APPEARANCES

BOARD MEMBERS:
Ms. Mary Nichols, Chair
Ms. Sandra Berg, Vice Chair
Dr. John Balmes
Hector De La Torre
Mr. John Eisenhut
Senator Dean Florez
Assembly Member Eduardo Garcia
Ms. Judy Mitchell
Mrs. Barbara Riordan
Supervisor Ron Roberts
Supervisor Phil Serna
Dr. Alexander Sherriffs
Professor Dan Sperling
Ms. Diane Takvorian

STAFF:
Mr. Richard Corey, Executive Officer
Ms. Edie Chang, Deputy Executive Officer
Mr. Steve Cliff, Deputy Executive Officer
Mr. Kurt Karperos, Deputy Executive Officer
Ms. Ellen Peter, Chief Counsel
Ms. Emily Wimberger, Chief Economist
Ms. Veronica Eady, Assistant Executive Officer
APPEARANCES CONTINUED

STAFF:

Ms. La Ronda Bowen, Ombudsman

Mr. Gerhard Achtelik, Manager, Advanced Clean Cars Branch, Emission Compliance, Automotive Regulations and Science Division (ECARS)

Ms. Brieanne Aguila, Branch Chief, Program Planning and Management Branch, Industrial Strategies Division (ISD)

Mr. Michael Benjamin, Division Chief, Air Quality Planning and Science Division (AQPSD)

Ms. Analisa Bevan, Assistant Division Chief, ECARS

Mr. Ben Carrier, Attorney, Legal Office

Mr. Dave Edwards, Assistant Division Chief, AQPSD

Mr. Rhead Enion, Senior Attorney, Legal Office

Mr. Jason Gray, Branch Chief, Climate Change Program Evaluation Branch, ISD

Ms. Alexandra Kamel, Attorney, Legal Office

Ms. Elise Keddie, Manager, ZEV Implementation Section, ECARS

Ms. Elizabeth Melgoza, Air Pollution Specialist, Central Valley Air Quality Planning Section, AQPSD

Mr. Rajinder Sahota, Assistant Division Chief, ISD

Ms. Abajh Singh, Air Pollution Specialist, Emission and Data Quality Assurance Section, ISD

Mr. Mark Sippola, Manager, Program Development Section, ISD

Mr. Webster Tasat, Manager, Central Valley Air Quality Planning Section, AQPSD

Ms. Sylvia Vanderspek, Branch Chief, Air Quality Planning Branch, AQPSD
APEXANCES CONTINUED

STAFF:
Mr. Floyd Vergara, Division Chief, ISD
Mr. Daniel Whitney, Senior Attorney, Legal Office
Mr. Mark Williams, Air Pollution Specialist, ZEV Implementation Section, ECARS

ALSO PRESENT:
Bishop Lovester Adams, Baptist Ministers Conference of Los Angeles
Mr. Reed Addis, Valley Clean Air Now
Mr. Will Barrett, American Lung Association
Mr. Terry Bassett, Yolo Bus
Ms. Susie Berlin, Northern California Power Agency, Golden State Power Cooperative
Mr. Brian Biering, Turlock Irrigation District
Mr. Steve Bloch, ABB
Mr. Bill Boyce, Sacramento Municipal Utility District
Mr. Tony Brunello, EV Box
Mr. Abdellah Cherkaoui, Volta
Mr. Josh Cohen, SemaConnect
Mr. Peter Cooper, Lucid Motors
Mr. Danny Cullenward, Near Zero
Mr. Manuel Cunha, Jr., Nisei Farmers League
Ms. Tanya DeRivi, Southern California Public Power Authority
APPEARANCES CONTINUED

ALSO PRESENT:

Mr. Matt Dessert, Imperial County Air Pollution Control District
Mr. Matt Dulich, University of California, Davis
Mr. Joel Espino, Greenlining Institute
Ms. Anna Fero, Paul Hastings
Mr. Luis Flores, Mexicali, Baja California
Mr. Simeon Gant, GreenTech
Mr. Johnny Garcia
Mr. Juan Garcia, PG Cutting Services
Ms. Hannah Goldsmith, California Electric Transportation Coalition
Ms. Jennifer Gress, Office of Sacramento Mayor Darrell Steinberg
Mr. Matthew Hargrove, California Business Properties Association
Mr. Jarett Hausske, Eleven, Inc.
Mr. Brian Henderson
Ms. Lois Henry, BizFed Central Valley
Mr. Paul Hernandez, Envoy Technologies
Ms. Ashey Horvat, Greenlots
Ms. Obrie Hostetter, Hubject, Inc.
Mr. Alex Jackson, Natura Resources Defense Council
Ms. Lourdes Jimenez, San Diego Gas and Electric
Ms. Michelle Kaus, BrixMor
APPEARANCES CONTINUED

ALSO PRESENT:
Mr. Konrad Konczeuski, BTCPower
Mr. Mark Krausse, Pacific Gas and Electric
Mr. Minh Le, City of Los Angeles
Mr. Lloyd Levine, Sacramento Electric Vehicle Association, Sacramento Plug-In Vehicle Collaborative
Ms. Maryline Lewett, Black and Veatch
Mr. Bill Magavern, Coalition for Clean Air
Mr. Paul Maggay, SoCalGas
Ms. Eva Maina, Assembly Member Kevin McCarty
Ms. Xavier Maltese, AAA
Ms. Ayaka Matsuo, Marubeni
Mr. Frank Meza, BTCPower
Mr. Matt McClory, Toyota
Ms. Casey McFall, Self-Help for the Elderly
Mr. Mark McLanahan, MaxGen
Mr. Derek Middleton, Innogy
Mr. Luis Olmedo, Comite Civico Del Valley
Ms. Danielle Osborn Mills, American Wind Energy Association
Mr. Max Perry, City of Long Beach
Mr. Michael Pimentel, City of Los Angeles Mayor's Office
Ms. Sara Rafalson, EVgo
Ms. Angelina Rahimi, Franklin Neighborhood Development Corporation
APPEARANCES CONTINUED

ALSO PRESENT:
Ms. Jessica Rhodes, 3fold Communications
Mr. Judy Robinson, County of Sacramento
Mr. Katelyn Roedner Sutter, Environmental Defense Fund
Ms. Ellah Ronen, LA n Sync
Mr. Spencer Saks, The Gualco Group
Ms. Phoebe Seaton, Leadership Counsel for Justice and Accountability
Mr. Jeffrey Serfass, California Hydrogen Business Council
Mr. Michael Shaw, California Manufacturers and Technology Association
Ms. Robin Shropshire, Panoche Energy Center
Ms. Anne Smart, ChargePoint
Ms. Stephanie Tsai, Climate Justice Program Association
Mr. Timothy Tutt, Sacramento Municipal Utility District
Ms. Iris Verduzco, Urban and Environmental Policy Institute
Mr. Steven Wallauch, Platinum Advisors
Mr. Peter Weiner, Paul Hastings
Ms. Emily Weissinger, Ramboll
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PROCEEDINGS

VICE CHAIR BERG: Good morning, everyone. Chair Nichols along with a couple of other of our Board members are making their way in. I understand there is an accident on the 5 freeway, so we're going to go ahead and just get started, and then welcome them. And the meeting will, of course, then be turned over to Chair Nichols.

So good morning the December 13th, 2018 public meeting of the California Air Resources Board will come to order. And we will start the meeting with the Pledge of Allegiance.

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

VICE CHAIR BERG: And if I can have the clerk call the roll, please.

BOARD CLERK DAVIS: Dr. Balmes?
BOARD MEMBER BALMES: Here.
BOARD CLERK DAVIS: Mr. De La Torre?
BOARD MEMBER DE LA TORRE: Here.
BOARD CLERK DAVIS: Mr. Eisenhut?
BOARD MEMBER EISENHUT: Here.
BOARD CLERK DAVIS: Senator Florez?
Assembly Member Garcia?
Supervisor Gioia?
Senator Lara?
Ms. Mitchell?

BOARD MEMBER MITCHELL: Here.

BOARD CLERK DAVIS: Mrs. Riordan?

BOARD MEMBER RIORDAN: Here.

BOARD CLERK DAVIS: Supervisor Roberts?

BOARD MEMBER ROBERTS: Here.

BOARD CLERK DAVIS: Supervisor Serna?

BOARD MEMBER SERNA: Here.

BOARD CLERK DAVIS: Dr. Sherriffs?

BOARD MEMBER SHERIFFS: Here.

BOARD CLERK DAVIS: Professor Sperling?

BOARD MEMBER SPERLING: Here.

BOARD CLERK DAVIS: Ms. Takvorian?

Vice Chair Berg?

VICE CHAIR BERG: Here.

BOARD CLERK DAVIS: Chair Nichols?

CHAIR NICHOLS: Here.

(Laughter.)

BOARD CLERK DAVIS: Madam Chair, we have a quorum.

VICE CHAIR BERG: Well, welcome.

CHAIR NICHOLS: Thank you.

VICE CHAIR BERG: And especially since you're just getting back from your trip to Prague and the climate.
CHAIR NICHOLS: I wish it had been Prague. It was not Prague. It was Katowice, Poland, a city where people still burn soft coal mixed with garbage to heat their homes. This is a way of life in a number of cities in Poland. And one of the opportunities I had on this trip was to meet with the representative of an organization that's working hard on air pollution, as well as climate issues in Poland. And they're still struggling to convert a society where many, many people live in essentially uninsulated homes, and have this horrible quality of fuel. You step off the plane in Katowice and you just -- you can smell the coal smoke. It's quite something. But I know we're not scheduled to have a report on my trip to Poland this morning, but --

(Laughter.)

VICE CHAIR BERG: No, but we're grateful the fact that you got off a plane late last night. And we have a two-day Board meeting. And so great to have you here safe and sound.

CHAIR NICHOLS: Thank you very much.

VICE CHAIR BERG: We're just starting the opening remarks, and shall I finish that up for you, and let you --

CHAIR NICHOLS: Sure, why don't you go ahead -- why don't you go ahead and do that, please.
VICE CHAIR BERG: Okay. Great. So we do have some opening remarks this morning. Interpretation services will be provided today in Spanish for Item number 18-10-6, the Proposed Amendments to the Regulation for the Mandatory Reporting of the Greenhouse Gas Emissions, along with item number 18-10-7, Proposed Amendments to the California Cap-and-Trade Greenhouse Gas Emissions and the Market Based Compliant Mechanism Regulation, and 18-4 -- I'm sorry, 18-10-4, the PM10 State Implementation Plan for Imperial County. Headsets are available outside of the hearing room at the attendant sign-up table and can be picked up any time.

And we will have our translator also translate that in Spanish.

(Thereupon the interpreter translated in Spanish.)

VICE CHAIR BERG: Muchas gracias.

For safety reasons, please note the emergency exits are to the rear of the room. In the event of a fire alarm, we are required to evacuate this room immediately, go downstairs, and out of the building. When the all-clear signal is given, we will return to the hearing room and resume our hearing.

One other safety announcement, many of you travel and bring your bags in with you, which is great. We
appreciate you being here. But for safety reasons, we need you to keep your bags with you so that our safety officers will know that they belong to people.

And finally, anyone who wishes to testify should fill out a request-to-speak card also available in the lobby outside of the Board room. Please turn that into the Board Assistant Clerk of the Board, prior to the commencement of the item. Speakers we will have a three-minute time limit. And please state your first and last name, as you're coming up to the podium. Both sides of this podiums are being used today. Put your testimony in your own words, because it's really easier for us to follow along your line thinking, as well as we do get your written comments.

And with that, then I will turn the meeting over to Chair Nichols.

CHAIR NICHOLS: Thank you so much Vice Chair Berg. I think they've added a new line to this script about taking the bags with you. This is a change.

(Laughter.)

CHAIR NICHOLS: Okay. Great. Nice to know that we can be flexible and improve.

We have one consent item on our agenda this morning. That is the Proposed Revision to the South Coast One-Hour Ozone State Implementation Plan. I'd like to ask
the clerk if any witnesses have signed up to testify on this item?

BOARD CLERK DAVIS: (Shakes head.)

CHAIR NICHOLS: They have not.

Okay. Are there any Board members who would like to see this item removed from the consent calendar?

Seeing none.

We can close the record, and I will ask if all the Board members have had an opportunity to review this resolution, and if so, may I have a motion and a second.

BOARD MEMBER SERNA: Move the item.

BOARD MEMBER SHERRIFFS: Second.

CHAIR NICHOLS: Thank you very much.

All in favor please say aye?

(Unanimous aye vote.)

CHAIR NICHOLS: Any opposed?

Great. Well, our first item of business is done.

Now, for the second item, which is an unscheduled item, it's impossible to resist the opportunity to embarrass one of our fellow Board members, who has received so many resolutions and accolades. I follow him on Twitter, so I know that he's spent at least the last month making the rounds of San Diego, and being -- receiving accolades from many, many quarters for his long career in public service. And we cannot possibly resist
the opportunity to join in that.

I personally have benefited from his occasional criticisms, and from his occasional good suggestions as well about how we could improve our operations here. But more importantly, I have really enjoyed and benefited from watching him work as a local elected official and a member of this Board.

So I'm going to read the resolution that has been drafted. And this is on behalf of all of us, of course. And I will start from the top.

"Whereas, after 20 years of a successful career in architecture, Ron Roberts embarked upon career in public service that has spanned more than three decades.

"Whereas, in 1987, Ron was elected to the San Diego City Council, and in 1994 to the San Diego County Board of Supervisors, where he has served the 4th District with great distinction.

"Whereas, during this time, Ron has personally spearheaded, through savvy, skill, commitment, and dedication, enumerable efforts that have benefited his constituents, San Diegans, and all Californians.

"Whereas, for decades, Ron has worked to improve public health, especially among underprivileged youth, through a range of initiatives including Fit to Learn, Fit for Life, the San Diego County Childhood Obesity
Initiative, Healthy Works, and the creation of Linda Vista Boys and Girls Club, and the Pro Kids Golf Academy and Learning Center.

"Whereas, for 19 years, Ron led "Mowing Down Pollution", the State's most successful annual lawn mower and lawn equipment exchange program that has replaced nearly 10,000 pieces of dirty equipment with clean zero-emission alternatives, resulting in the elimination of tons of air pollution in San Diego.

"Whereas, Ron's leadership has been instrumental to the expansion of cleaner mobility options throughout the San Diego, including developing new trolley lines, the acquisition of buses that operate on renewable fuels, and last mile transit connections.

"Whereas, in 1995, Ron Roberts was appointed by Governor Pete Wilson to the California Air Resources Board, where he has served with great distinction for 23 years helping to lead the development of innovative and effective ways to reduce air pollution.

"Whereas, in addition to his service on the California Air Resources Board, Ron ably served on the Boards of the San Diego Air Pollution Control District, the San Diego Metropolitan Transit System, the San Diego Housing Authority, the San Diego Workforce Partnership, and the San Diego Association of Governments.
"Whereas, Ron has received numerous awards for his public service efforts, including the Home Aid Humanitarian Award, the American Society of Landscape Architect Stewardship Around, and the Distinguished National Public Transportation Award from the American Transportation Association, and,

"Whereas, Ron and his wife live in the same Mission Hills home they built more than 50 years ago. He and Helene are proud parents of three daughters and three grandchildren.

"While not working in the public interest, Ron can be found rooting for his beloved San Diego Padres, cruising the aisles at Costco, where most employees know him by name, grabbing a bite to eat at Jack in the Box, or listening to his extensive music collection, including Bob Marley among his favorites".

I knew you were a good man.

(Laughter.)

CHAIR NICHOLS: "Now therefore, be it resolved, that the Board and staff of the California Air Resources Board acknowledge and thank Supervisor Ron Roberts for his important and enduring contributions to carrying out the CARB mission, and for his tireless leadership to protect and improve air quality and public health for all citizens of California".
Ron, I know you need another resolution like this, because you have a few walls that may not be 100 percent covered with them.

But in all seriousness, it's all that we can do, other than personally just to extend to you our congratulations and gratitude for your great work on this Board.

So thank you so much.

(Applause.)

CHAIR NICHOLS: And please, you may say a few words. Yes, you may.

BOARD MEMBER ROBERTS: I won't be too lengthy. But it's too late for me to fire the staff person who helped you write this.

(Laughter.)

BOARD MEMBER ROBERTS: As I'd have to give him two weeks notice and that would cover him.

I've been here for a long time. I've seen enormous changes. And I would tell you all for the good. This has been just something I've done with pride and with passion. And, yes, we're proud of our lawn mower trade-in program.

(Laughter.)

BOARD MEMBER ROBERTS: You know, I've been trying to convince at least one of my colleagues that they've got
to take that over and keep it going, because it -- it's successful because you have to promote it. You can't just announce you're going to do it. But that's like a small item. And I think the importance of that is that it helps to inform people and drive home the message. There are things we can do that might even seem awfully small, but it creates that ethic of focusing on how do we make the quality there better and how do we reduce greenhouse gas?

These are things that all of us believe in. We may have different ways of going about it. I won't mention the black automobile fiasco that we went through.

(Laughter.)

BOARD MEMBER ROBERTS: But sometimes we hit a bump and we recognize that we have to do it different. One of the most difficult things I think we were faced with on this Board in all the years I've been on is when we realized the electric car mandate wasn't supported by very good battery technologies in electric cars, and we had to postpone it. And we were heavily criticized. I have a recording of who killed the electric car.

Of course, we were blamed for that. The electric car is alive and thriving. And I'm sure everybody here knows that, so -- but you've got to take that kind of criticism at times, even though in the end we know it -- it's brought us out right.
Lincoln said years ago if at the end it doesn't come out right, even a choir off angels singing your praises won't help you.

(Laughter.)

BOARD MEMBER ROBERTS: That came out right. It was the right thing to do. I had friend of mine who had the very first General Motors -- if you remember, it was called the Impact, until they realized the insurance companies didn't like that name, Impact, for a car --

(Laughter.)

BOARD MEMBER ROBERTS: -- and they changed it to EV 1.

CHAIR NICHOLS: Right.

BOARD MEMBER ROBERTS: And he became the first person in the nation, as a surprise to him, to get his EV 1. And the car -- he was so embarrassed that he -- it hardly would run. He got a second one, so that nobody would notice that the first one was in the garage most of the time.

(Laughter.)

BOARD MEMBER ROBERTS: That is what we were faced with. And I think it's -- you know, I think it, in some ways, is typical. There are times when things don't work and you have to be willing to make adjustments, and say, okay, let's have a course correction, and let's do
something a little different. Fortunately, those have not been often.

I think my greatest joy was -- here was coming to a meeting when the staff we were talking about diesel, and as diesel being a toxic contaminant, but nobody wanted to really say that in a firm way. It was a woman from Los Angeles who also served on the Board, at that time Lynne Ethridge -- Es -- anyway. Lynne was here, and before the meeting we had kind of agreed why don't we push this a little bit. And to the surprise of the staff, we actually declared diesel to be a toxic contaminant at a meeting where nobody was thinking that that's what we were going to be doing. It needed doing. Probably still needs doing and reinforcing.

But I just mention these things as highlights. This Board and the staff has done an incredible job. You've been open to listening to people. You know, we've had issues. We've tried to work with people. We've tried to work with organizations. You want to achieve goals, but you don't -- and, you know, you shouldn't take pride in destroying anybody in getting there. There will be people who disagree, and will -- you know, will maybe feel differently about that.

But I -- I think it's important to keep a -- you know, a truly wide perspective, always try to do the right
thing and make sure that each year we're making
improvements, and we'll get there. As a state, we're -- I
can you I just returned from China. We had discussions
about some of the things we're doing with some high
ranking officials there. We're providing assistance, as
many of you know in so many ways, and I've never seen the
air cleaner in Beijing when I was there just a couple
months ago. I've never ever seen it that -- now, I
don't -- it's not all over with. You know, and you see
the products of their regulations all over.

They're doing an awful lot. They're not there
yet, but you know that we have, in a sense, had a hand in
that.

So thank you for tolerating me, Madam
Chairwoman --

(Laughter.)

BOARD MEMBER ROBERTS: -- and the rest of you.
And I -- honestly, you'll hear me rooting for you and
cheering. We want you to succeed.

Thank you.

CHAIR NICHOLS: Thank you so much.

(Applause.)

CHAIR NICHOLS: Now, in some places, that might
be, you know, prelude to adjournment. But instead, it's a
rallying cry to get to work, because we have an agenda and
some work to be done.

So let us start -- we will know, I think, hopefully at least convince you to stick around and have a piece of cake when we have a chance at the break.

There's -- next item on our agenda is a continuation of an item from the November Board meeting. At that meeting, CARB staff presented Volkswagen subsidiary Electrify America's Proposed Cycle 2 Zero-Emission Vehicle, or ZEV, Investment Plan, and their assessment of how well the plan aligns with the requirements of Appendix C of the Volkswagen 2.0 liter partial consent decree, and with Senate Bill 92, and Board Resolution 17-23.

So after a short staff presentation and discussion, we will move towards a resolution to approve or disapprove, in whole or in part, the proposed Cycle 2 plan consistent with the requirements of the consent decree.

Mr. Corey, would you please introduce this item?

EXECUTIVE OFFICER COREY: Yes. Thanks, Chair.

As you noted, last month staff summarized key provisions of the proposed Cycle 2 plan, and provided an assessment of how well the plan aligns with the requirements set forth in Appendix C of the Volkswagen 2.0 liter partial consent decree and its consistency with
Senate bill 92, and Board Resolution 17-23. And as you
noted, last month, the Board did not take action but
agreed to -- for further discussion.

So last week, staff conducted a meeting with
interested stakeholders to gather feedback informing
staff's next report to the Board on the Electrify
America's progress towards achieving the objectives of the
consent decree. So in addition to providing a short
summary of the proposed Cycle 2 plan, staff will summarize
comments heard at the stakeholder meeting.

With that, I'll now ask Mark Williams of the
Emission Compliance, Automotive Regulations and Science
Division to give the staff presentation.

Mark.

(Thereupon an overhead presentation was
presented as follows.)

AIR POLLUTION SPECIALIST WILLIAMS: Thank you,
Mr. Corey. Good morning Chair Nichols and members of the
Board.

Today, I will review the 2.0 liter consent
decree, the ZEV investment commitment, which is contained
in Appendix C of the consent decree, and is designed to
address the impact to California's zero-emission vehicle
market and the Cycle 1 plan. I will then provide an
update on the Cycle 1 plan investment and a summary of the
proposed Cycle 2 plan, including a staff assessment of how
the proposed Cycle 2 plan aligns with the requirements of
the consent decree. I will also summarize comments
received during our December 7th, 2018 stakeholder
meeting. I will then present staff's recommendation to
the Board.

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AIR POLLUTION SPECIALIST WILLIAMS: On October
25th, 2016, the United States District Court for the
Northern District of California approved a 2.0 liter
partial consent decree between CARB, Volkswagen, or VW,
and the United States Department of Justice. There are
four elements of the consent decree each described in a
separate appendix.

Appendices A and B are considered punitive
measures and address consumer issues in noncompliant
vehicles. Appendix D is also considered a punitive
measure and ensures that the emissions caused by the
noncompliant vehicles are mitigated. As part of the final
settlement, but separate from, and in addition to, the 2.0
liter consent decree and these punitive appendices,
penalties were also levied.

That brings me to Appendix C, which is also known
as the ZEV Investment Commitment. Appendix C is not
punitive, but is instead intended to address VW's impact
to California's ZEV market by requiring VW to accelerate its ZEV market investments in California to support increased ZEV availability and use in the state, a total of $800 million over ten years.

There are four categories of allowable investments: ZEV infrastructure, public awareness, and increasing ZEV access partially through the establishment of green cities.

Volkswagen created a subsidiary, Electrify America, to carry out the Appendix C investments.

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AIR POLLUTION SPECIALIST WILLIAMS: At its July 27th, 2017 Board meeting, the Board approved Electrify America's first $200 million ZEV investment plan, the Cycle 1 plan -- the Cycle 1 plan, which committed:

$120 million for corridor charging stations along highways and metro area charging in Fresno, Los Angeles, Sacramento, San Francisco, San Diego, and San Jose; $44 million for Green City initiatives like ZEV car sharing, ZEV transit and taxi fleets, and ZEV delivery fleets all in Sacramento, to improve access to clean transportation options, especially for low-income and disadvantaged community members; $20 million for ZEV awareness activities; and, up to $16 million for allowable operational expenses.
I'd now like to provide a brief update on Electrify America's progress on the Cycle 1 plan. The next two slides are from our November Board hearing. Mr. Giovanni Palazzo, CEO of Electrify America, will provide the Board an updated review of Cycle 1 progress immediately following my presentation.

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AIR POLLUTION SPECIALIST WILLIAMS: This graphic shows the status of Electrify America's ultra-fast charging station sites in California. As you can see from the top row, 110 sites have been licensed or leased, 63 are in the permitting process, 19 have been permitted, and the site work is complete on five, three of which are now operational.

The bottom row reflects Electrify America's assessment that low-income and disadvantaged community sites represent more than 50 percent of the total projects at each stage of the site development process.

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AIR POLLUTION SPECIALIST WILLIAMS: Additionally, Electrify America has ordered 600 fast chargers, and the first nine have been delivered to their sites. In addition to fast charging, Electrify America is installing Level 2, or 240 volt, infrastructure. Sixty-four Level 2 sites been acquired and three are operational, two of
which are located in disadvantaged communities.

    Each of Electrify America's Level 2 vendors is contractually obligated to install 35 percent of its Level 2s in low-income and disadvantaged communities.

    That brings me to the Green City Initiative in Sacramento. The Sacramento City Council has approved permits for the Gig free float car share program and 260 Chevy Bolt EVs have been ordered by Gig.

    The Envoy car share program, which will ultimately be situated in 72 multi-unit dwellings in the Sacramento area has initiated permitting at 30 locations. And the first Level 2 unit has been installed at Creekside Village in South Sacramento.

    Finally, 12 EV charging site leases have been signed to support the car share vehicles.

    On the education and outreach front, Electrify America's California media campaign has targeted almost 4,000 disadvantaged community census tracts, approximately half of all census tracts in California.

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    AIR POLLUTION SPECIALIST WILLIAMS: Now, I will turn to summarizing the Cycle 2 investment plan as proposed by Electrify America. The proposed Cycle 2 plan would provide $153 million for fueling infrastructure, $17 million for ZEV awareness and education, $10 million for
marketing efforts to drive station utilization, and up to
$20 million for allowable operational expenses.

Let's take a closer look at these investment
proposals.

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AIR POLLUTION SPECIALIST WILLIAMS: Ninety-five
to 115 million dollars would go toward metropolitan
community charging, including in three new communities:
Riverside/San Bernardino, Santa Cruz/Watsonville, and
Santa Rosa. Academic research cited in Electrify
America's proposed Cycle 2 plan reflects that the nine
metropolitan communities selected represent approximately
80 percent of California's population, and are projected
to account for 89 percent of California's 2022 battery
electric vehicle population.

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AIR POLLUTION SPECIALIST WILLIAMS: Twenty-five
to thirty million dollars would go toward increasing
charging equipment density along those highways and
regional routes identified by Electrify America as having
the greatest expected plug-in electric growing.

This would include building out infrastructure in
northern San Joaquin Valley and adjacent mountain
communities, California's Central Coast, and the Inland
Empire.
AIR POLLUTION SPECIALIST WILLIAMS: Electrify America also proposes innovative infrastructure investments first in:

Level 2 home chargers, 2,500 to 3,300 zero money down units, including installation, and the development of an incentive web tool targeted toward low-income car buyers.

Second, transit charging infrastructure. They will identify opportunities to support zero-emission buses and shuttles.

Third autonomous vehicle charging. In anticipation of the inclusion of ZEVs in shared mobility services, such as Uber and Lyft, they will invest with partners to facilitate -- to facilitate charging.

Fourth, Level 2 rural charging. Separate from its fast-charging investments in rural areas, Electrify America proposes a $2 million rural pilot program to invest in 35 to 50 Level 2 charging station sites in rural areas of California including, but not limited to, the Central, Imperial, and Coachella Valleys.

And finally, installation of renewable generation at select sites.

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AIR POLLUTION SPECIALIST WILLIAMS: It's
important, when talking about this level of infrastructure investment, that we understand California's projected charging infrastructure needs, and the proposed Cycle 2 plan's anticipated contribution to those needs. The California Energy Commission's report, "2018 California Plug-In Electric Vehicle Infrastructure Projections: 2017 to 2025", estimated California needs 229,000 to 279,000 chargers to support 1.5 million ZEVs by 2025.

To date, the State has approximately 18,000 chargers installed, representing seven percent of the State's needs, as indicated by the green wedge in the chart to the left.

As part of SB 350 investments, charging infrastructure pilot programs, and other transportation electrification proceedings, investor-owned utilities have proposed or approved plug-in electric vehicle infrastructure projects totaling over $1 billion, as indicated by the orange wedge in the chart to the left.

Electrify America's anticipated infrastructure contribution, via their Cycle 1 and proposed Cycle 2 investments in the State will account for just over two percent of the anticipated 2025 infrastructure vision, as indicated by the red wedge in the chart to the left.

Other public and private investments are still necessary to close the State's 2025 infrastructure gap of
46 percent, as indicated by the blue wedge in the chart to the left.

CARB staff extrapolated the 2025 charging infrastructure projections described in the chart to the left to estimate that we will need approximately one million chargers to support approximately 4.4 million plug-in electric vehicles anticipated by 2030. Electrify America's infrastructure investments, via their Cycle 1 and proposed Cycle 2 investments, will comprise less than one percent of the 2030 infrastructure projection, indicated by the thin red wedge in the chart to the right.

Further, by 2030, the State's infrastructure gap, indicated by the blue wedge in the chart to the right, is projected to grow to approximately 86 percent. Other public and private investments will be necessary to close this gap.

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AIR POLLUTION SPECIALIST WILLIAMS: I'll turn now to Electrify America's proposed Cycle 2 public awareness efforts. Electrify America proposes to continue to use traditional and social media to increase public awareness of ZEVs and their benefits. Electrify America's Cycle 2 media efforts would continue to be brand neutral and feature both battery electric and fuel cell electric vehicles.
Electrify America would also use marketing to boost station utilization. Messaging would communicate for each charger its location, charging speed, acceptable payment methods, and nearby conveniences, as well as affordability.

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AIR POLLUTION SPECIALIST WILLIAMS: CARB posted Electrify America's proposed Cycle 2 plan on October 3rd, 2018. The public was invited to provide comments on the proposed plan through a CARB hosted comment docket that closed on October 26th. Comment letters that have been received since that date have also been added to the comment docket.

Staff conducted an assessment of the proposed Cycle 2 plan taking into consideration the requirements of the consent decree, as well as Senate Bill 92, and Board Resolution 17-23, and the comments received from the public.

Staff publicly posted its assessment of Electrify America's proposed Cycle 2 plan on CARB's website on November 9th. Staff, in its assessment, concludes that the proposed plan meets the requirements of the consent decree and reaffirms Electrify America's commitment to the content of both Senate Bill 92, and Board Resolution 17-23.
I'd now like to summarize the comments that CARB received during last week's stakeholder meeting.

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AIR POLLUTION SPECIALIST WILLIAMS: Board Resolution 17-23 directs staff to report to the Board at least twice a year on progress towards achieving the objectives of the 2.0 liter consent decree. Staff is to consult with stakeholders, including environmental justice groups, labor organizations, automakers, electric vehicle charging equipment companies, and others to inform these reports. CARB staff has engaged with many stakeholders throughout Cycle 1 development and implementation. Additionally, staff convened a stakeholder consultation meeting on December 7th, 2018.

The vast majority of the 40 plus stakeholders who spoke at the consultation meeting were encouraged by Electrify America's partnering efforts, cited examples of projects and benefits including job creation resulting from the private industry investment, and expressed that Electrify America was, in many instances, the first to reach into disadvantaged communities that hadn't seen prior investment. They supported Cycle 2 approval without delay.

A few commenters identified areas where they thought the program could be improved, including
diversifying outreach, making ride-and-drive events available on weekends, and allocating much more than $2 million to rural infrastructure.

Electrify America and other stakeholders identified that outreach materials were already available in two to three languages, and explained that the $2 million rural investment is additional to rural investments under the community and corridor charging investments.

Other commenters suggested that the Los Angeles metro area should receive investments in proportion to the damage done, and that the second Green City should be identified in Cycle 2, and that coalitions of cities be considered for the selection.

Finally, two electric vehicle service providers requested that quarterly reports provide greater spending detail to include quantifying spending in low-income and disadvantaged communities. CARB staff expressed that these spending details are provided in the annual reports.

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AIR POLLUTION SPECIALIST WILLIAMS: Several stakeholders identified hurdles that applied not only to Electrify America, but to other service providers as well. Those hurdles include long permitting times and the impacts of the Americans with Disabilities Act
requirements on siting -- on siting, and demand charge
effects on sustainability.

There was also a discussion to identify those
efforts CARB may undertake to help address siting
conflicts. CARB, along with its agency partners, the
Governor's Office of Business and Economic Development, or
GO-Biz, the California Energy Commission, or CEC, and the
California Public Utilities Commission, or CPUC, committed
to share permitting best practices to overlay CEC and
Electrify America siting lists to identify potential areas
of conflict, and ensure sited infrastructure is additional
and complementary.

Several stakeholders expressed appreciation for
the opportunity to meet and suggested that meetings happen
periodically. Staff concurred that it would be
appropriate to convene regular general infrastructure
meetings.

Finally, staff provided the service providers a
direct contact for reporting specific siting concerns.

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AIR POLLUTION SPECIALIST WILLIAMS: CARB will
ensure it continues to receive quarterly and annual
reports from Electrify America, and that the public
reports continue to be posted.

In turn, CARB will report annually to the
legislature. CARB will continue its EV charger planning
coordination with such entities as GO-Biz, CEC, CPUC, Caltrans, the utilities, clean cities coordinators, air
quality management districts, local officials, and EV service providers.

Finally, as required by the consent decree, the independent third-party auditor will continue to provide annual reports to CARB and will review Electrify America's implementation and accounting records, conduct select onsite audits, and review all expenses and approve only those that are found to be creditable.

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AIR POLLUTION SPECIALIST WILLIAMS: In conclusion, CARB staff recommends that the Board adopt Resolution 18-54, approving Electrify America's proposed Cycle 2 ZEV Investment Plan. Approval of the plan will allow Electrify America to continue its investments providing benefits to California's air quality and ZEV drivers.

That concludes my presentation. At this time, I would like to invite Mr. Giovanni Palazzo, CEO of Electrify America, to address the Board.

CHAIR NICHOLS: And we do have your written report as well. So thank you for providing that in advance.
Good morning.
(Thereupon an overhead presentation was
Presented as follows.)
MR. PALAZZO: Good morning. Good morning,
everyone. Okay. So I hope everybody can hear me now.
Chair Nichols, and Vice Chair Berg, and members
of the Air Resources Board, My name is Giovanni Palazzo,
and I am the President and the CEO of Electrify America.
So let me grab the chance also in my name,
Supervisor Roberts, and also in the name of Electrify
America to thank you for your long-term public service and
collection to the air quality on California.
So thanks for that.
And thank you also for having me back to present
a second time today. As you may know, I began working in
electric mobility at Mercedes-Benz of Daimler in 2003,
where I led the launch of the Mart Electric Drive. I have
been in the clean transportation space ever since.
Before taking this job, I was responsible for the
eMobility strategy of VW Group at the global scale. In
this position, I contributed to develop and propose the
ZEV investment commitment as part of the consent decree.
That's how I had my first extremely positive
experience with the CARB staff. I am honored to have this
unique opportunity to drive ZEV adoption, reduce
pollution, and help the drivers, the people, and the
workers of California.

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MR. PALAZZO: In Cycle 1, we are making
tremendous progress. Just a few highlights include:

Dozens of workplaces and MUD Level 2 charging
stations are now under construction. We are building
ultra-fast charging stations as fast as permits allow. We
have leased 120 sites in only 14 months, 76 ultra-fast
charging stations have been designed, 66 permit
applications have been submitted, and 28 permits have been
approved. Six stations are done with construction. And
very important let me emphasize that last week in
Livermore we opened California's first 350 kilowatt
station, which is capable of charging an EV at 20 miles of
range per minute. That's unprecedented in the industry,
and, of course, also in the U.S.

Deploying first-of-kind technology is, of course,
extremely challenging. But we believe it would be and can
be a game changer for the EV drivers. Much more than 35
percent of this DC fast charging stations at every stage
of development are in disadvantaged or low-income
communities, as you clearly can see in this chart.

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MR. PALAZZO: Beyond infrastructure, last month,
we launched our Green City car sharing programs here in
Sacramento. Our brand neutral advertising spot featuring
the music of the Flintstones and the Jetsons and the Chevy
Volt is getting massive views. I hope you heard it or
seen it, and visited plugintothepresent.com.

Our campaign is coordinated and shares the tag
line of Veloz recently launched Electric For All Campaign.

Finally, we have created partnerships with six
community-based non-profit organizations to build
education and awareness in disadvantaged and low-income
communities.

Across all these different investment areas, I am
thrilled to announce today that Electrify America is on
pace to ensure that more than 35 percent of its -- of
investment is in disadvantaged and low-income communities.

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MR. PALAZZO: Over the past year, Electrify
America conducted a massive outreach and stakeholder
engagement process in order to ensure we included the best
ideas in our Cycle 2 plan. We considered more than 800
comments and suggestions, held dozens of online
presentations, and community meetings, and spoke
individually with more than 100 stakeholders. We talked
to every category of stakeholder from academic and
national lab experts to community groups.
So many of the people in this room have been generous with their time, their data, and their wisdom, and we thank you all for that.

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MR. PALAZZO: Last week, as mentioned already, we joined a stakeholder meeting held by CARB that continued these 12-month process. We were pleased by the level of engagement, and we were humbled by the overwhelming support for both Cycle 1 and Cycle 2 investments.

As you can see, more than 60 nonprofit organizations, ZEV industry players, municipal leaders, elected officials, and community groups have written to CARB to urge rapid approval during the comment period.

And last week, many of these organizations traveled from all parts of the state and country to express support for the Cycle 2 plan.

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MR. PALAZZO: I believe this tremendous support is in place, because we listened to Californians when designing our Cycle 2 plan. Based on stakeholder and CARB feedback, we made major changes from Cycle 1 and early Cycle 2 drafts. Each change, including new communities for investment, increased funding for community-based organizations, new investment categories like ride hailing and transit, and rural Level 2 charging, were a direct
result of stakeholder and CARB input.

    Thanks for that.

    We also committed to making economically sustainable investment in disadvantaged and low-income communities. Specifically, we will again strive to ensure that 35 percent of all investment in Cycle 2 is in disadvantaged and low-income communities. We will expand community charging station investments to nine metro areas home to 32 million people, and include heavily disadvantaged communities in Santa Cruz, Riverside, and San Bernardino.

    Corridor charging will be targeted in the Central Valley, Sierra Mountain region, the Inland Empire and the Eastern Mojave Desert. A new ZEV infrastructure use cases include: A rural pilot program located in Central, Imperial, and Coachella Valleys; investments to support transit services and ride hail drivers suggested by Los Angeles governments; and a program to help Californians add residential charging. While some of these investments are at pilot scale in Cycle 2, they have the potential to expand in Cycle 3.

    Finally, we have committed that 35 percent of brand neutral media will be geotargeted in disadvantaged and low-income communities. And we will keep on funding the work of effective community-based organizations.
MR. PALAZZO: There were only a very few critical comments submitted to CARB regarding the Cycle 2 plan. But myself and Electrify America we take these concerns very seriously.

First, a few firms in the hydrogen industry encouraged us to fund hydrogen projects. The strategy team of Electrify America started a very productive dialogue with these companies and we remain open to any economically sustainable investment opportunity may come.

Second, commenters suggested that Electrify America has been underinvesting in rural areas. As detailed in my letter on December the 7th to Chair Nichols, we are investing strongly in rural areas in both cycles. We believe, and I believe, this was a misunderstanding.

Finally, while more than a dozen companies in the EV charging industry endorsed the Cycle 2 plan and highlighted the positive impact we are having on competitions, a few comments suggested CARB direct our investment away from the markets in which EV charging is most needed.

We believe that knowingly building charging stations where they are unlikely to be used would be inconsistent both with the consent decree and with the
mission of the team of the Electrify America.

    Some companies might benefit from Electrify America being excluded from certain markets. But we believe that reducing competition, dividing markets, or excluding competitors from markets is not in the public interest and would undermine ZEV adoption.

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    MR. PALAZZO: Building out the largest ultrafast known proprietary charging network in the United States is a monumental task, and we will not be successful alone. Our team could not have developed a Cycle 2 California ZEV investment plan were for your such solid support without tremendous stakeholder input. For many stakeholders, we know this is a passion not a profession. And we thank you all for your contributions.

    And over more than six months of dialogue, meet-and-confer sessions, and data mailings, CARB leadership and staff have provided us with invaluable input. Guidance and suggestions that made the plan better. We are grateful, very grateful, for your time and assistance.

    CARB staff found in their report that the Cycle 2 plan exceeds the goals and the requirements of the consent decree, and recommended approval. I hope today you follow their recommendation. So thank you again for your time
and support.

Thank you.

CHAIR NICHOLS: Thank you, Mr. Palazzo. I hope you'll stay to answer any questions that the Board members may have. It is clear that you've been listening and paying attention to the comments you've received from our staff. And while certainly you haven't succeeded in making everyone support your proposal, you have come an impressive way in terms of gaining support. So that's helpful.

But I do want to make sure that Board members who have any questions now have a chance to raise them.

Yes.

BOARD MEMBER FLOREZ: Great. Thank you. I know we have a lengthy list of participants today, but I do want to ask -- and thank you for showing up. You know, I do have some questions for the CEO. And thank -- we've been having a bit of exchange. And I appreciate the timeliness of your responses. So I want to hone in on some outstanding items that you've mentioned.

I do want to put it in context though. You know, the last time this Board approved this plan, there was another CEO standing right where you were. His name was Mark McNabb.

MR. PALAZZO: Yeah, sure.
BOARD MEMBER FLOREZ: And I started that by asking the question why should we trust you?

MR. PALAZZO: Yes.

BOARD MEMBER FLOREZ: And I think the answer was I'm going to be here a very long time.

MR. PALAZZO: Yes.

(Laughter.)

BOARD MEMBER FLOREZ: And this plan is going to be reflective of, you know, in some sense, the experience that you bring to this. So just forgive me a little bit, but not focusing in on the personality of the CEO at the time, but the plan.

MR. PALAZZO: Yes.

BOARD MEMBER FLOREZ: Because I think that's what this Board has to really focus on.

Maybe my first question would be you've seen -- we had a pause from the time you were here last meeting to this, so like 30 days. And we had a session that staff characterized very well, as I understand it. But I guess my question is from what you've seen today that the staff offered in terms of that pause meeting, or that get-together, were there any items on that that you feel that you would incorporate or put into this current plan?

MR. PALAZZO: So I think -- so the first point is that I understand you may have also some concerns --
BOARD MEMBER FLOREZ: Yeah.

MR. PALAZZO: -- because I am popping up like a new guy from Germany.

What speaks I think, and I hope in my favor, is the long veteran on the ground on the EV space.

BOARD MEMBER FLOREZ: Um-hmm.

MR. PALAZZO: And I started with it when I was much younger, let's say. And I think my career can speak and has -- has been backboned on too many elements, one is the interests for EV to making this happen. The second is integrity and performance.

So I hope that the Board can trust me. I have an incredible willingness to make and to help through Electrify America eMobility happen in the U.S., and of course in California.

So regarding the stakeholder meeting, I can simply, first of all, thank you, because of -- it's because of your request last time that we made -- we made this happen. I think it was extreme beneficial for all of us. And Mark from the CARB staff highlighted core elements in my view.

BOARD MEMBER FLOREZ: Um-hmm.

MR. PALAZZO: So the first one is that I think we need to have and to confirm such emitting where we have the whole industry trying to make efforts to make sure
that eMobility takes place in California all together in
one place meeting at the same time.

    I think another couple things that have been
shown when we can work all together as an industry to
really expedite and make sure that we keep on winning
pace, in terms of, you know, increasing ZEV adoption.
This is, at the end of the day, also the final biggest
commitment of the consent decree.

    So I would say that Electrify America will be
more than happy if the stakeholders meeting keep on taking
place, first of all. I think it should look more into the
common challenges that we all as, let's say, charging
companies and companies who are making business in the EV
space, can identify, you know, to try to, you know,
somehow accelerate EV adoption like I told you.

    You have seen four elements in the list of the
staff. I think the most interesting one for all of us,
when I talk also to the other colleagues, is permitting.
So permitting is when we all -- some -- it's a little bit
pain point for us, because it's where we lose control. So
you have a site acquisition in place, and then you have
your site leased. You have design going on. Actually,
everything is ready to be built and then you stop a little
bit into Permitting.

    What we are doing, we are doing a lot, I think,
on the -- to try to make sure that we can join forces regarding this. I need to admit that the permitting time that we see in California at the moment, it's much longer than what we are witnessing on the national level. In some cases, it's way more than 50 working days. So, in some cases, we have sites blocked for a couple of months. And this is not Electrify America only. Of course, you know, it's also all the other company in the space.

So I do not want to, you know, bring too much attention on that, but I think I can commit Electrify America to go on on that.

Regarding the second question that you --

BOARD MEMBER FLOREZ: Well, I think my major questions, just to cut to it is maybe staff can put up the public comment recommendations you had up earlier. I'm not sure what pages those were, but your summary. And my question is of what is on the summary do you support and can we include all of those recommendations in this particular resolution?

MR. PALAZZO: I think for one of them -- some of them actually we can agree. And some other like having closer look and, for instance, also increase the reporting, I'm not sure that if I can commit to that in this occasion.

BOARD MEMBER FLOREZ: Okay.
MR. PALAZZO: And us you may know, the -- and I think as the CARB staff highlighted very briefly, the scope of the meeting today is to assess if Cycle 2 plan meets the requirements of Cycle 2 plan.

BOARD MEMBER FLOREZ: Okay.

MR. PALAZZO: Very Frankly, senator Florez, I'm not in the position to commit to additional reporting to the consent decree, because I cannot represent all the settlement defendants here, and I can speak for only to Electrify America.

So my suggestion is that we can -- and I defer to the CARB team for that, but Electrify America is willing to discuss each of these elements. I think it's a little bit of cold shower to commit to all of them today. Diversification of our reach, we need to understand what is meant for that. We are happy to deep dive and to keep on having this open dialogue that we're having to understand more.

But some of them I could say a big yes, but we need more information for a fuller commitment.

BOARD MEMBER FLOREZ: Okay. Well, that's fair. But I would say that the plan got a little better than it did the last time we were here.

MR. PALAZZO: Yeah.

BOARD MEMBER FLOREZ: And I think the pause
created quite a good amount of positive suggestions that
our staff has laid out here.

MR. PALAZZO: Yeah.

BOARD MEMBER FLOREZ: And particularly, your
predecessor, when presenting the plan last time, mentioned
the inclusion of a Green City. And it was kind of part
and parcel of Sacramento had just been part of that Cycle
1. This plan does not include a Green City, is that
correct?

MR. PALAZZO: It is absolutely correct.

BOARD MEMBER FLOREZ: And what's the -- what am I
missing from the first CEO to you that somehow this
particular concept, which seemed quite popular and had the
support, I believe, of a lot of the same groups on this
list, why isn't it here in this plan?

MR. PALAZZO: Yeah. Thank you for the question,
Senator Florez. I think we discussed also CARB staff that
the reason why you're not seeing a second city at
several -- several elements. The first one is that, as
you may know, we are talking about $44 million investment
in Sacramento. It's again something like unique,
especially coming from a private company. Let me analyze
for, you know, the use of the people here and the friends
that are joining us today, which are the main elements of
the Green City.
So first of all, you have two car sharing programs. The one with Envoy is online. I hope that you've seen it already. We are working beautifully with the City of Sacramento with this act to zero activity. We're going to have here, because I've seen everybody, some friends from the SACRAMENTO CITY to testify then.

BOARD MEMBER FLOREZ: Um-hmm.

MR. PALAZZO: The good news is that we are starting the second car sharing program in February this year. It's Gig. Another company, other cars. We're going to use Chevy Bolt. You have seen the Electrify America is using a lot of Bolts, so we seem -- we like a lot this car.

We're going to have two shuttle and bus services. Of course, you know, electric and fueled by electric charging installations. This is also something pretty unique. And we are having to be fair with you. Some challenges in getting the contracts for these buses, and we are looking to alternatives in some cases to speed up a little bit. That's one of the examples without doing any kind of finger pointing at all.

When you see an lapse sometimes also in the charging site that, in some cases, the industry is not even ready to somehow support the effort of Electrify America.
BOARD MEMBER FLOREZ: Okay. I guess my question is the --

MR. PALAZZO: I'm coming to it.

BOARD MEMBER FLOREZ: -- the 30 -- it's a 30-month plan. We're 18 months into this. We're, you know, halfway through the first investment cycle. The next investment cycle will come up and we have 30 months in that period.

MR. PALAZZO: Yeah.

BOARD MEMBER FLOREZ: So I'm wondering, as was portrayed to us the last time, that Green Cities would be a very large part --

MR. PALAZZO: Yeah.

BOARD MEMBER FLOREZ: -- of the investment cycle. And I'm just wondering, you know, that dropped off. Why did it drop off?

MR. PALAZZO: Yeah.

BOARD MEMBER FLOREZ: When will it come back?

MR. PALAZZO: Yeah.

BOARD MEMBER FLOREZ: And will it come back?

MR. PALAZZO: You're right. I'm going to read up a little bit. And instead of highlighting the plan, I come to the answers.

So the first one is that the reason why, and was the reason why I was explaining all the activities, you
will see the highest impact of the Green City in Cycle 2 actually. We would like to take the opportunity to learn from the activities in Cycle 2. We already committed to CARB that we are happy to identify a second Green City in Cycle 3 already. And I'm pretty sure that you saw in the annual report, we explained in detail all the methodology that we used for identify Sacramento. Actually, we will work a lot with the CARB staff, as well as with all the stakeholders to identify the second city already in the course of Cycle 2 plan.

So the information is that, yes, we're going to start to selecting the city in Cycle 2, and we are committed to have the second Green City in Cycle 3.

BOARD MEMBER FLOREZ: Okay. Well -- okay. Well, I think that will be part of the record, but I just -- just for the record, the passed cite will give us a different picture. So I know these cycles will keep going, but I think, at some point, the Board will wonder what a plan is that we're approving that changes so significantly, and particularly on the large investments like a Green City.

So I would just simply say if that's the commitment, we should begin having stakeholders begin to talk about that particular aspect.

Just two other questions. I don't want to
dominate the conversation. But most of the plan that was put up a moment ago by staff, I was struck by the -- this -- the chart that showed the percentage of how far we have to go. And two percent for VW and the other seven percent for all the other manufacturers. So the way I read that chart was simply that you're two out of seven. You're -- you know, you're some 28 percent. That's a big percentage in terms of your participation actually in this particular endeavor.

So given that, how do you view -- we've been talking a lot about disadvantaged communities, because I look at the maps that we're put up by both yourself and the staff, are these locations making it easier to drive through rural communities or are these locations making it easier for those people who live in rural communities to connect a Leaf, or connect a car that may not have Tesla capabilities? How would you view that as being part and parcel of the solution? And I'll just preface it by saying, I view this many -- I mean, the punishment thing was very pronounced by staff. It was in red and making the distinction between a punishment and investment the points made.

But in some sense, I've always thought the goal was for you to put charging stations in places that were not being led, in some cases, by the metropolitan area. I
thought the private sector was doing that. I thought, in
some sense, CEC was doing that. PUC is doing that.

MR. PALAZZO: Yeah.

BOARD MEMBER FLOREZ: They're incentivizing folks
into that category. How do you fit into that ecosystem --

MR. PALAZZO: Yeah.

BOARD MEMBER FLOREZ: -- if you are also racing
into those areas, and therefore leaving some of these
areas that may be on a spine, but will never be able to
truly connect from a small rural community to, if you
will, a highway.

MR. PALAZZO: Yeah. So great question again.
Thanks for that.

BOARD MEMBER FLOREZ: Um-hmm.

MR. PALAZZO: Let me use one minute to highlight
the whole rural investment that Electrify America is
overtaking. There's different elements in Cycle 1 and
Cycle 2.

I start with Cycle 1. In Cycle 1, you've seen
that we are overtaking $75 million investment on the
highway. The point is that it's on a highway, but we have
a lot of location, which, as you said, they are touching a
lot of rural areas. I'm thinking about some -- I'm
thinking about all the CA-99, as you mentioned, a question
city. So these are a pure rural region.
Out of the $75 million, 40 percent we calculated are completely going into rural areas. The good point is that we will be able in Cycle 1 to build up very large amount of highway charging giving us the chance to have a spacing between the stations of not more than 48 miles, coming to your point.

So what does it mean? That we have the ability in Cycle 2, and I think the luxury, to only filling spaces. And actually we have two additional investment cycles behind that.

Coming to Cycle 2 specifically, we are investing 25, 30 million dollars in Cycle 2 and 80 percent, 80 percent, of this goes into rural areas. So why I'm telling you to do that. First of all, because if you combine -- the math is pretty easy. It's more than $50 million going into rural areas. And I think, which is important, is the way we are designing the stations is that, of course, they are beneficial for people moving on a highway, but they are much more highly beneficial also for the people living in rural areas.

Why that? Because it's a combination of highway and metro station, you know, that we are building with Walmart, Target. So these are locations where rural areas people, you know, need to go. And we think that's the best place actually we can combine this approach.
And one additional point is that we are not happy enough, let's say, and we -- we wanted not only to invest on DC fast charging station in rural. And that's the reason why we not only plan, but even increased, the level of the investment on Level 2 charging in rural area. This will go in Imperial, Central, and Coachella Valley.

And while the amount of money could, you know, be small -- or be seen as small, actually two million for Level 2 a lot of money. So we are talking about more than 40 stations, hundreds of chargers, and we are going to locate them into educational and health centers.

The reason why we did that is because there are some DOE researchers based in California that seeing that when you start working in these location, historically, EV adoption is waiting.

So if you combine all that, and then I'll give a minute to you, we are talking about more than 50 million investment in rural areas, investment on highway plus metro charging, which is high beneficial for both use cases, and we added a new piece on Level 2 site.

BOARD MEMBER FLOREZ: Okay. Just my -- I don't want to dom -- this is my last question. Just -- not a question, maybe a comment. I think the issue is, going back to my -- the Board is -- you're the CEO and CEOs come and they stay sometimes long periods of time, kind of like
Mary Nichols around for a long time. And then there's
some CEOs that are trans -- kind of move. So you're going
to be here for a little bit.

Next 30-year plan -- next 30-month plan -- here's
what I think is lacking. And I'd really like the staff to
work with you on this. I think we lacked the data to
support most of what you've just told us. And I'm going
to hold it at face value. I'm going to say that
everything you've given is absolutely a correct point.
But I don't think we have enough data for the Board itself
and the staff to really, in some sense -- a once-a-year
check-in again is problematic. I applaud the fact that
you want to have more reporting in some sense or
get-togethers.

But I think data accessibility, would you commit
to somehow helping us with the data that would be
necessary for us to continue monitoring how this
investment is going? It is an investment. You look at it
that way. If we're looking at it that way from the other
side of the table --

MR. PALAZZO: Yeah, yeah.

BOARD MEMBER FLOREZ: -- we need lots of data.
We need lots of accessibility. We need transparency. We
need to see the data that you're looking at. We need to
be able to evaluate were you're doing like any company
would or board of a company.

MR. PALAZZO: Yeah.

BOARD MEMBER FLOREZ: So I'm just wondering if -- that's what seems to be lacking, particularly in this case. We have lots of presentations, but very little data.

MR. PALAZZO: I -- let me comment also briefly here. But I'm a little bit surprised, because if you look at Cycle 2 plan and the annual report, I think we're having a pretty scientific approach there. I understand that it's almost 100 sites document. It's difficult to navigate, and we think we are a data-driven company that takes also position based on data, but I take the point with me.

If you -- actually, perception is true, so if you think that we need to increase the quality and the amount, I'm very happy to deep dive with you, understand work we can improve, and together also with CARB team try to -- try to do if we need to do a better job to increase the transparency and the quality.

BOARD MEMBER FLOREZ: Thank you.

CHAIR NICHOLS: I think I'm -- thank you.

This has been a long colloquy, and I didn't make any attempt to stop it, because I thought it was useful. I found out, just as I was on my way here this morning,
that two of our Board members had written a piece which was published at about 3:00 a.m., I believe, today on this same topic. And so I wanted to make sure -- it was published in the Sacramento Bee actually. And I think the points are obviously reflecting deep concerns and wanting to make sure that the rest of the conversation goes well.

So for that reason, unless there are other Board members that really feel a need to speak at this point, I would like to move directly to the public comment, if I may. And then we'll have some time at the end for other Board members also to check in.

BOARD MEMBER SHERIFFS: Can I ask just one question?

CHAIR NICHOLS: Yes.

BOARD MEMBER SHERIFFS: It will be short.

CHAIR NICHOLS: All right.

BOARD MEMBER SHERIFFS: Thank you. Thank you for your -- you work, and really I think your -- you -- you hear the message and understanding that -- and flexibility and changing. It's very important, because the rural intent is very good. And the question is but we need to prove it to ourselves that it's actually doing what we intend it to do.

MR. PALAZZO: Yeah.

BOARD MEMBER SHERIFFS: My question is in terms
of the Cycle 1 and Cycle 2 when are they done, or what are
the benchmarks when we get to Cycle 3? Well, where do we
expect to be in Cycle 1 in terms of what we've
accomplished?

MR. PALAZZO: Yeah. So in Cycle 1, I do not want
to complain, because it was also, you know, on -- let's
say on the ability of -- of this ability of Electrify
America at that time. But in Cycle 1 we commit to have
100 city sites in place DC fast charging station by the
end of the cycle, which is only -- which is only, let's
say, mid of next year. And let me underline only that you
understand the magnitude of the effort that we are doing.

We are committing to this target, and we are not
asking CARB Board to any kind of, let's say, postponement
to that, despite the fact that you know that we have an
approval eight months after the start of the cycle.

So what is happening is that Electrify America is
doing all these figures that we are bringing into the
funnel. You have seen that we opened Livermore last week,
250 kilowatt charger, which is amazing in the space, in
only 14 months.

So my only request to you is that I hope that you
see what Electrify America is providing in terms of
construction pace and quality on the national level.

So on the APA side, Electrify America is almost
more than 55 sites online, and more than 70 are ready to be energized. So my goal, and the goal of the team, is that -- and that's the reason why it's important to have a green light from you today, we want to show this pace also in California. Give us the chance to show us what Electrify America is able to do in a bunch of months, because we are able to confirm to you that pace that you are seeing on a national level also in California, if you give the approval today.

So the combination from Cycle 1 and Cycle 2 would be an unprecedented number of DC fast charging station, Level 2 charging, metro areas, workplaces, which would be an unprecedented pace in the space. While I not want to be too, let's say, to -- do not show the ego of Electrify America here, but let me emphasize that nobody was able in the EV space before to build up so fast like Electrify America is doing over the last months.

So I'm committing that we are going to build up and fulfill all the obligation on Cycle 1. And if you see to the variety and the diversity of the Cycle 2 plan, which I agree with Senator Florez, is much, much more mature. So if you compare the two plans, the second one we are having so much more complexity. We are having autonomous driving, we are having -- we are having residential. We are having all elements that actually
will make our life not easier. But the reason why we are
doing that is because we think we need it, if we want to
move on and increase EV adoption in the space.

So I think at the end of Cycle 2, we will be able
to deliver the promise that CARB staff mentioned to be
able to cover more than 85 percent of the EV cars in the
market only through Electrify America.

The question I have not to you, but to the whole
team, is that you have seen the chart, despite the
tremendous impact of the two billion investment of
Electrify America -- and actually we are going to achieve
only two percent of the charging needs in California.
Together with the other colleagues and company which are
working, we're going to achieve the 46 percent. So the
question is that who is covering all the rest?

The way -- the reason why I'm telling to you that
is that there is enough space for other companies to come
in. And potentially, we need other companies to work with
Electrify America, all the other players, to achieve the
goals of California.

CHAIR NICHOLS: Yes. I was going to ask the
staff to put up that slide again that showed 2025 and
2030, and the fractions of the charging that actually we
think we have covered, as well as what's not covered. And
before we finish this item today, I also want to ask the
staff to be -- to add some more thoughts about how we can work more effectively to make sure that that big gap is filled, because it's enormous. It's not just on ARB. It's not just on Volkswagen obviously, but we need to be working with our colleagues at GO-Biz, at the PUC, the Energy Commission and others to make sure that we're helping to steer investments in the direction that's needed for the -- to support the kind of market that we are very much hoping to achieve here in California.

   All right. I'd like turn to the witnesses. And because we've got 50 of them, and because this item has been covered quite extensively, I'm going to ask all of you to -- beginning right now, to limit your comments to two minutes, if you -- if you will do that.

   All right. We have a list up on the Board, so let's get started. And if you can be moving along, when you see your name is coming up on the list and moving down towards the front, that will also save us some time. Thank you.

   MS. MAINA: Hello. My name is Eva Maina. I'm here on behalf the Assembly Member Kevin McCarty, who asked me to read following statement:

   "Chairwoman Nichols and Board members, thank you for the opportunity to speak in support of Electrify America's Cycle 2 investment plan. The State of
California has enacted robust climate change and air quality policies. In order to make the substantial reduction in emissions of greenhouse gases and harmful particular[SIC] matter required to meet California's climate and clean air goals, we need substantial investments in transformative technologies and infrastructure.

"As a representative of the City of Sacramento and the California State Assembly, I was very pleased to see that Electrify America designates Sacramento as its first Green City in Cycle 1, which will continue through Cycle 2. Electrify America has partnered with the City of Sacramento and the Sacramento Regional Transit District to launch two EV car share programs and an EV car transit service in early 2019.

"This transit service will connect the cities of Sacramento and Davis, and will expand higher education access and economic development opportunities in the greater Sacramento region. Cycle 2 will focus on continuing the build-out of the charging infrastructure, as well as implementing an innovative residential charging program. I believe that these prudent investments, especially in disadvantaged communities, will put us on a path to reach our ambitious climate goals.

"For these reasons, I respectfully urge you and
your fellow CARB Board members to approve Electrify America's Cycle 2 investment plan".

Thank you.

CHAIR NICHOLS: Thank you.

MS. ROBINSON: Good morning, Madam Chair, Board members. My name is Judy Robinson and I chair the Sacramento Area Plug-In Electric Vehicle Collaborative. On behalf of the PEV collaborative I want to thank you for the opportunity to speak to you today and extend our appreciation for selecting Sacramento as the first Green City.

We've been incredibly busy since you made this decision, and we hope that our supportive comments for Cycle 2 investment will result in approval by your Board today. We still have much to do.

The PEV Collaborative comprised of the City and County of Sacramento, SMUD, the Air Quality Management District, SACOG, Sacramento Clean Cities, Sacramento Electric Vehicle Owners Association, and numerous others have been working together since 2015 to increase the deployment of electric vehicles and related infrastructure.

In June 2017, we completed an electric vehicle readiness and infrastructure plan that outlines the current and forecasted demand for charging infrastructure
and prioritizes their locations across Sacramento.

Electrify America has also joined and actively participates in our collaborative. Because of Green City and Electrify America investment, we've been able to leverage their investment with other funding to start implementing the EV readiness plan. Charging infrastructure, new electric mobility with the Franklin neighborhood shuttle bringing much needed clean and new mobility options to this disadvantaged community, and numerous other investments are already transforming the electric vehicle environment across Sacramento and the region.

The Cycle 2 plan is well thought out and strategic. We're pleased that there will be ongoing support to advance Green City work, along with increasing education, outreach, new mobility options, and growing charging infrastructure particularly in our low-income and disadvantaged communities.

The Sacramento Area PEV Collaborative committed to the success of the Green City Initiative and Cycle 1 and 2 investments, and urge your support of the Cycle 2 plan. We will continue to do whatever might else be necessary to ensure the success of the investments going forward.

Thank you.
CHAIR NICHOLS: Thank you.

MS. GRESS: Good morning. My name Madam Chair and members. It's great to see you all. Jennifer Gress on behalf of Sacramento Mayor Darrell Steinberg. We're here in strong support of this plan. Home to Electrify America's first Green City.

This plan is thoughtful, demonstrates significant outreach and learning over time, and provides the necessary level of support to continue the Green City Initiative in Cycle 2. To date, Electrify America has been a collaborative and responsive partner with a strong commitment to addressing Sacramento's community needs, with a strong focus on low-income and disadvantaged communities.

On that point, there is significant planned investment in those communities, particularly for car sharing and the ZEV shuttles. For example, about 70 percent of Gig's home zone for free flow car share is in -- going to be in disadvantaged or low-income communities. And 75 percent of Envoy's planned investments are going to be in low income and disadvantaged communities. So we're very, very pleased with that level of investment.

Over the past year, the city has been working quickly to establish the policy frameworks, and permitting
process -- processes to enable the expeditious
implementation of Green City investments, including a --
adopting a car share policy, developing permitting fees,
and establishing expedited permitting processes.

With respect to permitting, we have permitted
four fast charging depots and three are under construction
now with a fourth scheduled to start after the holidays.
And we've also permitted 13 Level 2 chargers at
multi-family buildings, and six are under construction or
operational.

We look forward to continuing our partnership in
implementing the Green City Initiative, and we're happy to
share what we are learning with the Board and with other
communities moving forward.

Thank you.

CHAIR NICHOLS: Thanks.

MR. PIMENTEL: Madam Chair and Board members,
Michael Pimentel here to support the Cycle 2 plan on
behalf of the City of Los Angeles's Mayor, Eric Garcetti.

We think -- we want to thank Electrify America
for working with the Los Angeles region over the past nine
months to get this Cycle to 2 plan to roll out. The
necessity for concentrated funding to keep pace with
demand in the city are critical, and we appreciate the
continued open dialogue with the Electrify America team.
The tremendous need for the Cycle 2 investments within the City of Los Angeles cannot be underscored enough. As you know, despite making significant improvements over the last decade, Los Angeles still has some of the worst air quality in the country, mostly concentrated in underserved communities.

Los Angeles County is home to over 50 percent of the state's top 25 percent disadvantaged communities as ranked by the CalEnviroScreen, and over 60 percent of the state's top 10 percent of disadvantaged communities. In all, over four million people in Los Angeles County live in disadvantaged communities.

Now, addressing the emissions from our transportation sector, as you know, is essential to addressing our pollution challenges and for serving the needs of some of our most disadvantaged and overburdened communities.

The Electrify America funding is critical for addressing these needs. Some evaluations show that the need for infrastructure to support electric vehicles is 100 times greater in Los Angeles than in other parts of the State. Currently, there are about 2,000 publicly-available chargers. Although, there are approximately 143,000 EVs in Los Angeles. About five percent of new car sales in Los Angeles are electric.
vehicles. And we are the third largest market in the world for EVs after Shanghai and Beijing. And that demand is expected to grow.

For these reasons, we are supportive of ARB's goals to use these funds to accelerate ZEV adoption. And we think the level of investment in the plan for metropolitan areas like Los Angeles fairly corresponds to our level of need. And we ask the Board to approve this proposal today.

Thank you so much.

MR. LE: Good morning. My name is Minh Le. I serve as the general manager for energy environmental services or the County of Los Angeles with broad responsibility over the deployment of EV infrastructure and ZEV infrastructure across county facilities, as well as in partnership with other public agencies in the region in harmonizing and identifying challenges and opportunities for ZEV adoption. One of the key areas that we observed is actually the permitting as other speakers before us have already identified.

My first comment really has to do -- and I'm coming from a position as a technologist and someone who has studied, and participated, and led technology sectors in making profound societal and environmental impact, growing sectors as high as 150 times.
And so one of the key aspects here that I want to point out is that we are at a critical phase in EV adoption and infrastructure investments. We'll help increase that moving beyond that early need of that S curve. So what's critical here, I believe, is that the investments are targeted in areas where it will have maximal impact.

And the region of the Los Angeles and other metropolitan regions, we have very significant deployments of EVs, as pointed out earlier by the City of Los Angeles. We have roughly 50 percent of the disadvantaged communities, you know, across the state, and about 25 percent of the EV registered according to the CVRP program.

So, in short, I believe we should be dedicating the majority of our investments and funding in areas with greatest unmet need, and that being in the major metropolitan areas, and L.A. in particular, has not seen the level of investments that we need in order to grow EV adoption significantly.

So demand in the L.A. region is increasing exponentially, as pointed out by the Luskin Center. Where we see investments, we will see increased adoption as well.

So I think that's my time.
(Laughter.)

CHAIR NICHOLS: Thank you so much. I appreciate the digression. It was -- it was really very helpful, so thanks for your help.

Okay.

MR. SMART: Hi. Anne Smart with ChargePoint. Thanks for the opportunity to have the stakeholder meeting last week. We appreciate Analisa coming forward as the point of contact for our competitive concerns. And we continue to have significant concerns, particularly around the notion that these are incremental and additional stations, as implied by the Venn diagram that staff put up earlier.

Just last week, one of my sales representatives for Silicon Valley reached out to me in a panic, because one of our workplace customers, a tech company headquartered in Cupertino with dozens of our stations already installed was in the middle of working out a deal with us, and then was approached by Electrify America with the offer of free stations.

Now, of course, this tech company, which would have otherwise spent its own private money, is going to move forward with taking the free stations instead and working with Electrify America.

This is an ongoing issue for us. It's something
that my company internally would like me to figure out a
solution for. But I've let them know that it doesn't seem
that the incremental and additional guidance that CARB
provided at the beginning of this process is being
implemented. And I expect this is going to continue over
the next few years.

We're not asking for leg up in the marketplace.
We're just asking for a level playing field. We know this
money is going to be spent in metro areas. We understand
that there's a need, as was just addressed by L.A. But we
may need to reconsider our own position in those markets.
We can't use the State funding even to compete against
free. We tried to apply utility programs. We've tried to
apply rebate programs. But we don't have the ability to
offer free charging stations, and that's currently what's
occurring in this marketplace.

Yes, there's a greater need for stations in
California than either us or Electrify America could alone
do. But if one company's actions are displacing another
company's ability to sell a station, then you're not going
to see the growth that California needs to meet its goal.

Our concerns remain in place and we look forward
to working with CARB on this. Thanks.

CHAIR NICHOLS: Thank you.

MR. SERFASS: Chair Nichols, Vice Chair Berg, and
members of the Board, thank you. I'm Jeff Serfass. I'm Executive Director of the California Hydrogen Business Council. We've provided comments before. I want to update those comments here verbally with you today.

Since the last ARB Board meeting, we have pursued a dialogue with Electrify America in a def -- in a deffort -- in an effort to identify investment decisions and criteria that they've applied. Many of our members have attended the call that we had with EA. We hope that EA will continue to find ways to ensure a robust hydrogen station plan as they have alluded to before.

But with regard to the learnings about the hydrogen industry, we had over 250 people here in town in the last two days at our hydrogen fuel cell summit. And it would have been a great time for EA to attend and hear the business speakers covering a broad array of the industry and learn about the business details in our industry.

We need them to provide a balanced ZEV investment plan, not just a battery electric vehicle investment plan we. Ask ARB to review their -- EA's financial feasibility and cost effectiveness criteria. Are they the same for charging stations as for hydrogen stations?

Automobile manufacturers have made large investments in fuel cell electric vehicles, billions of
dollars, and it amazes us that EA has not found good investment options for hydrogen stations, as both EV charging and hydrogen stations face financial feasibility and cost effectiveness challenges at this early stage.

In Cycle 1, we were told there were going to be hydrogen investments. This investment plan continues to not support hydrogen infrastructure. This approach continues the unequal treatment of hydrogen when ARB itself says fuel cell electric vehicles are critical to meeting greenhouse gas goals. And ARB should question the fuel and brand neutrality of this ZEV investment plan.

There is a need for heavy-duty deployment. There’s an important synergism between Heavy-duty and light-duty fuel cell vehicles, because hydrogen production for heavy-duty will drive down the cost of hydrogen. The number of vehicles in light-duty will drive down the cost of the fuel cells.

CHAIR NICHOLS: Thank you.

MR. SERFASS: So we ask you to address this inequality issue, whether you approve the plan or not --

CHAIR NICHOLS: Please.

MR. SERFASS: -- after.

CHAIR NICHOLS: I hear you. Thank you. Your time is up. Thanks.

MR. WALLAUCH: Good morning, Steve Wallauch on
behalf of the County of San Bernardino. We are here to express the support of the County on behalf -- for Electrifly America's Cycle 2 investment plan, in particular the addition of the Inland Empire into the investments for fast charging stations.

You know, as you know, the Inland Empire suffers from the highest ozone and PM air quality in the country, particularly from the air quality that blows in, as well as, you know, produced from locally generated emissions. Expanding the charging infrastructure will further stimulate customers to select zero-emission vehicles.

And for these reasons, we urge your support for the expenditure plan.

Thank you

CHAIR NICHOLS: Thank you.

MR. HERNANDEZ: Good morning, Board and members. Thank you for the opportunity to speak today. My name is Paul Hernandez. I'm the head of public policy and government relations with Envoy Technologies. Envoy is here to provide support for Electrifly America's proposed Cycle 2 ZEV investment plan, and encourage the Board to pass approval of it today.

As outlined in Appendix C of the partial consent decree, Electric America will invest $2 billion in ZEV infrastructure, education, and access efforts over the
course of a decade, enabling millions of Americans to
discover the benefits of driving an electric vehicle and
the added goal of increasing overall ZEV adoption across
the U.S. with $800 million of investment.

As part of the Green City Initiative, Envoy is a
proud partner and has been selected by Electrify America
to support increased ZEV adoption in the City of
Sacramento. In the city, Envoy is providing community
based EV car sharing systems as an amenity in apartment
buildings. And Envoy's fleet will deploy 142 vehicles
across 71 locations, each with a dedicated EV charger.

What is unique about Envoy's community based
platform is that every community has different mobility
needs. And we can identify those needs and cater to them,
whether it's the need of students accessing vehicles or
caregivers supporting low-income seniors going to doctors'
offices, or any number of scenarios, including just simply
going to the grocery store. Envoy can be used as a tool
to be leveraged for the community.

With 75 percent of the fleet expected to deployed
in disadvantaged communities, Envoy's services will
provide equitable transportation for all drivers. And as
Cycle 2 rolls out, we will seek to work closely with
Electrify America in supporting the deployment of that
program as well.
So I am running out of time. I had a little bit more, but I wanted to close by saying thank you for the opportunity to speak today. And in closing, I would like to introduce the next speaker, who specifically is Mr. Johnny Garcia, who is one of our Envoy ambassadors, and is -- will speak to you today about his experiences in using the Envoy system.

So thank you very much for your time.

CHAIR NICHOLS: Thank you.

MR. GARCIA: Hi. Sorry. My name is Johnny Garcia. And like he said, I am a regular Envoy user. Oh, and also thank you for the opportunity to speak here.

Thank you.

And as he stated, the electric vehicles are a great experience for me, because I'm a college student and I don't own a car. It's very hard to maintain, you know, a job, and school, and then, you know, save up money for a car. It's all very hard.

And what they offer is a great service, because I use it all the time to go to Costco or, you know, the grocery store to -- you know, there's some cheap stuff everywhere also, other than Costco.

(Laughter.)

MR. GARCIA: And it's very -- it saves a lot of money. And it's very great. I don't know what --
(Laughter.)

MR. GARCIA: Sorry, I'm very nervous to be up here right now, but -- yeah, like I said, it's very great. It's cheap, and it's a great alternative to owning a car, in the meanwhile, until we get up on our feet.

Yeah. Thank you so much for letting me speak.

BOARD MEMBER SERNA: Good job.

CHAIR NICHOLS: Thank you. Good job.

MR. DULICH: Good morning. Good morning, Chair Nichols and the entire CARB Board. Thank you very much for this opportunity to speak. My name is Matt Dulich. And on behalf of the Government Relations Office of the University of California at Davis, I am here to support the ongoing efforts of the Electrify America investment plan.

Through the Electrify America Green City Initiative in Sacramento, a unique partnership has emerged consisting of UC Davis, the local transit districts, and the City of Sacramento. This partnership proposes a public transit service from the UC Davis main campus in Davis through downtown Sacramento, and to the UC Davis hospital and health campus in Sacramento.

This new public transit service will replace an existing charter bus service that uses diesel vehicles along a corridor with high demand for more frequent
service. From the existing hourly service, the
partnership effort with Electrify America will achieve
high-frequency service up to every 15 minutes during peak
periods.

This type of transit service using battery
electric buses will reduce greenhouse gas emissions,
provide increased convenience to riders and attract new
riders, further reducing vehicle emissions. Many of our
current UC Davis students and employees utilize
single-occupancy vehicles to connect from Sacramento to
Davis because the existing transit service options are
infrequent.

We are projecting that the new service could
quadruple ridership. To support this new service, the
Electrify America contribution will fund 12 full-sized
electric buses and the charging equipment to support those
buses. We are leveraging this initial investment with
additional funds to operate the service.

Additionally, the Electrify America proposal has
prompted UC Davis to invest further with construction of a
new transit mobility center at the UC Davis Hospital.

For UC Davis, thank you for this opportunity to
comment. Our students and employees need more transit
options, and Electrify America has been a great partner.

Thank you.
CHAIR NICHOLS: Thank you.

MR. BLOCH: Honored Board members, good morning. My name is Steve Bloch, and I'm the Western Regional Vice President for ABB. ABB would like to thank the Air Resources Board for inviting comments in an important step that California will take toward enabling electrification in its cities and along its highways, a step that will support the State's clean air mission and improve quality of life for all Californians.

California is home to hundreds of our 24,000 U.S.-based employees, along with two important product groups ABB Digital and ABB Wireless, both of which deliver the benefits of the industrial internet of things to our customers, including EV charging infrastructure users. At ABB, we've been deploying thousands of fast charging stations around the world for nearly a decade. Because of this experience, we deeply understand the challenges related to investing in and managing large charging networks.

Yet, we already see the right ingredients in Electrify America's plan to build not just high-quality charging sites, but sites with long-term operational accountability that will meet driver's needs today and well into the future, especially as millions more electric vehicles hit California's roads in the coming years.
More specifically, ABB was awarded a contract by Electrify America to supply both 150 kilowatt and 350 kilowatt charging stations. In deploying our high-powered charging systems, Electrify America is offering EV drivers the opportunity to benefit from the technology by reducing charging times and making EV ownership easier.

Due to economies of scale, we've seen investment in high power accelerate electrification adoption by other markets, such as by medium- and heavy-duty fleets, which is a critical sector for the state of California to reduce emissions and meet its clean air targets.

In summary, the plan's focus on deploying charging infrastructure to diverse communities and vehicle types, while driving awareness of the numerous benefits of EVs, will make significant strides in accelerating the level of EV adoption.

For these reasons, we welcome and support CARB's timely approval of Electrify America's plan.

Thank you.

CHAIR NICHOLS: Thank you.

Both of these are working, right, just to be sure.

Okay.

MR. ADDIS: Sorry.

CHAIR NICHOLS: Great. No problem. Just want to
make sure.

MR. ADDIS: Good morning, Chair and members.
Reed Addis on behalf of Valley Clean Air Now also known as
Valley CAN. We are in support today. In particular,
based on our experience both partnering with your
organization and the regional air district in the San
Joaquin Valley, we've had the pleasure of implementing
State programs and local programs that have benefited
disadvantaged community members with new and used clean --
or, excuse me, used clean vehicles.

That effort has allowed us to have some expertise
on how to deploy these types of programs in these
disadvantaged communities, and therefore, have had the
opportunity to work under Cycle 1 on working with
education and awareness programs in the San Joaquin Valley
in disadvantaged communities.

We have found the efforts in Cycle 1 have allowed
us to actually enhance and almost double the number of
vehicles going into citizens' hands. Based on that
experience and working and providing comments on Cycle 2,
we've seen not only the continued commitment in the
education and awareness area to these disadvantaged
communities, we've seen an increase in funding and are
therefore very supportive today.

Thank you very much.
CHAIR NICHOLS: Thank you.

MS. JIMENEZ: Good morning, Chair Nichols and Board members. My name is Lourdes Jimenez, and I'm here on behalf of San Diego Gas and Electric in support of Electrify America's Cycle 2 zero-emission vehicle investment plan in California.

Also, just as a quick side note, as a native San Diegan, I want to congratulate Supervisor Roberts for all his contributions to the San Diego region and to the State. I've basically grown up with you, so --

CHAIR NICHOLS: You get extra time for that.

(Laughter.)

BOARD MEMBER ROBERTS: Give her an extra minute.

CHAIR NICHOLS: Very clever. Yeah, exactly.

MS. JIMENEZ: San Diego Gas and Electric service territory accounts for approximately 50 percent of all greenhouse gas emissions. Light-duty vehicles in particular make up approximately 97 percent of all registered vehicles in San Diego county, and are responsible for approximately 80 percent of combined on-road and off-road GHG emissions.

Both, CARB and the Governor have proposed lofty goals to assist with significant GHG reductions. To achieve these goals, we need to increase the zero-emission vehicle market across California through thoughtful
policies, legislation, incentives, and charging programs.

San Diego Gas and Electric is doing its part by implementing an innovative infrastructure program and engaging stakeholders in the creation of rate design, that will incentivize zero emission adoption.

San Diego Gas and Electric believes that Electrify America's Cycle 2 plan will help accelerate the ZEV market across California including within disadvantaged communities.

Again, we support their investment plan and respectfully request the Board to approve -- to approve today's plan.

In closing, we do want to recommend -- offer recommendation for subsequent investment cycles, and this is to -- we would like to see a greater investment in San Diego Gas and Electric service territory, as we have one of the largest metropolitan regions in the state.

San Diego and -- San Diego Gas and Electric is currently -- oh, thank you. We look forward to working with you guys.

CHAIR NICHOLS: Thank you. Two minutes is a really short amount of time. Thanks.

MS. MATSUO: Thank you very much for giving chance to speak here to support Electrify America investment plan. I'm Ayaka Matsuo from Marubeni America
Corporation. And Marubeni is one of the biggest trading companies from Japan. And we are distributing electric vehicle charging stations to the -- all over the world. And our partner manufacturer is Signet EV, Inc. It is from South Korea. And Electrify America selected Marubeni and Signet as a supplier of super high powered charging stations in Cycle 1.

And in Cycle 1, we already delivered 200 chargers to the site, and in -- and we will deliver another 200 units in next six months. According to the California, we will start deliver from January -- next January.

I think the project is really going well. And we sincerely support the Electrify America Investment Plan Cycle 2 because, first, they're -- they are target future proof and user-friendly charger. I communicate Electrify America members for more than two years, and we know -- we know they are really trying to make better chargers from hardware side and software side both.

And their concept is, as you know, park, charge, and go, so it's very easy. And I visited some Electrify America sites and it's very clear and easy to use.

Second is charging speed. Our charger of maximum charging speed is 350 kilowatts. And it means by one minute charging, the charge -- electric vehicle can drive 20 miles. It's very fast, and it is enough for driving
and competitive compared with gasoline fueling.

    So I think Electrify America charging, in our
view, make us to buy electric vehicle. And, yeah, thank
you very much.

     CHAIR NICHOLS: Thanks.

     MR. McCLORY: Good morning, Chair Nichols, Vice
Chair Berg, and members of the Board. My name is Matt
McClory with Toyota Motor North America. And I really
appreciate the opportunity to make a comment today. My
remarks will be brief, and almost a repeat of our comments
from Toyota that was made at the Board hearing for the
first investment plan.

     Toyota appreciates California's
technology-neutral approach to vehicle electrific --
electrification. And we strongly believe that the
investment plan should follow the same principle and
support the rollout of both plug-in and fuel cell
technologies.

     As ARB staff have recognized, both battery and
fuel cell technologies will be critical and necessary to
meet the State's clean air and climate goals. And Toyota
supports the use of plan funds to expand the market for
both. We believe that the lack of investment in hydrogen
of both the first and now the second investment plan will
negatively impact the volume scale-up of fuel cell
vehicles in relation to battery electric vehicles.

Further more, exclusion of hydrogen from the investment plan ignores the essential role that hydrogen will play in the electrification of not just the light-duty vehicle fleet, but also across the transportation spectrum, including medium-duty and heavy-duty vehicles, and seems to follow only a one pathway for electrification while shutting out another.

In this sense, the proposal appears to not only fall short of being technology neutral, but also arguably not brand neutral, which, as we understand it, is a requirement for the consent decree.

Toyota therefore urges the Board to instruct staff to work with Electrify America to assure that hydrogen is included in this investment plan, and if not possible, to be included in the next series.

Thank you.

MR. COOPER: Good morning, Chair Nichol[SIC] and members of the Board. My name is Pete Cooper. I'm the Vice President here on behalf of Lucid Motors in support of Electrify America's Cycle 2 investment plan. Lucid Motors is an electric vehicle OEM with our global headquarters and our development team here in Newark, California. We launch our first electric vehicle here in California from a U.S. factory in 2020.
In September of this year, we announced that we had entered into an agreement with Electrify America for them to provide our customers access to their ultrafast charging network across California and the United States. Electrify America's infrastructure is a critical element of our go-to-market strategy. And our selection came after an extensive and thorough review of our alternatives. Central to this decision are Electrify America's high power levels, nationwide coverage, and a very well developed charging experience.

In our close work with Electrify America, both before and after this announcement, their technical, commercial, and operational credentials have been resoundingly reinforced and their support of us has been extent.

Lucid Motors is proud to be bringing a zero-emission car to market here in California, but it's a highly capital intensive process, and additional capital for charging can be overwhelming. Working with EA to provide electric ultrafast charging to our customers is critical to our business plan.

We strongly support Electrify America's Cycle 2 investment plan and recommend approval.

Thank you for the opportunity to speak.

CHAIR NICHOLS: Thank you.
MR. MALTESE: Good morning, Board -- Chair Nichols and Board Members. Thank you for having me today. My name is Xavier Maltese. I'm the Government Affairs Director for AAA. And on behalf of AAA and our 5.8 million members and Gig car share, we would like to express our support for the Electrify America's Cycle 2 California ZEV Investment Plan.

Gig is the only free floating car share program -- car share operation in Northern California. This is a shared mobility venture introduced by AAA, a not-for-profit member benefit organization. AAA is proud to be a part of the Green City Initiative to support the increased ZEV access in the City of Sacramento.

In the spring of 2019, Gig will launch a fleet of 260 EVs in coordination with the City of Sacramento's Transportation and Planning Department. As a traffic safety organization with over 100 years of history in traffic safety and mobility innovation, bringing new green mobility options to communities in need is a priority of AAA and Gig, and we are here to support Cycle 2.

Thank you.

MS. RHODES: Good morning, members of the Board. And thank you for what you do for our state and for letting us speak today.

My name is Jessica Rhodes, and I'm the Director
of Strategy at 3fold Communications. 3fold is a local marketing agency with a passion for the Sacramento region. Our role with the Green City program is to positively impact public awareness of zero-emission vehicles, including car sharing, buses, shuttles, and infrastructure locations with a focus on targeting underserved and disadvantaged communities.

So how do we reach the hardly reached community members not typically targeted by the ZEV industry? We have formed partnerships with the Health Education Council to engage low-income and disadvantaged communities; Impact Foundry to mobilize the nonprofit sector; and Unseen Heroes, a local event activation team for face-to-face community engagement.

We started by evolving Green City to have a local feel, launching Sac-to-Zero umbrella campaign, a Sacramento movement towards zero tailpipe emissions. Sac-to-Zero was created to educate and inform local citizens about electric vehicles from start to finish.

We first met with Electrify America on August 22nd. And in just a short time we’ve launched the Sac-to-Zero campaign website and social media accounts, and produced multiple events, including launching Envoy and activating DOCO last night for the Kings game.

In January, we will launch Sac-to-Zero's paid
media campaign bringing the EV message to community members via transit, Light Rail, billboards, digital, and supporting facilities.

To complement this promotional campaign, our event strategy will directly engaged residents across Sacramento through activations at local events they're already attending.

One of the most important contributions and components of our work is to facilitate marketing collaboration across multiple stakeholder groups for Green City, the City of Sacramento, the County through the PEV Collaborative, Sacramento Regional Transit, Yolo County Transit District, Franklin Boulevard Neighborhood Corporation, and also external stakeholders including Gig and Envoy.

By centralizing the feedback loop in this way, we've established great work.

Thank you.

(Laughter.)

CHAIR NICHOLS: Impressive.

MR. McLANAHAN: Good morning, Chair Nichols and Board members. My name is Mark McLanahan. I'm the CEO of MaxGen Energy Services. We are based here in California and are the nations largest clean Energy service provider. We build EV charging infrastructure and provide operations
and maintenance services to wind and solar power plants,
and to EV charging infrastructure throughout the United
States. In the last three years, MaxGen has grown 10X to
700 employees, many of whom are in California in order to
support our partners as they build their portfolios.

MaxGen has worked closely with Electrify America
to bring about safe, high-quality, and reliable
infrastructure to support the adoption of EVs here in
California and nationwide. We strongly support the
efforts being taken by Electrify America in Cycles 1 and
2, because they are growing jobs in California
transforming transportation here at home and across the
U.S., and lastly are supporting many of the objectives of
California's Air Resources Board.

Electrify America's Cycle 2 plan will give
California the opportunity to stay at the forefront of
clean energy and electric vehicle adoption and will
support a long-term skilled workforce in the State. Thank
you.

MS. HOSTETTER: Good morning, Obrie Hostetter
with Hubject. And I first want to start by thanking
Chairwoman Nichols and the Board for the opportunity to
support the Electrify America Cycle 2 Investment Plan. We
also want to thank the California Air Resources Board to
its commitment to interoperability.
We strongly support any and all infrastructure in California that is committed to functional interoperability. This improves access for EV drivers and accelerates the adoption of zero-emission vehicles and helps meet the Governor's goal of five million ZEVs in California by 2030.

To give you a little bit of background, Hubject is an electric vehicle charging platform that was formed in 2012 to enable -- enable, excuse me, seamless interoperability or roaming between EV charging networks. Our vision is seamless EV charging for everyone everywhere. We've currently connected over 100,000 charge ports in more than 27 countries. And we utilize a protocol called the Open InterCharge Protocol, or OICP.

We strongly support the Electrify America's investment plan, because of its commitment to enhanced EV driver experience. There's two things that stand out to us. The first is its commitment to interoperability and using both OICP, and OCPI, which is a the Open Charge Point Interface protocols. This will give network providers the option to choose which protocol is est for them. And it will also enhance EV driver experience and access to stations.

In addition to that, we also support the inclusion of ISO 15118. This is a global standard that
will enable plug and charge, and will create a seamless driver experience. Additional, use, cases for this are also smart charging by directional charging and inductive charging. And we’re very excited to see this as part of the plan.

Hubject is excited about the growing and competitive EV charging industry in California. And we thank you very much. And we urge you to approve the plan.

Thank you.

MS. KAUS: Hello. My name is Michelle Kaus. I'm a senior property manager with BrixMor Property Group. BrixMor is the second largest owner of shopping centers across the country. I manage ten centers in Northern California from Bakersfield to Vallejo. We work with a variety of EV charging companies. And we see value in working with Electrify America and the others, basically for bringing that amenity to the shopping centers. We believe we get customers driven to the center, of course, because they need the service. And then they will visit the other tenants at the shopping center.

We, of course, want to be good stewards of the environment, so the stations support our broader sustainability plans.

I did want to set the record straight with respect to rent, because there may be a misconception that
Electrify America or others are overpaying us for rent for the real estate. And that's not true. Our brokers tell me that on our outparcel deals, we get as much as eight times more rent than we are getting from the Electrify America deals and other deals.

And last, we want to encourage open markets. One reason we're very happy with the partnership with Electrify America is because the agreements do not require any exclusivity. And that is not true of our other partnerships, which means we are -- then have the capability of bringing in multiple providers to are larger shopping centers, which will probably be the case as more and more consumers need the service. So we like that flexibility.

And in the future, we don't know how these operators are going to maintain their equipment and who's going to have the best technology. And we like that flexibility that our agreement with Electrify America gives us.

So BrixMor sent me here to say that we are in support, and we ask for the approval of the Cycle 2 ZEV plan.

Thank you.

MS. RAHIMI: Good morning, Chair Nichols, Vice Chair Berg and CARB Board members. My name is Angelina
Rahimi. I am the Community Development Director of the
Franklin Neighborhood Corporation, which is serving
disadvantaged Sacramento neighborhood along Franklin
Boulevard.

I am here to support Electrify America
initiative. In 2018, we responded to Electrify America's
request for zero-emission vehicle bus and shuttle
proposals. We teamed up with Sacramento RT to propose
electric on-demand microshuttle service in our
neighborhood.

Franklin Boulevard has been without a bus line
since 2008, which had an adverse impact on our low-income
residents' access to jobs and services, as well as air
quality, and the air quality of life in general. In June
2018, Electrify America invested in our idea. In August,
we launched the on-demand shuttle using a three shuttle
fleet. It's already a success with residents. And with
Electrify America's investment, we will soon replace the
shuttle with new quiet and comfortable electric shuttles,
and, of course, supporting DC fast charging
infrastructure.

The average passenger per day has increased from
64 in August to 148 in October. We had days with over 200
trips. And the maximum rides a month has reached to 3,400
rides.
The Electrify America shuttle service is expected
to provide about 26,000 rides in its first year.
Consumers are able to request a ride using their
smartphone computer or by phone. More than 90 percent of
the microshuttle service territory is in low-income or
disadvantaged Sacramento neighborhood.

I would like to highlight two characteristics of
our community. Based on CalEnviroScreen 3.0 the southern
portion of our neighborhood is in census tract 98
percentile for air quality and 98 percentile for
unemployment.

So the need is great. Thank you so much.

CHAIR NICHOLS: Thank you.

MR. SAKS: Good morning, Chair Nichols and Board.
I appreciate the opportunity to speak. My name is Spencer
Saks with the Gualco Group on behalf of the City of Santa
Cruz, and I will keep this very brief for you.

The City of Santa Cruz is a large metropolitan
area that has a lot of SEV growth in this area. And we
encourage the Board to approve this resolution.

Thank you.

CHAIR NICHOLS: Good work.

(Laughter.)

MS. SEATON: Hi, Chair and Board. Good morning.
Phoebe Seaton from Leadership Counsel for Justice and
Accountability. We've been engaged in this process for the past two years and have engaged and appreciate the month that has passed since the last discussion to further discuss some of the concerns and opportunities we see for this program.

As has been discussed I think quite a bit this morning, we kind of reiterate our kind of concern and interest in seeing more infrastructure electrical -- electric vehicle support. In rural disadvantaged communities, there's huge opportunity. We work with -- we're currently working with two ride share programs in rural San Joaquin Valley and developing programs in the Coachella Valley. And there's just incredible demand for community driven ride share programs, and would like to see more investment there.

We hear that there is significant amount of investment to date in what is considered rural areas. I think we continue to be concerned that those are supportive of through-way traffic and freeway traffic corridors, and not necessarily in service to the community. We look forward to seeing more information and data as to the extent that those investments have and will support community -- community development and community transportation needs, and would like to see as -- even more investment in disadvantaged communities.
We think it's very important that investments in disadvantaged communities are in service to disadvantaged communities, not simply placed in disadvantaged communities to the service of through-way drivers.

Thanks so much.

MR. HAUSSKE: Good morning. My name is Jared Hausske. I am the -- one of the partners and Chief Strategy Officer of creative agency in San Francisco called Eleven. We employ about 100 people in the Bay Area that work predominantly with California based companies. Also have the good fortune of working with Electrify America to develop the national campaign and the California campaign for the Cycle 2 efforts in July.

The ambition for the campaign that we're developing and the ambition for Electrify America is aligned with our collective ambitions here in California to drive adoption of zero-emission electric vehicles with a much wider more economically socially and culturally diverse audience.

The work we've been developing is based on a very clear belief, I think a belief that we all share, that electric vehicle adoption and electric vehicle marketing has been too focused on a very small subset of the population, affluent, urban, environmentally focused consumers.
For this subset, owning an electric car seems like an obvious and positive thing. Zero emission is good for the environment, sticking it to the establishment, if you will.

But for mass adoption, this is exactual -- the exact perceptual barrier that we need to overcome. For mass adoption, we need to broaden the message and appeal to a much broader mass audience. And to appeal to a mass audience, we need to overcome a wide emotional barrier that exists, the wide belief within people the electric cars are for other people, not like them.

And we believe this emotional barrier is about self-identity, and is what we need to overcome, if we want to accelerate growth of zero-emission electric vehicles.

The work we'll be developing is intended to do just that, to open people's minds to the idea of owning a zero-emission electric car by making it feel normal, by normalizing it and feel like a normal car and not something unique or new for a subset of the people, but the right car for everyone.

We'll be ready to launch in July. The campaign will be heavily digital and social in nature. It will launch and appeal to a broad audience, including rural, low-income, and disadvantaged communities.

So, in short, we believe it would be a missed
opportunity for cost efficiencies and expediency to not
approve and move forward with the support for this.

So thank you.

CHAIR NICHOLS: Thank you.

Hello.

MR. LEVINE: It's not green. Oh, there. Okay.

It says green light must be on, but wasn't green.

CHAIR NICHOLS: Uh-oh.

MR. LEVINE: Chair Nichols and members, Lloyd
Levine here representing the Sacramento Electric Vehicle
Association, Sacramento Electric Vehicle Plug-In
Collaborative, and just recently was told the National
Electric Automobile Association's representative couldn't
be here and asked me to speak.

We are in strong support of the Cycle 2
investment plan. All three organizations I spoke of
really focus on infrastructure deployment and driver
perspective. And we think particularly as it relates to
charging station deployment, this plan both enables
current drivers and fosters the development of burgeoning
market for future drivers. It takes into account the
changing structure of electric vehicles. When electric
vehicles first came to the market, most cars had an 85 to
100 mile range, with the exception of the Tesla, the very
expensive Tesla.
Now, we've seen about four affordable vehicles, five affordable vehicles in the 200 plus mile range. As those vehicles come to market, and more and more companies release vehicles of extended range, charging behavior will change. We can learn from the past, however, as we look to the future. Most people charge at home. This plan recognizes that most people will charge at home and provides charging on corridors to enable longer commutes not inter-neighborhood commutes. It also invests heavily in inner-city urban areas, where people live in multi-family dwellings.

And those are really the two areas we need to focus on going forward as we look at charging infrastructure deployment, enabling commutes on longer corridors, such as Interstate 5, Interstate 80, Interstate 10 east to west, where you're not just commuting in your neighborhood, and focusing on those Californians who don't have charging infrastructure -- the ability to have charging Infrastructure at home, who live in multi-family dwellings.

This plan nails it for both current and future deployment. We want to thank the staff and Electrify America and urge your strong support. Thank you.

MR. GANT: Good morning, Madam Chair and distinguished Board members. My name is Simeon Gant. And
I'm here representing the nonprofit Green Technical Education and Employment, as well as the California Black Health Network. And we are here in strong support of the Electrify America's Cycle 2 proposal.

And for the reasons that -- for -- specifically for the GreenTech Education Program, where we're teaching high school and college students about career opportunities in clean energy, energy efficiency, and sustainable living strategies. And our tag line from way back from 2008 was to give our young people an echo advantage.

And what we're talking about here with Electrify America moving into and assisting disadvantaged communities, GreenTech is giving them an echo advantage. And so if, in fact, we are working with Electrify America where we just started conversations to work together for education and outreach in these disadvantaged communities, our goal is to create and give them an advantage. And bringing this technology to communities like Del Paso Heights, and communities like Oak Park here in Sacramento, we will, in fact, give our students, and our young people, and our communities, those that are ethnically diverse, many that are actually of low income, we will give them an advantage by reducing vehicle miles traveled, as well as reducing emissions and improving our health conditions in
those communities. So we ask for your support on Electrify America's proposal. Thank you.

CHAIR NICHOLS: Thank you.

MR. BASSETT: Good morning, Chair Nichols and members of the Board. I'm Terry Bassett, Executive Director of the Yolo County Transportation District. We're not naive to alternative fuels. We've got -- we put on enough miles on our CNG buses to go from here to Mars on a good day anyway.

I'd like to mention that we've been working for three years with UC Davis and Sacramento officials trying to improve bus service between the UC Med Center and UC Davis. And we've now reached the point where it appears that we'll be successful in that.

Electrify America, RT, the City of Sacramento, UC Chancellors -- Davis Chancellors office, and SACOG, along with the Yolo Country Transportation District have worked together to pull this off. We've negotiated most terms and conditions with Electrify America. The way the deal will work is Sacramento RT will purchase 12 battery electric buses, half will go to them, half will go to the Yolo County Transportation District. A critical thing we just want to keep reminding everyone of is it's important that we get approximately a 300-mile range per charge on these vehicles in order to operate the level of service
that we're talking about exclusively with electric
technology.

The other interesting thing we're doing is we're
going halves with RT, where they're running half the
service and the Yolo County Transportation District is
running half the service. The reason we're doing that is
to avoid a war between the two agencies, so that we can
both go over the river and go into the other county and
work in a synergistic manner. So we're quite excited
about that.

And the last thing I want to make mention of is
there's also leveraging that's happening. We've been
successful getting $3 million set aside by SACOG to pay
for the operations of this service, plus UC Davis is going
to be pledging a similar amount as well. So there were a
lot of connecting points that will benefit this project.

So, in summary, we're very happy with Electrify
America and what they've shown to date in terms of their
commitment to make this sort of project work.

CHAIR NICHOLS: Thank you.

MR. HENDERSON: Hi. I'm Brian Henderson. I'm an
EV driver and EV advocate from Tacoma, Washington.
Yesterday I drove my Kia Soul down from Tacoma down to
Sacramento here, about 750 miles coming down I-5 and then
through rural northern California down Highway 99, because
that's one of the few corridors you can actually travel
these days.

I'd just like to note to CARB how important
electric transportation is, not just to Californians, but
to people outside of California, the neighboring states,
and tourism, and hopefully future commercial
transportation as well, because there's a lot of trucks go
up and down I-5 with diesel fumes and stuff.

My biggest concern with electrification is
experience for the EV driver. And that's why I'm
voicing -- here to voice my comments today. My travels
yesterday involved four different networks over the 750
miles, so knowing each network. Finding chargers, there's
very little signage on the highways today.

So I know -- I realize this is beyond the
proposal, but this is stuff that CARB needs to look into
going forward.

So I'm in approval of the proposal today. I'd
like to support it, but I think there's more work. And I
think CARB needs to hear the voice of the EV driver more
going forward.

Thank you.

CHAIR NICHOLS: Thank you.

MS. McFALL: Good morning. I'm Casey McFall from
Milestone Consulting, and I'm here representing Self-Help
for the Elderly, and our coalition of ten community-based
organizations that are receiving Cycle 1 Electrify America
funding for awareness and education in low-income and
disadvantaged communities.

I wanted to, first of all, support Electrify
America's round 2 proposal and give you a quick update on
what we're doing in round one. We are a coalition of 25
community-based organizations that reach from the San
Ysidro border to here in Sacramento. For the purposes of
this proposal or this project that we're doing, we've
selected ten of our best community based organizations,
and are providing direct community education -- consumer
education averaging about 40 minutes in length on five
different ZEV topics, and doing culturally competent,
linguistically capable outreach and education through
ethnic media outlets that we anticipate will reach 930,000
people in the next six months.

This is important information for the communities
we serve. They won't get that kind of information
anywhere else. We're doing outreach in languages like
Swahili and Hmong that does not have a written language,
cambodian, a lot of different languages. Our coalition
has the capacity to serve people in 49 different
languages.

And with Cycle 2, if we are chosen to continue,
we would anticipate adding all of those languages and be
table to reach people probably in a year's time at about
five million. We've found working with Electrify America
to be wonderful. We've found them to stress brand
neutrality every step of the way. And they've been very
open to our ideas.

We also work directly with the CPUC and are
meeting with them tomorrow to see how we can connect those
efforts.

CHAIR NICHOLS: Thank you and thank you for
coming.

MS. MILLS: Good morning, Chair Nichols and
members of the Board. I'm Danielle Mills here on behalf
of the American Wind Energy Association of California in
support of approval of the Cycle 2 investment plan, as it
acknowledges key and really obvious linkages to the --
between the electricity sector and the transportation
sector, which we think are really critical to moving
toward our greenhouse gas reduction goals, and our air
quality improvement goals.

In addition to the $5 million of allocations to
renewable generation at specific sites, we want to
acknowledge that wind, at both the distributed level and
particularly at utility scale, can provide really low cost
clean power to all Californians, keeping rates down for
everyone, keeping charging costs low, and really helping
the State double down on the investments that it's making
in disadvantaged communities and elsewhere throughout the
State, regardless of income level.

Wind is the cheapest form of generation
throughout the country, according to Lazard's Levelized
Cost of Energy. It is cheaper than natural gas in most
parts of the country right now. And we think that wind
for California can also complement California's really
robust solar profile by picking up in the evening hours,
when we tend to run our gas plants, and generating
throughout the night when it's most convenient for
consumers to charge their cars.

So while we haven't been deeply engaged in the
development of this plan, we do want to work as partners
in the future, and really appreciate your work on this.

Thank you.

CHAIR NICHOLS: Thanks.

MR. COHEN: Good morning, Chair Nichols, members
of the Board. Thank you for your time and attention this
morning. My name is Josh Cohen SemaConnect in strong
support of the Cycle 2 investment plan. SemaConnect is a
national manufacturer of smart networked charging
stations.

We're one of the three companies that won the bid
to help Electrify America deploy its Level 2 workplace and multi-family charging network. We're responsible for about 90 locations in Cycle 1 here in California.

SemaConnect provides the charging stations and the back-end network to manage them. Our territory managers work with property owners in their territories to qualify and locate the sites. We rely on local businesses, local employees to actually do the installs. CSI electrical is one of the contractors who does a lot of our installs in Southern California. Sprig Electric, which is a union shop, does a majority of our installs here in Northern California.

SemaConnect submitted written comments that are on your docket -- that are in the docket. But I do want to address one of the points that one of the previous speakers made about incrementality.

In our view, there's no question that additional funding is necessary to deploy charging stations at scale, whether it's utility funding, whether it's government funding, whether it's private dollars like Electrify America. And so as an example, we have a number of relationships with property managers across the country and here in California. And there will be an office building owner, a multi-family property owner that may have a portfolio of 20 or 30 properties. And even if they
are willing to spend -- to write a check to deploy charging stations, you know, six charging stations at one property, another six or eight charging stations at another property, the private investment is not there yet, even for brands that recognize the value of charging stations at their properties. That's why investment such as Electrify America really is so critical.

So we're in strong support. Thank you very much for your time.

CHAIR NICHOLS: Thank you.

MR. BOYCE: Hello. My greetings to the Chair and Board. My name is Bill Boyce with SMUD. I'm here to support Electrify America's Cycle 2 plan.

I want to touch on a couple things I don't think anyone else has mentioned today, which is really some of the new aspects of Cycle 2 versus Cycle 1 to really focus on things like DC fast charging in areas that have primarily multi-unit dwelling areas. We think that this is a very important element that really has not been done much before. So this is kind of new to the industry.

We've actually been promoting it for quite awhile. And we think it will help address a lot of the challenges in underserved areas, where there's no charging, and also in some of those disadvantaged community areas that are so tough to reach on.
Some of the other areas that are new that we think are very important is the fact that it includes new elements to support charging for shared mobility and TNC operations, and also autonomous vehicles. We think it's very important to try to support those new forms of transportation from the get-go to get them to be electrified to get the air quality benefits later on going forward.

The last thing I'll touch on, of course, with the Green City in Sacramento, we work very closely with Electrify America. I can tell you they push us very, very hard on schedule. So as far as being aggressive, we're working with them right now on about 11 separate installation construction areas. We meet regularly team to team to try to figure out how to improve schedule all the time. And, in essence, we are trying to cut our normal construction schedules in half for them. So appreciate the opportunity to make comments today.

Thank you.

CHAIR NICHOLS: That's helpful. Thank you.

Mr. Hargrove.

MR. HARGROVE: Madam Chair and Board members, I'm Matthew Hargrove with the California Business Properties Association. Before I get into my testimony, I just want to say on a personal note, the work that you do here on
this Board has a direct impact on folks like myself. I
traded in my full size four door supercab pickup three
years ago for a hydrogen vehicle made by Toyota. So
I've -- myself have been personally impacted by this, and
I personally thank Dan Sperling for all of his work on
there.

But I say that before I get into my actual
testimony, because ARB has a track record of being able to
move markets, get people into these types of alternative
fuel vehicles, and we really appreciate it.

I represent commercial real estate. I represent
the International Council of Shopping Centers, BOMA
California, which is Class a office buildings, NAIOP of
California, which is industrial properties, and lots of
other private commercial spaces in the State of
California.

We're here today the strongly support the Cycle 2
ZEV investment plan that's before you, and we hope that
you will adopt it as is. We have over 10,000 companies
and lots of parking spaces in the State of California. We
think that the plan that is put before you makes a lot of
sense.

Parking spaces aren't free space in the state of
California. To develop a property, a parking space can be
valued anywhere from $20,000 to $60,000, depending on
where you're trying to develop that project. For one of my members to be able to work with Electrify America and/or other charging companies, being able to make the freedom of choice of who they're going to work with, how they're going to work with them, and how long it's going to take them to make their project work are things that our companies do every single day. We can't have timelines on them.

We want to make sure that some of the ideas that have been brought before you at the -- last week at the stakeholder meeting we had about dividing up the markets is rejected. We think that dividing up the markets and limiting the choice, for which my members choosing who they can work with, is not a good way to move forward.

Thank you very much.

CHAIR NICHOLS: Thank you.

MS. ROEDNER SUTTER: Good morning. I'm Katelyn Roedner Sutter with Environmental Defense Fund. And I just want to say we appreciate all the time and work that has gone into this plan. And, in general, we're pleased to support adoption with a couple of recommendations.

EDF believes this is a comprehensive well thought out roadmap. And we're particularly encouraged to see the well placed emphasis on consumer education, the focus on energy rates specific to the DC fast chargers, the plan to
have renewably powered energy stations, and the facilitation of demand response programs.

While we do encourage adoption, we believe the plan could be further strengthened by including a couple of additional elements. First, we'd like to see an increased focus on medium- and heavy-duty vehicles. Those sectors are substantial contributors to harmful pollution in this state.

EDF also encourages inclusion in the plan to work with utilities to develop rates that strengthen the grid and help to integrate renewables. And finally, we ask for care and some more consideration around deployment of chargers to ensure that they're placed where they're going to be most useful and beneficial to residents, especially residents in low-income and rural communities.

So with these considerations taken into account, EDF does encourage adoption of the plan.

Thank you very much.

CHAIR NICHOLS: Thank you.

MS. RAFALSON: Good morning, and thank you, Chair Nichols and Board members for the opportunity to comment today. I'm Sara Rafalson here on behalf of EVgo. EVgo is the largest public fast charging company. And we strongly supported the Cycle 1 investment. However, after through the implementation period of that, our policy
position has changed based on what we've seen in the market.

And as a result, we would ask that CARB work hand-in-hand with Volkswagen on modifying the plan to serve more underserved segments, invest Far more in rural California, and ensure that Volkswagen's investments will complement not hinder other efforts to install EV charging.

For example, as was mentioned in the presentation by Electrify America earlier, they have recently installed a 350 kilowatt charger. We also announced, by the way, that we had our first 350 kW commissioned this week in Baker, California actually. But as related to the one that was mentioned earlier by Electrify America, it happens to -- that charging station takes place in Livermore in a place where that parking lot already has two EVgo fast charging stations.

And across the street, in fact, and you can confirm this by looking PlugShare, there are two EVgo DC fast charging stations across from that parking lot again, and four Level 2s.

So when we're looking at efforts to complement and have additionality so that there's more charging for all Californians, I'd -- this is just one example that we can point to there.
Also, I think, as was alluded to earlier, there's been no suggestion by other companies to scrap or even divide markets. I think what we have called for and hope to see with modification as was done in Cycle 1 is to just have a more balanced approach to the way that the investment plan is structured.

Citing another example. So while there's about two million being spent on rural Level 2 charging, there's $10 million spent on marketing for utilization of Electrify America's own charging stations. And again, that's something that's very challenging for other players in the market. And I did raise that at the stakeholder meeting.

Thank you for your time.

MR. HORVAT: Looking at the clock to see if we're morning of afternoon. Good morning, Chair Nichols and members of the Board. Thank you for having everybody here today. My name is Ashley Horvat. I work for Greenlots. I'm the Vice President of Partnerships. And Greenlots is the leading electric vehicle charging software and services company that is actually headquarterd in Los Angeles.

I've been in the industry for almost a decade and I can tell you resoundingly that there is a lot of work to be done as we all know. And having worked in the public
sector and private sector both at PlugShare, Greenlots, and the State of Oregon, and working with just a wide
diverse range of stakeholders outside of California and California, this process through the settlement has not
only ignited investment, it has also ignited conversations. And communities are, I don't want to say
forced, but propelled to actually decide what they want for their community, and taking an audit essentially of
the infrastructure that they have, and where Electrify America can fill in the gaps, where companies like
Greenlots, and ChargePoint, and EVgo can come in and help augment that.

So we stand in strong support of Electrify America's Cycle 2 investment plan, and we do urge the Board to approve the plan.

The notion that -- so this investment is coming -- this is in my remarks, but the investment is coming at a time when the market does need motivated capital. It was mentioned by SemaConnect, Josh, that the private sector is just not there in terms of investment.

And that's to say that, you know, some of our colleagues would say that it's there because they've proven it. But outside of settlement and outside of government funding, it's very difficult to make this work at this juncture.
And so we strongly believe in the need for competition. Collaboration over competition. Sometimes competition is good. And the investment from Electrify America has really propelled our company to invest in California higher workers. We've grown tremendously over the past year and a half. We work with our partners across the aisle. We've worked with several manufacturers, some of the same manufacturers that Electrify America works with.

And so when you're thinking about some of these fast charging technologies that are going out, just the fact that we have multiple entities working on that.

So thank you for your time and I strongly support this.

CHAIR NICHOLS: Thank you. I meant to comment when the gentleman who drove his car down from Oregon was speaking, that we've had really great partnership with Oregon on electric vehicle issues, and the State of Washington as well. There's a lot of interest up and down the Pacific coast. And while, you know, there has to be, I think, a recognition of the urban piece of this infrastructure, it is not at the expense at all of the rural areas. So I think, if anything, the partnership is working to really enhance that focus.

Okay. Next.
MR. MAGAVERN: Good morning. Bill Magavern with the Coalition for Clean Air. I love the new adjustable podium.

(Laughter.)

MR. MAGAVERN: This Board has done so much to reduce diesel pollution. And there's certainly a lot more to do. But Supervisor Roberts reminded us of that really pivotal moment when you declared diesel exhaust to be a toxic air contaminant.

And then years later when you caught Volkswagen in their criminal cheating on diesel emissions, you showed the importance of really rigorous enforcement and on-road testing. And now with Electrify America, we have an opportunity to increase the momentum towards truly clean transportation in this state.

So we support this proposal. We appreciate the fact that Electrify America is trying to learn from their actual experience. The fact that they reached out to us and many others, and they listened and actually because of our input and that of others, they increased the commitment to disadvantaged community outreach.

There are other features about this plan that we're particularly enthusiastic about, including the charging for transit buses, the commitment on renewable energy, and the addition of more metro areas.
So in conclusion, we do urge Electrify America to try to go above and beyond their equity commitments. And I think you'll hear more about that from my colleague Joel Espino with Greenlining.

Thank you.

CHAIR NICHOLS: Thanks.

Should be Steve Ellis of Honda.

Are you here for this?

MR. SERFASS: Chair Nichols, he asked me to say he had to leave.

CHAIR NICHOLS: So Joel Espino.

MR. ESPINO: Good morning, Chair and members of the Board. I'm Joel Espino with the Greenlining Institute. We've been advocating for racial and economic justice in California for 25 years. We appreciate the progress Electrify America has made on including efforts to benefit low-income and disadvantaged communities in its Cycle 2 plan.

While we support this progress, we withhold full support, because we see areas for improvement and missed opportunities. And we outlined those in our October 26th letter, and I'll highlight a few of those here.

We see opportunities to increase transparency, reporting, and clarity on activities benefited -- benefiting low-income people and disadvantaged
communities. We see an opportunity to increase investment and partnership in poor rural communities in the Central Valley and in low-income communities in the San Diego region.

We see an opportunity for bolder action to promote high quality jobs that are accessible to poor folks, and individuals with barriers to employment. And we see an opportunity for bolder action in low-income outreach efforts, and in designing projects that increase access to electric mobility for low-income individuals.

You know, the public and poor communities of color hurt most by Volkswagen actions were not at the table when this deal was struck. And so as a result, Electrify America and the Board have a duty to the public and to remedy these harms.

And I'll end with quoting the prominent lawyer and social activist Bryan Stevenson when he said you can judge the character and values of a society by how it treats its poor and vulnerable.

We respectfully urge the Board and Electrify America to push harder and leverage -- and leverage these investments so that California's vulnerable and poor can benefit most.

Thank you.

CHAIR NICHOLS: Thank you.
MS. LEWETT: Good morning, Chair Nichols and Board member. My name is Maryline Lewett. I represent Black and Veatch. It's a large engineering, permitting, and construction company from Kansas City, as you can hear by my accent.

   (Laughter.)

MS. LEWETT: And I'm based in the Bay Area of San Francisco. We do have seven regional offices in California. We've been in the EV business and hydrogen business for over ten years building infrastructure. We're also in the clean energy industry, and we support all technology. We are technology agnostic.

So today, I'm here in support of Cycle 2 for my company. And we -- we were awarded the first DC charging deployment for highway and metropolitan areas in California. So we're currently building 165 sites on your behalf. And I can testify that Electrify America is pushing us very hard to meet deadlines, so we've been adding employees. We've been hiring in California. We have an additional 30 employees actually throughout the state. And we're working with 700 contractors -- electrical contractors and civil contractors in order to meet the deadline.

So we are participating in the training. We believe it's incredible effort for California to prepare
this state for future technology and clean technology.

We are adding experts in the field to duplicate, of course, this model to add EV charging stations. And they apply to cars but also to buses and trucks. We are -- we're looking forward to the new plan where we're adding medium- to Heavy-duty vehicles, very important, including school buses. And we -- we -- well, I'll stop here. So thank you, and we're looking forward to work on the Cycle 2 as well.

CHAIR NICHOLS: Thank you.

MS. VERDUZCO: Good morning, Chair Nichols and members of The Board. My name is Iris Verduzco, and I'm a resident of the City of South Gate, and I presently work with the Moving Forward Network, which is based out of the Urban and Environmental Policy Institute at Occidental College.

The Moving Forward Network is a community-led national network of over 50 organizations in more than 20 U.S. cities that protects communities that are disproportionately suffering from the negative impacts of industrial pollution, such as that that result from the freight transportation system.

I am here today to provide some recommendations on the Electrify America's California ZEV Investment Plan. I would like to say that Electrify America has a profit
motive in where they select locations. We need to make sure more funding goes to disadvantaged communities, and to not just go to cities like Beverly Hills and Santa Monica.

It's Air Resources Board's duty to make sure that they spread the benefits more broadly given communities like mine suffer disproportionately from air pollution.

This plan should include more funding for charging medium- and heavy-duty vehicles like buses and trucks in disadvantaged communities. There is a need to generally electrify railyards and ports. Additional funding allocated to this goal would go to provide a place for trucks to plug in as they are entering or leaving railyards and ports.

Electrify America needs to build their competency in these sectors and adding more of this investment, especially in disadvantaged communities, as this is important.

Our communities need zero-emissions technology now. I came up from Los Angeles to support the Innovative Clean Transit regulation that will be discussed tomorrow. I'm invested in the work that I engage in, not only on a professional, but on a personal capacity as well.

We need relief from toxic emissions. I ask the Board that you protect public health, advance clean air,
and environmental justice. Please consider these recommendations as you move forward in considering and advancing this investment plan.

    Thank you.

    MS. GOLDSMITH: Good morning, Chair Nichols members of the Board. And thank you, Supervisor Roberts, for your many years of thoughtful and committed service.

    I'm Hannah Goldsmith. I'm with the California Electric Transportation Coalition. And we submitted more detailed support and recommendations for Electrify America's Cycle 2 plan. But today, we want to highlight how essential adequate ZEV fueling infrastructure is to reaching the State's zero-emission vehicle goals.

    As it relates to electric vehicle charging infrastructure, CalELECTC found that California will need to invest over $2.2 billion beyond known public utility, and non-Electrify America's settlement funding by 2025 to ensure adequate public light-duty infrastructure for electric vehicle charging.

    Electrify America's proposed second investment in ZEV fueling infrastructure of about $153 million is a step in the right direction to reduce California's gap in ZEV fueling infrastructure. However, because there is such a large need, Electrify America's investment will continue to leave room for significantly more private and public
sector investment.

We do support Electrify America thoughtfully investing in charging infrastructure in a way that complements existing investments being made. We thank Electrify America for involving us in the development of this plan, and following up with us on our feedback. We support approval of this plan today.

Thank you.

MR. BARRETT: Good morning -- or good afternoon, I guess. Will Barrett with the American Lung Association of California. I wanted to say first off that we do support moving forward with the proposal today. I was happy to participate in the dialogue that staff held last week. I thought that was very productive and raised a lot of issues. And I think staff gained a lot from that additional discussion. And we would echo the calls earlier today to continue that kind of dialogue going forward.

The key strengths that we see with this proposal, really we seem them for the proposal as it is, and for a foundation going forward for the next cycles, investment in medium- and heavy-duty, investment in the rural areas, and increasing that investment going forward, grants to and outreach specific to disadvantaged communities.

I think we've heard the example of Valley Clean
Air Now, and the real benefit that that program has gotten through this ongoing dialogue and investment.

    Also, I wanted to say that a key strength was that Electrify America did conduct a tremendous amount of outreach, and we were happy to be on the receiving end of that outreach and that dialogue. So I think there were a lot of good strengths that we can build on, as we move forward from approving today.

    In closing, I think generally -- restate that we support the proposal today and urge you to move it forward. We encourage the enhanced monitoring and reporting on progress to hitting all the benefits on all the projects that we want to see. Stay on track essentially. We want to make sure we're not going too long. So it was helpful to hear that dialogue.

    And then really ensuring that the investments are -- that we're targeting are hitting our air quality benefit goals that we need to hit for air quality and climate, as well as ensuring that those benefits are accruing to disadvantaged communities, going as far as we can with the investments, and making sure we stay on track. That those benefits are being accrued as we expect them to.

    So we look forward to working with the staff of Electrify America and other stakeholders going forward.
We think this is an important step, and one to build off of going into the future.

So thank you very much.

MR. MIDDLET: Hello. Thank you, Chair Nichols and the Board. My name is Derek Middleton. I'm here on behalf of Innogy eMobility to support our --

CHAIR NICHOLS: I can barely hear you. I'm not sure what the -- maybe you could raise the --

MR. MIDDLET: I'm sorry about that. Is that better.

CHAIR NICHOLS: Maybe you could raise the table on your side, too. And you do need to speak right into the microphone. Yeah.

MR. MIDDLET: Sounds good. Is that better?

CHAIR NICHOLS: That's much better. Thank you.

MR. MIDDLET: Wonderful. Thank you.

My name is Derek Middleton. I'm here on behalf of Innogy eMobility to show our support for Cycle 2. Innogy is a large German utility company. It's three times the size of Edison, and it's providing only renewable energy to Europe.

We have a large eMobility network. We've been doing it for ten years. And we employ over 150 people in the technology solutions industry for electric mobility around the globe. We have a keen interest in the U.S.
market. And it has led to us to invest in two different companies, BTCPower and also Recargo PlugShare. Our interest is driven by the consistent policy and our knowledge of the automakers.

With your support and Electrify America's Cycle 2 plan, we would like to resent -- it represents a reliable pillar of investment in the industry that attracts capital from companies like ours.

Thank you.

MR. KONCZEUSKI: Chair Nichols, distinguished members of the Board, I'm representing Innogy. Konrad Konczeuski. I'm also representing Broadband Power TelCom and Recargo. Broadband Power TelCom and Recargo were acquired wholly owned subsidiary of Innogy as of now.

I just would like to mention that we fully support Cycle 2 implementation.

Thank you very much.

MR. MEZA: There we go.

CHAIR NICHOLS: It's fun, isn't it?

(Laughter.)

MR. MEZA: Good morning. My name is Frank Meza. I'm the CEO of BTCPower. BTCPower is one of the partners that have been selected by EA. And we build electric vehicle DC chargers.

We are a minority -- we started as a minority
business enterprise. And we build our product in Santa Ana California, and we've been building EV chargers for the last eight years in California. With the investments from EA, we have now grown to become probably the largest EV charger manufacturer in the United States. And we have increased our employment in California by 100 percent, basically doubling our staff this last year. And we project to double our staff again this next year due to the -- due to the investments of -- from Cycle 1 and hopefully with your approval in Cycle 2.

Thank you very much.

MR. BRUNELLO: Dear, Chair Nichols, Board members. And Supervisor Roberts, Congratulations. I wish I was from your district, but I'm not.

(Laughter.)

MR. BRUNELLO: My name is Tony Brunello. And I'm speaking on behalf of EV Box today. EV Box is a global manufacturer of EV charging equipment and related cloud-based services with an installed base of over 60,000 Level 2 and 700 DC chargers in 45 countries. We're doing our part for the ZEV movement, and we're aligned with the efforts of Electrify America today and support their proposal.

In fact, at the California Global Climate Action Summit, we committed to place at least one million EV
charging stations by 2025 to help reduce CO2 emissions and improve air quality.

We strongly believe the Electrify America's 800 million investment in California helps bridge the gap in current and future EV infrastructure needs. With all the numbers that were put out today, this means we're going to need a 15-fold increase in current infrastructure in just six years.

Every charger counts. Therefore, immediate adoption of the Cycle 2 plan is essential, so we can meet these infrastructure goals. The plan strikes a balance between investment in charging infrastructure, market development, and education and awareness. We particularly appreciate the plan's increased emphasis on metro fast charging and residential charging. With 90 percent of drivers expected to be in metro areas and 80 percent of EV charging currently happening at homes, these investments will provide maximum benefits to EV drivers.

We urge you to support and approve the current plan. Thanks for your time.

CHAIR NICHOLS: Thank you.

MR. MAGGAY: Good afternoon, Chair Nichols, Board members. And thank you Supervisor Roberts for a native San Diegan and someone who went to high school in your district. Go Saints.
My name is Kevin Maggay. I'm with SoCalGas. And I've spoken to this Board several times on -- urging for technology neutrality and funding balance. And you're going to get a little bit more of the same, but with a little different twist.

Hydrogen, because of its range and its fast fueling time, is critical to reaching long-term zero-emission future, and we are very, very disappointed that Cycle 2, similar to Cycle 1, had no investments into hydrogen. We urge you not to put all of your zero-emission eggs into one basket.

An effective way to accelerate massive change, like large-scale deployment of zero-emission vehicles, is to give people options, to let users decide which technology fits for them, and to not completely shut-out one single technology. We recommend reconsidering the plan to include investments into hydrogen infrastructure.

Thank you.

MR. CHERKAOUI: Chair Nichols, Honorable Board members. Thank you for the opportunity to comment.

Congratulations Supervisor Roberts. I've been debating whether to use my two minutes to entertain you with bad rendering of Bob Marley's redemption song, but I'll spare you this.

(Laughter.)
MR. CHERKAOUI: My name is Abdella Cherkaoui, and I work for Volta Charging. Volta is a nine-year old company based in San Francisco. Our mission is to accelerate the electrification of transport. We do this by building, operating, and maintaining for the long term a unique media platform that is combined with EV charging or actually electric vehicle charging networks that are combined with a unique media platform.

We do this at convenient public urban sites, where the community at large goes outside of work at home. And our model catalyzes EV adoption like no other. The majority of socially independent commissioned studies have shown that the wide majority of non-EV drivers who see Volta Charging stations at the place where they shop, eat, or play, between 70 to 80 percent of them say they will consider an electric vehicle after seeing a Volta station for their next car purchase.

It's also a unique model thanks to the strategy of essentially siting that deliver most utilization on a per port basis. We deliver four times more kilowatt hour or electric miles per port, based -- compared to industry average.

We're still a small network. But last year, Volta delivered 14 million electric miles, half of which in California.
I would like to make two short comments. First, I would like to thank and applaud the leadership of the California Air Resources Board and the staff for your work on supporting and implementing California's plan on getting drivers out of their gas cars and into zero-emission vehicles. And as part of this, your leadership and hard work with Electrify America zero-emission investment plan.

And second, I would like to express Volta's support to Electrify America's Cycle 2 plan. While Volta and Electrify America have been working together to deploy better EV charging, we've found them to be very open to exploring and finding creative way to do this together accelerating the impact of their plans.

Thank you.

CHAIR NICHOLS: Thank you.

MS. RONEN: Hi. Good afternoon. My name is Ellah Ronen. I'm here on behalf of LA n Sync at the California Community Foundation. We're a funders collaborative that supports meaningful and responsible investment to L.A. County, specifically with a lens on low-income communities.

We've been partners with the City of Los Angeles, the County of Los Angeles and a wide range of stakeholders ranging from nonprofits, to utilities, to private sector
partners in Los Angeles really working together with Electrify America to ensure that the plan reflects the needs of the community, and that the investment made in Los Angeles County is reflective of the potential and the growth in the EV market in Los Angeles.

So I want to stand here on behalf of my -- the members of LA N Sync and the Community Foundation, but also the stakeholders that we've convened extensively in support of this plan.

Thank you very much.

CHAIR NICHOLS: Thank you.

That concludes the list of witnesses that I have. And so I am going to close the record at this point, and -- close for further -- close it to any further comments from anyone other than the Board members.

And I think to move this along, while there may be some more discussion, I would like to see the resolution that's before us put on the table.

BOARD MEMBER ROBERTS: I'll make that motion.

VICE CHAIR BERG: Second.

CHAIR NICHOLS: We have a motion. We have a second.

All right. Are there additional comments or questions that Board members have?

Dr. Sperling?
No. Okay.

BOARD MEMBER SHERIFFS: Sure. Yes.

CHAIR NICHOLS: Yes.

BOARD MEMBER SHERIFFS: Thank you. Thanks to everyone for their testimony. Boy, I see we had an hour on the agenda for this item and that time -- that hour just flew by. Good work.

(Laughter.)

BOARD MEMBER SHERIFFS: But obviously a very, very important topic, and appreciate everybody's input.

You know, I guess three things. One, the rural issue, two, the fuel cell issue, and three, the permitting issue that I wanted to speak to.

In terms of the rural issue, I think a lot of important things have been said. Yes, I would support the Cycle 2, understanding that Cycle 3 is going to pay more attention to the rural issue. And we ought to be doing some catch-up not just increasing the commitment there. The vision for electric transit that the State has set includes rural. And it's certainly a tougher nut to crack. But this is a great opportunity to be diving into that and gaining some experience and knowledge. So I -- my expectation, I think all the Board members, is that there would be an increased emphasis on what goes on on rural.
And really, if only at the level of being -- understanding that located in rural, what does that mean? How does that serve the rural community. Does it just increase tourism or are rural people actually increasing their buy-in to electric or what it means, so at the very least?

The fuel cell issue, at the very least, it reminds us as Board members that we need to pay more attention to it and other items that come to us. But I -- I hear the plan where it says we're open, but the economics haven't been right. And I guess I would ask I understand that the settlement says that the economic model is the station should be profitable. So I guess my question, well, they don't need to necessarily be more profitable than another alternative to be looking at it, to be moving in that direction.

I guess one thing I would hope staff are paying attention to whatever understanding we're gaining about getting fuel cell technology out there. So what are we learning from the VW settlement about what those barriers are and how we can help overcome them?

And the permitting issue has come up. And certainly as serving on a local air district, permitting is a huge issue. I guess I would ask the staff, so what can we do to help with that process? And it's important
not just for this, but many things that we try to
undertake. And whenever we try to introduce a new
technology, permitting is always an important issue.

So I would certainly ask the staff what can we
do. And I'm not necessarily expecting an answer today.
Although, gee, if you've got an answer, we'll take it.

(Laughter.)

BOARD MEMBER SHERIFFS: But ask away, you know,
it's the holiday season.

(Laughter.)

BOARD MEMBER SHERIFFS: Which reminds me, I'm
thinking of writing a heartwarming story about the -- you
know, the coming of age story of the EV -- because I have
a battery powered. And I just charge at home. I'm one of
those 99 percent residential. But everywhere I go, I'm
looking where could I charge? Not that I'm having range
anxiety, but partly, you know, it's that coming of age
Story. It's EV that wants to get out of the neighborhood
and dreams of what else is out there.

(Laughter.)

CHAIR NICHOLDS: All right. Thank you.

Dr. Sperling.

BOARD MEMBER SPERLING: Just very briefly. I
think that we should clearly approve this. They -- you
know, Electrify America has gone out of their way to be
responsive. We've heard that from many. You can always make things different. You know, at this point, it's not a question of better, it's just different. And all of us could come up with ideas of how we might want it a little different. I'd like a hydrogen station in my neighborhood, but I acknowledge that there's cost and other issues.

So -- and on the hydrogen, you know, side, I've been a strong supporter. In fact, I gave a keynote talk at the Hydrogen Business Council two days ago here in Sacramento, and certainly support them -- you know, support those initiatives. But we, on the Board, have done a lot to support hydrogen, and support -- you know, most recently, we created special credits for -- through the LCFS for them.

So you can't do everything for everyone all the time. And I think this is about as good as it gets. And so I have -- they have -- this has my strong support.

CHAIR NICHOLS: Thank you.

Yes, Mr. Serna.

BOARD MEMBER SERNA: Thank you.

So first off, I want to thank all the speakers, but I especially want to thank all those that provided their testimony and indicated their support from Sacramento, from City, from SMUD, from Mr. Levine, Mr.
Gant. I think it's pretty obvious by the nature of that testimony that the City's designation as a Green City and as a recipient of the Cycle 1 investment by Electrify America is paying dividends.

And I just wanted to stress -- and I, too, am going to certainly support this, but I want to stress that the 35 percent is -- it's not a ceiling, that's a floor, right? So -- and as was indicated in the staff presentation, or maybe it was the presentation by Electrify America, that we're actually investing in excess of that in places like Meadowview and here along the Broadway corridor and near downtown Sacramento. Places in the district that I have the good fortune of representing as a member of the Board of Supervisors. So I can tell you firsthand, especially when it comes to the ride share programs that have taken off, it really is very satisfying to see that that intent is being met and being met in excess of that 35 percent. So I really do appreciate everyone that's involved with this.

Thanks.

CHAIR NICHOLS: Mr. De La Torre.

BOARD MEMBER DE LA TORRE: Thank you.

I'll start with the fuel cell hydrogen thing. I had a conversation with Electrify America about this. And apparently -- and with staff following up on that. And
apparently, there's some work to be done. There was
money, and there's some work to be done in terms of
getting the right kinds of folks to step up and apply for
it. Obviously, in tranche 3 and 4, we'll want to make
improvements going forward on that. That was a concern.

I'm must admit, as recently as this summer, I was
very frustrated, maybe as -- maybe as frustrated as Dean
is. But at that -- since then, in talking to staff, in
seeing the movement that's taken place here with the
package, and, you know, frankly a good faith effort to
move along, I'm also frustrated that we don't have data,
but we're building the car as we're driving it. So I
understand that. I appreciate it. We have a couple more
tranches to go.

And in this next few months I think is where the
analysis is really going to have to kick in for us to see
if we're doing things correctly or incorrectly, where
it's, where it's not working et cetera. So I think the
place to be more vigilant is going to be in these next --
so that's kind of a warning to you.

I appreciate the movement that's taken place to
this point. And so with that, I will be supportive today.

CHAIR NICHOLS: Thank you.
All right. Mr. Roberts and then Ms. Mitchell.
BOARD MEMBER ROBERTS: Yeah, I'll be brief. Just
looking ahead and wondering how and where we get the
hydrogen part of the equation. How do we engage maybe
more in dialogue with them, how do we get maybe a more
robust program going?

CHAIR NICHOLS: -- I
BOARD MEMBER ROBERTS: And I understand what the
focus is here.

CHAIR NICHOLS: Yeah, I understand. I think
there's a lot going on on the hydrogen front, both at the
level of manufacturers and of deployment of fueling
stations. But of course, it's lagging considerably behind
where we are with the battery electric vehicles. And as
we saw from the chart and other comments, we are so far
behind in terms of what we need to be investing right now
in the plug-in vehicles, that I just -- I'd hate to see us
been diverting much from -- from the path that we're
already on.

I thought it was a step forward when Electrify
America agreed -- and I would welcome staff's comment on
this, but they made a commitment that -- and any new
stations that they were opening, that there would be the
possibility at least of adding hydrogen to that, if there
was an opportunity to do it, and, you know, somebody who
had the hydrogen there, and, you know, the ability to
actually bring it in.
I would welcome any correction if that is not the case. But it seems to me that at this moment, that's a pretty big thing to be committing to considering that, you know, as a state, we're rolling out these stations in an orderly fashion, but there's still only, what, 50, 60 of them or so statewide. And that matches, frankly, the deployment of vehicles right now. And we're beginning to see that there may be some shifting in the manufacturers' plans for where and how they want to be putting out fuel cells as well.

So, Analisa, maybe you can enlighten us a bit more.

ECARS ASSISTANT DIVISION CHIEF BEVAN: Sure. Yes, they have been open to incorporating hydrogen and open to investment opportunities that involve hydrogen infrastructure as part of there looking at where they want to invest in in ZEV infrastructure.

CHAIR NICHOLS: But the rollout of the hydrogen vehicles is very much a -- from a center to an outer rim approach, rather than trying to sprinkle them around the state, because there just aren't enough of them to make that a feasible strategy at least at the moment from what I can see.

Ms. Mitchell.

BOARD MEMBER MITCHELL: Thank you, Madam Chair.
I also am in strong support of the Cycle 2 plan. I do want to mention one thing that came up earlier was that Cycle 1 actually began eight months later. And so the results that we might have expected to see have been delayed, and I think we need to recognize that.

I am concerned, as some others are, about the permitting issue. And I have to confess guilt. I think my city is one of those that is very hard to get permitted in.

(Laughter.)

BOARD MEMBER MITCHELL: And I've heard that complaint not just recently, but years ago from people in the EV charging market. So I'm interested in that and interested in finding a cure for it. I'm wondering if there is out there somewhere a model ordinance for EV charging stations. Does anyone know of that? And I wonder if we can -- okay. Analisa.

ECARS ASSISTANT DIVISION CHIEF BEVAN: Thank you. There's a few things happening in California to address that. First, there was a law passed that identifies charging stations as not needing a change in use or a change in zoning, and that permitting should only consider health and safety considerations. That should have streamlined the process.

But what we're hearing from jurisdictions -- or
from charging companies is that jurisdictions aren't recognizing that law. So we have some work to do to outreach to permitting officials about that law, and educate them about what should be under consideration when reviewing a permit.

The second is that GO-Biz is working on a permitting guide book, which is close to being published. And so that should help identify what the considerations are in looking at EV charging permit applications, and also provide resources to permitting officials if they have questions if something looks like it's different, or they're just not sure what is normal or standard, who can they ask questions of, so that maybe the process can be sped up a bit.

BOARD MEMBER MITCHELL: Thank you. I'm glad to see that there's some work being done on this. And I see GO-Biz is here with us today. So I do think one of the problems that we need to address is the outreach to all of the local agencies that are -- have this task of permitting. And we have some connections with the League of Cities, with the Beacon Program that I think we might use to get the word out, and start working with them a little more closely.

And I'd be happy to work with our staff and with the GO-Biz folks to pull that together and get the -- get
the program going, get the outreach going. So I offer my help on that.

And I recommend approving the Cycle 2.

CHAIR NICHOLS: Okay. Mr. Garcia.

ASSEMBLY MEMBER GARCIA: Thank you, Madam Chair.

And thank you, staff, for bringing the item forward.

I know that it's been mentioned already the -- I think the feeling that the rural communities in California are kind of getting the short-end of the stick. But I think it's worth restating that in the last presentation for Cycle 1, we were told that we would get you next time.

And although I know that we have some letters in support from colleagues of mine in the Assembly, Assembly Member Reyes, who represents the San Bernardino area, Assembly Member McCarty, we do also have a letter from 12 legislators, from both the Senate and the Assembly who are deeply concerned with the level of investment going towards rural California.

They made a recommendation that of the 200 million, perhaps 13 percent of that, mirroring the population percentage of California, would be the level of investment. Whether that be the most appropriate formula to use or not, we could leave that up for debate or deliberation, but nevertheless, the attempt to get greater investment.
It kind of reminds me of when I take my little
girl to the store every time she asks for a toy, and I
always tell her next time. I tell her next time.

(Laughter.)

ASSEMBLY MEMBER GARCIA: And she's four years
old. And she now starts to ask and say, hey, you told me
that last time.

(Laughter.)

ASSEMBLY MEMBER GARCIA: And so that's a similar
message that we're hearing today from Electrify America
representatives. And although, I will recognize that
there are some strides being made to place the
infrastructure in key places of California, I will be the
first to confess and admit our district will be a
recipient of some of this infrastructure. But, you know,
nevertheless, I do have to highlight that there are a
tremendous amount of members in both houses of the
Legislature who are deeply concerned.

I also want to just point out that the last time
we were here deliberating or considering Cycle 1, we
talked about a plan for workforce training and
development. And that's something that's not included in
this plan as well. And so I'm hopeful that we can bring
forward some detailed approach. We had many of the
workforce training organizations and their partners here
before us the last time looking for something that would
also incorporate people from disadvantaged communities to
be able to integrate themselves into the space of
installment and the technology side of EV charging
stations.

I do want to just state someone said where you
see investments, you'll see adoption. That was a comment
made by one of the public speakers. And I truly believe
that by making strides to invest in rural California,
along with my colleagues who signed onto the letter, we
think that we'll move closer to meeting, you know,
California's goals as it relates to a cleaner
transportation system in our state.

So I just wanted to make those comments.
Clearly, you know, I'm not asking that we not approve this
project, that we put on hold $200 million of investment in
California, but certainly that we be mindful moving
forward of the commitments that were made Cycle 1 and the
commitments that are being made here Cycle 2.

I appreciate my colleague and coauthor to the
op-ed, Senator Florez, in saying that, you know, today, we
have a presentation from one CEO and making commitments,
and we may or may not see the same person before us in
Cycle 3. And we have to kind of keep that in mind and not
forget about, you know, the objectives that we put
forward.

And can the plan be better? Absolutely. It most definitely can. But this is the plan that's before us, and I just wanted to make sure that I expressed those comments on behalf of my colleagues in the legislature.

CHAIR NICHOLS: Well, thank you. I think, Mr. Garcia, you reflect very admirably the level of concern and involvement that we've seen on the part of the Legislature. And it remains a high interest topic for people from around the state, which is great, the publicity around the Volkswagen. I don't even know what to call it. I'll just say the case, the Volkswagen case is ongoing. You know, it's level of concern people around the world.

When I was at the UN meetings just this past few days, there's interest in every corner of the world on the future of electric vehicles, on the problems of the past with -- particularly with diesel vehicles and awareness of what we've been doing here. So we are more than just our own selves. Although, we're a pretty important market, and we are really a model for the rest of the world.

And we want the plan to be the best it possibly can be. I do think that we've seen evidence of real progress, whether we can give it all to the CEO or not, we should -- he I guess will get the blame, so we might as
well give some credit for also having really advanced the
level of openness, and transparency, and reporting, as
well as the specific response to the concerns that we've
raised.

But as you point out, there's -- there's room for
improvement. And fortunately, these three-year plans are
just that. There is room within the cycle for shifts to
be made, for tweaks to be made. And I think that we can
hope to see -- hope to see some of that.

Ms. Takvorian.

BOARD MEMBER TAKVORIAN: Thank you.

I just -- there were a number of comments,
particularly related to investments in both disadvantaged
communities and rural communities. I wanted to just add
my support for those and the hope that those will be
integrated for the future.

I had a couple of specific questions so that I
could understand it better. I don't know if staff or
Electrify America might be able to answer those questions.
I wondered about the charging stations that are being
attributed to disadvantaged communities and whether those
are broken out by those that are on freeways adjacent to
or in disadvantaged communities, or if they're described
as being inside disadvantaged communities?

Because I think one of the speakers talked about
kind of going through disadvantaged communities, as opposed to actually serving inside of disadvantaged communities. So I wanted to get some additional information about that.

And then I also appreciated I think your comment about the learning from Sacramento. And clearly, from the support that there is in Sacramento, there's a -- there's a lot of support, and there's a lot to learn. I just wondered if there was -- there were more metrics that perhaps we could see. So, for instance, there's just the one slide in the slide show about the car share program. I wondered if you have usage rates for the car share program that you could share with us now. And if not, how that might be incorporated in a future report.

And I'm also wondering about the community outreach. You have a line about it in your report, and it just -- I just wonder when you say you've had dozens of meetings and spoke individually with 100 stakeholders across the state, that doesn't seem like a whole lot, but perhaps I'm missing something.

So I just -- wanted more clarification about that, and incorporation of that data into future reports.

Thank you.

MR. PALAZZO: No, thank you for the question.

I'm -- so I start with the low-income disadvantaged
community engagement. From our side, I try to define it before. Actually, we see a dual usage, especially for DC fast charging stations. In some cases, they are located directly in low-income disadvantaged communities. In some cases, they are located in metro areas, and on highway location, and can support 100 percent also rural areas.

So I think the way we are defining that, it's very similar to the way we are looking MUD at the moment to make a comparison and to make you a little bit more concrete to you.

In Cycle 1, we're having workplaces and MUD investment on Level 2 site. We are moving and evolving in that by having a new concept for -- for MUD -- or serving MUDs in Cycle 2. The way we're doing that, and this applies also to the strategy that we're having on rural, is that instead of having investment on trying to retrofit existing MUD, we are investing into DC fast charging station strategically located to serve multiple MUDs. Actually, we are trying to simply take the same idea and try to transfer it also in the rural concept. That's demands that we made when we are saying to you that in Cycle 1, 40 percent of all $75 million can go directly to serve rural communities.

In Cycle 2, 80 percent of the $30 million can go directly to serve rural communities. So this is a
strategy that we have behind it. We deeply believe looking at the experience that we have inside talking to the stakeholder that its -- stakeholder engagement that we have in place -- I'm going to follow-up immediately on that question -- we think it could be a winning way of placing that. Of course, there no data available in the market to have a confirmation of that.

I totally agree on Board Member De La Torre comment that actually the upcoming months would be not only for you, but also for us for Electrify America highly monitored to understand which is the utilizations and the metrics that we have behind the use cases that we are selecting. And as already said, we are more than happy to tricks -- to update and modify what we are discussing today in case of need.

We have pure data-driven approach at the moment. This applies to all the use cases that we are discussing, and we are flexible to -- and ready to make other decision, if needed, in case we do not see adoption or efficiency.

On the second point, it's regarding the outreach --

BOARD MEMBER TAKVORIAN: Sorry, just -- so it sounds like we don't have clear metrics at this point, and that a lot of what we're talking about is the projections
that you're making as you're developing your strategy. So
I just wanted to ask maybe, Analisa, if that can be
incorporated in the next report, in a more --

MR. PALAZZO: Sure.

BOARD MEMBER TAKVORIAN: -- metrics based way, so
that we can actually see -- because I'm still not clear as
to how -- I understand how disadvantaged communities can
benefit from things that are not in their communities, but
that's -- that's not how I thought this was to be defined.

So I think that needs -- we need to drill down on
that, so that we can really see it. That's what I'm
hearing from other Board members and what I hope your
commitment is. So I just wanted to be clear on that. And
if you don't have those metrics today, that's fine, but
maybe to incorporate in the future that work, Analisa?

ECARS ASSISTANT DIVISION CHIEF BEVAN: Yes.

BOARD MEMBER TAKVORIAN: Okay. Thanks.

MR. PALAZZO: Actually, you anticipated to me
because I want just simply to align that also the metrics
regarding the car sharing products will be included into
the quality report, and, of course, also the annual
report.

We started, you know, one month and a half ago.
So we still do not have really real data utilization,
which are accurate enough to make a first assessment.
But, of course, we are going to include this data into the annual report. Okay.

BOARD MEMBER TAKVORIAN: Thank you.

CHAIR NICHOLS: We've taken a lot of time on this issue, but I am willing to indulge anymore comments that anyone has to make.

Okay.

VICE CHAIR BERG: And my comments really are about the future. I'm drawn back to slide 10, where in 2025, we will still have 46 percent of California that will not have infrastructure that will be sufficient for need. So, to me, that says 46 percent of the people are still going to be feeling left behind.

I think it would be an interesting exercise if somebody could think about what is this going to look like at the end? And if we could start talking about that now, what can we do that will allow the Board to understand we have another $400 million. We talked about when we first had this opportunity for this investment of $800 million how much money that sounded like. And we all realized that it wasn't going to be a true game changer in the fact that we needed so much more.

So I think setting expectations of what can we expect, and what are we going to cover? I heard we should do more heavy-duty. Heavy-duty is very expensive. We
should do more medium-duty. We need -- the needs are
great, and I think it's incumbent on us Board members to
understand that we can't -- I know we know we can't have
it all. But if we're going to divert some into other
areas, it has to come from something.

And so I would encourage staff to partner and
figure out how to look at, at the end of this process,
which should be around 2024, what is it we expect that
we're going to accomplish, and then come back to the Board
for some direction, so that we will be able to understand
where we're going, rather than constantly looking back as
to where are we and where have we been.

CHAIR NICHOLS: I think that's a very good
comment. I was about to recognize somebody who's in the
audience who's been working on these issues for a while.
But before I do that, I guess I would just say that there
are a number of groups that I'm aware of that are looking
at the idea of a massive need for zero electric --
zero-emission vehicles, sorry -- zero-emission vehicles
for the state of California and what kind of
infrastructure it would take to get us there.

And I think that this is an area where we may see
some action coming in the next year from the Legislature,
from the new incoming Governor directing the
administration to take a broader look at these issues.
And I agree with you that we have to look at the end point.

We also are on a -- we recognize -- have to recognize that the path to get there has to start immediately. We can't wait around until we have complete consensus on exactly how many or where we would need charging facilities in 2025 or 2030. So it is an urgent task.

I want to embarrass one of my colleagues, and ask Tyson Eckerle to be recognized for having just received an award from the Hydrogen Business Council for his Herculean efforts on siting of hydrogen stations. And I saw in an article that he was being credited for having helped with the build-out of 36 open retail stations, 64 funded stations, and thousands of vehicles that are going to be coming by 2030.

So would you please stand up and at least be acknowledged for that.

(Applause.)

CHAIR NICHOLS: He's a shy fellow, but he's very persistent, and gets a lot done.

(Laughter.)

CHAIR NICHOLS: Okay. Thank you. I'm ready to ask for a vote on this.

No, more?
BOARD MEMBER FLOREZ: I just have a comment.

Thank you. I took my time earlier, but I wanted to ask staff, if possible, we hit this second cycle plan pretty quickly. We just approved the first, now we're approving the second. My estimation if we're looking at the way this has gone, in 24 months we'll be looking at Cycle 3. So I'm wondering if staff could consider looking at two -- two check-ins well prior to that with the Board.

I think as Ms. Berg just mentioned, it would be good to have something in 12 months, and another 12 months prior to the vote that would take place some 24 months from now on Cycle 3, so we can actually get -- and I would say that the site -- that particular report be heavy on data and analytics on how well we actually do in Cycle 1.

So I would just -- it's nothing for Electrify America to do, but I think from our metrics, this hits us really quick. Last time it was on the agenda, it was at the end of the agenda, and we were going to vote on this very quickly. I think we've learned a little bit about today as well from staff perspective.

If we could just get a handle on Cycle 3 with some key performance indicators, some analytics behind that, and then coming back to the Board in 2020 and 2021. That would be probably preferable. And so we won't have to pepper the CEO with lots of questions and decisions at
the dais, but we can all kind of be on the same page with
the numbers. So that would be my only request.

And I would ask please to call the roll, because
I will not be an aye vote on this today. I'm going to
reserve judgment for the -- for the next plan.

EXECUTIVE OFFICER COREY: We'll plan on the time
table of check-ins as you described. That's in addition
to the quarterly status reports as well, as well as the
other progress reports. But basically how is the program
implementing and where are we in terms of pulling Cycle 3
together. So, yes.

CHAIR NICHOLS: Okay. Was that a request for a
roll call vote?

BOARD MEMBER FLOREZ: Yes.

CHAIR NICHOLS: It was. All right. Then let's
go ahead and call the roll, please.

BOARD CLERK DAVIS: Dr. Balmes?
BOARD MEMBER BALMES: Aye.
BOARD CLERK DAVIS: Mr. De La Torre?
BOARD MEMBER DE LA TORRE: Aye.
BOARD CLERK DAVIS: Mr. Eisenhut?
BOARD MEMBER EISENHUT: Aye.
BOARD CLERK DAVIS: Senator Florez?
BOARD MEMBER FLOREZ: No.
BOARD CLERK DAVIS: Assembly Member -- oh, Ms.
Mitchell?

BOARD MEMBER MITCHELL: Aye.
BOARD CLERK DAVIS: Mrs. Riordan?
BOARD MEMBER RIORDAN: Aye.
BOARD CLERK DAVIS: Supervisor Roberts?
BOARD MEMBER ROBERTS: Aye.
BOARD CLERK DAVIS: Supervisor Serna?
BOARD MEMBER SERNA: Aye.
BOARD CLERK DAVIS: Dr. Sherriffs?
BOARD MEMBER SHERIFFS: Yes.
BOARD CLERK DAVIS: Professor Sperling?
BOARD MEMBER SPERLING: Aye.
BOARD CLERK DAVIS: Ms. Takvorian?
BOARD MEMBER TAKVORIAN: Aye.
BOARD CLERK DAVIS: Vice Chair Berg?
VICE CHAIR BERG: Aye.
BOARD CLERK DAVIS: Chair Nichols?
CHAIR NICHOLS: Aye.
BOARD CLERK DAVIS: Motion passes.
CHAIR NICHOLS: Thank you. And thanks to all of you who participated. Its really a terrific sign of the interest on the part of the public and this issue.
We're going to take a lunch break. And I would like to see if can be back here by 1:30.
(Off record: 12:45 p.m.)
(Thereupon a lunch break was taken.)
AFTERNOON SESSION

(On record: 1:40 p.m.)

CHAIR NICHOLS: Good afternoon, ladies and gentlemen. We're going to resume our Board meeting here with the presentation on two separate but related Board items. The proposed amendments to the Cap-and-Trade Regulation, and the proposed amendments to the regulation for mandatory reporting of greenhouse gas emissions. We did hear the staff proposal on these two items at the November Board meeting, which was a month ago.

And we'd, I don't believe, need to go into extensive testimony this time, although we certainly will hear from the public. But I think we did so well with the two minute limit on the last item, that I would like to suggest that we continue with that this time around. If anybody -- I saw some applause from that -- or at least silent applause, so that's great.

Okay. Well, I'm going to take that as overwhelming support for my proposal --

(Laughter.)

CHAIR NICHOLS: -- and suggest that we -- that we do give this a two-minute time limit. So just as a reminder for everybody, the Cap-and-Trade Program is one part, but a critical part, of our entire plan for reaching our 2020 and 2023 greenhouse gas emissions targets. It's
an economy-wide measure that places a price on greenhouse
gas emissions to incentivize actions that lead to
emissions reductions. And I can tell you that I spent a
lot of time this past week talking to people from around
the world who are interested in carbon pricing, and what
that actually means, and that look to California as one of
the world's examples of a place that is doing it, and has
made it work in a way that is good for the economy, good
for our concerns with equity, and overall economic
well-being. So there's a lot of people watching us.

Today's amendments are proposed in response to AB
398, which was authored by Assembly Member Eduardo Garcia,
who serves as a representative on this Board from the
Assembly. And, as you know, AB 398 was supported by
two-thirds of the Legislature when they reauthorized the
Cap-and-Trade Program.

The mandatory reporting regulation that we're
also dealing with today supports the Cap-and-Trade
Program, as well as the entirety of our greenhouse gas
emissions programs, and it requires the state's largest
collectors to report the data that we need to be able to
assess how we're doing with respect to those sources.

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

EXECUTIVE OFFICER COREY: Yes. Thanks, Chair.
As you noted, the first public hearing was on November 15th, 2018, where the Board considered staff's proposed amendments to both regulations. And at that hearing, the Board directed staff to make additional changes to both regulations and circulate those changes for a formal 15-day comment period. Staff released additional changes as part of the 15-day packages resulting in the final proposal before you today.

And as discussed during the November hearing, staff is proposing the amendments to the Cap-and-Trade Regulation to conform to legislative direction in AB 398, which was adopted in July 2017, as well as prior Board direction.

The proposed amendments ensure that the program will meet the requirements of AB 398. The amendments also help to contain costs for businesses and consumers, and increase environmental benefits to Californians, while all the while preserving -- or rather preserving the programs environmental integrity to ensure that we achieve our GHG emission reduction goals.

And today's presentation will provide a short overview of the amendments as well as the 15-day changes. And in the staff presentation, you'll also hear about changes to the mandatory reporting regulation that are necessary to ensure that the EIM emissions leakage is
addressed by the electricity sector and supports the
environmental integrity of the Cap-and-Trade Program.

        Staff requests that the Board separately approve
the amendments to the Cap-and-Trade Regulation and the
amendments to the regulation for mandatory reporting of
greenhouse gas emissions.

    And with that, I'll ask and Abajh Singh of the
Industrial Strategies Division to give the staff
presentation.

        Abajh.
(Thereupon an overhead presentation was
Presented as follows.)

        AIR POLLUTION SPECIALIST SINGH:  Thank you, Mr.
Corey.

        I will start with the Cap-and-Trade Regulation
providing background, context, and an overview of
amendments and analysis. I will then present proposed
changes to the Mandatory Greenhouse Gas Reporting
Regulation to support changes to the Cap-and-Trade
Program. I will close with our recommendation to the
Board and a discussion of next steps.

        Because we heard -- we just heard this item last
month, I'll provide a somewhat abbreviated summary of the
amendments and describe the 15-day changes made in
response to Board direction in November.
AIR POLLUTION SPECIALIST SINGH: This slide provides basic background on the program. I will focus on a few key points. The program is a key part of the overall strategy to achieve the State's greenhouse gas reduction targets. And the 2017 Scoping Plan Update found that a suite of policies that includes a Cap-and-Trade Program is the most cost-effective path to achieve the 2030 target, four times less costly than the alternative approaches that were evaluated.

The program is intended to work in conjunction with other established measures. To date, quarterly auctions have generated over $8 billion for California climate investments, which is reinvested in California to reduce GHG emissions, strengthen the economy, and improve public health and the environment, particularly in disadvantaged communities.

For projects implemented to date, 51 percent of investments benefit disadvantaged communities, and 31 percent are located within disadvantaged communities.

AIR POLLUTION SPECIALIST SINGH: This rulemaking package is primarily in response to AB 398, and Board Resolution 17-21, which the Board adopted in July of last year. To accommodate AB 398, the proposed amendments:

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Add to allowance price containment reserve tiers and a price ceiling; reduce offset usage limits post-2020; implement, "Direct Environmental Benefits in the State" provisions for offsets, and; set post-2020 industry assistance factors for allowance allocation.

Pursuant to AB 398, staff also evaluated whether post-2020 caps should be adjusted to account for currently unused allowances.

Board Resolution 17021 directed staff to take specific action on post-2020 cap adjustment factors for certain sectors, and assistance factors for the third compliance period.

Staff is also proposing amendments to respond to changes to Ontario's Cap-and-Trade Program, and to clarify and streamline program participation and implementation.

I will discuss several of these items in detail in the following slides.

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AIR POLLUTION SPECIALIST SINGH: Prior to starting the formal rulemaking process for these amendments, staff conducted an informal public process and held four workshops from October 2017 through June 2018.

In conjunction with these workshops, CARB released discussion drafts of possible changes to regulatory language, technical discussion documents, and a
summary of stakeholder comments received. This process enabled staff to share preliminary ideas with stakeholders, and solicit constructive specific feedback on our proposals to inform our initial staff proposal, which was released September 4th.

Following direction received in the first Board hearing, staff released a 15-day proposal. Assuming the proposed amendments are approved today, both regulations will effect April 1st, 2019.

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AIR POLLUTION SPECIALIST SINGH: In response to AB 398, staff evaluated the concerns related to overallocation, and the post-2020 caps. As we discussed during the November Board hearing, staff analyzes this issue and found the following:

Historical data shows a gradually increasing price signal to incent reductions; The caps for 2013 through 2030 are set to conform to AB 32 and SB 32 statewide GHG reduction targets; the program has been designed with features to support a gradually increasing carbon price signal; staff and third-party analysis shows the caps are binding on emissions through 2030; and removing allowances would increase prices today and in the future.

Staff expects the program with current its
current features will result in actions to reduce GHG emissions to help achieve the 2030 target. As a result of this analysis, staff is not recommending any revisions that would alter allowance budgets or banking rules as part of this rulemaking. As included in the draft resolution and mentioned in the last Board hearing, staff willing report back to the Board in 2021 on the actual number of unused allowances from 2013 through 2020, and propose any adjustments to the allowance supply as necessary.

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AIR POLLUTION SPECIALIST SINGH: This figure will show the revised regulation's new cost-containment features, with project allowance prices through 2030 in 2018 dollars.

We start with the auction reserve price, commonly known as the floor price, which escalates over time. It is shown in the dark line extending from 2018 to 2030.

Next are the current three tiers that make up the allowance price containment reserve from 2018 to 2020. Currently, the post-2020 reserve is a single tier that is shown as the dotted line from 2021 to 2030, and I'll refer to that as the current regulation. AB 398 directed staff CARB to make specific revisions to the current regulations.
Next, we show the new post-2020 reserve as proposed in the amendments. Reserve tier 1, reserve tier 2, and the price ceiling. The price ceiling, as mandated by AB 398, provides a firm limit on allowance prices. The price ceiling is a relief valve that is accessed only in the unlikely case of high-priced levels.

Building the new reserve tiers and price ceiling, we sought to enhance cost containment of the program relative to the current regulation. As you can see, in 2021, the proposed price ceiling and new reserve tiers are well below the current regulation. The new reserve tiers will remain below the current regulation price through the 2020's.

The price ceiling will be below the current regulation price through 2026, and increases slightly above the current regulation value from to 2027 to 2030. Relative to the current regulation, the proposed reserve tiers provide access to more allowances at lower prices in the period 2021 to 2030, initiating price containment at lower values and over a wider range of prices.

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AIR POLLUTION SPECIALIST SINGH: In the highly unlikely event that the price ceiling is accessed, it will provide a firm limit on allowance prices. When compared to the existing regulation with the new reserve tiers and
price ceiling, price containment is initiated at lower values and spread over a wider range of prices. In addition, more allowances are made available for cost containment.

Economic analysis shows negligible impact on growth of the economy, employment, and personal income even in the unlikely event that the price ceiling is accessed.

As discussed in the first Board hearing and outlined in the initial staff report, staff took into account multiple criteria mandated by AB 398 when setting the price ceiling.

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AIR POLLUTION SPECIALIST SINGH: With regard to AB 398 direction offsets, we reduced the post-2020 offset usage limit as required, and include a provision that no more than one-half of an entity's quantitative offset usage limit may be sourced from projects that do not provide direct environmental benefits in the state. Direct environmental benefits in the state are defined using the legislative definition.

We propose to implement the direct environmental benefits in the State requirement using a performance standard for projects that are in the state or utilize GHGs sourced in the state, or by case -- case-by-case
review for those projects that are out of state, depending on the project.

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AIR POLLUTION SPECIALIST SINGH: The proposed amendments follow AB 398 to set industry assistance factors, which reflect leakage risk and industrial allowance allocation calculations at 100 percent of the post-2020 period. This has the result of increasing protection against leakage.

Board Resolution 17-21 directed staff to evaluate setting assistance factors in the third compliance period 2018 to 2020 at 100 percent as well. With the post-2020 revision mandated by AB 398, the assistance factors for the years leading up to and following the third compliance period are 100 percent for all leakage risk categories. This reflects the Legislature's and the Board's direction to minimize leakage risk for covered entities through 2030.

Also, maintaining current assistance factors results in a spike in compliance costs under the current regulation, while modifying the 2018 to 2020 assistance factors to 100 percent results in a smoother cost trajectory. Smoothing the transition into the post-2020 program is critical as the rate of reductions needed is doubled relative to today.
In addition to the revisions to assistance factors, the proposed amendments extend the alternative more slowly declining cap adjustment factors for certain sectors through 2030.

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AIR POLLUTION SPECIALIST SINGH: The State allocates allowances to electrical distribution utilities and natural gas suppliers for the purpose of benefiting their ratepayers, consistent with the goals of AB 32. The proposed amendments clarify, enhance and streamline the permissible use of allowance value allocated to these entities.

The proposed amendments also clarify particular activities that are not allowed, including compliance activities, lobbying, and benefiting employees or shareholders, but address key issues, such as wildfire reduction activities, and educational programs.

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AIR POLLUTION SPECIALIST SINGH: This slide shows other proposed revisions, and responds to the Ontario government revoking their Cap-and-Trade Regulation. Staff proposed amendments to de-link with Ontario's program.

For the compliance offset program, the proposed amendments revise and clarify provisions related to successor liability; use of alternative methods to obtain
measurement and monitoring data; and regulatory compliance and invalidation.

   The proposed amendments also revise certain allowance allocation provisions to ensure appropriate levels of allocation for transition assistance and leakage prevention, including for newly covered sectors.

   Revisions related to the Energy Imbalance Market are also being revised. This change will be covered in more detail during the discussion of the mandatory reporting regulation changes.

   To improve program administration, the amendments clarify and update registration and auction requirements, processes, and procedures. Staff proposes to extend the application deadline for the limited exemption for emissions from the production of qualified thermal output, known as the "but for" CHP exemption from 2014 to 2020, to provide an additional application opportunity for entities that potentially qualify for this exemption.

   These and other revisions clarify and streamline the program and enhance CARB's ability to implement and oversee the regulation.

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   AIR POLLUTION SPECIALIST SINGH: Staff completed a draft Environmental Analysis, or EA, for the proposed Cap-and-Trade Amendments. The EA finds that the proposed
amendments will not cause any direct environmental impacts, but discloses that it is foreseeable that regulated entities will take actions in response to the program causing potential indirect impacts.

These indirect impacts are primarily those resulting from the existing Cap-and-Trade Program, which have been previously analyzed and disclosed in prior environmental documents, and which would not be substantially altered by this rulemaking.

As noted previously, staff expects that many adverse impacts will be avoid or mitigated during environmental review by relevant permitting agencies for specific projects. The draft EA was released for a 45-day comment period on September 7th, 2018.

The public comment period closed on October 22nd, and staff prepared written responses to all of the draft EA comments received, including oral comments at the first Board hearing, and written comments through the 15-day comment period.

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AIR POLLUTION SPECIALIST SINGH: Now, I will turn to the report -- the proposed amendments to the Mandatory Reporting Regulation, or MRR. Annually, over 800 entities report data under MRR. And the data collected supports multiple climate change programs at CARB, including the
Cap-and-Trade Program and the statewide GHG inventory.

Staff is proposing minor updates that clarify and streamline the reporting requirements for emissions product data, to ensure that reporting data are accurate, complete, and fully support CARB's climate programs.

The changes proposed clarify the cessation requirements for reporting and verification of certain entities, and support the alignment of CARB's GHG accounting and CAISO's Energy Imbalance Market.

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AIR POLLUTION SPECIALIST SINGH: Under AB 232, CARB must account for GHG electricity that is generated in-state or imported to California to serve California load.

The current design of the Energy Imbalance Market, or EIM, does not account for all GHG emissions from imported electricity under EIM and results in emissions leakage.

In 2017, the Board approved a temporary solution for the MRR and Cap-and-Trade Programs to account for this emissions leakage. Under the current regulations, CARB calculates the annual EIM outstanding emissions and retires an equivalent number of unsold allowances from the State's pool of allowances to account for the compliance obligation associated with the emissions leakage.
Staff is proposing to replace the current regulatory solution and require entities in the electricity sector to proportionally share in the responsibility of addressing EIM emissions leakage. This narrows the scope of responsible entities to those already participating in the MRR and Cap-and-Trade Programs.

Staff's proposal only addresses EIM transactions and not the day-ahead market or regionalization.

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AIR POLLUTION SPECIALIST SINGH: As previously mentioned, in response to Board direction and stakeholder comments, staff proposed regulatory updates in a 15-day package. Revisions were made to the EIM proposal, staff revised and clarified provisions for use of allowance value, and updated allowance allocation provisions related to leakage risk classification for new sectors.

In response to Board direction at the first Board hearing, staff proposed a revised methodology to provide increased transact -- transition assistance to waste-to-energy facilities. As a reminder, waste-to-energy facilities were exempt for the first two compliance periods, meaning that CARB retired allowances equally to their emissions instead of those allowances going to auction.

Starting in 2018, and based on amendments the
Board adopted in 2017, these facilities now have to
procure and surrender some portion of their own
allowances. Staff expects that the new methodology will
increase total allowance -- allocation to the sector
beyond what was proposed in the 45-day proposal.

Fifteen-day changes also add allowance allocation
to legacy contract generators during the third compliance
period to help avoid a potentially disruptive change in
compliance costs as the one or two remaining legacy
contractors -- contract generators work to renegotiate
contracts.

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AIR POLLUTION SPECIALIST SINGH: Staff recommends
that the Board approve both proposed resolutions,
including approving written responses to environmental
comments, certifying the final EA, and making the required
CEQA findings for the Cap-and-Trade Amendments.

If adopted, these amendments will be in effect
April 1st 2019.

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AIR POLLUTION SPECIALIST SINGH: Staff is
proposing to address several items in a subsequent
Cap-and-Trade rulemaking. We plan to adjust the
allocation to the utilities in response to SB 100, which
increases the renewable portfolio standard to 60 percent
in 2030 from the existing 50 percent.

We will develop a methodology to provide additional allowance allocation to industrial-covered entities to minimize the potential for leakage resulting from higher energy costs.

We want to recognize the role of fuel cells in addressing air quality concerns under specific conditions. These and any other amendments will be subject to our usual public process before coming back to the Board. And we will provide annual progress reports to the Board on program implementation, such as noting that we had 100 percent compliance rate for the second compliance period.

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AIR POLLUTION SPECIALIST SINGH: This ends my presentation and we can take your questions.

Thank you.

CHAIR NICHOLS: Thank you.

Shall we just move to testimony at this point? Okay. Let's begin then with Amy Brown and move on.

Do we have the list posted? Yes, we do.

Okay. Is Amy Brown here?

MR. WEINER: Amy had to leave so I'm going to take her place.

CHAIR NICHOLS: Okay. You to -- are you
testifying twice or --

MR. WEINER: No. Just take her off the list and put someone else up.

CHAIR NICHOLS: Okay.

MS. DeRIVI: Good afternoon to the CARB Board and to CARB staff. We wanted to express -- I'm Tanya DeRivi with the Southern California Public Power Authority. Wanted to express again our strong support for the Cap-and-Trade Program. Also wanted to thank staff for efforts over the last year to improve upon the municipal use of allowance values, specifically adding in vegetation management provisions to help with wildfire risks for our utilities.

We look forward to working with CARB staff now next year in a new Cap-and-Trade Rulemaking on our concerns with potential implementation issues on the CAISO EIM GHG accounting, and look forward to working with any amendments with CARB and the CAISO to address potential concerns in that regard.

Thank you very much.

CHAIR NICHOLS: Thank you.

MS. ROEDNER SUTTER: Good afternoon. Katelyn Roedner Sutter. And I'm excited to learn that this goes down. I didn't know that.

CHAIR NICHOLS: I know.
Laughter.)

CHAIR NICHOLS: It's not just for tall people.

MS. ROEDNER SUTTER: That's right.

So Katelyn Roedner Sutter again with the Environmental Defense Fund. Thank you for the opportunity to provide comments today and at an appropriate height.

Laughter.)

MS. ROEDNER SUTTER: I also appreciate staff's work on this regulatory package, both the original one and the 15-day amendments. EDF is pleased to support the adoption of this package, though I would like to point out two major recommendations for improving these amendments, which we don't see reflected in the 15-day package.

First, as we have suggested before, we strongly encourage CARB to begin working now to identify high integrity emission reductions to back the price ceiling units. When we -- you know, if, at some point, we hit the price ceiling, of course, there will be units sold at the price ceiling. And those need to be matched by reductions. And we would like to see a stream of reductions start ahead of time, so if that happens, we are prepared to maintain the environmental integrity of the program, rather than waiting to see what happens.

Second, EDF maintains our position that a modest cap adjustment post-2020 is important to increase
California's climate ambition. Specifically, the 52.4 million allowances slated to be split between the two price tiers post-2020 we think should just be removed from the program entirely.

We don’t see them as needed for cost containment at this point, but we do see it as an important opportunity to increase our ambition a little bit as a State.

The Cap-and-Trade Program has been successful at helping to reduce our state's emissions. And tightening that post-2020 cap puts us on an even stronger footing to meet our 2030 target.

So again, we would just respectfully ask CARB to consider that.

And lastly, I just want to say thank you for holding the line on the price ceiling. While we had recommended an even higher one, we do appreciate that there was no change in the 15-day package.

So thank you very much.

CHAIR NICHOLS: Thank you.

MS. FERO: Hello. I believe Scott Henderson is also not here.

Madam Chair, members of the Board, my name is Anna Fero. I'm from the law firm of Paul Hastings. I represent Crockett Cogeneration, LP, which supports the
Cap-and-Trade Amendments before you today.

Crockett operates a cogeneration facility that provides steam to C&H Sugar under steam sale contract running through the year 2026. This is a legacy contract that was executed before passage of AB 32 and does not provide for recovery of Cap-and-Trade Program compliance costs.

The current regulations sunset transition assistance for legacy contracts without an industrial counterparty at the end of the second compliance period, causing legacy contract holders, like Crockett, to bear stranded compliance costs alone for the remainder of their contract durations.

We appreciate that the Board, via resolution 17-21, and staff, via today's draft amendments, have recognized and addressed this issue. The proposed amendments before you today would provide transition assistance in the third compliance period and through the remaining life of legacy contracts without industrial counterparties.

Crockett supports adoption of the proposed Cap-and-Trade Amendments.

Thank you.

MR. WEINER: Madam Chair, and members of the Board. I'm Peter Weiner representing the Covanta. And I
apologize. Scott Henderson had to leave and take an
airplane back to the east coast, so I'm doing double duty,
but I won't ask for more time.

(Laughter.)

CHAIR NICHOLS: Okay.

MR. WEINER: I'm representing Covanta and both
the existing waste-to-energy facilities. This Board, in
many resolutions and reports, has found that
waste-to-energy management of municipal waste is
preferable to landfilling with regard to the reduction of
GHGs, and especially short-lived climate pollutants, such
as methane.

We have studies which show that this benefit
continues even after landfills adopt state-of-the-art
methane control. In Resolution 17-21, you directed staff
to provide transition assistance for the compliance
obligation that these facilities are now going to be
under. We were concerned that this transition assistance
was at such a level that it would threaten the continued
viability of these facilities.

Given that the CalRecycle diversion of organics
from landfills regulations are not going to be effective
until 2022 at the earliest and are of unknown efficacy, we
believe that we need waste-to-energy facilities as a waste
management option.
We're therefore very pleased that the Resolution 18-51 that will be before you has be it further resolved that the Executive Officer will work with the existing waste-to-energy facilities on alternative methods for allocation for the purpose of additional transition assistance ending by 2025, et cetera.

We're very pleased that we're -- that this language is in there. I noticed that it was not in the future Cap-and-Trade Rulemaking activity slide, but we hope that was just an oversight.

As a result, we very much support the amendments before you today, and look forward to working with you and staff.

Thank you.

CHAIR NICHOLS: Thank you.

I don't think you should take the slides as being particularly definitive as to what is before us.

MR. TUTT: Good afternoon, Chair Nichols, Board members. Tim Tutt here representing the Sacramento Municipal Utility District. SMUD supports the adoption of the Cap-and-Trade and Mandatory Reporting Amendments today. And as always, it's a pleasure and enjoyable to work with your staff as the Cap-and-Trade Program unfolds.

I want to call your attention to an issue that has developed, and that has -- SMUD will work with staff
to resolve in the next year or so. So, A, when implementing legacy allowance provisions in the past, ARB staff cut SMUD's legacy contract allowances provided in the years 2015 through 2017 to reflect a proposed CPUC decision to pass on some GHG costs in gas tariffs. Understandably you don't want to provide us allowances if we're already getting compensated for that portion of our GHG costs.

However, that CPUC decision did not happen as expected. No GHG costs were passed on in those years. The 45-day language made SMUD whole and cured the cutback, reflecting the revised CPUC policy. However, the 15-day language then removed the cure. So again, we expect to work with staff to resolve that issue in the future.

Also, SMUD is appreciative of the resolution suggesting further work be considered in future rulemakings on cost containment. SMUD continues to believe that the escalation rate in the price ceiling is too high, and the spread between the price containment points should be larger.

And secondary emissions from the EIM market. It is unclear what the impact of the EIM participant methodology will be on the EIM market. A lot of new analysis needs to be done, and is in the works to understand the secondary emissions issue and the impacts
on the market.

We would add to this direction to develop and implement a simple estimation based, or similar method, to provide additional allowances to cover the ratepayer cost burden of transportation and building electrification load growth, removing the cap-and-trade barrier to pursuing these vital State GHG reduction policies.

In closing, I just want to say we appreciate the continuation of the current banking provisions. This is a vital program component for a utility that is subject to wide swings in available hydropower from year to year.

Thank you.

CHAIR NICHOLS: Thank you.

MR. MAGGAY: Good afternoon, Chair Nichols, Board members. Again, my name is Kevin Maggay. I'm with SoCalGas. And we wanted to express our support for two things. First, the two-minute time limit we fully support.

(Laughter.)

MR. MAGGAY: Second of all, we support the Cap-and-Trade Regulation. We think that generally it is very well done, and we commend staff for getting it to the finish line. We did have a couple comments to make though.

First, the proposed regulation specify that
electric utilities may use a portion of the Cap-and-Trade revenues to find renewable energy or integration of renewable energy. The regulation doesn't provide similar language for the natural gas utilities, leading to ambiguity on the treatment of two sectors. Renewable natural gas, as you know, is an efficient way to reach our short-lived climate pollutant goals by displacing high carbon fuels at its endpoint, as well as mitigating methane emissions.

We've spoken to staff on this topic, and they've indicated that the natural gas industry does have the same allowable uses of their Cap-and-Trade revenues. We would just like to see that language explicit and articulated clearly in the regulation.

Second, staff acknowledged in the ISOR that it should consider adjustments to the natural gas utility allowance allocation. In light of policies or efforts to decarbonize the sector, such as renewable gas mandates or other changes, such adjustments to consider allowance allocations that's consistent with Board Resolution 17-21 that direct staff to evaluate approaches to ensuring ratepayer protection for the natural gas supplier sector.

1440 was signed into law, which requires the PUC to consider biomethane procurement targets for natural gas utilities. Therefore, consistent with the ISOR and the
Board resolution, we feel that it's appropriate for staff to consider adjustments to the allocation -- or to the allowance allocation for gas utilities at this time.

And we look forward to working with staff in this next rulemaking to make that adjustment.

Thank you.

CHAIR NICHOLS: Thank you.

MS. BERLIN: Good afternoon. My name is Susie Berlin. And I'm speaking through clenched teeth, not because I'm angry, but because I had jaw surgery. I'm actually -- I need to say that we are very pleased with the revisions to the 15-day language. I'm representing the Northern California Power Agency, and the Golden State Power Cooperative.

And NCPA is a group of publicly-owned utility members located in Northern California that are directly impacted by the wildfires, and have long lobbied for the ability to use the allowance value for programs that strengthen the resiliency and reduce the wildfire risks. And we strongly urge the Board to adopt that proposal in the 15-day language.

The Golden State Power Cooperative are the -- represent the state's rural electric cooperatives. And they rely heavily on the allowance value for various programs. And my two comments are going to focus on
things that are very specific to those entities.

With regard to the use of allowance value for the wildfire mitigation, we would like to see the Board provide staff with the guidance and direction to ensure that these programs can be implemented immediately with an interim accounting mechanism, and that we not have to wait until the provisions of SB 901 have been met, where there's a statewide baseline or a specific methodology. That we can do the methodology -- apply that as a true-up after the programs are already put into place.

We think that the revisions with regard to the use of allowance value, we would like to have seen them go a little bit further with regard to existing programs. And we'd like to see the Board direct staff to acknowledge in guidance or in the ISOR that programs that are already in place that have been utilized allowance value, continue to be acceptable uses of allowance value, even if they're not specifically delineated in the revised regulations.

And finally, with regard to the new regulations, we'll be doing this again in a couple of months, we urge the Board to direct that looking at the use of allowance value for renewable energy projects that aren't RPS compliant be specifically considered as we move towards a greater zero and Carbon neutral policies.

Thank you.
CHAIR NICHOLS: Thank you.

Mr. Cunha.

MR. CUNHA: Well, the last time I was here it was wood and it was a podium.

(Laughter.)

CHAIR NICHOLS: We do need you to speak right into the microphone. You have a soft voice too.

MR. CUNHA: All right. Well, great. Madam Chair, thank you very much. I like the new digs.

CHAIR NICHOLS: Yes.

MR. CUNHA: Since the last time I was here, so it's been awhile.

Again, I want to thank Madam Chair for allowing us to speak. I want to thank Dr. Sherriffs for his attempt trying to move the last meeting. When we had our San Joaquin Valley Board hearing, we were adopting our 2.5 plan at the same time. We were all planning to come up here, hoping to have it done on Friday. And I want to thank Dr. Sherriffs for his efforts to try to do that. And, of course, your schedules don't sometimes allow that. So again, I want to thank him.

I'm here on behalf of the Nisei Farmers League upon the funding of this Cap-and-Trade monies are significant to our farmers in our plan. If we do not receive these type of incentive fundings, there's no way
our farmers can replace their tractors in a voluntary
program that we have achieved with your staff, and with
even EPA. So it's very important.

But also, I want to make a comment -- excuse
me -- is that the gentleman that came up here -- and I'm
here about that item. Whatever you can do to make my
farmers have a certainty on a price that's not going to
put them into where they don't know from year to year if
there's going to be funding or not, because farmers have
to have plan out. There's the only way it works. This
year, our crops -- several commodities crashed, did not
come out ahead at all.

But the gentleman that came here at the last
meeting, Mr. Will Scott, represents the African-American
farmers. There are about 89 of them. And their an
average age of 80 years old to 70, probably in that range.
He was the very first farmer to be in the Tractor Trade-Up
Program with ARB and EPA and was the first one that we had
with Lynn Terry absolutely showed up to crush a tractor
with Jared Blumenfeld and others.

Mr. Will Scott is a sharp man. He was in the
military on sub. He was with Pacific Bell.

And if you could, Madam Chair, if I could take a
minute more, please.

He is very sharp to educate young
African-American farmers to look at agriculture as a possibility of a job, and he is doing that. When I see a farmer like him taking his time to come up here, I would hope that in the future we recognize the people that do travel and what their skills are, and what they're trying to do.

If it wasn't for your program to allow him in the Tractor Trade-Up Program, he would never have been able to get a used new tractor through the monies. It's very important.

CHAIR NICHOLS: Could I please ask you to wrap-up. I'm sorry, but we're -- you've used your time.

MR. CUNHA: And thank you very much. And I'm sorry for my voice being not as loud as it should be. And maybe that's a good thing for all of us.

(Laughter.)

CHAIR NICHOLS: That's okay.

MR. CUNHA: And again, thank you, Madam Chair. And I hope that you work with us closely, and you have. But it is important for the staff and Richard Corey. I want to thank him for his efforts and Kurt. So thank you, Madam Chair.

CHAIR NICHOLS: Thank you. Thanks for your input.

MR. CULLENWARD: Good afternoon. Danny
Cullenward with Near Zero. I'm also a member of the
Independent Emissions Market Advisory Committee.

I'm going to share a few things today that I
think many of you have already heard from me, but I think
it's important to say the day when you're planning to
adopt these regulations.

I appreciate all the constraints that face the
Board and climate policymakers. But I think it's really
important to mention there has been no analysis in this
process of how the stringency of the Cap-and-Trade
Regulatory proposal is consistent, either with our
statewide emissions target for the year 2030, or with the
role that the Board identified for the Cap-and-Trade in
the Scoping Plan.

I just think that's incredibly important to point
out. I also want to point out, I think the responses to
comments -- this is kind of a remarkable process, where
there is really almost no response to most of the comments
that were issued in this docket, and that's a pretty
remarkable place to be, given the level of stringency of
the discussion that's ensued over the last year.

I think it's also important to say I respect the
work this Board has done on climate and other issues. The
analytical integrity of what staff have put forward does
meet the integrity, and do service to the reputation you
all have developed over decades.

    I think it's important to say this, because we
face big challenges. And getting right with the facts and
the numbers is an important part of that. There is
language in the proposed staff resolution -- or, sorry,
the proposed Board Resolution to revisit the question of
whether or not there are too many allowances in the
program in the coming years, and to collect data at the
end of the program's third compliance period in 2020.

    I think that's a positive development. I want to
thank you for proposing that action. I hope you'll
consider adopting that. But I think it's important for
people to know that if indeed trends continue in the
program, most of the extra allowances will be purchased,
and you could end up with a large volume of extra
allowances in private hands at the point at which you
would have to make decisions about trying to accelerate
the ambition of this program, which would lead to higher
program revenues -- I'm sorry, higher program costs in the
future, and fewer revenues to the State and the State
taxpayers.

    So I think it's positive to take a step forward
in thinking about these issues, but there has really been
no analysis of the single most important variable in the
program designed to date, and that's after well over a
year of talking about this.

Thank you for your time.

MR. ADAMS: Good afternoon, Madam Chair. My name
is Bishop Lovester Adams, Senior. And I'd like to say I
appreciate this time and the opportunity for -- to come
back again and speak with you and the Board.

I'm representing the Baptist Ministers Conference
of Los Angeles and vicinity. I'm here today standing in
solidarity with the National Action Network of Los
Angeles, the Central Valley Latino Mayors Coalition, Latin
Business Association, Central Valley BizFed, Nisei Farmers
League, Holman United Methodist, African-American Farmers
Association, and the over 600 members of my local
congregation.

I have here the coalition letter, which I'm
certain that you all are very, very -- have already
received. But I'm very disappointed, and I'm speaking in
a very, very low tone voice, monotone voice, and not my
Sunday morning voice.

I'm disappointed and appalled, as some of the
comments made by the Board members at the hearing in
November, when myself, along with other community members,
traveled here to Sacramento to share our concerns with the
proposed price ceiling.

I would say today that I am here to tell you that
we are not an AstroTurf campaign whatsoever. We are real people with legitimate concerns about your decisions that will impact our local communities. As it stands right now, many low income Californians cannot afford to live near their places of work, because the cost of housing is so high. Increasing transportation costs will have a significant impact on those households in my community or either in our communities.

The majority of the members of my local congregation or surrounding community already deal with escalated high gas prices as opposed to other areas of Southern California. I ask this Board to please consider the multitudes that will definitely be impacted should the Board decide to move forward with this.

Consider single parent family homes, consider those who are the minority who are simply just getting by and cannot afford another price increase of any kind.

If you would bear with me a moment, please.

CHAIR NICHOLS: I will, considering you have a whole group there.

MR. ADAMS: Consider the mom-and-pop stores that will be impacted. Consider those who commute weekly to and from work to their workplaces. Consider the cost to keep food on the table and meet the needs of the families. Consider the cost to keep the gas lights on from being
disconnected. I'm in the trenches of my neighborhood and community every single week. I know perfectly well how my people in the community are living. I know perfectly well what the struggles and hardships are in my community. I know perfectly well what the complaints and the needs in my local community. And higher gas prices unfortunately is not the answer.

Thank you for your time.

CHAIR NICHOLS: Thank you.

MR. GARCIA: Good afternoon, Madam Chair and the Board. Thank you so much for this opportunity. My name is Juan Garcia. I'm the owner of PG Cutting Services. We're a concrete cutting and demolition contractor in the Los Angeles Basin. And I was here in November voicing my opinion and my concern about potential energy cost and fuel increases.

And I'm just going to say that perhaps a decision has already been made or not. But just in case it is to adopt the new revisions, I participated in a case study for my business on how it would impact my business. And I'd like to offer -- I believe you guys have that information already. But moving forward, I'd like to participate with CARB side-by-side in the next couple years, so in case there is another consideration for a revisions or if this revision was the right thing to do,
we'll be able to show exactly how it impacted a small business like myself and many others.

    That's it. Thank you.

CHAIR NICHOLS: Thank you.

MR. BIERING: Good afternoon, Chairman Nichols, members of the Board. My name is Brian Biering and I'm here on behalf Turlock Irrigation District. Turlock Irrigation District is broadly supportive of the Cap-and-Trade as taking a lot of different efforts right now to reduce its greenhouse gas emissions.

    At the same time, as I've testified here before, Turlock does serve a large proportion of disadvantaged communities. And so the district is very sensitive to potential costs of reducing its emissions. And that concern has kind of come to a head in a couple of years, both in the proposed regulations and the plans for moving forward with the regulations.

    The first is in respect to the Energy Imbalance Market. TID is not currently a participant in the EIM, but is considering joining the EIM. And as part of that decision process, we'll need to weigh the potential cost of losing allowances as part of the secondary dispatch emission obligations. So we're appreciative of the staff continuing to look at this in a follow-on rulemaking.

    The other area is with respect to potentially
changing the allocations to address the new RPS
requirements of SB 100. And while we understand the
rationale for doing that, again, we are particularly
sensitive to losing allowances and having a higher cost
for some of our ratepayers.

And then I wanted to just offer one last
observation. One of the previous commenters had
questioned the sufficiency of the record and the
Board's -- in the Agency's response to comments. And I
have to say that as an attorney and someone who's been
observing these rulemakings for some time, I've always
found that the Final Statement of Reasons does fully
respond to the comments. So I didn't understand that
comment.

Thank you.

CHAIR NICHOLS: Thank you.

MS. SHROPShIRE: Good afternoon, Chair Nichols
and members of the Board. I'm Robin Shropshire, and I'm
here representing Panoche Energy Center to support the
15-day amendment package and the Board's continued support
of an equitable legacy contract resolution.

Panoche continues to seek a well-functioning
Cap-and-Trade Program that includes a price of carbon for
all electricity dispatch. And we're committed to
continued good-faith negotiations with our counterparty.
We're hopeful that this issue can be resolved in the next six months, and appreciate the continuing help of staff and the Board to find a solution that works for all parties and more importantly a solution that is good for the environment and protects environmental justice communities.

Thank you very much.

CHAIR NICHOLS: Thank you.

MS. HENRY: Good afternoon. My name is Lois Henry, and I represent BizFed Central Valley. Our members collectively represent about 20,000 valley businesses, employing about 300,000 workers. Our members are very concerned that, as proposed, the price ceiling for carbon credits will cause dramatically increasing costs if we get to the point of having to hit that carbon ceiling. And if that happens, those costs will absolutely be passed onto consumers in the form of higher fuel, and food, and services costs.

Hard working Californians and business owners, particularly in the valley, already pay a premium to conduct business in this State, and cannot afford such a cost increase.

The Legislature tasked the ARB with setting a reasonable ceiling for these credits in order to create a fail-safe to prevent a worst case scenario of a runaway
credit market. By setting the ceiling prices too high, ARB would be setting the stage for exactly that worst case scenario.

A well designed Cap-and-Trade Program has been shown reduce carbon emissions, but dramatic make increases in the credit ceiling prices that are proposed currently puts the program and the economy at unnecessary risk.

BizFed Central Valley members urge ARB to set a reasonable ceiling price for Cap-and-Trade carbon credits.

And we look forward to partnering with ARB in the future to make sure this program works for Central Valley residents.

Thank you.

MR. JACKSON: Good afternoon, Chair Nichols and members of the Board. Alex Jackson with NRDC. I am here as a long-time supporter of the Cap-and-Trade Program, but unfortunately disappointed in the level of ambition reflected in the package before you today.

We still believe the role of Cap-and-Trade in our climate policy is critical. We need to steadily increase the price on carbon, we need revenue for investments, and we need platforms to drive climate action beyond our borders.

But we think the program can and should be made stronger, to support greater emission reductions and that
this package missed opportunities to do so.

Indeed, I'd be hard-pressed to point to one area in the market design before you that was left to staff's discretion, where stringency won out over industry's concerns over compliance costs. Instead, much of the narrative surrounding this package concerned where to set a relief valve price, which, if history is any guide, is unlikely to materialize.

Now, WSPA is going to do what WSPA is going to do, which we can't control for. But what I found troubling was staff's response, which appeared to justify its decision to stand firm on its proposal, in part at least by pointing to its inaction on oversupply, on banking rules, and other levers that would have impacted actual prices in the market, not hypothetical possibilities a decade from now.

Ultimately, with the climate crisis growing ever more dire, we feel we need more ambition from our signature climate policies, not less, and that this package fell short.

However, I am encouraged to see language in the Board resolution responsive to some of our concerns, which I hope staff will take seriously. And more than that, I hope tomorrow's discussion and update on the 2030 scoping plan will set the stage for what we see is truly needed to
meet our climate goals. And that does not mean asking
carbon pricing to carry a weight it is fundamentally
ill-equipped to bear, but it does mean being honest that
this program cannot close the gap without substantial new
effort and engagement by this Board to be more responsive
and to promote policies to the sectors trended in the
wrong direction, from transportation and on.

Thank you.

CHAIR NICHOLS: Thank you.

MR. KRAUSSE: Good afternoon, Madam Chair, Board
members. Mark Krausse on behalf of Pacific Gas and
Electric Company. I represent a company, and myself of
course also, support the Cap-and-Trade Program, have for
many years, and do continue to support today with the
adoption of these amendments.

I want to start out by saying in particular, we
support staffs position on overallocation, and agree that
the current cumulative caps constrain GHG emissions
through 2030. Further, they support -- they support also
a rising price signal, which I think many of those who
criticize these adopt -- these amendments have said they
don't.

We also believe it's premature to make changes to
the allowance budgets at this point. And on the cadence,
we've been amending the Cap-and-Trade Regulation. I think
you've got plenty of opportunity later to come in and
change things, if necessary.

    A few areas we'd like to continue to work with
staff on include allocation for the natural gas sector to
facilitate decarbonization of the gas system. And you
heard from my colleague from Southern California Gas
Company.

    We work with staff on some of that. And if the
PUC enacts the program, or the utilities voluntarily enact
programs to put biomethane into our pipelines, we believe
that's a reason for a lower cap adjustment factor.

    I will point to my friend Alex Jackson that this
is at least one area where staff denied business what they
were asking for, which was a lower cap adjustment factor
for the natural gas sector. So we'll continue to want to
work on that.

    And then also expressly provide that allowances
can be used -- natural gas allowances could be used to
purchase and offset the costs of biomethane, another thing
we'd like to work with staff on.

    And finally, we look forward to working with the
ARB staff and CAISO regarding the EIM accounting
strictures. And we think that that market is likely to
change as it develops, and would like to work with staff
to develop that.
So thank you very much.

MS. TSAI: Good afternoon. I'm Stephanie Tsai with the California Environmental Justice Alliance. You've heard from us throughout this. You know we're a statewide alliance of grassroots community based organizations that work directly with low income communities and communities of color, many of which are severely and disproportionately impacted by the negative impacts of climate change.

You know, I think, as you all know, CEJA engaged deeply in the legislative process leading up to AB 398. I think we've been clear in our opposition to the program, because it allows, you know, a lot of the disproportionate local pollution to continue in our communities, and because of the strong link between greenhouse gases and other, you know, co-pollutants like criteria and toxic emissions.

So I want to just draw attention to a couple of things today. One is the recently published study by Cushing-Pastor and a larger research group highlighting the fact that regulated facilities have actually increased emissions since the program started. And, you know, that there is, you know, plenty of data on, you know, the disproportionate impacts in low income communities and communities of color. So I just want to, you know,
highlight that, because it was recently published and
updated over the summer.

I'll say that we remain concerned about the same
things that we've been talking about, the overallocation,
the oversupply of allowances, the lack of justification
for industry assistance, and the lack of meaningful
analysis showing how exactly the price will drive the
reductions that are called for in the scoping plan.

So with that said, I'm -- you know, it's
something to see in the resolution that there will be
workshops and continuing work on this, and we look forward
to continuing that.

Thank you.

MR. SHAW: Good morning -- or good afternoon, I
should say, Madam Chairwoman, members of the Board. I'm
Michael Shaw with the California Manufacturers and
Technology Association. I just wanted to appreciate the
time and effort that the Board, and particularly the
staff, put in to developing this amendment. Obviously,
there was much going into the development of AB 398 and
the legislative proposals going into this. But obviously,
implementing that becomes quite a different task. Quite a
bit of work has been spent -- time has been spent on that.

And we appreciate the elements that come into
this particular amendment that help address regulatory
certainty. That is obviously very important to industry when it comes to allocating cost -- investment potential, creating new jobs, and certainly providing greater certainty in terms of those costs is very significant and influential in that decision. Particularly, I'd like to note the support for industry assistance, both in the post-2020 period, as AB 398 directed, but also during the third compliance period.

And that smoothing of the transition from the second compliance period through to 2030 is very important for industry. And as is noted by staff in their analysis of justification for the third compliance period industry assistance, the rapid increase of price, the doubling in price that would occur for a short period of time, would be quite disruptive to industry and to the jobs that they support in all of our communities.

I would encourage the staff -- the Board and the staff obviously, as I'm sure they will do to closely monitor the prices as this is implemented. We know that in the mid-2020s -- or we believe in the mid-2020s that there will be a significant constraint imposed on, industry, as a result. And the prices could go up significantly as a result of that. So keep -- please keep a close eye on that, as we will, most certainly.

In addition to that, we know that California's
leadership is the real benefit of the program that we are attempting to implement here. It's not the actual emissions reductions that this particular program will achieve. It's the leadership that could be replicated elsewhere in this country and the world.

And we appreciate the time and effort that everyone has put into that as well.

Thank you.

MR. PERRY: Good afternoon, Madam Chair, members of the Board. Max Perry on behalf of the City of Long Beach. Just here to thank you and your staff for incorporating the language in the resolution that explores additional transition assistance for waste-to-energy facilities, like the Southeast Resource Recovery Facility located in Long Beach.

And that's it briefly. We look to -- look forward to working with you all in the months to come and thank you very much.

CHAIR NICHOLS: Thank you. You are the last witness who signed up so. So at this point, I can close the public testimony, and we can turn our attention to the resolutions. There are two of them. And I believe we will be able to vote on them together just as we did -- we have in the past.

So however, there's been some comments about
resolution language, is there any response that the staff wants to make to any of the suggestions that you just heard?

INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF
SAHOTA: Good afternoon, Chair Nichols and Board members. I believe many of the commenters that were referring to resolution text, staff had drafted those concepts and those ongoing discussions to continue into the draft in front of you already. I did not hear any new requests for new text for the resolution from the comments we just heard.

CHAIR NICHOLS: Okay. Great.
BOARD MEMBER RIORDAN: Madam Chair?
CHAIR NICHOLS: Yes.
BOARD MEMBER RIORDAN: I don't know. Do you want to put the -- a motion on the table or --
CHAIR NICHOLS: I think I’m ready, if everybody else is. Sure.
BOARD MEMBER RIORDAN: Okay. I would be happy to move those.
BOARD MEMBER DE LA TORRE: Second.
CHAIR NICHOLS: And Mr. De La Torre seconds.
BOARD MEMBER RIORDAN: Okay. May I just for a --it has nothing to do with necessarily the resolution. But there was, on the part of Mr. Garcia, who came quite a
distance today to talk about his concerns. And he made an offer, which I think is worthwhile, because his is a small company, I would judge. And I think for the larger companies dealing with Cap-and-Trade, they can hire the consultants, they can hire the engineers, they can hire the people to deal with our rather complex issues that involve Cap-and-Trade.

But for some small businesses, who have to really think about how this might affect them, I think we need to reach out to them, and I'm not sure whether that's through the Ombudsman's Office or a staff member directly. But I think his offer was, you know, work with me, see what happens next year and the following year, if I understood you correctly, Mr. Garcia. And I think that's something that we ought to be willing to do and to sort of understand.

And I think that might be the case with some of the businesses from the Central Valley. So Madam Chairman, I would like to encourage the staff to reach out to some of these smaller businesses that may or may not be affected, but at least they get accurate information on an ongoing basis.

CHAIR NICHOLS: Yeah. I think that's a valuable suggestion. We have worked in a number of different ways to try to address the concerns about energy prices,
because that's what this is all about, smaller companies
that are not directly covered by Cap-and-Trade are
affected to the extent that their prices go up, or that
they're afraid that they might go up. And that was the
same issue that was raised by the Baptist ministers
coalition. It's a broad based public concern.

And it was the basis for the way we implemented
the whole program from the beginning working with the PUC
to address the ways in which energy prices get reflected
in actual bills that consumers pay. And that's probably
the most important element of it all.

But it's been a long time actually since that
first -- since those first conversations. You know,
it's -- this program has been ongoing. And at first, it
seemed odd to me that this attention was being focused on
the price ceiling, because the price ceiling, in and of
itself, as I think everybody on this Board understands,
doesn't do anything. It is not sending any particular
message, other than that we are prepared to step in, if
prices go up suddenly, and do something bit in a situation
we would have, we think, plenty of advanced notice.

But clearly, this broader question of the cost of
compliance with the Cap-and-Trade Program also has to get
folded into where we're headed with this whole 2030
Scoping Plan.
And so if it's okay, I would like to engage in a bigger conversation tomorrow about not only what's going to be in that plan, but how we're going to actually prepare the plan, because we've learned, I think, some useful lessons from the process that we've been engaged in today. And I see some nodding on the part of the staff at the table there. I'm hoping that you're prepared for that, because I do think it's something the Board is going to want to spend some more time talking about, and possibly giving some direction.

But at this point, I don't know that there's much we can do in terms of reassuring those who are concerned, and have come here to voice their concerns, that we have resisted many efforts, including some that we heard here today, to take action to raise the price in this program in order to, you know, either dramatically shrink the number of allowances or raise the prices -- the floor prices in order to either increase revenue or send a stronger signal to the entities that are covered, that they need to be taking more serious action.

And instead, we have actually stayed exactly on course of where we were when we first adopted this program, which is to have it send a price signal that's enough so that people notice it, but -- that is those who are in a position to make something happen notice it, the
companies that actually have to report, and take action, and hold allowances, but at the same time not to use it as the principal mechanism for achieving the greenhouse gas reductions that we set out to achieve, because of our concern that we wanted to not -- not be implementing a program where we weren't quite confident that we could do it in a way that wouldn't have a negative impact on the economy.

And I think the proof of the pudding is now that we achieved the results that we set out to achieve under our original AB 32 goal, we met the targets ahead of time, and we did it in a way that clearly has been associated with improvements in the State's economy.

So we have a lot to feel very good about in connection with this program. But, and the big but is, we have a lot more reductions that we need going forward. We now know that we are not on a line that's going to meet the 2030 target, much less the 2045 goal of carbon neutrality.

And so we're going to have to step back and take a serious look at the role that Cap-and-Trade, and other measures, play in getting us to that point.

So I would encourage the Board to be prepared to, you know, think -- think bigger and think more broadly as we -- as we face the next challenges, while at the same
time hopefully feeling positive about what we've been able
to achieve and our ability to navigate these waters.

I don't know if staff if you wanted to add some
additional thoughts to that, but that would be my comments
on the...

EXECUTIVE OFFICER COREY: Well, I think, Chair,
the point is well taken in terms of the context of the
Scoping Plan, which, as you note, really is about how are
we going to get to 2030 and even beyond that, carbon
neutrality? So that conversation is really, just as you
noted, and a good reminder of this is the 2020 target gets
us down to 431 million metric tons, our 2030 target is
260. Our carbon neutrality is zero.

And I think that's the proper place for that
conversation. We'll begin to discuss it tomorrow, as well
as the additional points that you just made about small
business impacts, and really how that analysis and process
will move forward.

CHAIR NICHOLS: Well, the point is well taken
that, you know, there are impacts that go obviously well
beyond those who are most immediately affected by these
regulations. And coming up with a better, more
sophisticated, better informed way of outreaching to small
businesses should be a part of -- part of our planning.

So thank you for that, Mrs. Riordan.
Other comments?

Yes, Mrs. Mitchell.

BOARD MEMBER MITCHELL: I want to thank our staff for all the work they did on this. And I know that some of them worked over the weekend, probably really long hours to get this out. And thank you for all of that. Thank you to our Executive Officer for his work done on this.

I do want to make a comment about our -- the waste stream in California. And part of this on the Cap-and-Trade deals with a waste-to-energy facility that are coming within the Cap-and-Trade Regulation now. But the waste stream is bigger than just waste-to-energy. The recycling stream, what CalRecycle is going to do. And I know as we get into the scoping plan, that's probably the place where we should be exploring this, and working with CalRecycle, and the other agencies in California that deal with our waste stream, because we're putting a lot of our waste into landfills, which are productions of methane. Is that the right way to go? Waste-to-energy also produces greenhouse gases from combustion.

So it's not a problem that we alone can resolve, but we need to be thinking about working in collaboration with others in our State agencies to have a bigger discussion about this, and to think about how we're going
to deal with this in the future.

The other thing I want to thank staff for is the provision that the Executive Officer will review this within the next year. And I want to make sure staff understands that's a priority. We know things -- how things change very quickly in California. And I think, you know, a periodic review of this is important, as we just talked about with the small businesses as well.

So thank you again for all the work you did it -- and did on this and the work over the weekend, the work in the late hours. And I know it was a big task, but you've done a good job.

Thank you.

CHAIR NICHOLS: Other.

Yes, Mr. De La Torre.

BOARD MEMBER DE LA TORRE: Thank you. I want to start by referencing a comment that was made, because I was the one who said it a month ago regarding AstroTurf. I was very clear when I made those comments that I was talking about a social media campaign. I was talking about algorithms, et cetera. I was not referring to anyone who was here at the meeting. It was all about this AstroTurf artificial campaign through the media, through advertising, et cetera. So I just wanted to make that very, very clear.
Second, on the waste-to-energy, I appreciate that staff has been working with those two facilities, the last two facilities we're ever going to have in California - let's be honest - of that type. And so this isn't going to be something that's going to be an ongoing issue. It's going to be about these two facilities, until their natural life ends here in California, for whatever reason.

So I appreciate that staff is working on both of those and trying to figuring something out. It may be that there is some net benefit relative to some other options. We don't know that. This gives us time to figure that out.

The next is about fuel cells and distributed generation. This is something that's come up a couple of times. If there -- again, if there's a net benefit from doing this, then we need to account for that. And I believe that staff has figured out something on those -- along those lines. Thank you for resolving that issue as well.

The final one -- my final comment is a little more complicated. And this is regarding the PG&E and Panoche contract. And how they fit into the last two legacy contracts that we've had. We had over 20, I think, when we started this process. We're down to two, and we really want to get rid of these.
AB 32 -- I was in the Legislature when AB 32 passed. That's how long ago --

(Laughter.)

BOARD MEMBER DE LA TORRE: -- this happened. But I want to comment on the nature of that particular contract, separate from the other one, and my belief that it was a very different circumstance than what I was led to believe previously.

It is true that the power purchase agreement predated AB 32 chronologically, but it did foresee a possible policy change, and does include a change-in-law provision in which Panoche agreed to take on the risk of future changes in the law. This included the responsibility for, and I quote, "For procuring and maintaining, at its expense, all governmental approvals and emissions credits required for operation of the units throughout the service term". That's very troubling to me.

And then to find out that this was litigated. Panoche and PG&E entered into arbitration, and then litigation over the meaning of that power purchase agreement language. Arbitrators concluded that, number one, Panoche agreed to comply with AB 32 and the Cap-and-Trade Regulations through that language I just read, namely assume the costs of GHG compliance.
Number two, that the power purchase agreement provides a payment mechanism for GHG costs. In the arbitrator's view, Panoche agreed to take on these costs as part of the overall price negotiations of the contract. Panoche sought court review of that arbitration decision. That process ended at the appeals court, which affirmed the arbitrator's decision against Panoche.

While they noted the decisions on contract interpretation do not behind CARB's regulatory decision on whether Panoche qualifies for transition assistance, what we're doing here today, nevertheless, the appellate court stated that, "The interpretation of the power purchase agreement was certainly relevant to the public..." -- I'm quote here -- "...relevant to the public policy issues before CARB". They certainly are relevant to me.

When you have a contract that says that, and then you litigate it, and it's -- that language is affirmed, that pretty tells you, you know, that that's the situation, and we need to take that into account.

I'm not saying right now that we shouldn't proceed with staff's recommendation. What I am saying is even more so than the other - and my disdain for these legacy contracts has been very clear - this one has to be resolved as soon as possible. It should not be come back to us.
To the two parties, that -- this needs to be resolved. If I had known this on previous occasions, I probably would be much more aggressive than I am today. I just wanted to put that into the record to make it clear to my colleagues what the circumstances that I didn't know until the very recently.

Thank you.

CHAIR NICHOLS: Okay.

I think that was a clear comment. I'm not sure if the staff is prepared to add anything at this point. May be not. But if you have anything constructive to add, you should.

(Laughter.)

INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF SAHOTA: I would just say that we will continue to facilitate discussions between the two counterparties. We've definitely heard Board Member De La Torre's thoughts on the matter. We know that there are several Board members that have been engaged on this discussion. And so we'll reach out to better understand what their thoughts are after the Board hearing before we go back and meet with them again.

CHAIR NICHOLS: Yeah. Well, there is -- there is a long history on this. And several of us have spent lots of time, including Ms. Berg, and I believe Senator Florez,
and I personally at different times all were kind of
dragged into this one. And it seemed -- always seemed as
though we were just on the verge of making progress, and
then something new came up. And obviously, it's been
dragging on for a very long time.

My main concern, I think it would -- I think
others would agree is not so much as between these two
parties, as to -- as it is about what's happening in the
air. You know, what people are actually experiencing as a
result of this controversy. Otherwise, it's just two
private entities, you know, having a dispute which is
about money, which is -- which happens, you know, and not
necessarily our job to resolve.

But I would really like to be convinced that we
weren't doing anything that would either jeopardize future
possibilities for good projects or that was -- or that was
actually going to harm the people who have to breathe the
air from this thing.

INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF

SAHOTA: So on this particular power plant, there were
concerns raised that because the carbon cost isn't
embedded in the dispatch, that the power plant was being
dispatched out of turn related to other --

CHAIR NICHOLS: Preferentially, yeah.

INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF
SAHOTA: -- natural gas plants.

CHAIR NICHOLS: Right.

INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF

SAHOTA: We know that this week there was an offer made by the utility to include that carbon price in that dispatch, so that it would be dispatched equivalent an amount to other natural gas plants. We see that as a very positive step. And that should eliminate the concern that there is some disproportionate impact from this power plant, because of the way the contract is structured. So that -- that offer to add that price back in, or into the dispatch decision, is something that we have been asking for as the staff the entire time that we've been working through this with both parties. And we're hopeful that that -- that offer will be well received and considered by the counterparty.

CHAIR NICHOLS: Well, but again to Mr. De La Torre's point, if it isn't -- if it isn't accepted and this matter isn't settled, maybe we need to find a way to take action to implement that particular provision regardless.

INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF

SAHOTA: We can -- we can certainly look into that. It's not clear to me off the top of my head what that would look like given the way the regulation is structured.
CHAIR NICHOLS: You mean, with our incredible power over electricity prices --

(Laughter.)

CHAIR NICHOLS: -- we can't just make that happen.

I'm being facetious.

Okay. I really would suggest though that you take another look at what ARB's potential authority in this area is, because it's clear that our cajoling and other efforts to do something, you know, to move this along have not quite been successful.

INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF SAHOTA: Yeah. I would just add that on the point about adding that carbon dispatch price back in, we only need to work with the utility on that, and they have shown that they are willing to do that.

CHAIR NICHOLS: Yes.

INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF SAHOTA: So that's a good sign.

CHAIR NICHOLS: Right. And so maybe that could just be done regardless.

All right. Well to be continued unfortunately. But you can see that there are quite a number of us who are very interested in this and know more than we really wish we did about the history. So maybe you could at
least give us a report, not at a -- not waiting for the
next Board meeting but just an update on what happens,
what the next round it.

EXECUTIVE OFFICER COREY: We will.
CHAIR NICHOLS: Thank you. All right. Are we
ready to proceed to vote on these two resolutions?
ASSEMBLY MEMBER GARCIA: Madam Chair.
CHIEF COUNSEL PETER: Madam Chair. I'm sorry.
Hi.

CHIEF COUNSEL PETER: Hi.
(Laughter.)
CHIEF COUNSEL PETER: I was going to defer to
other Board members.

CHAIR NICHOLS: Let's hear from Mr. Garcia first
and then we'll hear from our legal counsel.

ASSEMBLY MEMBER GARCIA: Since we're taking both
items up, I did have some comments on Resolution Item 7.

CHAIR NICHOLS: Thank you. Sure.

ASSEMBLY MEMBER GARCIA: And really I know we're
not debating the issue of overallocation here of
allowances. But just is there something that we could be
doing throughout 2019 from a more proactive standpoint to
be prepared in the case that we get to a place in 2020
where we find to be that our projections and the direction
that we're going in weren't quite there, that wouldn't
require us to have a whole other year-long process to
determine where we may be going?

And so I'm just wondering if, you know, we could
incorporate something beyond just a stakeholder meeting,
something that is continuously looking at this
conversation of the overallocation? And if, in fact,
we're looking to not be on point, then we can make some
modifications and be prepared

CHAIR NICHOLS: Right. So the only thing I would
add to that is I understand that the staff is kind of on a
year-at-a-time plan for updating the program, even as
we're looking to the future and the Scoping Plan. And I
do think that this issue, which continues to come back,
deserves to be continuously monitored, as you're
suggesting, because it seems to be one that just -- it
obviously -- it sticks in the craw of people who look at
this program and see that there are allowances out there
that are going to be, or could be, potentially hoarded in
a way that would undermined our ability to get to our
results.

So, Mr. Corey or Ms. Sahota, maybe you can
address that issue in terms of your next -- your next
reporting to us. I don't know if there's an additional
mechanism that we should be trying to incorporate here.
But it seems to me that it's -- it just is a -- it hasn't
gone -- it hasn't been put to rest, let's put it that way,
and it needs to be further considered somehow.

EXECUTIVE OFFICER COREY: Right. And for all the
reasons both Assembly Member Garcia and you noted, Chair,
it hasn't been put to rest, because it really is -- we're
just at the start of the third compliance period. And
really, this question is about what is the allowance --
are there extra allowances at the end of that third
compliance period?

And it becomes one of is there a recession during
that period, is there economic growth, which has a direct
bearing. What our plan is, Assembly Member and Board
Members, is next year to really have that discussion in a
public setting in terms of methods for evaluating, you
know, oversupply. What do you look at? What are the
indicators you consider for it? Have a full-on public
discussion of methodologies, potential approaches to
really -- and continue to track, just as you're saying
Chair.

We'll report back to the Board the results of
that assessment. And I expect to write a short written
report in terms of our assessment of options, continue to
track the allowance supply issue. So we are positioned,
in the event that this is an issue, to respond and deal
with it accordingly. So what I expect that analysis to be
is the kind of elements, metrics you'd look at, as well as
potential options for responding.

    CHAIR NICHOLS: I think that would be helpful.

    Any other Board member comments?

    If not, we could proceed to a vote.

    BOARD MEMBER TAKVORIAN: Can I just ask what the
timeline on that would be? Because it seems like it's
very compressed in terms of being able to identify that as
a potential issue, which I know some have already started
to project, and how we would make an adjustment in our
course in order to accommodate for that.

    EXECUTIVE OFFICER COREY: Well, a few points that
are embedded in your question. One element is the process
that I just talked about. That's 2019. But to get the --
some base work done, to give folks an opportunity, that's
probably mid-2019 we have that initial discussion, a paper
follows, a report back to the Board, and then ongoing
monitoring of where the allowances stand under the
program.

    And then ultimately, at the end of the third
compliance period, that's really the ultimate question of
where we actually are, and then we're no longer in the
world of speculation. You know, many are speculating on
where this is going to be in post-2020.
So the whole objective of what I'm talking about is have a game plan in place in terms of methods that we carefully have discussed with stakeholders, as well as ongoing monitoring, which the Board will hear about at least annually, if not more frequently.

BOARD MEMBER TAKVORIAN: So some sense of what the options would be by the end of 2019 to --

EXECUTIVE OFFICER COREY: (Nods head.)

BOARD MEMBER TAKVORIAN: Okay. Thanks.

CHAIR NICHOLS: Additional comments/questions?

All right. Now, we hear from our attorney.

CHIEF COUNSEL PETER: Thank you. Madam Chair, the Legal Office would like to add something to the record. Ben Carrier will do so now.

ATTORNEY CARRIER: Yes. For the record, for CEQA purposes, no new substantive issues have been raised today. We've previously received and considered all comments heard today.

That is all.

CHAIR NICHOLS: Thank you. That is absolutely mandatory. Appreciate it.

All right. I think we can just do this on a voice vote then. At least, let's try it that way. All those in favor of adopting the two resolutions that are before us on Cap-and-Trade and Mandatory Reporting, please
signify by saying aye?

(Unanimous aye vote.)

CHAIR NICHOLS: Opposition, opposed, any?
Any abstentions?
All right. We've done it.
Thank you very much. And we have one more important hearing item. It will take a moment to shift personnel. I really hate this arrangement. Can we see if the court reporter would like a break at this point.

Not necessary.
Let's take a five minute break then. Thank yo.
(Off record: 3:09 p.m.)
(Thereupon a recess was taken.)
(On record: 3:15 p.m.)

VICE CHAIR BERG: I'm going to go ahead and bring everybody back to order and open up the next and last agenda item. It is number 18-10-4, the PM10 SIP for Imperial County.

Imperial county is designated as a serious nonattainment area for PM10. Today, we will hear from staff on the district's PM10 plan and other efforts in the Imperial County, as well as Mexico to reduce particulate emissions.

Mr. Corey, will you please introduce this item?
(Thereupon an overhead presentation was
EXECUTIVE OFFICER COREY: Yes. Thanks, Vice Chair Berg. So today, staff will present for Board consideration the Imperial County PM10 maintenance plan, along with an update on other planning efforts in the border region. Despite the air quality challenges posed by Imperial County's desert environment, and its location bordering the City of Mexicali, the combined efforts of the United States and Mexican federal, State, and local programs have resulted in air quality improvements in the region.

The PM10 maintenance plan being considered today also includes a request to the United States Environmental Protection Agency to redesignate -- redesignate the attainment -- or the area attainment for PM -- for the PM10 standard.

And as part of today's item, staff will also provide the Board with an update on the Imperial County Mexicali Air Quality Workplan. This plan was discussed during the May Board hearing earlier this year when the Board considered Imperial County's plan for the annual PM2.5 standard. And through collaboration with government agencies, and civic groups in Imperial County and Mexico, progress is underway to improve air quality and increase awareness of air quality pollution on both sides of the
border. But as you'll hear, more clearly needs to be done.

I'll now ask Elizabeth Melgoza of the Air Quality Planning and Science Division to give the staff presentation.

Elizabeth

AIR POLLUTION SPECIALIST MELGOZA: Good afternoon, Vice Chair Berg and members of the Board. Today, I will present the 2018 maintenance plan and redesignation request for Imperial County that addresses the 24-hour PM10 standard.

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AIR POLLUTION SPECIALIST MELGOZA: I will cover the requirements of the maintenance plan and redesignation request and how the district has met these requirements under the Clean Air Act, as well as providing the Board with an update on the draft Imperial County-Mexicali air quality workplan. So let's begin with an overview of the Imperial County PM10 nonattainment area.

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AIR POLLUTION SPECIALIST MELGOZA: Imperial County is located in the far southeastern corner of California. As shown in the photo, most of Imperial County's population is located in the central portion of the county. The county is a dry desert area, much of it
below sea level and experiences mild and dry winters with extremely hot summers. On average, the county receives less than three inches of rain per year.

Due to the arid desert nature of the region, PM10 emissions are dominated by wind-blown dust. The amount of dust in the area significantly increases during natural high-wind dust events, which occur throughout the year. One potential source of dust outside the scope of this maintenance plan is the Salton Sea. As the water level of the Salton Sea recedes, it will become increasingly important that CARB and other agencies continue mitigating potential emissions from the exposed lakebed.

Next, I will discuss the Clean Air Act requirements for a maintenance plan and redesignation request.

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AIR POLLUTION SPECIALIST MELGOZA: The Clean Air Act requires that a maintenance plan includes elements listed in the slide.

The Imperial County Maintenance Plan includes a 2016 attainment emission inventory, and a demonstration that Imperial County will continue to meet the 24-hour PM10 standard in 2030. CARB and the district commit to continue monitoring and tracking PM10 emissions to ensure that the standard is maintained in the future.
In the event that the area experiences any violations of the PM10 standard following redesignation, the district will also implement a contingency plan to ensure that contingency measures are adopted once they are triggered. The district plan demonstrates that the area attain the PM10 standard in 2016 with the exclusion of exceptional events.

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AIR POLLUTION SPECIALIST MELGOZA: Since we in Sacramento do not experience wind-blown dust events, I included this image that was taken during last month’s Board hearing as a comparison to better understand the concept of an exceptional event.

As you remember, last month, the Butte County fire occurred, and the air quality in Sacramento and other surrounding regions was hazardous. This event resulted in very poor air quality for our region for close to two weeks. This is an exceptional event.

Air districts and CARB educated and raised awareness of the poor air quality during these days, in hopes to reduce people's exposure to the harmful levels of smoke. Similar to the event that we experienced last month in Imperial County, high-wind dust exceptional events can lead to unhealthy air quality.

During these events, winds can reach up to 50
miles per hour, and controls in place are overwhelmed. The Clean Air Act allows for the exclusion of these exceptional events, so as not to penalize areas for sources outside of their control.

CARB worked closely with the district and U.S. EPA on analyzing the events that occurred during 2014 through 2016 to ensure that they meet U.S. EPA's exceptional event requirements.

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AIR POLLUTION SPECIALIST MELGOZA: All of the exceptional events as part of this maintenance plan have gone through a thorough review by CARB staff. The events must also go through a public process before being sent to U.S. EPA for evaluation. With approval from U.S. EPA, they will be excluded from the area's attainment determination, and Imperial County will have demonstrated attainment of the 24-hour PM10 standard.

CARB staff and the district have tracked exceedances that have occurred since 2016, and are closely monitoring any potential exceedances of the standard in 2017 and 2018.

While exceedances have occurred in recent months, a preliminary evaluation of the days over the standard indicates that Imperial still meets the standard. Historically, the district has evaluated exceedances of
the PM10 standard on an annual basis. As part of this plan, the district has agreed to assess air quality data every quarter to allow for a quicker evaluation of the exceedances.

This evaluation process will include CARB staff and U.S. EPA to stay on top of determining if the area remains in attainment of the 24-hour PM10 standard.

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AIR POLLUTION SPECIALIST MELGOZA: As explained earlier, public education and awareness are necessary so residents can limit their exposure when the air quality is poor. To protect the public's health during these natural high-wind events, the district initiates an exceptional event mitigation plan, which includes increasing public awareness during these events, and steps individuals may take to reduce exposure.

To further increase awareness and provide notification of air quality in the region, a website and mobile application for Imperial County and Mexicali has been established to provide the community with real-time air quality data, alerts, and forecasts. The district also utilizes numerous other avenues to make the public aware of the air quality, such as broadcasting alerts on marquees, radio, and television stations.

The overall purpose of these efforts is to enable
residents in the county to make informed choices to reduce
their exposure when air quality is poor.

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AIR POLLUTION SPECIALIST MELGOZA: A key
responsibility for an air pollution control district is to
ensure they are doing all that they can do to reduce
emissions in the region, and protect the public health of
its residents. Many efforts are underway to reduce the
dust impact in Imperial County. Some of the efforts are
highlighted here.

Beyond providing the best available controls for
dust sources, the district is providing upgrade filtration
systems at schools, researching how to further reduce dust
from certain sources of concern, and paving unpaved lots
at schools.

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AIR POLLUTION SPECIALIST MELGOZA: So pulling it
all together. CARB staff has reviewed the maintenance
plan redesignation request and exceptional events, and
agrees that the plan meets all applicable Act
requirements. Although the exceptional events can be
excluded from an area's attainment status, if they are
approved by U.S. EPA, that does not mean to imply that the
area has clean air quality, and therefore there are no
impacts to the public.
We recognize that although the Act requirements are met in this plan, these events impact residents in Imperial County, including AB 617 communities, and more needs to be done to reduce the PM10 levels in the region.

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AIR POLLUTION SPECIALIST MELGOZA: Now, I would like to shift the focus of the presentation to the Imperial County-Mexicali Air Quality Workplan. The workplan is not part of today's Board action on the maintenance plan.

Last May, the Board directed staff to begin developing a workplan with our partner agencies in Imperial County and Mexico.

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AIR POLLUTION SPECIALIST MELGOZA: As you remember at the May hearing, we brought the Imperial County annual PM2.5 SIP to the Board for consideration. During that hearing, the Board acknowledged that emissions in Mexico do impact residents in Imperial County. The Board directed staff to develop a workplan to address the air quality issues in the border region, and to turn some of the ideas to reduce emissions in the border region into actions.

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AIR POLLUTION SPECIALIST MELGOZA: After the May
hearing, staff reached out to the Border Unit of CalEPA to compile a list of agencies, industry, and community groups to include in the work group to provide input into the workplan. The work group members were comprised of stakeholders from federal, State, local, and community groups on both sides of the border, and additional members were added as the meetings progressed.

In Baja California, Mexico, the municipality of Mexicali and the State of Baja California Environmental Protection Agencies contributed a great deal of effort and knowledge to the workplan. The relationship building with our counterparts in Mexico as part of this process has opened up additional avenues of communication, and potential measures to reduce emissions in the border region.

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AIR POLLUTION SPECIALIST MELGOZA: The workplan is a living document, which lists priority actions and recommendations to improve air quality in the border region. The goal of the workplan is to foster ongoing collaboration and solution building so all residents in this region can breathe cleaner air.

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AIR POLLUTION SPECIALIST MELGOZA: Since May, we have had four work group meetings in Calexico to discuss
the priorities to include in this workplan. The workplan was formed from the bottom up. The workgroup identified priority areas of concern and more focused discussion was used to construct the workplan. A draft workplan was sent to the workgroup members for review in October.

The draft final plan located on our border webpage incorporates the comments received from the work group. It is important to continue the workgroup meetings to ensure that the workplan actions and recommendations are carried out to reduce emissions in the border region.

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AIR POLLUTION SPECIALIST MELGOZA: This slide displays the workplan actions that have been initiated since May. Many advancements have been made in Mexicali over the past few months to increase the public education and awareness of air quality, enhance the PM monitoring network, reduce the number of unpaved roads, and improve the emission inventories for Baja California, Mexico.

To increase the awareness of air quality in Mexicali with support from U.S. EPA, we were able to add Mexicali to the alerts and forecasting contract that has been in place for Imperial. Residents in Mexicali will now be able to get air quality alerts and forecasts for PM2.5, PM10, and ozone via email, the web, and a mobile app.
An updated winter media campaign was jointly developed by the district and Mexicali to increase education and awareness of issues related to air quality, including the consequences of open burning and the fines associated with such burning in Mexicali.

Just recently, the Environmental Protection Office for the City of Mexicali and CARB established an agreement that involves expanding the monitoring network in Mexicali. The current network is inadequate for the size and population of the city. CARB is loaning the City of Mexicali 50 purple air sensors to enhance their monitoring capability and to be used as an enforcement tool. The city will share quarterly inspection reports of their findings with CARB.

CARB is also working to reestablish regulatory PM2.5 monitoring at two sites in Mexicali. Two of the purple air monitors will be co-located with the regulatory monitors so we can compare their instrument's performance.

The City of Mexicali also allocated $5 million to pave 15 miles of unpaved roads in 43 colonias of Mexicali. The paving projects will begin in 2019.

Lastly, a contract to improve the emission estimates for Baja California started. As reported in the Desert Sun last week, many sources are not included in the latest emission inventory for Mexicali. And this contract
will update and improve the emission estimates. These accomplishments demonstrate that progress has occurred since the workplan process has started. However, we are only beginning.

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AIR POLLUTION SPECIALIST MELGOZA: This slide highlights some of the near-term actions and long-term recommendations that we will be pursuing to improve air quality in the border region. In the near term, new staff at the district will focus on the border, the Salton Sea, and environmental justice efforts, and increasing awareness and education through avenues such as social media.

CARB staff will continue to work with the district and others to evaluate the district's dust control rules and how these rules can be strengthened for sources of PM10 in the area, such as Off-Highway Vehicles and the Salton Sea.

The district's agricultural burn policies will be updated to allow prioritization of smaller acreage burns and to increase the buffer zone around special areas, such as schools and residential areas. In addition, CARB's Enforcement Division is evaluating the district's enforcement policies to assess how their enforcement protocols might be strengthened, and how they compared to
other similar air districts in California.

For the long-term recommendations, more
discussion is needed to identify a path forward. Imperial
County has a change of ownership smog program. And we
think the county should volunteer to establish a basic
program in which vehicles would need to be smogged every
two years.

Although Imperial County is not required to
implement such a program, we believe that considering the
buildup of emissions from idling vehicles at the two
border ports of entry in Calexico, it is important to make
sure residents in Imperial County are not driving vehicles
that are further adding to the emissions in the region.

We also recommend further investigation of the
emissions at the Calexico east port of entry by using
mobile source emission evaluation technologies.

It is important to remember that CARB does not
have jurisdiction in Mexico. And aside from efforts we
can directly help with, additional changes would be needed
within the government and legislation to make these
recommendations a reality. In Mexico, the Vehicle
Verification Program, which is what we refer to as the
Smog Program, is to be completed by residents every year.

However, the participation rate is low, at only
30 percent for Mexicali. Although the environmental law
in Mexicali establishes that all vehicles must be smogged since 2012 when the program was implemented, there has been no enforcement of the requirement, because there are no penalties associated with noncompliance. We recommend that fees are added to the vehicle verification program for noncompliance.

And lastly, we recommend that the Government of Mexico establish a rule to control and permit agricultural burning.

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AIR POLLUTION SPECIALIST MELGOZA: This slide displays the current PM10 monitoring network in Imperial County. The yellow dots on the graph make up the IVAN Network, which is comprised of 40 air monitors that measure both PM2.5 and PM10. This network was developed through a partnership between Comite Civico Del Valle, the California Environmental Health Tracking Program, and the University of Washington's School of Public Health.

The green dots on the graph are the regulatory PM10 monitors that are maintained by the district and CARB. This slide demonstrates that a robust PM10 monitoring network is in place in Imperial County.

Mexicali is shown in the highlighted area on the map, and you will be hearing more about the plans for expanding the monitoring network in Mexicali following my
presentation.

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AIR POLLUTION SPECIALIST MELGOZA: In closing, staff determined that the Imperial County PM10 Maintenance Plan and redesignation request meets all applicable Clean Air Act requirements and recommends approval of the plan.

At the same time, since local emission sources within Imperial County still contribute to unhealthy levels of PM10, CARB will continue to work with the district to identify additional strategies to reduce local emissions and thereby improve public health.

Staff recommends that the Board approve the Imperial County PM10 plan as a revision to the California SIP for transmittal to U.S. EPA.

CARB staff will continue to work with the district, CalEPA, U.S. EPA, the border community, and our counterparts in Mexico to improve air quality in the border region. We also encourage new members to join the work group. This concludes my presentation. I would now like to invite Mr. Luis Flores who is the Director of Environmental Protection for the 22nd City Council of Mexicali, Baja California to discuss what his agency is doing to improve air quality in Mexicali.

Luis.

(Thereupon an overhead presentation was
Presented as follows.)

MR. FLORES (through interpreter): Thank you so much for your attention. My English is not so good. I am the Director of the Environmental Agency in Mexicali. On behalf of the Mayor, Mr. Sanchez, I would like to thank you. And I would like to share with you what we've been doing for the last 23 years.

I'm aware that you know that the City of Mexicali is the most contaminated city in the City of Mexico and also in the southern border of the United States. And the reason why the air quality is so poor is because there is so much contamination in the air. One of the reasons why the air quality is so poor is because there is a large transportation issue with heavy-duty trucks and also very old trucks on the roadways. Bonfires and also tire and trash fires are also contributing to these effects.

Also, the emissions coming from a lot of factories, daily activities and many neighbors -- I'm sorry, and business also on the city.

These conditions get worse during the wintertime, because of the greenhouse conditions, because the bonfires also increase in number, and there are so many festivities around the end of the year. There are four times during the year that are so critical and impact on the environment: December the 12th, December 24, December
31st, and January 6th. These mispractices, the one I was referring before, they increment during those days.

So I'm going to talk about the actions that we've been implementing since the new administration started on 2016. One of the main actions that the administration did was to forbid the use of fireworks at the sale points in the city.

So under the program called Clean Air for Mexicali, several mentions were taken among the confiscation of fireworks and also fire logs. We were able to -- during 2017 to confiscate 400 kilograms of fireworks and also a large amount of -- 18 tons of wood that would be used as fire logs.

Another measure we deal with working with the children on elementary and middle school. We provide them with documentation to bring to their house to explain about the contamination to the parents.

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MR. FLORES(throught interpreter): Among those measures taken also, there was a joint work with -- between the community and the government. Based on that, we were able to increase the fines and sanctions to the people contributing to this damage to the ecosystem. The fines would increase four times going up to $850 nowadays.

Also, police officers were educated on these
measures. We're talking about 700 police officers who
g went to this training to enforce these laws. Part of that
for actually on District 22 in Mexicali is the year-long
monitoring of the air quality. Saturday, we only count --
we only have one station for monitoring the air quality in
the whole city, and you can see the results of the
monitoring in the city website.

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MR. FLORES (through interpreter): It's
already -- the work site is on the slide. Although, we
are not in charge to work directly with the fires
regarding agricultural practices, we've been able to work
with several departments within the government. So along
with clean air environmental agency, we've been able to
establish a threshold to call into an emergency when the
air quality gets so poor. So based on that, we can
activate a system and start working against this
situation.

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MR. FLORES (through interpreter): Along with
other works that we've started in 2016, we are also
working with the forestry department. This year on 2018,
with the help of 800 citizens and government employees, we
were able to plant over 3,000 trees just to help with the
forestation.
Along with that, we also started an Educational program. It's called Getting Action with the Environment. So we were able to develop four commercial spots to help everybody else understand. These forest development has to do one with education about environment, the other one with fines, and the last one was monitoring the air quality. I'm glad to share that we've been working jointly with EPA and CARB program.

And also on December the 5th of this year, the mayor announced paving work throughout the city. This program will imply about $5 million. So with this work, approximately 310,000 square meters will be paved --

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MR. FLORES(throught interpreter): -- with a length of about 25 kilometers, or 15 miles. That would help 43 small towns, and a total of 170,000 people. This program will start on January of 2019 and will conclude on June of 2019. This is one of the achievements that was mentioned before, and it was mentioned also with policing.

This is with the help of environmental agencies in the United States and also with powers in Mexico.

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MR. FLORES(throught interpreter): During 2018, we've been working with EPA U.S. Region 9, CalEPA, and California Air Resources and SPA in the Imperial Mexicali
Air Quality Workplan. So that one includes working on both sides of the border, and also the creation of a regional air quality monitoring network.

As you can see in the slide, you can see those big dots. Those will be the places where the sensor would be placed to monitor the air quality. This collected data will show us real-time what is going on with air quality in Mexicali. So we will oversee what is supposed to be done or what's going on. We will know the facts right away.

We find these -- that this result will be very helpful especially for academic reasons throughout the region. That will be to help implement new policies on air quality. So that information will be helpful for the environmental agencies, as well as public health agencies. But overall, all this information will be helpful to teach the population about the risk of the current practices that they are doing, and how they're impacting the environment.

I would like to finish with a brief comment.

When we started all this along with our friends in the agencies on both United States and Mexico, I think that was a very wise decision, because we both saved the same habitat and environment on both sides of the border. And those situations have fixed both, the communities on
both sides in the United States and Mexico. And I think
that would encourage us how to work and help this effort
in the future.

    Thank you so much.

    CHAIR NICHOLS: Thank you.

Before you go. Excuse me, Doctor, we have
question.

    MR. FLORES (through interpreter): Sure.

    BOARD MEMBER SHERIFFS: Thank you for your --
thank you for coming. Thank you for your presentation.
Much of what you struggle with sounds awfully familiar to
the San Joaquin Central Valley. And I just wondered
specifically has Mexicali banned fireworks in the city
limit, no fireworks period?

    MR. FLORES (through interpreter): Yes, both.
Actually, the use of fireworks and also the sales of
fireworks are prohibited now.

    BOARD MEMBER SHERIFFS: Okay. And also burning
wood prohibited in the city?

    MR. FLORES (through interpreter): Yes, the same.
That's part of the new reforms that I was referring
before.

    BOARD MEMBER SHERIFFS: Thank you.

    MR. FLORES (through interpreter): You're welcome.

    BOARD MEMBER SHERIFFS: And congratulations on
CHAIR NICHOLS: Thank you. All right. We would like to hear also from the Air Pollution Control Officer from Imperial County.

MR. DESSERT: Good afternoon, Chairman Nichols and Board members. My name is Matt Dessert. I'm the Air Pollution Control Officer for Imperial County.

Let me start by thanking you for the opportunity to speak today, and state for the record that Imperial County and the Air Pollution Control District are in support of the CARB staff recommendation of approval of the Imperial County 2018 PM10 Redesignation Request and Maintenance Plan.

Throughout the 2018 PM10 plan development process, the air district has worked with CARB, U.S. EPA regulators and the community members, and all interested parties to prepare and address any concerns regarding this plan. We believe that our 2018 PM10 plan meets all the scientific and technological requirements of the Federal Clean Air Act for approvability.

I believe the hard work put into the 2018 PM10 plan is a great example of the cooperative effort by the State and the local jurisdictions to efficiently and effectively work towards the common goal of improving air quality.
Also, I would like to express our support for the Imperial County Mexicali air quality work prepared to improve air quality at the border region. I believe that a real solution to the air quality problems in Imperial County can only be accomplished by working cooperatively with our neighbors in Mexico.

And for the record, my Spanish is not that great. One of my favorite words is frontera, and frontera means the border. And that's what it's all about down there in the Imperial Valley.

Over the last decade, Imperial County has put a considerable amount of effort into trying to understand and address the regulation and the regional air pollution situations. Ongoing collaborative efforts between the United States and Mexico are focused on air quality issues unique to the border region, and are expected to enhance progress towards improving air quality in the area.

These efforts include those of the Imperial-Mexicali Air Quality Task Force. For a long time this was called the Border 2020 Commission -- Committee, supported and funded by other agencies, particularly the U.S. EPA. This group is made up of the United States and Mexican government agencies, including U.S. EPA, CARB, and Mexico, federal, State, and local environmental agencies, such as SEMARNAT, the State Department of Ecology, and
local government. Other members include local residents and academics from both sides of the border.

Imperial-Mexicali Air Quality Task Force provides the appropriate forum to implement and follow up on recommendations in the Imperial County-Mexicali Air Quality Workplan. The Air Quality Workplan, along with the implementation of the Imperial County Community Air Protection programs recently approved by the Board under Assembly 617 will lead to many health benefits for Imperial County and Mexicali residents.

At this time, I would like to publicly thank CARB staff, including Michael Benjamin, Sylvia Vanderspek, Webster Tasat, Elizabeth Melgoza, and Theresa Najita for all their long and hard work and efforts in assisting the air district in developing and approval of the plan.

I'd also like to thank our consultants from Emily Weissinger, who you'll hear from shortly, staff members at the APCD Reyes Romero, who's here today, and Monica Soucier. Again, I've got to go back and particularly point out the assistance, the drive, the spirit of the CARB staff member Elizabeth Melgoza and her efforts on both the PM10 SIP, PM2.5 SIP, and now this border activity and border plan.

In closing again, I would like to stress that my board and the air district support the CARB staff
recommendations and urge approval of the Imperial County 2018 designation request and maintenance plan, knowing that we stand behind our commitment to follow up on the recommendations in the Imperial County-Mexicali air quality work.

Additionally, there's just so many activities going on. It's been a truly an awakening down there in the Imperial Valley. The Imperial Valley is on Sacramento's radar now. I have a past background working with an irrigation district that struggled to tell their story, and point out issues at the Salton Sea. But by far, the 617 language from Assembly Garcia, CalEPA efforts on some -- on inspections and reports that took place this past year, all the efforts on the SIP, and now this activity and the air monitors is really -- we have the focus and attention of Sacramento.

And being a resident down there, oftentimes we struggle, we wonder, well how do we get -- how do we tell our story? How do we get the attention? And I think we've really done that. We've done it through our air quality work.

There's a lot of other works going on on off-roading, taking a look at no trespassing enforcement codes, making sure they align together with the different agencies that need to enforce them, making sure the
signage is right, taking a look at our surrounding areas, ag burning, other activities that take place. And I'd be remiss if I didn't mention the Salton Sea. All these good works at the border and going down towards the border and in the communities. We can't take our eyes off that Salton Sea as we continue to work on that.

We have a robust community involvement. Comite Civico has raised the bar on these enlightenment on how to do this EJ work. That always oftentimes isn't easy enlightenment. And some of you, and many of the ARB staff, will know that there's not a loss of spirit between Mr. Olmedo and I when we're working on these activities.

But I thank you for your time today, and I look forward to this passing today.

CHAIR NICHOLS: Thank you very much. We have two witnesses who've signed up to speak on this item. Your names are up on the Board, so welcome.

MS. WEISSINGER: Hi. Good afternoon, Madam Chair and members of the Board. My name is Emily Weissinger. And I am a senior managing consultant with Ramboll. Ramboll has assisted Imperial County APCD in preparation of the redesignation request and maintenance plan before you today.

Ramboll's main role was to develop the technical and regulatory required elements of the plan in close
consultation with CARB and EPA. Today, I will give you a brief summary of the required elements and key takeaways from this document.

The Imperial Valley PM10 planning area is currently designated as a serious nonattainment area for the federal 24-hour PM10 standard or NAAQS. The redesignation request demonstrates that the planning area did not violate the 24 PM NAAQS for the period of 2014 through 2016 when accounting for exceptional events, as allowed under the Federal Clean Air Act.

The maintenance plan demonstrates how continued attainment of the NAAQS will be achieved over the next decade. The document before you includes all required technical and regulatory elements to support this request and plan. One of the required elements is the documentation and analysis of air quality monitoring data from the county’s five PM10 monitoring stations.

Although the standard level was exceeded on certain days during 2014 through 2016, meteorological and other required analyses of these days demonstrate that they are exceptional events resulting from elevated wind speeds over natural and controlled anthropogenic fugitive dust sources.

Each of these exceptional events have been thoroughly documented by the Imperial County APCD,
released for public comment, and presented to CARB for a review. Regardless of exceptional events, Imperial County has achieved permanent and enforceable reductions in PM10 emissions that can be mainly attributed to the adoption and enforcement of the county's regulation 8 fugitive dust rules.

In 2013, EPA determined that these rules represent Best Available Control Measures, or BACM, for significant sources of PM10 and Imperial County. This plan includes the latest rule stringency assessment.

The area's emission reductions are documented in its emission inventory, and can be seen in the steady decline in ambient PM10 levels from 2000 through 2016. This decrease has occurred despite an increase in the county's population and an irregular rainfall trend in recent years.

The maintenance plan shows that the Imperial County emission inventory is projected to remain fairly constant over the maintenance period through 2030. However, in the event of a potential violation of the PM10 NAAQS, the contingency plan will go into effect, triggering pre-determined steps to implement new or expanded control measures.

In summary, this plan acknowledges the tremendous progress that has been made in Imperial County, reflects
extensive collaboration among the air agencies, and
includes the proper safeguards to ensure continued
maintenance of the standard.

Thank you.
CHAIR NICHOLS: Thank you.
Mr. Olmedo.
MR. OLMEDO: Good afternoon. My name is Luis
Olmedo. I'm the Executive Director of Comite Civico Del
Valley.

And, you know, I've been privileged with being
able to be working on numerous capacities over the last
two decades in the Imperial, and I've been able to see the
progress that has come with working through Border 2012,
Border 2020, the Imperial-Mexicali Air Quality Task Force,
the good neighbor board, where I had the privilege to
serve on the previous administration at the federal level.

And I think that today's presentation from the
Mexican representatives is pretty remarkable of the work
that they're doing. And I think that that really is very
promising. One thing that I also am really pleased to
hear is the AQPSD folks Elizabeth had presented that low
cost sensors can be used for enforcement.

And I'd like to see that California also
subscribe to that approach, if we expect that low-cost
sensors would function well in Mexico for that purpose,
then I think that we can lead by example. So thank you AQPSD, Elizabeth and Michael Benjamin for bringing that up.

I have a very simple ask, because I think we're really sort of at a juncture, where we can now move forward beyond putting together these inventories of just work that is being done. I think that we're at a point that the California Air Resources Board can really take a lead in identifying and assigning someone to help coordinate the work that is being done here in California through the Air Resources Board.

So, as the Air Resources Board has been doing a ton of work around the border on air quality issues from the AB 617 to the State implementation process, what is missing is coordination between divisions at the Air Resources Board, and consistent point of contact for community and other partners.

Since Veronica, the Executive Assistant Officer, for Environmental Justice has been assigned, she really has demonstrated a positive benefit to communities, and the Air Resources Board, having a point person at the agency who can help coordinate efforts for a targeted issue.

Air Resources Board could benefit from the following -- from following that model again to create an
Assistant Executive Officer for Border Affairs to coordinate across programs with agencies like the CalEPA Border Relations Council to help Air Resources Board prioritize and collaborate on actions to improve the air quality in the border region.

I'm very actually enthusiastic. And I share the enthusiasm of the Mexican representatives. And I've just got to say that I also am very enthusiastic of the work that the Assembly Member Eduardo Garcia has been doing in playing a leadership role in bringing others at the Legislature and working with other Mexican legislators to expand collaboration.

And so I think that this -- this is really a good opportunity. And hopefully, like, we can work towards figuring a way to get a position to help coordinate these efforts. Thank you.

CHAIR NICHOLS: Thank you.

Yes, you can come back.

MR. DESSERT: Yeah. Matt Dessert, Air Pollution Control Officer.

I concur with Mr. Olmedo. This energy, this focus, this emphasis, this spirit that we have right now going on down in the Imperial Valley at the border, we just can't simply file it away as a report and come back and visit it, because we don't know when we'll be able to
do that.

We need to stay on top of that. So I totally concur with Mr. Olmedo. However, I'd like to add that besides the border, and the focus on the air quality and emissions at the border, we can't take our eyes off that Salton Sea. So let this person, if this happens, or this position, where both the border and Salton Sea issues to keep them fresh in everybody's minds.

Thank you.

CHAIR NICHOLS: Okay.

Mr. Corey, do you have any concluding remarks on where we are headed from her?

EXECUTIVE OFFICER COREY: Well, the recognition of the impact that Veronica has had on this organization, and really the focus that a Assistant Executive Officer for EJ has had in terms of the -- and it really came at a key time, really to -- for 617 I think has been tremendously influential and impactful in the organization, and came at the right time.

The fact that Luis and some others have pointed out to model, really like that idea. So there's a real openness on our part now for even creating that position at the level, which would really be a point person. Because clearly, and as was noted, there's much work that's been going on across the border for many, many
years. It's not a new issue, but they're clearly, I think, for all the reasons noted, I think an opportunity to strengthen that relationship.

And I think having a clear point person is something that I will focus on, probably going to need some assistance from some keyboard members, the Chair and Assembly Member Garcia in terms of some next steps. But I'm taking to heart that point and think we can map out a path.

CHAIR NICHOLS: That would be a good way forward, I think.

Additional questions or comments?

We have -- the record is closed, at this point, and we're going to have a resolution, I believe, in a moment.

Any -- Mr. Garcia.

ASSEMBLY MEMBER GARCIA: Thank you, Madam Chair and staff for bringing this item forward. I've got to tell you that this is extremely exciting to say the least. In fact, far more exciting than one EV charger going into Imperial County, I'll tell you, because this truly has an impact on the public health of the constituents that I serve. And irrespective of the other constituency that's being discussed today on the southern part of the border, they are our constituents in Imperial County. They are
what make our local economy thrive. And quite frankly, they're our friends, our relatives, and our neighbors.

I will, for one point of reference, my parents are from Mexicali. My grandparents and all of the family remains there. And so this is of much significance to me.

Look, the suggestions that were just made by Mr. Olmedo, I'd like to also support the recommendations. And it sounds like forming some type of officer point person to deal with border regional issues is critical, and not only for this area, but that will carry on to the San Diego area, as we deal with other environmental issues in that region as well.

In fact, just this week, or yesterday, another raw sewage spillage coming through to the beaches of Imperial Beach and having a tremendous impact there on the people who reside in that area. And so there are a lot of issues that we can kind of outline in terms why a coordinator position would be important for this work.

I just wanted to just say that I'm very grateful for the Board's work, not just what's before us today, but there have been a sequence of activities and events that have led to this. And, you know, this last week in our local paper, The Desert Sun, and you all have those links in your email, there's been a series of articles that have been written about the hazardous conditions that are
taking place on our border region. And, you know, I always like to say there's absolutely no wall big enough or tall enough, right, that's being asked for as we speak in Washington D.C. that can address these issues that are before us.

But our actions, right, our policy directives, these types of collaborative approaches can resolve some of these problems. And so super thankful to the work that's being deliberated here today, and that will be executed.

(Spoke in Spanish.)

ASSEMBLY MEMBER GARCIA: And I'll translate this English.

(Spoke in Spanish)

ASSEMBLY MEMBER GARCIA: And so I just said that two weeks ago we had the distinct pleasure of meeting with Undersecretary of the Environmental Protection Agency, SEMARNAT, in Mexico with the incoming administration, who ever committed to enhancing, you know, the level of attention to these issues on the border, the resources that need to go into the enforcement.

It's fantastic that we're no longer selling fireworks or burning wood, but there aren't any individuals enforcing, you know, these rules. To the extent that they can, there's a million and a half plus
people in Mexicali, and so with five potential, maybe six
inspectors doing the work in order to put this
enforcement.

And so, you know, those are the conversations
that took place. We've initiated discussions with
policymakers that represent the border region, Senadora
Alejandra Gastélum, who represents that area who is an
environmental attorney, also very interested in this
conversation.

So one of the neat things about this new
administration in Mexico is that they're going to be there
for a little while. And some of us are going to be here
for a little while as well, and we're able to establish
these partnerships to be able to execute these plans of
actions that are before us.

So I just wanted to highlight that and say,
again, thank you to the staff, Chair Nichols, and, of
course, the Board here for considering this action today.
And once again, just want to say thank you to our friends
from Mexicali who are here doing the work on the ground.

(Spoke in Spanish.)
CHAIR NICHOLS: Thank you.
We have, at the other end, I think Dr. Balmes and
then Mr. De La Torre.
BOARD MEMBER BALMES: First off, I wanted to
thank our Mexican partner in air quality for coming and for working to develop the same kind of monitoring network with U.S. EPA hopefully in Mexicali that's already present in Imperial Valley, because of the IVAN network. So I'm very supportive of that. Very supportive of what Mr. Garcia just put forward. And I -- but I also want to say that while I appreciate that those exceedances of the PM10 standard don't violate the Clean Air Act, I just want to point out that the 24-hour standard for PM10 is 150 micrograms per meter cubed.

If there are 15 exceedances of 150 micrograms per meeting cubed, that's a lot of particulate pollution. And just to remind everybody how bad we felt with the air quality due to the wildfire smoke at 150 and more, you know, it's -- it may not be a violation of Clean Air Act, but we need to work to try to reduce those dust exposures. So I appreciate the efforts that are being made in that regard.

Thank you.

CHAIR NICHOLS: Thank you.

BOARD MEMBER DE LA TORRE: I want to be supportive of the recommendation and Assembly Member Garcia's description of what's going on there. When I was in the legislature, I was on the Border Legislators Conference. And we -- this is everybody from California
to Texas on both sides of the border. And we handled these kinds of issues, and we were talking to each other and interacting and trying to solve these. So I think it's long overdue that we have some mechanism to interact with that long border that we have with Mexico and to be as helpful as we can be within our restrictions to do that. But I absolutely think we need to have someone here who is responsible and watching all of those issues.

(Spoke in Spanish.)

CHAIR NICHOLS: Ms. Takvorian.

BOARD MEMBER TAKVORIAN: Thank you.

Let me just add my voice to support the comments that Assembly Member Garcia has made, and the recommendation. As I guess the other side of the -- end of the border in California, anyway, I -- we experience a lot of the same issues. And I think it would be great to follow up on a plan that staff has developed. And we really appreciate that plan to actually have implementation in the way that Mr. Olmedo has suggested with having someone here at CARB to be responsible for border issues.

And I want to say that I think we need boots on the ground. So I'm hoping that that -- either that person or another person is actually in Imperial County, actually being able to work with our colleagues in Mexicali, and
able to really see what's going on. We found that there
was a huge improvement when EPA actually formed the border
office and located it in San Diego. We got the first
hazardous waste clean up of a huge site in Tijuana as a --
really as a direct result of them being right there and
being able to do that work every day.

So as -- I really appreciate the work that staff
has done, and I know what the challenges are. So I think
we really need to support that work, reinforce the work
that you've done by really being able to implement it with
someone on the ground and able to work in Imperial to
implement that.

And hopefully that's a success and it will spread
to San Diego Tijuana as well.

So thank you.

CHAIR NICHOLS: Thank you.

I think these discussions are going to be
proceeding, but I hope that you will bring forward a
recommendation sooner rather than later, especially as the
budget process is going to be moving forward rather
quickly.

BOARD MEMBER SHERIFFS: Supervisor Roberts
volunteered for that position.

(Laughter.)

CHAIR NICHOLS: No, I think he probably is not
looking for another full-time job at the moment.

I just want to add my own personal observation, because in addition to all of the good work that is happening among the local and State officials, I, too, had an opportunity just this week in Poland to have a bilateral meeting with the new Undersecretary for Environment, Mr. Sanchez -- Sergio Sanchez, who has a lot of experience working on air quality issues, and on both sides of the border. He's a very knowledgeable individual. And he made similar statements to me about his commitment and the national government's commitment to working on these border issues with us.

So I think that just reinforces the point that Assembly Member Garcia made that we do have a wonderful opportunity now to build something over the next few years. That's really terrific.

So without further ado, we have a resolution in front of us. Do I have a motion?

VICE CHAIR BERG: So moved.

BOARD MEMBER BALMES: Second.

CHAIR NICHOLS: Moved and seconded.

All in favor, please say aye?

(Unanimous aye vote.)

CHAIR NICHOLS: Any opposed?

Any abstentions?
Great. This is a wonderful way to end the year. First day of our Board meeting of the year, not the last of the meeting. Thank you for the reminder. And the day. It is the end of the day, I believe.

We will be resuming tomorrow morning at what time?

8:30. Okay. And thanks to all. Have a good evening.

(Thereupon the Air Resources Board meeting adjourned at 4:19 p.m.)
CERTIFICATE OF REPORTER

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 15th day of December, 2018.

James F. Peters, CSR
Certified Shorthand Reporter
License No. 10063