

**Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 749-5000**

APPROVED MINUTES

Summary of Board of Directors
Legislative Committee Meeting
9:30 a.m., Monday, February 25, 2008

- 1. Call to Order - Roll Call:** Chair Brad Wagenknecht called the meeting to order at 9:32 a.m.

Present: Brad Wagenknecht, Chairperson; Scott Haggerty, Carol Klatt, Mark Ross, Michael Shimansky, Tim Smith.

Absent: Dan Dunnigan, Erin Garner, Janet Lockhart.

Also Present: Pamela Torliatt (9:35 a.m.).

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

- 3. Approval of Minutes of November 26, 2007:** Director Shimansky moved approval of the minutes; seconded by Director Klatt carried unanimously without objection.

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

Thomas Addison, Senior Advanced Projects Advisor, presented the report and stated that the legislative deadline to print new bills was Friday, February 22, 2008. Mr. Addison noted that the Air District would only request that the Committee take positions on two bills, although there were other significant bills to be aware of that are now in print.

Mr. Addison introduced the first bill authored by Senator Steinberg. Senate Bill SB 375 deals with land use. Mr. Addison stated that the Metropolitan Transportation Commission (MTC) currently supports this bill.

Mr. Addison provided a summary of SB 375. Mr. Addison stated this bill attempts to deal with land use, greenhouse gas emissions and how regions grow. He also stated that certain residential developments would be exempted from the CEQA process. This is the primary bill that is attempting to address climate change emissions from land use.

Mr. Addison stated that staff's recommendation to the Committee is support in concept. Mr. Addison also stated that Senator Steinberg would like the Air District's input. Mr. Addison responded to questions and concerns from the Committee.

Committee members expressed concern over the support in concept. Chairperson Wagenknecht stated that the bill is not clear.

Action: Director Shimansky moved to postpone taking a position on SB 375 until the next Legislative Committee meeting; seconded by Director Smith.

Mr. Addison discussed AB 2655 authored by Assembly Member DeSaulnier. AB 2655 is an intent bill that essentially says the Air Resources Board (ARB) should set up an indoor air quality program for homes, public buildings and schools. In addition, ARB should put into place emission standards for materials in those places that contribute to poor indoor quality.

Staff recommended a support in concept position.

Action: Director Shimansky moved a support in concept position on AB 2655; seconded by Director Smith; passed unanimously without objection.

Chairperson Wagenknecht asked that the Committee turn to the Bill Discussion List.

Mr. Addison noted one issue in the Legislature is of net metering. What this means is that residential electric customers who put solar panels on their roofs can sell back excess power. If panels generate more electricity than a resident uses in a year, can the excess be sold back or is it provided free to the utility company? There are a number of net metering bills that will allow individuals to be credited financially for the energy they generate in excess of what is consumed.

Mr. Addison stated that power plant siting is a hot topic, especially in Hayward, as Assembly Member Hayashi has a bill (AB 1909) that increases local say over additional power plants in the communities that already have plants. AB 2522 by Assembly Member Arambula would allow San Joaquin Air District to increase vehicle license fee by up to \$30 annually as the current fee is \$6 statewide. AB 2546 by Assembly Member De La Torre would require ARB to cut emissions from non-locomotive rail yard sources.

The Committee continued discussion on AB 2865 and SB 1548.

Mr. Addison continued with AB 2596 by Assembly Member Jones, allowing local governments that cut greenhouse gases 25% beyond ARB projections to sell credits in any ARB market-based system under AB 32. Mr. Broadbent stated that this will come under ARB's scoping plan. That plan will contain regulations that will define how they will set up a cap and trade system. Mr. Broadbent further stated that an alternative approach is the carbon fee.

Mr. Addison mentioned AB 2865 by Assembly Member De Leon that would increase the amount of ARB Moyer set aside for multi-district projects from 10% to 20%. Lastly, Senator Cox from Sacramento is authoring SB 1662 which allow emission reduction credit trading more geographically broadly, which would allow increases of emissions in the Bay Area in exchange for protections in the Sac Metro Region. Mr. Addison concluded his presentation.

Director Ross asked about a bill from Senator Florez. Mr. Addison responded that Mr. Florez has a spot bill dealing with air quality boards, SB 1548. Mr. Broadbent asked Mr. Addison if any of the spot bills on the AQMD boards will affect the Air District at all. Mr. Addison indicated that these bills could affect the Air District. Mr. Broadbent asked about SB 1731 by Senator Yee and whether this bill allows South Coast the extra \$1 for technology advancement, and Mr. Addison confirmed that it would. Mr. Broadbent further stated that the Air District consider tacking on to SB 1731 or other legislation language to establish this same type of fund in the Bay Area.

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

5. Update on Air District 2008 Legislative Agenda: *The Committee discussed potential legislative proposals for the District's legislative agenda for 2008.*

Mr. Broadbent introduced the item and stated that the first discussion is relative to the gasoline fee.

The Committee discussed potential legislative proposals for the legislative agenda for 2008. Mr. Addison provided information that Senator Perata would not be able to sponsor the bill at this time. Mr. Huffman has been very enthusiastic about a regional gasoline fee and has authored AB 2744. This bill addresses the existing statutory authority that MTC has which currently requires voter approval of any regional gasoline tax, and proposes to change MTC's gasoline fee. It currently includes cutting greenhouse gas emissions but not maintenance of the local street and road system.

Mr. Broadbent informed the Committee that the infrastructure bond approved by the voters 2006, created a \$1 billion fund for air quality projects. This fund is designed to be able to provide monies for diesel particulate traps and to clean up those emissions that are associated with Goods Movement, for example trucks, trains and ship emissions. CARB was given the authority to allocate the funds. The three factors for allocation are population, diesel particulate emissions and the attainment status. The Air District is anticipating receiving up to \$35 million over a 5 year period.

Committee Action: None, this report was provided for information.

6. Committee Members' Comments: There were none.

7. Time and Place of Next Meeting: *9:30 a.m., Monday, May 26, 2008, 939 Ellis Street, San Francisco, CA.*

8. **Adjournment:** The meeting was adjourned at 10:50 a.m.

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