



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
LEGISLATIVE COMMITTEE MEETING

COMMITTEE MEMBERS

ERIN GARNER – CHAIRPERSON
ROBERTA COOPER
DAN DUNNIGAN
MARK ROSS
BRAD WAGENKNECHT

LIZ KNISS – VICE CHAIRPERSON
CHRIS DALY
CAROL KLATT
TIM SMITH

MONDAY
MAY 22, 2006
9:30 A.M.

FOURTH FLOOR CONFERENCE ROOM
DISTRICT OFFICES

AGENDA

1. CALL TO ORDER - ROLL CALL

2. PUBLIC COMMENT PERIOD

(Public Comment on Non-Agenda Items Pursuant to Government Code § 54954.3) Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at District headquarters, 939 Ellis Street, San Francisco, CA, at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee's subject matter jurisdiction. Speakers will be limited to five (5) minutes each.

3. APPROVAL OF MINUTES OF JANUARY 30, 2006

4. CONSIDERATION OF NEW BILLS AND CORRESPONDING AGENCY POSITION

J. Broadbent/5052

jbroadbent@baaqmd.gov

a) AB 32 (Nunez and Pavley) – California Global Warming Solutions Act of 2006

b) AB 2264 (Pavley) – Establishes fuel economy standard for new state vehicle purchases

c) AB 2276 (Pavley) – Establishes ARB Regulatory program for ozone-producing indoor air cleaning devices

d) AB 2444 (Klehs) – Bay Area registration fee surcharge for congestion relief and environmental mitigation

e) AB 2600 (Lieu) – Extends HOV lane use by SULEVs/ILEVs (CNG vehicles)

f) AB 2791 (Ruskin) – Establishes California Clean Vehicle Discount Program

g) AB 3018 (Lieber) – Establishes indoor air pollution regulatory program administered by ARB

h) SB 1205 (Escutia) – Creates the California Children's Breathing Rights Act and changes air penalty law

i) SB 1601 (Lowenthal) – Requires BACT on emissions sources at ports for new or renegotiated leases

Staff will present recommended positions on these bills. Staff will also update the Committee on the status of the BAAQMD-sponsored AB 1870 (Lieber), and answer questions on bills included in the BAAQMD Bill Discussion List-May 2006

5. OVERVIEW OF STATE 2006-07 BUDGET

J. Broadbent/5052
jbroadbent@baaqmd.gov

Staff will provide an overview to the Committee on the State budget and any impact to the District.

6. COMMITTEE MEMBERS' COMMENTS

Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may; ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2)

7. TIME AND PLACE OF NEXT MEETING AT THE CALL OF THE CHAIR

8. ADJOURNMENT

**CONTACT CLERK OF THE BOARDS - 939 ELLIS STREET
SAN FRANCISCO, CA 94109**

**(415) 749-4965
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov**

- To submit written comments on an agenda item in advance of the meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- To request special accommodations for those persons with disabilities (notification to the Clerk's Office should be given at least three working days prior to the date of the meeting so that arrangements can be made accordingly).

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Garner and Members
of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 3, 2006

Re: Legislative Committee Draft Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Legislative Committee meeting of January 30, 2006.

DISCUSSION

Attached for your review and approval are the draft minutes of the January 30, 2006, Legislative Committee meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

**Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 771-6000**

DRAFT MINUTES

Summary of Board of Directors
Legislative Committee Meeting
9:30 a.m., Monday, January 30, 2006

1. **Call to Order - Roll Call:** Director Erin Garner called the meeting to order at 9:35 a.m.

Present: Erin Garner, Acting Chairperson, Chris Daly, Dan Dunnigan, Mark Ross, Tim Smith.

Absent: Roberta Cooper, Mark DeSaulnier, Liz Kniss, Brad Wagenknecht.

Also Present: Scott Haggerty, Julia Miller, Pamela Torliatt (10:10 a.m.), Gayle B. Uilkema.

2. **Public Comment Period:** There were none.

3. **Approval of Minutes of October 31, 2005:** Director Daly moved approval of the minutes; seconded by Director Smith; carried unanimously without objection.

4. **Legislative Agenda for 2006:** *The Committee considered a proposed legislative agenda for 2006.*

Thomas Addison, Senior Advanced Projects Advisor, presented the report and stated that there are two general strategies for the District's 2006 legislative agenda: adding a smoking vehicle component to the smog check program and reducing goods movement emissions.

Smog Check Program

Mr. Addison stated that Assembly Member Lieber is interested in authoring another smog check bill this year and would like to have the Air District's support. There is information that, for some vehicles, particulate emissions may be more toxic than other emissions. Mr. Addison noted that the cost for the inspection stations would be minimal per inspection and that the number of failing vehicles would be small.

In response to a question from Director Daly, Mr. Addison stated that the Smoking Vehicle Program is a voluntary program and that this new component of the smog check program would be part of the state's program. The consensus of the Committee was to support the bill.

Goods Movement

Jack Broadbent, Executive Officer/APCO, presented information on goods movement emissions and noted that the projections for the Port of Oakland indicate an increase in emissions. Mr. Broadbent reported on the progress the South Coast AQMD has made in reducing emissions from ports.

Mr. Addison discussed the voluntary speed reduction program (slowing down to 12 knots) in the Los Angeles and Long Beach areas and stated that the speed limit for the Bay Area is 15 knots. Mr. Addison commented that there are significant emission reductions when ships reduce their speed to 12 knots.

The Committee discussed the following:

1. The fuel for the main engines is bunker crude and the auxiliary engines use cleaner burning fuel.
2. Lower speeds also cut particulate matter (PM) emissions.
3. Vessel speeds are set by United States Coast Guard regulations and this is one piece of the goods movement port emission reductions strategy.
4. The compliance rate in Southern California is about 90%.
5. Another piece of legislation on goods movement is a no net increase policy for the Port of Oakland.
6. Los Angeles and Long Beach have taken significant steps to reduce emissions, whereas the Port of Oakland has done much less than the southern California ports.
7. In November 2005, CARB released an analysis of air toxic risks from the Los Angeles and Long Beach ports.

Director Pamela Torliatt arrived at 10:10 a.m.

It was noted that there are other ports in the Bay Area, including those that may be associated with refineries. The consensus of the Committee was for the Air District to talk to the affected parties and indicate there is a problem with air quality and there are things that can be done to achieve emission reductions.

Director Uilkema recommended that the Air District proceed on the issue of reduced speed and that talks should start on the no-net increase issue. Director Uilkema requested that a report be provided to the Board on the no-net increase issue.

There was a discussion on the limit of \$10,000 liability fine and possibly increasing that amount.

Committee Action: The Committee provided direction to staff on the items discussed.

5. **Consideration of New Bills and Corresponding Agency Positions:** *Staff presented newly-introduced air quality bills for the Committee's deliberation.*

Mr. Addison discussed the following newly-introduced bills:

- AB 1870 (Lieber) – Requires the incorporation of a visible-smoke test in to the smog check program.
- AB 1901 (Horton) – Sets up a revolving loan program to retrofit trucks.
- SB 1205 (Escutia) – Increases the civil penalties for specified violations of air pollution laws, and establishes a new category of serious and chronic violations with penalty funds going to the California Air Resources Board and children’s health program.
- AB 1231 (Horton) – Requires air districts to submit specified reports to the California Air Resources Board.
- AB 1430 (Goldberg) – Deals with the calculation methodology for emission reduction credits.

Mr. Addison reported that the bills will be introduced on February 24, 2006.

Committee Action: The consensus of the Committee was to recommend that the Board of Directors adopt a legislative agenda for 2006.

6. **Committee Members’ Comments:** Mr. Broadbent stated that staff will brief the Committee on the state budget at its next meeting.
7. **Time and Place of Next Meeting:** At the Call of the Chair.
8. **Adjournment:** The meeting was adjourned at 10:52 a.m.

Mary Romaidis
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
 Memorandum

To: Chairperson Erin Garner and
 Members of the Legislative Committee

From: Jack P. Broadbent
 Executive Officer/APCO

Date: May 11, 2006

Re: Consideration of New Bills and Corresponding Agency Positions

RECOMMENDED ACTION:

Discuss bills of air quality significance and recommend that the Board adopt positions on them.

DISCUSSION

Staff are bringing to the Committee nine new bills and recommended positions for consideration. These are listed in the table below, and copies of the bills are also attached.

Additional bills of potential significance to the District are listed in the “BAAQMD Bill Discussion List—May 2006” which will be distributed at the Committee meeting. If time allows, staff will also briefly discuss some of these bills, as well as answer questions from the Committee about these other measures.

| Bill | Brief Description | Staff Recommendation |
|--------------------------|--|-----------------------------|
| AB 32 (Nunez and Pavley) | California Global Warming Solutions Act of 2006 | Support and seek amendments |
| AB 2264 (Pavley) | Establishes fuel economy standards for new state vehicle purchases | Support |
| AB 2276 (Pavley) | Establishes ARB regulatory program for ozone-producing indoor air cleaning devices | Support |
| AB 2444 (Klehs) | Bay Area registration fee surcharge for congestion relief and environmental regulation | Support |
| AB 2600 (Lieu) | Extends current HOV lane use by natural gas vehicles | Support |
| AB 2791(Ruskin) | Establishes California Clean Vehicle Discount Program | Support |
| AB 3018 (Lieber) | Establishes indoor air quality regulatory program administered by the ARB | Support |
| SB 1205 (Escutia) | Creates the California Children’s Breathing Rights Act and changes air penalty law | Oppose unless amended |
| SB 1601 (Lowenthal) | Requires BACT on emissions sources at ports for new or renegotiated leases | Support |

ANALYSIS

AB 32 is authored by Speaker Fabian Nunez (D-Los Angeles) and Fran Pavley (D-Agoura Hills). It is titled the California Global Warming Solutions Act of 2006, and is considered to be one of the most significant environmental measures this year. Essentially, it sets up a new program, primarily administered and developed by the Air Resources Board (ARB), to not only track current and future greenhouse gas emissions, but also to cut those emissions over time. Statewide greenhouse gas emissions would be required to be cut to 1990 levels by 2020. Enforceable limits on emissions would begin in 2012. ARB's regulations, among other things, would be required to:

“distribute the costs and benefits of the program, including emission allowances, in a manner that is equitable, maximizes the total benefit to the economy, does not disproportionately burden low and moderate-income households, provides compliance flexibility where appropriate, and ensures that entities that have voluntarily reduced their emissions receive appropriate consideration...”

Staff believe that supporting this measure would be consistent with District policies on greenhouse gas emissions. Staff do note that the bill as currently drafted would have the ARB collect inventory data from the stationary sources that are currently regulated by local air districts. We already collect inventory information from these sources for a host of other gases, and their volume of greenhouse gas emissions are largely set by district-imposed permit requirements. Thus staff recommend a “support and seek amendments” position. The amendments sought would have air districts assume responsibility for the emission tracking and inventory work from stationary sources in our jurisdiction.

AB 2264 is also authored by Assemblymember Pavley, and would increase the fuel economy of newly-purchased state fleet vehicles. Specifically, the Department of General Services, in consultation with the Energy Commission, would establish a minimum fuel economy standard for new vehicles purchased by the State starting in 2008. Emergency and public safety vehicles would be exempted. Staff believe that supporting this measure would also be consistent with District policies advocating reductions in greenhouse gas emissions, and are thus recommending a “support” position.

AB 2276, authored by Assemblymember Pavley, focuses on so-called ‘air purifiers’. These devices, sometimes marketed as indoor air cleaners, generate ozone--- a criteria air pollutant with significant health impacts. Ozone emissions from these machines can be quite high--- often leading to ozone concentrations after a few hours of use dramatically exceeding the current highest ambient levels seen in the Bay Area. Ironically, multiple academic and external studies have confirmed that these devices have essentially no utility at cleaning the air of mold, bacteria, pollen, and the other compounds that the devices claim to reduce. Currently these devices are unregulated at the State level, and Federal regulations have not eliminated their use. AB 2276 would have ARB develop regulations to cut ozone emissions from these devices and eliminate the sale of high-ozone emitting equipment. Staff recommends a “support” position.

AB 2444 is authored by Johan Klehs (D-San Leandro). The bill would apply to the 9-county San Francisco Bay Area. It authorizes each county's congestion management agency board to impose a \$5 surcharge on annual vehicle registrations, and to use the revenues for congestion mitigation. It would also authorize the air district Board, by a two-thirds vote, to impose a \$5 fee for environmental mitigation. Half of that fee would be used for projects to benefit air quality, and the other half would be used by the regional water quality control board for projects to benefit water quality. The air quality revenues would amount to over \$11 million annually, and could be used to supplement existing Transportation Fund for Clean Air and Moyer programs. 75% of the air quality revenues generated in a county would be spent within the county, and 25% could be

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spent on regional projects. Given the hundreds of tons of emissions that could be eliminated with these revenues, staff recommend a “support” position.

AB 2600 is authored by Ted Lieu (D-Torrance), and deals with use of High-Occupancy Vehicle (HOV) lanes. In 1999, California passed legislation supported by the District to allow certain vehicles to use the HOV lanes regardless of the number of passengers in them. In effect, this bill allows vehicles operating on compressed natural gas (CNG) that meet California’s Super Ultra Low Emission Vehicle (SULEV) standard to use the HOV lanes. The rationale is that these vehicles have significant air quality benefits and higher purchase prices. HOV access is a non-monetary incentive to encourage their purchase. In 2004, California passed legislation that allowed certain hybrid vehicles access to HOV lanes also. That bill also required that Caltrans study the issue of whether hybrid access to the lanes causes the lanes to become so congested that their travel time savings is lost. That analysis is on-going. While hybrid vehicles have enjoyed large sales volumes, CNG vehicle sales have been far fewer. AB 2600 would extend the sunset on HOV access for CNG vehicles, and thus continue to encourage their use. Staff recommend a “support” position.

AB 2791 is authored by Ira Ruskin (D-Redwood City), and also incentivizes the purchase of cleaner, less-polluting vehicles. It targets both smog-forming pollutants and greenhouse gas emissions. Essentially it would establish a system of one-time rebates and surcharges on new vehicles sold in California. The program would be self-financing, so the rebates would be balanced by the surcharges. The program would ensure that all types of cleaner cars and light trucks would be eligible for incentives, and that some vehicles within all categories (including SUVs, minivans, etc.) would be eligible for incentives. The district supported similar legislation in the early 1990’s that passed the Legislature but was vetoed by the Governor at the time. The need for such creative, market-based approaches to cutting emissions remains. Staff recommend a “support” position.

AB 3018 is authored by Sally Lieber (D-Mountain View). This bill is an effort to systematically improve indoor air quality. Essentially, it charges the ARB (in conjunction with others) to establish a program to prevent and control indoor air pollution. In addition to education, outreach, and establishment of guidelines, the program is required to limit emissions of air contaminants from sources that are a public health concern. A comprehensive, legislatively-mandated, peer-reviewed report (“Indoor Air Pollution in California”, July 2005) notes that concentrations of air toxics are often significantly greater indoors than outside. Indoor pollutants of concern include formaldehyde, a range of volatile organic compounds, fine particles and many other compounds. The District has supported similar legislation in the past, and staff recommends a “support” position on AB 3018.

SB 1601 is authored by Alan Lowenthal (D-Long Beach), and is an attempt to cut air pollution from California’s ports. The bill would require that when ports sign or renegotiate leases with their tenants (marine terminal operators), that Best Available Control Technology be mandated on the emissions sources at the ports. The effect of this bill over time would be to apply such technologies as shore-side power (also known as ‘cold ironing’), particle traps on off-road equipment moving cargo around the ports, and cleaner engine technologies. Particulate and oxides of nitrogen are the pollutants addressed by the bill, and affected sources are vessels, harbor craft, cargo handling equipment, heavy-duty trucks, and certain locomotives. BACT guidance to the ports would be made by the ARB. Currently the bill applies to ports located in regions not attaining the state PM_{2.5} standard; thus the Port of Oakland would be subject to this measure. Staff recommends a “support” position.

BUDGET CONSIDERATION/FINANCIAL IMPACT

No direct impact.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Thomas Addison
Reviewed by: Jean Roggenkamp

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Eric Garner and Members
of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 15, 2006

Re: Overview of State 2006-07 Budget

RECOMMENDED ACTION:

Receive and file.

DISCUSSION:

The staff will present an overview of the 2006/2007 State budget.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

Potential impacts will be discussed.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO