



**BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT**

**BOARD OF DIRECTORS
LEGISLATIVE COMMITTEE MEETING**

COMMITTEE MEMBERS

**BRAD WAGENKNECHT - CHAIRPERSON
JOHN AVALOS
SCOTT HAGGERTY**

**KAREN MITCHOFF - VICE CHAIR
JOHN GIOIA
DAVID HUDSON
SHIRLEE ZANE**

**MONDAY
DECEMBER 12, 2016
9:30 A.M.**

**1ST FLOOR BOARD ROOM
375 BEALE STREET
SAN FRANCISCO, CA 94105**

AGENDA

1. CALL TO ORDER - ROLL CALL – PLEDGE OF ALLEGIANCE

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

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, 375 Beale Street, San Francisco, California 94105, and on the Air District's website www.baaqmd.gov 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 Board's authority. Speakers will be limited to three (3) minutes each.

This meeting will be webcast. To see the webcast, please visit <http://www.baaqmd.gov/The-Air-District/Board-of-Directors/Agendas-and-Minutes.aspx> at the time of the meeting.

Staff/Phone (415) 749-

**3. APPROVAL OF THE MINUTES OF MARCH 30, 2015, OCTOBER 26, 2015,
MARCH 21, 2016 AND JUNE 27, 2016** **Clerk of the Boards/5073**

The Committee will consider approving the attached draft minutes of the Legislative Committee meetings of March 30, 2015, October 26, 2015, March 21, 2016 and June 27, 2016.

4. **REVIEW OF THE 2016 LEGISLATIVE YEAR**

T. Addison/5109
taddison@baaqmd.gov

Staff will report on the outcome of key legislative proposals in 2016, particularly measures with Air District adopted positions.

5. **DISCUSSION OF POTENTIAL 2017 LEGISLATIVE AGENDA**

T. Addison/5109
taddison@baaqmd.gov

The Committee will discuss a potential legislative agenda for 2017.

6. **COMMITTEE MEMBERS' COMMENTS/OTHER BUSINESS**

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. (Gov't Code § 54954.2)

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

8. **ADJOURNMENT**

The Committee meeting shall be adjourned by the Committee Chair.

CONTACT:

MANAGER, EXECUTIVE OPERATIONS
375 BEALE STREET, SAN FRANCISCO, CA 94105
mmartinez@baaqmd.gov

(415) 749-5016
FAX: (415) 928-8560
BAAQMD homepage:
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 Legislative 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.
- 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 375 Beale Street, Suite 600, San Francisco, CA 94105, at the time such writing is made available to all, or a majority of all, members of that body.

Accessibility and Non-Discrimination Policy

The Bay Area Air Quality Management District (Air District) does not discriminate on the basis of race, national origin, ethnic group identification, ancestry, religion, age, sex, sexual orientation, gender identity, gender expression, color, genetic information, medical condition, or mental or physical disability, or any other attribute or belief protected by law.

It is the Air District’s policy to provide fair and equal access to the benefits of a program or activity administered by Air District. The Air District will not tolerate discrimination against any person(s) seeking to participate in, or receive the benefits of, any program or activity offered or conducted by the Air District. Members of the public who believe they or others were unlawfully denied full and equal access to an Air District program or activity may file a discrimination complaint under this policy. This non-discrimination policy also applies to other people or entities affiliated with Air District, including contractors or grantees that the Air District utilizes to provide benefits and services to members of the public.

Auxiliary aids and services including, for example, qualified interpreters and/or listening devices, to individuals who are deaf or hard of hearing, and to other individuals as necessary to ensure effective communication or an equal opportunity to participate fully in the benefits, activities, programs and services will be provided by the Air District in a timely manner and in such a way as to protect the privacy and independence of the individual. Please contact the Non-Discrimination Coordinator identified below at least three days in advance of a meeting so that arrangements can be made accordingly.

If you believe discrimination has occurred with respect to an Air District program or activity, you may contact the Non-Discrimination Coordinator identified below or visit our website at www.baaqmd.gov/accessibility to learn how and where to file a complaint of discrimination.

Questions regarding this Policy should be directed to the Air District’s Non-Discrimination Coordinator, Rex Sanders, at (415) 749-4951 or by email at rsanders@baaqmd.gov.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
375 BEALE STREET, SAN FRANCISCO, CALIFORNIA 94105
FOR QUESTIONS PLEASE CALL (415) 749-5016 or (415) 749-4941

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF AIR DISTRICT MEETINGS

DECEMBER 2016

<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	7	9:45 a.m.	1 st Floor Board Room
Board of Directors Legislative Committee <i>(At the Call of the Chair)</i>	Monday	12	9:30 a.m.	1 st Floor Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	15	9:30 a.m.	1 st Floor Board Room
Board of Directors Budget & Finance Committee <i>(Meets 4th Wednesday of Each Month)</i>	Friday	16	9:30 a.m.	1 st Floor Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month) - CANCELLED</i>	Monday	19	9:30 a.m.	1 st Floor Board Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i> - CANCELLED	Monday	19	10:30 a.m.	1 st Floor Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i> - CANCELLED	Wednesday	21	9:45 a.m.	1 st Floor Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i> - CANCELLED	Thursday	22	9:30 a.m.	1 st Floor Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i> - CANCELLED	Wednesday	28	9:30 a.m.	1 st Floor Board Room

JANUARY 2017

<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> - CANCELLED	Wednesday	4	9:45 a.m.	1 st Floor Board Room
Advisory Council Meeting - <i>(At the Call of the Chair) - CANCELLED</i>	Thursday	5	10:00 a.m.	1 st Floor Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	16	9:30 a.m.	1 st Floor Board Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	16	10:30 a.m.	1 st Floor Board Room

JANUARY 2017

<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	18	9:45 a.m.	1 st Floor Board Room
Board of Directors Climate Protection Committee <i>(Meets 3rd Thursday of Every Other Month)</i>	Thursday	19	9:30 a.m.	1 st Floor Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	25	9:30 a.m.	1 st Floor Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	26	9:30 a.m.	1 st Floor Board Room

FEBRUARY 2017

<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.	1 st Floor Board Room
Advisory Council Meeting <i>(At the Call of the Chair)</i>	Monday	6	10:00 a.m.	1 st Floor Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	15	9:45 a.m.	1 st Floor Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	20	9:30 a.m.	1 st Floor Board Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	20	10:30 a.m.	1 st Floor Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	22	9:30 a.m.	1 st Floor Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	23	9:30 a.m.	1 st Floor Board Room

HL – 11/29/16 (3:10 p.m.)

G/Board/Executive Office/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Brad Wagenknecht and Members
of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/Air Pollution Control Officer

Date: December 1, 2016

Re: Approval of the Minutes of March 30, 2015, October 26, 2015, March 21, 2016, and
June 27, 2016

RECOMMENDED ACTION

Approve the attached draft minutes of the Legislative Committee (Committee) meetings of March 30, 2015, October 26, 2015, March 21, 2016, and June 27, 2016.

DISCUSSION

Attached for your review and approval are the draft minutes of the Committee meetings of March 30, 2015, October 26, 2015, March 21, 2016, and June 27, 2016.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Maricela Martinez

Attachment 3A: Draft Minutes of the Committee Meeting of March 30, 2015
Attachment 3B: Draft Minutes of the Committee Meeting of October 26, 2015
Attachment 3C: Draft Minutes of the Committee Meeting of March 21, 2016
Attachment 3D: Draft Minutes of the Committee Meeting of June 27, 2016

AGENDA 3A – ATTACHMENT

Draft Minutes – Legislative Committee Meeting of March 30, 2015

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

DRAFT MINUTES

Summary of Board of Directors
Legislative Committee Meeting
Monday, March 30, 2015

1. CALL TO ORDER – ROLL CALL

Vice-Chairperson Brad Wagenknecht called the meeting to order at 9:38 a.m.

Present: Chairperson Tom Bates; Vice-Chairperson Brad Wagenknecht; and Directors Scott Haggerty, David Hudson and Karen Mitchoff.

Absent: Directors John Avalos and John Gioia.

Also Present: None.

2. PUBLIC COMMENT PERIOD

Jed Holtzman, 350 Bay Area, addressed the Legislative Committee (Committee) in gratitude for the quickened pace of the Committee meeting schedule.

3. CONSIDERATION OF NEW BILLS AND LEGISLATIVE UPDATE [OUT OF ORDER AGENDA ITEM 4]

Thomas Addison, Senior Policy Advisor, delivered the staff report *Consideration of New Bills and Legislative Update*, including discussion and review of new bills.

NOTED PRESENT: Chairperson Bates was noted present at 9:41 a.m.

Committee Comments:

The Committee and staff discussed the staff review of new bills; whether Assembly Bill (AB) 280 Brown would completely bar attorney involvement in the small claims process; and additional details regarding AB 1059 E. Garcia, including its impact on CalEnviroScreen, the reasoning behind the staff recommendation, and what Air District staff are doing to achieve the sought after amendments.

NOTED PRESENT: Director Haggerty was noted present at 10:06 a.m.

Public Comments: No requests received.

Committee Action:

Director Wagenknecht made a motion, seconded by Director Mitchoff, to recommend the Board of Directors (Board) adopt the following positions:

AB 23 Patterson: Oppose
AB 280 Brown: Support
AB 720 Cooley: Oppose
AB 742 Gallagher: Oppose
AB 777 Harper: Oppose
AB 945 Ting: Support if amended
AB 1059 E. Garcia: Oppose unless amended and direct staff to communicate the same to the author
AB 1176 Perea: Oppose
Senate Bill (SB) 1 Gaines: Oppose
SB 5 Vidak: Oppose
SB 513 Beall: Support

The motion carried by the following vote of the Committee:

AYES: Bates, Haggerty, Hudson, Mitchoff and Wagenknecht.
NOES: None.
ABSTAIN: None.
ABSENT: Avalos and Gioia.

Committee Comments (continued):

The Committee and staff discussed the subject matter of AB 450 McCarty and staff's reasoning for not proposing a position; whether it would be worthwhile to consider taking positions on AB 761 Levine, AB 1068 T. Allen and AB 1345 Dahle at the next Committee meeting; the subject matter and implications of the passage of SB 786 Allen; the schedules of the State legislature and the Committee; how staff should handle updates to the Committee when a bill that the District has previously adopted a position on either progresses or changes significantly; tentative future meeting date; and the large number of bills regarding cap-and-trade revenue.

Committee Action (continued):

Director Wagenknecht made a motion, seconded by Director Mitchoff, to recommend the Board approve support of bills equivalent to SB 32 Pavley and SB 350 De Leon, which would respectively extend AB 32 and the Renewable Portfolio Standard beyond 2020, as such bills move forward; and the motion carried by the following vote of the Committee:

AYES: Bates, Haggerty, Hudson, Mitchoff and Wagenknecht.
NOES: None.
ABSTAIN: None.
ABSENT: Avalos and Gioia.

4. APPROVAL OF THE MINUTES OF FEBRUARY 26, 2015 [AGENDA ITEM 3]

Committee Comments: None.

Public Comments: No requests received.

Committee Action:

Director Mitchoff made a motion, seconded by Director Hudson, to approve the minutes of February 26, 2015; and the motion carried by the following vote of the Committee:

AYES: Bates, Haggerty, Hudson, Mitchoff and Wagenknecht.
NOES: None.
ABSTAIN: None.
ABSENT: Avalos and Gioia.

5. COMMITTEE MEMBERS' COMMENTS / OTHER BUSINESS: None.

6. TIME AND PLACE OF NEXT MEETING

At the call of the Chairperson.

7. ADJOURNMENT: The meeting adjourned at 10:21 a.m.

Sean Gallagher
Clerk of the Boards

AGENDA 3B – ATTACHMENT

Draft Minutes – Legislative Committee Meeting of October 26, 2015

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

DRAFT MINUTES

Summary of Board of Directors
Legislative Committee Meeting
Monday, October 26, 2015

1. CALL TO ORDER – ROLL CALL

Chairperson Tom Bates called the meeting to order at 10:30 a.m.

Present: Chairperson Tom Bates; and Directors David Hudson and Karen Mitchoff.

Absent: Vice-Chairperson Brad Wagenknecht; and Directors John Avalos and John Gioia, and Scott Haggerty.

Also Present: None.

2. **PUBLIC COMMENT PERIOD:** No requests received.

3. APPROVAL OF THE MINUTES OF MARCH 30, 2015

Committee Comments: None.

Public Comments: No requests received.

Committee Action: None; due to lack of quorum.

4. REVIEW OF THE 2015 LEGISLATIVE YEAR

Thomas Addison, Senior Policy Advisor, delivered the staff report *Review of the 2015 Legislative Year* and discussed general trends in both the State Assembly and State Legislature. Specifically, the Air District sponsored Senate Bill (SB) 773 authored by Ben Allen, on the subject matter of unregistered vehicles. Mr. Addison stated the SB 773 did not move beyond the Assembly Transportation Committee. The bill is anticipated in early 2016.

Public Comments: None.

Committee Comments:

The Committee and staff discussed the staff review of 2015 legislative year. The Committee discussed enforcement of vehicle registration. The Committee requested staff prepare a letter addressed to the Assembly and Legislature urging University of California (UC) for their support on the enforcement of vehicle registration. The Committee inquired about bills for the upcoming 2016 legislative year, which was not agendized and will be included at the next meeting of the Legislative Committee. The Committee requested staff provide input on upcoming topics for 2016.

Jack Broadbent, Executive Officer/APCO informed the Committee of the intent to include the renewal of the Commuter Benefits program, which expires at the end of 2016. The Commuter Benefits program is currently a pilot program, in which the Air District is required to provide an update to the Legislature. The Committee Chair expressed an interest in coal fired electricity, as a topic of discussion at a future meeting.

Director Hudson inquired about Assembly Bill (AB) 678 O'Donnell, the Energy Efficient Ports Program and why it failed passage. The Committee requested a follow up report on this topic.

Damian Breen, Deputy Air Pollution Control Officer, stated the first components of the Cap and Trade monies of the Goods Movement Bond funds are currently being appropriated. Mr. Breen informed the Committee that the Air District is looking at the improvements that have been made in Los Angeles to reduce emissions.

The Executive Officer/APCO informed the Committee of its intent for discussion on a list of ideas to electrify the port, as well as explore funding alternatives.

Public Comments: No requests received.

Committee Action: None.

5. COMMITTEE MEMBERS' COMMENTS / OTHER BUSINESS: None.

6. TIME AND PLACE OF NEXT MEETING

At the call of the Chairperson.

7. ADJOURNMENT: The meeting adjourned at 11:10 a.m.

Vanessa Johnson
Senior Executive Secretary

AGENDA 3C – ATTACHMENT

Draft Minutes – Legislative Committee Meeting of March 21, 2016

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

DRAFT MINUTES

Summary of Board of Directors
Legislative Committee Meeting
Monday, March 21, 2016

1. CALL TO ORDER – ROLL CALL

Legislative Committee (Committee) Chair Wagenknecht called the meeting to order at 9:37 a.m.

Present: Committee Chair Brad Wagenknecht; and Directors John Avalos and David Hudson

Absent: Committee Vice Chair Karen Mitchoff; and Directors John Gioia, Scott Haggerty, and Shirlee Zane.

Also Present: None.

2. PUBLIC COMMENT PERIOD

No requests received.

3. APPROVAL OF THE MINUTES OF MARCH 30, 2015 AND OCTOBER 26, 2016

Committee Comments: The Committee members present wished to approve both sets of minutes but District staff stated that a quorum would be necessary for action items.

Public Comments: No requests received.

Committee Action: None; due to a lack of quorum.

4. CONSIDERATION OF NEW BILLS

Thomas Addison, Senior Policy Advisor, delivered the staff report *Consideration of New Bills*, including discussion and review of ten new bills.

Committee Comments:

The Committee and staff discussed the fact that there are currently few bills attacking climate, air district enforcement, and California Air Resources Board (ARB) regulatory programs; the increase of bills regarding the following topics: Cap and Trade, Aliso Canyon gas leak in

Southern California, clean air equipment at the ports, and disadvantaged communities; District support of SB 535 (De León) (greenhouse gas reduction fund) in order to benefit community air risk evaluation (CARE) communities; related efforts of the Bay Area Caucus; importance of SB 1383 (Lara) (capping emissions of short-lived climate pollutants); clarification of why it is recommended that the District opposes SB 1239 (Gaines) (smog check exemptions); origin and development of SB XXX (bill not yet in print) (De León) (increases SCAQMD Board from 13 to 16 members with specific appointees) and whether or not the BAAQMD is affected; and the District’s sponsorship of SB 1128 (Glazer) (commute benefit policies) and SB 773 (Allen) (vehicle registration fraud.)

Director Hudson Hudson requested that the following bills be considered by the Board before the next Committee meeting:

1. **AB 2170 (Frazier)** – Directs federal freight funds to 1B’s Trade Corridors Improvement Fund
2. **AB 2673 (Harper)** – Exempts hydrogen refueling station equipment from sales tax
3. **AB 1592 (Bonilla)** – Autonomous vehicles pilot project
4. **AB 2829 (Baker)** – Spot bill on Carl Moyer program

Public Comments: No requests received.

Committee Action:

At the recommendation of Committee Chair Wagenknecht, and at the consensus of Directors Avalos and Hudson, the Committee recommends that the Board adopt the following positions as recommended by Air District Staff:

- AB 1685 (Gomez): Support
- AB 2292 (Gordon): Support in concept
- ACR 112 (Hadley): Support
- SB 1239 (Gaines): Oppose
- SB 1383 (Lara): Support if amended
- SB 1441 (Leno): Support
- AB 1657 (O’Donnell): Support in concept
- AB 2055 (Gibson): Support in concept
- AB 2841 (Allen): Support in concept
- SB 1338 (Lara): Support in concept

5. COMMITTEE MEMBERS’ COMMENTS / OTHER BUSINESS

Director Hudson announced that Contra Costa County may potentially have a new half-cent sales tax bond measure on the ballot in November 2016, with a possible focus on transportation programs.

6. TIME AND PLACE OF NEXT MEETING

At the call of the Chairperson.

7. **ADJOURNMENT:** The meeting adjourned at 10:20 a.m.

Tom Flannigan
Clerk of the Boards

AGENDA 3D – ATTACHMENT

Draft Minutes – Legislative Committee Meeting of June 27, 2016

Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, California 94105
(415) 749-5073

DRAFT MINUTES

Summary of Board of Directors
Legislative Committee Meeting
Monday, June 27, 2016

1. CALL TO ORDER – ROLL CALL

Legislative Committee (Committee) Chair Wagenknecht called the meeting to order at 9:41 a.m.

Present: Committee Chair Brad Wagenknecht and Committee Vice Chair Karen Mitchoff; and Directors Scott Haggerty and David Hudson.

Absent: Directors John Avalos, John Gioia, and Shirlee Zane.

Also Present: None.

2. PUBLIC COMMENT PERIOD

No requests received.

3. APPROVAL OF THE MINUTES OF MARCH 30, 2015, OCTOBER 26, 2015, AND MARCH 21, 2016

Public Comments:

No requests received.

Committee Comments:

None.

Committee Action:

None; due to a lack of quorum.

4. CONSIDERATION OF NEW BILLS

Thomas Addison, Senior Policy Advisor, delivered the staff report *Consideration of New Bills*, including discussion of support for AB 1965: Vehicular Retirement and Replacement (Cooper.).

Public Comments:

No requests received.

Committee Comments:

The Committee and staff discussed: the description and historical development of this bill; how the bill would go into effect on January 1, 2017, if passed; the Air District’s opportunity to help shape the program for the Bay Area, possibly through the Mobile Source Committee; and how participation among statewide Air District jurisdictions is optional.

At this time, Mr. Addison also introduced a bill that was not listed in this item, AB 1550: Greenhouse Gas Reduction Fund (GGRF) projects that directly benefit disadvantaged communities (Gomez). After giving the history and development of this bill, Mr. Addison listed three reasons for recommending the position of “oppose unless amended.” Mr. Addison distributed the current version of the bill, the proposed amendments to the bill, and a sample “oppose unless amended” letter from the Metropolitan Transportation Commission to the Senate Environmental Quality Committee. The Committee and staff discussed: the current problems with CalEnviroScreen, the mapping tool that facilitates the identification of low-income areas in California that are most affected by sources of pollution, and the fact that this issue will be addressed in the next legislative session; and potential impacts on governmental discretionary funds that could result from continued GGRF allocations to disadvantaged communities.

Committee Action:

At the consensus of members present, the Committee recommended that the Board adopt a “support” position on AB 1965 (Cooper), and an “oppose unless amended” position on AB 1550 (Gomez).

5. LEGISLATIVE UPDATE

Mr. Addison explained that this item provided the current statuses of bills of air quality significance, on some of which, the District has adopted positions. The Committee and staff discussed: Cap and Trade revenue projections; trends in declining auction revenues and proceeds; budgetary implications for programs that are funded by Cap and Trade; the fate of the program beyond 2020; and ways to increase the quorum frequency for this committee, as there has not been a quorum for the three previous meetings.

Specific bills that were discussed included:

- AB 197 (Garcia)
- SB 773 (Allen) (sponsored by the District)
- SB 1128 (Glazer) (co-sponsored by the District)
- SB 1387 (De Leon) (staff recommends opposition)
- AB 1550 (Gomez)

Public Comments:

No requests received.

Committee Comments:

The Committee and staff discussed: legislative attention to the function of local District Boards of Directors; and the feasibility of reaching out to counties within the District’s jurisdiction that plan to take, or already have taken, positions on bills that do not align with the District’s interests.

Committee Action:

None; receive and file.

6. COMMITTEE MEMBERS’ COMMENTS / OTHER BUSINESS

None.

7. TIME AND PLACE OF NEXT MEETING

At the call of the Chairperson. Mr. Addison suggested holding the next meeting after the legislative session ends, in September or October of 2016.

8. ADJOURNMENT: The meeting adjourned at 10:39 a.m.

Marcy Hiratzka
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Brad Wagenknecht and Members
of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/Air Pollution Control Officer

Date: December 1, 2016

Re: Review of the 2016 Legislative Year

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

The California Legislature ended its work for the 2015-2016 session on the last day of September, and the Governor concluded his work of signing and vetoing bills that the Legislature had sent him at the end of October. Climate legislation, including how to spend cap-and-trade revenues, was one of the most watched and heavily lobbied issues in Sacramento this year, with both legislative leaders and the Governor personally involved. The Assembly had a new Speaker, Anthony Rendon (D-Lakewood), ascend to his post in March, while the Senate Pro Tem (Kevin De Leon; D-Los Angeles) retained his position. The dynamic of both legislative leaders representing Southern California influenced the discussion around and the content of a number of bills, including those on cap-and-trade revenues.

DISCUSSION

The Air District (District) co-sponsored SB 1128 this year with the Metropolitan Transportation Commission (MTC). The bill (authored by Senator Steven Glazer; D - Orinda) removed the sunset on the region's commuter benefits program, which otherwise would have terminated at the end of 2016. This popular and successful program had been authorized in 2012 by SB 1339, and is having measurable and significant reductions in emissions, vehicle miles traveled, and congestion. The bill became law with near universal, bipartisan support.

Additionally, the District sponsored SB 773 (authored by Senator Ben Allen; D-Santa Monica), which essentially would have the University of California study the issue of unregistered vehicles, and vehicles in California with out-of-state plates. Because these vehicles operate illegally outside the smog check program, they have significant public health impacts, as well as representing perhaps several hundred million dollars annually in lost revenues to local cities and counties (through not paying the vehicle license fees) and the state. The bill was introduced in 2015, but was held in the Assembly Transportation Committee because of inter-house tension unrelated to the bill's subject. This year, staff was able to break the measure free from its

legislative logjam. It advanced through both houses without a single vote in opposition, and the Governor signed the measure into law.

Beyond these two sponsored bills, the District adopted positions on a number of other measures. AB 1685 (authored by Jimmy Gomez; D-Los Angeles), which was supported by the District, increases penalties for vehicle manufacturers who fail to comply with California air quality requirements. The measure was crafted in response to the VW emissions cheating scandal, and was signed into law. On the other hand, three measures to provide increased funding for emissions cleanup technology at ports that the District supported failed to become law. Another bill the District supported (SB 1441, authored by Mark Leno; D-San Francisco) would have ended the current practice of allowing utilities to bill customers for natural gas leaks, thereby cutting emissions of the short-lived climate pollutant methane. That bill made it almost all the way through the Legislature. But it failed to garner enough votes on the Assembly Floor, where moderate Democrats, typically aligned with business interests, wield their greatest influence. SB 1239, authored by Ted Gaines (R-El Dorado Hills), would have exempted 1976 through 1980 model year cars from Smog Check. This would have undone legislation that the District sponsored in 2004. While similar measures to SB 1239 have been introduced perhaps three times since 2004, previous rollback attempts had failed to clear their first policy committee. SB 1239 made it further, but was defeated on the Senate floor.

Some of the most heavily lobbied and tracked bills of 2016 involved climate change, disadvantaged communities, and where cap-and-trade funds are to be spent. The Air District had positions on a number of these measures. SB 32 (Fran Pavley; D-Agoura Hills) was supported by the District and introduced in 2015, but lacked the votes to pass the Assembly Floor in 2015. It extends California's climate emissions limits beyond 2020, by codifying a 40% reduction below 1990 levels by 2030. This was fiercely opposed by a potent coalition of business, industry, and oil interests, yet was strongly supported by the Pro Tem, the Governor, and ultimately the Speaker. To get the required 41 votes, moderate Democrats were heavily lobbied, and a number of steps were taken this year to secure their votes. Less than two weeks before the end of the 2016 session, the bill had new findings and declarations added. These include that the state's most disadvantaged communities are disproportionately affected by the deleterious effects of climate change, and that the Air Resources Board (ARB) shall achieve the more stringent GHG reductions in a way that benefits the state's most disadvantaged communities. Additionally, SB 32 was double joined to AB 197 (meaning that both bills had to pass for either to take effect), authored by Eduardo Garcia (D-Coachella). AB 197 creates a Joint Legislative Committee on Climate Policies, adds two legislators to the ARB as non-voting members, makes ARB Board member terms six years, and puts a variety of new requirements on ARB. These include that ARB is to prioritize rules that directly reduce emissions at large stationary sources. With these changes, SB 32 and AB 197 passed, and were signed into law.

The District has long been concerned that CalEnviroScreen, the tool used to identify disadvantaged communities (which are prioritized for cap-and-trade funding), fails to identify severely disadvantaged communities, including many in the Bay Area. Thus, the District supported and worked closely with Rich Gordon (D- Menlo Park), the author of AB 2292, which mandated improvements to CalEnviroScreen. That bill was opposed by environmental justice organizations, and failed to pass the Appropriations Committee in its first house. The

organizations opposing AB 2292 strongly backed AB 1550 (Jimmy Gomez; D-Los Angeles), which also dealt with disadvantaged communities. AB 1550 increases reliance on CalEnviroScreen, by saying that all 25% of the cap-and-trade funds required to be spent to *benefit* disadvantaged communities must now be spent *within* these communities. Additionally, it requires an additional 5% of the funds go to low-income communities no more than half a mile from disadvantaged communities, and another 5% to go to low-income communities anywhere in the state. The District had an ‘oppose unless amended’ position on AB 1550, because of our longstanding concerns that CalEnviroScreen is well-intentioned but flawed, and that Bay Area communities that should be identified as disadvantaged will continue to be overlooked. But AB 1550 was part of the climate package being advanced by legislative leadership, and it was signed into law. Another component of the package that became law was AB 2722, authored by Autumn Burke (D-Inglewood). This bill establishes that Transformative Climate Communities are to be funded with cap-and-trade funds, which this year received \$140 million in appropriations in the budget process. While the District did not take a position on this bill, the Strategic Growth Council has recently announced funding guidelines which would exclude all Bay Area communities from being eligible to even compete for funds.

The last climate bill the District had a position on was SB 1383, authored by Ricardo Lara (D-Bell Gardens). This bill codified emissions reduction targets for short-lived climate pollutants, specifically methane, hydrofluorocarbons, and black carbon. The District had a ‘support if amended’ position, and while very supportive of the emissions reductions, had concerns about some disadvantaged communities language in the bill, given our concerns about CalEnviroScreen. The author graciously amended the bill to address those concerns, and in a fierce lobbying battle at the end of session, this bill also passed the gauntlet of the Assembly floor and was signed into law.

SB 1387 was authored by the Senate Pro Tem, Kevin De Leon. It would have added three new members to the Board of the South Coast Air District, increasing its size from 13 to 16. The new members were to be appointed by the Governor, the Pro Tem and the Speaker (who each already appoint a member to that Board), and the new members were to have an environmental justice focus or background. The bill would also have given the ARB the ability to overturn certain aspects of the South Coast’s RECLAIM program, although these provisions were struck towards the end of session. SB 1387 was defeated on the floor of the Assembly by a 30-35 vote, although the Pro Tem was outspoken on the need for the measure. Staff note that a measure to add an environmental justice voice to the Coastal Commission (AB 2616, authored by Autumn Burke) was passed, and that a bill to add two environmental justice representatives to the ARB was passed at the end of 2015.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Tom Addison
Reviewed by: Jean Roggenkamp

Attachment: BAAQMD Bill Discussion List

BAAQMD BILL DISCUSSION LIST

November 2016

BILL NO.	AUTHOR	SUBJECT	STATUS	POSITION (Positions in italics are staff recommendations)
AB 197	E. Garcia	Adds 2 legislators as non-voting members to ARB, and creates legislative committee on oversight of ARB's GHG reduction efforts.	Chaptered	
AB 1550	Gomez	Changes current cap-and-trade allocation from 10% within disadvantaged communities and 25% to <i>benefit</i> disadvantaged communities, to 25% <i>within</i> disadvantaged communities, 5% within low-income communities adjacent to disadvantaged communities, and 5% to low-income communities anywhere.	Chaptered	<i>Oppose unless amended</i>
AB 1555	Gomez	Intent to distribute \$1.7B of cap-and-trade funds.	Failed passage	
AB 1591	Frazier	Transportation funding proposal, with increased fees, including funding from cap-and-trade funds.	Failed passage	
AB 1657	O'Donnell	Zero- and Near-Zero Emission Intermodal Terminals Program; cap-and-trade funds to clean ports.	Failed passage	
AB 1685	Gomez	Intent to increase civil penalties for vehicle manufacturers violating standards.	Chaptered	<i>Support</i>
AB 1691	Gibson	Changes Enhanced Fleet Modernization Program; 10,000 vehicles annually to be retired in disadvantaged communities.	Failed passage	
AB 1698	Hadley	Ends utility surcharge for renewable energy (EPIC) program; creates replacement using cap-and-trade funds.	Failed passage	
AB 1710	Calderon	ARB to develop a plan to drastically increase the use of advanced technology light-duty vehicles, with an emphasis on disadvantaged communities.	Failed passage	
AB 1717	Hadley	Moves cap-and-trade funds from high speed rail to transit/intercity rail.	Failed passage	
AB 1759	Bonta	Effectively prohibits use of hydrofluoric acid at oil refineries.	Failed passage	
AB 1780	Medina	Directs 25% of cap-and-trade funds to Sustainable Trade Corridors Program.	Failed passage	
AB 1815	Alejo	Requires ARB to provide technical assistance funding to disadvantaged communities and communities at or below 80% of the median income.	Failed passage	

AB 1851	Gray	Removes cap on green-stickered vehicles in HOV lanes; increases incentives for clean vehicles, especially in disadvantaged communities.	Failed passage	
AB 1886	McCarty	Loosens requirements for transit priority projects to receive CEQA exemption.	Failed passage	
AB 1902	Wilk	Increases time for civil actions against Aliso Canyon natural gas leak.	Failed passage	
AB 1903	Wilk	Requires state report on long-term health impacts of Aliso Canyon leak.	Failed passage	
AB 1905	Wilk	Requires independent study of natural gas storage and injection practices.	Failed passage	
AB 1937	Gomez	CEC not to certify 50 megawatt or greater fossil power plants if non-fossil alternatives are possible.	Chaptered	
AB 1964	Bloom	Extends sunset for HOV lane access for plug-in hybrid vehicles.	Failed passage	
AB 1965	Cooper	Expands Enhanced Fleet Modernization Program, focusing on disadvantaged communities.	Failed passage	
AB 2055	Gibson	Reserves 25% of GO-Biz tax credits for companies investing in zero or near-zero emissions infrastructure at marine terminals.	Failed passage	<i>Support in Concept</i>
AB 2066	Lackey	Requires service stations to display cost-per-gallon to comply with cap-and-trade requirements, as calculated by the CEC.	Failed passage	
AB 2090	Alejo	Allows cap-and-trade funds currently allocated to Low Carbon Transit Operations Program to fund existing transit where a fiscal emergency exists.	Failed passage	
AB 2145	Linder	Reduces vehicle license fee paid by low- and moderate-income recipients of incentives under the Enhanced Fleet Modernization Program.	Failed passage	
AB 2146	Patterson	Directs \$200M of cap-and-trade funds to reduce forest fire emissions.	Failed passage	
AB 2170	Frazier	Directs federal freight funds to 1B's Trade Corridors Improvement Fund.	Vetoed	
AB 2181	Brown	Requires accounting in the bidding process for GHG emissions from energy-intensive products used in state-funded infrastructure.	Failed passage	
AB 2206	Williams	Authorizes California Council on Science and Technology to conduct a study of biomethane and issues with using it with existing gas supply pipelines.	Failed passage	
AB 2222	Holden	Puts \$50M annually of cap-and-trade funds into Transit Pass Program for public school students, with 50% in disadvantaged communities.	Failed passage	
AB 2223	Gray	Puts \$10M of cap-and-trade funds to loans for manure digesters.	Failed passage	
AB 2292	Gordon	Requires OEHHA to add population density to CalEnviroscreen.	Failed passage	<i>Support in Concept</i>
AB 2293	C. Garcia	Requires ARB to develop a technical assistance program to assist small disadvantaged communities to apply for and receive cap-and-trade funds.	Failed passage	

AB 2332	E. Garcia	Requires recipients of state transportation funds to prioritize projects providing mobility and safety benefits to disadvantaged communities.	Failed passage	
AB 2343	C. Garcia	Adds to reporting requirements for cap-and-trade funds, to look at investments geographically across state.	Failed passage	
AB 2415	E. Garcia	Requires cap-and-trade funded Clean Truck, Bus, and Off-Road Vehicle program to allocate \$100M annually to technology meeting certain standards, and requires increasing amount of renewable fuel use for funded projects.	Failed passage	
AB 2426	Low	Workplace Charging Station Grant program.	Failed passage	
AB 2432	Brown	Requires CalTrans to plan to address inefficiencies in truck freight network.	Failed passage	
AB 2564	Cooper	Lowers income eligibility requirements for Clean Vehicle Rebate Project, and increases rebates to low-income households.	Failed passage	
AB 2576	Gray	Pays \$20M annually of cap-and-trade funds to recycled glass makers.	Failed passage	
AB 2585	Williams	Review of certain cap-and-trade regulations.	Failed passage	
AB 2653	E. Garcia	Requires major new reporting on cap-and-trade spending, including actions to connect disadvantaged community members with economic benefits.	Failed passage	
AB 2673	Harper	Exempts hydrogen refueling station equipment from sales tax.	Failed passage	
AB 2702	Atkins	Study of GHG best practices.	Failed passage	
AB 2715	E. Garcia	Creates Agricultural Working Poor Energy Efficient Housing Program, and urges at least \$25M of cap-and-trade funds be spent annually on the program.	Failed passage	
AB 2722	Burke	Creates Transformative Climate Communities Program for disadvantaged communities, with budget appropriation of \$140 million.	Chaptered	
AB 2781	E. Garcia	Requires 10% of CalEPA agency enforcement actions to go to Supplemental Environmental Projects in disadvantaged communities.	Failed passage	
AB 2783	E. Garcia	Reduces barriers for rural areas to cap-and-trade funded Affordable Housing and Sustainable Communities Program.	Failed passage	
AB 2841	Allen	Allows public financing (using Infrastructure Bank) of port infrastructure projects, including zero- and near-zero equipment and related infrastructure.	Failed passage	<i>Support in Concept</i>
ACR 112	Hadley	Thanks ARB for working to uncover VW emissions cheating, and declares support for increased ARB penalty authority.	Chaptered	<i>Support</i>
SB 32	Pavley	Requires GHG emissions to be 40% of 1990 levels by 2030.	Chaptered	Support
SB 773	Allen	UC to study vehicle registration fraud.	Chaptered	Sponsor

SB 824	Beall	Increases flexibility for transit agency recipients of cap-and-trade funds through the Low Carbon Transit Operations Program.	Chaptered	
SB 887	Pavley	Increases regulation of natural gas storage wells, including increases monitoring to be developed by ARB in consultation with air districts.	Chaptered	
SB 888	Allen	Creates Gas Storage Facility Leak Mitigation Account, and establishes Office of Emergency Services as being lead on large gas leaks.	Chaptered	
SB 970	Leyva	Requires CalRecycle to consider GHG reductions and factors including disadvantaged community benefits when awarding grants for composting.	Chaptered	
SB 1000	Leyva	Requires cities and counties with disadvantaged communities to address environmental justice in their general plans.	Chaptered	
SB 1030	McGuire	Eliminates sunset of Sonoma Regional Climate Protection Authority	Asm. Approps.	
SB 1043	Allen	Requires ARB to adopt policies to significantly increase the production and use of biogas and biomethane.	Failed passage	
SB 1128	Glazer	Eliminates sunset on Bay Area Commuter Benefit Program.	Chaptered	Co-sponsor
SB 1153	Cannella	California Renewable Natural Gas Act (biomethane feed-in tariff at PUC).	Failed passage	
SB 1213	Wieckowski	Allocates \$20M annually for Biosolids to Clean Energy grant program; also one-time \$12M allocation for Bay Area biosolids to clean energy project.	Failed passage	
SB 1239	Gaines	Exempts 1976 through 1980 model year vehicles from smog check.	Failed passage	<i>Oppose</i>
SB 1277	Hancock	Requires every public agency with discretionary approval of anything related to coal shipment through the Port of Oakland to prepare an EIR.	Failed passage	
SB 1278	Hancock	Requires every public agency with discretionary approval of anything related to coal shipment through the Port of Oakland to prepare an EIR.	Failed passage	
SB 1279	Hancock	Prohibits CTC from funding new (post 2016) bulk coal terminal projects.	Chaptered	
SB 1280	Hancock	Effectively requires CEQA lead agency to prohibit port coal shipment, or fully mitigate the GHG emissions from the burning the shipped coal.	Failed passage	
SB 1301	Hertzberg	Requires 25% of revenues from auction of GHG allowances by a gas corporation to go towards clean energy and energy efficiency projects.	Failed passage	
SB 1338	Lara	Eliminates state sales tax on purchase of zero- and near-zero-emissions technology at seaports, from 2017 through 2030.	Failed passage	<i>Support in Concept</i>
SB 1350	Wolk	\$20M of cap-and-trade funds for Healthy Soils Program, for on-farm reductions of GHG emissions.	Failed passage	

SB 1383	Lara	Requires ARB plan to cut short-lived climate pollutants specified amounts below 2013 levels by 2030; includes requirements for methane reductions from livestock, and from organic waste.	Chaptered	<i>Support if Amended</i>
SB 1386	Wolk	Declares protection and management of natural and working lands key part of GHG emission reduction goals, and requires state agencies to consider this.	Chaptered	
SB 1387	De Leon	Increases SCAQMD Board from 13 to 16, with new public health Governor's appointee, and new environmental justice Speaker and Pro Tem appointees.	Failed passage	
SB 1402	Pavley	Allows cap-and-trade funds to encourage production of low-carbon alternative fuels, with preference to disadvantaged communities.	Failed passage	
SB 1405	Pavley	Expands ZEV credits to transportation systems.	Failed passage	
SB 1425	Pavley	Requires CalEPA to develop water-energy nexus registry of GHG emissions.	Chaptered	
SB 1430	Pavley	Legislative intent for ARB to reassert state standards if federal tailpipe standards are weakened in midterm review.	Failed passage	
SB 1441	Leno	Prohibits utilities from charging customers for utility natural gas leaks.	Failed passage	<i>Support</i>
SB 1464	De Leon	Requires investment plan for cap-and-trade funds to be assessed against different metrics.	Chaptered	

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Brad Wagenknecht and Members
of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: December 1, 2016

Re: Discussion of Potential 2017 Legislative Agenda

RECOMMENDED ACTION

The Committee will consider recommending a 2017 Legislative Agenda to the Board of Directors.

DISCUSSION

For several years, the Air District (District) has expressed strong concerns that many severely disadvantaged communities in the Bay Area are not so identified by the California Environmental Protection Agency (CalEPA), and thus these communities are not eligible for the wide variety of state funding programs specifically targeted to disadvantaged communities. We have expressed our concerns to both CalEPA and the Office of Environmental Health Hazard Assessment (OEHHA), and to legislators, legislative committees, and staff at the Capitol. The situation has worsened, both with the September 5, 2016, release of draft CalEnviroScreen 3.0, as well as the passage of yet more bills that increase cap-and-trade and other funding to disadvantaged communities using CalEnviroScreen.

Under existing law (SB 535 of 2012, as modified by AB 1550 of 2016), a minimum of 25% of cap-and-trade revenues are set aside to be spent within disadvantaged communities, and an additional 5% is to be spent in low-income communities directly adjacent to disadvantaged communities. The initial rationale for this set-aside was that communities directly adjacent to large stationary sources of greenhouse gas (GHG) emissions are subjected to ancillary disbenefits, such as increased exposures to air toxics. The tool used to identify which communities are disadvantaged is CalEnviroScreen. Bay Area facilities generate almost one in four tons of GHG stationary source emissions covered by the cap-and-trade program, and the dense nature of the region means that invariably there are communities adjacent to these sources. Yet under the latest draft iteration of CalEnviroScreen, less than 3% of the disadvantaged communities across the state are in the Bay Area. Many communities across the region that are clearly very heavily disadvantaged by any reasonable measure are not identified as such by the flawed CalEnviroScreen tool.

Staff has worked the last several years to create legislative awareness of this issue, particularly among the Bay Area delegation. The delegation's interest in addressing this issue is high, as

illustrated by their joint letter to CalEPA Secretary Rodriguez dated October 20, 2016. The Metropolitan Transportation Commission, which has collaborated closely with the District on efforts to date to address the issue, remains engaged in seeking a change to the state's definition of disadvantaged communities and is poised to include it as a key element of its 2017 State Advocacy Program, to be adopted later this month. Staff recommend that the District also adopt as a critical part of its own legislative agenda continued work on this issue.

Another possible issue for 2017 concerns the maximum penalties for violations of stationary source air regulations. The southern California oil refinery in Torrance had a significant explosion in 2015. The Committee will recall that the District sponsored legislation (SB 691) authored by Senator Loni Hancock (D-Berkeley) in 2012 as a direct response to the Chevron refinery fire. The District has long believed that adequate deterrents for violations help ensure compliance with our regulations, and such deterrents are essential to our public health goals. While we have sponsored a number of measures to address shortcomings in the existing statutory air penalty scheme, none of these efforts have been successful since the 2000 passage of SB 1865, authored by Don Perata. Yet the shortcomings with current law remain, and it appears that the South Coast Air District may sponsor legislation this year in response to the Torrance explosion. Thus staff recommend that the District be directly involved in any efforts to improve air penalty legislation.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Tom Addison
Reviewed by: Jean Roggenkamp