

Findings and Statement of Overriding Considerations

Introduction

The California Air Resources Board (CARB), as the lead agency for the proposed Regulatory Amendments to the Cap-and-Invest Program (Proposed Amendments), prepared a Draft Environmental Impact Analysis (EIA) 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 EIA, entitled *Draft Environmental Impact Analysis prepared for the Proposed Regulatory Amendments to the Cap-and-Invest Program*, and included as Appendix B to the Staff Report (Initial Statement of Reasons), provided an analysis of the potential environmental impacts associated with the Proposed Amendments. The Draft EIA was released for a 45-day comment period from January 23, 2026 through March 9, 2026. CARB prepared the *Final Environmental Analysis prepared for the Proposed Regulatory Amendments to the Cap-and-Invest Program* (Final EIA) which includes minor revisions to the Draft EIA. While minor modifications have been made to the Final EIA to ensure it reflects the proposed project as accurately as possible, these changes merely clarify, amplify, or make insignificant modifications to the otherwise-adequate EIA. Therefore, there is no significant new information that would require the Final EIA to be recirculated. The Final EIA was posted on CARB's webpage on May 26, 2026.

This statement of findings and overriding considerations was prepared to comply with CEQA's requirement to address the environmental impacts identified in the Final EIA. (Pub. Resources Code, §§ 21081, 21081.6, Cal. Code Regs, tit. 14, §§ 15091, 15093.) The Final EIA is based on the expected compliance responses of the regulated entities covered by the Proposed Amendments. Although the policy aspects and requirements of the Proposed Amendments would not directly change the physical environment, potential indirect physical changes to the environment could result from reasonably foreseeable actions undertaken by entities in response to the Proposed Amendments. These indirect impacts are the focus of the programmatic-level impacts analysis in the Final EIA.

Collectively, across all categories, the Final EIA concluded that the reasonably foreseeable compliance responses associated with the Proposed Regulation could cause the following short-term and long-term impacts: beneficial impacts to GHG emissions; less than significant impacts to air quality odors, energy demand, mineral resources, population and housing, public services, and recreation; and potentially significant 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 and planning, noise, transportation, tribal cultural resources, utilities and service systems, and wildfire. The potentially significant and unavoidable adverse impacts are disclosed for both short-term, construction-related activities, and long-term operational activities, which is 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, § 60004.2.) CEQA places the burden on the approving

agency to affirmatively show 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.) The CEQA Guidelines, in California Code of Regulations, title 14, at section 15091, provide direction on the content of the statement of findings. That section states that one or more of these 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 EIA are potential indirect impacts associated with the compliance responses that are reasonably foreseeable, based on available information, in response to the Proposed Amendments. The ability to determine site- or project-specific impacts of projects carried out by third parties to comply with the Proposed Amendments and the authority 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 potential impacts of projects undertaken in response to the Proposed Amendments, nor the authority to require mitigation for such projects, in approving the Proposed Amendments, as discussed in the findings below and in the EIA.

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 provides CARB Board’s (Board) statement of findings for each significant adverse impact identified in the Final EIA, which is hereby incorporated by reference herein, as well as 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 in the Final EIA, public testimony, written comments received, and the written responses to environmental comments, which are incorporated by reference. The Board makes these written findings for each significant adverse impact identified, accompanied by a brief explanation of the rationale for each finding. For a complete discussion of the compliance responses relevant to each resource area, please see Chapter 4.0 of the Final EIA. These findings are supported by substantial evidence in the record.

Aesthetics

Finding and Explanation

The Final EIA found that the reasonably foreseeable actions associated with implementation of the Proposed Amendments could result in potentially significant short-term construction-related impacts and long-term operational impacts on aesthetic resources. The reasonably foreseeable compliance responses to the Proposed Amendments include increased production and use of low-carbon fuels and feedstocks such as low-carbon hydrogen, renewable natural gas, and other low-carbon fuels, plus associated infrastructure; updating and electrifying on-site equipment and other efficiency improvements including process changes; increased deployment of thermal energy storage and battery storage, and manufacturing of storage systems and associated increases in mining and exports; the construction of new or expansion of existing biorefining and co-processing operations; additional combustion of biomass and biomass-derived fuels at certain facilities; the decrease in oil and gas extraction, refining, and distribution; reduced fuel use; increased recycling, refurbishment or disposal of batteries and phased-out equipment; increased use of low-carbon products and expansion and potential new development of associated facility operations; the construction and operation of new manufacturing facilities to support zero-emission technologies; and the construction and operation of new power plants, solar fields, wind turbines, and other electricity generation facilities and electricity transmission and distribution infrastructure to accommodate increased electrical demand associated with the deployment of zero-emission technologies. Development of new facilities, although expected to occur in areas appropriately zoned, could result in or increase the presence of visible human-made elements (e.g., heavy-duty trucks, new structures). Although new facilities would typically be located in areas designated/zoned for these uses, which are not typically areas with high scenic value, it is possible that such facilities could be located in areas of scenic importance. There is uncertainty surrounding the specific locations of new recycling facilities; therefore, adverse effects to scenic vistas or views from a State scenic highway could occur. Further, sources of daytime glare and nighttime lighting associated with these facilities could be introduced. These types of impacts could result in significant effects on aesthetic resources.

The Final EIA includes Mitigation Measure 1-1, which identifies 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 Measure 1-1 is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measure 1-1 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 EIA 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.

Impacts may be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval at a later stage. But at this stage, the Board lacks details on individual

projects that may be proposed and associated required mitigation. Consequently, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the Proposed Amendments 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 EIA found that the reasonably foreseeable actions associated with implementation of the Proposed Amendments could result in potentially significant impacts associated with new facilities and feedstock cultivation on agriculture and forest resources. The reasonably foreseeable compliance responses to the Proposed Amendments include increased production and use of low-carbon fuels and feedstocks such as low-carbon hydrogen, renewable natural gas, and other low-carbon fuels, plus associated infrastructure; updating and electrifying on-site equipment and other efficiency improvements including process changes; increased deployment of thermal energy storage and battery storage, and manufacturing of storage systems and associated increases in mining and exports; the construction of new or expansion of existing biorefining and co-processing operations; additional combustion of biomass and biomass-derived fuels at certain facilities; the decrease in oil and gas extraction, refining, and distribution; reduced fuel use; increased recycling, refurbishment or disposal of batteries and phased-out equipment; increased use of low-carbon products and expansion and potential new development of associated facility operations; the construction and operation of new manufacturing facilities to support zero-emission technologies; and the construction and operation of new power plants, solar fields, wind turbines, and other electricity generation facilities and electricity transmission and distribution infrastructure to accommodate increased electrical demand associated with the deployment of zero-emission technologies. Solar fields and wind turbines are often located in open space areas that could be zoned as agriculture. While it is reasonable to anticipate that land use policies controlling the location of new facilities would generally avoid conversion of important agricultural land, the potential cannot be entirely dismissed. Thus, there exists the potential that Prime Farmland, Unique Farmland, Farmland of Statewide Importance, Williamson Act conservation contracts, and forest land or timberlands could be converted to land utilized for industrial purposes. Lithium, graphite, cobalt, nickel, copper, manganese, chromium, zinc, and aluminum ore extracted from hard rock mining could result in the loss of agricultural and forest lands of importance if resources are identified on land used for agriculture or forestry. Similar to lithium-ion batteries, an increase in demand for fuel cells could result in platinum mining and exports from source countries or other states. Specific to lithium mining that occurs from the extraction of groundwater brines, impacts to agricultural lands could be significant. Brine mining entails the extraction of lithium from groundwater resources, which is then left to harden at the surface where lithium ore can be refined, processed, and used for manufacturing purposes. This groundwater extraction may result in depleted groundwater resources that could be directed to agricultural activities. Increased production and use of low-carbon fuels, could require distribution infrastructure (i.e., pipelines) that may be in areas with agriculture or forestry resources. New facilities for the production and distribution of alternative fuels would be expected to occur in areas appropriately zoned; however, such facilities could conceivably be introduced in areas with agricultural uses or in forested areas and may require either temporary or permanent

conversion of these resources. These types of impacts could result in significant effects on agriculture and forestry resources.

The EIA includes Mitigation Measure 2-1, 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 Measure 2-1 is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measure 2-1 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 EIA 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.

Impacts may be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval at a later stage. But at this stage, the Board lacks details on individual projects that may be proposed and associated required mitigation. Consequently, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the Proposed Amendments 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 EIA found that the reasonably foreseeable actions associated with implementation of the Proposed Amendments could result in potentially significant short-term construction-related and long-term operational-related impacts on air quality. The reasonably foreseeable compliance responses to the Proposed Amendments include increased production and use of low-carbon fuels and feedstocks such as low-carbon hydrogen, renewable natural gas, and other low-carbon fuels, plus associated infrastructure; updating and electrifying on-site equipment and other efficiency improvements including process changes; increased deployment of thermal energy storage and battery storage, and manufacturing of storage systems and associated increases in mining and exports; the construction of new or expansion of existing biorefining and co-processing operations; additional combustion of biomass and biomass-derived fuels at certain facilities; the decrease in oil and gas extraction, refining, and distribution; reduced fuel use; increased recycling, refurbishment or disposal of batteries and phased-out equipment; increased use of low-carbon products and expansion and potential new development of associated facility operations; the construction and operation of new manufacturing facilities to support zero-emission technologies; and the construction and operation of new power plants, solar fields, wind turbines, and other electricity generation facilities and electricity transmission and distribution infrastructure to accommodate increased electrical demand associated with the deployment of zero-emission technologies. Implementation of the Proposed Amendments could include construction of new refueling infrastructure or modifications to existing facilities. At this time, the specific location, type, and

number of construction activities are not known and would be dependent upon a variety of factors that are not within the control or authority of CARB and not within its purview. Nonetheless, the analysis presented in the Final EIA provides a good-faith disclosure of the general types of construction emission impacts that could occur with implementation of these reasonably foreseeable compliance responses. Further, subsequent environmental review would be conducted at such time that an individual project is proposed, and land use or construction approvals are sought. CARB has considered the possibility that some covered entities might increase operation of specific equipment in response to reduced operations at other facilities in connection with the Proposed Amendments. Notably, two external research studies have examined the question of whether the Program has led to more concentrated criteria pollutant emissions, and these studies have found that, across facilities and the timeline of implementation, emissions have decreased near facilities regulated by the Program. While CARB cannot entirely dismiss the possibility that localized emissions increases could occur, to date, the available data have not demonstrated that implementation of the Cap-and-Invest Program increases local air pollution. CARB continues to believe that resulting localized air impacts are extremely unlikely and the Proposed Amendments' overall air quality impacts would be beneficial. Nevertheless, the Proposed Amendments would not eliminate all emissions everywhere and would not establish emissions limits at individual facilities. The Proposed Amendments would result in hydrogen combustion at industrial facilities and electricity generators, which could produce criteria air pollutants similar to natural gas combustion. The Proposed Amendments may also result in additional combustion of biomass and biomass-derived fuels at certain facilities. The combustion of hydrogen, biomass, and biomass derived fuels require carefully controlled combustion conditions and control technology to minimize potentially adverse health impacts. While project design and mitigation requirements can be developed to address these impacts, the authority to determine project-level impacts and require project-level mitigation lies with the permitting agency or agencies for individual projects. CARB does not believe significant localized increases are likely, and anticipates overall beneficial long-term operational impacts statewide. Nevertheless, in an abundance of caution and for the purposes of complete public disclosure, CARB concludes that long-term air quality impacts associated with the Proposed Amendments could be potentially significant and unavoidable.

The EIA includes Mitigation Measures 3-1 and 3-2, 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 3-1 and 3-2 is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measures 3-1 and 3-2 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 EIA does not attempt to address project-specific details of mitigation, the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource is inherently uncertain.

Impacts may be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval at a later stage. But at this stage, the Board lacks details on individual

projects that may be proposed and associated required mitigation. Consequently, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the Proposed Amendments 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 EIA found that the reasonably foreseeable actions associated with implementation of the Proposed Amendments could result in potentially significant impacts on biological resources related to new facilities or infrastructure and land use changes. The reasonably foreseeable compliance responses to the Proposed Amendments include increased production and use of low-carbon fuels and feedstocks such as low-carbon hydrogen, renewable natural gas, and other low-carbon fuels, plus associated infrastructure; updating and electrifying on-site equipment and other efficiency improvements including process changes; increased deployment of thermal energy storage and battery storage, and manufacturing of storage systems and associated increases in mining and exports; the construction of new or expansion of existing biorefining and co-processing operations; additional combustion of biomass and biomass-derived fuels at certain facilities; the decrease in oil and gas extraction, refining, and distribution; reduced fuel use; increased recycling, refurbishment or disposal of batteries and phased-out equipment; increased use of low-carbon products and expansion and potential new development of associated facility operations; the construction and operation of new manufacturing facilities to support zero-emission technologies; and the construction and operation of new power plants, solar fields, wind turbines, and other electricity generation facilities and electricity transmission and distribution infrastructure to accommodate increased electrical demand associated with the deployment of zero-emission technologies. Construction of manufacturing facilities, production facilities, recycling facilities, power plants, solar fields, wind turbines, other electricity generation facilities, and infrastructure, as well as increased brine and hard rock mining, would result in ground disturbance that could adversely affect biological resources. The biological resources affected would depend on the specific location of the compliance responses, which cannot be known at this time. Potential construction-related impacts to biological resources would occur from modifications to existing habitat including the removal, degradation, and fragmentation of riparian systems, wetlands, and/or other sensitive natural wildlife habitats and plant communities; interference with wildlife movement or wildlife nursery sites; loss of or disturbance to special-status species; and/or conflicts with local ordinances or the provisions of adopted habitat conservation plans, natural community conservation plans, or other conservation plans or policies to protect natural resources. Anticipated operation-related impacts on biological resources would likely occur primarily from operation of new facilities, including new sources of light and noise, and increased ground disturbing activity associated with increased mining activities associated with the increase in battery storage and renewable energy infrastructure. Long-term operation of manufacturing facilities, production facilities, recycling facilities, power plants, solar fields, wind turbines, and other electricity generation facilities, would often include the presence of workers; movement of automobiles, trucks, and heavy-duty equipment; and operation of stationary equipment. This environment would generally not be conducive to the presence of biological resources located on-site or nearby. Additionally, the operation of wind turbines could also result in an increase in bird strikes, including state or federally listed bird species. Vegetation

management may be necessary to comply with fire codes and defensible space requirements, which may require tree trimming and other habitat modification that could, for example, result in species mortality or nest failure. Furthermore, operation of facilities could result in the accidental introduction of hazardous substances to the environment which could adversely affect biological resources. While increased mining activity would include methods with relatively small environmental footprints, hard rock and continental brine mining activities could directly alter the character of sensitive habitats that may support special-status species or serve as a wildlife corridor. Impacts could include reduction in habitat, loss of special-status species, water contamination, and conflict with a habitat conservation plan or natural community conservation plan.

The EIA includes Mitigation Measures 4-1 and 4-2, 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 4-1 and 4-2 is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measures 4-1 and 4-2 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 EIA does not attempt to address project-specific details of mitigation, the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource is inherently uncertain.

Impacts may be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval at a later stage. But at this stage, the Board lacks details on individual projects that may be proposed and associated required mitigation. Consequently, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the Proposed Amendments 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 EIA found that the reasonably foreseeable actions associated with implementation of the Proposed Amendments could result in potentially significant short-term construction-related impacts and long-term operational impacts on cultural resources. The reasonably foreseeable compliance responses to the Proposed Amendments include increased production and use of low-carbon fuels and feedstocks such as low-carbon hydrogen, renewable natural gas, and other low-carbon fuels, plus associated infrastructure; updating and electrifying on-site equipment and other efficiency improvements including process changes; increased deployment of thermal energy storage and battery storage, and manufacturing of storage systems and associated increases in mining and exports; the construction of new or expansion of existing biorefining and co-processing operations; additional combustion of biomass and biomass-derived fuels at certain facilities; the decrease in oil and gas extraction, refining, and distribution; reduced fuel use; increased recycling,

refurbishment or disposal of batteries and phased-out equipment; increased use of low-carbon products and expansion and potential new development of associated facility operations; the construction and operation of new manufacturing facilities to support zero-emission technologies; and the construction and operation of new power plants, solar fields, wind turbines, and other electricity generation facilities and electricity transmission and distribution infrastructure to accommodate increased electrical demand associated with the deployment of zero-emission technologies. New or expanded manufacturing facilities, production facilities, recycling facilities, power plants, other electricity generation facilities, and infrastructure, as well as increased hard rock mining at existing mining locations would likely occur in areas of compatible zoning (e.g., industrial). Solar fields, wind turbines, and new mining (brine and hard rock) could be sited in areas that support cultural or paleontological resources of significance. Regardless, there is a possibility that these activities may occur in or adjacent to a region consisting of known significant prehistoric and/or historic-era cultural resources. Therefore, it is possible that ground disturbance would damage previously unknown/undocumented cultural resources. As such, it is foreseeable that known and/or undocumented cultural or paleontological resources could be unearthed or otherwise discovered during ground-disturbing and construction activities. Unique archaeological or historical resources might include stone tools, tool-making debris, stone milling tools, shell or bone items, and fire-affected rock or soil darkened by cultural activities. Historic materials might include metal, glass, or ceramic artifacts. Human remains could also be present outside of dedicated cemeteries. Finally, historic structures could be removed or damaged if present within or adjacent to a proposed construction site. Operation of facilities or infrastructure associated with the compliance responses would not require ground disturbance in addition to that performed during construction and modification because operation activities would occur within the footprint of the constructed or modified facility. Expanded crop production and mining activities to facilitate the production of low-carbon fuels and support on- and off-site renewable resources and battery storage systems may also occur as a result of the compliance responses. It would be expected that these activities would be carried out in areas of compatible zoning if they only involve modification or expansion of existing operations. However, new agricultural and mining activities could be introduced in areas currently undeveloped. Most operational activities would not have the potential to physically affect archaeological, historical, or paleontological resources. The presence of new structures or infrastructure may, however, change the visual setting of the surrounding area, which could adversely affect historic resources and districts with an important visual component. For example, although it is unlikely such a facility would be sited in a historic district, a new structure or infrastructure may not be consistent with the visual character of a historic district.

The EIA includes Mitigation Measure 5-1, 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 5-1 is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measure 5-1 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 EIA does

not attempt to address project-specific details of mitigation, the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource is inherently uncertain.

Impacts may be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval at a later stage. But at this stage, the Board lacks details on individual projects that may be proposed and associated required mitigation. Consequently, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the Proposed Amendments 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 Soil Resources

Finding and Explanation

The Final EIA found that the reasonably foreseeable actions associated with implementation of the Proposed Amendments 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 to the Proposed Amendments include increased production and use of low-carbon fuels and feedstocks such as low-carbon hydrogen, renewable natural gas, and other low-carbon fuels, plus associated infrastructure; updating and electrifying on-site equipment and other efficiency improvements including process changes; increased deployment of thermal energy storage and battery storage, and manufacturing of storage systems and associated increases in mining and exports; the construction of new or expansion of existing biorefining and co-processing operations; additional combustion of biomass and biomass-derived fuels at certain facilities; the decrease in oil and gas extraction, refining, and distribution; reduced fuel use; increased recycling, refurbishment or disposal of batteries and phased-out equipment; increased use of low-carbon products and expansion and potential new development of associated facility operations; the construction and operation of new manufacturing facilities to support zero-emission technologies; and the construction and operation of new power plants, solar fields, wind turbines, and other electricity generation facilities and electricity transmission and distribution infrastructure to accommodate increased electrical demand associated with the deployment of zero-emission technologies. Although it is reasonably foreseeable that construction and operational activities could occur, there is uncertainty as to the exact location of any new facilities or modification of existing facilities. Construction activities could require disturbance of undeveloped areas, such as clearing of vegetation, earth movement and grading, trenching for electricity transmission and distribution lines and pipelines, erection of new buildings, and paving of parking lots, delivery areas, and roadways. Additional disturbance could result from the increased mineral ore extraction activities which would provide raw materials to these manufacturing facilities and energy projects. These activities would have the potential to result in adverse physical effects related to geology and soils, including rupture of a known earthquake fault, strong seismic ground shaking, liquefaction, landslides, and erosion.

The EIA includes Mitigation Measure 7-1, 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 Measure 7-1 is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measure 7-1 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 EIA does not attempt to address project-specific details of mitigation, the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource is inherently uncertain.

Impacts may be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval at a later stage. But at this stage, the Board lacks details on individual projects that may be proposed and associated required mitigation. Consequently, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the Proposed Amendments 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 EIA found that the reasonably foreseeable actions associated with implementation of the Proposed Amendments could result in potentially significant short-term construction-related impacts on hazards and hazardous material resources. The reasonably foreseeable compliance responses to the Proposed Amendments include increased production and use of low-carbon fuels and feedstocks such as low-carbon hydrogen, renewable natural gas, and other low-carbon fuels, plus associated infrastructure; updating and electrifying on-site equipment and other efficiency improvements including process changes; increased deployment of thermal energy storage and battery storage, and manufacturing of storage systems and associated increases in mining and exports; the construction of new or expansion of existing biorefining and co-processing operations; additional combustion of biomass and biomass-derived fuels at certain facilities; the decrease in oil and gas extraction, refining, and distribution; reduced fuel use; increased recycling, refurbishment or disposal of batteries and phased-out equipment; increased use of low-carbon products and expansion and potential new development of associated facility operations; the construction and operation of new manufacturing facilities to support zero-emission technologies; and the construction and operation of new power plants, solar fields, wind turbines, and other electricity generation facilities and electricity transmission and distribution infrastructure to accommodate increased electrical demand associated with the deployment of zero-emission technologies. Construction activities associated with the Proposed Amendments may require the transport, use, and disposal of hazardous materials. Construction activities generally use heavy-duty equipment requiring periodic refueling and lubricating fluids. Large pieces of construction equipment (e.g., backhoes, graders) are typically fueled and maintained at the construction site as they are not designed for use on public roadways. Thus, such maintenance uses a service vehicle that mobilizes to the location of the construction equipment. It is during the transfer of fuel that the potential for an accidental release is most likely. Although precautions would be taken to ensure that any spilled fuel is properly contained and disposed of, and such spills are typically minor and

localized to the Immediate area of the fueling (or maintenance), the potential remains for a significant release of hazardous materials into the environment. There could be an increase in use of facilities that manufacture, recycle, and refurbish batteries due to increased demand. Hazardous materials are used during and created by operations of such facilities. However, these activities would be more likely to occur indoors in a contained area and with proper equipment, limiting the potential effects of spills involving the use of hazardous materials. Risk of outdoor release of hazardous materials would be highest during the movement of raw goods to manufacturing facilities or the export of finished goods containing hazardous materials following the manufacturing process. The transport, use, and disposal of hazardous materials would be required to comply with all applicable federal, State, and local laws that would reduce the potential for accidents and require certain actions should a spill or release occur; however, the potential remains for the release of hazardous materials into the environment. Implementation of the Proposed Amendments could result in an increase in demand for lithium graphite, cobalt, nickel, copper, manganese, chromium, zinc, platinum, and aluminum mining. Lithium is corrosive and can cause respiratory issues when inhaled as dust leading to fluid build up in the lungs and contact with eyes can cause blindness. Cobalt can sometimes contain radioactive uranium and mines using sulfuric acid to process cobalt ore may be subjected to dangerous vapors harmful to miners. Exposure to nickel can cause cancer, cardiovascular and kidney disease, lung fibrosis, and other health problems. Exposure to copper dust can irritate the eyes, nose, and mouth, as well as cause dizziness, nausea, headaches, and gastrointestinal distress. Extraction of manganese can be harmful to the lungs, liver, kidneys and central nervous system. Mining of chromium can also result in harmful effects to the eyes, skin, blood, and respiratory system. Inhalation of zinc can cause chills, fever, excessive sweating, headaches, chest tightness, and cough. Exposure to platinum and aluminum dust can cause pulmonary and respiratory illness. These minerals are typically harvested through the hard rock mining process, which can be hazardous to workers through the release of harmful constituents in addition to desired materials, such as asbestos, radioactive gases, arsenic, and mercury. Moreover, the refinement of these compounds may expose workers to harmful chemicals. Additionally, lithium can be absorbed into the body by inhalation of its aerosol and by ingestion and is corrosive to the eyes, the skin, and the respiratory tract. Lithium reacts violently with strong oxidants, acids, and many compounds (hydrocarbons, halogens, halons, concrete, sand and asbestos) causing a fire and explosion hazard. Lithium also reacts with water, forming highly flammable hydrogen gas and corrosive fumes of lithium hydroxide. Lithium hydroxide represents a potentially substantial environmental hazard, particularly to water organisms.

Lithium metal batteries contain potentially toxic metals, such as copper and nickel, and organic chemicals, like toxic and flammable electrolytes (Zeng et al. 2015). Improper management of lithium-ion batteries could pose an environmental hazard and be of concern to public safety. There have been some cases with consumer products containing lithium-ion batteries catching fire, as well as instances of large-scale battery installations igniting. Once ignited, the resulting fires can be especially difficult to extinguish as temperatures can rapidly increase to up to 500 degrees Celsius (932 degrees Fahrenheit) as a result of interactions between a battery's cathodes and anodes, and water is an ineffective extinguisher (Battery University 2022). The likelihood to overheat or ignite is increased if the batteries are poorly packaged, damaged or exposed to a fire or a heat source. However, when packaged and handled properly, lithium-ion batteries pose no environmental hazard (79 Fed. Reg. 46011, 46032). For comparison, ICEs do sometimes result in fires and other hazards; therefore, switching to battery power would not likely result in increased fire risk. Large scale lithium-ion

battery installations are also prone to risks of ignition. The potential for ignition can be avoided through various safety protocols. Fire risk assessments for large scale lithium-ion batteries are typically conducted and include measures such as cover handling, storage, use and charging, where appropriate, with consideration of the requirements of the Dangerous Substances and Explosive Atmospheres Regulation (DSEAR) recognizing the potential risk to people from energy-releasing events such as fires, explosions, and thermal runaway. Lithium-ion batteries are also at less risk of ignition in dry and cool conditions.

The EIA includes Mitigation Measures 9-1 and 9-2, 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 9-1 and 9-2 are within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measures 9-1 and 9-2 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 EIA does not attempt to address project-specific details of mitigation, the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource is inherently uncertain.

Impacts may be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval at a later stage. But at this stage, the Board lacks details on individual projects that may be proposed and associated required mitigation. Consequently, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the Proposed Amendments 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 EIA found that the reasonably foreseeable actions associated with implementation of the Proposed Amendments could result in potentially significant short-term construction-related impacts and long-term operational impacts on hydrology and water quality resources. The reasonably foreseeable compliance responses to the Proposed Amendments include increased production and use of low-carbon fuels and feedstocks such as low-carbon hydrogen, renewable natural gas, and other low-carbon fuels, plus associated infrastructure; updating and electrifying on-site equipment and other efficiency improvements including process changes; increased deployment of thermal energy storage and battery storage, and manufacturing of storage systems and associated increases in mining and exports; the construction of new or expansion of existing biorefining and co-processing operations; additional combustion of biomass and biomass-derived fuels at certain facilities; the decrease in oil and gas extraction, refining, and distribution; reduced fuel use; increased recycling, refurbishment or disposal of batteries and phased-out equipment; increased use of low-carbon products and expansion and potential new development of associated facility

operations; the construction and operation of new manufacturing facilities to support zero-emission technologies; and the construction and operation of new power plants, solar fields, wind turbines, and other electricity generation facilities and electricity transmission and distribution infrastructure to accommodate increased electrical demand associated with the deployment of zero-emission technologies. The Proposed Amendments could require the construction of manufacturing facilities, production facilities, recycling facilities, power plants, solar fields, wind turbines, other electricity generation facilities, and infrastructure, as well as increased brine and hard rock mining. Construction activities associated with these facilities and new infrastructure as well as increased ground disturbing activities may require soil disturbing activities, such as clearing of vegetation, earth movement and grading, trenching for utility lines, erection of new buildings, and paving of parking lots, delivery areas, and roadways. Specific construction projects would be required to comply with applicable erosion, water quality standards, and waste discharge requirements (e.g., NPDES, Stormwater Pollution Prevention Plan). Although precautions would be taken to limit the amount of ground disturbing activities, the potential remains for a substantial increase in activities that affect erosion, water quality standards, and waste discharge. Implementation of the Proposed Amendments would result in increased demand for lithium-ion and NiMH batteries, which would accelerate the market for mined resources, lithium, cobalt, and nickel for example. Mining of hard rock would require the use of conventional mining practices including the creation of underground mines and open pits, which would result in the removal of organic material (e.g., bedrock, vegetation). Additionally, lithium can be collected from continental brines found in various basins. Salty groundwater is pumped into lagoons where it undergoes evaporation producing salts containing lithium compounds. This process could result in overdrafting of groundwater as well as groundwater contamination from metals such as antimony and arsenic. Mineral extraction and mining activities within the U.S. would be required to comply with the provisions of the Clean Water Act and the natural resource protection and land reclamation requirements of the appropriate State and federal land managers. However, the metals necessary for battery technology are commonly obtained from areas outside of the U.S., where State and U.S. laws and regulation are not enforced. Thus, water quality impacts related to mining could occur because of implementation of the reasonably foreseeable compliance responses associated with the Proposed Amendments. Additionally, new facilities constructed as a result of implementation of the Proposed Amendments could have long-term effects on hydrologic conditions and characteristics. Depending on the location of these facilities, the physical alterations caused by these facilities could produce long-term effects to runoff patterns and natural drainage, impede or reroute natural flood patterns. As such, operation of new facilities could have long-term effects related to the permanent introduction of new surfaces that could alter the existing drainage pattern of a project site or area. These impacts would be potentially significant.

The EIA includes Mitigation Measures 10-1 and 10-2, 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 10-1 and 10-2 are within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measures 10-1 and 10-2 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 EIA does not attempt to address project-specific details of mitigation, the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource is inherently uncertain.

Impacts may be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval at a later stage. But at this stage, the Board lacks details on individual projects that may be proposed and associated required mitigation. Consequently, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the Proposed Amendments 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 EIA found that the reasonably foreseeable actions associated with implementation of the Proposed Amendments could result in potentially significant short-term construction-related impacts and long-term operational impacts on land use and planning. The reasonably foreseeable compliance responses to the Proposed Amendments include increased production and use of low-carbon fuels and feedstocks such as low-carbon hydrogen, renewable natural gas, and other low-carbon fuels, plus associated infrastructure; updating and electrifying on-site equipment and other efficiency improvements including process changes; increased deployment of thermal energy storage and battery storage, and manufacturing of storage systems and associated increases in mining and exports; the construction of new or expansion of existing biorefining and co-processing operations; additional combustion of biomass and biomass-derived fuels at certain facilities; the decrease in oil and gas extraction, refining, and distribution; reduced fuel use; increased recycling, refurbishment or disposal of batteries and phased-out equipment; increased use of low-carbon products and expansion and potential new development of associated facility operations; the construction and operation of new manufacturing facilities to support zero-emission technologies; and the construction and operation of new power plants, solar fields, wind turbines, and other electricity generation facilities and electricity transmission and distribution infrastructure to accommodate increased electrical demand associated with the deployment of zero-emission technologies. Short-term construction-related effects on land use and planning associated with implementation of the Proposed Amendments may not be consistent with existing and planned land uses. Construction and operation of new manufacturing, disposal, and recycling facilities may require the conversion of non-industrial land uses to industrial land uses.

The EIA includes Mitigation Measure 11-1, 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 Measure 11-1 is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measure 11-1 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 EIA does not attempt to address project-specific details of mitigation, the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource is inherently uncertain.

Impacts may be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval at a later stage. But at this stage, the Board lacks details on individual projects that may be proposed and associated required mitigation. Consequently, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the Proposed Amendments 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 EIA found that the reasonably foreseeable actions associated with implementation of the Proposed Amendments could result in potentially significant short-term construction-related impacts and long-term operational impacts on noise resources. The reasonably foreseeable compliance responses to the Proposed Amendments include increased production and use of low-carbon fuels and feedstocks such as low-carbon hydrogen, renewable natural gas, and other low-carbon fuels, plus associated infrastructure; updating and electrifying on-site equipment and other efficiency improvements including process changes; increased deployment of thermal energy storage and battery storage, and manufacturing of storage systems and associated increases in mining and exports; the construction of new or expansion of existing biorefining and co-processing operations; additional combustion of biomass and biomass-derived fuels at certain facilities; the decrease in oil and gas extraction, refining, and distribution; reduced fuel use; increased recycling, refurbishment or disposal of batteries and phased-out equipment; increased use of low-carbon products and expansion and potential new development of associated facility operations; the construction and operation of new manufacturing facilities to support zero-emission technologies; and the construction and operation of new power plants, solar fields, wind turbines, and other electricity generation facilities and electricity transmission and distribution infrastructure to accommodate increased electrical demand associated with the deployment of zero-emission technologies. Based on these compliance responses, on-site construction could result in hourly average noise levels of 87 dBA equivalent level measurements (L_{eq}) at 50 feet and maximum noise levels of 90 dBA maximum sound level (L_{max}) at 50 feet from the simultaneous operation of heavy-duty equipment and blasting activities, if deemed necessary. Based on these and general attenuation rates, exterior noise levels at noise-sensitive receptors located within thousands of feet from project sites could exceed typical standards (e.g., 50/60 dBA L_{eq}/L_{max} during the daytime hours and 40/50 dBA L_{eq}/L_{max} during the nighttime hours). Additionally, construction activities may result in varying degrees of temporary ground borne noise and vibration, depending on the specific construction equipment used and activities involved. Ground borne noise and vibration levels caused by various types of construction equipment and activities (e.g., bulldozers, blasting) range from 58 – 109 vibration decibels (VdB) and from 0.003 – 0.089 inch per second (in/sec) peak particle velocity (PPV) at 25 feet. Based on the compliance responses associated with

the Proposed Amendments it is expected that the primary sources of ground borne vibration and noise would include bulldozers and trucks. According to the Federal Transit Administration (FTA), levels associated with the use of a large bulldozer and trucks are 0.089 and 0.076 in/sec PPV (87 and 86 VdB) at 25 feet, respectively. With respect to the prevention of structural damage, construction-related activities would not exceed recommended levels (e.g., 0.2 in/sec PPV). However, based on FTA's recommended procedure for applying a propagation adjustment to these reference levels, bulldozing and truck activities could exceed recommended levels with respect to the prevention of human disturbance (e.g., 80 VdB) within 275 feet. Operational-related activities associated with mining for materials used in the compliance responses could produce substantial stationary sources of noise. Mechanical equipment (e.g., dozers) required to excavate bedrock and vegetation would generate noise that could be considered adverse to sensitive receptors. While it is not likely that there would be sensitive receptors near existing mines, new mines introduced in previously undisturbed areas may generate operational noise exceeding local thresholds resulting in exposure of receptors to high volumes of noise. Other sources of noise associated with implementation of the Proposed Amendments could include operation of manufacturing plants and biorefining facilities. Manufacturing activity could include on-site noise sources, including fuel-delivery and other hauling-related activities (e.g., truck unloading), fuel-handling and processing activities (e.g., conveyor system, wheeled loader, dozer), and mechanical equipment (e.g., boiler, turbine, fans, pumps). Depending on the proximity to existing noise-sensitive receptors, stationary source noise levels could exceed applicable noise standards and result in a substantial increase in ambient noise levels. Lastly, additional electrical infrastructure may introduce new sources of noise. Transformers, which are needed to change the voltage of an input voltage to different output voltage, either increasing or decreasing voltages. Typically, transformers generate noise of between 60 to 80 dB; however, the noise level can vary depending on the transformers size. These levels of noise could cumulatively combine with other existing and future sources of noise resulting in a long-term noise impact.

The EIA includes Mitigation Measures 13-1 and 13-2, 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 13-1 and 13-2 is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measures 13-1 and 13-2 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 EIA does not attempt to address project-specific details of mitigation, the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource is inherently uncertain.

Impacts may be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval at a later stage. But at this stage, the Board lacks details on individual projects that may be proposed and associated required mitigation. Consequently, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the Proposed Amendments 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

Finding and Explanation

The Final EIA found that the reasonably foreseeable actions associated with implementation of the Proposed Amendments 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 to the Proposed Amendments include increased production and use of low-carbon fuels and feedstocks such as low-carbon hydrogen, renewable natural gas, and other low-carbon fuels, plus associated infrastructure; updating and electrifying on-site equipment and other efficiency improvements including process changes; increased deployment of thermal energy storage and battery storage, and manufacturing of storage systems and associated increases in mining and exports; the construction of new or expansion of existing biorefining and co-processing operations; additional combustion of biomass and biomass-derived fuels at certain facilities; the decrease in oil and gas extraction, refining, and distribution; reduced fuel use; increased recycling, refurbishment or disposal of batteries and phased-out equipment; increased use of low-carbon products and expansion and potential new development of associated facility operations; the construction and operation of new manufacturing facilities to support zero-emission technologies; and the construction and operation of new power plants, solar fields, wind turbines, and other electricity generation facilities and electricity transmission and distribution infrastructure to accommodate increased electrical demand associated with the deployment of zero-emission technologies. Although detailed information about potential specific construction activities is not currently available, it would be anticipated to result in short-term construction traffic (primarily motorized) from worker commute- and material delivery-related trips. Construction would result in some increase in localized VMT; however, this level would not be substantial and would be short-term in nature. Depending on the amount of trip generation and the location of new facilities, implementation could conflict with applicable programs, plans, ordinances, or policies (e.g., performance standards, congestion management); and/or result in hazardous design features and emergency access issues from road closures, detours, and obstruction of emergency vehicle movement, especially due to project-generated heavy-duty truck trips. Implementation of the Proposed Amendments could require the operation of new infrastructure to distribute alternate fuels (such as electricity and hydrogen) and in the operation of new and expanded facilities. Additionally, increased demand for lithium-ion storage batteries could result in an increase in lithium, graphite, cobalt, nickel, copper, manganese, chromium, zinc, platinum, and aluminum mining. Many activities, such as lithium-ion and NiMH battery manufacturing, recycling, and refurbishing, would take place at existing facilities; however, long-term operations related activities associated with deliveries and distribution of goods (e.g., low-carbon fuels) could result in the addition of new trips, which could increase regional VMT to a potentially significant level. Increased manufacturing of low-carbon fuels and RNG would introduce new trucks trips to regions that support these facilities as pipelines would likely not be available to transport low-carbon and RNG to end points wherein these fuels would be combusted.

The EIA includes Mitigation Measures 17-1 and 17-2, 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 17-1 and 17-2 are within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measures 17-1 and 17-2 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 EIA does not attempt to address project-specific details of mitigation, the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource is inherently uncertain.

Impacts may be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval at a later stage. But at this stage, the Board lacks details on individual projects that may be proposed and associated required mitigation. Consequently, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the Proposed Amendments would be potentially significant and unavoidable. This impact is overridden by the project's benefits as set forth in the statement of overriding considerations.

Tribal Cultural Resources

Finding and Explanation

The Final EIA found that the reasonably foreseeable actions associated with implementation of the CCS Protocol could result in potentially significant long-term operational impacts on tribal cultural resources. The reasonably foreseeable compliance responses to the Proposed Amendments include increased production and use of low-carbon fuels and feedstocks such as low-carbon hydrogen, renewable natural gas, and other low-carbon fuels, plus associated infrastructure; updating and electrifying on-site equipment and other efficiency improvements including process changes; increased deployment of thermal energy storage and battery storage, and manufacturing of storage systems and associated increases in mining and exports; the construction of new or expansion of existing biorefining and co-processing operations; additional combustion of biomass and biomass-derived fuels at certain facilities; the decrease in oil and gas extraction, refining, and distribution; reduced fuel use; increased recycling, refurbishment or disposal of batteries and phased-out equipment; increased use of low-carbon products and expansion and potential new development of associated facility operations; the construction and operation of new manufacturing facilities to support zero-emission technologies; and the construction and operation of new power plants, solar fields, wind turbines, and other electricity generation facilities and electricity transmission and distribution infrastructure to accommodate increased electrical demand associated with the deployment of zero-emission technologies. The Proposed Amendments could result in construction of manufacturing facilities, production facilities, recycling facilities, power plants, solar fields, wind turbines, other electricity generation facilities, and infrastructure, as well as increased mining, which would require ground disturbance. Solar fields, wind turbines, and new mining (brine and hard rock) could be sited in areas that support valuable tribal cultural resources. For this reason, there is a possibility that these activities may occur in or adjacent to a region consisting of known significant tribal cultural resources. As such, it is foreseeable that known or undocumented tribal cultural resources could be unearthed or otherwise

discovered during ground-disturbing and construction activities. Additionally, presence of new facilities and infrastructure may change the visual setting of the surrounding area, which could adversely affect tribal cultural resources, as determined by a California Native American Tribe.

The EIA includes Mitigation Measure 18-1, 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 18-1 is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measure 18-1 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 EIA does not attempt to address project-specific details of mitigation, the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource is inherently uncertain.

Impacts may be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval at a later stage. But at this stage, the Board lacks details on individual projects that may be proposed and associated required mitigation. Consequently, the Board takes a conservative approach in its post-mitigation significance conclusion and finds the impacts to this resource associated with the CCS Protocol 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 EIA found that the reasonably foreseeable actions associated with implementation of the Proposed Amendments could result in potentially significant long-term operational impacts on utilities and service systems resources. The reasonably foreseeable compliance responses to the Proposed Amendments include increased production and use of low-carbon fuels and feedstocks such as low-carbon hydrogen, renewable natural gas, and other low-carbon fuels, plus associated infrastructure; updating and electrifying on-site equipment and other efficiency improvements including process changes; increased deployment of thermal energy storage and battery storage, and manufacturing of storage systems and associated increases in mining and exports; the construction of new or expansion of existing biorefining and co-processing operations; additional combustion of biomass and biomass-derived fuels at certain facilities; the decrease in oil and gas extraction, refining, and distribution; reduced fuel use; increased recycling, refurbishment or disposal of batteries and phased-out equipment; increased use of low-carbon products and expansion and potential new development of associated facility operations; the construction and operation of new manufacturing facilities to support zero-emission technologies; and the construction and operation of new power plants, solar fields, wind turbines, and other electricity generation facilities and electricity transmission and distribution infrastructure to accommodate increased electrical demand associated with the deployment of zero-emission technologies. The

Proposed Amendments could result in new demand for water, wastewater, electricity, and gas services for new or modified facilities. Generally, facilities would be sited in areas with existing utility infrastructure—or areas where existing utility infrastructure is easily assessable. Nevertheless, there exists the potential that existing electrical infrastructure (e.g., transmission and distribution lines) will not be sufficient to meet the needs of expanded or new facilities requiring the construction of additional electrical infrastructure. Additionally, new pipelines would be required to facilitate the distribution of low-carbon fuels and RNG as a result of the Proposed Amendments. New or modified utility installation, connections, and expansion would be subject to the requirements of the applicable utility providers.

The EIA includes Mitigation Measure 19-1, 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 Measure 19-1 is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measure 19-1 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 EIA does not attempt to address project-specific details of mitigation, the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource is inherently uncertain.

Impacts may be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval at a later stage. But at this stage, the Board lacks details on individual projects that may be proposed and associated required mitigation. Consequently, 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 Proposed Amendments would be potentially significant and unavoidable. This impact is overridden by the project's benefits as set forth in the statement of overriding considerations.

Wildfire

Finding and Explanation

The Final EIA found that the reasonably foreseeable actions associated with implementation of the Proposed Amendments could result in potentially significant impacts on wildfire resources. The reasonably foreseeable compliance responses to the Proposed Amendments include increased production and use of low-carbon fuels and feedstocks such as low-carbon hydrogen, renewable natural gas, and other low-carbon fuels, plus associated infrastructure; updating and electrifying on-site equipment and other efficiency improvements including process changes; increased deployment of thermal energy storage and battery storage, and manufacturing of storage systems and associated increases in mining and exports; the construction of new or expansion of existing biorefining and co-processing operations; additional combustion of biomass and biomass-derived fuels at certain facilities; the decrease in oil and gas extraction, refining, and distribution; reduced fuel use; increased recycling, refurbishment or disposal of batteries and phased-out equipment; increased use of low-carbon products and expansion and potential new development of associated facility

operations; the construction and operation of new manufacturing facilities to support zero-emission technologies; and the construction and operation of new power plants, solar fields, wind turbines, and other electricity generation facilities and electricity transmission and distribution infrastructure to accommodate increased electrical demand associated with the deployment of zero-emission technologies. Facilities and associated infrastructure, such as facilities for the use of low-carbon fuels, would be constructed and operated within response areas for various jurisdictions and would be managed in the same manner as existing infrastructure. New or expanded manufacturing facilities, production facilities, recycling facilities, power plants, other electricity generation facilities, and infrastructure, as well as increased hard rock mining at existing mining locations, would likely occur in areas of compatible zoning (e.g., industrial). Solar fields, wind turbines, and new mining (brine and hard rock) could be sited in areas of high vulnerability to wildfire. Likewise, the increase in use at battery or fuel cell manufacturing, refurbishing, and recycling facilities would occur at existing facilities that are already under an assigned jurisdiction for fire safety. Overhead powerlines associated with new infrastructure, including those lines built to support increased energy demand to accommodate increased reliance on the electrical grid, could increase the risk of wildfire ignition; however, new safety initiatives, development standards, and regulatory oversight for electric utilities have been implemented in response to numerous devastating wildfires in California in recent years. These efforts aim to reduce the risk of wildfire ignition associated with such facilities and include implementation of wildfire mitigation plans, collaboration between utilities and CAL FIRE, and retention by CPUC of independent evaluators that can assess the safety of electrical infrastructure. Additionally, new facilities would be subject to the applicable chapters of the California Fire Code and any additional local provisions identified in local fire safety codes. These factors—adherence to local plans, policies, codes, and ordinances; adherence to the California Fire Code and the provisions of wildfire prevention plans; and oversight by CPUC—would substantially reduce the risk of wildfire ignitions caused by infrastructure development.

Nevertheless, given the State's recent history of wildfire and the uncertainty of the adequacy of existing electrical infrastructure, there exists the potential for significant wildfire risk from implementation of the Proposed Amendments.

The EIA includes Mitigation Measure 20-1, 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 20-1 is within the responsibility and jurisdiction of other public agencies, and that the requirements and practices in Mitigation Measure 20-1 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 EIA does not attempt to address project-specific details of mitigation, the degree of mitigation that may ultimately be implemented to reduce potentially significant impacts to this resource is inherently uncertain.

Impacts may be reduced to a less-than-significant level by land use and/or permitting agency conditions of approval at a later stage. But at this stage, the Board lacks details on individual projects that may be proposed and associated required mitigation. Consequently, 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 Proposed Amendments 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 EIA takes a conservative approach and concluded the Proposed Amendments could result in a cumulatively considerable contribution to significant cumulative 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 and planning, noise, transportation, tribal cultural resources, utilities and service systems, and wildfire. While suggested mitigation is provided within the respective resource areas of the Final EIA analyses that could address the contribution of the Proposed Amendments 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, and because CARB lacks general land use or permitting authority, 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 Proposed Amendments to existing significant cumulative 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 and planning, noise, transportation, tribal cultural resources, utilities and service systems, and wildfire to be potentially significant and unavoidable.

Findings on Alternatives to the Project

In addition to the No-Project Alternative, the EIA considered a reasonable range of potentially feasible alternatives that could potentially reduce or eliminate the significant adverse environmental impacts associated with the Proposed Amendments, while accomplishing most of the 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 Alternative 3 is the environmentally superior alternative as between the project alternatives—although the Proposed Amendments remain environmentally superior still to Alternative 3 when considering their ambitious GHG and air quality emissions reductions. Based upon a full evaluation of the alternatives, and the entirety of the record, the Board finds that adoption and implementation of the Proposed Amendments is the most desirable, feasible, and appropriate action for achieving the objectives of the project, and the Board rejects the other alternatives as either less desirable or infeasible based on consideration of the relevant factors identified in the EIA and briefly described below:

Alternative 1: No Project Alternative

Alternative 1 in the EIA describes a reasonably foreseeable scenario if CARB did not approve the Proposed Amendments. Under the No-Project Alternative, the current Cap-and-Invest Program would continue in its current state. Other CARB programs intended to reduce GHG emissions would also continue in accordance with their statutory authorities and adopted regulations, including the Low Carbon Fuel Standard (LCFS) and various mobile source-focused GHG, criteria pollutant, and air toxics reduction regulatory programs. However, the further refinements and stringency increases in the Proposed Amendments would not be implemented.

Implementation of Alternative 1 would result in somewhat reduced intensity of the compliance responses for the Proposed Amendments, set forth in Chapter 2.0 of the Final EIA. However, the similar compliance responses (which were analyzed in the 2018 Cap-and-Trade EA) would remain, as they are part of existing conditions. In other words, the core existing Cap-and-Invest Program (and associated significant impacts) would be present even if CARB does not adopt the Proposed Amendments. Therefore, while this alternative could reduce the severity of the significant environmental impacts, it would not be expected to avoid any of the existing significant environmental impacts already identified for the Cap-and-Invest Program. Furthermore, Alternative 1 would forgo the increased air quality and climate change related benefits provided by the Proposed Amendments.

The Board finds that the No-Project Alternative would fail to meet many of the project objectives described in Chapter 2 of the Final EIA. Alternative 1 would not effectively meet Project Objective 2, maintain and continue reductions in GHG emissions, because it would not be designed to address the emissions reductions needed to meet the SB 32 2030 target of at least 40% below 1990 levels. Alternative 1 would also not meet Project Objective 3, meet long-term climate objectives (including those established by AB 1279 and required by AB 1207), because it would not support the necessary and ambitious climate action needed to meet the state's long-term climate targets (especially those beyond 2030). Alternative 1 would also not meet the Project Objectives 4 through 10 as it would not make the changes necessary to accomplish those objectives. That includes needed revisions to allowance removals for offset usage, allowance allocation, market rules, and imported electricity provisions to support affordability, cost-effectiveness GHG reductions, minimize emissions leakage, ensure market integrity, ensure supply of compliance offsets and appropriate Program coverage including Program design changes required by AB 1207. For these reasons, the Board rejects this alternative.

Alternative 2: Facility-Specific Requirements

Under Alternative 2 the Cap-and-Invest Program as it exists today would be modified to place select facilities under facility-specific emission reduction requirements. Specifically, a subset of covered entities (for example, stationary sources in disadvantaged communities (DAC)), would be required to achieve onsite emissions reductions from a historical baseline level to 40% below that level by 2030 and 85% reduction through 2045, with potential interim targets. There would be no trading allowed for this subset of covered entities and this subset of covered entities would not be allowed to use compliance offset credits. In addition, free allowance allocation would not be provided to these facilities. While some flexibility would remain for each entity to decide how best to reduce GHG emissions, Alternative 2 would eliminate trading for over one-third of covered entities and would force emission reductions to be achieved by this subset of facilities on a facility-by-facility basis at a consistent rate over

potential interim compliance periods. A facility-specific cap program design would require CARB to identify the specific facilities that would be covered by the program, conduct an appropriate analysis to support a specific cap for each facility, and consider whether the reduction requirements established to implement the declining cap for the facility would be cost-effective. A change in the size of the compliance market due to trade restriction also has potential adverse effects on price transparency and allowance price volatility.

The types of impacts that would occur under Alternative 2 are similar to those described in Chapter 4.0 of the Final EIA, because the reasonably foreseeable compliance responses that could be implemented by covered entities under the existing Cap-and-Invest Program and the Proposed Amendments could also be implemented to achieve facility-specific GHG reduction targets. However, the compliance responses could occur at a different rate and likely at a higher cost. There would be less (or no) environmental impacts related to offset projects, because the opportunity to purchase offset credits as a mechanism for meeting the cap would be limited. Thus, potential impacts resulting from the implementation of offset projects would be reduced. While very unlikely to occur, as described in Chapter 4.0 of the Final EIA, CARB is unable to conclude with absolute certainty that localized emissions increases would not occur under the Proposed Amendments. This alternative could help reduce or avoid the very unlikely, but potential, localized emissions impacts near regulated facilities that are within the subset of facilities that may not engage in the market-based trading approach to compliance under the Proposed Amendments, especially if some facilities shift production to other facilities or out-of-state. Alternative 2 may result in some in-state facilities choosing to decrease output. The environmental impacts of decreased output would contribute to those products and corresponding environmental impacts occurring at facilities outside of the subset with facility-specific requirements, which could be less efficient and/or outside of California. Depending on the available options for minimizing emissions leakage, this type of emissions leakage could result in higher total GHG emissions and greater total environmental impacts.

The Board finds Alternative 2 would fail to meet many of the project objectives described in Chapter 2 of the Final EIA. Alternative 2 could potentially meet Objective 2 (maintain and continue reductions in GHG emissions) by requiring facility-by-facility reductions, however, it is not consistent with Objective 1 (continue the objectives of the Cap-and-Invest Program). This approach of facility-level mandates is substantially different than the overall objective of the Cap-and-Invest Program, consistent with the mandates of AB 32, to incentivize the marketplace to reduce GHG emissions with price signals and an overall, aggregate declining cap. Because it does not take advantage of market mechanisms, the approach is also likely to be less effective in achieving certain AB 32, AB 398 and AB 1207 objectives, such as cost-effectiveness, affordability, cost-containment and minimizing leakage (Objectives 4, 8, and 9). Because Alternative 2 would add significant complexity to the Program it would also not be consistent with the objective of streamlining the Program (Objective 10). In addition, removing the trade component would make the Regulation inconsistent with legislation regarding offset credits and facilitation of linkage with other WCI markets (Objective 1). Moreover, having far fewer entities participating in trading in the Program may impact market liquidity and allowance price volatility (Objective 5). For these reasons, the Board rejects this alternative.

Alternative 3: Update Allowance Budgets to 40% below 1990 levels in 2030 through reductions in Cost Containment

Alternative 3 is a less stringent alternative that would be largely similar to the Proposed Amendments, but the Cap-and-Invest Program budgets would be amended to remove the minimum number of allowances required to meet the SB 32 target of 40% below 1990 levels. Recent updates in the GHG Emission Inventory require updates to the existing Program allowance budgets to align with the 2030 GHG target, and in this alternative these allowance reductions would be taken from the Program's cost containment mechanisms: the allowance price containment reserve and price ceiling account. This approach would effectively maintain the current proportion of the California state-owned allowances available for allocations and auctions through 2030. The number of allowances available for auction and allocation would remain relatively stable despite the adjustments of the overall allowance budgets. This alternative may decrease the adoption of emissions-reducing technologies, delaying or preventing some GHG emissions reductions from occurring when compared to the Proposed Amendments and long-term could impact the cost-containment capability of the Program. This would most likely result in failing to achieve the GHG reductions necessary to meet the 2045 climate targets established by AB 1279.

Alternative 3 would also be similar to the Proposed Amendments, in terms of compliance responses and potential environmental impacts. This alternative may avoid some environmental impacts identified in the Final EIA, because it would adopt an approach that is less stringent than the Proposed Amendments. However, the less stringent allowance budgets under this alternative would be expected to result in lower market prices for allowances than under the Proposed Amendments, which may be insufficient to support achievement of the State's long-term GHG emission reduction targets. Furthermore, under this alternative, the proposed adjustments to allowance budgets would be addressed by removal of allowances in the Allowance Price Containment Reserve (APCR) and price ceiling account, and so entities would be unlikely to experience an immediate impact in the available allowances despite the adjustment. This could delay or slow construction activity and process changes directed at reducing GHG emissions from regulated facilities, which could avoid or reduce construction- and operation-related impacts from such new or modified facilities. Due to the higher GHG emissions target and removals from the APCR, this alternative is expected to achieve fewer GHG emissions reductions and reduce GHG emissions at a slower pace than the Proposed Amendments. This alternative may help reduce or avoid some of the identified significant effects of the Proposed Amendments on the environment, as it would lessen the degree of the compliance responses to some extent. However, given that this alternative ultimately involves similar compliance responses as the Proposed Amendments (at a somewhat reduced intensity), it remains unclear to what extent this alternative would avoid or substantially reduce significant effects of the Proposed Amendments on the environment.

The Board finds Alternative 3 would fail to meet many of the project objectives described in Chapter 2 of the Final EIA. Under Alternative 3, the existing Cap-and-Invest Program would continue, and therefore it would meet some of the project objectives. However, the annual allowances budgets in this alternative would not support the long-term price signal that is required to encourage capital investments for new GHG reductions technologies (Objective 2). This alternative also would not support California's ability to meet the State's 2045 reduction target and long-term climate objectives (Objective 3). Because the adjustments of allowance budgets in this alternative would be achieved through removal of allowances in the

APCR and price ceiling account, this alternative may also compromise the cost containment capability of the Program (Objective 4). For these reasons, the Board rejects this alternative.

Alternatives Considered but Rejected

The Final EIA also includes an additional alternative that was considered but rejected from meeting the criteria for undergoing a full alternatives analysis under CEQA. CEQA Guidelines Section 15126.6(c) includes three factors that may be used to eliminate alternatives from detailed consideration in an EIR: “i. failure to meet most of the basic project objectives; ii. Infeasibility, or iii. Inability to avoid significant environmental impact.” As this alternative did not meet these factors, this alternative was not analyzed in detail in the Final EIA. The alternative considered but rejected is: a scenario removing allowances from annual budgets that support a 55% GHG emissions reduction target for 2030. For a more detailed discussion of the alternative considered but rejected, please see the Final EIA (as incorporated by reference).

STATEMENT OF OVERRIDING CONSIDERATIONS

CARB expects that many of the significant adverse impacts identified in the Final EIA will be avoided or mitigated; however, because 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 Proposed Amendments, other benefits of this regulatory action are determined to be overriding considerations that warrant approval of the proposed regulations and outweigh and override its unavoidable significant impacts. These benefits include:

1. Reducing greenhouse gas emissions, thereby benefitting the environment and current and future generations;
2. Benefitting statewide health through the reduction of co-pollutants by complementing and supporting California's existing efforts to reduce criteria and toxic air pollutants;
3. Providing a program that complements other Scoping Plan measures, cleaner vehicle incentives, low-carbon fuels, renewable electricity, and energy efficiency;
4. Providing a cap that will decline to levels in 2030 and 2045 designed to ensure that emissions decline over time and, in conjunction with other climate programs identified in the Scoping Plan, providing the highest certainty that California achieves the SB 32 2030 target and the AB 1279 2045 target through the removal of over 1 billion allowances;
5. Establishing a price ceiling pursuant to AB 398 and a mechanism to maintain the environmental integrity of the Program in the unlikely event the price ceiling is accessed;
6. Continuing to provide a durable framework that has the potential to provide further GHG reductions beyond the 2020 and 2030 targets;
7. Achieving emission reductions in a cost-effective manner by affording covered entities flexibility to seek out and implement the most cost-effective options to reduce emissions;

8. Providing a program that minimizes emissions leakage and invests in clean and efficient in-state production;
9. Providing a program that supports affordability by protecting California consumers and utility ratepayers;
10. Providing a price signal needed to drive long-term investment in cleaner fuels and more efficient buildings and technologies;
11. Helping to mitigate the economic consequences of continued reliance on fossil fuels;
12. Ensuring emissions associated with the California Independent System Operator's Markets are appropriately accounted for;
13. Accounting for compliance offset usage by retiring allowances corresponding to the number of offset credits used for compliance;
14. Strengthening market rules to safeguard against market manipulation;
15. Helping to incentivize additional emissions reductions in non-covered sectors through the improved implementation of the compliance offset program;
16. Helping to incentivize further greenhouse gas reduction and mitigation efforts by providing a program that other jurisdictions will continue to use as a model for their own greenhouse gas reduction and emissions trading programs;
17. Demonstrating that well-designed greenhouse gas reduction programs are feasible and appropriate; and
18. Providing monies for California Climate Investments, that support additional environmental benefits.

LOCATION AND CUSTODIAN OF THE RECORD

The documents and other materials that constitute the record of proceedings on which these findings are based are at 1001 I Street Sacramento, CA 95814. The custodian for these documents is the California Air Resources Board Legal Office, inquiries can be submitted to CaliforniaEnvironmentalQualityAct@arb.ca.gov.