



Board Report

File #: 18-602, Version: 1

1. Receive a report on the Greenhouse Gas Emissions Inventory for the Unincorporated Areas of Monterey County;
2. Provide direction to staff on whether to include or exclude state or federally regulated facilities within the GHG Emissions Inventory; and
3. Provide direction to staff as appropriate.

RECOMMENDATION:

It is recommended that the Alternative Energy and Environment Committee:

1. Receive a report on the Greenhouse Gas Emissions Inventory for the Unincorporated Areas of Monterey County;
2. Provide direction to staff on whether to include or exclude state or federally regulated facilities within the GHG Emissions Inventory; and
3. Provide direction to staff as appropriate.

SUMMARY:

Adopted in 2010, the Monterey County General Plan - Open Space Element (Section OS-10.11) states that the County shall develop and adopt a community-wide GHG emissions reduction plan to reduce emissions by 15% below 2005 levels by 2020. This goal is consistent with the statewide emissions target outlined in Assembly Bill 32 (Global Warming Solutions Act of 2006).

The first step towards the development and implementation of a Community-wide Climate Action Plan is to generate a Greenhouse Gas (GHG) Emissions Inventory Report. A GHG Emissions Inventory Report serves to identify baseline levels and sources of emissions for each emissions sector (i.e. Transportation) within the jurisdictional control of a county or city.

AMBAG Energy Watch Staff has provided the County with two versions of an Unincorporated Monterey County GHG Emissions Inventory Report for consideration by the Alternative Energy and Environment (AEE) Committee. Both versions provide for community-wide emissions levels in the years 2005, 2010, and 2015. Option A for the GHG Emissions Inventory (Attachment A) excludes large industrial facilities regulated at the state or federal level from all reporting years, as they are not required to be reported under the *US Protocol for Accounting and Reporting of GHG Emissions* and they do not reflect emissions within the scope of a Community Climate Action Plan (CCAP). Option B (Attachment B) of the inventory includes three state regulated facilities, comprised of two oil and gas extraction facilities and one lime manufacturing plant. According to the California Air Resources Board, there are a total of ten facilities in Monterey County regulated at the state level. At the direction of County staff, AMBAG Energy Watch included these three facilities in a previous iteration of the GHG Emissions Inventory, which was provided to the AEE Committee in 2012.

Staff is seeking direction from the AEE Committee on whether to include state or federally regulated facilities within the GHG Emissions Inventory. The selected emissions inventory will be used to benchmark GHG emissions in the CCAP and will dictate the effectiveness of selected GHG reduction measures. Staff recommends proceeding with the CCAP using GHG Emissions Inventory Option A, which excludes regulated

facilities from the GHG Emissions Inventory.

DISCUSSION:

To develop a GHG Emissions Inventory, standardized protocols are used to determine which emissions sources should be included in a jurisdiction's inventory. A GHG emissions reporting protocol lays out a reporting framework and outlines which types of emissions are required to be included. The *US Protocol for Accounting and Reporting of GHG Emissions* (US Protocol) is the method that has been accepted for use in California. It is also the method that AMBAG Energy Watch uses for all GHG Inventories completed for all AMBAG member jurisdictions. Under the US Protocol, jurisdictions are not required to include federal or state regulated facilities, such as oil refineries or quarries. In Unincorporated Monterey County, there are several large facilities under federal or state oversight for GHG emissions reporting.

In a previous iteration of the Monterey County GHG Emissions Inventory for 2005 and 2010, three regulated facilities within the County were included within the Commercial/Industrial sector. These facilities include the Chevron Coastal Basin, the Aera Energy Coastal Basin, and the Lhoist Natividad Plant (formerly Chemical Lime Company). While these facilities do not represent all state or federally regulated facilities within the County, they account for a significant portion of the County's overall GHG emissions. If included in the 2015 GHG Emissions Inventory, these regulated facilities would increase community-wide GHG emissions baseline levels by 104%.

According to the US Protocol, the County has discretion over whether to include or exclude GHG emissions from regulated facilities in the GHG Emissions Inventory. All other jurisdictions in the region do not include state or federally regulated facilities in their GHG Emissions Inventory. Considerations to exclude the emissions from regulated facilities and to proceed with *Option A* in the CCAP are as follows:

- The 2005 baseline inventory would use 2008 data as a proxy due to a lack of data availability for 2005. These 2008 emissions may be quite different from what was occurring in 2005.
- Due to the emerging nature of GHG emissions reporting, methods used to calculate emissions may have changed from one inventory year to the next, introducing further inaccuracies.
- The evolution in GHG emissions from 2005 to 2015 would in large part reflect changes at these facilities as opposed to efforts made by the community.
- The County has no regulatory oversight of state or federally regulated facilities emissions standards.

Considerations to include emissions from regulated facilities and to proceed with *Option B* are as follows:

- Ensures a full picture of the GHG emissions occurring in Monterey County is presented.
- Consistent with the methodology followed in the original 2005 and 2010 GHG inventories previously provided to the AEE Committee.
- Follows methodology closely aligned with the Global Protocol for Community-Scale GHG Emissions (GPC protocol), which is the standard protocol for reporting to international platforms, such as the Compact of Mayors.

Once a GHG Emissions Inventory has been selected, several components of the CCAP will utilize the emissions baseline from the inventory. This includes the emissions reduction targets for 2020, 2030, and 2050 (based off 2005 emissions levels), the methodology for selecting GHG reduction measures, and the efficacy of each selected GHG reduction measure. If state regulated facilities are included in the GHG Emissions

Inventory, they would account for the majority of GHG emissions in Unincorporated Monterey County. Subsequently, applicable reduction measures that are within the control of the County will likely have a negligible impact on baseline emissions.

Staff recommends proceeding with Option A and to move forward with the development of the CCAP excluding state and federally regulated facilities from the GHG Emissions Inventory. This method of GHG Emissions reporting will allow for more practical and realistic GHG reduction measures to be included in the CCAP.

OTHER AGENCY INVOLVEMENT:

Previous work on the MCAP and CCAP was led by RMA - Planning staff in consultation with multiple agencies/departments. Future efforts to complete the CCAP will include input from various departments and outside agencies.

AMBAG Energy Watch staff provided the GHG Emissions Inventory information and will continue to assist the County with GHG emissions calculations.

FINANCING:

Staff costs for the Go Green! Program were provided in the approved FY 2017-18 budget for the CAO-IGLA division. Future staff costs for the GO Green! Program will be provided in the remaining approved FY 2017-18 budget. Staff anticipates the need for some outside consultant services required for technical assistance to complete the CCAP.

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Attachments:

A - GHG Inventory Option A
B - GHG Inventory Option B
C - AMBAG Presentation Slides