



BOARD OF DIRECTORS
CLIMATE PROTECTION COMMITTEE
COMMITTEE MEMBERS

BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

JOHN AVALOS - CHAIR
TERESA BARRETT
JOHN GIOIA
KATIE RICE
SHIRLEE ZANE

JAN PEPPER - VICE CHAIR
DAVID CANEPA
SCOTT HAGGERTY
MARK ROSS

THURSDAY
MAY 21, 2015
9:30 A.M.

7th FLOOR BOARD ROOM
939 ELLIS STREET
SAN FRANCISCO, CA 94109

AGENDA

1. **CALL TO ORDER - ROLL CALL**

The Committee Chair shall call the meeting to order and the Clerk of the Boards shall take roll of the Committee members.

2. **PUBLIC COMMENT ON NON-AGENDA MATTERS**

(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 THE MINUTES OF MARCH 19, 2015** **Clerk of the Boards/5073**

The Committee will consider approving the attached draft minutes of the Climate Protection Committee meeting of March 19, 2015.

4. **AIR DISTRICT ACTIVITIES TO ASSESS AND REDUCE METHANE EMISSIONS**

J. Roggenkamp/4646
jroggenkamp@baaqmd.gov

Staff will brief the Committee on the Air District's regional methane emissions inventory, including current and future efforts to refine the inventory, and on current rule-making efforts to reduce methane emissions.

5. **PROPERTY ASSESSED CLEAN ENERGY PROGRAMS**

J. Roggenkamp/4646
jroggenkamp@baaqmd.gov

Staff will brief the Committee on Property Assessed Clean Energy (PACE) programs, which enable financing for energy efficiency upgrades and renewable energy installations on residential and commercial buildings.

6. **COMMITTEE MEMBER COMMENTS / OTHER BUSINESS**

Any member of the Board, 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. (Gov't Code § 54954.2)

7. **TIME AND PLACE OF NEXT MEETING**

Thursday, July 16, 2015, Bay Area Air Quality Management District Office, 939 Ellis Street, San Francisco, California 94109 at 9:30 a.m.

8. **ADJOURNMENT**

The Committee meeting shall be adjourned by the Committee Chair.

CONTACT:

MANAGER, EXECUTIVE OPERATIONS
939 ELLIS STREET, SAN FRANCISCO, CA 94109
mmartinez@baaqmd.gov

(415) 749-5016
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www.baaqmd.gov

- To submit written comments on an agenda item in advance of the meeting. Please note that all correspondence must be addressed to the "Members of the Climate Protection Committee" and received at least 24 hours prior, excluding weekends and holidays, in order to be presented at that Committee meeting. Any correspondence received after that time will be presented to the Committee at the following 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 Clerk's Office should be given in a timely manner, 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.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109
FOR QUESTIONS PLEASE CALL (415) 749-5016 or (415) 749-4941

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF AIR DISTRICT MEETINGS

MAY 2015

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month) - CANCELLED</i>	Monday	18	9:30 a.m.	Board Room
Board of Directors Personnel Committee <i>(At the Call of the Chair)</i>	Monday	18	9:30 a.m.	Board Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month) - CANCELLED</i>	Monday	18	10:30 a.m.	Board Room
Special Board of Directors Meeting - Budget Hearing <i>(At the Call of the Chair)</i>	Wednesday	20	9:45 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	20	9:45 a.m.	Board Room
Board of Directors Climate Protection Committee <i>(Meets on the 3rd Thursday of Every Other Month)</i>	Thursday	21	9:30 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month) - CANCELLED</i>	Wednesday	27	9:30 a.m.	Board Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i>	Wednesday	27	9:30 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month) - CANCELLED</i>	Thursday	28	9:30 a.m.	Board Room

JUNE 2015

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	3	9:45 a.m.	Board Room
Board of Director Public Engagement Committee Meeting <i>(At the Call of the Chair)</i>	Thursday	4	9:30 a.m.	Board Room
Advisory Council Regular Meeting <i>(Meets on the 2nd Wednesday of each Month)</i>	Wednesday	10	9:00 a.m.	Board Room

JUNE 2015

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Personnel Committee <i>(At the Call of the Chair)</i>	Thursday	11	9:30 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	15	9:30 a.m.	Board Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	15	10:30 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	17	9:45 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i> - CANCELLED	Wednesday	24	9:30 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	25	9:30 a.m.	Board Room

JULY 2015

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	1	9:45 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	15	9:45 a.m.	Board Room
Board of Directors Climate Protection Committee <i>(Meets 3rd Thursday of Every Other Month)</i>	Thursday	16	9:30 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	20	9:30 a.m.	Board Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	20	10:30 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	22	9:30 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	23	9:30 a.m.	Board Room

HL – 5/13/15 (1:35 p.m.)

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BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John Avalos and Members
of the Climate Protection Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 7, 2015

Re: Approval of the Minutes of March 19, 2015

RECOMMENDED ACTION

Approve attached draft minutes of the Climate Protection Committee (Committee) meeting of March 19, 2015.

DISCUSSION

Attached for your review and approval are the draft minutes of the Climate meeting of March 19, 2015.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Sean Gallagher
Reviewed by: Maricela Martinez

Attachment: Draft Minutes of the Committee Meeting of March 19, 2015

Draft Minutes – Climate Protection Committee Meeting of March 19, 2015

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

DRAFT MINUTES

Summary of Board of Directors
Climate Protection Committee Meeting
Thursday, March 19, 2015

1. CALL TO ORDER – ROLL CALL

Chairperson John Avalos called the meeting to order at 9:40 a.m.

Present: Chairperson John Avalos; Vice-Chairperson Jan Pepper; and Directors Teresa Barrett, John Gioia, Katie Rice and Mark Ross.

Absent: Directors Cindy Chavez, Scott Haggerty and Shirlee Zane.

Also Present: None.

2. PUBLIC COMMENT ON NON-AGENDA MATTERS

Greg Karras, Communities for a Better Environment (CBE), addressed the Climate Protection Committee (Committee) regarding the presence of representatives from the United Steelworkers on the CBE board; to report that public comments at proposed refinery rule workshops this week are in opposition to exemptions that increase emissions; and to report that refinery staff support a transition to clean energy and jobs.

Mark Roest addressed the Committee regarding the need to phase out fossil and nuclear fuels and report that public speakers today will highlight opportunities to craft an aggressive, collaborative transition to renewables; and to suggest that battery technology and infrastructure will be key components in the transition away from fossil and nuclear fuels.

3. APPROVAL OF THE MINUTES OF JANUARY 15, 2015

Committee Comments: None.

Public Comments: No requests received.

Committee Action:

Director Pepper made a motion, seconded by Director Ross, to approve the Minutes of January 15, 2015; and the motion carried by the following vote of the Committee:

AYES: Avalos, Barrett, Gioia, Pepper, Rice and Ross.
NOES: None.
ABSTAIN: None.
ABSENT: Chavez, Haggerty and Zane.

4. AIR DISTRICT CLIMATE PROTECTION PROGRAM STAFFING AND ACTIVITIES

Jack Broadbent, Executive Officer/Air Pollution Control Officer (APCO), introduced the topic and Jean Roggenkamp, Deputy APCO, who gave the staff presentation *Climate Protection Program Staffing and Activities*, including a summary of the climate program major accomplishments, staff overview and plans for moving forward.

The Committee and staff discussed, at slide 4, *Climate Program Staffing*, the state of recruitments for the manager and seven staff members who comprise the new Climate Protection Section.

Ms. Roggenkamp continued the presentation.

The Committee and staff discussed, at slide 6, *Moving Forward*, the approximate timelines for the initial rule-making set, how the set was chosen and whether the sources targeted are significant contributors.

Ms. Roggenkamp concluded the presentation.

Committee Comments:

The Committee and staff discussed how local governments find out that Air District support is available; the possibility of a coordinated outreach effort to all cities in the region; documents and information that have been distributed to cities; whether Air District assistance is available to support emerging community choice aggregates; the viability of the Air District playing a unifying role to counter seemingly redundant efforts at the city level; the viability of developing a software application to enhance networking between the Air District and local governments, with a public component, in an effort to streamline the planning and information sharing phases being repeated throughout the Bay Area; what the Air District's most appropriate role is in supporting, and adding value to, the efforts by local governments and the State; the adequacy of, details about, allowed expenditures and annual increases of the greenhouse gases (GHG) fee; the possibility of expanding the allowed uses for the GHG fee or any expenditures flexibility that may exist currently; the desire for adequate funding and flexibility to support a successful program; importance of the newly formed staff team; summary of 350 Bay Area proposals; and a desire to see the Bay Area be a model leader in its response to this issue.

Public Comments:

Mr. Karras delivered an untitled presentation and addressed the Committee regarding the need to reduce refinery emissions in order to reach the established GHG goals; in support of a hard limit on refinery emissions, especially in light of increased exports; in opposition to the exemptions in

proposed rule 12-16; and to suggest the decisions made by the Air District may undercut the electric car movement.

Mark Roest, 350 Bay Area / Bay Climate Action Plan, addressed the Committee in support of electric car incentives, a block on refinery exports and progressively increasing fees on GHGs to subsidize the transition to a renewable energy, battery-powered model.

Margaret Pearce, 350 Bay Area, addressed the Committee regarding the growing concern in her church group about the health of the planet and need for action in the near term; to suggest that an 18-month rule development schedule is unacceptable; in support of ending combustion for specific uses, the imposition of a hard limit on refinery emissions, strict enforcement of exceedance limits and an immediate transition to 100% electric power.

Bill Quinn, California Council for Environmental and Economic Balance (CCEEB), addressed the Committee regarding CCEEB's commitment to a continued partnership with the Air District; to express that the collaborative between the Air District and California Air Resource Board (ARB) is heartening; to suggest items for consideration during staff review of the gap analysis by ARB and that a forced migration of facilities out of the Bay Area is not globally productive; and responded to an earlier call for comments about identifying the proper role for the Air District.

Jed Holtzman, 350 Bay Area, delivered the opening portion of a presentation *BAAQMD 2010 Clean Air Plan GHG Forecast*, and addressed the Committee to summarize the graphs provided; to suggest the climate protection program achievements to be immeasurably small and that a need exists to go beyond measures contemplated during day-to-day business; and to request the prioritization of rule-making that calls for GHG reductions.

Larry Chaset, 350.org, addressed the Committee to suggest that actions taken today are on behalf of future generations, that the Air District was a leader relative to air pollution and should become the same relative to the climate, and that ARB agrees with the need to phase out fossil fuels in order to achieve the established goals, starting with diesel generators, and to request that the Air District work with local governments to end new residential construction that allows gas-fired heating.

Nick Despota, Sunflower Alliance, addressed the Committee to deliver page 3 of the presentation delivered by Mr. Holtzman, *BAAQMD 2010 Clean Air Plan GHG Forecast*, in support of more emissions limits and to provide a recent history of dialogue regarding the regulating of GHGs; to suggest GHGs are increasing in the face of targets that require decreases; and to request GHG limits be imposed this year and included in future permits.

Steven Nadel, Sunflower Alliance / 350 East Bay, addressed the Committee to deliver page 4 of the presentation delivered by Mr. Holtzman, *BAAQMD 2010 Clean Air Plan GHG Forecast*, in support of action now to lessen the need for even greater action later.

Floyd Earl Smith, 350 Bay Area, addressed the Committee to deliver page 5 of the presentation delivered by Mr. Holtzman, *BAAQMD 2010 Clean Air Plan GHG Forecast*, to request Air District action instead of planning and that the Air District take a leadership role instead of performing administrative cleanup for local governments; and to suggest too much time has passed without action and that Air District authority may be limited but is not without value.

Jim Wilson addressed the Committee in opposition to the issuance of permits to GHG-emitting facilities; to suggest that Napa County, his place of residence, has no plan in place relative to the carbon budget and speculated, based on a graph displayed, that the trend is in the wrong direction; and to propose an effort to immediately achieve zero net carbon emissions in the Bay Area.

Ratha Lai, Sierra Club SF Bay, addressed the Committee in support of the comments made by representatives from 350.org and CBE; to suggest that climate change dialogue is coming to the forefront of the narrative at all political levels; and to suggest this is an important time for the Air District to be able to bring about change in the near term.

Charles Davidson, Sunflower Alliance, addressed the Committee to demand the rescission of Air District decisions that allow increases in GHGs and toxic emissions and to note the emissions levels documented in various refinery proposals.

Committee Action:

Chairperson Avalos asked staff for aggressive rule-making, preferably before year end, that includes emissions limits and reductions, excludes GHG exemptions, and does away with diesel generators and combustion in residencies; and expressed his eagerness to see that the newly formed climate team is fully staffed.

The Committee and staff discussed the regulatory structure and GHG rule-making; the staff desire to collaborate with ARB on GHGs to add value in a deliberative way and avoid duplicative efforts; the availability of and information gleaned from comprehensive emissions inventories that show in which categories the Air District has authority; Bay Area contribution to state totals; the origins of Air District authorities; the unique nature of the single Bay Area facility with a GHG provision in the permit and the nexus for the same; and the staff proposal for a GHG-regulation development pathway.

5. AIR RESOURCES BOARD CLIMATE PROTECTION PROGRAM

Ms. Roggenkamp introduced Edie Chang, Deputy Executive Officer, ARB, who gave the presentation *ARB's Climate Change Programs*, including Assembly Bill (AB) 32 requirements; GHG emissions reduction goals; initial scoping plan; GHG emissions by sector; initial scoping plan – key measures; cap-and-trade program; scoping plan update; Governor's climate goals; local government actions for climate change; Cool California; BAAQMD's climate initiatives; opportunities for local and regional action; and contact information.

Committee Comments:

The Committee and staff discussed GHG emissions reduction goals; estimates that the 2020 goal will be met; questions whether the 2050 goal will be met and the state of discussions about establishing a 2035 goal; whether an analysis exists of contributions by each county to the state total; cap-and-trade as one measure in a suite of measures to limit GHGs; and cap-and-trade as a backstop, not substitute, for other measures.

Public Comments:

Mark Strehlow, PG&E, addressed the Committee regarding PG&E's support for policies that reduce GHGs at different levels and to express concern about the possible existence of two layers of conflicting regulations.

Mr. Karras addressed the Committee to suggest that an exemption for the refineries will allow the biggest GHG emitters to continue; to opine that there is no hard GHG limit currently; to suggest that advanced, local regulations will not infringe on those at the state level and is a normal regulatory scheme; and to suggest that Senate Bill (SB) 1368 sets GHG limits on every power plant constructed since 2007 but does not interfere with the cap-and-trade program.

Mr. Nadel addressed the Committee to suggest the GHG emissions reduction goals from ARB are mathematically nonsensical; to suggest the characterizations that proposed GHG regulations by the Air District would interfere with the cap-and-trade program is unacceptable; to request stricter rules and a stronger defense of staff as industry responds to these proposals; and recalled his professional experience in air quality and the impact of national politics and the industry lobby on the same.

Roger Lin, CBE, addressed the Committee to suggest, relative to proposed rules 12-15 and 12-16, that Air Districts have primary authority and broad police power over stationary sources; summarized key components of AB 32 as looking to which sources contribute most to climate change, inclusion of environmental justice considerations and a lack of interference with other efforts to reduce emissions; asked why Air District staff proposed the GHG exemption; and to suggest that the Air District and ARB were created to work together with the Air District in the lead role.

Mr. Holtzman addressed the Committee regarding the history of wood smoke regulation as evidence of a faster, viable rule-making process at the Air District; to suggest that ARB will count any decreases that result from Air District action towards the achievement of the greater goals; to suggest that reductions below the established targets are needed and drastic action is needed immediately; to suggest that all action should be welcome; and to express support for the immediate adoption of all of the proposals from 350.org with effectiveness analysis later.

Committee Comments (continued):

The Committee, staff and Ms. Chang discussed the interfacing of State and local regulations and the likely impact of local limits that go beyond those of the State; the importance of maintaining a balance that facilitates the transition to a shared goal without damaging the economy by sending business out of the State and country; the importance of advocacy to effect change; a desire to regulate GHGs in the Bay Area in a way that supports AB 32 and the related plans from the Governor's office; the need for advocacy that will ensure the passage of SB 32 to avoid an end to the successful advance at the State and international levels; to clarify that thoughtfulness should not be mistaken as obstinacy or hesitance; whether refineries get allowances, and how they are allocated, under cap-and-trade and how the benchmarks are set; how leakage, in the form of economic emigration, was factored in and the leakage risk assigned to refineries; the Air District GHG limit as a possible economic boon for refineries; how cap-and-trade works relative to transportation fuels; the existence and integration of the Low Carbon Fuel Standard with cap-

and-trade; whether and how tail pipe emissions from fuel refined here but exported for use are calculated under cap-and-trade; imported electricity emissions under cap-and-trade; with whom the authority over railcar emissions, during transport or transfer, rests; the state of ARB's work on railcar emissions and the legal framework for the same; clarification of the proper handling of emissions from exported and imported refined products; the Air District desire not to undermine cooperative efforts but a recognition of a need to act now given recent Antarctic ice events; and Committee support for statements made by Director Gioia.

Mr. Broadbent thanked Ms. Chang for her presentation and joined with Director Gioia, on behalf of staff, in his comments regarding this complex topic.

Director Gioia asked for an analysis of where the Bay Area is on the climate change spectrum in terms of regional initiatives and action.

Committee Action: None; receive and file.

6. Committee Members' Comments/Other Business: None.

7. Time and Place of Next Meeting

Thursday, May 21, 2015, Bay Area Air Quality Management District Headquarters, 939 Ellis Street, San Francisco, California 94109 at 9:30 a.m.

8. Adjournment: The meeting adjourned at 12:22 p.m.

Sean Gallagher
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John Avalos and Members
of the Climate Protection Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 13, 2015

Re: Air District Activities to Assess and Reduce Methane Emissions

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

Methane is an important greenhouse gas (GHG) that contributes to the Bay Area's regional GHG emissions inventory. In the Bay Area, major sources of methane include leakage from the decomposition of waste from landfills and wastewater treatment facilities, livestock, natural gas distribution systems, and oil and gas wells. Methane has a Global Warming Potential (GWP) 28 times that of carbon dioxide, which means that methane, is much more effective at trapping heat than carbon dioxide. Because of this high GWP and its short atmospheric lifespan (about 12 years), reducing methane emissions today can have an immediate beneficial impact on global warming.

Since 2006, the Air District has maintained a regional GHG emissions inventory, which includes methane. The Air District's emissions inventory, consistent with state and federal inventories, calculates emissions based on analysis of specific source categories (e.g., "fugitive" leaks at landfills or natural gas lines). A growing number of recent studies have indicated that there may be a disparity between such source-based estimates of methane and levels of methane detected in the ambient air. The results of these studies indicate that the Air District's inventory may significantly underestimate methane emissions. This disparity is consistent with findings at the state and national level, and work is underway to resolve this disparity and better understand which methane sources should be the focus of reduction efforts.

The Air District began measuring ambient methane levels in 1980 as part of a measurement network focused primarily on ozone precursors, or non-methane hydrocarbons. An enhanced measurement network with greater precision instruments and broader coverage, focused on tracking methane trends and sources, is currently under development. In addition, Air District staff is currently collaborating with researchers at the Lawrence Berkeley National Laboratory to refine and improve methane estimates in the regional emissions inventory. Outcomes of these efforts will inform Air District climate policies and programs, and also may be useful to

emissions inventory work and policy development being done at other air districts, and at the state and national levels.

DISCUSSION

Several elements of the Air District's 10-Point Climate Action Work Program address methane emissions and are reflected in current work efforts. Staff will provide the Committee with an overview of the Air District's efforts to date and future plans to monitor methane levels, enhance the Air District's methane emissions inventory, and identify the major sources of methane in the Bay Area. The presentation also will highlight current and proposed rule-making efforts and other activities underway to control methane emissions.

BUDGET CONSIDERATION / FINANCIAL IMPACT

Enhanced methane monitoring activities require resources that have been included in the Fiscal Year Ending (FYE) 2015 budget, with additional resources anticipated in the proposed FYE 2016 budget.

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 John Avalos and Members
of the Climate Protection Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 13, 2015

Re: Property Assessed Clean Energy Programs

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

California's Building Energy Efficiency Standards (under Title 24) were adopted in 1978. These Standards set stringent energy efficiency requirements for new and remodeled buildings in California. There are approximately 2.8 million housing units in the Bay Area, and it is estimated that nearly 70% were built prior to the 1978 adoption of the Building Energy Efficiency Standards. As part of the development of the Regional Climate Protection Strategy, Air District staff has conducted an analysis of greenhouse gas (GHG) trends and mitigation opportunities in the buildings sector. This analysis indicates that the existing building stock represents a large opportunity for reducing energy use and GHG emissions. In addition, the Air District has extensive experience working with local governments on the development of local energy efficiency and GHG reduction plans, and expects to continue this collaboration in addressing GHG emissions from the existing building stock.

In 2007, the Air District awarded a Climate Protection Grant to the City of Berkeley to implement the Berkeley Financing Initiative for Renewable and Solar Technology (BerkeleyFIRST) – a pilot concept to finance solar energy systems on existing residential and commercial buildings through a property tax assessment. The program was replicated at the state level and promoted nationally by President Obama. The statewide CaliforniaFIRST program facilitates energy efficiency upgrades and solar installations by overcoming traditional barriers to such investments, including upfront costs and long-term loans that are attached to the borrower instead of the property. These types of programs are often referred to as Property Assessed Clean Energy (PACE) programs.

DISCUSSION

Staff from Renewable Funding, a major provider of PACE program financing, will provide the Committee with an overview of how PACE programs work, the status of participation in PACE programs in the Bay Area and results to date. The presentation will also address the potential for PACE programs to reduce GHG emissions from the buildings sector in the Bay Area and potential role(s) for the Air District in facilitating participation.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Abby Young
Reviewed by: Henry Hilken