



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
CLIMATE PROTECTION COMMITTEE
COMMITTEE MEMBERS

JENNIFER HOSTERMAN - CHAIR
SUSAN GARNER
SUSAN GORIN
DAVID HUDSON

GAYLE B. UILKEMA - VICE CHAIR
JOHN GIOIA
CAROLE GROOM
JOHANNA PARTIN
MARK ROSS

MONDAY
MAY 16, 2011
9:30 A.M.

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

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 Air 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 NOVEMBER 29, 2010 AND MARCH 7, 2011**

4. **STATUS REPORT ON GREENHOUSE GAS TAILORING RULE**

B. Bateman/4653

bbateman@baaqmd.gov

The Committee will receive an update on the Environmental Protection Agency (EPA) Greenhouse Gas (GHG) "tailoring rule", which establishes permit requirements for certain facilities based on their GHG emissions. The presentation will include the status of implementation of these new requirements in the Bay Area.

5. **DISCUSSION OF DECISION IN ASSOCIATION OF IRRITATED RESIDENTS, ET AL. V. CALIFORNIA AIR RESOURCE BOARD ET AL**

B. Bunger/4797

bbunger@baaqmd.gov

Staff will discuss potential next steps in this case and the implications of this decision.

6. **ADVISORY COUNCIL RECOMMENDATIONS TO MEET THE 2050 GREENHOUSE GAS (GHG) EMISSION TARGET**

J. Roggenkamp/4646

jroggenkamp@baaqmd.gov

The committee will review the Advisory Council's recommendations for the transportation sector and their status.

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 2011

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Advisory Council Meeting	Wednesday	11	9:00 a.m.	Board Room
Joint Policy Committee, MTC Planning Committee, and ABAG Administrative Committee Joint Meeting	Friday	13	10:00 a.m.	MetroCenter Auditorium 101 8 th Street Oakland, CA 94607
Board of Directors Climate Protection Committee <i>(At the Call of the Chair)</i>	Monday	16	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	18	9:45 a.m.	Board Room
Board of Directors Budget Hearing <i>(At the Call of the Chair)</i>	Wednesday	18	Immediately following Board Meeting	Board Room
Board of Directors Budget & Finance Committee <i>(At the Call of the Chair)</i>	Wednesday	25	1:00 p.m.	4 th Floor Conf. Room
Board of Directors Executive Committee <i>(At the Call of the Chair)</i>	Thursday	26	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i> - CANCELLED	Thursday	26	9:30 a.m.	4 th Floor Conf. Room

JUNE 2011

<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	1	9:45 a.m.	Board Room
Advisory Council Meeting	Wednesday	8	9:00 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	15	9:45 a.m.	Board Room
Board of Directors Budget Hearing <i>(At the Call of the Chair)</i>	Wednesday	15	Immediately following Board Meeting	Board Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	23	9:30 a.m.	4 th Floor Conf. Room

JULY 2011

<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	6	9:45 a.m.	Board Room
Board of Directors Stationary Source Committee <i>(At the Call of the Chair)</i>	Thursday	7	9:30 a.m.	Board Room
Advisory Council Meeting	Wednesday	13	9:00 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	20	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	28	9:30 a.m.	4 th Floor Conf. Room

HL – 5/9/11 (8:15 a.m.)
P/Library/Forms/Calendar/Calendar/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Hosterman and Members
of the Climate Protection Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 27, 2011

Re: Climate Protection Committee Draft Meeting Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Climate Protection Committee meetings of November 29, 2010 and March 7, 2011.

DISCUSSION

Attached for your review and approval are the draft minutes of the November 29, 2010 and March 7, 2011 Climate Protection Committee meetings.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Kris Krow
Reviewed by: Rex Sanders

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
Monday, November 29, 2010, 9:30 a.m.

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

Present: Chairperson Pamela Torliatt, and Directors Susan Garner, John Gioia, Carole Groom, and David Hudson

Absent: Vice Chairperson Jennifer Hosterman, and Directors Dan Dunnigan, Gayle B. Uilkema and Shirlee Zane

Also Present: Chairperson Brad Wagenknecht

Public Comment Period: None

Approval of Minutes of May 19, 2010

Board Action: Director Hudson made a motion to approve the minutes of the May 19, 2010 Climate Protection Committee; seconded by Director Gioia; carried unanimously without objection.

Status Report on Implementation of AB 32

Director of Engineering, Brian Bateman, gave an overview and presentation of AB 32 Greenhouse Gas (GHG) reduction measures, with the goal of reducing GHG emissions to 1990 levels by 2020. He said the Scoping Plan is a roadmap for regulations, voluntary actions, and incentives, and includes 72 GHG reduction measures. He noted that a full list of measures which provides estimates of reductions, as well as status of their adoption, is at each Committee member's place.

Mr. Bateman presented a graph showing a column of projected business-as-usual emissions without AB 32 measures and another column showing AB 32 measures in the Scoping Plan. Transportation is the largest sector, followed by electrical generation, natural gas, and industry.

Director Gioia questioned and confirmed with Mr. Bateman that the emissions information relating to natural gas in industry is both from the commercial and residential sectors.

Mr. Bateman discussed emission caps by the Air Resources Board (ARB) and noted some industries were deemed not suitable for the cap-and-trade program, including various sectors that use high global warming potential gases.

Mr. Bateman then discussed the 9 discrete early action measures, as follows:

- Low carbon fuel standard, ship electrification at ports, aerodynamic efficiency for heavy duty vehicles, tire pressure program
- Landfill methane control
- Measures controlling high global warming potential compounds:
 - Motor vehicle air conditioning servicing (non-professional), semiconductor manufacturing, sulfur hexafluoride use (non-utility, non-semiconductor), consumer products

He discussed other measures that have been adopted, including:

- Pavley regulations (new passenger vehicles)
- Port drayage trucks
- Stationary equipment refrigerant management program
- Renewables Portfolio Standards and Renewable Electricity Standard
- Sulfur Hexafluoride in the electricity sector
- SB 375 regional emission reduction targets

Chair Torliatt questioned and confirmed that adopted SB 375 targets for the Central Valley are much lower than the Bay Area target. Mr. Bateman noted that the cap-and-trade program is to be considered for adoption at the December 16-17, 2010 ARB meeting and is a market-based measure which provides flexibility in reducing emissions. He noted affected facilities must:

- Reduce GHG emissions over time as the cap is reduced,
- Acquire “allowances” from facilities that reduce emissions by more than what the cap requires, and/or
- Acquire offsets (verifiable GHG reductions from sources not in the cap)

In terms of applicability, the first phase would start in 2012 for large industrial facilities and power generators (including imports) with emissions greater than 25,000 metric tons per year (CO₂e). In response to a question of Chair Torliatt, Mr. Bateman noted the Bay Area will have about 75 facilities in this category, such as refineries and power plants. Chair Torliatt questioned the baseline used, and Mr. Bateman explained that it is based on statewide reporting requirements which took effect last year.

The second phase will take effect 2015 for distributors of transportation fuels, natural gas and other fuels and Mr. Bateman presented a figure of baseline emissions, cap level and abatement required to achieve the cap. The initial cap is set at the emissions forecast for 2012 and is reduced 2% per year in the initial compliance period (2012 through 2014). In the second phase, the cap is reduced by 3% per year from 2015 to 2020 timeframe, which includes the second and third compliance periods.

Mr. Bateman said this involves an allowance, which is a permit to emit 1 metric ton CO₂e. Therefore, each facility must turn in allowances equal to their actual emissions at the end of each 3-year compliance period. The amount of allowances put out by CARB is equal to the cap amount, which will decline over time.

Mr. Broadbent spoke of CARB's efforts to push the federal government to put this program into place nationally. There is concern that facilities in California may be put at a competitive

disadvantage. He said staff is watching and commenting and awaiting what will be done, given the economic climate. In response to questions of Directors, Mr. Bunger noted there is a provision that allows for suspension, and the Committee briefly discussed the range of scenarios which could potentially occur. Mr. Broadbent confirmed there has been discussion amongst industry, and staff will keep the Committee apprised of events.

Mr. Bateman continued his presentation, stating the issuance of allowances will be:

- Mainly free at program start;
- Free allowances based on efficiency benchmarking for each industry;
- Increasing auction percentage over time;
- Legislature to determine use of auction revenue;
- Electricity distribution utilities get free allowances, but must auction them and use proceeds to benefit rate payers;
- Some allowances will be set aside and sold at fixed price in Price Containment Reserve

He noted that the program is for California, but CARB sees it linked to other GHG trading systems, such as the Western Climate Initiative (WCI), and several WCI partner members are preparing cap-and-trade programs like CARB's with the hopes of linking them together.

Regarding cost of allowances, CARB estimates that 2020 costs will be in the range of \$15 to \$30 per metric ton CO₂e.

Mr. Bateman discussed outstanding issues as:

- Conflict of interest requirements for GHG verifiers which he said will make it difficult for air districts to qualify.
- CARB doubled amount of offsets allowed (up to 8% of a facility's compliance obligation) compared to initial draft rule; and
- International offsets allowed (25 to 50%), which are restricted to Mexico and Canada

Regarding the District's role in cap and trade, staff has been participating in and tracking program development, will comment on the proposed regulation and coordinate with CAPCOA, track program implementation, and review permit applications for modifications made at facilities to meet declining GHG emissions cap.

Chair Torliatt questioned if the Committee should make a recommendation to the Board to take a position prior to the vote. Mr. Broadbent said the issue is still somewhat fluid, and as needed, staff can discuss the matter with the Board of Directors at their December 15, 2010 meeting.

Director Hudson referred to incentivizing and thinks the way CARB is regulating takes away the ability of the District Board. He asked to emphasize the opportunity for incentives, similar to what the District did with the Port of Oakland, as he believes some industries will be significantly affected.

Committee Comments/Discussion:

Chair Torliatt referred to reforestation offsets and its link to orchards and food production and cited it as an incentive for agriculture especially in the Central Valley.

Committee members thanked staff for the presentation.

Committee Action: None; for information only.

Dr. Stephen Schneider Climate Leadership Award

Director of Communications, Lisa Fasano, gave the staff presentation, stating Dr. Stephen Schneider was a renowned climate scientist and professor at the Senior Fellow Woods Institute for the Environment at Stanford University. He recently passed on July 19, 2010. His legacy and work is worth remembering and recognizing. Staff proposes an award attributed to his legacy, and presented examples of awards which would appropriately be made of recycled materials. She said staff proposes annually recognizing local climate leaders who have made a regional, state, national or international difference.

Next steps include:

- Presenting the first award to Dr. Terry Root, in memoriam for Dr. Schneider;
- Staff would work on an award program timeline;
- Staff would put together nomination requirements and criteria, and review what others have done across the state.

Staff recommends the Committee recommend that the Board of Directors establish an annual Climate Leadership Award Program in the name of Dr. Stephen Schneider.

Committee Comments/Discussion:

Directors discussed venues in which to present the awards such as climate summits, a special Board meeting ceremony, or a Board Retreat and asked that staff flush out criteria, review other organizations that have issued climate awards, and return to the Committee with an update.

Directors discussed and confirmed with staff the desire to present an award on an annual basis, and to honor Dr. Schneider's climate protection leadership and present this award to his widow, Dr. Terry Root, a well-known scientist and climatologist. Staff will develop nominating and selection criteria for the award program, as well as a timeline to accept nominations, and return to the Committee.

Committee Action: Director Gioia made a motion to recommend Board of Directors' approval to initiate a Climate Leadership Award in honor of Dr. Stephen Schneider; Director Hudson seconded the motion; carried unanimously without objection.

Climate Protection Grant Program Update

Principal Environmental Planner, Abby Young, gave the staff presentation and update, stating that in 2007, the Board awarded 53 climate protection grants totaling \$3 million to organizations and government agencies in all nine Bay Area counties. Since this time, staff has worked with recipients to ensure completion of deliverables and track results of the projects, which were made in several diverse areas.

Ms. Young reviewed program objectives, noting there were 5 categories of grants: Youth Outreach, Climate Planning, Regional Strategies, Regionalizing Best Practices, and Fostering Innovation.

She reviewed the following Grant Highlights:

San Mateo County Climate Program:

- \$75,000 for Resource Conservation Specialist
- Leveraged \$60,000 from County & C/CAG
- Helped 20 cities complete GHG inventories
- Matched cities with trained volunteers
- All 20 cities participating in CO2 San Mateo County

Santa Rosa Aquatic Biomass:

- \$75,000 to produce fuel from biomass
- Co-benefit: improved water quality
- Utilizes winery, dairy and wastewater by-products
- Produces electricity for City fleet
- Pilots a new technology for agricultural application

Richmond Youth Solar Training Program:

- \$24,000 to train 18 at-risk youth;
- Extensive training in solar power technology and installation
- Youth install 2KW array at Eco-village Farm Center in Richmond
- Prepared for North American Board of Certified Energy Practitioners Exam

El Cerrito Revolving Fund:

- \$75,000 for two 50% FTE
- Implemented Energy and Water Efficiency Program
- Secured additional grants to make loans to municipal departments
- Loans repaid with savings from energy and water efficiency projects

Earth Team High School Program:

- \$22,000 for climate programs in East Bay high schools (Alameda, Contra Costa counties)
- Expanded comprehensive climate program:
 - Global warming Awareness Month
 - Clubs, assemblies, speakers, events
 - Multi-media activities
- Over 1,000 youth impacted in 32 schools

Marin Community Choice Aggregation:

- \$75,000 to develop CCA program
- Marin local governments purchase electricity for local customers
- Supports local green energy sources
- 25% renewable at PG&E prices
- Immediate 17,000 ton reduction in GHGs

Ms. Young presented quantitative results of the program:

- GHGs reduced (annual metric tons):
 - Short term = 184,370 Long term = 290,644
- Job creation:
 - Adults = 15+ Youth = 61 Temporary = 25+

- Financial savings (annual):
 - Local governments = \$180,000 Residents = \$168,500
- 263 Public meetings and 7,661 participants
- Over 7,000 youth actively engaged
- Leadership for transformative change:
 - Built capacity of local workforce (local government staff, consultants, youth)
 - Accelerated pace and scale of CAPs
 - Seeded groundbreaking ideas (BerkeleyFIRST, Marin Community Choice Aggregation (CCA))
 - Poised region for climate collaboration (AB32, SB375)
 - Air quality co-benefits from all projects

Ms. Young presented guidebooks and tool kits to show the types of activities, which she said are promoted on the District's website.

Committee Comments/Discussion:

Director Gioia referred to the staff report and asked for expanded information on actual grant guidelines and how grant funds were used. He reported that the City of Richmond is in the process of updating their General Plan and confirmed with Ms. Young that (they) created an Energy and Climate Element, which had not yet been adopted.

Director Hudson questioned and confirmed with Ms. Young that Clean Air Plans were not in the grant program, as funding went toward the planning and implementation of projects.

In response to questions of Chair Torliatt, Ms. Young clarified that the total reduced emissions cited for Marin CCA were not solely due to Air District funding, as it would be difficult to break out the leveraging of funds projects use from various sources. Ms. Young suggested staff could more accurately reflect that the Air District's funding was significant in bringing about reductions.

Director Garner confirmed that grant funds were distributed in 2008 as a one-time program.

Director Groom thanked staff for their work on the program, stating that San Mateo County would have never been able to fund the policy work completed which she said is now integrated into their General Plan, Housing Element, and Climate Element.

Committee Action: None; for information only.

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 11:09 a.m.

Lisa Harper
Clerk of the Boards

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
Monday, March 7, 2011, 11:00 a.m.

Call to Order - Roll Call: Chairperson Jennifer Hosterman called the meeting to order at 11:00 a.m. without an established quorum.

Present: Chairperson Jennifer Hosterman, and Directors Susan Garner, John Gioia and David Hudson

Absent: Vice Chairperson Gayle B. Uilkema and Directors Carole Groom and Shirlee Zane

Also Present: Bruce Riordan, Climate Consultant to the Joint Policy Committee

Public Comment Period: None

Approval of Minutes of November 29, 2010 – Deferred due to lack of a quorum.

Update on Joint Policy Committee and Climate Bay Area

Bruce Riordan, Climate Consultant to the Joint Policy Committee (JPC), provided an update on the Joint Policy Committee/Climate Bay Area development of a regional climate protection strategy. He distributed a handout of materials which will be reviewed by the JPC in January and asked for input in prioritizing the 5 projects, how to make projects work in the economic climate, and a discussion of how the JPC will fulfill its mandate to coordinate the development of plans amongst the four agencies.

Mr. Riordan stated that Climate Bay Area mapped hundreds of climate action projects in the region by governments, non-profits and business, to identify the most important and high impact projects. They also identified key barriers to the projects. He noted there are hundreds of excellent projects and programs in the Bay Area but not all are working at the speed and scale required to meet AB 32 goals. There are significant opportunities to link economic and climate crises, and stakeholders are taking action, learning what resources exist, and how they can tie into projects for a successful outcome. Over the long-term, the high-impact projects have the potential to integrate climate action, economic development and equity enhancements to help transform the Bay Area.

Mr. Riordan outlined and ranked five projects and regional agency roles, and addressed questions of Committee members:

1. Sustainable Communities Strategy (SCS) (SB 375 – transportation/land use)
2. Bay Area Climate Adaption Strategy

In response to a question of Director Garner, Mr. Riordan noted that adaptation is preparing the Bay Area for sea level rise, higher temperatures, and energy and water deficits expected in the future. Director Gioia added that BCDC is looking at a component of this; sea level rise and its effects on land use around the Bay. He said this would integrate into other agencies' regional plans and stakeholder groups.

3. Energy Upgrade California (residential and commercial building retrofits)

Chairperson Hosterman questioned home and business retrofits related to AB 811, and Mr. Riordan said the State will do two pilot programs in Sonoma County and in Southern California on a revised version of AB 811. He said unless financing tools can be identified for upfront costs, projects will stay small. They are looking at financing through utilities and having payments spread out over time.

4. The Bay Area Electric Vehicle/Infrastructure Strategy

Mr. Riordan said a more coordinated strategy is needed in the region and agencies are meeting in terms of funding, principles and goals.

5. Bay Area Smart Energy 2020 (local decentralized renewable power)

Mr. Riordan said Bay Area Smart Energy 2020 is about taking advantage of all unused open space, rooftops, commercial buildings, schools, and churches. If financing is done right, people will take part in a system where they could potentially be paid more for what they use.

Committee Comments/Questions:

Director Gioia suggested advancing the home and business building retrofit project ahead of electric vehicle strategy and local renewable power, stating that it reduces the demand for energy and it has an added benefit for providing tangible outcomes for people directly in their home. He said if a financing solution can be determined, it can provide an opportunity for education and jobs. He recommended moving SCS and Adaptation Strategy together, and doing home and building retrofits in parallel, and maintaining the last two projects as longer term strategies.

Director Garner referred to the local renewable power and questioned the opportunity to team with a large business like Chevron as a way to finance a regional program. A large business may have set aside money for energy development and if they found the right kind of partner, more progress could be made in this area. Mr. Riordan said regional agencies are not doing anything directly with local power, but the Bay Area Council's Energy Task Force is meeting on this and is interested. He stated the new Governor has set a plan of 12,000 megawatts of renewable power in 2020. Director Garner said she believes a large corporation like Chevron would love the opportunity to team with local regional agencies to help towards projects. She referred to the electric vehicle strategy and said the District put a lot of focus on this over the last two years, and for them to take a role in developing a regional plan could be a big step.

Chairperson Hosterman said the District just approved funding to be used for recharging stations commencing sometime this summer which is quite an undertaking. Given resources, she asked if the Committee could consider something more regional in nature. Ms. Roggenkamp said the four agencies are discussing this and funding is being sorted out depending on where projects are needed. She said part of the 5 projects includes a story, supporting actions and a scorecard. She thinks the combination of these is important to have the Committee focus its energies collectively and tell the region how they are doing. Mr. Riordan agreed and said they will be able to show things are moving given the numbers of Electric Vehicles (EVs) sold, installations for power, and build momentum.

Director Gioia suggested that a large corporation's focus on alternative energy would also serve to improve their larger image, and Mr. Riordan added that Chevron Energy Solutions has been one of the key partners in the larger solar installations in the Bay Area. Director Garner said that while Chevron may be one example, she believes there are funds available from other corporations that could serve as resources.

Mr. Riordan continued, stating the five projects are about prioritizing, finding economic levers, and at the same time, the San Francisco Foundation is providing funding along with a group called, the "30 Leaders". Approximately 35 interviews have been done to date, including the 4 Executive Directors of the agencies, the Chairs of Air District and MTC, and others, and the idea is starting from what is important to them, what they are trying to create, and finding the common ground. There will be 4 subgroups formed and he briefly reviewed those involved leaders.

Chairperson Hosterman restated the prioritization of projects, and Mr. Riordan briefly reviewed prioritization, as: 1) Sustainable Community Strategy (SB 375); and 2) Bay Area adaptation strategy. The first two projects are ongoing and moving, and they want to focus on the home and business building retrofits next, then EV strategy and local renewable power.

Public Comment: None

Committee Action: None; for information only.

Local Climate Action Planning Update

Abby Young, Principal Environmental Planner, gave the staff presentation, stating that local governments have been tracking greenhouse gas (GHG) emissions since the mid-1990s and, toward the end of 2009, they tallied the number of governments who have adopted Climate Action Plans (CAPs) which totaled ten (10). She said governments have been working on their plans, the District has issued grants, new tools have been developed, and today there are 23 CAPs that have been adopted, with 18 CAPs underway. In addition, some local governments are integrating climate planning in their General Plan updates.

Ms. Young noted that a couple of years ago, the District implemented a website which tracks those governments that have hit milestones, and those who have created GHG inventories and/or CAPs. Ms. Young presented a chart of those jurisdictions in Alameda County that completed a GHG inventory, stating that many have adopted CAPs. She said the District's web portal can be located at www.baaqmd.gov/climateplanning.

Ms. Young said the nature of the plans is also evolving. Targets adopted some years ago varied and now there are more consistent targets focusing on AB 32 requirements. They are also seeing GHG inventories include more emission sources. There is more quantification of specific measures, more mitigation measures, and governments are including more mandatory measures.

There are more plans going through environmental review with stronger connections between CAPs and general plans. Another approach is to include the CAP as part of the General Plan and have it serve as the implementation strategy of climate goals and objectives. Some cities have developed energy and climate protection elements in their General Plan.

Regarding the role of CEQA guidelines and CAPs, the CAP option is included as a GHG threshold, which could be considered “qualified”. Those developments deemed qualified would not need to have environmental review for GHG emissions. These guidelines added clarity to the state adopted guidelines.

In terms of the region’s climate protection picture, assistance provided to local governments will play a large role in helping the region meet its SB 375 targets, which are for GHG emissions associated with light duty vehicles (cars and trucks) by 7% per capita by 2020, and 15% per capita by 2035.

Ms. Young reviewed the District’s support of development of CAPs and assistance:

- More guidance: CAPCOA report, plan level GHG guidance
- New Tools: Bay Area GHG Model (BGM), Transportation Demand Model (TDM), trainings
- Participation in new tool development: CalEEMod, ICLEI inventory protocol
- Direct assistance by staff: Meetings, early stage review of methods and documents, inventory assistance
- Comprehensive CAP Review and Analysis
- Recent CEQA workshops

Emerging needs revolve around standardized approaches and methods, automated data delivery, more communication forums, guidance on implementation compliance and verification, and offsite GHG mitigation program.

Ms. Young reviewed next steps and opportunities for the District:

- Tool and protocol development
- Work with other data providers (MTC, PG&E, ARB)
- Build knowledge of best practices
- Continue leadership role in region

Committee Comments/Questions:

Directors recognized staff’s work and assistance to cities in CAP development and adoption, as well as providing on-going tools, tracking, and greater motivation.

Public Comment: None

Committee Action: None; for information only.

Update on AB 32 Implementation

Brian Bateman, Director of Engineering, gave the staff presentation and provided an update on the status of implementation of AB 32 control measures, the Scoping Plan adopted by the California Air Resources Board (CARB) in December 2008 which includes 69 GHG reduction measures, direct regulations, incentives, and the market-based Cap-and Trade program.

He briefly discussed the Scoping Plan lawsuit, which was filed in 2009 by the Association of Irrigated Residents, et al. Among the allegations was that CARB inappropriately included a Cap-and-Trade Program in the Scoping Plan. The judge issued a preliminary decision in January and denied all petitions alleging violations of AB 32, granted petition alleging violations of CEQA relating to the inadequacy of the alternatives analysis, and that the plan was improperly approved prior to completing environmental review.

Mr. Bateman then discussed three specific measures related to regulations CARB adopted which the District will be involved in implementing. He reviewed requirements of the rules, reporting, performance standards, tiers and allowances (Cap-and-Trade), workshops to be held and expected implementation date(s):

- Landfill Methane Control Measure
- Semiconductor Operations
- Sulfur Hexafluoride Use (non-utility and non-semiconductor)
- Stationary Refrigerant Management Program
- Cap-and Trade Regulation

Committee Comments/Questions:

Directors discussed examples of facilities falling under the Semiconductor Operations Rule, and their exemptions and reporting requirements. Members confirmed the South Coast Air Quality Management District is also implementing GHG reduction measures under the Scoping Plan.

Public Comment: None

Committee Action: None; for information only.

Committee Members' Comments:

Chairperson Hosterman discussed the meeting schedule and future work of the Committee which will include:

- Updates on AB 32
- Assistance programs
- Advisory Council recommendations on transportation sector targets and GHGs and parking reform
- CSC and adaptation strategy
- Potential funding sources to address residential and commercial building retrofits

Chairperson Hosterman voiced the need to set (and cancel as needed) quarterly or bi-monthly meeting dates to coincide with another Committee meeting.

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 12:29 p.m.

Lisa Harper
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Hosterman and Members
of the Climate Protection Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 5, 2011

Re: Status Report on Greenhouse Gas Tailoring Rule

RECOMMENDED ACTION:

None; receive and file.

BACKGROUND

Section 202(a)(1) of the Federal Clean Air Act (CAA) requires the U.S. Environmental Protection Agency (EPA) to set emissions standards for any air pollutants from motor vehicles which, in EPA's judgment, causes or contributes to air pollution which may reasonably be anticipated to endanger public health or welfare. In 2003, EPA made the determination that it lacked the authority under the CAA to regulate Greenhouse Gases (GHGs) for climate change purposes. This determination was litigated, and in 2005 the U.S. Court of Appeals upheld EPA's decision. The case was later heard by the U.S. Supreme Court (*Massachusetts v. EPA* 549 U.S. 497 (2007)), and in April 2007 the Supreme Court found that GHGs meet the CAA definition of "air pollutant" subject to an EPA determination that GHG emissions from new motor vehicles cause or contribute to air pollution that may reasonably be anticipated to endanger public health or welfare.

On December 15, 2009, EPA published their "cause or contribute" and "endangerment" findings for GHGs. This action did not immediately result in GHGs becoming "regulated air pollutants" under the CAA because EPA had previously taken the position that an air pollutant becomes a "regulated air pollutant" on the date that the first adopted EPA rule requires actual control of the pollutant. On April 1, 2010, EPA and the Department of Transportation's National Highway Safety Administration issued the first national rule setting GHG emission standards for 2012 to 2016 model year cars and light duty trucks. The requirements of this rule took effect on January 2, 2011, which is the earliest date that 2012 model year vehicles meeting the standards can be sold in the United States. GHGs therefore officially became "regulated air pollutants" under the CAA on January 2, 2011.

The CAA contains permit requirements for facilities that are "major sources" of regulated air pollutants. There are two permit programs that apply: (1) the Prevention of Significant Deterioration (PSD) program, which requires preconstruction permit review for new major sources and major modifications to existing major sources, including the requirement for use of the Best Available Control Technology (BACT), and (2) the Title V program, which requires detailed operating permits for new and existing "major sources" which specify all applicable air emissions standards and compliance requirements. The CAA defines a "major source" as a facility that has the potential to emit any regulated air pollutant of more than 100 tons per year

(although, for certain types of facilities subject to PSD permit requirements, this applicability threshold is 250 tons per year, rather than 100 tons per year).

Based on the CAA's statutory 100/250 ton per year emissions thresholds for major sources, a very large number of facilities would become subject to CAA permit requirements based on emissions of GHGs. This is because carbon dioxide, the most prevalent GHG, is emitted in much larger quantities than other "conventional" air pollutants. For example, EPA estimated that nationally: (1) more than 40,000 new and modified facilities would be subject to PSD permitting per year based on emissions of GHGs, as compared with 280 PSD permits per year currently based on emissions of other regulated air pollutants, and (2) more than 6 million additional facilities would be subject to Title V permitting based on emissions of GHGs, compared to 11,000 currently based on emissions of other regulated air pollutants. Facilities like schools, hospitals, small farms, and restaurants often have GHG emissions above the CAA 100/250 ton per year thresholds and would become subject to PSD and Title V permit requirements. EPA concluded that these increases in PSD and Title V permits would result in significant administrative burdens that exceed the current capacities of these permit programs, and create significant economic burdens on affected facilities, to an extent that Congress could never have intended. Relying on the legal doctrines of "absurd results" and "administrative necessity", EPA therefore developed an approach to "tailor" the major source thresholds for GHGs to more appropriate levels. The GHG "tailoring rule" was proposed by EPA on September 30, 2009, and was adopted on May 13, 2010.

The EPA tailoring rule indicates that a facility that has a potential to emit GHGs of more than 100,000 tons per year, based on carbon dioxide equivalent emissions (CO₂e), is a major source of GHGs. The rule also indicates that an existing major source that would modify and increase emissions of GHGs by more than 75,000 tons per year CO₂e would be a "major modification" subject to PSD permit requirements. Based on the tailoring rule, EPA estimates that nationally: (1) about 550 facilities will need to obtain Title V permits for the first time due to their GHG emissions, and (2) approximately 900 additional PSD permits per year will be required. The primary industries affected would be power plants, refineries, cement manufacturing facilities, and solid waste landfills, which together account for 70 percent of GHG emissions from stationary source facilities nationally.

In response to a petition for reconsideration filed by the National Alliance of Forest Owners, EPA issued a proposal on March 20, 2011 to defer for a period of three years the PSD and Title V permitting requirements of the tailoring rule for emissions of biogenic carbon dioxide. Biogenic carbon dioxide is emitted from biomass combustion or oxidation from solid waste landfills, waste-to-energy projects, fermentation processes, combustion of renewable fuels, ethanol manufacturing, biodiesel production, and other alternative energy production that uses biomass such as crops or trees. Biogenic carbon dioxide is often considered to be "carbon neutral" because those emissions are naturally offset when the biomass removes an equivalent amount of carbon dioxide from the atmosphere via photosynthesis. EPA has not yet taken final action on this proposal.

EPA established a three step phase-in for the tailoring rule requirements as follows:

- Step 1: which is effective January 2, 2011 for facilities currently subject to PSD or Title V permit programs based on emissions other than GHGs.

- Step 2: which is effective July 1, 2011 for facilities not currently subject to PSD or Title V permit programs, but which exceed tailoring rule GHG emission thresholds.
- Step 3: which is effective no sooner than April 30, 2016, based on an EPA rule to be adopted by the end of 2015, for certain smaller facilities if EPA determines that successful streamlining will adequately reduce burdens associated with permitting these facilities. EPA has indicated that Step 3, if established, will not require permitting for sources with GHG emissions below 50,000 tons per year CO₂e.

Since the adoption of the tailoring rule, EPA has taken actions to: (1) require all state/local air permitting agencies that do not have the legal authority to permit GHGs to receive such authority, or be on a path to have such authority, with EPA serving as the permitting authority in the interim, (2) ensure that existing state/local programs will not inappropriately draw smaller sources not covered by the tailoring rule into PSD and Title V permit programs based on the statutory CAA definition of major source. EPA has also issued guidance to assist permit writers and permit applicants on permit requirements for GHG emissions including how to determine the BACT.

EPA has also recently taken actions that would establish GHG emissions standards under the CAA's New Source Performance Standards (NSPS) program. On December 23, 2010, EPA announced that it had settled litigation with states and environmental groups that sought to compel EPA to establish NSPS for GHG emissions from fossil fuel power plants and petroleum refineries. Under the terms of these settlements, EPA will promulgate proposed NSPS for fossil fuel power plants by July 26, 2011, and final standards by May 26, 2012. Proposed standards for petroleum refineries will be promulgated by December 10, 2011, and final standards by November 10, 2012.

Both settlement agreements commit EPA to issue standards for new and modified facilities. The power plant settlement also commits EPA to issue standards for existing facilities (whether or not the facilities are modified), although these standards will be implemented under a somewhat different procedure and schedule. Under Section 111(d) of the CAA, EPA may issue "guidelines" to the states requiring them to adopt and submit to EPA for approval standards for existing facilities that conform to the EPA guidelines. EPA regulations provide that states must submit such standards to EPA for approval nine months after EPA promulgates standards for new and modified facilities (or nine months after May 26, 2012, per the settlement agreement). Once the state standards are then approved by EPA and become effective, existing facilities must be given a reasonable amount of time to comply with the standards.

DISCUSSION

The Air District is the designated air permitting agency in the Bay Area, and the EPA has delegated the responsibilities for issuing both PSD and Title V permit programs to the Air District. Following adoption of the GHG tailoring rule, staff determined that existing Air District permit rules provide sufficient authority to implement the tailoring rule requirements without inappropriately drawing in smaller sources of GHGs not covered by the tailoring rule. Staff believes that some rule amendments are needed, however, to increase the clarity of these requirements, and the process of drafting these amendments has begun. In the meantime, guidance materials are being used to inform facilities and permit applicants about these new requirements.

In accordance with tailoring rule Step 1 phase-in, Air District staff has begun incorporating applicable GHG requirements into Title V permits for facilities currently subject to this program. The primary requirement involves GHG emissions reporting. The only PSD permit application that the Air District has evaluated subsequent to adoption of the tailoring rule (for the proposed Russell City Energy Center in Hayward) was completed with the PSD permit issued prior to the January 2, 2011 effective date of Step 1 (the District nonetheless completed a GHG BACT determination for this project, and the applicant accepted enforceable conditions on GHG emissions on a voluntary basis).

With regard to tailoring rule Step 2 phase-in, Air District staff completed an evaluation of Bay Area facilities that might be subject to Title V permit requirements for the first time due to their GHG emissions. Five facilities were identified in this category, and all five are petroleum coke-fired power plants located in Contra Costa County that are owned/operated by GWF Power Systems, L.C. An additional 38 facilities that don't have existing Title V permits were identified that may have the potential to emit GHGs above the 100,000 ton per year GHG threshold, although current actual emissions are below this level. These 38 facilities need to do one of the following: (1) obtain a Title V permit, (2) obtain a Synthetic Minor Operating Permit (SMOP), which would establish enforceable conditions that limit the facility's potential to emit GHGs to below the 100,000 ton per year threshold, or (3) make a potential to emit demonstration that the facility's GHG emissions could not exceed the 100,000 ton per year threshold. On December 2, 2010, the Air District notified the affected Bay Area facilities of the tailoring rule requirements, and indicated that required permit applications are due by July 1, 2011. Eight of the 38 facilities have since provided information to the Air District to substantiate that their potential to emit GHGs is below the applicability thresholds (i.e., Option 3 above). Most of the 30 remaining facilities are expected to apply for SMOPs, which are due by July 1, 2011.

With regard to tailoring rule Step 2 phase-in for PSD permits, staff expects an additional 3 or 4 projects per year, on average, to trigger these requirements due to GHG emissions. The Air District has recently received a PSD permit application for a waste-to-energy facility that appears to be the first project that will require a GHG BACT determination under the tailoring rule (it is possible that this requirement could be deferred, however, under the upcoming EPA rule regarding biogenic carbon dioxide). A second permit application for a large power plant (Willow Pass Generating Station in Pittsburg) that would be subject to these requirements has been received, but the application has been put "on-hold" by the applicant. Several other proposed Bay Area power plants previously reviewed by the Air District will need to obtain all necessary regulatory approvals and begin construction by July 1, 2011, to avoid PSD permit requirements under the tailoring rule. All of these projects have indicated that they are on schedule to meet this goal.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Brian Bateman
Reviewed by: Jeffrey McKay

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Hosterman and Members
of the Climate Protection Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 5, 2011

Re: Discussion of Decision in Association of Irrigated Residents, et al. v. California
Air Resource Board et al.

RECOMMENDED ACTION:

None; receive and file.

BACKGROUND

The California Global Warming Solutions Act of 2006, or AB32 as it is often known, generally requires the reduction of California's greenhouse gas (GHG) emissions to 1990 levels by 2020. AB32 gives the California Air Resources Board (CARB) primary responsibility for the development of regulatory measures to achieve the emission reduction goals of the Act. AB32 also requires the CARB to develop a plan outlining the measures it intends to adopt to accomplish AB32's goals.

In 2008, the CARB adopted its Climate Change Scoping Plan. The scoping plan included a market-based cap-and-trade program as a key measure for achieving AB32's emission reduction goals. When it adopted the Scoping Plan, CARB, which under the California Environmental Quality Act ("CEQA") has a certified regulatory program, prepared what is known as a "Functionally Equivalent Document" under CEQA, which is effectively a CEQA Environmental Impact Report.

In December 2010, CARB adopted a regulation establishing a market-based cap-and-trade program providing for the creation, sale, and transfer of GHG credits. The cap-and-trade regulation takes effect for a first round of industrial facilities in January 2012. Subsequently, under the regulation other GHG emissions sources, including some smaller facilities and all GHGs associated with fuels sold in California, are brought into the cap-and-trade program.

DISCUSSION:

In June 2009, a coalition of environmental groups and activists filed a lawsuit in San Francisco Superior Court seeking a writ of mandate or prohibition invalidating the Scoping Plan – *Association of Irrigated Residents, et al. v. California Air Resources Board, et al., San Francisco County Superior Court, Case No. CPF-09-509562*. The Petitioners contended that CARB violated the provisions of AB32 in adopting the Scoping Plan and violated the provisions of CEQA in approving the Functional Equivalent Document. The Petitioners raised a number of arguments in connection with each of these broad contentions.

On March 18, 2011, Judge Ernest Goldsmith of the San Francisco Superior Court issued a Statement of Decision and Order Granting in Part Petition for Writ of Mandate (“Statement of Decision”). In the Statement of Decision, Judge Goldsmith concluded that CARB had not violated AB32 in adopting the Scoping Plan and denied the Petition for Writ of Mandate as to those issues. He also concluded that the analysis of the environmental impacts of the Scoping Plan measures contained in the Functional Equivalent Document were adequate and denied the Petition for Writ as to that cause of action.

However, in his Statement of Decision, Judge Goldsmith found fault with CARB’s CEQA process in adopting the Scoping Plan. In particular, Judge Goldsmith found that CARB had not prepared and presented an adequate “alternatives analysis,” especially with respect to the cap-and-trade portion of the Scoping Plan. Primarily, Judge Goldsmith noted the lack of a meaningful discussion of a carbon tax as a viable alternative to the cap-and-trade program. Judge Goldsmith also found that CARB had impermissibly begun implementation of the Scoping Plan before completing the CEQA process, because responses to comments on the Functional Equivalent Document had not been completed prior to CARB acting to adopt the Scoping Plan in December 2008. In addition, a public workshop to discuss implementation of the Scoping Plan was held in January 2009, approximately four months before the response to comments was finalized in May of 2009.

Based on these deficiencies, Judge Goldsmith granted the Petition for Writ of Mandate as to the alternatives analysis and timing causes of action. In the Statement of Decision, he ordered that a “peremptory writ of mandate issue commanding [CARB] to set aside its certification of the [Functional Equivalent Document] and enjoining any further implementation of the measures contained in the Scoping Plan until after [CARB] has come into compliance with its obligations under its certified regulatory program and CEQA.” Judge Goldsmith also retained jurisdiction to review CARB’s compliance with his order. Petitioners were ordered to prepare the Writ, which has not yet been issued by Judge Goldsmith.

Staff will discuss potential next steps in this case and the implications of this decision.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Brian C. Bunger
Reviewed by: Jack P. Broadbent

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Hosterman and Members
of the Climate Protection Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 5, 2011

Re: Advisory Council Recommendations to Meet 2050 GHG Emission Targets

RECOMMENDED ACTION:

None; receive and file.

BACKGROUND

In 2010, the Air District Advisory Council discussed California's 2050 greenhouse gas (GHG) emission reduction target of 80% below 1990 levels. The Council was given presentations by subject matter experts on the Air District's climate protection initiatives, carbon capture and sequestration, carbon cap and trade strategies, and emission reduction strategies for the transportation sector.

Advisory Council members John Holtzclaw and Jennifer Bard provided a final report on emission reduction strategies for the transportation sector to the Board of Directors on March 2, 2011, including recommendations for inter-agency cooperation. Chairperson Bates requested that these recommendations be reviewed and discussed by the Climate Protection Committee.

DISCUSSION

Staff will provide a review of the Advisory Council recommendations to the Climate Protection Committee, along with status and potential responses/actions (see attachment).

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Eric Stevenson
Reviewed by: Jean Roggenkamp

ADVISORY COUNCIL RECOMMENDATIONS, STATUS AND RESPONSES

The following Advisory Council recommendations to the Board are based on the October 13, 2010 Advisory Council meeting on transportation policies and subsequent discussions among Advisory Council members. It also includes the status of the recommendation and staff responses and/or possible actions.

1. Work with MTC and ABAG to condition transportation and development investments and grants upon implementation of parking reform. The Air District should also include parking reform policies in development of an indirect source rule.

Status – Underway

Response/Action - The Air District and MTC are collaborating to implement Transportation Control Measures (TCM) E-2 in the 2010 Clean Air Plan (CAP) (Promote Parking Policies to Reduce Motor Vehicle Travel); this measure includes a comprehensive set of policies and actions to reform local parking policies. District staff will also look for opportunities to address parking policies in the development of the indirect source rule.

2. Work with MTC to analyze induced demand impacts from MTC's HOT Lane network expansion (study being done by MTC consultant Parsons Brinkerhoff). Modeling does not currently, but should, include a range of impacts of induced demand or increased housing at suburban fringe. The Air District should recommend that net revenues from HOT lanes be used for expanded non-highway transit and transit choices, rather than expansion of the highway system.

Status – Future study

Response/Action - Concerns about the potential induced demand impacts of the HOT lane network are described in TCM B-3 in the 2010 CAP (Bay Area Express Lane Network). It includes a provision that the Air District will perform an independent analysis to evaluate the long-term effects of the HOT lane network on vehicle travel and emissions. This analysis will be performed once MTC and ABAG have fully implemented planned upgrades to the regional travel and land use models. TCM B-3 supports providing express bus service in the HOT lane corridors, and the District will continue to support use of HOT lane revenues for this purpose.

3. Work with MTC to consider adoption of a quantification tool that evaluates a broad range of public health impacts and benefits from transportation and land use policies and decisions. The Air District should also encourage MTC to conduct a performance-based analysis of transportation projects to ensure investments are cost effective.

Status – Underway

Response/Action - Staff work with MTC, ABAG, and local governments to ensure that potential air quality and public health impacts are considered in transportation and land use decisions. For the *Plan Bay Area* sustainable communities strategy, staff have been participating in a technical committee

working to develop recommended qualitative and quantitative methods to evaluate the benefits (or draw backs) of potential projects based upon a range of objectives, including air quality and climate protection.

4. Through the Air District's role in the Joint Policy Committee, encourage MTC to evaluate all transportation projects, including projects in previous Regional Transportation Plans (RTP), for impacts on VMT and potential to induce growth. The air district should encourage MTC to only include SCS/ RTP projects that do not increase personal VMT and do not induce sprawl.

Status – Underway

Response/Action - Staff are working with MTC and ABAG to ensure that projects funded through the *Plan Bay Area* sustainable communities strategy will provide the greatest possible benefit in terms of reducing criteria pollutants and greenhouse gases (GHG) emissions, reducing VMT, preventing sprawl, and protecting the health of people who live and/or work in priority development areas.

5. Develop a social marketing campaign to increase walking, cycling, and transit, based on latest research of proven strategies that affect behavior change, including comparison-with-neighbor policies.

Status – Underway

Response/Action - The Air District currently has a social media program on Facebook, Twitter and soon on LinkedIn that works in concert advertising. Last year the Spare the Air campaign was targeted to the 17 to 34 year-old audience and messaged walking, biking, carpooling and transit as commute options to this younger audience. This year the same campaign will be expanding to a much broader age range representing the general public. In addition, the Communications and Outreach Division will investigate social media policies and programs in neighboring air districts, and will research biking, walking, social messaging campaigns from NGO's and individual counties throughout the Bay Area.

6. Seek state legislation requiring CMAs to expand their mission statement from primarily "congestion management" to include a major emphasis on reducing GHG and to enable a focus on: health; increasing mode share of walking, cycling, and transit; and on reducing VMT, rather than managing congestion.

Status – Future Study

Response/Action - The Air District will explore the possibility of such legislation, as well as non-legislative approaches to creating this change, with our regional partners.

7. Develop a toolkit for planners, local agencies, and CMAs for land use and transportation policies that have the greatest public health, air quality, and GHG reduction benefits.

Status – Underway

Response/Action – Staff are working closely with a wide range of partners to integrate land use, transportation, and air quality planning. This effort includes implementing the District’s June 2010 CEQA guidelines and thresholds of significance, developing community risk reductions plans (CRRPs), and developing draft Community Development Guidelines, scheduled for release in summer 2011. As part of this effort, staff are developing various tools to evaluate the impacts of land use decisions and development projects, and to quantify the effectiveness of potential mitigation measures. These tools will provide assistance to local planners and other stakeholders designing future development that protects air quality, public health, and the climate.

8. Promote the use of cool paving materials, such as high albedo materials, for future outdoor surfaces, such as parking lots, median barriers, and roadway improvements to reduce urban heat island effects and to save energy.

Status – Scheduled for next fiscal year

Response/Action - Energy & Climate Measure (ECM) #3 in the 2010 CAP (*Urban Heat Island Mitigation*) describes various actions to reduce urban heat island impacts, including cool paving and cool roofing. Staff will begin implementation of this measure, including actions to promote cool paving, in the next fiscal year.

9. Use MTC’s SB 375 implementation planning funds for local community planning processes.

Status – Underway

Response/Action - In providing input to the development of the *Plan Bay Area* sustainable communities strategy, staff will encourage MTC to provide increased funding for local planning processes that will promote and implement focused growth, while working to improve air quality and protect public health in identified areas.

10. Build upon SB 535 (Yee) to support development of a strong statewide ZEV mandate and incentives to help the state reach aggressive GHG reduction goals.

Status – Underway

Response/Action - The Air District currently chairs the California Air Pollution Control Officers Association (CAPCOA) Mobile Source and Grants Committee tasked by the CAPCOA Board to redraft the authorizing legislation for a number of programs scheduled to sunset at the end of 2014 (portions of the Carl Moyer Program and funding authorized by Assembly Bill 923). As part of this redrafting, staff plan to seek inclusion of GHG as an eligible funding category. It is anticipated that any funds authorized would be expended to reduce emissions from mobile sources primarily in the heavy-duty transportation sector.

11. Continue to work with other agencies in regional efforts to fund and accelerate EV charging infrastructure and streamline residential charging station installation and permitting, including incentives to promote solar EV charging installations. In addition, work with cities, counties, and utility districts to assist property owners

in funding charging stations through Property Assessed Clean Energy (PACE) bonds, pursuant to SB 1340 (Kehoe)

Status – Underway

Response/Action - The Air District participates in a number of working groups that coordinate regional and local efforts to accelerate the installation of electric vehicle infrastructure, its permitting and installation, and also acts to coordinate various incentives programs. The District is using information generated by these working groups (in addition to its own efforts to install 2,750 residential chargers) to provide templates, business models and lessons learned to State and local Bay Area governmental agencies which should be completed and available by the end of 2011.

12. Promote expansion of congestion toll pricing to all other regional bridges. Revenues raised should be used to improve public transit service in those corridors.

Status – Future study

Response/Action - TCM E-1 in the 2010 CAP (*Value Pricing Strategies*) calls for future expansion of congestion pricing strategies on trans-bay bridges. Staff will work with MTC, as well as related efforts such as the SFCTA Mobility, Access, and Pricing Study (MAPS), to expand the implementation of pricing strategies throughout the Bay Area.

13. Develop and promote policies and programs, including securing necessary legislative authority, to achieve significant reductions in employer-related vehicle miles traveled, including employer transportation demand management plans.

Status – Underway

Response/Action - The Air District is co-sponsoring SB 582 (Emmerson) in 2011. This bill would allow MPO's and air districts to jointly adopt a regional regulation on employers of 20 or more. The regulation would require these employers to either:

- 1) Provide transit passes for their employees, or pay for their vanpooling and bicycling expenses; OR**
- 2) Provide shuttle service to their worksite; OR**
- 3) Allow employees to pay for transit/vanpooling/bicycling expenses with pre-tax dollars.**

This regulation would reduce VMT and greenhouse gas emissions, and significantly affect how commuters choose to travel to work. The bipartisan bill passed out of its first policy committee without any 'no' votes and is supported by a diverse coalition of environmental organizations, businesses and business organizations, transit agencies and interests, and others.

14. Support establishment of a VMT fee or gasoline tax in the Bay Area to achieve GHG, criteria pollutant, and air toxics reductions goals.

Status – Future study

Response/Action - TCM E-3 in the 2010 CAP (*Implement Transportation Pricing Reform*) calls for the regional agencies and other stakeholders to develop a

comprehensive transportation-pricing strategy to improve air quality and reduce congestion. Staff will work with partner agencies to advocate that pricing strategies are considered, in conjunction with land use and transportation investments, in the development of the *Plan Bay Area* sustainable communities strategy.

15. The Air District should continue to implement the relevant Transportation Control Measures and Leadership Platform* in the 2010 CAP.

Status – Underway

Response/Action - Staff are working with MTC and other partners to implement the Transportation Control Measures and Leadership Platform in the 2010 CAP as quickly and comprehensively as available resources permit.

- * Leadership Platform: Some of the most potentially beneficial measures in the Bay Area 2010 CAP to improve air quality will require action by other agencies, such as CARB or US EPA, or adoption of new legislation. The CAP also thus includes a Leadership Platform, summarized in its Volume I, Table 4-7, which identifies policies and actions by other entities to complement the CAP control strategy.

GLOSSARY

ABAG	–	Association of Bay Area Governments
BAC	–	Bay Area Council
BACC	–	Bay Area Climate Collaborative
CEQA	–	California Environmental Quality Act
CMA	–	Congestion Management Agency
EV	–	Electric Vehicle
FAR	–	Floor Area Ratio
FOCUS	–	Focusing Our Vision
GHG	–	Greenhouse gases
HOT	–	High Occupancy Toll
ISR	–	Indirect Source Rule
LEV	–	Low Emission Vehicle
LOS	–	Level of Service
MTC	–	Metropolitan Transportation Commission
PCO	–	Parking Cash-out
PEV	–	Partial Electric Vehicle
PDA	–	Priority Development Area
RTP	–	Regional Transportation Plan
SVLG	–	Silicon Valley Leadership Group
SCS/RTP	–	Sustainable Community Strategy/Regional Transportation Plan
TDM	–	Transportation Demand Management
TOD	–	Transit Oriented Development
VMT	–	Vehicle Miles Traveled
ZEV	–	Zero Emission Vehicle