

Appendix G

**Greenhouse Gas Offset
Letter of Commitment**



September 20, 2019

Mr. Steve Zelinka
Staff Air Pollution Specialist
Greenhouse Gas and Toxics Emission Inventory Branch
1001 I Street
Sacramento, California 95814

Subject: California Northstate University Medical Center Project - Greenhouse Gas Emissions Offset Commitment

Dear Mr. Zelinka:

I am writing to inform the California Air Resources Board (CARB) that California Northstate University (CNU) has submitted an Application for the California Northstate University Medical Center Project (Project) seeking certification of the Project as an Environmental Leadership Development Project (ELDP) pursuant to AB 900.

The Project has committed to meeting the requirements set forth in California Public Resources Code Section 21183(c), which requires that the Project demonstrate that it will not result in any net additional greenhouse gas (GHG) emissions. CNU has committed to no net increase in construction- and operations-related GHG emissions over the Project's 30-year lifetime.

CNU shall enter into one or more contracts to purchase carbon credits available through any one of the following verifiable entities/registries: CARB, Climate Action Reserve, California Air Pollution Control Officers Association, the Sacramento Metropolitan Air Quality Management District, or any other equivalent or verifiable registry. Such carbon offsets will meet the requirements of the California Environmental Quality Act (CEQA) Guidelines Section 15126.4(c)(3), and meet the following criteria:

- ▶ Real—They represent reductions actually achieved (not based on maximum permit levels) as defined in the California Health and Safety Code Section 38562(d)(1).
- ▶ Additional/surplus—They are not already planned or required by regulation or policy (i.e., not double-counted).
- ▶ Quantifiable—They are readily accounted for through process information and other reliable data.
- ▶ Enforceable—They are acquired through legally binding commitments/agreements.
- ▶ Validated—They are verified through the accurate means by a reliable third party.
- ▶ Permanent—They will remain as GHG reductions in perpetuity.

To the extent offsets are used to mitigate GHG emissions, prior to issuance of any Temporary Certificate of Occupancy for any building in the Project, CNU shall enter into one or more contracts to purchase carbon credits issued by a verifiable entity/registry, which contract, together with any previous contracts, shall evidence the purchase of carbon credits in an amount sufficient to offset the operational emissions attributable to each building constructed within the Project over the analysis horizon of 30 years. Prior to execution of the contract(s), the Applicant shall provide the lead agency (the City of Elk Grove) a calculation of the net additional operational GHG emissions according to the methodology followed in the *Draft Technical Report for the California Northstate University Medical Center Campus Greenhouse Gas Emissions Analysis under Assembly Bill 900* document. The Applicant shall agree to promptly submit copies of executed contracts for purchased carbon credits to CARB and the Governor's Office of Planning and Research (OPR). The commitments to enter into contracts to offset net additional GHG emissions will be

incorporated as a condition of Project approval under the Public Resources Code Section 21183(e), which is binding and enforceable by the lead agency.

CNU proposes to meet the requirement set forth in Public Resources Code Section 21183(c), which requires that the Project demonstrate that it will not result in net additional GHG emissions through the implementation of GHG-reducing Project design features and/or acquisition of voluntary carbon credits sufficient to offset all projected additional emissions in the following manner:

1. Prior to issuance of a Temporary Certificate of Occupancy for the Project, CNU shall commit to providing the lead agency, the City of Elk Grove, a calculation of the net additional GHG emissions resulting from the construction of the Project, to be calculated in accordance with the methodology agreed upon by CARB in connection with the AB 900 certification of the Project. The Applicant shall provide courtesy copies of the calculations to CARB and OPR promptly following transmittal of the calculations to the City of Elk Grove. The Applicant shall enter into one or more contracts for the implementation of GHG-reducing Project design features and/or purchase voluntary carbon credits from a verifiable entity/registry in an amount sufficient to offset the construction-generated emissions. The Applicant shall provide courtesy copies of any such contracts to CARB and OPR promptly following the execution of such contracts.
2. Prior to the issuance of any Temporary Certificate of Occupancy for the Project, CNU shall commit to entering into one or more contracts to purchase carbon credits from a verifiable entity/registry, which contract, together with any previous contracts for the purchase of carbon credits, shall evidence the purchase of carbon credits in an amount sufficient to offset the operational GHG emissions attributable to the Project, and shall be calculated on a net present value basis for a 30-year lifetime.

Prior to execution of the contract(s), CNU and its consultant shall calculate the operational emissions in accordance with the methodology described in the *Draft Technical Report for the California Northstate University Medical Center Campus Greenhouse Gas Emissions Analysis under Assembly Bill 900* document (see Appendix F).

The City will issue a Temporary Certificate of Occupancy upon receipt of the following: (1) a fully executed copy of the carbon offset purchase agreement(s); (2) a final CARB Determination that the Project will not result in any net additional GHG emissions; and (3) a copy of OPR's Certification Letter for the Project.

3. The following design features were accounted for in the AB 900 Application for the purposes of reducing GHG emissions and are, therefore, included as commitments in this letter.
 - a. The design of new buildings shall incorporate features to be capable of achieving Gold certification under the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) version 4 rating system for Healthcare. Refer to the AB 900 Application for specific sustainability features to enable the Project to achieve LEED Gold certification.
 - b. The Project will install the equivalent of 3,382 kilowatts of solar photovoltaic panels on the Project site.
 - c. The Project will purchase 100 percent renewable electricity for the remaining electricity demand through the Sacramento Municipal Utility District's Greenergy program.
 - d. The Project will install 84 Level 2 electric vehicle chargers capable of serving at least 168 parking spaces.

- e. The Project will develop a Transportation Demand Management Plan to reduce vehicle miles traveled by 15 percent through design features such as bike facilities, on-site amenities, transit, parking facilities, and others.

The improvement measure commitments outlined in this letter will be incorporated into the Project's Environmental Impact Report (EIR) as Project design features or mitigation measures. The Applicant will agree to comply with all Project design features and mitigation measures contained in the EIR through the Project's Mitigation Monitoring and Reporting Program, which represents a binding and enforceable agreement with the lead agency, the City of Elk Grove.

Sincerely,

A handwritten signature in blue ink, appearing to read "Alvin Cheung". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Alvin Cheung, PharmD, MHSA

President & CEO

California Northstate University, LLC

cc: Sarah Kirchgessner, City of Elk Grove