



memorandum

date February 23, 2024

to Governor's Office of Planning and Research

cc Edgar Khalatian, Mayer Brown

from Alan Sako, ESA

subject Fourth & Central Project, Supplemental Informational Memorandum to Support the Application for Environmental Leadership Development Project

I. Introduction

This memorandum has been prepared to provide further documentation for the Fourth & Central Project in support of the Application for an Environmental Leadership Development Project (ELDP), submitted to the Governor's Office of Planning and Research in September 2023. As demonstrated in the Project's Application for ELDP certification, this memorandum provides an affirmative determination that the Project achieves no net additional emissions of greenhouse gases (GHG) without needing to purchase GHG offset credits; clarifies a reference to Section 4.0 in the Project's Greenhouse Gas Emissions Methodology and Documentation for the Fourth & Central Project (Exhibit 7 to the ELDP Application); and clarifies the inclusion of standard statutory language discussing GHG emission credit sources and prioritization strategies.

II. Project Achieves No Net Additional Emissions of Greenhouse Gases as Required for ELDP Certification

As analyzed in detail in the Project's ELDP Application's Greenhouse Gas Emissions Methodology and Documentation, the Project would not result in net additional GHG emissions. This determination of the Project's no net additional GHG emissions does not require GHG emission offsets to achieve net zero relative to the baseline annual GHG emissions, for the estimated Project lifetime. As previously discussed with OPR staff on November 8, 2023, the Project's ELDP Application and technical documentation in support thereof demonstrate that with implementation of GHG reduction characteristics, features and measure, the project would not result in an increase in GHG emissions. In other words, the Project is consistent with the ELDP statute's requirement to achieve no net additional emissions of GHGs. Thus, the Project satisfies the statutory ELDP requirement for no net additional GHG emissions.

III. Typographical Explanation for the Reference to Section 4.0

Page 48 of Exhibit 7 of the Project’s ELDP Application (Greenhouse Gas Emissions Methodology and Documentation) includes a list of examples of the types of Project-based or community-based program measures that could be implemented to reduce GHG emissions should such measures be required. The text also included an inadvertent reference to necessary offsets that were to be presented in Section 4.0, which could be interpreted as implying that offsets would be required. However, because the Project does not require GHG emission offsets to achieve no net additional GHG emissions relative to the baseline GHG emissions, additional mitigation is not identified. Section 4 (Project Comparisons) and Subsection 4.1 (Comparison of the Project to Baseline Condition) are appropriately titled. As shown in Table 17 on page 51, the Project achieves no net additional GHG emissions without requiring the purchase of GHG offset credits. This is evidenced by the column in Table 17 titled “Project GHG Reductions from Offsets,” which indicates the number “0.”

IV. Project GHG Emissions Offsets

The Project’s ELDP Application’s Greenhouse Gas Emissions Methodology and Documentation includes standard language in Section 3.3.2 (Project GHG Emission Offsets) to describe the potential sources and prioritization of various GHG emission offset sources that may be available to projects to achieve no net additional GHG in the order of priority listed in the ELDP statute, should such reductions be necessary. Similar language describing potential GHG emission offset sources and prioritization has been included in other ELDP Applications, including the Certified 469 Stevenson Street Project ELDP Application (see pages 12 through 14 and Attachment F, SB7 Greenhouse Gas Emissions Technical Analysis Section 4.0, Measures for Offsetting Net Increase GHG Emissions). For clarification, references in the Project’s ELDP Application regarding implementation of Project-based or community-based reduction programs or measures, such as acquiring carbon credits, to achieve no net increase in GHG emissions would only be necessary if the Project could not demonstrate net zero GHG emissions. However, as explained above and shown in Table 17 on page 51 of the Greenhouse Gas Emissions Methodology and Documentation for the Fourth & Central Project, the Project does not require GHG emission offsets to achieve no net additional GHG emissions relative to the baseline GHG emissions.