

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

APPROVED MINUTES

Summary of Board of Directors
Climate Protection Committee
9:30 a.m., Thursday, May 3, 2007

1. **Call to Order - Roll Call:** Chair Pamela Torliatt called the meeting to order at 9:34 a.m.

Present: Pamela Torliatt, Chair, Tom Bates, Chris Daly, John Gioia, Yorkio Kishimoto, Gayle B. Uilkema, Erin Garner (arrived at 9:44 a.m.).

Absent: Dan Dunnigan, Tim Smith.

Also Present: Board Chair Mark Ross, Scott Haggerty (arrived at 9:38 a.m.)

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

3. **Approval of Minutes of January 18, 2007:** Director Kishimoto moved approval of the minutes; seconded by Director Ross; carried unanimously without objection.

4. **Air Resources Board (ARB) Presentation on AB 32 Implementation:** *Mr. Chuck Shulock, from ARB provided an overview of AB 32: the "California Global Warming Solutions Act of 2006," implementation.*

Mr. Broadbent, Executive Officer/APCO stated that the presentation provided to the Committee on the status of implementation of AB 32.

Henry Hilken, Director of Planning, Rules & Research, noted that AB 32 is a huge bill that is a great challenge and opportunity for the Air District. Numerous meetings with ARB staff and the Air District have taken place to discuss how the two agencies could collaborate on this issue.

Director Haggerty arrived at 9:38 a.m.

Mr. Shulock, Head of the Office of Climate Change at (ARB), thanked the Committee for the invitation and emphasized the interaction, and noted that the Air District has demonstrated great leadership.

Mr. Shulock provided the Committee with the scope and the seriousness of climate change. The impacts include 75% loss in snow pack and 80% more "likely ozone" days.

Director Garner arrived at 9:44 a.m.

The goal of AB 32 included in the Governor's Executive Order, require that by 2020 the goal is to revert back to 1990 emission levels. The gap shows business as usual in 2020 and 1990 at about 174 million metric tons, which equates to about a 29% reduction. At times, this number has been recorded as 25%.

There was a significant amount of analysis done, to look at potential measures and figure out with aggressive implementation or reductions, what could be done by 2020. This is what needs to happen, not only in California, but in all of the industrialized countries in order to stabilize concentrations at levels that will avoid the most seriousness of the potential problem.

Mr. Shulock stated, it is clear that AB 32 from ARB's standpoint is that this is not just about California reducing its emissions, but it is about California showing leadership and providing a model. The Air District also fits in, directly providing the model for other jurisdictions. AB 32 has in many places language that says look outward, build upon best practices in other jurisdictions, etc. Having approached this we have had two perspectives one is achieving the reductions as called for in the bill and the other is doing this in a way that can be replicated and serve elsewhere.

Mr. Shulock further stated that, AB 32 creates a new process to show that there is a laundry list of possible places to look for reductions. Included were Waste Management, Forestry, and Vehicles and Fuels (due to the tailpipe standards) which is currently in litigation.

The implications of this are that reductions are needed across many sources and sectors, and that there is a need for a multi-agency effort, both at the State level and local levels, for both a mix of near-term and long-term approaches.

Mr. Shulock mentioned that the policy choices the Governor recently announced was a low fuel standard, this called for a 10% reduction in the carbon content of fuel by 2020. ARB is in the process of adopting this measure.

AB 32 Timeline of deliverables included ARB maintaining the statewide inventory greenhouse gas emissions in January 2007. This information was maintained by the Energy Commission for a number of years and actually prior to the passage of AB 32 in anticipation legislation, last years' budget transferred this responsibility to the ARB.

The first major deliverable was on June 30, 2007 ARB's Board will publish a list of Discrete Early Actions. By year January 2008, two things are needed; 1) adopt regulations that require mandatory reporting of greenhouse gas emissions. The reporting would be centralized at the State level, rather than running through the Districts, third party verification of the reporting. Workshops are being conducted; and 2) to adopt the 1990 baseline a formal number, which becomes the 2020 target.

The third deliverable in January 2009 shows the mix of measures and approaches that the ARB Board plans to pursue or others will pursue collectively, to get to the target. Plans to implement AB 32 would take place in January 2011.

An area of controversy already is how much emphasis to place on market base approaches as a mechanism or tool to achieve these reductions. One undercurrent throughout, is going to be the relative role of the different types of approaches and dimensions. Workshops began in April 2007 and with the final staff report anticipated to be submitted in October 2008.

ARB has identified 3 things that will become enforceable by 2010 which include DIY cans that are used to replenish auto air conditioners, landfill gas control (which has been identified as best practice for the level of control and low carbon fuels (which is big from a ton standpoint).

2 advisory committees were created prior to the statutory deadline; 1) Environmental Justice Advisory Committee. Their role is to advise “beyond the plan” and other pertinent matters; and 2) The Economic and Technology Advancement Advisory Committee, whose role is to advise ARB on research and development opportunities.

The Climate Action Team created subgroups called Smart Growth, which are a group of state agencies. The role of the subgroups is to ensure that all state agencies have a consistent policy and are speaking with one voice. Some of the agencies include the Energy Commission, CalTrans, ARB, the Office of Planning and Research and other state agencies that have major roles in interacting with local government.

The Market Advisory Committee was created by the Executive Order. The task of this Committee is to provide recommendations to ARB on a cap and trade program for incorporation into the overall mix of approaches. The Committee is a mix of both National and International experts on the Greenhouse Gas programs.

AB 32 gives ARB the authority and responsibility to adopt measures, but it also clearly states that ARB needs to work carefully with the Public Utilities Commission (PUC) and the CA Energy Commission (CEC). PUC and the CEC are jointly managing a process to develop recommendations that would apply to both investor utilities and municipal utilities. PUC is on phase 2 of the Carbon Cap proceeding with a joint effort by CEC.

ARB is looking at a way to develop a multi-state registry which would become a common platform across a number of states. Arizona, California, Washington, New Mexico and Oregon have joined into an agreement to collectively pursue some regional activities. The group will be working to try and define commonality across the individual states as they go forward.

Chairperson Torliatt and the committee members thanked Mr. Shulock for the presentation and expressed the Air Districts concerns with regard to the following:

- Enthusiasm in working closely with ARB on implementation and regulations pertaining to stationary sources;
- Stress to ARB that the Air District is interested in working very closely with them especially on any regulations that deal with stationary sources; since the Air District currently has the infrastructure in place, so that the wheel is not recreated;
- To utilize the infrastructure that is currently in place; so that there are not additional regulations added that the Air District currently enforce and monitor in the Bay Area;
- The Air District working closing with ARB to conduct the enforcement and monitoring;
- The reporting and concerned that the reporting is going directly to ARB and the Air District's voice will not heard;
- As 3rd party is chosen; would like to ensure that the Air District is included in creating this model;
- ARB to work with the Air District to put together the regulations where CEQA could be involved with greenhouse gas emission reductions and how we measure them;
- A need for more communication between the State, ARB, and the Air District;
- Great concern that monitoring and modifications on a system that is currently working well between the county and the regional agency; and
- Concern from a safety point of view, health point of view and from the potential that duplication by the state, of resources that are currently in place that ARB needs to pay attention to a highly volatile industry that the work that has been done thus far to establish a process which is working well and if this is not done, could in fact cause a great deal of difficulty and make both agencies lose enforcement capabilities.

Chairperson Torliatt requested that a copy of the approved minutes, comments and the report forwarded to Mr. Shulock at the Air Resources Board.

Committee Action: None. This report provided for information only.

5. **Opportunities for Greenhouse Gas (GHG) Reductions from Stationary Sources**

Committee Action: At the request of the Chair, Agenda Item #5 was deferred to the next meeting.

6. **Minimizing the Air District's Carbon Footprint:** *Staff provided a presentation on the Air District's effort to quantify, reduce, and offset greenhouse gas emissions associated with Air District operations.*

Mr. Broadbent introduced Ana Sandoval, Principal Environmental Planner, who provided an overview to the Committee on this item.

Ms. Sandoval requested that individuals should take on climate protection personally. In order to accomplish this, one must lead by example and be climate neutral.

The Air District is noted as a climate friendly business and currently has the following practices in use:

- Award-winning commuter benefit program;
- 9/80 and 10/40 work schedules offered;
- Certified Green Business (first and only one in City and County of San Francisco);
- Hybrid and CNG vehicles; and
- Support for telecommuting

The carbon footprint is calculated by:

- Electricity consumption;
- Natural gas consumption;
- Business air and ground travel;
- Board of Director travel; and
- Solid waste stream (in terms of solids)

Offset cost vary anywhere from \$10,000 to \$15,000, which do not include staff commute. The monies can be invested in energy efficiency, renewable energy, or in sequestration projects, which includes wind farms.

Next steps going forward include:

- Estimate 2006 emissions;
- Purchase offsets for 2006;
- Announce climate neutral status on June 1, 2007, which is the 2 year anniversary of the Air District's Climate Protection program;
- Identify and implement opportunities for improvement; and
- Monitor progress

Chairperson Torliatt suggested that the Air District reach out to Association Bay Area Government if they are not included in this project.

Director Ross requested that staff calculate the offset cost on mileage reimbursement of the Board Members, to determine what the cost would be if the members did not take that portion of their miles reimbursement.

Committee Action: None. This report provided for information only.

7. **Committee Members' Comments:** There were none.
8. **Time and Place of Next Meeting:** 9:30 a.m., Thursday, July 19, 2007 – 939 Ellis Street, San Francisco, CA 94109.
9. **Adjournment:** The meeting was adjourned at 11:10 a.m.

/s/ Vanessa Johnson
Vanessa Johnson
Acting Clerk of the Boards