

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 749-5073

APPROVED MINUTES

Summary of Board of Directors
Climate Protection Committee Meeting
Thursday, July 18, 2013

1. Call to Order – Roll Call

Chairperson John Avalos called the meeting to order at 9:36 a.m.

Present: Chairperson John Avalos; Vice-Chairperson David Hudson; and Directors Teresa Barrett, Scott Haggerty, Jan Pepper and Mark Ross.

Absent: Directors Susan Adams, John Gioia and Shirlee Zane.

Also Present: None.

2. Public Comment Period: None.

3. Approval of Minutes of October 31, 2011, April 16, 2012, and May 9, 2013

Committee Comments: None.

Public Comments: None.

Committee Action: Director Ross made a motion, seconded by Director Hudson, to approve the Minutes of October 31, 2011, April 16, 2012, and May 9, 2013.

NOTED PRESENT: Director Haggerty was noted present at 9:42 a.m.

Chairperson Avalos asked, regarding the minutes of May 9, 2013, agenda item 7, Discussion on Proposed Keystone Pipeline, about the absence of the referenced resolution from today's meeting material, which questions were answered by Jean Roggenkamp, Deputy Air Pollution Control Officer.

The motion carried unanimously.

4. Discussion on Proposed Keystone Pipeline

Ms. Roggenkamp and Chairperson Avalos each made introductory comments regarding the topic.

Ms. Roggenkamp introduced Michael Murphy, Advanced Projects Advisor of Planning, Rules & Research, who gave the staff presentation Keystone XL Pipeline, including project background, a summary of the nature of oil sands, possible greenhouse gas (GHG) impacts, and an overview of Bay Area refineries and potential local emissions.

Chairperson Avalos asked, regarding slide 4, GHG, whether the graph reflects the volumes extracted in each instance, which question was answered by Mr. Murphy.

Director Pepper asked, regarding slide 4, GHG, why there is such a large range of 3.7 to 20.7 million metric tons annually, which question was answered by Mr. Murphy.

Director Haggerty asked if the GHGs attributed to this activity are largely from the extraction component, whether alternative transport methods are being utilized currently, and whether there is a measurable offset by switching from current transport methods to the pipeline, which questions were answered by Mr. Murphy.

Director Hudson asked if increased production is expected after the pipeline is installed, which question was answered by Mr. Murphy.

Director Pepper asked about the capacity of the current pipeline and the feasibility of other transport methods as alternatives to the proposed expansion, which questions were answered by Mr. Murphy.

Director Ross asked about the capacity of those portions of the pipeline located at each end of the proposed Keystone XL span, which questions were answered by Mr. Murphy.

Chairperson Avalos asked whether the presentation will address the feasibility of oil sands production generally, which question was answered by Mr. Murphy. Chairperson Avalos suggested it as a topic of discussion at the Air District in light of the environmental impact and the current available domestic oil reserves.

Mr. Murphy concluded the presentation.

Committee Comments:

Chairperson Avalos asked about the accuracy of media reports of a proposed pipeline from Alberta to the Canadian west coast, which question was answered by Mr. Murphy.

Chairperson Avalos asked about the inclusion of concerns, such as pipeline malfunction, in the Air District analysis despite the lack of an obvious impact on air quality, which question was answered by Mr. Murphy.

Director Ross said he spoke with officials from Alberta who were convinced a pipeline will be installed in one direction or another unless natural gas prices were to unexpectedly drop.

Director Pepper asked about the effect on operations of the Keystone XL Pipeline not being built, which question was answered by Mr. Murphy.

Chairperson Avalos asked about the state of debate in Canada regarding the advisability of pursuing oil sands production, which question was answered by Mr. Murphy.

Director Ross asked, regarding slide 4, GHGs, about the sulfur content of crude oils currently processed in the Bay Area, the potential impact of California's cap and trade program on the selection of crude oil for processing at Bay Area refineries, and the effect of the proposed pipeline on the value of other domestic crude oils, which questions were answered by Mr. Murphy and Jim Karas, Director of Engineering.

Director Pepper noted, regarding slide 4, GHGs, that the graph shows largely similar emissions for the refining step and asked how GHG emissions during extraction are accounted for in cap and trade, if at all, which question was answered by Mr. Murphy.

Public Comments:

Laura Galligan, 350 Bay Area, addressed the Committee in opposition to the proposed Keystone XL Pipeline.

Floyd Earl Smith, 350 Bay Area, addressed the Committee in opposition to the proposed Keystone XL Pipeline.

Gary Latshaw, Sierra Club, addressed the Committee in opposition to the proposed Keystone XL Pipeline.

Jed Holtzman, 350 Bay Area, addressed the Committee in opposition to the proposed Keystone XL Pipeline.

Paul Kangas, 100% Solar (ONE), addressed the Committee to petition for the establishment of a feed-in tariff.

Committee Comments (continued):

Director Haggerty asked, regarding slide 4, GHGs, whether the GHG increase provided factors in offsets that would result from switching to pipeline transport from the alternative methods currently being used, which question was answered by Mr. Murphy.

Chairperson Avalos noted that the subject of the proposed resolution is not the norm for the Air District but suggested it is related to impacts on the global climate and its adoption would be an important, albeit small, statement on the subject and urged the Committee to agendaize it for further discussion before the Board of Directors.

Director Ross said the issue ultimately is one of demand but, that while accepting responsibility for the demand is the ultimate solution, he would likely support the resolution despite its falling outside the normal scope of Air District involvement, particularly if it were amended to include a provision addressing demand in the Bay Area.

Director Hudson said production will meet demand regardless of the transport method chosen or which country opts to benefit economically from the process.

Director Haggerty said he was initially opposed to the proposed resolution and would abstain if brought to a vote today but that he will be prepared to vote should it go to the Board of Directors for discussion and noted his voting record in defense of the environment when justified by the facts.

Director Barrett said she supports a discussion of the proposed resolution by the Board of Directors in light of the issue rising above borders.

Director Pepper expressed her support for the resolution, even if symbolic, because of the importance of taking a stand while working to address the real issue of demand and consumption.

Director Ross agreed with Director Haggerty's initial assessment and expressed his support for a discussion of the proposed resolution by the Board of Directors.

Chairperson Avalos directed staff to agendize the proposed resolution for discussion by the Board of Directors.

Director Hudson asked, regarding slide 4, GHG, staff to provide the Board of Directors with information regarding the expected increase of annual GHG emissions in California only and for information relative to differences in expected emissions from the various pipeline expansions being discussed.

Director Pepper said, regarding slide 4, GHG, that it would be helpful to the Board to see the "3.7 to 20.7 million metric tons" annual emissions figure broken down further.

Committee Action: None; informational only.

5. Climate Protection Grant Program Update

Ms. Roggenkamp introduced the topic and Abby Young, Principal Environmental Planner of Planning Rules & Research, who gave the staff presentation Climate Protection Grant Program Update, including a review of the grant program's objectives and the types of projects funded, highlights of certain projects, a summary of the results, and lessons learned.

Committee Comments:

Chairperson Avalos asked about the source of the initial program funds and the foreseeability of another opportunity to repeat the innovative and exciting exercise in the future, which questions were answered by Ms. Roggenkamp.

Director Hudson suggested combining funding sources to expand the grant program to greater effect.

Director Pepper asked about how communities that are currently working on community action plans (CAPs) can benefit from the work that has come before them, which question was answered by Ms. Young.

Director Hudson encouraged the creation of templates for use in developing CAPs.

Director Ross said he looks forward to opportunities to repeat the exercise in the future as cap and trade becomes more established and becomes a possible source of funding for these programs.

Public Comments:

Mr. Kangas again addressed the Committee to petition for the establishment of a feed-in tariff.

Committee Action: None; informational only.

6. Assembly Bill (AB) 32 Scoping Plan Update

Ms. Roggenkamp introduced the topic and Ms. Young, who gave the staff presentation AB 32 Scoping Plan Update, including background on AB 32 and the scoping plan, the State's strategy for achieving AB 32 GHG goals, the goals of the 2013 Scoping Plan Update, a description of an upcoming Bay Area workshop on the Scoping Plan Update, and the Air District's involvement.

Committee Comments:

Director Barrett asked if and how local staffs were invited to the Regional Public Workshop and Open House for the 2013 Update to the AB32 Scoping Plan on July 30, 2013, which question was answered by Ms. Young.

Director Hudson said the process is headed in the wrong direction and the Air District should instead be focused on identifying the Bay Area's piece of the puzzle and establishing an understanding of current levels with a focus on air pollution, not setting 2050 levels that are unattainable without significant developments in technology, to which Ms. Roggenkamp responded.

Director Pepper and Ms. Young discussed the need for an understanding of current levels in the Bay Area in order to reliably project into the future.

Director Hudson said the focus needs to be on the Bay Area, not the state as delivered by the California Air Resources Board, to which Ms. Roggenkamp responded.

Director Pepper said bringing the subject to the local level is beneficial not only for policy makers but for the development of greater understanding and involvement by the general public.

Public Comments: None.

Committee Action: None; informational only.

7. **Committee Members' Comments:** None.
8. **Time and Place of Next Meeting:** At the call of the Chairperson.
9. **Adjournment:** The meeting adjourned at 11:41 a.m.

/s/ Sean Gallagher

Sean Gallagher
Clerk of the Boards