

MEETING  
STATE OF CALIFORNIA  
AIR RESOURCES BOARD

CALEPA HEADQUARTERS  
BYRON SHER AUDITORIUM  
SECOND FLOOR  
1001 I STREET  
SACRAMENTO, CALIFORNIA

THURSDAY, DECEMBER 14, 2017

9:09 A.M.

JAMES F. PETERS, CSR  
CERTIFIED SHORTHAND REPORTER  
LICENSE NUMBER 10063

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Mr. Steve Cliff, Deputy Executive Officer  
Mr. Kurt Karperos, Deputy Executive Officer  
Ms. Ellen Peter, Chief Counsel  
Ms. La Ronda Bowen, Ombudsman

A P P E A R A N C E S C O N T I N U E D

STAFF:

Ms. Emily Wimberger, Chief Economist

Ms. Veronica Eady, Assistant Executive Officer

Ms. Michelle Buffington, Manager, Off-Road Agricultural Strategies and Incentives Section, Mobile Source Control Division(MSCD)

Ms. Nicole Dolney, Branch Chief, Transportation Planing Branch, Air Quality Planning and Science Division(AQPSD)

Ms. Trish Johnson, Air Pollution Specialist, Industrial Strategies Division(ISD)

Mr. Nesamani Kalandiyur, Manager, Transportation Analysis Section, AQPSD

Ms. Stephanie Kato, Staff Air Pollution Specialist, ISD

Ms. Deborah Kerns, Senior Attorney, Legal Office

Ms. Leslie Kimura Szeto, Manager, Sustainable Communities Policy and Planning Section, AQPSD

Ms. Heather King, Air Pollution Specialist, Sustainable Communities Policy and Planning Section, AQPSD

Mr. Jack Kitowski, Chief, MCSD

Ms. Lisa Macumber, Manager, Innovative Light-Duty Strategies Section, MSCD

Mr. Gabriel Monroe, Attorney, Legal Office

Ms. Lucina Negrete, Branch Chief, Innovative Strategies Branch, MCSD

Mr. Andrew Panson, Staff Air Pollution Specialist, Innovative Strategies Branch, MSCD

Ms. Rajinder Sahota, Assistant Division Chief, ISD

Mr. Jonathan Taylor, Interim Division Chief, AQPSD

A P P E A R A N C E S C O N T I N U E D

STAFF:

Mr. Floyd Vergara, Division Chief, ISD

Mr. Jacob Zielkiewicz, Air Pollution Specialist, ISD

ALSO PRESENT:

Mr. Alan Abbs, California Air Pollution Control Officers Association

Ms. Fariya Ali, Pacific Gas & Electric

Ms. Chloe Ames, Climate Resolve

Mr. Ivan Altamura, Global Automakers

Mr. Will Barrett, American Lung Association

Mr. Sam Bayless, California Independent Oil Marketers Association

Ms. Susie Berlin, Northern California Power Agency, MSR Public Power

Mr. Drew Bohan, California Energy Commission

Mr. Kealii Bright, Natural Resources Agency

Mr. Todd Campbell, Clean Energy

Mr. Tim Carmichael, Sempra Energy Utilities

Ms. Akeele Carter

Ms. Llesenia Cevallos, EHC

Mr. Nicholas Chavez, School Transportation Coalition, California Association of School Transportation Officials

Mr. Andrew Chesley, San Joaquin Council of Governments

Ms. Cynthia Cory, California Farm Bureau Federation

A P P E A R A N C E S C O N T I N U E D

ALSO PRESENT:

Mr. Jon Costantino, SCCPA

Ms. Christina Darlington, Placer County Air District

Mr. Sean Donovan, International Emissions Trading Association

Mr. Steven P. Douglas, Alliance of Automobile Manufacturers, Inc.

Mr. Sean Edgar, CleanFleets.net

Mr. Randal Friedman, Department of Defense

Mr. John Gamboa, California Community Builders

Ms. Rachel Golden, Sierra Club

Mr. Gary Graham Hughes, Friends of the Earth, U.S.

Mr. Rod Headley, Central California Power

Ms. Jennifer Hernandez

Mr. Henry Hilken, Bay Area Air Quality Management District

Ms. Bonnie Holmes-Gen, American Lung Association in California

Mr. Mike Hursh, AC Transit

Mr. Hasan Ikhata, Southern California Association of Governments

Ms. Melissa Immel, Solid Waste Association of North America

Mr. Michael Jacob, Pacific Merchant Shipping Association

Mr. Greg Karras, Communities for a Better Environment

Ms. Kim Kawada, San Diego Association of Governments

Mr. Ryan Kenny, Clean Energy

A P P E A R A N C E S C O N T I N U E D

ALSO PRESENT:

Ms. Linda Khamoushian, California Bicycle Coalition

Mr. Ken Kirkey, Metropolitan Transportation Commission,  
Association of Bay Area Governments

Ms. Dona Lacayo, Port of Hueneme

Mr. John Larrea, California Food Producers

Mr. Thomas Lawson, California Natural Gas Vehicles  
Coalition

Mr. Kent Leacock, Proterra

Ms. Jenny Lester Moffit, California Department of Food and  
Agriculture

Mr. Roger Lin, Center on Race, Poverty and the  
Environment, California Environmental Justice Alliance

Mr. Charles E. Love, Jr., Love's

Mr. Edward Lovelace, XL Hybrids

Mr. Richard Lyon, California Building Industry

Ms. Brenda Kuehnle, Chevron

Mr. Bill Magavern, Coalition for Clean Air

Mr. Bruce Magnani, Gerdau Steel, U.S. Borax, Rio Tinto  
Minerals, California's Cement Manufacturers

Ms. Carolina Martinez, Environmental Health Coalition

Ms. Deanna Martinez, Shell

Mr. Michael McCormick, Governor's Office of Planning and  
Research

Ms. Amy Mmagu, CalChamber

Ms. Urvi Nagrani, Motiv

A P P E A R A N C E S C O N T I N U E D

ALSO PRESENT:

Mr. Brian Nowicki, Center for Biodiversity

Mr. Mike Neuenburg, Sacramento Metropolitan Air Quality  
Management District

Ms. Rachel O'Brien, Agricultural Council of California

Mr. Jimmy O'Dea, Union of Concerned Scientists

Mr. Chris Peeples, AC Transit

Ms. Michelle Passero, The Nature Conservancy, Pacific  
Forest Trust, California ReLeaf

Ms. Kathryn Phillips, Sierra Club California

Mr. Michael Pimentel, California Transit Association

Mr. Raul Portugal, Central California Power

Ms. Katelyn Roedner Sutter, Environmental Defense Fund

Ms. Mari Rose Taruc, Environmental Justice Advisory  
Committee

Ms. Ana Reynoso, Environmental Health Coalition

Ms. Tiffany Roberts, Western States Petroleum Association

Ms. Jamesine Rogers Gibson, Union of Concerned Scientists

Dr. Linda Rudolph, Public Health Institute

Ms. Stephanie Tsai, Climate Justice Program

Mr. Tim Schott, California Association of Port Authorities

Mr. Matt Schrap, Velocity Vehicle Group

Ms. Phoebe Seaton, Leadership Counsel for Justice and  
Accountability

Mr. Ryan Schuchard, CALSTART

A P P E A R A N C E S C O N T I N U E D

ALSO PRESENT:

Mr. Mark Sedlacek, Los Angeles Department of Water and Power

Mr. Perin Shah, Asian Pacific Environmental Network

Mr. Michael Shaw, California Manufacturers & Technology Association

Mr. Mikhael Skvarla, California Council for Environmental and Economic Balance

Mr. Adam Smith, Southern California Edison

Mr. Jeremy Smith, State Building and Construction Trades Council

Ms. Shelly Sullivan, Climate Change Policy Coalition

Mr. Kirk Trost, Sacramento Area Council of Governments

Ms. Eileen Tutt, Low Carbon Transportation Coalition

Ms. Amy Vanderwarker, California Environmental Justice Alliance

Mr. Emanuel Wagner, California Hydrogen Business Council

Mr. David Weiskopf, Next Gen California

Mr. James Worthley, San Luis Obispo Council of Governments

Mr. Andy Wunder, Ceres

Mr. Steven Yang, Chevron

Mr. William Zobel, Trillium CNG



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1 P R O C E E D I N G S

2 CHAIR NICHOLS: Good morning, ladies and  
3 gentlemen. Sounds like the system is working. The Board  
4 is gathered. So I'm going to call this meeting to order.  
5 And before you get too settled, let's please stand and say  
6 the Pledge of Allegiance.

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

9 CHAIR NICHOLS: I have to say -- I'm not going to  
10 say anything more political than this, but the Pledge of  
11 Allegiance seems to me to be more meaningful now than it  
12 ever has before.

13 All right. We will call the roll, please, Madam  
14 Clerk.

15 BOARD CLERK McREYNOLDS: Dr. Balmes?

16 BOARD MEMBER BALMES: Here.

17 BOARD CLERK McREYNOLDS: Mr. De La Torre  
18 Mr. Eisenhut?

19 BOARD MEMBER EISENHUT: Here.

20 BOARD CLERK McREYNOLDS: Senator Florez?

21 BOARD MEMBER FLOREZ: Here.

22 BOARD CLERK McREYNOLDS: Assembly Member Garcia?  
23 Supervise Gioia?

24 Senator Lara?

25 Ms. Mitchell?

1 BOARD MEMBER MITCHELL: Here.

2 BOARD CLERK McREYNOLDS: Mrs. Riordan?

3 BOARD MEMBER RIORDAN: Here.

4 BOARD CLERK McREYNOLDS: Supervisor Roberts?

5 BOARD MEMBER ROBERTS: Here.

6 BOARD CLERK McREYNOLDS: Supervisor Serna?

7 Dr. Sherriffs?

8 BOARD MEMBER SHERRIFFS: Here.

9 BOARD CLERK McREYNOLDS: Professor Sperling?

10 BOARD MEMBER SPERLING: Here.

11 BOARD CLERK McREYNOLDS: Ms. Takvorian?

12 BOARD MEMBER TAKVORIAN: Here.

13 BOARD CLERK McREYNOLDS: Vice Chair Berg?

14 VICE CHAIR BERG: Here.

15 BOARD CLERK McREYNOLDS: Chair Nichols?

16 CHAIR NICHOLS: Here.

17 BOARD CLERK McREYNOLDS: Madam Chair, we have a  
18 quorum.

19 CHAIR NICHOLS: Great. Thank you.

20 A couple of announcements before we get started  
21 on our agenda. First of all, I want to make sure that  
22 everyone knows that we have interpretation services  
23 available today in Spanish for the first two items, that  
24 is the update on SB 375, the greenhouse gas emissions  
25 reduction targets, and also for the item on the scoping

1 plan.

2 Head sets are available outside the hearing room  
3 at the sign-up table, and can be picked up at any time.

4 (Thereupon translation into Spanish.)

5 CHAIR NICHOLS: Thank you.

6 A reminder for everyone who might wish to testify  
7 that we appreciate it if you fill out a request to speak  
8 card, which is also available in the outside lobby, and  
9 turn it into the Board assistant or the clerk prior to the  
10 item actually being presented, so we can organize the  
11 speaker list and get some sense of how much time we need  
12 to allocate for the item. We also want to remind everyone  
13 that speakers are limited to 3 minutes of oral testimony.  
14 We do appreciate it if you give your name and -- give us  
15 your first and last name, sorry, when you come up to the  
16 podium and put your testimony in your own words. But you  
17 do not need to read your written statements, since it will  
18 also be entered into the record.

19 And I'm also required by some regulation or  
20 another to announce that the emergency exits in this room  
21 are at the rear of the room, and on both sides of the  
22 podium. And if an alarm goes off, we are required to  
23 evacuate this room immediately, go down the stairs, and  
24 out of the building and gather in the park across the  
25 street until the all-clear signal is given. And then

1 we'll come back and resume the hearing.

2 That has actually happened at least once in my  
3 time on this Board, so I know it's a possibility.

4 Okay. The first item that we have on our agenda  
5 this morning is an informational update on the proposed  
6 updates to the SB 375 greenhouse gas emissions reduction  
7 targets. SB 375, also known as the Sustainable  
8 Communities and Climate Protection Act of 2008 established  
9 a process for reducing greenhouse gas emissions from  
10 passenger vehicles through more sustainable land use and  
11 transportation planning.

12 The Board originally set the targets for the  
13 State's 18 metropolitan planning organizations in 2010,  
14 and we're required to update those targets every eight  
15 years.

16 Our role as ARB in updating the targets gives us  
17 an opportunity to guide local land use and transportation  
18 decision making towards meeting multiple goals, reducing  
19 greenhouse gas emissions, while building healthier  
20 communities. These targets play a critical role in  
21 meeting our climate change and air quality goals. Both  
22 the scoping plan and the mobile source strategy identified  
23 reductions in vehicle miles traveled from land use and  
24 transportation systems as a necessary element of our  
25 statewide strategy.



1           When we originally started down this path with  
2 our MPO, and other stakeholder partners working to  
3 transform land use and transportation, it was frankly  
4 quite a bit of an experiment. Collectively, I would say  
5 we've all learned a lot about opportunities to improve  
6 this program. In particular, I think many of us will  
7 readily acknowledge that quantifying the transformation  
8 has proven far more complex than anyone imagined. We now  
9 see the need for greater focus on implementation and less  
10 on models and for measuring real progress on the ground.

11           Before I turn to staff, I want to acknowledge  
12 that we have representatives of several MPOs and State  
13 agencies with us, and that they will be sharing their  
14 perspective as well.

15           Mr. Corey, would you please introduce this item?

16           EXECUTIVE OFFICER COREY: Yes. Thanks, Chair  
17 Nichols. At the March 2017 Board hearing, SB 375 program  
18 staff and MPO representatives reported on the target  
19 updates process to date. Since that time, staff have  
20 conducted public workshops around the state to solicit  
21 feedback on targets, as well as conducted several  
22 follow-up meetings with MPO and other stakeholders.

23           Based on the feedback received, staff is  
24 proposing programmatic changes to the current target  
25 framework, as well as methods we use to evaluate MPO plans

1 as part of the target update. These changes are intended  
2 to achieve more effective program implementation by  
3 placing greater emphasis on local and regional agency  
4 strategy and investment decisions, as well as more regular  
5 reporting and tracking of those commitments over time.

6 I'll now ask Heather King of our Transportation  
7 Planning Branch to give the staff presentation.

8 Heather.

9 (Thereupon an overhead presentation was  
10 presented as follows.)

11 AIR POLLUTION SPECIALIST KING: Can you guys hear  
12 me okay?

13 Okay. Thank you.

14 Thank you, Mr. Corey.

15 Good morning, Chair Nichols and members of the  
16 Board.

17 --o0o--

18 AIR POLLUTION SPECIALIST KING: Today's  
19 information item builds on the update CARB staff presented  
20 to you last March. At that meeting, your discussion  
21 acknowledged the need for and great challenge of  
22 transitioning to a future where people have clean  
23 alternatives to traveling by single occupancy vehicle.  
24 You asked staff to continue engaging with MPOs and  
25 interested community stakeholders to develop a path

1 forward that supports achieving more in this space. We've  
2 done that, and this presentation will provide an update on  
3 CARB staff's current thinking on what we can do to more  
4 effectively implement the SB 375 program and better align,  
5 transportation, environmental, and social goals.

6 Today, we will be recommending a paradigm shift  
7 in the way CARB applies the SB 375 targets and evaluates  
8 SCSs moving forward. I will also talk about associated  
9 work we plan to undertake with our partners in the new  
10 year to identify new strategies beyond SB 375 to meet the  
11 goals recommended in the 2030 scoping plan.

12 --o0o--

13 AIR POLLUTION SPECIALIST KING: Before I get to  
14 CARB staff's thoughts on what can be done to better  
15 implement SB 375, I'll briefly recap where we are in the  
16 program.

17 Under SB 375, California's 18 Metropolitan  
18 Planning Organizations, also known as MPOs, have prepared  
19 Sustainable Communities Strategies, or SCSs, to meet  
20 region-specific greenhouse gas reduction targets for  
21 passenger vehicles. Those targets are set by this Board,  
22 which adopted the initial targets in 2010. The targets  
23 must be updated every eight years. MPOs prepare regional  
24 transportation plans and SCSs on a 4-year cycle, with some  
25 MPOs currently developing their second and third

1 iterations of these perhaps under the SB 375 program.

2 To date, CARB staff have reviewed over 20  
3 regional SCSs, all of which have met or exceeded their  
4 current targets.

5 However, recent data suggests that vehicle miles  
6 traveled, are VMT, is going up. This is one reminder of  
7 the great challenge we face in this program.

8 --o0o--

9 AIR POLLUTION SPECIALIST KING: The measure of  
10 whether a regional SCS is doing what SB 375 intended is  
11 whether and how it incorporates new or enhanced policies  
12 and investments to improve people's everyday  
13 transportation options. Essentially, does the region's  
14 strategy incorporate policy commitments and investments  
15 that support infill and mixed-use development with housing  
16 choices for all income levels, and delivering clean  
17 multi-modal, and affordable transportation choices?

18 --o0o--

19 AIR POLLUTION SPECIALIST KING: With those as  
20 guiding program objectives, CARB staff asked ourselves  
21 what, if anything, we could do in our target update to  
22 better capture that intent.

23 A great deal of analytical work, stakeholder  
24 feedback, and MPO input, changes to State law, and program  
25 experience has led us to believe that more ambitious

1 targets are achievable and needed. But the targets alone  
2 don't give us the insight we need to determine if SB 375  
3 is really working.

4 To get where we want to go, we'll need a better  
5 understanding of what strategy commitments are included in  
6 each plan and how they will be implemented.

7 --o0o--

8 AIR POLLUTION SPECIALIST KING: In October, staff  
9 put forward its original proposal for updates to targets  
10 and recommended a future process to improve program  
11 implementation. Since that time, we've had several  
12 additional conversations with impacted MPOs and community  
13 advocates to explore those ideas further. And based on  
14 those conversations, we are proposing to revise our  
15 original proposal.

16 Staff's revised proposal, shown in the right most  
17 bar on this slide, is estimated to achieve a 19 percent  
18 reduction in statewide average greenhouse gas emissions  
19 compared to 2005 levels. There is about a 1 percent  
20 difference between staff's October proposal and the  
21 revised proposal. Both proposals are expected to get us  
22 further than the current 2010 targets of 13 percent, and  
23 what adopted SCSs are projected to achieve, which is 18  
24 percent.

25 And while staff's revised proposal includes

1 walking the numbers back a bit from what we previously  
2 proposed, it includes some new important reporting and  
3 tracking elements to strengthen program implementation and  
4 increase transparency.

5 Under either proposal, you'll notice there's a  
6 gap between what the scoping plan scenario calls for from  
7 this sector and what the SB 375 program can contribute. I  
8 will talk more about this later in the presentation.

9 --o0o--

10 AIR POLLUTION SPECIALIST KING: Staff's proposed  
11 revisions respond to feedback we heard across a number of  
12 stakeholder groups calling for a shift in how SB 375 is  
13 currently implemented. We heard a desire for a new path  
14 forward that puts the focus back on the SCS strategies,  
15 and not the modeling.

16 That is what specifically is being done to put in  
17 place land use and transportation policies and  
18 investments; that makes sure local and regional  
19 stakeholders are continuing to innovate and do more in  
20 this space; and results in new and enhanced tools to track  
21 implementation of those policies.

22 --o0o--

23 AIR POLLUTION SPECIALIST KING: Staff is  
24 proposing three key changes to its original proposal. The  
25 first is putting in place changes to our current target

1 framework and evaluation process to recognize and isolate  
2 actual changes to land use and transportation policies and  
3 investments. Our goal is to overcome the effects of  
4 assumptions about price of fuel, household income, and  
5 fleet efficiency, and focus more squarely on the efforts  
6 jurisdictions are actually making.

7           Second is incorporating additional reporting and  
8 data tracking by the MPOs related to how their investments  
9 and their project lists support their claimed commitments  
10 to greenhouse gas reduction strategies, as well as  
11 information on how they will be tracking SCS  
12 implementation over time.

13           And third is adjusting the 2035 targets to  
14 reflect the latest discussions and information shared by  
15 the big 4 MPOs, which represents an increase in commitment  
16 from their original recommendations to us, but is less  
17 than what we initially proposed in October.

18                           --o0o--

19           AIR POLLUTION SPECIALIST KING: This figure  
20 illustrates the current SB 375 target framework, and shows  
21 that within any given MPOs greenhouse gas reduction  
22 target, there are a number of factors that are baked in.  
23 These factors include progress made through the region's  
24 policy decisions on transportation, infrastructure, and  
25 land use change. But at the same time, they include

1 emissions reductions associated with changes in long range  
2 assumptions for things like the economy, the price of  
3 fuel, and changes in future demographics, all of which are  
4 important for planning, but are not controlled by local  
5 and regional efforts.

6 Isolating the emissions reductions attributable  
7 to SCS strategies is what we care about. We are currently  
8 working with the MPOs and other stakeholders to develop a  
9 method and documentation criteria for how to quantify the  
10 greenhouse gas benefits of the SCS strategies only.

11 --o0o--

12 AIR POLLUTION SPECIALIST KING: In addition to  
13 framework adjustments, CARB would also start asking MPOs  
14 questions that we haven't asked of them before. This  
15 slide lists some examples of the additional reporting and  
16 tracking information we would be looking for from the  
17 MPOs. This is not all inclusive.

18 Other metrics that we propose incorporating  
19 include reporting on VMT, criteria pollutant emissions,  
20 and accessibility for example. Related to the items  
21 listed here, we would be asking for more detail on the  
22 types and timing of investments, information on how the  
23 MPO's transportation project list would promote  
24 achievement of the greenhouse gas targets, and whether  
25 implementation efforts support success by including



1 mechanisms to track progress and avoid unintended  
2 consequences.

3 A common example of this is the presence of  
4 supportive anti-displacement policies in a region.

5 --o0o--

6 AIR POLLUTION SPECIALIST KING: This slide  
7 summarizes staff's current thinking on revised proposed  
8 targets for the four largest MPOs in the state.

9 Under staff's revised proposal, targets would be  
10 accompanied by additional reporting requirements that  
11 demonstrate progress directly tied to new or enhanced SCS  
12 strategies. We would look to use this next planning cycle  
13 to begin testing the new framework to quantify the impacts  
14 of enhanced land use and transportation strategies.

15 If it is successful, we would explore the  
16 potential to move forward this new target setting paradigm  
17 designed to incentivize incremental progress. We are  
18 currently in talks with SACOG about a potential pilot for  
19 this, which is why we show a range for their target in  
20 that chart.

21 Staff does not propose any revisions to the  
22 October proposal for the 8 San Joaquin Valley MPOs nor for  
23 the 6 small remaining MPOs. However, we will expect them  
24 to begin thinking about the new quantification framework  
25 and additional reporting in their next planning cycle.

1 Staff also does not propose any revisions to the targets  
2 for year 2020 that we proposed in October.

3 --o0o--

4 AIR POLLUTION SPECIALIST KING: Since we began  
5 down this bath to update the targets, we readily  
6 acknowledge that SB 375 is not a silver bullet. It is  
7 only one tool to get at the VMT reductions needed from the  
8 transportation sector. Under either proposal, additional  
9 strategies beyond SB 375 are needed.

10 These strategies to close the gap are already in  
11 development through conversations with MPOs, State  
12 agencies, and advocates, and will continue next year. The  
13 4 initial opportunities identified in the scoping plan and  
14 already under discussion include:

15 Implementation of the recent SB 1 transportation  
16 bill and housing bills, and making sure new dollars are  
17 directed towards sustainable development rather than  
18 growth-inducing projects;

19 Development of complementary State and local  
20 policies to expand pooling opportunities with  
21 transportation network companies and connected autonomous  
22 vehicles;

23 Adjusting performance measures used to select and  
24 program State, regional, and local transportation  
25 projects;

1           And further development of State, regional, and  
2 local mileage based congestion or parking pricing tools  
3 for managing vehicle activity impacts and generating funds  
4 for sustainable transportation solutions.

5                           --o0o--

6           AIR POLLUTION SPECIALIST KING: Our next step  
7 will be to conduct a public process on the proposal before  
8 you today, prior to bringing a formal proposal for the  
9 target update to the Board for adoption in spring 2018.

10           We have a lot more work that we will be pursuing  
11 over the next 10 months. We will partner with our sister  
12 State agencies to engage with MPOs, local transportation  
13 agencies, and other interested stakeholders to further  
14 develop the needed additional State and local policies to  
15 meet our scoping plan goals.

16           We will be updating our SB 375 program guidelines  
17 to reflect the new framework for evaluating SCSs and  
18 target achievement, which will include new sections on MPO  
19 reporting, and a draft of that will be anticipated this  
20 summer.

21           And we will be preparing the first annual program  
22 progress report to the legislature on SB 375  
23 implementation due by September 1st. This report will  
24 highlight program achievement to date, as well as  
25 challenges. This new role will set up CARB to be more of

1 a clearinghouse for best practices across MPOs, as well as  
2 have us tee up important discussions on tying funding to  
3 demonstrated progress. CARB staff will share our findings  
4 with you later next year.

5 --o0o--

6 AIR POLLUTION SPECIALIST KING: Before we go to  
7 question for staff, I would like to invite Brian Annis,  
8 Undersecretary for the California State Transportation  
9 Agency, who is here today to share a few additional  
10 insights on the new landscape of transportation funding  
11 afforded under SB 1.

12 Thank you.

13 CHAIR NICHOLS: Good morning.

14 (Thereupon an overhead presentation was  
15 Presented as follows.)

16 MR. ANNIS: Good morning. Happy to be here this  
17 morning to talk about Senate Bill 1, which is one of the  
18 big 3 legislative packages of 2017. The other 2 of course  
19 being the housing package and the cap-and-trade extension.  
20 SB 1 was developed over a couple years of working with  
21 legislative leaders, and I should say many people in this  
22 room as well. We had a lot of support, and I see many  
23 people involved in the SB 1 effort in this room. So I  
24 want to thank them. I won't name them, but you know who  
25 you are, and thank you.

1 We're very proud of the package.

2 Go to the next slide, please.

3 --o0o--

4 MR. ANNIS: SB 1 is -- to highlight the key  
5 provisions, SB 1 is very focused on fix it first. In  
6 fact, about two-thirds of the funding is directed to  
7 improvements to neighborhood streets, highways, bridges,  
8 to improve safety and accessibility and travel for all  
9 users of those roads and highways.

10 SB 1 also provides historic levels of funding for  
11 public transit, and operating expenses, and also for  
12 active transportation. And as an illustration of that,  
13 pictured here is a Caltrans employee giving a ARB employee  
14 bike ride. So we're --

15 (Laughter.)

16 MR. ANNIS: -- happy to help however we can.  
17 Lastly, Senate Bill 1 funds priority freight and congested  
18 corridor investments.

19 Next slide.

20 --o0o--

21 MR. ANNIS: As is -- has been the historic  
22 practice, State transportation funds are often split with  
23 significant portions being distributed to the local level,  
24 and that's the case here as well. About half of the SB 1  
25 funds, or about 26 million -- billion over a 10-year

1 period is distributed to cities, counties, local transit  
2 agencies. And the other half is for State investments.

3 Next slide.

4 --o0o--

5 MR. ANNIS: I wanted to focus on some strategic  
6 investments in SB 1. So these are going beyond the fix it  
7 first areas. The biggest category here is new funding for  
8 transit. Over 10 years about 7.5 billion. About half of  
9 that amount is by formula that goes out to transit  
10 agencies all over this State, so every transit agency will  
11 benefit.

12 The other half of the money is for a competitive  
13 program. And actually, we were really happy with the  
14 climate -- California Climate Investment Program funded  
15 with cap-and-trade funds, the Transit and Intercity Rail  
16 Capital Program. So instead of creating a new program  
17 with SB 1 funds, we're using the SB 1 funds to supplement  
18 that existing cap-and-trade funded program.

19 And that has been very successful to date. I  
20 know some of the Board members have gone to some ribbon  
21 cuttings there. It's funded new Metrolink locomotives in  
22 Southern California that are Tier 4, and also some of the  
23 Muni car replacement in San Francisco. Some of those cars  
24 are now out in service and those were funded through this  
25 program.

1           The program also funds bike and pedestrian  
2 projects, 100 million a year, or 1 billion over 10 years.  
3 This is for the active transportation program that the  
4 State started in 2013. Before that program, we had a  
5 scattering of very small bike and ped programs. The  
6 bicycle account was about 7.2 million a year. There were  
7 some other programs that didn't get specifically  
8 appropriated, but there were some small amounts for safe  
9 routes to schools and other things.

10           But with the creation of the active  
11 transportation program, over 1 billion of projects to date  
12 have been programmed, and we're on a cycle now where every  
13 2 years, the program will award about \$440 million around  
14 the State for bike and ped projects.

15           On the bottom two examples here, we also have  
16 programs that are new to address congestion experienced by  
17 freight, and congestion for commuters. Both of these have  
18 some touchpoints with the Air Board. The Trade Corridor  
19 Enhancement Program follows the model of Prop 1B, which is  
20 a 2006 Bond Act, and is consistent with the recent  
21 Sustainable Freight Action Plan.

22           We see with this program some funding for  
23 infrastructure. And through the cap-and-trade expenditure  
24 plan, like Prop 1B, there's funding for some clean air  
25 freight projects as well. The guidelines for the Trade

1 Corridor Enhancement Program recently adopted by the  
2 California Transportation Commission. And they include  
3 input from ARB on how to assess projects for air quality.

4           The last program here Solutions for Congested  
5 Corridor Program is a bit of a different approach to how  
6 we might mitigate some of the -- the most extreme  
7 congested corridors in this State. It focuses on those  
8 corridors, which for the most part are already  
9 multi-modal. That Caltrain 101 corridor in San Mateo in  
10 the Bay Area, for example. You see there the Caltrain  
11 system being upgraded. There's also interest in looking  
12 at a -- perhaps an express lane there that would have HOV  
13 users, high occupancy vehicles, and also some of the mass  
14 transit users there that could have a lane that would be  
15 managed to keep efficiency high.

16           Let me go to the next slide.

17                           --o0o--

18           MR. ANNIS: So a couple other things to note on  
19 SB 1, it includes 25 million per year to local and  
20 regional governments for planning grants to further the SB  
21 375 goals.

22           That's an ongoing 25 million annually. And then  
23 we have a one-time amount of 20 million to fund a regional  
24 transportation climate adaptation plan to see things where  
25 things like sea level rise or other impacts might be



1 mitigated as we go forward.

2 Next slide.

3 --o0o--

4 MR. ANNIS: On sustainability, I wanted to focus  
5 a bit on that fix-it first amount, which is two-thirds of  
6 the SB 1 package. There's language in that bill that not  
7 only allows, but really indicates these things shall  
8 happen, where are feasible and cost effective. And those  
9 extra investments as we fix our roads are things like  
10 using advanced technologies and pavements that reduce  
11 greenhouse gas emissions, being mindful of new  
12 technologies and communication systems, and trying to  
13 accommodate those technologies, such as the autonomous  
14 vehicles in our road repairs, including features and  
15 projects of course to adapt the assets for climate change,  
16 and finally incorporate complete street elements, things  
17 such as the bus-only lanes or separated bike lanes that  
18 will further grow those modes in our existing  
19 infrastructure.

20 Next slide.

21 --o0o--

22 MR. ANNIS: A couple other things that CalTrans  
23 specifically is a requirement to update our highway design  
24 manuals. And these are used also by local governments, so  
25 cities and counties look to Caltrans design manuals. I

1 think a lot of it has to do with liability and wanting to  
2 use specific guidance. And so those are important beyond  
3 the State highway system.

4 And lastly, SB 1 creates 120 million in start-up  
5 funds for advanced mitigation. And that seems to be a  
6 win-win for transportation and the environment to  
7 accelerate the environmental mitigation, wildlife  
8 protection, et cetera that some transportation projects  
9 may need. And by doing it early, the environment benefits  
10 and the transportation benefits, because then when the  
11 project comes along later, you don't have risk of project  
12 delays if there's problems implementing those mitigations.

13 Next slide.

14 --o0o--

15 MR. ANNIS: On the funding, I just wanted to  
16 touch on that briefly. SB 1 is fully funded with  
17 transportation user fees. They come through gasoline and  
18 diesel fuel taxes, and also vehicle fees.

19 Focusing on the vehicle fee side, there's a  
20 variable charge based on the assessed value of the  
21 vehicle, which we thought was an equity consideration in  
22 the package. So about 48 percent of vehicles, as they get  
23 older, they, of course, depreciate. And about 48 percent  
24 are less than 5,000 in value, and that would come with a  
25 \$25 annual fee when car owners pay their vehicle

1 registration. On the other end, if you own a car that has  
2 an assessed value exceeding \$60,000, the annual fee would  
3 \$175.

4 Also, that -- the legislature wanted to look to  
5 the zero-emission vehicles for equity as well. And this  
6 includes starting in 2020 a \$100 fee on zero-emission  
7 vehicles for vehicles model year 2020 and later. There  
8 was discussed concern also about the impact that might  
9 have on ZEV sales. So this includes an analysis, I  
10 believe, that UC Davis is going to do on the impact of  
11 this new fee on zero-emission vehicle sales.

12 Next slide.

13 --o0o--

14 MR. ANNIS: This is a little hard for me to see.  
15 Hopefully, you can see it better. This is just a complete  
16 accounting, if you will, of all the SB 1 programs. I  
17 didn't -- for brevity didn't go through all of them, but  
18 there are a few others, such as some funding for  
19 transportation-related university research, the freeway  
20 service patrol program that has put tow trucks on the  
21 highways to clear incidents faster for safety and  
22 congestion reductions.

23 I also wanted to mention there's categories here  
24 for parks and agriculture, which seems a little  
25 counterintuitive in a transportation package. But this is

1 associated with the revenue that comes from fuel purchases  
2 by people that use that fuel off public records, so fuel  
3 people buy for boats or agricultural equipment. As is  
4 historically the case, that's being returned to those  
5 areas through funding programs that benefit those areas.

6 Then that completes the presentation. Happy to  
7 answer any questions.

8 CHAIR NICHOLS: Thank you very much. I don't see  
9 any questions at the moment. It was a achievement for  
10 sure, and definitely, as I believe your Secretaries used  
11 to say, not your father's transportation bill. So, yeah,  
12 it's a new approach and a good one. So thank you for  
13 coming and for sharing in this exciting adventure that  
14 we're all involved in.

15 Before we proceed with the agenda, I wanted to  
16 allow our Board Member Dr. Sperling to add a few words,  
17 because he's going to have to absent himself for a bit to  
18 go over and meet with some legislators. And so before he  
19 leaves he wanted -- as perhaps at least one of our most  
20 active members on this particular topic, both  
21 professionally and as Board member, I thought it would be  
22 good to let him have a few words.

23 BOARD MEMBER SPERLING: Thank you, Chair Nichols.  
24 Yeah, I'm actually very pleased to offer some  
25 thoughts on this. I am -- I have to say I am delighted

1 with this shift. Those of us that have been involved with  
2 SB 375, we had noble aspirations from the beginning. We  
3 started to -- the further we went along, we started to  
4 appreciate all the challenges of actually accomplishing  
5 our aspirations. And as the staff report just kind of  
6 offhandedly mentioned, we thought we were doing great for  
7 a few years. And then the economy recovered, and lo and  
8 behold, actually greenhouse gases were not only not going  
9 down towards the target, but we're increasing. VMT was  
10 increased and is increasing.

11 So this is a huge Challenge, and perhaps even  
12 greater than we had thought at the beginning. And so this  
13 fo -- this refo -- so what we have here is a refocus. And  
14 it's a shift. Instead of focusing so much on the modeling  
15 results and harassing the MPOs to come up with models that  
16 gave the right answers, we're now focusing on actually  
17 accomplishments or actions and implementation.

18 So this is a great turn. So now, of course, now  
19 we just have a different aspiration and we have to  
20 actually accomplish it. But I think we're on the right  
21 path now. And as Brian Annis just presented with SB 1,  
22 there's some pieces of SB 1 that are actually very helpful  
23 and supportive. I think we have to do even a better job  
24 of channeling that money in a way that does really reward  
25 the MPOs and the cities counties for doing the right

1 thing.

2           And it's not quite so tied to together and the  
3 rewards aren't quite there, but it's headed in the right  
4 direction. And so I think the big thought I want to give  
5 is that we really need to support innovation. We've got a  
6 transportation system that's become a monoculture, a  
7 monoculture in the sense that everyone basically just  
8 drives in their car by themselves. You get up in the  
9 morning, you get in your car, you don't even think about  
10 other options, and that's where we are.

11           And so we need a lot of innovation. And the good  
12 news is there is a lot of innovation on the -- at hand.  
13 And we need to take care -- take advantage of that. And  
14 just yesterday, Judy Mitchell, Board -- my fellow Board  
15 Member Judy and I were down at the South Bay COG working  
16 with them. And we saw there firsthand an example of the  
17 kind of innovation we need where they're focusing -- so  
18 this is 4 million people, okay. This is not, you know, a  
19 little town.

20           And they're focusing on neighborhood-oriented  
21 development, which is actually a new way of thinking about  
22 land use, and matching it with neighborhood transportation  
23 options. And that's the kind of thing we need. That's  
24 the kind of thing we need to be rewarding. That's the  
25 kind of thing we need to be incentivizing.

1           But there's a lot of things that are happening  
2 that are not so good, you know, like we need to take  
3 advantage of these innovations with shared mobility, and  
4 automation, which is, you know, coming up soon. Just an  
5 example of that is in Chicago, they just adopted a tax on  
6 T -- on Lyft and Uber and micro-transit services, and they  
7 imposed it as a tax per vehicle, as opposed to a tax per  
8 passenger mile or per passenger.

9           And that's a huge mistake, because we want to be  
10 incentivizing the use of pooling services, and transit  
11 services, and micro-transit services. So there's a lot of  
12 decisions and a lot of innovation, and we're really at the  
13 beginning of it. And so I think we're on the  
14 right -- we're starting on the right path. You know, I  
15 think we've got good leadership in a lot of places. You  
16 know, and I have to call out Hasan Ikhrata, who's going to  
17 speak in a moment, who's done a fabulous job down in the  
18 SCAG in trying to turn around a lot of those cities and  
19 counties, and people that think about these -- along these  
20 ways. But, you know, in MTC and SACOG, we're seeing a lot  
21 of, you know, good thinking too.

22           So I just want to endorse this new change.  
23 There's obviously ways of doing this better. But the  
24 primary -- and I -- you know, thrust of this is we want to  
25 reward innovation, we want to reward leadership, and we

1 want to focus on action.

2 And so as long as we keep that in mind here, I  
3 think we'll do better. This is tough.

4 Thank you.

5 CHAIR NICHOLS: Thank you for that reminder,  
6 Professor Sperling. And thanks for adding your  
7 endorsement to this -- this new approach. I think I  
8 should probably just return to the agenda at this point.

9 Staff, were you planning to call on any of the  
10 other friendly agencies here before we go to the list?

11 BOARD MEMBER GIOIA: Were you distinguishing with  
12 unfriendly agencies, Madam Chair.

13 (Laughter.)

14 CHAIR NICHOLS: No, they're all friends. I was  
15 just looking for an adjective. Sorry.

16 DEPUTY EXECUTIVE OFFICER KAPEROS: We -- Chair  
17 Nichols, we have them teed up at the start of the --

18 CHAIR NICHOLS: Okay. Perfect. Then let's go  
19 with SCAG's Director, who has just been praised.

20 MR. IKHRATA: Thank you very much. Good morning,  
21 Chairwoman, Board members. And Professor Sperling, thank  
22 you for the compliment.

23 I'm here. I'm the executive director of SCAG,  
24 but I'm representing actually today my colleagues from San  
25 Francisco, Sacramento, San Diego, and San Joaquin. And



1 I'm representing them to say we are united in what the  
2 professor just talked about, is moving forward,  
3 innovating, working together with you to get to where we  
4 want to go.

5           Before I say anything, I want to tell you that  
6 your CEO Richard Corey, and Kurt, and Steven the team at  
7 the ARB, I couldn't thank them enough, because they made  
8 themselves available. We had several conversations. And  
9 all the conversation is about us we are one team. We need  
10 to change that conversation in California, and we need to  
11 change it in the right way.

12           And, yes, the data right now is saying we have  
13 more of us buying cars. And we need to figure out how we  
14 get more people in those cars. And so I really appreciate  
15 the staff report and presentation. This is not about the  
16 numbers and the modeling. This is about the great State  
17 that's going to sustain itself into the future, and  
18 innovate to get where we want to go.

19           And I commit to you and SCAG, and I'm sure my  
20 colleagues from the other regions that we're going to be  
21 with you making sure we work together to achieve not only  
22 the scoping plan, but to actually make it happen, not just  
23 to show a model that it gets there to make it happen.

24           I will tell you that I stood in front of you  
25 twice already on this. And if you ask me what's the most

1 significant thing that happened since the first time, I  
2 would say, we have changed the conversation in California.

3 We have changed it, in a significant way. And  
4 thanks to your staff and our partner MPOs, we have changed  
5 it to the point where now we're thinking at least about  
6 how we sustain ourself into the future. So I support the  
7 new approach. I welcome the new approach. We have  
8 been -- I just want you to know we went to our Board and  
9 we called our target. They're very ambitious, because we  
10 want to be very ambitious, and we're going to do more with  
11 you in partnering to achieve the scoping plan.

12 So again, I want to thank you, thank your staff,  
13 and I look forward to this new approach that is going to  
14 yield changing the discussion, is going to yield  
15 innovation. And Brian Annis, we're going to hold him to  
16 that. He's going to give us more money to do that.

17 (Laughter.)

18 MR. IKHRATA: So thank you very much for having  
19 me and I appreciate it.

20 CHAIR NICHOLS: Thank you. Appreciate your  
21 coming.

22 Mr. Kirkey.

23 Oh, not.

24 MS. KAWADA: We're a little bit out of order and  
25 actually could we advance the slide a couple.

1                   --o0o--

2                   MS. KAWADA: Hasan mentioned in speaking -- Kim  
3 Kawada with SANDAG, San Diego Association of Governments.

4                   I want to echo Hasan, and you'll hear from my  
5 colleagues around the state as well working with ARB staff  
6 and all the other partner agencies with CalTrans with the  
7 State Transportation Agency.

8                   SB 375 has made us better partners. It's made us  
9 really sit down at all levels, leadership levels with our  
10 Board, at the executive director level here, our planning  
11 staffs, our modeling staffs. And we're in support of this  
12 idea of a target and also working on implementation and  
13 performance monitoring and implementation.

14                  To get where we were today, we did spend a  
15 significant amount of time collectively -- all four  
16 MPOs -- four major MPO's on modeling looking at, without  
17 constraints with the federal requirements and the State  
18 requirements that impose on us with regional  
19 transportation plans, what things could be done, what  
20 levers could be pulled, what tools do we have in our tool  
21 box that could reduce greenhouse gas emissions even more,  
22 and meet aggressive SB 375 targets.

23                  So I'm not going to read everything here, but you  
24 see it on this slide. We've tested land use. We've  
25 tested transportation investment scenarios. We've

1 tested -- you know, with TNCs, and automated and connected  
2 vehicles, we tested strategies there. We tested pricing.

3 And next slide, please.

4 --o0o--

5 MS. KAWADA: What we found in this sort of  
6 technical effort that we did was really that not all  
7 strategies were equal. While we had hoped that a lot of  
8 investments in some of the capital strategies would yield  
9 a lot greater results, they were actually more modest.  
10 And the things that we really found sort of gave us  
11 greater results were things like fuel efficiency, greater  
12 impact of autonomous vehicles, connected vehicles, things  
13 of that nature and pricing. Obviously, those things,  
14 MPOs, in and of themselves, can't do, regions can't do by  
15 themselves. And it's really going to rely on partnerships  
16 with the State and with, you know, our partner agencies at  
17 Caltrans and other folks.

18 Investment was key, and partnerships are key.  
19 The most potential with user fees. We do it -- in the San  
20 Diego region, you talk about implementation, we've done  
21 pricing and done managed lanes for years for 20 years, and  
22 we do find effectiveness there.

23 We're embarking, Professor Sperling. San Diego  
24 is actually 1 of 10 automated vehicle proving grounds in  
25 the nation. California has 2 of those 10. Contra Costa

1 County and then the San Diego region. And so in terms of  
2 innovation, we're trying to actually see real world what  
3 will these autonomous and connected vehicles do, where can  
4 partnerships happen. So at the regional level we're  
5 trying to lead, we're trying to innovate, we trying to  
6 understand.

7 More research is needed. Our partners sitting  
8 around here today with SCAG, with MTC, we are -- have done  
9 projects on future mobility research, on what do TNCs do,  
10 what do automated and connected vehicles do for congestion  
11 relief, safety, and reducing greenhouse gas emissions. So  
12 we're on the right track. And then we fully support, you  
13 know, moving forward in this fashion.

14 And I'll turn it over to my next colleague.

15 One thing, before Ken comes up, I have to plug.  
16 We are -- we have -- in the San Diego region, we're  
17 actually in the lucky place of being first again, so first  
18 with these new targets. And while we're working really  
19 closely with the staff, the timing is going to be  
20 challenging for us, because we're working on our next  
21 update of the regional plan. And the current scenarios --  
22 we're going to need -- our current timeframe has the Board  
23 and the region working on some scenario development, and  
24 actually selecting a preferred scenario in the summer.

25 So we'll need to work closely in terms of timing

1 with your staff, in terms of -- we're going to have to  
2 actually assume a 19 percent target to do the scenario  
3 planning. So I just want to say we need to actually work  
4 real closely on the timing of that.

5 --o0o--

6 MR. KIRKEY: Good morning, Board members. I'm  
7 Ken Kirkey, planning director with the Metropolitan  
8 Transportation Commission and the Association of Bay Area  
9 Governments. And we are fortunate to be last in line in  
10 terms of the 4 MPOs in our process. We just adopted our  
11 last plan in July, and so we'll be learning from our MPO  
12 brothers and sisters as we have in the past couple of  
13 cycles.

14 Can I have the next slide, please?

15 --o0o--

16 MR. KIRKEY: So I'm just going to touch real  
17 briefly on how we got here today over the last several  
18 months. As has been said by Hasan and Kim, we've had a  
19 lot of good back and forth with ARB staff. We've had a  
20 lot of collegial conversations together in terms how we --  
21 how we would move forward. Based upon the stress test  
22 that Kim outlined, we originally came up with 18 percent.  
23 And that was -- that was really looking at what we thought  
24 could happen with really aggressive policies.

25 ARB staff came back with hire targets. We had

1 concerns about that, but as has been expressed, including  
2 by Professor Dan Sperling, we think this shift toward a  
3 real focus on policies and innovation is the right place  
4 to go. We could spend the next three or four years  
5 talking about models. And we don't think, given this  
6 global crisis, that's where we should put our energies.  
7 We really tried to make our plans high impact in each of  
8 our regions.

9           We want to have more of an impact. We want to  
10 work with local jurisdictions. We want to come up with  
11 new funding tools, new ways of really trying to drive down  
12 VMT and GHG. And for that reason, with this shift toward  
13 innovation, really looking at new tools, how we can work  
14 together, we think we can pursue very ambitious targets of  
15 18 to 19 percent for our four regions. So with that, I  
16 will turn it over to Kirk from SACOG.

17           --o0o--

18           MR. TROST: Thank you. Kirk Trost, chief  
19 operating officer with the Sacramento Area Council of  
20 Governments.

21           If we could move to the next slide, maybe.

22           --o0o--

23           MR. TROST: So I think all of this has been  
24 talked about, what we see as the next steps. But I did  
25 want to take a step back. Chair Nichols, I appreciated

1 your comment about this being a grand experiment, or an  
2 experiment that we started a decade ago. And it's been an  
3 adventure. And maybe you could skip to the next slide --

4 --o0o--

5 MR. TROST: -- and I'll just wrap up our thoughts  
6 about this. When we started this process a decade ago, I  
7 think we, as MPOs viewed ourselves in this kind of binary  
8 relationship with ARB. We knew a lot about what was going  
9 on in our plans, and what we hoped to accomplish through  
10 these Sustainable Communities Strategies. And I think we  
11 very much viewed the ARB as a regulatory body who would  
12 set targets, who would look at our plans, who would look  
13 at our -- the methodologies we used in our models. And  
14 they would tell us or they would -- they would say -- make  
15 a state judgment about whether we were doing the right  
16 thing.

17 And with Professor Sterling -- Dr. Sterling --  
18 Sperling and others, I guess I would reinforce the notion  
19 that I -- I can't congratulate the staff enough on what  
20 truly is a paradigm shift. We've been at this for a  
21 decade. And I think we've learned a lot about the things  
22 that we can control, but more importantly the things that  
23 we just can't control any more, and the fact that there is  
24 this disruptive thing going on in the transportation  
25 industry, and in the world that is impacting what we're



1 trying to do every single day.

2           And the staff's approach to this to work together  
3 on these things that we don't yet understand fully, on  
4 these things that we need to understand and positively  
5 influence like shared mobility, and automated vehicles,  
6 and the next generation of transit and micro-transit, and  
7 all these things that are going to happen.

8           If I can continue?

9           CHAIR NICHOLS: Please finish up, yes. Go ahead.

10          MR. TROST: The opportunity to work with your  
11 staff -- a decade ago, I don't think your staff, and they  
12 would admit this, had the breadth of experience that we  
13 had about modeling and understanding the things that we're  
14 doing. And today, they come to us with a great deal of  
15 expertise and in partnership with us to help address these  
16 challenges.

17          We are really excited about the opportunity to  
18 work with them in the days and months and years ahead to  
19 meet a shared challenge of reducing GHG and VMT in this  
20 State. And we appreciate the dialogue that we've been in  
21 with them, and we look forward to it.

22          I think all of us want to achieve the most  
23 ambitious targets possible 18, 19, more if we can do it.  
24 But we can't -- we can't do it alone. We need a great  
25 deal of help. And in the Sacramento region in particular,

1 we face unique challenges here, but we think there are  
2 unique opportunities here.

3           The conversations we've been having about pilot  
4 projects around understanding the disruptive impacts in  
5 the transportation industry to realize there is an  
6 important role for modeling. It's -- I know that we want  
7 to focus on outcomes, but there is an important amount of  
8 work that we need to do around modeling to be able to  
9 predict the future to help drive the policies and  
10 strategies that we want to pursue, but we need models that  
11 are more useful than we have currently been using them,  
12 and that isolate the important issues that can be  
13 influenced within the Sustainable Communities Strategies  
14 that we adopt.

15           So, in conclusion, we want to thank you. We  
16 appreciate the comments of the Board members, we  
17 appreciate the work of staff, and we're looking forward to  
18 the future and getting to work on this.

19           So thank you.

20           CHAIR NICHOLS: Thank you.

21           BOARD MEMBER SPERLING: Chair Nichols, I really  
22 do have to leave, but I did -- I can't help but say one  
23 more thing.

24           (Laughter.)

25           CHAIR NICHOLS: Wait a minute.

1 (Laughter.)

2 BOARD MEMBER SPERLING: I am running.

3 And I do think -- because the end of this  
4 process, I think we do need to think about how is it --  
5 how are we going to really operationalize this. And, you  
6 know, there's -- we are all going in new territory here.  
7 And so I think we need to do, in terms of the staff,  
8 what's the role of staff and capabilities, how do we  
9 partner in -- you know, with my university hat on, I think  
10 we need -- there's a good opportunity to bring in  
11 universities as well to help out.

12 So at the end of this, I hope there is a little  
13 discussion about that.

14 Thank you. Bye.

15 (Laughter.)

16 CHAIR NICHOLS: Okay. Is there going to be  
17 another farewell address too or --

18 (Laughter.)

19 CHAIR NICHOLS: Bye. Good luck. Go get em.

20 All right. Mr. Chesley.

21 MR. CHESLEY: Thank you, Chair Nichols, members  
22 of the Board. My name is Andrew Chesley. I'm the  
23 executive director for the San Joaquin Council of  
24 Governments in Stockton, California. And first off, I  
25 would like to applaud the 4 largest MPOs in the State of

1 California are not just leaders in California, but leaders  
2 in the nation in terms of tackling some challenging  
3 efforts associated with developing analytical tools that  
4 affect and change policies when it comes to looking at  
5 greenhouse gas emissions.

6           And so we have, as the either 14 MPOs of the  
7 State of California, we have learned form them and applaud  
8 the efforts they've done.

9           But also, we've been innovative as well. In the  
10 San Joaquin Valley, on the MPOs there, we have taken the  
11 mission that this Board, that SB 375 has laid before us.  
12 We adopted our first Sustainable Communities Strategy  
13 regional transportation plan 3 years ago, and have been  
14 busily working to implement that. And I think that if you  
15 take a look at our urban areas throughout the San Joaquin  
16 Valley you can already see some changes occurring as a  
17 result of our investment strategies, and some of the  
18 policies that we are putting in place in terms of vanpools  
19 and our ride-sharing activities. Bus rapid transit  
20 routes, we are expanding ours to 7 in the City of  
21 Stockton, for instance. And investments in rail passenger  
22 service throughout the San Joaquin Valley.

23           We will continue to innovate along these lines.  
24 We are excited about working with our new direction with  
25 our partners here at the Air Resources Board, as well as

1 all of our partners up and down the State of California  
2 among the 18 MPOs.

3 So thank you very much.

4 CHAIR NICHOLS: Thank you.

5 Ms. Rudolph.

6 DR. RUDOLPH: Hi. I'm here on behalf of the  
7 Public Health Institute and 23 other State and local  
8 public health organizations to support strong efforts to  
9 reduce greenhouse gas emissions through ambitious regional  
10 GHG targets. California, for decades, has been on the  
11 wrong track with planning decisions that have created  
12 sprawl, longer driving distances, and fewer opportunities  
13 for healthy transportation options.

14 Communities of color and low-income communities  
15 have suffered the most with the lack of transportation  
16 options and higher chronic diseases burdens. We're  
17 pleased with the progress that's been made under SB 375  
18 over the last 9 years, but much more needs to be done.

19 To promote improved community health through land  
20 use and transportation planning and investments, we have  
21 submitted a letter calling for 3 key actions.

22 One, support the staff proposal for stronger  
23 regional targets to keep State and local agencies focused  
24 on the need for local actions.

25 Two, focus on how to make use of new climate

1 investment funds and existing planning dollars to maximize  
2 progress toward SB 375 goals.

3 And three, support ongoing health analysis of SB  
4 375 planning efforts to better understand and promote  
5 healthier transportation options.

6 As the analyses you will see in the next agenda  
7 items show, more ambitious transit and active  
8 transportation scenarios yield significantly greater  
9 health benefits due to reductions in obesity,  
10 cardiovascular disease, respiratory disease, osteoporosis,  
11 diabetes, and mental health problems.

12 These greater health benefits -- these -- the  
13 deaths and illnesses averted by the most ambitious  
14 scenarios may equate to billions in health care costs and  
15 productivity savings. These benefits, not to mention the  
16 health and well-being benefits to families and  
17 communities, well justified the investments needed to  
18 achieve more ambitious targets.

19 We believe strengthened relationships between the  
20 Board, public health agencies, and community planning and  
21 transportation agencies accompanied by more robust and  
22 routine health analysis of local and State transportation  
23 plans can better inform transportation and land use  
24 decision making.

25 We need to build capacity for local, regional,

1 and State agencies to more routinely consider health as  
2 some local agencies have started to do. We also need the  
3 Air Resources Board to invest in the development of tools  
4 that allow analyses to drill down to examine the impacts  
5 on specific communities and neighborhoods and to assess  
6 the health equity impacts of various planning scenarios.

7 Integrating health and equity into community and  
8 State land-use and transportation planning is really  
9 critical if we want to ensure that California meets its  
10 goals for sustainable, equitable, and healthy California.

11 Thank you very much for the opportunity to  
12 comment.

13 CHAIR NICHOLS: Thank you. It's good to see you.  
14 Ms. Reynoso.

15 MR. REYNOSO: Okay. My name is Ana Reynoso. And  
16 I am here on behalf of over 5,000 members of Environmental  
17 Health Coalition in San Diego. EHC is a 37-year old  
18 environmental justice organization. EHC strongly urges  
19 the California Air Resources Board to require an emission  
20 reduction target of 25 percent for the San Diego  
21 Association of Governments.

22 The system SANDAG has built is expensive,  
23 car-centric, increases toxic pollution, and contributes to  
24 climate change. A lower emission reduction target would  
25 only keep the system in place. Low income communities of

1 color suffer the most from SANDAG's focus on freeway  
2 expansion.

3 Communities like Barrio Logan and West National  
4 City suffer from many sources of pollution, including the  
5 impacts from freeways. As a result, they rank in the top  
6 10 percent of the most impacted communities in California.

7 San Diego is the 8th largest city in the country.  
8 Yet, its transportation system lags behind cities with  
9 much smaller populations. As a result, the average  
10 resident in San Diego can only reach 29 percent of jobs  
11 within 90 minutes on public transit.

12 On top of that, SANDAG also has a long history of  
13 misleading San Diego residents. In November of 2014, the  
14 California Court of Appeal held that SANDAG violated CEQA  
15 by approving a defective EIR in connection with its 2011  
16 regional transportation plan. And this past summer, Voice  
17 of San Diego exposed SANDAG for wrongly projecting revenue  
18 from tax measures during the last election cycle.

19 It is a fact, SANDAG is not accountable to the  
20 people of San Diego. Therefore, relying primarily on  
21 their analysis for emission reduction can have grave  
22 consequences for San Diego's residents. SANDAG's proposed  
23 18 percent emission reduction target absolves them of any  
24 real changes.

25 Even CARB staff's proposal for an 18 -- for a 19



1 percent emission reduction target won't improve existing  
2 conditions.

3           Based on CARB's own analysis through the scoping  
4 plan, only a 25 percent target for transportation  
5 emissions will meet the 2030 goals. The solution is a  
6 stronger focus on VMT reduction and changes in our mode  
7 share, which would subsequently make a 25 percent emission  
8 reduction target possible. The passage of AB 805, or  
9 SANDAG Reform, clearly demonstrated at this point, we need  
10 stronger support an enforcement from CARB.

11           It is evidence that our transportation system is  
12 not only inadequate but also routinely hurts the most  
13 disadvantaged families in San Diego. A 25 percent  
14 emission reduction target would truly meet the intended  
15 purpose of SB 375. Thank you for your attention to our  
16 request.

17           CHAIR NICHOLS: Thank you.

18           MR. WORTHLEY: Good morning. My name is James  
19 Worthley. I'm with the San Luis Obispo Council of  
20 Governments. We want to express our appreciation of  
21 working with your staff and the opportunity to speak here  
22 today on our targets. We support the goals of 375,  
23 embrace the benefits it brings to our residents, and our  
24 region, and the new focus Dr. Sperling mentioned paradigm  
25 shift to focus on what can be accomplished.

1           One approach we use to reduce VMT and GHGs is  
2 through smart transportation investments. They're  
3 critical to change the existing travel patterns and  
4 choices of our current population, homes, workers,  
5 shoppers, and tourists. That change isn't easy,  
6 especially when you consider that -- the rural nature of  
7 our county, its beaches, trails, wine country, small towns  
8 attracts tourists from all over California, as well as the  
9 nation.

10           And we have no chance of seeing a BART or a  
11 subway system, or a light rail system, or high-speed rail  
12 in San Luis Obispo County. The local and regional bus  
13 services are limited by funding. They're challenged to  
14 serve all of our communities and commuters that are spread  
15 along 70 miles. And none of our transit systems can come  
16 close to what the State has defined as high quality  
17 transit service, as they do not even offer 30-minute  
18 headways today.

19           The second approach we use to reduce greenhouse  
20 gas and VMT is developing aggressive scenarios that plan  
21 for new growth in locations that are better suited to the  
22 goals of 375. But we note that scenarios that have more  
23 growth are better able to reduce the existing VMT and  
24 GHGs.

25           To let you in on a secret, our 2015 plan had 25

1 years of new growth to spread 45,000 new people. That's a  
2 17 percent increase over base. The plan we're working on  
3 now, adopting in a year and a half from now, has 20 years  
4 of new growth, 20,000 new people to spread, and that's a 7  
5 percent increase of the base.

6           Four years ago we developed our aggressive and  
7 achievable scenario using the best available data. We  
8 don't want to use outdated data. We keep improving our  
9 planned by improving the date and the base underlying  
10 scenarios.

11           Our timing was not well aligned with that of the  
12 target-setting process. But now, we do have most of the  
13 necessary pieces that we can develop a preliminary  
14 reduction target that would better inform staff instead of  
15 the 11 percent that sits -- as it sits now. That 11  
16 percent reduction target is closer to what the Bay Area  
17 achieved in its last plan than the average of the four  
18 other small MPOs that are more comparable to San Luis  
19 Obispo County.

20           I'm often asked how can you put this in terms of  
21 what the public and our Board members can understand? And  
22 VMT is a much more understandable topic. If you look at  
23 an 11 percent per capita reduction to VMT in our area,  
24 that would mean none of the newly added population between  
25 2015 and 2035 could drive at all.

1           And there's a 6 percent reduction for existing  
2 people. At 6 percent reduction, no new residents can  
3 drive unless it's offset by reductions across the Board.  
4 At a 4 percent -- if I may continue?

5           CHAIR NICHOLS: Please just finish up, if you  
6 wood.

7           MR. WORTHLEY: At a 4 percent reduction, newly  
8 added residents can drive less than 4 miles per day each.  
9 That seems aggressive. No driving at all seems more --  
10 more like asking the impossible.

11           Using per capita reductions results put slow  
12 growth, no growth, rural and tourist attraction counties  
13 at a disadvantage, as that new growth increment cannot  
14 significantly offset the existing VMT that results from  
15 existing jobs and homes. The new paradigm shift sounds  
16 like it will account for that.

17           For 2020, we did do model results and we found a  
18 near zero change. To hit a 2 percent target is going to  
19 be aggressive, and we're going to need to pull every tool  
20 out of the tool box, and we're going to be needing to work  
21 with your staff to get even close to it, I believe.

22           For 2035, again, our alignment with the  
23 target-setting process wasn't ready. Here we are, the  
24 precipice, I think, in the next 2 months, we can provide  
25 your staff with a preliminary target that we can identify

1 as aggressive and achievable without something that's so  
2 overly burdened like the 11 percent as it sits now.

3 Thank you.

4 CHAIR NICHOLS: Thank you.

5 Mr. Magavern.

6 MR. MAGAVERN: Good morning. Bill Magavern with  
7 the Coalition for Clean Air. Transportation is not only  
8 the largest source of greenhouse gas emissions in  
9 California, it's also growing. And that is primarily due  
10 to the increase in vehicle miles traveled. We're making  
11 slow progress on engines, we're making even slower  
12 progress on fuels, and we're not making progress on  
13 vehicle miles traveled. So that's a big challenge,  
14 because we need to. We need to address all three of those  
15 factors.

16 We agree that it makes sense to focus on the  
17 actual land use and transportation strategies. That's  
18 what this law is supposed to address, rather than having  
19 the models that bring in other factors and really don't  
20 move us forward on land use and transportation. I'm not  
21 completely clear, at this point, on how those land use and  
22 transportation measures are going to be measured to get us  
23 to the targets that we need to.

24 And so I want to point out, we also need to have  
25 higher targets in order to get to the 25 percent reduction

1 that the scoping plan calls for by 2030.

2           We have a problem in that regional transportation  
3 plans, many of them, continue to fund capacity increasing  
4 road and highway projects, instead of more sustainable  
5 transportation. What we should be doing is offering  
6 choices, so that people can get around through transit,  
7 through biking, through walking, not just through going  
8 everywhere with a ton or 2 tons of metal accompanying  
9 them.

10           I also want to point, I don't think anybody has  
11 addressed this so far today, is there is a potential  
12 unintended consequence of some housing infill projects.  
13 And we completely support infill when it's in healthy  
14 places. But when we put housing right adjacent to  
15 freeways, we're actually jeopardizing the health of the  
16 people who are going to live in that housing, because we  
17 know that the exhaust from freeways continues to be toxic.

18           So smart land-use planning includes guidance from  
19 this agency to make sure that we're not spending State  
20 money to put people into unhealthy housing.

21           Thank you.

22           CHAIR NICHOLS: Thank you.

23           MS. AMES: Good morning, Honorable members of THE  
24 Board. My name is Chloe Ames and I speak on behalf of  
25 Climate Resolve, a non-profit organization focused on

1 advancing climate solutions in the SCAG region.

2 I want to start by commending the ARB Staff on  
3 their excellent analysis for the scoping plan update. It  
4 is a tremendously important exercise to map out how our  
5 State can make good on its greenhouse gas reduction goals.  
6 And these targets -- and is making us a leader on the  
7 world stage.

8 The area of which progressive action is most  
9 lacking though is on achieving SB 375 targets, targets  
10 which are ambitious enough to align with our scoping plan  
11 needs assessment, and which we strongly believe the SCAG  
12 region is capable of achieving.

13 We want to highlight two areas in which we  
14 believe SCAG's stress test could yield greater greenhouse  
15 gas reductions. First, SCAG's latest SCS and stress test  
16 only concentrate 50 percent of growth in transit priority  
17 areas. We can and must do better than that. If we don't,  
18 if we continue down our current trajectory, urban housing  
19 prices will continue to rise. We'll be forcing out our  
20 core transit riders into the fringes of the city forcing  
21 them to drive until they are no longer able to afford  
22 living in the city.

23 Opportunity gaps will continue to rise, all for  
24 the sake of maintaining outdated 20th century sprawl  
25 development patterns.

1           Second, we can curb the expansion of road  
2 capacity. Are you familiar with the proposed high desert  
3 freeway? Well, it's also in SCAG's latest SCS, but we  
4 argue it doesn't belong there. It's a new 63-mile 8-lane  
5 freeway with offramps of every 2 miles into under --  
6 undeveloped Joshua Tree country land. It's a freeway  
7 that's not designed to relieve congestion, but rather  
8 induce sprawl and correspondingly further automobile  
9 dependence.

10           The VMT that it will add to our region cancels  
11 out over half of the VMT reductions that L.A. County  
12 Measure M is set to achieve. Without higher SB 375  
13 targets, this kind of project will continue to appear in  
14 our SCS. Rather than continuing further down a path of  
15 automobile dependence, we must course correct, and we must  
16 do so now.

17           With new revenues from SB 1 and local/State tax  
18 measures, we've got an opportunity to make sure our  
19 investments are helping us with our State goals rather  
20 than impeding them. For that to happen though, we need SB  
21 375 targets that are high enough to get us to where we  
22 need to go. We can't afford to stay on this current  
23 trajectory, especially when it entails widespread  
24 displacement and new sprawl-inducing freeways.

25           I want to encourage you to not lose site of the



1 25 percent reduction target that has been identified in  
2 the scoping plan, and with a sense of urgency, commit to a  
3 process that leaves no unaccounted for gaps, but rather  
4 puts our region on a path towards achieving what's needed

5 By setting ambitious targets, we are more likely  
6 to achieve greater success. Where there is a will, there  
7 is a way.

8 Thank you.

9 CHAIR NICHOLS: Thank you. Mr. Lyon.

10 MR. LYON: Good morning, Madam Chair and members.  
11 Richard Lyon here on behalf of the California Building  
12 Industry Association. Our members produce the vast  
13 majority of the housing in California, both fore sale and  
14 rental in urban areas, and suburban areas, and other  
15 locals as well.

16 And through our efforts, the home building  
17 efforts, as an architect of SB 375, the working with the  
18 Regional Target Advisory Committee, and over the last 8  
19 years our members, locally and regionally working through  
20 the SCS process, we have, I think, identified ourselves as  
21 sincere and authentic partners in the effort to reduce  
22 emissions and achieve the targets.

23 I would say this that as the stakes get higher  
24 and the low hanging fruit is picked, and then the need for  
25 balancing economic considerations, and housing costs and

1 housing supply issues becomes every more paramount,  
2 California is ground zero for high housing costs and very  
3 low supply. And the imbalance contributes directly to  
4 high levels of homelessness, to poverty rates, and to the  
5 fact that for most middle income Californians, they are  
6 simply not able to be able to afford the -- a new home in  
7 California.

8           The average median price of an existing home in  
9 California is over \$500,000. And if you're talking about  
10 a new home in regions, you probably have to add at least  
11 another 100 to 120 thousand dollars on top of that. So  
12 you can see that the problem we're having in California in  
13 terms of housing supply and housing cost is a real one.  
14 And the regulatory environment, although it's not the main  
15 cause of it, certainly does play a significant role.

16           So we're concerned that absent meaningful  
17 broad-based regulatory and fiscal reforms, the very policy  
18 tools, if you will, that need to be there in order to  
19 achieve this new direction that we're talking about, that  
20 the commitment of the State to a true partnership is  
21 lacking at this point.

22           We stand ready to work with you on that, but we  
23 need to have the policy tools, the pricing, the financing,  
24 the regulatory reform tools to be able to get the housing  
25 in the places that -- that 375, and the scoping plan

1 envisioned, to be able to get the kind of transportation  
2 reductions that the plan envisions. The tools are simply  
3 not there right now.

4           We've known this for quite some time. This has  
5 been an ongoing problem. And we really appreciate the  
6 opportunity to have this informational hearing. We look  
7 forward to working with your staff going forward. It is  
8 important that we not push the point where ambition is  
9 eclipsing what's feasible and what is achievable. So  
10 having those policy reforms is absolutely essential, and  
11 we look forward to CARB being a partner with us in  
12 encouraging the legislature to adopt those reforms.

13           Thank you.

14           CHAIR NICHOLS: Thank you.

15           MS. VANDERWARKER: Good morning. My name is Amy  
16 Vanderwarker with the California Environmental Justice  
17 Alliance. On behalf of CEJA we also align our comments  
18 today with those of our colleagues from Environmental  
19 Health Coalition, as well as Coalition for Clean Air.

20           As you all know, transportation is not only the  
21 largest source of greenhouse gas emissions in California,  
22 it's also a major contributor to health and quality of  
23 life -- negative health and quality of life issues in  
24 environmental justice communities across the State.

25           The scoping plan clearly outlines a need to cut

1 transportation emissions to 25 percent to meet our 2030  
2 climate targets. To set anything less aggressive in the  
3 SB 375 this process would both undermined our ability to  
4 meet our 2030 targets, as well as negatively impact the  
5 health of environmental justice communities.

6 So as you consider SB 375 targets moving forward,  
7 we urge the Air Resources Board to set strong aggressive  
8 SB 375 targets that put us on a path to meet our 2030  
9 goals, as well as protect the health of environmental  
10 justice communities across the State.

11 Thank you.

12 MS. HOLMES-GEN: Good morning, Chair Nichols,  
13 members. Bonnie Holmes-Gen with the American Lunch  
14 Association in California.

15 The Lung Association has been a key partner with  
16 the State Board and regional agencies over the 9 years of  
17 implementation of the SB 375 program. And we do believe  
18 this program is a transformative health and climate  
19 program, has changed local planning strategies and we have  
20 a lot of success to build on.

21 But clearly, we have a long way to go, given the  
22 need to achieve the 25 percent GHG reduction from the land  
23 use sector and 7.5 percent VMT reduction. These are  
24 important and strong targets we need to meet.

25 We supported this earlier staff recommendation,

1 including the 21 percent for large MPOs, because we  
2 believe that they are fair targets and will propel the  
3 strongest State and local action forward to achieve our  
4 State's climate goals and improve health. Much is at  
5 stake. We don't have time to lose in our climate efforts.  
6 We believe that this is a package effort. We need higher  
7 targets together with strong State and local partnerships,  
8 strong VMT reduction strategies, more active  
9 transportation, and focused investment programs.

10 All of these pieces are needed to bring  
11 co-benefits cleaner air, increased physical activity, and  
12 public health gains. Including reductions in chronic  
13 illness.

14 As Dr. Rudolph testified, research shows a  
15 tremendous drop in early death, cardiovascular activity,  
16 and -- excuse me, cardiovascular disease and asthma  
17 attacks in GHG emissions from even modest increases in  
18 physical activity.

19 Implementation of stronger targets is supported  
20 by new State funding programs that can help advance  
21 sustainable transportation modes. You've had a great  
22 presentation today about all the different funding pots  
23 that can help build more compact, efficient, and  
24 sustainable communities, so we wanted to add 3  
25 recommendations to the mix.

1           Considering these new funding pots, one is to  
2 direct more staff time and resources to tracking the  
3 various State financial resources and incentives available  
4 to support integrated land use and transportation planning  
5 measures and achieving that 25 percent reduction, and to  
6 determining how to work with the regional agencies to best  
7 leverage these resources to further 375 implementation  
8 efforts and provide guidance two, to establish a CARB-led  
9 State agency working group to identify additional State  
10 strategies to reach that 25 percent; and finally, to build  
11 more focus on active transportation, whether it could be a  
12 new target for active transportation that would be built  
13 into the local Sustainable Communities Strategies, or  
14 maybe as part of the SB 50 -- 1 -- as part of the SB 150  
15 analysis, the staff could work with each region to develop  
16 metrics for what can further be done to boost active  
17 transportation with more State and regional coordination.  
18 There's a lot more that can be done here.

19           Through all of these efforts, we believe that we  
20 can achieve the higher SB 375 targets and tremendous  
21 public health benefits.

22           Thank you.

23           MS. CEVALLOS(through interpreter): Hi. My name  
24 is Llesenia Cevallos. I live in National City, San Diego  
25 County. My house is less than 600 feet away from Highway

1 Interstate 5, one of the busiest highways in California.

2 I am also a promoter of the EHC.

3 I'm here to request the Board to give priority to  
4 these communities impacted by toxic emissions. This can  
5 only be accomplished if the Board demands SANDAG a  
6 reduction of emissions by 25 percent.

7 In National City, the emissions, because of the  
8 winter effect, are very high. Also, we have more and more  
9 trucks passing through our community. I am worried that  
10 my 3 children have to breathe toxic emissions day by day.

11 In fact, at home, I have a lemon tree and it's  
12 full of a black sticky substance. I thought it was just a  
13 pest, but no, it is pollution. If you check the documents  
14 I presented to you, you have a picture and a tree sample,  
15 a leaf, so you can see what we breathe every day. It is  
16 not just my tree, but it's the trees around my  
17 neighborhood. If the trees have this sticky black  
18 substance, can you imagine what's happening inside my  
19 children's lungs?

20 The Board needs to demand an emissions reduction  
21 by 25 percent, and also needs to come out with a plan to  
22 make sure there is a reduction of miles traveled by these  
23 trucks. The Board needs to make sure that SANDAG abides  
24 the law, so they can decrease this contamination and  
25 emissions.

1           We need an effective solution to develop an  
2 efficient public transportation system, and also it has to  
3 be low cost.

4           I request your support, so SANDAG takes in  
5 consideration my community and my family's health. My  
6 children's lung health is in your hands.

7           Thank you for your time.

8           CHAIR NICHOLS: Thank you.

9           Our final speaker is Phoebe Seaton.

10          MS. SEATON: Thanks so much. Good morning.  
11 Phoebe Seaton, Leadership Counsel for Justice and  
12 Accountability. We align our comments with EHC, CEJA,  
13 Coalition for Clean Air, also Dr. Rudolph, in terms of the  
14 relationship between the SCSs, RTPs, 375 implementation,  
15 public health, environmental justice inequity. I think  
16 that the speakers, especially EHC, highlighted the  
17 importance of urgent and ambitious action on targets, on  
18 regional transportation plans, et cetera. And I think  
19 we echo all of them in asking for targets that will allow  
20 us to achieve the goals set out in the scoping plan, more  
21 ambitious than we are seeing and have seen.

22          We think that there's no opportunity like now to  
23 achieve those higher targets. We now do have some funding  
24 that can facilitate some smarter investments, better  
25 investments, more equitable investments. And we also



1 would really like to see CARB require greater transparency  
2 among the MPOs. We have -- we've spent -- most of our  
3 work is in the Coachella Valley, Riverside County, and  
4 SCAG, as well as the San Joaquin Valley.

5           It's spending a lot of time trying to decipher,  
6 discern, and understand the data behind the scenarios, the  
7 transportation plans, and the prioritization. And if we  
8 have, and we and our colleagues and CARB, has greater  
9 access and understanding to the assumptions underlying  
10 these decisions, we think we can help the MPOs kind of  
11 move along, become more ambitious, and allocate some of  
12 those fundings to better investments that will both reduce  
13 vehicle miles traveled and improve public health,  
14 community health, and address some of the critical  
15 transportation and transit needs that we're seeing in  
16 communities throughout the State.

17           Thanks so much.

18           CHAIR NICHOLS: Thank you. There's no record to  
19 be closed here, because there's no formal action to be  
20 taken. This was an information item, but I think some  
21 Board members may wish to make additional comments. I  
22 just would like to start out by emphasizing that this  
23 shift in thinking, shift in emphasis and focus in our  
24 implementation of SB 375 is just that. It's not  
25 self-implementing. It's going to require action.

1           And we know from long experience that changes in  
2 land use and transportation are slow and difficult to move  
3 in the direction of being more environmentally benign.  
4 And we've heard certainly today that there's a great need  
5 for progress here. I personally would be extremely upset  
6 if I thought that the fact that we are not taking action  
7 on targets today was read as meaning anything less than a  
8 full commitment to the 25 percent reduction that is called  
9 for in the scoping plan. And I would not like to have any  
10 implication that somehow we were backing away from that.

11           I think where we are represents a recognition  
12 that the approach we were taking to setting targets wasn't  
13 working as well as we had all hoped it would when we first  
14 started, and that it was going to be more productive to  
15 focus on getting measures adopted and measuring results  
16 from those measures.

17           But we don't have a lot of time to spend thinking  
18 about that or patting ourselves on the back for our good  
19 ideas. We have work to do. And I guess I'd like to hear  
20 either Mr. Corey or Mr. Karperos give us an update on the  
21 this process that we will be proceeding on.

22           DEPUTY EXECUTIVE OFFICER KARPHEROS: Thank you,  
23 Chair Nichols. You're absolutely right. As we began to  
24 look at this process, we came to the conclusion that as we  
25 were focusing on the output of the model, which actually

1 is an input to a planning process, it became the metric of  
2 success. Rather than a tool for building a rational and  
3 sustainable plan, it became the measure of success. And  
4 we -- over time, we're losing our focus on the strategies  
5 themselves. So the process that we need to follow going  
6 forward and is multi-faceted in order to identify how we  
7 want to construct sort of this new paradigm.

8           So there's multiple pieces. First, the issue,  
9 and Dr. Sperling alluded to it, and Mr. Trost from SACOG  
10 also alluded to it, we have in front of us, and we want to  
11 be able to incorporate in our 375 thinking the potential  
12 for the disruptive impact of connected and autonomous  
13 vehicles, and what that might be on VMT. So there are  
14 some schools of thought that it means there could be a  
15 ballooning of VMT over time. There are other schools of  
16 thought that it could be, in fact, a mechanism for  
17 reduction of VMT.

18           That's not well understood. So step 1, in terms  
19 of figuring this out, is to sit down primarily I think  
20 with the academics and the MPOs to start to game out  
21 how -- what are the types of policies that we think would  
22 be appropriate for addressing this over time.

23           So that's number one. That's a longer term  
24 effort that we're going to have to go through. More  
25 short-term is identifying a framework for daylighting, as

1 we've been talking about, the impact of the strategies  
2 themselves, the transportation and land-use strategies  
3 themselves, which are embedded in the SCSs, and  
4 daylighting them in a way -- sort of in keeping with the  
5 last commenter, to allow the public to understand, and  
6 quite frankly ourselves, and the MPOs to understand what  
7 are really moving -- really moving the dial in terms of  
8 changing the transportation patterns within the regions.

9           That's something that we think we can work out  
10 over the next just -- at least in terms of a general sense  
11 we can work out in the next couple of months, and bring to  
12 you a more specific framework when we have -- in the March  
13 timeframe.

14           The next piece is understanding how we fill this  
15 gap between a 375 target of -- as we're looking at now  
16 '19, and the 25 percent that was alluded to multiple times  
17 in the testimony and as in the scoping plan. We already  
18 have in place -- it's being led by ARB staff a discussion  
19 among State agencies about what the State level policies  
20 are that contribute to closing that gap. We need to  
21 expand that group to now bring in the MPOs and other  
22 stakeholders. And in the presentation, we talked about  
23 next steps, and one of those was a roundtable discussion.  
24 And that we would look to kick off -- a public roundtable  
25 discussion we'd look to kick off the first part of next

1 year.

2           Modeling. We still, under 375, believe that you  
3 need a numerical target as a focus of the planning, not  
4 modeling -- again, as I was saying at the outset, not  
5 modeling as the measure of success, but as a tool for  
6 identifying how far you need in -- need to push your SCSs  
7 in terms of the strategies.

8           We've been talking particularly with SACOG about  
9 methods to use -- the current models to do that sort of  
10 thing, and isolate the benefits of the land use and  
11 transportation strategies using that tool, and that's  
12 something we think we can work through with them over the  
13 next year.

14           I also want to point to one last thing. It was  
15 mentioned several times about the public -- the health  
16 impacts of active transportation reduced VMT, if it  
17 results in active transportation. We have -- we are going  
18 to initiate a public review process of something called  
19 the ITHIM model, which is an analytical tool for capturing  
20 the public health impacts of a shift from driving to  
21 active transportation. And that we think will allow us --  
22 can be an input tool to the MPO discussions and modeling  
23 where you can actually start to see what are the potential  
24 health benefits of different strategies. But also quite  
25 frankly a tool for convincing people of what the benefits

1 are of getting out of your car, moving to -- you know,  
2 living in a more sustainable community as well.

3 So essentially a tool to convince people that  
4 it's not just about you have to walk everywhere, that  
5 you -- that there are true public health, and then as a  
6 result, monetary benefits from this sort of change.

7 BOARD MEMBER BALMES: Chair Nichols --

8 CHAIR NICHOLS: Thank you. Yes, go ahead.

9 BOARD MEMBER BALMES: -- could I just --

10 CHAIR NICHOLS: Um-hmm.

11 BOARD MEMBER BALMES: -- add on to that?

12 I've been engaged with -- in conversations with  
13 Mr. Karperos and Ms. Chang about this very item, which  
14 I -- this issue of trying to make active transportation,  
15 the health benefits be a part of the SB 375 Sustainable  
16 Communities Strategies planning. You know, I note that  
17 both in SB 1 there's a lot of money for active transport,  
18 and then the MPOs -- the large MPOs, you know, talked  
19 about -- they tested at additional bike pediatrician --  
20 pediatrician --

21 (Laughter.)

22 BOARD MEMBER BALMES: -- pedestrian  
23 infrastructure. And, you know, I'm not sure how much  
24 greenhouse gas reduction benefits they found in their  
25 stress test. But as Mr. Karperos just said, and as Dr.

1 Rudolph mentioned and maybe -- and Ms. Holmes-Gen, there  
2 are public health benefits from this that go beyond the  
3 greenhouse gas reduction.

4           So I think that's very important for us to  
5 consider. And, you know, given that there's money in  
6 State pots for active commuting infrastructure, I think we  
7 should direct -- we should be taking advantage of that in  
8 our new paradigm shift approach to the sustainable  
9 communities strategies. So I just wanted to say that I'm  
10 working with staff on this. I very much support what  
11 several of the witnesses have said in this regard.

12           And ITHIM is one model that can be used to  
13 actually quantify health benefits from active transport.  
14 You know, there are others and people can argue about  
15 models, but -- I'm working with staff on trying to get  
16 ITHIM into our planning. And actually the California  
17 Department of Public Health is very much supportive of  
18 that as well. So I like that partnership as well.

19           CHAIR NICHOLS: Great. Thank you.

20           Comments, yes, Supervisor.

21           BOARD MEMBER SERNA: Thank you, Chair Nichols.

22           One of the things that I brought up in my  
23 briefing discussion with staff on this subject was - this  
24 is my opinion - that at some point maybe in the not too  
25 distant future in terms of whether it's modeling or just

1 the broader discussion about what are the appropriate  
2 analogs or surrogates that we use to gauge greenhouse gas  
3 reduction, it seems to me that at some point there's going  
4 to be a tipping associated with the increased market share  
5 for zero emission vehicles.

6 We've heard a number of comments today about the  
7 effect of the disruption, if you will, that autonomous  
8 vehicles may have on the ability to continue to shoot for  
9 appropriate targets here. But I think, in addition to  
10 that, there's going to be a need, at some point, to  
11 acknowledge how hopefully the increasing market share for  
12 ZEVs is actually going to have the benefit -- the  
13 beneficial effect that we all want relative to the intent  
14 of the legislation.

15 Right now, the principal surrogate is vehicle  
16 miles traveled. But obviously, that does not come into  
17 play when you're -- when you have an expansion of the  
18 market share for vehicles that don't have any greenhouse  
19 gas emissions associated with them.

20 DEPUTY EXECUTIVE OFFICER KAPEROS: Supervisor  
21 Serna, as we move forward, certainly the penetration of  
22 zero-emission vehicles is going to be critical in terms of  
23 meeting our greenhouse gas targets, as we have modeled and  
24 sort of the foundation of the 25 percent number that  
25 you've been hearing through the course of this morning.



1 Still, as we look further out as far as 2050, we are  
2 still, because there would be a very optimistic  
3 penetration scenarios, a lot of traditional internal  
4 combustion engines on the road, we still need to be  
5 focusing on mechanisms to reduce activity.

6 A critical point, and this connects to your point  
7 about connected and autonomous vehicles, we want those to  
8 be zero-emission vehicles. So what are the policies to  
9 leverage that as they penetrate, because they're -- in a  
10 sense, that's the two-fer. If you have multiple people in  
11 that vehicle and that vehicle is not deadheading, and it  
12 is an electric vehicle, that's as close as you're going to  
13 get to a perfect scenario.

14 CHAIR NICHOLS: Right.

15 Ms. Mitchell.

16 BOARD MEMBER SERNA: Great. Thank you.

17 BOARD MEMBER MITCHELL: Thank you, Madam Chair.

18 I agree wholeheartedly with the position and  
19 direction we're going here, shifting from modeling, to  
20 some degree, to focus on the strategies. This is hard.  
21 We all know how hard this is, because it requires a lot of  
22 collaboration among agencies. And it requires  
23 collaboration with local government. The land-use element  
24 of the SB 375 program is critical here. And I think to  
25 some degree, it's kind of ignored. It's the combination

1 of land use and transportation and housing.

2           And at the -- in the SCAG region, we've been  
3 focusing a lot on housing also, because there is an  
4 incredible need for more housing and for affordable  
5 housing. And Dr. Sperling mentioned that yesterday he and  
6 I participated in a program put on by the South Bay  
7 Council of Governments.

8           And what was interesting about that was not only  
9 that it's very innovative, but they have relied on  
10 academics to help with their strategies. And I think to  
11 have academics brought in on this program is critical.

12           Some of the people we need to hear from are  
13 academics and urban planning, architectures -- architects  
14 of urban design, and we need to look at, as I said more  
15 closely, how the land-use element can play into where we  
16 put housing, and what vehicles we use in the course of  
17 that direction.

18           Autonomous vehicles, electric vehicles, we are in  
19 transformative change right now with what is happening in  
20 our economy, especially here in California.

21           And with autonomous vehicles, I think we want  
22 them to be electric, but we probably also want them to be  
23 vehicles that are used for sharing. One thing that is a  
24 bit scary is that we have a lot of autonomous vehicles  
25 running around with nobody in them.

1           And even if they're electric, even with our  
2 electric vehicle program, we still face road congestion.  
3 I mean, that is a huge problem, and that goes to what the  
4 quality of life that we have. So, you know, that's a  
5 different -- bit of a different problem, but it exists as  
6 we think about how we deal with this.

7           I think there's great value in the MPOs working  
8 together, because I'm not convinced that we've identified  
9 all the strategies that we could be employing to reach our  
10 targets. And if the MPOs work together, they can share  
11 some of those strategies.

12           The other thing that is the corollary of that is  
13 that we know one size doesn't fit all. So we have to look  
14 at communities and areas individually. And that goes all  
15 the way down to local governments, where they are --  
16 whether you're in the urban center, whether you're in a  
17 suburb.

18           The other thing I would mention with this shift,  
19 I would recommend that as we embark on this path, that we  
20 ask our MPOs to report to us more regularly than every  
21 four years. I would ask that we get a report back from  
22 them annually. Let's see whether the strategies that  
23 they're putting in are actually working. And also, that  
24 will, I think, you know, enhance collaboration between the  
25 ARB and the MPOs, and also among the MPOs as well.

1           So these are my comments. And I thank staff for  
2 working on this, and working on it in a collaborative way  
3 with our MPOs. I think it's absolutely essential that  
4 we -- that we do this together.

5           Thank you.

6           CHAIR NICHOLS: Thanks. Ms. Takvorian.

7           BOARD MEMBER TAKVORIAN: Thank you. Thank you  
8 very much.

9           Ms. Mitchell just said a number of the things  
10 that I want to say, so I won't repeat those. But just to  
11 emphasize congestion, quality of life, more reporting, I  
12 agree with all of that. I also agree with the paradigm  
13 shift. I think it's a good one, good to shift from  
14 modeling towards performance. I think where I have  
15 questions and where I might part company a little bit is  
16 on what the actual and required changes are that would be  
17 required now, and not just for the future.

18           We've had SB 375 for 7 years. We have a  
19 performance record, and we should look at it. We should  
20 look on what efforts the jurisdictions have made, and  
21 which ones they are saying they'll make, but we shouldn't  
22 ignore the past. This is not square one. So in thinking  
23 about that, I think we've heard, and what I think we have  
24 to consider, is that all MPOs are not created equal. It's  
25 great that the MPOs are collaborating. I agree that they

1 can learn a lot from each other. But the impacts can be  
2 quite local, as we've heard expressed in communities, and  
3 especially in environmental justice communities.

4 And so the targets really need to be based on  
5 regional performance. We recently got a report, which I  
6 think we didn't talk about, maybe SANDAG didn't report to  
7 us today, is that VMT has actually increased. This report  
8 came out a week ago, two weeks ago. VMT has actually  
9 increased in 2 -- in 2016 by 1.3 billion more vehicle  
10 miles traveled.

11 We need to look at that. We need to look at why  
12 it's increasing versus decreasing, which is what the  
13 project is. So that tells us that modeling isn't always  
14 going to be reliable, but we now have actual data. So how  
15 do we use it, and how do we use it going forward.

16 And I think as was stated, San Diego is the 8th  
17 largest city in the country, and we're 33rd in terms of  
18 U.S. cities with populations of more than 65,000 for trips  
19 per resident. So those are metrics, those are metrics  
20 that ought to be looked at, and they ought to be looked at  
21 now as we determine what the goals are both the VMT goals  
22 as well as the greenhouse gas reduction goals.

23 I also wanted to lift up something that I think  
24 was in one of the letters that we received. I think the  
25 increased transparency around regional transportation

1 funding, how it's planned to be spent, and how it has been  
2 spent are critically important. We need to look at how  
3 the agencies are allocating their funds, and if they are  
4 allocating them towards Sustainable Communities  
5 Strategies, in fact, not just towards expansion of  
6 freeways, so -- and that would give us an opportunity in  
7 the upcoming SCSs to allow them to reprioritize those.  
8 And I think CARB can collaborate and help to be a little  
9 bit of a push in that regard.

10           And I think as you've heard and seen with the  
11 evidence that we received here, that environmental justice  
12 communities can't wait. There's more asthma, there's more  
13 respiratory disease. I really don't want to see us  
14 adopting weak targets, and then asking for metrics and  
15 reporting, so that in 8 years we can say, oh, gee, that  
16 didn't work either. And I know that's not what anyone's  
17 intention is.

18           So we really -- we have 3 times the rate of  
19 children's asthma in our communities, and those lungs  
20 can't wait. So I hope that we can take this paradigm  
21 shift and really push it forward to be more aggressive,  
22 and really to have better outcomes for our communities.  
23 So thanks so much.

24           CHAIR NICHOLS: Thank you.

25           Mr. Gioia.

1           BOARD MEMBER GIOIA: Thanks. I won't repeat what  
2 others have said. But let me just make a couple of  
3 observations. As someone who was part of the development  
4 of the first SCS in the Bay Area with Plan Bay Area, I --  
5 it takes a lot of political will. And I think -- I  
6 appreciate that while we have had representatives from  
7 each of the metropolitan planning organizations here all  
8 expressing support, I don't think we should fool ourselves  
9 that there's different levels of political will in each of  
10 those MPOs.

11           And that there are some regions of the State that  
12 are working more aggressively to develop realistic  
13 programs or policies to meet the targets and others in  
14 which that political will is not as strong. So I think we  
15 shouldn't fool ourselves.

16           So I think it's also -- I mean, I think we want  
17 all achieving A plan that's workable and doable in each  
18 region, but all clearly striving for the most aggressive  
19 targets. So we've gotten a lot of comments about some  
20 common points.

21           So I wanted to ask our staff it would be good to  
22 understand how we can hold each of the regions to, one,  
23 ensuring that they're having the most robust health  
24 analysis in their plans, because some are better than  
25 others, right?

1           So -- that we actually are setting a standard for  
2 ensuring that all the plans that we approve have a robust  
3 health analysis. Second, that all of them address the  
4 issue of displacement with anti-displacement policies.  
5 That was a big issue in the Bay Area, as I know it is in  
6 other regions of the State.

7           And third, that each of the regions use the  
8 funding that they can to incentivize reaching the goals,  
9 right? That -- there seems to be a different level of  
10 commitment on how -- how funding can be used as an  
11 incentive. So aligning funding as an incentive, more  
12 funding -- the more funding the better to achieve the  
13 goals, robust health analysis, anti-displacement policies.

14           And then the last point I'll add, and this is  
15 sort of different and new, yesterday, I participated --  
16 there was a county -- statewide group of folks from  
17 counties and organizations in a gathering put together by  
18 the Governor's Office of Planning and Research to look at  
19 how counties -- how we can have more county level planning  
20 on land use where to site commercial solar for energy  
21 development.

22           And what came out of that was, you know, that  
23 there needs to be greater incentive and help to get cities  
24 and counties together. So if there's some way that that  
25 can also -- it's a land-use issue, get it at least



1 addressed or discussed as part of the SCS, that if we're  
2 going to really have broader commercial solar development,  
3 there are obstacles on -- land-use obstacles, permitting  
4 obstacles. And, I mean, Ken Alex was there and it was  
5 something that he was part of.

6 So I think it's really important to look at how  
7 the SCS can at least be a venue for cities and counties to  
8 address land-use permitting for large scale commercial  
9 solar.

10 CHAIR NICHOLS: Okay. Any other Board members?

11 Yes, Supervisor Roberts, and then on. You did  
12 not have your hand up or did you?

13 You did. I'm sorry. Well, raise it higher then.  
14 You go first. You get to go first. Yes, we'll go in  
15 order.

16 BOARD MEMBER SHERRIFFS: Thank you.

17 CHAIR NICHOLS: There's a reason for this seating  
18 chart here.

19 BOARD MEMBER SHERRIFFS: Can you hear me over my  
20 cold?

21 CHAIR NICHOLS: Yes.

22 BOARD MEMBER SHERRIFFS: Okay. I would just  
23 observe, I know why I've increased my vehicle miles  
24 traveled.

25 BOARD MEMBER BALMES: Coming to these meetings.

1           BOARD MEMBER SHERRIFFS: They're called  
2 grandchildren.

3           (Laughter.)

4           BOARD MEMBER SHERRIFFS: So that's certainly part  
5 of it. A question in terms of, we haven't talked very  
6 much about sticks. Although, in a sense, and I'm glad San  
7 Diego is coming after me, because we've seen one stick,  
8 which is I'll say shaming or transparency, but it raises  
9 the issue of, well, what can we do to encourage greater  
10 performance? Because 19 percent seems pretty doable. And  
11 I think it is important that we be aspirational.

12           And one of my questions is, well, if we -- if we  
13 set the bar a little higher and people don't make it,  
14 should they be punished?

15           Or looking at it another way, well, what are the  
16 carrots for exceeding, not just hitting that 19 percent  
17 bar, but actually exceeding it. I wouldn't want to set up  
18 a system where no good deed goes unpunished, and it means  
19 you just got some lower hanging fruit, so you can't get it  
20 in the next round.

21           But seriously, what carrots do we have to help  
22 encourage not just making it, but even exceeding it?

23           CHAIR NICHOLS: Do you want to answer the  
24 question if you have a comment?

25           DEPUTY EXECUTIVE OFFICER KAPEROS: One of the

1 things that we do want to accomplish with the shift  
2 towards focusing on the land use and transportation  
3 strategies themselves and tracking, that has been -- and  
4 reporting that has been talked about, is, one, enable sort  
5 of the -- help enable the transfer of one strategy from  
6 one area to another where it's applicable, and in the form  
7 of which it's applicable, so number one, in terms of  
8 bringing sort of everybody up together.

9           Number two, we believe that daylighting itself  
10 will allow and help support the MPOs in moving forward and  
11 convincing their locals of the benefits of these  
12 strategies. And then three, when we were very focused on  
13 the modeling, it became the performance of the MPO's model  
14 became the metric we were looking at.

15           And has been said, what we're looking at is local  
16 strategies, regional strategies, and statewide strategies.  
17 So this effort where we're looking at what are the -- what  
18 are the actions -- as Dr. Sperling talked about, what are  
19 the actions that are really getting the reductions at any  
20 of those levels, I think, provides opportunities for local  
21 and regionals to then advocate for various pots of funds  
22 to be rewarded for their actions.

23           CHAIR NICHOLS: Supervisor Roberts.

24           BOARD MEMBER ROBERTS: Thank you, Madam  
25 Chairwoman. I feel like the Grinch who stole Christmas

1 the comments I'm going to make.

2 I wish that staff would plot out vehicle miles  
3 traveled how it's increased, and then plot on that same  
4 chart air quality. There's been an inverse relationship  
5 between the two, not a positive relationship.

6 I think it's one of the worst metrics. I said  
7 that when I was first here in 1995. It's a pathetic  
8 metric for anything. It's a political metric. It's not a  
9 performance metric. As we increasingly electrify  
10 vehicles, cars, and trucks, and buses, and everything  
11 else, you'll see that clearly. And I think you'll  
12 still -- I think you'll see it today. We've seen it in  
13 San Diego County the relationship is an inverse one.

14 And there's a lot of reasons for that. And this  
15 Air Board has been a strong part of that, and I'm very  
16 proud that that's the case. But I think it's something  
17 that we need to have a better understanding. And when  
18 you're measuring the wrong thing, it seems to me your  
19 chances of success are far more limited. So I've  
20 registered that concern in the past. A lot of people keep  
21 hanging their hat on it.

22 Most people are motivated by a whole series of  
23 things. We're trying to -- we're struggling even -- none  
24 of us know what the disruption that's going to be caused  
25 by autonomous vehicles is. And some of us have been

1 studying this to death. I'm very interested in what's the  
2 disruption that's caused to public transit in that. And  
3 it may be that it will help public transit, because our  
4 major expense in public transit is drivers.

5           So what happens when you don't -- when you can  
6 cut significantly the costs of your operation?

7           I think it behooves public transit, instead of  
8 having big systems, I think in the future, it may be that  
9 we're going to be turning to smaller buses that will pick  
10 people up in a convenient way and deliver them exactly to  
11 where they want to go, rather than having to have active  
12 transportation of a mile or two to get to a collection  
13 point.

14           It may be the private sector, if the public  
15 sector doesn't act, will develop those systems. But I see  
16 those as coming definitely. And I'm hopeful that we start  
17 experimenting with that in a significant way as part --  
18 part of public transit.

19           And these things are going to have an impact.  
20 And it's a question -- and each region is going to be  
21 different. And I think what you're allowing now is some  
22 innovation appropriate to each region. One size does not  
23 fit all. San Diego County is 4,200 square miles. We've  
24 got a lot of areas. You know, when we have our life-line  
25 systems on public transit, we probably are about \$15 to

1 \$20 per passenger per ride subsidy, not a very effective  
2 system, and we've got to think of ways to do this.

3 But along with this and what -- we may get an  
4 increase in cars. We've got a lot of our -- our fastest  
5 growing demographic is seniors, that many of whom are not  
6 going to be able to drive. And what's going to help them  
7 get around is going to be those autonomous vehicles.

8 And instead of looking at it as a negative, we  
9 should be looking at as a positive. And yes, we may get  
10 an increase. But if we get an increase in the number of  
11 people per vehicle, and the distance between vehicles on  
12 freeways and things like that, the overall effect may  
13 be -- and the electrification of those vehicles. All of a  
14 sudden it's a whole different picture in terms of what  
15 we're looking at here and what I'm hearing described by so  
16 many.

17 I don't think San Diego is different from a lot  
18 of places. Probably the biggest crisis we have right now  
19 is housing. We're falling about 20,000 units a year short  
20 on what we should have. It's exacerbating every other  
21 problem that we have. I don't know what -- you know, it's  
22 so difficult for -- especially for young people what do  
23 you do? It's not just can I buy a house. It's the rents  
24 that are being -- that are going up.

25 And they're -- those rents aren't -- they're an

1 adverse ratio to vehicle miles traveled too, if you want  
2 to look at those. And we've got -- but for us to sort  
3 of -- and look at part of the issue, and to start  
4 establishing policies that may not -- that may work at  
5 adversely to other things we're trying to do, it just  
6 doesn't make sense.

7           You'd have to acknowledge that the MPOs -- these  
8 are not neighborhoods, these are covering cities. And  
9 while you may have pockets, and you're dealing with those  
10 pockets as part of your disadvantaged communities, and  
11 everything else, to come up with a requirement for the  
12 whole MPO based on what happens in a particular part of  
13 the community, that's not going to work. It's not based  
14 on reality. And I -- I'm -- I'm really appreciative of  
15 the work that the staff is doing in working out and  
16 understanding -- understanding the models.

17           And understand, there's going to have to be --  
18 there's a gap within those. I mean, 18 percent is not  
19 assured. There's a lot of work and there's going to have  
20 to be policies that are going to be developed. I thought  
21 that the -- what I just heard was probably the outstanding  
22 point of the day, create incentives for makings goals,  
23 okay? Put in milestones along the way. And if you make  
24 that, guess what, we'll help you.

25           You want a fleet of electric buses, we'll help

1 you get there. Okay. These are the things that I think  
2 are positive. There's this attitude in planning that it  
3 must not be a good rule if it doesn't cause pain for  
4 somebody.

5           My God, we're causing way too much pain. And  
6 what we need to do is find a way that we allow people  
7 choices, that we allow economies to function, and at the  
8 same time as we're creating opportunities for people, be  
9 concerned with the overall health impacts.

10           And I would guarantee, if you graph some of these  
11 things, you're going to see a different scenario than is  
12 sometimes given us. And I want that to continue, make no  
13 doubt about it.

14           I get concerned though when we -- our focus seems  
15 to have changed from saving the planet to focusing on very  
16 small pieces of what's going on here. Greenhouse gas in  
17 any area, if you avoid it, it's a positive. There may be  
18 collateral benefits that you might miss if you did it  
19 somewhere else, and we should be aware of that.

20           And I thought the comments that let's get the  
21 health effects that was just suggested really is a good  
22 one.

23           But I think let's keep on a practical course --  
24 a practical course, as we have in the past. We've had  
25 difficult issues before us. We had to backtrack on the



1 electric cars when we found out they weren't working,  
2 folks. I don't know if this Board would do that. We'd  
3 probably just continue that course until we crashed into a  
4 huge wall.

5 I think what we have to do is be flexible. We  
6 have to work with each of the groups. We have to identify  
7 policies within those areas that will help us have a  
8 reasonable chance of meeting those goals. And, gosh, if  
9 we could incentivize making the milestones along the way,  
10 I think that would be fantastic. I would be a whole  
11 different way of looking at this, and being positive as  
12 opposed to punishing.

13 And, you know, at the end of the day, we might  
14 even have healthier people and a healthier economy. And I  
15 think that ought to be the goal.

16 CHAIR NICHOLS: Thank you. I'm going to move on  
17 down the line and remind people that this was the first  
18 item that was supposed to take a little over an hour.  
19 Obviously, it's of great interest to all the Board members  
20 and I don't want to cut you short, but I'd like to remind  
21 us we've got some work to do also.

22 Next.

23 BOARD MEMBER DE LA TORRE: Thank you. This is a  
24 comment on this item, but I think it relates to a couple  
25 of other things we do here at CARB. We always focus at

1 CARB on regulatory our authority, our enforcement  
2 authority, and our incentive authority. I think we need  
3 to start thinking, and it fits here and in these other  
4 places, about being a hub for the things that we are  
5 looking for.

6 The changes we're going to have to make between  
7 now and 2030 to get to our targets are significant. And I  
8 think too often we're so focused on those three that I  
9 mentioned, that we aren't thinking ahead of -- we need  
10 game changers in the State of California.

11 And I think in this context for 375 -- and I'll  
12 talk about those other ones when those items come up in  
13 the future. But for 375, in talking to community folks,  
14 EJ folks, talking to some government folks, they don't  
15 know what we have seen works. In San Diego, they might  
16 not know that in Sacramento, they're doing something that  
17 is really working. In the East Bay, they may not know  
18 that the Inland Empire is doing something that's really  
19 working. That fits. The comments today from San Luis  
20 Obispo clearly is different from other parts of the State.

21 But there's got to be something that's going on  
22 in another part of the State that's really working that  
23 we're seeing results on, but they don't know, because  
24 they're not talking to each other.

25 We are the hub. We're the ones who take

1 everybody's input and we're the ones who are tracking  
2 what's working, what's not working. And so I think, CARB,  
3 we have to be that hub in the 375 context of what we are  
4 seeing that is working, not in a command and control way,  
5 just a menu to identify the things that are working, that  
6 really yield results. That these local planning  
7 authorities should be looking at for their regions. And  
8 they can decide whether they put them in or not.

9           But we're saying, hey, these are the things we're  
10 seeing that really get results. This is where you're  
11 going to get a bang for your buck. And so in this  
12 context, I think this is a place to start to do that, so  
13 that those government agencies have access to it, and the  
14 general public does, because then they can say, well, wait  
15 a minute, I'm in the Central Valley, and there's something  
16 in the Inland Empire that looks a lot like what -- our  
17 region, and we could be doing something very similar here.  
18 And it gives -- it empowers them, and it empowers the  
19 government agencies.

20           So that's my addendum to all of this  
21 conversation. I think it's a very positive move for CARB  
22 to take in that direction. And like I said, there are  
23 other areas where we could be performing the same role.

24           Thank you.

25           CHAIR NICHOLS: Thank you. No comments.

1           Okay. I'm going to bring it back then for just  
2 one last comment and dismissal of this item. And that is  
3 I want to really underscore what Hector just said about  
4 the need to spend some of our time and energy on better  
5 ways to collect, analyze, and disseminate information  
6 about what's working in this field.

7           I am -- I'm sure, like many of you, besieged with  
8 news letters from multiple organizations, many of which  
9 are doing work in this area, and there's good work going  
10 on without a doubt. But being able to try to figure out  
11 how to put it together, and compare, and actually measure  
12 what's working as opposed to just the reports of projects  
13 would be a huge addition to the overall discussion here.

14           The other thing I just wanted to mention is the  
15 legislature passed and the Governor signed a bill last  
16 year that requires ARB to meet regularly with the CTC.  
17 And I'm not sure if the first meeting has been scheduled  
18 yet. It has not. I see head shaking. But this is a  
19 really important item to put on the table, the connection  
20 with housing, the connection with the expenditure of SB 1  
21 funds, the issue that was brought up by several of the  
22 speakers about how funds from that wonderful measure can  
23 be used for capacity expansion that works against what  
24 we're dying to do here is a critical one. And we can't  
25 just let that keep on being mentioned and not do something

1 to really join that conversation.

2           So with that, thank you for a very stimulating  
3 discussion, and we will shift to the scoping plan item.  
4 And while we're doing that, I'd like to talk a little bit  
5 about schedule, because we have a large number of people  
6 who signed up to speak on this item, as well as a pretty  
7 robust staff presentation.

8           This is the third reading, if you will, the third  
9 hearing on this scoping plan. And although it's changed  
10 some since we first began, it hasn't changed all that  
11 much, and the goals that are -- that it's aimed at are  
12 certainly still here.

13           So to the extent that we're going to be hearing  
14 testimony that basically repeats what people said before,  
15 I don't really think we need to have 3 minutes for every  
16 speaker. I think we could go back to our default system,  
17 which we use for just giving 2 minutes per speaker, if the  
18 rest of the Board is willing to allow that. I know  
19 there's at least one group that have combined forces to  
20 put together a presentation as a group, and that's fine.  
21 That's helpful.

22           And if others want to think about how to do that,  
23 effectively, that could be good too. But I'm thinking  
24 that what we should do is get through the staff  
25 presentation and then break for lunch. Try to keep our

1 lunch under an hour. We don't have a closed session or do  
2 we?

3 CHIEF COUNSEL PETER: We do have a closed  
4 session, Chair Nichols, but it's only going to take 10  
5 minutes. Just very short.

6 CHAIR NICHOLS: Okay. Then we don't have to  
7 extend time for that.

8 Okay. So let's proceed along that path then.

9 BOARD MEMBER RIORDAN: That's a good idea.

10 CHAIR NICHOLS. Thank you.

11 After enough years of this job, you eventually  
12 get to fill -- you figure out some of these issues.

13 Yes, and I think -- I've also received a  
14 suggestion, sotto voce, that we try to make it a half hour  
15 lunch, which I think is also a good idea. The Board Clerk  
16 wants, or someone wants, to let our staff know that we're  
17 going to try to get through the lunch very quickly. That  
18 would be helpful also.

19 Okay. Are we ready to go on the scoping plan?

20 I see the -- I see the key people are in place,  
21 so let me just kick this item off then very briefly.

22 For anybody who hasn't been following it, the  
23 second item on today's agenda is consideration of the  
24 2017th edition -- 2017 edition of the Climate Change  
25 Scoping Plan, which is the key document that is designed

1 to show how we're going to achieve our 2030 climate goal  
2 of 40 percent reductions from 1990 levels in greenhouse  
3 gas emissions, and ensure that we're on a path to deeper  
4 reductions that are needed by 2050 to avoid the most  
5 catastrophic impacts of climate change.

6           We've been at this for more than 10 years,  
7 beginning with AB 32, which was the State's first venture  
8 into comprehensive and binding efforts to reduce  
9 greenhouse gas emissions. The first scoping plan included  
10 a diverse portfolio of measures, both specific targeted  
11 regulatory measures and market measures designed to  
12 achieve the 2020 target.

13           I think at this point, we can acknowledge that  
14 we've made great progress under that portfolio of  
15 approach. Our greenhouse gas reporting and inventory data  
16 indicate that we are poised to meet the target of 2020 and  
17 go beyond it. Our early estimates for costs for batteries  
18 and renewables, such as solar and wind, failed to  
19 anticipate how quickly these technologies would fall in  
20 cost, and become economical to deploy. So we were  
21 conservative in our predictions. And fortunately,  
22 technology exceeded our expectations. Similarly, a number  
23 of our other programs could be said to be overperforming,  
24 which just gives us a head start on the much more serious  
25 reductions that are needed to achieve the 2030 target.

1           As greenhouse gas emissions in this State have  
2 declined, the economy has continued to grow. So certainly  
3 the worst fears of critics of AB 32 also failed to appear.

4           California's climate leadership has been  
5 recognized globally, and other jurisdictions are following  
6 similar paths. We know that going forward preventing the  
7 worst impacts of climate change will require continued  
8 accelerated development and deployment of technologies,  
9 not just in California, but around the world.

10           With the passage of SB 32 and AB 197, California  
11 reaffirmed our commitment to reduce greenhouse gas  
12 emissions, and to continue our global climate leadership  
13 role, while making sure that we have the tools to  
14 effectively understand and address local air pollution  
15 concerns at the same time.

16           In addition, with the passage of AB 398 and AB  
17 617 earlier this year, the legislature clarified the role  
18 of cap and trade through 2030, put it on a firm  
19 foundation, and provided new tools to continue to improve  
20 air quality at the community level, especially in the most  
21 burdened communities.

22           The plan that we are here to consider today  
23 outlines not only how we meet the greenhouse gas reduction  
24 targets that are now set in law, but also provides a  
25 visionary look at the longer term and the deeper kinds of



1 transformations that we're going to need to stabilize  
2 climate.

3           This plan provides a policy framework to achieve  
4 our 2030 target. And I would note that some of the  
5 policies that are included in this scoping plan are in  
6 direct response to legislation that was carried by two of  
7 our Board members, Senator Lara's short-lived climate  
8 plant, and Assembly Member Garcia's post-2020  
9 Cap-and-Trade Program.

10           The multi-agency plan that was before us today  
11 was developed over the last 25 months in consultation with  
12 environmental justice advisors on our committee, academic  
13 experts, industry, and the public. This is not to say  
14 that they all endorse this plan in a whole or in part, but  
15 just to say they were consulted and their views were  
16 reflected in the product.

17           Countless hours were spent in public workshops,  
18 stakeholder meetings, dialogue with experts, and  
19 collaborative work with our sister agencies. And so we  
20 truly believe that this is a plan for the State of  
21 California, not just for the Air Resources Board.

22           And with that, Mr. Corey, I will ask you to begin  
23 the presentation.

24           EXECUTIVE OFFICER COREY: Thanks, Chair. And  
25 I'll be brief.

1           The scoping plan, as noted, is designed to ensure  
2 the State is able to meet its long-term climate objectives  
3 in the most cost effective way, while also supporting  
4 economic, environmental, and public health priorities.

5           And as noted, this plan incorporates legislative  
6 direction provided in AB 32, SB 32, AB 197, and AB 398,  
7 Board direction provided at the January and February Board  
8 hearings.

9           The draft of this plan was first presented as you  
10 noted to the Board in January -- at the January Board  
11 hearing, and again in February. And at the meetings, the  
12 Board provided direction to the staff on some additional  
13 analyses, and requested an opportunity to have a joint  
14 meeting with EJAC members of which there were actually two  
15 meetings.

16           So we're confident this plan will keep us on  
17 track to achieve our long-term climate goals.

18           And with that, I'll ask Jacob Zielkiewicz to give  
19 the staff presentation.

20           Jacob

21           (Thereupon an overhead presentation was  
22 presented as follows.)

23           AIR POLLUTION SPECIALIST ZIELKIEWICZ: Thank you,  
24 Mr. Corey. Good morning, Chair Nichols, Vice Chair Berg,  
25 and members of the Board.

1           As Mr. Corey mentioned, today I will be  
2 presenting the 2018 scoping plan, the strategy for  
3 achieving California's 2030 greenhouse gas target for  
4 consideration for Board approval.

5                               --o0o--

6           AIR POLLUTION SPECIALIST ZIELKIEWICZ: I'll start  
7 today's presentation with background on the scoping plan,  
8 including legislative history directing scoping plan  
9 development, the progress we've made on reducing  
10 greenhouse gas emissions, and the process that we've  
11 undertaken over the past 2 plus years in developing the  
12 2017 scoping plan update.

13           Next, I'll provide an overview of the scoping  
14 plan, including the measures that make up the scoping plan  
15 strategy, and the analyses undertaken as part of the  
16 scoping plan process.

17           I'll then speak to the next steps, including  
18 implementation of the scoping plan strategy and the  
19 ongoing work that's occurring to monitor and provide  
20 feedback on performance of our climate programs.

21           Lastly, I'll provide the staff recommendation of  
22 approving the scoping plan.

23                               --o0o--

24           AIR POLLUTION SPECIALIST ZIELKIEWICZ: Next  
25 slide, please.

1                   --o0o--

2                   AIR POLLUTION SPECIALIST ZIELKIEWICZ: AB 32

3 direct the California Air Resources Board to develop a  
4 scoping plan to lay out the path for the State to achieve  
5 the 2020 limit, and to update the scoping plan at least  
6 every 5 years. The initial scoping plan was developed and  
7 adopted in 2008, and the first update followed in 2014.  
8 The initial scoping plan included a range of greenhouse  
9 gas reduction actions that included a mix of direct  
10 regulations, incentives, and a market-based mechanism, the  
11 Cap-and-Trade Program.

12                  In 2016, the legislature passed Senate Bill 32,  
13 which codified the 2030 greenhouse gas limit in statute.  
14 The 2030 GHG target of 40 percent below 1990 levels by  
15 2030 was initially established by Governor Brown through  
16 Executive Order in 2015, which also directed CARB to  
17 update the scoping plan to reflect a path to achieve the  
18 2030 target.

19                  Along with SB 32, the legislature passed AB 197  
20 authored by Eduardo Garcia. AB 197 provides direction on  
21 the development of the scoping plan to consider the  
22 societal costs of greenhouse gas reductions and prioritize  
23 measures resulting in direct emissions reductions.

24                  In addition, AB 197 also follows existing  
25 requirements in AB 32 to consider the cost effectiveness

1 and technological feasibility of measures in the scoping  
2 plan and to minimize leakage. Lastly, just this past  
3 year, the legislature passed AB 398, also authored by  
4 Eduardo Garcia, which directs CARB to update the scoping  
5 plan no later than January 1st, 2018, and companion  
6 legislation AB 617 which provides new tools to address air  
7 quality levels in communities.

8 --o0o--

9 AIR POLLUTION SPECIALIST ZIELKIEWICZ:

10 California's annual statewide greenhouse gas  
11 emissions inventory, shown here by the yellow line, is an  
12 important tool for establishing historical emission trends  
13 and tracking California's progress in reducing greenhouse  
14 gases. We see that our GHG emissions have followed a  
15 declining trend since 2007, and are 10 percent lower since  
16 peak levels in 2004.

17 In addition, we have the mandatory reporting  
18 regulation or MRR, depicted by the shorter teal line in  
19 the graph. The MRR line tracks the inventory, which makes  
20 sense since MRR requires large emitters of greenhouse  
21 gases to report their GHG emissions.

22 The MRR data collected is approximately 80  
23 percent of the emissions included in the inventory. The  
24 dashed light blue line is the 2020 target established by  
25 AB 32. Though we have yet to attain the 2020 target, the

1 declining trend in the GHG inventory, the recent MRR data,  
2 and our modeling suggests that we'll meet our AB 32 target  
3 in advance of 2020, also providing a head start on the  
4 next decade where the rate of reductions must almost  
5 double.

6           The blue line shows per capita GHG emissions,  
7 which have decreased by about 20 percent from a peak in  
8 2001 of 14 tons per person. This reflects that our  
9 climate programs, as they are phased in and take root are  
10 delivering the real GHG reductions we expected to see, and  
11 in some cases -- and in some cases overperforming.

12                           --o0o--

13           AIR POLLUTION SPECIALIST ZIELKIEWICZ: Overall,  
14 trends in the inventory also demonstrate that the carbon  
15 intensity of California's economy or the amount of carbon  
16 pollution per million dollars of gross domestic product is  
17 declining.

18           This represents a 33 percent decrease since the  
19 2001 peak, while the State's gross domestic product has  
20 grown 37 percent during this period. These last 2 slides  
21 demonstrate that a portfolio of policies, as originally  
22 included in the first scoping plan, is the right mix for  
23 California, as greenhouse gas emissions have decreased and  
24 the economy has grown.

25                           --o0o--

1           AIR POLLUTION SPECIALIST ZIELKIEWICZ: As part of  
2 developing the scoping plan update, it was important to  
3 understand the sources of greenhouse gas emissions. This  
4 pie chart provides a snapshot of the GHG emissions for  
5 each large sector-based on the 2015 AB 32 inventory. By  
6 far, transportation is the single largest source of carbon  
7 dioxide emissions in the State.

8           Upstream transportation emissions from the  
9 refinery and oil and gas sectors are categorized as CO2  
10 emissions from industrial sources and constitute about 50  
11 percent of the industrial source emissions.

12           When these emission sources are added to the  
13 transportation sector, the emissions from transportation  
14 amount to approximately half of statewide GHG emissions.

15           Reducing emissions in this sector is critical to  
16 achieving the 2030 target. However, to meet the deep  
17 reductions needed to stabilize the climate, it is  
18 important to reduce emissions from all of the sectors in  
19 the pie chart, and that is exactly what the scoping plan  
20 does.

21           Not included in the pie chart is the natural and  
22 working lands sector, which is estimated to have  
23 approximately 898 million metric tons of carbon in above  
24 ground carbon stock. There is ongoing work to better  
25 quantify this biologically complex sector. However, due

1 to the magnitude of potential sequestration and emissions,  
2 we cannot ignore this sector and the role it can play in  
3 achieving our long-term climate goals.

4 --o0o--

5 AIR POLLUTION SPECIALIST ZIELKIEWICZ: The 2017  
6 scoping plan update has been developed over the past 2 and  
7 a half years in coordination with our sister agencies, the  
8 legislature, economic reviewers, the public, and the  
9 Environmental Justice Advisory Committee. Public  
10 engagement and review is important with all CARB  
11 processes, and the scoping plan is no different.

12 We've been before the Board 5 times and held 15  
13 public workshops. The Environmental Justice Advisory  
14 Committee was reconvened for this scoping plan update, and  
15 they held over 20 public committee meetings, and 19  
16 community meetings in various locations statewide.

17 We also consulted a group of economic expert  
18 reviewers who have served in an advisory capacity in the  
19 assessment of the economic impacts of the scoping plan.  
20 Lastly, we have received and reviewed over 500 public  
21 comments on the scoping plan.

22 --o0o--

23 AIR POLLUTION SPECIALIST ZIELKIEWICZ: This slide  
24 lists some of the key objectives of the scoping plan. A  
25 primary goal of the scoping plan is to achieve the 2030



1 greenhouse gas emissions reductions target and to put us  
2 on the path to achieving the long term 2050 limit of 80  
3 percent reductions below 1990 levels. We want to provide  
4 direct greenhouse gas emissions reductions in our largest  
5 economic sectors to ensure our economy is transitioning to  
6 more sustainable production and energy, while also  
7 ensuring that we reap air quality co-benefits and protect  
8 public health.

9           The plan should also minimize emissions leakage  
10 and ensure any reductions in California are not just a  
11 result of a relocation of those sources or production out  
12 of State, which would also mean a loss of jobs and  
13 economic activity in the State.

14           The scoping plan must include a mechanism to  
15 support climate investments for programs in disadvantaged  
16 communities to ensure these communities can benefit from  
17 the clean technology fuels and become more resilient in  
18 the face of climate change.

19           To date, more than \$5.5 billion have been  
20 generated by the Cap-and-Trade Program, 35 percent of  
21 which must be used to benefit disadvantaged and low income  
22 communities and households.

23           We want to make sure we are able to work at  
24 subnational and national levels to ensure greater GHG  
25 reductions through mutual collaboration. For example, our

1 Cap-and-Trade Program is currently linked with Quebec's  
2 program and with Ontario's program effective January 1st,  
3 2018.

4           The scoping plan should also be cost effective.  
5 We want to meet our GHG targets at the lowest cost to our  
6 economy and consumers and provide compliance flexibility  
7 so that the economy can grow, minimize impacts to  
8 consumers, and support a robust workforce while still  
9 reducing emissions.

10           We also want a scoping plan that readily meets  
11 the mandates in the U.S. EPA Clean Power Plan and supports  
12 other federal programs whenever they are ready to move  
13 forward.

14                           --o0o--

15           AIR POLLUTION SPECIALIST ZIELKIEWICZ: Over the  
16 summer, the legislature passed AB 398, which directs CARB  
17 to update the scoping plan no later than January 1st 2018,  
18 and clarifies the role of the Cap-and-Trade Program  
19 through 2030.

20           In addition, AB 398 directs CARB to make certain  
21 adjustments to the Cap-and-Trade Program, specifically to  
22 include specified price ceilings, price containment  
23 points, offset credit compliance limits, and industry  
24 assistance factors for allowance allocation as part of a  
25 post-2020 Cap-and-Trade Program. We kicked off a workshop

1 in October on post-2020 Cap-and-Trade Program design in  
2 conformance with AB 398.

3 --o0o--

4 AIR POLLUTION SPECIALIST ZIELKIEWICZ: AB 617 is  
5 the companion legislation to AB 398. It directs CARB to  
6 expand air quality monitoring and to reduce exposure to  
7 criteria and toxic pollutants in California's most  
8 burdened communities through the development of community  
9 action plans.

10 This work will include a robust public process in  
11 coordination and partnerships with the air districts and  
12 the California Air Pollution Control Officers Association.

13 We have begun the process by holding  
14 informational meetings throughout the State on the  
15 implementation plan for AB 617. Staff will return to the  
16 Board in March to provide an update with final  
17 recommendations for priority communities and the statewide  
18 planning framework due to the Board in September.

19 --o0o--

20 AIR POLLUTION SPECIALIST ZIELKIEWICZ: I will now  
21 discuss the proposed scoping plan.

22 --o0o--

23 AIR POLLUTION SPECIALIST ZIELKIEWICZ: Like the  
24 first scoping plan, this update proposes a suite of  
25 complementary measures that will help us achieve our 2030

1 greenhouse gas reduction targets. The key measures  
2 include increasing renewable energy and energy efficiency,  
3 reducing emissions from high global warming potential  
4 gases, putting millions of zero-emission vehicles on the  
5 road, decreasing dependence on transportation fossil  
6 fuels, and instead encouraging deployment of alternative  
7 fuels, improving the efficiency of the freight sector, and  
8 advancing zero electric technology within the freight and  
9 heavy-duty sectors, supporting the sustainable community  
10 development, and a post-2020 Cap-and-Trade Program.

11 Based on our uncertainty and evaluation of  
12 alternative scenarios, this suite of policies has the  
13 highest certainty of achieving the 2030 climate goal.

14 Further, it is important to note that several of  
15 the policies, including in the proposed scoping plan, are  
16 primarily developed to achieve federal and State air  
17 quality standards with co-benefits of greenhouse gas  
18 reductions.

19 The scoping plan leverages these planned efforts  
20 to reduce harmful air pollutants, and achieve the 2030  
21 target.

22 --o0o--

23 AIR POLLUTION SPECIALIST ZIELKIEWICZ: As part of  
24 the development of this scoping plan, we considered four  
25 alternative scenarios based on Board direction, EJAC

1 recommendations, and industry comments. They are  
2 presented on this slide with some of the reasons that  
3 informed our ultimate recommendation.

4           The no cap-and-trade alternative included  
5 prescriptive regulations to replace cap and trade.  
6 Additional activities were modeled in a wide variety of  
7 sectors, such as specific required reductions for all  
8 large GHG sources and more extensive requirements for  
9 renewable energy.

10           Industrial sources would be regulated through  
11 command and control strategies. We would also need  
12 incentive funding for programs to replace and retire less  
13 efficient cars. This would require new statutory  
14 authority, would offer fewer options to minimize leakage,  
15 and would cost more than the scoping plan.

16           The carbon tax alternative used a carbon tax to  
17 put a price on carbon instead of the Cap-and-Trade  
18 Program. It does not provide a firm emissions limit  
19 resulting in greater uncertainty in meeting our 2030  
20 target. In addition, establishing the right price to  
21 incentivize reductions is difficult. Uncertainty  
22 surrounding the right carbon price, ultimately means that  
23 this alternative may fail to achieve reductions beyond the  
24 known baseline policies and measures.

25           The all cap-and-trade alternative kept the Low

1 Carbon Fuel Standard at a 10 percent carbon intensity  
2 reduction and would impede on transportation fuel  
3 diversification.

4 And the cap-and-tax alternative placed a  
5 declining cap on individual industry facilities and  
6 individual natural and gas fuel suppliers, while also  
7 requiring them to pay a tax on each metric ton of GHGs  
8 emitted. This alternative has the highest direct cost  
9 with potential detrimental economic impacts and loss of  
10 jobs.

11 --o0o--

12 AIR POLLUTION SPECIALIST ZIELKIEWICZ: Since the  
13 first draft of the scoping plan was made available in  
14 January of this year, there have been updates to the  
15 emissions modeling to reflect new information and  
16 legislative direction. The final modeling reflects  
17 consultation with sister agencies to reflect that more  
18 reductions are underway than we had counted in January.

19 First, because of utility divestiture more  
20 reductions in coal were already planned. Second, we  
21 realized that it was not accurate to model a 33 percent  
22 RPS for 2020 when the latest data indicates we will be at  
23 about 40 percent in 2020, because costs for solar and wind  
24 power make them more favorable from an economic  
25 standpoint.

1           In addition, we need to ensure the refinery  
2 sector measure was removed and attribute those reductions  
3 to the Cap-and-Trade Program pursuant to AB 398.

4           The net result of these updates is that the  
5 scoping plan needs to procure fewer reductions to achieve  
6 the 2030 target than we thought in January. The  
7 Cap-and-Trade Program, which must make up tons from the  
8 refinery measure, increased by 45 million metric tons in  
9 the year 2030 in the final version. All of the details  
10 for the modeling in January and this final plan are posted  
11 to our website and include all data output files.

12                           --o0o--

13           AIR POLLUTION SPECIALIST ZIELKIEWICZ: This slide  
14 shows the expected greenhouse gas emissions by economic  
15 sectors. The left most bar -- the left most bars of each  
16 sector group are the 1990 levels of emissions, and the  
17 right bars of the expected GHG emissions by 2030 with  
18 implementation of the scoping plan.

19           For the high GWP and waste sectors, we see  
20 increased emissions between 1990 and 2030 as a result of  
21 expected growth in these sectors. Absent the Short-Lived  
22 Climate Pollutant Plan, which limits the total amount of  
23 emissions to 40 percent of 2013 levels by 2030, the  
24 emissions from these sectors in 2030 would be even higher.

25           For all other sectors, we see decreases from 1990

1 levels. Some sectors reduce more than 40 percent by 2030,  
2 and some by less. For transportation, successful  
3 implementation of the scoping plan will reduce on-road  
4 fuel demand by at least 45 percent from current levels.

5           Lastly, in 2030, cap-and-trade is expected to  
6 deliver an additional 34 to 79 million metric tons  
7 throughout the economy. So there will be additional  
8 emission reductions to the covered sectors on the slide  
9 based on where it's most cost effective to reduce the  
10 emissions.

11           These additional reductions are not depicted in  
12 the bar chart since the exact apportionment of greenhouse  
13 gas reductions among the covered sectors is unknown.

14           --o0o--

15           AIR POLLUTION SPECIALIST ZIELKIEWICZ: In  
16 recognition that the natural and working lands sector  
17 plays a critical role in addressing climate change, we  
18 have two objectives, to maintain them as a resilient  
19 carbon sink with net zero or negative greenhouse gas  
20 emissions, and to minimize the net GHG and black carbon  
21 emissions associated with management, biomass disposal,  
22 and wildfire events to 2030 and beyond.

23           We are also proposing a preliminary  
24 intervention-based target for sequestering and avoiding  
25 emissions by at least 15 to 20 million metric tons of



1 carbon dioxide equivalent by 2030 through existing  
2 pathways and new incentives.

3           This intervention-based goal is a beginning point  
4 for further discussion and development. However, based on  
5 newly released information, we believe we should work with  
6 our sister agencies to reassess this initial target as  
7 part of the development of the Natural and Working Lands  
8 Implementation Plan in 2018.

9                           --o0o--

10           AIR POLLUTION SPECIALIST ZIELKIEWICZ: For the  
11 first time the scoping plan includes new analyses required  
12 under AB 197. For each evaluated measure in the scoping  
13 plan strategy and the alternatives, this includes cost per  
14 ton, greenhouse gas reductions, potential criteria and  
15 toxics impacts, and societal costs in 2030.

16           These are publicly posted on our website and were  
17 considered as part of the development of the scoping plan  
18 strategy staff is proposing today.

19           The suite of policies in the scoping plan  
20 strategy are responsive to the AB 197 direction of  
21 prioritizing and providing for direct GHG emissions  
22 reductions in mobile and stationary sources, while  
23 considering cost effectiveness, and minimizing leakage.

24           Specifically: The advanced clean cars  
25 regulations require emissions reductions in the light-duty

1 vehicle sector; enhanced Low Carbon Fuel Standard requires  
2 emissions reductions in light-duty and heavy-duty  
3 transportation; SB 350, Renewables Portfolio Standard and  
4 energy efficiency will reduce the need for fossil power  
5 generation; the Cap-and-Trade Program constrains and  
6 reduces emissions across the transportation, electricity,  
7 and industrial sectors; and SB 1383 and the Short-Lived  
8 Climate Pollutant Reduction Strategy require reductions in  
9 the agricultural, commercial, residential, industrial, and  
10 energy sectors.

11 --o0o--

12 AIR POLLUTION SPECIALIST ZIELKIEWICZ: Per Board  
13 direction, we also estimated the avoided health impacts  
14 due to emissions reductions of the scoping plan strategy.  
15 We relied on a U.S. EPA approved methodology to estimate  
16 the health impacts of reductions in diesel particulate  
17 matter, and NOx that we estimated as part of the AB 197  
18 analysis.

19 These health impacts in 2030 include reduced  
20 incidence in premature mortality, hospitalizations, and  
21 emergency room visits associated with emissions reductions  
22 of the scoping plan strategy.

23 In addition, per Board direction, we monetize  
24 these avoided health impacts using the U.S. EPA's value of  
25 statistical life method. The impact on California's

1 economy is a benefit of 1.2 to 1.8 billion U.S. dollars in  
2 2030. This estimated value is likely an understatement,  
3 as it does not include cancer risk or the carbon-related  
4 disease health impacts included in the social cost of  
5 carbon.

6 Lastly, implementation of the transportation  
7 strategies, including reductions in vehicle miles traveled  
8 with high levels of active transportation would improve  
9 health and reduce premature mortality by increasing daily  
10 physical activity.

11 We use the California Department of Public Health  
12 estimate of 2,100 fewer premature deaths annually, if  
13 Californians increased physical health to meet VMT and  
14 climate targets.

15 --o0o--

16 AIR POLLUTION SPECIALIST ZIELKIEWICZ: As part of  
17 scoping plan development, it is important to consider the  
18 economic impacts of the plan. In 2030, the California  
19 economy is projected to grow to \$3.4 trillion, employment  
20 to reach 23.5 million, and personal income to be \$3  
21 trillion.

22 Implementation of the scoping plan would not  
23 change the forecasted growth in the economy. In fact, in  
24 2030, based on our analysis, the impact of the scoping  
25 plan on the California economy is a 0.3 to 0.6 percent

1 contraction, which translates to the economy taking three  
2 months longer to grow to the gross domestic product  
3 estimated in the absence of the scoping plan.

4           Additionally, reducing greenhouse gas emissions  
5 40 percent below 1990 levels under the scoping plan will  
6 lead to avoided social damages from climate change on the  
7 order of 1.9 to \$11.2 billion, as estimated using social  
8 cost of carbon, and social cost of methane.

9           We also expect to see additional growth in new  
10 clean sectors and climate-related health impacts that are  
11 not captured by the social cost of carbon and methane  
12 metrics. As a result, the economic benefits are  
13 underestimated as are the costs of avoided damages.

14                           --o0o--

15           AIR POLLUTION SPECIALIST ZIELKIEWICZ: There are  
16 many goals and policies included in the scoping plan, but  
17 there are a few key points worth noting for your  
18 consideration. First, this plan provides the most  
19 feasible path for achieving the State's 2030 target.

20           Second, the 2030 target is just a milestone on  
21 our path to ensure -- to ensuring we achieve the  
22 reductions needed to avoid the worst impacts of climate  
23 change.

24           Third, this plan is not the end. We need to  
25 continue to evaluate and incorporate additional

1 opportunities to reduce greenhouse gases, criteria, and  
2 air toxics emissions. The scoping plan for the first time  
3 includes lists by economic sector of potential additional  
4 opportunities to reduce emissions.

5 We acknowledge those items may need additional  
6 research, are currently subject to costs or technology  
7 barriers, or may need additional statutory authority, but  
8 we will continue to pursue them with our sister agencies.

9 Fourth, as directed in AB 32, implementation of  
10 any of the scoping plan measures must not  
11 disproportionately impact already burdened communities.  
12 Finally, as is our practice, we will continue to monitor,  
13 adjust, and enforce existing air quality programs in  
14 addition to implementing AB 617.

15 Those existing programs have already dramatically  
16 improved regional air quality, and remained part of our  
17 toolkit to further reducing emissions in the state.

18 --o0o--

19 AIR POLLUTION SPECIALIST ZIELKIEWICZ: A draft  
20 environmental analysis was completed for the scoping plan  
21 that was released in January of this year. Staff  
22 determined that implementation of the proposed known  
23 commitments in the scoping plan may have potentially  
24 significant indirect impacts to some resource areas.  
25 However, these impacts are mainly due to short-term

1 construction-related activities.

2           The draft EA was released for an 80-day comment  
3 period, which ended on April 10th, 2017. Staff prepared a  
4 final environmental analysis and written responses to all  
5 comments received on the Draft EA and posted them on our  
6 website earlier this month.

7                               --o0o--

8           AIR POLLUTION SPECIALIST ZIELKIEWICZ: Staff also  
9 prepared a supplemental response to comments -- staff also  
10 prepared a supplemental response to comments document to  
11 address late comments received.

12                               --o0o--

13           AIR POLLUTION SPECIALIST ZIELKIEWICZ: This  
14 document was posted on our website this morning and copies  
15 were also provided to the Board.

16                               --o0o--

17           AIR POLLUTION SPECIALIST ZIELKIEWICZ: I will now  
18 talk about scoping plan implementation.

19                               --o0o--

20           AIR POLLUTION SPECIALIST ZIELKIEWICZ: As we move  
21 to implementation, it is important to note that each of  
22 the scoping plan measures will undergo its own public  
23 process with additional analyses and public input. The  
24 various interagency work groups identified in the scoping  
25 plan will convene to pursue their respective endeavors, be

1 it the Natural and Working Lands workgroup, or the Vehicle  
2 Miles Traveled workgroup.

3           The Natural and Working Lands Implementation Plan  
4 will be developed by 2018 to evaluate a range of  
5 implementation scenarios for natural and working lands and  
6 to identify long-term sequestration goals that can be  
7 incorporated into future climate policy.

8           We also need to implement AB 617 and AB 197.  
9 This means building on our integrated emissions  
10 visualization tool in order to improve access to air  
11 emissions data. It also means improving air quality in  
12 the most burdened communities throughout our state.

13           And we will be working to explore how to better  
14 integrate health analysis and health considerations in the  
15 design and implementation of programs. Lastly, we will be  
16 revisiting guidance for California climate investments to  
17 dress 2017-2018 budget appropriations.

18                                       --o0o--

19           AIR POLLUTION SPECIALIST ZIELKIEWICZ: It is  
20 important to remember that this is not the end. It is the  
21 beginning. In addition to the -- in addition to the  
22 5-year update cycle for the scoping plan, there are  
23 ongoing monitoring and reporting activities that provide  
24 regular, publicly-accessible feedback on scoping plan  
25 program performance, and therefore provide the ability to

1 make midcourse adjustments, if needed.

2           This process of ongoing monitoring, review, and  
3 adjustment are the norm for ARB's programs. The list  
4 below focuses on these opportunities for our climate  
5 programs.

6           As required by AB 1803, CARB is responsible for  
7 preparing, adopting, and updating California's greenhouse  
8 gas inventory. Statewide greenhouse gas emissions  
9 inventory data is published annually. Under California's  
10 mandatory greenhouse gas reporting regulation, industrial  
11 sources, fuel suppliers, and electricity importers must  
12 report their annual GHG emissions to CARB.

13           Data provided by reporters subject to the  
14 Cap-and-Trade Program is verified by a CARB-accredited  
15 independent third-party verifier. A status report on  
16 scoping plan implementation is to be provided to the Board  
17 on an annual basis.

18           Per direction in SB 10 -- 1018, CARB provides a  
19 series of reports on key climate programs, and on actions  
20 proposed by the Western Climate Initiative Incorporated,  
21 of which California is a member, every 6 months in  
22 addition to annual fiscal and resource reports.

23                           --o0o--

24           AIR POLLUTION SPECIALIST ZIELKIEWICZ: AB 197  
25 directs CARB's Chair to appear before the Joint



1 Legislative Committee on Climate Change Policies and  
2 present the State Board's annual informational report on  
3 the reported emissions of greenhouse gases, criteria  
4 pollutants, and toxic air contaminants from all sectors  
5 covered by the scoping plan.

6 AB 398 requires the newly established Independent  
7 Emissions Market Advisory Committee to at least annually  
8 report on the environmental and economic performance of  
9 relevant climate policies. Lastly, AB 398 requires that  
10 the Legislative Analyst's Office annually report to the  
11 legislature on the economic impacts and benefits of  
12 specified greenhouse gas emissions targets.

13 Indeed, there are numerous venues and media  
14 through which CARB and other committees provide pertinent  
15 information on program performance with opportunity for  
16 public and legislative feedback.

17 --o0o--

18 AIR POLLUTION SPECIALIST ZIELKIEWICZ: In  
19 closing, staff recommends that the Board approve the  
20 proposed resolution, which includes approval of the  
21 written responses to environmental comments received,  
22 including the supplemental response to comments document  
23 provided to the Board today, certification of the final  
24 environmental analysis, and making the required CEQA  
25 findings. And lastly, approval of the 2017 scoping plan

1 update.

2 Before Chair Nichols asks for public comment, I  
3 would like to invite our representatives from sister  
4 agencies to provide their public comments followed by the  
5 Environmental Justice Advisory Committee.

6 We'll begin with Jenny Lester Moffitt from CDFA.

7 CHAIR NICHOLS: Welcome.

8 MS. LESTER MOFFITT: Good morning.

9 Can you hear me now?

10 CHAIR NICHOLS: Yes. Thank you.

11 MS. LESTER MOFFITT: Good morning, Chair Nichols  
12 and the rest of the Board. Thank you for having us here  
13 today. My name is Jenny Lester Moffitt and I am Deputy  
14 Secretary at the California Department of Food and  
15 Agriculture.

16 As you guys all know we are a State leader -- or  
17 global leader in our climate change goals and our  
18 agriculture industry has also stepped up to the plate and  
19 really ramped up the work that we're doing in the  
20 agriculture industry on achieving those climate change  
21 goals.

22 Certainly as we talk about and we heard about our  
23 methane, there's SB 1383 reduction goals. Our dairy  
24 industry has been working, along with the Air Resources  
25 Board on addressing those. We have actually just did --

1 announced a whole new slough of funding for our dairy  
2 digester program, and we're in the middle of also working  
3 on an alternative Manure Management Practice Program.

4           Ag has been working on water efficiency, land  
5 conservation, and land management practices that include  
6 healthy soils. This scoping plan that is before you guys  
7 today outlines an aggressive yet achievable plan for  
8 meeting our State goals.

9           For the first time ever, this plan has a goal --  
10 a statewide goal for the natural and working lands,  
11 including agriculture for greenhouse gas reductions, both  
12 carbon sequestration and reductions. It is important as  
13 we recognize this goal that this is the first time ever  
14 that we have such a goal, and it is important that we  
15 recognize that by achieving this goal, we can achieve it  
16 by working with and supporting industry and private land  
17 managers as we build climate resiliency and sequestration  
18 in our land base.

19           I commend your Board for leadership in this, and  
20 I commend your board and a strong focus on the public  
21 process as well. I commend your staff for their  
22 engagement with us as and our sister agencies. I know we  
23 have more work to do, and I look forward to continued  
24 collaboration, because our work is important and the world  
25 is certainly watching us.

1 Thank you.

2 CHAIR NICHOLS: Thank you.

3 MR. BRIGHT: Good morning. I think it's still  
4 morning. Good morning, Chair Nichols and Vice Chair Berg,  
5 and the members of the board. So my name is Kealii  
6 Bright. I'm the Deputy Secretary for Climate and Energy  
7 at the Natural Resources Agency. And first, I just wanted  
8 to congratulate you for getting to the finish line. We're  
9 not quite over the finish line yet, but we're right at the  
10 line.

11 And then second, from the Agency from Secretary  
12 Laird, I really wanted to commend your -- your placement  
13 of a stake in the ground for making natural and working  
14 lands and important and accountable piece of the scoping  
15 plan.

16 You know, California leads the nation and leads  
17 the world in climate science. We are -- we chase science,  
18 but we have a really good understanding of what our  
19 lands -- what risks and what -- and potential our lands  
20 pose for our State's climate goals. And this plan puts in  
21 place a process for us to harness all of our State's  
22 conservation activities to really maximize those lands'  
23 ability to serve as carbon sinks for the State.

24 Year over year, the State supports incredible  
25 funding amounts for conservation through State bonds,

1 local tax measures, GGRF programs. And that really is --  
2 that really spans across multiple administrations and  
3 multiple political cycles. And what we are excited to be  
4 a part of is harnessing this opportunity to take that  
5 conservation ethos that is proven in our State and  
6 materialize that into deployable tools to impact our  
7 State's climate goals.

8           So thank you, and congratulations.

9           MR. BOHAN: Good afternoon. Chair Nichols and  
10 Board members. My name is Drew Bohan. I'm am the  
11 Executive Director for the California Energy Commission.  
12 I want to second the comments you just heard about the  
13 terrific work of your staff. I'd have to call out  
14 Rajinder, because she's worked so closely with our staff  
15 over the last couple years. We're pleased to provide  
16 input on this -- on this document.

17           Electricity sector is down 24 percent since 1990.  
18 I noticed from one of the slides that Jacob showed that  
19 the electricity sector was the second largest and is now  
20 the third largest having achieved pretty significant  
21 reductions over the yeas. They'd be higher, but the last  
22 year we have records for is 2015, which was a drought  
23 year, so our production from GHG free or very low hydro  
24 was down. So the figures will probably continue to go  
25 down as hydro goes up.

1           The -- going forward, the scoping plan  
2     contemplates additional reductions from the electricity  
3     sector, and we're confident that additional reductions are  
4     achievable. Just over two years ago, Governor Brown  
5     signed land mark legislation SB 350, and it called for a  
6     number of actions I just want to go over very quickly and  
7     give you a sense of what progress has taken place to date.

8           First, and probably most famous, is the 50  
9     percent -- the requirement for 50 percent of all  
10    electricity consumption in California by '23 coming  
11    from -- by 2030, excuse me, from renewable energy. Today,  
12    we are at just shy of 30 percent. And as you heard from  
13    your staff, we're well on track to meet the interim goal  
14    of 2020, which is 33 percent, and 50 percent by 2030. So  
15    good news there.

16           Second, we are charged with looking at the  
17    doubling of energy efficiency requirement in SB 350. And  
18    just last month, the California Energy Commission Board  
19    adopted a series of targets for 2030, and some  
20    recommendations about how to achieve those targets. A  
21    good bit of the wedge -- the wedges we need to accomplish  
22    by that time are on track. Others we still need to work  
23    on to come up with additional measures.

24           Third, we were charged with developing a barrier  
25    study to low income individuals in the State of

1 California, and barriers to their participating in the  
2 clean energy revolution. And a year ago today, the Energy  
3 Commission adopted a plan and submitted that to the  
4 legislature. It has 12 different recommendations and we  
5 have achieved several of them and are well on our way to  
6 achieving the rest.

7 And finally, I just want to note that SB 350 also  
8 called for, at least for some utilities, a new approach to  
9 look the at GHG reductions and that's to develop IRPs,  
10 Integrated Resource Plans. Some utilities had already  
11 been doing them, but others it will be their first time.  
12 And in August of this year, the Energy Commission adopted  
13 guidelines for the publicly-owned utilities.

14 The PUC will be developing guidelines for the  
15 IOUs. And the POUs will be required by Jan 1 of 2019 to  
16 have their plans for meeting GHG reductions with an  
17 integrated approach that could use renewables, energy  
18 efficiency and lots of other tools.

19 We'll continue to work together with your staff,  
20 and again appreciate the opportunity to speak this  
21 morning.

22 MR. McCORMICK: Good afternoon. I can now say  
23 good afternoon. I'm excited to be here. My name is  
24 Michael McCormick with the Governor's Office of Planning  
25 and Research.

1 I think one of the things that we've been really  
2 impressed by this process is the collaborative nature of  
3 your staff working with those of us out in State agencies.  
4 We've recently released the general plan guidelines, which  
5 is document that every State agency and hundreds of  
6 workshops, public workshops, focus groups have informed,  
7 basically been in process since 2011.

8 Through that, we provide some guidance on how  
9 local governments can move forward on greenhouse gas  
10 emissions reductions plans, climate action plans, climate  
11 change elements, et cetera. And so I think we were really  
12 excited to see a very consistent and collaborative process  
13 on the local actions piece of the scoping plan as well.

14 Obviously, there's been a lot of other aspects of  
15 the scoping plan we've worked with. This is probably the  
16 piece I've worked most closely on individually with your  
17 staff. And we greatly appreciate that prior collaboration  
18 on this, and look forward to continuing to work together  
19 in the future as well.

20 Lastly, I just want to thank that tireless staff  
21 at the Air Resources Board. They've been such a pleasure  
22 to work with, really professional. And I know that we're  
23 going to continue having a wonderful working relationship  
24 moving forward. So on that, thank you again, and I don't  
25 want to be the person that holds you from lunch, so I'll



1 leave it there.

2 Thanks.

3 CHAIR NICHOLS: Thank you. You're not keeping us  
4 from lunch. So thank you. We still have at least one  
5 more presentation that I'm aware of, and it looks like  
6 they're coming forward now.

7 I just want to thank our State agencies that are  
8 represented here today, and I know others were involved as  
9 well, that there's been a tremendous evolution, I would  
10 say, in terms of the role that State Government as a whole  
11 is playing in this climate action work going from the very  
12 beginnings under AB 32 when there was a Climate Action  
13 Team under the direction of the Secretary for CalEPA that  
14 would meet once in many, many months, and sort of hear  
15 reports from ARB and people would go away. And, you know,  
16 they'd give us their advice or tell us what they thought  
17 we weren't doing right, but there was no sense that this  
18 was a shared enterprise.

19 And I think we've come to a point now where  
20 there's widespread recognition that although ARB has the  
21 honor and the responsibility for tracking all the  
22 emissions and doing the plans. And for some of the  
23 implementation that whole big swathes of this program  
24 belong to other agencies and to local governments and the  
25 private sector as well.

1           And so we've seen really terrific progress on  
2 that front. And this just gets more complex and more  
3 interesting all the time. So I think there's going to be  
4 plenty of work for everybody for years to come. So thank  
5 you all for your efforts as well, and now Mari Rose, I'll  
6 turn to you.

7           EJAC MEMBER ROSE TARUC: Good afternoon, Chair  
8 Nichols, the Board, the staff, the public. I know we're  
9 all eager to get our 2030 scoping plan passed. I do want  
10 to dedicate this presentation to the folks who are  
11 under -- are experiencing the fires in Ventura and  
12 Southern California. I think, you know -- I especially to  
13 look to staff and I think about, you know, the folks who  
14 are working under those conditions right now.

15           Can you -- next slide.

16                           --o0o--

17           EJAC MEMBER ROSE TARUC: So we have front line  
18 communities in climate change. And this is a picture of  
19 strawberry fields in Ventura. And I don't know if you can  
20 see. There are little dots on the rows on these  
21 strawberry rows. And those are farm workers that are  
22 still outside working under the toxic air that is -- that  
23 is caused by these fires and by climate change. And as  
24 a -- I think it's just appropriate that as a farm worker's  
25 daughter that I get to present the final recommendations

1 of the Environmental Justice Advisory Committee.

2 Next.

3 --o0o--

4 EJAC MEMBER ROSE TARUC: Front-line communities  
5 in California, like the one -- like the farm workers in  
6 Ventura are part of the State's sacrifice zones. There  
7 are -- while we are trying to design a climate plan that  
8 is going to reduce emissions, there are communities right  
9 now, and in the future, that will be sacrificed because  
10 we're not doing enough, and we're not doing them soon  
11 enough. And we call these front-line communities.

12 These front-line communities are different than  
13 communities that are on the mid-line or the back of the  
14 line or where they have escape. And so we look at  
15 front-line communities as those who don't have the  
16 privilege of benefiting from an extractive economy. And  
17 we see that decisions that went into what goes into the  
18 scoping plan and what is approved now are mostly folks who  
19 are on the benefiting side of the extractive economy. And  
20 so we want to point out that there are those who do not  
21 benefit from the extractive economy, who are on the front  
22 lines, and those who are making decisions about our  
23 climate plan today.

24 We also have shared with you not just what's bad,  
25 but what's -- what is -- what are good solutions that will

1 work for our communities. So the EJAC has met, yes,  
2 almost 20 times. We've held 20 community workshops across  
3 the State. The approach to that is because we want to  
4 make sure that important policies are actually known by  
5 the community, and that's how we can successfully  
6 implement these policies. If we didn't do these workshops  
7 across the State, only you and the staff and the lobbyists  
8 would know about them, but not the communities that would  
9 be most impacted by them. So I definitely want to thank  
10 CARB and the staff for coming out to different  
11 environmental justice communities during the EJAC meetings  
12 and the ease workshops to hear from folks what their ideas  
13 are for the best climate plants that we could have in  
14 California.

15           There's a long way to go in this culture shift.  
16 We've seen the culture shift begin within the Board. And  
17 we thank you for meeting with the EJAC twice this year, an  
18 EJAC and Board meeting to talk about and exchange our  
19 ideas. And so we're seeing that. We're seeing that you  
20 have staff now dedicated to environmental justice,  
21 something that the EJAC had asked for in the beginning of  
22 this two-year process.

23           And so next slide.

24                           --o0o--

25           EJAC MEMBER ROSE TARUC: And so over the 2 years

1 of our dozens of recommendations, while staff is giving  
2 you their preferred proposal, we still see that there are  
3 ways that you can improve the staff proposal with these  
4 final changes that we want to see you make as the Board to  
5 the scoping plan that the staff is presenting you.

6 We have two dozen priority changes, but these are  
7 the top five that we're identifying. They -- so here's a  
8 picture of the EJAC when we met last month. They are --  
9 the five are around biomass, around transportation  
10 targets, and then around prioritizing direct emissions  
11 reductions, making sure there are reports on localized  
12 emissions trends, and modeling the Cap-and-Trade Program  
13 to meet our 2030 targets.

14 Next.

15 --o0o--

16 EJAC MEMBER ROSE TARUC: So we think climate  
17 change is a problem with the culture of burning. In the  
18 natural and working lands and waste section -- sector, we  
19 see a lot of proposals for biofuels, biomass burning,  
20 renewable natural gas. And one of the things that we  
21 still want you to do in the scoping plan is that in any  
22 discussion of waste that you prioritize and emphasize  
23 composting and recycling of biomass over biomass  
24 combustion.

25 So this is a picture of a biomass facility in

1 Delano where I grew up. And those are shredded trees that  
2 are then being put into those -- those facilities to burn.  
3 And they're probably getting renewable energy credit. And  
4 that -- that is not a climate solution to us. That is a  
5 problem.

6 Next.

7 --o0o--

8 EJAC MEMBER ROSE TARUC: Second of the  
9 recommendations, we had a lot of discussion on  
10 transportation this morning. We know that the  
11 transportation sector is such a huge beast to figure out  
12 how to reduce emissions. We appreciate actually -- of the  
13 sectors of the scoping plan, the transportation sector  
14 actually did the best job of doing an environmental  
15 justice disadvantaged community and public health  
16 analysis. And so we definitely appreciate the authors of  
17 the transportation section for doing that.

18 The thing is we still want to see the numbers.  
19 We want to see the target numbers about how this is going  
20 to be -- how the emissions are going to be reduced for the  
21 entire transportation sector. I think the meeting that we  
22 had with staff last month is we saw some numbers in  
23 scoping plan. We were told that, you know, reducing fuel  
24 use by half is part of what staff is committed to doing,  
25 but we want to see the numbers about how we can

1 mathematically and scientifically achieve those targets.

2 Next.

3 --o0o--

4 EJAC MEMBER ROSE TARUC: Because this is the  
5 slide that we -- this is the data and the trends that we  
6 look at. And interestingly, this did not appear on the  
7 full -- the full publication of your scoping plan. It's  
8 probably buried in the appendices. And to us like looking  
9 at all the sectors and how they are performing over time  
10 is important.

11 So we see that in transportation it's basically  
12 flatlining, maybe dipping up -- or going up a little. The  
13 industrial section is not making progress at all. And  
14 where a lot of these large facilities and polluters are at  
15 are in environmental justice communities. So you will see  
16 that we will continue to implore upon you that whatever  
17 the plans are, the climate plans to reduce these emissions  
18 in these sectors because they are In EJ communities that  
19 we are going to continue to fight to make them better.

20 And I think -- so these next 3 slides, and the 3  
21 of the recommendations have to do with the Cap-and-Trade  
22 Program and a market mechanism that you have that staff is  
23 proposing to you that you are voting on today.

24 --o0o--

25 EJAC MEMBER ROSE TARUC: And I think this is the

1 biggest divergence in world view between the EJAC and your  
2 staff, and those who have made decisions about the scoping  
3 plan. We see that the scoping -- the scoping plan right  
4 now commits to about 38 percent of the climate plan is  
5 based on cap and trade. And we think that that is such a  
6 huge number with so many concerns and questions about how  
7 cap and trade will really work and how it affects the  
8 environmental justice communities, that it is -- it is  
9 imperative that you do more and closer and better  
10 evaluations about how cap and trade is going to perform  
11 and how they -- they are going to affect environmental  
12 justice communities.

13           We've seen from studies that had to be done by  
14 the environmental justice community and academics that the  
15 current preliminary data that we have is that it's  
16 exacerbating environmental racism, that cap and trade is  
17 attributed to that, and that emissions are increasing in  
18 those subsectors within the cap-and-trade industries, and  
19 that California is exporting its climate benefits because  
20 of problem -- likely offsets.

21           And so what are the responses and guarantees to  
22 environmental justice communities that that is not the  
23 trajectory that you're moving towards in 2030?

24           Next.

25                           --o0o--



1 EJAC MEMBER ROSE TARUC: And so these 3  
2 recommendations -- actually, could you go to the next one.

3 --o0o--

4 EJAC MEMBER ROSE TARUC: Next.

5 --o0o--

6 EJAC MEMBER ROSE TARUC: So we want to see you  
7 report on localized emissions trends. You had passed an  
8 adaptive management program from the Board. And it's as  
9 old as 2011. You have not approved an adaptive management  
10 plan to study the emissions trends happening in  
11 communities. And while you convened a work group in the  
12 last year or two, you have -- there's not an approved plan  
13 of how you're going to go about adaptive management to --  
14 if you see these localized emission trends in  
15 environmental justice communities that you would do  
16 something about it. We have not seen studies. And I  
17 doubt that you have been presented those trend reports.

18 And so it was stunning that at our last month's  
19 meeting when we asked staff, you know, where are the --  
20 emissions reports that are local to communities, and  
21 they're like what do you mean?

22 And so I think it was like -- like, did we not  
23 have this discussion for 2 years about us wanting to see  
24 emissions data that's localized, because all the emissions  
25 data that you see in the scoping plan, as it's presented

1 to you, are basically statewide data. It's statewide  
2 data. And so it's like, yes, you know, California is on  
3 its path to meeting its greenhouse reduction targets as a  
4 State. But how is it happening, and how are you doing  
5 that within the most disadvantaged communities of the  
6 State?

7 And you don't -- there aren't reports like that  
8 right now. And we think that that should be part of how  
9 you move forward is to look specifically and to assure  
10 that environmental justice is part of your work and  
11 assuring the environmental justice community that you are  
12 looking to analyze these and address the problems that you  
13 may see.

14 Next.

15 --o0o--

16 EJAC MEMBER ROSE TARUC: Another thing is that --  
17 so while AB 398 moves towards using cap and trade for the  
18 next 10, 13 years, is that there are questions, including  
19 from the legislature, about how you are meeting these  
20 targets, the 2030 targets, with the concerns and problems  
21 that have been raised around overallocation of allowances,  
22 the banking of allowances, the low price that's happening  
23 right now, the offsets that are out of state and  
24 out-of-state sources of emissions.

25 And so we want to see a modeling of a

1 Cap-and-Trade Program. Do that, so this chart is from the  
2 Legislative Analyst's Office that just came out yesterday  
3 or the day before. So -- but folks in the legislature  
4 have also been talking about this. And we want to raise  
5 that as an environmental justice concern that we want to  
6 see how exactly you're going to meet the 2030 targets with  
7 these issues that are raised.

8 Next. Oh actually go back.

9 Go back, back, back.

10 Okay. And then the last of the 5 -- not last,  
11 but not least, we want to see prioritized direct emissions  
12 reductions. And AB 197, we are so excited when Assembly  
13 Member Garcia authored that bill, and we saw it through  
14 the legislature, and passed, and signed, and handed over  
15 to ARB.

16 What we didn't see and hear at the discussion  
17 with the staff last month is how they were actually  
18 prioritizing direct emissions reductions with the  
19 prescriptive measures that are now in the scoping plan.

20 It was -- we asked how AB 197 is coordinated with  
21 AB 398 and AB 617. And we -- it was unclear how that was  
22 going to happen. Just because AB 398 passed doesn't mean  
23 that AB 197 disappeared. And even though, there  
24 are -- there are studies, multiple studies that are cited  
25 in the scoping plan, it doesn't say how the staff in this

1 proposal prioritized direct emissions reductions in coming  
2 up with a suite of measures to achieve the 2030 targets.

3 If you can -- next slide.

4 --o0o--

5 EJAC MEMBER ROSE TARUC: So this was a -- this  
6 was -- these were the suite of prescriptive measures that  
7 could have been used. This was in the -- I think the  
8 January draft or the draft before -- one of the previous  
9 drafts of the scoping plan. And there were all these  
10 options for prescriptive measures that could have been  
11 included in the current scoping plan, things like the 2  
12 and a half times energy efficiency, or where are  
13 the -- where's 25 percent industry or 25 percent reduction  
14 from oil and gas. That did not make it into the current  
15 proposal that staff has given you.

16 And so we want to know how staff used the  
17 information that they generated from 197, including this  
18 chart, how you are prioritizing direct emissions  
19 reductions when 38 percent of the scoping plan is reliant  
20 on cap and trade?

21 And so with that, last slide, please.

22 --o0o--

23 EJAC MEMBER ROSE TARUC: Oh. To close, I've been  
24 really proud of all the members of the EJAC that met for 2  
25 years, and met with your staff. We did see progress in

1 environmental justice in the discussions that we have had.  
2 And one of the things that we do look forward to is that  
3 in the environmental justice section of the scoping plan,  
4 it talks about your environmental justice officer and the  
5 team, working on an environmental justice strategic plan.

6 And I think that continue -- that is hopeful, in  
7 that you are cont -- dedicated -- committed to continuing  
8 engagement with the environmental justice community.

9 I want to highlight that in the many pages of  
10 recommendations from the EJAC, the 5 approaches that we  
11 wanted to see you continue to use as you implement the  
12 scoping plan is that there is a partnership with  
13 environmental justice communities, that in moving towards  
14 equity that you are doing equity analysis of the whole  
15 plan, the different parts of that, and implementation,  
16 that there is coordination with the environmental justice  
17 community and among agencies. And we're seeing definitely  
18 a good progress on that, as we've seen with the different  
19 presentations from the other agencies.

20 We want to see economic opportunity, be part of  
21 the discussion of our climate plans and implementation,  
22 because one of the things that the extractive economy has  
23 caused a problem with is that a lot of our folks are  
24 working in the fields as fires are burning. And we really  
25 need to figure out how new jobs opportunities and safer

1 job opportunities can come to them.

2           And then lastly, a long-term vision that the  
3 climate programs that you commit to now are not -- are  
4 going to get us past the 2030, past the 2050 goal and not  
5 commit us to certain technologies or measures or programs  
6 that would continue to keep us hooked on fossil fuels.  
7 And so that's what the long-term vision is that the EJAC  
8 has talked about.

9           So thank you.

10           CHAIR NICHOLS: Thank you for that presentation.  
11 It was very concise, and I think presented a full picture  
12 of the discussion. So that gives us a good basis to move  
13 forward into the afternoon session.

14           So we will take a break and we will resume at  
15 1:00 o'clock, or as close thereto as we can possibly  
16 manage to give everybody a chance to talk. So thank you  
17 all and we'll see you in about a half an hour.

18           (Off record: 12:27 p.m.)

19           (Thereupon a lunch break was taken.)

20

21

22

23

24

25

1                   A F T E R N O O N   S E S S I O N

2                   (On record: 1:02 p.m.)

3                   CHAIR NICHOLS: All right, ladies and gentlemen.  
4 We are ready to resume. I want it to be noted for the  
5 record that the Board was actually here at 1:00 o'clock,  
6 as we said.

7                   BOARD MEMBER RIORDAN: Good for us.

8                   CHAIR NICHOLS: I'm not sure where most of our  
9 witnesses are, but I assume they'll be joining us soon.

10                  VICE CHAIR BERG: They didn't believe us.

11                  CHAIR NICHOLS: They didn't believe us. See, we  
12 showed them.

13                  And if we miss anybody, we'll let them testify  
14 anyway, even if they Missed their turn. If we are ready  
15 to begin, which it looks like we, is Henry Hilken here?

16                  Yes, there you are. Excellent.

17                  BOARD MEMBER GIOIA: Some of us are here for you,  
18 Henry, waiting patiently.

19                  CHAIR NICHOLS: My Vice Chair is starting to give  
20 time away.

21                  (Laughter.)

22                  CHAIR NICHOLS: We are going to try to keep to a  
23 2-minute limit, please. Thanks.

24                  MR. HILKEN: Fair enough. I can do that.

25                  Good afternoon, Chair Nichols, members of the

1 Board. Henry Hilken. I'm the director of planning at the  
2 Bay Area Air Quality Management District. And I'm here  
3 essentially to express our strong support for the scoping  
4 update before you today. California leadership is needed  
5 on climate protection more than ever these days. And so  
6 today CARB has once again stepped up to the plate and  
7 developed a very ambitious, but technically feasible, plan  
8 to continue to make deep greenhouse gas reductions and  
9 help us on our path to long-range climate stabilization.

10 We, last October -- excuse me, last April, the  
11 Bay Area Air District board of directors adopted our 2017  
12 clean air plan, Spare the Air, Cool the Climate. And the  
13 clean air plan includes a climate protection strategy for  
14 the Bay Area. It reflects the same long range 2030 and  
15 2050 goals that the scoping plan is framed around. And  
16 there are many, many parallels in the respective control  
17 strategies. I won't go through them. I think you're  
18 probably aware of them.

19 But I will just -- picking up on the conversation  
20 you had this morning on your previous item in the  
21 transportation sector, I just want to echo many of the  
22 comments that were made about reducing vehicle use. We in  
23 the Bay Area are certainly very, very strong believes in  
24 electric vehicles and alternative fuels. We, every year,  
25 commit many millions of incentive dollars to support



1 electric vehicles, EV charging. It's vitally important  
2 for our long-range climate strategies.

3           However, reducing vehicle use and vehicle miles  
4 traveled is every bit as important. EV technology is  
5 necessary, but not sufficient. So I just want to echo the  
6 comments that were made this morning about how important  
7 it is to increase transit funding and policy to support  
8 transit and active transportation.

9           Our clean air plan is a multi-pollutant plan,  
10 because we thought -- and our board was very strong on  
11 this, they thought it was important to integrate our  
12 climate strategies with our air pollution and health  
13 strategies.

14           An indeed, I think that's really one of the  
15 noteworthy -- I'll wrap up in just a moment Madam Chair.  
16 It's one of the noteworthy elements of the scoping plan.  
17 You're to be commended on it. It's something we've worked  
18 with you -- with you for many years. We'll continue to do  
19 that.

20           So in closing, Madam Chair, we support the plan,  
21 commend your leadership, and look forward to working with  
22 you in the years ahead.

23           CHAIR NICHOLS: Thank you very much. Thanks for  
24 being here.

25           Is Randal Friedman here?

1 Not yet.

2 Shelly Sullivan.

3 MS. SULLIVAN: Good afternoon, Madam, Board, and  
4 staff and Board. Madam Chair and Board, I apologize for  
5 my hoarse voice, so I'm going to be very, very quick  
6 today.

7 I'm here representing the Climate Change Policy  
8 Coalition, and we represent housing and businesses and  
9 taxpayer organizations from throughout the State. We want  
10 to support the ARB staff recommendations to the 2017  
11 Climate Change Scoping Plan update. And we look forward  
12 to providing additional comments, and working with the ARB  
13 staff into 2018.

14 So thank you very much.

15 CHAIR NICHOLS: Thank you. That's a brave effort  
16 there.

17 (Laughter.)

18 CHAIR NICHOLS: Sam Bayless. Hi.

19 MR. BAYLESS: Good afternoon. I want to thank  
20 CARB Board members and staff for the opportunity to speak  
21 on this matter. My name is Sam Bayless. I'm on behalf of  
22 CIOMA, the California Independent Oil Marketers. We  
23 represent about 300 members, including 90 percent of the  
24 independent petroleum marketers in the State.

25 The fuel supply chain is rather complicated, and

1 often confused or unknown. I'd like to emphasize that  
2 CIOMA members should not be confused with refiners that  
3 manufacture petroleum products for the west.

4 CIOMA members are in the service business to meet  
5 market demand through providing services to procure,  
6 transport, and retail sell fuel of all kinds, including  
7 biofuels and alternative fuels.

8 Although CARB's vision for the future relies  
9 heavily on electric vehicles, it has not yet been proven  
10 to be feasible, particularly for heavy-duty vehicles that  
11 rely on diesel, including renewable and biofuels.

12 Many CIOMA businesses lead the charge for  
13 responsible bio and renewable fuels and do their part to  
14 reduce the carbon footprint of Californians. In fact, a  
15 CIOMA member was the first to bring biofuels into State.

16 We hope to see a greater focus on creating an  
17 environment that encourages the growth and development, as  
18 well as the ease of storage and access -- excuse me -- of  
19 these sustainable fuels. It is not enough to look at 2030  
20 and beyond when CARB seeks heavy emission reductions in  
21 the immediate future.

22 Thank you very much. Have a good day.

23 CHAIR NICHOLS: Thank you.

24 Mark Sedlacek, there you are.

25 MR. SEDLACEK: Good afternoon. My name is Mark

1 Sedlacek with Los Angeles Department of Water and Power.  
2 And LADWP supports the Air Resources Board 2017 scoping  
3 plan update. The rest of the state we've been undergoing  
4 a trend -- a transformation of our electricity supply. As  
5 of 2016, we're at 29 percent renewables, and cap and trade  
6 has been a critical part of that program.

7 We've been able to manage our investments more  
8 into compliance, and actually result in real reductions  
9 for our system. In 2016, we achieved a milestone when our  
10 emissions of from our electrogenerating sources were 42  
11 percent below our 1990 emissions.

12 And a bigger part, since cap and trade has gone  
13 in place, we've reduced our emissions on an annual basis  
14 from 2013 to 2016 by 4 million metrics tons. And really a  
15 lot a part of this is because of cap and trade. Without  
16 it, I don't think we would have gotten the numbers that  
17 we've seen so far.

18 And really, the two big things we've done since  
19 then is because of cap-and-trade, we will divest of Navajo  
20 generating station earlier than expected. And we added a  
21 carbon adder into our dispatch of units. And that's  
22 actually resulted in the reduction of coal utilization.

23 So, in closing, we just want to indicate we fully  
24 support this program and look forward to working with the  
25 Air Resources Board in the future.

1           CHAIR NICHOLS: Thank you. Thanks for the  
2 tremendous progress that DWP has made as well.

3           MR. SEDLACEK: Thank you.

4           CHAIR NICHOLS: CALSTART Brian Schuchard.

5           MR. SCHUCHARD: Good after -- excuse me, good  
6 afternoon, Chair Nichols and members of the Board. My  
7 name is Ryan Schuchard with CALSTART. We've been involved  
8 throughout this process, so I'll try to be brief and just  
9 make three comments. First, overall take on the scoping  
10 plan, we support it. We think that staff has done the  
11 right thing in being relentless in focusing on clean  
12 transportation, and putting it among the center of the  
13 scoping plan.

14           In general, staff has had their -- always had  
15 their door open to ours and other comments. And they've  
16 had to marry a lot of competing objectives and we think  
17 that they've done a really good job.

18           Second, just a word about jobs. Some say that  
19 California is a hard place to do business. We have around  
20 20,000 jobs that are directly in clean transportation  
21 today. A lot of that is because of the work of the  
22 scoping plan to date and related policies and programs.  
23 We feel that if the scoping plan is adopted, there's a  
24 good chance that we'll double those jobs by the 2025 to  
25 '27 range. And we'll show that the -- oh, and the bulk of

1 those will be in manufacturing, so -- and we'll show that  
2 California is, in fact, the place to do manufacturing  
3 clean transportation.

4           And the final thing is just a note on the low  
5 carbon fuel standard. Excuse me, CALSTART continues to be  
6 a vocal supporter of the LCFS. It's a great program,  
7 because it's inclusive, open to all technologies. And  
8 although it is source agnostic, it is enabling California  
9 fleets to do the investments that are bringing  
10 manufacturers to this state. And we'll continue to work  
11 with GO-Biz and others to make that be a reality.

12           So thanks again. Congratulations on being just  
13 near the finish line.

14           CHAIR NICHOLS: Thank you.

15           Carolina Martinez. Carolina, I should say.

16           Okay.

17           MS. CAROLINA MARTINEZ: Hi. My name is Carolina  
18 Martinez with the Environmental Health Coalition. And I'm  
19 here bringing a video from community members that couldn't  
20 attend. I wanted to make sure their voice was being  
21 heard.

22           Thank you.

23           (Thereupon a video was played.)

24           CHAIR NICHOLS: Thank you.

25           THE INTERPRETER: For the spanish speakers

1 basically what they said is that there are a lot of buses.  
2 Some of them are old. And also a lot of cars. And the  
3 zero emission cars they're very expensive. And they're  
4 not easy to afford. Someone said that perhaps it might be  
5 a good idea to sell used or make them available. Used  
6 zero emission cars for low income communities.

7 CHAIR NICHOLS: Thank you. Gary Hughes. If you  
8 all could keep your eye on the and be ready when it's your  
9 turn, that would be helpful.

10 Thanks

11 MR. HUGHES: I have 2 -- I have a couple slides  
12 that could be shown.

13 How do I get started?

14 Okay. Great. All right. Chair Nichols, members  
15 of the Board My name is Gary Hughes, and I'm the senior  
16 california advocacy campaigner --

17 CHAIR NICHOLS: She was -- I thought she was part  
18 of the video.

19 MR. HUGHES: -- for friends of the earth.

20 CHAIR NICHOLS: Oh, I'm sorry. Excuse me. Is  
21 Ana Reynoso here and wanting to testify again? I thought  
22 because she was in the video that we had heard from her.

23 MR. HUGHES: Yeah, that's why I was late is I  
24 thought there was still someone.

25 MS. REYNOSO: He can before me, if he wants.

1 CHAIR NICHOLS: Well, if you want to finish up,  
2 because you're with that group, why don't you just go  
3 ahead and say what you were going to say, and then we'll  
4 call on Gary next. Yeah, go ahead. Come on up.

5 CHAIR NICHOLS: I apologize. I didn't realize  
6 that you wanted to speak again.

7 MR. REYNOSO: Okay. So my name is Ana Reynoso.  
8 And I'm here on behalf of Environmental Health Coalition,  
9 and the California Environmental Justice Alliance. We  
10 urge the California Air Resources Board to create firm 25  
11 percent transportation reduction targets and to reduce VMT  
12 by 7.5 percent, so we can reach the 2030 goals.

13 The scoping plan does not show clear and specific  
14 targets for both freight and non-freight vehicle  
15 emissions. CARB has reported that the regional SB 375  
16 targets will not fulfill the scoping plan needs.  
17 Transportation is the largest source of greenhouse gas  
18 emissions in California, equaling nearly 40 percent of all  
19 greenhouse gas, and low income communities of color are at  
20 the forefront of these impacts.

21 This extreme disparity in impacts is due in  
22 significant measure to their proximity to freeways and  
23 other inadequate transportation planning strategies, which  
24 lead to more asthma attacks and higher rates of chronic  
25 diseases. Ironically, these residents are also the most



1 frequent users of public transit.

2           The solution for these users is an efficient,  
3 accessible and affordable transit system that makes it  
4 possible to feed their families and to stay healthy. As  
5 mentioned by Supervisor Gioia, we need aggressive targets,  
6 especially within the transportation sector. Stronger  
7 targets result in effective public transportation systems  
8 that lead to healthy families and robust economies. We  
9 need your strong leadership to address the environmental  
10 injustices in our communities.

11           These can be done with a commitment to 25 percent  
12 greenhouse gas reduction targets in transportation, and a  
13 reduction of vehicle miles traveled by 7 and a half  
14 percent at the state and regional level. We recommend ARB  
15 holds environmental justice communities at the center of  
16 the target-setting process for the scoping plan. When  
17 environmental justice communities benefit, everyone  
18 benefits.

19           Thank you.

20           CHAIR NICHOLS: Thank you. Okay. Now, Mr.  
21 Hughes.

22           MR. HUGHES: All right. Thank you, Chair.  
23 Members of the Board, my name is Gary Hughes and I'm the  
24 senior California advocacy campaigner with Friends of the  
25 Earth U.S.

1 I submitted 2 reports for the clerk to distribute  
2 to Board members. These reports challenge assumptions  
3 about the effectiveness, the equity, the mortality, and  
4 the ethics of reliance on carbon pricing and pollution  
5 trading for climate policy. One report is from Brazil  
6 written by Friends of the Earth International. It  
7 explores the California-Chiapas-Acre MOU and is titled  
8 *Legalizing the Mechanisms of dispossession*.

9 The other offers a critical look at carbon  
10 pricing and discusses how communities can continue to  
11 build solidarity against the threat of linking global  
12 carbon markets.

13 One of the biggest take-homes from these reports  
14 and from looking closely at the case study of California  
15 is that carbon markets are a cover for continuing with  
16 business as usual.

17 One of the best ways to understand point is to  
18 identify the places that are at risk due to the  
19 business-as-usual cover of California's carbon market.  
20 The Alaskan Arctic is at risk. The tax reform bill on the  
21 way to being passed by the U.S. Congress includes opening  
22 of the irreplaceable Arctic National Wildlife Refuge to  
23 oil drilling. About one half of the crude oil that comes  
24 out of the pipeline in Valdez comes to California  
25 refineries, where it is then regulated under the

1 Cap-and-Trade Program.

2           Let us be clear, there is nothing that would ever  
3 qualify as climate action from refining even one drop of  
4 oil from ANWR in California's refineries underneath cap  
5 and trade.

6           Though increased production of Alaskan North  
7 Slope crude could change the trend. Let's also notice  
8 that 2016 was the first year that more crude from Ecuador,  
9 namely the Amazon of Ecuador, was refined in California  
10 than was crude from Alaska. One in 10 barrels of oil  
11 refined in California in 2016 came from the Amazon  
12 rainforest.

13           Note that oil extraction is one of the major  
14 drivers Of tropical deforestation, a reality totally  
15 ignored by the scoping plan update.

16           There will never be anything climate friendly  
17 about the deforestation resulting from oil extraction in  
18 the Amazon, even when the oil is refined under the  
19 Cap-and-Trade Program.

20           CHAIR NICHOLS: Thank you. And we do have your  
21 reports also.

22           MS. ALI: Good afternoon, Chair Nichols and  
23 members of the Board. Fariya Ali on behalf of PG&E.

24           A long time ago in a workshop that took place not  
25 that far away, the scoping plan update process began. And

1 the plan before you today reflects robust stakeholder  
2 feedback and numerous revisions throughout that lengthy  
3 possess. We believe that it charts a plausible path to  
4 our very ambitious climate goals, and we strongly support  
5 it.

6 Cap and trade is a critical part of that plan,  
7 and there is a separate proceeding through the AB 398  
8 amendment process to continue to discuss some of the  
9 topics that others have raised regarding that program.  
10 And as well for some of the other issues that folks have  
11 raised, there are other venues to continue to look at  
12 those.

13 This scoping plan is not a regulation. It is a  
14 plan, and we should move forward with its implementation.

15 As California's climate policies continue to  
16 advance and change, so the plan will be updated again.  
17 For now, this version of the plan is ready, it provides an  
18 accurate and insightful snapshot of California's climate  
19 policies and their costs, and so it should be adopted  
20 today.

21 Thank you, and may the force be with you.

22 (Laughter.)

23 CHAIR NICHOLS: Great.

24 MR. COSTANTINO: Hello. Jon Costantino. I don't  
25 know how I follow that. But here on behalf of SCPPA,

1 its --

2 CHAIR NICHOLS: You could quote from Wonder Woman  
3 maybe.

4 (Laughter.)

5 MR. COSTANTINO: -- its member utilities, and its  
6 million of ratepayers. We wanted to just officially be on  
7 the record to say that we thank staff for their hard work,  
8 the two plus years that it took to get here, the numerous  
9 changes, and that we support the cap-and-trade provisions  
10 in the scoping plan, and that the market-based mechanisms  
11 are an efficient way to go.

12 So thank you.

13 CHAIR NICHOLS: Thank you.

14 MS. GIBSON: Good afternoon, Chair Nichols and  
15 Board members. My name is Jamesine Rogers Gibson. And  
16 I'm the senior analyst with the Union of Concerned  
17 Scientists. On behalf of our 86,000 supporters in  
18 California, I thank you for your continued climate  
19 leadership over the past decade. The 2017 Climate Change  
20 Scoping Plan builds upon this success. And we thank you  
21 and your staff for your work to develop this plan.

22 I'd also like to take an opportunity to thank the  
23 EJAC for their presentation, and their efforts to  
24 highlight communities' needs and concerns throughout  
25 development of the plan. We generally support their final

1 top recommendations.

2 Overall, we support the plan. We do think there  
3 are a few places where it could be strengthened to ensure  
4 that we are able to achieve the SB 32 greenhouse gas  
5 limit. The first is natural gas use in buildings which  
6 represents more than 5 percent of the state's carbon  
7 emissions. Switching to renewable electricity to heat and  
8 cool air and water in residential and commercial buildings  
9 is a critical and feasible strategy to reduce these  
10 emissions.

11 The plan should identify and emphasize the  
12 strategy as necessary for meeting the 2030 goal, and we  
13 support the Board resolution language as a step in that  
14 direction.

15 Another area is the design of cap and trade,  
16 which represents a significant part of the scoping plan.  
17 A recent study found that banked allowances through 2020  
18 could potentially equal upwards of 30 to 40 percent of  
19 emission reductions for cap and trade between 2021 to  
20 2030, threatening our ability to meet the State's 2030  
21 goal.

22 We recommend CARB revisit the number of future  
23 allowances in the market to address this risk. My  
24 colleagues Jimmy O'Dea will provide comments on the  
25 transportation portion of the plan, and we've also

1 submitted additional comments to the record.

2           Once again, we thank you again for your  
3 leadership on climate change and we look forward to  
4 working with you and your staff to address these issues as  
5 the -- I'll just finish up -- to address these issues as  
6 the plan is implemented, and the regulatory processes  
7 advance in order to ensure that we have an effective  
8 pathway to meet 2030 goal, and California's goals of a low  
9 carbon economy, health and vibrant communities, and a  
10 clean environment.

11           Thanks.

12           CHAIR NICHOLS: Thank you.

13           BOARD MEMBER BALMES: So I just have to say.  
14 Nice testimony Jamesine, a former student.

15           (Laughter.)

16           MR. KARRAS: Greg Karras, Communities for a  
17 Better Environment. We presented written testimony. You  
18 should have copies. We have a slide to present.

19           And for those of you who don't have copies,  
20 cbecal.org. It's on our home page. You can see our  
21 comments there.

22           Our best climate science tells us it's not too  
23 late to limit cumulative emissions through 2050 to  
24 societally sustainable limits, but it could be very soon.  
25 This frames a crucial question about the major change from

1 the draft plan, the last draft that de-prioritizes oil  
2 sector emission cuts through 2030.

3           What are the cumulative effects of that through  
4 mid-century?

5           These charts show an answer. They assume all  
6 non-petroleum emissions make steady progress to the  
7 State's targets. They use the State's data. Note the  
8 relationship between cumulative emissions in Chart A and  
9 annual emission cuts needed for climate protection in  
10 Chart B during the critical period through 2030.

11           As cumulative emissions approach the climate  
12 limit, and the time left to meet the limit shortens, the  
13 annual cuts needed to meet the limit rise nearly  
14 exponentially. Starting now, we meet the limit by cutting  
15 oil emissions less than 5 percent annually.

16           Starting in 2031, it gets 10 times harder,  
17 requiring cuts of more than 50 percent annually and nearly  
18 80 percent over only 2 years.

19           The rising curve in chart B reveals the  
20 increasing difficulty environmental and social injustice,  
21 stranded assets, and jobs and tax base disruptions in  
22 oil-belt communities that further delay would cause. And  
23 that's if we can still meet the climate limit.

24           If further delay makes that too hard, the  
25 emissions above the red line in Chart A illustrate the



1 resultant climate protection failure. The environmental  
2 analysis, again released less than 2 weeks ago, should  
3 disclose this reasonable potential for significant  
4 impacts. Identifying the problem is the first step  
5 towards solving it. Solving it before further delay  
6 forecloses least impact less difficult solutions should be  
7 the priority.

8 Thank you.

9 CHAIR NICHOLS: Thank you.

10 MR. JEREMY SMITH: Good afternoon, Madam Chair,  
11 members of the Board, and staff. My name is Jeremy Smith.  
12 I'm here on behalf of the State Building and Construction  
13 Trades Council, a great council of construction unions  
14 that collectively represent 400,000 construction workers  
15 in California.

16 Many thousands of those work in the refineries.  
17 They come in to the refineries to do heavy construction  
18 work during shut downs, turnarounds, represents over a  
19 5-year period millions of man hours -- that's the term --  
20 millions of worker hours of work for construction workers  
21 in California.

22 We'd like to thank you for removing the refinery  
23 measure from the scoping plan. It's going to go a long  
24 way towards ensuring that that work will continue. Those  
25 workers are highly skilled workers, and do a lot of work

1 in the refinery to make them more efficient, which we  
2 believe helps overall. And it's just important to  
3 remember the economic realities that go into what you  
4 discuss here in terms of jobs. Removing that measure  
5 does -- is going to help ensure that construction workers  
6 do continue to have work in the refineries.

7 We appreciate that. Thank you.

8 CHAIR NICHOLS: Thank you.

9 MR. MAGAVERN: Bill Magavern with the Coalition  
10 for Clean Air. There are 4 reasons why you should  
11 prioritize direct emission reductions over trading and  
12 offsets.

13 First, those direct measures are ones that have  
14 proven to be effective in reducing emissions. Second,  
15 they also very often will reduce air pollution, in  
16 addition to greenhouse gas emissions. Third, they avoid  
17 the hot spots and environmental justice problems that are  
18 sometimes caused by trading and by offsets. And fourth,  
19 the law says that you need to prioritize direct emission  
20 reductions, a law authored by Assembly Member Garcia.

21 In the transportation sector, which as we noted  
22 this morning, is the largest source of greenhouse gas  
23 emissions and a growing source of greenhouse gas  
24 emissions, there are a number of steps we need to take,  
25 which are addressed in your scoping plan.

1           In the freight sector, we need to move rapidly to  
2 zero emission technologies, and low carbon renewable  
3 fuels. For personal transportation, as we discussed, we  
4 need to make land-use changes to make transit and  
5 pedestrian and biking access more available for people.  
6 In fuels, we need to ramp up the Low Carbon Fuel Standard.  
7 And we think we can go higher than 18 percent by 2030.

8           And, of course, we need in cars to ramp up the  
9 zero-emission vehicle standard as you're planning to do,  
10 and we look forward to working with you and your staff on  
11 all those measures.

12           CHAIR NICHOLS: Thank you.

13           MR. GAMBOA: Good afternoon. My name is John  
14 Gamboa. And I was the former founder of the Latino Issues  
15 Forum and co-founder of the Greenlining Institute and I  
16 was recently recruited out of retirement by some of our --  
17 the State's greatest civil rights heroes, if you will, and  
18 champions Cruz Reynoso, Herman Gallegos, George Dean from  
19 the Urban League, and others on it.

20           The recruited me to -- for us to work on a new  
21 organization with one mission, and one mission was to try  
22 to close the growing wealth gap in our community that  
23 families of color are suffering from on it.

24           And we chose the same avenue that created the  
25 great white middle class and created so much wealth in our

1 country and that was access to home ownership on it.

2 I was -- I have to first laud the -- this is my  
3 first time in a hearing like -- in this hearing in this  
4 room. And I was really impressed with the quality of the  
5 presentations and the work that your staff has done.  
6 However, there is one area that I think you have created a  
7 new redlining on that, and that was access to affordable  
8 housing, the avenues that would let our community be able  
9 to buy homes and create the wealth that they would start  
10 joining the middle class.

11 That has a huge impact -- negative impact on it.  
12 When you get a -- you own a home, and you get into middle  
13 class, your children stay in school a little longer. They  
14 stay in school a little longer, they get a better job,  
15 they earn more, and their children then go to college, and  
16 that wealth starts accumulating in the community.

17 From 1930 to 1970, our community was red lined by  
18 all the government housing projects. 1970, we started  
19 closing the gap because the civil right laws and  
20 anti-discrimination on it. We are doing really in closing  
21 the gap in wealth and in home ownership until 2008. The  
22 Great Recession disproportionately affected our community.  
23 And we lost in 3 years what took 30 years of wealth to  
24 accumulate.

25 We're now starting to close that gap again. And

1 the -- that part of the scoping plan that you have is  
2 going to put us back again. It's a new form of redlining.

3 We ask you to take -- think back -- go back and  
4 look at what is the impact of some of these things that  
5 are going to do on poor people, and in particular access  
6 to home ownership.

7 Thank you.

8 CHAIR NICHOLS: Thank you, Mr. Gamboa. And we do  
9 have your written testimony also.

10 MS. HERNANDEZ: Thank you, Madam Chair. I'm  
11 Jennifer Hernandez. I have the privilege of working with  
12 Mr. Gamboa and with the other civil rights leaders in the  
13 group -- the 200. We did submit a comment letter  
14 yesterday, and noted that staff had responded to it in  
15 this morning's package.

16 The pieces of the scoping plan that we wanted to  
17 particularly ask that you delete, because they worsen the  
18 housing crisis and worsen poverty, and disproportionately  
19 impact working families of color are the CEQA expansions.

20 You have recommended a net zero threshold for  
21 projects. The only thing that applies to is new projects,  
22 new housing. I quote in the letter the findings of  
23 actually the San Francisco Chronicle, although they're  
24 repeated in lots of different studies, to build housing at  
25 the Oakland Coliseum Station right now, which everyone

1 thinks is a pretty great location, housing costs would  
2 result in -- for a 1000-foot apartment rents of \$4,500 a  
3 month.

4           When you match that to the income needed to  
5 qualify to pay that kind of rent, you need a household of  
6 \$170,000. Average income in Alameda County is less than  
7 \$80,000. Why is this such a big issue?

8           Because CEQA, the top target of CEQA statewide in  
9 two studies is infill housing. In the most recent study  
10 we did, this was of all CEQA lawsuits filed statewide, 100  
11 percent of housing projects in the Bay Area were in infill  
12 locations. Ninety-eight percent of targeted housing  
13 projects in the South Coast region were in infill  
14 locations.

15           In the SCAG region, we mapped 70 percent of the  
16 challenged housing units, 14,000 housing units challenged  
17 in 3 years under CEQA, 70 percent of those were within one  
18 half mile of transit.

19           CHAIR NICHOLS: Finish you sentence.

20           MS. HERNANDEZ: Environmental justice  
21 community -- I just want to make one last point. The  
22 environmental justice community, EJ maps, guess what?  
23 Seventy-eight percent of the housing units challenged in  
24 the South Coast region were in whiter, wealthier,  
25 healthier parts of that region.

1 CEQA is used as a tool to keep poor people out of  
2 the affordable housing in wealthy neighborhoods. You  
3 should not recommend zero threshold, expand numeric  
4 criteria for climate action plans, which is a pathway  
5 through CEQA. You should not do vibrant communities and  
6 invite 8 State agencies to help local governments approve  
7 housing projects, my God. And you should not set VMT  
8 targets.

9 I do have a question. I'm completely confused,  
10 and I share the confusion of Ms. Nichols, and that is does  
11 the scoping plan include a VMT target or not?

12 I heard it did. I heard it didn't. The staff  
13 response is completely ambiguous. I don't know. We think  
14 it does. We've challenged it as though it does. Guess  
15 who's driving the farthest? People who can't afford to  
16 live near their jobs.

17 Think about the social equity of a VMT fee.  
18 Think about putting all of this through CEQA.

19 Thank you.

20 CHAIR NICHOLS: Thank you. I think we'll address  
21 that and other questions as we do the wrap-up at the end,  
22 and deal with the resolution, but appreciate you're  
23 flagging it.

24 I am confused once again, because I've been  
25 handed a piece of paper that doesn't seem to be

1 contiguous, but let's see where we are here.

2 EDF, Katelyn Sutter.

3 MS. ROEDNER SUTTER: Good afternoon. I'm Katelyn  
4 Roedner Sutter with the Environmental Defense Fund.

5 CHAIR NICHOLS: Great.

6 MS. ROEDNER SUTTER: Thank you very much for the  
7 opportunity to provide some quick comments. And I would  
8 also like to thank the staff for their years of work on  
9 this scoping plan.

10 EDF supports adoption of the scoping plan today.  
11 We look forward to continue to work with staff and the  
12 Board as they implement the extension of the Cap-and-Trade  
13 Program beyond 2020, so it can continue acting as the  
14 State's insurance policy to keep us on track to meet our  
15 ambitious climate targets.

16 There are many important issues to consider,  
17 including setting a price ceiling that is sufficiently  
18 high to ensure the environmental integrity of the program,  
19 and whether there is a chance to increase ambition by  
20 lowering the annual allowance budgets between 2021 and  
21 2030.

22 I'd also like to thank the Environmental Justice  
23 Advisory Committee leadership for their presentation and  
24 their written priority recommendations. We agree that a  
25 more robust health analysis would be helpful to ensure we



1 are addressing disproportionate environmental burdens in  
2 low income neighborhoods and communities of color.

3 And we also support the recommendation that the  
4 adaptive management plan be finalized and implemented, and  
5 agree that the transportation sector should be a key focus  
6 of reduction efforts in order to benefit both resident's  
7 health and the climate.

8 We've also heard some discussion today and  
9 elsewhere about the implications of having California's  
10 emissions significantly below the cap. EDF does not see  
11 this as a threat, but as a sure sign of success. It's  
12 also an opportunity that gives Californian the option to  
13 cut emissions even more by trimming the overall number of  
14 allowances it makes available in the coming years as the  
15 State charts a path to an ambitious 2030 climate target.

16 So again, I'd like to thank all of the staff who  
17 have put countless hours into the scoping plan and voice  
18 EDF's support for the final product.

19 Thank you very much.

20 CHAIR NICHOLS: Thanks.

21 Deanna Martinez.

22 MS. DEANNA MARTINEZ: Good afternoon. My name is  
23 Deanna Martinez. I actually work for Shell Oil.

24 CHAIR NICHOLS: Oh. Okay.

25 MS. DEANNA MARTINEZ: I work for Shell Oil in

1 Martinez as a Refinery Safety Leader. I'm here speaking  
2 on behalf of myself and all my co-workers that were not  
3 able to make it. I'd like to thank you for all your  
4 efforts in the scoping plan, and thank you for removing  
5 the refinery measures. I'd like to tell you a little bit  
6 about myself. I'm a third generation -- or a third  
7 generation refinery worker. I actually have 4  
8 generations. My children actually work in the refinery.

9 This is how I provided for my children, my father  
10 provided for me, my grandfather has provided for my  
11 father. It's not just a job for me, it's a living. And I  
12 enjoy what I do.

13 Sorry.

14 I'm one of nearly thousands of people who work in  
15 the refinery, whose priorities are people and planet.  
16 It's important to me, and my opinion matters in my job.

17 Thank you.

18 CHAIR NICHOLS: Thank you.

19 Brenda --

20 MS. KUEHNLE: I won't make you try to pronounce  
21 that. I'm Brenda Kuehnle, and I work for Chevron. And I  
22 just wanted to share a little bit. Refiner -- I'm a  
23 strategic planner at Chevron. So, you know, I, like you,  
24 look out to 2030 and say where are we going to be, what  
25 are we going to do?

1           Refineries are critical facilities that fuel  
2 plains, trains, and provide necessary services for -- or  
3 equipment -- the plastics that make our electric cars.  
4 They also fuel our economy. Oil and gas industry and  
5 businesses compete -- contribute more than \$8 billion to  
6 the local, State, and federal taxes, which help provide  
7 goods and services for a lot of people, not just the  
8 wealthy, but the poor as well.

9           The greenhouse gas regulation is a global  
10 issue -- is a global issue. It's a global pollutant, not  
11 a local pollutant. So it's critical that the work that we  
12 do here in California affect the globe, not just  
13 California, because to the extent that we push the  
14 emissions somewhere else, the global emissions haven't  
15 changed, and we could hurt the global environment, and  
16 hurt global warming.

17           So we support -- I support the cap and trade  
18 under the current scoping plan, because this will be good  
19 for business, help to promote the living wage jobs that  
20 are provided by refineries and the oil and gas industry,  
21 and also help meet achievable greenhouse gas goals that  
22 will reduce leakage into other states and other countries.

23           Thank you.

24           CHAIR NICHOLS: Thank you.

25           Mr. Yang.

1           MR. YANG: Good afternoon, Board members. My  
2 name is Steven Yang. I'm an environmental team lead at  
3 the Chevron Richmond Refinery and have been responsible  
4 for various areas of environmental compliance for more  
5 than 10 years.

6           While your role is to adopt sound policies and  
7 regulations, my role is to bring them into effect at our  
8 facility. In my years of experience, I have seen  
9 regulations that are smart, based on science, and at the  
10 same time realistic and effective. I feel good about  
11 implementing those, because the impact is appropriate for  
12 the time and resources I would be asking of my colleagues.

13           I have also seen regulations that are draconian,  
14 unrealistic, or have an insignificant impact on the  
15 program. These are the worst to implement, because the  
16 problem largely remains, and I would have required my  
17 colleagues to spend time and resources that could have  
18 otherwise been better spent maintaining equipment,  
19 operating efficiently and safely, or streamlining  
20 compliance with other regulations.

21           In light of this, I wanted to extend my support  
22 for the proposed scoping plan. The latest changes  
23 acknowledge several key facts about climate change.  
24 Climate change is the result of total worldwide greenhouse  
25 gases.

1           Climate change is blind to the source of the  
2 greenhouse gases. Climate change is only meaningfully  
3 mitigated by net reductions in worldwide greenhouse gases.

4           As a result, the scoping plan before you now lays  
5 a framework to attain State greenhouse gas goals in a more  
6 cost effective way.

7           Thank you for the opportunity to comment.

8           CHAIR NICHOLS: Ms. Carter.

9           MS. CARTER: Hello. Good afternoon, Board  
10 members, Madam Chair. I am Akeele Carter and I am the  
11 local hire coordinator for the modernization project at  
12 the Chevron Richmond Refinery. The project is also  
13 referred to as the Renewal Project.

14           I am 2 of 4 generations that grew up in the City  
15 of Richmond. And I must say we're all healthy, we're all  
16 happy, and we're all thriving in Richmond, the City of  
17 Pride and Purpose.

18           The Renewal Project is not only ensuring a newer,  
19 safer, and cleaner refinery that is better for my  
20 community, this project has also created over 2,000 jobs  
21 within a 2-year time frame, which has caused a significant  
22 improvement to the quality of life for myself, my family,  
23 my community, and the northern region as a whole.  
24 Clearly, a huge investment in environmental standards, and  
25 most of all human energy.

1           Thank you to your staff for your work on this  
2 effort, revised draft -- a revised draft scoping plan.  
3 And we support the removal of the refinery measure from  
4 the current draft.

5           Thank you.

6           Ms. Immel.

7           Oh, I'm sorry, Mr. Wunder. Excuse me.

8           MR. WUNDER: Chair Nichols, members of the Board.  
9 Thank you for your time today. My name is Andy Wunder.  
10 I'm a manager of policy and partnerships in Ceres'  
11 California Office.

12           Ceres is a non-profit advocating for  
13 sustainability leadership and we mobilize a network of 44  
14 leading companies, including a number based in California.  
15 This network is called BICEP. I'm here on behalf of BICEP  
16 to commend ARB staff on developing a scoping plan that  
17 outlines a coherent policy path forward to achieving  
18 California's greenhouse gas goals.

19           In particular, BICEP supports inclusion of a  
20 post-2020 Cap-and-Trade Program. However, while we  
21 support adoption of the scoping plan in a timely manner,  
22 we believe it should be strengthened with more ambitious  
23 commitments.

24           We understand that upcoming regulatory  
25 proceedings will be the primary venue for addressing these

1 issues. However, the scoping plan is the State's primary  
2 climate program planning tool, and ARB must fully leverage  
3 this document to chart and adequate course to achieving  
4 our goals. Placing a strong stake in the ground is  
5 critical.

6 I will begin by making a few comments on areas  
7 we'd like to see improvements. Cap and trade allowance  
8 prices have remained low, and this may result in an  
9 oversupply of allowances in a post-2020 program. We  
10 believe that the scoping plan should commit the State to  
11 investigating and addressing this potential oversupply.

12 In transportation, the scoping plan should commit  
13 to pursuing a post-2025 Advanced Clean Cars program that  
14 calls for increasingly stringent greenhouse gas emission  
15 standards, and commits to emphasizing an emphasis --  
16 increasing emphasis on the ZEV Program.

17 The scoping plan must also commit to  
18 strengthening the ZEV program compliance structure  
19 post-2025. BICEP is very supportive of an extension of  
20 Low Carbon Fuel Standard. However, we believe the 18  
21 percent CI goal relies on overly pessimistic fuel supply  
22 assumptions. And the scoping plan should reflect the  
23 potential for a stronger CI goal in a future rulemaking  
24 proceeding.

25 BICEP also believes the scoping plan should

1 commit staff to identify strategies to minimize emissions  
2 from autonomous vehicles. And finally, the scoping plan  
3 should commit the State to additional analysis to  
4 determine a more ambitious target date for 100 percent ZEV  
5 sales.

6 In conclusion, we support the scoping plan --  
7 adoption of the scoping plan in a timely manner and ask  
8 ARB to include these strengthened amendments. At a  
9 minimum, the Board should direct staff to further analyze  
10 these proposed commitments and report back to the Board  
11 with a proposed path forward by a date certain.

12 Thank you for your time.

13 CHAIR NICHOLS: Great.

14 Ms. Immel.

15 MS. IMMEL: Good afternoon, Madam Chair, members.  
16 Excuse me. Melissa Immel with Shaw/Yoder/Antwih here on  
17 behalf of the Solid Waste Association. Thank you for the  
18 opportunity to comment today. In looking at the waste  
19 management portion of the scoping plan update, we'd like  
20 to thank you for the emphasis on source reduction. We  
21 would also like to see an increase in ongoing focus on  
22 extended producer responsibility policies, particularly  
23 for materials that are difficult, costly, and sometimes  
24 dangerous to manage in the waste stream.

25 As the State moves towards its ambitious goals,



1 such as the 75 percent diversion goal and the organics  
2 recycling goals identified in AB 1826 and SB 1383, we'd  
3 urge a strong focus on market development and a  
4 sustainable funding source for infrastructure expansion.

5           We're pleased to see the inclusion of the State's  
6 recycled content product procurement program as one method  
7 of supporting market development. And we'd like to see  
8 those standards go further. In light of the recent  
9 announcement from China that they will no longer accept  
10 many of our recyclables, we need to have conversations  
11 about the significant forthcoming impacts and what the  
12 will mean for waste management facilities throughout the  
13 State if there's nowhere to send their recyclable  
14 materials.

15           I recognize that much of this falls under  
16 CalRecycle's jurisdiction, but in light of your  
17 collaboration with CalRecycle on these policies, I'm  
18 raising them here today. So thank you so much, and we  
19 look forward to continuing these discussions in the coming  
20 months.

21           MR. DOUGLAS: Thank you. Chair Nichols, Vice  
22 Chair Berg, Members of the Board. I'm Steve Douglas with  
23 the Alliance of Automobile Manufacturers representing 12  
24 of the world's leading cars companies. And we appreciate  
25 the staff's work on this and their willingness to engage

1 with all the stakeholders and specifically the mobile  
2 source strategy document that was -- it was published last  
3 year.

4 I'd just like to point out that the scoping plan,  
5 the strategy document is important, but it's not a  
6 roadmap. It's not a starting point. It's a -- it's a  
7 top-down analysis, where you start with the answer and  
8 then you work your way backwards. The standards, the  
9 regulations that ARB sets are based on a bottom-up  
10 analysis, where you start with where we are today or at  
11 some point in the future, and you build up requirements  
12 based on what's cost effective, technically feasible,  
13 taking into consideration the likely technology  
14 advancements, cost reductions, consumer acceptance.

15 And that's the way that the regulations are  
16 built. That's the way that ARB will adopt the standards  
17 for '26 through '34 for -- for vehicles. And that's what  
18 ARB's reputation is built on, a solid bottom-up analysis.

19 So just to be clear, when they -- there's talk in  
20 the scoping plan about 4.2 million ZEVs in 2030. That's  
21 not the staff's conclusions of what's technically  
22 feasible, what's cost effective. Instead, it just means  
23 that if the cars -- companies deliver the vehicles, if the  
24 State delivers on the complementary measures on  
25 incentives, infrastructure, low price, fuel, and the

1 customers respond based on that and buy 4 and a half  
2 million vehicles, then the State would meet its 2030  
3 goals. So that's -- just to put a little perspective in  
4 it.

5 Thank you for your time.

6 MR. PIMENTEL: Madam Chair and Board members,  
7 Michael Pimentel with the California Transit Association.  
8 As you know we represent 80 transit operators in the  
9 State, about 200 members in all representing things like  
10 bus and rail car manufacturers.

11 So I'm here today to express that we are  
12 generally in support of this scoping plan. We've weighed  
13 in with comments over the various comment periods. But I  
14 would like to draw your attention to a few of our concerns  
15 that I think warrant further discussion. It may not be  
16 properly for this scoping plan, but certainly as staff  
17 preps for the next one, and measures are developed to  
18 fulfill the goals of the scoping plan.

19 So first, at our urging, previous versions of the  
20 plan had included language suggesting that ARB would take  
21 an active role in pursuing measures to stabilize  
22 transportation funding. That language has been removed  
23 from this final plan. And it's my guess that the removal  
24 was due to the passage of SB 1.

25 While we're grateful for the passage of that

1 bill, I think it needs to be said that California public  
2 transit agencies face a backlog of about \$50 billion just  
3 to bring us into a state of good repair.

4 By contrast SB 1 will provide just \$7 billion.  
5 So while it's a good investment, it's just an initial step  
6 toward where we need to be. And as we -- as we speak, SB  
7 1 is threatened to be repealed. And so that I think needs  
8 to be put on everyone's radar is something that could  
9 ultimately undermine the goals that you're looking to  
10 achieve.

11 In sum, we think that the removal of this  
12 language was a mistake, and suggests that public transit  
13 agencies are well capitalized to undertake the State's  
14 ambitious goals, when, in fact, they're not quite yet.

15 Next, I will just remark that the plan is very  
16 much focused on making improvements to transportation  
17 technology. There's not much discussion around actually  
18 inciting mode shift. And I think that there needs to be  
19 greater emphasis in increasing the frequency and  
20 reliability of public transit. That takes dollars, so we  
21 shouldn't be focused solely on cleaner tech.

22 Thank you.

23 CHAIR NICHOLS: Thank you.

24 MS. GOLDEN: Hi. I'm Rachel Golden with the  
25 Sierra Club, speaking on behalf of more than 180,000

1 members in California.

2           We appreciate the careful work that CARB staff  
3 has put into the scoping plan, and we also appreciate  
4 staff and Board members willingness to meet with us to  
5 address our concerns over the last several months.

6           We also thank the EJAC for their tireless work  
7 and we support their recommendations.

8           Generally, the plan continues to move California  
9 in a direction that will reduce greenhouse gas emissions.  
10 We don't always agree with CARB or the Governor about the  
11 best tools to use, but we appreciate that the scoping plan  
12 lays out a range of strategies to reduce climate  
13 pollution.

14           One area that we believe is unemphasized in the  
15 scoping plan is the ability and the need to reduce climate  
16 pollution by shifting energy sources used in buildings  
17 particularly for gas appliances like water heaters and  
18 furnaces.

19           Decarbonizing California's over 13 million homes  
20 and buildings by cutting dependence on methane gas can  
21 profoundly reduce climate pollution. We know that  
22 Southern California Gas Company at regulatory filings at  
23 the PUC and the CEC have used this underemphasis in the  
24 draft scoping plan to argue that there is no need for  
25 those agencies to pursue or support building

1 electrification.

2           State agencies must establish a comprehensive  
3 plan to transition homes and buildings away from fossil  
4 fuel dependence and toward electrification. While this  
5 call for a plan isn't directly stated in the scoping plan,  
6 we thank the staff and the Board for the resolution  
7 language that encourages key agencies to evaluate and  
8 pursue strategies that will ultimately increase  
9 electrification across all sectors.

10           We also believe the plan overstates the role of  
11 biomethane, particularly in building decarbonization. It  
12 is important that going forward regulators note that once  
13 biomethane is generated and injected into the pipeline,  
14 that its environmental and air quality impacts parallel  
15 those of traditional and conventional methane gas.

16           Leaks in this gas system can erode any climate  
17 benefits associated with biomethane as a fuel. Lastly,  
18 this is not the place to debate CEQA, but I just want to  
19 note that CEQA is not the reason for high housing prices.  
20 And in many cases, it is the reason for innovative -- that  
21 innovative and -- infill provides additional housing  
22 without additional pollution.

23           Thank you for your leadership.

24           CHAIR NICHOLS: Thank you.

25           MR. ADAM SMITH: Good afternoon, Chair Nichols

1 and members of the Board. My name is Adam Smith. I'm the  
2 manager of climate policy with Southern California Edison.  
3 The benefit of going 29th is that most people have said  
4 everything, so I'll try to keep it tight.

5           Southern California Edison supports the final  
6 plan and a well designed Cap-and-Trade Program to help the  
7 State achieve its post-2020 climate goals. I'd echo the  
8 comments of Mark from LADWP who I think was one of the  
9 first speakers we had today. In our sector, in the  
10 electric sector, the Cap-and-Trade Program, the instance  
11 of a carbon price has dramatically changed the way we  
12 dispatch electricity in this State and in the region.

13           And I would just suggest for those looking for  
14 examples of how cap-and-trade has really been a game  
15 changer, that's a very clear sterling one, even while  
16 allowance prices are, you know, potentially rather low.

17           So with that said, I would like to hop along and  
18 just point out that, you know, in the scoping plan,  
19 California's electric sector, you know, it has been  
20 leading the way, and it looks as though it will continue  
21 leading the way in GHG emission reductions from just a  
22 percentage basis.

23           If you look at the final scoping plan in many  
24 instances from that percentage basis, the electric sector  
25 will be further decarbonized than any of the other

1 sectors, in some instances doubling the decarbonization  
2 that will be occurring in those other sectors according to  
3 1990 levels.

4           And what the does -- well, it's -- you know that  
5 historic effort, and like we say, we support this final  
6 scoping plan. But what I think it does is it positions  
7 the electric sector. And that historic helps put us in a  
8 place to decarbonize other sectors. And we align  
9 ourselves with the comments of Rachel.

10           Previously, I think staff included, you know, as  
11 a potential additional action, a public this process to  
12 establish building electrification targets. And I think  
13 that that should be changed from a possible potential  
14 action into something we just do in 2018.

15           You know, other areas where electrification can  
16 help - of course, we've heard it from a number of folks -  
17 transportation. I think that you see more and more models  
18 coming online, and you see the utilities really stepping  
19 up putting forward bold proposals on trying to -- you  
20 know, how we can help encourage more and more folks to  
21 adopt electric vehicles.

22           So with that, I'd like to say, great, great work.  
23 Thank you, staff. Support the scoping plan. Thank you  
24 very much.

25           MR. KENNY: Hi. Good afternoon, Chair Nichols,



1 members of the board. I am Ryan Kenny with Clean Energy.  
2 We're the nation's largest provide of renewable natural  
3 gas transportation fuel. And we are here to also support  
4 the scoping plan as well. We have been part of the  
5 process since the beginning. But I do want to make a  
6 quick -- some quick comments as far as the future going  
7 forward with some of the measures that are included.

8 To get -- to truly meet California's climate and  
9 public health goals, we do think that there needs to be an  
10 increased focused on immediate reductions and in criteria  
11 air pollutants, and greenhouse gas emissions, NOx. And to  
12 do so is, of course, through heavy-duty vehicles and  
13 getting more low NOx trucks on the road.

14 A UC Riverside study came out last year that  
15 found that not only are low-NOx engines that meet a 0.02  
16 NOx standard 90 percent cleaner, but they're also actually  
17 99 percent cleaner. They're basically at a zero percent  
18 clean level relative to heavy-duty diesel vehicles.

19 And noticeably with the Mobile Source Strategy,  
20 we're very supportive of that document. But there is a  
21 pretty ambitious goal in there for 900,000 low-NOx trucks  
22 powered by renewable natural gas by the year 2031.

23 And there's a gap between that goal and what's  
24 actually allocated and incentivized through ARB. And, of  
25 course, that's a discussion for the next agenda item. But

1 as we look at these various measures, that's one of our  
2 concerns that's increasing the effectiveness of those  
3 programs through low-NOx trucks.

4 I'll also note, too, that through the SB 1383  
5 measure, there is very little funding for incent --  
6 incentivizing in-State production of biofuels. It's been  
7 in the governor's budget the last few years. We'd love to  
8 see ARB actually advocate and get that -- a certain level  
9 for production and infrastructure into the Governor's  
10 budget for next year. And for that, thank you for your  
11 time.

12 MR. MAGNANI: Good afternoon, Madam Chair and  
13 members. Bruce Magnani on behalf of Gerdau Steel, U.S.  
14 Borax, Rio Tinto Minerals, and California's Cement  
15 Manufacturers.

16 The first thing I want to do is let you know all  
17 of our clients support the draft scoping plan as being  
18 presented by staff today. And we want to thank you for  
19 the openness, the transparency that went into moving  
20 forward with this scoping plan building on a successful  
21 model.

22 With that, we look forward to working with both  
23 the staff who have done, I think, a great job in  
24 developing this plan and working with the Board members  
25 when necessary. So thank you very much.

1 MS. VANDERWARKER: Good afternoon. Amy  
2 Vanderwarker, California Environmental Justice Alliance.  
3 We thank the staff and Board for their work on both the  
4 scoping plan and the Board resolution. We support the  
5 priority recommendations from EJAC and appreciate their  
6 hard work over the past year.

7 Overall, we find that the scoping plan would  
8 benefit from a more clear articulation of how it will  
9 achieve the agency's mandate to ensure there are no  
10 disproportionate impacts on environmental justice  
11 communities when implementing climate change regulations  
12 and a more clear plan for how we are achieving our 2030  
13 targets in terms of actual emission reductions.

14 Implementation of Mr. Garcia's AB 197 is critical  
15 to EJ communities, because it can lead directly to both  
16 GHG and co-pollutant improvements, achieving the win-win  
17 benefits we want and need, and our communities desperately  
18 need.

19 And because -- in addition, without a clear set  
20 of direct emission reduction measures as specified under  
21 AB 197, it is unclear if we can actually meet our 2030  
22 targets as outlined in the scoping plan. We believe that  
23 AB 197 analysis in the scoping needs a more in-depth  
24 approach to implementation and a clear -- more clear set  
25 of next steps.

1           The list of broad programs outlined in the  
2 scoping plan and outlined in the staff presentation are  
3 not actually prioritized in terms of their direct emission  
4 reductions, as required by AB 197. There are broad  
5 programs. There's many measures within those programs  
6 that should be more deeply analyzed. And there's also  
7 some concerns about the underlying data.

8           For example, recent data from the California  
9 Public Utilities Commission shows that as we comply with  
10 SB 350 and our renewable portfolio standard co-pollutants  
11 will actually increase. And that's not reflected in the  
12 scoping plan analysis.

13           It's also incredibly important that CARB clarify  
14 that cap and trade is not a direct emission reduction. It  
15 is a trading -- it is a market-based solution. It is a  
16 trading program. It is moving forward, but it is not and  
17 should be not considered in compliance with AB 197.

18           And similarly AB 617, while we are excited for  
19 and will be working with CARB to ensure that it does lead  
20 to criteria and toxic improvements in our communities. It  
21 will actually -- it is also not a direct emission  
22 reduction for greenhouse gas emissions.

23           One last thing of particular importance to both  
24 California EJ communities is California's overall  
25 ability -- and Californians overall ability to meet our

1 greenhouse gas reduction goals is to start working towards  
2 a decline in oil and gas production and extraction in our  
3 State.

4           That's critical for our front-line communities as  
5 Mari Rose outlined this morning, and also our ability to  
6 meet and uphold our climate leadership. We hope to see  
7 action from the Board on these issues today and thank you  
8 for all your hard work.

9           MR. WEISKOPF: Hi. I'm David Weiskopf. I'm  
10 climate policy director with Next Gen California. Thank  
11 you, Chair Nichols and Board. We're speaking in support  
12 of the scoping plan and offer a few friendly suggestions.

13           With regard to the Cap-and-Trade Program, as has  
14 been state by others, we are, of course, asking quite a  
15 lot of this program. We hope that the Board will evaluate  
16 how the program will achieve these reductions and take  
17 into account not just what ceiling price and the number of  
18 allowances available at auction, but also how banking  
19 rules and other aspects of the program will need to align  
20 with the level of ambition that we are setting for the  
21 Cap-and-Trade Program component of the scoping plan.

22           We'd also like to thank you for in the scoping  
23 plan identifying an increase to the ambition of the Low  
24 Carbon Fuel Standard. We share the views of BICEP and  
25 others who have commented today. The higher levels of

1 ambition within the Low Carbon Fuel Standard are feasible  
2 and available, and should be fully evaluated.

3 We'd also like to point out that the supply side  
4 of the fossil fuel industry should be further evaluated.  
5 Entities around the world, including major pension funds  
6 and the World Bank have found that further investments in  
7 fossil fuel production are no longer consistent with the  
8 climate pathway consistent with the Under 2 memorandum or  
9 the Paris climate agreement, the 2 degree limit on global  
10 warming that we're all working to stay within.

11 We'd ask that the Board evaluate how best the  
12 State of California can work to align its fossil fuel  
13 supply site policies and actions with our ambitious plans  
14 to reduce demand for fossil fuels in our economy.

15 Lastly, we'd like to request that you identify  
16 and seat members of the emission -- excuse me of the  
17 Emissions Market Advisory Committee as early as possible  
18 to help to advise on the drafting of future regulations to  
19 implement the scoping plan.

20 Thank you.

21 MR. SHAH: Greetings. Perin Shah with APEN,  
22 Asian Pacific Environmental Network, long-term observer,  
23 first-time commentator.

24 APEN has a membership base of 800 individuals,  
25 refugee and immigrant from API communities living in the

1 Bay Area. And we are also a member of CEJA, the  
2 California Environmental Justice Alliance and would align  
3 our comments with theirs, as well as with EJAC's.

4 I'll focus my comments primarily on cap and  
5 trade. The scoping -- quite sort of quickly and bluntly.  
6 The scoping plan analysis of cap and trade as a program is  
7 insufficient. We're very concerned that the current cap  
8 and trade structure could allow -- as others have said,  
9 could allow California to meet its goals on paper, while  
10 actually emissions could be exceeded in terms of the 2030  
11 target.

12 The Cap-and-Trade Program, while being quite  
13 telegenic as an idea is not the way that the State has  
14 historically reduced our emissions. We've done that  
15 through direct reductions as well as programs, like the  
16 LCFS. And I would echo what Amy from CEJA said, cap and  
17 trade is not a direct emission measure and should not be  
18 named as a way to meet 197 requirements.

19 The two specific points that I'd like to make are  
20 just, one, the scoping plan does not specifically  
21 demonstrate how the program achieves the outlined emission  
22 reductions in post-2020 era cap and trade. And there's no  
23 real explanation of how that is to happen.

24 And Mr. Garcia's AB 197 requires that we identify  
25 direct emission reduction measures, and we'd encourage the

1 staff to please do that.

2           The second point is just that we agree with other  
3 folks' statements on overallocation and are deeply  
4 concerned about the impact of climate change on EJ  
5 communities.

6           Thank you.

7           CHAIR NICHOLS: Michelle.

8           MS. PASSERO: Good afternoon. It's Michelle  
9 Passero, the Nature Conservancy. Thank you for the time  
10 to speak. And I'm also speaking on behalf of the Pacific  
11 Forest Trust and California Relief. We'd like to first  
12 voice strong support for the proposed scoping plan and the  
13 suite of measures that are included in that plan to meet  
14 2030 goals, including the Cap-and-Trade Program.

15           We also support concurrent efforts to improve air  
16 quality. This may go without saying, but a subnational  
17 action is critical at this point in time. And it's very  
18 inspiring to see California continue leading that charge.

19           I'd be remiss if I didn't mention the natural and  
20 working lands section. And I want to thank ARB and staff  
21 for including a section and recognizing the value of  
22 natural and working lands to help the State meet its 2030  
23 and longer term climate commitments. And also, in the  
24 proposed resolution, we appreciate the commitment to  
25 revisiting the goal looking at new science and data that's



1 coming in by September. We think that's really important.

2 And we do agree with staff, as I mentioned  
3 earlier, that we can't ignore the sector. Nature  
4 Conservancy just conducted analysis. It was published in  
5 the proceedings of the National Academy of Sciences  
6 finding that the lands sector and different management and  
7 restoration activities can contribute significantly to  
8 California's greenhouse gas reduction goals for 2030 and  
9 beyond.

10 It presents an opportunity to accelerate progress  
11 on climate change, while also achieving many other  
12 critical benefits both for urban and rural communities.

13 So thank you. We offer our assistance and look  
14 forward to working with you on the implementation of this  
15 plan, as well as the natural and working lands sector.

16 MS. CORY: Good afternoon, Chairwoman and  
17 members. Cynthia Cory, California Farm Bureau. It wasn't  
18 even planned that I was going to follow Michelle. That  
19 just happened.

20 (Laughter.)

21 MS. CORY: I'm also going to just speak very  
22 briefly about the Natural and Working Lands Section of the  
23 scoping plan. One of the things I want us to remember is  
24 that when we're talking about natural and working lands,  
25 it's not a term that really is used outside of this room

1 very much, but it's desert, and it's oceans, and it's  
2 farms, and it's wetlands. It's a lot of stuff, and  
3 they're all living ecosystems.

4           And so we -- I -- while we've got a 15 to 20  
5 million metric ton target, I want to -- I think we should  
6 start there. We don't have our inventory yet. We don't  
7 even have the methodology and quantification in many cases  
8 to go with the activities that we hoped to do. I've spent  
9 a lot of time the last several years working with NRCS,  
10 and ARB staff, and Edie and her group, and CDFA to try to  
11 help quantify the healthy soils, which I -- which we  
12 support and we think that's the way to go.

13           I wasted -- not -- I don't -- you know, offsets  
14 are hard for agriculture. So I don't want to say I wasted  
15 my time, but I learned a lot, and I really think that  
16 that's the way to go, but I want to do it cautiously and I  
17 want to do it right. And I know that they have to be  
18 reductions. But when we get them, I want them to be  
19 attributed to agriculture as part of the natural and  
20 working lands. And I think there's a lot of potential  
21 there, but let's start and do it right.

22           Having said that, I want to say that I'm very  
23 committed, the Farm Bureau is very committed to working  
24 with Shelby. We look forward to her that she's made full  
25 circle. She started many years ago in ag and she's come

1 back --

2 (Laughter.)

3 MS. CORY: -- to the good place, and the fun  
4 people.

5 And lastly, I want to than Veronica Eady who flew  
6 all the way down last week and joined 700 to 800 of my  
7 members at our annual meeting. And earlier in the year, I  
8 was talking to them about environmental justice. And  
9 they'd go -- and you're not going to believe this. It was  
10 not like what is it, but it was like what is it?

11 And I just -- it's really important in our lives.  
12 And Veronica came down to help explain it. We had a  
13 packed room. We had a good discussion. I was afraid it  
14 was going to get real tense, but I think it worked out.  
15 And --

16 (Laughter.)

17 MS. CORY: -- we are committed to working with  
18 San Bernardino and Riverside on some community gardens as  
19 our first step. So we're trying to build bridges and look  
20 forward to working with you.

21 CHAIR NICHOLS: Thank you.

22 MR. NOWICKI: Good afternoon. Brian Nowicki,  
23 Center for Biological Diversity.

24 It's a nationwide non-profit environmental  
25 organization. The Center for Biological Diversity

1 supports the recommendations of the EJAC and the call to  
2 focus on direct reductions.

3           It's not in the current scoping plan, but I see  
4 in the resolution that there's going to be an increased  
5 focus on supply-side and energy production. I'm hoping  
6 for clarity in that what that might turn out to be later  
7 in this -- later in this hearing today. And, of course,  
8 the Center for Biological Diversity very interested in  
9 seeing that move forward and helping in any way to broaden  
10 the number of measures and the things we're looking at  
11 through the oil and gas sector in particular.

12           I agree we can and should be getting more  
13 greenhouse gas reductions from forest conservation  
14 agricultural practices. As you saw from our comments  
15 regarding the nat -- to the -- two of the Natural and  
16 Working Lands Implementation Group, there are serious  
17 problems with the CALAND model that are going to need to  
18 be addressed. Before it can provide specific measures,  
19 and due to the things that when I read the scoping plan  
20 that it says it's going to do.

21           And lastly, as noted by previous speakers, Center  
22 for Biological Diversity believes there is a critical need  
23 here for clarity in the structure of cap and trade, and  
24 the source and size of expected reductions from there,  
25 specifically clarity that a surplus of excess credits

1 before 2020 do not undermine actual reductions after 2020,  
2 and that reductions from hypothetical baselines today in  
3 the surplus credits that those are generating do not  
4 distract from the emissions inventory as the ultimate  
5 standard and goal in the second half of our program, or in  
6 the post-2020 part of our program.

7 Thank you very much.

8 CHAIR NICHOLS: Thank you.

9 MS. O'BRIEN: Good afternoon, Chairman Nichols,  
10 members of the Board. Rachael O'Brien with Agricultural  
11 Council of California.

12 I wanted to start off thanking your staff. You  
13 have the best staff in the world. It was a pleasure to  
14 work with them for the last 2 years on this process. It's  
15 a tremendous evolution and effort that you guys have  
16 undertaken, and congratulations in getting it to this  
17 point.

18 You know, I don't want to go in and reiterate all  
19 the things that Cynthia pointed to. Just highlighting  
20 again going forward, inventory into natural and working  
21 lands will be vital. Better quantification around  
22 practices and measures that can implement. Some of the  
23 goals we want to achieve, you know, we're happy to see the  
24 requirements from AB 398 incorporated into this plan. We  
25 do want to make sure that you guys watch the costs that

1 are associated with the prescriptive measures as they  
2 focus in on the agricultural sector.

3 Those costs are laid out in the scoping plan as  
4 being higher than most other sectors. So it will be  
5 important for us to watch those net cost increases.

6 Also want to point out that we'll need to  
7 continue to work together to achieve these goals and the  
8 Agricultural Council is there to do that work with you.

9 And a couple last points. Just wanted to touch  
10 upon, I think it needs to be said, the tremendous  
11 investment that was made into agriculture this year  
12 through the Cap-and-Trade Program, and the greenhouse gas  
13 auctions. That's, you know, a first step. We'd love to  
14 see continued investment into our sector to help us get to  
15 these goals. And offsets will also play -- play a role  
16 going forward.

17 So thank you. Bye.

18 CHAIR NICHOLS: Thank you.

19 MS. MMAGU: Good afternoon, Chairwoman and  
20 members of the Board. Amy Mmagu on behalf of the  
21 California Chamber of Commerce.

22 As with being number 40, most things have been  
23 said. We just want to say thank you to the Board, staff,  
24 for all of your hard work these past few years on the  
25 scoping plan. We're generally very supportive of the

1 measures that you've included. We appreciate the  
2 inclusion of the AB 398 measures, and we look forward to  
3 working with you in the future on the regulations that  
4 come out of this.

5 Thank you.

6 CHAIR NICHOLS: Thank you.

7 MR. LIN: Members of the Board, Roger Lin. I'm  
8 an attorney with the Center on Race, Poverty and the  
9 environment, which is also a member organization of the  
10 California Environmental Justice Alliance.

11 I want to talk about one serious shortcoming of  
12 the scoping plan. As you've heard, the scoping plan fails  
13 to comply with the mandate in AB 197 to prioritize direct  
14 emission reductions. Consequently, this results in  
15 significant impacts to environmental justice communities  
16 that the scoping plan also fails to address.

17 Two things about Assembly Bill 197. First, it  
18 specifically requires the ARB to detail how you will  
19 provide prioritize emission reductions and to do so in the  
20 scoping plan. The scoping plan does include emission  
21 reduction methods, such as increasing renewables or  
22 efficiency measures, or even cap and trade. But I want  
23 stress again, these are not direct emission reduction  
24 measures.

25 Especially with cap and trade, which I will get

1 to and talk about in a second. But the other proposed  
2 controls are indirect at best. If you're going to  
3 regulate oil production, don't try and indirectly do so  
4 through SB 350 compliance.

5 And recall AB 197 is a clear mandate, a clear  
6 mandate that has not been repealed by any more recent  
7 legislation.

8 Second, by adopting 197 as part of the State's  
9 Climate Policy, the legislature was clear, because of the  
10 problems with cap and trade, offsets offsites, or trading  
11 creating hot spots, we need something to eliminate that  
12 local program that is not controlled by the market system.  
13 This climate gap is well documented and it shows clear  
14 significant public health risks near large industrial  
15 facilities, like cement plants, oil and gas production  
16 facilities, and also refineries. But there is no  
17 quantification, discussion, disclosure, let alone  
18 prioritization of how to solve the significant impacts on  
19 low income people of color.

20 The Board must take steps to comply with AB 197's  
21 mandate and properly consider environmental justice. So  
22 we respectfully request the Board, consistent with the  
23 recommendations from the EJAC, to create a list with  
24 public input of potential direct emission reduction  
25 measures, and prioritize them with a schedule for



1 implementation in order to comply with Assembly Bill 197.

2 CHAIR NICHOLS: Thank you.

3 MR. LIN: Thanks for your time.

4 CHAIR NICHOLS: All right. We are on to page 3.

5 MS. TSAI: Hi.

6 CHAIR NICHOLS: Hi, Stephanie.

7 MS. TSAI: Hi. Good afternoon. Stephanie Tsai

8 with the California Environmental Justice Alliance.

9 You've heard from my colleagues and our members, we agree  
10 with the EJAC recommendations. And as you've heard many  
11 times before, you know that our communities and low income  
12 communities and communities of color across the state are  
13 already being impacted first and worst by climate change,  
14 as they will continue to be.

15 I'll focus my comments on AB 617, particularly  
16 the scoping plan relies a little bit too heavily on 617.  
17 You know, we're very hopeful and see a lot of potential  
18 with that and looking forward to working closely on that  
19 implementation.

20 But there are a few keys things that are beyond  
21 the scope of 617, and that really, you know, belong in the  
22 scoping plan. First is that 617 will not analyze or  
23 assess whether greenhouse gas regulations, such as cap and  
24 trade and the other measures, are disproportionately  
25 impacting low income communities. It will not look at the

1 relationship between these climate regulations and how  
2 they're impacting air quality.

3           And in preparing to do this, CARB is not  
4 complying with the clear directive in AB 398 to ensure  
5 that activities undertaken and comply with the regulations  
6 do not disproportionately affect low income communities.

7           So we appreciate the part of the resolution to,  
8 you know, have CARB collaborate with OEHHA on updating the  
9 reporting on impacts in disadvantaged communities. We  
10 really need to see some specific dates and deadlines to  
11 have a timeline on that.

12           And I would -- I'll just conclude by saying that  
13 overall we do want to see that analysis, as I've said. We  
14 have -- you know, because we don't see that analysis in  
15 the scoping plan, it leads to some uncertainty about how  
16 and whether it will actually lead us to meeting our 2030  
17 targets

18           And one other thing that I want to highlight is  
19 that as we move forward, you know, approving the scoping  
20 plan -- as we move forward with our State's response to  
21 climate change, we must prioritize impacted workers, and  
22 communities with a plan to justly transition to a clean,  
23 renewable, and sustainable future, and an economy that  
24 will not cause harm or shift burdens from one group to  
25 another.

1 Thank you.

2 CHAIR NICHOLS: Okay.

3 Ms. Roberts.

4 MS. ROBERTS: Good afternoon, Madam Chair and  
5 Members of the Board. I'm Tiffany Roberts from Western  
6 States Petroleum Association. You and ARB staff have  
7 worked diligently to revive where we're at today. Staff's  
8 analysis demonstrates that the plan does include one of  
9 the most cost effective approaches to the State's climate  
10 policy.

11 As we've stated before, California is less than  
12 one percent of the world's greenhouse gas emissions, so if  
13 the State hopes to continue to be a leader, it's  
14 imperative to have a plan in place that balances  
15 environmental integrity and economic vitality.

16 We would note that the LCFS is still problematic,  
17 but directionally this scoping plan represents a step in  
18 the right direction, and we look forward to working with  
19 you and your staff on the implementation of the 398.

20 Thank you.

21 CHAIR NICHOLS: Thank you.

22 MR. LARREA: Good afternoon. John Larrea with  
23 the California League of Food Producers.

24 First of all, I'd like to echo all of the  
25 compliments that have been paid to both the Board and the

1 staff for the work that they've done this year. You guys  
2 have really slogged through it, and we are really  
3 appreciative of all the efforts. And we hope to continue  
4 to work with you on this.

5 That said, I'd also like to wish everybody a  
6 Happy Holiday, because it has been a long year, and I am  
7 looking forward to the end of the year. So I hope you all  
8 enjoy it too.

9 That said, I just want to say there's only two  
10 things I want to talk about, one is uncertainty; and two  
11 is increased focus on R&D for cap and trade subject  
12 facilities.

13 As you know, we are the fallback for all of the  
14 complementary measures that don't meet their goals in  
15 terms of emissions reductions. And so being that, I would  
16 suggest that you try to make us as strong as possible and  
17 get us prepared as possible for when we reset 2020, and we  
18 start to move in that direction.

19 We need to be strengthened. We need to have the  
20 ability to be able to count on the State to back us in  
21 terms of both new technologies, investments, and other  
22 areas in which we can then meet those goals, and take up  
23 that extra slack in case there is any.

24 Secondly on the uncertainty, I would just urge  
25 staff and board to try to resolve all the uncertainty

1 associated with the third compliance period, as well as  
2 the incorporation of 398 issues into this current  
3 regulation.

4           We want to get that done as quickly as possible.  
5 A lot of our members, 21 of which of the League's members  
6 are subject to the cap and trade are already planning for  
7 the future. And we need that uncertainty gone, so that we  
8 can make decent decisions on how best to meet the  
9 obligations as they go forward. They are not going to get  
10 any cheaper, and they are not going to get any easier. So  
11 the faster we can get this done and locked in, the better  
12 it's going to be for all of us.

13           So thank you very much.

14           CHAIR NICHOLS: Thank you.

15           MR. SHAW: Thank you, Madam Chair and members of  
16 the Board. Michael Shaw with the California Manufacturers  
17 and Technology Association. I think Mr. Larrea said much  
18 of what I intended to say. And being number 45 on the  
19 list, much else has already been said as well.

20           But I do commend the staff for the hours, and  
21 days, and months of work, years of work that they put into  
22 this issue as well. I would like to thank, and  
23 particularly the inclusion of the -- in the resolution of  
24 discussion on the cap-and-trade amendments relevant to AB  
25 398 to be completed by the end of 2018.

1           We believe that that's very important, obviously,  
2 for planning purposes and for on the industry side, either  
3 that manufacturers making investments want to know what  
4 they're going to have to comply with, what they're going  
5 to have available to them.

6           And we believe that consistent with AB 398 that  
7 doing so will help provide some greater certainty, price,  
8 stability, revenue stability for the State as well, but  
9 equally important is the economic impacts, knowing what  
10 the companies are going to face are going to help them  
11 plan for that future to ensure that they can continue to  
12 be viable in the State of California; to maintain the jobs  
13 that they have; and, hopefully grow additional jobs too.

14           Thank you.

15           CHAIR NICHOLS: Great.

16           MR. O'DEA: Good afternoon. Jimmy O'Dea, Union  
17 of Concerned Scientists. First, I just want to thank you  
18 for leading us through this process.

19           And my first comment, I want to recognize the  
20 EJAC Committee. By far, the best presentation, most  
21 important presentation of the day. Regarding  
22 transportation, I want to voice our support for the  
23 scoping plan's commitment to long-term widespread  
24 electrification of the transportation sector.

25           A couple areas of the scoping plan we think could

1 be improved and we hope ARB addresses in future measures.  
2 First, Low Carbon Fuel Standard, we strongly support this  
3 measure, including its role in transportation  
4 electrification. But we think the standard can be  
5 stronger, 20 percent or higher. We have analysis that  
6 will come out in the near future giving details about  
7 that. And we'll certainly share that with you.

8           Second, we hope the Board can develop a  
9 commitment to zero-emission drayage trucks. The  
10 technology in Class 8 trucks has improved at such a rapid  
11 pace. Just in the last 4 months, 4 companies have  
12 unveiled Class 8 drayage trucks with ranges of 100, 200,  
13 300, and Tesla 500-miles of range. This is quite  
14 impressive.

15           Just yesterday, a start-up of just 18 people  
16 unveiled a 300-mile Class 8 electric truck. And if a  
17 start-up that small can do it, it really shows where the  
18 technology is at. So we hope the Board will consider a  
19 zero emission drayage truck measured in the future to  
20 address the pollution of that these trucks are emitting at  
21 the ports and beyond.

22           Thank you.

23           MS. BERLIN: Good afternoon, Chair Nichols,  
24 members of the Board. My name is Susie Berlin. I'm  
25 representing the Northern California Power Agency and MSR

1 Public Power. MSR and NCPA are joint powers agencies that  
2 have a publicly owned electric distribution utilities.  
3 I'm going to echo the support and the positive comments  
4 that you've heard today regarding staff's work on this  
5 scoping plan, and NCPA and MSR.

6 We support the current draft of scoping plan and  
7 support, especially the inclusion of the Cap-and-Trade  
8 Program, and ask that the Board approve the update today.

9 NCPA and MSR echo the comments of LADWP and SCE,  
10 and note that the Cap-and-Trade Program plays a crucial  
11 part in ensuring real and cost-effective emissions  
12 reductions, while enabling utilities to invest in  
13 either -- even greater measures to reduce emissions and  
14 protect utility ratepayers from unnecessary rate impacts.  
15 The revised scoping plan update is a product of a robust  
16 stakeholder process, and reflects significant investment  
17 of resources by both staff and stakeholders.

18 And it presents a plan that clearly sets forth a  
19 comprehensive framework for achieving the State's climate  
20 objectives, including proposals for achieving specified  
21 emissions reductions.

22 NCPA and MSR urge the Board to approve the update  
23 today and put into action the elements described therein.  
24 Stakeholders have noted that this scoping plan could  
25 include other provisions or provide different assessments



1 or alternative pathways. However, delaying the current  
2 plan pending review of an infinite range of options does  
3 nothing to provide the certainly that California's  
4 residents and businesses need to move forward with the  
5 State's aggressive climate objectives, a sentiment that  
6 you just heard echoed by Mr. Larrea and the last speaker.

7 We appreciate and support the direction of the  
8 staff in the draft resolution regarding further assessment  
9 of electrification of the building sector. And as part of  
10 that effort, we ask that the impacts of expanded  
11 electrification across all segments of the economy be  
12 taken into account while also looking at the impacts on  
13 the electricity sector, and on electricity customers.

14 Again, we thank you for all the work that staff  
15 has put into this and urge adoption of the scoping plan  
16 today.

17 MR. CARMICHAEL: Good afternoon, members of the  
18 Board. Tim Carmichael with Sempra Energy Utilities,  
19 better know by most as San Diego Gas and Electric and  
20 Southern California Gas Company. We are here to support  
21 the scoping plan and appreciate all the efforts of the  
22 staff and Board over the last year plus.

23 A couple of specific comments. We continue to  
24 see the Short-Lived Climate Pollutant Plan as one of the  
25 key strategies of the scoping plan, and believe that

1 increased use and product -- increased production and use  
2 of renewable gases are going to be critical to the success  
3 of that Short-Lived Climate Pollutant Plan.

4 We were disappointed that together we didn't make  
5 more progress on renewable gas in 2017, not just ARB but  
6 all the State agencies and businesses that we work with.  
7 That said, we remain enthusiastic about the potential for  
8 renewable gas, and committed to working with State  
9 agencies and businesses to develop a sustainable industry  
10 around this wonder -- this fuel.

11 Looking forward, we believe a renewable gas  
12 procurement requirement is a key strategy that we don't  
13 yet have in our arsenal, and we should. And we look  
14 forward to working with the State to make that happen.

15 Two requested clarifications for your adopting  
16 resolution. There's a bullet about building  
17 electrification, which we think would be clear if it -- we  
18 added a phrase or you added a phrase that noted the need  
19 to consider costs in looking at that strategy. That's  
20 consistent with several other bullets in your adopting  
21 resolution and we encourage you to make that change.

22 Similarly, with one of the last bullets in the  
23 adopting resolution where you talk about posting metrics  
24 for your transportation program, we support that and just  
25 would ask for a clarification that that includes your

1 clean transportation incentive programs.

2 With that, thank you very much, and Happy  
3 Holidays to all of you.

4 CHAIR NICHOLS: Thanks, same to you.

5 MS. DARLINGTON: Good afternoon. As speaker  
6 number 50, I have some exciting news for you. I'm going  
7 to talk about something that no one else has.

8 (Laughter.)

9 MS. DARLINGTON: So I'd like to -- I'm here with  
10 the Placer County Air Pollution Control District, and we  
11 would like to bring your attention to the issue of  
12 wildfire and how it affects air emissions. In your  
13 land -- you land section, you have an ambitious goal of 15  
14 to 20 million metric tons reduction which we applaud the  
15 addition of that -- that goal. But you did remove the  
16 Interagency Working Group on Biomass from your last  
17 edition of the scoping plan to this edition.

18 We understand from conversations with staff that  
19 there's a heavy reliance by this Board on the Forest  
20 Carbon Action Plan, and that that will really drive policy  
21 in this area. While that plan will likely have some great  
22 ideas, there are a lot of issues relating to biomass from  
23 the ag sector and the urban wood sector.

24 We need a comprehensive biomass policy plan for  
25 the entire State. That way we can address the issues

1 relating to methane emissions from the decomposition of  
2 wood. We have a 129 million dead trees in California.  
3 That number was just updated last week by the U.S. Forest  
4 Service. This is an air issue. This is an air issue  
5 because waste wood burns and in open piles and it  
6 decomposes. And it needs to find alternative paths that  
7 we can use to help reduce air impacts.

8           Other issues, just to point out quickly in your  
9 land section, land conversion isn't just happening from  
10 subdivisions. It's happening from wildfire, and it's  
11 happening today. And it's turning land into moonscapes.  
12 This is an issue that we should reflect in the land  
13 conversion section.

14           Also, the technical assistance that was offered  
15 to local governments and nonprofits to figure out how to  
16 do carbon sequestration in the land section was removed.  
17 We hope that that finds its way back into some other  
18 sections of work product.

19           Finally, we do agree with Center for Biological  
20 Diversity that we do need to see a higher resolution of  
21 CALAND modeling. It needs more data and a higher  
22 resolution.

23           And then finally, we're really enthusiastic about  
24 staff's ideas to look at wood products like bioplastics  
25 and biopharmaceuticals, but we need the interim gap of

1 electricity in biofuels to get us to that next step. We  
2 need to keep that in mind, okay?

3 Thank you so much for your time today. Happy  
4 Holidays.

5 CHAIR NICHOLS: Thank you.

6 MR. DONOVAN: Dear, Board members --

7 (Laughter.)

8 MR. DONOVAN: -- nearly 10 years ago in this very  
9 room with some of the same people, the Board approved the  
10 first scoping plan, which set the State on a path to  
11 reduce emissions and grow the economy at the same time.

12 But I don't think the goal of this scoping plan  
13 or these policies was to actually solve climate change,  
14 because California can't do that alone. We represent only  
15 1 percent of global emissions. Rather it was to show that  
16 it can be done. That we can reduce emissions and grow the  
17 economy at the same time. It's not an either/or zero sum  
18 situation.

19 And we've had success. Cap-and-Trade Program has  
20 been linked to other jurisdictions, and folks from around  
21 the world come to this building to learn how to replicate  
22 the climate policies.

23 As we move forward, it's important to continue  
24 and expand this international climate collaboration.  
25 Especially while the Trump Administration is building

1 walls, we should build bridges.

2 I want to give a special shout out to JZ, Jacob  
3 Zielkiewicz, and all the other CARB staff --

4 (Laughter.)

5 MR. DONOVAN: -- who have been working for years  
6 on the scoping plan. I'm Sean Donovan representing the  
7 International Emissions Trading Association, and this is  
8 my testimony.

9 (Laughter.)

10 INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF  
11 SAHOTA: So just as Dr. Balmes did, I am going to  
12 responsibility for that testimony, because Sean is one of  
13 my former staff.

14 (Laughter.)

15 CHAIR NICHOLS: I believe he also worked for me  
16 at one point.

17 (Laughter.)

18 CHAIR NICHOLS: No doubt that's where he learned  
19 the dramatic presentation.

20 It was very good.

21 Thank you.

22 Phoebe Seaton, back again.

23 MS. SEATON: Phoebe Seaton, Leadership Counsel  
24 for Justice and Accountability, also a member of CEJA and  
25 align our comments with CEJA and other members of CEJA.

1           Want to speak specifically around kind of the --  
2 one of the flavors of today disproportionate impacts on  
3 disadvantaged communities and communities of color.  
4 Especially with respect to transition to alternative  
5 fuels, we are concerned with the reliance on biofuels and  
6 combustion for electricity, as we've raised at other  
7 times. The extent to which we're addressing climate by  
8 combustion and creating increased air impacts in already  
9 disproportionately impacted air basins is a problem.

10           Today, my colleague is at a permitting hearing  
11 for a dairy digester with a showing of finding in the  
12 Negative Dec of no significant air impacts, because of the  
13 air impacts, despite the NOx, PM2.5, and ammonia emissions  
14 from that facility. Cumulatively, there's no analysis of  
15 what the -- these facilities will have on a cumulative  
16 basis Throughout the San Joaquin valley and possibly other  
17 impacted air basins.

18           And so I urge, ask, as CARB is looking more to  
19 these facilities, that we ensure that there are no  
20 negative impacts on already disproportionately impacted  
21 communities and we assess their cumulative impacts and do  
22 not address our climate impacts by increasing our  
23 pollution in our already impacted communities.

24           Thanks so much.

25           MS. HOLMES-GEN: Chair Nichols and members,

1 Bonnie Holmes-Gen with the American Lung Association in  
2 California.

3 I'm here to offer our support for the adoption  
4 today of the 2030 scoping plan, and our recommendations  
5 for strengthening climate protection efforts, and building  
6 in stronger targets, more ambitious goals as we move  
7 forward. We're very proud of California's leadership,  
8 which is vital to expanding climate protection across the  
9 globe and bringing tremendous health benefits. And we are  
10 pleased this plan includes a strong multi-pollutant focus.  
11 And this focus will get stronger as we implement AB 617.

12 And I wanted to share 3 main comments on the plan  
13 today. Number 1, we urge you to move forward rapidly to  
14 complete a comprehensive health evaluation, including a  
15 broader analysis than could be included in the plan that's  
16 before -- excuse me -- before you today, and to give  
17 clearer direction about a process to make this broader  
18 evaluation happen.

19 We appreciate the language in the resolution.  
20 Appreciate the leadership of Dr. Balmes and several Board  
21 members who have highlighted the importance of this health  
22 evaluation. And the commitments that are in the  
23 resolution today are important to begin this deeper  
24 discussion that I understand will begin in January in  
25 concert with other State health agencies.



1           And we also recommend coordination with local  
2 health departments. And it's important to just keep  
3 discussing how we can conduct this broader analysis,  
4 broader look of the whole package of scoping plan  
5 measures, in addition to incorporating health review into  
6 the individual programs as we move forward.

7           Secondly, we urge you to strengthen the clean  
8 transportation and SB 375 components of the plan. We  
9 discussed 375 this morning. But just say that we need --  
10 we would like to push for deeper reductions, both with  
11 more -- with more focus on electrification in both heavy-  
12 and light-duty sectors, increased VMT reduction and higher  
13 carbon intensity reduction targets for the Low Carbon Fuel  
14 Standard to go beyond the 20 percent reduction in carbon  
15 intensity.

16           We do support the Environmental Justice Committee  
17 recommendations.

18           And just one small request. In the spirit of  
19 consistent messaging, we love the graphic, but it would be  
20 really great if you could have put some healthy lungs or  
21 include some health language, health goals in our 2030  
22 vision message here, which is -- it's a wonderful  
23 communication tool, but let's add some health into it.

24           CHAIR NICHOLS: Thank you.

25           MR. WAGNER: Hi. Emanuel Wagner with the

1 California Hydrogen Business Council. Thank you so much  
2 to the staff for all the work that they've put into the  
3 scoping plan.

4           The CHBC supports the scoping plan, and we very  
5 much appreciate the inclusion of renewable gas and  
6 renewable hydrogen in the plan. The Legislature in SB  
7 1383 directed the Air Board to develop policies and  
8 programs that will reduce short-lived climate pollutants,  
9 and, among other things, increase the potential for new  
10 innovation in technology, energy, and resource management  
11 policies and practices.

12           Now, more specifically, under the new Short-Lived  
13 Climate Pollutant Policy, the legislature gave ARB the  
14 authority to establish energy infrastructure development  
15 and procurement policies.

16           The CHBC strongly supported SB 1383, because of  
17 this renewable gas section. We believe that this would be  
18 a signal from the Legislature to -- and the Executive  
19 Branch, and it would lead to meaningful policy to develop  
20 renewable gas infrastructure, and production in-state from  
21 electrolytic hydrogen, biomethane, and food waste  
22 conversion to gas projects.

23           The Air Board has the authority to develop  
24 policies to support new energy infrastructure, and also  
25 pursue procurement policies. So we respectfully request

1 that you include in the scoping plan, an emphasis and a  
2 direction to staff to begin developing supportive  
3 programs.

4           For example, the ARB can begin proceeding to  
5 allow gas utilities to set goals to purchase renewable  
6 gas. Also, consider the expanding -- expansion of the  
7 LCFS to gas systems and create a carbon intensity for the  
8 fuel and gas that is in those systems in the State, and  
9 consider hydrogen-only pipelines.

10           We've provided written comments. There's more  
11 detail in there. I thank you for your consideration, and  
12 we hope to work with you in 2018.

13           Thank you.

14           MR. SKVARLA: Good afternoon, Chair and members.  
15 Mik Skvarla here on behalf of the California Council for  
16 Environmental and Economic Balance. We're here to support  
17 the scoping plan today. It's reflective of a delicate  
18 balance of legislation and regulation that have been  
19 developed over the past decade. All of these regulatory  
20 and legislative pathways have had compromises within them,  
21 strenuous debate, and a back and forth that I think we've  
22 reached a balance on in this proposal.

23           You've seen a lot of industry and electric sector  
24 folks come up and express their support. Don't take that  
25 support as something to be considered light or overly

1 enthusiastic. This is a commitment of billions of dollars  
2 of compliance costs over the next decade more.

3 We have all debated and negotiated this over  
4 time. And we think that this path is good for California  
5 and it's good for the climate. And ultimately at the end  
6 of the day, we are taking on something that our neighbor  
7 states are not doing. We're taking on stuff that a lot of  
8 foreign jurisdictions do not have. And we want these  
9 industries, and these jobs, and this economic production  
10 to thrive in this state under this plan.

11 And to that end, we think that staff has done a  
12 tremendous job at balancing all of the parties in the room  
13 and coming up with a plan that will shape and form the  
14 regulatory paths as we continue down towards the 2030 goal  
15 set by SB 32. And we continue to look forward to work  
16 with staff and the Air Board on developing these policies  
17 and the sister agencies as we move forward toward that  
18 path.

19 Thank you.

20 MR. LOVE: Hello. I applaud staff and the Board  
21 for your service and commitment to the community. The air  
22 in Southern California has improved remarkably since the  
23 1980s when I first moved there. I also commit your work  
24 to work with The EJ communities in your scoping plan, and  
25 your goals to transform California to a clean energy

1 economy.

2           This is already happening. California is leading  
3 the country in the manufacture of clean transportation  
4 technologies. Massive improvements in batter electric bus  
5 technologies, hydrogen fuel cells, and battery electric --  
6 hydrogen fuel cell battery electric buses, and also  
7 advancements in renewable natural gas combined with the  
8 Cummins near-zero engine as well.

9           California can lead the world in the green  
10 transportation revolution that takes a holistic approach  
11 to the lifecycle emissions of the fuels. I agree with  
12 Sean Donovan's comments that what has been done by the AB  
13 32 and the -- by the leadership of the Air Resources  
14 Board, is transforming not only California, but it has the  
15 potential to transform the rest of the country.

16           And it's because of your leadership and your  
17 commitment to clean technologies, and we applaud that.  
18 Renewable natural gas, we understand is a very potent  
19 greenhouse gas. And removing one ton of methane is  
20 equivalent to removing 20 tons, 70 ton -- or 70 tons,  
21 depending on what period of time you look at.

22           And so under SB 1383, California has an  
23 opportunity to transform the dairy industry, which is a  
24 \$20 billion industry. It's the number 1 ag industry in  
25 the State. And by capturing the emissions from that, it

1 can clean up the environment and the community.

2           So anyway, I -- my time is up. I applaud you,  
3 and thank you very much for your work.

4           Thank you.

5           CHAIR NICHOLS: Thank you for your comments.

6           Mr. Friedman. The first shall be last --  
7 actually, the second shall be last. We're sorry we missed  
8 you the first time around.

9           MS. FRIEDMAN: I didn't realize I was going to be  
10 so -- I was here late. Anyway, thank you, Madam Chair and  
11 Board members. Randall Friedman on behalf of Department  
12 of Defense installations in California.

13           The military and California have enjoyed a  
14 tremendous partnership on a wide range of subjects covered  
15 in the scoping plan, including renewable energy, biofuels,  
16 energy management, and our most recent large EV  
17 deployment.

18           Today, 205 Ford Focus EVs are in use at 10 Navy  
19 and Marine Corps installations complete with charging  
20 infrastructure. Aside from replacement to fossil fuel  
21 vehicles, these EVs are seen across California cities like  
22 Lemoore, Barstow, Monterey Oceanside, Seal Beach, and of  
23 course the San Diego metro area.

24           While it is too early for full metrics, the EVs  
25 have met with good acceptance. In fact, Monterey wishes

1 they had asked for more.

2           Moreover, given the large amount of solar PV the  
3 Navy and Marine Corps have installed coupled with  
4 California's increasingly cleaner grid, these EVs are  
5 probably among California's cleanest. These are moving  
6 examples of how EVs can be California's future. The Air  
7 Force continues active support, including 34 vehicles in a  
8 vehicle-to-grid project at L.A. Air Force Base, a project  
9 including partnership with the Energy Commission and many  
10 others in a recently completed 20-megawatt solar plant at  
11 Plant 42.

12           With the many unique aspects of the military  
13 mission, we appreciate your continued willingness to work  
14 with us to ensure both of our missions are compatible. We  
15 look forward to our continued partnership in the years  
16 ahead.

17           Thank you.

18           CHAIR NICHOLS: Thank you.

19           I believe that concludes the list of witnesses,  
20 if I'm right, and it looks like I am.

21           We can close the record at this point and --

22           INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF

23 SAHOTA: Chairman Nichols?

24           CHAIR NICHOLS: Yes.

25           INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF

1 SAHOTA: Right here at the staff table. We need to make a  
2 statement about the CEQA process before you close the  
3 record.

4 CHAIR NICHOLS: Yes.

5 INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF

6 SAHOTA: So we heard several comments today and received  
7 written submissions as well. CARB staff has addressed the  
8 issues raised in these comments as appropriate under CEQA,  
9 either in the final environmental analysis or in the  
10 response to comments and the supplemental response to  
11 comment. These documents have been provided to the Board  
12 and made available to the public.

13 Thank you.

14 CHAIR NICHOLS: Thank you.

15 I think we should probably focus our attention on  
16 the resolution. I'm going to go out on a limb here and  
17 suggest that we're likely to adopt the scoping plan. And  
18 so the issue is going to be what, if any, additional  
19 language or changes we need to include in the resolution.

20 And I would like to offer the staff an  
21 opportunity to reflect first. People may have specific  
22 questions about things that they heard, but there's  
23 certainly a number of kind of common themes that were  
24 repeated several times. I'm going to mention one of them,  
25 and that is variations on the criticism that the current



1 Cap-and-Trade Program isn't strong enough, isn't tight  
2 enough, isn't effective enough, that there are too many  
3 allowances, et cetera. All of which, I hope we will not  
4 try to address in this proceeding, because I believe that  
5 we should be waiting for the staff to bring us quite soon  
6 a set of proposed amendments to the Cap-and-Trade Program.  
7 And there's going to be quite a few of them. And a lot  
8 of -- a lot of work has gone into it.

9           We may or may not find it completely satisfactory  
10 at that point, but we should have an opportunity to focus  
11 in detail on the -- on the Cap-and-Trade Program, and not  
12 try to make specific or partial corrections or changes to  
13 it here, if that's agreeable to my fellow Board members.  
14 It looks like it probably is.

15           So let's -- let's sort of skip that one, but  
16 let's talk about other comments about the scoping plan,  
17 things that may be aren't strong enough or may have not  
18 been given enough emphasis in the discussions. For  
19 example, I have a note here from my Vice Chairman, AB 197,  
20 and whether we are in compliance with that. And maybe I  
21 can turn that one over to you first, because that seems  
22 like the most important from an overall can we act on this  
23 plan perspective.

24           INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF  
25 SAHOTA: Thank you, Chairman Nichols, and members of the

1 Board for sitting through the presentation and testimony  
2 today. You know, this plan was developed over 2 years.  
3 We had to adjust along the way to new legislation, new  
4 direction, and we had to adjust to new data that was  
5 coming in from modeling going on at sister agencies, and  
6 for new data that was coming in from stakeholders.

7           What we realized is and AB 197 was one of the  
8 pieces of legislation that came in almost in the middle of  
9 the process to update the scoping plan, we had to do  
10 additional analyses. And so we've added those analyses  
11 into the plan, which are the cost per ton of every measure  
12 we considered, the air quality co-benefits, and the  
13 societal costs of carbon for each of those measures. So  
14 that is actually in the plan.

15           Under AB 197, we are required to have a mapping  
16 tool to provide information about air quality in the  
17 state. We've made tremendous progress on that. There is  
18 a mapping tool. We're continuing to take public comment  
19 on the types of reports by census tract that are of  
20 interest for sectors and for types of pollutants, and so  
21 that is ongoing work.

22           The piece that we heard about today was really  
23 about prioritizing direct emission reductions. The  
24 statute itself does say prioritize direct emission  
25 reductions, but it also references back to AB 32 about

1 cost effectiveness, and about technologically feasible and  
2 minimizing leakage. So in all of this, we had to balance  
3 all of those objectives at the same time.

4           What we have in front of you for your  
5 consideration is a plan that has multiple measures that  
6 are all aimed to be cost effective, feasible. And others  
7 may debate that they're cost effective or feasible, but we  
8 believe that those are the right measures to be included.  
9 They will get emission reductions at power plants, at  
10 stationary smokestacks, and at tailpipe emission sources  
11 in the state of California.

12           And so we do believe that the plan as presented  
13 balances all of the measures that we are required to  
14 balance in this Act, under AB 32, AB 197, AB 398, and that  
15 it is an achievable and lowest cost effective way to get  
16 to the 2030 target.

17           We do not feel that in any of this we missed an  
18 opportunity or we didn't take the opportunity to identify  
19 something else that we could have added into the list of  
20 measures. Now, having said that, the scoping plan is a  
21 snapshot of the available information and technology that  
22 we have today.

23           In the resolution and in the plan, we talk about  
24 2030 being a milestone to the 2050 goal, and that we need  
25 to continue to pursue, examine, and evaluate additional

1 measures and bring those on as those become  
2 technologically feasible and cost effective.

3           And for the very first time in any of the scoping  
4 plans, in chapter 4 by sector, we have lists of potential  
5 actions that should be reviewed, evaluated, researched,  
6 potentially they may become cost effective or they become  
7 statutorily supportable actions that we can take and  
8 putting those on line in time. And we don't have to wait  
9 for the next scoping plan to do any of those actions.

10           So again, we do feel the scoping plan before you  
11 all does meet the mandates in AB 197, and we recognize  
12 that we need to keep looking for more.

13           CHAIR NICHOLS: Well, and on that issue of keep  
14 looking for more, this -- there's -- when you talk about  
15 the delicate balance, we've always had to balance the need  
16 to set a direction and a course that's clear enough, so  
17 that people will be convinced that we're serious and will  
18 make investments in California, including investments in  
19 allowances and so forth, but also, at the same time, to be  
20 able to make adjustments fast when we learn new things,  
21 and when new technologies become available. That's really  
22 the essential ingredient, if you will, of the whole  
23 climate program.

24           So I think it is important to recognize that  
25 while the plan needs to get done at some point in

1 sufficient -- a sufficient finality so that you can  
2 publish it. At the same time, it's constantly under  
3 review as well.

4 So, okay, I'm going to let other people speak.  
5 I'll start on this side.

6 I'm sorry, please.

7 ASSEMBLY MEMBER GARCIA: I can oftentimes get  
8 away with not saying anything when folks refer to Assembly  
9 Member Garcia, right. They're speaking of the other  
10 person.

11 (Laughter.)

12 ASSEMBLY MEMBER GARCIA: But in this particular  
13 case, I think the comments are directed towards the  
14 policies that we've put forward. I'll begin my comments  
15 by thanking everyone. It sounds like staff and the  
16 stakeholders have found a consensus to some extent on the  
17 first work that the scoping plan here is putting forward.

18 As you all know, I've been appointed by the  
19 Speaker to represent the State Assembly membership of the  
20 House. And via questions and concerns that were raised by  
21 my colleagues, I'm going to present some of those. And  
22 hopefully, they are by no surprise to anyone here.

23 I'll start my questions by directing your  
24 attention to page 34 of the scoping plan, specifically to  
25 the part of the table that talks about the direct GHG

1 reductions.

2           And the first question, and I have four questions  
3 is, is it the Air Resources Board position that cap and  
4 trade is a direct emission measure? And I think it was  
5 raised today quite bit of times. And the reason why  
6 that's coming forward, it's because when we passed AB 97  
7 in to law, we had a lot of discussion about the impacts  
8 that the law would have on cap and trade, because the  
9 legislature and stakeholders involved at the time held  
10 those discussions and agreed that cap and trade to not to  
11 be a direct emission reduction program or measure.

12           And so that's the first question, is it that  
13 ARB's position that cap and trade is a direct emission  
14 measure, because it seems like that's where we're going if  
15 you look at page 34?

16           My second question is the potential oversupply of  
17 allowances factored into this uncertainty analysis for cap  
18 and trade. Has that been done? According to last week's  
19 Legislative Analyst's report, there's some concerns about  
20 that. And so we want to make sure that some of this is  
21 reflective of those issues that were raised.

22           Third question is what analysis has ARB done on  
23 additional direct emission measures, including new or  
24 potential amendments to existing rules and regulations  
25 that might be added to this portfolio to reduce our

1 dependence on cap and trade to meet the 2030 goals?

2           And the fourth and final question is the adaptive  
3 management plan that is not included in this plan, but was  
4 part of the prior draft of the scoping plan. And so I do  
5 have some requests that have come from my colleagues and  
6 I'll put those out there.

7           Perhaps Mr. Corey can address those questions and  
8 then the Board can deliberate, you know, the additional  
9 amendments that could potentially be put forward as they  
10 reflect the AB 197 mandates. And that would be the first  
11 would be to develop a list of additional or new rules or  
12 regulations that would result in direct emission  
13 reductions at stationary, indirect, and mobile sources in  
14 disadvantaged communities by December of 2018, adding some  
15 kind of cutoff point.

16           The second would be amending the 6th resolution  
17 regarding AB 398 implementation, top of page 9, to include  
18 an evaluation of allowance over allocation.

19           The third point is commit to convening the  
20 Independent Emission's Market Advisory Committee in  
21 January of 2017 to be able to advise on the development of  
22 the new cap-and-trade regulation.

23           And the fourth and final recommendation is commit  
24 to releasing any emission data as soon as it's available,  
25 even if it must be noted as preliminary data that hasn't

1 been third-party verified, and even if corresponding data  
2 for other pollutants is not available yet. Timely data  
3 and analysis, particularly regarding greenhouse gas  
4 emission trends is critical to ensuring we are on track  
5 for our ambitious goals.

6 So I'll go back to question 1, is it ARB's  
7 position that cap and trade is a direct emission measure?

8 Question number 2 was the potential oversupply of  
9 allowances factored into the uncertainty analysis for cap  
10 and trade? If so, what impact would the potential  
11 oversupply have on our projections for this plan?

12 What analysis has ARB been done on additional  
13 direct emission measures, including newer potential ones?

14 And then, of course, the final one, the --  
15 regarding the adaptive plan -- management plan in the  
16 scoping plan that we have today.

17 CHAIR NICHOLS: Assemblyman, I'm going to as  
18 Rajinder to begin the responses and we'll add as  
19 appropriate.

20 ASSEMBLY MEMBER GARCIA: Thank you.

21 INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF  
22 SAHOTA: Hello, Assembly Member Garcia. So on the direct  
23 measure. On page 34, we talk about regulations for direct  
24 GHG reductions. We do believe that the Cap-and-Trade  
25 Program will get reductions in stationary sources and



1 mobile sources. Post-2020, the rate of reductions more  
2 than doubles, the amount of allowances continues to  
3 decline, and there is a very steep decline in the amount  
4 of allowances that are actually provided freely to  
5 industry. And the price for the allowances actually does  
6 increase every year 5 percent plus inflation.

7 And so, everyone will be facing an increasingly  
8 higher carbon price and a need to reduce emissions, or  
9 they'll be looking for those allowances at a higher price  
10 in the market. And we do believe all of that together  
11 will force reductions at these sources.

12 AB 398 also adds in further limits on the  
13 offsets. There's already an offset usage limit. We will  
14 see a reduced offset usage limit post-2020, and that will  
15 also impact the amount of instruments that are available  
16 for supply, meaning that there will be direct reductions  
17 at smokestacks and mobile sources in the State.

18 The scoping plan identifies that there's  
19 potential co-benefits associated with cap-and-trade  
20 reductions, if entities are seeking out energy efficiency  
21 Measures. They will also see co-benefits and reductions  
22 in NOx and diesel PM at the same sources.

23 The other regulations that are part of the  
24 scoping plan that are direct measures include the oil and  
25 gas measure that is part of the Short-Lived Climate

1 Pollutant Strategy. There is also the measure for the  
2 dairies. It's going to be phased in much later, but that  
3 is also a direct measure on a sector in the economy. So  
4 there are a variety of measures that are detailed  
5 underneath all the high level policies that are in the  
6 scoping plan that are going to get direct emission  
7 reductions in very specific sources in the State.

8           On the oversupply issue, we believe that the  
9 uncertainty analysis, because of the way it looks at what  
10 future emissions may look like and the way it looks at  
11 fuel prices, it does capture the uncertainty about, well,  
12 how allowances may or may not be available in the future.

13           Now, it may -- it may not be sufficient to inform  
14 what a regulatory amendment should look like for cap and  
15 trade as part of the regular rulemaking, and we will have  
16 a process that kicks off -- or actually has kicked off to  
17 look in more detail at this issue. But at the level that  
18 the scoping plan is designed, it does have a way to factor  
19 in concerns about extra allowances in the system because  
20 of the overperformance of the existing climate programs  
21 today.

22           For direct measures and new amendments to reduce  
23 demand, some of the new measures are again the pieces that  
24 are under like the short-lived climate pollutant  
25 strategies, the oil and gas regulations. When we look at

1 the efforts at CEC under SB 350 to look at a doubling of  
2 energy savings -- energy savings, there are additional  
3 measures that will be put in place to get direct emission  
4 reductions. And so there may be many, many measures  
5 across many State agencies that are going to work together  
6 to make sure that there are these direct reductions at  
7 sources at the smoke stack and the tailpipe.

8 In the resolution we do have a commitment that  
9 we'll continue to look at these other potential  
10 opportunities besides the ones that we're already going to  
11 be implementing under these policies in the scoping plan,  
12 and summarize those for Board members every year.

13 For adaptive management, I would ask Floyd  
14 Vergara who's been leading that effort to respond to that.

15 INDUSTRIAL STRATEGIES DIVISION CHIEF VERGARA:

16 Sure. Thank you. I think it would be helpful to  
17 step back a little bit and kind of do a recap on where we  
18 went with the adaptive management process. We did discuss  
19 that with the Board at the November hearing last year.  
20 And it was also discussed at the 2 EJAC meetings that were  
21 mentioned by Mari Rose.

22 But just so you understand and just to refresh  
23 your recollection, we did set up an adaptive management  
24 work group in November 2015. And the purpose of the work  
25 group -- and this work group included 2 EJAC, members

1 of -- representatives of industry, the air districts,  
2 American Lung Association and academia, Dr. Rachel  
3 Morello-Frosch, who you're all familiar with, from the  
4 OEHHA and Cushing Report. And the purpose of the work  
5 group was to help us work through the technical issues in  
6 adaptive management. It's a highly resource intensive  
7 process in terms of identifying -- looking at the data,  
8 best available data we had at that time, trying to figure  
9 out how to determine whether changes in the emissions data  
10 constitute a real and meaningful trend, figuring out how  
11 you -- how do you tease out the causes of changes in  
12 emissions to determine whether cap and trade is the reason  
13 something is happening or whether there are other reasons  
14 for that? How to decide whether a change is significant?

15 And then finally what types of adjustments might  
16 be appropriate. So we spent an entire year going through  
17 that, plus including a extensive public process, where we  
18 went -- we had 4 different workshops around the State.

19 And, you know, as we went through that process,  
20 and we presented the data that we had at the time, it  
21 became really clear that there were numerous challenges  
22 with the data quality that we were looking at, and trying  
23 to figure out and trying to tease out what was causing  
24 these. In a number of cases, it was really unclear  
25 whether there was an emissions trend going on at all. And

1 there were artifacts of changes in the reporting and  
2 calculation methodologies that the districts were  
3 employing. There were gaps in the data that was reported.

4 And, you know, all of these different factors  
5 basically made it impossible for us to determine whether  
6 there were real trends going on and what was the cause of  
7 that. And then finally, whether cap and trade or some  
8 other source might be contributing to those changes.

9 So having said that, we are now, you know, post  
10 AB-197, and working under 617. We're now working with the  
11 districts to improve the data. I think a number of these  
12 issues were also encountered by the researchers who did  
13 the OEHHA report, and also the Cushing report. They  
14 identified a number of the similar issues, in terms of  
15 inconsistencies and methodologies, and identifying which  
16 facilities were, you know, in the reports.

17 So we're now working with the districts to  
18 improve that data under our AB 197 program. In the  
19 meantime, the data that we have for the mandatory  
20 reporting sources, that has been put into the  
21 visualization mapping tool. I think that was demonstrated  
22 for you all a number of months back. And that would allow  
23 the public to run their own analysis on, you know, any  
24 sources or any regions that they want to do, and run  
25 reports by geographic area, sector, or facility to see how

1 the trends are changing.

2 We're also working with the districts to review  
3 that data, improve it to the extent possible, and  
4 understand what underlying factors affect the trends, and  
5 also identify opportunities for reducing those emissions.

6 You'll note that in the resolution language you  
7 have -- excuse me -- you have before you, there is  
8 language that speaks to continuing -- continuing to work  
9 with stakeholders to develop and make available additional  
10 air emissions data reports - speaking to your question  
11 directly - in the emissions inventory mapping tool to  
12 allow for the evaluation of air emissions trends by  
13 sector, by census tracts, and to make the first reports  
14 available by September 2018, and annually thereafter. So  
15 hopefully, that speaks to your question on that.

16 OEHHA was --

17 CHAIR NICHOLS: May I interrupt you? I'm sorry.  
18 I think you gave a full and accurate answer, and I hope  
19 this isn't seen as contradictory, but without being  
20 defensive about it, because I don't -- I think we  
21 absolutely do not want to be defensive.

22 INDUSTRIAL STRATEGIES DIVISION CHIEF VERGARA:  
23 Sure.

24 CHAIR NICHOLS: I think we want to be open to  
25 learning the truth about what's really going on. But I

1 think what you're saying is that we don't agree that there  
2 is sufficient proof as of yet as to what's actually  
3 happening in these individual facilities in the  
4 communities. Is that what you're saying?

5 INDUSTRIAL STRATEGIES DIVISION CHIEF VERGARA:

6 Yeah, that's essentially it.

7 (Laughter.)

8 CHAIR NICHOLS: I think it's helpful to --

9 INDUSTRIAL STRATEGIES DIVISION CHIEF VERGARA:

10 I'm sorry, the lawyer in me kicks in and I have  
11 to have these long explanations.

12 (Laughter.)

13 CHAIR NICHOLS: You know -- but we're prepared to  
14 and are, in fact, putting serious resources and time and  
15 effort into studying it, so that we can -- so we can know.

16 INDUSTRIAL STRATEGIES DIVISION CHIEF VERGARA:

17 That's exactly right.

18 CHAIR NICHOLS: And if we find it, then we're  
19 going to pursue it.

20 INDUSTRIAL STRATEGIES DIVISION CHIEF VERGARA:

21 Yes.

22 CHAIR NICHOLS: Okay. Thank you.

23 BOARD MEMBER TAKVORIAN: So in the spirit of  
24 clear communication, can I just go back --

25 CHAIR NICHOLS: Yes.

1           BOARD MEMBER TAKVORIAN: -- for a second to the  
2 question - thank you Assembly Member Garcia for raising  
3 about cap and trade. I -- frankly, I was a little stunned  
4 when you asked the question, because in my mind it was of  
5 course not. Cap and trade has never been regarded as a  
6 direct reduction measure. And I think that was the beauty  
7 of AB 197. And that was that it was responsive to  
8 communities that needed those direct emission reductions,  
9 and those measures in their communities. And it was  
10 always considered that cap and trade was an indirect  
11 measure, that it was allowing flexibility for industry.

12           So it was specifically responsive, and it's  
13 the -- all the other measures that are listed -- not all  
14 the other measures, but the other ones that are on page  
15 34, plus many others, that I think ARB is pursuing. And  
16 I -- if I got it correctly, I would say that your  
17 recommendation of developing the list of additional  
18 measures would be a good addition to the resolution, so  
19 that we can start that process of having those direct  
20 emission reductions. And let's not confuse that with cap  
21 and trade, so that -- and those that would be particularly  
22 helpful and impactful in disadvantaged communities.

23           So I would hope we -- just on that one point. I  
24 know you made several, but just on that one point,  
25 hopefully we could move that one forward. I also think it



1 will quite helpful in the AB 617 process to begin to  
2 develop that list. So I know you responded. Maybe we  
3 just don't disagree -- may be we just disagree. But I think  
4 cap and trade is one thing, and direct emission reductions  
5 are another area. And they've been talked about that way  
6 for a very long time. So I think it's important for the  
7 Board and for the community to understand that those are  
8 different. And while we hope cap and trade will reduce  
9 emissions, but it's not direct. In the way that we've  
10 talked about with stationary sources and all the others.

11 INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF

12 SAHOTA: So I would just say that there -- we should make  
13 sure that there's some clarity on the terminology. We are  
14 seeking direct emission reductions, and those are  
15 reductions at the source as defined in AB 32, and  
16 believe -- we believe cap and trade will get reductions at  
17 the sources that it covers.

18 The other terminology that we're using here is a  
19 direct measure. And a direct measure is different than a  
20 market based measure. So AB 197 asks us to look for --  
21 prioritize direct emission reductions, and the table we  
22 talk about direct emission reductions.

23 Sitting here, I realized that there's  
24 terminology, and it's been used back and forth, and we  
25 might be part of the program here. But in the table we do

1 mean direct emission reductions from the sources. And AB  
2 197 does speak to direct emission reductions. It does --  
3 AB 197 doesn't specify a specific tool by which to get  
4 those reductions, it specifies that we get direct emission  
5 reductions which is at the source.

6 BOARD MEMBER TAKVORIAN: So maybe to further that  
7 clarification, it would be helpful to include that  
8 recommendation, Assembly Member, in the resolution, so  
9 that we could have a list that was perfectly clear. So I  
10 would -- I don't want know we want to do this Chair, but I  
11 would move that part. I know we don't have a whole  
12 motion, but could we just move that part of the --  
13 Assembly Member Garcia, can we move that one part along?  
14 I'll make the motion, if that would be helpful.

15 CHAIR NICHOLS: Well, I think, from a  
16 parliamentary perspective it's not a motion. It was a  
17 request for information. So it was a request for us to  
18 respond to that -- to that question.

19 ASSEMBLY MEMBER GARCIA: Madam Chair, there were  
20 4 specific recommendations for the Board to consider  
21 incorporating into --

22 CHAIR NICHOLS: To incorporate into the  
23 resolution.

24 ASSEMBLY MEMBER GARCIA: -- incorporated into the  
25 resolution.

1 CHAIR NICHOLS: I see. Okay.

2 ASSEMBLY MEMBER GARCIA: And recognizing I don't  
3 have a vote here, but I do have a seat here --

4 (Laughter.)

5 CHAIR NICHOLS: Of course.

6 ASSEMBLY MEMBER GARCIA: -- I want to make sure  
7 that I express --

8 CHAIR NICHOLS: You have, as you can see, a  
9 fairly central seat.

10 ASSEMBLY MEMBER GARCIA: Yes. Thank you.

11 CHAIR NICHOLS: And we're very interested in  
12 trying to respond to what you're --

13 ASSEMBLY MEMBER GARCIA: Thank you.

14 CHAIR NICHOLS: -- saying.

15 I think let's just -- let's put that down as one  
16 item then for a proposed amendment to the overall Board  
17 resolution. I think it absolutely --

18 BOARD MEMBER GIOIA: Is there a way to get  
19 written versions so we have the written -- maybe written  
20 versions of --

21 CHAIR NICHOLS: That would help.

22 BOARD MEMBER GIOIA: -- what's been -- that would  
23 be very helpful in making copies of the written versions,  
24 the language that the Assemblyman is reading. That would  
25 be helpful for us, I think, in moving -- in moving

1 recommendations.

2 CHAIR NICHOLS: Great. Thank you.

3 BOARD MEMBER BALMES: Chair Nichols?

4 CHAIR NICHOLS: Hang on a just a second. I'm  
5 just going to recognize Mr. Serna.

6 BOARD MEMBER SERNA: Thank you.

7 BOARD MEMBER GIOIA: So are we going to get  
8 written -- just to be clear, we'll get -- will we get a  
9 written version?

10 CHAIR NICHOLS: Everybody is going to get a  
11 chance to talk, but we do need a written version --

12 BOARD MEMBER GIOIA: Yes.

13 CHAIR NICHOLS: -- of what you have if you're  
14 prepared to --

15 BOARD MEMBER GIOIA: That would be great. That  
16 would be helpful.

17 CHAIR NICHOLS: -- give it to -- the Clerk can  
18 come and get it, and we'll make sure that staff has a  
19 copy.

20 BOARD MEMBER RIORDAN: Well, the -- yes, I think  
21 the staff would need a copy, because you're going to have  
22 to analyze it and respond. We may have some questions.

23 EXECUTIVE OFFICER COREY: That's correct. Need  
24 to see a copy. I've got the gist of it. I could answer  
25 one of the Assembly Member's comments about a

1 identification of the rules and regulations that are  
2 called out in the scoping plan. In other words, what I  
3 took from that is a periodic accounting for how we're  
4 proceeding, in terms of implementation and status of the  
5 range in measures.

6 We have an annual report back to the Board. And  
7 in addition to that, our Chair Mary has an annual report  
8 to the Joint Legislative Climate Policy Committee that  
9 Assembly Member Garcia oversees. Within those reports,  
10 we'd include a status of the implementation of the scoping  
11 plan, how are we proceeding, for instance, with the range  
12 of measures, including the Low Carbon Fuel Standard.

13 So the short of it is, I see a provision in the  
14 existing resolution that includes an annual report back to  
15 the Board on the status implementation that would include  
16 how are we coming along in the measures that were called  
17 out in the scoping plan for achieving the 2030 target?

18 CHAIR NICHOLS: Yes.

19 BOARD MEMBER EISENHUT: On -- with regard to the  
20 report -- with regard to the report, is that going to come  
21 back by sector as sector analyses are concluded, or is it  
22 going to be a single report?

23 EXECUTIVE OFFICER COREY: I'd like it to be a  
24 single report, because I think it provides a big picture  
25 of how we're proceeding. But in addition to that, over

1 the course of any given year, this Board will have, for  
2 instance, this -- in 2018, just as one example, the Low  
3 Carbon Fuel Standard will be coming back. That is one  
4 measure in here. In fact it will be coming back twice in  
5 2018. So one overall report what's the status of the  
6 overall implementation of the scoping plan.

7 But in addition to that, individual measures as  
8 they're developed in working through the public process  
9 would also be coming back to the Board. So it's really  
10 both.

11 BOARD MEMBER EISENHUT: Thank you.

12 BOARD MEMBER BALMES: Could I also ask a  
13 follow-up with regard to that?

14 CHAIR NICHOLS: Go right ahead, yes, please.

15 BOARD MEMBER BALMES: So I'm actually looking at  
16 the language of AB 197. And I think there's an issue  
17 that's been missing with regard to the annual report. It  
18 said that the emissions of greenhouse gases, criteria  
19 pollutants, and toxic air contaminants throughout the  
20 State, broken down to a local and subcounty level for  
21 stationary sources, and to at least a county level for  
22 mobile sources should be done.

23 And I don't think we've been talking about that  
24 level of granularity here. And I think it would go a long  
25 way to help the environmental justice community address

1 the concerns with regard to direct emissions.

2 Are we going that granular?

3 CHAIR NICHOLS: I think we have to.

4 (Laughter.)

5 BOARD MEMBER BALMES: Yeah, it's in the law.

6 CHAIR NICHOLS: I don't think we have a choice.

7 BOARD MEMBER BALMES: Unless Mr. Garcia wants to  
8 amend it.

9 CHAIR NICHOLS: Right.

10 DEPUTY EXECUTIVE OFFICER KARPEROS: Dr. Balmes,  
11 if I was tracking your question, the language he refers to  
12 is in terms of ARB providing publicly that data of -- not  
13 necessarily in this -- specifically in this report, but  
14 provided generally to the public.

15 BOARD MEMBER BALMES: It says actually internet  
16 available.

17 DEPUTY EXECUTIVE OFFICER KARPEROS: And that's  
18 the unit -- that's the mapping tool that was spoken about  
19 earlier. So within that tool, you can type in an address  
20 and find out the emissions of greenhouse gases and  
21 criteria in your region. And by the end of the year,  
22 you'll be able to pull up the toxics inventory that we  
23 have online. You can overlay the CalEnviroScreen. So  
24 there is a rich ability to understand at a disaggregated  
25 level what the emissions are.

1 BOARD MEMBER BALMES: I just would share the  
2 disappointment that it's taken so long to get the adaptive  
3 management tool up and running.

4 I mean, frankly, we haven't put enough resources  
5 into it. I'm not blaming any one person. But this is  
6 something that, you know, I've been asking for since the  
7 first scoping plan. And I feel like we're dragging our  
8 feet. And I'm glad that AB 197 actually calls out that we  
9 have to do this, because I'm -- you know, it's lit some  
10 fire, but I'm not sure it's enough.

11 CHAIR NICHOLS: I think we had a report. I know  
12 we had a report to the Board on --

13 BOARD MEMBER BALMES: Yeah, in November of 2015.

14 CHAIR NICHOLS: -- how they were attempting to do  
15 this. And the concern at the time was actually about  
16 comparability of the data sets and how you make them all  
17 look like they're under some same base system, so that  
18 they can be compared with each other.

19 And I think that they've been struggling with  
20 that technical aspect of making 3 different legal systems  
21 and 3 different sets of data talk to each other in  
22 addition to the proprietary item -- the element that  
23 always comes to the fore when you start to act like you're  
24 actually going to do something with data, which is people  
25 suddenly become very protective of it, and don't



1 necessarily want to share it.

2           So it's -- it is not just an internal ARB issue  
3 that we're dealing with here. Having said which, I'm not  
4 going to say that I think it's going as fast as it should,  
5 be, but your -- your comments seemed to be a little bit  
6 implicate --

7           BOARD MEMBER BALMES: I apologize if I was too  
8 hard, but I think the environmental justice community  
9 expects this information --

10          CHAIR NICHOLS: Yes.

11          BOARD MEMBER BALMES: -- that's legally required  
12 for us to deliver.

13          CHAIR NICHOLS: Right.

14          BOARD MEMBER BALMES: And, you know, with AB 617,  
15 we're going to have to even be, you know, posting more  
16 data and --

17          CHAIR NICHOLS: Right. No, we've taken on a lot  
18 of responsibility here that has -- is way beyond anything  
19 that ARB had ever attempted to do before with the toxics  
20 program, and some of the information about what stationary  
21 sources are doing. And it's an expensive proposition, and  
22 I believe that we now have been given some resources to  
23 work on this with, which we didn't have before too.

24          EXECUTIVE OFFICER COREY: We have, that's  
25 correct. And just to respond to Dr. Balmes, I think this

1 is important, and to underscore the responsive -- the  
2 response to 197. Just a year ago, you couldn't go to our  
3 website and look at an individual facility and efficiently  
4 look at GHG emissions and criteria pollutant emissions,  
5 and look at I want to see a particular facility -- in my  
6 neighborhood a larger facility, and know what the  
7 emissions were -- reported emissions, and look over a time  
8 horizon, what were they the last few years.

9           You can go to the website now, you can look at  
10 your community. This is larger sources now. I can look  
11 at GHF. I can look at criteria. I can look at individual  
12 facilities. I can look at the facilities within a  
13 particular region that I might want to do A search in.  
14 That wasn't available.

15           That was in response to the very thing you're  
16 talking about, Dr. Balmes, and the -- and we're running  
17 into data quality issues. You know, we've talked about  
18 the challenges with data quality. The next step, and this  
19 was also called for in 197, is that we're working on now,  
20 is integrating the toxics data into what I just described.  
21 So I go to one facility, a refinery for instance, and the  
22 ability in that refinery to look at GHG emissions,  
23 criteria pollutant, toxic emissions, and to the degree  
24 that that data has been -- the current data that's report  
25 a trend -- or historical that is a significant step.

1           Now, does it still need to be further improved?  
2 No doubt about it. I think it's toxics. And Kurt knows  
3 the specific time frame. I think it's the end of this --  
4 we're within a month or two of getting the toxics data  
5 populated, which isn't just for the ability for us to do  
6 the analysis, it's anyone that wants to go to our website  
7 and look at any individual facility or facilities in their  
8 neighborhood. This is a big step. Not perfect, but a  
9 significant improvement.

10           BOARD MEMBER BALMES: I agree that it's a big  
11 step, but I guess my frustration was right after that  
12 November presentation, November 2015, I believe, we were  
13 talking about having toxics to go online a few months  
14 later, like February 2016. And, you know, it looks like  
15 it's going to be 2018, so...

16           VICE CHAIR BERG: In looking at this list that  
17 has been requested, is there other data within 197 and 617  
18 that we need to identify that is also going to create a  
19 list? Is there a way for us to coordinate so that we're  
20 giving the maximum effort, and the maximum information?

21           EXECUTIVE OFFICER COREY: The only thing I would  
22 add to that, Board Member Berg, is the fact that what this  
23 ask is is really the -- list the scoping plan measures.  
24 But when I think about the range of measures that this  
25 agency, even as recently as the SIP, the State

1 Implementation Plan, that the Board advanced had a whole  
2 range of mobile source measures in it. So even a -- I  
3 think a report, and I'm thinking about the status of the  
4 range of measures, not just in the scoping plan, but also  
5 the other mobile source measures that in some cases  
6 deliver GHG benefits, as well as criteria.

7 My point being, and I'm kind of thinking on the  
8 fly looking at this language, it really is, I think, a  
9 comprehensive, what's the status of the range of  
10 commitments or measures that the staff are proceeding on.  
11 And it goes beyond just what's in the scoping plan.

12 VICE CHAIR BERG: I really think it's fair to say  
13 that the EJ concerns are really around criteria  
14 pollutants, and the co-benefits -- and toxics, and the  
15 co-benefits that can be arrived as a result of greenhouse  
16 gas. And so I get concerned about focusing on greenhouse  
17 gas alone, and then we miss the mark, and then people are  
18 disappointed because we set expectations that we don't  
19 meet

20 So these are three very complicated set of  
21 measures, and how do we look at them globally to be able  
22 to put the best effort together of staff, and not send  
23 staff off in a lot of directions. And so that's what I  
24 was trying to see if we had something that we could put  
25 together that would meet what the Board is asking for in a

1 more efficient manner, and be very transparent out to the  
2 EJ community.

3 CHAIR NICHOLS: Well --

4 BOARD MEMBER TAKVORIAN: So we're kind of victims  
5 of our own success. I mean, I hope everybody is hearing  
6 it that way, both the legislative success and CARB  
7 success. And there's just a lot to do. And I think from  
8 an environmental justice perspective very simply, some  
9 facilities do all of those things that Board Member Berg  
10 listed. So they're greenhouse gas emitters, there are  
11 criteria pollutants, and there are toxics there. So  
12 we're -- that's part of what we're looking at in the  
13 emission reports that are required to come through AB 197.  
14 And that's why I think it was meant to be more  
15 comprehensive. And then there's all these other measures  
16 that may affect that.

17 So is there a way to craft this -- this is  
18 specific -- this add is specifically about new rules and  
19 regulations that would reduce all of those emissions. I  
20 think the other thing we're hearing is we want a  
21 comprehensive emissions data. And I think, Richard, you  
22 said that's what is already coming for 197. The question  
23 is, is it in the resolution that it says that will happen  
24 in order to comply with 197?

25 And if it's not directly stated, then perhaps

1 that's something that should be included, just so that  
2 everybody is clear. Would that help?

3 CHAIR NICHOLS: Okay.

4 EXECUTIVE OFFICER COREY: Yeah, Board Member  
5 Takvorian on page 11 of the resolution, third resolution  
6 down is the emissions data reports. And at the -- Dr.  
7 Balmes was talking about it, the resolution at the census  
8 tract level. And really, what we'll draw from the data I  
9 was talking about that was being populated in this tool  
10 that we've been working on to include both criteria and  
11 GHG and now toxics.

12 BOARD MEMBER TAKVORIAN: Got it.

13 BOARD MEMBER BALMES: One more comment about the  
14 tool. I just went online, you know, to see how clunky it  
15 is or isn't, you know, if we want EJAC -- or EJ community  
16 members to use it, it's still a little bit, you know,  
17 clunky to get to off of our website. Just saying. That's  
18 just a general communications issue. I think we need to  
19 be a little slicker about Internet access.

20 CHAIR NICHOLS: We've got an awful lot of  
21 different pieces floating around here, and I'd like to try  
22 to bring some order into this discussion. There's several  
23 different ways that one could do it, but I'm going to  
24 propose one, which is that we use Mr. Garcia's template  
25 here and respond to that, and then we can talk about other

1 things that people might like to talk about in the  
2 resolution.

3           So I'm starting with number 1, develop a list of  
4 additional or new rules and regulations that would result  
5 in direct emissions reductions at these different sources  
6 to be presented to and considered by the Board.

7           Okay. I have a couple of comments about that.  
8 The first is I think it should be clear that that refers  
9 to criteria pollutants and toxics, not just to CO2, even  
10 though this resolution is -- I mean, this whole scoping  
11 plan is primarily focused on -- it is focused on meeting  
12 our CO2 standards. We have these additional  
13 responsibilities. And I think that's a fair request.

14           However, I want to say that -- and I'm just going  
15 to -- this is my observation. I think there's a fair  
16 chance that what we will find is when we actually look at  
17 these rules and regulations and emissions, that we do not  
18 necessarily have a big list of new rules and regulations.  
19 What we may have is a need for improved enforcement, for  
20 example, permits that are actually enforceable, as opposed  
21 to a new rule, or that there may be ways in which we're  
22 going to be able to get more -- and more timely data about  
23 what's happening, as opposed to just new rules and  
24 regulations.

25           So I would want to modify the language on that

1 slightly in order to make sure that if we only have a list  
2 that's one or two rules, but more on the enforcement side,  
3 that that's not deemed to be, you know, a failure by ARB.

4 BOARD MEMBER GIOIA: I just have a questions on  
5 this just as a --

6 CHAIR NICHOLS: Yes.

7 BOARD MEMBER GIOIA: -- local air district --

8 CHAIR NICHOLS: Yes.

9 BOARD MEMBER GIOIA: -- Board member.

10 So it's to understand sort of authority issues  
11 here. I agree with the intent here, so I just -- but I  
12 want to understand sort of authority -- different  
13 authority issues. ARB has authority to directly regulate  
14 greenhouse gases. To what extent is its authority -- I  
15 mean, clearly, local air districts have the authority to  
16 directly regulate criteria pollutants and toxics, at  
17 stationary sources.

18 To what extent does ARB have that authority --  
19 because we want to be most helpful in thinking about which  
20 measures would be adopted at the local level, and then  
21 which measures would be adopted at the State level.

22 And let me just say I understand from EJ  
23 communities, coming from Richmond myself, is that there  
24 are different levels of regulation of the -- of criteria  
25 and toxics at stationary sources across air districts in



1 California.

2           And I think in the Bay Area, we've been very  
3 aggressive, and maybe that hasn't been the case at some  
4 other air districts around the State.

5           And so there's often ask of the Air Board to come  
6 up with standards that bring up maybe what some of the  
7 local air districts haven't done yet.

8           And so I want to just under -- so -- and my sense  
9 is that's where many are going is, you know, there are  
10 varying levels of regulation across air districts in  
11 California. So what -- what is the route for the Air  
12 Board to most help in that area? Do you see the question?

13           CHAIR NICHOLS: That's a good question, and I  
14 think Richard can probably answer that.

15           EXECUTIVE OFFICER COREY: Yeah, I'm going to take  
16 a stab at it. And I think, in part, as you noted,  
17 Supervisor Gioia, the air districts have primary authority  
18 over stationary sources. They compartment them, they  
19 enforce them. We have an oversight role.

20           They also have a key role on toxics, which also  
21 they have toxics rules and permitting authority. The  
22 State has an overall toxics program, but basically it's  
23 implemented and enforced generally at the local level.  
24 They usually adopt rules.

25           But I think if you get to the heart of the

1 question you're asking, and I think that was embedded in  
2 the questions that the -- some that the Assembly Member  
3 was asking, Assembly Member Garcia, it's about additional  
4 reductions at the community level.

5 BOARD MEMBER GIOIA: Right.

6 EXECUTIVE OFFICER COREY: It really is a 617-type  
7 issue. Where are there further reductions of criteria and  
8 toxic pollutants at the local level. And I really am  
9 pointing to the significance of 617 saying -- directing  
10 the State within 2018 time frame, develop an overall State  
11 strategy that will translate into districts required to  
12 develop local community reduction plans. And the  
13 expectation of those community reduction plans is partic  
14 -- focused on these most burdened communities, where are  
15 the opportunities for further reductions?

16 I think we're going to see opportunities for  
17 further mobile in a given community, also stationary. And  
18 I think the next question is going to be is that a local  
19 rule? If it's stationary, it's going to be a district  
20 rule most likely, tightening that district rule, or is it  
21 an enforcement issue?

22 So it's going to be the -- what are the arrows in  
23 the quiver to respond to those elevated community  
24 exposures. And I think the response is going to be  
25 multiple addition -- tighter rules at the local level,

1 additional mobile measures and incentives that basically  
2 speak to what is impacting that community. I think the  
3 significance of the 617 plans and the direction of 617 is  
4 all about this local exposure issue and intentionally  
5 having specific actions to respond to it.

6 CHAIR NICHOLS: But, again, we are given new  
7 power to define the technology that's best available  
8 retrofit control technology under 617 that we have not had  
9 before. So it's not a new regulation. It's a new  
10 direction to us to review what's happening at the district  
11 level, and to insist on improvement, if we think it's not  
12 up to snuff.

13 EXECUTIVE OFFICER COREY: And to establish the  
14 benchmark by which local community reduction plans will be  
15 judged, and the authority to approve or not approve them.

16 CHAIR NICHOLS: Right. So this is taking us in a  
17 new direction of actually proposing rules and regulations,  
18 which may be beyond our authority as Supervisor Gioia is  
19 gently suggesting here.

20 (Laughter.)

21 BOARD MEMBER GIOIA: I'm not saying we shouldn't  
22 be looking. I'm just trying to understand authority,  
23 right? If we can identify measures, we want to be clear  
24 on saying what do we have authority to actually implement  
25 at our level, and what -- and which -- and what is the

1 authority of local air districts, right?

2 EXECUTIVE OFFICER COREY: Yeah. And if I just --  
3 just to point a point on that to respond directly to it,  
4 and I'm keying off again 617, because I think that's a  
5 very specific example. You have a community with elevated  
6 exposures, let's say toxic and criteria pollutants.

7 BOARD MEMBER GIOIA: Right. Right.

8 EXECUTIVE OFFICER COREY: You have a breakdown of  
9 what sources are contributing to those elevated exposures.  
10 Three, what are the strategies to respond? And it gets  
11 right to your question, if it's local -- let's say it's a  
12 refinery, that would be a local rule tightening that local  
13 permitting rule. If it's old heavy-duty equipment that's  
14 operating within that community, that may be incentives to  
15 get those off the road.

16 It's outlining the -- what is contributing to the  
17 problem, and having specific actions and dates --

18 BOARD MEMBER GIOIA: Right.

19 EXECUTIVE OFFICER COREY: -- and that map also to  
20 authority with clear responsible parties called out.

21 CHAIR NICHOLS: Ms. Miller --

22 BOARD MEMBER GIOIA: Chair Nichols, what I think  
23 is --

24 CHAIR NICHOLS: I'm sorry, go ahead and finish.

25 BOARD MEMBER GIOIA: Okay. What I think is

1 relevant here is that -- and maybe this is sort of the  
2 informal authority that ARB has that I think there's  
3 concern in some -- in a number of communities across the  
4 State that there's not enough meaningful or strong  
5 regulation at the local level, in some parts of the State.  
6 I think that's a fair characterization. We hear that.

7           If we identify potential measures, we sort of are  
8 a bully pulpit as well, and that ARB -- even if it doesn't  
9 have authority to pass some of these regulations, it's  
10 sort of like a best practice list. Because we also hear,  
11 and I hear this from those in industry, they'll say, well,  
12 this district has a less ambitious goal. You have a more  
13 ambitious goal. Wouldn't it be great if there were  
14 similar goals across the straight at the local air  
15 district level that provided the same level of health  
16 protection to communities who live near sources of  
17 emissions and not have varying level -- standards?

18           In a way, we can -- we can list, pursuant to the  
19 suggestion by the Assembly Member, the types of  
20 regulations that may be effective at achieving additional  
21 reductions which would then help encourage local air  
22 districts that don't have them to adopt them.

23           BOARD MEMBER MITCHELL: Let me say that at least  
24 in the South Coast District, the rules that are on our  
25 calendar, I mean, they're listed in the last Board

1 package. Every rule that we're going to consider next  
2 year is in that Board package. If it's not in that Board  
3 package, we're not going to consider it. And any Board  
4 member can request -- well, I have requested I want this  
5 rule. I want to look at this. And it will go on that  
6 list.

7 So it does exist, and it's a pretty long list.  
8 So it does give your staff knowledge of what they're going  
9 to deal with in the next year.

10 CHAIR NICHOLS: Um-hmm.

11 BORD MEMBER MITCHELL: Sometimes we can't get to  
12 all those rules by the end of the year, which one of them  
13 that I put on there we couldn't finish it. That was  
14 ending a reclaim program. So that has been extended  
15 another few months into next year, but it was on the list  
16 last year. It had to go on the list to be considered.  
17 And you can find it in our -- it's in our last December  
18 Board package.

19 And so you'll see what's on that list. I mean,  
20 it does exist. And it may -- that may not be the practice  
21 in all air districts, but it is the practice in South  
22 Coast.

23 CHAIR NICHOLS: You know, what I'm -- I'm just  
24 going to say right now, we keep on discussing how to  
25 respond here. But I don't think that just using the

1 language that's in this draft resolution is going to get  
2 us where people want to go, where your colleagues want to  
3 see us go.

4           And I'm wondering whether -- that's not true of  
5 the others by the way. I'm prepared to say we could do  
6 number 2. We could do number 3. Although we may not be  
7 able to convene it by January, especially January 2017,  
8 since that was this past January. But even by January  
9 2018, we may not be able do it, just because we haven't  
10 asked all the people who need to serve to serve, I  
11 believe.

12           DEPUTY EXECUTIVE OFFICER CHANG: So what the  
13 statute says is that the Senate, the Assembly, and the  
14 Governor make appointees, and then CalEPA convenes the  
15 Committee. So this is actually not within the purview of  
16 the Air Resources Board. As of right now, I think there's  
17 only one member that has been named, and it's the Senate  
18 has named a member.

19           CHAIR NICHOLS: Okay, so -- but we should  
20 certainly be moving on that. And to the extent that the  
21 Governor would like our advice about who he should  
22 appoint --

23           EXECUTIVE OFFICER COREY: Yes.

24           CHAIR NICHOLS: -- we could certainly be  
25 suggesting names to him. Yeah. But that's a -- there

1 should be an intention to get that underway, sooner rather  
2 than later. I think that -- as we are moving forward on  
3 amendments to the Cap-and-Trade Program, that kind of goes  
4 without saying that we should have the Committee.

5           And on the fourth item, I know, not being a  
6 scientist, how anxious people get about this issue about  
7 when data gets released. But as a general rule, I'm in  
8 favor of releasing data whenever you've got it. I don't  
9 think we should be holding it and massaging it. So if we  
10 have it, we ought to be able to make it available.

11           BOARD MEMBER RIORDAN: But, Madam Chairman, if it  
12 is not though verified, I'm assuming this is greenhouse  
13 gas emissions, and we've --

14           CHAIR NICHOLS: Then it has --

15           BOARD MEMBER RIORDAN: -- if you really believe  
16 in the program of verification --

17           CHAIR NICHOLS: Right.

18           BOARD MEMBER RIORDAN: -- I don't think it should  
19 be released until it's verified.

20           CHAIR NICHOLS: It isn't even submitted to us  
21 until it's verified generally. I mean, if -- when people  
22 have to submit their data, they get it verified, right?

23           INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF

24 SAHOTA: Board members, may I add some additional  
25 information on number 4?



1 CHAIR NICHOLS: Sure.

2 INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF

3 SAHOTA: So when the data is reported, there's two  
4 separate reporting dates for the large stationary sources  
5 and then for the more complicated electricity transaction  
6 reporters, the utilities. There's 3 months underwhich  
7 that data has to be verified, and then that data is held  
8 until after the cap-and-trade compliance deadline. We  
9 don't want to leak that data out, because it could be used  
10 to manipulate the market, and it's always released after  
11 it's been QAQC'd after the compliance event.

12 It's released on the same schedule that we  
13 release with our partners for the market program. The  
14 other concern is that, if --

15 CHAIR NICHOLS: Excuse me, just before you go on.  
16 Are you talking about the mandatory reporting data?

17 INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF

18 SAHOTA: Yes, yes.

19 CHAIR NICHOLS: The data that is in the  
20 mandatory -- the one on which people base their fees?

21 INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF

22 SAHOTA: Yes, and they --

23 CHAIR NICHOLS: They give us this preliminary  
24 data and we sit on it, and we don't collect fees, based on  
25 it?

1 INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF  
2 SAHOTA: So there's -- there's fee data, which is in  
3 arrears and that's 2 years behind. So that process  
4 doesn't rely on some verified data, but it's historical  
5 verified data that's already available on the internet.

6 CHAIR NICHOLS: Um-hmm.

7 INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF  
8 SAHOTA: For each year, for example, for 2016, the data  
9 was reported earlier in 2017, and then it undergoes  
10 verification. And then we have the cap-and-trade  
11 compliance deadline, and that data is released 2 days  
12 after the cap-and-trade compliance deadline.

13 CHAIR NICHOLS: Right.

14 INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF  
15 SAHOTA: The inventory data, which is what we use to track  
16 the greenhouse gas emissions progress towards the  
17 statewide target, that needs additional data that has  
18 federal sources that are not available earlier. And so  
19 that takes a bit longer than the mandatory reporting data  
20 to put out, because it's incomplete.

21 The challenge with the MRR data, which is the  
22 mandatory reporting data, is that if -- we don't release  
23 it until it's certified. So people have to finish the  
24 reporting and certify it by a deadline. Everyone will not  
25 want to have their data piecemealed out, because it will

1 give a sense of what they need in the market for  
2 allowances.

3 CHAIR NICHOLS: Right.

4 INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF

5 SAHOTA: And so folks will wait till the very last  
6 deadline to actually put their data in and certify it. We  
7 have a very limited time to actually have it verified.  
8 And it will be an implementation crunch to try and get 450  
9 data reports verified by about 50 entities over a  
10 compressed time period.

11 We want to encourage people to report and certify  
12 earlier, so we can spread out that verification timeline  
13 and do our QC/QA.

14 CHAIR NICHOLS: Sure. Very sensible, but very  
15 incompatible --

16 (Laughter.)

17 CHAIR NICHOLS: -- with the desire to have  
18 information be made public.

19 And again, we're back to this question of is what  
20 people really want the CO2 data or is what they want the  
21 toxics and air pollution data, which we don't have a --  
22 which we don't care about releasing early?

23 DEPUTY EXECUTIVE OFFICER KAPEROS: Chair  
24 Nichols, if I could respond to that. You're absolutely  
25 correct. The complications that Ms. Sahota was taking

1 about, the mandatory reporting rule, do not apply to the  
2 criteria and toxics inventory.

3           One of our first goals under 617 is actually to  
4 increase the reporting frequency of that data to us, so  
5 that we can turn around and get it in our mapping tools,  
6 so that it's available to the public as quickly as  
7 possible.

8           So certainly, the spirit of this --

9           CHAIR NICHOLS: Um-hmm.

10           DEPUTY EXECUTIVE OFFICER KAPEROS: -- of this  
11 suggestion, when we were thinking about toxics and  
12 criteria is something we would very much want to support.

13           CHAIR NICHOLS: Aren't you glad you raised all  
14 these questions?

15           (Laughter.)

16           CHAIR NICHOLS: Could -- I guess this is just  
17 a -- this is really to you on behalf of the other members  
18 who are interested in these issues. And I know they  
19 worked on the -- on this to make sure that you had this  
20 here. Could we defer a response? Could we table this  
21 request until after we have the oversight hearing that you  
22 are going to be chairing, and we will present some more  
23 responses to that?

24           ASSEMBLY MEMBER GARCIA: I would be amenable to  
25 that. And I think my colleagues both on the Committee and

1 those who had some input on this would as well, with the  
2 commitment that we bring this back for some conversation  
3 after the joint legislative hearing as well.

4 CHAIR NICHOLS: Right. And then I will be  
5 prepared at that time, since hopefully by then my staff  
6 will have educated me about all the things that I don't  
7 know that I think I know, that we can respond to this --  
8 to these issues.

9 Okay. Thank you very much. That's really  
10 helpful.

11 All right. We had other members who had comments  
12 that they wanted to make however -- or suggestions that  
13 they wanted to make about the resolution, I believe.

14 Dr. Balmes.

15 BOARD MEMBER BALMES: Well, these are more  
16 general comments. I think I've already mentioned 197 and  
17 adaptive management. I don't I have to say anything more  
18 about that. But there were two other issues.

19 One that the EJAC -- that Mari Rose brought up  
20 was biomass burning. And this is something I have a lot  
21 of expertise about both in this country and elsewhere.  
22 And I think now many Californians have experience with  
23 direct effects of wildfire smoke. And I just have to say  
24 in principle, burning biomass uncleanly is not good for  
25 either health or for climate change for that matter.

1           So -- and there's a tension here, because I also  
2 know enough about forest management to realize that if we  
3 want to avoid catastrophic wildfires, we need to get rid  
4 of a lot of the underbrush and dead trees et cetera. And,  
5 you know, burning them is the easiest way now. But I  
6 really feel -- and it's in the -- I believe it's in the  
7 scoping plan to try to divert this biowaste to other less  
8 polluting uses, but I really -- you know, I think it's  
9 problematic.

10           Biomass burning, unless it's done really cleanly,  
11 it has environmental justice impacts, because where these  
12 facilities are located is often in disadvantaged  
13 communities. And it -- yeah, I'm all for having more  
14 trees to store carbon dioxide, and I'm all for forest  
15 maintenance to prevent catastrophic wildfires. But, you  
16 though, burning biomass is, you know, unhealthy and not  
17 good for climate change. So I just want to make a plug  
18 for that.

19           And then also --

20           CHAIR NICHOLS: Could I just -- could I -- could  
21 I build on that though for just a second?

22           BOARD MEMBER BALMES: Sure.

23           CHAIR NICHOLS: Because when I saw that item, I  
24 said why wouldn't we just agree to that? Why didn't we  
25 agree to it in the first place, if that really was what

1 the EJAC was asking? Because I don't think anybody thinks  
2 that burning biomass is the best -- highest and best thing  
3 to do with biomass. So the question is, is there  
4 something buried in here in that issue that I don't  
5 understand.

6 I mean, there's issues about composting too. And  
7 they -- they specifically talked about recycling and  
8 composting as the two desired methods of dealing with  
9 biomass, and, you know, burning as -- but there was a  
10 range of other options that are looked and are being used.  
11 And biomass isn't all forest waste either. There's a lot  
12 of other types of biomass that are being used. So this to  
13 me was part of the response to the EJAC recommendations,  
14 which is to wonder why we couldn't accept that  
15 recommendation, or at least, you know, say we're going to  
16 pursue that as a general policy?

17 EXECUTIVE OFFICER COREY: The last part of your  
18 statement, Chair, is right on point. We are and should.  
19 I know there's a dead and dying tree -- this is, I think,  
20 a short-run issue. The number of biomass facilities, as  
21 you all know, are far less than they used to be, economic  
22 and other related issues. The work with CalRecycle and  
23 others is through what are the viable alternatives. That  
24 is underway. This is absolutely the principle from a  
25 directionality standpoint. So we agree with the principle

1 of not burning biomass.

2 BOARD MEMBER BALMES: And then my last point was  
3 regarding funding for our State health agency partners,  
4 specifically CDPH, and Office of Environmental Health  
5 Hazard Assessment. I know we've already provided some  
6 funding for CDPH to help us with quantifying health  
7 benefits, but I think we're going to need more. I'm being  
8 a blatant advocate for more funding for our public health  
9 partners, but I think it's important.

10 I think the amount of money that we have rightly  
11 invested towards their help, you know, may have remained  
12 static. And I think we need them to be more helpful. So  
13 I'm just making a plug for that consideration.

14 CHAIR NICHOLS: Okay. Thank you.

15 (Laughter.)

16 CHAIR NICHOLS: We -- I think you probably know  
17 this, but we have some power to contract with other State  
18 agencies to do things that we want them to do, and I think  
19 we should do that. We can also be advocates when it comes  
20 to their budget as well, but that has to be internal, not  
21 external.

22 Okay. Thanks. Other comments, or suggestions,  
23 or are people ready to move along here.

24 Yes, Mr. Gioia.

25 BOARD MEMBER GIOIA: On a just -- on a different



1 issue. It's a question of staff. I'd be interested to  
2 hear the staff's response to one of the EJAC  
3 recommendations about ensuring that CARB evaluates how the  
4 cap-and-trade model will meet 2030 emissions targets by  
5 modeling the program between 2020 and 2030 to avoid issues  
6 with overallocation and banking of allowances, price,  
7 offsets, and out-of-state sources.

8 I mean, I know we've talked about -- I know there  
9 will be clearly amendments to the Cap-and-Trade Program  
10 coming here, in which all of these issues are going to get  
11 considered. But I think it's important to acknowledge  
12 that the staff is attempting to address this issue, and to  
13 State sort of the path on this, without knowing the  
14 outcome, right, the path of looking at this, and whether  
15 that needs to get expressed in the resolution or at least  
16 expressed in some way to provide some assurance.

17 INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF  
18 SAHOTA: Supervisor Gioia, on page 9 of the resolution we  
19 speak to this. It's the 4th be it further resolved. And  
20 it talks about reflect the direction in --

21 BOARD MEMBER GIOIA: I see that, yes.

22 INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF  
23 SAHOTA: Yes. And so as part of that process, we will  
24 have analyses and public workshops informal and formal to  
25 walk through each of the provisions in AB 398 as staff

1 develops the proposals. I think there's a misconception  
2 that there's some cap-and-trade model out there.

3           There isn't a cap-and-trade model out there.  
4 Even when we did the scoping plan, we had the PATHWAYS  
5 model. And that's based on assumptions in technology that  
6 we put into the model to understand what the sectors  
7 respond to in terms of changes in emissions.

8           Because in cap and trade, you don't know all of  
9 the actual actions, you can't predict which sector will  
10 reduce in which way. There's one path that we actually  
11 did reflect, and that was in Alternative 1. And so that  
12 was our attempt to look at a mix of policies that could be  
13 undertaken to achieve the amount of reductions under a  
14 cap-and-trade policy.

15           So there's an infinite number of ways to get  
16 those reductions under cap and trade. We can look at how  
17 all of the other pieces like SB 350, LCFS interact with  
18 the Cap-and-Trade Program, but we may not be able to model  
19 the entire program to know on this date this action will  
20 be taken in this sector. So we want to make sure that  
21 folks understand that we can't be as specific as I think  
22 they want us to be.

23           BOARD MEMBER GIOIA: Right.

24           CHAIR NICHOLS: Well, because that's the point of  
25 cap and trade is that we think that the people who have

1 these emissions are smarter about where they can get the  
2 reductions cheaper, and that's what they'll do, right?

3 BOARD MEMBER GIOIA: So this resolution you refer  
4 to directs the Executive Officer, right, to amend the  
5 Cap-and-Trade Regulation with a public process and that  
6 looks at potential impacts from changes to design  
7 features, assessments of quantity of allowances available  
8 at auction, price containment points, price ceiling to  
9 ensure sufficient carbon price to incentivize GHG  
10 reductions.

11 So your belief is that this will -- this process  
12 going forward will address sort of the concerns that were  
13 expressed in the EJAC recommendation?

14 INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF  
15 SAHOTA: That's right. I mean, the label of  
16 overallocation is really the reference to the fact that  
17 we've been very successful at reducing greenhouse gases.  
18 And as a result, we didn't need to use all the allowances  
19 to date and may not need to use the allowances through  
20 2020.

21 We will need to look at what people are doing in  
22 the market. Are they actually buying those? There's a  
23 limit to how much they can buy, because there's holding  
24 limits. And there's also an increasing cost, and so  
25 people are going to respond to a carbon price. They're

1 not going to admit just because they can go buy an  
2 allowance.

3           So we have to look at all of these behavioral  
4 patterns and understand how that interacts with the  
5 allowances and the amount of work that we need cap and  
6 trade to do to hit the 2030 target.

7           BOARD MEMBER GIOIA: Thank you.

8           CHAIR NICHOLS: Yes, Ms. Takvorian.

9           BOARD MEMBER TAKVORIAN: Thank you.

10           I just wanted to say as I hear that we're moving  
11 towards conclusion here, that I think that the scoping  
12 plan, there's been this heroic effort. And I think that  
13 it's comprehensive, and overarching, and visionary, and  
14 sometimes very vague. There's a lot of metrics in it, but  
15 there's a lot of vagaries in it, and there's a lot of  
16 projections in it. And I think that's the nature of the  
17 beast in a certain way.

18           And so I wanted to appreciate that there were any  
19 more specifics provided in the resolution than I think we  
20 had previous. And I -- I'm taking heart from that, that  
21 those are at least the places where we can expect more  
22 action and specific action with specific deadlines. And I  
23 know that it isn't everything that I think all of us, and  
24 particularly the EJAC had wanted to be clearer, but I  
25 think it's a really good starting place, and much better

1 than it was a year ago or even a few months ago. So I  
2 feel comfortable supporting it, so that we can go forward  
3 and actually implement the measures that are there.

4           And I also want to give a huge shout out to the  
5 EJAC. I mean, we've quantified how much effort there was  
6 for these volunteers who traveled around the State, who  
7 met here in Sacramento, who met everywhere to try to do --  
8 to represent environmental justice communities, and it's a  
9 tough lift.

10           And I also want to shout out to the staff, who  
11 followed them all around, and led them, and provided  
12 facilitation, and comfort, and a lot of work. So I think  
13 they did a great job with that. And having served on the  
14 first EJAC, which is like a global difference. I don't  
15 how to say any big -- it's very big, a huge difference  
16 from the first one.

17           So I think we have moved on, and I do think that  
18 environmental justice and equity are baked in now in many  
19 ways, and that's evidenced in the scoping plan, so I think  
20 that's a good thing. And that doesn't mean that it's  
21 perfect, or that it takes care of everything in our  
22 communities. It doesn't at all, and we've talked about  
23 that at length.

24           But I do want to say that I think there's some  
25 real movement forward in some big ways. So I just wanted

1 thank everyone who's participated in that, including Board  
2 members, who are working so hard and will continue to, so  
3 thank you.

4 CHAIR NICHOLS: Thank you.

5 VICE CHAIR BERG: And then, Madam Chair, I'll  
6 also would like to echo and thank you for all your hard  
7 work, Board Member Takvorian.

8 And I'd like to move Resolution 17-46.

9 BOARD MEMBER SERNA: Second.

10 BOARD MEMBER BALMES: Second.

11 CHAIR NICHOLS: There's a second. Actually, two  
12 seconds.

13 I think we could proceed to a vote, unless  
14 anybody has any discussion that they would like to have on  
15 the motion?

16 Seeing none. Why don't we do a roll call vote on  
17 this one. Please call the roll.

18 BOARD CLERK McREYNOLDS: Dr. Balmes?

19 BOARD MEMBER BALMES: I vote yes.

20 BOARD CLERK McREYNOLDS: Mr. De La Torre?

21 BOARD MEMBER DE LA TORRE: Aye.

22 BOARD CLERK McREYNOLDS: Mr. Eisenhut?

23 BOARD MEMBER EISENHUT: Aye.

24 BOARD CLERK McREYNOLDS: Senator Florez?

25 Assembly Member -- I'm sorry. Supervisor Gioia?

1 BOARD MEMBER GIOIA: Aye.

2 BOARD CLERK McREYNOLDS: Ms. Mitchell?

3 BOARD MEMBER MITCHELL: Yes.

4 BOARD CLERK McREYNOLDS: Mrs. Riordan?

5 BOARD MEMBER RIORDAN: Aye.

6 BOARD CLERK McREYNOLDS: Supervisor Roberts?

7 BOARD MEMBER ROBERTS: Aye.

8 BOARD CLERK McREYNOLDS: Supervisor Serna?

9 BOARD MEMBER SERNA: Aye.

10 BOARD CLERK McREYNOLDS: Dr. Sherriffs?

11 BOARD MEMBER SHERRIFFS: Yes.

12 BOARD CLERK McREYNOLDS: Professor Sperling?

13 BOARD MEMBER SPERLING: Yes.

14 BOARD CLERK McREYNOLDS: Ms. Takvorian?

15 BOARD MEMBER TAKVORIAN: Yes.

16 BOARD CLERK McREYNOLDS: Vice Chair Berg?

17 VICE CHAIR BERG: Aye.

18 BOARD CLERK McREYNOLDS: Chair Nichols?

19 CHAIR NICHOLS: Aye.

20 BOARD CLERK McREYNOLDS: The yes votes wins.

21 CHAIR NICHOLS: Thank you very much.

22 For the sake of our court reporter, we are going  
23 to take a recess. It will help us too. Let's give it 10  
24 minutes. Thank you all. This is a major step forward.

25 (Off record: 4:02 p.m.)

1 (Thereupon a recess was taken.)

2 (On record: 4:11 p.m.)

3 CHAIR NICHOLS: Okay. Let's get back to work.

4 Before we begin the last item of the day, I was  
5 so excited about getting to this hearing that I forgot to  
6 make an announcement that I was required to make about the  
7 executive session that we had at lunch, which is that we  
8 had an executive session at lunch. The Board received  
9 information from our legal staff about some litigation  
10 that we had not been informed about before. We didn't  
11 make any decisions or give any direction, but we did have  
12 a discussion, and that was it. So I just needed to report  
13 that for the record.

14 The other thing I want to say is although the  
15 climax has already come and gone is that what we just did  
16 in adopting this 2017 scoping plan is a huge deal. It's  
17 actually extremely important for our program, but also as  
18 a sign for everybody literally around the world who's  
19 looking at California and how we intend to make massive  
20 cuts in greenhouse gas emissions.

21 So while we can concede that it's a  
22 work-in-progress, and will probably always be a  
23 work-in-progress, we can also see that we've laid out with  
24 considerable clarity, how we intend to decarbonize our  
25 economy between now and 2040 -- 2030, 2040, and that it



1 looks very good.

2           And considering the gloomy news that we're  
3 getting on a daily basis now about how much faster the  
4 global warming worst-case scenario is proceeding than  
5 anyone had thought early on, I think it behooves us to  
6 take a minute and just say this was something really  
7 important, and it's good that we did it.

8           So thank you to everybody. Now, we should move  
9 on to the fun stuff, which is spending some of the  
10 resources that we have been entrusted with in the  
11 transportation area.

12           So I probably have some notes here. But the main  
13 important point to make here is that we have an  
14 opportunity now to spend over \$600 million in incentive  
15 program -- in incentive dollars this year. This is a  
16 one-time annual funding allocation. It's not ongoing  
17 funds that we can count on getting every year. Although  
18 the programs that are funded are programs that have a  
19 potential to continue, but we're looking at annual funding  
20 for low carbon transportation coming from the  
21 cap-and-trade auction proceeds, and the Air Quality  
22 Improvement Program, or AQIP, plus the two additional one  
23 time appropriations.

24           Collectively, it's almost twice as much money as  
25 we had available last year. It represents a very

1 significant investment in zero and near zero emissions  
2 technologies, and it places a priority on directing funds  
3 to disadvantaged communities, low income communities, and  
4 low income households to ensure that the cleanest  
5 technologies are deployed in the most impacted parts of  
6 the State.

7           Between today's action and other sources of  
8 funding that will become available, including the  
9 Volkswagen Environmental Mitigation Trust, as well as the  
10 new Assembly Bill 617 community emissions reduction  
11 incentive funding, new agricultural equipment incentives,  
12 the Board is going to be looking at over a billion dollars  
13 in air quality and climate change incentives over the next  
14 6 months.

15           This is a phenomenal opportunity, and it also  
16 requires us to consider these investments very carefully  
17 to ensure that the programs are well coordinated. We will  
18 also need to be making recommendations for future funding  
19 amounts as we continue California's drive towards clean  
20 transportation.

21           So this is a really exciting opportunity, and  
22 it's one that is also one that we have to really be sure  
23 that we are pursuing this as carefully and as effectively  
24 as we possibly can.

25           Mr. Corey, will you please introduce this item?

1 EXECUTIVE OFFICER COREY: Yes. Thanks, Chair.  
2 And indeed, it is a tremendous opportunity here.

3 And as you noted, incentive programs are a  
4 critical part of CARB's comprehensive strategy to  
5 accelerate the introduction of the cleanest mobile source  
6 technologies complementing our regulatory programs. These  
7 incentives provides important early steps to transform the  
8 transportation sector to zero tailpipe emissions powered  
9 by the lowest carbon energy sources supporting the  
10 emission reduction strategies identified in the Climate  
11 Change Scoping Plan, the State Implementation Plan, the  
12 California Sustainable Freight Action Plan, and the ZEV  
13 Action Plan.

14 I think I'm just going to go right to Andy Panson  
15 from the Mobile Source Control Division to give the staff  
16 presentation.

17 So, Andy.

18 (Thereupon an overhead presentation was  
19 presented as follows.)

20 AIR POLLUTION SPECIALIST PANSON: Thank you, Mr.  
21 Corey. And good afternoon, Chair Nichols and members of  
22 the Board.

23 Today, I'll present staff's proposed funding plan  
24 for clean transportation incentives.

25 --o0o--

1 AIR POLLUTION SPECIALIST PANSON: I'm going to  
2 start with a short overview of all of CARB's incentive  
3 programs to provide context for how today's proposal fits  
4 into the full portfolio, especially with all the new funds  
5 coming this year.

6 I'll then summarize the funding plan itself,  
7 going over goals and priorities, updates on past  
8 investments, the legislature's direction on how to use  
9 these funds, and our proposed project allocations.

10 --o0o--

11 AIR POLLUTION SPECIALIST PANSON: The 9 programs  
12 shown here make up CARB's incentive portfolio this year.  
13 This fiscal year alone, there's over a billion and a half  
14 dollars. That's a tremendous increase compared to past  
15 years. However, to put that in context with the overall  
16 funding need, the South Coast Air District has estimated  
17 an incentive need for its region alone of up to a billion  
18 dollars a year. And similarly, the San Joaquin Valley Air  
19 District has estimated a \$22 billion need for its region  
20 by 2025.

21 Each of our incentive programs has its own  
22 statutory requirements, emission reduction goals, and  
23 eligible projects, making the portfolio diverse and far  
24 reaching.

25 --o0o--

1 AIR POLLUTION SPECIALIST PANSON: These different  
2 programs fit together to address a multitude of needs.  
3 Our challenge is to design each program so that it  
4 complements and does not duplicate others.

5 Guiding policy goals include:

6 Advancing technologies to meet California's long  
7 term air quality and climate change goals by transforming  
8 the transportation sector to zero and near zero emissions;

9 Improving access to clean transportation for all  
10 Californians;

11 Supporting sustainable freight;

12 --o0o--

13 AIR POLLUTION SPECIALIST PANSON: Turning over  
14 the legacy fleet for the SIP, toxics reductions, and  
15 community level reductions; reducing agricultural sector  
16 emissions; and investing in the disadvantaged and  
17 low-income communities and low-income households, a goal  
18 shared among all of our incentive programs.

19 You can see from these 2 slides that there is an  
20 intersection in the goals that each program addresses.  
21 However, there's also some clear separation. The funding  
22 in today's proposal comes with statutory direction that  
23 allows us to uniquely target key objectives that other  
24 programs are not as well suited for.

25 --o0o--

1           AIR POLLUTION SPECIALIST PANSON: This funding  
2 covers our primary -- this funding plan covers our primary  
3 funding for transformative technologies at their very  
4 earliest stages with an ability to fund those technologies  
5 just coming to market.

6           Today's plan also covers our primary funding for  
7 light-duty vehicles, and transportation equity projects.  
8 In this space, there's very little overlap with other  
9 programs.

10           I'll contrast that with the 3 new programs the  
11 Board will consider next spring, the Volkswagen NOx  
12 mitigation trust, the AB 617 community emission reduction  
13 incentives, and the agricultural incentive program. These  
14 primarily focus on heavy-duty fleet turnover to the  
15 cleanest commercialized technologies, with the scrap  
16 component embedded in most projects, at least in how  
17 they'll be implemented this budget cycle.

18           And that generally leads to funding technologies  
19 that are a bit furthermore down the commercialization path  
20 than today's proposal.

21           While there's an intersection across programs,  
22 particularly in the freight sector, the freight projects  
23 we're proposing today, with an emphasis on technologies  
24 just coming to market, would not fit as well in most other  
25 programs. Of course, there will be increasing overlap in

1 future years as new technologies continue down the  
2 commercialization path, but we re-evaluate our investments  
3 annually to ensure that programs remain complementary.

4 And this coordination extends to how our funds  
5 complement other State and local investments. Other  
6 agencies have a lead on transportation-related investments  
7 in infrastructure, low-carbon fueled production, active  
8 transportation, and workforce training among others.  
9 Accordingly, these are not a main focus of CARB's  
10 incentives.

11 --o0o--

12 AIR POLLUTION SPECIALIST PANSON: With that  
13 background, let's move on to the funding plan.

14 --o0o--

15 AIR POLLUTION SPECIALIST PANSON: We're using  
16 these incentives to support the long-term transformation  
17 of the fleet called for in the Climate Change Scoping  
18 Plan, the SIP, the Sustainable Freight Action Plan, and  
19 the Short-Lived Climate Pollutant Strategy. We also use  
20 them to improve access to clean transportation and invest  
21 in disadvantaged and low-income communities.

22 This year's proposal -- this year's proposed  
23 projects, in most cases, continue and build on investments  
24 from previous budget cycles that were envisioned as  
25 multi-year projects. That really is a central theme to

1 this year's plan.

2 We're, of course, incorporating refinements based  
3 on lessons learned and the recommendations of our SB 350  
4 study on overcoming barriers to clean transportation.

5 --o0o--

6 AIR POLLUTION SPECIALIST PANSON: Since we're  
7 building on past successes, let's review how our  
8 investments are making a real difference in the California  
9 fleet.

10 The over 200,000 zero-emission and plug-in hybrid  
11 passenger car rebates we've issued are really helping grow  
12 the market. These vehicles now make up over 4 percent of  
13 new cars sales in California. And we're bringing more  
14 low-income participants into the program with increased  
15 rebate amounts and more focused outreach.

16 --o0o--

17 AIR POLLUTION SPECIALIST PANSON: Our equity  
18 projects continue to grow as well. We've helped over  
19 2,000 low-income Californians scrap their old cars and  
20 replace them with advanced technology vehicles, and we'll  
21 expand scrap and replace to new regions in 2018.

22 A new car share program is up and running in  
23 Sacramento, and the Los Angeles car share will launch  
24 early next year. We're also about to award care-share  
25 funds to additional communities.



1           A statewide consumer assistance financing program  
2 will also launch in 2018. This will help low-income  
3 consumers make clean-car purchases for both new and used  
4 cars, including those who don't have a car to scrap.

5           --o0o--

6           AIR POLLUTION SPECIALIST PANSON: We've seen  
7 tremendous growth in the clean truck and bus market. With  
8 4,000 vouchers reserved or issued and over 1,000 different  
9 fleets participating. The number of manufacturers and  
10 eligible vehicles keeps growing far faster than we would  
11 have envisioned just a year career or two ago.

12           There are now over 20 manufacturers offering 60  
13 eligible models in HVIP. And this includes two Class 8  
14 truck models that were added to the program this year.

15           --o0o--

16           AIR POLLUTION SPECIALIST PANSON: Through our  
17 heavy-duty pilots and demonstration projects, we're  
18 funding zero emission trucks, transit buses, and school  
19 buses serving disadvantaged communities, as well as  
20 cleaner school buses for rural communities.

21           The first of these vehicles are now on the road.  
22 Drayage truck and freight demonstrations continue at the  
23 major ports and at several freight facilities in the  
24 Inland Empire.

25           To date, over 30 percent of our low carbon

1 transportation funds have been spent in disadvantaged  
2 communities, and over 60 percent have provided benefits to  
3 these communities.

4 --o0o--

5 AIR POLLUTION SPECIALIST PANSON: Now, let's move  
6 on to this year's funding, and take a closer look at how  
7 each of the four related funding sources covered in the  
8 plan.

9 --o0o--

10 AIR POLLUTION SPECIALIST PANSON: As you'll  
11 recall, we've prepared a joint funding plan for low carbon  
12 transportation and AQIP in each of the past four budget  
13 cycles. This year, we're also including two related  
14 one-time appropriations.

15 --o0o--

16 AIR POLLUTION SPECIALIST PANSON: The focus of  
17 the Low Carbon Transportation Program continues to be  
18 accelerating the transition to low carbon passenger and  
19 freight transportation with a priority on providing health  
20 and economic benefits to California's most disadvantaged  
21 communities.

22 This year, the legislature appropriated \$560  
23 million with a direction to build upon the projects  
24 launched in previous years. As part of that  
25 appropriation, the legislature provided \$140 million for

1 CVRP, and extended the income limits established last  
2 year.

3           There's also \$100 million for transportation  
4 equity investments including the direction to invest in  
5 the projects listed on this slide.

6                               --o0o--

7           AIR POLLUTION SPECIALIST PANSON: For the  
8 heavy-duty and freight sector, the legislature  
9 appropriated \$180 million for clean truck and bus vouchers  
10 through HVIP, with funding available for hybrid,  
11 zero-emission, and low-NOx technologies.

12           Finally, there's \$140 million for advanced  
13 freight equipment. Freight projects have been unfunded in  
14 past years due to budget limitations. And this  
15 significant increase will enable us to make some key  
16 investments called for in the Sustainable Freight Action  
17 Plan.

18                               --o0o--

19           AIR POLLUTION SPECIALIST PANSON: The budget also  
20 includes \$28 million for AQIP projects that reduce  
21 criteria pollutant and toxics emissions from mobile  
22 sources. We'll continue focusing AQIP on projects that  
23 don't fit well in low carbon Transportation because  
24 greenhouse gas reductions is not their primary focus, and  
25 we're proposing that most funding go to our Truck Loan

1 Assistance Program.

2 --o0o--

3 AIR POLLUTION SPECIALIST PANSON: The next  
4 category is \$25 million in Volkswagen settlement funds  
5 from the California-only 3-liter engine partial consent  
6 decree. This is separate from the over \$400 million NOx  
7 mitigation trust that the Board will consider next spring.

8 These settlement funds are for the ZEV-related  
9 aspects of vehicle retirement programs. When the  
10 legislature appropriated these funds to us, it provided  
11 specific guidance on how to spend them. The legislature  
12 specified that a portion should be used to support the  
13 expansion of the EFMP Plus-Up Program statewide, including  
14 developing a tool to improve program efficiency, and  
15 verify participant eligibility, as well as to increase  
16 community outreach.

17 Our proposal addresses this direction with both  
18 funds directly for EFMP Plus-Up to expand its reach, funds  
19 for financing assistance, and a new one-stop shop to help  
20 low-income Californians access these programs.

21 --o0o--

22 AIR POLLUTION SPECIALIST PANSON: Finally, the  
23 legislature appropriated \$50 million in one-time funding  
24 for new zero and near zero emission warehouse program.  
25 Per statute, these funds are to be used for a competitive

1 funding program with a requirement for a one-to-one match  
2 resulting in \$100 million in projects.

3 The legislature directed us to develop this  
4 program using our funding plan process, so these funds can  
5 be coordinated with the low carbon transportation funding  
6 to expand the reach of both.

7 --o0o--

8 AIR POLLUTION SPECIALIST PANSON: To translate  
9 this budget direction into project level allocations, we  
10 re-evaluated our existing projects, considered anticipated  
11 demand and technology readiness, reviewed the long-term  
12 planning elements of previous funding plans, and examined  
13 other funding sources, and of course considered public  
14 input.

15 Today's proposal was shaped by input received at  
16 two public workshops, 15 more focused public workgroup  
17 meetings, and many additional one-on-one meetings with  
18 interested stakeholders.

19 --o0o--

20 AIR POLLUTION SPECIALIST PANSON: There's a total  
21 of \$265 million for light-duty vehicle and transportation  
22 equity projects. This continues our focus on investments  
23 in CVRP to support broad ZEV deployment coupled with  
24 equity focused-investments to increase access to clean  
25 transportation for low-income households, disadvantaged

1 communities, and low-income communities.

2           These equity projects provide important  
3 co-benefits beyond just the environmental and public  
4 health benefits. These help increase access to ZEV's as a  
5 mobility option, increase transportation reliability,  
6 improve connectivity, reduce transportation costs, and  
7 provide economic benefits for California's disadvantaged  
8 communities and low-income citizens.

9           This year, there's an emphasis on incorporating  
10 the recommendations of our SB 350 study.

11                           --o0o--

12           AIR POLLUTION SPECIALIST PANSON: This funding  
13 should meet anticipated CVRP demand for the year, with  
14 the -- and with the ability to direct equity funding to  
15 support low-income rebates, we will ensure continuous  
16 funding for low-income applicants, even if we have a late  
17 budget next year.

18           We're proposing no major changes to CVRP. The  
19 launch of the RebateNow pre-qualification element early  
20 next year, and expanded community outreach are the most  
21 notable enhancements. As the market continues to grow, we  
22 will need to refine and better target this program, and we  
23 expect those discussions to be an integral part of next  
24 year's plan.

25           We'll continue to grow our car scrap and

1 replacement; car sharing, van pulls, and mobility options;  
2 financing assistance; and rural school bus replacement.  
3 This year's equity investments build on the \$60 million  
4 for scrap and replace and \$20 million for other equity  
5 projects from last year's plan that we're still in the  
6 process of rolling out.

7           One key focus will be building up our new  
8 financing assistance program. In addition to helping  
9 low-income Californians access scrap and replace and CVRP,  
10 it will help people buy cleaner used cars through better  
11 loan terms and vehicle price buydowns, including for those  
12 who don't have a car to scrap.

13           We're focusing on making these incentives easier  
14 to access and increasing awareness. These are 2 key  
15 recommendations from the SB 350 study.

16           We're excited to add a new one-stop shop for  
17 equity incentives, which will provide a single application  
18 tool for consumers and increased community level outreach  
19 to bring more people into these programs. Other State  
20 agencies, like the Strategic Growth Council, Energy  
21 Commission and PUC are exploring similar approaches, and  
22 we're working closely with them with a longer term goal of  
23 having one-stop shops that cover a portfolio of  
24 transportation, clean energy, and housing incentives.

25           --o0o--

1 AIR POLLUTION SPECIALIST PANSON: This next slide  
2 shows how we propose allocating the heavy-duty incentives  
3 with increased funding for clean trucks and buses through  
4 HVIP, advanced freight equipment and truck loan  
5 assistance.

6 Collectively, these investments support a broad  
7 range of clean and efficient technologies with  
8 opportunities for battery electric, fuel cell, hybrid,  
9 natural gas, and clean diesel engine technologies, as well  
10 as engine and system efficiency improvements, and  
11 encouraging the use of low-carbon renewable fuels.

12 It includes support for technologies, along the  
13 commercialization spectrum with funning for  
14 demonstrations, early commercial pilots, vouchers, and  
15 loans for commercially available technologies.

16 --o0o--

17 AIR POLLUTION SPECIALIST PANSON: As I noted  
18 earlier, there's been tremendous growth in the clean truck  
19 and bus market over the past 2 years, an indication of the  
20 success of our investments to support early commercial  
21 deployment.

22 With nearly \$190 million allocated to HVIP and  
23 low NOx incentives, we anticipating -- anticipate meeting  
24 demand for all eligible technologies through and beyond  
25 the 2017-18 budget cycle. As part of our demand



1 estimates, we considered potential forthcoming  
2 technologies expected to come to the market this year,  
3 such as the new 12-liter low-NOx engine.

4 Changes this year include revising some voucher  
5 amounts to better reflect incremental costs, and adding  
6 the ability for fleets to get infrastructure funds as  
7 voucher enhancements to support zero emission truck and  
8 bus purchases.

9 --o0o--

10 AIR POLLUTION SPECIALIST PANSON: This biggest  
11 change this year is the significant and much needed  
12 increase in freight funding. There's \$190 million  
13 available between the low carbon transportation and Zero  
14 and Near Zero Emission Warehouse Program funding. This  
15 compares to \$40 million last year.

16 There are two complementary elements to our  
17 freight proposal. First, there's \$40 million for new a  
18 statewide freight equipment voucher project, sort of like  
19 an offroad HVIP. This will provide purchase incentives  
20 for new commercially available zero emission yard trucks,  
21 cargo handling equipment, transportation refrigeration  
22 units, and other freight equipment.

23 Second, there's \$150 million for large scale  
24 transformative freight facility projects with a  
25 disadvantaged community focus. This will be for

1 warehouses, ports, distribution centers, railyards, and  
2 other freight facilities that want to holistically  
3 overhaul their operations with the cleanest equipment in  
4 vehicles, supporting infrastructure, and efficiency  
5 improvements.

6 This is intended to showcase the potential and  
7 viability of upgrading freight facilities and operations  
8 to the cleanest equipment.

9 We've received comments that limiting this  
10 funding solely to facilities in disadvantaged communities  
11 is overly restrictive and we expect you'll hear public  
12 comments on that today. We believe there's merit to these  
13 comments, and that additional flexibility is in order to  
14 ensure greater opportunities for participation.

15 --o0o--

16 AIR POLLUTION SPECIALIST PANSON: I'd also like  
17 to briefly note that we incorporated into this year's plan  
18 a 3-year roadmap for heavy-duty technology investments.  
19 This complements the 3-year strategy for CVRP and  
20 light-duty vehicle investments we included last year.

21 These 3-year evaluations communicate how the  
22 annual investments in each funding plan fit into our  
23 multi-year vision for incentives and how they help advance  
24 technologies.

25 --o0o--

1           AIR POLLUTION SPECIALIST PANSON: There's a  
2 statutory requirement for the State to invest auction  
3 proceeds in disadvantaged communities, low-income  
4 communities, and low-income households. These are  
5 specified in Assembly Bill 1550.

6           We're designing the investments in this plan to  
7 maximize benefits to AB 1550 populations to help ensure  
8 that the State meets its overall investment targets. We  
9 do this with a mix of projects that are targeted to  
10 disadvantaged communities, and low-income households  
11 combined with statewide projects that include elements to  
12 encourage participants -- or encourage participation by  
13 low-income -- by 1550 populations.

14           This includes higher rebate amounts for  
15 low-income households, higher voucher amounts for vehicles  
16 or equipments used in disadvantaged communities, and  
17 targeted outreach. The funding plan highlights actions  
18 that were taken to maximize AB 1550 benefits in order to  
19 exceed our investment targets. And we're not limiting  
20 this just to the low carbon transportation funds. We're  
21 designing investments from all funding sources to benefit  
22 underserved populations.

23                           --o0o--

24           AIR POLLUTION SPECIALIST PANSON: We're proposing  
25 two minor modifications to the funding plan document we

1 released last month. Both are administrative in nature.

2 I noted earlier that we'll launch a new \$40  
3 million freight equipment voucher project. We had  
4 originally planned to start with a small scale pilot and  
5 then move to a larger voucher project in future years.  
6 With our revised approach to go directly to a large  
7 voucher project, we have \$5 million in 2016 funding that  
8 was originally allocated to the pilot and is left over.

9 We're proposing to reallocate these funds to the  
10 greatly oversubscribed rural school bus pilot where  
11 there's immediate demand.

12 In addition, this year's budget directed us to  
13 provide advanced payment of grants where necessary to  
14 ensure timely project implementation. We outlined our  
15 general approach in the funding plan. However, we're  
16 still working through the final details. When we wrap-up  
17 the exact language, we'll update the final funding plan  
18 and incorporate it into all grant agreements, and we  
19 request that the Board delegate this authority to the  
20 Executive Officer.

21 --o0o--

22 AIR POLLUTION SPECIALIST PANSON: We've covered a  
23 lot of information here. So let me now summarize the  
24 proposal.

25 --o0o--

1           AIR POLLUTION SPECIALIST PANSON: This year's  
2 plan builds on previous investments to reduce greenhouse  
3 gas, criteria pollutant, and toxics emissions by advancing  
4 the cleanest available technologies with a much needed  
5 increase in freight funding. These projects will continue  
6 to focus on achieving emission reductions in the  
7 disadvantaged communities that need them the most with an  
8 increased priority on community outreach to help people  
9 access our funds.

10                           --o0o--

11           AIR POLLUTION SPECIALIST PANSON: The suite of  
12 investments is part of our coordinated strategy to make  
13 progress towards multiple climate change and air quality  
14 goals. As shown here, we strive to identify and fund  
15 projects that achieve multiple co-benefits.

16                           --o0o--

17           AIR POLLUTION SPECIALIST PANSON: Before closing,  
18 I want to note that we report to the public on our  
19 progress in multiple ways. In each funding plan, we  
20 provide status updates and report project outcomes. We  
21 also report annually to the legislature on the auction  
22 proceeds investments that make up the vast majority of  
23 this funding, and we share ongoing progress on our CVRP  
24 and HVIP websites with lots of statistics on how and where  
25 these funds are being spent. All this date -- information

1 is downloadable for those who really want to dig into the  
2 data.

3 --o0o--

4 AIR POLLUTION SPECIALIST PANSON: In conclusion,  
5 we recommend that the Board approve the proposed funding  
6 plan with staff's modification.

7 Thank you.

8 CHAIR NICHOLS: Unless anybody has questions, we  
9 should probably go to the witnesses. And I believe  
10 there's another page, so there's about 30 people who want  
11 to speak on this item. So I am going to suggest that we  
12 maintain the 2-minute limit.

13 But I'm also going to ask folks, you know, if  
14 you're hear to support the proposal, which is lovely, you  
15 know, you can give brief a advertisement for your  
16 particular agency or project, and why it's great, but I  
17 wouldn't spend -- you know, you don't need -- you don't  
18 need a lot of time for that.

19 And if you're here to oppose or have concerns,  
20 then try to be as clear as you can, and as quick as you  
21 can about what it is that, you know, you think should be  
22 changed about the -- about the plan as it currently  
23 exists.

24 I think we have a need to have a discussion at  
25 some point, but not necessarily as part of the adoption of

1 the plan about how we're getting the information out to  
2 those who are potential eligible for the funding. I feel  
3 like we still need a new way of illustrating what people  
4 could even think about applying for. You know, you are in  
5 a community. You are in a -- you're in a transit  
6 district. You are a fleet operator. You are a person  
7 who's shipping goods, whatever it is. You'd like to clean  
8 up your fleet, what can you apply for, when, how, and all  
9 of that?

10 It looks like I'm getting a head nod from Mr.  
11 Roberts first. I'll let him speak, or you just agree.

12 BOARD MEMBER ROBERTS: You're on roll. And I  
13 agree with you, and I didn't want to stop you.

14 CHAIR NICHOLS: Oh, okay.

15 BOARD MEMBER ROBERTS: I had a question of staff  
16 before you start it.

17 CHAIR NICHOLS: Okay. Well, they why don't you  
18 go ahead and ask the question.

19 BOARD MEMBER ROBERTS: Yeah, I just have a quick  
20 question.

21 CHAIR NICHOLS: Yeah.

22 BOARD MEMBER ROBERTS: And that is simply, and  
23 all of these things look good, do we have a projected  
24 performance criteria that's in terms of dollars per ton,  
25 how these compare to anything that we're doing?

1           AIR POLLUTION SPECIALIST PANSON: Yes. We  
2 actually -- we have a whole appendix quantifying the  
3 projected benefits of these projects, both in terms of the  
4 engines and vehicles funded and the corresponding emission  
5 reductions. We also talk about co-benefits more  
6 qualitatively, so we do have on a project-by-project  
7 basis, we quantify and communication the cost in the  
8 reductions.

9           I will note that with these advanced technology  
10 investments where we're really trying to do, in some  
11 cases, pre-commercial demonstrations, the very earliest  
12 commercial pilots, cost effectiveness is not the main  
13 driving metric. It's really bringing new technologies to  
14 the market, increasing economies of scale, so that in  
15 future years, they can really be cost effective. So we  
16 provide that information where we -- you know, we do  
17 communicate that, but considering cost effectiveness is  
18 really just one of multiple parameters.

19           BOARD MEMBER ROBERTS: No, I understand that, and  
20 I'll find that in the appendix somewhere.

21           AIR POLLUTION SPECIALIST PANSON: Okay. It's --  
22 yes, it's the first -- very first table in the appendix --

23           BOARD MEMBER ROBERTS: Okay.

24           AIR POLLUTION SPECIALIST PANSON:

25           -- Appendix A, Table A1.



1 CHAIR NICHOLS: Dr. Sherriffs.

2 BOARD MEMBER SHERRIFFS: Yes. Similar to your  
3 concern. Well, it's the -- it's the marketing issue. And  
4 one is reaching people, but the other is also branding  
5 this, which is part of marketing, but also branding  
6 because we want to be sure that the taxpayers know -- know  
7 the good ways that this is being spent, and also when  
8 people see electric cars, you know, understanding what's  
9 possible. And that's an important way of building.

10 So, yeah, maybe not for now, but definitely the  
11 issue of marketing and branding are very important. And  
12 this is a big opportunity. This is a big billboard, \$660  
13 million billboard. My goodness.

14 AIR POLLUTION SPECIALIST PANSON: Yeah, we know  
15 we can and need to do a better job with that. There's  
16 been a lot of action in the past year to both communicate  
17 successes across the State's -- all of the State's  
18 cap-and-trade auction proceeds investments. We've stride  
19 to beef up our website. We have a new Moving California  
20 website. We know we need to do better. We're embedding  
21 in every project here more -- increased community outreach  
22 both to let people know about the programs, let people  
23 know about the technologies, how they can work for them,  
24 and make sure that we broadcast and advertise our success.  
25 We know we -- we see the need. We agree. We can and will

1 do more and do better.

2 BOARD MEMBER SHERRIFFS: I love seeing the Clean  
3 Idol medallion on the trucks as I pass. I wave at the  
4 truckers. I'm not sure they know why I'm waiving, but...

5 (Laughter.)

6 CHAIR NICHOLS: Maybe before we start calling  
7 witnesses, since I can see that there are several who have  
8 this issue as their concern, and it's -- you should  
9 address the question of your proposal to deal with the  
10 concern about facilities that are partly in and partly not  
11 in disadvantaged communities, and how we would propose to  
12 fund them. Because we had a letter, which was passed  
13 along by Assembly Member Garcia from 21 members raising  
14 their concerns about a seemingly arbitrary line drawing  
15 that could potentially disadvantage some of the facilities  
16 that are most in need of our attention, and where we want  
17 to be concentrating the cleanest vehicles. So do you want  
18 to speak about that?

19 AIR POLLUTION SPECIALIST PANSON: Okay. Sure.  
20 First of all, let me just try and frame the issue. We  
21 have a lot of money for the freight facilities projects,  
22 \$150 million. We have two parallel goals for funding. We  
23 want to make sure we fund -- we select the best overall  
24 mix of projects that are going to advance technologies,  
25 reduce emissions, cover a broad range of facilities, a

1 broad range of operations, and a broad range of equipment  
2 types and regional diversity.

3           At the same time, we want to maximize  
4 disadvantaged community benefits. That's been a  
5 consistent direction from the Board, and it's -- it's a  
6 direction and requirement of the auction proceeds  
7 guidelines. Because there's a lot of funding, we realize  
8 that requiring 100 percent of the funds to be spent in  
9 disadvantaged communities was -- is overly limiting. I  
10 think we probably reached a little too far on that.

11           And we think some flexibility is definitely in  
12 order and would provide better opportunity for  
13 participation, and would really improve the program -- the  
14 project overall.

15           We can look to passed funding plans for  
16 approaches that have worked -- worked for us. For  
17 example, in the 2015 Zero Emission Truck and Bus Pilot, we  
18 required that at least 75 percent of the funds be spent  
19 benefiting disadvantaged communities and we provide a  
20 scoring preference to projects that were -- that were  
21 benefiting disadvantaged communities, but we let anyone  
22 apply. That worked out really well. And I think that's  
23 an approach that would work.

24           There's also some flexibility in how we provide  
25 scoring preference. I said we provide scoring preference,

1 you know, to projects that were in disadvantaged  
2 communities. We have an opportunity to, I think, for  
3 flexibility to be a little pragmatic here. These  
4 situations where you have a facility that's partially in  
5 or partially out of a disadvantaged community or  
6 facilities that are immediately adjacent to a  
7 disadvantaged community, we can provide scoring preference  
8 to those as well.

9           We can, and we think we should. We think that  
10 would make sense. I think one of the issues that was  
11 brought to light was the Port of Oakland, where half the  
12 port is in, half the port is out. I don't think there's  
13 anyone who thinks a project at the Port of Oakland doesn't  
14 meet the spirit of AB 1550.

15           So we think a combination of allowing some  
16 fraction of the funding to be spent outside of  
17 disadvantaged communities and providing -- take a  
18 pragmatic approach for how we -- how we give scoring  
19 preference would really work. It really would improve the  
20 overall project.

21           And then I just want to say -- say on thing to be  
22 clear. We can be pragmatic in how we give scoring  
23 preference. When we report outcomes, we're, of course,  
24 going to follow the funding -- the guidelines for all  
25 administering agencies -- or all the agencies that

1 administer auction proceeds. And so if a project doesn't  
2 meet that criteria, even if it's a good project that had a  
3 lot of benefit, we're not going to -- we're not going to  
4 claim it as an AB 1550 benefit, but we think we'll feel  
5 good about funding it, and we think it would be the right  
6 project to fund. And I think that approach would really  
7 improve the proposal that we brought to you.

8 BOARD MEMBER GIOIA: Madam Chair, Can I make a  
9 comment?

10 CHAIR NICHOLS: Yes.

11 BOARD MEMBER GIOIA: Because I have an alteration  
12 of that, because I don't think -- I think your spirit is  
13 there, but it's not clear. There's clear precedent for  
14 this issue. You create two categories. Money spent in a  
15 disadvantaged community, and then money spent to benefit a  
16 disadvantaged community. Because the issue here, if you  
17 look at the maps -- I'll talk about the areas I'm familiar  
18 with, Port of Oakland, Port of Richmond -- they are  
19 located just -- some of the port, just outside the  
20 disadvantaged community, but there's no argument that the  
21 investments there will benefit the disadvantaged  
22 community.

23 And as we recall, there's been legislation on cap  
24 and trade that said -- on other cap and trade funding that  
25 said spend X percent in a disadvantaged community, and

1 then spend X percent to benefit a disadvantaged community,  
2 and then you define what it means to benefit a  
3 disadvantaged community.

4 I think -- I don't think getting into scoring  
5 this and that. We should just define what it means to  
6 benefit a disadvantaged community. And there was -- again  
7 there's specific precedent. Remember, a lot of the  
8 sustainable communities funding fell into this category,  
9 where there was housing and transportation-related funding  
10 investments in cap and trade, and they defined what it  
11 meant to benefit a disadvantaged community because you  
12 don't want to extend it out with all this indirect  
13 benefit.

14 So maybe that's the answer here. Because the way  
15 it's worded now, it has to be spent in the disadvantaged  
16 community. And if the port is located just outside, even  
17 though impacts the disadvantaged community, that's  
18 adjacent, it's potentially not eligible.

19 So that's my suggestion as a way to think about  
20 this. And there's precedent for doing it, and just  
21 define, so all of the money can be spent either in or to  
22 benefit a disadvantaged community, assuming that was the  
23 spirit of the concerns.

24 And what I heard from even some of the ports, who  
25 raised this issue, you know, they're adjacent to the

1 disadvantaged community. So that's -- and then you can  
2 come up with the definition of benefit, and usually it's  
3 by clearly getting an air quality benefit to the  
4 community.

5 AIR POLLUTION SPECIALIST PANSON: I think I  
6 probably -- I may have answered the question a little too  
7 succinctly for the sake of time, because when I was  
8 talking about projects that are adjacent to, I was really  
9 actually building off a conversation that we had earlier  
10 in the week.

11 BOARD MEMBER GIOIA: Yes, right. Right.

12 AIR POLLUTION SPECIALIST PANSON: And I -- the  
13 way you defined that is exactly how we were seeing it. I  
14 just kind of answered it a little too quickly.

15 BOARD MEMBER GIOIA: Yeah, I just think using the  
16 term then "benefit", because that's how you then score it,  
17 right? You're going to score it based on the objective  
18 criteria of how you define benefit, right?

19 AIR POLLUTION SPECIALIST PANSON: Right.

20 BOARD MEMBER GIOIA: Yeah, we're saying the same  
21 thing.

22 AIR POLLUTION SPECIALIST PANSON: So we would  
23 say -- when I said partially in --

24 BOARD MEMBER GIOIA: Right. Right.

25 AIR POLLUTION SPECIALIST PANSON: -- or adjacent,

1 we would mean something like the zip codes that --

2 BOARD MEMBER GIOIA: Right.

3 AIR POLLUTION SPECIALIST PANSON: -- contain a  
4 disadvantaged community, so --

5 BOARD MEMBER GIOIA: Right. But you would want  
6 clear direction from us?

7 AIR POLLUTION SPECIALIST PANSON: It just --  
8 and -- but -- let me say one more thing. I think that  
9 just limiting it to those areas that are adjacent or  
10 benefiting, as you define it, still doesn't quite provide  
11 enough flexibility, because some of the people who are  
12 going to comment are -- you know, will make -- there are  
13 ports and freight facilities that, you know, don't meet  
14 that --

15 BOARD MEMBER GIOIA: Um-hmm. Um-hmm.

16 AIR POLLUTION SPECIALIST PANSON: -- that  
17 requirement, and they should still have some opportunity  
18 to --

19 BOARD MEMBER GIOIA: Right.

20 AIR POLLUTION SPECIALIST PANSON: -- participate.

21 And that's where we think the -- making sure the  
22 vast majority of the funds are in the disadvantaged  
23 community or meet the broader definition you came up with,  
24 but we think there should also be an opportunity for some  
25 that even still fall outside of that.



1 BOARD MEMBER GIOIA: Would you suggest that we  
2 set then a percent? I'm just picking a number. I'm going  
3 to say if we said 90 percent must be in or to benefit a  
4 disadvantaged community. That way, what I could hear from  
5 the disadvantaged communities, is if you don't specify the  
6 percent, because here we're going from 100 percent in a  
7 disadvantaged community to something that's flexible. But  
8 if we set a maximum cap for in or to benefit, at least you  
9 know what's available as potentially as a high priority  
10 project outside those areas.

11 AIR POLLUTION SPECIALIST PANSON: Yeah, I think  
12 that -- I think that makes sense.

13 BOARD MEMBER GIOIA: Okay. We'll hear from the  
14 comments. Okay.

15 Thank you.

16 CHAIR NICHOLS: Okay. Let's go to the list then.  
17 The list beginning with. Mike Neuenburg. Yes, there you  
18 are. Hi.

19 MR. NEUENBURG: Hi. Good afternoon, Madam Chair  
20 Nichols and to the ARB CARB Board and staff. I know it's  
21 been a long afternoon, so I'm going to keep this short.  
22 My name is Mike Neuenburg, and I'm with the Sacramento  
23 Metropolitan Air Quality Management District.

24 I'd like to take a moment to say thank you for  
25 the opportunity to speak to all of you today in support of

1 the proposed fiscal year 2017/2018 funding plan for clean  
2 transportation incentives. The district believes this is  
3 an excellent opportunity and looks forward in working with  
4 CARB to put these funds into the community to reduce  
5 emissions and keep California at the cutting edge of clean  
6 transportation.

7 Sacramento, as already discussed in the slides,  
8 has had 2 programs that we've successfully implemented  
9 from cap and trade, which is the Electric School Bus  
10 Program and the Our Community Car Share Program. And we  
11 are in the middle of implementing those projects, and we  
12 have many -- electric cars are out and the electric  
13 because many of them are out as well.

14 As CARB's greenhouse gas funding of efforts,  
15 efforts evolve and grow. We believe a new approach is  
16 necessary. We believe it is imperative that these State  
17 funds are distributed equitably throughout the State.  
18 Mobile sources are the single largest source of greenhouse  
19 gas emissions. Vehicle technology projects that reduce  
20 greenhouse gases also reduce ozone precursors and toxic  
21 emissions. Cap-and-trade funding is an important tool to  
22 help us do that.

23 The current solicitation processes are not  
24 efficient using valuable lessons learned from successful  
25 incentive programs, like Prop 1B and Moyer. We're

1 confident that air districts can work with CARB in a fully  
2 public process to establish streamlined guidelines that  
3 would help meet the State's goals in distributing these  
4 funds efficiently and equitably.

5           The air districts are deeply experienced in  
6 managing multi-million dollar incentive programs. We can  
7 get the funds out efficiently and quickly. Sac Metro Air  
8 District has partners lined up through our work on other  
9 incentive programs.

10           I'd like to take time to thank you for the  
11 opportunity to speak to you today, and I would request you  
12 please consider these points as you move forward with the  
13 plan for clean transportation incentives.

14           Thank you.

15           MR. PEEPLES: Chair Nichols, member of the Board,  
16 My name is Chris Peeples. I'm a publicly elected at-large  
17 director of the Alameda Contra Costa Transit District.  
18 And I'm here today with my general manager Mike Hursh, who  
19 will speak next, and Julie Waters our legislative person  
20 who now has taken over the portfolio of ZEV.

21           I want to talk to you a little bit about what  
22 we're doing, but then talk about three reports that I  
23 think bear directly on the issue you're talking about  
24 today. As you know, we have the largest fleet of fuel  
25 cell buses in the world. We've been doing that for about

1 12 years. Thanks to you, we have another 10 on order. We  
2 have battery electric buses on order, so we will have the  
3 same model bus in diesel, diesel hybrid, fuel cell  
4 electric and battery electric, and can do some  
5 comparisons.

6 In response to what you have done, we have  
7 prepared one and are in the process of preparing two more  
8 reports. The -- what we approved at our Board meeting  
9 last night, so it's hot off the presses, is a clean  
10 corridors plan. What our planning staff did is they  
11 overlaid the CalEnviroScreen on our district, then  
12 analyzed all the routes that were within the disadvantaged  
13 communities, came up with four corridors, including one  
14 that goes all the way through Supervisor Gioia's district,  
15 and then tried to figure out how much it would cost to  
16 electrify them.

17 The good news is it's doable. The bad news is  
18 using very conservative numbers, because they assume  
19 prices weren't going to go down, it's about a quarter of a  
20 billion dollars for four corridors in one transit  
21 district.

22 Now, we've got two more reports coming, which  
23 we'll bring up to you as soon as we do it. And I know our  
24 staff and consultants are talking to your staff. We have  
25 a ZEV report coming on zero emission buses that's going to

1 try to take a very deep look at the different  
2 technologies, and their capabilities, and look at what's  
3 going to happen to their capabilities and costs over the  
4 next 5 or 10 years.

5           Then we have a facilities utilization plan where  
6 we're going to try to figure out what it would take for  
7 our facilities to turn them into, instead of 200 diesel  
8 buses, 200 ZEV buses.

9           CHAIR NICHOLS: Than you.

10           MR. PEEPLES: So those will be coming and you'll  
11 see what those costs are.

12           CHAIR NICHOLS: Your district has been at the  
13 head of the curve on all of these issues. And we look to  
14 you to give us more.

15           So thank you.

16           MR. HURSH: So that's an excellent segue for me.  
17 I am Mike Hursh, the general manager and CEO of AC  
18 Transit. We are committed to expanding our zero-emission  
19 fleet. I want to talk a little bit about philosophy today  
20 to help you make your decisions.

21           What you're doing today, and I really want to  
22 compliment staff, the ability to spread one stick of  
23 butter over 100 slices of bread is amazing and they have  
24 done that.

25           (Laughter.)

1 MR. HURSH: They've done an excellent job of  
2 distributing what -- preparing a budget that will help all  
3 of our communities. However, I have to caution you, SB 1  
4 is not a done deal. There's a very active measure, two  
5 active measures to recall SB 1. SB 1 does not solve all  
6 our problems. We're proud of it. We appreciate it. It  
7 helps, but it's not guaranteed.

8 The \$663 million that you have on the table  
9 today, I really don't want to sound like a Sourdough  
10 Sam -- too many bread references -- but I want to put in  
11 perspective that if that money went entirely to public  
12 transit bus replacement, it would replace perhaps 800 of  
13 the 18,000 of the publicly-owned buses in the State of  
14 California.

15 What you're doing here today is incentivizing.  
16 That will make the change that you want happen. By  
17 finding funds and making them available, the change will  
18 happen. I would encourage you to focus your regulatory  
19 efforts on those for-profit businesses. I appreciate that  
20 you have warehouse and freight money in here, but remember  
21 that those warehouses and freight haulers carry oil, they  
22 carry Amazon packages, they are for-profit companies.  
23 Face your regulatory efforts on them, focus your incentive  
24 monies on public agencies that bring the community good.

25 Supervisor Gioia said it best, measure the

1 effects on community benefit. Public transit benefits our  
2 economy, it benefits our environment, it benefits our  
3 citizens. This is 663 million will help, but  
4 unfortunately it's a drop in the bucket.

5 Thank you for your hard work. Please find more  
6 money and we promise to expand those fleets.

7 CHAIR NICHOLS: Thank you.

8 MR. ZOBEL: Good afternoon, Chairman Nichols,  
9 Vice Chairman -- Vice Chairman Berg, members of the Board  
10 and staff. My name is Bill Zobel, and I'm the vice  
11 president of business development, marketing, and customer  
12 care for Trillium. Trillium is a subsidiary of the Love's  
13 family of companies that operate over 400 travel  
14 hospitality centers across the United States.

15 We have 9 of those here in California, and we're  
16 building another 8 over the course of the next 2 years.  
17 Trillium itself operates over 180 alternative fuel  
18 stations throughout the country with 48 of those here in  
19 California.

20 We are here to fully support California's  
21 transition to a lower carbon fuel economy. Trillium is  
22 working to expand our affiliated networks in all areas  
23 across the State, including the State's ports, freight  
24 corridors, commercial hubs -- and commercial hubs.

25 This expansion includes stations which will

1 provide renewable natural gas, hydrogen, and electric  
2 vehicle charging for both commercial fleets and the  
3 general public.

4 We support the State's commitment to funding a  
5 lower carb -- lower carbon fuels, and today's plan is a  
6 testament to that resolve.

7 These public funds are important to secure, and  
8 I'll put this in quotes, a fully commercialized clean  
9 transportation market, which is absolutely required to  
10 meet the long-term goals of the State.

11 We believe, however, that to truly see a  
12 widespread and self-sustaining -- self-sustaining  
13 commercialization of low carbon fuels in California, it  
14 requires a more innovative approach to providing  
15 incentives. One that goes beyond the current array of  
16 disbursement programs that were listed in the slide that  
17 was put up earlier.

18 The process needs to be a holistic one and focus  
19 on -- really on the longer term goal and how we get there.  
20 We believe that to successfully put renewable natural gas,  
21 hydrogen, and heavy-duty electric fleet vehicles on a path  
22 to full market commercialization requires a continued and  
23 substantial investments in ways that actually move the  
24 market.

25 Mechanisms that are market based that garner the



1 attention of a commercial enterprise in ways that actually  
2 facilitate real change, behavioral change, and provide  
3 enough sufficient -- sufficient scale to lift the market  
4 and ultimately exceed California's ambitious carbon  
5 reduction goals.

6 VICE CHAIR BERG: Thank you so much. We need you  
7 to wrap-up, please.

8 MR. SOBEL: This is it. Yeah, so anyway, just we  
9 support this. Today is the day to celebrate what we've  
10 done here and where we're going. And we want everybody  
11 here to think about the next generation of incentive  
12 programs, and how we get these programs eventually off the  
13 government dime, and into full commercialization where  
14 they're actually support and sustain themselves.

15 Thank you.

16 VICE CHAIR BERG: Thank you.

17 MR. SCHUCHARD: Good evening, Vice Chair Berg and  
18 members of the Board. Ryan Schuchard with CALSTART. As  
19 many of you know, we've worked closely with ARB,  
20 particularly, Luci and this team over the last year on the  
21 medium and heavy duty 3-year plan. Spent a lot of time  
22 with the team. And, in summary, really commend the team  
23 and thank them for their hard work.

24 The overall funding plan we think is good. It  
25 supports the GHG trajectory we need over the next, not

1 only 3 years, but looking out to 10 years and beyond. And  
2 we say that with the recognition that the technology  
3 landscape is changing fast.

4           Just yesterday, Cummins Westport had their  
5 9-liter low-NOx engine approved, which makes their 2018  
6 offering for that heavy-duty vehicle only low NOx. Also,  
7 last year, I'd be surprised if many people know -- or,  
8 excuse me, yesterday, I'd be surprised if many people know  
9 this, Thor Trucks launched a Class 8 electric truck, after  
10 Tesla did one a few weeks ago.

11           So with that in mind, we like the funding plan  
12 for a few reasons. One, it provides a technology context  
13 that takes advantage and understands the fast investments  
14 happen and the changes and the uncertainty that is  
15 happening. Number 2 is has a beachhead model that focuses  
16 where we're going to see the greatest investment propagate  
17 the fastest. And thirdly, it commits to ways of research  
18 and development in a structured way that focuses on zero  
19 emission, low NOx, and efficiency.

20           So just to close, I said great things about the  
21 staff, so I won't say more, because we really think  
22 they've done such a great job. But we do have one  
23 concern. Its -- there's a significant amount of funding  
24 on the table this year. But that really just matches what  
25 we've asked for in the 3-year investment plan for a year.

1 And we're encouraged by that appropriation.

2 But a key issue is going to be ensuring that the  
3 waves of investment that the funding plan suggests need to  
4 be developed are invested in. So we need to work together  
5 to make sure the legislature understand that and we need a  
6 mult-year framework.

7 I'll leave it that. Thank you very much.

8 VICE CHAIR BERG: Thank you very much.

9 MR. HEADLEY: Rod Headley, owner and president of  
10 Central California Power.

11 Raul Portugal is going to follow me on the school  
12 bus program. And we are looking at doing repowers on  
13 school buses for half the price of a new bus. So that  
14 money would go a lot further. I know Mary is all in for  
15 that. Unfortunately, she's not here. Left. I got too  
16 late.

17 But anyway, that is one of the programs. But  
18 really I wanted you folks to put a face to some programs  
19 I'm going to send you, some common sense programs that we  
20 feel would reduce emissions immediately. And a lot of  
21 things that have been overlooked, gas injection into  
22 diesel engines on over-the-road trucks, which is a great,  
23 great program I worked on for 5 years, and now I got back  
24 into it again, catalytic converters for industrial mowers.  
25 How many people here mow their own loans -- lawns?

1 Giving away --

2 VICE CHAIR BERG: I have one.

3 MR. HEADLEY: Giving away electric mowers doesn't  
4 really help the problem. One industrial lawn mower, 1  
5 hour of running is equal to 8 hours of any car running.  
6 So there's a big pollution removal there. And a lot of  
7 things that are out there that are cost effective. For  
8 instance, the ag replacement tractor program killed us for  
9 repowers four about 3 years. But we've got a lot of  
10 industrial construction equipment out there that can't be  
11 replaced. We're getting that program put back in place.  
12 Raul has been talking to Seyed, and certain people. So  
13 we're getting that done.

14 So there's a lot of pollution that we've been --  
15 when we were doing the repowers, we normally did 1500 tons  
16 of NOx and 40 tons of particular matter a career. So  
17 anyway, you've seen the face.

18 VICE CHAIR BERG: Thank you. And we'll look  
19 forward for your information.

20 MR. PORTUGAL: Good afternoon, Vice Chair, Board  
21 member and fellow airheads that came out today --

22 (Laughter.)

23 MR. PORTUGAL: -- thank you for sticking around.  
24 My name is Raul Portugal, And as Rod mentioned, I'm with  
25 Central California Power. I was at the last meeting in

1 Riverside where Ms. Nichols expressed her interest in  
2 spending as much as she could in school bus replacements  
3 or options for that.

4           And that kind of lighted a light bulb in my head.  
5 Through the Carl Moyer program we've done about 700  
6 repowers in the last decade. And we currently service  
7 about half the school bus fleets in the San Joaquin Valley  
8 with most of those being in disadvantaged areas. And I  
9 have already started to work really closely with the CHP,  
10 DOT, and motor carrier specialist in identifying ways to  
11 repower school buses.

12           And from DOT, they're very excited of the  
13 possibilities that our engineers can come up with with the  
14 repower that's very simple. As Rod mentioned, we can  
15 repower 1 school bus for the cost of a fractional cost of  
16 a new one. And we really do expect to be able to do  
17 several hundreds of them. We can basically facilitate the  
18 process to spread that one stick of butter over three to  
19 four hundred pieces of bread, instead of just 100.

20           So we're just here for just to kind of introduce  
21 ourselves and let you know that it is possible, and  
22 there's other options that are very, very cost effective.  
23 And quickly going to figuring out how to market or  
24 advertise, I would like to suggest to the Board to reach  
25 out to the local air districts who already have the

1 programs in place, already have the contacts, and already  
2 have the resources available to maximize the spending,  
3 whether it's in grants or vouchers whichever way. They  
4 have the ways. And they've already been here before to  
5 express their interest of working directly with these  
6 incentives and the Air Board. So I just hope to see that  
7 very transparent.

8 Thank you.

9 BOARD MEMBER BALMES: Vice Chair Berg --

10 VICE CHAIR BERG: Yes.

11 BOARD MEMBER BALMES: Could I just ask Mr.  
12 Portugal. You didn't actually say how you were going to  
13 repower the buses.

14 MR. PORTUGAL: So we would take out -- an example  
15 would be to take out an old Cummins engine. And most of  
16 them have Allison transmissions and we would just bolt on  
17 directly a newer Cummins engine, lower -- low emission,  
18 low NOx. School buses, the chassis, you know, from when  
19 you guys road the school bus, to I ride it, to my children  
20 ride it, it's still the same bus. It doesn't get anymore  
21 aerodynamic, or faster, or any nicer.

22 So the chassis, the -- a lot of the parts on the  
23 school buses are still in great shape, so we would work  
24 with DOT to identify the ones that are eligible for  
25 replace repowers and the older ones would be deemed for

1 replacement.

2 Thank you.

3 VICE CHAIR BERG: Thank you very much.

4 MS. PHILLIPS: Kathryn Phillips with Sierra Club  
5 California. For the record, I mow my own lawn with a push  
6 mower, and fortunately it's a small yard.

7 A couple of things. First, I want to thank the  
8 staff for the work they've done on this. And also, we  
9 really appreciate the fact that you're going from just  
10 doing a 1-year plan to a 3-year plan. Additionally, we  
11 like the increase in the amount of incentive that will be  
12 available through the bus and truck money for  
13 electrification.

14 We need to move towards electrification.  
15 Listening to the school bus conversation, I felt like I  
16 was in 2010, instead of 2018. We need to get away from  
17 greenhouse gas emissions entirely, whether it's our RNG or  
18 NG, its's still methane.

19 So again, I want to thank you for this and thanks  
20 for the continued approach that encourages transit bus  
21 companies, transit bus agencies, and electric heavy-duty  
22 and bus manufacturers to continue the work they're doing.

23 MR. MAGAVERN: Bill Magavern with the Coalition  
24 for Clean Air. We support this plan. It's an excellent  
25 plan, and it had an extensive public process. I do want

1 to note that the \$255 million for community air protection  
2 that was also in the budget has had no public process so  
3 far, and we think that it should.

4 But on this funding plan, we're especially glad  
5 to see the amount of money dedicated to cleaning up the  
6 freight system, and also the amount dedicated to  
7 disadvantaged communities.

8 When it comes to the transportation equity  
9 projects that were established by the Charge Ahead  
10 California initiative, the most successful one has been  
11 the vehicle scrappage program that has been running in the  
12 San Joaquin Valley and the South Coast.

13 We think there's an element that is needed to  
14 scale up the program to enhance it, and also to expand it  
15 to other air districts, Bay Area, San Diego, and  
16 Sacramento. And what is needed is a coordinated customer  
17 data management platform that can help to facilitate  
18 outreach, customer transaction, and accurate record  
19 keeping. That would really provide a basis for making it  
20 easier for customers to get into this program, and getting  
21 more people into much cleaner vehicles.

22 And this system needs to be in place quickly to  
23 help spend the funding in this plan. So what we would  
24 propose is that \$2 million of the Volkswagen settlement  
25 funds be awarded in the next quarter via a competitive



1 solicitation that's open to the air districts, and to  
2 establish this project.

3 Thank you.

4 VICE CHAIR BERG: Thank you.

5 MR. DOUGLAS: Vice Chair Berg, members of the  
6 Board, Steve Douglas with the Alliance.

7 I'll brief. We appreciate all the staff's hard  
8 work. And make no mistake, this is a lot of hard work.  
9 We absolutely support the staff's proposal. We think  
10 they've struck a balance between stakeholder input, the  
11 legislative requirements, and this Board's direction.  
12 The -- this program, the Clean Vehicle Rebate Program is  
13 essential to the ZEV market -- to developing that market.

14 It's about putting more ZEVs in California, more  
15 ZEVs on California roads. That's what it's about, and  
16 this is critical.

17 Just a couple of other points. We're looking  
18 forward to the point of sale rebate. We think that's  
19 important to all customers, but it's really important to  
20 low income customers who can't -- who can't wait a month  
21 or 2 months for the rebate, so that's important.

22 Fuel cell vehicles are critical to the  
23 transportation strategy, and so we support staff's  
24 proposal on continuing those rebates as they are. Again,  
25 thank you very much for the staff's work on this and we

1 support the proposal.

2 VICE CHAIR BERG: Thank you.

3 MR. PIMENTEL: Hi again. Michael Pimentel with  
4 the California Transit Association.

5 So I'm just here to support this funding plan,  
6 and I want to peel back the curtain just a bit about what  
7 we're doing as an association. So in the lead up to the  
8 investment of cap-and-trade expenditure dollars, the  
9 Association was walking the halls of the Capitol asking  
10 for money for zero-emission buses.

11 And we did it because our members believe in  
12 ZEVs. Many of them want to move forward aggressively with  
13 deploying ZEVs, but the main impediment is funding. In  
14 fact, our specific ask was 470 million for the Zero  
15 Emission Truck and Bus Commercial Deployments Project.  
16 That wasn't satisfied, but we did get 180 million through  
17 HVIP with the specific carve-out for zero-emission buses  
18 of \$35 million. We appreciate that and we support it.

19 Moving forward, we are going to continue to  
20 support ongoing appropriations for zero-emission bus  
21 deployment. In fact, it's built into our 2018 State  
22 legislative program. That's going to be focused on HVIP.  
23 It's going to be focused on the zero emission truck and  
24 bus deployment project. But it will also be focused on  
25 the VW settlement.

1 I just want to remind this Board that we had  
2 submitted a request for 75 percent of the VW settlement to  
3 be directed to zero emission buses and trucks. Our  
4 preferred program is the zero emission Truck And bus  
5 Commercial Deployments Project.

6 And we like that because it's not just an  
7 investment in the buses themselves, but the charging  
8 infrastructure. And that's something I want to emphasize  
9 for this body. It's not just enough to say we're making  
10 investments to bring down the cost of buses. We need to,  
11 at some point, grapple with the cost of charging  
12 infrastructure.

13 It's high. It's prohibitive. It prevents a lot  
14 of agencies from making the jump into zero emission bus  
15 deployment. So again, I -- we support the funding plan,  
16 but we would urge this body also to think more broadly to  
17 the various components that are necessary to bring zero  
18 emission bus projects on line.

19 Thank you.

20 MS. NAGRANI: Hello. I hope you're all still  
21 awake. I know it's been a long day. I'm Urvi Nagrani  
22 from Motiv Power Systems. So the name is spelled wrong  
23 there, if anybody cares.

24 I'd like to first thank staff for a really  
25 wonderful, you know, very good investment plan. It's

1 getting a lot of programs that have been underfunded for  
2 the last several years, due to a lack of resourcing,  
3 finally are getting the amount of attention they should  
4 have gotten for the last several years.

5           So I, one, would urge this entire Board to put  
6 political pressure to maintain that level of funding, and  
7 2, thank the staff for their work. Because it is so good,  
8 I get to be a little nitpicky. So a few quick things.

9           In terms of your proposed HVIP changes, I love  
10 the fact that you thought about infrastructure, the fact  
11 that you've added a voucher enhancement to cover the  
12 adoption of infrastructure for both hydrogen and ZEV  
13 vehicles will be wonderful for fleets who don't usually  
14 have sources to help with that.

15           Two, the bifurcation into types of buses with  
16 transit buses, school buses, and trucks leaves a hole  
17 where I don't know what to tell potential customers who  
18 want to buy a vocational vehicle, because it's not a  
19 traditional truck. And so those vehicles are very small  
20 volume, and the incremental cost is closer to what you  
21 would see in the funding levels proposed under the school  
22 bus amounts.

23           So if you could, for example, extend that to  
24 other types of vehicles. So if Winnebago wants to sell a  
25 blood mobile, we could say, hey, let's have a zero

1 emission blood mobile. I think every vehicle should have  
2 the ability to be zero mission vehicles. And I think HVIP  
3 has been the most broad stroke approach of the technology  
4 is ready, we will invest today. And I'd love to see that  
5 kept.

6           Secondly, the very last page of your proposed  
7 investment plans, you go into the question of how grants  
8 are administered. And I think this is a really, really  
9 important thing, because how you administer a million  
10 dollars is different than how you implement a  
11 multi-million dollar program, which is different than  
12 hundreds of million. And if we have the kinds of delays  
13 getting money out the door that we've had with some of the  
14 smaller programs, we will not get the air quality  
15 improvements on the timelines we need.

16           So streamlining that is essential. Thank you so  
17 much for your time.

18           VICE CHAIR BERG: Thank you.

19           MR. LOVELACE: Good afternoon, Board members and  
20 Vice Chair Berg. I'm Ed Lovelace from Ed XL Hybrids, XL  
21 is a leader in electrified commercial vehicles in North  
22 America, spanning Class 2 to Class 6 vans, trucks, and  
23 buses, and delivering conversion products at a rate of  
24 about 1,000 vehicles a year.

25           So overall, XL is very supportive of the ARB

1 staff's portfolio investment strategy, and their  
2 consultative approach in developing the funding plan. I  
3 just have two comments on the voucher programs. First, we  
4 agree with the overall voucher program elements, the  
5 funding levels, and appreciate the hybrid conversion  
6 voucher level increases this year.

7           While our business is not built on a strategy  
8 that always requires incentives, we appreciate the modest  
9 hybrid conversion incentives, because that allows us to  
10 expand our market to lower annual mileage fleets, and  
11 those fleets that have limited equipment capital.

12           Second comment. The advent of commercial clean  
13 vehicle voucher programs across the country that were  
14 started here in California with HVIP, we believe represent  
15 a best practice for developing a financially sustainable  
16 market.

17           But one of the biggest remaining problems is the  
18 lack of funding continuity in the these programs.  
19 California has made great steps towards addressing that  
20 this year with a significantly largely HVIP budget, but  
21 we're still concerned about the tail-end of the funding  
22 next year and ensuring that buyers and sellers can  
23 continue to market the clean vehicle products and deploy  
24 those products. Nothing is more disruptive to growth of  
25 this new industry than having to stop and start marketing

1 to the fleets.

2           Once suggestion, and I'm sure it's not the only  
3 possible solution is to allow companies to continue  
4 selling and buying at their own risk that the program is  
5 renewed. I know there have been legal concerns about this  
6 type of strategy, but I request this conversation is  
7 renewed.

8           Thanks again for your leadership in the strive to  
9 clean air. Thanks.

10           VICE CHAIR BERG: Thank you. I just would like  
11 to do a time check for my fellow Board members. I think  
12 we have about less than 30 minutes to wrap this up, and we  
13 do have -- need a quorum, so --

14           BOARD MEMBER GIOIA: I will note that Dr. Balmes  
15 and I are leaving about 5:30 to catch a train, so we will  
16 be leaving 5:30 maybe -- it depends how fast we can walk  
17 or run to the train station.

18           VICE CHAIR BERG: Well --

19           BOARD MEMBER GIOIA: We're not running, we'll say  
20 that.

21           VICE CHAIR BERG: We need 8. Do we have 8?

22           BOARD MEMBER SERNA: Not if they leave.

23           BOARD MEMBER DE LA TORRE: I'm here.

24           (Laughter.)

25           VICE CHAIR BERG: Okay. We have 8. So the

1 remaining 8 will tough it through. Okay. Thank you.

2 We could cut it down to 1 minute.

3 BOARD MEMBER GIOIA: And, we're taking faith that  
4 you're going to put the language in about benefit  
5 disadvantaged community, maybe we'll just hear a summary  
6 on that.

7 BOARD MEMBER MITCHELL: You'll have to stay for  
8 that.

9 (Laughter.)

10 VICE CHAIR BERG: Yes.

11 BOARD MEMBER SERNA: You can Facetime on your way  
12 to the station.

13 VICE CHAIR BERG: Do you have that information  
14 that he's looking at?

15 EXECUTIVE OFFICER COREY: I do. So what  
16 Supervisor Gioia suggested was that -- and I think this  
17 is -- and we were looking for the additional flexibility,  
18 if -- for the allocation, if you're in or benefiting --

19 BOARD MEMBER GIOIA: Right.

20 EXECUTIVE OFFICER COREY: -- at 90 percent, and  
21 that provides, one, the flexibility to deal with these  
22 split situations like the Oakland Port that we talked  
23 about, it also puts us in a position where we're not just  
24 not even considering eligible those projects that are  
25 outside that could be really great projects. They have to



1 compete well. They would have to if they're outside. But  
2 I think that is implementable, and provides us some  
3 flexibility really in the context of the solicitation to  
4 really get the best projects.

5 BOARD MEMBER GIOIA: So you're saying 90 percent  
6 in or benefit disadvantaged community and then the 10  
7 percent are the other high-value projects?

8 EXECUTIVE OFFICER COREY: And it doesn't mean 10  
9 percent would be awarded.

10 BOARD MEMBER GIOIA: Right. Right.

11 EXECUTIVE OFFICER COREY: That means they're  
12 eligible for consideration.

13 BOARD MEMBER GIOIA: It's the minimum of 90  
14 percent?

15 EXECUTIVE OFFICER COREY: Correct.

16 BOARD MEMBER MITCHELL: So I think we could say  
17 that preference be given to that 90 percent.

18 VICE CHAIR BERG: No, not preference given. It  
19 will be.

20 BOARD MEMBER GIOIA: It will be 90 percent.

21 VICE CHAIR BERG: It will be 90 percent.

22 EXECUTIVE OFFICER COREY: It's a floor.

23 BOARD MEMBER GIOIA: Right, that's a minimum.

24 VICE CHAIR BERG: Yeah, that's a minimum.

25 BOARD MEMBER GIOIA: And by the way when we heard

1 from the Bus folks, just as an example, when there was  
2 previous cap-and-trade dollars to benefit, and it focused  
3 on some bus lines, if the -- in that case, if the bus line  
4 actually went through disadvantaged communities, that was  
5 defined as a benefit even if 100 percent of the bus line  
6 wasn't in the disadvantaged community, because it took,  
7 let's say, residents of that community to a job somewhere  
8 else.

9 VICE CHAIR BERG: Okay.

10 BOARD MEMBER GIOIA: So that was a benefit.

11 EXECUTIVE OFFICER COREY: That's correct. The  
12 cap-and-trade proceeds guidelines are written to reflect  
13 those scenarios. That's right.

14 VICE CHAIR BERG: And so, fellow Board members,  
15 were comfortable with that?

16 Okay. Great

17 Thank you, Supervisor Gioia.

18 Okay. Let's continue our testimony.

19 MR. LACAYO: Goo'd afternooon, Board members,  
20 staff. My name is Dona Lacayo. I'm the Chief Commercial  
21 and Public Affairs Officer at the Port of Hueneme,  
22 California. We would support that staff's description of  
23 adding flexibility to the eligibility criteria. Our port  
24 is located 50 miles north of Los Angeles in Ventura  
25 County, which was recently impacted by the horrible fires.

1 I'm here to advocate for the Board to consider  
2 allowing the Port of Hueneme along with all other  
3 California ports, 11 public sector California ports to be  
4 fully eligible -- eligible to apply for the incentive  
5 funds in the zero and near zero emission freight project  
6 category of the cap and trade funding.

7 The currently proposed funding plan excludes, for  
8 example, the Port of Hueneme from applying, because we  
9 show on a map that we are about 0.8 miles away from  
10 outside of the CalEnviroScreen of disadvantaged community  
11 criteria, so we are completely outside of that, but within  
12 a mile.

13 The Port of Hueneme has won 3 environmental  
14 awards in 2017 and we would like to continue to invest in  
15 our environmental framework, so we hope that you support  
16 us.

17 VICE CHAIR BERG: I think you should be pleased  
18 then with Supervisor Gioia's amendment.

19 MR. LACAYO: Yeah.

20 BOARD MEMBER GIOIA: If you can show a benefit.  
21 You'll have to prove that in your application.

22 MR. LACAYO: We will show a benefit. Yes. Thank  
23 you.

24 VICE CHAIR BERG: Thank you so much.

25 MR. JACOB: Thank you, Madam Vice Char, members.

1 Mike Jacob with Pacific Merchant Shipping Association.  
2 And we represent ocean carriers and marine terminal  
3 operators at the Ports. The same concern, and we thank  
4 Supervisor Gioia and staff for working with us on the  
5 process and would support what Executive Officer Corey  
6 just described as the solution.

7           We'd bring one other consideration to you too,  
8 which is there's also a 50/50 match, as the eligibility  
9 criteria in this funding. It doesn't need to be in there  
10 as eligibility criteria. It could also be dealt with  
11 through scoring. We'd recommend that it be handled that  
12 way as well. And then just for the record, this funding  
13 stream has the only technology restriction on it in the  
14 GHG Reduction Fund. It has to do with anti-automation  
15 language that was put in.

16           With respect to port operations alone, obviously,  
17 we oppose those. It's inappropriate and it's  
18 counterproductive to us achieving our long-term goals with  
19 respect to zero emissions.

20           And so when these funds come up in the future,  
21 we'd like to continue to work with you to oppose those  
22 types of restrictions.

23           Thank you.

24           VICE CHAIR BERG: Thank you.

25           CAPCOA EXECUTIVE DIRECTOR ABBS: Good evening,

1 Vice Chair Berg and members of the Board. My name is Alan  
2 Abbs from the California Air Pollution Control Officers  
3 Station.

4 I'll keep this very short. I think this plan is  
5 a great plan to provide the criteria and toxics reductions  
6 that are going to be the focus of our AB 617 partnership  
7 that we have that we've started recently, and will be in  
8 effect for many years in the future.

9 EFMP Plus-Up expanding to Sacramento, Bay Area,  
10 and San Diego is great. HVIP is great. Sustainable  
11 freight is great. I'm a big fan always of the Rural  
12 School Bus Program, and I hope the Board continues to  
13 provide incentive fundings for the rural parts of the  
14 State. And we look forward to implementing the process  
15 with the ARB staff.

16 Thanks

17 VICE CHAIR BERG: Thank you.

18 MR. CHAVEZ: Board and staff, thank you so much  
19 for the proposed low incentive funding plan. I want to  
20 thank you. My name is Nicholas Chavez on behalf of the  
21 School Transportation Coalition and the California  
22 Association of School Transportation Officials.

23 So every bus makes a huge difference. It takes  
24 about 30 cars off the road. These are cars polluting the  
25 roads and also idling in front of schools where kids wait

1 to get picked up.

2           So real quick, I want to touch on one thing I  
3 heard early about repowers. We are very -- we want to  
4 get -- make the most bang for the buck on these buses.  
5 But at the same time, we don't want to put a Band-Aid on a  
6 20-year old buses. And like I said in the report, there's  
7 about 5,000 school buses that still need -- that are very  
8 old and aging. And they're going to need to be replaced.  
9 So we're just con -- we're just a little concerned with  
10 how long those repowers will last on a 20-jeer old bus.

11           But we are encour -- you know, we do want to see  
12 the most bang for the buck. Last point I wanted to make  
13 is that 50 percent of these emissions get into the cabin  
14 of the school buses. So it's very important that we get  
15 these older buses off the road, and save our kids lungs  
16 who are riding these buses every day.

17           Thank you so much.

18           VICE CHAIR BERG: Thank you.

19           MS. TUTT: Good evening. Eileen Tutt with the  
20 California Electric Transportation Coalition. Today, I'm  
21 here representing the larger Low Carbon Transportation  
22 Coalition that we helped facilitate that we helped  
23 facilitate, made up of automakers, utilities, truck and  
24 bus manufacturers, all kinds of green ZEV technology  
25 industry folks.

1           We want to let you know that we 100 percent  
2 support this plan. Really, really thank the staff for all  
3 the work we did -- you did -- we did together. Also want  
4 to suggest that this year we got, you know, the closest  
5 we've ever got to adequate funding. Really happy about  
6 that. Need it next year. The thing we didn't get was  
7 durable funding, as CALSTART said earlier. So we need  
8 that for next year. And our whole larger coalition will  
9 be working on adequate and durable funding for next year,  
10 and look forward to working with your staff and you on the  
11 Board and the legislature always, and the Governor's  
12 office.

13           Thank you.

14           VICE CHAIR BERG: Thank you for all your efforts  
15 too.

16           MR. ALTAMURA: Good afternoon, Vice Chair and  
17 members. My name is Ivan Altamura. I represent global  
18 automakers. I will be very brief. I would like to align  
19 my comments or Global Automakers would like to align  
20 themselves with the comment made by Eileen, and also  
21 with -- I'm sorry, also earlier with Steven Douglas.

22           Just very quickly, I just -- we support the --  
23 and share California's goals of expanding the zero  
24 emission vehicle market. The CVP -- CVRP is a critical  
25 component to meeting the goals. And we definitely think

1 that there's no other way that we're going to get there.  
2 We believe that auto makers are doing their part in  
3 continuing to offer very good products to the customer.  
4 We have over 35 models of zero-emission vehicles currently  
5 available to consumers. And we are investing billions of  
6 dollars to expand that market.

7 And so the CVRP incentives are going to go a long  
8 way to help us meet the goal. So thank you very much.

9 VICE CHAIR BERG: Thank you.

10 MR. SCHRAP: Good early evening, Madam Chair and  
11 Board members. Thank you for the opportunity to present.  
12 My name is Matt Schrap. I'm with Velocity Vehicle Group.

13 Usually, I'm up here every AQIP and workshop  
14 complaining about the truck loan assistance program and  
15 how it needs more money. So kudos to staff and thank you  
16 for recognizing the importance of this program and how  
17 it's helped thousands, literally thousands of low income  
18 disadvantaged community-based trucking fleets throughout  
19 California. So thank you and kudos to staff.

20 My card does say in opposition though. And to  
21 the bad news unfortunately. Some background about our  
22 company Velocity Vehicle Group and Crossroads Finance.  
23 We're a California based company. We employ over 1200  
24 people throughout the southwestern United States. We  
25 consider ourselves a California company and embrace the



1 challenges and the opportunities that our customers face  
2 every day. It ranges from the single truck owner/operator  
3 to the Fortune 500 company.

4 Bottom line and the gist of the letter is that  
5 was just handed around to you. I won't read it to you,  
6 but the \$40,000 amount that staff has proposed for the  
7 ultra low-NOx engine under HVIP is not enough. So that  
8 was pretty straight forward there.

9 But I can tell you that if you look at the cost  
10 breakdowns that \$40,000 is barely covering the cost of the  
11 tank. No FET is considered on new vehicles at 12 percent.  
12 We've got sales tax. We have mandatory warranties, which  
13 most finance companies require on advanced technologies.  
14 So \$40,000 is impossible to get fleets excited about. All  
15 the trucks that are out there now are refuse vehicles.  
16 Maybe there will be some drayage guys who are excited  
17 about this.

18 But I can tell you firsthand, it's not enough.  
19 Budgeting numbers have been all over the road, so we've  
20 just recently been able to hammer these out. So I know I  
21 owed Peter some numbers before, but this is as good as it  
22 gets.

23 So thank you for the opportunity to present.

24 VICE CHAIR BERG: Thank you, Matt.

25 MR. LAWSON: Good evening. Thomas Lawson,

1 California Natural Gas Vehicle Coalition.

2 I was here earlier. I had to pop out for  
3 soccer -- for basketball practice -- excuse my attire --

4 (Laughter.)

5 MR. LAWSON: -- but I'm back. So, you know, we  
6 submitted a comment letter, so I'm not going to get into  
7 it. And obviously, we don't have the time. I do want to  
8 pull out one or two items that I think is important really  
9 quickly.

10 One is, you know, we -- the low-NOx engine we  
11 think is, you know, kind of a game-changer technology. We  
12 do think that that engine should be able to -- for folks  
13 that are deploying that engine, be able to get the \$10,000  
14 disadvantaged community bonus, if it is being deployed in  
15 those areas.

16 Right now, that -- the low-NOx engine does not  
17 have access to that, and we really haven't heard a good  
18 reason why. We think that would be helpful, especially as  
19 the previous person testified that there's not enough per  
20 engine incentive. This would be an additional incentive  
21 that I think would be helpful in getting these engines on  
22 the road.

23 I'll just close with, you know, we're looking  
24 forward to, I think, engaging with staff, and then the  
25 Board in 2018. We really believe these programs can be

1 successful, and we want to continue to engage. We have  
2 some suggestions. And we, you know, hopefully can get to  
3 a point where we feel like we can make some really  
4 significant changes in the program to make them work  
5 better. And we continue to be hopeful that we can get  
6 some of these changes adopted.

7 VICE CHAIR BERG:

8 MR. LAWSON: So we put together some robust  
9 letters, and we'll -- we'll see you again in 2018.

10 Thank you for your time.

11 VICE CHAIR BERG: Thank you.

12 MR. LEACOCK: Good evening, Vice Chair and  
13 members of the Board. My name is Kent Leacock. I'm with  
14 Proterra, a California based zero-emission battery  
15 electric bus manufacturer. And I am going to be brief,  
16 and I'm not going to nitpick.

17 I would just like to commend the staff of -- for  
18 their hard work and their diligence on this comprehensive  
19 plan. The plan does an excellent job with the difficult  
20 task of allocating money among all the worthy categories,  
21 which isn't easy. And of a special notice is the emphasis  
22 placed on the maximum benefits to disadvantaged  
23 communities, low-income communities.

24 And in conclusion, Proterra fully supports the  
25 funding plan as written.

1 Thank you.

2 VICE CHAIR BERG: Thank you.

3 MR. BARRETT: Hi. Good evening. I'm Will  
4 Barrett with the American Lung Association. I'm also  
5 speaking on behalf of the Union of Concerned Scientists.  
6 We support the adoption of the investment plan and believe  
7 it sets a strong course to advancing zero emission  
8 transportation technologies, healthy air, and a stable  
9 climate.

10 The lung association and ARB research have both  
11 shown the annual health costs of pollution from the mobile  
12 source sector and the tens of billions of dollars each  
13 year in California. We know that the -- this burden of  
14 pollution falls disproportionately on a low-income  
15 communities, who can least afford it.

16 So on the plan itself, we believe it focuses  
17 appropriate on targeting distribution, of funding benefits  
18 to disadvantaged communities and looking to exceed  
19 statutes. We appreciate the work on the pre-qualification  
20 and the one-stop shop, elements to support broader access  
21 to incentive funding. We avoid -- or we appreciate the  
22 work to avoid incentive waiting lists for both light- and  
23 heavy-duty vehicles.

24 We support the advancement of widespread vehicle  
25 electrification and deployment, specifically the

1 heavy-duty sector, zero emission transit buses and school  
2 buses.

3 VICE CHAIR BERG: Actually, that was only one  
4 minute. Do you want to just finish up?

5 MR. BARRETT: Yeah, I'll be happy to. I'll use  
6 Kent's time to wrap up.

7 VICE CHAIR BERG: Well, they've all been one --  
8 we just decided to change that.

9 MR. BARRETT: Oh, we're all one minute.

10 VICE CHAIR BERG: Oh, okay.

11 MR. BARRETT: I'm happy to wrap-up and just say  
12 we look forward to working with you on both the incentive  
13 package and all the zero emission -- heavy-duty zero  
14 emission regulations that are so important as well.

15 Thank you very much.

16 VICE CHAIR BERG: Thank you very much.

17 MR. EDGAR: Vice Berg and Board members, Sean  
18 Edgar with -- the Director of CleanFleets here in  
19 Sacramento. Thanks for the opportunity to offer a few  
20 brief comments.

21 We just say keep your eye on the prize. There  
22 are 300,000 Class 4 and larger diesel vehicles in  
23 California that are DMV registered that have to make a  
24 decision to turnover in the next 3 to 6 years in  
25 compliance with the truck and bus regulation. I like

1 CVRP. We have 2 field services folks that have plug-in  
2 hybrids and that's fantastic. I like buses, and -- but  
3 buses don't have a regulatory mandate that I'm aware of.  
4 Most of the transit districts have already met the  
5 requirements that the Board put out. So everything  
6 they're doing is in addition.

7           Eye on the prize, in my view, means that the  
8 300,000 vehicles that we know need to turnover as a result  
9 of truck and bus regulations, should be turning over into  
10 advanced cleaner technologies. And unless we figure the  
11 voucher problem out that Matt Schrap testified, and we  
12 make near zero or zero emission vehicles available to them  
13 at the right incentive amount, they're not going to get  
14 there.

15           So I think the technical report that's been  
16 submitted to the legislature in this report, there are  
17 7,000 refuse vehicles alone that can make a good decision.  
18 But unless we fix the voucher amount and we deliver  
19 projects well, that specific industry and other industries  
20 just won't get there.

21           So just keep in mind 300,000 diesel vehicles will  
22 have to turnover. Hopefully, this can be harnessed. And  
23 right now, it's only \$1 out of every \$4 that's going to  
24 heavy-duty vehicles. The rest is going elsewhere to light  
25 duty and other categories.

1 Thank you.

2 VICE CHAIR BERG: Thank you.

3 MS. KHAMOUSHIAN: Hello there, Vice Chair Berg  
4 and Board members, and staff. My name is Linda  
5 Khamoushian. I'm with the California Bicycle Coalition.  
6 I'd love to stay brief with my comments, but I am pointing  
7 out a concern that requires your attention.

8 Last year, under the Car Sharing and Clean  
9 Mobility Options Pilot Project, we were pleased to see  
10 that electric bicycles were added as a component that was  
11 eligible to the criteria. But that was just a part of the  
12 car sharing project. So we were excited to jump on the  
13 marketing component of that. And we added a webinar to  
14 our program where we had over 150 registrants really  
15 interested to see how bike -- electric bikes can be  
16 incorporated into this incentive.

17 And so we were grateful for ARB staff, Tim  
18 Hartigan, to be giving that presentation. And he also  
19 answered 4 pages of questions that people had in response  
20 to adding electric bikes as eligible piece to this part.

21 This year we see, and we're excited to see, as  
22 the name change from Car Sharing to Clean Mobility Options  
23 implies this project's previously focus on car sharing is  
24 evolving to include additional mobility enhancements, such  
25 as introducing electric bicycling sharing, and new to this

1 year, regular bike sharing. So that's promising.

2           However, I'd like to point out on page I-51 that  
3 the staff has recommended to award funding on a first-come  
4 first-served basis for small simple car sharing projects  
5 serving disadvantaged communities. Target small car  
6 sharing projects again. So this doesn't seem clear to me  
7 that electric bikes are still eligible, that if bike  
8 sharing is eligible. And so I'd love clarification on  
9 that.

10           And also to -- one of the things that we did get  
11 concerns about is to expand it to just stand-alone bike  
12 sharing to be able to bring that to disadvantaged  
13 communities that need it, and for projects to be able to  
14 propose that. I'd like to point out that 20 percent of  
15 the projects that applied this year added electric bike  
16 components to their projects.

17           VICE CHAIR BERG: Thank you very much.

18           AIR POLLUTION SPECIALIST PANSON: The e-bikes are  
19 eligible -- continue to be eligible this year. And we  
20 were perhaps not as clear with our language -- or  
21 obviously, we weren't as clear with our language as we  
22 should have been, but they are eligible.

23           VICE CHAIR BERG: Thank you.

24           MR. SCHOTT: Madam Vice Chair and Board members,  
25 Tim Schott on behalf of the California Association of Port



1 Authorities, which is comprised of the State's 11  
2 commercial publicly-owned ports.

3 First, I'd like to thank staff for their hard  
4 work and their accessibility on the plan, and also thank  
5 the Board for the discussion about disadvantaged  
6 communities, and making sure that we don't have good  
7 projects at port facilities that aren't even eligible to  
8 apply.

9 We would raise one issue that Mike Jacob with  
10 PMSA raised, and that is the one-to-one match requirement.  
11 We would suggest that new technologies are not only very  
12 expensive but largely untested. And as we are trying to  
13 deploy commercialization as quickly as possible, we should  
14 limit risk, especially in the early stages of these  
15 program developments. Thank you for the hard work on  
16 this, and look forward to working with you in the future.

17 VICE CHAIR BERG: Thank you.

18 MR. KENNY: Hi. Good afternoon, Vice Chair Berg  
19 and members of the Board. My name is Ryan Kenny. I work  
20 for Clean Energy. We are the nation's largest provider of  
21 renewable natural gas. I'm also here on behalf of our  
22 trade association the Bioenergy Association of California.

23 I'd like to thank staff as we support this final  
24 plan, and particularly Peter Christensen and Michelle  
25 Buffington, and their colleagues. They were always very

1 considerate of our concerns.

2           This is one that I'd like to bring up though that  
3 has been unresolved. And for the low NOx vehicle  
4 incentives, there is a requirement to have 100 percent  
5 fuel -- renewable fuel over 3 years. And we think that's  
6 a barrier for low NOx vehicle incentives to be pursued.  
7 We do think an amendment should be made that should have  
8 50 percent renewable -- no more than 50 percent over the  
9 entire use of the vehicle.

10           A 50-percent requirement will signal flexibility  
11 to the applicant, and deliver deeper greenhouse gas  
12 emissions throughout the life of the truck, as a great  
13 amount of renewable fuel is used.

14           We also think that the operators will not see  
15 it -- a barrier of 100 percent, and they will not  
16 determine -- they will see not difference between  
17 renewable fuel and fossil fuel. They think that -- they  
18 think the cost savings will be attractive, and also that  
19 the fuel will be readily available. That's all we sell in  
20 California is renewable natural gas. We think that a  
21 lower requirement should be amended into the funding plan.

22           Thank you.

23           VICE CHAIR BERG: Thank you.

24           As Tim is coming down, Todd, you're going to be  
25 our clean-up batter, and Mr. O'Dea has left.

1 MR. CARMICHAEL: Good evening, members of the  
2 Board. Tim Carmichael on behalf of Southern California  
3 Gas Company. Echo just two of the comments that were made  
4 about the low NOx truck incentives. A lot of people have  
5 weighed in over the course of the year, letting the ARB  
6 staff know that 40,000 was not going to be a sufficient  
7 incentive.

8 That said, we're delayed -- our industry was  
9 delayed in getting specific numbers to the staff. But  
10 that could be addressed today by the Board giving the  
11 Executive Officer discretion to adjust that incentive  
12 level during the course of the year if our information  
13 is -- it proves out to be correct that 40,000 is not going  
14 to be sufficient to get the number of applicants that we  
15 want for -- we, all of us, want for low NOx trucks  
16 throughout the State.

17 It certainly is going to work for some of the  
18 larger companies, but many of the people and truckers that  
19 were trying to get into a newer technology are not going  
20 to be able to do it with a \$40,000 incentive.

21 The second point I want to echo is we have not --  
22 we have asked for and not yet received a good reason why  
23 the low NOx trucks should not get a disadvantaged  
24 community premium for being cited in disadvantaged  
25 communities.

1           If it makes sense for electric and fuel cell  
2 trucks, it makes sense for low NOx natural gas trucks  
3 running on renewable natural gas.

4           Thank you very much.

5           VICE CHAIR BERG: Thank you.

6           MR. CAMPBELL: All right, clean-up batter. Todd  
7 Campbell, Clean Energy. Thank you, Madam Chair, thank  
8 you, Board members, and thank you, staff. I want to say  
9 thank you, first of all, for giving us the opportunity.  
10 Having clean vehicle incentives is incredibly important to  
11 our industries collectively, whether you're zero, near  
12 zero, whatever. And I want to thank Peter Christensen and  
13 Michelle Buffington for their help.

14           I just wanted to touch on the last request that  
15 we had in terms of the 9-liter engine. We need near zero  
16 engines in combination with zero emission strategies to  
17 meet attainment. And that's in the mobile source  
18 strategy.

19           Second, when you look at -- I just saw the  
20 discussion draft for the Transit Bus Rule tomorrow. It  
21 shows that the low-NOx engine grant is \$10,000. But the  
22 zero emission buses starting at 20 feet -- or 20 feet are  
23 \$80,000 and go up to \$300,000 for incentive dollars.

24           So you're looking at anywhere between 8 to 30  
25 times the incentive dollars for a vehicle that is pretty

1 close in comparison in terms of not only NOx emissions,  
2 but also greenhouse gas -- gases. But also on the second  
3 page of this strategy document, it says incentives are the  
4 key to moving the market, not just for zero emission  
5 vehicles, but also for near zero emission vehicles when  
6 near -- when zero emission vehicles are not able or cannot  
7 meet the task at hand.

8           And what I would argue is beyond just transit,  
9 there are other applications, for example, cement users,  
10 local distribution haulers, other types of applicants that  
11 are interested in a 9-liter engine. And what I -- what  
12 I'd like to ask for in terms of a change is extend the  
13 diesel cost basis to the 9-liter engine.

14           Last year, we didn't do that, and \$10 million got  
15 moved out of this category and was put into some of these  
16 more rich programs. We would like to not have that  
17 repeat. We've invested lot in this industry. We need the  
18 9-liter near zero. And so we would like to have the  
19 diesel cost basis, not the natural gas cost basis or the  
20 2010-compliant engine, because it doesn't work. It's not  
21 enough funds.

22           In fact, that's why we're asking for the  
23 disadvantaged community credit, which is another \$10,000,  
24 and a little bit more flexibility in terms of the  
25 renewable natural gas requirement.

1 But if we don't get this change --

2 VICE CHAIR BERG: Thank you very much.

3 MR. CAMPBELL: -- I'm really worried that this  
4 program will continue to fail.

5 VICE CHAIR BERG: Okay.

6 MR. CAMPBELL: And that's not what we're all  
7 about. We fought very hard this year, and this is a big  
8 opportunity for us to move the ball forward, and I'd like  
9 to do it collectively. And I support you, and I support  
10 staff.

11 Thank you.

12 VICE CHAIR BERG: Thank you very much, Todd.

13 MR. CAMPBELL: Thank you.

14 VICE CHAIR BERG: Okay. That was our last  
15 speaker. I'm going to officially close the record on this  
16 item. There were a couple of issues that were brought up.  
17 Shall we just laundry list these and then let staff  
18 respond to them?

19 So I heard we -- there was a question about  
20 vocational trucks, where does that belong in the  
21 categories? There was an issue brought up on -- by the  
22 marine people and the port people about the 50/50 match,  
23 as well as the anti-automation. We've heard several on  
24 the low-NOx engines, both the 9-liter and then the funding  
25 level, I believe, for the 12-liter.

1           Are there other issues from Board members that --  
2 okay. Staff.

3           AIR POLLUTION SPECIALIST PANSON: On the  
4 vocational trucks, they're a part -- they're part of HVIP.  
5 HVIP has some natural simplifications in how it's  
6 designed. We've kind of set the voucher amounts that  
7 cover average incremental costs. We think we've got the  
8 incremental costs right for -- across the spectrum, but  
9 we'll always -- we're always willing to --

10          VICE CHAIR BERG: So as long as we know the  
11 vocational trucks are in, that's good.

12          AIR POLLUTION SPECIALIST PANSON: They're in  
13 HVIP.

14          VICE CHAIR BERG: Check. Next.

15          (Laughter.)

16          AIR POLLUTION SPECIALIST PANSON: On the two  
17 freight pro -- the two freight issues. The  
18 anti-automation, that's in statute. That was in the  
19 budget this year. We have no flexibility on that.

20          VICE CHAIR BERG: Great. Check.

21          AIR POLLUTION SPECIALIST PANSON: That's done.

22          The 50/50 match. The big freight facility  
23 project is -- combines the warehouse funding with the low  
24 carbon transportation funding. The warehouse funding, the  
25 50/50 match, is a statutory requirement. We decided to

1 apply it to the freight facilities -- or to the broader  
2 freight facilities, because we're going to put it out as  
3 one broad solicitation.

4           What I -- what I will say is we have a lot of  
5 flexibility in how define match, and we're planning to  
6 take a very broad view of match. That we would look at  
7 other State funds, other local funds, other federal funds,  
8 in-kind match. We're going to define match very broadly,  
9 so we think we -- we'll be able to address that.

10           VICE CHAIR BERG: Okay. I'm comfortable with  
11 that. Is that -- anybody have further questions?

12           Okay. Thank you on that.

13           So let's wrap-up with the low-NOx engines.

14           AIR POLLUTION SPECIALIST PANSON: The 12-liter  
15 low-NOx engine, I'll stipulate determining the incremental  
16 cost of a vehicle that hasn't reached market yet is not an  
17 exact science. What we're asking the Board to endorse is  
18 we're playing 100 percent of what we think the cost of  
19 that vehicle would be. We've asked the stakeholders for  
20 additional data to -- you know, we think 40,000 is the  
21 right number. We've asked for additional data.

22           Today is the first time that they've provided  
23 that data, so we're sorry that we haven't fully digested  
24 it. But essentially, if we -- when the engines come to  
25 market, if we didn't get the incremental cost right,



1 that's a technical adjustment. We can make that, if --  
2 we're -- we've asked you to approve the policy direction  
3 that we would fund 100 percent of the incremental cost of  
4 the 12-liter engine. We plan to do that. If we didn't  
5 get the number right, we can fix that.

6 VICE CHAIR BERG: And, I'm sorry, how about the  
7 low -- oh.

8 BOARD MEMBER MITCHELL: Well, does that  
9 essentially give the Executive Officer discretion to make  
10 that adjustment, which is what they asked for?

11 AIR POLLUTION SPECIALIST PANSON: Yes.

12 VICE CHAIR BERG: Yes.

13 BOARD MEMBER MITCHELL: Okay. Yeah.

14 VICE CHAIR BERG: And then finally the 9-liter,  
15 and then we have another question.

16 AIR POLLUTION SPECIALIST PANSON: Okay. On the  
17 9-liter engine, those are used in transit and waste  
18 hauling operations. The fleets that are buying those  
19 generally are buying the 9-liter low-NOx engine are  
20 natural gas fleets where we're funding, as the incremental  
21 cost, of the natural gas engine that they would fund --  
22 that they would buy anyway to the low NOx. So that is --  
23 we're funding the full incremental cost of that  
24 transaction.

25 BOARD MEMBER MITCHELL: I'm wondering -- well,

1 I'll -- I'm sorry. I thought she was waving at me. But I  
2 would -- they ask about the disadvantaged community  
3 \$10,000 --

4 AIR POLLUTION SPECIALIST PANSON: Oh, yeah,  
5 that's also a good question. We don't give a  
6 disadvantaged community bump up for every vehicle that we  
7 fund. Right now, the only place across projects where we  
8 give an extra incentive for vehicles that are operating in  
9 disadvantaged communities are zero tailpipe emission  
10 vehicles. That's when -- that's what the disadvantaged  
11 communities have asked for.

12 So right now, we are making a conscious decision  
13 to only give a bump up for disadvantaged community  
14 vehicles, if they're zero tailpipe emission.

15 VICE CHAIR BERG: Thank you.

16 Supervisor Serna.

17 BOARD MEMBER SERNA: Yeah, not a questions. If  
18 there are no more questions, I'm prepared to make a motion  
19 and to approve the proposed funding plan.

20 BOARD MEMBER RIORDAN: I'll second the motion.

21 VICE CHAIR BERG: Any other discussion?

22 BOARD MEMBER DE LA TORRE: So getting back to the  
23 natural gas versus diesel. It's all premised on the idea  
24 that they're going natural gas to natural gas. But if  
25 they're not going natural gas to natural gas, shouldn't we

1 have a two-tiered thing, a two-tiered process.

2 AIR POLLUTION SPECIALIST PANSON: Right. Let me  
3 unpack that a little bit. In the 12-liter engine that's  
4 coming to market, we think there is a very good  
5 opportunity for fuel switching. And we use the diesel to  
6 natural gas baseline.

7 There -- we think -- you know, the purchase that  
8 we're incentivizing through HVIP, the transactions that  
9 are happening are natural gas to natural gas. There are  
10 other funding sources. If someone wants to scrap a diesel  
11 vehicle and go to a natural gas or a low-NOx natural gas,  
12 there are other funding sources for that.

13 HVIP is designed to be a simple-to-access  
14 program. There isn't a scrap requirement. So we're  
15 looking at the transactions that we believe are going to  
16 happen. So if you're talking about scrapping a diesel  
17 9-liter and going to a natural gas low NOx -- natural gas  
18 or a natural gas low NOx, there are other funding sources  
19 that can address that. Those are Moyer-eligible projects.

20 We're basically funding, like I said, simpler  
21 transactions in HVIP. We're not requiring a vehicle  
22 scrap, but -- so we think there is opportunity within our  
23 broad portfolio to fund those.

24 BOARD MEMBER DE LA TORRE: Just not here.

25 AIR POLLUTION SPECIALIST PANSON: (Nods head.)

1 BOARD MEMBER DE LA TORRE: All right.

2 VICE CHAIR BERG: Okay. We have A motion and a  
3 second.

4 Do we have a second?

5 BOARD MEMBER RIORDAN: Mine.

6 VICE CHAIR BERG: Thank you. We have a first and  
7 a second to move Agenda Item 17-12-4.

8 All in favor?

9 (Unanimous aye vote.)

10 (Dr. Balmes, Senator Florez, Supervisor Gioia,  
11 Supervisor Roberts, and Chair Nichols not present  
12 for vote.)

13 VICE CHAIR BERG: Opposed?

14 Abstain?

15 Motion passes.

16 Thank you very much.

17 We do have one person that has requested to speak  
18 on open comment.

19 Michelle -- I'm sorry, Michael.

20 Our speaker for -- well, it appears we ran a  
21 little bit long, so we will invite him back to speak to us  
22 next month.

23 We do want to close by saying Happy, Happy  
24 Holidays to everybody. This was a busy day, and we  
25 appreciate you sticking with us. We hope you have a

1 wonderful holiday and a great new year.

2 And we'll see you at the new year.

3 (Thereupon the Air Resources Board meeting  
4 adjourned at 5:54 p.m)

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## C E R T I F I C A T E O F R E P O R T E R

I, JAMES F. PETERS, a Certified Shorthand Reporter of the State of California, 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, 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 8th day of January, 2018.



JAMES F. PETERS, CSR  
Certified Shorthand Reporter  
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