



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

BOARD OF DIRECTORS  
CLIMATE PROTECTION COMMITTEE  
COMMITTEE MEMBERS

JENNIFER HOSTERMAN - CHAIR  
SUSAN GARNER  
CAROLE GROOM  
MARK ROSS  
SHIRLEE ZANE

MAYOR LEE - VICE CHAIR  
SUSAN GORIN  
DAVID HUDSON  
KATIE RICE

MONDAY  
APRIL 16, 2012  
10:30 A.M.

4<sup>th</sup> 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 OCTOBER 31, 2011**

4. **LOCAL CLIMATE ACTION PLANNING UPDATE**

H. Hilken/4642  
[hhilken@baaqmd.gov](mailto:hhilken@baaqmd.gov)

*The Committee will receive an update on the status of local climate action plans in the Bay Area.*

5. **UPDATE ON ASSEMBLY BILL (AB) 32 IMPLEMENTATION AND U.S. ENVIRONMENTAL PROTECTION AGENCY (EPA) PROGRAMS TO REDUCE GREENHOUSE GAS (GHG) EMISSIONS UNDER THE FEDERAL CLEAN AIR ACT**

B. Bateman/4653  
[bbateman@baaqmd.gov](mailto:bbateman@baaqmd.gov)

*Staff will provide an update on the implementation of Assembly Bill (AB) 32 including the Cap-and-Trade Regulation, and U.S. Environmental Protection Agency (EPA) programs that are intended to reduce Greenhouse Gas (GHG) emissions under the authority of the federal Clean Air Act.*

6. **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)*

7. **TIME AND PLACE OF NEXT MEETING – AT THE CALL OF THE CHAIR**

8. **ADJOURNMENT**

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

**(415) 749-5130  
FAX: (415) 928-8560  
BAAQMD homepage:  
[www.baaqmd.gov](http://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](http://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**

**APRIL 2012**

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Advisory Council Regular Meeting</b> <i>(Meets 2<sup>nd</sup> Wednesday each Month)</i>	Wednesday	11	9:00 a.m.	Board Room
<b>Board of Directors Executive Committee</b> <i>(Meets 3<sup>rd</sup> Monday of each Month)</i> - CANCELLED	Monday	16	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
<b>Board of Directors Climate Protection Committee</b> <i>(At the Call of the Chair)</i>	Monday	16	10:30 a.m.	4 <sup>th</sup> Floor Conf. Room
<b>Board of Directors Regular Meeting</b> <i>(Meets 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	18	9:45 a.m.	Board Room
<b>Board of Directors Budget &amp; Finance Committee</b> <i>(Meets the 4th Wednesday Each Month)</i>	Wednesday	25	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
<b>Board of Directors Mobile Source Committee</b> <i>(Meets 4<sup>th</sup> Thursday each Month)</i>	Thursday	26	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room

**MAY 2012**

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Regular Meeting</b> <i>(Meets 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	2	9:45 a.m.	Board Room
<b>Advisory Council Regular Meeting</b> <i>(Meets 2<sup>nd</sup> Wednesday each Month)</i>	Wednesday	9	9:00 a.m.	Board Room
<b>Board of Directors Regular Meeting</b> <i>(Meets 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	16	9:45 a.m.	Board Room
<b>Board of Directors Executive Committee</b> <i>(Meets 3<sup>rd</sup> Monday of each Month)</i> - CANCELLED	Monday	21	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
<b>Board of Directors Stationary Source Committee</b> <i>(Meets 3<sup>rd</sup> Monday Every Other Month)</i>	Monday	21	10:00 a.m.	<b><u>Meeting Location:</u></b> Creskide Park Building 10455 Miller Avenue Cupertino, CA 95014  <b><u>Tour Location:</u></b> Lehigh Southwest Cement Company - Permanente Plant 24001 Stevens Creek Boulevard Cupertino, CA 95014

## MAY 2012

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Budget &amp; Finance Committee</b> <i>(Meets the 4th Wednesday Each Month)</i>	Wednesday	23	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
<b>Board of Directors Mobile Source Committee</b> <i>(Meets 4<sup>th</sup> Thursday each Month)</i>	Thursday	24	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
<b>Board of Directors Public Outreach Committee</b> <i>(Meets Quarterly at the Call of the Chair)</i>	Thursday	31	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room

## JUNE 2012

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Regular Meeting</b> <i>(Meets 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	6	9:45 a.m.	Board Room
<b>Advisory Council Regular Meeting</b> <i>(Meets 2<sup>nd</sup> Wednesday each Month)</i>	Wednesday	13	9:00 a.m.	Board Room

<b>Board of Directors Executive Committee</b> <i>(Meets 3<sup>rd</sup> Monday of each Month)</i> - STAFF RECOMMENDS CANCELLING, TO BE DETERMINED BY THE CHAIR	Monday	18	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
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<b>Board of Directors Regular Meeting</b> <i>(Meets 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i> - STAFF RECOMMENDS CANCELLING, TO BE DETERMINED BY THE CHAIR	Wednesday	20	9:45 a.m.	Board Room
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<b>Board of Directors Public Outreach Committee</b> <i>(Meets Quarterly at the Call of the Chair)</i> - STAFF RECOMMENDS CANCELLING, TO BE DETERMINED BY THE CHAIR	Thursday	21	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
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<b>Board of Directors Budget &amp; Finance Committee</b> <i>(Meets the 4th Wednesday Each Month)</i>	Wednesday	27	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
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<b>Board of Directors Mobile Source Committee</b> <i>(Meets 4<sup>th</sup> Thursday each Month)</i>	Thursday	28	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
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HL – 4/4/12 (4:30 p.m.)

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**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 2, 2012

Re: Climate Protection Committee Draft Meeting Minutes

RECOMMENDED ACTION

Approve attached draft minutes of the Climate Protection Committee meeting of October 31, 2011.

DISCUSSION

Attached for your review and approval are the draft minutes of the October 31, 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  
4<sup>th</sup> Floor Conference Room  
Monday, October 31, 2011, 10:00 a.m.

**Call to Order - Roll Call:** Chairperson Jennifer Hosterman called the meeting to order at 10:07 a.m. with an established quorum.

**Present:** Chairperson Jennifer Hosterman, Vice Chairperson Gayle B. Uilkema, and Directors John Gioia, Dave Hudson, Johanna Partin, Mark Ross, and Susan Garner

**Absent:** Directors Susan Gorin and Carole Groom

**Public Comment Period:** None

**Approval of Minutes of May 16, 2011** – Director Hudson made a motion to approve the minutes of May 16, 2011; seconded by Director Uilkema; carried unanimously without objection.

**Conoco Phillips Greenhouse Gas (GHG) Reduction**

Jean Roggenkamp, Deputy Air Pollution Control Officer, introduced Avra Goldman, Environmental Planner, who provided an informational update on the Greenhouse Gas Reduction Grant Program (GGRGP). The update provided a brief background on the funding for this program. The funding for this program is provided from a settlement agreement between the Attorney General of California and the Conoco Phillips Company. The Air District received approximately \$4.4 million from Conoco Phillips by June 1, 2009. As a result of this settlement, the Air District developed a program to reduce greenhouse gas emissions in areas closest to the refinery in Rodeo, California. Therefore, all projects funded under this program are located in Crockett, Hercules, Rodeo, and Pinole.

On June 2, 2010, the Air District Board of Directors approved an award of \$4 million to the most cost effective energy efficiency and renewable energy projects in these areas. At that same time, the Board also approved a contingency list of the highest ranking projects if funds become available due to accrued interest and projects closing under budget or cancelled. To date, 42 project components have been allocated funding for a total of just under \$4 million. Of those, 9 projects are completed and 33 are scheduled to complete by December 2012.

The program is estimated to reduce approximately 10,078 metric tons of CO<sub>2</sub> emissions. Air District staff is currently in the process of allocating funds from accrued interest to projects on the approved Contingency List.

**Committee Comments/Questions:** Director Gioia confirmed that the amount of funds returned from completed or cancelled projects and/or accrued interest is the same amount of funds that are reallocated to new projects. Director Gioia also requested further clarification regarding the 20 year commitment requirement, particularly for the City of Pinole swim center project. Supervisor Gioia inquired about whether all these facilities need to commit to a budgetary decision 10 to 20 years out.

Damian Breen, Director of Strategic Incentives, responded that the length of the commitment is based on the project life provided by the applicant. The budget commitment is not 20 years down the road but the budget commitment now.

Director Ross asked what would happen in unforeseen loss. Mr. Breen responded that each contract contains an insurance and warranty clause.

Director Uilkema asked if a public facility, such as a firehouse, decided to allow a private entity to run the facility, how this will impact the contract. Mr. Breen stated that as long as the private entity agreed to continue with the contract, then the contract would be transferred.

Director Hosterman asked what the average time is from application receipt to time of funding. Mr. Breen responded about 6 to 8 months.

**Public Comment:** None

**Committee Action:** None; for information only.

### **Sustainable Communities Strategy (SCS) Update**

Jean Roggenkamp, Deputy Air Pollution Control Officer, introduced Ken Kirkey from the Association of Bay Area Governments (ABAG) and Lisa Klein from the Metropolitan Transportation Commission (MTC) who provided the Committee with an overview of the status and development of the Sustainable Communities Strategy (SCS) and Abby Young, Principal Environmental Planner, who discussed the Air District's involvement and interest in the SCS.

Mr. Kirkey provided an update on what's new with Senate Bill 375 which requires key actions by every region in California. One requirement is that every region's transportation plan must align with and support a sustainable community strategy land use pattern. The sustainable community strategy will be adopted as part of the regional transportation plan which will happen in spring of 2013. The SCS shall identify how the region can satisfy the region's housing demand for the projected population across all income categories and adopt a forecasted development pattern for the region, supported by a transportation system, which will reduce greenhouse gas emissions.

Director Hudson asked if the Shaping Our Future Plan would qualify as an alternative planning strategy. Mr. Kirkey responded no.

Mr. Kirkey continued with the presentation discussing regional job projections, revised Greenhouse Gas (GHG) emission reduction estimates, performance targets, priority developments areas, and housing distribution.

Mr. Kirkey requested that Ms. Klein continue with the presentation to the Committee. The following topics were discussed during this portion of the presentation: Investment Strategies, Policy Initiatives, Project Performance Assessment, and next steps.

Director Hosterman noted that Director Garner joined the meeting.

Ms. Young provided the Committee with a summary of the Air District's role in the SCS and staff's work to ensure projects and land use scenarios minimize exposure to particulate matter and air toxics.

Director Partin commented that 15% GHG emission reduction by 2035 is large. Director Partin noted that the real challenge is how to build near transit centers but at the same time address CEQA thresholds and air quality issues.

At the request of Jack Broadbent, Executive Officer/APCO, and concurrence from the Committee, Agenda item #6 is deferred to the next Climate Protection Committee meeting.

**Committee Comments/Questions:** Director Gioia stated that he read the regional transit cost study and asked how the recommendations in the study fit into the SCS. Ms. Klein referred back to the presentation.

**Public Comment:** None.

**Committee Action:** None; for information only.

**Time and Place of Next Meeting:** At the Call of the Chair  
939 Ellis Street, San Francisco, CA 94109

**Adjournment:** The meeting was adjourned at 11:00 a.m.

Maricela Martinez  
Executive Secretary I



**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 2, 2012

Re: Local Government Climate Action Plan Update

RECOMMENDED ACTION:

None. Information only.

BACKGROUND

In recent years the District has provided a variety of assistance to local governments in the Bay Area to conduct greenhouse gas (GHG) emission inventories and develop strategies to reduce GHG emissions. This assistance has included grants, training workshops, data provision, guidance documents, quantification tools and one-on-one technical assistance. In 2010, the District provided guidance on how to develop local climate action plans that would support streamlining under California Environmental Quality Act (CEQA). The District's CEQA Guidelines and other documents describe how to develop a local climate action plan such that it satisfies the standard elements described in State Office of Planning and Research CEQA guidance.

The number of local jurisdictions with climate action plans is increasing, and the scope and technical rigor of these plans are growing.

DISCUSSION

Staff will provide an update on the status of climate action planning in the Bay Area, including discussion of how local governments have responded to the District's "Qualified GHG Reduction Strategy" CEQA threshold, and how local climate action plans have evolved as a result.

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: March 28, 2012

Re: Update on Assembly Bill (AB) 32 Implementation and U.S. Environmental  
Protection Agency (EPA) Programs to Reduce Greenhouse Gas (GHG) Emissions  
Under the Federal Clean Air Act

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RECOMMENDED ACTION:

None; receive and file.

BACKGROUND

The AB32 Scoping Plan was considered by the California Air Resources Board (CARB) in December 2008, and subsequently adopted by the Board's Executive Officer in May 2009. The Scoping Plan identified a variety of measures to reduce the State's Greenhouse Gas (GHG) emissions to 1990 levels by 2020, 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 required 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 California Environmental Quality Act (CEQA) Environmental Impact Report (EIR)), was not sufficient under CEQA. The court issued an injunction prohibiting CARB from continuing work on the cap-and-trade regulation. 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 August 24, 2011, CARB adopted a revised and expanded environmental analysis of project alternatives for the Scoping Plan.

On October 20, 2011, CARB adopted the final cap-and-trade regulation. This included the adoption of four detailed compliance protocols for the use of offsets in the program that cover livestock projects, ozone depleting substance projects, urban forest projects, and U.S. forest projects. The final regulation also included an amendment that delayed the time period by one year under which affected facilities must surrender their first GHG compliance obligations (by considering emissions data for the year 2013, rather than year 2012 as had been initially proposed). There were no changes made 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 AB32 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 these measures have already been adopted by CARB, and are beginning to come into effect. The regulation to reduce emissions of high-GWP gases from semiconductor operations specifically identifies the air districts as the “permitting agency” responsible for implementation of the regulation. This is not the case for the other AB-32 regulations adopted by CARB, and so the air districts are working with CARB to acquire implementation responsibilities through the development of Memoranda of Understanding (MOUs). To date, the District has finalized an MOU with CARB for implementation of the landfill methane capture regulation, and discussions are continuing to develop an MOU for implementation of the regulation to reduce high-GWP gases from stationary refrigeration equipment.

In the absence of specific authorizing legislation to regulate GHG emissions at a federal level, EPA has taken steps to begin to regulate GHG emissions under the federal Clean Air Act. Regulations adopted by EPA to date include (1) GHG emission standards for newly manufactured cars and light duty trucks, (2) GHG emissions reporting for larger facilities, and (3) pre-construction and operating permitting requirements for major stationary sources of GHG emissions (under EPA’s GHG “tailoring rule”). EPA has also begun rulemaking activities on New Source Performance Standards (NSPS) and emission guidelines (the latter of which covers existing sources) for reducing GHG emissions from fossil fuel-fired power plants and petroleum refineries.

DISCUSSION:

On April 16, 2012, staff will provide additional details on CARB’s cap-and-trade regulation, other adopted AB 32 regulations, and EPA programs to regulate GHG emissions at the Climate Protection Committee.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Brian Bateman  
Reviewed by: Jeff Mckay