

Industrial Use / East Otay Mesa Specific Plan DPLU Interim Guidance for Greenhouse Gas (GHG) Analysis

Updated: May 7, 2010

The following report requirements are intended to help applicants and County staff in providing an adequate CEQA document for industrial projects in the unincorporated area of East Otay Mesa (“EOM”)¹. It is intended to supplement and provide further clarification to the County’s Interim Approach to Climate Change dated May 7, 2010. Please be aware that the interim approach outlined herein could change in the future as the County refines its overall approach to GHG analysis in response to new directives at the State level. In particular, the County’s approach for Heavy Industrial/ Stationary Source Uses (as defined below) is in flux and will be refined throughout 2010.

APPROACH SUMMARY:

The approach for analyzing greenhouse gases (“GHGs”) in environmental documents for proposed industrial uses in EOM is as follows:

- Subdivision projects may prepare CEQA documents that assume a *reasonable and foreseeable range* of Light Industrial / Non-Stationary Source Uses when evaluating GHG emissions, as long as the project description for the subdivision and its CEQA document is limited to Light Industrial / Non-Stationary Source Uses.
- Subsequent projects reviewed at the site plan stage that include Light Industrial / Non-Stationary Source Uses, consistent with the project analyzed in the CEQA document prepared for the subdivision project, may rely on that CEQA document pursuant to CEQA Guidelines section 15162.
- Subsequent projects reviewed at the site plan or major use permit stage that include Heavy Industrial / Stationary Source Uses, or a more intensive land use that would result in impacts that were not analyzed by the CEQA document prepared for the subdivision, would be required to prepare additional environmental documentation.

There are several reasons for selecting this approach to GHG analyses in EOM at this time. Most uses permitted by-right in the EOM Specific Plan can be classified as Light Industrial / Non-Stationary Source Uses². The current market in EOM is primarily warehousing and other industrial uses that fall into the Light Industrial / Non-stationary Source Use category. Uses that fall into the category of Heavy Industrial / Stationary Source Uses are typically unique operations that cannot be evaluated unless the specific use is known when the subdivision map is processed. Finally, both the State of California and the County are still in the process of determining how to address Heavy Industrial / Stationary Source Uses³.

¹ Most of the County’s industrial land is located in the East Otay Mesa (EOM) Specific Plan.

² See Table 3.1-1 of the East Otay Mesa Specific Plan for specific uses allowed within each land use designation (this table will be expanded during an upcoming Amendment to include uses permitted in Subarea 1 and Subarea 2).

³ Potential reduction measures for Heavy Industrial/Stationary Source Uses identified by the State include the following: requiring assessment of large industrial sources to determine if a facility can cost-effectively reduce GHG emissions, reducing GHG emissions from fugitive dust emissions from oil and gas extraction as

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DEFINITION OF TERMS

For the purpose of this handout, the following terms are used:

- **Light Industrial / Non-Stationary Source Use:** This term refers to uses that **do not involve** chemical or combustion-type processes that would produce high levels of GHG emissions. ***This term does not refer to areas designated as Light Industrial in the Specific Plan.*** The Specific Plan allows a wide range of uses within its Technology Business Park, Light Industrial, Mixed Industrial, and Heavy Industrial designations that could be called Light Industrial / Non-Stationary Source Uses. For example, a wholesale storage and distribution facility is a Light Industrial / Non-Stationary Source Use.
- **Heavy Industrial / Stationary Source Use:** This term refers to uses that **do involve** chemical or combustion-type processes that would produce high levels of GHG emissions. ***This term does not refer to areas designated as Mixed Industrial or Heavy Industrial in the Specific Plan.*** Heavy Industrial / Stationary Source Uses, would require an air quality permit from the San Diego Air Pollution Control District.

See attached Table #1 for a list of uses permitted in the East Otay Mesa Specific Plan; this table identifies those uses that can be called Light Industrial / Non-stationary Source Uses and those uses that could include Heavy Industrial / Stationary Source Uses. When processing a subdivision map in EOM, evaluate a reasonable range of Light Industrial / Non-Stationary Source Uses in your GHG emissions analysis, including an explanation as to why the chosen range of uses represents a reasonably foreseeable range. You do not have to evaluate Heavy Industrial/ Stationary Source Uses unless a specific type of Heavy Industrial/ Stationary Source Use is actually proposed.

PROJECT DESCRIPTIONS

The project application materials for the subdivision map, including the project description used in the CEQA documentation prepared for the subdivision map, must specify that the project will be developed with uses that qualify as Light Industrial / Non-Stationary Source Uses. If a subsequent project submitted at the site plan stage (or as part of a major use permit) qualifies as a Heavy Industrial / Stationary Source Use or a more intensive Light Industrial/Non-Stationary Source Use, or would otherwise result in impacts that were not analyzed in the original CEQA document prepared for the subdivision, that project would be required to prepare additional environmental documentation.

SCREENING THRESHOLDS

Any Commercial or Light Industrial / Non-Stationary Source Use that exceeds a 900 metric ton CO₂e (per year) screening criteria threshold will be required to prepare a Climate

gas transmission, and implementing regulations to control fugitive methane emissions and reduce flaring at refineries (Climate Change Scoping Plan, December 2008, prepared by California Air Resources Board. Recommended Actions, Industrial Emissions, page 54.)

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Change analysis. This threshold was identified in the CAPCOA white paper as a means of capturing 90 percent or more of likely future discretionary developments⁴.

No screening threshold is available for Heavy Industrial / Stationary Source Use projects, and all Heavy Industrial / Stationary Source Use projects will be required to prepare a Climate Change analysis. Exceptions are projects that can rely on a previously adopted CEQA document that evaluated a Heavy Industrial / Stationary Source Use similar to the proposed use within its Climate Change analysis.

GREENHOUSE GAS INVENTORY

The report needs to provide a detailed account of the project's construction, operational and vehicular CO₂e emissions.

- **Construction** - GHG Emissions will include the use of heavy construction equipment, construction worker vehicle miles traveled (VMTs) and construction water usage for the duration of construction.
- **Operational** - GHG Emissions will include energy use associated with electricity, natural gas, water consumption and solid waste generation. They also include any GHG related emissions associated with manufacturing, fabrication and other industrial processes. Operational emissions should be based on the maximum building footprint and maximum square feet of development permitted by development standards in the EOM Specific Plan.
- **Vehicular** - GHG Emissions will be based on emissions from the vehicle miles traveled associated with the site's zoning and/or proposed use.

GUIDELINES FOR DETERMINING SIGNIFICANCE

Until further direction is provided by the State, the County's interim guideline for determining significance is whether the project would impede with implementation of AB 32, the Global Warming Solutions Act 2006. To demonstrate the project will not impede the implementation of AB 32, the project needs to demonstrate the following:

- **Light Industrial / Non-Stationary Source Uses:** The project would reduce overall carbon emissions to 33% below business as usual. The 33% reduction should be an overall reduction for operational emissions, construction-related emissions and vehicular-related GHG emissions.
- **Heavy Industrial / Stationary Source Uses:** The County is working towards establishing guidance that is specifically suited to conditions in the San Diego region. Until County of San Diego specific guidance is established, projects will rely on the criteria used by the South Coast Air Quality Management District (SCAQMD) for Heavy Industrial/Stationary Source Uses. The SCAQMD identifies 10,000 metric tons of CO₂ (or equivalent) per year as the threshold above which a project will be determined to result in a significant impact under CEQA. The 10,000

⁴ CAPCOA acknowledges that the 900 metric ton threshold is likely to capture more than 90% of new industrial and manufacturing development projects. It identifies a 900 metric threshold for non-office commercial projects and industrial projects as a way to provide equivalency for different projects in other economic sectors.

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metric ton threshold was found to capture more than 90% of emissions from stationary source projects in the South Coast air basin⁵. Therefore, to demonstrate that the project would not impede implementation of AB32, project emissions would need to fall below 10,000 metric tons of CO₂ (or equivalent) per year.

- **All Uses:** Since construction-related GHG emissions are for a limited period of time, construction-related GHG emissions should be amortized over a 30-year period and added to the operational emissions.

Business as usual is defined as emissions that would be generated prior to AB 32 related emission restrictions beginning in 2006 (e.g. 2005 Title 24 building standards).

PROJECT DESIGN AND MITIGATION MEASURES

Projects that exceed the 900 metric ton threshold must include specific, enforceable measures to reduce the combination of construction, operational, and vehicular GHG emissions below the significance threshold. The analysis should demonstrate that mitigation measures are feasible, and they will be effective. To the extent possible, each measure should include references or a logical fact based explanation as to how a specific measure will achieve the stated reductions. If it is not technically feasible to quantify the reduction a single mitigation measure will have, it should be grouped with other mitigation measures, and a reasonable quantitative estimate should be disclosed.

To reach a conclusion of less than significant, mitigation measures must reduce GHG emissions below the threshold of significance. If project design or mitigation measures cannot reduce overall GHG emissions below the significance threshold, then the CEQA document should reach a finding of significant and unavoidable impacts to climate change. A statement of overriding consideration would need to be prepared within an Environmental Impact Report (EIR). Even when project impacts are found to be “significant and unavoidable”, the Climate Change analysis should quantify the GHG emission reduction levels that can be feasibly achieved and clearly articulate how the project will minimize its impacts.

Because GHG emission reductions are difficult to achieve for certain industrial uses, the County recommends that project applicants include mitigation measures such as the use of photovoltaics on large, industrial roofs and reduced water consumption (including dual plumbing systems) to reduce GHG emissions. Reduced water consumption would also have a side benefit, which is reduced long-range costs and compliance with requirements of the Otay Water District.

Implementation of Mitigation Measures

- **Construction Emissions:** Most mitigation measures for construction-related GHG emissions will be implemented by placing notes on the grading plan. The Climate Change report should explain if the mitigation measure is required by an existing

⁵ For more information on the SCAQMD GHG stationary source methodology, please see <http://www.aqmd.gov/hb/2008/December/081231a.htm>.

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state or county regulation. When citing other reduction measures, such as recycling non-hazardous construction materials or using ARB-certified construction diesel, the report should establish clear performance targets (such as requiring X% of construction equipment to use ARB certified equipment) to ensure that it will be enforced at the construction phase.

- **Operational Emissions:** Mitigation measures associated with operational GHG emissions will typically be implemented as project conditions associated with an administrative permit, major use permit or a site plan (as well as subsequent building permits). Tentative maps (TM) and tentative parcel maps (TPM) that do not propose specific operational uses at the time of the subdivision review process will be required to evaluate and identify a range of feasible mitigation measures that could be implemented by a range of reasonable and foreseeable future projects. The specific project mitigation would be implemented during the site plan review phase when the specific use is known. The site plan review would occur prior to issuance of a building permit.
- **Vehicular Emissions:** Because GHG emissions associated with transportation are largely outside the control of the developer, mitigation will be implemented by the siting of development based on land use planning principles that reduce vehicular miles traveled. GHG reports may wish to document how siting development in East Otay Mesa would reduce vehicle miles traveled when compared to development in other areas of the County. SANDAG will be the first major Metropolitan Planning Organization (MPO) in the State to prepare a Sustainable Communities Strategy (SCS) to show how regional GHG targets would be achieved through development patterns, transportation infrastructure investments, and/or other feasible transportation measures. The SCS will be based on the SANDAG Regional Comprehensive Plan, which identifies a potential “urban center” and “special use center” in close proximity to the East Otay Mesa Specific Plan.
- **Implementation Timing (Subdivisions):** Additional language will be added to the East Otay Mesa Specific Plan to require review for conformance with GHG emissions standards when processing a site plan and/or major use permit in EOM. This technique will be used in EOM *instead of a GHG easement* for all development and will serve two different purposes:
 - a. *Light Industrial / Non-Stationary Source Use:* To implement previously identified mitigation measures, as well as conformance with GHG reduction standards, identified in the CEQA document for the TM or TPM.
 - b. *Heavy Industrial / Stationary Source Use:* To ensure that subsequent CEQA review occurs for all proposed Heavy Industrial / Stationary Source Uses.

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Table 1: GHG Land Use Matrix

Table 1 includes all types of uses permitted in the East Otay Mesa Specific Plan, and it identifies those uses that can be called Light Industrial / Non-stationary Source Uses when preparing a GHG assessment for your CEQA document. Table 1 also identifies those uses that *could* include Heavy Industrial / Stationary Source Uses. When processing a subdivision map in EOM, evaluate a reasonable range of Light Industrial / Non-Stationary Source Uses in your GHG emissions analysis, including an explanation as to why the chosen range of uses represents a reasonable range. You do not have to evaluate Heavy Industrial/ Stationary Source Uses unless a specific type of Heavy Industrial/ Stationary Source Use is actually proposed.

Taken from Table 3.1-1 East Otay Mesa Specific Plan	San Diego County Zoning Ordinance Number	Light Industrial / Non-Stationary Source Uses	Heavy Industrial / Stationary Source Uses
1. CIVIC USE TYPES			
Administrative Services	(1310)	X	
Ambulance Services	(1315)	X	
Clinic Services	(1320)	X	
Community Recreation	(1325)	X	
Cultural Exhibits and Library Services	(1330)	X	
Child Care Center	(1332)	X	
Essential Services	(1335)	X	
Fire Protection Services	(1340)	X	
Law Enforcement Services	(1346)	X	
Lodge, Fraternal and Civic Assembly	(1348)	X	
Major Impact Services and Utilities	(1350)		X
Minor Impact Services and Utilities	(1355)		X
Parking Services	(1360)	X	
Postal Services	(1365)	X	
Religious Assembly	(1370)	X	
Small Schools/Trade Schools	(1375)	X	
2. COMMERCIAL USE TYPES			
Administrative and Professional Services	(1410)	X	
Agricultural and Horticultural Sales	(1415)	X	
a) Agricultural Sales		X	
b) Horticultural Sales		X	
Agricultural Services	(1420)	X	
Animal Sales and Services	(1425)	X	
b) Grooming		X	
c) Horse Stables		X	
d) Kennels		X	
e) Veterinary – Large Animals		X	
f) Veterinary – Small Animals		X	

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Taken from Table 3.1-1 East Otay Mesa Specific Plan	San Diego County Zoning Ordinance Number	Light Industrial / Non-Stationary Source Uses	Heavy Industrial / Stationary Source Uses
Automotive and Equipment	(1430)		
a) Cleaning		X	
b) Fleet Storage		X	
c) Parking		X	
d) Repairs (Heavy Equipment)			X
e) Repairs (Light Equipment)		X	
f) Sales Rentals (Heavy Equipment)		X	
g) Sales Rentals (Farm Equipment)		X	
h) Sales Rentals (Light Equipment)		X	
i) Storage (Non-Operating Vehicles)		X	
j) Storage (Recreational Vehicles and Boats)		X	
Building Maintenance Services	(1435)	X	
Business Equipment Sales and Service	(1440)	X	
Business Support Services	(1445)	X	
Communications Services	(1450)	X	
Construction Sales and Services	(1455)	X	
Convenience Sales and Personal Services	(1460)	X	
Eating and Drinking Establishments	(1465)	X	
Financial, Insurance and Real Estate	(1475)	X	
Food and Beverage Sales	(1480)	X	
Funeral and Internment Services	(1485)	X	
a) Cremating			X
c) Undertaking		X	
Gasoline Sales	(1490)	X	
Laundry Services	(1495)	X	
Medical Services	(1500)	X	
Participant Sports and Recreation	(1505)	X	
a) Indoor		X	
b) Outdoor		X	
Personal Services	(1510)	X	
Recycling Collection Center	(1512)	X	
a) Small		X	
b) Large		X	
Recycling Processing Facility	(1513)		X
a) Light			X
b) Heavy			X
c) Wood and Green Materials, Light			X
d) Wood and Green Materials, Heavy			X
Repair Services	(1515)	X	

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Taken from Table 3.1-1 East Otay Mesa Specific Plan	San Diego County Zoning Ordinance Number	Light Industrial / Non-Stationary Source Uses	Heavy Industrial / Stationary Source Uses
Research Services	(1520)	X	
Retail Sales	(1525)	X	
a) General		X	
b) Specialty		X	
Scrap Operations	(1530)		X
Spectator Sports and Entertainment	(1535)	X	
a) Limited		X	
b) General		X	
Swap Meets	(1540)	X	
Transient Habitation	(1545)	X	
a) Campground		X	
b) Lodging		X	
c) Resort		X	
3. INDUSTRIAL USE TYPES			
Wholesale Storage and Distribution	(1550)	X	
a) Mini Warehouse		X	
b) Light		X	
c) Heavy		X	
Custom Manufacturing	(1610)	X	
General Industrial	(1620)		X
4. AGRICULTURAL USE TYPES			
Horticultural	(1710)	X	
a) Cultivation		X	
b) Storage		X	
Tree Crops	(1715)	X	
Row and Field Crops	(1720)	X	
Packing and Processing	(1735)	X	
a) Limited		X	
b) Winery		X	
c) General		X	
d) Support		X	
Animal Waste Processing	(1730)		X
5. EXTRACTIVE USE TYPES			
Site Preparation	(1820)		X
6. RESIDENTIAL USE TYPES			
Density = 1 du/20 acre		X	