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Dr. John Balmes
Ms. Sandra Berg
Mr. Hector De La Torre
Mr. John Eisenhut
Mayor Judy Mitchell
Mrs. Barbara Riordan
Supervisor Phil Serna
Dr. Alex Sherriffs
Professor Daniel Sperling

STAFF:
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Dr. Alberto Ayala, Deputy Executive Officer
Ms. Edie Chang, Deputy Executive Officer
Ms. Lynn Terry, Deputy Executive Officer
Ms. La Ronda Bowen, Ombudsman
Ms. Ellen Peter, Chief Counsel
Ms. Christina Morkner-Brown, Staff Counsel
Mr. Steve Cliff, Assistant Chief, Stationary Source Division
APPEARANCES CONTINUED

STAFF:
Mr. Nesamani Kalandiyur, Manager, Transportation Analysis Section, Air Quality Planning and Science Division
Ms. Kurt Karperos, Chief, Air Quality Planning and Science Division
Ms. Karen Magliano, Assistant Chief, Air Quality Planning and Science Division
Ms. Cynthia Marvin, Chief, Stationary Source Division
Mr. David Mehl, Manager, Energy Section, Stationary Source Division
Ms. Terry Roberts, Manager, Sustainable Communities Policy and Planning Section, Air Quality Planning and Science Division
Ms. Marcelle Surovik, Air Pollution Specialist, Energy Section, Stationary Source Division
Mr. Jon Taylor, Chief, Transportation Planning Branch, Air Quality Planning and Science Division
Mr. Michael Tollstrup, Chief, Project Assessment Branch, Stationary Source Division

ALSO PRESENT:
Mr. Lee Adams, Sierra County Supervisor
Mr. Azibuike Akaba, Regional Asthma Management and Prevention
Ms. Martha Argüello, Physicians for Social Responsibility
Mr. Will Barrett, American Lung Association of California
Ms. Danielle Blacet, Association of California Water Agencies
Ms. Martha Ann Blackman
ALSO PRESENT:
Mr. Tony Boren, Fresno County Council of Governments
Mr. Craig Breon, Sierra Club - Keru - Kaweah
Mr. Jack Broadbent, Bay Area Air Quality Management District
Ms. Julia Bussey, Chevron Corporation
Mr. Frank Caponi, Los Angeles County Sanitation Districts
Mr. Cesar Campos, Central California Environmental Justice Network
Ms. Ann Chan, Natural Resources Agency
Mr. Ralph Chandler, California Refuse and Recycling Council
Ms. Pat Chen, South Coast Water District
Mr. Andy Chesley, San Joaquin Council of Governments
Mr. Ron Davis, Cal Desal
Ms. Sarah Deslauriers, California Wastewater Climate Change Group
Mr. Evan Edgar, California Compost Coalition
Ms. Kelley Gage, San Diego County Water Authority
Ms. Bonnie Holmes-Gen, American Lung Association
Mr. Ahron Hakimi, Kern County Council of Governments
Ms. Claire Halbrook, Pacific, Gas & Electric
Mr. Jamie Hall, CalStart
Mr. Bob Harding, Metropolitan Water District of Southern California
Mr. Frank Harris, Southern California Edison
ALSO PRESENT:

Mr. Brad Heavner, California Solar Energy Industry Association

Mr. Chuck Helget, Republic Services

Mr. Curt Johansen, Council of Infill Builders

Ms. Carey Knecht, Climate Plan

Mr. Nick Lapis, Californians Against Waste

Ms. Barbara Lee, California Air Pollution Control Officers Association

Mr. Rey León, San Joaquin Valley Latino Environmental Advancement Project

Mr. Howard Levenson, CalRecycle

Mr. Bill Magavern, Coalition for Clean Air

Mr. Paul Mason, Pacific Forest Trust

Ms. Jerilyn Lopez-Mendoza, Southern California Gas

Ms. Jeanne Merrill, California Climate and Agriculture Network

Ms. Katherine Mitchell, Bioenergy Association of California

Ms. Amy Mmgu, California Chamber of Commerce

Ms. Erica Morehouse, Environmental Defense Fund

Mr. Ed Murray, Aztec Solar, Inc.

Mr. Brian Nowicki, Center for Biological Diversity

Ms. Rachel O'Brien, Consumer's Union

Mr. Daniel O'Connell, American Farmland Trust

Mr. Rob Oglesby, California Energy Commission
ALSO PRESENT:
Ms. Michelle Passero, Nature Conservancy
Ms. Mary Pitto, Rural Cities
Ms. Betty Plowman
Ms. Nancy Rader, California Wind Energy Association
Mr. Eddy Reyes
Ms. Katelyn Roedner, Diocese of Stockton
Ms. Dorothy Rothrock, California Manufacturers and Technology Association
Mr. Hank Ryan, Small Business California
Ms. Phoebe Seaton, Leadership Council
Mr. David Schonbrun, Transdef.org
Ms. Sandy Schubert, Department of Food and Agriculture
Mr. Mik Skvarla, California Council for Environmental and Economic Balance
Ms. Lora Smith, RN, California Nurses Association
Mr. Miguel Solorio, Comite ALMA
Ms. Mari Rose Taruc, Asian Pacific Environmental Network
Ms. Tara Thronson, Valley Vision
Ms. Candida Vanegas
Dr. Barry Wallerstein, South Coast Air Quality Management District
Mr. Michael Wang, Western States Petroleum Association
Mr. Chuck White, Waste Management
ALSO PRESENT:

Mr. V. John White, Center for Energy Efficiency and Renewable Technologies
Ms. Kate White, California State Transportation Agency
Ms. Ella Wise, Natural Resources Defense Council
Mr. Carlos Yamzon, Stanislaus County Council of Governments
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PROCEEDINGS

CHAIRPERSON NICHOLS: Good morning. Good morning, ladies and gentlemen. People, if you'll -- this is not working. Well, he said it was.

Is it on now?

Okay. Can you hear me?

If you can, wave your hand. It doesn't sound like it's on.

There we go. Okay. Good morning, everybody.

The May 22nd, 2014 public meeting of the Air Resources Board will come to order. We will start by rising and saying the Pledge of Allegiance to the flag.

(Thereupon the Pledge of Allegiance was recited in unison.)

CHAIRPERSON NICHOLS: Madam Clerk, would you please call the roll.

BOARD CLERK JENSEN: Dr. Balmes?

BOARD MEMBER BALMES: Here

BOARD CLERK JENSEN: Ms. Berg?

BOARD MEMBER BERG: Here.

BOARD CLERK JENSEN: Mr. De La Torre?

Mr. Eisenhut?

BOARD MEMBER EISENHUT: Here.

BOARD CLERK JENSEN: Supervisor Gioia?

Mayor Mitchell?
BOARD MEMBER MITCHELL: Here.
BOARD CLERK JENSEN: Mrs. Riordan?
BOARD MEMBER RIORDAN: Here.
BOARD CLERK JENSEN: Supervisor Roberts?
Supervisor Serna?
BOARD MEMBER SERNA: Here.
BOARD CLERK JENSEN: Dr. Sherriffs?
BOARD MEMBER SHERRIFFS: Here.
BOARD CLERK JENSEN: Professor Sperling?
Chairman Nichols?
CHAIRPERSON NICHOLS: Here.
BOARD CLERK JENSEN: Madam Chairman, we have a quorum.
CHAIRPERSON NICHOLS: Great. And I know that two of our Board members are on their way, Mr. De La Torre, and Professor Sperling, so they will be joining us soon.
Okay. A couple of announcements before we get started. First of all, for anybody who isn't familiar with our procedures, if you want to testify, we need you to fill out a request-to-speak card. They're available in the lobby outside this room. And we appreciate it if you turn it into the Clerk. Shortly after we start an item, we would like all the cards to be collected. It's not helpful when people start -- you know, wait and then decide to testify at the end. Sometimes it's necessary,
but normally it just creates chaos. So I may announce at some point that we're just kind of cutting off the list if we get to be -- if we get too many people.

Speakers need to be aware that we do impose a three-minute time limit. We appreciate it if you state your name when you come up to the podium, and then put your testimony in your own words, rather than just reading it, because we can listen better that way, and we will read whatever is submitted to us in writing. We get all the written testimony.

I'm required to point out the exits at the rear of the room and to the two sides here of the platform, the dais. If there is an alarm that sounds, we need to vacate the room immediately and go down the stairs, not the elevator, until we get the all-clear signal to come back. We do have fire drills from time to time, so appreciate your cooperation with that.

Okay. The first item on our agenda this morning is a consent calendar. And, Mr. Corey, would you present that?

Actually, you don't have to present it. I just have to ask the Board Clerk if any witnesses have signed up to testify. No wonder you looked confused.

EXECUTIVE OFFICER COREY: I was prepared to anyway.
(Laughter.)

CHAIRPERSON NICHOLS: You could present it, I'm sure, but no, we don't need to. So I just have to ask the Clerk if any witnesses have signed up to testify.

BOARD CLERK JENSEN: (Shakes head.)

CHAIRPERSON NICHOLS: No. Okay.

Do any Board members want to take this item off the consent calendar?

Seeing none. Then I will close the record on this agenda item. This is six research proposals, by the way, for the Board's consideration. We did receive the proposals in advance, and it's actually quite an impressive list, but we just decided not to take the time to go through them here at the meeting.

So if you've had an opportunity to review the proposals, may I have a motion and a second to adopt Resolution numbers 14-8 through 14-13?

BOARD MEMBER BALMES: So moved.

BOARD MEMBER SHERRIFFS: Second.

CHAIRPERSON NICHOLS: Okay. We have a motion and a second. And I think we can just do this by a voice vote then. All members who wish to vote for these proposals, please say aye.

(Ayes.)

CHAIRPERSON NICHOLS: Opposed?
Abstentions?
(Unanimous vote.)

CHAIRPERSON NICHOLS: Okay. Great.

We now move to another consent item, which is the Regional Haze Mid-Course Review. Did we have any witnesses sign up for this one?

BOARD CLERK JENSEN: (Shakes head.)

CHAIRPERSON NICHOLS: Also, no.

Okay. Then I can close this item unless anybody wants to hear it.

BOARD MEMBER RIORDAN: Madam Chairman, I would then move staff recommendation on this particular item.

CHAIRPERSON NICHOLS: Okay, number 14-15.

And do we have a second?

BOARD MEMBER SERNA: Second.

CHAIRPERSON NICHOLS: We have a second.

All in favor, please say aye?

(Ayes.)

CHAIRPERSON NICHOLS: Any opposed?

Any abstentions?

(Unanimous vote.)

CHAIRPERSON NICHOLS: This is great actually. We are making progress on this.

(Laughter.)

CHAIRPERSON NICHOLS: Why don't we just do this
all the time.

(Laughter.)

CHAIRPERSON NICHOLS: If anybody wants to know, the Regional Haze Program is an excellent program that tries to get States to work on natural visibility conditions. And it's not necessarily the thing that we talk about the most, but it actually is of great value. So thank you.

All right. Now, we move to the Climate Change Scoping Plan, why is I'm sure most people are here. This is the first update to our initial scoping plan that was developed in 2008. AB 32 requires that the scoping plan be updated every five years.

A draft of this update was presented to the Board for discussion last October, and a revised update was presented for discussion in February. So I think the Board is quite familiar with the basic outlines of this document.

Today, the staff will present the final version of the update for Board approval. This maybe a good moment to pause for a minute and reflect that on the first scoping plan, and some of us were here when we adopted that, it was the first time anything like that had ever been done actually, a complete climate change plan, one that included a mix of measures, both strong source
regulations as well as a market component.

And the goal this time around was to really move
the marker further forward, not just to put a plan
together, but I think to show how we can stretch beyond
the 2020 point to look at the long range and deeper kinds
of transformations that we're going to need to stabilize
comment and also to really incorporate all the various
sectors of our State and of our economy that need to be
involved in this effort.

This is obviously a plan that's about a lot more
than just emissions limitations on a relatively small
number of large sources of industry, or even of the energy
sector and cars. It affects a much broader cross section
of our State. And it was developed with a tremendous
amount of input, indeed in some ways, much more intensive
input, particularly from our sister agencies, than we had
in 2008 as well. This is no longer just an Air Resources
Board product. It really represents a great deal of work
on the part of many agencies, and I know a number of them
are here today, so I won't try to speak for them, but I
just want to indicate my appreciation for all of the hard
work and thought that went into their input here.

So with that, I will turn it over now to our
Executive Officer, Richard Corey, who looks like he's
actually made it back from Japan.
EXECUTIVE OFFICER COREY: I have. Thank you, Chairman Nichols.

With the development of the initial scoping plan, California became the first State in the nation with a comprehensive set of greenhouse gas emission reduction strategies involving every sector of the economy. And the scoping plan stimulated a long list of successful State and local initiatives including several ARB measures, advanced clean cars, and the Cap-and-Trade Program.

The first update to the scoping plan identifies the next steps for California's leadership on climate change. It builds upon the successful framework established by the initial scoping plan by outlining priorities and recommendations for the State to achieve its long-term climate objectives.

The unified approach in the plan is designed to ensure the State is able to meet its long-term climate objectives in the most cost effective ways, while simultaneously supporting a range of economic, environmental, and public health priorities.

Staff released a draft -- or rather a discussion draft, of the update for public comment in October 2013 that was discussed at the October 24 Board meeting. Staff revised the update based on stakeholder input, released a revised proposed update for public comment on February
10th, 2014, and presented it to the Board for discussion later that month.

After considering public input and direction received from the Board, ARB staff released a final version of the first update earlier this month. Today's staff presentation will highlight changes made to the February draft, as well as outline steps the State must take to put us on the plan for action going forward.

As part of the public process, staff also prepared an environmental analysis for the update in accordance with ARB's certified regulatory program to comply with the California Environmental Quality Act. The Environmental Analysis was released in March 2014 for a 45-day public comment period. Staff then prepared written responses to comments received on that analysis and posted the response document earlier this month. The Board will consider the written response document for approval as part of the action today.

I'll now ask Marcelle Surovik of the Stationary Source Division to begin the staff presentation.

Marcelle.

(Thereupon an overhead presentation was presented as follows.)

AIR POLLUTION SPECIALIST SUROVIK: Thank you, Mr. Corey.
Good morning Madam Chairman and members of the board. I will be discussing the first update to the climate change scoping plan that is before you today for approval.

--o0o--

AIR POLLUTION SPECIALIST SUROVIK: The initial scoping plan outlined the State's strategy to meet 2020 greenhouse gas emissions limit, and set a path to reduce emissions to meet California's long-term climate goals. The initial scoping plan was built on the principle that a balanced mix of strategies is the best way to cut emissions and grow the economy in a clean and sustainable way.

--o0o--

AIR POLLUTION SPECIALIST SUROVIK: The scoping plan must be updated at least every five years per AB 32. The first update builds upon the successful framework of the initial scoping plan by outlining priorities and recommendations for the State to achieve its longer term climate objectives. The update details progress toward meeting the 2020 limit. The State has steadily implemented a set of actions that are driving down greenhouse gas emissions, cleaning the air, diversifying the energy and fuels that power our society, and spurring innovation in a range of advanced technologies. These
efforts have put California on course to achieve the near-term 2020 emissions limit.

The update includes recommendations for new actions in California's major economic sectors that will move the State farther along the path to a low-carbon, sustainable future. Some of the actions are near term, while others are focused on longer term efforts that will provide major benefits well into the future.

The update identifies the need to build on California's framework for climate action by establishing a mid-term statewide GHG emission reduction target. A mid-term target informed by climate science will be critical in helping to frame the additional suite of policy measures, regulations, planning efforts, and investments in clean technologies that are needed to continue driving down emissions.

--o0o--

AIR POLLUTION SPECIALIST SUROVIK: ARB released a discussion draft of the update for public comment on October 1, 2013 and presented the draft to the Board later that month. Staff released a draft proposed update on February 10th, 2014, and presented it to the Board for discussion at its February 20th meeting. At that meeting, the Board directed staff to make specific changes to the draft report.
After considering public comments received and Board direction, ARB staff released the final update on May 15th. The update reflects the input and expertise of a range of State and local government agencies, public input, and recommendations from business, environmental, environmental justice, and community-based organizations, input from our economic and science advisors, and recommendations from the Environmental Justice Advisory Committee.

The next few slides will highlight changes made to the February draft, as well as outline steps the State must take to put the plan into action.

--o0o--

AIR POLLUTION SPECIALIST SUROVIK: There are several key differences between the February proposed update and the final update before you today. For example, the update now includes a multi-phase approach to assessing the effects, both benefits and potential impacts, of AB 32 programs on disadvantaged communities.

ARB will undertake this assessment in coordination with the Cal/EPA, the Office of Environmental Health Hazard Assessment, and other agencies. In the first phase, which begins this year, ARB will identify sources of existing data and evaluate changes in emissions of criteria and toxics air pollutants at individual
facilities in order to understand localized impacts.

Future phases would expand the scope to include mobile sources and emission reduction and economic data from projects funded through the investment of cap and trade auction proceeds to benefit disadvantaged communities.

Staff intends to hold public forums on these efforts later this summer, and update the Board on the efforts by the end of the year.

The final update now provides more details on the SB 535 implementation process, including ARB's development of guidance for administering agencies on what qualifies as a benefit to disadvantaged community and how those benefits can be quantified, tracked, and reported.

The update now reflects ARB's recently released 2012 statewide GHG emission inventory, and UC Berkeley's research results on the development of a new methodology for assessing carbon stock changes for California's forests and natural lands.

And finally, the climate science discussion reflects more recent findings linking California's drought to climate change.

--o0o--

AIR POLLUTION SPECIALIST SUROVIK: ARB prepared an environmental analysis of the update which was released
for a 45-day public comment period on March 14th. ARB received and responded to seven comment letters on the draft analysis. The final environmental analysis and staff's written responses to comments received were released on May 15th.

--o0o--

AIR POLLUTION SPECIALIST SUROVIK: Today staff is recommending that the Board approve the written responses to comments received on the environmental analysis, and the environmental findings on the update, and the first update to the Climate Change Scoping Plan.

--o0o--

AIR POLLUTION SPECIALIST SUROVIK: If the Board approves the update today, the next steps will be putting the plan into action. The plan identifies measures that ARB and other agencies intend to evaluate in the near future. These include: a measure to control fugitive methane and carbon dioxide emissions from oil and gas production, processing, and storage thanks, which is expected to go before the Board later this year; measures to reduce fugitive emissions for natural gas transmission and distribution pipelines and associated facilities; and emissions for new or upgraded efficient CHP systems.

In addition, ARB will develop an economic analysis workplan by the end of 2014 for estimating the
overall costs and benefits of the suite of AB 32 measures on the California economy, and identifying the
distribution of impacts on industry, small businesses, households, environmental justice communities, and the public sector. ARB will also develop a short lived climate pollutant strategy by the end of 2015 that will include an inventory of sources and emissions and additional control measures.

The State will begin convening the interagency workgroups called for in the sector recommendations. These include an energy GHG emission reduction workgroup, a forest climate workgroup, an agriculture workgroup, land-use planning workgroups for both agriculture and natural and working lands and a natural and working lands climate investment workgroup.

And ARB, in coordination with other agencies, will continue consulting with experts in the field of economics, climate science, and environmental justice, as we move forward implementing the recommendations in the plan, and continue to evaluate the economics -- economic and health impacts and benefits from AB 32 implementation.

--o0o--

AIR POLLUTION SPECIALIST SUROVIK: This concludes my portion of the presentation. We will now hear from our State agency partners, who contributed greatly and
provided expertise during the development of the update, particularly to the sector recommendations.

These include: Ann Chan, Deputy Secretary for Climate Change and Energy at the Natural Resources Agency, representing the natural and working lands sector; Sandy Schubert, Undersecretary of the Department of Food of Food and Agriculture, representing the agriculture sector; Kate White, Deputy Secretary, Environmental Policy and Housing Coordination, at the California State Transportation Agency, representing the transportation sector; Howard Levenson, Deputy Director of the Materials Management and Local Assistance Division at CalRecycle, representing the waste sector; and, Rob Oglesby, Executive Director of the Energy Commission, representing the energy and water sectors.

In addition, we will hear from the members of the Environmental Justice Advisory Committee, which provided valuable input and recommendations in consideration of disadvantaged communities. These include: Martha Argüello, from the Physicians for Social Responsibility, and Mari Rose Taruc from the Asian Pacific Environmental Network.

Finally, we'll hear from our sister air pollution control agencies. Barbara Lee, from the California Air Pollution Control Officers Association; Jack Broadbent
from the Bay Area Air Quality Management District, and
Barry Wallerstein from the South Coast Air Quality
Management District.

We will begin with Ms. Chan.

MS. CHAN: Good morning.

CHAIRPERSON NICHOLS: Good Morning.

MS. CHAN: I'm Ann Chan. I'm the Deputy
Secretary for Climate Change and Energy at the California
Natural Resources Agency, and I'd like to commend the
substantial amount of work that has gone into developing
the scoping plan update.

The Resources Agency has appreciated the
opportunity to work closely with ARB in the development of
the plan and looks forward to continuing to work with ARB
on the implementation of the plan.

Resources Agency led a working group that
provided technical advice on the natural and working lands
section of the scoping plan update. And that working
group included Cal Fire, the Department of Fish and
Wildlife, the Department of Conservation, State Parks,
OPC, DWR, and CDFA.

Among other things, the working group helped to
draft the scoping plan's natural and working lands working
paper that's in Appendix C of the Scoping Plan Update.
And in addition, Resources Agency participated in review
and development of both the water and energy chapters of 
the scoping plan update, along with DWR and the Energy 
Commission.

I know my colleague, Rob Oglesby, is here to 
speak with you about those chapters in a little while, so 
I'll confine my comments here to the natural and working 
lands section.

The California natural and working lands land 
base plays a very unique and significant role in 
regulating climate change. Wild fire and conversion of 
those lands to other uses can generate carbon emissions, 
but these lands are also unique in the context of the 
State's climate emissions goals, in that they are the only 
sector capable of taking carbon out of the atmosphere and 
storing or sequestering emissions.

As the impacts of climate change are 
accelerating, natural and working lands must be more 
prominently factored into the State's climate policies, 
not only to successfully achieve our GHG goals, but also 
to meet public health and safety goals, such as food 
security and emergency management goals, as well as other 
policy goals, such as adequate water quality and supply.

The Scoping Plan Update is a significant step in 
the right direction, with its recommendations for a forest 
carbon plan, continued work on forest biomass issues,
convening a natural and working lands investment group, and engagement with local and regional partners on urban forestry, development of green infrastructure, conservation of natural working lands, including agricultural crop lands.

And once again, the Resources Agency looks forward to continuing to work with ARB on the implementation of the scoping plan update.

Thank you.

CHAIRPERSON NICHOLS: Thank you. This is just the beginning. I really appreciated all of your support. Okay. It looks like you guys have all organized yourselves, so I don't have to call on anybody.

Good morning.

MS. SCHUBERT: Hello, thank you so much. I am Sandra Schubert with the California Department of Food and Ag, and we appreciate the opportunity to be here and provide comments. And I just want to second Deputy Secretary Chan's comments on the collaboration and interagency participation with the Air Resources Board. It's greatly appreciated. Working together with our different expertise, we only enhance our ability to address these complex issues.

So agriculture, no surprise, is very directly affected by weather and climate. It's outside. It's
grown in soil, and it -- the current drought does nothing but emphasis how climate change patterns can affect agriculture. And the planning and adapting for these types of changes can only help increase resilience of our agriculture in California, and that's important for so many different reasons.

It's a strong economic sector. Farm to gate, it's 800,000 jobs in California, but it's also significant for imports and exports, and it's also important for food security as we look to feed a burgeoning population that may be nine billion people. So estimates are that we have to produce enough -- as much food in the next 50 years as we have in the next 10,000 years combined.

And California, with its unique Mediterranean environment, can be part of helping that, and can also help lead the way in showing how agriculture can help not just sequester emissions, but address the challenges that we see.

So the estimates are eight percent of greenhouse gas emissions come from agriculture. Methane is one of those areas. And there are recommendations to try to look at this in the short-term, including looking at if there's a need for standards. I want to commend the current offset protocol in the State and Federal Dairy Digester Group, which has taken a lead in trying to address these
issues in the short term. And the report recommends continuing those efforts, and we completely support those efforts, in seeing how we can go forward.

It also recommends the workgroup for looking at targeting and tools for decreasing ag's energy usage and increasing -- when it comes to water and increasing water use efficiency. We've started taking some of those steps through some funds that have come through the Cap-and-Trade Program, ten million, in trying to do some assistance currently on those issues to address drought issues.

There are several other things that are in there concerning working with the Bioenergy Energy Interagency Working Group to look at how we can promote biofuels, and they're a greenhouse gas reduction potential; how we can look at zero and low emission fuels; and, how agriculture can contribute to that. And it has been -- so there are many different things in here that CDFA wants to commend the Air Resources Board for looking into, and we look forward to working on in the future.

We feel that there's a lot of progress that can be made, and we've already started making progress and some of the steps that have been taken through multiple interagency processes, even before these recommendations have come out. So thanks again for the collaboration, and
we look forward to the steps going forward.

CHAIRPERSON NICHOLS: Thank you, Ms. Schubert.

May I ask a question just before you sit down, because there's such a significant overlap or relationship between agriculture and water, and water is treated as a separate sector in scoping plan. Do you see that as another avenue, either for a separate working group or a combined working group? And have you given any thought to how we might most efficiently pursue our joint objectives here?

MS. SCHUBERT: So, you know, there has been an attempt to do as much cross-sector collaboration as we can in trying to crosswalk through the different sectors. I think it's always worth -- I know we're having agricultural and State Water Resources Control Board and DWR conversations about agriculture and water and water use. And I think it could only be added and helpful, if we had the added aspect of the things that are of concern to the Air Resources Board in the Energy area also, because those agencies, including DWR, are also trying to reduce emissions and get energy efficiency through some of their water use efforts.

So our WEEP program that I mentioned -- notice WEEP, Water Energy and Enhancement Program. We collaborated with -- we worked with DWR to make sure what
we were doing in that in trying to promote the greenhouse reduction efforts complemented their current efforts. So I would welcome any further efforts to collaborate. I leave it to you guys to determine whether it needs to be a separate working group or maybe we need to enhance conversations between the agriculture and the water working group.

We do participate and we also participate with the Natural Resources and Working Lands Working Group.

CHAIRPERSON NICHOLS: Thank you. Thanks very much.

MS. WHITE: Good morning, Chairman Nichols, Board members, staff. I'm Kate White, and I'm Deputy Secretary for Environmental Policy and Housing Coordination at the State Transportation Agency. Thank you very much for the invitation to speak today. And we are very pleased with the scoping plan before you and staff's diligent work to coordinate with us incorporating a whole series of strategies necessary to lead our State into a more sustainable future. So thank you.

We applaud ARB's leadership on clean fuels and vehicles for moving both people and goods and look forward to working with you on the sustainable freight initiative. In addition, I wanted to highlight three additional key strategies that we appreciate are integrated into the
First, we're very pleased to see our rail modernization program as a cornerstone of electrifying transportation in California. As noted in the scoping plan, the high-speed rail program will result in both short-term emission reductions and play a transformative role in the longer term reductions in California, as we add 15 million more people by 2050.

So in the short-term, High-Speed Rail Authority is investing now in a series of local transit systems, including electrifying the Caltrain corridor in the Bay Area by 2019. The first construction contract to begin the high-speed rail system was awarded last year for the work in the Central Valley. And we will complete our station area planning by 2017, and the initial operating segment then by 2022. And by 2029, high-speed rail will run from San Francisco to Los Angeles as an attractive alternative to air travel.

And what we've been looking at is what are the mode shift's impacts. There's not a lot of research on this, and we hope to have some new research for you soon, because, you know, high-speed rail doesn't exist in this country yet.

But looking at Europe's example, we see a lot -- a dramatic mode shift potential. So after high-speed
rail, for example, launched in Europe, air trips were cut in half between Paris and London. And, of course, airplanes are about nine times as polluting as rail.

We also have committed to powering the high-speed rail system with 100 percent renewable energy, which we hope will help shape the energy market. And secondly, we appreciate the scoping plan elevating the Strategic Growth Council, the Housing and Community Development Department's and the MPO's key roles in investing in local communities to plan and implement sustainable community development.

The research definitely shows that locating more housing and jobs near transit reduces auto trips, encourages city-centered growth instead of sprawl. And equitable transit oriented development in particular has a number of co-benefits providing more affordable communities, housing plus transportation costs, and access to regional economic opportunities.

Siting and preserving affordable housing opportunities at transit can serve to increase transit usage, resulting in the ability to reduce GHG emissions associated with vehicle miles traveled.

And finally, in honor of bike month, I want to thank you for including the very cleanest low-tech solution to our transportation challenges, walking and
biking. According to Caltrans household travel survey, we have seen a doubling of active transportation in the last decade. Now, 23 percent of household transcripts are by biking, walking, and transit.

And through investing in safe, inviting sidewalks and bike lanes on our streets, we will continue that positive trend, helping not only with VMT and GHG reductions, but also improving the health and vibrancy of our communities. So thank you to the ARB staff, and look forward to partnering with you and our sister agencies to advance a more sustainable transportation and land-use system in California. Thank you.

CHAIRPERSON NICHOLS: Thank you, Ms. White.

MR. LEVENSON: Good morning, Madam Chair and Board members. I'm Howard Levenson, Deputy Director at CalRecycle and I'm here on behalf of our Director, Caroll Mortensen who's over at the Capitol with some budget subcommittee meetings this morning.

Like my colleagues, probably it's a broken record, I want to express our deep appreciation to ARB staff for all the collaborative work that they've done with us on the scoping plan update, and also indicate that CalRecycle certainly fully supports the recommendations in the waste sector chapter. That chapter is based not just on workshops that your staff has held under the auspices...
of the update, but also on a number of very detailed workshops that CalRecycle and ARB staff hosted during 2012 and 2013. So a lot of effort has gone into reaching out to stakeholders and incorporating those comments into this chapter.

The chapter sets the stage for very significant greenhouse gas reduction emissions in the next few years and well beyond the year 2020, and it recognizes the connections that the waste sector has with many of the other sister agencies, some of whom are speaking today, not just the ARB, but the Energy Commission, the Public Utilities Commission, Department of Water Resources, CDFA, and many others.

It's also totally consistent with and supportive of CalRecycle's own primary mission, which is to divert 75 percent of the solid waste that's going into landfills via -- and doing that via source reduction, recycling, and composting anaerobic direction -- digestion. So we would see direct emission reductions from moving organics out of landfills, and then indirect emission reductions associated with substituting recycled content materials for virgin materials in manufacturing.

So one of the most important recommendations in the chapter is -- the waste sector chapter is to work together to eliminate the disposal of organic materials in
landfills, which are key sources of methane and for which there are many other benefits. So the recommendation -- this recommendation, along with the stated willingness in the scoping plan for the ARB to take direct regulatory action if there's insufficient progress towards this goal, has really been key already in some of the legislative discussions that are going on now with respect to two bills in particular, AB 1826, which would establish a mandatory commercial recycling program, and AB 1594 which would phase-out allowing green waste that's used as a daily cover at landfills to count as recycling. So just the inclusion of this in the scoping plan has been very significant already.

The scoping plan has also supported the decisions that ARB and the Governor's office have made, in terms of cap-and-trade revenues. And so there's a proposal for some of the funding from cap and trade to be used for -- by CalRecycle for investments in recycling manufacturing infrastructure and composting and anaerobic digestion infrastructure within the State. So we're hopeful that those will move forward.

There's many, many other recommendations in the chapter that we look forward to working with your staff on. We've been fully engaged with your staff over the last many, many years on this, and we're committed to
moving forward. A number of the recommendations that we're working on already include permitting issues, working on procurement policies relative to recycled content product, providing more incentives for this kind of infrastructure in the State.

So, in closing, I just want to thank the many members of your staff that we have worked with. This has really cut across probably most of the divisions within ARB. And we've had great support from top-down executive management, Richard, Edie, Cynthia, Mike, and, you know, down into the staff and the key collaborators, such as Dan Donohoe.

So thank you very much for your support and we look forward to working with you on implementing this.

CHAIRPERSON NICHOLS: Thank you.

MR. OGLESBY: Indeed. Indeed. So I'm -- for the record, I'm Rob Oglesby. I'm the Executive Director of the California Energy Commission. And I'm also wearing another hat here today as Chair of the WET-CAT Committee to present on the water aspects of the scoping plan.

First, I want to join in the previous speakers who compliment the staff on the hard work they've done to develop the scoping plan. It's both comprehensive and very clear and easy to understand, and I think it's very
useful to -- as a -- to inform public policy, but also to inform the public, and they've done a very outstanding job.

Also compliment the process which led to the development of this Scoping Plan Update, including the workshops that not only were conducted in Sacramento, but throughout the State, that provided a great opportunity for the public to come and provide input to help inform the scoping plan and -- the Scoping Plan Update. And what a milestone it is to say this is a Scoping Plan Update. It's been a long journey, and with a lot of historic decisions and progress made along the way.

I'd like to highlight some of the key features of the chapter that relate to energy. And first and foremost, I think it's important that the scoping plan update recognizes the progress that needs to be made in continuing the renewable portfolio standard, and the introduction of renewable resources into our energy policies.

This plan includes recommendations that primarily focus on the integration of renewable resources. So it's important that we not only continue to expand the use of renewable energy, but that our sister agencies that have been collaborating in this report, such as Cal ISO, develop policies and practices that help integrate
The Scoping Plan Update also includes important emphasis on expanding and developing demand response rules and programs, as well as having -- assigning the CPUC to improve the interconnection rules for distributed generation.

And the Air Resources Board also has some assignments under this, and specifically to look at examining the barriers to combined heat and power, which is an energy resource that has been underutilized in the State, and promises to deliver both energy and reduce greenhouse gas emissions.

But one of the most important aspects of the Scoping Plan Update is its emphasis on efficiency, efficiency, and efficiency. In particular, great progress needs to be made in appliance efficiency and building efficiency standards. In building efficiency standards for both commercial and residential for new construction much progress has been made, but we still have a very vexing challenge of getting efficiency and connected emission reductions from the built environment.

We have a great deal of existing structures in the State that are not efficient, and we need to find ways to encourage assessments and retrofitting and upgrades of those buildings.
Let me turn to water very briefly. We had again a very collaborative process in developing the water recommendations with your staff and with the other agencies. All of the recommendations are consistent with the State Water Action Plan. And again, they include assignments and follow up to the various State agencies, one of which relates to -- at least one of which relates to the Energy Commission's authority to develop standards for appliance -- water fixtures and appliances.

And I'm happy to report that we're already underway for the first round of those enhanced efficiencies. Right now, we have a rule-making going right now for toilets, urinals and faucets, which promise to deliver more water conservation throughout the State.

The -- all of the agencies that are tasked with developing further progress include an emphasis on conservation, also rate structure reform. And in response to your comments earlier, Chair Nichols, about involving the Department of Food and Agriculture, they have been a partner in these discussions. But in particular and specifically, they are involved with the Water Board and the State Water Resources Department related to groundwater -- developing a groundwater management strategy.

There are -- I'll close with the recommendation
to do various -- for all agencies to do various policy and permit reforms that will help water conservation, reuse, recycling, and wastewater-to-energy goals.

So with that, I'll close, and thank you for the opportunity to comment on this Scoping Plan Update.

CHAIRPERSON NICHOLS: Thanks for all your help.

I have one question for you. I had a meeting last night with a couple of members of the legislature, one of whom was commenting on what he saw as a lack of data to support the building efficiency-to-energy saving findings. In other words, what he said was sort of in a rather off-handed way, you know, and this requires further conversation obviously, that he didn't think that there was good data to actually support the notion that investing in improving buildings actually reduces energy use. It's sort of the equivalent of the old argument about how if you make cars more efficient, people will just drive more, so you don't really save any gas by, you know, improving the CAFE standards. This is an area that the Energy Commission has done work in, I believe, isn't that correct?

MR. OGLESBY: Well, yeah, I said, A, there is robust data, but I think it touches on an area where additional work is needed. I think in areas like building efficiency standards, particularly for new buildings, we
have great data, we have good models, and all can be
improved, but we have a very solid footing on that.

I think the comments may have come from some of
the discussions underway about how solid the models that
are used for existing structures, because those also take
into account behavior. And I'd say it's analogous to
emission inventory data. It's something where it's
useful. It's used as a tool, but it can always be
improved.

And I guess the third element I would point out,
because we're working on another aspect of data, and
actually have a budget change proposal to enhance our
capabilities there, is to strengthen the data that we need
to make better policies that relate to energy, and also
energy resources.

And so to take advantage of data resources that
will allow us to do more fine grained analysis of energy
efficiency, energy consumption, and so forth, it would
help advance it. And so we really need to come into the
modern world, in terms of our access to data, and the
tools we use to use the data.

But on -- again, on new buildings, it's very
solid. I think that it's -- with the evolution of
technology and data resources, it's something that we can
continue to improve on in other areas.
CHAIRPERSON NICHOLS: So you are actually in the process of doing some work then that will improve the quality/quantity of data that we have about the impact of efficiency improvements in existing buildings.

MR. OGLESBY: Particularly with respect to the already built resources. As I said, the new structures, new commercial buildings, and residential is very solid.

CHAIRPERSON NICHOLS: Great. Thank you.

Okay. Thanks.

Next from the Environmental Justice Advisory Committee. Good morning.

MS. ARGÜELLO: Good morning. And thank you. And before I start I also wanted to thank the staff for the support that they gave to the Committee in finishing our work.

My name is Martha Argüello. I'm the Executive Director of Physicians for Social Responsibility, and a member of the EJAC I and II.

And California now is a majority people of color State. And many of our own communities of color hold some of the strongest views that we should be protecting the environment and acting quickly to address climate change. It is our communities, communities of color, who stood and defended AB 32 when the oil industry attacked it in the guise of Prop 23. And it is in that context that the
second EJAC came together to develop our recommendations. And we thought that it's possible, not easy, but we have to start doing it, and we have to do it aggressively to move to achieving these multiple goals of improving health in low-income communities and improving air quality, stabilizing the climate as quickly as possible, and setting the groundwork for a just transitioned to a new clean energy economy.

I'm going to go review the five priority recommendations. And really again, our goal was what can we do to, first -- to meet the goals of AB 32, to first do no harm to environmental justice communities and actually make things better?

So we want -- we were very happy to see stronger language in the final scoping plan around assessing both the benefits and potential negative impacts of AB 32 in environmental justice communities. The issue of data and transparency is incredibly important to the environmental justice community, and to the public health community, and we want to make sure that we have ways to do mid-course corrections, and remember that State agencies are responsible and must be responsive to -- for communities hit first and worst by climate change.

We want to set aggressive and accelerated reductions for the reduction curve beyond 2020, because
it's critical of importance to pursue these early
reductions. Again, we're very happy to see the plan to
address the short-lived climate pollutants. That is
something that has been incredibly important to the
international environmental justice community, and to the
public health community.

We want to see California reduce its energy use,
and move quickly to a transition to zero and near zero
emissions. We want to prevent new oil and gas operations,
because we know that those are the sectors that are
keeping us from meeting our climate change goals. We want
particular focus on refineries and power plants and
extreme forms of energy extraction, such as unconventional
oil extraction, tar sands, oil by rail, biomass
incineration, waste to energy, and artificially induced
geothermal wells from coming online, because of their
greenhouse gas and health impacts.

We want to see support for transit operations and
restoration of transit services in disadvantaged
communities. The plan should recognize and promote those
greenhouse gas reductions and co-benefits of providing
affordable transit. Particularly, we talked about
providing those transit services for youth and restoring
those services for the transit dependent and low-income
families.
Finally, we want to ensure and we think that the adaptive management plan and the data collection plan is a good first step. We have to move quickly to address -- to identify and address the potential negative impacts of the Cap-and-Trade Program. We should begin by selling all allowances and not extending transition assistance to the industrial sector with free allowances. We like that we want to develop more California-based protocols.

Initially, when we participated in the drafting of AB 32, we were very clear that we wanted the benefits to stay in California. We think that these recommendations will help us move away from our current model that places most of the burdens on low-income communities, and very few of the benefits come back to our communities.

We know that achieving environmental justice comes at a cost, but the cost pales in comparison of not doing so. The social, economic, and environmental costs are staggering. And the cost of loss of faith in our democratic process is equally as important for environmental justice communities.

We have to tell them that we don't advance California on their backs, but we advance California by lifting our communities out of poverty with clean environments and good jobs.
Thank you.

MS. TARUC: Our second half. I'm Mari Rose Taruc with the Asian Pacific Environmental Network.

What we see and hope improves in the scoping plan update related to our priority recommendations are three important actions. And they -- you could take them as mantras, if you may, because what we heard over and over from the Environmental Justice Advisory Committee is do no harm, be inclusive, be aggressive.

And so in do no harm, what we saw, especially in our recommendation for an environmental justice assessment and the adaptive management plan under cap and trade, we saw that written into the scoping plan. And it's important in studying the impacts of AB 32, and its component programs, on our communities.

Also, around a recommendation on energy, we see that the dirty energy economy has caused environmental racism. So our energy options moving forward should not allow anymore pollution burdens in our communities.

Under cap and trade, this is where we didn't agree as much. You know that the environmental justice community opposes cap and trade. And so if you are so intent on using it, you must build in protections and mitigations for low-income communities of color who live at the fence line of these smoke stacks.
The adaptive management plan must operate in real-time to respond to real-time public health consequences. Do not let free allowances and cheap offsets to be a pass for industry to increase local pollution.

Under be inclusive -- so our second mantra. Be inclusive of environmental justice and low-income communities. We think the good side of the environmental justice assessment that's written into the scoping plan is to make sure that the benefits of AB 32 reach the most impacted and vulnerable communities to climate change from health, to jobs, to investments.

The auction proceeds for greenhouse gas reduction is only one part of what you can do to be inclusive. On energy, you can also make sure clean energy programs reach environmental justice communities, like a solar-for-all program sounds good to us. And that in investments that you invest in low income people of color to express their climate solution for transportation. And the way we know how to do this is by riding the bus and ride sharing. And so we want to see funding an expansion of public transit, so it is affordable and fully operational to get people in and out of their cars -- or out of their cars.

The third mantra around being aggressive -- and this is a picture of the Chevron refinery explosion that
sent 15,000 neighbors of ours in Richmond in August 2012. In being aggressive, we give you a thumbs up on the aggressive mid-term targets offered in the scoping plan, based on sound science to stabilize the climate. We give you a thumbs up on the 100 percent renewable energy path that is in the energy chapter of the scoping plan. We know that that's what's really needed if we are to reach our steep emissions reduction targets toward 2050.

We also give a thumbs up to Senator De León and the sponsors of SB 535 to target climate investments to disadvantaged communities, and to also the ARB and the other agencies that were supporting the success of implementing these targeted greenhouse gas reduction programs.

We support aggressive investments in environmental justice communities, where the sources of these GHG emissions are in the first place.

And then our final ask is that the EJ Advisory Committee is a Committee written into statute for both the planning and implementation of AB 32. The EJAC was reconvened to advise the scoping plan update, but the other half of what's in statute is that -- is to also continue the work with the environmental justice community and AB 32 implementation, so that environmental justice is actively integrated into the State's climate programming.
We actually have letters from 51 communities, 11 organizational experts in AB 32, and 86,000 nurses. We have nurses from the California Nurses Association here with us to stand in support of the Environmental Justice Advisory Committee and its continued function to help California achieve its multiple goals of AB 32. And we ask you to stand with us and with them, so that AB 32 may move forward in doing no harm in being inclusive, and being aggressive.

Thank you.

CHAIRPERSON NICHOLS: Thank you. Excuse me. Is that the conclusion then?

MS. TARUC: Yes.

CHAIRPERSON NICHOLS: Okay. Thank you. Welcome, to the nurses who have come with you. I very much appreciate the work that the Committee has put in and your support for the changes that have been made in the plan, and we will be getting back to you as far as how we can best respond to your proposals that have not yet been acted on. So thank you.

Ms. Lee.

MS. LEE: Good morning, Madam Chairman and members of the Board. My name is Barbara Lee. I'm the Air Pollution Control Officer in northern Sonoma County, and I'm also the Chair of CAPCOA's Climate Protection
Committee.

I'm here today on behalf of CAPCOA's 35 air districts to support, endorse, and urge you to approve the staff's recommendations in the update to the scoping plan. The passage of AB 32 and the establishment of its targets for 2020 resulted in a seachange in awareness of climate change throughout the State.

I can tell you that I and my colleagues working at the local level see this daily in our work with local governments, with community leaders, businesses, and the people we see every day. Your Board and your staff have shown tremendous leadership charting the path to achieve the goals of AB 32 and creating the individual rules and programs that are realizing those goals that you planned for in the original scoping plan.

I want to recognize especially the efforts made by Richard Corey, Edie Chang, and Cynthia Marvin, as well as their staff, not only in bringing the Scoping Plan Update forward, but also for their ongoing and abiding partnership with the air districts in crafting and implementing this program and indeed the many programs on which we collaborate.

This scoping plan rightly recognizes the long-term alignment of our climate protection goals, and the obligations we have to achieve clean air under the
There is a tremendous amount of work ahead of us to achieve climate protection and clean air for all Californians. CAPCOA has said before, and I want to reiterate again today, that we stand ready to support you and to work with you together in implementing the updated scoping plan, as well as our other programs under the State implementation plan for clean air.

At your direction, CAPCOA and ARB staff have an established working group on adaptive management to evaluate the air quality impacts of the Cap-and-Trade Program and to look for any unintended consequences of that program's implementation. We stand ready to assist your staff in the examination of the indicators of impact of the broader climate protection program and we are especially interested in collaborating on developing tools and processes to provide the best information in a timely and resource efficient way.

In addition to these efforts, we are engaged with your staff in an evaluation of ways to address short-lived climate pollutants, in promoting low-carbon land-use strategies, incentivizing energy efficiency and renewable energy projects, and, of course, our partnership on a broad array of mobile source incentive programs.

CAPCOA and its member districts are also deeply
engaged with local governments and communities in the
development and implementation of local climate plans. We
hope the examples of this important work compiled in
Appendix D gives you comfort in the commitment and
progress made at the local level and also encouragement
that this sector will continue to make an important
contribution to climate protection in California.

In closing, I would like to express our deep
appreciation for your vision, your leadership, and your
partnership. Thank you for the opportunity to address you
this morning. We look forward to working with you going
forward.

CHAIRPERSON NICHOLS: Thank you. Good morning.
MR. BROADBENT: Good morning, Madam Chair,
members of the Board. My name is Jack Broadbent and I
serve as the Executive Officer for the Bay Area Air
Quality Management District. And I very much appreciate
the opportunity to be here to speak on behalf of the Bay
Area District relative to the AB 32 Scoping Plan Update.

Many of my remarks are going to echo Ms. Lee's
remarks that she was speaking on behalf of CAPCOA. But
first of all, I just wanted to mention that obviously the
Bay Area Air District is in full support of AB 32 Scoping
Plan Update.

And I also want to take this opportunity to
compliment your staff for this effort. It's been a collaborative effort, and it's been also one in which I think really does represent a new time and place for the relationship, I think, between the districts and CARB.

I also want to just compliment your staff on the aggressiveness of the plan as well as the comprehensiveness of the plan. And it's on this last point I want to really speak to three specific issues.

One, frankly because of the seriousness of the issue, local action is critical, as far as implementing the AB 32 scoping plan. The Bay Area District stands ready to continue to assist in the implementation of the plan. And indeed, we already, through MOUs, implement the landfill gas collection and control measure, as well as the non-residential refrigeration system's measure. Those are just examples.

And I think frankly moving forward, we can do -- we can undertake similar efforts when it comes to refinery methane emissions and black carbon reduction measures as well.

So a second point on the local action really has to do with the points you've heard about the localized impacts. And I think, frankly, the air districts are poised and in the best position to help. We, of course, maintain very extensive emissions inventories and work
very closely with your staff, but we also work very closely with the sources that are under the AB 32 cap-and-trade system, in the sense that we have community monitoring systems in and around these facilities, and many of these facilities have fence line monitors as well.

So we think, frankly, and I would strongly recommend, that the CARB staff rely on the air districts for this information as we move forward to ensure that we address any type of localized impacts that could occur.

Finally, I just wanted to make mention of a point that I think needs to be addressed as we move forward. And I'm confident we can -- that we can make progress in this area. And this has to do with the fact that there is, I think, a great need for us to sit down and figure out how do we deal with CEQA mitigation moving forward.

You have very large projects in the Bay Area being undertaken right now by our refinery operators. And indeed, they're looking to the Cap-and-Trade Program for CEQA mitigation. That makes sense. We're talking about a lot of emissions, but I think we need to sit down and talk about how do we do that for smaller projects.

The CEQA mitigation world has evolved to the point that there is a great deal of rigor in this area. That makes a lot of sense, but it may not necessarily make sense to send developers and small project operators to
the cap-and-trade market for CEQA mitigation.

CAPCOA has established an RX, and I think, in working very closely with CARB staff, we continue to really evolve this tool, but we also need to think through how do we make sure that we can identify additional opportunities for greenhouse gas reductions that aren't already being accounted for under the cap-and-trade system.

With that Madam Chair, I thank you for this opportunity, and we look forward to continuing to assist in its implementation of the scoping plan.

So thank you.

CHAIRPERSON NICHOLS: Thank you, Mr. Broadbent. I also would point out that you and South Coast and Ms. Lee, on the behalf of CAPCOA, have all been very active in working on some of our other very important measures to transform the vehicle fleet and working at the local level on making sure that we're coordinating in our work on transportation planning, SB 375, et cetera. So this is really a very broad, very broad and deep collaboration that's not just focused on the stationary sources, but thank you for your help.

MR. BROADBENT: Very proud to do so. Thank you.

CHAIRPERSON NICHOLS: Thanks.

Mr. Wallerstein.
DR. WALLERSTEIN: Good morning, Madam Chair, members of the Board. I'm Barry Wallerstein with, the Executive Officer of the South Coast Air Quality Management District and it's a pleasure to address you this morning on the scoping plan update.

The first thing that I'm really struck by is we ought to really take a moment and just think about how far we've come on climate change from the initiation to where we are today, and how many people doubted that you would be able to do it so successfully, and create the leadership within this State, the nation, and the globe. And so I think you are to be congratulated on that. And this update is just, you know, another ribbon to hang on the wall, in my view, and I'm here to recommend its approval.

As you've heard from others that have come before you already, the staff's openness and working with everyone in collaboration is to be commended. Folks have talked about how well written the document is, how thoughtful it is, but I want to add one more thing, attractive.

(Laughter.)

DR. WALLERSTEIN: It is an attractive document, which can lure readers from a broad audience.

CHAIRPERSON NICHOLS: That's so L.A.
(Laughter.)

DR. WALLERSTEIN: And I think --

CHAIRPERSON NICHOLS: I say that as one of you, as you know.

(Laughter.)

DR. WALLERSTEIN: And I think that's really important when we're talking about climate change that the general public can pick up the document, and take interest in it, and become part of the movement to improve the globe.

There is a section in the document that highlights the synergy between your efforts on greenhouse gases, criteria pollutants, and air toxics. And I think that's incredibly important from a number of perspectives, the global perspective, the local perspective, but also when we talk about the measures to achieve our multiple objectives, it is very important from a cost effectiveness perspective, and it is also important from a technology perspective. And that's an important addition that's in this update.

And when I speak of the synergy, I think it's also important to point out from the South Coast's perspective, there's been some debate in the State about setting interim goals for climate, 2020, 2050. Let's pick something in between, probably in the 2030 time frame. It
just happens to be the ozone attainment dates for South Coast, San Joaquin.

And so when the State looks at an interim goal, I would say to you, and to others, that our ozone attainment goals actually establish a floor for an interim goal for greenhouse gases. We should quit the debate and get on with the process of setting such a goal that will again build upon the synergy and the leveraging between climate, criteria pollutants, and also the benefits of air toxics.

Your update also highlights your efforts that are underway in developing a freight plan as a key component of what you're doing on climate change, and again notes that it will provide these dual benefits with toxics and criteria pollutant reductions. And when that comes before you later this year or early next year, that will be a very, very important milestone for this agency, the State, and local air districts as we seek to protect public health.

Others have mentioned the inclusion of the sections on short-lived pollutants, such as black carbon. This again is a very important area and one of leadership that you are establishing, and we commend you for that. On the topic of adaptive management, we've made some progress in setting some processes and developing some data, but I think there's more to be done there, and you
can count on us to work with your staff to answer the
questions and issues that have been raised by your
Environmental Justice Advisory Committee.

So with that, I'd like to close and say that I
look forward to the continuing collaboration. Thank you
for the opportunity to address you today, and urge you to
approve the staff recommended Scoping Plan Update.

CHAIRPERSON NICHOLS: Thank you very much.

Okay. Does that conclude the list of witnesses
who are here to assist the staff in making the
presentation?

AIR POLLUTION SPECIALIST SUROVIK: (Nods head.)

CHAIRPERSON NICHOLS: You got a lot of other
people to do your work for you. Good work.

(Laughter.)

CHAIRPERSON NICHOLS: This is how we're going to
succeed in addressing climate change is by involving many
other people. So this is excellent.

And thanks to everybody who took the time and
made the effort to come and join us on top of all the work
that you did -- you and your staffs did in helping to
actually bring this plan to its present condition where we
can act on it today.

Okay. If that's true, then I think we should
move to the witness list. And I see that the very first
person who signed up is Frank Harris of Southern California Edison. You can see that we have a list posted up on the Board here. So people, if you're planning to testify, we'd appreciate it if you would sort of keep track of where you are on the list.

Thank you.

Mr. Harris, good morning.

MR. HARRIS: Good morning, Madam Chair, members of the Board and staff. As you mentioned, my name is Frank Harris. I represent Southern California Edison. And we appreciate the opportunity to address the Board on the issues relating to the update to the AB 32 scoping plan. Edison has submitted written comments, but I'd like to highlight a few items from that -- those today.

First of all, a comprehensive long-term climate policy must incorporate robust and up-to-date analysis. Staff has achieved a significant milestone today, but this effort should be considered a living process with policy being informed by the most up-to-date understanding of technology and emission reductions opportunities.

The combined heat and power target presented in the 2008 scoping plan is a clear example of why this is so important. As the electric grid becomes cleaner, potential GHG reduction opportunities from CHP are waning.

Further, as a result of the recession and the
potential for a long-term transformation and what drives
the California economy, the market demand for economically
efficient CHP may also be decreasing. Policy must
recognize these two facts.

Additionally, a long-term plan must encourage
cross-sector abatement activity. GHG emissions don't know
which economic or industrial sector -- or the atmosphere
doesn't understand economic or industrial sector
boundaries. In order to promote the most cost effective
emission reduction opportunities, consistent with AB 32,
the policy must promote potential cross-sector emission
reduction opportunities. It's reasonable to expect, for
example, that emissions in one sector may be substituted
for emissions from another sector with the overall level
of emissions decreasing. The policy must recognize and
also encourage this type of energy efficiency.

Technological development is certainly the key to
success. Any emission reduction pathway must include
realistic technical development timelines. The staff
presentation showed a linear reduction pathway from 2020,
yet it's very likely -- very likely to expect that
technology will come along to help us solve this problem
at an increasing rate as time goes on. A linear reduction
pathway is straightforward. Unfortunately, it doesn't
likely represent the pathway by which the needed
technological development will be realized.

Essentially, the theme that brings all this together is flexibility. The long-term climate challenge is significant and action from all sectors of our economy will contribute to the solution. It's a clear example of a scenario where the traditional top-down approach simply will not work. There's no single agency, organization, or firm that can know the best solutions.

Innovative solutions will develop on the ground level and it's likely that meaningful solutions will come from yet unknown sources. California's long-term climate policy should support this.

Thank you very much.

CHAIRPERSON NICHOLS: Thank you. And thanks for all your input to the plan as well.

Supervisor Adams. I apologize. We normally -- come forward. We usually recognize elected officials first. I didn't realize that you were one of those. So you're for RCRC, right?

SIERRA COUNTY SUPERVISOR ADAMS: I am.

CHAIRPERSON NICHOLS: Yes. Thank you. Welcome.

SIERRA COUNTY SUPERVISOR ADAMS: Thank you very much.

Good morning, Chair Nichols and members of the Board. I am Sierra County Supervisor Lee Adams, here
today on behalf of the 34 member counties of the rural
county representatives of California.

Because of the far-reaching implications on local
government and their constituents, RCRC has been actively
involved in the implementation of AB 32 since it was
signed into law in 2006.

We appreciate this opportunity to provide input
on the draft proposed first update and its effect on
counties related to agencies and rural communities.
First, we would like to address the recommendation on the
solid waste sector regarding organics management.

RCRC has been working closely with the public and
private sector, solid waste industry, Assemblyman
Chesbro's Office, CalRecycle, and Californians Against
Waste to try and address concerns of all parties involved
to create practical legislation on the issue. We
recognize that implementation of any organics recycling
goal will take a partnership between the generators, the
solid waste industry, the public sector, both at the local
and State level.

We are advocating a phased-in approach that has
the flexibility to take into consideration facility
infrastructure capacity and to allow jurisdictions to
implement programs that meet local needs and work within
existing infrastructures and resources. As currently
proposed, Assemblyman Chesbro's AB 1826 will have a phased-in approach beginning in 2016 with businesses that generate eight cubic yards or more of organic waste per week, and ending in 2019, businesses that generate at least one cubic yard of organic waste.

RCRC's primary concern continues to be a recognition and acceptance by the State that if there are no facilities to process organic waste that is available within a reasonable vicinity, and that the local jurisdiction has done what it can to assist in the implementation of the organics recycling program under its control, that local jurisdictions not be penalized. I would trust that all can appreciate the economy of scale in my county, in particular, of just 3,200 people.

Cities and counties are the ones that permit these facilities, and we know only too well the time involved and costs associated with the permitting process. We believe that there will not be the facility capacity needed by 2019 to process all the organic waste generated that is covered by AB 1826.

In fact, we challenge the State to partner with local government and private industry to take the lead on permitting such a facility.

We're still working with Assemblyman Chesbro and other stakeholders on some final amendments that will put
us in a position to fully support the bill. We are
confident that we can be successful in working out these
final concerns.

Additionally, we would also encourage the Board
to actively support reinstatement of the Williamson Act
subvention payments to counties to help preserve --
CHAIRPERSON NICHOLS: Sorry, three minutes goes
by really fast. We do have your written testimony. If
you could just summarize, if you want to finish your
sentence or two, that would be fine.

SIERRA COUNTY SUPERVISOR ADAMS: Sure. We
realize that, you know, Williamson Act and preservation of
agricultural land is critical to reduction of greenhouse
gases. We would also appreciate strategizing more with
the U.S. Forest Service because of the impact of fire on
public land as well, and what that does to carbon
sequestration.

Thank you.

CHAIRPERSON NICHOLS: Thank you very much for
coming. And I would just point out that both with respect
to the last item that you just mentioned, agricultural
land preservation, and also on the methane issues that
relate to organics, the Governor's budget did propose
funding out of the Greenhouse Gas Reduction Fund, which is
the State's proceeds from the Cap-and-Trade Program, be
directed to those items.

Now, of course, that hasn't passed yet, and they're still in discussion, but I hope that you're also following those discussions as well.

SIERRA COUNTY SUPERVISOR ADAMS: We hope that becomes reality. Thank you.

CHAIRPERSON NICHOLS: Okay. Thank you.

All right. Ms. Mitchell.

MS. MITCHELL: Good morning. I'm Katherine Mitchell. And I'm speaking for the Bioenergy Association of California.

The Bioenergy Association represents local governments, public agencies, and private companies using organic waste to produce renewable electricity and clean low carbon transportation fuels. We want to thank the Air Board for its incredibly leadership on climate change, and for incorporating significant public input into the first update to the scoping plan.

We also want to thank the Air Board for its emphasis on science in addressing climate change, and its recognition of three factors, in particular: the need to address short-lived climate pollutants, such as methane and black carbon, and the immediate public health benefits of reducing those emissions; the importance of reducing wildfire risk - wildfire causes 52 percent of all
black carbon emissions in California, and this risk is rapidly rising; and the important role that organic waste can play in producing renewable energy, and also ultra low-carbon fuels.

The Bioenergy Association is pleased to see the role of bioenergy in many of the sector-specific strategies, particularly in the waste sector.

I would like to point out one important omission in the update that we hope the Air Board and other agencies will address, and that is how to reduce emissions from the natural gas sector.

In California, we have the renewable portfolio standard in the electricity sector, and the low-carbon fuel standard for transportation fuels, but no policy requiring the increased use of biomethane, renewable natural gas.

There are two important proceedings at the California Public Utilities Commission right now, one on the gas utilities use of cap-and-trade revenues, and one on pipeline biomethane. We urge the Air Board to work with the CPUC to ensure that these proceedings do end up increasing the use of renewable natural gas in California.

Thank you for your time.

CHAIRPERSON NICHOLS: Thank you very much. I'm going to call out of order a member of the Environmental
Justice Advisory Committee who apparently did not arrive in time to speak with the group. Mr. León.

MR. LEÓN: Thank you. And sorry. We traveled in from the San Joaquin Valley, and the drought held us back a little bit.

(Laughter.)

MR. LEÓN: I'm just kidding.

CHAIRPERSON NICHOLS: I think I'll use that one.

(Laughter.)

MR. LEÓN: But, you know, all seriously, my pleasure to be here with all of you. And I know the Air Resources Board is always striving hard and really setting the stage and the example in the country. You know, California, I think, is ahead of everybody else. And really where I think the ship, right, that's leading the cause here in terms of climate change policy to really lessen the impacts on the residents.

And today, I brought residents from both Fresno and Kings county that arrived with me, as well. And, you know, as you know, the drought, in all seriousness, is a huge impact in the San Joaquin Valley. And we believe it is due to climate change and we believe that it's going to get worse. It will not get better.

And, you know, as one of the members of the EJ Advisory Committee, we did as much as we could in the time
that we had available. And the leaders that shared
presentations earlier, I think they're really our
chieftains in providing that leadership. But I just want
to make sure that I remind everybody about the farm worker
communities in the San Joaquin Valley and the other
valleys that are tremendously impacted now, have been, and
I think with -- while we continue to witness climate
change impacts, we'll still be, and more so, impacted, and
just in terms of the economy, which has always not been
good, but in terms of environmental health, in terms of
health, in terms of just every segment you can think of.
I mean, in the San Joaquin Valley, we are already
known as the Appalachians of the west, you know. And so
we really seek to see that the Air Resources Board is very
mindful in working to mitigate the impacts, especially as
we are witnessing the economy hit the ground floor. And
that's not good for our health. It's not good for the
educational advancement of our families, which is
detrimental to seek -- for the pathway out of poverty.

And so with that, it's -- I mean, we're -- I'm
always talking about the diversification of our economy,
in terms of not just being based on the ag industry,
because a hit to the ag industry, it's -- you can't escape
it in the San Joaquin Valley.

And I'm hoping that some day we're able to locate
green manufacturing or something that is not going to impact us, even worse with pollution sources, but something that could be established in the concentrated clusters of poverty, that is the west side of the San Joaquin valley, the Huron area, so that we could be able to employ people and not keep them impoverished with an industry that just doesn't change, and when it's impacted, it only gets worse.

But thank you very much for your time, and we will continue to be working towards the goals of environmental justice and the principles, but I really, really ask that the Air Resources Board leadership help the San Joaquin Valley and the other areas that are challenged not just in one way. It's a downward spiral many times. But thank you very much.

CHAIRPERSON NICHOLS: Thank you for making the trip and bringing your colleagues along with you. Appreciate that.

Okay. Mr. White. Chuck White. Is he next? Did I miss somebody?

Oh, Ms. Mitchell, I apologize -- who are you?

MS. PITTO: Mr. Chuck White and Mr. Chuck Helget are not here yet.

CHAIRPERSON NICHOLS: I see.

MS. PITTO: So I am the next on the list.
CHAIRPERSON NICHOLS: Got it. Thank you.
MS. PITTO: And good morning, Madam Chair --
CHAIRPERSON NICHOLS: Good morning.
MS. PITTO: -- and members of the Board.
I'm also with the rural county representatives of California, and am speaking on behalf of the California Association of Counties today just strictly with respect to the solid waste issues.

As you previously heard Supervisor Adams say, there's been a coalition of both public and private sector working together on this issue. And our goal has always been to work cooperatively with ARB, CalRecycle, and other State agencies and the legislature to develop workable plans and policies that achieve better solid waste diversion, and to recognize the inherent value in waste products or waste materials.

We want to express that we are generally supportive of the Scoping Plan Update as proposed in two ways. First, it acknowledges that much has already been accomplished by our sector, which is the landfill methane rule, AB 341, which has adopted a 75 percent diversion goal through reduction of -- or through reduction, recycling, and composting; also, the mandatory commercial recycling regulations that have been adopted by CalRecycle and are being implemented by our counties and cities. And
it builds upon the AB 939 foundation of the 50 percent diversion.

The second way we want to express our support is we're also very appreciative that we believe the document truly reflects the stakeholder input throughout the process.

I did want to say that we've been working with on the -- specifically with the two bills, AB 1826 and AB 1594, we've been working with the author's office, and with CalRecycle, and Californians Against Waste to try to address the concerns of all parties.

Successful implementation of organics diversion will take a partnership between everybody, including the generators, the solid waste industry, public sector, including State and the local levels.

Many of our local governments have already adopted aggressive programs for addressing climate change, but not all governments are doing it or can do it the same. So our challenge is to do a statewide program and policies that ensure they can be implemented by all sizes and shapes of local government and their service providers.

We fully support the draft Scoping Plan Update recommendations for the need of funding and incentive programs for infrastructure development, and for
addressing permitting and siting challenges. Sufficient infrastructure development is key to the success, and it's going to be the most difficult to achieve.

We want to thank you for this opportunity.

CHAIRPERSON NICHOLS: Perfect. Thank you.

Mr. Caponi.

MR. CAPONI: Good morning, Madam Chair, members of the Board. My name is Frank Caponi with Los Angeles County Sanitation Districts. Following up on Mary's testimony, we're here today just to express how strongly we are working as an industry with CalRecycle and the ARB staff to try to implement the organics regulations that are before the legislature currently.

It's important to really bear in mind - Mary alluded to this - there's really daunting challenges that are going to be there to get to that 75 percent diversion. Industry estimates roughly about $2 billion in infrastructure to get there. And right now, we're looking at about $30 million in grants. So we have a long way to go. We have a lot of work to do, and we're all trying to partner to get there as best we can.

I just wanted to also make the Board aware, the scoping plan addresses relooking at landfills as we move forward in this whole process. It's important to recognize the work that the industry has done on the
landfill regulation that did pass your Board about three years ago. It's the most stringent regulation probably in the world and industry is implementing it. And we are collecting data, and we'll be working with staff to really make a determination if there's a need for further regulation as we move forward.

In that regard, the scoping plan also addresses the fact that the inventory perhaps underestimates methane. And the landfill and the wastewater industry is particularly called out. We don't necessarily agree with that and we do want to work with the inventory staff on that. And there's also a call for further research in that area, and we certainly want to work with staff on further research.

One miscellaneous item I wanted to bring up going through the Statement of Overriding Considerations. One thing did caught my eye is a statement that anaerobic digestion and composting would lead to significant long-term operational related odors. I was very struck by that. I could tell you as an industry representative and someone that's worked in this industry for almost 33 years now, this is unacceptable. We would never, ever tolerate long-term odor impacts.

Obviously, there are short-term impacts associated with our industry and we don't have a perfect
record, but there would never be a situation where any facility, no matter what it is, would be allowed to have a long-term operational odor impact. Just as an anecdote, I would tell you, you haven't lived until you've smelled a slurried food waste that has sat around for a while and destined for an anaerobic digester.

(Laughter.)

MR. CAPONI: But that doesn't -- that doesn't say that that's allowable. We just have greater challenges, and we have to step up to the plate, and we have to solve those kind of problems.

Thank you.

CHAIRPERSON NICHOLS: Okay. Thank you.

Ms. Morehouse.

MR. MOREHOUSE: Good morning. Erica Morehouse with Environmental Defense Fund. And we're here in strong support of the scoping plan update. And this update not only demonstrates the California is ready to meet its 2020 goals, and while growing the State's economy, but it also starts the important planning process that will set California on the track to being an ambitious leader on climate action beyond 2020.

And I just want to highlight three areas of particular support for us. First, setting mid-term reduction targets to reduce emissions beyond 2020 without
leaving any sector of the economy behind. As the update notes, the success -- the successful programs like Cap-and-Trade must continue as it provides guaranteed and cost effective reductions.

California's Cap-and-Trade Program is admirably broad, but in order to avoid catastrophic climate change, we must not miss any opportunity to mitigate CO₂ emissions especially in uncapped sectors.

And, for example, as the world's fifth largest supplier of food and agricultural commodities, California's agricultural and working lands have significant opportunity to continue to demonstrate leadership and set the standard in land-based solutions on climate change.

And secondly, we support California's consideration of Reducing Emissions from Deforestation and forest Degradation, or REDD, the chopping and burning of tropical forests, like those in the Amazon, is responsible for over 15 percent of the world's emissions. And that's more than all of the world's cars and trucks combined.

And as the Board continues to plan for the future reductions, we urge inclusion of mechanisms recognizing and crediting REDD in California. And this will provide important cost containment and offset supply as reduction requirements become more stringent, and position
California as an international leader that encourages action in other jurisdictions.

And finally, we appreciate the emphasis on short-lived climate pollutants. California has made progress in this area, particularly in clean air programs that reduce diesel pollution, but clearly there's a lot more work that needs to be done, and a need to address short-lived climate pollutants in a comprehensive way that will quickly address climate change and air quality.

Reducing these emissions will save people money, but also save lives. And we urge speedy and decisive action. Thank you so much for the -- for this strong plan and the opportunity to comment.

CHAIRPERSON NICHOLS: Thanks.

Ms. Thronson.

MS. THRONSON: Chair Nichols, Board members, thank you for the opportunity to speak today. My name is Tara Thronson, and I'm a project manager at Valley Vision, a local nonprofit consultant firm. And I manage our air quality and broadband portfolios. And I'm here to speak about the intersection of those two.

Valley Vision serves as the host agency for our regional broadband consortium funded by the California Public Utilities Commission. And as part of this work and our partnership with the California Emerging Technology
Fund, we've documented how broadband serves as an enabling technology to achieve emission reductions.

You can receive -- achieve reductions in many areas, including reduced vehicle miles traveled associated with Telemedicine, telecommuting, the ability to manage resource efficient buildings and precision agriculture.

Valley Vision appreciates the staff's efforts to include two success stories in the scoping plan. And we are here today to further emphasize the importance of broadband as a necessary infrastructure and key area for focused investment and coordinated planning.

We heard today a lot about the increased need for our agriculture to -- for food production, as well as managing issues of climate change, such as the drought. Long range wireless broadband enabled systems for precision farming can increase productivity by at least 50 percent, and increase water efficiency by 20 percent, saving money, reducing water-related energy demand, and avoiding the associated greenhouse gas emissions, yet gaps exist in our State, in both rural, urban, and suburban areas.

The State has set goals to achieve broadband to 98 percent of the households in California. And, at this time, we're at 96.2 percent. That sounds high, but there's a lot of people in California that still are not
connected.

Additionally, we have -- the State has set goals for 80 percent adoption of subscriptions at home. Today, we're at 69 percent. Of note, many of the communities without broadband access today are environmental justice communities. As the AB 32 scoping plan is the guiding document of State policies and programs to reduce greenhouse gas emissions, the final Scoping Plan Update should include broadband enabled technologies, and incentives to provide deployment and use of broadband as a strategy to help meet AB 32's greenhouse gas emission reduction goals.

This will also help align State policies and investments across major efforts such as the Environmental Goals and Policy Report of OPR, and priorities of GO-Biz. We have submitted written comments and we are happy to be a resource as you move forward.

Thank you for your consideration.

CHAIRPERSON NICHOLS: Thanks for your work on this.

Ms. Gage.

MS. GAGE: Good morning, Madam Chair, members of the Board. My name is Kelley Gage and I'm here representing the San Diego County Water Authority. We are a wholesale water agency. We serve 24 member agencies and
a population of 3.1 million people in the San Diego region, and we support a $191 billion economy.

So I'm here today to ask the Board to consider delaying approval of the final -- the Scoping Plan Update. We are asking for the delay to allow water agencies more time to work with our ARB staff and the Board for input into the water sector of the section of the plan.

The one-size-fits-all language that's currently in that section -- we're speaking directly to the sequential loading order language that's in there right now -- does not work. And the water picture in California is very diverse, and we feel that this one-size-fits-all language is not going to work for implementation.

So the Water Authority, we submitted comments on the October discussion draft of the document, and we also submitted comments on the February 2014 public release version of the plan. And unfortunately, our comments were not incorporated into this final version of the document that is before you today.

But the Water Authority is committed to reducing our greenhouse gas emissions. In fact, this year in March, our board of directors adopted our first climate action plan that has stated state-of-line goals to be reached by 2020. And in addition for the last 20 years, the Water Authority has partnered with our local energy
utility, San Diego Gas and Electric, on many programs on
water energy efficiency programs. And, in fact, we have
saved nearly 800,000 acre feet of water since 1991 through
these programs.

However, these conservation efforts only
represent one part of a multiple strategy approach to
providing safe and reliable water to our region.

So the specific suggestion for a sequential
loading order policy for the water sector for investment
and action is completely at odds with the primary mission
of water suppliers, and is contrary to this successful
long-term strategy implemented in San Diego County and
across the State, which is water supply diversification.

The Water Authority has planned to improve
reliability and manage our shortage through developing a
diverse portfolio of water supplies, which includes
aggressive conservation and water use efficiency.

The dire conditions in California right now this
year in available water supply only validate that the
diversification is the right strategy moving forward. So
again, we strenuously urge you delay approval of the
scoping plan update until a better more comprehensive
approach is developed.

CHAIRPERSON NICHOLS: Excuse me, I'm going to
give you a chance here to have a little more time, because
I'm going to ask you a question and I would like an answer to it.

MS. GAGE: Okay. Sure.

CHAIRPERSON NICHOLS: What language is it that you can point to in the scoping plan that's before us right now that contains these terrible provisions that you're describing?

MS. GAGE: Sure. I believe it's on page 73 of the plan.

CHAIRPERSON NICHOLS: Okay.

MS. GAGE: This is the actual text, the actual language, "Establishing a conservation first policy for water sector investment and action would help to..." --

DEPUTY EXECUTIVE OFFICER CHANG: Excuse me. It's on page 63.

MS. GAGE: Sixty-three.

CHAIRPERSON NICHOLS: Okay. So it's not in the recommended actions. It's in the sort of descriptive language.

DEPUTY EXECUTIVE OFFICER CHANG: Right. This the -- one, two -- it's the third from the bottom paragraph.

CHAIRPERSON NICHOLS: Okay. "Establishing a conservation first policy for water sector investment would help to sustain declining per capita usage. This
would be similar to the State's loading order policy for energy. Conservation first would be implemented..., and blah, blah.

Okay. So your comment is that that is objectionable because?

MS. GAGE: It is too confining. To say to water agencies that are very varied throughout the State on where their sources of water and availability comes from. The energy intensity of these waters, whether you live close to the water source, have to pump it miles to get to the end user, to treat the water, the instances are different across the State.

CHAIRPERSON NICHOLS: But I don't read it as saying that way. That's my problem. I don't see that as being contained --

MS. GAGE: So what we're -- how we're reading this is that --

CHAIRPERSON NICHOLS: Yes.

MS. GAGE: -- the order here, the policy here is to do conservation first and then establish a loading order of energy intensity of supplies, and that's not how we do planning in the water industry. We actually do our water supply planning with the criteria of reliability first, safety first, and other criterion, including energy usage, but that is not our main criterion.
CHAIRPERSON NICHOLS: Understand. I get what you're saying.

MS. GAGE: Yes. And we --

CHAIRPERSON NICHOLS: I think you're overreading the language, but I appreciate your focus, and we'll take a look at that.

Thank you.

MS. GAGE: Great. Thank you.

CHAIRPERSON NICHOLS: Okay. So Mr. Heavner.

MR. HEAVNER: Good morning, Madam Chair, members of the Board. My name is Brad Heavner. I'm with the solar -- California Solar Energy Industries Association, CalSEIA. Thank you very much for the opportunity to speak this morning and for your leadership on this issue and for staff's development of this incredible document. This is exemplary throughout the world, and one of the most important processes for addressing what is the greatest environmental and perhaps even social challenges of our time.

I'm here to talk about solar water heating, and its importance in this plan. And in one sense you might think this is a very specific technology with a narrow focus, but please remember the numbers and realize that this has the potential to address a very significant portion of the State's greenhouse gas challenge. It is
estimated that heating water in homes and businesses constitutes three and a half to four percent of total statewide greenhouse gas emissions. And when we are headed towards a goal of near zero emissions in the coming decades, we really can't leave a four percent part of the problem on the table.

Several studies have pointed to the potential of solar water heating to reduce emissions by greater than six million metric tons. And we really need to tap the potential fully of this technology.

Currently, the ball is in the CPUC's court. They have an incentives program that is managed by legislation in 2007, AB 1470. Unfortunately, they were very slow to write the rules and to get the program underway. And then the research that formed the foundation of this program was conducted during the historic spike in natural gas prices. You're familiar with the natural gas price curve. It spikes way up in 2008. And it was in that context that this will bill was passed and the rules were begun to be written.

And so the program is just starting to get off the ground now. The Commission -- the Utilities Commission is considering further adjustments to the program that we believe will create greater momentum, and really achieve economies of scale and allow this to become
a universal technology.

It could be that further action is needed though. There's a 2017 sunset on that program, and so that's not much time left to really gain the momentum that we need. Other Board actions, most notably bringing natural gas under the State carbon cap next year, will have an impact on this. And hopefully, you know, bring it closer to a true evaluation of the impacts of fossil fuels in natural gas prices, so that this technology can compete on a more equal footing.

It is likely, however, that more action will be needed. It remains to be seen whether that will be at the Utilities Commission or through a collaborative effort with you, or if the ball is better in your court, at that point, to run a program to create a market for solar water heating technology.

Our recommendation in our written comments was that that be included within the key recommended actions of the energy sector. But with or without that specific language in the scoping plan update, we look forward to working with ARB in creating a market for this.

Thank you.

CHAIRPERSON NICHOLS: Thank you very much.

Dr. Balmes pointed out to me, and then I went on and discovered even further, that we have several people
who seem to have signed up, I'm guessing, to make the same point, that Kelley Gage made, but I just want to double check, because you're all allowed to speak, but it might be helpful if we could get you all at once. Bob Harding, Ron Davis, Pat Chen, who are number 17, 18, and 19. And then also, I'm guessing, possibly the person from ACWA, number 26, right? Am I correct if those of you who -- if you would raise your hand or stand up if you're part of that group.

(Thereupon they stood up.)

CHAIRPERSON NICHOLS: Okay. Is this all on the same issue, that is you're all reading this as requiring a loading order that's going to somehow force you to put greenhouse gases over everything else in connection?

(Nodding heads.)

CHAIRPERSON NICHOLS: Why don't you just come on down. Let's take care of this, if we can, all at once.

Okay. Ladies and gentlemen, so I don't want to pre-grudge how you're -- what order you're going to speak in, but maybe if you've conferred with each other, you could sort of collectively inform us about what it is that you're seeking here.

MR. DAVIS: Very well. Thank you, Madam Chair and members. I'm Ron Davis. I'm the Executive Director at Cal Desal, a nonprofit trade association --
THE AUDIENCE: We can't hear.

MR. DAVIS: I'm Ron Davis. I'm the Executive Director for Cal Desal, which is a nonprofit trade association that advances desalination and salinity management. You are correct, we are here for one paragraph, and so we would like to -- we all have the same issues. We have had some people here that have traveled, so I'll defer to them to go ahead and make their case, because they have specific issues. So I'll first introduce Mr. Harding with the Metropolitan Water District.

CHAIRPERSON NICHOLS: Thank you.

MR. HARDING: Madam Chair, Bob Harding, Metropolitan Water District. I'd first like to say Metropolitan is committed to conservation and other water-use efficiency projects. We have spent almost $700 million over the past several decades in implementing these. I think no other agency has spent that much.

In addition, our member agencies have also committed a lot of money to conservation and water use efficiency. So we are not opposed to water use efficiency or conservation.

However, what we are opposed to is this loading order, which would essentially prioritize conservation before anything else. Our IRP, Integrated Water Resources Plan, is a balanced mix of water supplies and
conservation. And that is, in fact, the industry standard. And to prioritize anything over another part of your portfolio would severely limit our ability to ensure water supply reliability in Southern California.

So we are asking that you delete this paragraph, or San Diego also asks for a delay, however you think it would be best to address this.

Your own -- I did know that your own staff presentation noted their balanced approach to this, and, you know, the ability to use many options. And we would simply ask for that same consideration. I would also make one other point, that on page 62 you note that a CEC report that agricultural and urban water supply uses 19 percent of the water -- or of the energy in the State.

We think that that is not an accurate representation of the usage by local entities. We'd be happy to discuss with staff. We think it's closer to three percent for electricity and 0.14 percent for natural gas. That's the extent of my comments and I appreciate the opportunity.

CHAIRPERSON NICHOLS: Thank you. And I don't think there's any statement in here, and I'm sorry if you read it this way, that suggests that Metropolitan or the other agencies haven't been doing a terrific job on conservation. I think this is a very long range, you
know, ambitious plan, that's looking at investments for
the future. So I'm sorry that this seems to have been
read in such an alarming way.

MR. HARDING: I stated that just to say that we
are in favor -- you know, conservation is a huge part of
our portfolio, but the load ordering would cause us
issues.


MS. BLACET: Hi. I'm Danielle Blacet with the
Association of California Water Agencies, and we represent
430 public water agencies throughout the State. And along
with supporting the comments that my colleagues have made,
we just wanted to reiterate that, you know, we do
understand the significant impact that climate change is
having on the water resources in our State. It's no more
clear than what we're all going through during this
drought.

And so we're very committed to make sure that
there is a comprehensive set of actions that addresses
those issues. But again, we're very concerned that a
proposal that would either go through legislation or joint
agency actions to establish this loading order would be
something that wouldn't allow our agencies the flexibility
they need, whether it be in a regular water year or in a
severe drought to make the choices they need to get a
reliable water supply to them -- to their customers.

So that is our concern, and we hope that we can
come to an agreement. We also wanted to express our
appreciation for staff working with us. There is some
language that we had requested in our comment letter that
was included in the proposed first update, regarding some
acknowledgments about our efforts and asking the State to
encourage and facilitate projects that have co-benefits of
water-use efficiency and energy efficiency, so we wanted
to express that appreciation.

Thank you.

CHAIRPERSON NICHOLS: Great. Thanks.

MS. CHEN: Good morning. My name is Patricia
Chen. I represent South Coast Water District. And first
of all, I'd like to support all the prior comments that
were made. And I'm here to give kind of the local agency
perspective on the same issue.

The District is a retail water agency that serves
approximately 12,500 water accounts with an estimated
population -- winter population of 40,000 in the South
Lagoon and Dana Point areas. The District will important
approximately 5,800 acre feet of potable water from
hundreds of miles away via the State Water Project and the
Colorado River aqueduct.

The District service area has been identified by
the Bureau of Reclamation as an area of potential water supply crisis by 2025. The District is extremely concerned about the water supply shortage in Southern California and the current statewide drought emergency. The District offers incentives and rebates for conservation, including toilet replacements, turf removal, replacements with California friendly native plants and outside irrigation timers and clocks.

With these education campaigns, incentives, and outreach programs, the District's water usage has not gone up, even though its surface area and population has grown. With the support of MWD, the District spent $5.8 million to construct its local groundwater facility that produces potable water from brackish groundwater using and RO system that meets ten percent of its water supply requirements.

The District is currently expanding its groundwater facility with the goal of doubling its production of potable water. The District also promotes the use of and currently delivers approximately 1,000 acre feet per year of recycled water for outdoor irrigation. Uses including at parks, schools, recreation facilities, such as golf courses and hotels.

The District spent $2.8 million last year to put in a recycled water system filtration -- yeah, filtration
system using RO to improve the quality of recycled water by removing the high TDS content that is inherent in potable water supply that is delivered to the District via -- I'm sorry, through the State water systems.

As a participating member of the Doheny Ocean Desal Project in south Orange County, the District has also been proactive in studying and planning for a slant well intake system that would provide a local supply of ocean desal water. Notably, the local environmental community has supported this project.

The District fully appreciates the need for conservation and energy efficiency in water system operations in order to reduce greenhouse gas emissions. And it certainly supports many of the recommendations in the proposed update.

However -- if I could just finish that one point -- a conservation first, or loading order policy, which prioritizes water conservation and energy efficiency ahead of developing new water supplies, would effectively halt the ability of the District to provide a local resource of water supply.

This oversimplistic approach ignores the complexity of water supply issues, and particularly the need for water supply reliability and diversification.

Thank you so much.
CHAIRPERSON NICHOLS: Thank you. Well, this has been really a helpful illustration of how people can read a document and find it much more exciting than we did frankly.

(Laughter.)

CHAIRPERSON NICHOLS: So that's great. Thank you. We will have some more discussion about this item before the end of the day. And so, of course, your welcome to stay, but it's just helpful to have that sort of concentrated discussion all at one time. So thank you for that input.

Okay. Mr. Heavner now gets to finally come forward, if he's here.

MR. HEAVNER: I've gone. I just finished speaking.


MR. SCHONBRUNN: Good morning. David Schonbrunn with Transdef. We're transit advocates that focus on the intersection of climate change and transportation.

There's a lot to like about this update. The new found focus on short-lived climate pollutants is great. We really appreciate the commitments to increase the rate of emissions reductions and to set a mid-term target.

I'd like to summarize three problematic areas we
covered in written comments that have not been addressed in the plan. First, this update has not established a causal connection between the first scoping plan's measures and the reduced emissions of the past five years. Unless you know how effective the measures have been so far, you have no basis for confidence in the ability of this update to achieve its goals. We need to know the impact of the recession on electrical consumption and on VMT.

Second, high-speed rail should not be shown in your plan as a GHG emissions reduction measure. There are at least two major reasons why the claimed GHG emissions reductions are a very expressive fantasy. A, they depend on $30 billion of project funding that the Authority doesn't have and can't get. B, the emissions calculations leave out the massive amounts of concrete that the project design calls for. The amounts are large enough to increase the State's overall cement production, which is a large source of GHG emissions.

A paper I submitted to staff calculated that the entire HSR project, including the cement and other construction materials would actually increase GHGs for the first 20 to 30 years of operations. That makes the environmental assessment's GHG impacts assessment incorrect. Construction 8B and Cumulative 8 should be
significant and unavoidable. Interestingly, Attachment D to Resolution 14-16 is silent on GHG impacts, even though they were covered in the EA.

The flawed assessment was based on a paper issued by the High-Speed Rail Authority, and which was endorsed by your Board's Chair. Standing behind an incomplete analysis like this harms the scientific credibility of this agency.

Finally, this is a science-based plan in the most part. That's good, but it's missing an analysis and a plan for the political dimension. Political support is essential to implementing this plan. ARB needs to be formally thinking about the politics of it.

Thank you.

CHAIRPERSON NICHOLS: Thank you.

I understand that the two people who weren't here when we called on them first have arrived. I'm just going to wait until we finish this page, and then I'll call on the Chucks.

Okay. Nancy Rader and then Ralph Chandler. I'm sorry, Claire Halbrook.

I'm making too many notes on my agenda here.

MS. HALBROOK: That's okay. Hi. I'm Claire Halbrook with Pacific, Gas, and Electric Company. PG&E appreciates the opportunity to speak to the Board today.
regarding the scoping plan update, and we would like to greatly thank ARB staff for responding to stakeholder requests for greater detail to be included.

We believe the update does much to focus on encouraging reductions from all of California's major economic sectors, while also underscoring the need for flexibility in reaching our climate goals. We also update -- we also note the updates call for further work this year and next to develop comprehensive strategies for key sectors, including the utility sector. And we look forward to continuing our work with ARB, the Energy Commission, the ISO, and the CPUC to develop these strategies.

This update also highlights the need for ongoing economic assessments, and includes a far more developed scope for this work than previous drafts. In an effort to guide the State's GHG reduction efforts towards the best available options, Assembly Bill 32 makes specific reference to ensuring the cost effectiveness and technological feasibility of all measures, and defines cost effectiveness as the cost per unit of greenhouse gas reductions.

We request that explorations a post-2020 GHG reduction programs uphold this premise by applying a solid analytical framework to evaluate the comparative cost
effectiveness of both current and newly proposed measures. We believe this is particularly critical as ARB looks towards a possible mid-term GHG reduction target in the 2030 time frame.

We also support the update's nuance assessment of the potential for combined heat and power to deliver cost effective, long term GHG reductions. PG&E continues to support efficient CHP, such as bottoming cycle, to deliver longer term greenhouse gas reductions as our State electric grid becomes increasingly cleaner.

Finally, PG&E continues to believe that a well designed, multi-sector Cap-and-Trade Program linked with emerging regional, national, and international programs, either through adoption of California's Cap-and-Trade Program or simply through aligning our reduction targets, will allow California to meet its GHG reduction goals in a cost effective manner, and set the stage for successfully addressing what is clearly a global issue.

ARB and California should continue to proactively seek linkage with other cap-and-trade programs.

Thank you.

CHAIRPERSON NICHOLS: Thank you.

Okay. Now, Nancy Rader and Ralph Chandler.

MS. RADER: Good morning. Actually, that's Nancy
Rader with the California Wind Energy Association.

CHAIRPERSON NICHOLS: Thank you.

MS. RADER: We're pleased to be here to strongly support your adoption of the first update to the AB 32 scoping plan.

From our perspective, AB 32 has fostered nothing short of remarkable progress in the electricity sector. The electric utilities have learned how to successfully procure renewable energy. The Cal ISO has revamped its electricity markets to both efficiently integrate renewable energy resources while ensuring system reliability.

And the renewable energy industries have mobilized to produce very robust competition, which is very beneficial to the consumers in this State as renewable energy prices continue to fall.

CalWEA is proud of the contribution that wind energy has made. Wind energy capacity in the State has almost -- or more than tripled in the last decade, mostly in the last couple of years. Wind energy in and outside of California is providing about seven percent of California's electricity supply. There are 21 manufacturing facilities in California supplying the wind energy industry, and the industry is supporting local county governments with over $70 million annually in
property tax revenues, and $27 million goes to ranching
and farming landowners.

But to maintain that momentum, it's really
critical that the State move quickly on the first updates
call to establish mid-term targets to the 2050 goals. The
wind industry knows very well the impacts of start/stop
energy policy in this country. And I'm referring to
Congress's start/stop policies on the production tax
credits. It's very disruptive to planning manufacturing
facilities, planning projects, and just maintaining the
staff and the continuity. So it's really critical that
we, you know, create a bridge to that next goal, and that
the State energy agencies begin to plan for that goal as
quickly as possible.

And the first step, of course, is for your
adoption -- for you to adopt the first update to the
scoping plan today.

Thank you very much.

CHAIRPERSON NICHOLS: Thanks.

Mr. Chandler. And then we'll hear from Chuck
White and Chuck Helget.

MR. CHANDLER: Thank you, Madam Chair and
members. My name is Ralph Chandler. I am speaking today
on behalf of the California Refuse and Recycling Council.
I will note, however, that I served as the Executive
Officer to the then Integrated Waste Management Board for ten years during the 939 era.

CRC is on record of supporting both the short- and long-term objectives of the scoping plan in its update. CRC, however, would like to comment on the recommended actions for the waste sector, with the goal of ensuring that those recommended actions are implemented to their maximum benefit.

Three areas I'd like to touch upon briefly. The first is the removal of green waste or organics from land disposal. Whether that objective is done through direct regulation by this Board or through the legislation that is moving through the legislature today, we think it's critical that ARB, with its sister agencies, expedite the review and approval process that we believe will be necessary to have the infrastructure for the needed composting and anaerobic digestion facilities that will be required as a result of this increased diversion of organics and green waste from land disposal.

We note that the report references a working group that will come out with a report later this summer, and we would hope that there would be specific action steps in there to ensure that we have the infrastructure necessary to accommodate this material towards a beneficial use.
The second area has to do with the identified quote incentive mechanisms. The plan identifies a variety of funding mechanisms, including grants, loans, cap-and-trade investment plan. We note that just yesterday the Assembly appeared to have removed the $30 million of the administration's proposal for CalRecycle's budget for the organics and recycled fibers program. We know that's still under discussion, but we are concerned to see that we have these policy objectives going forward, but without the commensurate perhaps funding mechanisms in place.

We, as an industry, support the payment programs, much like CalRecycle used today in the Plastics Market Development Fund where there's a per ton subsidy provided for the diversion of the material from land disposal when it's used in California and manufactured in California into a new product.

So we would strongly encourage you to continue to focus on drilling down deeper on effective incentive mechanisms. We find that grants oftentimes require a lot of staff work and often result in awards to a select few and are often oversubscribed.

The last area has to do with markets. And I can speak from experience that as you divert this material from land disposal, unless there's strong sustainable
markets, it's oftentimes very difficult. We see this material then perhaps exported to foreign countries. The carbon footprint on that transportation is -- does not add up and we need to build strong domestic markets here in California nearby.

I'll just conclude by saying I hope that the State will step up through its CalRecycle minimum content program and buy -- State Agency Buyback Program to strengthen what California State agencies can do in that regard.

Thank you.

CHAIRPERSON NICHOLS: Thank you. Good to hear from you again.

Okay. Mr. White.

MR. CHUCK WHITE: Thank you very much, Madam Chair, members of the Board. Chuck White with Waste Management.

I'm sorry I was late this morning. I had to conduct a -- and participate in a long-scheduled seminar on getting biomethane into the California pipeline system. As you probably are aware, the CPUC has adopted standards that allow a wide variety of biomethane to get it and put it in the pipeline. The issue now before the CPUC is the cost of meeting these very -- putting low carbon -- very low carbon biomethane for use.
And we're hoping that we can find a way to help finance the getting of this and perhaps through cap-and-trade revenues that we're also working with the CPUC on.

CHAIRPERSON NICHOLS: That was a really, really good reason for being late.

(Laughter.)

MR. CHUCK WHITE: I hope you would appreciate that. Yes, thank you very much.

We also represent -- or are representing SWIG. A couple of our spokespeople got up earlier before we were able to arrive. Chuck Helget will be following me I hope. And we represent the solid waste industry. We think we're the largest segment of the solid waste industry providing services in California. Our goal has always been to work cooperatively with ARB, CalRecycle and other State agencies, and the legislature to develop workable plans and policies to achieve greater waste diversion and recognize the inherent value of waste materials.

We are supportive of the SPU, as proposed. It acknowledges much has been accomplished by our sector. The landfill methane rule has been implemented and we believe is substantially increasing the amount of methane we're collecting at landfills and are able to then use beneficially.
We need a place to put it. Hopefully, we can put it in pipelines along with other types of projects we're developing with the sewage treatment plants and other stand-alone anaerobic digesters to handle food waste throughout California, but we need help in making these things an economic reality.

AB 341 has been adopted creating a 75 percent diversion goal, mandatory recycling regs have been adopted by CalRecycle. This is built on the AB 939 foundation that required 50 percent diversion, and, by the way, California is now at 66 percent diversion. So we think we're doing a good job in cooperation with our public and private partners.

It's all been done that way through a partnership. We applaud CalRecycle and CARB for recognizing the importance of incentive programs. You just can't push the waste out. You need to help pull it out too by creating a place to take it and put it in creating value. And we really need your help in creating that value.

The $30 million grant program is a start. We estimate about $2 billion is going to be required to be invested in California waste and recycling systems to meet the objectives of both CalRecycle and the CARB. We're ready to do our part. We appreciate any help you can
provide us in this.

And we certainly encourage CARB and CalRecycle to improve State procurement of recycled content materials and the acquisition of waste derived energy material that can be -- resources that can be used for both fuel and energy.

We've recently worked with -- at UC Davis, and they estimate that about -- there's enough waste in forest, agricultural, and urban sources to provide about two billion gallons of low-carbon fuel in California. That strains your -- that's roughly equivalent to what you need to meet the current low-carbon fuel standard. We need help getting this material into the pipeline. We need help stabilizing the value of RINs and LCFS credits.

And that's all I have to say. Thank you very much.

(Laughter.)

MR. CHUCK WHITE: But I would like to turn it over to Mr. Helget, if I may. He's going to summarize some of the work we're doing with the legislature to meet your objectives and our objectives as well.

Thanks.

CHAIRPERSON NICHOLS: Thanks.

Mr. Helget.

MR. HELGET: Madam Chair, members of the Board.
Thank you for this second opportunity to speak. I don't have as good an excuse to offer as Chuck. I was just flat late. So I apologize.

(Laughter.)

MR. HELGET: The scoping plan update -- and I represent Republic Services and also part of the Solid Waste Industry Group coalition.

The Scoping Plan Update, in our view, strikes -- does strike a nice balance by encouraging regulatory and statutory actions to phase out organic materials at landfills, while at the same time focusing on financial incentives to build adequate in-State infrastructure and incentive activities to accomplish your GHG goals. And we think those are both important combinations.

As Chuck I think discussed in much greater detail, we can pull these organics out of landfills. We just have to have some place to go with them. We have to build the processing infrastructure to process this material effectively, and we need anaerobic digestion facilities, and we need composting operations to be expanded in order to manage this.

The effectiveness of the methane emission control measure that this Board adopted early on, mandatory commercial organics which has been implemented last year, and impending AB 1826, Mr. Chesbro's bill, and AB -- and
the ADC bill proposed by Mr. Williams, will help us reach
the 75 percent diversion and GHG reduction emissions that
are outlined in the Scoping Plan Update.

We are hopeful that these measures, and we
believe that they will, will be enough to avoid more
severe measures discussed in the Scoping Plan Update, such
as placing landfills under the cap -- in the Cap-and-Trade
Program or banning organics from landfills. We think that
moving forward with those two pieces of legislation will
get you to your goals and we'll get us to the 75 percent
diversion goals that are outlined in AB -- were outlined
in AB 341.

The program under AB 1826, if I might speak on
that for a bit, it's a bill that's been introduced by
Senator Chesbro. The bill has passed the Assembly, and it
would establish a mandatory commercial organics recycling
program in California. It's a phased-in approach, as is
outlined in your own scoping plan.

In the first year, it would allow us a little bit
of time to, in 2016, bring in larger operators, larger
organics generators into the program, 2017, that the
threshold for businesses covered would be reduced. And
then in the final year, we would be dealing with all
facilities that generate one or more cubic yards of
organics per week. And we think that threshold gets us to
around 80, even more -- a larger portion of the commercial
waste stream, a very effective approach in our view.

So we would encourage the Board to approve the
scoping plan and please consider the fact that we're
moving forward with this legislation and very optimistic
that it will pass.

Thank you.

CHAIRPERSON NICHOLS: Thank you.

Thanks for the shout-out to Mr. Chesbro as well.

I do think that the partnership with the legislature and
with ARB and CalRecycle has been one of the nicest
eamples of what can be accomplished using this scoping
plan as a spring board for other action. And I also am
looking forward to the next steps on this.

MR. HELGET: If I may respond?

CHAIRPERSON NICHOLS: Yeah.

MR. HELGET: I did overlook the fact that we are
working very closely with Mr. Chesbro, and it is a
coalition that extends from every part of this State,
local government, solid waste industry, composters, you
know, we're all working on this legislation. So I think
optimism is well placed.

CHAIRPERSON NICHOLS: Thank you.

Okay. I guess we get to turn the page at this
point, and -- page two. If I could ask people -- again, I
haven't been too forceful about this, but if you could be
ready to come up, you know, when your -- when it's your
turn, we'll save ourselves all a little bit of time, and
get a chance to get a lunch break.

As I understand it, Ms. Blackman has taken her
name off the list, so it's -- Cal Chamber is next.

MS. BLACKMAN: Madam Chair?

CHAIRPERSON NICHOLS: Yes.

MS. BLACKMAN: I did not take it off.

CHAIRPERSON NICHOLS: You want to talk?

MS. BLACKMAN: Yes.

CHAIRPERSON NICHOLS: Okay. Then come forward.

Sorry. I misunderstood.

MS. BLACKMAN: Thank you.

Madam Chair, members of the Board, staff, thank
you for the opportunity to be here. They might have
thought I was not going to speak because I gave you a
poem. I'm not going to read the poem, but I give that to
you for your calming down for what you might need at any
given time.

(Laughter.)

MS. BLACKMAN: Okay. Thank you. I would

CHAIRPERSON NICHOLS: That's always good.

MS. BLACKMAN: Thank you.

I would like to commend the Board and the staff
and the collaborating agencies on the unprecedented accomplishment of the climate change scoping plan, and of the initiatives that it is giving so much good to this community, and to this State, and to the planet.

Building upon this framework, we can move the marker even further forward as we plan for the future. Mine is a simple and yet powerful request, one that paves the pathway for profound answers to the climate change problems that plague our planet.

I'm asking the Board to give serious consideration to the inclusion of lifecycle emission factors, starting perhaps with the energy sector, but also eventually moving on to other areas.

In the Climate Change Scoping Plan update, there's a portion on page 23 that says monitoring and measurement efforts are a crucial component of the regulatory process, because they provide objective measures to identify the need for regulatory action, and to verify the performance of implemented regulations.

ARB's current monitoring and modeling practices are essential. However, the equation that will not closely reflect reality, the carbon footprint, it cannot be determined without utilizing lifecycle emission factors. This is a simple but incredibly powerful request that I make of you.
To think about the results of what we are doing to ourselves and to our planet and how we can use the scientific -- the best scientific data to make this world a better place for ourselves, and for our families.

Thank you kindly.

CHAIRPERSON NICHOLS: Thank you.

MS. MMAGU: Good morning, Madam Chairwoman and members of the Board. Amy Mmagu on behalf of the California Chamber of Commerce.

The California Chamber of Commerce is the largest broad based business advocate in the State, representing over 13,000 California businesses, both large and small. Many of Cal Chamber's larger members are directly covered by the cap-and-trade regulations, while many other smaller members will likely experience indirect impacts in the form of new costs passed down from upstream fuel and energy providers as a result of AB 32 regulations.

The 2013 Scoping Plan Update should simply implement AB 32. The Scoping Plan Update shifts the focus from reductions to 2020 beyond that to 2050 goal. In addition, we appreciate the discussion and the update on the economic analysis. We believe an independent economic analysis is crucial to understand our current climate change programs to understand what has worked and what -- and at what cost. It is imperative that we conduct an
analysis before looking beyond 2020.

We appreciate your hard work on this document, and the opportunity to comment today and look forward to continuing to work on the implementation of AB 32.

Thank you.

CHAIRPERSON NICHOLS: Thank you.

Dorothy Rothrock.

MS. ROTHROCK: Thank you, Chair and members. My name is Dorothy Rothrock. I'm with the California Manufacturers and Technology Association, and I also Chair the AB 32 Implementation Group. And I love to take the opportunity to update you periodically on how manufacturing is doing in California.

The latest numbers are that since 2010, U.S. job growth in manufacturing has increased more than five percent. In California, we've enjoyed just half a percent increase in manufacturing jobs in that period.

So far as new investments are concerned, we have 11 percent of U.S. manufacturing in California, but yet we are -- in 2013, we only receive 1.5 percent of major new investments. That's a nice backdrop to my comments, because, of course, we need to do some work to keep California manufacturing robust and healthy.

We believe we should have focused more on the implementation issues between now and 2020 in the Updated
Scoping Plan. Particularly, we need a faster determination of what the allowance allocation scheme for manufacturers will be in the third compliance period. We very much appreciate the second compliance period, free allowances up to 100 percent of benchmark, but in the third compliance period, it's an open question. Their study under the scoping plan won't be done until 2016, which we think is really too late for the third compliance period that starts in 2017.

This is the planning horizon for new investments in manufacturing. Later, you may hear from the Western States Petroleum Association about fuels coming in under the cap in 2015, as well as natural gas for all consumers.

In the third compliance period, because of everybody being under the cap, there's going to be huge pressure on allowance prices. I think that the combination of reducing free allowances for manufacturers and the upward pressure on prices is going to create a potential real problem for the manufacturers.

We're recommending therefore that we should keep manufacturing at 100 percent all the way to 2020 and not consider that issue reducing until the post-2020 period.

With regard to target setting, we note that there is economic analysis that's going to go on for the determination of the post-2020 targets, but we're really
encouraging more specific marginal cost analysis that will be looking at the technologies that are really going to be available to get us to our targets, understand those costs, and identify where we need to be bringing down those costs or adjusting our targets to make sure that everything we're doing is technologically feasible.

In the scoping plan, it's -- oh, I'm running out of time. This is good stuff though.

(Laughter.)

MS. ROTHROCK: In the scoping plan, you mentioned that estimating the economic impact of the current suite of AB 32 measures will provide guidance in establishing long-term emission targets. But in the section where you're talking about the climate science and the targets that you want to set in relationship to the climate science, you don't talk about how economics may influence the setting of the target.

I'd love to see some more robust analysis of how the economic issues are going to influence the targets that you set. I will leave it --

CHAIRPERSON LLOYD: Thank you. Do you have -- it says here you didn't give us a written testimony, is that right?

MS. ROTHROCK: We've -- yes, the AB 32 Implementation Group gave written comments.
CHAIRPERSON NICHOLS: Okay. It's under the implementation.

MS. ROTHROCK: A long time ago.

CHAIRPERSON NICHOLS: Oh, long ago. Not for today?

MS. ROTHROCK: Not this morning.

CHAIRPERSON NICHOLS: Oh, yes. Okay. We do have it. All right.

MS. ROTHROCK: Thank you.

CHAIRPERSON NICHOLS: Thank you for your input.

Paul Mason.

MR. MASON: Good morning, Chairman Nichols, members of the Board. Paul Mason for Pacific Forest Trust. And I want to start by also echoing what was said earlier that the document is very impressive, both in its content and vision, as well as accessibility. And I think that is tremendously valuable. We also very much appreciate the ongoing recognition that forests and natural lands can play an extremely important role in California's greenhouse gas goals, either as part of the problem or part of the solution.

And I think that the information that's come into light as part of the updated inventory really puts a very sharp focus on that. You know, I've been here many times before talking about the importance of making sure that we
don't lose ground in the forest sector to conversion of forests to other uses. And that's certainly being highlighted in the new inventory as one of the ways that we're losing far more carbon than we had thought before, and losing in a way where that's an ongoing and permanent loss to our capacity.

So, you know, we do believe that continuing to address that's going to be very important. One of the things that I want to highlight, and I believe you received a letter from Senator Pavley and Assemblyman Chesbro earlier this week as well, highlighting the importance of trying to take a broad look at biological carbon on the landscape. I very much appreciate that there is a forest carbon or forest climate plan, and that's a very interagency process. I think that's very good and promising.

One thing that I'm concerned about is that we fall into silos and start thinking of forests as those areas that are regulated by the forest practice rules. And the landscape is really a continuum from your timber up in the hills, down through your oak woodlands, down into agricultural areas, wetlands. And to the extent that we can take a more holistic look at the landscape and recognize that these systems all flow together - there's no bright lines on the landscape. Those only happen in
our agency flow charts - and try and get outside of our agency silos, if you will, draw in some external expertise, you know, draw on our academic resources, a blue ribbon team from outside that includes both State leaders as well as outside leaders, to try and take a broader look at these biological carbon resources, I think would be the one overarching recommendation that we would have for the -- that section of the scoping plan while recognizing that it continues to be a very visionary and positive document.

Thank you very much.

CHAIRPERSON NICHOLS: Thank you.

Sort of interesting that that comment just follows directly after the one about manufacturing. It gives some sense of really the breadth of what we're trying to do here, and the need to have a more balanced approach to looking at the whole picture.

Okay. Good morning.

MR. MURRAY: Good morning, Madam Chair and members of the Committee. Thank you for allowing me to speak. My name is Ed Murray. I'm the president of Aztec Solar. I'm a Rancho Cordova developer and installer of solar water, heating, electric, and pool solar systems. We want -- I'm also on the board of directors for the California Solar Energy Industry Association, and the
Solar Industry Association nationally.

I wanted to bring to your attention that solar water heating is a fair-haired step child of solar electricity. Unfortunately, it's not mentioned quite as much as solar electricity is, but there is a lot going well for solar water hearing. We can mitigate 70 percent of the hot water loads and natural gas heating. And 70 percent means that every 50 gallon gas water heater annually uses about -- or expels about one and a half tons of CO$_2$. We can mitigate 70 percent of that, so it brings down the CO$_2$ quite a bit.

We also have a smaller footprint with solar water heating and solar electric systems on rooftops. So every zero net energy home should include solar water heating. Without a solar water heating system, you would not have a zero net energy home.

Finally, solar -- natural gas is used to create electricity that also is used to heat water. And we'll be able to have more supply of natural gas to use for electricity if we use solar water heating and install on the rooftops directly, and use the solar water heating directly into the households. I just hope that we're able to include solar water heating in this scoping plan.

Thank you.

CHAIRPERSON NICHOLS: Thank you.
Hi. Go ahead.

MR. EDGAR: Chair and Board members, my name is Evan Edgar. I'm the engineer for the California Compost Coalition. I have poem. It's AB 32 Scoping Plan first update. It reads like poetry. I have a dream about getting organics out of the landfill by 2020. As I said last time, getting landfills totally phased out would be environmental poetic justice.

I'm here today on behalf of private independent composters. We are organic composters. We are recyclers. We are haulers. We actually are wine makers and we're organic farmers. We close that loop locally. We are a part of the fork-to-farm movement by taking food from the fork to the farm to composting to grow more food.

We understand the linkage and the power of organics. We understand the each truck that picks up organics we can make enough fuel for three trucks, heavy-duty trucks that is carbon negative fuel by using dry anaerobic digestion.

We also understand the linkage of water and agriculture and compost, that by using compost we reduce water usage 30 percent in agriculture and we sequester the carbon and soil with nutrients for many decades.

We understand net zero. Net zero by 2035. We can be net zero by 2020 by having a carbon negative fleet.
of the 15,000 heavy-duty trucks in California; by having carbon neutral energy, by using biomass and biomethane; and by having zero waste by 2025.

But let me be direct with you. We support direct regulations. By phasing out dirty diesel on heavy-duty trucks in a clean CNG, you spawn an industry in order to have a fleet demanding to use renewable CNG. That's good stuff. By having direct regulations to phase out organics from landfills is great.

Phasing in is starting very slowly. The two bills that were mentioned today, AB 5094 is stuck in suspense today -- yesterday. That's not moving. That was a green waste for alternative daily cover. And the second bill won't really be effective till about 2019. The threshold on the 2019 would then include all restaurants under 60 employees and all fast food. So by phasing in a delayed phase-in till 2019, it would exclude fast food and all restaurants under 60 employees.

So we look forward to direct regulation by CARB in order to really make the power of organics work for California by taking those organics out of the landfills to make a carbon negative fuel, to carbon neutral energy, and compost for agriculture for the fork-to-farm movement is very important. So we support all aspects of AB 32 with a -- from all aspects and all sectors, because the
waste sector is not just about landfills anymore. It's about hauling organics. It's about making energy out of biomass and biomethane. It's about compost for ag and water efficiency.

So the next update in 2019, maybe there won't be anymore landfills as part of that, and that would be environmental poetic justice.

Thank you.

CHAIRPERSON NICHOLS: Thank you. We have just gotten to our third page -- we are going to be getting to our third page with 47 people signed up. Just so you know, I'm cutting off any further decisions to testify at this point. If you haven't signed up yet, hopefully somebody else will make your point for you.

Okay. Let's go ahead now with Will Barrett.

MR. BARRETT: Good morning. I'm Will Barrett with the American Lung Association of California. The Lung Association submitted comments along with our colleagues in the Global Warming Action Coalition, and also with about 30 colleagues/partners in our Health Professionals for Clean Air Network to support this plan along the way and to offer input.

We also support the comments that were made by the EJ Advisory Committee this morning. And I'll touch on a few of the points that we made in our letters, and
you'll hear from other colleagues throughout the testimony as well.

We and our partners support the adoption of the plan and appreciate the strong focus on actions needed now to preserve and maintain California's climate leadership and protections up to and beyond 2020. We support strong action and a mid-term 2030 target for statewide emission reductions. We also appreciate the near-term focus on advancing transportation sector targets, including for the low-carbon fuel standard and SB 375 regional targets this year.

On the SB 375 targets, the next round of the SCS process should take a larger role in contributing to California's climate goals given the progress made to date. We would also recommend that in the green building and water sectors, that the strategies outlined in the plan be more strongly aligned with these SCS plans going forward.

On the LCFS, just yesterday the Lung Association and Environmental Defense Fund released a report called, "Driving California Forward", that highlights the health and economic benefits of AB 32's transportation fuel policies. Our study found that we could avoid $23 billion in health and other societal impacts by 2025 as the LCFS and fuels under the cap transition California to a cleaner
future.

So we do urge the Board to undertake similar assessments of the health benefits of AB 32 programs going forward. We are -- at the Lung Association, we're working with Strategic Growth Council closely on the deployment of the urban footprint model to help explain the health and other benefits of smart growth planning under SB 375. We would like to see more of that type of assessment going forward.

We strongly support the increased focus on black carbon and other short-lived climate pollution in the update. These pollutants accelerate climate change and are deadly in our local communities, especially in our disadvantaged communities near ports, railyards, freeways and other hot spots.

On the energy sector, we just wanted to state in our letter that we do need strong plans to achieve zero emission energy solutions and we need the planning to start now for a diverse, open, and inclusive process to achieve those goals.

And in closing, we urge you to adopt the scoping plan update today, and carry on with the important work of protecting California's health from the worst impacts of climate change. So we do look forward to working with you and thank the staff for developing a great plan and look
forward to implementing that plan going forward. So thank you very much.

CHAIRPERSON NICHOLS: Okay. Thanks.

Hank Ryan.

MR. RYAN: Good morning, Madam Chair, Board members, and staff. My name is Hank Ryan from Small Business California. We signed on to the letter from the California Business Alliance for a Green Economy.

First, I want to just go back a few years. Small Business California participated in an ETAAC panel. And several times during that processes, Bob Epstein mentioned that by 2050 we needed to get to an 80 percent reduction. That was very hard to swallow.

It's going to be a difficult task, but I commend this scoping plan specifically in the areas -- in the areas of methane, which really can bring a major payback, but also for energy efficiency measurement, which I think really needs to be done better.

I want to thank Board Member De La Torre for asking Small Business California for suggestions regarding energy efficiency. And obviously, we look at small business -- small and medium business energy efficiency as a greater need, especially in disadvantaged areas.

Financing is something we've worked on from the ETAAC panel forward to bring that to where more
comprehensive energy efficiency investments can be in place. That means we don't go for the low-hanging fruit and things that could disappear over time, but we go deeper into these buildings.

What I would most strongly suggest regarding energy efficiency and measurement at the same time is to look more at whole building energy efficiency with the priority on our cooling load. We have various zip codes or counties in California where the cooling load is very, very high. That's going to give us the most bang for the buck. I say we go there first, and we look at starting at the envelope with super insulation, so those systems that manage HVAC and others can be turned down, and don't need to be expanded as much. That's going to show up at the meter. And with those kinds of investments, we're going to see better measurement because it's going to be seen at the meter.

So I thank you for the opportunity to make these comments and I hope we can continue to work with CARB. And again, Board Member De La Torre, thank you for your request.

CHAIRPERSON NICHOLS: Okay.

MS. SMITH: Good morning. My name is Lora Smith, and I'm with the California Nurses Association. I'm a registered nurse and I work down in the Los Angeles Harbor
area. California Nurses Association would like to say
thank you with the Environmental Justice Committee, and
say that we do support their recommendations, their five
priority recommendations, and with some little addendum on
the -- on number five, the fifth recommendation having to
do with the cap and trade.

We would like to see that about ten percent of
the funds gleaned from the allowance -- the sale of
allowances be documented strictly to -- excuse me -- got
to relax -- strictly to health care facilities, such as
our public facilities, the harbor, UCLA, et cetera, and
health clinics that are available for the underserved and
the impacted community residents within the harbor area.

I work at a little company, San Pedro Hospital.
I'm an ICU nurse. And so I'm not out in this forum very
much, but I was brought here to show -- to document what I
see as a nurse within the hospital in the impacted areas.

We always thought that our air quality in the
harbor was wonderful, mainly because we have the
prevailing winds that blow from out Catalina Channel into
downtown L.A., Long Beach, et cetera. So we always
thought that our area was clean, our air was clean. Well,
obviously it's not.

We had an organization within San Pedro Hospital
called the Coastal Asthma Program. And they went out into
the impacted areas, and the numbers that they gave me were very surprising as to our incidence of asthma. And the average patient with three or more symptoms within a ten-mile radius of the ARCO refineries down in Wilmington was about 35 percent. The average patient at a clinic in Rancho San Pedro, which is two blocks from the cruise terminals and the cargo shipping was 42 percent.

And so that's an awful high number, when the national average, and this is statistics from 2011, were only five to seven percent nationwide. That's amazing.

And so I guess I was quite lulled by our fresh air that we thought we were getting. And here, our children and our asthmatics within the community are highly impacted by the waste products within our air in our system.

So we would love to see ten percent of the funds gleaned from the cap-and-trade allowances, the sales of those allowances, to be designated to the public health care services, our public hospitals, our clinics, and our emergency services.

Thank you.

CHAIRPERSON NICHOLS: Thank you.
CCEEB next and then WSPA.

MR. SKVARLA: Hi. My name is Mik Skvarla. I'm with Lucas Advocates. I'm here on behalf of California
Council for Environmental and Economic Balance.

Since 2008, a lot of work has been done on the scoping plan. And we do appreciate the interaction with staff and all the time that the Board has allowed the staff to be available to us and our concerns.

Today, we still have a couple concerns with moving forward on the scoping plan. The first one being kind of, in our name's sake, is the economic analysis. We believe 2018 is too late. The scoping plan sets in motion a number of additional policies without regard to the potential costs. And we understand that as those policies are approached, that the appropriate APA process will go along with it and hopefully economic analyses that show us what we need.

But again, as an overall policy and an overall approach that this takes, we believe an economic analysis would have benefited the process. Again, we would like to reemphasize some of the key tenets of AB 32, which are maximum technological feasibility and cost effectiveness, as we move forward with the additional parts of the scoping plan that have been included, and as we further approach the 2020 mark.

Our second point would be on the short-lived climate pollutants and localized impacts. CCEEB continues to believe that ARB must -- and California must make
significant progress towards our criteria pollutant goals, such as particulate matter and toxic air contaminants. We do believe that the State's existing framework on the Clean Air Act side of things is doing a great job, and we've seen that in recent conversations regarding black carbon and the diesel rules.

We think we should continue to look through that lens and perhaps not burden AB 32 with the additional policies of some of these short lived climate Pollutants that are explicitly and better regulated through the lens of the Clean Air Act.

My final point would be on the post-2020 conversation. We believe that California's post-2020 greenhouse gas goals should be conditional on the interactions with external governments and jurisdictions. California going at it alone or even with small jurisdictions is going to have a significant economic impact and won't have a substantial impact on climate change worldwide. A global problem requires a global solution. And to the extent that the Board and staff can continue to make the linkages and outreach necessary to achieve those international goals that are needed in order for us to achieve what's needed in order to avoid climate change, we would appreciate that effort and would give our time to assist that.
In that regard, we would like to associate it with the Environmental Defense Fund and their comments on REDD. So thank you.

CHAIRPERSON NICHOLS: Thanks.

Michael, there you go.

MR. WANG: Good morning, Madam Chair. Mike Wang with the Western States Petroleum Association. I want to thank you for the opportunity to testify today.

As you know, we've submitted comments in the past, and I will not go through them in detail. I'll just give you some highlights this morning.

We feel that the update should focus on achieving the 2020 goals as outlined by AB 32. The plan should clearly recognize and perhaps pay a little bit more attention to the fact that the State is within four percent of meeting the 1990 levels as required by AB 32.

And the ARB plan should therefore review the incremental steps needed to fully implement the 2020 requirements. And instead, it seems that the update is moving ahead with 2030 and 2050 emission reduction strategies and policies without the statutory authority necessary to implement those policies and strategies.

Now, notwithstanding the lack of statutory authority, the ARB should conduct a thorough cost and feasibility analysis and establish objective conditions
before developing a plan for proposed 2020 GHG and short-lived climate pollutants. Now, we see in the proposed resolution for today that the staff has proposed an economic analysis workplan to be done in 2014 -- to be started and outlined in 2014.

    Well, certainly that's a good goal, and we'd like to participate in that effort. We think that that economic analysis should have been done as part of this update, rather than as an adjunct or as a follow-on to that effort.

    And it seems clear that the plan now is insufficiently defined to allow a detailed economic analysis at this time, but it's a conundrum because it seems clear that the plan, to you at least, is apparently sufficiently developed for your approval today. And that's a conundrum. You can't on one hand say, I can't -- I don't know the true economic picture of all of this, but nonetheless, it's okay and sufficiently defined to go forward.

    In our view, a plan must be sufficiently developed to allow both economic and policy analysis through -- of the possible programs and policies. We give you two examples. There are two examples where there aren't enough detail. One is fuels under the cap starting in 2015. That inclusion of the plan was not sufficiently
defined, and certainly the 20 -- the more aggressive LCFS
targets -- the low carbon fuels standard targets beyond
the initial short-term goals.

    And the way to do this is to have a more detailed
economic analysis that takes into account experts that are
available to you all through this process.
    
    Thank you.

    CHAIRPERSON NICHOLS: Thank you.

    MR. MAGAVERN: Good morning. Bill Magavern with
the Coalition for Clean Air in support of the plan.
You've heard the expression, "Everybody talks about the
weather, but nobody does anything about it". And I think
we can all be proud that in this State we not only talk
about the climate, we're actually doing something about
it.

    And this is an excellent plan. I think the
biggest contribution from this plan and the biggest
improvement on the 2008 scoping plan is the increased
attention to the short-lived climate pollutants. And your
approach is science based, and it looks toward action, so
we very much look forward to working with you on that.

    Every pollutant that is hazardous to human health
at the ground level is also contributing to changing the
climate. And so as this Board in the past has taken steps
to reduce black carbon, it's important that we continue
that progress, and also look at methane, and the other of
the short-lived climate pollutants.

And the mention of black carbon brings me into
the transportation sector, because we know that a lot of
that black carbon is coming from diesel emissions, and
much of that does come from goods movement in California,
so it's very gratifying to see that the Board has put such
an emphasis and is putting a lot of resources into the
sustainable freight strategy. And we very much need that
to succeed, both for purposes of air quality and getting
greenhouse gas emissions down.

We also need in the light-duty sector to stay the
course on the zero emission vehicle mandate. We really
need to transform the light, medium, and heavy duty fleets
in this State, and that's quite a challenge, so we'll take
sustained focus and resources.

And we also need to look at ways that people can
get around without getting into vehicles of their own, and
that means really improving the State's capacity when it
comes to public transit, and giving people better services
at low cost, so that we have public transportation choices
available. And complementary to that, we need to have
land-use plans that allow people to take shorter trips and
to get around by biking and walking, in addition to
vehicles.
And finally, we look forward to the implementation, for the first time, of the investments of the proceeds from the auctions, and particularly from our perspective those investments in disadvantaged communities, where we can bring down greenhouse gas emissions and also help the health and the economies of this State's most underserved communities.

And we look forward to working with you on that as we go forward. Thank you.

CHAIRPERSON NICHOLS: Great thanks.

MS. DESLAURIERS: Good morning, Madam Chair, members of the Board and staff. My name is Sarah Deslauriers. I'm the Program Manager for the California Waste Water Climate Change Group, the members of which represent the State's wastewater community perspectives on climate change issues.

We have submitted comment letters at each stage of the update outlining how the wastewater community can contribute toward multiple State goals under AB 32, reducing greenhouse gas emissions through the production of renewable energy and low carbon fuels from the biogas that's generated at wastewater treatment facilities.

We also offer an immediate option for the diversion of organic wastes from landfills, and to the anaerobic digesters at wastewater treatment facilities,
not only for the producing biogas, but also producing a
digested material that can be land applied as a soil
amendment to offset synthetic fertilizer and increase the
carbon sequestration of the soil below, but it also can be
used to reclaim fire ravaged lands, particularly during
these times.

Unfortunately with all these opportunities, and
there are others that are listed in our comment letters,
many of our comments were not addressed in the final
scoping plan, and we want to highlight a few specific
issues of concern here.

First, Figure 3, the California methane emission
sources in 2011, it still inaccurately shows wastewater as
the State's fifth largest source of anthropogenic methane.
The majority of this source is related to septic tanks not
owned or operated by municipalities. We provided data
based on the 2011 Inventory of U.S. Greenhouse Gas
Emissions and Sinks in our comment letters on both the
discussion draft and the draft proposed scoping plan
showing septic tanks account for approximately 70 percent
of emissions -- or of methane emissions.

We recommend separating these emissions from the
estimate of wastewater related emissions consistent with
all these emissions are treated in the EPA inventory.

Second, and as Frank Caponi mentioned earlier,
we're concerned about the Air Resources Board expanding the GHG monitoring program to include flux chambers and controlled tracer release studies to study large area sources such as landfills, wastewater treatment plants, and other fugitive emission sources.

We strongly recommend this effort be done in cooperation with the waste water community including facilities that have experience with this type of study already. We encourage our -- the Air Resources Board to form workgroups to establish workplans and review data and reports.

And bases on LA County Sanitation Districts experience working with Columbia University, you cannot simply use the flux chambers and expect to understand the emission profiles of any wastewater treatment facility.

The California Wastewater Climate Change Group members can assist the Air Resources Board in this effort. We also have provided references to studies done in L.A. basin showing that methane from wastewater treatment plants is not as underestimated as thought, in comparison to other targeted sources.

We have provided those preferences in our comment letters on the draft proposed scoping plan. Finally, the group wants to support and would like to work with the State Water Resources Control Board and CPUC on developing
incentives by 2015 for resource recovery related wastewater treatment projects, also work with State Water Resources Control Board and Regional Water Quality Control Boards to modify policies and permits by 2016 to achieve conservation, water recycling, stormwater reuse and diversion, and wastewater to energy goals.

Thank you.

CHAIRPERSON NICHOLS: Thanks.

(Thereupon an overhead presentation was presented as follows.)

MS. LOPEZ-MENDOZA: Good morning, Chairman Nichols, Board members, and staff. My name is Jerilyn Lopez-Mendoza. And I'm speaking this morning on behalf of the Southern California Gas Company.

Like all the other folks who have spoken before me, I want to appreciate -- express our appreciation for all the hard work that has gone into this first update to scoping plan. I think this is the kind of tape that you should hold onto, and then listen to when you're having a low self-esteem day.

(Laughter.)

MS. LOPEZ-MENDOZA: And just remember like how much folks really appreciated that each iteration of this document there has been significant improvements.

Throughout the Scoping Plan Update, we recognized
the growing concern with methane as a short-lived climate pollutant. And we note ARB's intention to develop a comprehensive strategy to address such pollutants by 2015. This is mentioned in a couple of different places in the document.

In our case, that's obviously a primary concern as well, because there's a concern about methane emissions that might be released into the atmosphere in the transfer and distribution of natural gas, which is what our business.

So I simply wanted to share some information with you this morning that you may or may not have access to. The first is this slide that shows a whole host of methane emission studies that are -- have either been conducted or in the process of being conducted. You can see that yours is located fifth from the bottom, the ARB GTI study. And it's just to show that we recognize, as the Southern California Gas Company, this is an issue of ongoing concern, both at the State and federal level, and we are doing everything we can to accommodate requests from a variety of different sources to have access to information about our operations, how our distribution systems work, so that the information included in these studies can be as accurate as possible.

We, like you, share the concern that if the
methane emissions are coming from our operations, we want to pinpoint them. We want to be able to stop them.

The next slide, please.

--o0o--

MS. LOPEZ-MENDOZA: This is also just something that we wanted to share. This is our own tracking of a number of different regulatory activities that are going on with respect to methane. And again, the ARB Scoping Plan Update is listed fourth from the bottom, but you can see that there's a number of efforts ongoing at the State and federal levels. And again, we are trying to be as accommodating. We're cooperating and collaborating on these activities as much as we can.

So I simply wanted to share that information with you. I know that you are moving forward with an intention to research methane emissions as stated in page 22 of the document. And we just want to offer our assistance to be as helpful and cooperative as possible, and we look forward to implementing this plan with you, as it goes forward into the future.

Thank you very much.

CHAIRPERSON NICHOLS: Thanks.

MS. BUSSEY: At the stroke of noon.

Good afternoon, Chairman Nichols and the Board.

My name is Julia Bussey and I represent Chevron
Corporation. We appreciate this opportunity to address
the Board on the Scoping Plan Update. We also appreciate
the collaborative approach generally taken by the staff on
AB 32.

Chevron has submitted written comments, and I
would just like to highlight a few times today that are
most important to us. We believe that economic studies
are needed prior to making plans for post-2020, and
particularly in determining the trajectory to a 2050 goal.
Staff has stated that they cannot study what they do not
know.

However, staff did participate in a study done by
Lawrence Berkeley National Lab in October -- that was
released in October 2013. This study developed scenarios
to try to reach the post-2020 goal -- 2050 goal. Chevron
recommends that ARB develop an economic study analysis
using the scenarios developed by Lawrence Berkeley Lab,
and do this prior to 2018. We think this is critical to
understand the economic consequences of the goals that we
consider.

Secondly, we believe that partnerships are needed
if California's programs are to be meaningful for global
greenhouse gas reductions. We recommend that the State
follow a principled approach. A few key principles would
include that California's post-2020 programs must be
conditional on substantial action by other jurisdictions and by linkage to other active GHG programs.

A conditional policy would promote action by others. We think that this is very important, because California is one of the most energy efficient states in our nation.

We must incent others to reach our efficiency level. Leadership can also be displayed by establishing incentives for innovation. The areas of the scoping plan that identified preferred existing technologies will actually discourage research development and innovation on new, not yet developed, technologies.

So, in summary, we recommend that the State revamp the post-2020 approach in a separate effort following these principled -- principles that we suggest, and also based on a paper developed by Dr. Robert Stavins. Dr. Stavins is a world recognized international advisor on climate policy. And we believe that following a principled approach will reduce the likelihood that California will incur large economic impacts without any real environmental benefit.

Thank you very much.

CHAIRPERSON NICHOLS: Thanks. Thank you.

MR. NOWICKI: Good afternoon. I'm Brian Nowicki with the Center for Biological Diversity. Thank you a lot
for having me today.

I want to -- I'm here today in support of adoption of the update. And I'm not going to repeat all of the things that were said by my environmental colleagues that came before me this afternoon or this morning, but I will echo that there are many things to be excited about in the update, and many things that are going to require work in order to make them come to fruition.

I would like to speak on just one piece of those -- one piece that I would like to draw some attention to, and that is one sentence that appeared on -- a couple of times -- one statement that appeared a couple of times in the final that wasn't there in the draft. And that statement is, "Develop methods to quantify biomass lifecycle GHG flux".

I'd like to offer my thanks and appreciation to the staff for listening to us, working with us, hearing us out over the years and over the course of the past several months as we raise the numerous difficult questions and issues that have to be answered and addressed with respect to biomass energy and its greenhouse gas impacts.

This sentence, which appears in a few different places, is a acknowledgement as the -- an EA also acknowledges that there's a potential for biomass energy
that is taking woody biomass and turning it into energy through combustion. That there is a real potential for those emissions to be greater even than some fossil fuel emissions, and even after taking into account the biogenic nature of that fuel source.

So we very much look forward to working with the Air Resources Board and seeing the Air Resources Board proactively address these particular questions and issues, because, as you may know, there are many ways that the plan intersects with the Bioenergy Action Plan, with the working group, with the RPS, none of which have done the analysis that is precisely what this sentence lays out.

There's assumptions that are made in those other plans in those other arenas that, well, really it is up to the Air Resources Board in the context of this program is exactly the place where kind of the rubber hits the road with -- in terms of greenhouse gases.

So I look forward to working with the Board, and I would like to see that actively and practically addressed.

Thank you.

(Laughter.)

CHAIRPERSON NICHOLS: Well done. Thank you.

MS. MERRILL: My name is Jeanne Merrill. I'm with the California Climate and Agriculture Network. And
we are a coalition of sustainable agriculture and farmer member groups and we’re in support of today's update. We appreciate that the Scoping Plan Update recognizes the multiple benefits of sustainable agricultural solutions to climate change. In particular, we appreciate the inclusion of organic agriculture in the update, but think that more can be done to integrate low input biologically diverse farming systems across all of the agriculture related strategies in the update.

We recommend a competitive grant program that supports an integrated approach for agricultural research, grower technical assistance, and financial incentives that support a diversity of farm management strategies that reduce nitrous oxides and methane emissions and increase carbon sequestration while producing economic benefits for growers and multiple benefits for our rural and urban communities.

And finally, as we move forward in enhancing working and natural lands to act as our carbon sinks in the State, we urge an integrated approach that includes all of our working and natural lands.

Thanks.

CHAIRPERSON NICHOLS: Thank you.

MS. PASSERO: Just checking whether I should say good morning or good afternoon.
It's Michelle Passero with the Nature Conservancy, and we just want to thank staff for all their hard work on developing the Scoping Plan Update, and express our strong support overall for the plan. It's important that we are reducing emissions beyond 2020, and setting interim targets. It's critical for our climate. It's also important for providing more certainty for the investments we make today, so we have benefits out into the future.

We do think it's also essential for the State to continue engaging other states and countries in climate solutions across sectors. I think we've done a good job so far. And this should include forests and land use, given the global nature of the problem and also the opportunities for us to help each other and learn from each other.

Regarding the natural working lands provisions, we do thank you and strongly support the expansion of this beyond forests. We see natural and working lands as really the third leg of the stool, in terms of our climate solutions. And how we manage and protect these resources really strongly influences whether they are a net source of greenhouse gas emissions or a net sink.

I'd like to echo the comments of Pacific Forest Trust and also agree with CBD on us getting a better
handle on the accounting around biomass energy. And additionally moving forward, we would like to use this plan as a spring board, using your words to Chair Nichols, that we do have an opportunity to do more in this area. And it would be great to set clear and actionable greenhouse gas goals for these land types all of them, not just forests with a floor of a no net loss of their climate benefits.

And I hope we can create clear blueprints with supporting policies to achieve these goals, acknowledging also overlap with these other sectors, and have a timeline. So perhaps when the staff reports back a year from now, these could be included as part of reporting back.

Thank you, and as always, we look forward to working with you on this.

CHAIRPERSON NICHOLS: Thanks.

MR. HALL: Good afternoon, Chairman Nichols and members of the Board. My name is Jamie Hall and I'm here on behalf of CalStart in support of the plan.

We're a fuel and technology neutral nonprofit organization focused on clean low-carbon transportation. We also signed on to the California Business Alliance letter that was mentioned earlier. Many of our 150-member companies are based here in California. And they're the
ones that are producing and using the clean cars, trucks, buses, off-road equipment, and fuels that are discussed in the plan.

From our perspective, AB 32 has been a success to date. The LCFS is indeed driving progress and innovation. That fact was underscored by a diverse group of private sector companies at our recent Clean Low-Carbon Fuels summit.

The light-duty vehicles standards and ZEV Program are also undeniably driving investment and innovation, and consumers are reaping the benefits.

And on the investment side, the AB 118 programs, and here at ARB the AQIP program, have made a real difference in accelerating deployment of cleaner vehicles in fuels. The air quality, public health, and economic benefits of these things are substantial, particularly in disadvantaged communities.

We're happy to see that this updated plan builds on these successes, and we think that overall it sends the right sorts of signals to the private sector. There are few elements I want to specifically note.

First, the plan talks about both an overall mid-term goal and a post-2020 target for the LCFS. Setting these kinds of targets would provide certainty for fuel providers and would ensure continued investment and
innovation. The devil is in the details on how you set these, but this is the sort of longer term thinking and planning that's needed.

Second, the plan underscores the importance of technology forcing vehicle standards for both cars and trucks. These standards are driving progress and they can continue to do so, and we all stand to gain.

And third, the plan acknowledges the need for continued State investment in clean vehicles and fuels. The standards are great. They've been very effective, but standards alone can't get us where we need to be, and we need both carrot and stick.

Cap-and-trade revenues provide an incredible opportunity for State investments, and we're pleased to see mention of light-duty vehicle rebates, heavy-duty vouchers, pilot deployments, and freight demonstrations. All of these things are needed and the benefits more than justify the investments.

The transportation sector of the future is definitely going to look very different from where we are today. We still have a long way to go on zero emission cars and buses, but we're getting there. Things are more complicated when you talk about freight, and you're going to continue to see low-carbon liquid and gaseous fuels playing a real role. But it's undeniable that we're
making progress. And to continue moving forward, we need
the sort of programs and incentives that are outlined in
the plan.

It won't be easy and there are going to be bumps
along the way, but we're headed in the right direction.
This is a good step, and we look forward to working with
you. And I want to echo Barry Wallerstein's comments from
earlier regarding the attractiveness and accessibility of
this document. I hope that's a trend that continues too.

Thank you.


MR. LAPIS: Good afternoon. Nick Lapis with
Californians Against Waste. I'd like to start off by
thanking you for the great work you've put into the
scoping plan update, and the very appropriate focus on the
waste management sector, as well as short-lived climate
pollutants as a whole.

You've laid out an impressive vision for where
we're taking the waste sector in California. You've
basically laid out a vision where we're going to reach our
75 percent goal and use the organic waste that had been in
the landfill to compost and produce bioenergy. We're
going to use our recyclables that we had been shipping
overseas and we're going to keep them here and reintroduce
them into manufacturing, and we think that's all great.
As you can tell, you've stimulated a very thoughtful and productive conversation over in the Capitol, especially on the organic waste portion of the plan. We've come together with a lot of the folks in industry group to work out a deal on the organic waste legislation that really brings together people who had been arguing for two decades on some of these issues, and we're making a lot of progress. We are hopeful that we will get both bills passed this year.

However, I'd like to say that even if we're completely successful in getting those bills passed, as the California Compost Coalition pointed, they are not the end-all, be-all for the sector, and there's a lot more work to be done.

I hope that you continue your commitment to both landfill gas regulations, incentives for organics processing, cross-regulatory agency stakeholder issues that you have laid out, and something that we haven't really spent that much time talking about, is keeping recyclables in California, making sure we reintroduce them into the economic system in California.

You, in your narrative, described what I think is a very thoughtful comment that I'd just like to read into the record. And this is actually from the scoping plan. It says, "California must take greater ownership and
responsibility for the waste generated within its border. Exporting waste denies California the economic opportunity of significant job growth that would result if these materials were processed and remanufactured in California".

I don't think I can put it any better than you did yourselves, but we don't really have the specific actions lined up to make sure we reach that goal, and we have a little bit more work to get there.

Thank you.

CHAIRPERSON NICHOLS: Thank you very much. I really appreciate the support.

MS. O'BRIEN: Good morning, Madame Chairwoman and members of the Board. My name is Rachel O'Brien, and I am here today on behalf of Consumer's Union, the public policy and advocacy division of Consumer Reports.

The update to the scoping plan that you're considering today affirms that California is on schedule to cut greenhouse gas emissions while continuing to grow the economy and continuing to create livable, walkable, transit-friendly communities.

California's suite of climate policies are cutting both fuel costs and emissions. In 2020, California drivers will spend 30 percent less on fuel than they did in 2012, and fuel costs will continue to decline
even further in future years.

In other good news, the most recent carbon inventory shows transit related greenhouse gas emissions have already fallen 12 percent during the past seven years due, in part, to a large number of fuel efficient vehicles on California roads and thanks to California policy leadership.

California consumers will benefit from clean fuel policies, included in the scoping plan, like the low carbon fuel standard. They will get more clean fuel options with less reliance on oil. These trends will ease upward pressure on gas prices, so consumers will save more at the pump through competition, as well as cleaner and more efficient cars and trucks. These policies will hasten the day when there is genuine consumer choice in cleaner fuels and transportation options.

A new study by ICF International commissioned by a coalition of business groups looks at the low carbon fuel standard impacts on the economy, including employment rates, personal income, and gross State product, and finds that any potential adverse impacts will be negligible and will far outweigh all the positive impacts -- and will be far outweighed by all of the positive impacts.

CHAIRPERSON NICHOLS: Whew.

(Laughter.)
CHAIRPERSON NICHOLS: Thank you.

MS. O'BRIEN: California's LCFS and Cap-and-Trade Program are structured to ensure that emissions in future years will continue to decline. Capturing transportation fuels within the cap is essential to managing the largest source of emissions within the State. We are pleased that the Scoping Plan Update continues to build on the progress of current programs and that the multi-sector approach provides vision and context for ongoing investments of cap-and-trade auction proceeds.

Thank you for the opportunity to speak today.

CHAIRPERSON NICHOLS: Thank you for being with us.

MR. AKABA: Good afternoon. My name is Azibuike Akaba. I'm with the Regional Asthma Management and Prevention part of the Public Health Institute and also working with the environmental justice groups around the State.

So we support the environmental justice tenets that were promoted here, and also we're looking at -- we compliment you guys on looking at the short-lived pollutants because we make the connection between the black carbon and diesel, and we want to see diesel emissions reduced through the sustainable freight plan. And we're working with you guys in that capacity.
What I wanted to introduce here is the need to have a community investment board to look at the revenue spending directly into the communities that are going to benefit from those investments. And I think that a community investment board could oversee and make sure that there's the efficacy of the program.

I understand that the air districts have jurisdiction to some extent. But since they're understaffed, it seems like this will be a complement to support the air district's capacity, as well as address community concerns. So I can elaborate on the community investment board at a later time.

Thanks.

CHAIRPERSON NICHOLS: Thank you.

Ms. Plowman.

MS. PLOWMAN: Good afternoon, Madam Chair, members of the Board. Good to see you all again. It never ends for us, does it?

CHAIRPERSON NICHOLS: No.

MS. PLOWMAN: However, this time we may have some agreement. I learned a lot in the eight years since I first started attending these meetings. And I think one of the things that we all realized at one point is with the truck and bus regulation, it was a one-size-fits-all, and that wasn't necessarily the way it is.
But with the development of the natural gas vehicles, the very thing that kept our construction trucks from receiving funding may be the very thing now that will enable them to move forward with this. And what I'm referring to is most of the grants and insensitive funding was based on mileage. That left us out. We returned to our home base at night. We're usually local within the community, and we don't do a lot of miles, which is why the low mileage construction truck and then the working truck helped extend some.

But as you recognized, at the meeting of April 24th, not only did our economy not completely recover, but it was just financially impossible for many of our folks to purchase newer equipment. We're thinking with the natural gas vehicles, there's certain things that they could be used for that make them perhaps unattractive to the guys that originally got the high mileage, because they're going across country.

But for our local guys that return at night, if we could get some additional funding to make this possible -- and I'm just here because we're at the bottom of the -- we're just starting. These vehicles are much higher in price as it stands now than our usual. But if we could get some incentive funding for these low mileage trucks, that this will work for our vocational trucks that
return at night, I think this could be. And may I say, I hope to walk down this path with you.

    Thank you.

CHAIRPERSON NICHOLS: Thank you. That's a terrific suggestion. I think it's -- Mr. Ayala is here, and I know he's the right person to focus on this. So we should be having some further conversations, but thank you for that.

    Mr. White, you are the last.

MR. JOHN WHITE: Good morning, Madam Chair and Board members. My name is John White, and I'm the Director of the Center for Energy Efficiency and Renewable Technologies. I'm interested to try to add some additional thoughts that you may not have already heard, as well as to reflect on some of the things that we heard this morning.

    First of all, we're happy to see this update. We're happy to see the improvements that have been made, and we're happy to see the beginnings of a framework with which we can go forward.

    We think the most important thing that we need to do next is to get about setting the target for 2030 and 2050. I would say that on the question of your authority, that we must look at your entire body of statutory authority in the Health and Safety Code, starting with
Section 41700 dealing with public nuisance, and moving on through the California Clean Air Act, as well as AB 32.

It's important to recognize AB 32 was not in the beginning, it was a continuation of policies and programs that had been put in place piece by piece by the legislature and by this Agency. So I can understand that you might want to wait to have the Governor's full attention, to have the Governor take the lead in framing and establishing these targets, but I don't think there's any question that you have the authority. I do think, however, as we've seen in some of the examples cited this morning, that it's beneficial to have a partnership with the legislature.

There's much about this work that will require direction and guidance, incentives, as well as the legislature's further delineation of policy, but I think the question of your authority is clear in the body that we have as a whole.

I think also it's important to recognize that in the energy sector, and there's some very thoughtful comments in the document about the energy plan and the need for coordination of actions, but there needs to be more transparency in how that process is developed. Right now, the Cal ISO and the PUC planning assumptions stop at 2020. They're waiting for you to tell them what the
target needs to be in 2030, and then they need to get on
with their planning in a public and transparent process to
get that done.

    I also want to give particular thanks to the
Board for stepping up on short-lived pollutants. We won't
discuss how long it took to get to this point, but we're
happy to see the results and the focus and the progress.
In that regard, I have a couple specific suggestions I
want to add.

    One of my old friends and colleagues, Tim Grabiel
that used to be with NRDC, is now with and organization in
Paris called Environmental Investigations Agency. They
have submitted to the Board very thoughtful comments on
the importance and urgency of phase-out of HFCs and other
F gases.

    There's much work to be done in California
building on the work that the European Union has done and
what they have also forgotten. Also, I think we want to
suggest some caution about the replacement of the HFCs
with other HFCs, particularly HFO-1234yF, which is a
flammable material that I understand Daimler and VW aren't
planning on using. I think we need to get together with
our first responders and be sure we have this covered.

    And lastly, with regard to black carbon, I think
it's time to put back on the table and remind ourselves
that we need a phase-out of ag burning. Ag burning is a source of black carbon. It's also the failure to phase it out has disrupted our ability to have an integrated biomass energy plan. So I would put that back on the list. I think the comments from the Center for Biological Diversity regarding the -- maybe we need a well-to-wheel analysis of biomass so we can get this all managed and bring down the GHG, the air quality emissions, and also be able to have a sustainable program going forward.

So thank you for the opportunity. I apologize for a little length, but thank you.

CHAIRPERSON NICHOLS: Thanks.

You get extra credit, I guess, for waiting till the very end. At this point, I'm going to close off the public testimony.

The court reporter needs a break, and we're going to need a break, but I want to ask if we can possibly hold on just so we can take action on this item. My proposal would be that we act on this, take a half hour lunch break, come back and address the other two items on our agenda, and then break for the tour of the monitoring equipment. So it would flip the agenda by taking up the discussion of the San Joaquin Valley plans for SB 375, then do the monitoring report, then fresh on the heels of hearing about the monitoring, actually go out and look at
what's out in the street.

That gives us a pretty tight schedule, because we lose our street closure permit at 3:00 o'clock. And I don't want the police coming and shutting us down. So that will move us -- well, I'm not sure that the Board of Supervisors is in control of this.

BOARD MEMBER SERNA: It does.

CHAIRPERSON NICHOLS: Does it? Okay. Well, we may have some influence --

(Laughter.)

CHAIRPERSON NICHOLS: -- in important places.

That will be really good.

Okay. So, court reporter, do you think we can hang on for just a few more minutes here, because I don't think we need a lot of discussion on this item. I imagine that we made need a little bit.

One of the things I want to ask about is -- because this is relatively new to us, we went through an environmental analysis and received comments on that. And there have been a few references made to that today, so I would like to turn to our legal counsel just to make sure that we do this properly as we move on the scoping plan.

So Ms. Brown.

STAFF COUNSEL MORKNER-BROWN: Hi. Yes. We did do an environmental analysis as staff presented and we
received seven comment letters, which we responded to in writing, which you have before you. Part of the resolution vote is approving those as required by our certified regulations to comply with CEQA.

And I think the -- you know, we addressed those issues as we saw by the testimony by Brian Nowicki. We addressed their concerns with a small change to the update itself.

And as far as the comment, there was one comment where I wasn't clear they were raising about our environmental analysis or the high-speed rail environmental document.

CHAIRPERSON NICHOLS: Yes. Yes.

STAFF COUNSEL MORKNER-BROWN: That wasn't exactly clear. But just to clarify, that high-speed rail was identified in the 2008 plan, analyzed at that time. The appendix to this environmental analysis refers to that document and that's -- that wasn't reconsidered at this time.

CHAIRPERSON NICHOLS: And in terms of process, do we need to vote on the environmental assessment and comments then before we vote on the actual plan, is that how this works?

STAFF COUNSEL MORKNER-BROWN: It's all part of the same resolution.
CHAIRPERSON NICHOLS: It's all within the same resolution. Okay.

All right. Does anyone have any sort of final comments or questions? This is obviously the third time we're dealt with this issue. Although, there are some important changes. I have a couple of things that I might mention just in response to some of the comments that we've heard, if that's okay.

So the first on the water issues. I just want to say that I appreciate the fact that this may be the first time that some of our water agencies have really focused on what we're saying here, and that there was some alarm in the community. But I've looked at this pretty carefully, and I don't think that we are threatening to adopt a loading order. I think that term perhaps is a term that -- it provoked some alarm on their part. It's a concept in terms of preferences for where water is to come from that's similar to what they do in the energy world, but there isn't actually anybody who is in a position to do that that I know of, I mean, from our a purely legal/regulatory perspective.

So it's just -- it was more of an analogy I think than it was a statement of what we were going to do. However, it's good to be on notice that this is something that's of concern, because we're going to be moving
forward with so much more focused conversations on this -- on that part of the plan.

As far as the comments about economic assessments, this is a conversation that, I think, as most people remember, we've spent a lot of time doing economic analyses on the prior scoping plan and on our regulations. And we keep trying all the time to improve the quality of our economic analyses.

My understanding, and I'll just ask Mr. Cliff, if he wants to say anything in addition to this, is that we did convene a blue ribbon committee again this time of California and other economists, including some of the people that had worked on the prior economic analysis, as well as Professor Stavins, who was one of the people that was alluded to earlier, and that their comment was that because of where we are in the process, they want us to be gathering certain kinds of data, which we are now busily at work gathering, so that they can do more economic analyses that are more focused and more accurate, but that they're not in a position to start or prepare some new economic analysis of the whole AB 32 scoping plan. Is that essentially right, Mr. Cliff?

STATIONARY SOURCE DIVISION ASSISTANT CHIEF CLIFF:

That's absolutely right. And I think what we committed to do is putting a workplan together that will
establish the work that needs to happen in toward for that next economic analysis to occur. Because we're so early in the process, really what's appropriate now is gathering data and developing new tools for that next economic analysis.

CHAIRPERSON NICHOLS: I made a couple of notes on other comments that people made, including the one about the need to integrate lower carbon methodologies of farming into the plan. There were other people who made really thoughtful suggestions about ways in which we could do more to incorporate low-carbon concepts into the plan. And I think that with respect to pretty much all of them, we are in a position to take advantage of those thoughts, as we move forward in the next stages towards implementation.

So I guess the bottom line, as far as I'm concerned is, that I didn't hear anything that suggested that we should stop at this point. That, if anything, we should get this done, so that we're ready to then start to move on on the more detailed tasks of implementation.

So with that, if we're ready to have a motion, I'm ready to proceed.

Supervisor Serna, you were I think -- oh, sorry, comment, question.

BOARD MEMBER BALMES: I have a comment.
CHAIRPERSON NICHOLS: And you had others.

BOARD MEMBER DE LA TORRE: No. People had comments, questions.


BOARD MEMBER BALMES: Well, first off, I'm very much impressed with this latest version of the attractive document.

(Laughter.)

BOARD MEMBER BALMES: But in reading the new attractive document, one of the attractions for me on page 120 was we had a list of our economic advisors, who are a very impressive group, and I greatly appreciate the input they've given to us in terms of economic analysis of implementing the scoping plan.

And then, of course, I'm interested in the public health and environmental justice components of the document, which are very well written. But specifically, the section on page 127 sort of ends up the public health section by saying, "In addition, ARB will continue to evaluate ways to monitor the public health of disadvantaged communities. As with economic impacts, communities and individuals are subjected to..." dot, dot, dot.

And that made me think why don't we have the same
kind of blue ribbon advisors for public health and economic justice that we have for the economic work that we need to do? And so I would like to see us move in that direction. I don't want to hold up approving this today, but I think that that would be something that I would really like to see go forward. I think it would put public health and environmental justice more upfront where I think it needs to be.

I actually think it would be good in terms of selling the whole climate mitigation -- climate change mitigation policy that we've developed to the public. So that's one of my -- well, that's a proposal, and then I would also say that Mr. Akaba brought up the community investment board. I think that that's an idea worth considering.

So I'm more interested, at this point, in getting really top-notch advice with regard to public health and EJ strategy in general.

CHAIRPERSON NICHOLS: Okay. Thank you. Any other comments or questions before we have a motion and vote on this?

Yes.

BOARD MEMBER SERNA: Thank you, Chairman Nichols, and thank you too for prefacing what you did just a few moments ago about reminding staff and those that have been
following development of the scoping plan so closely that
this is -- it's not a -- necessarily a distinct point in
time. Although, it is an action today that we are finally
approving the document, but I think we could all agree
that this is a continuum of a lot of great thought, and
application of new technologies, and different ways of
meeting the intent of AB 32.

And with that, I do want to point out, I thought
the comments expressed by Ms. Thronson from Valley Vision
about broadband and how, you know, broadband technologies
and the applicability, especially in rural agrarian
communities, whether it be adaptive use for monitoring
water in fields, and therefore having some implications in
terms of the amount of energy used for pumping or in --
even in disadvantaged communities where it might help keep
folks off -- out of the peak hour commute stream, so that
we have a benefit there in terms of mobile source
emissions. I think that was a really terrific suggestion
that she had made, and having had conversations with her
in the past about it, I think that's something that we
ought to run with quite frankly.

I really want to extend my thanks to the members
of the EJAC that have been so close to this over several
months, if not years, and for being here today certainly
to provide testimony. You're very clear and articulate in
terms of kind of the broad five -- the five elements that are still some point of contention or respectful disagreement with what's in the final document. But I think it's fair to say our staff and this Board have certainly heard you loud and clear. And the scoping plan should -- you should understand that it's a reflection of your advocacy as much as anything else.

I do want to suggest that while perhaps in statute the existence of EJAC and its mission and purpose may be clear to some as being solely applicable to the scoping plan, I think it has much broader utility, and we ought to think carefully as a Board and as staff about how we maintain the utility of having the EJAC certainly remain very engaged on everything that this Board does, this agency does to implement AB 32.

So again, I would respectfully ask our staff and our legal counsel to maybe give us some guidance in the future about how we might take advantage of that.

And I don't know if I've heard a motion yet, but I'll certainly move the item.

CHAIRPERSON NICHOLS: I think Ms. Berg had a comment and might second it also.

BOARD MEMBER BERG: I will second Supervisor Serna's motion.

But, you know, from a business perspective, and I
do understand when we look at policies, words, and things, if we're not so attached to the load order, why don't we take it out? Why don't we go with, "This policy would prioritize investments in energy efficiency ahead..", and just take out, "be similar to"? Because then we had five people come up with a concern on this. It doesn't -- it appears that it is directing us into a direction. So what would staff's comment be on that?

CHAIRPERSON NICHOLS: I think it came out of the Committee process. That's my major concern about changing it at this time, only because there was a rather lengthy and inclusive process that got that in there, but maybe -- Ms. Chang.

DEPUTY EXECUTIVE OFFICER CHANG: Right. This was a -- it was a -- definitely, and you heard from some of the State agencies this morning talking about the process that we went through. And so this was a -- the chapter is something that was developed through that consensus process with the agencies.

That being said, they -- we have had some interaction with staff at the Water Board. And it really was, as Mary had described, sort of an analogy. It was a concept, and there was not ever an intention to say we're going to do a loading order for the water sector. And so --
BOARD MEMBER BERG: Okay. And so I'd be comfortable with that, as long as we -- I do understand that we believe that we need flexibility. One size doesn't fit all. That you will be working with stakeholders to further this policy. And it is our intent to look at this ordering, but in a flexible way that is not one-size-fits-all.

DEPUTY EXECUTIVE OFFICER CHANG: That is absolutely the intent.

BOARD MEMBER BERG: Okay. I'm good with that.

And then I just had one other question -- clarifying question on the economic analysis. Do I understand correctly that we will come up with an economic analysis in 2016 or '17?

STATIONARY SOURCE DIVISION ASSISTANT CHIEF CLIFF: We certainly intend to have an economic analysis with the next plan, that would be a look back at the implementation of AB 32, and then a look forward to achieving the mid-term target. So the next plan we would anticipate would be more like 2018.

What we're looking at now is setting that framework -- putting that framework in place and getting all the pieces established, so that we're ready for that analysis. But yeah, the timing, we haven't established right now, but 2018 would be the next plan.
BOARD MEMBER BERG: And you're comfortable with that timing -- the market signals that need to be sent, any correction from any analysis that we get in the meantime, we're comfortable with that timing?

STATIONARY SOURCE DIVISION ASSISTANT CHIEF CLIFF: We certainly would make corrections if we thought that there were any issues we needed to address, but at this time, that seems like the right timing.

CHAIRPERSON NICHOLS: But that's really for the full macroeconomic study of everything related to implementation of AB 32. I mean, I think there are other specific analyses that will be done and would have to be done on projects and proposals along the way.

BOARD MEMBER BERG: Perfect. Thank you very much.

CHAIRPERSON NICHOLS: Okay. All right. We have a motion and a second, but we can have some additional comment.

BOARD MEMBER MITCHELL: I'm inspired by our -- my colleague here on the Board talking about the water issue, because I've taken another look at that language on page 63. And it seems to me the paragraph that is problematic is the one that was pointed out that begins with, "Establishing a conservation-first policy for water...", and ending with this language, "...the conservation first
policy could be implemented through legislation or joint 
agency action"... and then cites our co-agencies. I 
think that is a problematic. That whole paragraph.

CHAIRPERSON NICHOLS: Can I put a flag down on 
this one. And I don't mean to say that people can't have 
different views about this, but that language comes out of 
a Water Action Plan that was produced by this 
administration and adopted by agencies of -- the water 
agencies and the Governor. I'm really reluctant to start 
editing it right now.

BOARD MEMBER MITCHELL: Okay. That's history I 
didn't know about.

CHAIRPERSON NICHOLS: Yeah. Well, it wasn't 
referenced, but the priority for water conservation as the 
first principle about water is something that went 
through, you know, a political process at least, if not a 
regulatory process that led to a plan that is now being 
used as a reference point by all the other agencies, as 
well as in our dealings with the legislature over future 
plans for things like water storage facilities and Delta 
restoration. So it's all kind of linked together. So I 
don't think this is a point at which I would really like 
to see us editing that.

BOARD MEMBER MITCHELL: Yeah, and I didn't know 
that history. I do know that Southern California has been
forward looking in water conservation.

CHAIRPERSON NICHOLS: Absolutely. Absolutely, and there may not be some -- as much understanding about
that in other places as there should be.

BOARD MEMBER MITCHELL: That could be. But, you
know, water reliability is another important issue. So
thank you for that insight, Chairman.

CHAIRPERSON NICHOLS: I agree. I just think this
is a tough -- any time you mention the topic of water,
there's no question -- I won't quote Mark Twain, because
everybody else always does, but -- yes, I think -- well, I
mean, I think that this Board has shown, in everything
that I've worked on since I've been here, a willingness to
be reasonable about how we actually implement any of these
policies when it comes to reflecting other needs, and I
would hope that we would do that again.

I certainly think we said -- we said the right
things on the record. And hopefully before any further
action takes place, we'll have an opportunity to review
it. So, if I may -- yes, one more.

BOARD MEMBER SHERRIFFS: I promise not to talk
about water.

(Laughter.)

BOARD MEMBER SHERRIFFS: To endorsing things that
have gone before. But as we think about solar, we all
think about solar energy, but we really need to think about solar solutions, and the example of solar water heating to be sure that we're thinking broadly like that. And certainly, I was convinced from the testimony mid-term targets are very important. And I think we should be very aggressive about setting those, so I want to be sure we're going to move forward on that.

CHAIRPERSON NICHOLS: Okay. I don't mean to cut everybody off. Is there more comments, questions? If not, we're ready to vote. So we have before us now the first update to the AB 32 scoping plan. We have a motion and a second.

All in favor please say aye?

(Ayes.)

CHAIRPERSON NICHOLS: And opposed?

Any abstentions?

(Unanimous vote.)

CHAIRPERSON NICHOLS: I don't think there are any. Congratulations, everybody. This is a major milestone.

(Appause.)

CHAIRPERSON NICHOLS: Good work.

Okay. Let us take a short break. And let's say half an hour we will resume at 20 past -- or let's just say 1:30 to be realistic.
BOARD MEMBER SHERIFFS: 1:15.

CHAIRPERSON NICHOLS: 1:15. Okay, 1:15. All right, 1:15 we'll be back. Quick lunch, everybody Thank you.

(Off record: 12:46 PM)

(Thereupon a lunch break was taken.)
BOARD MEMBER RIORDAN: We're going to start. Our Chair will be here in just a few moments, but I'm going to start the meeting at her request. And, Mr. Corey, I'm just going to ask you to lead right into this agenda item.

EXECUTIVE OFFICER COREY: All right. In 2010, the Board adopted regional greenhouse gas reduction targets for all 18 MPOs in the State. And currently, the eight MPOs in the San Joaquin Valley are developing their first sustainable communities strategies or SCSs.

Today, the briefing provides an overview of the status of the valley SCSs. There are eight single county MPOs in the San Joaquin Valley. Each one is developing its own SCS. Having eight separate plans increases the complexity. However, the MPOs have worked cooperatively, especially on the use of consistent data and methodologies. Taken together, these eight San Joaquin Valley counties represent a little over ten percent of the State's population, which grossed about 15 percent in -- or rather by 2035.

For ARB staff, providing technical assistance to the eight San Joaquin Valley MPOs has been a high priority. In addition, the Strategic Growth Council helped fund the development of the new valley
transportation models being used for the first time here.

Here today are Mr. Andy Chesley, executive
director of San Joaquin County COG; Mr. Ahron Hakimi,
executive director of the Kern COG; Mr. Tony Boren,
executive director of the Fresno COG, and Mr. Carlos
Yamzon, executive director, Stanislaus Council of
Governments to speak after the staff presentation.

I'll now turn it over to Terry Roberts in our
Transportation Planning Branch who will give the staff
presentation.

Terry.

(Thereupon an overhead presentation was
presented as follows.)

SUSTAINABLE COMMUNITIES POLICY AND PLANNING

SECTION MANAGER ROBERTS: Thank you, Mr. Corey, for that
presentation -- for that introduction.

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SUSTAINABLE COMMUNITIES POLICY AND PLANNING

SECTION MANAGER ROBERTS: In this informational
presentation, staff will provide an overview of the
proposed sustainable communities strategies for the
metropolitan planning organizations, or MPOs, in the San
Joaquin Valley. Staff will also provide a status report
on the greenhouse gas determinations that have been
presented in the draft SCSs. During this presentation, we
will look at a few performance metrics based on available data.

Staff has reviewed the publicly available information and some additional technical data provided by the MPOs. However, staff continues to work with the MPOs to obtain the additional information we need to complete our technical evaluation of their greenhouse gas determinations.

Finally, staff will provide recommendations for moving forward on the technical evaluation of the proposed SCSs and for longer term improvements to the technical review process.

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SUSTAINABLE COMMUNITIES POLICY AND PLANNING

SECTION MANAGER ROBERTS: Each of the eight MPOs in the Joaquin Valley is a single county region, each with its own separate SCS. While SB 375 provides the valley MPOs with the option to develop a valley-wide SCS, they have chosen to develop separate plans.

Still while they are separate entities with independent planning processes, the staffs of the valley MPOs have been working together collaboratively for some time. A few examples include the preparation of a valley-wide demographic forecast study, prepared by The Planning Center and published in March 2012, coordination
on the development of their model improvement programs, which resulted in recent completion of a consistent platform for all of the eight regional trip-based travel models, and collaboration on valley-wide scenario planning efforts that looked at land use and transportation alternatives.

Several years ago, the MPOs worked together to develop a valley blueprint, which became the foundation for some of the proposed SCSs. They also jointly initiated a valley-wide Greenprint project in 2011, which identifies strategies for the conservation and management of the region's land, water, and natural resources.

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SUSTAINABLE COMMUNITIES POLICY AND PLANNING SECTION MANAGER ROBERTS: This map shows a comparison of the population in the valley to other MPOs. The total population of the valley is about four million compared to about seven million in the Bay Area, and about 18 million in the Southern California or SCAG region.

The major metro areas in the valley are highlighted, including Stockton, Fresno, and Bakersfield.

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SUSTAINABLE COMMUNITIES POLICY AND PLANNING SECTION MANAGER ROBERTS: At about four million today, the valley represents about 11 percent of the State's
population. By 2035, the valley is expected to grow to about six million, representing about 15 percent of the State's population.

Most of the new growth by 2035 is expected to occur in the large metropolitan areas, such as the city of Fresno, which is forecast to grow by 50 percent, and Bakersfield, which is forecast to grow by about 75 percent.

In 2035, only one-fifth of the valley's population will live in unincorporated communities as compared to one-fourth today.

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SUSTAINABLE COMMUNITIES POLICY AND PLANNING

SECTION MANAGER ROBERTS: All eight draft SCSs were published over the past three months and are scheduled for adoption by the MPO boards in June and July. SCSs, while part of the regional transportation plan are RTP, under State law, are not a part of the federal planning requirements. And the greenhouse gas quantification is reviewed by ARB but not by the Federal Highway Administration.

The SCSs for the largest counties in the valley contain a mix of land uses and transportation strategies. Staff will present our preliminary assessment of some performance metrics to help us understand the greenhouse
gas benefits of these strategies. The Strategic Growth Council, as mentioned earlier, funded a model improvement program in the valley, and as a result, the travel models currently used by the eight valley MPOs are substantially improved over the models they were using just two years ago.

However, the models are still not highly sensitive to SCS strategies, and consequently the information on performance measures in the draft SCSs are somewhat limited. Staff, therefore, to a regional perspective and developed some performance metrics by aggregating data from the four largest valley MPOs.

One of the valley planning issues is interregional travel. Travel between counties and through the valley is a significant planning and technical issue that influences greenhouse gas quantification. Later in the presentation, I will discuss this in more detail.

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SUSTAINABLE COMMUNITIES POLICY AND PLANNING

SECTION MANAGER ROBERTS: As we look at the greenhouse gas determinations in the draft SCSs, it's important to review the targets that were established for the valley MPOs and the target metric. The metric is a per capita reduction in greenhouse gas emissions from a fixed base year of 2005. That is, of course, before the recession, which is
a factor in the valley analysis, as it was for the SCSs completed for other regions.

The Board set targets of five percent by 2020 and ten percent by 2035 for each of the valley MPOs. Relatively lower than the targets set for California's largest MPOs, but higher than for some of the smallest MPOs in the State.

When the MPO boards consider the adoption of their RTPs and SCSs in the coming weeks, they are expected to make greenhouse gas determinations as part of their actions. Six of the eight are expected to make formal determinations that they can meet the targets set by this Board of five and ten percent.

Our understanding from MPO staffs is that the high estimates of greenhouse gas reductions in the SCSs will not be the basis of their determinations. In a moment I'll talk a little bit more about these high numbers.

Currently, Merced and Madera anticipate that they will not be able to achieve their targets and the MPO staffs have indicated they will be preparing an alternative planning strategy, or APS.

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SUSTAINABLE COMMUNITIES POLICY AND PLANNING

SECTION MANAGER ROBERTS: We can break down the types of
travel in the valley into in-county travel and
interregional travel. The latter includes travel between
valley counties and travel to destinations outside the
valley.

In-county travel is the trips that begin and end
in the same county. Interregional travel represents a
substantial amount of the travel within and through the
valley. A key element of this is commute travel,
particularly from the northern valley counties into the
Bay Area.

Interregional travel includes travel between
neighboring valley counties, such as travel that begins in
Stockton and ends in Fresno; travel for commute purposes,
such as travel that begins somewhere in the valley and
ends in a neighboring region, such as the Bay Area,
Sacramento, or Los Angeles; and finally, there are
numerous trips that begin end outside the valley, also
called pass-through trips. A trip from L.A. to
Sacramento, for example, would be a pass-through trip.

Most of the SCSs that the Board has reviewed to
date have been multi-county regions, in which
interregional travel was a relatively smaller portion of
the region's total travel compared to what we see in the
valley.

The technical methodology for accounting for
interregional travel, as applied to the San Joaquin Valley with its eight single-county MPOs, is a unique challenge.

SUSTAINABLE COMMUNITIES POLICY AND PLANNING

SECTION MANAGER ROBERTS: Appropriately accounting for each type of interregional travel is critical for greenhouse quantification. In the valley, there are eight models that forecast how much travel is occurring in each county, but they are not able to clearly distinguish where trips originate outside a county, nor where they terminate outside the county.

A region-wide analysis could help resolve this issue in the valley, but there's still the issue of travel between the valley and the Bay Area.

The current models appear to reasonably estimate total vehicle miles traveled, or VMT, but it is challenging for the models to apportion the different types of interregional travel. The ability to do this is influenced by model sensitivity to different types of travel and the size of the region.

The technical methodology commonly used by all the MPOs in their SCS calculations has not been an issue for the larger regions of the State, but it may need to be adjusted so that it works better for the single county MPOs in the San Joaquin Valley.
ARB staff and MPO staffs have been discussing the need for a new approach to address this issue.

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SUSTAINABLE COMMUNITIES POLICY AND PLANNING

SECTION MANAGER ROBERTS: We have some insights to explain why per capita greenhouse gas reductions are unexpectedly high in some counties, particularly the northernmost counties. The top line in this chart shows per capita VMT for in-county travel in Kern, Fresno, San Joaquin, and Stanislaus counties.

It declines rapidly between 2005 and 2020, and we know this is related, in part, to the recession. After 2020, it continues to decline, but at a slower rate. On the other hand, the per capita VMT for interregional travel is going in the opposite direction, that is increasing over time. We're working with the MPOs to understand why.

These trends and the relatively large proportion of interregional travel compared to in-county travel pose a challenge to both the design of the SCSs and the quantification of greenhouse gas reductions from the SCSs.

Most SCS strategies in this plan -- in these plans, and the plans of other MPOs, deal with reducing internal travel.

In contrast to what we see on this chart for the
valley, a similar chart for SCAG, for example, would show that much of what is interregional travel in that bottom line would be internal travel and included in the top line. This would make the slope of the top line flatter making the region's estimate of per capita greenhouse gas reductions more reasonable.

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SUSTAINABLE COMMUNITIES POLICY AND PLANNING

SECTION MANAGER ROBERTS: Based on staff's preliminary review, the common strategy in the valley SCSs is to provide a mix of both land use and transportation strategies.

In the larger valley cities, such as Fresno, Stockton, and Bakersfield, the SCSs encourage more multi-family housing development, promote more compact growth within existing urbanized areas, and invest greater shares of the RTP budget to transit services and active transportation, that is biking and walking.

In the smaller cities and towns, which may need to rely on different approaches than a large city, the SCSs encourage more infill development and greater emphasis on complete streets policies to enable more biking and walking.

Because agricultural land preservation is important to all of the valley counties, the SCSs include
policies to encourage the conservation of farm land through more compact development patterns, which reduce pressure for greenfield development.

Several of the SCSs contain strategies to address interregional and intercounty travel, including expansion of bus service and passenger rail in viable markets, like the Amtrak San Joaquin rail service, continued coordination between neighboring transit providers to facilitate interoperability, and continued expansion of vanpool programs especially in agricultural communities. Some of these strategies were recommended in the San Joaquin Valley Express Transit Study of 2009.

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SUSTAINABLE COMMUNITIES POLICY AND PLANNING

SECTION MANAGER ROBERTS: We've already mentioned that there is limited data on performance metrics from the individual SCSs. To take a more regional perspective, staff aggregated the data from the four largest valley MPOs and constructed several performance metrics to see how the SCS strategies affect outcomes for the valley.

The following slides discuss five performance metrics using data from Kern, Fresno, San Joaquin, and Stanislaus counties.

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SUSTAINABLE COMMUNITIES POLICY AND PLANNING
SECTION MANAGER ROBERTS: Looking at just the new growth by 2035, the data shows that the SCS policies would encourage over half of the new housing growth to be in multi-family units. This is in contrast to the region's prior plans, which anticipated a majority of new development to be single-family units.

The trend in the SCSs is to increase the proportion of new multi-family housing, but how quickly they can change the overall balance between single-family and multi-family development will depend on the rate and amount of future growth.

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SUSTAINABLE COMMUNITIES POLICY AND PLANNING

SECTION MANAGER ROBERTS: By 2035, more jobs in housing will be located near transit. The SCSs project over 40 percent of all jobs and over 50 percent of all homes will be located within walking distance of transit services. This would result from assumptions that more homes and jobs will be located in infill sites close to transportation corridors.

Examples of underlying transit policies that would enable greater access to transit include increased investment in light rail infrastructure, bus service expansion, bus rapid transit projects, and vanpool programs.
SUSTAINABLE COMMUNITIES POLICY AND PLANNING

SECTION MANAGER ROBERTS: Agricultural land preservation is an important statewide policy as pointed out in the Scoping Plan Update. In the valley, conversion of agricultural land to urban uses has occurred steadily over several decades, peaking in the early 2000 when the economy was strong.

The rate of conversion has slowed since the recession, but is still a concern to this highly productive agricultural region. The SCSs would help slow the rate of conversion through land-use policies that encourage more compact urban growth patterns, thereby reducing pressure to convert ag land to urban uses.

SUSTAINABLE COMMUNITIES POLICY AND PLANNING

SECTION MANAGER ROBERTS: This slide shows the aggregated proposed investments in the categories of roadway expansion, transit, and active transportation. The green bars show what is currently proposed and the blue bars show the levels of investment from prior regional plans.

In the aggregate, the investments proposed by the four MPOs would shift funding away from roadway capacity expansion projects to greater funding for transit and active transportation, such as biking and walking.
SECTION MANAGER ROBERTS: In general, in-county travel represents a substantial amount of the VMT within a county. Looking at the performance metric of average auto trip length, staff used available data to identify a decreasing trend in trip length for in-county passenger VMT.

For the VMT from trips that stay entirely within a county, the trip length decreases in both 2020 and 2035. The shortening of in-county trips is an indicator of decreasing distances between homes, jobs, and other destinations or a greater accessibility to non-automobile modes.

SECTION MANAGER ROBERTS: There are still a number of technical issues related to the SCSs, including these five that staff has identified. These issues should be addressed by the valley MPOs in their technical work before ARB staff can fully evaluate their analyses.

The MPOs have included the impacts of the economic recession in their modeling, along with its impacts on VMT, and the implications of the recession on the valley modeling are significant.
These assumptions about the recession's impacts in the valley and the sensitivity of the transportation modeling analysis to those and other economic assumptions need to be evaluated further.

If we take Kern's SCS data as an example, they have identified large greenhouse gas reductions from fuel costs and the recession, but these are actually model assumptions not SCS strategies. Furthermore, we know that the elasticities in the models to individual economic assumptions, such as these, are not additive, and the impacts of individual assumptions should not be parsed out in this way.

It appears Kern's analysis related to fuel costs was based on an assumption about increased fuel price. Total fuel costs, however, are also related to fuel economy. Such a large response to fuel price implies a significant shift of travel to transit and other alternative modes. But, at the same time, the sensitivity that they reported for transit strategies is very small.

Those differences need to be reconciled. Staff needs to review the sensitivity of the valley models to the land use and transportation strategies in the plans, both as individual measures and in the aggregate. Sensitivity analyses have been an important part of staff's review of all prior SCSs.
Again, taking Kern's plan as an example, it contains strategies to make land use more sustainable, but as we said earlier, it takes new growth to shift existing land use patterns. How quickly that can happen is a function of the strategies, assumptions about recovery from the recession, and even fuel price. To understand the impact of the plan and whether or not the strategies in the plan are appropriate and sustainable will require a review of the model assumptions and additional sensitivity analyses as required in ARB's technical methodology.

The valley's socioeconomic characteristics may underlie somewhat different VMT trends than seen in the other larger MPOs. This needs to be examined both in terms of the overall trend and in terms of the effectiveness of the strategies in the SCSs. This is an area of continuing research, because it is understood that factors like age, employment status, and educational attainment need to be reflected appropriately in models to reasonably predict travel behavior and housing choices.

The earlier slide showing the shifts in transportation investments suggests a very basic change in the MPOs' planning. How greater accessibility to alternative travel modes will change behavior and translate into reduced VMT and greenhouse gas emissions is not yet clear from the data available so far.
As we mentioned already, improvements are needed to the methodology for accounting for interregional trips to reflect more reasonable estimates of per capita greenhouse gas reductions coming from the plans. This issue was discussed by the RTAC and this Board when you set targets. And although there was recognition of its importance, there was no clear methodology available for a region like the San Joaquin valley which has eight separate counties.

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SUSTAINABLE COMMUNITIES POLICY AND PLANNING

SECTION MANAGER ROBERTS: To complete the Board's review of the greenhouse gas quantifications for the valley, staff will return to the Board this fall. Staff will report on the quantification of emission reductions for the final adopted SCSs. We expect to receive all the financial SCSs by August, and will work with MPO staffs to obtain the necessary documentation for our review of the quantification of greenhouse gas reductions. Staff will prepare a report on the results for Board consideration.

As with air quality, taking a regional perspective on valley SB 375 issues is important. At the staff level, MPOs have coordinated technical work and identified issues, such as accounting for interregional travel that needs significant attention.
From a broader planning perspective, strategies like preservation of agricultural land should be a regional focus. Improving the technical capabilities of the valley will help improve the SCS development process in the next round. What has been learned this time has helped identify technical issues to be addressed, particularly those resulting from separate modeling of each county's SCS.

ARB staff will incorporate these and other issues into our review of potential updates to the technical methodology for the next target update.

Thank you for your attention. That concludes staff's presentation, and we're happy to take questions now or, if you like, after the MPO representatives have had a chance to give you their presentations.

CHAIRPERSON NICHOLS: Thank you very much, Ms. Roberts. Why don't we hear from the MPO representatives, who are here first, and then the Board can have some questions and discussion. Have you organized and order for yourselves?

Yes. Okay. Great.

(Thereupon an overhead presentation was presented as follows.)

MR. HAKIMI: Good afternoon, Madam Chair, Board members. My name is Ahron Hakimi. I'm the Vice Chairman
of the San Joaquin Valley Transportation Planning Agencies, and the Executive Director of Kern Council of Governments.

I'd like to start with publicly thanking your staff for their efforts over the last four years. Their efforts have been essential to our success and the preparation of all our SCSs. I'd also like to publicly thank the Strategic Growth Council for the money to support the valley model improvements. With those models -- with those improvements, the valley MPOs, as was previously mentioned, have been able to meet the technical modeling requirements of SB 375 with consistent valid and reasonable assumptions.

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MR. HAKIMI: I'd like to direct your attention to the center of the slide here, which shows the San Joaquin Valley. In comparison, the valley size in area is second only to SCAG at 27,300 miles. However, the total valley population is approximately one-fifth the size of SCAG.

The second largest MPO, based on population, is MTC, which has over seven million people within 7,000 square miles. As an example, Kern alone is 8,200 square miles, an area over one-third the size of the valley.

Again, SCAG's population is 18 million people covering 38,000 square miles; MTC seven million, roughly
7,000 square miles. The Central Valley is located between the two largest metropolitan areas of State, San Francisco and Los Angeles, and we are surrounded by significant regional employment sectors, this being one of them, the State Capitol, Silicon Valley, Southern California, and the Inland Empire.

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MR. HAKIMI: If the San Joaquin Valley were a State, it would be the top agricultural producing State in the United States. In 2008, the San Joaquin Valley produced 25.4 billion, with a B, billion dollars in agricultural products. In 2012, agricultural jobs accounted for 12 percent of San Joaquin Valley jobs.

In preserving farm land consistent with the intent of SB 375, people are driving farther from their urban homes to their rural agricultural jobs. Over 14,000 acres of farm land are preserved under the SCS scenarios valley-wide.

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MR. HAKIMI: The San Joaquin Valley is currently home to over 3.9 million people, and it is expected to add over 1.9 million people by 2035. The four largest urban cities, Bakersfield, Fresno, Stockton, and Modesto currently account for one-third of the valley population. By 2035, those same cities are anticipated to account for
37 percent of the valley's total population.

    In addition, 41 percent of the valley's population resides in the valley's 58 small cities. And when I say small cities, I'm talking about cities of under 200,000, and 25 percent live in rural unincorporated communities.

    By 2035, only 19 percent of the valley's population is projected to live in unincorporated communities, an indication that a significant portion of the valley's future growth is occurring in the urban cores and existing cities. An example of increasing urbanization is how Kern COG is approaching our scenario development.

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MR. HAKIMI: If you'd direct your attention to the map in this slide, there's an animation embedded in it. So this is business as usual, where growth would have occurred.

    And this is under the sustainable communities strategy that's being presented. I'll go back and forth a couple of times. So instead of sprawling and growing at the edges, we are growing in our urban core. This slide illustrates the significant change in the forecasted development pattern for metropolitan Bakersfield compared to our prior plan. Things are no
longer business as usual in Kern. There's a proposed 4,000 - I say 4,000 - percent increase in homes and jobs near frequent, high quality transit, a 700 percent increase in transit related capital spending, 46 percent reduction in the rate of farm land lost to urban uses. And we're very proud of this, 1,000 miles of new safer bike facilities, improved system management and technology to help slow travel growth. And we've delayed beltway projects in order to front load funding for transit, bikes, and pedestrian products.

Madam Chair and Board members, I'll be followed by Mr. Tony Boren from Fresno COG.

MR. BOREN: Good afternoon. Thank you for the opportunity to speak today. I'm going to speak to a couple slides that speak to our outreach approach, and then some of the strategies that we're employing to meet these targets.

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MR. BOREN: As Ahron mentioned, the valley is a vast area, nearly 300 miles from south to north. And with that large expanse comes eight different counties that all have very eight individual unique identities and are proud of those identities. Some of them -- for example, Fresno county, located in the center, we have the largest urban area in the valley. Our metropolitan area is about a half
And so our sensibilities tend to have sort of a balance of agriculture and urban, but we have other counties in the valley that are more -- that are less urbanize. They're just more focused on agriculture. And outreaching to all these different constituencies and making sure everyone understands what the intent of our SCS efforts are has been very important.

And what we've done with that is we've branded it -- the effort Valley Visions. Basically, this was all eight of the COGs working together to put together outreach -- an outreach program to their communities to make sure that they understood what the intent of the RTP was, the SCS, and more than anything trying to create an awareness, if you will, or a valley identity, creating a regional identity, so that the folks who live -- the four million folks who live in the valley understand that we all share this air basin.

And although we may be separated by 200 miles, what we do within our individual communities impacts each of us. So that was a big part of the outreach right there, but I think we were -- I can speak to the Fresno experience, we had upwards of 20 public meetings, and I know the same occurred throughout the valley, so we feel real good about the public's involvement in our process.
MR. BOREN: Some of the strategies that we're employing in the valley to meet the needs. On the chart on the left -- the pie chart on the left is where we were at with -- in 2011 with our RTP investments. On the right is our 2014 RTP SCS integrated investments, if you will. And as you can see there, it's pretty striking. We're doubling our transit investments from 16 percent to 31 percent, and then we're doubling, as well, our bike and pedestrian investments. Now, where is that coming from? It's coming from the capacity enhancement project. So you can see the maintenance stays about the same, but the improvement -- the increases in transit and then the multi-modal stuff is coming from capacity increasing projects.

Down there along the bottom, you'll see a number of different emblems. The first is a commute connection. This is the tri-county ride-share program that exists between San Joaquin County, Stanislaus, and Merced. Again, the intent is to reduce VMT. The CalVans program, this is something that's been very successful. It's intent -- it serves multiple counties in the valley.

Right now, there are over 400 vans out there that are serving ag workers throughout the valley, helping to get them out of their single occupant car and getting into
a van that they all share. Very successful.

You're very aware of the San Joaquin Valley Blueprint Process. This was kind of the precursor to the SB 375 SCS integrated process. The map there in the middle is the A service. That's Altamont Commuter Express passenger train service that runs from Stockton to the East Bay. Again, the intent is to remove single occupant vehicle trips from that corridor, and help improve air quality. I spoke to the Valley Visions outreach. And then lastly the green print is an effort -- again, it's a valley-wide effort, where we are doing the same sort of long range planning process, but the focus is on our open space, and its relationship to urbanization in the valley, and trying to understand what's occurring, and again, creating an awareness for the public and our stakeholders.

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MR. BOREN: This is a slide that speaks to the Fresno COG SCS. Again, I'll talk -- let's see if I can get this thing to toggle back and forth here. There you go. Status quo. Again, we're blessed in that the City of Fresno was very progressive in terms of identifying a general plan that would -- adopted a lot of the sustainable community strategies and implementation measures. And so that helped us meet our targets.

You find in that RSCS, you'll see increased
density, much more mixed-use development. You'll find 70 percent of the new jobs, and about 28 percent of the new housing are within a half mile of our transit stations.

There's about 1.5 billion or 35 percent of our overall RTP revenues are invested in transit. Again, this is a significant shift.

In Fresno alone, there are five new bus rapid transit corridors, and Measure C Program allocates about a million dollars to our carpool and vanpool programs, over the life of the measure for the next 17 years or so.

So I'll stop right there and turn it over to, I believe, Andy Chesley from San Joaquin COG.

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MR. CHESLEY: Thank you, Tony. Chair Nichols, members of the Board, the San Joaquin Valley has historically been -- it's been challenged in terms of employment. We have been among the highest unemployment rates in the State. Historically, during the recession, the unemployment rate dropped more dramatically in the valley than it did in most other places in the State, and we have been much slower in terms of recovering from that recession than some of our other friends such as in the Bay Area.

And this kind of gives you a picture of this. And hopefully, over time, these -- all these are going to
continue to diminish. But once again, the valley will continue to lag behind the rest of the State, when it comes to the issues of employment and unemployment, --o0o--

MR. CHESLEY: Interregional travel and employment issues does tend to have an impact also on our interregional travel issues. It's been mentioned to you before that we are sandwiched in the San Joaquin Valley between the two largest metropolitan areas of the State, the Bay Area and the Los Angeles area.

That has an effect when it comes to the issue of Interregional travel. I sat on the Regional Targets Advisory Committee and was one of the strongest advocates that in that group we needed to address interregional travel issue. But I have to say that having gone through the experience of modeling this issue and dressing it in the target setting and target results from our modeling efforts, it does appear that we need to do a little bit more work on this. The methodology has a flaw in it, and addressing that methodology should be an important issue. It certainly is a priority issue for San Joaquin COG.

An example of this is that when you look at the employment between the Bay Area and Stanislaus and San Joaquin counties in the northern part of the San Joaquin Valley, there continues to be a disproportionate imbalance
in terms of jobs and housing.

And that jobs and housing imbalance actually continues into the future. In fact, it increases as we go into the future. And that has had an impact on our ability to address greenhouse gas emission reductions, and has produced something of a perverse result. Our percentage reduction, for instance, in San Joaquin County is a 24 percent reduction in greenhouse gas emissions. I don't argue that that is a number that is a rational number, and one that we all -- we embrace as a reflection of our ability to meet the targets. Instead, that number is a result of a methodology that has a challenge to it, in terms of actually a perverse result when it comes to measuring reductions in greenhouse gas emissions.

For instance, we can actually at least address some of the problem in San Joaquin, Stanislaus, and Merced County if we take our three-county transportation model and mimic the -- three of the four largest urban areas in the State, and do a multi-county model result from it, our reduction goes from 24 percent, a number that I think all reasonable analysts have a little hard time swallowing, and it goes down to 17 percent. That's one way to start addressing the regional target issues based upon interregional travel.

We're happy to participate in that discussion.
We have some other ideas that can help address that particular issue of interregional travel. But I think at the heart of it, the important thing is to address the question about how we use interregional travel when it comes to addressing the policy questions in each of our model results.

In San Joaquin County, we are, for instance, going to begin the process of engaging with the Metropolitan Transportation Commission over this very issue of interregional imbalance of jobs and housing between our two regions. That goes a long way to addressing the challenges we face with interregional travel.

--o0o--

MR. CHESLEY: This is the San Joaquin Council of Governments in the Stockton metropolitan area. And this shows what had been anticipated in terms of development in the City of Stockton. You can see primarily development would occur in the north, and along the edges of the urbanized area. As a result of our sustainable communities strategy, we have more development that is targeted towards the interior of Stockton. In fact, we have adopted a transit-oriented development infill plan for the Stockton metropolitan area to help address this. That was adopted two years ago prior to that actual
development of the Sustainable Communities Strategy, and is an important consideration in how we plan to address greenhouse gas emission reductions, as well as overall VMT reductions in our region.

That concludes my portion of the remarks here. I would like to turn this over now to Mr. Carlos Yamzon, the Executive Director of the Stanislaus Council of Governments.

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MR. YAMZON: Thank you, Andy.

Good afternoon, Madam Chair, members of the Board. Before I actually start my presentation, I would like to publicly thank ARB staff for allowing me and my colleagues to sit in the preferred seating, which I know is generally reserved for friends and family.

(Laughter.)

MR. YAMZON: So thank you. We appreciate it.

Stanislaus County is one of the three northern counties in the San Joaquin Valley. And similarly, I think you can see our attempt and our -- the challenges of really kind of a paradigm shift in our county as well as in the valley.

Increased densities, almost five percent in multi-family housing options, increased funding to transit, really moving away from the traditional highway
widening projects. Almost 225 million allocated to bike
and pedestrian projects. This is a big deal, because this
is what we were hearing from our outreach as well.

Thirty-five percent of our housing is being
proposed close to -- within a half a mile of transit
service. And all of this resulting in generally a
preservation of 4,000 acres of prime farm land
conservation.

I think the outreach was a real important piece
of our development of the SCS, as it was for most of the
valley. And similarly, you can see the changes. And I
think it's worthwhile to note in Stanislaus County,
although we do have an urban center in Modesto of about
200,000 population, we have a sprinkling of medium sized
and smaller cities in the periphery.

And I think that's a key note, because I think
the region really embraced the blueprint principle when
those were being done. And that's what I talk about the
paradigm shift in how we did planning in there and not the
business as usual. The pictures at the bottom you'll
note --

--o0o--

MR. YAMZON: -- in this next steps here are real
pictures from the valley. At this point, I want to let
you know and give up an update that all the RTP SCSs are
planned to be adopted by July, and, at which point, we would be moving towards implementation and bringing your attention again to the picture. These are real pictures of blueprint award projects in Kern, Stanislaus, Stockton, and Fresno.

And I think, as I mentioned, at least in Stanislaus County with the sprinkling of smaller towns, the same principles that are being embraced in cities of 500,000 are also being embraced in a city of 7,000, the City of Newman. Award winning changes in design and things like that.

I think it's also important to note that a big part of implementation was not only the outreach we did in the development of the RTP SCSSs, but the continued outreach that we're going to have to do in implementation, because if you are going to implement a plan, it's important that you address and you recognize the involvement of the community that was part of that outreach.

We listened. We heard. We explained the requirements, and therefore we had to get that consensus to make the constituencies understand our challenges, the challenges that they -- and the benefits -- and even more so the benefits of these plans.

That concludes the presentation. Thank you very
CHAIRPERSON NICHOLS: Thank you. I remember the first time I ventured out of Sacramento after SB 375. It was to a program that was in Stockton where I was also on the same panel as Senator Darrell Steinberg, the author of SB 375. And it was a community meeting, and the room was full. And it was, you know, really impressive. It turned out that a very large number of the people that were there were actually highly opposed to anything relating to planning.

They were -- some of them, you know, identified themselves as Tea Party members, but many of them had brought things with them that indicated that they thought that any kind of planning was, you know, essentially a Communist plot. In fact, there was a lady who read from a -- you know, from a -- something that supposedly the Communist Manifesto, which I -- I have to confess I haven't read, but it seemed a little suspicious that it was, you know, referring to community planning.

But it gave me a sense of, you know, how difficult it can be sometimes to start out in an area where you're talking about things like regional plans, and Sacramento, you know, setting targets for people to try to pull together something that actually has support.

I'm really -- I'm reacting a little bit to the
last comment, because it seems to me that you have done a lot in the last few years, if you really are at a point where you've got the kind of engagement and support for what you're doing. That, in and of itself, is a change from where we were a few years ago, and it is very positive.

Obviously, there's a lot of -- there's still a lot of controversy, I would say, about the whole thing. I do have to tell you though that you might -- I'm really glad that you like sitting in the front row, because what I find is that usually at the Board meetings people like hang in the back. In fact, they stand against the wall, even when there are other seats, because they're afraid if they come down in front, we might talk to them or ask them questions.

(Laughter.)

CHAIRPERSON NICHOLS: So I really appreciate the fact that you gentlemen are all sitting in the front row.

Okay. Why don't we proceed to see if there's any Board member comments before we hear from the witnesses. We do have nine people who have signed up to testify on this. Do you want to wait till we hear from the witnesses?

BOARD MEMBER RIORDAN: Yeah.

CHAIRPERSON NICHOLS: Okay. Great. Then it's up
there on the Board. The list is there, starting with
Katelyn Roedner from the Diocese of Stockton

MS. ROEDNER: Good afternoon. My name is Katelyn
Roedner. I am the Environmental Justice Program Director
at Catholic Charities in the Diocese of Stockton. We have
worked to build broad-based coalitions both in San Joaquin
and in Stanislaus counties to advocate for aggressive and
achievable sustainable communities strategies in these
counties.

We've been able to include public health
advocates, education groups, community groups, agriculture
groups, business groups, as well as infill developers.
And the good news is we are seeing success in this work.
COG staff both in Stanislaus and San Joaquin counties have
worked very hard and have been responsive to our input.

In Stanislaus County, the SCS predicts a
significant decrease in the loss of high quality farm
land, which is extremely important, not only to our
economy in Stanislaus County, but also to our rich
agricultural heritage.

In San Joaquin County, we're pleased to see
greater investments in alternative transportation and
plans for a wider array of housing options, both of which
benefit the greater community, but especially benefit the
poor and vulnerable among us. So we also would like to
thank you, Board members, for your leadership in implementing SB 375.

A stronger integration of land use and transportation planning will reduce our air pollution, save families money, and ultimately bring high quality jobs to San Joaquin Valley.

However, we are concerned about the modeling assumptions and the greenhouse gas emission calculations. For example, as Mr. Chesley pointed out, San Joaquin County reports the highest GHG reductions in the State, but at the same time the percentage of walking, biking, and transit use is predicted to decline. By 2040, traffic and per capita VMT actually increases. In Stanislaus County, we see no difference in GHG reductions between the business-as-usual plan and the proposed plan.

So we ask ARB to carefully review these numbers and models to ensure that we are truly meeting the goals of SB 375.

Additionally, we would ask that ARB increase its attention to counties that will not meet the GHG reduction targets. When our neighbors fail to meet the targets, we all suffer, and the most vulnerable among us suffer the most. All residents in the valley deserve the benefits of a good SCS plan.

We ask ARB to support our neighbors in auditing,
public engagement efforts, and technical expertise, so they too can meet these achievable targets. We have made great progress under SB 375 in our region, but we have further to go to truly ensure cleaner air for everyone in San Joaquin Valley.

Our coalition looks forward to continued collaboration with these COGs. And I thank you for the opportunity to share our input.

CHAIRPERSON NICHOLS: Thank you.

MR. MAGAVERN: Bill Magavern with the Coalition for Clean Air. And I confess I was sitting in the back. It's a habit left over from law school, I think.

(Laughter.)

MR. MAGAVERN: We are one of the signers of the climate plan letter, so I'll just highlight what are to us some of the most important points.

First of all, it's great to see the commitments to greater investments in public transit and active transportation. And those are definitely the kinds of investments, the kind of plans that we need as we seek to give people more transportation choices. And that's really the goal of SB 375 is let's improve land use and transportation planning, so that people can meet their daily needs without the single-occupant vehicle.

And we're concerned that not necessarily all of
the reductions that are proposed are actually coming from that kind of land use and transportation planning. As you've already heard in the presentations, a lot of reductions are coming from the recession, from a projection of increased gas prices.

Those external factors are really not the point of SB 375. So we ask that you establish that the reductions should come from land use and transportation policy.

And we think it's important for you to review all of these plans. I think, you know, you heard that there's agreement that there are real serious legitimate questions about the methodology. And one way to do some kind of reality checking of some of the methodology is if you see projections that the GHG emissions from transportation are expected to go down, but you don't see vehicle miles traveled going down, you don't see transit use and bike and pedestrian use going up as much as they should, then, you know, that should be a tip-off that, you know, there's a real question here that bears a lot of further scrutiny.

So we appreciate the fact that you are paying this attention that you are today, and hope that you'll continue that, so that we can get the best transportation and land-use planning for all the people who live in the San Joaquin Valley.
MS. HOLMES-GEN: Okay. Chairman Nichols, Board Members, Bonnie Holmes-Gen with the American Lung Association of California. And the American Lung Association has been involved in several of the SCS processes around the State. We place a high priority on the development of strong plans, and the building of regional commitment and cooperation which is especially needed in the valley to ensure that plans are implemented, in which they are adopted in a way that actually changes local planning, priorities, and decisions.

We believe this SB 375 process is critical for our State air quality and climate efforts, and we're invested in making this work.

We have invested in the San Joaquin Valley process. We have staff and volunteers in the valley engaged in the local planning processes. We've submitted little and comments, recommendations on the draft COG plans in San Joaquin, Fresno, and Stockton. Our local physicians have authored articles in the newspaper to demonstrate the health benefits of strong planning, smarter, more efficient, more compact smarter growth with active transportation.

We have worked with local elected officials and have letters from Stockton City Council Member Moses Zapien, and Arvin City Council Member Jose Gurrola,
supporting strong SCS plans and more regional cooperation. We've submitted those in the record.

From our perspective, the COG staff has done some good work, as has been discussed, but there is still a long way to go. Until we can understand clearly whether these proposed plans will provide additional reductions in benefits beyond business-as-usual growth patterns, which I think we all believe they must do.

We recommend now that CARB should -- CARB staff should focus now on the honest accounting of the GHG numbers in the COG SCS plans, so that we have a clear view of what the actual GHG reductions are in the plans, are -- are each of these plans meeting the five and ten percent, are they exceeding? We need to know that. And the COGs need to give the input data and assumptions that's needed to make those determinations.

We have recommended that all the plans incorporate more measures to achieve GHG reductions and rely less on planning assumptions. We've recommended more focus on balanced housing mix. In Kern specifically, we've recommended a one-third, one-third, one-third housing mix going forward, with one-third fully multi-family, one-third small lot, and one-third large lot. We've recommended more focus on active transportation, walking, biking, transit, infrastructure
and early investments.

And further development of health performance
measures, and, of course, use of the urban footprint
health module and that needs to be finalized.

We recommend that as you move forward and collect
this data that you need -- we would recommend you need a
quick report back on the plans and modeling results.

We thank you for your focus on this important SCS
process in the valley. We all can work together and make
this is a great process to improve public health.

CHAIRPERSON NICHOLS: Thank you.

Hi.

MR. AKABA: Good afternoon. Again, my name is
Azibuike, and I'm with the Regional Asthma Management and
Prevention. So we have a vested interest in the public
health that's going on in the Central Valley and the
planning. And we think that the evaluation of the
greenhouse gas emissions modeling as been stated is
flawed, and it doesn't add up.

So therefore, we think that you shouldn't approve
the plans as is, until we get uniform modeling data, and
numbers that add up, and also we see reflected in the
policies that are suggested that it balances out in the
end.

And also, we're interested in making sure that
things that aren't included prominently is some public
health metrics that would also show that the greenhouse
gas policies are working. If we need to develop some new
metrics around public health, then we're willing to work
with the agencies to make sure that happens.

Thank you.

CHAIRPERSON NICHOLS: Thank you.

MS. KNECHT: Good afternoon. My name is Carey
Knecht. I work with an organization called Climate Plan,
and I'm here to present a letter that you received that
was signed by 24 organizations.

But first, I'd like to start off by giving my
very sincere thanks to the Board and to staff for all of
the hard work you've put into implement SB 375. For the
last three years, I've been following the implementation
of SB 375 in the valley, and it has started a number of
very important conversations there. How do investments in
walkable communities help support economic competitiveness
in San Joaquin County? How do the investments in Fresno
County address health inequities and benefit disadvantaged
communities? And most importantly for this forum, how do
we get on a path for long-term reductions in air and
climate pollution?

And I also particularly want to thank all of the
COG staff and COG boards who have helped make this an open
dialogue that has included more voices than ever before. We still believe, as our letter outlines, that there is some important work to be done. And there are two questions that I think are in front of you as a Board here today.

So first, how do the greenhouse gas targets and calculations help maintain the integrity of SB 375? How are they a meaningful part of the process and encouraging policy improvements? SB 375 specifies that it was created because the State will not meet its climate goals without improvements to land use and transportation policy, but we see several region's business-as-usual scenarios meeting those targets.

In fact, several of them newly meet those targets where they did not when those targets were being set. And so the risk is that the models and the targets calculations become this black box and lose its value in promoting policy change at an ambitious but achievable pace.

So I ask for your continued scrutiny and for a report as you continue to review the target calculations in every region with an emphasis on how they reflect land use and transportation policy.

The second important question is what happens when regions do not meet their targets? And we have not
heard very much here today about what is going on in
Merced and Madera, but Madera not only is going to miss
its targets, but increase per capita GHG emissions. It's
the worst result in the entire State, and we haven't been
talking about it very much.

But I believe, not only does every resident in
every valley county deserve the benefits of better land
use and transportation planning, but the State needs every
region to be playing its part. And so when a region
cannot reach its targets, we ask that it sound an alarm,
and that some of the questions that regions have to
examine as part of an alternative planning strategy, like
why was it impossible to meet those targets in your SCS,
and how is this the most practicable way to meet those
gets?

Those are the kinds of conversations we should
also be having at a State level. So I ask ARB for your
assistance in helping broaden that dialogue as well.

Thank you again to all of you for your hard work
and I look forward to further discussion.

CHAIRPERSON NICHOLS: Okay. Thank you.

MS. WISE: Good afternoon, Chair Nichols and
Board members. My name is Ella Wise from the Natural
Resources Defense Council. Thank you for your leadership
in implementing SB 375.
Several valley COGs have made exciting progress. For example, Kern has the pedestrian funding, in their current RTP, is ten times as much as it was in the prior RTP.

But there are issues in the current draft SCSs that don't only undermine the valley's progress, but I think the integrity of SB 375. So I'd like to bring up two of those points that actually your staff has already mentioned.

First, ARB must ensure that the targets are being met by transportation and land-use policies and actions. The intent of SB 375 is clear. However, some valley's region's reductions result not from policy and actions, but from assumptions of external market conditions. For example, in Kern's RTP as is, in Figure 4-7, transportation and land-use strategies result in a projected GHG reduction of less than 3.5 percent by 2040, far short of the ten percent reduction targets.

In contrast, the vast majority of the reduction is coming from assumptions of external conditions. Therefore, even though these strategies may not be additive, as the RTP stands, the targets would not be met by land-use and transportation actions.

There are two steps in addressing this issue that we see. One, a simple question should be squarely
answered today, and that is, is it acceptable to meet the
GHG emission reduction targets through exogenous
assumptions rather than policies and investments?

Once that question is answered and ARB clearly
establishes that the targets must be met through actions
and policies, ARB should evaluate Kern's models while
holding exogenous factors constant to test whether they're
meeting their targets through actual actions and policies.

The second concern I'd like to bring up is
clarifying methods and assumptions as mentioned. Last
summer, between the June 5th Regional Planning Advisory
Council meeting in Kern County and the July 31st meeting,
the reduction projections of the business-as-usual old
plan went from five percent reduction to 14 percent
reduction. So the same plan, the old business-as-usual
plan had a change of triple the amount with no
explanation.

So to address this issue, ARB should request and
share clear explanations of the valley's greenhouse gas
calculation modeling and assumptions, particularly any
unexpected results.

Thank you for your continued work in implementing
SB 375.

MR. BREON: Good afternoon. My name is Craig
Breon. I've been working for a variety of nonprofits on
the SB 375 process in Kern, Tulare, Fresno, Madera, and Merced.

To start with, just I would say a couple basic points, and you're hearing some of the same themes here. SB 375 does talk about changed land-use patterns and improved transportation. Without improved land use and transportation policies, California will not be able to achieve the goals of AB 32.

So it seems that the law was fairly clear. Of course, there's going to be some assumptions and whatnot in models, but the law was fairly clear there were meant to be driving changes in land use and transportation policy. And when 80 percent of your reductions can come from things that are not at all related to changes in land use and transportation policy, and have certain factors cherry picked and other fairly obvious factors left out, it becomes very problematic.

Secondly, the law does say that a metropolitan planning organization shall disseminate the methodology, results, and key assumptions of whichever travel demand models it uses in a way that would be usable and understandable in the public. We're a long ways away from that, at this point.

I can't figure out which of the counties have made these kinds of assumptions and which haven't. That's
difficult for the public to grasp ahold of. It's also difficult down the road. Let's say funding comes for having an improved SCS, certain streams of funding. Well, does Madera, who it looks like was perhaps more honest in acknowledging that these factors are not as big a role in their SCS, and therefore they're projecting a 13 percent increase, should they be left out of that if a group like Kern wouldn't have made it without the assumptions?

It leads to some very real life difficult results. It's not easy and these folks all started with models that were -- had not had the time and money invested to them as some of our more urban regions. That's understood.

But we're not talking about small differences here. These are some very large numbers, and I think if you did look just at land use and transportation planning changes, you'd have at least five counties not meeting the targets, which is okay. I'd rather have them honestly telling me that, and then let's work from there, rather than using strange assumptions and math to tell us that everything is going well.

Thanks.

CHAIRPERSON NICHOLS:

MR. JOHANSEN: Good afternoon. My name is Curt Johansen. I am the Board president of the Council of
Infill Builders, a 501(c)(3) nonprofit corporation of real
estate professionals. We're committed to improving
California through infill development.

I want to thank this Board for all the hard work
you've been doing implementing SB 375, moving towards
sustainable land use and transportation policy. I just
want to say a couple of words, and nothing to do with
metrics. You're hearing a lot of that from lots of
others.

I was particularly taken with Chair Nichols'
comments about how far we've come, because, as an
organization, we have spent significant time meeting with
elected officials and business leaders throughout the San
Joaquin Valley

And many times we've put them together when they
are political opposites. And so that comes out in the
conversation, but I'm pleased to report that there seems
to be a lot of consensus forming around what a healthy
community looks like, and it definitely includes infill,
and it definitely includes better transit options to the
automobile. So people recognize that. I think the
challenge now is how to get there, and how fast they can
get there.

But what we've done is we've challenged people to
think about what makes a city great. And we've gone
outside of California to show examples of what made cities
great. And what I hear in Fresno, Bakersfield, Stockton,
even the median to smaller cities throughout the county is
how do we get jobs here?

That's their problem. They have a very one
dimensional economy. They need a more diversified
knowledge based economies in those cities to make them
strong. So it's the chicken or the egg. Do you design
your city to be a pedestrian friendly, transit oriented,
diverse economy city or do you hope it happens and then
make the changes later?

You are the organization in best shape to help us
move more quickly towards creating great cities in the
Central Valley. And I ask you to please have the courage
to be as aggressive as you can with helping the cities to
move in that direction.

Thank you.

MS. SEATON: Phoebe Seaton, Leadership Council
for Justice and Accountability. We're based in Fresno.
We've been working for the past four years in Fresno,
Kern, Merced, and Tulare on the RTP SCS development,
taking the kind of long view both backwards and forwards.
We echo much of what has been said. We signed on to the
climate plan letter so not to repeat what others have said
better than I can.
I urge you to hold the valley counties to the same standards as you hold the rest of the State. I and other residents of those counties deserve to reap the benefits of SB 375 now and in the future as SB 375 is implemented. And if it appears that those counties need greater resources, greater support, I also urge you to provide that support and those tools.

Similarly, as to the extent that I'm talking to you and others, who will be -- help implement SB 375 through funding, et cetera, I urge that all SB 375 implementation measures impact those counties, the rural regions, and the cities in the San Joaquin Valley as they do the rest of the State. Some of the members -- representatives from the MPOs talked about how far some of the cities that they work with have come. And the cities will only go as far as they see that SB 375 is supporting them in their development. So I urge you to do what you can to make that a reality.

Others, finally, have talked about the importance of metrics and accurate calculations. There needs to be, across the Board, from what we've seen greater transparency in data available to the public, and I believe to the Board as well.

This is a very important process, important to all of us that requires checks and balances on the part of
us, residents and advocates. And we urge you to look at
the data that you're getting and making sure that we have
access to the same data, so that we can be an active part
of the process.

    Thanks so much.
CHAIRPERSON NICHOLS: Thank you.

This is an information item, but it's a very
important one. We're having a little difficulty,
because -- well, Supervisor Serna has just stepped out to
see what he can do about extending the time frame for our
display to be out on the street there. We're bumping up
against our deadline.

    I'm going to ask -- a bunch of people came in
kind of late, and all submitted cards. And I'm going to
ask you to speak for two minutes only. And if we feel
like -- you've been, you know, short changed, well
hopefuly we can hear from you some time later on.

    But we've got Daniel O'Connell from the American
Farmland Trust and Cesar Campos from -- Cesar Campos
representing the California Environmental Justice Network.

    MR. O'CONNELL: Hi. Daniel O'Connell, American
Farmland Trust. AFT is the foremost farmland conservation
organization in the United States. Of course, we're
highly vested in the San Joaquin Valley.

    Two contexts here. I was just at the Capitol
earlier this week. We're looking at business-as-usual 4.5 to 8.5 degree Fahrenheit increase, if we don't do something in temperatures globally. This is going to play out very poorly for the San Joaquin Valley.

The San Joaquin Valley is the most productive agricultural region in the world. And yet for the United States, it also has the highest level of poverty for our region, west side of the valley, and for a city, Fresno. It has the highest hunger rates in the United States with Bakersfield being number one and Fresno five.

So we look -- AFT has actively engaged in SB 375 implementation in the region, because we link its incentives and logic to farmland conservation and numerous other co-benefits and other organizations like the environmental justice community, air quality, and others that have spoke testified to are close collaboration.

I want to say that SB 375, as I have to come see it, is an elegant law, but it's a law that's logic plays out very well for cities and urban areas. The San Joaquin Valley is a rural, resource rich, highly impoverished area that the logic of this law is not going to play out. And what I mean by that is is that we're just simply not going to be able to put in light rail to achieve emissions reductions.

We're going to grapple difficult -- with a lot of
difficult land-use decision-making decisions that play out over a long period of time, because they're put into general plans.

There's been a lot of comments that have been made, that I -- so I won't be redundant, we signed onto the climate plan letter. I do want to say, and as I sit here and I listen to the MPOs, all of the COGs, and we've given them a bit of a headache and that's our role. They have done a phenomenal job.

And as I hear the discourse and the rhetoric, they have come quite a way. We need this to actually play out in policy though. So interrogate their assumptions, look at their methodologies. Some of it isn't passing the smell test, and we need to get this right.

Madera County is going to undermine all the achievements, that's happening in Fresno, for instance. So let's make sure we hold these people accountable.

Thank you.

CHAIRPERSON NICHOLS: Thank you. And thanks for all the great work AFT does.

Yes, hi.

MR. CAMPOS: My name is Cesar Campos. I'm with Central California Environmental Justice Network. Although, I'll consider having an organization after me.

(Laughter.)
CHAIRPERSON NICHOLS: I was looking at your email.

(Laughter.)

MR. CAMPOS: So Central California Environmental Justice Network is an organization that is kind of a network of organizations that uphold and strive for environmental justice all throughout the valley. And I'm here today to ask you to uphold these principles when you are reviewing these RTPs, uphold the principles of environmental justice, and really make sure that the counties evaluate, if they are disproportionately burdening sectors of the population with these RTPs.

For example, Fresno COG and Kern COG -- Fresno COG has a proposed new development of high income housing that will be farther away from city centers, which means that a sector with a population is actually being allowed to increase their VMTs. And then that leaves the rest of the lower income populations to pick up that slack. In Kern COG they may or may not meet the reductions, but they do so factoring in rising prices of fuel, as well as a recession that they are foreseeing apparently.

Once again, this is relying on the fact that low-income populations will not be able to drive, and you are essentially putting that burden on those populations. The responsibility for meeting those reductions, as you
all know, lies among all of us and it falls -- it should fall equally within all of our responsibilities to do that. And it is anti-environmental justice to target certain sectors of the population for reducing and meeting these requirements.

Thank you.

CHAIRPERSON NICHOLS: Thank you very much. Okay. Then we had a group of gentlemen who all came I believe with Mr. León, if one or two of you can just speak. And a woman. Sorry. Three gentlemen and a lady.

MR. LEÓN: Gentle woman is not a term.

CHAIRPERSON NICHOLS: Three guys and a girl, you know, whatever.

(Laughter.)

MR. LEÓN: Thank you, Chairman Nichols and the Board -- Air Resources Board staff, good to see you again. Although some of you have changed.

(Laughter.)

MR. LEÓN: My name is Rey León. I'm director and founder of the San Joaquin Valley Latino Environmental Advancement Project. I'm originally from -- born in Fresno, raised in the farmworker community in Huron. So these that know me, you know I mention Huron quite a bit.

It's a farmworker community in the State of California, and is identified as the poorest community in
the State. So in a way, it's kind of like the limits, you know, and really it's kind of, you know, what the rest of the farm worker communities suffer, we see it in Huron. And I'd like to say the Hurons of the Valley in that respect.

But as you know -- well first, let me also thank -- I know Tony Boren is here. Fresno COG I think they've done the best work since I've been involved with them as a -- in the Environmental Justice Task Force, which I chair currently, in terms of the outreach. And when we talk about environmental justice principles, we're talking about public participation as being one of them -- one of the primary ones, along with precautionary principle, and cumulative health impacts.

But, as you know, the San Joaquin Valley is a region with great need. Farm workers and other working families struggled a great deal to -- due to the economy, environmental justice, and health.

The other challenge that hits all of them, as just mentioned, is transportation and land use for safety and sustainability. The danger is when the municipalities are trying to build new cities, essentially, that we'll not be able to exist without countless VMTs creating more criteria pollutants, and GHGs, which is scenario that I think is present in some of the counties, definitely in
the valley.
I would suggest the pressure, via sticks and
carrots, to ensure that existing communities are the
focus, such as the Hurons that really are lacking a lot of
infrastructure currently, and they need more attention,
initially, before the expansion of new developments.

CHAIRPERSON NICHOLS:  Rey, I'm going to have to
cut you.  I'm sorry.

MR. LEÓN:  And so that's my message, but the next
gentle people will continue.

(Laughter.)

CHAIRPERSON NICHOLS:  Good gentle persons, gentle
people.

MR. REYES:  Hi, everyone.  My name is Eddy Reyes.
I'm from Hanford, California, Kings County.  And this year
we started doing community forums, and it was one of the
first bi-lingual forums that we did in Hanford, because we
wanted to involve the latino community.  And so, one of my
concerns is -- if the RTP materials can be -- I don't know
if it can be in Spanish, because many of the residents
don't speak English.

And also, I know that in the past we don't have
any latino women doing the decisions.  And also, if
there's any resources to do some outreach to outreach to
the rest of the community.
So that's my concern. Thank you.

CHAIRPERSON NICHOLS: Thank you.

MS. VANEGAS: Good afternoon. My name is Candida Vanegas. And I am here as a -- concerned, first of all, concerned citizen of Kings County, a parent, and a student. My message is pretty much short.

I agree with a lot of guys in the room have stated of why we need the support. And you guys are applying the regulations within our communities and our State. And I just wanted to put a face on the communities you guys are helping develop.

We are the future. We have kids. And please, this is a face that we have. We are -- a lot of latinos out there that need the help in the forgotten cities and towns of Kings County.

Thank you.

CHAIRPERSON NICHOLS: Thank you.

MR. SOLORIO: Hello. My name is Miguel Soloria. I really don't got a lot to say like these people or all of these people around me. But I'm from Huron, and I'm going to say the farm workers communities need your help, your support for transportation, because a lot of them people don't have transportation to go to Fresno. Fresno is an hour away, and the bus that they take sometimes they -- it takes like three hours. And with your help, we
can achieve a lot better than that, and other things. And, you know, it will be better for our kids also. And I just want to say thank you.

CHAIRPERSON NICHOLS: Thank you. Thank you for coming. And I know you spent the day with us, so we really appreciate your taking the time.

There's a lot at stake here obviously. It's not just a technical discussion. It's not just about, you know, pounds of pollution. It really is about communities. And I think we've focused on the data issues and need to improve the data, but it's -- you know, the bigger picture question is really about whether we can do planning and whether the plans will actually mean anything once they're adopted.

I know there are a number of members of this Board who have been involved in various different ways as elected officials, as experts in various ways on planning who feel very strongly about the need to make sure that what we get from this region is something that really has value and meaning to it.

And, of course, there are concerns about where we are right now. At the same time, we do have to recognize that progress has been made. It's sometimes frustrating. And I know the resources to do everything that we would like to do haven't always been there either, but I'm
hoping that we can find a way to do more to accelerate the
process here, recognizing all of -- all the progress that
has been made.

We are under some pressure, but I think we've
been given a little extension of time. I'm hoping at
least that we're not going to be shut down out there on
the street, that, you know, Supervisor Serna will be out
there to keep the police from ticketing us or whatever.

But I do want to open this up to Board members
who would like to -- might like to say a few words before
we start to lose people.

So I know Professor Sperling has been waiting for
this moment for a while, so we'll start with you.

BOARD MEMBER SPERLING: Okay. So I saved up my
time from this morning.

(Laughter.)

BOARD MEMBER SPERLING: We have banking credits
here. So, you know, I just want to give some background.
First of all, I was involved with the regional -- the RTC
process from the beginning. I was the Board liaison with
it. I have a lot experience with traveled demand models.
And so I am very interested in this, and I am going to be
skeptical, even critical, of a lot of this. And I'll get
into the details in a moment.

But I am -- I want to say this in a way that I'm
focusing on good outcomes. As Chairman Nichols was hinting at, there's a lot more at stake here than just greenhouse gas reductions. In fact, for most of these communities, that's, you know, one of their lowest priorities. Economic growth, jobs, environmental justice issues, and so on are far more important.

But I want to point out and this is what motivates me to really be engaged on this, is that the strategies to reduce greenhouse gases through SB 375 processes are almost across the Board the same strategies that you would use to reduce infrastructure costs, and not just transportation infrastructure, but energy and water infrastructure costs. It's the same strategies to create healthy communities. It's arguably the same strategies you'd use for economic development and growth. And so that's the reason I believe this process is really critical, really important.

So I'm focused here on good outcomes, not just good models, even though I'm an academic. So let me -- so I have four -- to start off with, I think there's four major issues with this whole process. One of them is are the technical analyses and we've heard a lot about that. And there are some really grave shortcomings there, and I think we've heard enough. There's, you know, just the indicator that 30 percent of
the VMT -- roughly 30 percent of VMT is not even being accounted for because of so-called interregional. There's all these questionable, even bad, assumptions.

And, you know, there was this assumption like for Kern County that half of the reduction is through higher fuel costs. But as the staff hinted, not only is that probably wrong in terms of fuel prices going up that much, but even if they did go up, because of the fuel economy improvements, almost certainly there's going to be actually a reduction in fuel costs. And so, you know, that wipes out half of the so-called benefits right there.

So anyway, there's a lot of other things that other people brought up in terms of the technical part. You know, one other one was I saw that there was this number for a large increase in transit funding. But then when I look at that analysis, at least in the Kern County case, this famous Table 4.7, I think it is, it shows with all of that transit increase, there's almost no reduction in VMT as a result of transit. It's like 0.0 -- 0.05 percent.

So there's something wrong here. Either the investment -- bad investments are not going to be made in the most effective way or the models are wrong, but there's something really problematic there. So that's one part of it.
The other -- another -- a second issue is the integrity of the process, and a couple people referred to this. And that is, here we are in a situation where ARB hasn't even evaluated the plans, and yet we're -- and yet the MPOs are going ahead with adoption of the transportation plans and the SCSs. And so that's -- so that's a problem, especially given these technical issues we've been hearing about.

The third is an institutional problem. And that is, frankly, there's way too many MPOs -- small MPOs to accomplish regional planning and rational good investments of infrastructure. And so I've been involved with MPOs and COGs since the 1970s. And I know the history of it. And I don't -- and I suppose the COGs got created at that -- the MPOs at that time, because they were -- cities were smaller and it was more spread out, but it really doesn't make sense at this point.

And I know that's not our jurisdiction here, but I want to add my voice to whatever efforts there are being made to consolidate these MPOs into something that makes more sense in terms of planning, government investment, governance.

And the fourth one is the responsiveness to the law. And there were also a couple comments about that. And that is, we're seeing a failure to propose actions to
reduce -- to get significant reductions in greenhouse
gases. You know, as we saw some of the -- you know, I
forgot who it was. One of the speakers talked about there
were these exogenous conditions, and those were being used
to achieve the goals.

I mean, given the nature of the -- given how
flawed or the limitations of all the technical analysis, I
mean, that doesn't -- you know, to bank your outcomes on
that doesn't make sense, even if you think there should be
discernable actions. So that's -- so the responsiveness
of law -- of what SB 375 said is a real concern also.

So those -- so given that -- I'm only getting
warmed up.

(Laughter.)

BOARD MEMBER SPERLING: No. No. I promise. I
promise.

(Laughter.)

BOARD MEMBER SPERLING: Okay. So, you know, I
understand that what we're talking about here is
relatively small reductions in greenhouse gases. But as I
said, you know, much more is at stake than that. And
whatever we do here, this is a framework, a legal
framework, a political framework for actually creating
more sustainable communities, and in all of its -- in all
senses.
And I also appreciate though that, you know, there are limited CARB -- ARB resources available to deal with that. But given that, I want to make five -- so now I have five points -- five signals I'd like to send.

One is that, to summarize, the eight MPOs, that's really a problem, you know, for any kind of good planning and investment processes.

Number two is that we can't assert achievements of the targets when we don't have the technical capabilities to do it, when we don't have -- we're making faulty assumptions, when the analyses are uncertain. And so to call these SCSs is problematic.

Number three is the current modeling analysis really is unacceptable. We've heard a lot about it, and -- but we -- and it's not that we need good modeling for the sake of good modeling. We need it to understand what kind of actions will have the greatest benefits.

So we need to do -- so the fourth point is -- and the fourth -- so the fourth point is we need to do a better job -- and this is on our side, on the ARB side. We need to do a better job of timely assessment of these plans, so that we can provide feedback in a timely manner.

And so to summarize it all, I mean, these SCSs, I just -- if I had to vote today, I just couldn't vote to approve these SCSs. You know, it's just -- we're not
voting, but just to summarize what -- you know, where we are in this.

But more importantly, a whole lot more can be done to create sustainable communities. This is the Sustainable Communities Act of 2008. A lot more can be done, and we're not seeing a lot of evidence that those actions are being proposed, implemented, pursued. And that's what really concerns me is really the outcomes.

CHAIRPERSON NICHOLS: Okay. Dr. Balmes.

BOARD MEMBER BALMES: Thank you, Chairman Nichols. I requested to go next, because I have -- I'm about to go on interregional travel back on Capitol Corridor to Berkeley.

(Laughter.)

BOARD MEMBER SPERLING: And we're going to count (Laughter.)

BOARD MEMBER BALMES: But I -- and I don't want to belabor the points that many of the folks who testified today made, with which I agree, and then my colleague, Professor Sperling. But I think it comes back again to the fundamental purpose of SB 375, which was to create sustainable communities through land-use planning changes to the business as usual. And I just think we haven't -- we don't see enough here from several of the MPOs in the San Joaquin Valley.
I, too, would have trouble voting for this if we had to vote today, so -- and I go back to one other point. I think that the targets that were given to the MPOs -- these eight MPOs were kind of made up in the first place. I think more energy was placed into coming up with targets for the larger MPOs, like the Bay Area, L.A., San Diego. And so I think that in retrospect that they're too easy to achieve, if they can be achieved by these exogenous factors. So I think we should consider coming up with new targets.

(Applause.)

BOARD MEMBER BALMES: So I'm not sure of the process, at this point, about reconvening, you know, our TAC, but I think we need targets that really achieve -- which really achieve sustainable growth, sustainable communities. And I don't think we have that really yet.

CHAIRPERSON NICHOLS: Other comments from members of the Board?

John.

BOARD MEMBER EISENHUT: This will be briefer. I would like to affiliate myself with Dr. Sperling's comments. But given the complexity and importance of this issue, I believe it's scheduled to return for action. I would like to see an interim discussion where we revisit this issue prior to the meeting in which we are required
to take action.

CHAIRPERSON NICHOLS: I think that's a good idea. That's a very good idea. I appreciate that. You know, I feel somewhat torn about all of this. I had a lengthy and very serious conversation with staff before today about where we were with this. And I actually think that -- I know this -- the way this is set up, it's not about ARB's actions very much, but I think ARB has actually been doing a really good job of working with the MPOs and the communities to move them along in the direction of something that will be approvable at the end of the day when it comes to us, as well as towards a situation where we could be more ambitious in setting targets in the future, but it's a little bit circular.

It's pretty hard to set ambitious targets if you don't have good data and good models to do it from, which is -- you know, so we keep waiting for the better data and the better models, and then complaining that we don't have better plans, because we don't -- you know, and the -- or that they -- targets weren't ambitious enough.

I've also just personally somewhat -- I find it much easier to understand how a place like Fresno or Bakersfield or Kern County can use growth that they're having to create more vibrant communities and to funnel that growth into places where there will be walking,
bicycling, et cetera.

I find it really difficult to understand how a poor rural community, without any new sources of growth or new funding, which we don't bring with us, is going to use SB 375 or land-use planning, for that matter, as a way to create the kind of community development that we agree to. I mean, I just -- I'm not sure what they could have done or could do differently that you think they should be doing that they're not doing specifically.

Now, I totally agree about the need for a more rural -- I mean, a more regional approach, because I do believe in regions. And since there's a shared air quality and shared many other things, it makes sense for there to be more being done at the regional level. I'm actually pretty interested that so much of the presentation did kind of focus on the region, as opposed to just the localities.

But it seems to me that, you know, this is a process, where we need to bring some more -- we need to bring some more to the table too. It's not just a matter of, you know, MPOs not having -- you know, disappointing us, because they haven't brought us the exciting, fully developed plans that we might have liked to have seen.

So I realize it's very hard for the people who work on this on a day-to-day basis at the local level,
because that's who they deal with is their local planning organization. ARB has how many people working on the valley SCSs or the whole SB 375 implementation process in this area?

DEPUTY EXECUTIVE OFFICER TERRY: About five people.

CHAIRPERSON NICHOLS: So we -- you know, we have -- and we've been doing quite a bit, I think, to help support better modeling effort. But maybe this is just kind of a glass half full, glass half empty thing, but I do think that there's a way to work together to try to use the tools that we have to support some of the things that we all would like to see happening.

So I don't know that that's a conclusion to anything. I'm not trying to have the last word on this. I really am not. I think this was a good status report, and I think we all agree that we're hoping for more before this comes back to us for approval, that nobody would ask us to approve the plans that are before us today.

I think the real question is kind of what are we going to do between now and that time, you know, to get something that we feel better about?

I mean, as I understand it, the push to get the transportation plans adopted -- you know this better than many people do -- is that if they don't have
transportation plans, they can't get any federal funding. So then you're in the death spiral. You can't do anything, good or bad, without that.

So I don't know if you want to, you know, try to give some direction here from the Board's perspective, but I mean if you want to try to state something that, you know, you think that we could be doing between now and then, I'd welcome that.

BOARD MEMBER SPERLING: Well, in the larger sense, I think what we could be doing is saying if you're willing to really partner with us and really, you know, work hard in your communities -- you know, obviously, you have to get political support in these areas, and some of them are pretty conservative, though -- and it takes effort. You know, I would give the SCAG as an example, where when we started with SCAG, there was -- I would say reaction ranged, at least from the Board -- SCAG Board ranged from hostile to ambivalent, and -- but they really -- you know, the staff there really engaged. They really worked with the cities and the counties and local communities and by -- after a couple years or so, there was a lot more support, because they appreciated the idea that what we're talking about is creating, you know, better communities, low -- less infrastructure costs. So you don't have to spend the money on infrastructure.
Spend it on other things that are going to contribute.

So I think the outcome of that is if there can be a real partnership in terms of moving forward, we, I think -- you know, this is mostly Chairman Nichols probably, but working with the -- you know, some of the cap-and-trade revenues that are being made available through the Strategic Growth Council or -- and could be available in others ways, we could help, you know, make sure that there are sufficient resources. We can help in terms of transportation funding to help get the funding redirected in ways that do support the kinds of investments that would be used. So, I mean, I would like us to take that on as part of our responsibility.

CHAIRPERSON NICHOLS: Before you have to leave, you want to say a word or two.

BOARD MEMBER BALMES: Yeah. Well, I think you make a very good, Chairman Nichols, about the differences between more urban areas in the valley and the more rural areas. But I think we heard some pretty moving testimony from folks who live in those rural areas.

And again, if there was a regional approach, I think some resources could be diverted to the poor rural communities in terms of increasing public transportation. I mean, if people can't get to Fresno, which is an hour away without taking a three hour bus ride, there's
something wrong there. And that's something that could be addressed and could help the poorer communities that don't have the resources to do fancy urban planning.

CHAIRPERSON NICHOLS: Thank you.

Last comments. Yes.

BOARD MEMBER SHERRIFFS: I certainly don't have a wrap-up. But, you know, I want to acknowledge -- thank the work obviously of staff, but the people who have come today to speak to this. And this was suggested by Dan early -- earlier, Dr. Sperling, about -- or maybe it was the Chairman about ambivalence to hostility. Well, we only have two missing in action here today. There's six out of the eight, and that, you know, probably would be a surprise to people when they look back at the beginning of the process.

So, you know, thanks for people stepping up and coming forward and sharing, because clearly a lot of hard work has been done. And we did hear from people who may not be entirely satisfied with what was put forward, but, in fact, there was a genuine effort to get a lot of community involvement. And there was more community involvement than has been a lot of the planning process. So more voices, better ideas.

As has been said, you know, we really do need to be skeptical -- well, we need to look. There's some great
preservation of ag lands. We need to be sure that that, in fact, is real sustainable, because that is very important. That is a key part of this.

By the same token, a billion dollars for HOV lanes probably doesn't affect greenhouse gases to a significant degree. So not a good way of spending it for that direction or certainly not to be credited.

As we think about vehicle miles traveled, well, I don't think all vehicle miles are the same. You know, as we think about developing the electric infrastructure, as we think about fuel cell, there's a lot we could do to improve those outcomes. Even if the vehicle miles didn't change, there are planning things we can do to make those much cleaner and greenhouse gas friendly, and we need to think about those opportunities.

You know, I saw a van across the street yesterday bringing people to pick the peaches and nectarines. And that was -- that is very important. And it's encouraging to see that, and we obviously need to do more of that.

So many challenges come up in your statistics, because we see, well, maybe 30 percent of housing is near transit, which is not so good. Well, 70 or 80 percent of jobs are near transit. Well, there we are creating another challenge, how do we get that one side of the equation into that transit solution, because we can't just
solve it on one side?

   How can we support this process, the good parts of this process? You know, as has been mentioned, we need to be sure that the -- we're vetting the numbers and that they're real doing what we want them to do.

   You know, we don't -- we don't have sticks. Maybe we have some carrots coming along, as has been mentioned, that we need to work with.

   I think there's something just to continuing the reporting process and regularly seeing, okay, here's the plan, here's what the promise was, how effectively were folks able to carry through on that, because we want to celebrate the successes, put those out to others to emulate. And likewise, when we stumble, okay, why didn't it work, and what did we learn from that?

   So thank you for coming, thank you for sharing, and thank you for the testimony.

   CHAIRPERSON NICHOLS: Thank you.

   Okay. Barbara, you had a word.

   BOARD MEMBER RIORDAN: Madam Chair, yes, I want to just speak without a great deal of detail. It occurred to me if we want to deal with this as a region more to develop accurate information, nothing encourages people more for regionalization than money opportunities to join forces.
And it would seem to me, Madam Chair, if we were to think about it - and I'm looking at staff right now, and you as our Chair - that maybe there is an opportunity to make some monies available if regionalization were to take place in this effort. And it occurred to me that that is the carrot that my colleague might have mentioned just a moment ago. And would that work? Would that be helpful?

I know we have limited moneys, and yet there are opportunities sometimes that it makes good sense. It's a good investment.

CHAIRPERSON NICHOLS: Yeah. All good questions to be raised. This is a topic that is deserving of more time. I think we should give direction to staff to come back in a couple months, but before we have to actually act on this plan. Clearly, there's more discussion. We will know more after the budget about what's going to be available through the Strategic Growth Council and other funds, and that would be a good thing to talk about as well.

We have staff who are downstairs with the equipment who cannot stay past 3:30. And so I think we need to adjourn and go down and take a look. I don't know if we have to have a presentation here beforehand or should we just do the tour and have people talk with the
guides who've been assigned to take us through the equipment? That's really the choice that we have to make. I've been told that the likelihood of us being all cited and taken to jail before 4:00 o'clock is now small.

(Laughter.)

CHAIRPERSON NICHOLS: So we have a little bit of time.

EXECUTIVE OFFICER COREY: Chairman, I actually think, given the situation just described, it makes more sense to break, do the tour, and have just a walk-around explanation and then a future presentation we could --

CHAIRPERSON NICHOLS: Yeah, we'd be more than happy to offer up a hostage. But okay, that sounds good. So if that's the case, then let us formally adjourn at this point, and move to the tour. Anyone who's a guest -- a member of the public is also invited to join us. It's not just for the Board members. The equipment is there for everybody to take a look at, but we do have people who have, I guess, been assigned.

EXECUTIVE OFFICER COREY: That's correct. Staff will approach Board members and direct them.

CHAIRPERSON NICHOLS: Okay.

BOARD MEMBER RIORDAN: Are they here or they --

CHAIRPERSON NICHOLS: They're here.
EXECUTIVE OFFICER COREY: They're here.

CHAIRPERSON NICHOLS: Just stay here and our guides will come find us.

EXECUTIVE OFFICER COREY: Stay here. They come find you and escort you.

CHAIRPERSON NICHOLS: Thank you, everybody.

Appreciate your input.

(Thereupon the California Air Resources Board meeting adjourned at 3:12 p.m.)
CERTIFICATE OF REPORTER

I, JAMES F. PETERS, a Certified Shorthand Reporter of the State of California, and Registered Professional Reporter, do hereby certify:

That I am a disinterested person herein; that the foregoing California Air Resources Board meeting was reported in shorthand by me, James F. Peters, a Certified Shorthand Reporter of the State of California.

That the said proceedings was taken before me, in shorthand writing, and was thereafter transcribed, under my direction, by computer-assisted transcription.

I further certify that I am not of counsel or attorney for any of the parties to said meeting nor in any way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of June, 2013.

JAMES F. PETERS, CSR, RPR
Certified Shorthand Reporter
License No. 10063