

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  
4<sup>th</sup> Floor Conference Room  
Wednesday, May 19, 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 March 3, 2010**

**Board Action:** Director Hudson made a motion to approve the minutes of March 3, 2010; seconded by Director Hosterman; carried unanimously without objection.

### **Status Report on the Implementation of Greenhouse Gas (GHG) Regulations for Stationary Sources**

Brian Bateman, Director of Engineering, gave a presentation and background on AB32 GHG reduction measures contained in CARB's Scoping Plan, which includes 72 GHG reduction measures and 9 (adopted) discrete, early action measures.

He reviewed Scoping Plan measures for stationary sources, the effective date of their regulation, recordkeeping, reporting requirements, numbers of affected statewide businesses and facilities, and performance standards for each, as follows:

- Sulfur Hexafluoride limits (non-utility and non-semiconductor applications) – estimated 50-125 statewide affected facilities
- Semiconductor Operations – 24 statewide affected facilities
- Landfill Methane Control Measure – 34 statewide affected landfills
- Refrigerant Management Program – 5,000 statewide affected facilities
- Natural Gas Transmission and Distribution - Oil and Gas Extraction
- Refinery Flare Recovery System Improvement
- Removal of Methane Exemption from Refinery Regulations

### Committee Discussion/Comments:

Directors reviewed the approval process leading to regulations becoming effective, which involves initial review by the CARB Board, and administrative review and approval by the Office of Administrative Law. Directors discussed the District's ability to handle registration and enforcement of the overall program through development of an MOU with CARB.

Mr. Bateman reviewed EPA's GHG mandatory reporting rule, stating the purpose of collecting information is for future climate change policies and programs. This applies to 75 facilities in the Bay Area, which are all subject to mandatory CARB reporting regulation. He said the cut-off is 25,000 metric tons of carbon dioxide equivalent (CO<sub>2</sub>e) or greater, and CARB is trying to minimize duplication by developing a unified reporting tool.

Director Hosterman clarified that facilities with 25,000 metric tons of GHG emissions or greater could include refineries, chemical plants, power plants, cement manufacturing, and landfills.

Mr. Bateman then discussed EPA's GHG Tailoring Rule issued on May 13, 2010 that tailors Clean Air Act permit requirements to appropriate levels for GHGs. The major stationary source threshold is 100,000 tons/year (CO<sub>2</sub>e), and a significant increase is 75,000 ton/year (CO<sub>2</sub>e).

Mr. Bateman noted that the major requirement for Prevention of Significant Deterioration (PSD) permits will be Best Available Control Technology (BACT) to reduce GHG emissions. The other type of permit is Title V operating permits which are those that apply to all existing sources of a facility, do not impose any new requirements, but delineate specific requirements associated with all agencies, monitoring, record-keeping and reporting. For large facilities, they are significant. The requirements take effect July 1, 2011 for facilities not currently subject to these permit requirements but that exceed GHG thresholds. Staff estimates that 3-4 projects would trigger PSD permits which would otherwise not be subject. There are only 5 facilities that will get drawn into the Title V program, such as power plants which have GHG emissions over 100,000 tons per year.

Director Garner confirmed with Mr. Bateman that those existing unpermitted facilities would be required to secure Title V permits if they then exceed emissions of 100,000 tons per year.

In conclusion, Mr. Bateman stated that the EPA GHG tailoring rule will require additional District resources and add to permitting and inspections processes, and the District would seek to recover its fees accordingly.

Committee Action: None; for information only.

Chairperson Torliatt requested moving up a public speaker who indicated his need to speak on Item 6; Climate Protection Grant Program Update, prior to his departure at 10:15 a.m.

Public Comment on Item 6:

Kim Springer, Resource Conservation Manager, San Mateo County and recipient of grant program funding, introduced Joe La Mariana, Waste Management & Environmental Services Manager, San Mateo County Dept. of Public Works and Alexis Petru, Resource Conservation Specialist, San Mateo County Dept. of Public Works, who were instrumental in their abilities to develop an Energy Strategy Program document, an Energy Watch Program, a computerized Power Management Program, and completion of government operations and inventories for every city in the County. He stated San Mateo County is moving forward with Climate Action Plans with the goal for every City to achieve completion.

The Committee recognized and commended Mr. Springer, Mr. La Mariana and Ms. Petru.

**Consideration of Greenhouse Gas Reduction Grant (GHG) Program Recommended Project and Contingencies**

Avra Goldman, Environmental Planner, gave a presentation and background of the GHG Reduction Grant Program, and said that on September 10, 2007 a settlement agreement was reached between ConocoPhillips Company and the Attorney General. She reviewed specifics of the agreement, stated that the MOU developed between both parties delineated the District's authority to administer a GHG reduction grant program, and the District received \$4,443,025 to be used for eligible projects achieving verifiable, quantifiable reductions in GHG emissions, with priority given to projects nearest the refinery.

Ms. Goldman reviewed program development wherein the District participated in five community meetings, gathering input from stakeholders and interested parties. Staff provided program updates to the Climate Protection Committee on April 21, 2009 and July 9, 2009 and the program was developed to fund projects at non-residential, public, government buildings located in Rodeo, Crockett, Hercules, and Pinole. The District issued RFPs and program guidelines for the program, and application workshops were held in three different locations in Rodeo. The results of the RFPs resulted in 10 agencies applying, receipt of 24 proposals, 94 total project components, and \$11,900,432 in total amounts requested. Staff then evaluated proposals based on their cost effectiveness, and all eligible project components under \$600/ton were evaluated.

Ms. Goldman then reviewed recommended project components in Attachment A which identified 8 project sponsors, 14 locations, 55 total recommended components, \$4 million in requested award amounts, a total of 13,036 tons of CO2 reductions, and a cost-effectiveness range of \$13-\$507. She also reviewed Attachment B, a contingency list of project components (partial projects) continued from Attachment A that could not be funded in full with available funds.

Staff recommendation is for the Committee to recommend that the Board of Directors approve the project components listed in Attachment A and contingency project components listed in Attachment B; and authorize the Executive Officer/APCO to execute all contracts and contingencies to expend this funding for project components listed in both attachments.

Committee Comments/Discussion:

Directors discussed funds used by ConocoPhillips to complete energy efficient projects within the refinery, which provided a credit of \$25 per ton of emissions reduced. Directors reviewed projects identified on Attachments A and Attachment B contingency list, confirmed that public agencies have identified matching funds in their applications to complete projects, confirmed that the balance of \$400,000 would be used for auditing purposes and administrative costs, and confirmed that public outreach had been conducted to reinforce the knowledge that projects are on a reimbursement type basis.

Public Comments:

David Hernandez, Rodeo Sanitary District (Chevron Energy Solutions), Rodeo, thanked the Committee for the grant program and District staff for their work, which allows projects to move forward.

Wayne Seeberg, John Swett High School, Crockett, thanked the Committee for the program, noted that funding makes a huge impact for the school district's improvements, and asked for the Committee to approve its recommendation to the Board of Directors.

Tom Kelly, Kyoto USA, Berkeley, said he worked exclusively with school districts on renewable energy projects and, specifically, with John Swett High School on their applications. He described the application process, cited the school district's lack of GHG emissions knowledge and reduced staffing, and hoped that the future process is better streamlined and consideration is given to school districts in terms of their ability to respond.

**Committee Action:** Director Uilkema made a motion to recommend 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; Director Gioia seconded the motion; unanimously approved without objection.

### **Climate Protection Grant Program Update**

The Committee unanimously agreed to move the presentation to the next Climate Protection Committee meeting but took public comment.

Public Comments:

Barbara Thornton, Marin Energy Authority-Marin Clean Energy and Mayor of San Anselmo, thanked the District for the grant which helped them develop Marin Clean Energy, form a government task force, and move forward with creation of their Joint Powers Authority. She discussed their official launch on May 7, 2010, reported on their plan for Marin County residents and businesses to have much greener power generation, and noted that the plan will reduce 534,000 tons of greenhouse gases annually by 2020, a 17% reduction.

Maria Sanders, Energy Manager, City of El Cerrito, thanked the District for grants used by the City for energy management and climate planning, the hiring of an Energy Manager, creation of a revolving energy fund loan, completion of energy efficiency projects. She said the City has applied for federal funding, have institutionalized several competitions within the City relating to energy efficiency, have formed a green employee recognition program, are receiving EPA funding and are aggregating resources with the cities of Albany, Piedmont, and San Pablo.

Committee Action: Agendize presentation at next Climate Protection Committee meeting.

**Committee Members' Comments:** None

**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 11:00 a.m.

*/s/ Lisa Harper*  
Lisa Harper  
Clerk of the Boards