

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109

APPROVED MINUTES

Joint Air Quality Planning & Technical Committee
10:00 a.m., Wednesday, August 16, 2005

- 1. Call to Order – Roll Call.** Chairperson Holtzclaw called the meeting to order at 10:00 a.m. Air Quality Planning Committee (AQPC) Members Present: John Holtzclaw, Ph.D., Harold Brazil, Irvin Dawid, Emily Drennen, Fred Glueck. Air Quality Planning Committee Members Absent: Kraig Kurucz, Kevin Shanahan. Technical Committee Members Present: Stan R. Hayes, Chairperson, Louise Bedsworth, Ph.D., Robert Bornstein, Ph.D., William Hanna, John Holtzclaw, Ph.D. Technical Committee Members Absent: Sam Altshuler, P.E., Diane Bailey.
- 2. Public Comment Period.** There were no public comments.
- 3. Approval of Joint Committee Meeting Minutes of June 8, 2005.** Mr. Dawid requested that in line four of paragraph four on page four the acronym “ASTM” be spelled out to reflect “American Society for Testing and Materials.” Mr. Hanna moved approval of the minutes as corrected; seconded by Mr. Glueck; carried unanimously.
- 4. California Climate Action Registry.** Diane Wittenberg, President, California Climate Action Registry, stated the Registry would like to collaborate with the Air District and appreciates the District’s initiative and leadership regarding global climate change. The Registry is not an advocacy group; rather, it performs an emissions banking function and engages in data collection which ensures the accuracy, consistency and relevance of the data, harmonizing them with a given state, nationally or internationally.

The Registry is non-profit voluntary organization, created by state statute in 2000, and which became public in 2002. Over those two years, the Registry created a protocol for reporting and accounting greenhouse gases (GHGs). The Registry has a nine-member Board, seven of whom are appointed by the Governor, and two from the state legislature. Members of the Registry represent business, government and some non-government organizations. The state supports the Board and is charged with standing behind the data, and tries to have regulatory quality data. The California Energy Commission (CEC) assists the Registry in terms of data acquisition and maintenance. The Registry came into being as a result of companies contacting Senator Byron Sher and sought credit for early actions in reducing emissions of GHGs. Senator Sher observed that the legislature encourages early action prior to regulation of GHGs. If an agency belongs to the Registry, it has a choice of whether or not to report California emissions or US-wide emissions. These are categories of certified emissions.

The Governor’s “Action Plan” encourages companies and government agencies to join the Registry. Once a company joins the Registry, it inventories GHGs according to Registry protocols. These are available on the web or can be sent by mail. For the first three years, only CO2 requires registration, and thereafter all six Kyoto gases. The categories involved are direct stationary emissions, mobile, process, fugitive emissions, and indirect emissions from electricity and steam. Product use emissions are excluded from the foregoing.

The certification of emissions in the inventory occurs by using a Registry-approved third-party certifier, and once the certification is approved, the aggregate of data are reported on the Registry's website. The Registry keeps every year of data separate, so that if there is a future regulatory plan, the data can be reviewed year-by-year. There is a general reporting protocol derived from an operational handbook based on internationally accepted guidelines. It is based primarily on categories of combustion. There are specific power utility and forest project guidelines. There is a certification protocol that must be followed as well. The goal is to lower the cost of a certification over time.

In reply to questions, Ms. Wittenberg noted that the Registry envisions participating in a broader US registry framework that is collaborative. Direct and indirect emissions must be counted separately. The Registry works with organizations rather than individuals; hence, emissions from individual activities will not be captured in the Registry's emissions inventory. The Registry does not issue "credit" since these are only offered by regulatory agencies. However, the Registry does measure emissions from agency mobile fleets.

To date, the Registry has 53 members, 130 of which certified 2002 data, 17 of which certified 2003 data, and 35 are expected to certify 2004 data. About 12% of the state's entire GHG emissions are captured by the Registry. There are also "affiliate" members to the Registry, that use the Registry's protocols and software on an internal basis to calculate their GHG emissions but do not certify the data and have it reported on the Registry's website. Affiliate members may be approached by the Registry twice a year to join. The Registry is looking at emissions associated with agriculture as an emission offset category. The Registry considers the potency of a particular GHG being measured.

California has committed to use its best efforts to ensure that organizations establish GHG emission baselines and register emissions results, receive appropriate consideration under any national federal or state regulatory scheme of national, state or international origin.

The benefits of full participation in the Registry include baseline data protection, the management of risks and early detection and reduction of GHG emissions, money saving due to energy efficiency, use of software and participation in the development of standards, the strengthening of environmental leadership, addressing of shareholder concerns, preparation for emission trading, learning best practices, and using the Climate Action Leader logo. The Air District could collaborate with the Registry in a number of these areas.

The Registry feels that companies in the Silicon Valley and oil and gas companies ought to join in greater numbers. In reply to questions, Ms. Wittenberg noted that despite a number of conversations with colleges and universities, such as the University of California, campus affiliation with the Registry is pursued by campuses individually rather than on a system basis. Some may join initially join at the affiliate level. Community colleges can certainly be canvassed for membership in the Registry as well.

A major project for the Registry concerns standardization in emissions across regions and borders and regimes. The next level concerns establishing an emissions common currency. The Registry will be discussing this approach with US EPA, and the states in the nations are all offered the same protocols and software in measuring and quantifying their GHGs.

The certification of emissions remains the Registry's largest challenge, due to the cost. Membership would increase in the absence of a certification requirement. Nonetheless, companies that have certified data have found it a positive experience. The data will be available if inquiries as to GHGs are made, along with a real commitment to reduce GHGs. Small companies can be certified for about \$500, while a larger company may be certified for about \$15,000-\$20,000. The Registry keeps close tracking of certification costs among third-party certifiers. The cleaner the data to be certified, the less the cost of certification. Once data is collected and certified, a structure is established and costs decrease over time.

There are benefits to conducting entity-wide certification, to avoid leakage and approximate a kind of source regulation within an entity. It is important to capture fleet and indirect emissions, and to be consistent with international standards. The Registry is working with the Department of Energy on a CO₂ sequestration project in Shasta County, and receives assistance from the CEC in choosing certifiers and auditing them, and conducting agency and public review of proposed protocols/measurement guidelines. In forest project protocols, reforestation is being registered and the tons sequestered that the Registry will verify are real. Project protocols that quantify reductions enable the marketing of them.

The Registry is working with the public utilities in the state with regard to reporting GHG emissions over megawatt hours delivered in order to capture out-of-state power transmission. GHG emissions will also be considered as part of energy efficiency monitoring projects, and utilities have been discussing with the Registry the possible creation of an offset tariff that customers would pay in order to be climate neutral. The Registry is seeking absolute reductions in GHG emissions over time and not merely in the "intensity" of such emissions.

Registry working with the California Environmental Protection Agency (Cal/EPA) and has a climate action team which will make recommendations to the Governor on how to reach the GHG emission reduction targets. These recommendations are due in January. Whether these will involve mandatory reporting or a cap and trade program remains to be seen.

With regard to brainstorming ideas for collaboration between the Air District and the Registry, Dr. Wittenberg stated that the District's commitment to "become leader and institutional home for climate change protection in the Bay Area" is most praiseworthy. The first task to be done is to identify and measure the emissions, because what cannot be measured cannot be managed.

From there, the encouragement of reduction, and then the mandating of emission reductions, can take place. But the Air District does not have authority under the California Clean Air Act to regulate GHGs. There is litigation pending elsewhere in the country regarding the declaration of GHGs as a pollutant. The extent to which state regulation of mobile source emissions affords a basis for establishing a regulatory scheme for GHGs from stationary sources is not clarified.

Nonetheless, there are ways to promote voluntary reporting, through sponsoring meetings of companies that the District regulates to encourage voluntary reporting, and also to provide incentives for reporting GHG emissions reductions to the Registry. Letters from the Executive Officer, or from the District's Governing Board, would contribute toward this kind of encouragement, along with publicity and recognition.

The extent to which GHG emission inventorying can be linked to permitting is another field of inquiry. Mr. Hayes suggested making GHGs an optional category in a permit application, with a link to an inventory protocol provided therein. Ina Shlez, Principal Environmental Planner, stated there are many opportunities in the District for collecting permit data, from various grants programs such as the Transportation Fund for Clean Air and the Carl Moyer Program. Opportunities also exist for public outreach and education, to bring stakeholders into the Registry process, first through their own internal processes, examining their daily operations, and how climate change reference can be incorporated into daily business.

Mr. Hayes added that a motivation for a company to join is to be accurately represented in a Bay Area GHG emission inventory. Ms. Shlez added that the District's modelers have taken a first draft approach, and included CO₂, methane and NO_x data from stationary and mobile source categories. Mr. Glueck expressed concern that companies will resist this because it will lead to regulation. Ms. Wittenberg replied that as a non-profit organization the Registry tends to minimize this kind of concern and provide the basis for acknowledging and quantifying efforts early on so that these are not lost in future scenarios.

She added that another idea concerns ranking large commercial building for energy efficiency, so that they can see how well they do in contrast with their peers. This could in turn lead to the development of a best practices list and approach, in which the District could provide a major assist. Commercial buildings could report electrical usage to the Registry and would then be ranked. Information would remain confidential and be seen only by the utility in question. The potential for self-correction is significant in this type of approach. Mr. Dawid encouraged the Registry to work with the United States Green Building Council, which has a rating system for buildings and would seem to be a natural collaborator. Ms. Wittenberg replied that the Registry has been in contact with that Council, and is also promoting the use of a "Climate Action Leader" logo for companies with certified emissions.

The Registry has found that the largest challenge in certification is with cities, as it is often quite expensive to collect the data and certify it. Some discussion on pre-certification with Cities for Climate Protection (ICLEI) has occurred in this context. Emissions would be quantified primarily through government agency emissions from operations and fleets. Ms. Shlez observed that different cities in climate action plans have taken diverse approaches. San Francisco examined vehicle miles traveled within city boundaries not only for city owned equipment but for passenger vehicles in general. It has also examined energy use on the county level. Sonoma County has closely looked at city operations. The City of Oakland conducted an emission inventory in 1996. Consistency is a chief issue in city inventories.

Cities have an incentive, however, to engage in inventory work if offsets can be identified and used in projects as potential credits. The Registry is considering development of templates for offsets. Examples of these include traffic light coordination, diverting 60% of corporate waste from landfills, incorporating local shuttles in downtown areas, boiler replacements in schools and biodigesters/manure management.

The Registry is focusing on developing a Project Registry framework and the next iteration of possible industry protocols for solid waste streams, methane capture, cement operations and oil and gas. Mr. Hanna noted that he had heard on public radio that at a National Mayor's conference a resolution was passed on cities joining the effort to reduce GHGs.

Mr. Hayes suggested that at the next meeting the Joint Committee could evaluate and endorse the staff effort to develop a Bay Area GHG emission inventory, investigate options for reporting GHG emissions voluntary efforts or approaches that provide for more encouragement in this field, including best practices, incentives, publishing data, ranking GHG emitters, energy conservers identifying good citizens.

5. **Committee Member Comments/Other Business.** Mr. Dawid encouraged the Council to review clean diesel and hybrid cars. He noted that in the South Coast AQMD remote sensing is being used to address vehicle emissions and requested a staff update on that effort at a future point. Peter Hess, Deputy APCO, clarified that the Bureau of Automotive Repair, rather than the South Coast AQMD, is conducting the vehicular remote sensing program.
6. **Time and Place of Next Meeting.** Air Quality Planning & Technical Joint Committee meeting, 9:30 a.m., Wednesday, October 12, 2005, 939 Ellis Street, San Francisco, Ca. 94109.
7. **Adjournment.** 12:08 a.m.

James N. Corazza

James N. Corazza
Deputy Clerk of the Boards