144021021) (Attachment C) for Case No. 14GPA-00000-00003 pursuant to the State Guidelines for Implementation of the California Environmental Quality Act (CEQA); and
 3. Adopt a Resolution recommending that the Board of Supervisors 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 (Attachment D of this staff report); and
 4. Adopt a Resolution recommending that the Board of Supervisors 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.

Please refer the matter back to staff if your Commission takes other than the recommended action for development of appropriate materials and/or findings.

The Final EIR and all documents referenced therein may be reviewed at the Planning and Development Department Offices located at 123 East Anapamu Street, Santa Barbara and 624 W. Foster Road, Santa Maria, CA 93455. The EIR is also available for review at the Central Branch of the City of Santa Barbara Library, 40 East Anapamu Street, Santa Barbara.

3.0 JURISDICTION

3.1 Case No. 14GPA-00000-00003. Government Code sections 65353 and 65354 require that “[t]he Planning Commission” make a written recommendation to the legislative body on amendment of a general plan. Consideration and recommendation regarding general plan amendments is within the jurisdiction of the County Planning Commission (County Code § 2-25.2(b)(2)), unless the property affected by proposed amendments is solely located within the Montecito planning area, which this general plan amendment is not.

4.0 SUMMARY, INTRODUCTION AND BACKGROUND

4.1 Summary

The Climate Action Strategy is being developed pursuant to Board of Supervisor (BOS) direction under BOS Resolution 09-059 which adopted the County Climate Change Guiding Principles and directed staff to “take immediate, cost effective and coordinated steps to reduce the County of Santa Barbara’s (County) collective greenhouse gas emissions (GHG) emissions.” The Energy and Climate Action Plan (ECAP, Plan) is the second phase of the County’s Climate Action Strategy which seeks to reduce GHG in the County. The ECAP includes a baseline GHG emissions inventory, a forecast of emissions to both 2020 and 2035, a GHG reduction target of 15% below baseline emissions by 2020, a set of emission reduction measures (ERMs, Measures) to meet the target, and a methodology for tracking and reporting emissions in the future. When developing the ERMs, staff took a conservative approach to identifying and quantifying meaningful measures which could feasibly be implemented at the county government level. The quantification of each measure was also completed using conservative assumptions to model realistic implementation of the proposed measures.

To provide greater flexibility and reduce costs associated with pending housing transactions or building permit costs staff recommends modification of ECAP Measure BE 2 (Energy-Efficient Renovations) and Measure BE 4 (Energy Scoring and Audits) as analyzed in Alternative 3 of the proposed Final EIR. Measure BE 2 and Measure BE 4 are related to efficiency of buildings, both existing and new constructions and have mandatory requirements. Modifications to Measure BE 2 and Measure BE 4 would result in a smaller reduction of GHG emissions than the proposed project. However, the ECAP and proposed changes to the Comprehensive Plan’s Energy Element would commit the County to meeting a 15% reduction target. The County will be

conducting regular monitoring of community emissions and the implementation of reduction measures, as specified in Chapter VI of the ECAP. If the County determines that emissions are not being reduced as anticipated, the implementation and monitoring protocols in the ECAP will require County staff and decision makers to develop additional reduction measures and to increase implementation of existing strategies to meet the 15% reduction target. Staff's recommended modifications to Measure BE 2 and Measure BE 4 are shown below:

- Measure BE 2 (Energy-Efficient Renovations): Require energy audits for all building permits valued greater than \$15,000 ~~\$10,000~~, offer expedited building permit plan check for implementing audit recommendations, and consider providing a rebate for completing the audit or a waiver of building permit fees if upgrades were completed.
- Measure BE 4 (Energy Scoring and Audits): Require residential property owners to complete energy audits at the time of building sale. ~~or comply with a specified set of energy efficiency upgrades to their home at the time of building sale or within a year from the close of escrow, properties sold multiple times must only comply once.~~

If your Commission and the County Planning Commission concur with Staff's recommendation, the proposed ECAP will be updated to incorporate modifications to Measure BE 2 and Measure BE 4 prior to the Board of Supervisor's adoption hearing.

4.2 Introduction

The purpose of this ECAP is to demonstrate the County's continued commitment to reduce GHG emissions while protecting the aesthetic qualities and unique resources of Santa Barbara County. The ECAP is intended to streamline future environmental review of projects within the unincorporated county. Consistent with the County's land use authority, the Plan focuses on community-wide activities within the unincorporated portions of Santa Barbara County.

Strategies and measures identified in the ECAP build on the County's innovative work to date, serving to protect natural systems, reduce emissions and waste, improve energy and water efficiency, and ensure long-term access to reliable, clean, and affordable energy. The ECAP outlines the County's commitment and strategy to adapt to a changing climate, as well as to protect the built environment, public health and welfare, and natural resources from the vulnerabilities caused by changing climate conditions.

As a producer, regulator, and incentivizer of GHG reduction efforts, the County is providing leadership across the region by implementing a multi-pronged strategy to reduce GHG emissions. In 2010, the County of Santa Barbara General Services Department prepared the Sustainability Action Plan (SAP) for County Operations. The SAP is a separate, more detailed reduction strategy for County operations that identifies operational changes, capital projects, and equipment or vehicle upgrades necessary to create the desired emissions reductions. The SAP addresses the County's role as a producer of GHG emissions. The SAP places a strong focus on energy efficiency in the County's municipal operations. The ECAP address the second and third roles: that of regulator for community wide production of GHG emissions and incentivizer to reduce GHG emissions.

In 2013, the General Services Department developed the Energy Action Plan: Efficient Electricity Use in County Facilities (EAP) to establish goals for electricity reduction by identifying actual electricity efficiency projects at County facilities, with a primary focus on electricity consumption. The EAP leverages the efforts of the SAP by defining specific projects and their associated cost and electricity savings that can be implemented throughout the County, particularly since electric energy is a major component of reducing GHG emissions and has a direct effect on most of the emissions categories established by the County's GHG emissions inventory.

The ECAP will act as an implementation tool to identify actions to reduce GHG emissions. The reduction measures described in the ECAP are consistent with the policy provisions contained in the Santa Barbara County Comprehensive Plan and have been developed in order to achieve a GHG reduction target of 15% reduction below the 2007 baseline emissions inventory by the year 2020. ECAP implementation will assist the state in meeting its statewide GHG reduction established by AB 32, as well as the statewide energy reduction goals in California's Long-Term Energy Efficiency Strategic Plan.

4.3 Background

In March 2009, the County BOS directed County staff "to take immediate, cost effective, and coordinated steps to reduce the County's collective GHG emissions".¹ In response to this direction, the County's Climate Action Strategy (CAS) was developed, which includes a two-phase strategy to reduce GHG emissions comprising (1) the Climate Action Study, including a countywide GHG inventory, forecast, and evaluation of potential ERMs, and (2) an Energy and Climate Action Plan, which, if adopted, would seek to reduce the County's GHG emissions through implementation of selected ERMs with the goal of achieving a GHG reduction target of 15% below 2007 baseline emissions by 2020.

The County Long Range Planning Division prepared the Santa Barbara Climate Action Study in 2011.² The purpose of the study was to:

- Demonstrate the County's commitment to the Climate Change Guiding Principles, as adopted by the BOS, by identifying possible existing and future GHG reduction measures and programs.
- Set the framework for the County to comply with the goals and requirements of AB 32 and SB 97, based on an inventory of the County's current and projected GHG emissions (the countywide GHG inventory and forecast are described below).
- Identify the next steps toward meeting the state's GHG emissions reductions target.

¹ Santa Barbara County Comprehensive Plan: Energy Element. Adopted 1994; amended May 2009.

² Santa Barbara County Climate Action Study, 2011.

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. To develop this ECAP, County staff engaged the public through community education about climate action planning and related implications for land use policy in Santa Barbara County. Public outreach included a community visioning workshop, participation in the Santa Barbara Earth Day Festival, stakeholder meetings, and an online survey.

In February 2013, the Board received a briefing on the development of the ECAP and set a 15% GHG reduction target that included implementation of the Sustainable Communities Strategy (SCS), and to complete a feasibility study on implementing Community Choice Aggregation (CCA). Additionally, the Board requested that measure BE 2 - Energy-Efficient Renovations and BE 4 - Energy Scoring and Audits be further researched. Specifically, the Board requested that for BE 2 the trigger of \$10,000 building permit value to require an energy audit be evaluated to determine if that is the appropriate level.

5.0 PROJECT DESCRIPTION

5.1 Energy and Climate Action Plan

Local governments play a primary role in reducing GHG emissions and mitigating the potential impacts of climate change. The County has a long-standing commitment to implementing sustainable policies, incentives, and programs to proactively reduce GHG emissions. The ECAP provides the unincorporated county's strategy to reduce GHG emissions from numerous ERMs and actions. The County recognizes the characteristics of the unincorporated county's diverse communities and has worked with the public to ensure that the ECAP provide additional benefits to the community. In addition to reducing GHG emissions, implementation of the ERMs identified in the ECAP also provide community benefits such as reduced utility bills, greater transportation options, natural resource protections, reduced water use, economic growth, and enhanced quality of life.

Specifically, the ECAP accomplishes the following:

- Provides a GHG emissions baseline from which to benchmark GHG emissions reductions.
- Demonstrates the County's strategy to reduce the county's GHG emissions by 15% from baseline emissions by 2020, consistent with the reduction target of AB 32.
- Helps to increase the community's resilience to the effects of climate change.
- Provides a policy document with specific implementation measures to be considered as part of the planning process for future development projects.

- Provides a list of specific actions that will reduce GHG emissions, with the highest priority given to actions that provide the greatest reduction in GHG emissions and benefit the community at the least cost.
- Identifies the County's energy strategy to achieve energy efficiency goals and targets, in addition to the overall GHG emissions reductions.
- Implements programs that integrate with the State of California's long-term energy efficiency goals.
- Establishes a qualified reduction plan consistent with CEQA Guidelines Section 15183.5(b) from which future development within the unincorporated county can tier and thereby streamline the environmental analysis necessary under CEQA.

The ECAP includes a baseline GHG emissions inventory, a forecast of emissions to both 2020 and 2035, a GHG reduction target of 15% below baseline emissions by 2020, a set of ERMs to meet the target, and a methodology for tracking and reporting emissions in the future.

The ECAP's jurisdiction applies to the unincorporated portions of Santa Barbara County, where the County retains land use permit authority. Thus, the ECAP does not cover the portions of the unincorporated county that are within state and federal lands and waters. These portions of the unincorporated county include the Los Padres National Forest, Vandenberg Air Force Base, the University of California, Santa Barbara, the Chumash reservation, and the offshore oil and gas production facilities in the Santa Barbara Channel. Similarly, the ECAP does not address incorporated areas within Santa Barbara County, which include the Cities of Santa Barbara, Carpinteria, Goleta, Lompoc, Solvang, Buellton, Guadalupe, and Santa Maria.

The ECAP also identifies emissions from stationary sources for informational purposes only. Emissions from stationary sources are unique and will require special attention and collaboration with the Santa Barbara County Air Pollution Control District since the County has limited permit authority. As a result, the updated inventory does not include emissions from stationary sources in the community total or in future reduction goals.

The ECAP's ERMs, combined with the measures identified in the Santa Barbara County SAP and EAP for municipal facilities would collectively provide a reduction in both GHG emissions and energy use in the county. The actions will assist the state in meeting its GHG reduction and energy use goals.

5.2 GHG Reduction Target and Emission Reduction Measures

In order to achieve the community-wide GHG emissions reductions necessary to meet the County's GHG reduction target, a suite of emissions reduction measures have been identified across multiple sectors. The ECAP takes a conservative approach to identifying and quantifying meaningful emission reduction measures which could feasibly be implemented at the county

government level. The quantification of each measure also includes conservative assumptions to model realistic implementation of the measures.

The ECAP measures are different than those found in a city climate action plan due to the different options that a county can choose from to implement a climate action plan. Counties require a different approach since they generally have less urban land uses, and have a greater diversity of rural, suburban, and community land uses; can contain multiple energy providers and climate zones; and can have other land uses in their boundaries over which they have no jurisdictional control.

The County’s emission reduction strategy is structured around the following ten topic areas:

- | | |
|-------------------------------------|---------------------------------|
| A) Community Choice Aggregation | F) Renewable Energy |
| B) Sustainable Communities Strategy | G) Industrial Energy Efficiency |
| C) Land Use Design | H) Waste Reduction |
| D) Transportation | I) Agriculture |
| E) Built Environment | J) Water Efficiency |

Several of these topic areas do not include regulatory measures.

Full implementation of the ECAP can reduce emissions by 15% below baseline 2007 levels by 2020. This equates to achieving reductions of 186,960 metric tons of carbon dioxide equivalents (MTCO_{2e}). In addition, there is the potential for an additional reduction of 56,610 MTCO_{2e} if a Community Choice Aggregation (CCA) Program was implemented and is successful. Achieving these reductions requires a broad mix of creative and effective measures that meet local priorities. The measures which can achieve the largest GHG emission reductions are shown below in Table 1.

Table 1: Measures with Largest GHG Emission Reductions

Measure #	Measure Title	2020 GHG Reductions (MTCO _{2e})
SCS	Sustainable Communities Strategy	-32,410
BE 2	Energy-Efficient Renovations	-24,300
WR 1	Waste Reduction	-19,020
BE 4	Energy Scoring and Audits	-16,790
WR 2	Increased Recycling Opportunities	-16,360

The description of the quantification approach for the measures with the largest GHG emissions reductions follows.

SUSTAINABLE COMMUNITIES STRATEGY

Santa Barbara County Association of Governments (SBCAG) developed the Sustainable Communities Strategy (SCS) as a component of the Regional Transportation Plan. The SCS is the outcome of SB 375, which requires the Metropolitan Planning Organizations (MPOs) to tie

land use planning with transportation planning in order to reduce GHG emissions from passenger vehicles. In October 2012, the SBCAG Board approved the preferred scenario of transit-oriented development/infill, plus an enhanced transit strategy. The SCS was adopted by SBCAG in August 2013 and accepted by CARB in November 2013. The adopted SCS sets out a plan to meet SBCAG's goal of a zero net increase per capita in GHG emissions from passenger vehicles by 2020. By fully implementing the SCS in the unincorporated county, the County can take credit for reductions achieved through SCS implementation in the ECAP. Such a commitment would involve upzonings of some properties in the county to allow for increased densities. Rezones of individual parcels would require a separate County BOS approval.

BUILT ENVIRONMENT

The built environment goal of the ECAP is to foster development and renovations whose location, design, construction, and systems increase energy efficiency. Energy consumption, both gas and electric, by businesses and homes represents a significant source of GHG emissions in the county. Residents use natural gas to heat water and power natural gas appliances. Commercial enterprises also use natural gas for water heating, cooking, and other activities. Electricity powers appliances that have become essential for daily life – from residential appliances to local infrastructure, such as street lights. Promoting and achieving energy conservation and more efficient use of energy offers one of the most readily achievable and cost-effective means of GHG reduction. Implementation of energy-saving measures will not only reduce GHG emissions, but will also reduce household and business costs associated with energy consumption.

These measures target efficiencies and conservation in electricity and natural gas use in homes and non-residential buildings to reduce emissions. In Santa Barbara County, which is a low growth area, the majority of future GHG emissions will come from existing buildings. For this reason, it is critical that energy-saving measures focus on improving efficiency and conservation in existing buildings, and ensuring that new construction projects utilize electricity and natural gas as efficiently as possible.

Measure BE 2 (Energy-Efficient Renovations) incentivizes homeowners and commercial and industrial building owners to improve the energy efficiency of existing buildings upon renovation or alteration; this measure also supports and provides resources for tax credits, grants, loans, and other incentives to assist the public, businesses, and the local agencies with the purchase of energy-efficient equipment. By providing incentives to owners who complete energy renovations, the energy efficiency of buildings will improve across the county and, ultimately, contribute to the reduction of GHGs emissions. Measure BE 2 requires energy audits for all building permits valued greater than \$10,000, offers expedited building permit plan check for implementing audit recommendations, and considers providing a rebate for completing the audit or a waiver of building permit fees if upgrades are completed.

Measure BE 4 (Energy Scoring and Audits) improves the energy efficiency of buildings at the time of sale for all residential buildings, and discloses energy use history when nonresidential buildings are leased or sold. Measure BE 4 requires residential property owners to complete or comply with a set of energy-efficiency upgrades to their home at the time of building sale or

within a year from the close of escrow. However, properties sold multiple times must only comply once. Requiring such compliance measures for buildings at time of sale ensures that energy efficiency will be improved in a wide range of buildings throughout the county.

WASTE REDUCTION

The waste reduction goal is to exceed the state's required diversion rate of 75% by achieving a county-wide waste diversion rate of 85% by 2020. Disposing of materials and products at the end of their useful life requires energy and emits GHGs. When waste is sent to the landfill, it decomposes and emits methane gas. Improved waste management at the local jurisdictional level and individual level are both necessary parts of a successful reduction strategy. The increased conservation of resources through reusing and recycling materials results in less demand for raw materials and indirectly results in fewer GHGs generated from future production and transportation of new materials. Additionally, the impact of transporting waste from homes and businesses by waste fleet vehicles can be reduced through increased diversion and cleaner vehicle fleets. This goal seeks to decrease the amount of waste that is being deposited in landfills and to develop energy from the waste which does get landfilled. These measures would be implemented through the Resource Recovery and Waste Management Division (RRWMD) of the County Public Works Department.

Measure WR 1 (Waste Reduction) continues support of programs associated with efficient waste collection and recycling, public school education, and composting. Supporting the RRWMD of will aid in waste reduction.

Measure WR 2 (Increased Recycling Opportunities) 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.

Voluntary reduction measures alone cannot achieve a 15% GHG emission reduction. Because of this, the ECAP includes a mix of voluntary, phased, and mandatory emissions reduction measures. Mandatory measures include:

- Energy Efficient Renovations (BE 2)
- Energy Scoring and Audits (BE 4)
- Energy Efficiency and Green Building Standards (BE 8)
- Alternative Energy Development (RE 1)
- Solar Water Heaters (RE 2)

Phased measures include: the SCS, and Energy Upgrade Incentive (IEE 3). Implementation of SCS would require rezones and a Comprehensive Plan amendment to comply with the infill development approach proposed by the SBCAG. Rezones of individual parcels would require board approval.

5.3 Programmatic Mitigation Under CEQA

Neither state nor federal law currently mandates a specific GHG reduction target, and the County has wide latitude to determine a reduction target unique to Santa Barbara County. However, in order to meet the requirements of a “Qualified GHG Reduction Strategy” (explained below) a target must be set to “establish a level, based on substantial evidence, below which the contribution to greenhouse gas emissions from activities covered by the plan would not be cumulatively considerable” (CEQA Guidelines Section 15183.5(b)(1)(B)). AB 32 identified a statewide level of GHG emissions in 1990 to serve as the emissions limit to be achieved by 2020. In 2007, the California Air Resources Board (CARB) completed a statewide GHG emissions inventory. In 2008 CARB issued the AB 32 Scoping Plan, which determined that reducing GHG emissions to 1990 levels would require cutting approximately 30% from business-as-usual emission levels projected for 2020, or about 15% from emission levels in 2008. The AB 32 Scoping Plan outlined how the state would achieve this goal and provided a recommendation for local governments to assist the state in achieving this target through a reduction of 15% below current emissions at the local level.

The First Update to the AB 32 Scoping Plan was approved by the California Air Resources Board (CARB) on May 22, 2014. In order to meet the long-term climate goal of GHG emissions of 80% below 1990 levels by 2050, a mid-term statewide emission limit has been set. Originally, CARB approved a total statewide GHG 1990 and 2020 goal emissions limit of 427 million MTCO_{2e} (MMTCO_{2e}). This Scoping Plan increased the 1990 and 2020 emissions level to 431 MMTCO_{2e}, to more accurately reflect global warming potential of certain greenhouse gases, an increase of slightly less than one percent. The Updated Scoping Plan also revised the estimated 2020 business as usual emissions downward, from 596 MMTCO_{2e} to 509 MMTCO_{2e} (approximately a 14.6% reduction).

One of the objectives of the proposed project is to adopt an ECAP that satisfies the requirements of Section 15183.5 of the CEQA Guidelines for a Qualified GHG Reduction Strategy, which provides a process to streamline the review of GHG emissions of specific projects.³ Under this guideline, lead agencies can use adopted plans consistent with State CEQA Guidelines Section 15183.5(b) to analyze and mitigate the significant effects of GHGs under CEQA at a programmatic level by adopting a plan for the reduction of GHG emissions. Later, 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. A key intent of this ECAP is to allow project-specific environmental documents prepared for projects that are consistent with the ECAP to rely on this ECAP’s programmatic analysis of GHG. This approach provides streamlined CEQA analysis of future projects that are consistent with the approved ECAP.

The amount of emissions to be reduced through the ECAP is a conservative estimate based on available data, and the reduction measures will continue to be revised as necessary to meet the County’s target of 15% below 2007 levels by 2020, as the ECAP is updated. Therefore, the proposed ECAP with modifications to Measure BE 2 and Measure BE 4 as analyzed in

³ CEQA (California Environmental Quality Act). 2014. Statutes and Guidelines.

Alternative 3 of the proposed Final EIR is consistent with the CEQA Guidelines for a Qualified GHG Reduction Strategy to provide this streamlining benefit. Specifically the ECAP identifies a strategy, reduction measures, and implementation strategies the County will use to achieve the GHG emissions reduction target. This reduction target is consistent with the state's AB 32 goals of achieving 1990 emissions levels by 2020.⁴ The technical analysis provided in the ECAP identifies the emissions associated with specific actions and sets forth performance standards and indicators to achieve the specified emissions goals. The implementation actions of the ECAP further demonstrate the County's commitment to monitor ongoing progress to the reduction target.

5.4 ECAP Implementation

Implementation of the ECAP is an ongoing commitment and will require County leadership to execute these measures and report on the progress of their implementation. The ECAP identifies the responsible department for each measure and offers timeframes and cost estimates for implementing each strategy. Successful implementation requires regular reporting. Staff will monitor the ECAP's implementation progress every five years and report to the Board of Supervisors on the progress made. This implementation tool will support effective monitoring, allowing County staff to track the progress of each ECAP measure in reducing GHG emissions and to assess the effectiveness of each ERM. County staff will also track ECAP measure compliance for development projects.

5.5 Relationship to the Comprehensive Plan

The ECAP also supports the County's Comprehensive Plan. The ERMs described in the ECAP are consistent with the policy provisions contained in the Comprehensive Plan. Concurrent with the adoption of the ECAP, the County will amend its Comprehensive Plan to reflect the County's intent to reduce GHG emissions that are linked to the County's land use decisions. The Comprehensive Plan amendment amends the Energy Element to include a new Policy 8.3 and Research Action 8.3.1 requiring implementation of the ECAP, with provisions for monitoring and updating at least every five years. Together, these amendments identify a path to integrate ECAP objectives into the County's long-term planning framework. The proposed policy and research actions for the Comprehensive Plan are as follows:

- **Policy 8.3: ECAP Implementation:** The County shall implement the Energy and Climate Action Plan (ECAP) to reduce greenhouse gas (GHG) emissions from community-wide sources by a minimum of 15% from the 2007 baseline emissions by 2020.
- **Research 8.3.1:** Established in the ECAP, the County shall monitor progress towards achieving GHG reductions every five years. Monitoring of the County's ECAP shall include an update to the GHG emissions from community-wide sources. If it is

⁴ AB 32 Scoping Plan.

determined that the ECAP is not achieving specified levels of GHG emission reductions, the ECAP will be updated as needed.

5.6 Montecito Planning Commission

On August 25, 2014, the Montecito Planning Commission reviewed the proposed project and voted 5 to 0 to continue the proposed project to their September 17th hearing. The Montecito Planning Commission asked staff to return with additional information at their next hearing including cost-to-date for the development of the ECAP, as well as estimated annual costs to the County associated with ECAP implementation and monitoring. The Montecito Planning Commission also requested information that highlights the mandatory measures and how all measures will be implemented and monitored; specifically they expressed interested in how Measure BE 4 - Energy Scoring and Audits will be implemented and monitored.

6.0 ENVIRONMENTAL REVIEW

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 Strategy.

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.

6.1 Summary of Environmental Analysis

The Final EIR (14EIR-00000-00003) analysis substantiates findings in Attachment A that the proposed project would not result in any significant and unavoidable impacts (Class I). The project would result in adverse but less than significant impacts (Class III) for the following issue areas:

- Land Use
- Transportation and Circulation
- Aesthetics
- Agricultural Resources
- Biological Resources
- Noise
- Air Quality
- Greenhouse Gas Emissions

6.2 Project Alternatives Analysis

The Final EIR (14EIR-00000-00003) prepared for the project evaluated a No Project Alternative, Alternative 2: 20% or More GHG Reduction Alternative (Includes Required Measures, Community Choice Aggregation, and Sustainable Communities Strategy), and Alternative 3: Modification of Measures BE 2 (Energy-Efficient Renovations) and BE 4 Energy Scoring and Audits) as methods of reducing or eliminating potentially significant environmental impacts. The No Project Alternative and Alternative 2 are infeasible or not environmentally superior for the reasons stated:

- **No Project Alternative**

The No Project Alternative assumes the ECAP and corresponding amendment to the Energy Element of the County of Santa Barbara's Comprehensive Plan would not be adopted. The No Project Alternative would result in similar impacts on the following resources relative to the proposed ECAP: Land Use, Transportation and Circulation, Aesthetics, Agricultural Resources, Biological Resources, and Noise.

The No Project Alternative would result in greater impacts on the Air Quality and Greenhouse Gas Emissions. The No Project Alternative would not achieve the ECAP's beneficial impacts on air quality related, in part, to the ECAP's reduction in vehicle miles traveled, energy conservation programs, and support for renewable energy sources. Additionally, it would not establish GHG reduction measures, thus, it would not reduce the amount of GHG emission generated in the county. Therefore, it would not achieve the AB 32 reduction target.

- **Alternative 2: 20% or More GHG Reduction Alternative (Includes Required Measures, Community Choice Aggregation, and Sustainable Communities Strategy)**

Alternative 2 targets a 20 percent or more reduction in GHG emissions from the baseline year by 2020. This option includes all the GHG reduction measures and actions of the proposed ECAP and further strengthens the implementation actions related to the following measures: BE2 – Energy-Efficient Renovations, BE4 – Energy Scoring and Audits, WR1 – Waste Reduction, WR2 – Increased Recycling Opportunities, and WR3 –Construction and Demolition Waste Recycling.

BE 2 would be altered to implement an energy conservation ordinance requiring all residential and nonresidential properties to complete an energy audit and retrofit to reduce energy use by 30% or verify their participation and savings in other energy conservation programs by 2020.

BE 4 would be altered to require all residential properties provide an energy audit at the time of sale. Secondly, all residential property owners would be required to implement recommended energy efficiency measures provided by the energy audit or similar program. Lastly, all nonresidential properties would be required to provide buyers or tenants with the previous year's energy use documented through EnergyStar Portfolio Manager.

WR 1, WR 2, and WR 3 would be altered to establish net zero waste goals. Alternative 2 has all the same impacts to resources as the proposed ECAP but would have slightly greater beneficial impacts related to GHG emissions.

- **Alternative 3: Modification of Measures BE 2 (Energy-Efficient Renovations) and BE 4 Energy Scoring and Audits)**

Alternative 3 consists of implementing the same ECAP as the proposed project, with revisions to the implementation actions of BE2 – Energy-Efficient Renovations and BE4 – Energy Scoring and Audits.

Measure BE 2 would be altered to require energy audits for all building permits valued greater than \$15,000 and offer expedited building permit plan check for implementing audit recommendations, and consider providing rebates for completing the audit or waiver of building permit fees if upgrades were completed. In comparison, the proposed ECAP requires such audits valued at greater than \$10,000.

Approximately 50% of all building permits would be required to complete an energy audit if the Measure BE 2 trigger is set at \$10,000, while 35% would require energy audits if the trigger is set at \$15,000. The \$15,000 trigger would realize fewer GHG reductions (approximately -2,130 MTCO_{2e} per year based on a conservative participation rate of 30%).

Measure BE 4 would be altered to require residential property owners to complete energy audits at time of building sale. In comparison, the proposed ECAP requires a prescribed set of energy upgrades to be undertaken at the time of building sale or within one year from close of escrow for all residential buildings, and to disclose energy use history when nonresidential buildings are leased or sold. The upgrades include items such as installing new showerheads, upgrading water heating systems, and replacing common area lighting.

The modifications to Measure BE 4 provide greater flexibility and reduce costs associated with pending transactions, as a result of only requiring property owners to complete an energy audit at the time of building sale. The modification to Measure BE 4 would decrease the estimated GHG savings by approximately 1,780 MTCO_{2e}.

Modifications to Measure BE 2 and Measure BE 4 would result in a smaller reduction of GHG emissions than the proposed project. More specifically, the change in Measure BE 2 and Measure BE 4 would achieve a 14.77% reduction from the 2007 baseline based on current GHG emission reduction estimates provided in the ECAP. Alternative 3 would decrease the estimated GHG savings, reducing the overall effectiveness of the ECAP by an estimated 3,900 MTCO_{2e} per year. However, the ECAP and proposed changes to the Comprehensive Plan's Energy Element would commit the County to meeting a 15% reduction. The County will be conducting regular monitoring of community emissions and the implementation of reduction measures, as specified in Chapter VI of the ECAP. If the County determines that emissions are not being reduced as anticipated, the implementation and monitoring protocols in the ECAP will require County staff and decision makers to

develop additional reduction measures and to increase implementation of existing strategies to meet the 15% reduction target. For example, the ECAP estimates the benefit to the County of the achievement of the state's Renewables Portfolio Standard (RPS). Established in 2002 under Senate Bill 1078, accelerated in 2006 under Senate Bill 107 and expanded in 2011 under Senate Bill 2, California's Renewables Portfolio Standard (RPS) requires investor-owned utilities, electric service providers, and community choice aggregators to increase procurement from eligible renewable energy resources to 33% of total procurement by 2020. Santa Barbara County is served by two investor owned utilities, Pacific Gas & Electric Company (PG&E) and Southern California Edison (SCE). The analysis in the ECAP relied on reporting documents from the utilities that presented current and projected progress toward the target at the time of preparation of the inventory and forecast. Based on the reports and consistent with the conservative approach to calculations in the ECAP, the ECAP assumed that PG&E and SCE would increase procurement from eligible renewable energy resources to 28% of total procurement by 2020 rather than 33%. Based on current reporting by the utilities, the California Public Utilities Commission, and the California Energy Commission, PG&E and SCE appear to be on track achieve the 33% target by 2020. The progress of PG&E and SCE will be factored into the annual reporting and monitoring of the ECAP and would bring the County closer to meeting the required 15% reduction target than assumed in the current ECAP.

Alternative 3 would also result in a less than significant GHG emission impact similar to the proposed project. Alternative 3 would achieve the ECAP's beneficial impacts on air quality related, in part, to the ECAP's energy conservation programs and support for renewable energy sources. Therefore, it would still achieve all of the project objectives.

- **Environmentally Superior Alternative**

Alternative 2 is the environmentally superior alternative. Alternative 2 would have nearly the same impacts as the proposed project, but would have greater beneficial impacts related to GHG emissions. Alternative 3 would have largely the same impacts as Alternative 2 and the proposed project. Alternative 1 (the no project alternative) would avoid most of the impacts associated with the project and Alternative 2, but it would result in a significant and unmitigable impact related to GHG emissions.

7.0 POLICY CONSISTENCY

The proposed project will not result in any inconsistencies with the adopted policies and development standards of the County's Comprehensive Plan, the Coastal Land Use Plan, and regional Community Plans.

The ECAP is a guide for GHG emissions reductions throughout the County. Policy consistency analysis will be performed on a case-by-case basis for individual development projects which voluntarily participate in the program. Projects will not be approved unless they are determined to be consistent with applicable policies, and the findings for approval can be made. Therefore, this amendment may be found consistent with the Comprehensive Plan, the Coastal Land Use Plan, and the regional Community Plan.

8.0 PROCEDURES

The County Planning Commission may recommend that the Board of Supervisors adopt, adopt with revisions, or not adopt the proposed Resolution to the Board of Supervisors.

9.0 APPEALS PROCEDURES

The recommendation of the Planning Commission will be sent to the Board of Supervisors. Pursuant to Government Code Sections 65354.5, any interested party may file a written request with the Clerk of the Board for a hearing by the Board of Supervisors within five days after the Planning Commission acts on the proposed general plan amendment. Whether or not a written request is filed, a public hearing before the Board of Supervisors will be conducted to consider the Comprehensive Plan amendments.

10.0 ATTACHMENTS

- A. Findings for Approval
- B. Draft Energy and Climate Action Plan
- C. Energy and Climate Action Plan Final EIR
- D. Resolution – Energy Element Amendment
- E. Resolution – ECAP Adoption