



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
OCTOBER 31, 2011
10:00 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 MAY 16, 2011**

4. **CONOCO PHILLIPS GREENHOUSE GAS (GHG) REDUCTION**

J. Roggenkamp/4646

iroggenkamp@baaqmd.gov

The Committee will receive an update on the Greenhouse Gas Reduction Grant Program (GGRGP).

5. **SUSTAINABLE COMMUNITIES STRATEGY (SCS) UPDATE**

J. Roggenkamp/4646

iroggenkamp@baaqmd.gov

The Committee will receive an update on the development of the Sustainable Communities Strategy (SCS) being prepared pursuant to SB 375.

6. **UPDATE ON AB32 CAP AND TRADE REGULATION AND OTHER STATIONARY SOURCE GREENHOUSE GAS REGULATIONS**

B. Bateman/4653

bbateman@baaqmd.gov

The Committee will receive an update on AB 32 Cap and Trade Regulation and other Stationary Source Greenhouse Gas Regulations.

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

OCTOBER 2011

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	27	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Climate Protection Committee <i>(At the Call of the Chair)</i>	Monday	31	10:00 a.m.	4 th Floor Conf. Room
Board of Directors Public Outreach Committee <i>(At the Call of the Chair)</i>	Monday	31	Immediately Following Climate Protection Cme. Meeting	4 th Floor Conf. Room

NOVEMBER 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	2	9:45 a.m.	Board Room
Board of Directors Nominating Committee <i>(At the Call of the Chair)</i>	Wednesday	2	Immediately Following Regular Board Meeting	Room 716
Advisory Council Meeting <i>(Meets 2nd Wednesday each Month)</i>	Wednesday	9	9:00 a.m.	Board Room
Board of Directors Personnel Committee <i>(At the Call of the Chair)</i>	Monday	14	9:30 a.m.	4 th Floor Conf. 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 Mobile Source Committee <i>(Meets 4th Thursday each Month)</i> - CANCELLED	Thursday	24	9:30 a.m.	4 th Floor Conf. Room
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Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Monday	28	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Stationary Source Committee <i>(At the Call of the Chair)</i>	Monday	28	Immediately Following Mobile Source Cme.	4 th Floor Conf. Room

DECEMBER 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	7	9:45 a.m.	Board Room
Advisory Council Meeting <i>(Meets 2nd Wednesday each Month)</i>	Wednesday	14	9:00 a.m.	Board Room

DECEMBER 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	21	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i> - CANCELLED	Thursday	22	9:30 a.m.	Board Room

HL – 10/24/11 (9:25 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: October 18, 2011

Re: Climate Protection Committee Draft Meeting Minutes

RECOMMENDED ACTION

Approve attached draft minutes of the Climate Protection Committee meeting of May 16, 2011.

DISCUSSION

Attached for your review and approval are the draft minutes of the May 16, 2011 Climate Protection Committee meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Maricela Martinez
Reviewed by: Jennifer Cooper

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, May 16, 2011, 9:30 a.m.

Call to Order - Roll Call: Chairperson Jennifer Hosterman called the meeting to order at 9:30 a.m. without an established quorum.

Present: Chairperson Jennifer Hosterman, and Directors Carole Groom, David Hudson, Susan Garner, and Mark Ross

Absent: Vice Chairperson Gayle B. Uilkema and Directors John Gioia, Susan Gorin, and Johanna Partin

Public Comment Period: None

Approval of Minutes of November 29, 2010 and March 7, 2011 – Deferred due to lack of quorum.

Status Report on Greenhouse Gas Tailoring Rule

Brian Bateman, Director of Engineering, provided the Committee with an update and presentation on some requirements that have come out of the U.S. Environmental Protection Agency (EPA) to regulate greenhouse gas (GHG) emissions. Background information regarding Supreme Court rulings regarding regulating GHG emissions from vehicles was provided. The most important finding was whether GHG emissions met the definition of air pollutants that was in the Clean Air Act. The court found that GHG emissions did meet the definition of air pollutants. The court also ruled that EPA does not have the discretion to not consider making the necessary findings to regulate GHG from vehicles. There are two findings that the court ruled that EPA needs to consider. These are: 1) whether or not GHG emissions endanger public health and welfare; and, 2) if the pollutants do endanger public health and welfare, do GHG emissions from vehicles contribute to atmospheric levels that result in that endangerment. The EPA needed to make these determinations based upon the Supreme Court ruling. This process took the EPA about 2 ½ years. The EPA issued the findings in December 2009. The EPA then established a regulation for GHG emissions for vehicles from 2012 to 2016 model year vehicles in April 2010.

Mr. Bateman stated that there are other requirements to focus on, in particular, ones that affect the Air District as a permitting agency. There are two types of permits that apply to facilities that are “major sources” of regulated air pollutants. These are Prevention of Significant Deterioration (PSD) and Title V permits. Major sources include power plants, larger manufacturing plants (e.g., petroleum products, chemicals, cement, glass, steel, motor vehicles).

Mr. Bateman continued with the presentation detailing the Tailoring Rule, which was adopted by EPA in May 2010, and why it is needed; the phase-in process for the tailoring rule and the implementation method of such rule.

There are approximately 80 lawsuits on all aspects of the Tailoring Rule and the outcome of litigation may alter the rule in some way.

Committee Comments/Questions: Committee members discussed and inquired about the opportunity for public participation in the Title V process.

Public Comment: None

Committee Action: None; for information only.

Approval of Minutes of November 29, 2010 and March 7, 2011 – Director Hudson made motion to approve the November 29, 2010 and March 7, 2011 minutes; Director Garner seconded the motion; carried unanimously without objection.

Discussion of Decision in Association of Irrigated Residents, et, al., v. California Air Resource Board (ARB) et, al.

Brian Bunger, District Counsel, provided Committee members with a copy of the Statement of Decision for the ongoing lawsuit. He provided a summary of AB32 legislation, an update on the litigation process, a summary of ARB's Scoping Plan adoption process, and a summary of the violated CEQA provisions. Mr. Bunger will keep the Committee updated on this ruling.

Committee Comments/Questions:

Committee members asked various questions primarily about the effects the outcome of the litigation may have on the Air District's authority and how the cap and trade regulation may change.

Public Comment: Chair Hosterman opened the public comment period.

John Holtzclaw, Sierra Club, stated that Sierra Club didn't take a position on the pending lawsuit. However, it did issue an open letter to ARB asking them to reevaluate the cap & trade regulation.

Committee Action: None; for information only.

Advisory Council Recommendations to Meet the 2050 Greenhouse Gas (GHG) Emission Target

Jean Roggenkamp, Deputy Air Pollution Control Officer, introduced John Holtzclaw, Advisory Councilmember, who thanked the Council and Board for taking a leadership role in greenhouse gases. Mr. Holtzclaw summarized the main topics within the emission reduction strategies for the transportation sector.

Ms. Roggenkamp stated that the Board Chair referred this to the Committee when the Advisory Council made their presentation on the emission reduction strategies for the transportation sector to the Board.

Henry Hilken, Director of Planning, Rules & Research, reviewed the recommendations that the Advisory council has made to the Board of Directors. The Air District continues to move forward with these recommendations. Currently, there are 15 recommendations that have been presented. Mr. Hilken gave the presentation which discussed California's 2050 Emission Target.

Committee Comments/Questions:

Committee members discussed several ideas and options to help attain greenhouse gas emission targets. These ideas consisted of parking reform, SB 375, EV charging infrastructures, SB 582, gas tax, and cool paving.

Public Comment: None

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 11:35 a.m.

Maricela Martinez
Executive Secretary

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: October 20, 2011

Re: Update on Greenhouse Gas Reduction Grant Program (GGRGP)

RECOMMENDATION

None; receive and file.

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 its refinery in Rodeo, California. On November 24, 2008, the AG and the Air District entered into a Memorandum of Understanding (MOU) delineating the Air District's administration of a GHG emission reduction grant program using funds from the Settlement Agreement. The Air District received \$4,443,025 from Conoco by June 1, 2009.

On June 2, 2010, the Air District's Board of Directors (Board) approved the allocation of \$4 million in energy efficiency and renewable energy projects in Rodeo, Hercules, Crockett, and Pinole, under the GGRGP. The Board also approved a contingency list of 6 project components totaling \$3,148,556 that could be funded in the event that funds become available due to interest accrual or returned funds from projects that closed under budget or were cancelled. As part of this report, the Committee will receive an update on projects completed to date and funds expended under the program.

DISCUSSION

To date, nine (9) of the project components from the initial allocation made by the Board have been completed at a cost of \$55,807. A listing of those project components completed is provided in Attachment A. Additionally, most of the other remaining 33 project components are on schedule to be completed by June of 2012. Staff continues to work with the eight (8) sponsors of these projects and a complete listing of their project components is provided in Attachment B. Since the Board's action in June 2011, there were a number projects that were downsized or cancelled.

Staff is currently working to reallocate this funding and some accrued interest to the highest ranked projects on the Contingency List as shown below in Table 1:

Table 1: GGRGP Partial Listing of Project Components on Contingency List

Component Description and Sponsor	Amount Available
Solar panels for Hercules Middle-High School	\$299,933
Solar panels at Rodeo-Hercules Fire District – Station 76	\$100,140
Solar panels at Rodeo-Hercules Fire District – Station 75	\$52,593
TOTAL:	\$452,666

Staff will also use the previously approved Contingency List to allocate any additional funds that may become available from future interest accrued, unused administrative funding and returned funds.

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 Completed Project Components
Attachment B: GGRGP Project Currently under Contract with the Air District

Attachment A: Greenhouse Gas Reduction Grant Program (GGRGP) Completed Project Components

Project Components Completed as of October 20, 2011:

Project Sponsor	Location	Project Component	Amount Invoiced
John Swett Unified School District	John Swett High School	Replace food service equipment (heated cabinet)	\$ 5,769.28
Rodeo-Hercules Fire District	Station 76	Install fluorescent light fixtures	\$ 2,606.00
Rodeo-Hercules Fire District	Station 76	Install reflective window film	\$ 884.00
Rodeo-Hercules Fire District	Station 75	Install fluorescent light fixtures	\$ 1,350.96
Contra Costa County	Rodeo Senior Citizen Club	Install fluorescent light fixtures	\$ 3,992.87
City of Pinole	Memorial Hall/Youth Center	Install fluorescent light fixtures	\$ 1,176.00
City of Pinole	Senior Center	Install fluorescent light fixtures	\$ 1,739.19
City of Pinole	Senior Center	Install high efficiency water heater	\$ 12,309.00
West Contra Costa Unified School District	Hercules Middle-High School	Install fluorescent light fixtures	\$ 25,980.00
			\$ 55,807

Attachment B: Greenhouse Gas Reduction Grant Program (GRRGP) Project Components Under Contract (Active)

Sponsor	Project Location	Project Component	GRRGP Funds Under Contract
City of Pinole	City Hall	Install vending machine controller	\$ 178
City of Pinole	City Hall	Replace boilers	\$ 37,120
City of Pinole	City Hall	Install solar panels	\$ 162,308
City of Pinole	City Hall	Updating HVAC controls	\$ 79,236
City of Pinole	Swim Center	Replace pool pump	\$ 15,270
City of Pinole	Swim Center	Install pool heater	\$ 41,248
City of Pinole	Swim Center	Install solar panels	\$ 207,423
City of Pinole	Memorial Hall/Youth Center	Install solar panels	\$ 110,768
City of Pinole	Senior Center	Install vending machine controller	\$ 89
City of Pinole	Senior Center	Install solar panels	\$ 159,911
Rodeo-Hercules Fire District	Station 75	Install vending machine controller	\$ 85
Rodeo-Hercules Fire District	Station 75	Replace gas fired water heater	\$ 3,019
Rodeo-Hercules Fire District	Station 76	Install vending machine controller	\$ 85
Rodeo-Hercules Fire District	Station 76	Install high efficiency central water heater	\$ 4,810
Rodeo Sanitary District	Rodeo Sanitary District	Install fluorescent light fixtures	\$ 21,050
Rodeo Sanitary District	Rodeo Sanitary District	Replace boilers	\$ 82,534
Rodeo Sanitary District	Rodeo Sanitary District	Install variable speed blower	\$ 146,422
Rodeo Sanitary District	Rodeo Sanitary District	Repair airlines	\$ 21,200
West Contra Costa Unified School District	Hercules Middle-High School	Install solar panels	\$ 1,302,682
Crocket-Carquinez Fire District	Station 78	Install vending machine controller	\$ 70
Crocket-Carquinez Fire District	Station 78	Install fluorescent light fixtures	\$ 1,894
Crocket-Carquinez Fire District	Station 78	Install high efficiency central water heater	\$ 3,616
Crocket-Carquinez Fire District	Station 78	Replace food service equipment (dishwasher)	\$ 445
Crocket-Carquinez Fire District	Station 78	Replace boilers	\$ 25,336
Crocket-Carquinez Fire District	Station 78	Install solar panels	\$ 102,363
Contra Cost Housing Authority	Administration Building	Install vending machine controller	\$ 89
Contra Cost Housing Authority	Administration Building	Install attic and ceiling insulation	\$ 22,529
John Swett Unified School District	John Swett High School	Install fluorescent light fixtures	\$ 4,368
John Swett Unified School District	John Swett High School	Install lamps, ballasts, and occupancy controls	\$ 23,654
John Swett Unified School District	John Swett High School	Replace single paned windows with double paned	\$ 498,169
John Swett Unified School District	John Swett High School	Install solar panels	\$ 449,247
John Swett Unified School District	Carquinez Middle School	Replace fluorescent lamps and ballasts	\$ 16,610
John Swett Unified School District	Carquinez Middle School	Install solar panels	\$ 318,052

Total Amount Under Contract \$ 3,861,880

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: October 20, 2011

Re: Sustainable Communities Strategy Update

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

In 2008, the California Legislature adopted SB 375, requiring all metropolitan planning organizations in the State of California to develop “Sustainable Communities Strategies” that align regional transportation, regional housing, and regional land-use plans. The goal of these Sustainable Communities Strategies (SCS) is to curb greenhouse gas (GHG) emissions from cars and light duty trucks through land use planning and supporting transportation investments. The legislation requires that each metropolitan region achieve specific GHG reduction targets and broader housing goals.

DISCUSSION

Per the requirements of SB 375, the California Air Resources Board set the GHG reduction targets for the Bay Area. The Bay Area region must reduce per capita GHG emissions from cars and light duty trucks 7% below 2005 levels by 2020 and 15% by 2035. SB 375 also requires that the SCS identify a land use plan that would accommodate the entire region’s population at all income levels.

In the Bay Area, the development of the SCS is being led by the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC). District staff has participated in all formal levels of discussion and planning of the SCS, including:

- Participation in all meetings of the Regional Advisory Working Group (RAWG)
- Participation in the RAWG Ad Hoc Committee on Performance Targets
- Participation in the Housing Methodology Committee
- Participation in the Inter-agency Modeling Committee
- Participation in the Equity Working Group
- Development of air quality performance targets for the SCS
- Participation in weekly regional agency staff meetings

Staff will provide an update on the status of the development of the SCS in the Bay Area, including an overview of the land use development scenarios, transportation investments, and the timeline for completion of the SCS.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Abby Young
Reviewed by: Henry Hilken

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: October 17, 2011

Re: Update on AB-32 Cap-and-Trade Regulation and Other Stationary Source
Greenhouse Gas Regulations

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

The AB-32 Scoping Plan was considered by the California Air Resources Board (CARB) in December 2008, and subsequently adopted by the CARB's Executive Officer in May 2009. The Scoping Plan identified a variety of measures to reduce greenhouse gas (GHG) emissions, including a market-based cap-and-trade program. In December 2010, CARB approved a proposed cap-and-trade regulation with modifications to be finalized through a subsequent rulemaking process. This rulemaking process requires CARB to finalize the regulation within one year from the date that the initial public notice was issued for the proposed regulation (i.e., by October 28, 2011).

As a result of litigation on the Scoping Plan, a California trial court found on May 20, 2011, that the environmental analysis of the alternatives to the Scoping Plan included in the Functional Equivalent Document (effectively a CEQA EIR), was not sufficient under CEQA. The court issued an injunction prohibiting CARB from continuing work on the cap-and-trade regulation (and other measures in the Scoping Plan). CARB subsequently filed an appeal of this decision, and in June the appeals court stayed the injunction allowing CARB to continue rulemaking activities. On September 28, 2011, the state Supreme Court denied a request to lift the stay and reinstate the injunction.

On July 15, 2011, CARB held a public workshop to discuss proposed modifications to the cap-and-trade regulation. CARB then released proposed text modifications to various aspects of regulation for public review and comment on July 25, July 27, and September 12, 2011. One of the proposed changes to the regulation would delay the time period under which the first compliance obligations must be surrendered by affected facilities by one year (by considering emissions data for the year 2013, rather than year 2012 as had been initially proposed). There have been no proposed changes in the cap stringency (which determines the GHG emission reductions resulting from the regulation), or the date of the end of the final compliance period (i.e., December 31, 2020).

The AB-32 Scoping Plan also contains “command-and-control” regulatory measures to reduce GHG emissions from stationary sources that are not subject to the cap-and-trade program. These include several measures that focus on the use of high Global Warming Potential (GWP) gases, and a measure for landfill methane capture. The regulations for most of these measures have already been adopted by CARB, and are beginning to come into effect.

DISCUSSION:

At the October 31, 2011 Climate Protection Committee meeting, staff will provide additional details on CARB’s cap-and-trade regulation. Staff will also provide an update on implementation of other AB-32 regulations that apply to stationary sources that are not subject to cap-and-trade.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Brian Bateman
Reviewed by: Jeff Mckay