



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
CLIMATE PROTECTION COMMITTEE
COMMITTEE MEMBERS

PAMELA TORLIATT- CHAIR
DAN DUNNIGAN
JOHN GIOIA
DAVID HUDSON
SHIRLEE ZANE

JENNIFER HOSTERMAN – VICE CHAIR
SUSAN GARNER
CAROLE GROOM
GAYLE B. UILKEMA

WEDNESDAY
MAY 19, 2010
9:30 A.M.

4th FLOOR CONFERENCE ROOM
939 ELLIS STREET
SAN FRANCISCO, CA 94109

TELECONFERENCE LOCATION:

575 Administration Drive, Room 100A, Santa Rosa, CA 95403

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 three (3) minutes each.

3. **APPROVAL OF MINUTES OF MARCH 3, 2010**

4. **STATUS REPORT ON THE IMPLEMENTATION OF GREENHOUSE GAS REGULATIONS FOR STATIONARY SOURCES**

J.Broadbent/5052

JBroadbent@baaqmd.gov

Staff will provide an update on recent activity related to AB32 implementation.

5. **CONSIDERATION OF GREENHOUSE GAS REDUCTION GRANT PROGRAM RECOMMENDED PROJECTS AND CONTINGENCIES**

D. Breen/5041

DBreen@baaqmd.gov

The Committee will consider recommending Board of Directors' approval of up to \$4.4 million for a Greenhouse Gas Reduction Grant Program and the authorization for the Executive Officer/APCO to execute Grant Agreements for the recommended projects and contingencies to expend this funding.

6. **CLIMATE PROTECTION GRANT PROGRAM UPDATE**

H.Hilken/4642

HHilken@baaqmd.gov

The Committee will receive an update on the status of the projects funded through the \$3 million Climate Protection Grant Program.

7. **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. (Government Code § 54954.2)

8. **TIME AND PLACE OF NEXT MEETING** – At the Call of the Chair

9. **ADJOURNMENT**

**CONTACT THE EXECUTIVE OFFICE - 939 ELLIS STREET
SAN FRANCISCO, CA 94109**

**(415) 749-5130
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 Executive Office should be given at least three working days prior to the date of the meeting so that arrangements can be made accordingly).
- Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the District's offices at 939 Ellis Street, San Francisco, CA 94109, at the time such writing is made available to all, or a majority of all, members of that body. Such writing(s) may also be posted on the District's website (www.baaqmd.gov) at that time.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109
(415) 771-6000

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF DISTRICT MEETINGS

MAY 2010

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i> - CANCELLED	Wednesday	19	9:45 a.m.	Board Room
Board of Directors Climate Protection Committee <i>(At the Call of the Chair)</i>	Wednesday	19	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(At the Call of the Chair)</i> - CANCELLED	Thursday	20	9:30 a.m.	4 th Floor Conf. Room
Joint Policy Committee	Friday	21	10:00 a.m.	MTC Auditorium 101 – 8 th Street Oakland, CA 94607
Board of Directors Executive Committee <i>(At the Call of the Chair)</i>	Monday	24	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	27	9:30 a.m.	4 th Floor Conf. Room

JUNE 2010

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	2	9:45 a.m.	City of San Jose Council Chambers 200 East Santa Clara St. San Jose, CA 95113
Advisory Council Regular Meeting	Wednesday	9	9:00 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	16	9:45 a.m.	Board Room
Board of Directors Budget Hearing <i>(At the Call of the Chair)</i>	Wednesday	16	Following Board Meeting	Board Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	24	9:30 a.m.	4 th Floor Conf. Room

JULY 2010

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	7	9:45 a.m.	Board Room
Advisory Council Regular Meeting	Wednesday	14	9:00 a.m.	Board Room
Joint Policy Committee	Friday	16	10:00 a.m.	MTC Auditorium 101 – 8 th Street Oakland, CA 94607
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	21	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	22	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Stationary Source Committee <i>(At the Call of the Chair)</i>	Friday	23	9:30 a.m.	Board Room

HL – 5/13/10 (4:46 p.m.)
P/Library/Forms/Calendar/Calendar/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Torliatt and Members
of the Climate Protection Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 11, 2010

Re: Climate Protection Committee Draft Meeting Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Climate Protection Committee meeting of March 3, 2010.

DISCUSSION

Attached for your review and approval are the draft minutes of the March 3, 2010 Climate Protection 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
Climate Protection Committee
4th Floor Conference Room
Wednesday, March 3, 2010, 9:30 a.m.

- Call to Order - Roll Call:** Chairperson Pamela Torliatt called the meeting to order at 9:30 a.m.
- Present:** Chairperson Pamela Torliatt, Vice Chairperson Jennifer Hosterman and Directors Susan Garner, John Gioia, Carole Groom, David Hudson, and Gayle B. Uilkema
- Absent:** Directors Dan Dunnigan and Shirlee Zane
- Public Comment Period:** None

Approval of Minutes of December 11, 2009

Board Action: Director Gioia made a motion to approve the minutes of December 11, 2009; seconded by Director Uilkema; carried unanimously without objection.

Transportation 2035 Climate Initiatives Grant Funding

Principal Environmental Planner, Abby Young, gave an update on the climate funding assigned in the Regional Transportation Plan (RTP) and said staff has worked with MTC on funding. The Transportation 2035 Plan contains \$400 million for climate funding in the RTP to cover public outreach, safe routes to schools programs, innovative grants and safe routes to transit programs. In the first round covers 2009-2011, MTC is allocating \$80 million.

Over the past several months, MTC has convened a couple of working groups to think through the structure and distribution of funding. A broad framework was presented, and as a result, \$36 million will be available to issue in competitive grants this year. MTC has continued to work with the District and JPC staff on a staff level basis to define details of the grant program, types of things funded and the structure of distribution of funds.

Ms. Young said a three-part competitive program will go to the Commission in early April; \$2 million for Safe Routes to Schools program in addition to \$15 million set-aside for Safe Routes to School through the broader funding program. The purpose is to push the envelope for innovation in established programs. She said \$3 million will be set aside for youth education grants which will be non-curriculum development and for education programs that target students and families to find alternatives to driving. And for the largest, the Innovative Grants Program, \$31 million will focus on a variety of transportation measures. MTC will issue one solicitation for the three separate programs, but each program will have their own evaluation and selection criteria and result in different funding mechanisms.

Ms. Young reviewed the objectives of the Innovative Climate Grants Program:

- Fund small number of high-impacted projects
- Focus on innovation
- Targeted program areas:
 - Parking management and pricing policies
 - Switch to cleaner, low-GHG vehicles
 - Transportation demand management strategies
 - Innovative strategies from Climate Action Plans
 - “Showcase Projects” that layer multiple strategies

In evaluating applications, staff will review the potential for reducing GHGs, the level of innovation, the potential for replication at large scale, and the strength of the proposal. There will be a two-part selection process to include a letter of interest from applicants, full proposal, and evaluation done by staff of 4 regional agencies.

Ms. Young said to date, the District has participated strongly in the collaborative process, participated in the higher level working group and more recently, worked at a more intense level with MTC staff to develop the structure and objectives for the grant program. Staff will continue to work with MTC and participate in the evaluation and selection process and in the longer term staff will participate in the evaluation of the actual funded projects and an aggregate of the overall program and she believes the program will reinforce and support existing District programs.

The three-part program is intended to draw from the success of the innovation grants given out as part of the Climate Protection Grant Program a couple of years ago. The program will complement many of the transportation control measures and some land use measures contained in the District’s Clean Air Plan and will push forward some of the larger Climate Action plans they have worked so hard with local governments to develop and implement.

She said next steps include MTC taking the item to their Programs and Allocations Committee in early April, anticipate issuing a call for projects on April 30th with a number of regional workshops in May, and letters of interest due in June, review and interviews of applicants will occur during the summer, and proposals will be due mid-summer, and MTC anticipates making the awards in September.

Ms. Roggenkamp added that because this is Congestion Management Air Quality (CMAQ) funding, it must focus on transportation-related aspects of reducing GHGs and criteria pollutants.

Committee Discussion/Comments:

Director Hudson questioned the reason for \$35 million identified in the staff report and \$36 million in the presentation. He discussed the possibility for funding a program in his region which has worked very well at reducing congestion at intersections through the use of buses. He noted that two cities currently spend about \$1 million a year and have reported very positive results.

Ms. Young noted the solicitation and more detail should be coming out for review very soon. She said there is \$36 million available in this program, but \$1 million is allocated for administrative costs.

Director Uilkema expressed concern with duplicating legislative efforts, stating that the Governor has a proposal about using transit money for highway improvements and de-funding transit. The substitute that is going to fund transit, which the District supports, is going to come from sales tax

revenues on diesel in the future. In the meantime, the District is spending a lot of money getting rid of diesel, yet support transit because it accomplishes clean air goals. She said particularly as it relates to diesel, it sounds logical in many ways to say revenues will be dedicated to transit but in the meantime, agencies are reducing diesel which will eliminate transit. She questioned whether to refer the issue to the Legislative Committee.

Chair Torliatt suggested review of the proposal by MTC and JPC. Director Groom reported that the San Mateo County Executive team went to Sacramento with elected officials on the proposal, and she noted it was also the whole flip-flop of the excise tax which is not dedicated to transportation versus the sales tax which is, and they were told that the Governor is pushing the proposal as the answer.

Ms. Roggenkamp agreed to talk to the Chair of the Legislative Committee.

Chair Torliatt questioned if staff would be recommending that the District spend some additional dollars on innovation programs for clean air programs. Ms. Roggenkamp said most likely, some projects could meet with a match, some will get funded through Caltrans and will need a match, and the District's TFCA dollars would be the match. Those going to MTC will be determined by them as to where matches come from, and the District is in conversations with MTC to see if some of the District's funding could help with matches. And, staff has not proposed to have another climate grant funding process at the District due to the budget.

Chair Torliatt confirmed that the match is about 11.5%.

Director Hudson referred to the VLF fee, and noted that at least two or three counties are joining in, and he questioned how much money from the fund would be prioritized toward the innovative program. Ms. Roggenkamp added that MTC has reached out to District staff to involve us, and in these discussions, they will also look at ways to blend or coordinate more closely other existing funding pots, as well.

Chair Torliatt asked for staff to return to the Committee after the first round of letters are seen, as the Committee may find something it wants to fund.

Committee Action: None; for information only.

Implementation of Greenhouse Gas Regulations for Stationary Sources

Senior Advanced Projects Advisor, Alex Ezersky, reported that the Board of Directors adopted a resolution and established the climate protection program in June 2005 which set the foundation for District programs, allowed development of a GHG inventory for stationary sources, reviewed opportunities to reduce GHGs from stationary sources and focused on feasibility and cost, and provided a ranking on categories and sources to achieve reductions.

Mr. Ezersky began integrating programs into existing programs for co-benefits and off-set a total of about 1,600 metric tons of GHGs. To address cost recovery, the District adopted a fee regulation for GHGs, provided extensive outreach and educational programs and implemented a District portal on the website which provides an avenue for agencies to post their best practices on line and share information. He noted the ConocoPhillips settlement provides for \$4 million for local improvements, and the District is also involved with State and regional collaborations.

Mr. Ezersky said in 2006, the Governor signed into law AB 32 and established the Scoping Plan which serves as a roadmap to implementation utilizing a combination of regulations, voluntary

actions and incentives. There are 72 GHG reduction measures underway or to be initiated by CARB in the 2007-2012 timeframe and there is a collaborative effort with state, regional and local entities. He noted local air districts identified implementation responsibility for 5 measures, but many others apply to stationary sources. The District efforts include planning, rule amendments, advisories, and may include enforcement actions.

A chart of the status of stationary source measures was presented outlining the various Scoping Plan measures or AB 32 action, their proposed adoption date, implementation responsibility and date, estimate of GHG reduction, and affected facilities. Directors questioned acronyms listed in the chart and requested District staff to include a legend or footnote identifying them.

Mr. Ezersky presented measures slated for adoption this year and said generally, there are very few for implementation by 2012. He noted that when the Scoping Plan was adopted, the CARB was directed to work via CAPCOA to work with local districts to achieve the 2020 goals.

At the State level, they are working on the cap and trade program and by far, this is the largest measure within AB 32, and it captures about 80% of the total GHG inventory. CARB is targeting taking cap and trade to their Board late 2010. Another measure is the mandatory reporting rule which requires larger facilities to quantify emissions and report to the State. He stated next year, a third party verifier will be required to verify emission reports. The third parties can be private individuals and District employees throughout the state that are also qualified and accredited. The State is currently working with CAPCOA to clarify 16 different conflict of interest issues in the regulation. Both cap and trade and mandatory reporting lead to the EPA tailoring rule. He noted that last year EPA did endangerment findings and it states that GHGs are pollutants and the Clean Air Act is the mechanism to regulate. The thresholds in the Act were very low, and tailoring is meant to come up with reasonable thresholds to impose Clean Air Act methodologies. The EPA believes it will double permit requirements and will subject larger facilities to Title V and PSD type of requirements which will have a big demand on the Permit Division.

He noted that staff is participating on the different work groups and the Engineering Division has commented on the EPA tailoring rule and continues to be engaged in this.

Committee Comments/Discussion:

Director Hudson said under the early actions, there is not anything about Port operations, and he thought electrification was a major project. Ms. Roggenkamp said a separate rule has been adopted by CARB for Ports and requiring shorepower at Ports. There are GHG benefits and criteria pollutant benefits from the rule, but it will take time to implement the rule. The timeframe for implementation goes into the future because it involves significant capital expenditures.

Director Gioia confirmed the District was collecting \$1.2 million per year in GHG fees. He questioned and confirmed with Mr. McKay that the fee is collected and used for the tracking of stationary source GHGs. It funds the cost of collecting and tracking data and efforts with CARB on development of rules.

Ms. Roggenkamp added that some of the rules might allow the District to charge fees to cover costs; however, this is unknown. She referred to the third party verifier conflict of interest issue, and said CARB believes that Air Districts may have a conflict of interest and should not be allowed to verify emission estimates for facilities because they regulate the facilities.

Director Garner referred to the presentation on the annual flare minimization plan, which she remembered to be very effective. She questioned and confirmed with Mr. McKay that additional

success was being pursued and an update would be reported at a future Stationary Source Committee meeting. Mr. Ezersky added that the State has identified it as a potential reduction measure and they are looking at the District and South Coast to serve as models because both air districts have been a leader in reducing emissions from flares.

Director Hosterman questioned the effect of the EPA tailoring rule if the EPA's authority to regulate will be removed by congressional action. Mr. Bateman agreed there is some tension and it is thought that regulating GHGs under the Clean Air Act will actually be more costly for industry and that the threat of it may encourage industry to encourage Congress to adopt a national program. If this happens, there will not be under the auspices of the Clean Air Act structure.

Director Hudson questioned timelines for completion of measures by local governments, and Ms. Roggenkamp noted that for transportation, CARB will set targets for each region and each region will develop a regional transportation plan to meet the target. In terms of green building, local governments have been and continue to work with state agency partners. Chair Torliatt discussed CEQA document requirements for LEED Silver certification and she believes local government have a variety of options to address green building.

Chair Torliatt questioned the District efforts with CARB's mandatory reporting requirements. Mr. McKay said staff is seeking to find simplicity and is continuing to work with CARB and with the software development group used to conduct reporting. He noted that South cost has attempted to develop its own software which ARB has not been entirely open to because of the need for consistency. Mr. Bateman noted that the District's inventory reporting is integrated with the inventory information collected for many years in terms of criteria pollutants and toxics, so there is not much additional information that companies need to provide the District to calculate GHGs from what already has been tracked. Staff does not see this as a great deal of duplication and staff is working on integrated software which will make it even more integrated.

Chair Torliatt questioned how the District is addressing the staffing level, given the fact that it may double the amount of Title V permits. Mr. McKay agreed that it could double resource requirements, but on the other hand, it is not set in stone. The District is not planning on how to fund it to date. In response to Chair Torliatt's question on the maximum annual increase on fees of 15%, Mr. McKay discussed the District's 50% cost recovery rate and the need to continue to increase fees, and Chair Torliatt recommended discussion of cost recovery be referred to the Budget and Finance Committee.

Director Uilkema questioned the impact of doubling of resources to the budget, and Mr. Bateman replied it would equate to the addition of 9 FTEs in the Title V program.

Chair Torliatt questioned what could be done regarding the Waxman-Markey bill, and Ms. Roggenkamp noted that air districts, CAPCOA, and states are talking to the EPA about the impacts of the potential rule and lawsuits. Mr. Bunger believed that the tailoring rule is certain to be challenged legally because it has significant implications.

Mr. Bateman noted that the final rule is expected to come out at the end of this month, and staff will have a much better idea on timeframe and resource requirements. He noted staff provided comments to EPA that the applicability dates for new facilities requiring Title V permits be staggered over a 5 year period so that the District is better able to absorb resource requirements, and primarily utilize existing staff. In the worst case scenario, there is an 18 month period for the District to evaluate Title V applications, and it may be the following fiscal year that it would really affect the District.

Ms. Roggenkamp pointed out that the concept is one of integrating GHGs into an existing permitting program and not making something wholly new. It signals to entities in California who do federal permitting for air quality, it would not be CARB issuing permits for facilities that air districts already issue permits for.

Chair Torliatt questioned if the District really wants a national program as opposed to having it regulated through EPA through the Clean Air Act. Ms. Roggenkamp said if the EPA changes the rule to something practical, it might be okay but if not, it may be difficult for air districts and states across the nation to handle it. Mr. Bungler noted there is debate about whether Title V and PSD permits make sense when used in the GHG arena.

Committee members requested staff forward the matter to Legislative Committee once a decision is made.

Committee Members' Comments:

Director Hudson confirmed with Ms. Roggenkamp that the Legislative Committee will receive a presentation from Tom Addison on proposed bills for the Committee's consideration for recommendation to the Board, and AB 32 will be included.

Time and Place of Next Meeting: 9:30 a.m. – At the Call of the Chair
939 Ellis Street, San Francisco, CA 94109

Adjournment: The meeting was adjourned at 10:29 a.m.

Lisa Harper
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

TO: Chairperson Torliatt and
Members of the Climate Protection Committee

FROM: Jack Broadbent, Executive Officer/APCO

DATE: May 12, 2010

SUBJECT: Status Report On The Implementation Of Greenhouse Gas Regulations for
Stationary Sources

RECOMMENDED ACTION

Informational report; receive and file.

BACKGROUND

To ensure effective implementation of the AB32 Greenhouse Gas (GHG) Scoping Plan, the California Air Resources Board (CARB) has worked with local Air Districts and the California Air Pollution Control Officers Association (CAPCOA) to plan and delineate rule development and compliance responsibilities, and develop the detailed implementation timeline. Seventy-two measures are listed in the timeline, many apply to stationary sources, and some have potential for significant impact on stationary sources in the Bay Area. The implementation of these measures has begun and will continue over the next two years, with emphasis on measures identified as discrete early action and scheduled for implementation this year.

DISCUSSION

Numerous GHG reduction measures require coordinated efforts between CARB and the local air districts to implement, track, and identify opportunities for emission reductions. Recent work has included measures that focus on refrigerant management, landfills, semiconductor operations, petroleum refineries, natural gas transmission, oil and gas extraction operations, and regional transportation. Staff has been working closely with CARB and CAPCOA on all these measures and anticipates additional staff resource impacts as GHG regulations are implemented.

NEXT STEPS

Staff will provide a status update on the District's participation and progress in reducing GHG emissions from stationary sources in the Bay Area.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Alex Ezersky
Reviewed by: Kelly Wee

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Torliatt and
Members of the Climate Protection Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 11, 2010

Re: Consideration of Approval for Greenhouse Gas Reduction Grant Program Projects

RECOMMENDATIONS

Request the Committee recommend the Air District Board of Directors:

1. Approve Greenhouse Gas Reduction Grant Program (GGRGP) project components in Attachment A and contingency project components listed in Attachment B; and
2. Authorize the Executive Officer/APCO to execute all contracts and contingencies to expend this funding for the recommended GGRGP project components listed Attachment A and contingency project components listed in Attachment B.

BACKGROUND

On September 10, 2007, the Attorney General of California (AG) entered into a Settlement Agreement with ConocoPhillips Company (Conoco) to resolve a dispute regarding the environmental impact of greenhouse gas (GHG) emissions (primarily carbon dioxide) from the Clean Fuels Expansion Project at their refinery in Rodeo, California. The Settlement Agreement requires Conoco to have made a payment by June 1, 2009, to a Carbon Offset Fund created by the Air District. The payment amount was capped at \$7 million; however, that amount was to be reduced by \$25 for each ton of GHG emission reductions that Conoco achieved at the Rodeo Refinery before the June deadline.

On November 24, 2008, the AG and the Air District entered into a Memorandum of Understanding (MOU) delineating the Air District's authority to administer a GHG emission reduction grant program using funds from the Settlement Agreement. Projects funded under the MOU must achieve verifiable, quantifiable reductions in GHG emissions, and the Air District must give priority to projects in areas nearest the Conoco refinery in Rodeo. Based on the emissions reductions achieved by the refinery and verified by the Air District, \$4,443,025, was received from Conoco by June 1, 2009, and deposited into the Air District's Carbon Offset Fund.

DISCUSSION

In preparation of this Program, the Air District staff participated in five community meetings, gathering input from stakeholders and interested parties. Meetings were held on September 4, 2008, January 26, 2009, May 26, 2009, July 1, 2009, and July 27, 2009. Using this input, the Air District developed guidelines and a Request for Proposals (RFP) for the Greenhouse Gas

Reduction Grant Program (GGRGP). On September 3, 2009, the Air District issued the RFP and Program Guidelines, following review by the AG as required by the MOU. The GGRGP was developed to fund eligible energy efficiency and renewable energy projects at non-residential, public, government buildings located in Rodeo, Crockett, Hercules, and Pinole.

To assist potential applicants, the Air District conducted three application workshops in the city of Rodeo held on October 16, 2009, November 19, 2009, and January 13, 2010. The final proposal acceptance period closed on February 19, 2010, and the Air District received a total of 24 proposals containing 94 components from 10 agencies requesting over \$11 million. Over the past several weeks, staff worked with applicants to gather additional documentation and information in order to determine eligibility and project component ranking based on cost-effectiveness.

Based on its review, staff recommends a total of 8 projects with 55 components requesting a total of \$4,000,000 be awarded funding. All remaining funds (approximately \$400,000) will be used for administrative and audit related expenses. In total, the recommended projects will achieve a CO₂ reduction of 13,036 tons at a maximum cost-effectiveness of \$507/ton of reduced emissions. A complete list of the 8 project sponsors and the recommend project components is found in Attachment A.

Attachment B contains one project component also listed on Attachment A that could not be funded in full and 5 project components that are also eligible for funding but did not rank high enough in terms of cost-effectiveness to be considered for funding at this time. In the event that any of the project components from Attachment A do not proceed, they will be replaced in order with the highest-ranking cost-effective components listed on Attachment B.

Attachment C lists 34 project components that are not recommended for funding either because their cost-effectiveness is greater than \$600/ton of CO₂ reduced or because the application for the project component was incomplete as of May 5, 2010.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None. Through the GGRGP, the Air District will distribute “pass-through” funds to public entities on a reimbursement basis. Administrative and audit costs for the program are provided by the funding source.

Respectfully submitted,

Jack P. Broadbent
Executive Director/APCO

Prepared by: Avra Goldman
Reviewed by: Karen Schkolnick

Attachment A: GGRGP - Projects Recommended for Funding
Attachment B: GGRGP - Contingency List
Attachment C: GGRGP - Project Components Not Recommended for Funding

Attachment A: Greenhouse Gas Reduction Grant Program (GRRGP) Recommended Projects (As of 5/5/10)

Applicant Name: Contra Costa County							1 project component
Project #	Building	Component type	Project Component	Proposed Award	Cost Effectiveness	Total Project Cost	
09GHG09	Rodeo Senior Citizen Club	EE	Install fluorescent light fixtures	\$3,993	\$285	\$5,909	
Subtotal				\$3,993			

Applicant Name: Rodeo-Hercules Fire District							7 project components
Project #	Building	Component type	Project Component	Proposed Award	Cost Effectiveness	Total Project Cost	
09GHG15	Station 75	EE	Install vending machine controller	\$85	\$37	\$175	
		EE	Install fluorescent light fixtures	\$1,351	\$125	\$2,247	
		EE	Replace gas fired water heater	\$3,019	\$195	\$5,019	
Subtotal				\$4,455			
09GHG16	Station 76	EE	Install vending machine controller	\$85	\$37	\$175	
		EE	Install fluorescent light fixtures	\$2,658	\$78	\$6,103	
		EE	Install reflective window film	\$884	\$82	\$1,117	
		EE	Install high efficiency central water heater	\$4,810	\$290	\$5,019	
Subtotal				\$8,437			

Applicant Name: City of Pinole							23 project components
Project #	Building	Component type	Project Component	Proposed Award	Cost Effectiveness	Total Project Cost	
09GHG04	Swim Center	EE	Replace pool pump	\$15,270	\$200	\$17,654	
		EE	Install high efficiency central water heater	\$9,575	\$422	\$29,861	
		EE	Install pool heater	\$41,248	\$455	\$64,842	
		RE	Install solar panels	\$207,423	\$455	\$340,344	
Subtotal				\$273,516			
09GHG05	Youth Center	EE	Install fluorescent light fixtures	\$2,315	\$184	\$4,161	
		RE	Install solar panels	\$110,768	\$466	\$175,391	
		EE	Replace furnace	\$4,697	\$494	\$36,963	
Subtotal				\$117,780			
09GHG07	Senior Center	EE	Install vending machine controller	\$89	\$38	\$179	
		EE	Install fluorescent light fixtures	\$1,845	\$48	\$4,205	
		EE	Install high efficiency water heater	\$12,309	\$305	\$12,817	
		EE	Replace furnace (HVAC upgrade)	\$23,127	\$360	\$46,774	
		RE	Install solar panels	\$159,911	\$407	\$289,956	
		EE	Replace split systems	\$6,822	\$492	\$84,822	
Subtotal				\$204,103			
09GHG03	City Hall	EE	Install vending machine controller	\$178	\$45	\$358	
		EE	HVAC upgrades (replace: split-systems, furnace, condenser)	\$4,277	\$109	\$214,990	
		EE	Replace boilers	\$37,120	\$121	\$37,956	
		RE	Install solar panels	\$162,308	\$369	\$327,757	
		EE	Updating HVAC controls	\$79,236	\$427	\$84,950	
Subtotal				\$283,119			
09GHG06	Public Safety	EE	Install high efficiency central water heater	\$1,918	\$17	\$37,956	
		EE	Install vending machine controller	\$89	\$22	\$179	
		EE	Install fluorescent light fixtures	\$5,450	\$34	\$9,880	
		EE	Updating HVAC controls	\$4,224	\$40	\$88,950	
		EE	HVAC replacement (replace split systems, replace boiler)	\$59,725	\$237	\$109,725	
Subtotal				\$71,406			

Attachment A: Greenhouse Gas Reduction Grant Program (GRRGP) Recommended Projects (As of 5/5/10)

Applicant Name: Contra Costa Housing Authority						2 project components
Project #	Building	Component type	Project Component	Proposed Award	Cost Effectiveness	Total Project Cost
09GHG22	Administration Building	EE	Install vending machine controller	\$89	\$16	\$179
		EE	Install attic and ceiling insulation	\$22,529	\$99	\$23,996
Subtotal				\$22,618		

Applicant Name: John Swett Unified School District						8 project components
Project #	Building	Component type	Project Component	Proposed Award	Cost Effectiveness	Total Project Cost
09GHG11	John Swett High School	EE	Replace food service equipment (heated cabinet)	\$5,798	\$125	\$6,398
		EE	Install fluorescent light fixtures	\$4,368	\$194	\$5,868
		EE	Install lamps, ballasts, and occupancy controls	\$26,013	\$213	\$28,498
		EE	Install motion sensors (daylighting controls)	\$5,420	\$374	\$5,734
		RE	Install solar panels	\$449,247	\$481	\$660,000
		EE	Replace single paned windows with double paned	\$498,169	\$499	\$504,458
Subtotal				\$989,015		
09GHG12	Carquinez Middle School	EE	Replace fluorescent lamps and ballasts	\$22,277	\$307	\$25,875
		RE	Install solar panels	\$318,052	\$498	\$462,000
Subtotal				\$340,329		

Applicant Name: Crockett-Carquinez Fire District						7 project components
Project #	Building	Component type	Project Component	Proposed Award	Cost Effectiveness	Total Project Cost
09GHG10	Station 78	EE	Install vending machine controller	\$70	\$13	\$160
		EE	Install fluorescent light fixtures	\$1,894	\$161	\$3,385
		EE	Install high efficiency central water heater	\$1,808	\$281	\$1,893
		EE	Install high efficiency central water heater	\$1,808	\$281	\$1,893
		EE	Replace food service equipment (dishwasher)	\$445	\$398	\$495
		EE	Replace boilers	\$25,336	\$453	\$38,895
		RE	Install solar panels	\$102,363	\$494	\$140,980
Subtotal				\$133,724		

Applicant Name: Rodeo Sanitary District						5 project components
Project #	Building	Component type	Project Component	Proposed Award	Cost Effectiveness	Total Project Cost
09GHG14	Rodeo Sanitary District	EE	Install fluorescent light fixtures	\$21,050	\$269	\$24,358
		EE	Install new screw press	\$189,100	\$417	\$494,100
		EE	Replace boilers	\$82,534	\$427	\$146,099
		EE	Install variable speed blower	\$146,422	\$433	\$222,680
		EE	Repair airlines	\$21,200	\$460	\$29,200
Subtotal				\$460,306		

Applicant Name: West Contra Costa County Unified School District						2 project components
Project #	Building	Component type	Project Component	Proposed Award	Cost Effectiveness	Total Project Cost
09GHG20	Hercules Middle-High School	EE	Install fluorescent light fixtures	\$84,229	\$330	\$110,845
		RE	Install solar panels	\$1,002,970	\$507	\$2,181,667
Subtotal				\$1,087,199		

Legend: Component Type

- EE = Energy Efficiency
- RE = Renewable Energy

Summary:

Projects	Project components	Proposed award	Total CO ₂ reduced
8	55	\$4,000,000	13,036

Attachment B: GGRGP - Contingency List

Project Number	Applicant	Building	Project Component	Total Request Amount	Cost Effectiveness	Cost of Project Component
09GHG20 - Continued from Attachment A	West Contra Costa County Unified School District	Hercules Middle-High School	Install solar panels	\$299,933	\$507	\$2,181,667
09GHG16	Rodeo-Hercules Fire District	Station 76	Install solar panels	\$100,140	\$519	\$144,500
09GHG15	Rodeo-Hercules Fire District	Station 75	Install solar panels	\$52,593	\$534	\$84,223
09GHG14	Rodeo Sanitary District	Rodeo Sanitary District	Install solar panels	\$1,496,823	\$549	\$2,625,000
09GHG08	Contra Costa County	Employment and Human Services Building	Install solar panels	\$1,155,074	\$556	\$1,635,098
09GHG08	Contra Costa County	Employment and Human Services Building	Install fluorescent light fixtures	\$43,993	\$586	\$47,460
TOTAL				\$3,148,556		

Attachment C: GGRGP - Project Components Not Recommended for Funding

Status	Project Number	Applicant	Building	Project Component	Total Request Amount	Cost Effectiveness	Cost of Project Component
Incomplete	09GHG06	City of Pinole	Public Safety	Replace boilers	\$1,202	\$11	\$2,228
Incomplete	09GHG23	City of Pinole	Fire House	Install fluorescent light fixtures	\$2,782	\$38	\$5,847
Incomplete	09GHG23	City of Pinole	Fire House	Install lighting controls	\$220	\$51	\$300
Incomplete	09GHG06	City of Pinole	Public Safety	Replace Energy Star refrigerators/freezers	\$1,520	\$83	\$6,555
Incomplete	09GHG06	City of Pinole	Public Safety	Replace variable Frequency Drive (VFD) air handler	\$2,060	\$97	\$9,660
Incomplete	09GHG23	City of Pinole	Fire House	Install vending machine controller	\$468	\$116	\$648
Incomplete	09GHG07	City of Pinole	Senior Center	Hot Water Pipe Insulation	-\$33	\$156	\$123
Incomplete	09GHG03	City of Pinole	City Hall	Hot Water Pipe Insulation	-\$33	\$156	\$123
Incomplete	09GHG04	City of Pinole	Swim Center	Hot Water Pipe Insulation	\$1,139	\$276	\$1,179
Incomplete	09GHG07	City of Pinole	Senior Center	Updating HVAC controls	\$16,112	\$240	\$17,325
Incomplete	09GHG03	City of Pinole	City Hall	Install personal computer power management software	\$6,188	\$358	\$7,688
Incomplete	09GHG03	City of Pinole	City Hall	Replace Energy Star refrigerators/freezers	\$548	\$401	\$900
Incomplete	09GHG14	Rodeo Sanitary District	Rodeo Sanitary District	Install wind turbine	\$10,900	\$420	\$42,000
CE	09GHG01	City of Hercules	Library	Install solar panels	\$598,178	\$625	\$808,178
CE	09GHG24	Crockett Community Services District	Crockett Community Center	Replace windows & front doors	\$92,809	\$756	\$93,470
CE	09GHG02	City of Hercules	City Hall	Install solar panels	\$408,000	\$786	\$418,000
CE	09GHG12	John Swett Unified School District	Carquinez Middle School	Install double pane windows	\$354,380	\$852	\$357,000
CE	09GHG21	West Contra Costa County Unified School District	Pinole Valley High School	Install fluorescent light fixtures	\$707,149	\$876	\$741,809
CE	09GHG22	Contra Costa Housing Authority	Administration Building	Install solar panels	\$343,717	\$900	\$360,935
CE	09GHG08	Contra Costa County	Employment and Human Services Building	Upgrade air handling units	\$378,885	\$904	\$392,791
CE	09GHG21	West Contra Costa County Unified School District	Pinole Valley High School	Install LED light fixtures	\$191,522	\$1,070	\$198,552
CE	09GHG10	Crocket-Carquinez Fire District	Station 78	Replace food service equipment (refrigerators-3)	\$1,635	\$1,658	\$3,510
CE	09GHG15	Rodeo-Hercules Fire District	Station 75	Replace dishwasher	\$360	\$1,687	\$510
CE	09GHG08	Contra Costa County	Employment and Human Services Building	Upgrade pneumatic VAV's (air-powered system) to DDC (electric)	\$53,902	\$1,855	\$54,456
CE	09GHG13	John Swett Unified School District	Rodeo Hills Elementary School	Install "cool roof"	\$239,500	\$2,030	\$239,500
CE	09GHG17	West Contra Costa County Unified School District	Collins Elementary School	Install fluorescent light fixtures	\$250,273	\$2,535	\$251,698
CE	09GHG18	West Contra Costa County Unified School District	Ellerhorst Elementary School	Install "cool roof"	\$137,757	\$2,867	\$187,757
CE	09GHG22	Contra Costa Housing Authority	Administration Building	Install dual glazed windows	\$44,403	\$2,882	\$44,600
CE	09GHG19	West Contra Costa County Unified School District	Steward Elementary School	Install "cool roof"	\$121,757	\$2,906	\$166,757
CE	09GHG12	John Swett Unified School District	Carquinez Middle School	Replace boilers	\$728,452	\$2,937	\$730,794
CE	09GHG15	Rodeo-Hercules Fire District	Station 75	Refrigerator/freezer	\$1,330	\$3,468	\$1,365
CE	09GHG10	Crocket-Carquinez Fire District	Station 78	Replace existing single pane windows with double paned	\$10,728	\$4,240	\$29,899
CE	09GHG16	Rodeo-Hercules Fire District	Station 76	Replace furnace oil and gas	\$24,999	\$4,358	\$25,350
CE	09GHG16	Rodeo-Hercules Fire District	Station 76	Energy efficient windows	\$19,009	\$16,213	\$24,709
TOTAL					\$4,751,818		

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Office Memorandum

To: Chairperson Torliatt and Members
of the Climate Protection Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 11, 2010

Re: Climate Protection Grant Program Update

RECOMMENDED ACTION:

None. Information only.

BACKGROUND

On December 19, 2007, the Air District Board of Directors awarded 53 climate protection grants totaling \$3 million to local governments and non-profit organizations in all nine counties of the Bay Area. Grants were made in the areas of youth outreach, climate planning, local government capacity-building, regionalizing best practices, and fostering innovation. Since execution of the contracts, staff has worked with grant recipients to ensure completion of deliverables and track the results of the projects.

DISCUSSION

The District's Climate Protection Grant Program provided critical support to a wide range of projects that are now achieving tangible results. The Climate Protection Grants subsidize a variety of projects in the following program areas:

- 1) Youth Outreach – Outreach projects engage youth in promoting personal behavior changes that reduce GHG emissions in their homes, schools and communities.
- 2) Climate Planning – Climate planning projects use the local planning process to achieve long-term reductions in energy use and greenhouse gas emissions. Climate Planning grants fund two types of activities:
 - Climate Protection Planning – integrating climate protection into general plans or developing stand-alone climate action plans.
 - Capacity-building – seed funding to establish permanent staffing positions to manage and coordinate energy and climate protection programs.
- 3) Regional Strategies – Funds awarded to projects with greatest regional application and long-term reduction of greenhouse gas emissions. Regional Strategies grants fund two types of activities:

- Regionalizing Best Practices – taking strategies that have proven their value at reducing GHG emissions on a small scale and ramping them up for broader application.
- Fostering Innovation – incubating innovative new projects or policy approaches to reducing greenhouse gas emissions.

A list of all Climate Protection Grants is included as Attachment A.

Staff will provide an update on the status of the projects funded through the Climate Protection Grant program. The update will include general progress grantees are making with the implementation of their projects, details on selected grants, and results from project implementation.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None. The Climate Protection Grants were funded out of the FY 2007/08 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Abby Young
Reviewed by: Henry Hilken

Climate Protection Grant Awards

Grant Category	Applicant	Type of Applicant	County(ies) Served	\$ Awarded	Description
Capacity-building	City of Rohnert Park	local government	Sonoma	\$ 75,000	municipal Efficiency Coordinator position
Capacity-building	Santa Clara County	local government	Santa Clara	\$ 75,000	fund Utility Program Manager and Climate Coordinator
Capacity-building	City of Newark	local government	Alameda	\$ 50,000	fund Climate Protection Special Assistant
Capacity-building	City of Sunnyvale	local government	Santa Clara	\$ 55,550	sustainability officer
Capacity-building	City of El Cerrito	local government	Contra Costa	\$ 75,000	municipal energy officer
Capacity-building	City of Novato	local government	Marin	\$ 75,000	county-wide energy officer circuit rider
Capacity-building	San Mateo County	local government	San Mateo	\$ 75,000	municipal energy officer
			Sub-total	\$ 480,550	
Climate Planning	City of San Leandro	local government	Alameda	\$ 40,000	develop local climate action plan
Climate Planning	City of San Rafael	local government	Marin	\$ 25,000	develop local climate action plan
Climate Planning	City of Richmond	local government	Contra Costa	\$ 74,987	integrate climate into general plan
Climate Planning	Napa County Transport. Authority	local government	Napa	\$ 75,000	"circuit rider" for Napa cities and county to do climate plans
Climate Planning	Redwood City	local government	San Mateo	\$ 55,000	develop local climate action plan
Climate Planning	City of Fremont	local government	Alameda	\$ 70,962	integrate climate protection into general plan
Climate Planning	City of Menlo Park	local government	San Mateo	\$ 25,000	develop local climate action plan
Climate Planning	Cities of Albany & Piedmont	local government	Alameda	\$ 55,000	develop local climate action plan for 2 cities
Climate Planning	City of Lafayette	local government	Contra Costa	\$ 75,000	integrate climate protection into new downtown plan
Climate Planning	City of Vallejo	local government	Solano	\$ 75,000	integrate climate into general plan
Climate Planning	City of Mountain View	local government	Santa Clara	\$ 45,130	integrate climate protection into general plan
Climate Planning	City of Benicia	local government	Solano	\$ 40,000	develop local climate action plan
Climate Planning	City of Berkeley	local government	Alameda	\$ 40,000	environmental management system to implement climate plan
Climate Planning	Town of Hillsborough	local government	San Mateo	\$ 69,620	integrate climate protection into general plan
Climate Planning	City of San Mateo	local government	San Mateo	\$ 40,000	community-wide energy education and outreach officer
Climate Planning	Contra Costa County	local government	Contra Costa	\$ 40,000	develop climate action plan
Climate Planning	Alameda County	local government	Alameda	\$ 40,000	develop climate action plan
Climate Planning	City of Oakland	local government	Alameda	\$ 40,000	municipal energy action plan
Climate Planning	City of Hayward	local government	Alameda	\$ 40,000	develop climate action plan
Climate Planning	City of San Carlos	local government	San Mateo	\$ 75,000	integrate climate into general plan
			Sub-total	\$ 1,040,699	
Fostering Innovation	SF Community Power	non-profit	San Francisco	\$ 75,000	community-based carbon-trading experiment
Fostering Innovation	City of Santa Rosa	local government	Sonoma	\$ 43,000	energy efficiency in commercial laundry facilities
Fostering Innovation	City of Santa Rosa	local government	Sonoma	\$ 75,000	biomass from wastewater technology
Fostering Innovation	Urban Releaf	non-profit	Alameda	\$ 75,000	West Oakland tree planting
Fostering Innovation	Marin County	local government	Marin	\$ 75,000	Community Choice Aggregation (CCA)
Fostering Innovation	Water Planet Alliance	non-profit	Marin	\$ 74,438	technical support for Marin CCA
Fostering Innovation	Build It Green	non-profit	Bay Area-wide	\$ 75,000	rating/tracking system for green rated homes
Fostering Innovation	Climate Protection Campaign	non-profit	Sonoma	\$ 75,000	explore getting Sonoma to join Marin's CCA
Fostering Innovation	City of Berkeley	local government	Alameda	\$ 75,000	sustainable energy financing district
Fostering Innovation	TransForm	non-profit	Bay Area wide	\$ 75,000	LEED-type certification program for traffic reduction
Fostering Innovation	ICLEI - Local Govts for Sustainability	non-profit	Bay Area wide	\$ 52,109	early action handbook for GHG reduction
Fostering Innovation	Sustainable Earth Initiative	non-profit	San Francisco	\$ 75,000	fleet management tools
Fostering Innovation	Eco-city Builders	non-profit	Alameda	\$ 73,462	innovative sustainable development in Oakland
			Sub-total	\$ 918,009	

Climate Protection Grant Awards

Grant Category	Applicant	Type of Applicant	County(ies) Served	\$ Awarded	Description
Regionalizing Best Practices	Sustainable Silicon Valley	non-profit	San Mateo, Sta Clara	\$ 75,000	packaging and promoting business best practices
Regionalizing Best Practices	City of Sebastopol	local government	Sonoma	\$ 73,360	replicate Solar Sebastopol for all of Sonoma County
Regionalizing Best Practices	Strategic Energy Innovations	non-profit	Marin	\$ 75,000	helping local governments reduce GHGs
Regionalizing Best Practices	Accountable Development Coalition	non-profit	Sonoma	\$ 30,000	promote green building ordinances
Regionalizing Best Practices	Acterra	non-profit	San Mateo	\$ 60,000	neighborhood-based home greening
Regionalizing Best Practices	Sonoma County	local government	Sonoma	\$ 75,000	packaging and training best practices for local governments
			Sub-total	\$ 388,360	
Youth Climate Outreach	Sonoma Ecology Center	non-profit	Sonoma	\$ 25,000	education/training 6th graders to do home EE upgrades
Youth Climate Outreach	Earth Team	non-profit	Alameda, Contra Costa	\$ 22,496	Cool Schools
Youth Climate Outreach	Breathe California	non-profit	Santa Clara	\$ 25,000	trip reduction outreach in 3 schools in Milpitas
Youth Climate Outreach	TransForm	non-profit	Alameda	\$ 24,986	Pollution Punch card in schools to get families to reduce trips
Youth Climate Outreach	Strategic Energy Innovations	non-profit	Marin	\$ 25,000	youth-led energy audits for affordable housing
Youth Climate Outreach	Marin Conservation Corp	non-profit	Marin	\$ 25,000	school-based "cancel-a-car"
Youth Climate Outreach	Solar Living Institute	non-profit	Contra Costa	\$ 24,900	train students to install solar PV
			Sub-total	\$ 172,382	
			TOTAL	\$ 3,000,000	