



BOARD OF DIRECTORS
CLIMATE PROTECTION COMMITTEE MEETING

BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

COMMITTEE MEMBERS

TERESA BARRETT – CHAIR
DOUG KIM
KATIE RICE
HILLARY RONEN
BRAD WAGENKNECHT
SHIRLEE ZANE

JOHN GIOIA – VICE CHAIR
SCOTT HAGGERTY
LIZ KNISS
MARK ROSS
LORI WILSON

MONDAY
APRIL 22, 2019
9:30 A.M.

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

VIDEO CONFERENCE LOCATION
SANTA ROSA JUNIOR COLLEGE
DOYLE LIBRARY, ROOM 4248
1501 MENDOCINO AVENUE
SANTA ROSA, CA 95401

AGENDA

1. CALL TO ORDER - ROLL CALL

PLEDGE OF ALLEGIANCE

PUBLIC MEETING PROCEDURE

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.

This meeting will be webcast. To see the webcast, please visit www.baaqmd.gov/bodagendas at the time of the meeting. Closed captioning may contain errors and omissions, and are not certified for their content or form.

Public Comment on Agenda Items *The public may comment on each item on the agenda as the item is taken up. Public Comment Cards for items on the agenda must be submitted in person to the Clerk of the Boards at the location of the meeting and prior to the Board taking up the particular item. Where an item was moved from the Consent Calendar to an Action item, no speaker who has already spoken on that item will be entitled to speak to that item again.*

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

Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3 *For the first round of public comment on non-agenda matters at the beginning of the agenda, ten persons selected by a drawing by the Clerk of the Boards from among the Public Comment Cards indicating they wish to speak on matters not on the agenda for the meeting will have two minutes each to address the Board on matters not on the agenda. For this first round of public comments on non-agenda matters, all Public Comment Cards must be submitted in person to the Clerk of the Board at the location of the meeting and prior to commencement of the meeting.*

Staff/Phone (415) 749-

3. **APPROVAL OF THE MINUTES OF SEPTEMBER 20, 2018**

Clerk of the Boards/5073

The Committee will consider approving the attached draft minutes of the Climate Protection Committee meeting of September 20, 2018.

4. **UPDATE ON METHANE STRATEGY RULE DEVELOPMENT EFFORTS**

J. Broadbent/5052

jbroadbent@baaqmd.gov

Staff will brief the Committee on the several rule development efforts currently underway aimed at reducing emissions of methane (a potent greenhouse gas) from several industrial sectors, including landfills, industrial hydrogen plants, sewage treatment facilities, and organic material handling and composting operations.

5. **UPDATE ON REGION-WIDE CARBON DIOXIDE (CO₂) STRATEGY**

J. Broadbent/5052

jbroadbent@baaqmd.gov

Staff will provide an update on key initiatives to reduce CO₂, and a strategic framework to prioritize additional initiatives and to evaluate their effectiveness.

6. **UPDATE ON COMMUNITY CHOICE ENERGY STUDY**

J. Broadbent/5052

jbroadbent@baaqmd.gov

Staff from KyotoUSA will update the Committee on the findings from a completed study evaluating the potential for Community Choice Energy (CCE) programs, to offer 100% renewable energy as the default product offered to their customers.

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

Speakers who did not have the opportunity to address the Board in the first round of comments on non-agenda matters will be allowed two minutes each to address the Board on non-agenda matters.

8. **COMMITTEE MEMBER COMMENTS**

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)

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

At the Call of the Chair.

10. **ADJOURNMENT**

The Committee meeting shall be adjourned by the Committee Chair.

CONTACT:

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

(415) 749-4941
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 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.
- 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, CA 94105

FOR QUESTIONS PLEASE CALL (415) 749-4941

EXECUTIVE OFFICE:

MONTHLY CALENDAR OF AIR DISTRICT ANTICIPATED MEETINGS

APRIL 2019

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Climate Protection Committee	Monday	22	9:30 a.m.	1 st Floor Board Room
Board of Directors Budget and Finance Committee	Monday	22	10:30 a.m.	1 st Floor, Board Room
Board of Directors Legislative Committee	Wednesday	24	9:30 a.m.	1 st Floor, Yerba Buena Room #109
Board of Directors Mobile Source Committee	Thursday	25	9:30 a.m.	1 st Floor Board Room
Board of Directors Stationary Source Committee	Monday	29	9:30 a.m.	1 st Floor Board Room

MAY 2019

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting	Wednesday	1	9:30 a.m.	1 st Floor Board Room
Board of Directors Special Meeting Budget Hearing	Wednesday	15	9:30 a.m.	1 st Floor Board Room
Board of Directors Regular Meeting	Wednesday	15	10:00 a.m.	1 st Floor Board Room
Board of Directors Community and Public Health Committee	Monday	20	9:30 a.m.	1 st Floor, Board Room
Board of Directors Legislative Committee	Wednesday	22	9:30 a.m.	1 st Floor, Yerba Buena Room #109
Board of Directors Mobile Source Committee	Thursday	23	9:30 a.m.	1 st Floor Board Room

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Teresa Barrett and Members
of the Climate Protection Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 17, 2019

Re: Approval of the Minutes of September 20, 2018

RECOMMENDED ACTION

Approve the attached draft minutes of the Climate Protection Committee (Committee) meeting of September 20, 2018.

DISCUSSION

Attached for your review and approval are the draft minutes of the Committee meeting of September 20, 2018.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Vanessa Johnson

Attachment 3A: Draft Minutes of the Committee Meeting of September 20, 2018

AGENDA: 3A – ATTACHMENT

Draft Minutes – Climate Protection Committee Meeting of September 20, 2018

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
Climate Protection Committee Meeting
Thursday, September 20, 2018

1. CALL TO ORDER – ROLL CALL

Climate Protection Committee (Committee) Chairperson, Teresa Barrett, called the meeting to order at 9:31 a.m.

Present: Chairperson Teresa Barrett; Vice Chair Hillary Ronen; and Directors John Gioia, Scott Haggerty, Doug Kim, Liz Kniss, Katie Rice, Mark Ross, and Rod Sinks

Absent: Directors Brad Wagenknecht and Shirlee Zane.

Also Present: None.

2. PUBLIC COMMENT ON NON-AGENDA MATTERS

Public comments were given by Janet Stromberg, 350 Bay Area.

NOTED PRESENT: Vice Chair Ronen was noted present at 9:33 a.m.

3. UPDATE ON DEVELOPMENT OF RULE 13-1: SIGNIFICANT METHANE RELEASES (OUT OF ORDER, ITEM 4)

Greg Nudd, Deputy Air Pollution Control Officer of Policy, introduced William Saltz, Senior Air Quality Specialist, who gave the staff presentation *Regulation 13: Climate Pollutants, Rule 1: Significant Methane Releases*, including: outline; why focus on methane; methane rule development; stakeholder outreach effort; general concepts; regulatory review; and next steps.

NOTED PRESENT: Director Kniss was noted present at 9:35 a.m., Director Ross was noted present at 9:36 a.m., and Directors Haggerty and Kim were noted present at 9:39 a.m.

Public Comments

Public comments were given by Janet Stromberg and Jed Holtzman, 350 Bay Area.

Committee Comments

The Committee and staff discussed the timeline and locations of the public stakeholder workshops for this rule; the requirement that the source of a recurring release be shut down until replaced upon experiencing a third significant release; the fact that construction (including improvements or expansions to a facility) are not considered eligible for limited exemptions of methane emissions; the U.S. Environmental Protection Agency’s control requirements for petroleum refinery flaring operations as a limited exemption of methane emissions included in the Air District’s Draft Rule 13:1; reasons for the historical underestimation of and under-reporting on methane emissions; the Air District’s practice of identifying the best opportunities for emissions reductions when prioritizing rulemakings for large sources, and utilizing the size of the current emissions inventory to guide rulemakings; other Air District regulations currently under development that will address methane emissions following Draft Rule 13:1; the fact that landfills are currently the biggest source of methane in the Bay Area.

NOTED PRESENT: Director Gioia was noted present at 9:48 a.m.

Committee Action

None; receive and file.

4. ORGANIC RECOVERY STRATEGY (ITEM 5)

Mr. Nudd introduced Dr. Chad White, Senior Planner, who gave the staff presentation *Organics Recovery Strategy*, including: key points; drivers; achieving 75% diversion; recovery options; vision; strategy; engagement examples; Regulation 13: methane; planning and policy support; and takeaway points.

Public Comments

Public comments were given by Jed Holtzman and Janet Stromberg, 350 Bay Area.

Committee Comments

The Committee and staff discussed how the Air District’s efforts to reduce methane emissions are aligned the California Air Resources Board’s (CARB) 2017 Short-Lived Climate Pollutant Reduction Strategy; facilitating capture of carbon credits for sequestration; how Assembly Bill 398 reduced the Air District’s ability to apply command and control regulation to carbon dioxide emissions and the greenhouse gas emissions inventory; the concern that new landfill facilities, or expansions to existing facilities, may result in emission violations, and how the Air District can be proactive in preventing that from happening; the comparison of the cost-effectiveness of different organics recovery methods; how to track the reduction of methane emissions over the lifecycle of organic matter; and the prevention of waste during production/packaging phases of consumer goods.

Committee Action

None; receive and file.

5. APPROVAL OF THE MINUTES OF JUNE 4, 2018 (ITEM 3)

Public Comments

No requests received.

Committee Comments

None.

Committee Action

Director Haggerty made a motion, seconded by Vice Chair Ronen, to approve the Minutes of June 4, 2018; and the motion carried by the following vote of the Committee:

AYES: Barrett, Gioia, Haggerty, Kim, Ronen, Ross, and Sinks.
NOES: None.
ABSTAIN: None.
ABSENT: Kniss, Rice, Wagenknecht, and Zane.

6. PUBLIC COMMENT ON NON-AGENDA MATTERS

No requests received.

7. COMMITTEE MEMBER COMMENTS / OTHER BUSINESS

None.

8. TIME AND PLACE OF NEXT MEETING

The next meeting of the Climate Protection Committee meeting will be at the call of the Chair.

9. ADJOURNMENT

The meeting adjourned at 10:54 a.m.

Marcy Hiratzka
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Teresa Barrett and Members
of the Climate Protection Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 17, 2019

Re: Update on Methane Strategy Rule Development Efforts

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

Consistent with the goals of the Air District's Methane Strategy, staff is engaged in multiple rule development efforts aimed at reducing emissions of methane from several source categories, which include landfills, hydrogen production plants, organic material handling, composting operations, sewage treatment operations (including anaerobic digestion), oil and gas production, and the natural gas distribution network. Staff estimates that in aggregate, emissions from these sources make up over 75 percent of the methane emissions in the Air District. Methane emissions are responsible for about 10 percent of the total climate pollutants emissions in the Air District (based on a 20-year time horizon).

DISCUSSION

Staff will update Committee members on the progress of rule development efforts that make up the rule development portion of the Methane Strategy. Rule development efforts to address the largest sources of methane emissions are summarized below:

Amendments to Regulation 8, Rule 34: Solid Waste Disposal Sites—Landfills are the largest source category for methane emissions in the Air District. Recent top-down studies by staff indicate that methane emissions from landfills contribute more than was previously estimated, accounting for 50 to 70 percent of the Air District's total methane inventory. Staff is investigating possible amendments to Rule 8-34 to achieve Air District goals to reduce GHG emissions by 40 percent below 1990 levels by 2030, as well as statewide goals under Senate Bill (SB) 32, SB 605, and SB 1383.

Draft Regulation 13, Rule 2: Organic Material Handling and Composting Operations—To reduce methane emissions, the State of California, through a series of legislative actions (SB 32, SB 605, SB 1383), has committed to reduce the statewide disposal of organic waste by 50 percent of 2014 levels by 2020, and 75 percent of 2014 levels by 2025. This mandated diversion of organic material from landfills will result in an increase in compost production throughout California, particularly

in the more populated areas of the state. The California Department of Resources Recycling and Recovery estimates that this will require a near doubling in the capacity for compost facilities located in the Air District. A significant number of new and modified permit applications will need to be evaluated and subsequently issued. Draft Rule 13-2 will minimize excess emissions of methane, volatile organic compounds (VOCs), and odor causing compounds from affected facilities, and provide for consistency in compliance and permitting of facilities that handle and process organic materials.

Draft Regulation 13, Rule 3: Hydrogen Plants—Staff evaluation of methane emissions in the Air District revealed that industrial hydrogen production can generate significant quantities of methane emissions. Current emission estimates for this source category range between 2 and 8 percent of the total methane inventory. Staff is pursuing a rule development effort to better quantify and address emissions from these sources.

Additional Efforts to Address Methane—In addition to the rule development efforts mentioned, staff is closely tracking the California Public Utilities Commission’s rulemaking effort to address methane leaks on natural gas pipelines pursuant to SB 1371. Staff estimates that natural gas pipeline leaks account for up to 17 percent of methane emissions in the Air District. Staff is also evaluating possible amendments to Regulation 8, Rule 37: Natural Gas and Crude Oil Production Facilities. Furthermore, staff is engaged in a rule development effort to address methane emissions from sewage treatment plants and anaerobic digestion processes under Draft Regulation 13, Rule 4.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. Financial resources are included in the Fiscal Year Ending (FYE) 2019 budget and the proposed FYE 2020 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jacob Finkle
Reviewed by: Victor Douglas

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Teresa Barrett and Members
of the Climate Protection Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 17, 2019

Re: Update on Region-Wide Carbon Dioxide (CO₂) Strategy

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

Carbon dioxide (CO₂) is the main greenhouse gas (GHG) contributing to global climate change. In the Bay Area, CO₂ emissions account for approximately 90 percent of total Bay Area GHG emissions. The largest source of CO₂ emissions from human activities in the Bay Area is the burning of fossil fuels for transportation, electricity, space and water heating, and other uses. These activities also produce air pollutant emissions that impact public health, potentially exacerbating a variety of existing health problems. In April 2017, the Board of Directors adopted the 2017 Clean Air Plan, which focuses on protecting public health by improving air quality and protecting the climate. The 2017 Clean Air Plan also lays the groundwork to reduce Bay Area GHG emissions 40 percent below 1990 levels by 2030 and 80 percent below 1990 levels by 2050. The Plan identifies 85 distinct measures to help the region improve air quality—42 of which achieve CO₂ emission reductions.

DISCUSSION

The Air District is currently implementing a variety of programs and actions that reduce CO₂ emissions. These include grant and incentive programs, policy and program support, work with local governments, and outreach campaigns. Staff is developing a region-wide strategy to build upon these current efforts to focus and prioritize important CO₂-reducing activities consistent with the Air District's 2017 Clean Air Plan and State of California statutory requirements and executive orders. For example, several current climate protection grants provide funding to projects that target fossil fuel combustion and GHG emissions from buildings (space and water heating, back-up diesel generators, etc.), and staff expects to build upon the outcomes of these projects. Staff will brief the Committee on current CO₂ reduction efforts, on the development of the region-wide CO₂ Strategy, and on emerging new programs for reducing CO₂ emissions.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None. Resources to develop the region-wide CO₂ Strategy are included in the Fiscal Year Ending (FYE) 2019 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jakub Zielkiewicz
Reviewed by: Henry Hilken

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Teresa Barrett and Members
of the Climate Protection Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 17, 2019

Re: Update on Community Choice Energy Study

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

Community Choice Energy (CCE) is a transformational model that allows local governments to aggregate the buying power of electricity customers in their jurisdiction, and directly purchase and/or generate power for their communities. The CCE model works in partnership with existing utilities, which continue to deliver power over their transmission and distribution systems, maintain the grid, and provide consolidated billing and other customer services. By providing greater local control over energy sourcing in the production of electricity, CCE programs can result in a reduction in the carbon content of the electricity used in communities. Cumulatively, this can have a large impact on the greenhouse gas (GHG) emissions coming from the electricity sector. Statewide, CCEs have contracted for over 2,000 megawatts of new renewable generating capacity.

Today, Bay Area CCE programs are available to residents and businesses of all nine Bay Area counties (over two million customer accounts). These CCE programs represent over 27 million megawatts in annual electric load. For many local governments, participation in a CCE program is the single largest GHG-reducing measure in the local climate action plan. The Air District has a history of supporting the formation and work of CCE programs across the Bay Area. The Air District's 2017 Clean Air Plan, *Spare the Air – Cool the Climate*, includes a control measure (EN-1) describing how the Air District will work with and support the GHG-reducing efforts of CCEs.

DISCUSSION

Community Choice Energy programs offer various electricity products to customers, with a default product that ensures a minimum level of renewable energy that is at or above the renewable content offered by the local utility (PG&E). Other products offered by the CCE can have higher renewable energy content at a higher cost. The Air District contracted with KyotoUSA to conduct a study to evaluate the potential for local governments within a CCE program to choose 100% renewable electricity for their communities. The objective of this study

was to support local decision-making to accelerate the transformation to carbon-free energy and meet local climate protection goals.

Air District staff will highlight the work the Air District has done to support Bay Area CCEs. Staff from KyotoUSA will provide the Committee with an overview of the study, key issues, challenges and findings.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Abby Young
Reviewed by: Henry Hilken