

ATTACHMENT D

FINDINGS and STATEMENT OF OVERRIDING CONSIDERATIONS

Introduction

The California Air Resources Board (CARB), as the lead agency for the *Proposed Strategy for Achieving California's 2030 Greenhouse Gas Target* (Scoping Plan), prepared a Draft Environmental Analysis (EA) in accordance with its certified regulatory program (Cal. Code Regs., tit. 17, §§ 60000 – 60008) to comply with the requirements of the California Environmental Quality Act (CEQA) (Pub. Resources Code, §21000, *et seq.*). The Draft EA, entitled *Draft Environmental Analysis prepared for the Proposed Strategy for Achieving California's 2030 Greenhouse Gas Target*, and included as Appendix F to the Scoping Plan, provided an analysis of the potential environmental impacts associated with the measures recommended to achieve the 2030 target in the Scoping Plan. Following circulation of the Draft EA for an 80-day public review and comment period from January 20, 2017, through April 10, 2017, CARB prepared the *Final Environmental Analysis prepared for the Proposed Strategy for Achieving California's 2030 Greenhouse Gas Target* (Final EA) which includes minor revisions to the Draft EA. While minor modifications have been made to the Final EA to ensure it reflects the proposed project as accurately as possible, these changes merely clarify, amplify, or make insignificant modifications to the otherwise-adequate Draft EA. Therefore, there is no significant new information that would require the Final EA to be recirculated. The Final EA was posted on CARB's webpage on November 30, 2017. This statement of findings and overriding considerations was prepared to comply with CEQA's requirement to address the environmental impacts identified in the Final EA. (Pub. Resources Code, §§ 21081, 21081.6, Cal. Code Regs, tit. 14, §§ 15091, 15093.)

This Final EA provides a programmatic analysis of the potential for adverse environmental impacts associated with implementation of the Scoping Plan and describes feasible mitigation measures for identified significant impacts. The level of analysis in the Final EA reflects that the project is a State-level planning document that recommends measures to reduce greenhouse gas (GHG) emissions to achieve the 2030 target, and its approval does not directly lead to any adverse impacts on the environment. As described in Chapter 4 of the Final EA, implementation of the recommended measures in the Scoping Plan may indirectly lead to adverse environmental impacts as a result of reasonably foreseeable compliance responses. Therefore, the Final EA discloses the potential significant adverse impacts and beneficial impacts of the reasonably foreseeable compliance responses for implementing the Scoping Plan based on currently available information, without being speculative. The EA impact discussion includes, where relevant, construction-related effects, operational effects of new or modified facilities, and influences of the recommended measures on GHG and air pollutant emissions. Because the specific location, extent, and design of potential new and/or modified facilities cannot be known at this time, the impact discussions reflect a conservative assessment to describe the type of effects that may occur. These impact discussions are followed by the types of mitigation measures that could typically be required to reduce potentially significant environmental impacts. It is expected that many of these identified potentially significant impacts can be feasibly avoided or mitigated to a less-than-significant level either when the specific measures are designed and evaluated (e.g., during the

rulemaking process) or through any project-specific approval or entitlement process related to compliance responses, which typically requires a project-specific environmental review. Nonetheless, in the interest of informed decision making, the Final EA takes a conservative approach for CEQA compliance purposes. Namely, to avoid any risk of understating an impact at this early planning stage, the Final EA presents conclusions for post-mitigation significance of these indirect impacts as significant and unavoidable where there is the possibility that feasible mitigation either may not be sufficient or there is some risk it may not be implemented by third parties with the authority to approve actions undertaken as foreseeable compliance responses.

Collectively, across all categories, the Final EA concluded that the reasonably foreseeable compliance responses associated with implementation of the measures recommended to achieve the 2030 target in the Scoping Plan could result in the following short-term and long-term impacts: beneficial long-term impacts to air quality, energy demand, and greenhouse gas emissions; less-than-significant impacts or no impacts to energy demand, land use planning, mineral resources, population and housing, public services, and recreational services; and potentially significant and unavoidable adverse impacts to aesthetics, agriculture and forest resources, air quality, biological resources, cultural resources, geology and soils, hazards and hazardous materials, hydrology and water quality, land use planning, noise, recreation, transportation/traffic, and utilities and service systems. The potentially significant and unavoidable adverse impacts are disclosed for both short-term, construction-related activities and long-term operational activities, which explains why some resource areas are identified above as having both less-than-significant impacts and potentially significant impacts.

CARB's certified regulatory program requires that before adoption of an action for which significant adverse environmental impacts have been identified during the review process, CARB consider feasible mitigation measures and alternatives that could substantially reduce the impacts. (Cal. Code Regs, tit. 17, §60006.) CEQA places the burden on the approving agency to affirmatively show that it has considered feasible mitigation and alternatives that can lessen or avoid identified impacts through a statement of findings for each identified significant impact. (Pub. Resources Code, §21081.) CEQA Guidelines section 15091 provides direction on the content of the statement of findings. That section states that one or more of the following findings should be identified for each impact:

- Changes or alterations have been required in, or incorporated into, such projects which avoid or substantially lessen the significant environmental effect as identified in the final environmental impact report.
- Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency, or can and should be adopted by such other agency.
- Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the environmental impact report.

The potential adverse impacts identified in this programmatic level EA are potential indirect impacts associated with the compliance responses reasonably foreseeable in response to implementing the measures recommended in the Scoping Plan based on currently available information. The authority to determine site- or project-specific impacts of projects carried out by third parties and the ability to require feasible mitigation lies with those agencies with authority to approve such actions, e.g., local permitting authorities in city or county governments and local air districts. CARB does not have the ability to determine with any specificity the project level impacts, nor the authority to require project level mitigation for these types of actions in approving the Scoping Plan, as discussed in the findings below.

An agency may approve a project with unavoidable (unmitigated) adverse environmental impacts. When doing so, CEQA requires the agency to make a statement in the record of its views on the ultimate balancing of the merits of approving the project despite the environmental impacts in a “statement of overriding considerations” (Pub. Resources Code, §21081(b); Cal. Code Regs, tit. 14, §15093.) The following presents the Board’s statement of findings for each significant adverse impact identified in the Final EA, accompanied by a brief explanation, and its statement of overriding considerations.

STATEMENT OF FINDINGS

The Board has independently reviewed and considered the entire record, including the information contained in the Final EA, public testimony, written comments received, and the written responses to environmental comments, all of which are hereby incorporated by reference. The Board makes the following written findings for each significant adverse impact identified, accompanied by a brief explanation of the rationale for each finding. These findings are supported by substantial evidence in the record. Please note that only the compliance responses leading to potentially significant and unavoidable impacts are included for each resource area below. For a complete discussion of the compliance responses relevant to each resource area, please see Chapter 4 of the Final EA.

Aesthetics

Finding and Explanation

The Final EA found that the reasonably foreseeable actions associated with implementation of the Scoping Plan could result in potentially significant short-term construction-related impacts and long-term operational impacts on aesthetic resources. The reasonably foreseeable compliance responses that could result from implementation of the proposed measures under the Scoping Plan could include: construction of new facilities or modification of existing facilities; an increased number of renewable energy projects, such as, wind, solar thermal, solar photovoltaic, geothermal, solid-fuel biomass, biogas, and small hydroelectric systems; and the operation of gas extraction, capture, transportation, processing, destruction, and monitoring equipment at existing active or abandoned mine sites.

The Final EA includes Mitigation Measures 1.a, 1.b.i, 1.b.ii, and 1.b.iii, which identify existing statutes and regulations and operating permit requirements, as well as other recognized practices designed to reduce these potentially significant impacts. The Board finds that the authority to determine site- or project-specific mitigation is within the purview of jurisdictions with land use approval and permitting authority, such as city or county governments.

Therefore, the Board finds that the authority to implement Mitigation Measures 1.a, 1.b.i, 1.b.ii, and 1.b.iii is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measures 1.a, 1.b.i, 1.b.ii, and 1.b.iii should be adopted by those agencies. Public agencies with authority can and should implement the identified measures to the degree feasible. Because the authority and responsibility to determine project-level impacts and require project-level mitigation lies with land use and/or permitting agencies for individual projects, and the programmatic level of analysis associated with the Final EA does not attempt to address project-specific details of mitigation, there is inherent uncertainty in the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource.

Moreover, activities within CARB's direct control – such as the design and implementation of future regulations and incentive programs – will be designed in accordance with the environmental principles set out in the Scoping Plan and Draft EA, along with controlling law, including AB 32, CEQA, and the Administrative Procedure Act (APA; Government Code § 11340 et seq.). These commitments are intended to minimize, and where possible avoid impacts. However, the precise design of these programs is necessarily left for the future, and many of the data and research needs identified by the Scoping Plan have been addressed.

Consequently, at this stage without full details on the design of potential programs and associated required mitigation, while impacts could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the proposed actions in the Scoping Plan would be potentially significant and unavoidable. This impact is overridden by the project's benefits as set forth in the statement of overriding considerations.

Agriculture and Forest Resources

Finding and Explanation

The Final EA found that the reasonably foreseeable actions associated with implementation of the Scoping Plan could result in potentially significant short-term construction-related impacts and long-term operational impacts on agriculture and forest resources. The reasonably foreseeable compliance responses that could result from implementation of the proposed measures under the Scoping Plan could include: construction of new facilities or modification of existing facilities; in an increase in the cultivation of feedstock, such as soy, sugarcane, and oil seeds which may increase agricultural production in some areas or result in changes to crop types; and the operation of gas extraction, capture, transportation, processing, destruction, and monitoring equipment at existing active or abandoned mine sites.

The EA includes Mitigation Measures 2.a, 2.b.i, and 2.b.ii, which identify existing statutes and regulations and construction and operating permit requirements as well as other recognized practices designed to reduce these potentially significant impacts. The Board finds that the authority to determine site- or project-specific mitigation is within the purview of jurisdictions with land use approval and permitting authority, such as city or county governments. Therefore, the Board finds that the authority to implement Mitigation Measures 2.a, 2.b.i, and 2.b.ii is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measures 2.a, 2.b.i, and 2.b.ii should be adopted by

those agencies. Public agencies with authority can and should implement the identified measures to the degree feasible. Because the authority and responsibility to determine project-level impacts and require project-level mitigation lies with land use and/or permitting agencies for individual projects, and the programmatic level of analysis associated with the EA does not attempt to address project-specific details of mitigation, there is inherent uncertainty in the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource.

Moreover, activities within CARB's direct control – such as the design and implementation of future regulations and incentive programs – will be designed in accordance with the environmental principles set out in the Scoping Plan and Draft EA, along with controlling law, including AB 32, CEQA, and the APA. These commitments are intended to minimize, and where possible avoid impacts. However, the precise design of these programs is necessarily left for the future, and many of the data and research needs identified by the Scoping Plan have been addressed.

Consequently, at this stage without full details on the design of potential programs and associated required mitigation, while impacts could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the proposed actions in the Scoping Plan would be potentially significant and unavoidable. This impact is overridden by the project's benefits as set forth in the statement of overriding considerations.

Air Quality

Finding and Explanation

The Final EA found that the reasonably foreseeable actions associated with implementation of the Scoping Plan could result in potentially significant short-term construction-related impacts on air quality resources and odor impacts. The reasonably foreseeable compliance responses that could result from implementation of the proposed measures under the Scoping Plan could include: construction of new facilities or modification of existing facilities; construction of processing plants for agriculture-based ethanol, cellulosic ethanol, and biomethane; operation of digester facilities at dairies, and modifications to crude production facilities.

The EA includes Mitigation Measures 3.a, 3.c.i, and 3.c.ii, which identify existing statutes and regulations and construction and operating permit requirements, as well as other recognized practices designed to reduce these potentially significant impacts. The Board finds that the authority to determine site- or project-specific mitigation is within the purview of jurisdictions with land use approval and permitting authority, such as city or county governments. Therefore, the Board finds that the authority to implement Mitigation Measures 3.a, 3.c.i, and 3.c.ii is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measures 3.a, 3.c.i, and 3.c.ii should be adopted by those agencies. Public agencies with authority can and should implement the identified measures to the degree feasible. Because the authority and responsibility to determine project-level impacts and require project-level mitigation lies with land use and/or permitting agencies for individual projects, and the programmatic level of analysis associated with the EA does not attempt to address project-specific details of mitigation, there is inherent

uncertainty in the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource.

Moreover, activities within CARB's direct control – such as the design and implementation of future regulations and incentive programs – will be designed in accordance with the environmental principles set out in the Scoping Plan and Draft EA, along with controlling law, including AB 32, CEQA, and the APA. These commitments are intended to minimize, and where possible avoid impacts. However, the precise design of these programs is necessarily left for the future, and many of the data and research needs identified by the Proposed Plan have been addressed.

Consequently, at this stage without full details on the design of potential programs and associated required mitigation, while impacts could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the proposed actions in the Scoping Plan would be potentially significant and unavoidable. This impact is overridden by the project's benefits as set forth in the statement of overriding considerations.

Biological Resources

Finding and Explanation

The Final EA found that the reasonably foreseeable actions associated with implementation of the Scoping Plan could result in potentially significant short-term construction-related impacts and long-term operational impacts on biological resources. The reasonably foreseeable compliance responses that could result from implementation of the proposed measures under the Scoping Plan could include: construction of new facilities or modification of existing facilities; an increased number of renewable energy projects, such as, wind farms, solar thermal, solar photovoltaic, geothermal, solid-fuel biomass, biogas, and small hydroelectric systems; increased demand for agricultural feedstocks; and the operation of gas extraction, capture, transportation, processing, destruction, and monitoring equipment at existing active or abandoned mine sites.

The EA includes Mitigation Measures 4.a, 4.b.i, 4.b.ii, and 4.b.iii, which identify existing statutes and regulations and construction and operating permit requirements, as well as other recognized practices designed to reduce these potentially significant impacts. The Board finds that the authority to determine site- or project-specific mitigation is within the purview of jurisdictions with land use approval and permitting authority, such as city or county governments. Therefore, the Board finds that the authority to implement Mitigation Measures 4.a, 4.b.i, 4.b.ii, and 4.b.iii is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measures 4.a, 4.b.i, 4.b.ii, and 4.b.iii should be adopted by those agencies. Public agencies with authority can and should implement the identified measures to the degree feasible. Because the authority and responsibility to determine project-level impacts and require project-level mitigation lies with land use and/or permitting agencies for individual projects, and the programmatic level of analysis associated with the EA does not attempt to address project-specific details of mitigation, there is inherent uncertainty in the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource.

Moreover, activities within CARB's direct control – such as the design and implementation of future regulations and incentive programs – will be designed in accordance with the environmental principles set out in the Scoping Plan and Draft EA, along with controlling law, including AB 32, CEQA, and the APA. These commitments are intended to minimize, and where possible avoid impacts. However, the precise design of these programs is necessarily left for the future, and many of the data and research needs identified by the Scoping Plan have been addressed.

Consequently, at this stage without full details on the design of potential programs and associated required mitigation, while impacts could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the proposed actions in the Scoping Plan would be potentially significant and unavoidable. This impact is overridden by the project's benefits as set forth in the statement of overriding considerations.

Cultural Resources

Finding and Explanation

The Final EA found that the reasonably foreseeable actions associated with implementation of the Scoping Plan could result in potentially significant short-term construction-related impacts and long-term operational impacts on cultural resources. The reasonably foreseeable compliance responses that could result from implementation of the proposed measures under the Scoping Plan could include: construction of new facilities or modification of existing facilities; demolition of existing structures; and on-going earth moving activities.

The EA includes Mitigation Measure 5.a, which identifies existing statutes and regulations and construction and operating permit requirements, designed to reduce these potentially significant impacts. The Board finds that the authority to determine site- or project-specific mitigation is within the purview of jurisdictions with land use approval and permitting authority, such as city or county governments. Therefore, the Board finds that the authority to implement Mitigation Measure 5.a is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measure 5.a should be adopted by those agencies. Public agencies with authority can and should implement the identified measures to the degree feasible. Because the authority and responsibility to determine project-level impacts and require project-level mitigation lies with land use and/or permitting agencies for individual projects, and the programmatic level of analysis associated with the EA does not attempt to address project-specific details of mitigation, there is inherent uncertainty in the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource.

Moreover, activities within CARB's direct control – such as the design and implementation of future regulations and incentive programs – will be designed in accordance with the environmental principles set out in the Scoping Plan and Draft EA, along with controlling law, including AB 32, CEQA, and the APA. These commitments are intended to minimize, and where possible avoid impacts. However, the precise design of these programs is necessarily left for the future, and many of the data and research needs identified by the Scoping Plan have been addressed.

Consequently, at this stage without full details on the design of potential programs and associated required mitigation, while impacts could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the proposed actions in the Scoping Plan would be potentially significant and unavoidable. This impact is overridden by the project's benefits as set forth in the statement of overriding considerations.

Geology and Soils

Finding and Explanation

The Final EA found that the reasonably foreseeable actions associated with implementation of the Scoping Plan could result in potentially significant short-term construction-related impacts and long-term operational impacts on geology and soil resources. The reasonably foreseeable compliance responses that could result from implementation of the proposed measures under the Scoping Plan could include: construction of new facilities or modification of existing facilities; increased demand for agricultural feedstocks; and the operation of gas extraction, capture, transportation, processing, destruction, and monitoring equipment at existing active or abandoned mine sites.

The EA includes Mitigation Measures 7.a, 7.b.i and 7.b.ii, which identify existing statutes and regulations and construction and operating permit requirements, as well as other recognized practices designed to reduce these potentially significant impacts. The Board finds that the authority to determine site- or project-specific mitigation is within the purview of jurisdictions with land use approval and permitting authority, such as city or county governments. Therefore, the Board finds that the authority to implement Mitigation Measures 7.a, 7.b.i and 7.b.ii is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measures 7.a, 7.b.i and 7.b.ii should be adopted by those agencies. Public agencies with authority can and should implement the identified measures to the degree feasible. Because the authority and responsibility to determine project-level impacts and require project-level mitigation lies with land use and/or permitting agencies for individual projects, and the programmatic level of analysis associated with the EA does not attempt to address project-specific details of mitigation, there is inherent uncertainty in the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource.

Moreover, activities within CARB's direct control – such as the design and implementation of future regulations and incentive programs – will be designed in accordance with the environmental principles set out in the Scoping Plan and Draft EA, along with controlling law, including AB 32, CEQA, and the APA. These commitments are intended to minimize, and where possible avoid impacts. However, the precise design of these programs is necessarily left for the future, and many of the data and research needs identified by the Scoping Plan have been addressed.

Consequently, at this stage without full details on the design of potential programs and associated required mitigation, while impacts could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource

associated with the proposed actions in the Scoping Plan would be potentially significant and unavoidable. This impact is overridden by the project's benefits as set forth in the statement of overriding considerations.

Hazards and Hazardous Materials

Finding and Explanation

The Final EA found that the reasonably foreseeable actions associated with implementation of the Scoping Plan could result in potentially significant short-term construction-related impacts and long-term operational impacts on hazards and hazardous materials. The reasonably foreseeable compliance responses that could result from implementation of the proposed measures under the Scoping Plan could include: construction of new facilities or modification of existing facilities; construction and operation of dairy and organic waste digesters and modification to existing wastewater treatment plants to include or expand anaerobic digestion; and the operation of gas extraction, capture, transportation, processing, destruction, and monitoring equipment at existing active or abandoned mine sites.

The EA includes Mitigation Measures 9.a and 9.b.i, which identify existing statutes and regulations and construction and operating permit requirements, as well as other recognized practices designed to reduce these potentially significant impacts. The Board finds that the authority to determine site- or project-specific mitigation is within the purview of jurisdictions with land use approval and permitting authority, such as city or county governments. Therefore, the Board finds that the authority to implement Mitigation Measures 9.a and 9.b.i is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measures 9.a and 9.b.i should be adopted by those agencies. Public agencies with authority can and should implement the identified measures to the degree feasible. Because the authority and responsibility to determine project-level impacts and require project-level mitigation lies with land use and/or permitting agencies for individual projects, and the programmatic level of analysis associated with the EA does not attempt to address project-specific details of mitigation, there is inherent uncertainty in the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource.

Moreover, activities within CARB's direct control – such as the design and implementation of future regulations and incentive programs – will be designed in accordance with the environmental principles set out in the Scoping Plan and Draft EA, along with controlling law, including AB 32, CEQA, and the APA. These commitments are intended to minimize, and where possible avoid impacts. However, the precise design of these programs is necessarily left for the future, and many of the data and research needs identified by the Scoping Plan have been addressed.

Consequently, at this stage without full details on the design of potential programs and associated required mitigation, while impacts could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the proposed actions in the Scoping Plan would be potentially significant and unavoidable. This impact is overridden by the project's benefits as set forth in the statement of overriding considerations.

Hydrology and Water Quality

Finding and Explanation

The Final EA found that the reasonably foreseeable actions associated with implementation of the Scoping Plan could result in potentially significant short-term construction-related impacts and long-term operational impacts on hydrology and water quality. The reasonably foreseeable compliance responses that could result from implementation of the proposed measures under the Scoping Plan could include: construction of new facilities or modification of existing facilities; increased demand for agricultural feedstocks; an increased number of renewable energy projects, such as, wind, solar thermal, solar photovoltaic, geothermal, solid-fuel biomass, biogas, and small hydroelectric systems; and the operation of gas extraction, capture, transportation, processing, destruction, and monitoring equipment at existing active or abandoned mine sites.

The EA includes Mitigation Measures 10.a, 10.b.i, 10.b.ii, and 10.b.iii, which identify existing statutes and regulations and construction and operating permit requirements, as well as other recognized practices designed to reduce these potentially significant impacts. The Board finds that the authority to determine site- or project-specific mitigation is within the purview of jurisdictions with land use approval and permitting authority, such as city or county governments. Therefore, the Board finds that the authority to implement Mitigation Measures 10.a, 10.b.i, 10.b.ii, and 10.b.iii is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measures 10.a, 10.b.i, 10.b.ii, and 10.b.iii should be adopted by those agencies. Public agencies with authority can and should implement the identified measures to the degree feasible. Because the authority and responsibility to determine project-level impacts and require project-level mitigation lies with land use and/or permitting agencies for individual projects, and the programmatic level of analysis associated with the EA does not attempt to address project-specific details of mitigation, there is inherent uncertainty in the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource.

Moreover, activities within CARB's direct control – such as the design and implementation of future regulations and incentive programs – will be designed in accordance with the environmental principles set out in the Scoping Plan and Draft EA, along with controlling law, including AB 32, CEQA, and the APA. These commitments are intended to minimize, and where possible avoid impacts. However, the precise design of these programs is necessarily left for the future, and many of the data and research needs identified by the Scoping Plan have been addressed.

Consequently, at this stage without full details on the design of potential programs and associated required mitigation, while impacts could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the proposed actions in the Scoping Plan would be potentially significant and unavoidable. This impact is overridden by the project's benefits as set forth in the statement of overriding considerations.

Land Use and Planning

Finding and Explanation

The Final EA found that the reasonably foreseeable actions associated with the Cap-and-Trade offset protocols included in the Scoping Plan could result in potentially significant long-term operational impacts on Land Use and Planning. The reasonably foreseeable compliance responses that could result from implementation of the MMC Protocol under the Scoping Plan could include: installation of mine methane gas extraction, capture, transportation, treatment, destruction, and monitoring equipment, which would be situated at either active or abandoned mines.

The EA includes Mitigation Measure 11.b.i, which identify existing statutes and regulations and construction and operating permit requirements, as well as other recognized practices designed to reduce these potentially significant impacts. The Board finds that the authority to determine site- or project-specific mitigation is within the purview of jurisdictions with land use approval and permitting authority, such as city or county governments. Therefore, the Board finds that the authority to implement Mitigation Measure 11.b.i is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measure 11.b.i, should be adopted by those agencies. Public agencies with authority can and should implement the identified measures to the degree feasible. Because the authority and responsibility to determine project-level impacts and require project-level mitigation lies with land use and/or permitting agencies for individual projects, and the programmatic level of analysis associated with the EA does not attempt to address project-specific details of mitigation, there is inherent uncertainty in the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource.

Consequently, at this stage without full details on the design of potential programs and associated required mitigation, while impacts could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the proposed actions in the Scoping Plan would be potentially significant and unavoidable. This impact is overridden by the project's benefits as set forth in the statement of overriding considerations.

Noise

Finding and Explanation

The Final EA found that the reasonably foreseeable actions associated with implementation of the Scoping Plan could result in potentially significant short-term construction-related impacts and long-term operational impacts on noise resources. The reasonably foreseeable compliance responses that could result from implementation of the proposed measures under the Scoping Plan could include: construction of new facilities or modification of existing facilities; operation of new facilities, such as dairy and wastewater treatment anaerobic digesters; and installation of new equipment associated with modification to dairies, wastewater treatment, and oil and gas facilities; increased lithium mining; and an increased number of renewable energy projects, such as, wind, solar thermal, solar photovoltaic, geothermal, solid-fuel biomass, biogas, and small hydroelectric systems.

The EA includes Mitigation Measures 13.a, 13.b.i, 13.b.ii, 13.b.iii, and 13.b.iv, which identify existing statutes and regulations and construction and operating permit requirements, as well as other recognized practices designed to reduce these potentially significant impacts. The Board finds that the authority to determine site- or project-specific mitigation is within the purview of jurisdictions with land use approval and permitting authority, such as city or county governments. Therefore, the Board finds that the authority to implement Mitigation Measures 13.a, 13.b.i, 13.b.ii, 13.b.iii, and 13.b.iv is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measures 13.a, 13.b.i, 13.b.ii, 13.b.iii, and 13.b.iv should be adopted by those agencies. Public agencies with authority can and should implement the identified measures to the degree feasible. Because the authority and responsibility to determine project-level impacts and require project-level mitigation lies with land use and/or permitting agencies for individual projects, and the programmatic level of analysis associated with the EA does not attempt to address project-specific details of mitigation, there is inherent uncertainty in the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource.

Moreover, activities within CARB's direct control – such as the design and implementation of future regulations and incentive programs – will be designed in accordance with the environmental principles set out in the Scoping Plan and Draft EA, along with controlling law, including AB 32, CEQA, and the APA. These commitments are intended to minimize, and where possible avoid impacts. However, the precise design of these programs is necessarily left for the future, and many of the data and research needs identified by the Scoping Plan have been addressed.

Consequently, at this stage without full details on the design of potential programs and associated required mitigation, while impacts could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the proposed actions in the Scoping Plan would be potentially significant and unavoidable. This impact is overridden by the project's benefits as set forth in the statement of overriding considerations.

Recreation

Finding and Explanation

The Final EA found that the reasonably foreseeable actions associated with implementation of the Scoping Plan could result in potentially significant long-term operational impacts on recreation. The reasonably foreseeable compliance responses that could result from implementation of the proposed measures under the Scoping Plan could include: an increased number of renewable energy projects, such as, wind, solar thermal, solar photovoltaic, geothermal, solid-fuel biomass, biogas, and small hydroelectric systems; and the operation of gas extraction, capture, transportation, processing, destruction, and monitoring equipment at existing active or abandoned mine sites.

The EA includes Mitigation Measures 16.b.i and 16.b.ii, which identify existing statutes and regulations and construction and operating permit requirements, as well as other recognized practices designed to reduce these potentially significant impacts. The Board finds that the authority to determine site- or project-specific mitigation is within the purview of jurisdictions with land use approval and permitting authority, such as city or county governments.

Therefore, the Board finds that the authority to implement Mitigation Measures 16.b.i and 16.b.ii is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measures 16.b.i and 16.b.ii should be adopted by those agencies. Public agencies with authority can and should implement the identified measures to the degree feasible. Because the authority and responsibility to determine project-level impacts and require project-level mitigation lies with land use and/or permitting agencies for individual projects, and the programmatic level of analysis associated with the EA does not attempt to address project-specific details of mitigation, there is inherent uncertainty in the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource.

Moreover, activities within CARB's direct control – such as the design and implementation of future regulations and incentive programs – will be designed in accordance with the environmental principles set out in the Scoping Plan and Draft EA, along with controlling law, including AB 32, CEQA, and the APA. These commitments are intended to minimize, and where possible avoid impacts. However, the precise design of these programs is necessarily left for the future, and many of the data and research needs identified by the Scoping Plan have been addressed.

Consequently, at this stage without full details on the design of potential programs and associated required mitigation, while impacts could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the proposed actions in the Scoping Plan would be potentially significant and unavoidable. This impact is overridden by the project's benefits as set forth in the statement of overriding considerations.

Transportation and Traffic

Finding and Explanation

The Final EA found that the reasonably foreseeable actions associated with implementation of the Scoping Plan could result in potentially significant short-term construction-related impacts and long-term operational impacts on transportation and traffic resources. The reasonably foreseeable compliance responses that could result from implementation of the proposed measures under the Scoping Plan could include: construction of new facilities or modification of existing facilities; increased demand for agricultural feedstocks and changes in types of fuel consumed; and operation of centralized anaerobic digesters.

The EA includes Mitigation Measures 17.a, 17.b.i, 17.b.ii, and 17.b.iii, which identify existing statutes and regulations and construction and operating permit requirements, as well as other recognized practices designed to reduce these potentially significant impacts. The Board finds that the authority to determine site- or project-specific mitigation is within the purview of jurisdictions with land use approval and permitting authority, such as city or county governments. Therefore, the Board finds that the authority to implement Mitigation Measures 17.a, 17.b.i, 17.b.ii, and 17.b.iii is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measures 17.a, 17.b.i, 17.b.ii, and 17.b.iii should be adopted by those agencies. Public agencies with authority can and should implement the identified measures to the degree feasible. Because the authority and responsibility to determine project-level impacts and require project-level mitigation lies with

land use and/or permitting agencies for individual projects, and the programmatic level of analysis associated with the EA does not attempt to address project-specific details of mitigation, there is inherent uncertainty in the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource.

Moreover, activities within CARB's direct control – such as the design and implementation of future regulations and incentive programs – will be designed in accordance with the environmental principles set out in the Scoping Plan and Draft EA, along with controlling law, including AB 32, CEQA, and the APA. These commitments are intended to minimize, and where possible avoid impacts. However, the precise design of these programs is necessarily left for the future, and many of the data and research needs identified by the Scoping Plan have been addressed.

Consequently, at this stage without full details on the design of potential programs and associated required mitigation, while impacts could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the proposed actions in the Scoping Plan would be potentially significant and unavoidable. This impact is overridden by the project's benefits as set forth in the statement of overriding considerations.

Utilities and Service Systems

Finding and Explanation

The Final EA found that the reasonably foreseeable actions associated with implementation of the Scoping Plan could result in potentially significant long-term operational impacts on utilities and service systems. The reasonably foreseeable compliance responses that could result from implementation of the proposed measures under the Scoping Plan could include: operation of new manufacturing facilities; operation of anaerobic digesters; and an increased number of renewable energy projects, such as, wind, solar thermal, solar photovoltaic, geothermal, solid-fuel biomass, biogas, and small hydroelectric systems.

The EA includes Mitigation Measure 18.a.i, which identifies existing statutes and regulations and construction and operating permit requirements, as well as other recognized practices designed to reduce these potentially significant impacts. The Board finds that the authority to determine site- or project-specific mitigation is within the purview of jurisdictions with land use approval and permitting authority, such as city or county governments. Therefore, the Board finds that the authority to implement Mitigation Measures 18.a.i is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measure 18.a.i should be adopted by those agencies. Public agencies with authority can and should implement the identified measures to the degree feasible. Because the authority and responsibility to determine project-level impacts and require project-level mitigation lies with land use and/or permitting agencies for individual projects, and the programmatic level of analysis associated with the EA does not attempt to address project-specific details of mitigation, there is inherent uncertainty in the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource.

Moreover, activities within CARB's direct control – such as the design and implementation of future regulations and incentive programs – will be designed in accordance with the

environmental principles set out in the Scoping Plan and Draft EA, along with controlling law, including AB 32, CEQA, and the APA. These commitments are intended to minimize, and where possible avoid impacts. However, the precise design of these programs is necessarily left for the future, and many of the data and research needs identified by the Scoping Plan have been addressed.

Consequently, at this stage without full details on the design of potential programs and associated required mitigation, while impacts could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the proposed actions in the Scoping Plan would be potentially significant and unavoidable. This impact is overridden by the project's benefits as set forth in the statement of overriding considerations.

Cumulatively Considerable Impacts

The EA concluded the Scoping Plan could result in a cumulatively considerable contribution to significant cumulative impacts to aesthetics, agricultural and forest resources, short-term construction-related air quality and odor impacts, biological resources, cultural resources, geology and soils, hazards and hazardous materials, hydrology and water quality, land use planning, noise, recreation, transportation and traffic, and utilities and service systems. While suggested mitigation is provided within the respective resource areas of the EA analyses that could address the contribution of the Scoping Plan to each of these potentially cumulatively considerable impacts, the Board finds that because these adverse impacts are potential indirect impacts associated with the compliance responses of covered entities, and because CARB lacks general land use authority over these covered entities, the authority to determine site- or project-specific mitigation is within the purview of jurisdictions with land use approval and permitting authority, such as city or county governments. Public agencies with authority can and should implement the identified measures to the degree feasible. Consequently, while cumulative impacts could be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the cumulatively considerable contribution of the Scoping Plan to existing significant cumulative impacts to aesthetics, agricultural and forest resources, short-term construction-related air quality and odor impacts, biological resources, cultural resources, geology and soils, hazards and hazardous materials, hydrology and water quality, land use planning, noise, recreation, transportation and traffic, and utilities and service systems to be potentially significant and unavoidable.

Findings on Alternatives to the Project

In addition to the No-Project Alternative, the EA considered a reasonable range of potentially feasible alternatives that could potentially reduce or eliminate the significant adverse environmental impacts associated with the Scoping Plan, while accomplishing most of the basic project objectives.

The Board finds the alternatives analysis is sufficient to inform the Board and the public regarding the tradeoffs between the degree to which the alternatives could reduce environmental impacts and the corresponding degree to which the alternatives could achieve the project objectives. Further, the Board finds that none of the alternatives discussed in the

Final EA is clearly environmentally superior, and the discussion of the environmental advantages and disadvantages of each alternative in comparison to the proposed scenario is sufficient to inform the Board of alternative options under CEQA.

Based upon a full evaluation of the alternatives, and the entirety of the record, the Board finds that adoption and implementation of the Scoping Plan is the most desirable, feasible, and appropriate action for achieving the objectives of the project, and the Board rejects the other alternatives because they either fail to meet most project objectives, or are infeasible based on consideration of the relevant factors identified in the EA and briefly described below:

Alternative 1: No Project Alternative –

Alternative 1 in the EA describes a reasonably foreseeable scenario if CARB did not approve the Scoping Plan. Under the No-Project Alternative, the Scoping Plan would not be adopted. CARB's existing control program, which is comprised of regulations and programs the Board has already adopted, would continue to be implemented.

It is not clear that it would be legally feasible for CARB to implement the No-Project Alternative, in the sense that the measures in the Scoping Plan are known commitments that may proceed independently of CARB's action on the Scoping Plan, per independent legal authority. Therefore, CARB has a statutory mandate to undertake some of the measures, making it legally infeasible for CARB to un-do some of the measures in the Scoping Plan. In April 2015, Governor Brown issued Executive Order B-30-15 to establish a California GHG reduction target of 40 percent below 1990 levels by 2030. In doing so, the Governor called on California to pursue a new and ambitious set of strategies, in line with the five climate change pillars from his inaugural address to reduce GHG emissions and prepare for the unavoidable impacts of climate change. In order to develop a clear plan of action to achieve the State's goals, the Executive Order called on CARB to update the AB 32 Climate Change Scoping Plan to incorporate the 2030 target. In summer 2016, the Legislature affirmed the importance of addressing climate change through passage of Senate Bill (SB) 32 (Pavley, Chapter 249, Statutes of 2016), which codified into statute the 2030 GHG reduction target contained in the Executive Order B-30-15. In 2017, the legislature also enacted Assembly Bill 398 (AB 398, Chapter 135, Statutes of 2017), which clarifies the role of the Cap-and-Trade Program through 2030. AB 398 also identifies the Cap-and-Trade Program as the rule for petroleum refineries and oil and gas production facilities to achieve their greenhouse gas emissions reductions. Nevertheless the update to the AB 32 Climate Change Scoping Plan to reflect the 2030 target (Scoping Plan) will serve as the framework to define the State's climate change priorities for the next 14 years and beyond. Therefore, CARB would be violating these legal mandates if it chose the No-Project Alternative.

The Board finds that this alternative would not ensure the maximum technologically feasible and cost-effective reductions in GHG emissions to achieve the 2030 target of 40 percent below 1990 levels (Objectives 1 and 2). This alternative would increase electricity derived from renewable sources, increase energy efficiency in existing buildings and make heating fuels cleaner, and reduce the release of methane and other short-lived climate pollutants; however, it is unknown if measures would be stringent enough to meet the goals associated with Objectives 3, 4, and 5. This Alternative would generally meet the remainder of objectives, as it would pursue emission reductions that are real, permanent, quantifiable, verifiable and enforceable (Objectives 6), and is consistent with other requirements set forth under the

California Health and Safety Code (Objectives 7 and 9 through 15). To be consistent with AB 32, this alternative would minimize, to the extent feasible, leakage of emissions outside of the State (Objective 8). For this reason, the Board rejects this alternative.

Alternative 2: No Cap-and-Trade Alternative

Alternative 2 proposes to remove the post-2020 Cap-and-Trade Program. However, it is important to note that since the Draft EA was published, AB 398 was signed into law. AB 398 expressly requires CARB to use the Cap-and-Trade Program as the rule for petroleum refineries and oil and gas production facilities to achieve their greenhouse gas emissions reductions, so Alternative 2 is no longer a legally feasible alternative with respect to those sectors. In addition, implementing Alternative 2 solely for the other sectors covered by the Cap-and-Trade Program – essentially by amending the Cap-and-Trade Regulation to remove those sectors from the Program – would be practically infeasible. Such a removal would fragment the existing, unified carbon market, thereby creating substantial financial and emissions uncertainty in an operating market. It would also greatly reduce the effectiveness of the Cap-and-Trade Program as it applies to the petroleum refineries and oil and gas production facilities by reducing the flexibility inherent in a more comprehensive, economy-wide Cap-and-Trade Program. In response to AB 398, the Board approved amendments to the Cap-and-Trade Regulation on July 27, 2017, which established a framework for a post-2020 Cap-and-Trade Program, among other changes.

Without a Cap-and-Trade Program, there would be less impacts associated with construction of new facilities and modifications to existing facilities for covered entities and less impacts related to development and implementation of projects under the offset protocols. However, the increase in projects related to other regulations (e.g., LCFS, RPS) would likely require greater earth-moving activities, and thus environmental effects, than any reduction in the number of projects associated with removal of Cap-and-Trade as a recommended program.

The Board finds that it is unclear if Alternative 2 would meet 2030 GHG emission reduction targets. To achieve the 2030 GHG emissions reduction target without the Cap-and-Trade Program, significant additional actions beyond the known commitments would have to be put in place, many of which may currently face implementation, technology, and cost barriers that must be overcome to ensure the target can be achieved. If any measures are unable to be implemented or fail to perform, as needed, new measures would need to be identified, designed, and implemented. The time required to design and implement new measures could impede the State's ability to achieve its 2030 GHG target. Thus, this alternative may not feasibly meet objectives related to the purpose and need of the Scoping Plan. For these reasons, the Board rejects this alternative.

Alternative 3: Carbon Tax Alternative

Alternative 3 would contain a carbon tax in lieu of a post-2020 Cap-and-Trade Program. However, as indicated above for Alternative 2, it is important to note that since the Draft EA was published, AB 398 was signed into law. AB 398 expressly requires CARB to use the Cap-and-Trade Program as the rule for petroleum refineries and oil and gas production facilities to achieve their greenhouse gas emissions reductions, so Alternative 3 is no longer a legally feasible alternative with respect to those sectors. In addition, implementing Alternative 3 solely for the other sectors covered by the Cap-and-Trade Program – essentially

by amending the Cap-and-Trade Regulation to remove those sectors from the Program and developing a carbon tax on those sectors – would be practically infeasible. Such a removal would fragment the existing, unified carbon market, thereby creating substantial financial and emissions uncertainty in an operating market. It would also greatly reduce the effectiveness of the Cap-and-Trade Program as it applies to the petroleum refineries and oil and gas production facilities by reducing the flexibility inherent in a more comprehensive, economy-wide Cap-and-Trade Program.

Under Alternative 3, there would be no emission reduction requirements specified by a cap, except for petroleum refineries and oil and gas production facilities, but similar emission reductions would be achieved based on market responses to the carbon tax, and through direct regulation. This would result in the same types of compliance responses as the Scoping Plan, albeit to a lesser extent. For example, fewer projects would be implemented to upgrade equipment, switch to lower intensity carbon fuels, and implement maintenance and process changes at existing facilities.

Alternative 3 only achieves the 2030 GHG target if the right price is set, which is a difficult task to do. A set carbon tax may not represent the actual cost of control for the covered sectors. If the price is set too high, the program will be made unnecessarily expensive, and if the price is set too low, the program may not achieve enough GHG reductions to meet the target. An approach to better ensure the GHG target is met is through a flexible tax that can be adjusted annually as part of the GHG emission inventory process. If the emission reductions are insufficient, the tax would be increased the following year to induce the needed GHG reductions. However, this approach is complex and is at odds with the carbon price certainty that many have advocated for as part of a carbon tax option.

The Board finds that it is unclear if Alternative 3 would meet 2030 GHG emission reduction targets, because it would depend on market conditions and unforeseeable actions taken by covered entities. Under this alternative, there is no known, reliable way to address trade exposure and to protect against emissions leakage, as required under AB 32. Notably, British Columbia's carbon tax program has failed to meet GHG emission reduction goals as concerns over leakage led to a halting of any price increases in the tax, which indicates there is higher uncertainty the 2030 target could be met using this approach. With no readily available and reliable way to mitigate for leakage, production may shift to entities that are not as efficient as California entities resulting in potential increases to GHG, criteria and air toxics emissions. For this reason, the Board rejects this alternative.

Alternative 4: All Cap-and-Trade

Alternative 4 is a variant of the Scoping Plan, which would rely more heavily on the Cap-and-Trade Program. This alternative maintains the LCFS stringency at a 10 percent reduction in CI through 2030. This would result in the same types of compliance responses as the Scoping Plan, however there would be no new actions related to implementation of LCFS.

The Board finds that because Cap-and-Trade would be more stringent, there would be a greater magnitude of construction-related impacts (e.g., aesthetics, agricultural and forest resources, biological resources impacts) and impacts related to offset protocols as described for the Cap-and-Trade measures. Therefore, this alternative does not lead to substantial environmental benefits and for this reason, the Board rejects this alternative.

Alternative 5: Cap-and-Tax

Alternative 5 is a variant of Alternative 3 with some features from the Scoping Plan. This alternative is designed to cap GHG emissions, which decline annually at each entity, and incorporate pricing through a tax. This alternative is structured to be the same as Alternative 3 with known commitments. As indicated above for Alternatives 2 and 3, it is important to note that since the Draft EA was published, AB 398 was signed into law. AB 398 expressly requires CARB to use the Cap-and-Trade Program as the rule for petroleum refineries and oil and gas production facilities to achieve their greenhouse gas emissions reductions, so Alternative 5 is no longer a legally feasible alternative with respect to those sectors. In addition, implementing Alternative 5 solely for the other sectors covered by the Cap-and-Trade Program – essentially by amending the Cap-and-Trade Regulation to remove those sectors from the Program and placing them under an annual cap-and-tax program – would be practically infeasible. Such a removal would fragment the existing, unified carbon market, thereby creating substantial financial and emissions uncertainty in an operating market. It would also greatly reduce the effectiveness of the Cap-and-Trade Program as it applies to the petroleum refineries and oil and gas production facilities by reducing the flexibility inherent in a more comprehensive, economy-wide Cap-and-Trade Program.

Under this alternative, impacts would be related to actions by covered entities taken in response to the regulation-set price of carbon emissions through upgrading equipment, switching to lower intensity carbon fuels, and implementing maintenance and process changes at existing facilities. The impacts associated with these actions could be more widespread, and of greater magnitude than under the Scoping Plan depending on the size and location of individual actions

In this alternative, the carbon price signal does not drive the GHG reductions; rather, the carbon tax may functionally act as a payment for every metric ton of GHGs emitted, and the cap is the actual constraint on emissions at each entity. Without a trading mechanism, compliance flexibility is reduced, and it may not be possible to comply without curtailment of production in California.¹ To this point, the state of Washington has adopted its Clean Air Rule that caps and requires reductions at their covered entities. But, in the design of the rule, it became clear that not all covered entities could achieve the annual reductions of approximately 2 percent (a lower cap decline than what California would need), and an offset and limited trading mechanism were added to the rule to provide compliance flexibility. The current California Cap-and-Trade Program has an annual cap decline between 2-3 percent and also includes trading and offsets to provide compliance flexibility. With no readily available way to mitigate for leakage, production may shift to entities that are not as efficient as California entities resulting in increases to GHG, criteria and air toxics emissions

The Board finds that this mechanism would be expected to deliver 191 MMTCO_{2e} of cumulative GHG emission reductions. As the caps would be based on some fixed baseline amount for each entity, if other measures did not perform as expected, this alternative may not achieve the 2030 target as it would not scale across the industrial and energy sectors like the a cap-and-trade program. Under Alternative 5, there would be no allowance trading, and covered entities would be required to pay a tax or make modification to facilities to meet caps. The impacts associated with these actions could be more widespread, and of greater magnitude than under the Scoping Plan depending on the size and location of individual

¹ Some have proposed CARB set facility level caps based on historic data. Non-declining caps will hinder the ability of production to grow in the State, as they do not allow for growth after a certain point, even if industry becomes more efficient.

covered entities that aim to make investments that would reduce long-term carbon costs. For this reason, the Board rejects this alternative.

STATEMENT OF OVERRIDING CONSIDERATIONS

CARB expects that many of the significant adverse impacts identified in the EA will be avoided or mitigated; however, since uncertainty exists as to the extent of mitigation that other agencies will require at the site- and project-specific level, the Board is conservatively considering the impacts to be significant and unavoidable. The Board finds that despite the potential for adverse environmental impacts associated with the Scoping Plan, other benefits of the proposed actions are determined to be overriding considerations that warrant approval of the Scoping Plan and outweigh and override its unavoidable significant impacts. Each benefit set forth below constitutes an overriding consideration warranting approval of the project, independent of the other benefits, despite each and every unavoidable impact. These benefits include:

1. Reduction in greenhouse gas emissions, criteria, and toxic air pollutants from decreased fossil fuel use and traffic congestion;
2. Mitigating effects of climate change, including sea level rise and disrupted precipitation patterns;
3. Air quality improvements from increased electrification, energy efficiency, land conservation, transit use, water conservation, and enhanced carbon sequestration;
4. Promoting statewide health benefits, including reduced premature mortality, from increased daily physical activity through greater accessibility to active transportation (walking and bicycling) and more sustainable communities;
5. Economic benefits from energy efficiency and water conservation and local job growth from increased development of advanced clean technologies; and
6. Influencing the development of policies to reduce emissions in other jurisdictions.

LOCATION AND CUSTODIAN OF THE RECORD

The documents and other materials that constitute the record of proceedings on which these findings are based are located at 1001 I Street Sacramento, CA 95814. The custodian for these documents is the California Air Resources Board Legal Office.