

Bay Area Air Quality Management District
939 Ellis Street
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APPROVED 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.

15/ Sean Gallagher
Sean Gallagher
Clerk of the Boards