

MEETING
STATE OF CALIFORNIA
AIR RESOURCES BOARD

BYRON SHER AUDITORIUM
SECOND FLOOR
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SACRAMENTO, CALIFORNIA 95814

THURSDAY, APRIL 25, 2013
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TIFFANY C. KRAFT, CSR
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APPEARANCES

BOARD MEMBERS

Ms. Mary Nichols, Chairperson

Dr. John Balmes

Ms. Sandra Berg

Mr. Hector De La Torre

Mrs. Barbara Riordan

Supervisor Ron Roberts

Supervisor Phil Serna

Dr. Alex Sherriffs

Professor Daniel Sperling

STAFF

Mr. Richard Corey, Executive Officer

Mr. Alberto Ayala, Deputy Executive Officer

Ms. Lynn Terry, Deputy Executive Officer

Ms. La Ronda Bowen, Ombudsman

Ms. Monique Davis, Goods Movement Program Section, SSD

Mr. Greg Vlasek, Manager, Office of Emergency Response,
Quality Management Branch, Monitoring and Laboratory
Division

APPEARANCES CONTINUED

ALSO PRESENT

Mr. Davis Almeida, California Center for Sustainable Energy

Mr. Andrew Antwih, Port of Los Angeles

Mr. Brian Annis, Deputy Secretary, Business, Transportation, and Housing Agency

Ms. Mariam Barcelona Ingenito, Deputy Secretary, California Environmental Protection Agency

Ms. Nidia Bautista, Coalition for Clean Air

Mr. Jack Broadbent, Executive Director, Bay Area Air Quality Management District

Drew Bohan, Chief Deputy Director, California Energy Commission

Mr. Tim Carmichael, CNGVC

Ms. Kim Carr, Sierra Nevada Conservancy

Ms. Pauline Chow, Safe Routes to School

Mr. Stuart Cohen, Transform, Sustainable Communities for All

Ms. Kathy Cole, Metropolitan Water District of Southern California

Ms. Samantha Contreras, Assemblyman Das Williams

Ms. Sarah Deslauriers, California Wastewater Climate Change Group

Mr. Jim Earp, California Alliance for Jobs, Transportation Coalition for Livable Communities

Mr. Evan Edgar, California Refuse Recycling Council

Mr. Scott Elrod, PARC

APPEARANCES CONTINUED

ALSO PRESENT

Mr. Devilla Ervin, New Voices are Rising, Rose Foundation
Dr. Philip Fine, Assistant Deputy Executive Officer, South Coast Air Quality Management District
Ms. Karen Finn, Department of Finance
Mr. John Gamper, California Farm Bureau Federation, Working Lands Coalition
Mr. John Gioia, CSAC, Contra Costa County Supervisor
Mr. Paul Gonsalves, Port of Long Beach
Mr. Larry Greene, Sacramento Metro AQMD
Mr. Stan Greschner, Grid Alternatives
Mr. Bernie Gyant, U.S. Forest Service
Ms. Jaime Hall, CalSTART
Mr. Tim Haines, State Water Contractors
Mr. Bill Higgins, CA Association of Council of Governments
Ms. Bonnie Holmes-Gen, American Lung Association
Mr. Scott Hauge, Small Business California
Ms. Campbell Ingram, EO Sacramento-San Joaquin Delta Conservancy
Mr. Alan Jackson, NRDC
Mr. Ryan James
Mr. Kevin Jefferson, Urban Relief
Mr. Ash Kaira, Chair, BAAQMD
Mr. Will Kempton, Transportation for Livable Communities

APPEARANCES CONTINUED

ALSO PRESENT

Ms. Megan Kirkoby, Sustainable Communities Coalition

Mr. Joe Krovoza, City of Davis Mayor

Mr. Johnathan Kusel, Sierra Institute for Communities

Mr. Michael Lane, Sustainable Communities Coalition

Mr. Jim Lites, BART

Ms. Christina Lokke, Ca Special Districts Association

Ms. Felicity Lyons, Sustainable Communities Coalition

Mr. Paul Mason, Pacific Forest Trust

Mr. Guillermo Mayer, Public Advocates

Mr. John McCaull, Working Lands Coalition

Mr. Mike McCoy, Executive Director, Strategic Growth Council

Mr. Chris Mertens, Clean Energy Working Group

Mr. Chuck Mills, CA Releaf, SB535 Coalition

Ms. Rebecca Mills, SB535 Coalition, SCAA

Mr. Matthew Montgomery, Senatory Hannah-Beth Jackson

Ms. Erica Morehouse, Environmental Defense Fund

Ms. Susan Noble, Western States Petroleum Association

Mr. Joseph Oldham, City of Fresno

Ms. Nadine Peterson, CA Coastal Conservancy

Mr. Ed Pike, Energy Solutions

Ms. Betsy Reifsnider, Sustainable Communities Coalition

APPEARANCES CONTINUED

ALSO PRESENT

Mr. Randy Rentschler, Metropolitan Transportation Commission

Mr. Matt Rodriguez, Cal/EPA Secretary

Ms. Ann Rojas-Cheatham, SB535 Coalition

Ms. Melanie Schlottebeck, Friends of Harbors, Beaches, and Parks

Mr. Matt Schrap, Crossroads/CFS

Mr. Josh Shaw, California Transit Association, Transportation Coalition for Livable Communities

Mr. Samir Sheikh, Director of Strategy and Incentives, San Joaquin Valley Air Pollution Control District

Mr. Chris Shimota, CTA

Ms. Wendy Streck, San Bernardino Association Governments

Ms. Mari Rose Taruc, Asian Pacific Environmental Network

Ms. Eileen Tutt, CalETC

Mr. Nathon Vogeli, Yurok Tribe

Ms. Jeannie Ward-Wallen, Sustainable Communities Coalition

Mr. Jerard Wright, Sustainable Communities Coalition

Mr. Ryan Young, Greenlining, SB535 Coalition

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1 BOARD MEMBER SPERLING: Here.

2 BOARD CLERK JENSEN: Chairman Nichols?

3 CHAIRPERSON NICHOLS: Here.

4 BOARD CLERK JENSEN: Madam Chairman, we have a
5 quorum.

6

7 CHAIRPERSON NICHOLS: Thank you very much. We
8 have a couple of announcements before we get started.

9 First of all, although the room isn't right now,
10 I expect it will fill up later in the day. I want to make
11 sure that people who are watching us on the Internet or
12 planning to come for the item on the Investment Plan
13 realize that that is the second item on our agenda for
14 today, and we will not be starting that item before 10:30
15 I would say at the earliest.

16 We do expect the possibility that there could be
17 an overflow crowd, so we've reserved the Coastal Hearing
18 Room, which is right next door for overflow. And there
19 will be audio and visual monitoring of this meeting
20 available over there.

21 Following the consent items, we're going to be
22 hearing an update on refinery emergency preparedness and
23 then we will move to the item on the Greenhouse Gas
24 Reduction Fund. That is the draft Investment Plan for cap
25 and trade auction proceeds.

1 There will be interpretation services available
2 in Spanish for anyone who needs it. The head-sets are
3 available outside the hearing room at the sign-up table.

4 Madam Translator.

5 THE TRANSLATOR: Good morning, Madam Chairman.

6 First of all, I would like to congratulate you
7 for your nomination on Times Magazine as one of the 100
8 most influential people in the world.

9 CHAIRPERSON NICHOLS: Thank you very much.

10 THE TRANSLATOR: We feel very honored to be
11 working with such a talented Chairman.

12 (Whereupon the announcement was translated
13 into Spanish.)

14 CHAIRPERSON NICHOLS: So anyone who wishes to
15 testify and haven't signed up on-line should fill out a
16 request to speak card. They're available outside the
17 room.

18 I'll probably make this announcement before we
19 take up the Investment Plan item. But if there is anybody
20 who is not aware of the procedure, if you did take
21 advantage of the online sign-up feature, you don't need to
22 fill out a card, but you do need to check in with the
23 clerk or your name will be removed from the speaker's
24 list.

25 On the first item here, we will be using our

1 usual three-minute time limit. For the second item, we
2 expect to shorten the time to one or two minutes to allow
3 time for the largest possible number of people to speak.

4 For safety reasons, please note the emergency
5 exits that are to the rear and to my side, right side here
6 of this room. If there is a fire alarm and we're required
7 to evacuate this room, we are to leave immediately and go
8 downstairs and out of the building until the all-clear
9 signal is given when we can return to the room and resume
10 the hearing.

11 Okay. With that, I do have one other thing I
12 want to do, which is not part of our normal routine, and
13 that is to welcome a delegation of distinguished officials
14 who are visiting our meeting today from Singapore's
15 Ministry of the Environment and Water Resources. I would
16 like to ask them to please stand and we can recognize
17 them.

18 (Applause)

19 CHAIRPERSON NICHOLS: Thank you for being here.
20 We appreciate it. I hope that the proceedings are
21 interesting to you. I think you'll see a lot of
22 interesting activity as the day goes on.

23 So first item that we have here is the consent
24 calendar, Agenda Item 13-5-1 to consider approval of the
25 Yuba City Marysville PM2.5 maintenance plan and their

1 redesignation request submittal to the State
2 Implementation Plan. I need to check with the clerk to
3 see if any witnesses have signed up to testify on this
4 item. No.

5 Are there any Board members who want to see this
6 item removed from the consent calendar?

7 Seeing none, I can close the record on this.

8 BOARD MEMBER RIORDAN: Do you want a motion,
9 Madam Chair?

10 CHAIRPERSON NICHOLS: We need a motion.

11 BOARD MEMBER RIORDAN: I'll move approval of
12 staff recommendation.

13 BOARD MEMBER BERG: Second.

14 BOARD MEMBER RIORDAN: All in favor?

15 (Ayes)

16 CHAIRPERSON NICHOLS: Any opposed?

17 Okay. Great.

18 Then we move to the next item on the consent
19 calendar, consideration of the greenhouse gas
20 quantification determination for the Tahoe Metropolitan
21 Planning Organization, TRPA's, Regional Transportation
22 Plan and Sustainable Community Strategy.

23 Madam Clerk, do we have any witnesses on this
24 item? None.

25 And anybody want to see this one removed from

1 consent for discussion?

2 All right. Seeing none, we'll close the record.

3 And then I need a resolution.

4 BOARD MEMBER BERG: So moved.

5 BOARD MEMBER RIORDAN: Second

6 CHAIRPERSON NICHOLS: All right. All in favor
7 please say aye.

8 (Aye)

9 CHAIRPERSON NICHOLS: No opposition. I'm very
10 glad to see this moving forward.

11 And then we also have one more item on the
12 concept calendar. This is unusual for us. Consideration
13 of the greenhouse gas quantification determination for the
14 sustainable community strategy prepared by the Butte
15 County Association of Governments Metropolitan Planning
16 Organization.

17 And again, no witnesses on this item. No Board
18 member -- oh, yes.

19 BOARD MEMBER SPERLING: I did not know anything
20 about this beforehand, but I'm just reading through
21 quickly. And it says that we're going to approve them I
22 believe -- as I understand, for the 375 where they would
23 have a target of only -- where they would have a target of
24 an increase in greenhouse gases.

25 CHAIRPERSON NICHOLS: Yes. Ms. Terry, would you

1 comment on that, please.

2 DEPUTY EXECUTIVE OFFICER TERRY: Actually, the
3 Board set the targets in 2010 for all of these regions,
4 including Butte County. At that point, there was limited
5 data, so that they recommended this one percent increase
6 for both 20 --

7 BOARD MEMBER SPERLING: Who?

8 DEPUTY EXECUTIVE OFFICER TERRY: Butte County.
9 And Board accepted their recommendation in that first
10 round.

11 BOARD MEMBER SPERLING: We did?

12 DEPUTY EXECUTIVE OFFICER TERRY: Yes, you about.

13 BOARD MEMBER SPERLING: I must have missed that
14 meeting.

15 DEPUTY EXECUTIVE OFFICER TERRY: However, they
16 have since done some work in the development of this SCS,
17 and they did achieve a two percent reduction, which is
18 obviously a good thing. And they surpassed the target
19 that was sustained by the Board.

20 BOARD MEMBER SPERLING: But we're a target of an
21 increase.

22 DEPUTY EXECUTIVE OFFICER TERRY: We are not doing
23 anything with the targets. The targets were set by the
24 Board in 2010.

25 CHAIRPERSON NICHOLS: The target stays as it is.

1 DEPUTY EXECUTIVE OFFICER TERRY: Right.

2 CHAIRPERSON NICHOLS: They've done better
3 thankfully than their not very good target.

4 DEPUTY EXECUTIVE OFFICER TERRY: So next year, in
5 2014, the law allows the Board to review the targets in
6 2014. At that point, there will be another opportunity
7 for the Board to --

8 BOARD MEMBER SPERLING: This is just
9 acknowledging --

10 DEPUTY EXECUTIVE OFFICER TERRY: The is just the
11 quantification review that the Board is required to do.
12 The MPO makes a determination that they have met the
13 target at a minimum. Butte County has done that. And
14 then the Board has to affirm or reject that
15 quantification.

16 So the staff has prepared a staff report
17 documenting that we believe the quantification of the two
18 percent reduction is a good quantification.

19 BOARD MEMBER SPERLING: I look forward to the
20 next meeting where we'll be hearing this.

21 CHAIRPERSON NICHOLS: This is not going to slip
22 by again.

23 All right. I can close the record on this item.
24 Do we have a motion and a second?

25 BOARD MEMBER ROBERTS: Move approval.

1 BOARD MEMBER RIORDAN: Second.

2 CHAIRPERSON NICHOLS: All in favor, please say
3 Aye.

4 (Ayes)

5 CHAIRPERSON NICHOLS: Opposed? Any abstentions?
6 Great.

7 Okay. Our next item is an update on refinery
8 emergency preparedness. I think the Board will recall
9 that in August of last year, a major fire occurred at the
10 Chevron Refinery in Richmond. Shortly afterwards,
11 Governor Brown created an Interagency Task Force to assess
12 the safety of California's refineries, reduce the risk of
13 future accidents, and improve government response to such
14 incidents.

15 The Air Resources Board is working with the local
16 air districts in California to review the adequacy of
17 current State and local air monitoring of refineries and
18 make recommendations as to how the monitoring system and
19 emergency response systems can be improved.

20 With that, I will ask Mr. Corey to introduce this
21 item.

22 DEPUTY EXECUTIVE OFFICER COREY: Thank you,
23 Chairman Nichols.

24 ARB has been asked to take on a role in
25 coordinating State level air monitoring activities to

1 follow up on the Richmond incident. As the following
2 presentations will demonstrate, we are working closely
3 with our counterparts, the local air districts, to improve
4 our existing air monitoring and response capabilities, as
5 well as public outreach tools.

6 We're pleased to have with us today Mr. Jack
7 Broadbent, Air Pollution Control Officer of the Bay Area
8 Air Quality Management; Dr. Phil Fine, Assistant Deputy
9 Tee Executive Officer of the South Coast Air Quality
10 Management District; and Samir Sheikh, Director of
11 Strategy and Incentives at the San Joaquin Valley Air
12 Pollution Control District.

13 Mr. Broadbent will begin by updating the Board on
14 the Bay Area District's response to the Richmond fire as
15 well as the district's actions in assessing and improving
16 preparedness for potential future refinery incidents in
17 the Bay area.

18 Dr. Fine will then describe the South Coast
19 district's current air monitoring methods the district has
20 deployed.

21 Mr. Sheikh will provide the San Joaquin Valley
22 Air District's perspective on air monitoring on refineries
23 in their region and opportunities for further improvement.

24 Following Mr. Sheikh's presentation, we'll hear
25 from Greg Vlasek, who oversees ARB's Office of Emergency

1 Response. Greg will describe ARB's efforts to develop a
2 comprehensive statewide framework for improved air
3 monitoring and response to accidental releases from
4 refineries, including a discussion of specific actions
5 taken since the Richmond fire.

6 To begin the joint presentation, I'll turn the
7 floor over to Mr. Jack Broadbent.

8 CHAIRPERSON NICHOLS: Thanks. Welcome, Jack.

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

11 BAAQMD EXECUTIVE DIRECTOR BROADBENT: Good
12 morning, Madam Chair, members of the Board.

13 Again, Jack Broadbent, the Executive Director,
14 the Bay Area Air Quality Management's Executive Director.

15 I want to thank you all for the opportunity to be
16 here to talk to you about the Chevron incident and also
17 our response. We have taken this incident very seriously,
18 and we have a seven-point action plan I'll be describing
19 to you here this morning.

20 --o0o--

21 BAAQMD EXECUTIVE DIRECTOR BROADBENT: Madam
22 Chair, as you indicated on August 6th of last year, a
23 substantial fire broke out at the Richmond refinery. This
24 was a result of a hydrocarbon leak and, indeed, this
25 occurred about 6:30 in the evening. The Contra Costa

1 County alerted the Bay Area Air Quality Management
2 District's enforcement staff immediately, and we were on
3 site within five minutes of the incident itself. We had
4 three air district inspectors responding to the scene.
5 And indeed, a shelter in place was called just a few
6 minutes after we arrived.

7 --o0o--

8 BAAQMD EXECUTIVE DIRECTOR BROADBENT: Our role
9 when an incident occurs like this is to support the first
10 responders. Indeed, on this incident, essentially what we
11 did is we checked in with the command center and provided
12 additional staff to help coordinate information that the
13 first responders would need. We transmitted information
14 between on site and field staff, and we coordinated or
15 assisted in the coordination of community complaint
16 information as well.

17 --o0o--

18 BAAQMD EXECUTIVE DIRECTOR BROADBENT: On this
19 day, this incident, smoke was visible throughout the Bay
20 Area. The plume rose between a thousand to 5,000 feet.
21 The Air District staff remained on scene until the shelter
22 in place was ordered listed several hours later.

23 As part of our efforts, at that time, we took
24 grab samples in the community and analyzed those samples
25 immediately and communicated the results to the public.

1 We also took PM filter samples and reported them
2 out over the next several days. We also responded to
3 media inquiries over the next several weeks. And
4 honestly, we continue to respond to media inquiries over
5 this event.

6 --o0o--

7 BAAQMD EXECUTIVE DIRECTOR BROADBENT: In response
8 to the August 6th incident, the Bay Area Air Quality
9 Management District adopted a seven point action plan
10 under the leadership of our then Chairman John Gioia, who
11 is actually here today in the audience.

12 The plan is designed to be able to essentially
13 improve the district's response to accidental releases and
14 establish long-term measures that will help prevent such
15 releases from refineries and other large industrial
16 facilities in the Bay Area.

17 I want to point out that your staff has been
18 exemplary to work with in the development of this plan.
19 And they testified when this plan was put before our Board
20 for its consideration. And I specifically want to
21 recognize Alberto Ayala for his testimony and Rich Corey's
22 continued support in the development and implementation of
23 this plan.

24 --o0o--

25 BAAQMD EXECUTIVE DIRECTOR BROADBENT: This plan

1 contains some specific measures, and I want to spend my
2 time this morning, Madam Chair, just mentioning briefly
3 essentially the plan and where we are on it.

4 It includes essentially an ongoing investigation,
5 a review of our response procedures, evaluation and
6 enhancement of our short and long-term monitoring efforts,
7 which I know the Board is particularly interested in. We
8 are expediting some rulemaking directed at refinery
9 operations in the Bay Area. We're evaluating and
10 enhancing our community outreach efforts. We're
11 sponsoring some legislation that will help address what we
12 believe is a deficiency when it comes to our penalty
13 authorities. And finally, we're also developing a fee
14 proposal that will help provide the resources to implement
15 this work plan.

16 --o0o--

17 BAAQMD EXECUTIVE DIRECTOR BROADBENT: With regard
18 to our ongoing investigation, we issued five Notices of
19 Violation as a result of this incident. I list for you
20 here those rules and the specific NOVs associated with
21 them.

22 With regard to our investigation, we are
23 continuing to undertake a root cause analysis and identify
24 the preventative measures that Chevron is required to
25 implement as part of its flare management plan. We are

1 also as part of that effort have estimated emissions,
2 modeled concentrations, and that's all done in
3 coordination with federal, State, and local agencies. And
4 specifically the Federal Chemical Safety Board, the state
5 CalOSHA, as well as CARB.

6 And then locally, we work very closely with the
7 county of Contra Costa in the City of Richmond in these
8 efforts in our ongoing investigation. And this
9 investigation will frankly take many months, many more
10 months, and that's somewhat characteristic of the nature
11 of when there is a significant incident like this at a
12 refinery.

13 --o0o--

14 BAAQMD EXECUTIVE DIRECTOR BROADBENT: The next
15 part of our plan calls for us to evaluate our procedures
16 of how we respond. We are working very closely to look at
17 essentially how we did respond in this particular instance
18 and undertaking lessons learned, if you will.

19 We believe we can coordinate better with Contra
20 Costa County that has four of the five refineries in the
21 Bay Area. And our coordinating effects specifically is
22 directed at the hazardous material staff of Contra Costa
23 County.

24 We're updating some procedures documents, and
25 then we're in the process of requesting stakeholder

1 review, including the public, on how we can better meet
2 their needs when an incident occurs.

3 I'd like to talk about air monitoring, because
4 this is of particular interest to the Board. But also we
5 have heard a lot of questions and comments about air
6 monitoring by the air district and others as it relates to
7 incidental releases.

8 Specifically, what we've done here is we have
9 hired Desert Research Institute to essentially conduct a
10 comprehensive assessment of our monitoring capabilities.
11 What they're doing is they're looking at both our
12 long-term and short-term monitoring capabilities, and
13 they're really looking to see if, indeed, we need to
14 enhance the overall long-term monitoring network, but then
15 identify potential tools that could be put in place when
16 there is an incident like this.

17 We are convening a panel of experts in June,
18 third week in June, to be able to review the results of
19 this report and then have this panel meet several times
20 and develop a set of recommendations for our Board to
21 consider and put in place when it comes to both short-term
22 and long-term monitoring needs.

23 We are going to be providing the public with an
24 opportunity to comment on this effort. And indeed, we're
25 asking a number of public members to participate in the

1 panel itself.

2 We know this will actually be I think a very
3 fruitful effort, and we believe it's going to be
4 recommending some specific enhancements to our current
5 monitoring network, as well as developing additional
6 community monitoring guidance that will be incorporated in
7 a rulemaking we have underway.

8 We have a specific rule that we were undertaking
9 as this incident occurred. And essentially what we have
10 committed to do under this work plan is to expedite that
11 rulemaking. And so this rule is designed to be able to
12 essentially require the refinery operators to
13 comprehensively assess their overall emissions and
14 identify all of their emissions to the public in one place
15 so that the public can understand what they're being
16 exposed to.

17 Currently, in the Bay Area, and I know it's done
18 elsewhere, is different reports are prepared by refinery
19 operations on a process by process basis. What this rule
20 is designed to do is bring it all together and thereby
21 identify what the overall emissions of the refinery are.
22 And, indeed, we want to be able to establish a base line
23 to this rule and a set of trigger levels, such that if the
24 refinery emissions go up, they'll need to implement a
25 series of emission reduction measures.

1 As part of this effort also, we're going to be
2 requiring that the refineries undertake additional fence
3 line and community monitoring in and around the
4 communities of the refineries themselves. We just
5 concluded the first round of workshops, and we believe it
6 will probably take us a good part of this next year to put
7 this rule in place.

8 We know that we'll have a lot of public input.
9 There is a great deal of interest by the community groups
10 in the Bay Area on this rulemaking. And we believe we'll
11 be able to have it in front of our Board for their
12 consideration in the first half of next year.

13 --o0o--

14 BAAQMD EXECUTIVE DIRECTOR BROADBENT: In terms of
15 community outreach, we know that we could be doing a
16 better job in this particular area. We know we're going
17 to, frankly, undertake a set of steps to be able to
18 improve our community outreach.

19 So right now what we're doing is we are working
20 with the public information officers in the Bay Area.
21 We've held conference calls and conferences to really look
22 at lessons learned and identify future improvement
23 efforts.

24 We're engaging the community considerably in this
25 effort. We know that ultimately what it will involve is

1 some additional steps for training of the air district
2 staff, as well as establishing a set of communication
3 protocols for when an incident like this occurs in the
4 future.

5 --o0o--

6 BAAQMD EXECUTIVE DIRECTOR BROADBENT: I
7 specifically want to mention some legislation that we are
8 sponsoring. And Senator Hancock is taking the lead as the
9 author of SB 691. This bill is co-authored by Senators
10 Hill, who served on this Board, as well as Senator
11 DeSaulnier, who served on this Board as well, and
12 Assemblyman Skinner. This bill is also co-sponsored by
13 Breathe California. And I know the South Coast is also
14 helping to co-sponsor this bill as well.

15 It's designed to be able to identify and enhance
16 our civil penalty authority when there are one-day of
17 violations. We believe that this is a deficiency when it
18 comes to the penalty authority that's provided to the air
19 districts. When there is a one-day event and a lot of
20 people are exposed, we know that our penalty authority is
21 somewhat limited to be able to serve as an adequate
22 deterrent. And we believe that the law needs to be
23 enhanced. And that's what this bill is all about.

24 It has passed out of Senate EQ and it's passed on
25 to the Senate Judiciary at this point.

1 So I appreciate the fact you're looking at
2 improving your overall monitoring. That obviously is
3 important in terms of being able to detect if there is a
4 kind of leak that could lead to a fire and helping prevent
5 the episode from happening in the first place.

6 But I'm not quite sure what in this plan is
7 actually going to help you improve the level of
8 communication that you're able to give to the residents in
9 a situation like this. Can you respond the that?

10 BAAQMD EXECUTIVE DIRECTOR BROADBENT: Yes, Madam
11 Chair.

12 I think you're really hitting at the heart of
13 what our efforts are all about. Because when the incident
14 occurred back in August 6th, the plume was a hot fire so
15 it moved up into the atmosphere several thousand feet.
16 And you know, the ground level monitoring network that
17 surrounds some of these facilities didn't pick up actual
18 increases. And that was perceived as a deficiency of the
19 air monitoring network.

20 Never the less, we did actually take samples as
21 well. We tried to communicate all that out to the public.
22 We didn't see it in our samples. But yet, you can smell
23 it. Also, the community can smell it. There's over
24 15,000 people checked themselves into local hospitals and
25 sought medical attention.

1 And so clearly, we know that a lot more needs to
2 be done here. So that is the purpose of the monitoring
3 panel.

4 We're going to be asking for probably Alberto to
5 serve on our monitoring panel to really lend his expertise
6 so we can identify tools, both that can be deployed in the
7 short term that can then be translated into some relevant
8 information. So it's going to be a multi-step. We are
9 going to need to identify technology that could be
10 deployed. But then we're also going to have to work on
11 the messaging. We're going to have to work on how do we
12 communicate that to the public. Because there is a strong
13 desire to understand what is in the air when an incident
14 like this occurs, like you indicated, Madam Chair.

15 And right now, we feel like the tools are
16 somewhat limited in this regard. And we can only
17 communicate what we know. And we did the best job we felt
18 we could do at the time. But we know there is frankly a
19 lot of leaps in the technology that could be put to use
20 here.

21 And what we want the do is get the best minds
22 working for us, making some recommendations, and
23 implementing those recommendations in the form of either a
24 rulemaking that we have underway and/or some additional
25 resources for ourselves at the district.

1 CHAIRPERSON NICHOLS: Thank you.

2 Supervisor Roberts.

3 BOARD MEMBER ROBERTS: You know, there's actually
4 something in place that will help significantly. And
5 while this looked like a big fire, this is a modest
6 compared to what we went through in 2007.

7 CHAIRPERSON NICHOLS: San Diego has a lot of
8 experience with catastrophic fires.

9 BOARD MEMBER ROBERTS: We had several hundred
10 thousand people who had to be evacuated. We had degraded
11 air quality over vast areas.

12 Richard was with me a few weeks ago when we
13 launched our Breathe Well ap, which I think is probably
14 close to being statewide now. But we premiered it in San
15 Diego, and it gives virtual and real time monitoring of
16 both PM2.5 and ozone levels.

17 We were dependent -- we were very dependent on TV
18 and on radio, which were helping us extensively, but still
19 we were not reaching people because we couldn't reach them
20 in sort of a time frame that they were on. And they had
21 to be tuning in at the right time when we were doing our
22 press conferences and other things. Of course, it was on
23 the news, but you were getting it a few times a day.

24 Now, you have a continuous source of information.
25 What we are doing is marrying that to another disaster

1 preparedness in response ap that the County has developed
2 so that people get a lot of information, including the air
3 quality index. They're told right away if they should be
4 staying inside. That really is part of the ap. So the
5 missing part of this -- we have the information, but the
6 missing part was getting that into the hands of the
7 public.

8 And I would tell you that the staff has done a
9 terrific job on this. Few little bugs getting worked out.
10 Our people are very excited about it.

11 But the combination of the two where we know 24/7
12 that there are sites where we can go to -- in our case, we
13 show the exact location of a fire. We can have the
14 perimeter of the fire plotted. And no more than about
15 twelve minutes and available to the public in either their
16 iPhones or any type of advanced phone or their computers.

17 In addition, I know we have a reverse 911 so we
18 can call people and not even -- we don't have to take the
19 risk they're reading that. We can get that information
20 out to them by phone also. And that includes their mobile
21 phones as well as their land lines. So it's really a part
22 of getting this into the system.

23 But I'll tell you, what staff has done and
24 developed in this latest ap is terrific. We've been using
25 it. I've been demonstrating all over San Diego County.

1 And you know, I would applaud them. But that's ones of
2 the pieces that I think was probably missing when they had
3 to respond in this instance.

4 CHAIRPERSON NICHOLS: Yes, Dr. Balmes, a Bay Area
5 resident.

6 BOARD MEMBER BALMES: Yeah, I was in vacation in
7 Sweden when that incident happened, but I still got
8 contacted by the media.

9 So I thank you, Mr. Broadbent, for this report on
10 efforts to improve the Bay Area Air Quality Management
11 District's response to incidents like this.

12 And I also appreciate what's Supervisor Roberts
13 is talking about in terms of response to wild land fires,
14 which San Diego has had more than its share of.

15 But this refinery instance is a little bit
16 different than wild land fire, and it's happening in a
17 community -- it happened in a community that is officially
18 one of our disadvantaged communities with the new Cal/EPA
19 report. And this is a community that distrusts
20 government, especially on air quality issues related to
21 the refinery. So there's really a Herculean task of
22 trying to communicate effectively with this community.

23 Just with regard to the smart phone ap, while
24 probably most Richmond residents have phones, cell phones,
25 whether they have smart phones capable of downloading this

1 ap is another thing.

2 And so what they're interested in, even if the
3 plume is really high so that there is not a lot of PM
4 increase in the monitors near the refinery, they can smell
5 it, as you pointed out, Mr. Broadbent. So that means
6 there is volatile organic compounds likely present. And
7 those may be irritating to the nose and throat and eyes,
8 which prompt people to go to the emergency room.

9 So as I -- reading between the lines and your
10 plans, I think your working with the Desert Research
11 Institute to try to come up with a monitoring system where
12 you can pick up VOCs and not just rely on PM and filters,
13 and getting that information out to the public in a way
14 they can understand it, will be a challenge.

15 And I guess the other thing I wanted to say is
16 that the owner of the property, Chevron, has their own
17 fire department. Their fire department didn't have the
18 same radio system as the public fire departments. It was
19 a major delay in communication about how to respond to the
20 fire between the Chevron fire department, which I think
21 has a reluctance to call in the public fire department.
22 They can handle it, but they couldn't handle it. There
23 was a big delay in terms of just how to handle the fire.
24 I realize that's outside of your jurisdiction.

25 But the point I'm trying to make is the U.S.

1 Chemical Safety Board's evaluation of the incident said
2 that agencies at the State, county, and city level had to
3 work and the Bay Area level had to work better together.
4 The Governor has an inter-agency task force on refinery
5 safety, which I presume you're working with. Yeah.

6 So again, too much of the responsibility for
7 various aspects of refinery safety. And we're siloed.
8 And if we've learned a lesson from this, it's that we have
9 to do a better job of integrating across various
10 jurisdictions and responsibilities.

11 So I commend you for trying to move forward and
12 with lessons learned. And I look forward to a better
13 monitoring system and better communication with the
14 public.

15 CHAIRPERSON NICHOLS: And fewer incidents.

16 BOARD MEMBER BALMES: Well, yeah. Letting pipes
17 that were known to be corroded go unrepaired was really
18 unconscionable. This is from a company that just recorded
19 record profits and is now interested -- not interested in
20 biofuels. So if I sound angry at Chevron, I am.

21 CHAIRPERSON NICHOLS: Supervisor Serna and then
22 Ms. Berg.

23 BOARD MEMBER SERNA: Thank you, Madam Chair.

24 Staying with the theme of communication -- I
25 certainly appreciate the presentation and the details

1 you've shared with us thus far this morning about
2 enhancing communication.

3 I'm interested in understanding what protocols
4 are in place, what protocols might be considered that is
5 real time communication between the refinery and the
6 refinery's fire department, emergency response team, and
7 local emergency rooms so that emergency room physicians
8 know before the patients even arrive complaining with
9 respiratory distress, what chemicals are likely to be part
10 of the problem, what particulate matter might be
11 contributing to their respiratory distress so that there
12 is not a lot of guesswork at the hospital or in the ER at
13 the time the patient presents.

14 BAAQMD EXECUTIVE DIRECTOR BROADBENT: Yes,
15 Supervisor.

16 In Contra Costa County, they have a model
17 ordinance. And I truly mean that. It's the industrial
18 safety ordinance that is essentially a model for all other
19 counties when it comes to communication when there is an
20 incident. And because there is a very comprehensive and
21 inter-coordinated effort that occurs when there is an
22 incident from one of these refineries. Four of the five
23 refineries are located in Contra Costa County.
24 Essentially, when there is an incident, there is a
25 protocol in place that has the County, County fire

1 departments, the City's industrial safety staff all
2 working together to respond to the incident immediately
3 and then also communicate to the public.

4 One thing that has been identified is that there
5 needs to be -- I think this is your point -- there needs
6 to be I think a better linkage to the hospital.
7 Essentially in the emergency room. This is something that
8 the County Health Officer has recognized, and this is
9 something that I think we're going to be working on once
10 we move forward to be able to better link the health
11 professionals in when it comes to responding to an
12 incident.

13 BOARD MEMBER SERNA: That's good to hear. I
14 would imagine there's always room for improvement in that
15 regard.

16 But it seems to me that given the fact that we
17 are living in a world of aps and we have access to real
18 time information, nothing at least in my estimation could
19 be more important than the context of emergency like this
20 to know as an emergency room physician what to expect
21 before the patient even arrives.

22 CHAIRPERSON NICHOLS: Good point.

23 Ms. Berg, and I'm going to remind us that we have
24 two more guests who are prepared to present on this in
25 addition to the staff.

1 But in addition to these routine emissions,
2 there's various unplanned emissions that occur at these
3 refineries. Primarily, they come from unplanned flaring
4 events, both large and small. But there could be upset
5 conditions, spills, leaks, and then again fires,
6 explosions, things like that. We generally don't get too
7 many. What we generally see is a large flaring event.

8 Some of these may not raise to the level of an
9 emergency response, but we do receive complaints. We do
10 go out and do complaint response and community response to
11 some of these incidents. So what I'm going to talk about
12 today is some of our capabilities in these areas.

13 --o0o--

14 SCAQMD ASSISTANT DEPUTY EXECUTIVE OFFICER FINE:
15 Basically there are existing routine monitoring that
16 occurs at all these facilities for routine operations.
17 These include continuous emissions monitoring and other
18 types of sensors and programs throughout the facility on
19 the facility to monitor emissions.

20 One thing I want to mention -- I'm not going to
21 go into detail on all of these. We do have a flare event
22 notification system where anyone who signs up to our list
23 serve can get an e-mail whenever there is a planned flare
24 event. They could be notified when it's going to occur.
25 But even if it's unplanned, as soon as we get notification

1 and we're supposed to get notification within an hour,
2 that notification can immediately go out to anyone who
3 signed up for our list serve to unplanned flare events.

4 In addition to these routine monitoring that goes
5 on at the facilities, we have intense inspection and
6 compliance determinations. We go to these facilities very
7 often. Sometimes, we put six to ten inspectors on there
8 for a full day. And we use technology such as total vapor
9 analyzers and infrared cameras to detect leaks.

10 The idea is we want to avoid any incidences of
11 unplanned emissions, whether it's flaring or fires or
12 explosions. And a lot of the efforts that go into the
13 routine operations are aimed in that direction.

14 --oOo--

15 SCAQMD ASSISTANT DEPUTY EXECUTIVE OFFICER FINE:

16 Again, we have our routine ambient monitoring network. We
17 have over 36 stations. And just shown on this map, you
18 can see the location of our refineries. And we do have
19 monitoring stations downwind of those refineries in the
20 community, mostly in the Long Beach area. They're not
21 located specifically for refinery emissions. But when we
22 do have events, we look at these stations very closely to
23 see if we can pick up any emissions that are occurring
24 from this concentration of refineries down in the South
25 Bay.

1 --o0o--

2 SCAQMD ASSISTANT DEPUTY EXECUTIVE OFFICER FINE:

3 We do have an emergency response program, and we've had
4 this since 1985. We continue to improve it. We activate
5 this for a variety of things. It includes wild fire
6 events. It includes when we get called from emergency
7 agencies, local agencies, county agencies, Hazmat, and
8 CHP, if there is a spill on the roadway.

9 We'll go out, and like Jack mentioned, our goal
10 is to provide support to the incident command system when
11 it comes to exposure of nearby residences or citizens, but
12 also exposure to first responders. We don't go into the
13 hot zone, but we go onto the perimeter and try to provide
14 as best information as we can do.

15 We do air quality sampling and analysis, and we
16 can provide Facility information if it's, say, a fire at
17 an industrial facility to the first responders and
18 incident command. We also provide support when it comes
19 to meteorological data and forecasting which way the winds
20 may blow during the event.

21 --o0o--

22 SCAQMD ASSISTANT DEPUTY EXECUTIVE OFFICER FINE:

23 I'm going to get into some of the technologies we can
24 deploy in some of these cases.

25 First, it was mentioned there is grab samples.

1 This is a short-term response. So there are some
2 equipment we can take out and we can take samples on
3 scene, instantaneous samples that we can rush back to our
4 laboratory and analyze for specific pollutants or toxics.
5 These include toxic VOCs, particulate matter. We can do
6 hydrogen sulfide and other sulfur species as well as
7 collect, say, fallout on plates and look at it under the
8 microscope to see what kind of larger particles may be
9 there as well.

10 --o0o--

11 SCAQMD ASSISTANT DEPUTY EXECUTIVE OFFICER FINE:

12 We also have some equipment we send out that is
13 continuous. We don't have to take this back to the lab.

14 The one thing I want to highlight is in the upper
15 left there we have these portable GCMSs, or gas
16 chromatograph mass spectrometers which can get you a real
17 time every 15 minute VOC information. Because they're
18 portable, you sacrifice a little bit of sensitivity, but
19 they can measure levels of toxic VOCs at the acute levels
20 that would be of concern. This is very useful to us.

21 We have hand-held analyzers for hydrogen sulfide.
22 We have things we can set up quickly for PM 10 and PM2.5.
23 We have vapor analyzers for COs. We also have total VOCs.
24 We can measure ultra fine particles and black carbon. A
25 lot of these things can be deployed very quickly in the

1 parameter area to get some fast information.

2 --oOo--

3 SCAQMD ASSISTANT DEPUTY EXECUTIVE OFFICER FINE:

4 If an incident goes on for several days or even more than
5 25 hours, we have a longer term response. We have a
6 couple of mobile trailers that can be used in emergency
7 situations, but are also used for community monitoring.
8 Here, we have a suite of monitoring instruments within the
9 trailers.

10 One of the things I want to highlight is they do
11 have the capability for real-time monitoring of total
12 VOCs, non-methane VOCs. They have the capability that
13 when the VOCs reach a certain pre-set threshold, they can
14 automatically capture a grab sample for analysis in the
15 laboratory. This has been used in our trailers, but has
16 also been set up in fixed sites in areas where there has
17 been odor problems or odor complaints to try to get a
18 handle on where the odor is coming from and if there is
19 any toxic compounds associated with that odor.

20 --oOo--

21 SCAQMD ASSISTANT DEPUTY EXECUTIVE OFFICER FINE:

22 Again, the real challenge is public notification of these
23 things. And we have various avenues to let the public be
24 aware of these activities and these events, but we issue
25 notice advisories to the media. They get picked up pretty

1 quickly. We have thousands and thousands of people on our
2 list serves and our lists that we send information out to
3 by e-mail. We do press releases. We can quickly put
4 recorded messages on our voice response system and our
5 phone number. And we reach out to local public health
6 groups, community groups. We talk to the media and try to
7 get the effort out, the information out as fast as we can.
8 More recently, we've been using social media, Twitter,
9 Facebook, and other types of aps on smart phones to get
10 the information out and other methods as well.

11 --o0o--

12 SCAQMD ASSISTANT DEPUTY EXECUTIVE OFFICER FINE:
13 What I'd like to get into is some emerging technologies
14 that we don't necessarily deploy now but they're coming
15 online. Right now, we have a pilot study in conjunction
16 with UCLA looking at some of these fence line
17 technologies. These are open path fence line
18 technologies.

19 The idea is you have some kind of beam or laser
20 or some kind of light source that you can bounce off,
21 either reflector and it comes back to a detector. Based
22 on the absorption of that light over a certain distance,
23 you can recall what kind of compounds are there.

24 These can be used in two modes. One is an early
25 alert system like we're talking about today where if it

1 reaches a certain threshold, you might trigger some kind
2 of community alert or at least let the districts know that
3 something may be going on.

4 But also we're looking at technologies that can
5 actually quantify those emissions coming off the facility
6 in various different ways. So the traditional set up of
7 these fence line monitors are in the upper right where you
8 have the reflective beam.

9 I wanted to highlight two other technologies that
10 are emerging that we're studying. This is called imaging
11 DOAS. This is the same type of UV technology, but it uses
12 a camera and can take a picture. The picture on the left
13 is a picture of an actual flare. And each pixel
14 represents an actual absorption. And you can actually
15 quantify the emissions out of that flare or any other
16 source, for that matter, that are not visible. If you
17 know the wind speed and wind direction and you know the
18 size of the plume, you can actually come up with an
19 estimate of how much is coming off.

20 So this, again, could be used in a mode where
21 you're quantifying emissions from a particular stack or
22 source, but can also be used in the mode where you would
23 provide some kind of early warning system.

24 --o0o--

25 SCAQMD ASSISTANT DEPUTY EXECUTIVE OFFICER FINE:

1 The other technology, similar type of light source. This
2 is a scanning technology where you can put upwind downwind
3 of the entire facility. And by the difference in what you
4 measure upwind and downwind, you can get a total facility
5 emission flux, which is going to be very useful for VOC
6 fugitive emissions in quantifying that. But also can be
7 used for emergency -- detecting emergency situations and
8 community alerting systems.

9 --o0o--

10 SCAQMD ASSISTANT DEPUTY EXECUTIVE OFFICER FINE:

11 The other area we're looking at and very active in is this
12 emergence now of these low-cost air pollution sensors that
13 instead of costing the typical five to \$20,000 that we pay
14 for our high-end equipment, these are things people are
15 building themselves or buying online and putting on their
16 wrist or smart phones. And for five or ten or maybe up to
17 \$100 getting some air quality data. There is a lot of
18 advantages to this, obviously. They're low cost. They're
19 portable, and they should provide real time information.
20 And if they work well, one of the applications is you can
21 spread them throughout a downwind community in one of
22 these refinery situations, either on a routine basis
23 because they're so cheap, or maybe deploy them during an
24 incident.

25 We're monitoring the development of this

1 technology. There is currently a lot of challenges with
2 accuracy and precision and calibration and interferences.
3 And we're working with U.S. EPA and other partners to try
4 to get a handle on characterizing some of the emerging
5 devices. Some of very promising. I would say within
6 three to five years, some of this technology will be ready
7 for prime time and probably very useful in the types of
8 situations we talked about today.

9 --o0o--

10 SCAQMD ASSISTANT DEPUTY EXECUTIVE OFFICER FINE:
11 The next steps are we continue to continue to work with
12 CARB and CAPCOA and the other air districts on this
13 project plan that's being developed and this website that
14 you'll hear about is being developed by CARB will
15 contribute links and information on that website.

16 We're going to continue that pilot study with
17 UCLA at the BP Carson facility. And we're also going to
18 continue our assessment of these low cost sensors for this
19 particular application.

20 That concludes my presentation. Thank you.

21 CHAIRPERSON NICHOLS: Thank you.

22 Yes, Sandra.

23 BOARD MEMBER BERG: I want to thank you both very
24 much for coming and spending the time. Nice to see you.

25 Again, I think coming back to what the community

1 can do, we are providing them with a great deal of
2 information. Hopefully getting them the information. But
3 then it does become, what do I do with that? And they're
4 not scientists. We know how difficult it is to get people
5 prepared for earthquakes. And yet, these are really
6 critical, what steps do they take.

7 So can we add to this suite of great steps and
8 great information an education out to the various
9 community groups? What do I do? Is being in my house
10 with the windows closed, is that a sufficient first step?
11 Should I have something?

12 Obviously, at some point, we're going to evacuate
13 everybody, or certainly the agencies would evacuate when
14 it reached a point that it was not safe for them to be
15 there.

16 But what do they actually do in the mean time? I
17 think it's the fear of what should I be doing to keep my
18 children and myself safe until you call evacuation is
19 really what is difficult for the citizens that live around
20 there. And I'd really encourage you, simple, clear
21 message how do I protect myself? What do you do? And
22 that would be wonderful. Thank you.

23 CHAIRPERSON NICHOLS: Okay.

24 SJVAPCD DIRECTOR OF STRATEGY AND INCENTIVES

25 SHEIKH: Good morning, Madam Chair, members of your Board.

1 I want to first start off by thanking the efforts
2 of the ARB who played an active lead role in the important
3 work being conducted through this Refinery Task Force.

4 We support the goals of this effort and hope it
5 will ultimately lead to improvements in the State's and
6 our ability to also enhance what we do to both prevent and
7 more effectively respond to these future refinery
8 incidents.

9 Just to give you a little bit of background, the
10 San Joaquin Valley is home to several small refineries
11 that are very unlike the large refineries located in these
12 dense highly populated areas in southern California and
13 the Bay Area, but which we feel are nonetheless important
14 to address in this same effort.

15 To put this in perspective, the Valley's
16 refineries are about an order of magnitude smaller than
17 these larger refineries, with the largest of our three
18 refineries actually idle at the moment, and the other two
19 refineries quite small in production capacity, again
20 compared to these larger refineries.

21 Given these difference in size and the nature of
22 the refineries and where they're located, one of the
23 messages I think today is that the ultimate best practices
24 that we come up with through this effort and enhancements
25 to these processes needs to be carefully evaluated on a

1 case by case basis to make sure we accommodate the
2 variability of what we see out there in the real world.

3 We have already committed extensive resources to
4 monitoring of these facilities and want to utilize this
5 process in partnership with our colleagues to look for
6 opportunities to enhance the way that we use those limited
7 resources.

8 Already today I'm hearing some really intriguing
9 ideas about how we can continue to enhance our existing
10 processes.

11 We do have a number of different rules that we
12 use right now to monitor the activities at refineries,
13 including the flaring activities, but also other
14 activities. And we do have very stringent permitting and
15 enforcement programs that continue to look at the way that
16 we monitor these facilities.

17 By using information from the monitoring network,
18 we also have over 30 monitoring stations distributed
19 throughout the Valley, including Kern County where we have
20 the three refineries in the San Joaquin Valley.

21 We provide real time information as well similar
22 to what was mentioned earlier through a variety of
23 mechanisms, including a mobile ap and other mechanisms.
24 And we also have a detailed emergency response plan in
25 place that ensures that we have a timely and effective

1 response to these types of incidents.

2 One of the areas that I just wanted to emphasize
3 today in terms of what we're looking for is at the end of
4 the day, we are looking for ways to actually prevent these
5 types of incidents in addition to how we better respond to
6 them.

7 We're looking for ideas, for example, for better
8 practices for reporting monitoring and other things that
9 could be done to actually help prevent these types of
10 incidents.

11 --o0o--

12 SCAQMD ASSISTANT DEPUTY EXECUTIVE OFFICER FINE:
13 We look forward to working with our partners. I'm going
14 to be brief and hopefully catch you up here on your agenda
15 and close by thanking again ARB for taking the lead in
16 this and for all of our other partner agencies for working
17 with us on this. Thank you.

18 CHAIRPERSON NICHOLS: Thank you.

19 (Thereupon an overhead presentation was
20 presented as follows.)

21 OFFICE OF EMERGENCY RESPONSE CHIEF VLASEK: Good
22 morning, Chairman Nichols and members of the Board.

23 I'm Greg Vlasek, Chief of the ARB's Office of
24 Emergency Response in the Monitoring and Laboratory
25 Division.

1 Prior presentations by the local air districts
2 have provided perspective on what happened at the Richmond
3 refinery fire and what the districts are doing to be
4 better prepared for future emergency incidents.

5 Now I would like to highlight ARB's actions taken
6 since last fall and what we plan to complete in the coming
7 year.

8 --o0o--

9 OFFICE OF EMERGENCY RESPONSE CHIEF VLASEK: You
10 may recall from staff's emergency air monitoring
11 presentation last August that ARB closely monitored the
12 Richmond fire and stood ready to assist local Bay Area
13 agencies.

14 ARB continues to serve local agencies as a
15 resource for monitoring of air releases. But since the
16 Richmond fire, we have taken a number of additional new
17 steps, including coordinating with air districts to
18 improve State and local monitoring procedures and
19 protocols, participating in the Governor's Refinery Task
20 Force to improve community air monitoring and reporting,
21 collaborating with the California Air Pollution Control
22 Officers Association on a joint refinery assessment plan,
23 and also creating a new publicly accessible online
24 clearinghouse of refinery-related air quality information.

25 --o0o--

1 OFFICE OF EMERGENCY RESPONSE CHIEF VLASEK: Our
2 coordination with local air districts on refinery
3 monitoring began last September, as Mr. Broadbent noted,
4 with our participation in a special investigative hearing
5 of the Bay Area AQMD on refinery emergencies and our
6 commitment to help explore possible improvement to
7 emergency monitoring equipment and protocols.

8 In October, we engaged CAPCOA's air monitoring
9 Committee and the three other local districts in
10 California with jurisdiction over refinery emissions,
11 South Coast, San Luis Obispo, and San Joaquin Valley.

12 With the advise and assistance of these
13 organizations, ARB developed a conceptual framework for a
14 Refinery Air Monitoring Assessment Project Plan.

15 --o0o--

16 OFFICE OF EMERGENCY RESPONSE CHIEF VLASEK: In
17 addition to our collaborative efforts with the agencies,
18 ARB was asked to participate in the Governor's Task Force
19 on refinery safety to reduce community exposure risks
20 through enhanced air monitoring and reporting. The Task
21 Force posed two principle questions the ARB in addressing
22 core safety issues:

23 First: Are changes needed to ensure timely and
24 comprehensive air monitoring and reporting of refinery
25 emissions during routine operations and accidental

1 releases?

2 And second: Are actions by local air districts
3 needed to improve public communication during routine and
4 emergency conditions?

5 The Task Force directed ARB to investigate
6 these and other issues within its scope of expertise.

7 These questions also contributed to the basis of
8 the Refinery Assessment Project Plan.

9 --o0o--

10 OFFICE OF EMERGENCY RESPONSE CHIEF VLASEK: The
11 draft project plan that ARB is developing in partnership
12 with the local air districts lays out several objectives
13 to assess existing monitoring and response capabilities
14 and potential improvements. It will serve as a State road
15 map for improving future community-based monitoring near
16 California's major refineries. The plan objectives are:

17 To delineate existing local monitoring assets and
18 resources and to make the information accessible to
19 stakeholders, communities organizations, and the public;

20 To perform a comparative evaluation of each
21 region's air emergency response capabilities and to
22 propose appropriate enhancements consistent with local
23 circumstances;

24 To develop statewide guidance and best practices
25 for community air monitoring near refineries;

1 And to finally, to improve coordination with
2 local agencies on air monitoring activities and provide
3 ongoing training and preparedness exercises.

4 The issuance of a new statewide guidance document
5 on emergency air monitoring near refineries and ARB's
6 ongoing support will provide a framework for continually
7 improved public health response to these events in the
8 future.

9 --o0o--

10 OFFICE OF EMERGENCY RESPONSE CHIEF VLASEK: As I
11 mentioned, ARB seeks to engage stakeholders, community
12 organizations, and the public in our work to improve
13 emergency planning and response by making information
14 accessible.

15 Toward that end, we have developed and launched
16 today an online clearinghouse of refinery air monitoring
17 information. This will be a dynamic website that we
18 intend to update frequently to ensure the public has
19 access to the most current and timely air monitoring data
20 and information possible.

21 The next several slides will highlight some of
22 the new website's functions and capabilities.

23 --o0o--

24 OFFICE OF EMERGENCY RESPONSE CHIEF VLASEK: Two
25 key features are the alert status banner and the "What's

1 New" section at the very top of the web page. The
2 scrolling alert banner updates the public on the status of
3 significant air releases at refineries and related public
4 health advisories.

5 The "What's New" section provides updates on
6 recent and upcoming events, as well as newly released air
7 quality data and reports.

8 A good example of this content is the monitoring
9 data that was recently published by the Chevron and
10 Phillips 66 Bay Area refineries.

11 --o0o--

12 OFFICE OF EMERGENCY RESPONSE CHIEF VLASEK:
13 Another key feature of the site is an interactive map,
14 enabling users to obtain current air quality data from
15 refinery locations throughout the state simply by
16 selecting and clicking a site of interest.

17 --o0o--

18 OFFICE OF EMERGENCY RESPONSE CHIEF VLASEK: For
19 example, this page depicts hourly data for particulate
20 matter concentrations and meteorological conditions at a
21 portable demonstration station set up by ARB and Bay Area
22 AQMD just half a mile from the Richmond refinery.

23 In addition to the interactive and real time
24 features of the clearinghouse, ARB has provided reference
25 information, organized by region, so that users anywhere

1 in the state can easily find useful and current
2 information relevant to their area and needs.

3 Our site also offers a list serve where the
4 public can sign up for immediate alerts and updates. With
5 this new clearinghouse in place, ARB has a strong
6 foundation for communicating timely air quality and
7 emergency information to the public, as well as for
8 sharing progress on the statewide assessment work that
9 remains ahead.

10 --o0o--

11 OFFICE OF EMERGENCY RESPONSE CHIEF VLASEK: In
12 conclusion, I'm pleased to report that the Refinery
13 Assessment Project Plan was approved by the Governor's
14 Refinery Task Force in March and is now undergoing final
15 review by the CAPCOA Board of Directors for what we
16 anticipate will be a May public release and commencement
17 of the roughly twelve-month long assessment project.

18 The project's completion will enable ARB and
19 CAPCOA to identify and recommend best practices statewide,
20 and to assist local public health and safety officials
21 with implementing those practices.

22 We know that certain interagency collaborative
23 needs, like training, exercises, technology assessment,
24 and communications will require an ongoing coordination
25 role by ARB.

1 We also recognize that these program enhancements
2 as well as ongoing coordination will require additional
3 resources.

4 The draft project plan includes an assessment of
5 needs and potential funding mechanisms that will assist
6 State and local agencies with identifying and securing
7 those necessary resources.

8 That concludes our presentation. And we will be
9 happy to take any questions.

10 CHAIRPERSON NICHOLS: Thank you. This is
11 obviously an ongoing effort, but it's timely I think to
12 have an update. So appreciate hearing about it.

13 We do have one witness who's asked to speak on
14 this item, and that's Susan Noble from WSPA. So Susan, if
15 you'd come forward.

16 You represent the refineries in this situation.

17 MS. NOBLE: Good morning. Thank you, Chairman
18 Nichols and the Board.

19 My name is Susan Noble. I'm the Western States
20 Petroleum Association, also known as WSPA.

21 WSPA has been very involved on the Governor's
22 initiative on refinery safety under the Department of
23 Industrial Relations. And the DIR has reached out
24 collaboratively with us, and we have formed a Refinery
25 Safety Stakeholders Group and have been working with them

1 over the last six weeks.

2 We're very interested in collaborating with CARB
3 as well as CAPCOA on any efforts related to air monitoring
4 and bringing our knowledge and expertise to any ongoing
5 dialogue.

6 I just really wanted to thank you this morning
7 for this update and the air districts for participating as
8 well as the CARB staff's update on their participation in
9 the Governor's Refinery Safety Task Force. And we look
10 forward to continuing working with DIR as well as CARB and
11 CAPCOA and the report that will be distributed to the
12 public in May. Thank you -- or June, I guess it is.

13 CHAIRPERSON NICHOLS: All right. Thanks.

14 Do you want to close this item then, Mr. Corey?

15 DEPUTY EXECUTIVE OFFICER COREY: Sure. I wanted
16 to thank Jack, Phil, Samir, and Greg for the
17 presentations. They demonstrate our respective agency's
18 efforts to improve monitoring refinery air emissions
19 releases and response to any future incidences.

20 This is an important step in the commitment that
21 ARB and local air districts are making to protect public
22 health in the vicinity of California refineries. We're
23 looking forward to continue the collaborative working
24 relationship that we have going here.

25 CHAIRPERSON NICHOLS: Thank you.

1 I want to echo what Ms. Berg said earlier about
2 the difficulty of using the information that we get from
3 emergencies. Whenever there is an emergency, people are
4 galvanized into action. Resources flow. Attention flows.
5 And people are focused on trying to solve the problem.

6 It's so much harder as the time away from that
7 episode grows longer to keep focused and to figure out
8 what actually you can do that will be helpful.

9 Clearly, continued attention is necessary. I
10 think it's great that the Governor has convened this
11 statewide effort. That's something new. And the fact
12 that the Division of Industrial Relations, which is
13 certainly on the front line with respect to impacts on the
14 people who work at these facilities, is taking a
15 leadership role is also a very good thing, I think.

16 So I think for our side it's important to
17 remember that we're not the only players here, to put it
18 mildly. But we are the ones that the public turns to when
19 one of these episodes occurs. And so being better able to
20 inform people about what's going on and to be prepared to
21 do that is I think a role that we can all do better at in
22 the future.

23 So I'm just really delighted to see the district
24 representatives here. Obviously, you represent a range of
25 different types of refineries and concentrations of

1 refineries, all with slightly different rules. And that's
2 the way we do things in California, as you know, very much
3 to focus on the local as the front line for a regulation
4 and response and monitoring.

5 But I think it looks as though our staff is
6 playing a helpful role here and just want to encourage
7 them to keep doing it. Thank you very much.

8 We have I think a couple of minutes' break that
9 we need to take before we can get people assembled for the
10 next item. The court reporter probably can use a break at
11 this point. So why don't we take five -- let's take ten
12 minutes stretch and get the teams re-assembled, and we'll
13 reconvene just a little before 10:30.

14 (Whereupon a recess was taken.)

15 CHAIRPERSON NICHOLS: Ladies and gentlemen, if I
16 may recall you, I know this was a long ten minutes and I
17 was partially responsible for having stretched it. But it
18 was good to get up and stretch and have a chance to greet
19 at least a few of our guests and visitors who are here
20 today. While people are taking their seats, I can just
21 give a little intro to what we are doing here.

22 Our last item on our agenda for today is the
23 draft Investment Plan for the cap and trade auction
24 proceeds.

25 As required by the California Global Warming

1 Solutions Act 2006, otherwise known as AB 32, the Air
2 Resources Board adopted a Scoping Plan to reduce
3 greenhouse gas emissions in the state to 1990 levels by
4 2020. The Scoping Plan contains a diverse set of tools to
5 achieve emissions reductions, including a cap and trade
6 regulation.

7 Cap and trade is a market-based compliance
8 mechanism that allows participants to purchase allowances
9 at auction. The first cap and trade auction was held last
10 November, and subsequent auctions are currently being held
11 quarterly. Each auction generates proceeds. The majority
12 of auction proceeds derived from the sale of allowances
13 cosigned to auction by investor-owned utilities. And
14 those proceeds are required by the California Public
15 Utilities Commission to benefit rate payers. Those are
16 not under discussion today.

17 What we are here to focus on is a more limited
18 portion of the proceeds that comes to the State and is
19 deposited into the Greenhouse Gas Reduction Fund to
20 support programs that further the regulatory purposes of
21 AB 32.

22 So it's important again to underscore -- and I
23 know you'll be hearing this a lot more today -- that the
24 State's portion of the proceeds must be used to further
25 the broad purposes of AB 32.

1 We know that strategic investment of these funds
2 can advance the State's climate, air quality, energy,
3 transportation, and natural resources goals for the 2020
4 time frame and beyond. These investments can also provide
5 many co-benefits, including improved public health and
6 helping consumers to reduce fuel use and save money.

7 I want to take a moment to recognize the
8 leadership of the Speaker of the Assembly John Perez, for
9 his ongoing leadership in moving the state towards a clean
10 energy economy and specifically for authoring AB 1532,
11 which established the process for developing this
12 Investment Plan and the principles guiding today's
13 investments.

14 Today, we will be hearing about the draft plan
15 developed by administration staff that recommends
16 priorities for the investment of cap and trade auction
17 proceeds.

18 This item is not our typical Air Resources Board
19 agenda item. Normally, staff would be presenting an ARB
20 proposal for Board consideration. However, pursuant to
21 the statute, we are here to listen to the comments of
22 other State agencies who are here to present the draft
23 plan, and we're also here to provide an opportunity for
24 the public as well as the Climate Action Team to comment
25 on the draft plan.

1 I think I will now turn this over to Richard
2 Corey to introduce this item.

3 DEPUTY EXECUTIVE OFFICER COREY: Thank you,
4 Chairman Nichols.

5 As you noted, a team of State agencies are here
6 to present a draft Investment Plan for cap and trade
7 auction proceeds.

8 In 2012, the Legislature passed and the Governor
9 signed three bills that provide direction on the use of
10 auction proceeds.

11 AB 32, Perez, that you mentioned, SB 535 DeLeon,
12 and SB 1018, together, these bills create the framework
13 for spending the State's portion of auction proceeds and
14 require, amongst other things, that a portion of the funds
15 must benefit and be expended in disadvantaged communities.

16 These bills also require that the Department of
17 Finance coordinate with the Climate Action Team, ARB, and
18 other agencies to prepare an administrative-wide
19 Investment Plan.

20 You'll notice some new faces at the table behind
21 me today. They're representatives from some of the other
22 State agencies that were instrumental in developing the
23 draft plan.

24 I'd like to introduce Karen Finn, Program Manager
25 with the Department of Finance; Brian Annis, Deputy

1 Secretary at the Business, Transportation, and Housing
2 Agency; and Mariam Barcelona Ingenito, Deputy Secretary at
3 the California Environmental Protection Agency; Mike
4 McCoy, Executive Director of the Strategic Growth Council;
5 and Drew Bohan, Chief Deputy Director, California Energy
6 Commission.

7 For this item, we'll begin with introductory
8 remarks from Finance, the department that will be
9 submitting the final plan to the Legislature with the
10 Governor's revised State budget next month.

11 Then ARB will walk through the legislative
12 requirements, the public process, and highlights from the
13 draft plan. That will be followed by testimony on behalf
14 of the Climate Action Team.

15 Now I'd like to introduce Karen Finn from the
16 Department of Finance. Karen.

17 (Thereupon an overhead presentation
18 was presented as follows.)

19 CHAIRPERSON NICHOLS: Welcome.

20 DEPARTMENT OF FINANCE PROGRAM BUDGET MANAGER

21 FINN: Thank you. Thank you, Mr. Corey.

22 Good morning, Chairman Nichols and Board members.

23 --o0o--

24 DEPARTMENT OF FINANCE PROGRAM BUDGET MANAGER

25 FINN: Today, I'd like to provide some brief remarks about

1 the development of the draft Investment Plan for the cap
2 and trade auction proceeds.

3 I'd also like to clarify some items related to
4 the plan and explain the distinction between the
5 Investment Plan and the ultimate budget that will be
6 released in May.

7 --o0o--

8 DEPARTMENT OF FINANCE PROGRAM BUDGET MANAGER

9 FINN: As you know, the draft Investment Plan being
10 discussed today and the process for developing the plan
11 were guided by legislation in 2012.

12 Under that statute, the Department of Finance's
13 role was to develop an Investment Plan in consultation
14 with the Air Board and the other agencies which you'll
15 hear from later and submit that plan to the Legislature.

16 The first that we're talking covers the next
17 three fiscal years. Investments under this plan must
18 facilitate the achievement of reductions of greenhouse gas
19 emissions in the state and also required by the
20 legislation recommend priority investments by sector.

21 However, you'll see today the draft plan does not
22 contain specific dollar amounts. While the -- and also to
23 remind you, while the draft plan identifies its priority
24 investments for many areas in the state, I just want to
25 remind folks, it doesn't guarantee that expenditures will

1 actually be proposed for those areas, certainly in the
2 this first budget year.

3 Also as directed by legislation ultimately,
4 specific portion of the investments must benefit or be
5 expended within disadvantaged communities. Again, I'd
6 just like to remind that even when funds are appropriated
7 and you see appropriations in the May revise, there will
8 not be specific communities identified because that will
9 not be known until different programs are underway, the
10 grant programs and the expenditures.

11 Not every program may be able to meet specified
12 goals. That will mean that other programs will have
13 higher participation goals to ensure we meet the overall
14 requirements. And we assure everyone that all involved
15 are aware of the goals for the disadvantaged communities.

16 --o0o--

17 DEPARTMENT OF FINANCE PROGRAM BUDGET MANAGER

18 FINN: The final Investment Plan, along with the
19 Governor's proposed Expenditure Plan for the budget will
20 be submitted to the Legislature with the Governor's
21 revised May budget in a couple of weeks. The legislature
22 then will appropriate the proceeds through the annual
23 budget process consistent with our final Investment Plan.

24 While the Investment Plan does identify priority
25 investments over the entire three-year period, the annual

1 budget will be appropriated to the State agencies for just
2 the first fiscal year.

3 Please note that the draft Investment Plan is an
4 administration project. It's a product by all the State
5 agencies. It wasn't just an ARB proposal.

6 In accordance with the legislation, Air Board's
7 role was to consult with the Department of Finance, plus
8 hold public workshops and this public hearing today.
9 After this hearing, the Governor still has the opportunity
10 to amend this plan before it is submitted to the
11 Legislature.

12 --o0o--

13 DEPARTMENT OF FINANCE PROGRAM BUDGET MANAGER

14 FINN: In addition to Finance, Cal/EPA, and Air Board,
15 there were many other agencies as you see here that either
16 participated in working groups and provided input
17 regarding potential investments. This slide shows the key
18 agencies that helped shape the draft plan being presented
19 today.

20 Many of these agencies are here today, and I'd
21 like to personally thank them for their efforts.

22 Finally, many of you here in the audience and
23 your colleagues also gave us input and suggestions. And
24 we thank everyone who's here today.

25 Now, I'd like to turn the presentation over to

1 Monique Davis for the Air Board staff presentation.

2 (Thereupon an overhead presentation
3 was presented as follows.)

4 MS. DAVIS: Thank you, Ms. Finn.

5 Good morning, Chairman Nichols and members of the
6 Board.

7 Now that Finance has covered the fundamentals,
8 I'll be providing some additional background on the
9 development of the draft Investment Plan. Then I'll
10 summarize the recommended priority investments that are
11 contained within the plan.

12 --o0o--

13 MS. DAVIS: There are three 2012 bills that
14 contain the requirements for the Investment Plan, as was
15 mentioned before: Senate Bill 1018, a budget trailer
16 bill; Assembly Bill 1532, sponsored by Speaker Perez, and
17 Senate Bill 535 sponsored by Senator DeLeon.

18 The Investment Plan covers a three-year period
19 from 2013 fiscal year to 2015/16. Per statute, it must
20 include greenhouse gas emission reduction goals, a gap
21 analysis, priority investments by sector, and finally,
22 designation of disadvantaged communities.

23 --o0o--

24 MS. DAVIS: The legislation contains several
25 objectives for investment of auction proceeds. In

1 addition to achieving greenhouse gas emission reductions,
2 investments should yield these co-benefits whenever
3 possible, including benefits for disadvantaged
4 communities.

5 --o0o--

6 MS. DAVIS: The term disadvantaged communities
7 was established by the legislation to ensure that
8 investment of auction proceeds yields benefits in impacted
9 areas. The legislation tasked Cal/EPA with identifying
10 these communities for this draft Investment Plan. They
11 did this using the CalEnviroScreen tool, which
12 incorporates a wide variety of environmental and
13 socioeconomic indicators.

14 This was a joint Cal/EPA effort with the Office
15 of Environmental Health Hazard Assessment, or OEHHA.

16 Under the SB 535 legislation, the allocation of
17 auction proceeds must provide at least 25 percent to
18 projects that benefit these communities and 10 percent to
19 projects located within these communities. The appendix
20 of the draft Investment Plan provides approaches for
21 meeting these percentage targets.

22 --o0o--

23 MS. DAVIS: The dark blue areas on this slide
24 show the communities that were identified per SB 535. And
25 this map reflects the map that was updated earlier this

1 week by Cal/EPA.

2 Please note that the draft Investment Plan
3 contains slightly older versions of the maps for these
4 communities. But at the back of the auditorium, we
5 provided updates copies of the map on this slide and more
6 detailed regional maps. And also, the most current
7 version of the maps is available on our website.

8 --o0o--

9 MS. DAVIS: Before we discuss what is in the
10 draft Investment Plan, it may be helpful to understand how
11 the auction proceeds would likely flow to State agencies.

12 So during the June budget process, the Governor
13 will recommend and the Legislature will determine budget
14 appropriations for State agencies, consistent with the
15 final Investment Plan.

16 The State portion of the proceeds from all
17 auctions are deposited into the Greenhouse Gas Reduction
18 Fund, where they can be distributed to State agencies in
19 accordance with those budget appropriations.

20 --o0o--

21 MS. DAVIS: After the State agencies received
22 their proceeds, there are a variety of possible methods
23 for expending the funds. For example, money could be used
24 for direct funding of State agency projects, like a
25 Caltrans infrastructure project.

1 It could also be used to provide incentives
2 administered by State agencies for projects such as
3 rebates, grants, or loans to consumers, businesses, or
4 public agencies. Or the money could be distributed to
5 regional or local agencies that would fund projects which
6 are consistent with the State policies for those funds.
7 In all cases though, the expenditures would need to
8 further the purposes of AB 32.

9 --o0o--

10 MS. DAVIS: Now we'll discuss what is in the
11 draft Investment Plan. As we noted earlier, the contents
12 of the plan were prepared in accordance with the
13 legislation.

14 --o0o--

15 MS. DAVIS: The development of the draft plan
16 began last May when ARB hosted a public consultation
17 meeting. After the 2012 legislation was signed, the
18 development continued with an interagency working group, a
19 draft concept paper, and three public workshops that were
20 all very well attended.

21 At the workshops, the interagency working group
22 heard from more than 200 speakers. And we received more
23 than 350 comments.

24 --o0o--

25 MS. DAVIS: The draft plan identifies the sectors

1 that are the sources of greenhouse gas emissions, with
2 transportation and electricity generation being the
3 primary contributors. The sectors shown on this slide are
4 the same as the categories that are in the AB 32 Scoping
5 Plan.

6 For the year 2020, we estimate a total of 427
7 million metric tons of carbon dioxide equivalent
8 emissions. And this number reflects the benefits from
9 full implementation of existing programs to reduce
10 greenhouse gas emissions.

11 --o0o--

12 MS. DAVIS: In addition to identifying the main
13 greenhouse gas emissions sectors, the draft Investment
14 Plan also summarizes initiatives that focus on reducing
15 emissions from these sources. These initiatives include
16 AB 32, key legislation, and several Executive Orders that
17 establish greenhouse gas emission reduction targets for
18 2020 and beyond.

19 Some of the key initiatives are shown on this
20 slide, and the next slide shows a chart of the overall
21 reduction targets.

22 --o0o--

23 MS. DAVIS: The main reduction targets are shown
24 here. By 2020, reduce greenhouse gas emissions to 1990
25 levels. And by 2050, reduce emissions 80 percent below

1 1990 levels.

2 The SB 23 Scoping Plan identifies measures to
3 reach that near-term 2020 target. And actions by ARB and
4 other State agencies are implementing the Scoping Plan
5 measures.

6 --o0o--

7 MS. DAVIS: In addition to the measures in the
8 Scoping Plan, there are other local, State, and federal
9 strategies in place to reduce greenhouse gas emissions.
10 The legislation for auction proceeds requires that the
11 Investment Plan analyzes any gaps in current strategies to
12 meet those State greenhouse gas emission reduction goals
13 we saw earlier.

14 Based on this gap analysis, we concluded that
15 full implementation of existing strategies can get us to
16 the 2020 target. However, extensive additional strategies
17 are needed both to meet the post-2020 goals and to ensure
18 ongoing maintenance of the 2020 limit, as population and
19 growth increase.

20 --o0o--

21 MS. DAVIS: So now we know the major greenhouse
22 gas sectors, the reduction targets that we need to meet,
23 and the fact that we need to do more to reach long-term
24 goals. The next step is to identify potential investments
25 that could help us get where California needs to go.

1 The draft plan identifies potential priority
2 investments by sector based on three main factors: The
3 legislative direction we talked about earlier,
4 administration priorities, and the public comments that
5 were provided.

6 Some investments will provide significant
7 near-term reductions. Others are more focused on
8 supporting the necessary transformations that are needed
9 in the transportation and energy sectors to meet those
10 post-2020 reduction goals.

11 I've already highlighted the direction from the
12 Legislature. And the next slides discuss other factors
13 that were considered in identifying potential investments.

14 --oOo--

15 MS. DAVIS: The administration's priorities for
16 investment auction proceeds were identified in the
17 Governor's January budget proposal. In the Governor's
18 proposal, funding for transportation and sustainable
19 communities was the top priority, followed by electricity
20 and commercial/residential energy projects.

21 The proposal also recommended examining possible
22 investments in sustainable agriculture, forest management,
23 urban forestry, and waste diversion.

24 The draft Investment Plan includes potential
25 investments that cover all of the areas put forth in the

1 budget proposal.

2 --o0o--

3 MS. DAVIS: The Administration Working Group also
4 considered public comments when identifying potential
5 investments. We received significant public input during
6 workshops and through written comments. This slide
7 summarizes the major themes.

8 In a number of cases, several organizations
9 joined together as a coalition to present a cohesive set
10 of comments. All of the concepts on this slide are
11 reflected in the draft Investment Plan.

12 --o0o--

13 MS. DAVIS: Based on legislative direction, the
14 administration's priorities, and public input, the working
15 group prepared draft recommendations for priority
16 investments.

17 As we noted earlier, the draft plan does not
18 include dollar amounts. So the graphic on this slide
19 illustrates recommendations for relative funding
20 priorities.

21 The largest portion of the funds would be
22 invested in projects related to sustainable communities
23 and clean transportation, reflecting the fact that
24 transportation is the largest source of greenhouse gas
25 emissions.

1 The next largest portion would be invested in
2 energy efficiency and clean energy, and a smaller portion
3 would be for natural resources and waste diversion. The
4 next few slides will summarize the types of potential
5 investments for each of the three priorities shown on this
6 slide.

7 The appendix in the draft plan includes specific
8 examples of existing programs and projects that are
9 potential candidates for investment. It also provides
10 approaches for ensuring benefits in disadvantaged
11 communities. However, it is important to note that
12 inclusion of a recommended investment in this draft plan
13 does not guarantee funding.

14 --oOo--

15 MS. DAVIS: Let's start with potential
16 investments for sustainable communities and
17 transportation.

18 Investments could support implementation of SB
19 375 sustainable community strategies, such as improved
20 transit, rail modernization, and livable communities.

21 Investment is also essential for the
22 transformation of diesel freight vehicles and equipment to
23 zero emission technology to address climate and air
24 quality goals.

25 Continued support for increasing the numbers of

1 zero emission passenger and transit vehicles and the
2 infrastructure to support them is another priority for
3 investment.

4 --o0o--

5 MS. DAVIS: The focus for this next priority area
6 is on improving energy efficiency in homes, in our water
7 supply, and industrial operations, and in agriculture.

8 --o0o--

9 MS. DAVIS: And finally, in this category,
10 potential investments could support forest management,
11 urban forestry, conservation easement for forests and
12 agriculture and other ways to sequester carbon greenhouse
13 gas emissions. Waste diversion could include support for
14 composting and recycling.

15 In the draft Investment Plan, there is a lot more
16 detail on potential investments and existing programs that
17 could be expanded to provide additional benefits.

18 --o0o--

19 MS. DAVIS: In addition to reducing greenhouse
20 gas emissions, the priority investments in the draft plan
21 could yield many co-benefits, such as those shown here.
22 Both the Interagency Working Group and the public input
23 brought forth a wide variety of positive impacts that
24 could result from the strategic investments. Many of the
25 public comments that we received emphasized the desire to

1 maximize these co-benefits wherever possible.

2 --o0o--

3 MS. DAVIS: All investments of cap and trade
4 auction proceeds must be used to further the regulatory
5 purposes of AB 32 and to meet the requirements of other
6 legislation. The draft plan contains guiding principles
7 to help ensure that this occurs.

8 The left side of the slide shows the principles
9 to be followed when selecting investments. The right side
10 shows the principles that apply to the administering
11 agencies that receive proceeds funds.

12 For both administration and investment of funds,
13 guiding principles include benefits for disadvantaged
14 communities. It is critical that the process be
15 inconclusive, transparent, and accountable.

16 --o0o--

17 MS. DAVIS: The implementing legislation requires
18 the Board to conduct a public hearing, but it does not
19 require that the Board approve or adopt the draft
20 Investment Plan. However, staff recommends that the Board
21 adopt Resolution 13-15.

22 A key finding of this resolution recognizes and
23 supports the requirement that investments facilitate the
24 reduction of greenhouse gas emissions and further the
25 regulatory purposes of AB 32.

1 The resolution also states that the Board has
2 satisfied the legislation's public process and meeting
3 requirements for the development of the draft Investment
4 Plan.

5 And finally, the resolution supports funding for
6 the identified priority programs to further the regulatory
7 purposes of AB 32 and help California realize the
8 transformational changes that are vital to meet our
9 long-range goals.

10 This concludes the staff presentation.

11 CHAIRPERSON NICHOLS: Thank you very much,
12 Ms. Davis.

13 The legislation that you referenced also calls on
14 California's Climate Action Team to participate in the
15 development of the Investment Plan and to offer testimony
16 at this hearing.

17 And it's now my pleasure to recognize and
18 introduce Matt Rodriguez, secretary of Cal/EPA, who chairs
19 the Climate Action Team to provide that testimony.

20 CAL/EPA SECRETARY RODRIGUEZ: Well, thank you,
21 Mr. Chair Nichols. It's a pleasure to be here this
22 morning.

23 As you noted and for the record, my name is Matt
24 Rodriguez. I'm the Secretary for California Environmental
25 Protection Agency. And as noted, in addition to my role

1 as a Secretary, I'm also the Chair of the Climate Action
2 Team.

3 The Climate Action Team, which is frequently
4 referred to as the CAT, is an interagency team established
5 by an Executive Order and the participants include Agency
6 secretaries, department directors, and representatives
7 from the many agencies and departments in California that
8 have some role in addressing climate change and working on
9 reductions and achieving reductions in greenhouse gas
10 emissions.

11 Because I'm here on behalf of the CAT today, I
12 will try to be somewhat less off the cuff and more
13 coherent than I usually am when I testify in hearings.
14 And I should note to there are many representatives from
15 the members of the CAT here today who are going to make
16 sure that I don't make a plea for all the money going to
17 Cal/EPA.

18 I also need to mention that I'm also a member of
19 the Strategic Growth Council. And Strategic Growth
20 Council member agencies and staff were also very active
21 and participated in the development of this draft
22 Investment Plan.

23 Now, I'll keep my comments here today brief,
24 because I know there are many people who want to speak on
25 this particular plan. And also because it's very easy to

1 offer testimony on this plan.

2 The CAT has taken a look at this plan, and we
3 commend the multi-agency team the draft of the Investment
4 Plan. Not only did the team assemble a plan that
5 addresses the major sources of greenhouse gas emissions in
6 the state, but it also addressed the public interest in
7 promoting wise investments. It promoted and promotes the
8 desire to invest in communities that experience
9 disproportionate climate impacts. It also identifies the
10 need to stimulate a cleaner economy in California.

11 The plan also addresses the State's statutory
12 planning priorities. It promotes in-fill development and
13 equity. It protects environmental and agricultural
14 resources. And it certainly encourages efficient
15 development priorities.

16 I'm thrown off by seeing my picture up there. I
17 feel a little bit like the Wizard of Oz.

18 But moving on, the cap and trade auction proceeds
19 In Investment Plan was developed in compliance with the
20 direction provided by the Legislature. Assembly Bill 1532
21 directed the Administration and collaborating agencies to
22 employ investment principles that maximized public health
23 and economic benefits for the state and really required us
24 to focus on several key areas, such as transportation,
25 energy, natural resources, and conservation. And I think

1 as you've heard in the presentations this morning, the
2 plan certainly does that.

3 We were also directed by the Legislature at the
4 CAT to provide testimony today and to also include
5 comments by the Labor and Workforce Development Agency in
6 analyzing the plan. And we're in the process of working
7 with the Agency to ensure that their input is also part of
8 our development of the Investment Plan.

9 And then finally, as was noted for you, SB 535
10 directed the California Environmental Protection Agency to
11 identify disadvantaged communities for investment and to
12 implement the Administration's plan to direct a minimum of
13 10 percent of the proceeds from the cap and trade auctions
14 to help communities that are identified by Cal/EPA as
15 disadvantaged with a minimum of 25 percent conferring
16 benefits just generally on those community.

17 So to the extent that you hear comments today
18 about the identification of disadvantaged communities, of
19 those issues or questions can be directed to Cal/EPA.

20 And I also want to take this moment to thank the
21 Office of Environmental Health Hazard Assessments for
22 doing such a fine job in helping us to develop the plan
23 that identified those communities in California.

24 So I think that we stand here before you today in
25 support of the Investment Plan. We think that through

1 investments in existing programs within multiple
2 departments and working with agencies that know how to
3 accomplish greenhouse gas emission reductions, we're going
4 to be all to achieve the goals of California in addressing
5 climate change and really promote the State's interest in
6 providing a safe and healthy environment in the state of
7 California.

8 The investments that are provided for here in
9 this plan are really going to be transformational, we
10 think. They will promote green economy. They will
11 provide for greater collaboration between the public and
12 business sectors. And so I think that they'll achieve a
13 number of co-benefits in addition to reducing greenhouse
14 gas emissions.

15 So I'll just note that the CAT intends to -- and
16 this isn't a threat. But the CAT intends to continue to
17 work with the Department of Finance on this plan. We look
18 forward to working with the Legislature in the
19 implementation of this plan. And we just want to applaud
20 all the people who have been working on this plan, because
21 we think it's a very significant and substantial
22 achievement.

23 Thank you very much.

24 CHAIRPERSON NICHOLS: Thank you, Secretary
25 Rodriguez.

1 I do want to comment that, you know, when I first
2 began working on this Scoping Plan back in 2007, it was
3 pretty difficult to get many agencies to come to the table
4 and cooperate. The CAT existed, but the reality was that
5 there weren't new resources provided for that effort. And
6 I think there was a sense, well, ARB, this is your job.
7 You just go do it.

8 And that has changed dramatically over time. And
9 we've had, I think, really extraordinary cooperation from
10 the staff of many of the departments and Boards and
11 agencies that are involved in the CAT, as well as some
12 others that weren't actually named on the CAT, which has
13 just been terrific. And we very much appreciate your
14 leadership and that of your office in helping to pull this
15 together.

16 Before we turn to the public testimony -- and I'm
17 indulging myself a little bit here, because the people who
18 have signed up to testify have, in many instances, formed
19 themselves into coalitions and organized their testimony
20 in a way that makes getting through this a much less
21 daunting task than I thought it was going to be.

22 I would like to ask if the members of the group
23 that helped write the plan who are represented here today,
24 the sister agencies would like to say a few words, I would
25 invite any of you to flip on your microphones.

1 And start with Brian.

2 MR. ANNIS: Thank you, Chair Nichols and Board
3 members. Brian Annis with the Business, Transportation,
4 and Housing Agency.

5 I wanted to start out really thanking the Air
6 Resource Board staff. I was able to attend the three
7 workshops. And I felt they were very productive and
8 really did help inform the deliberations that we had in
9 crafting the draft Investment Plan.

10 And then maybe to highlight a few areas in
11 transportation that I think are that transformation that
12 has been mentioned. California has had a long-term
13 commitment in some areas that really exceed the other
14 states. I'd say transit funding, rail funding, really
15 since the '70s, there's been some prominent programs
16 there.

17 For example, our inner-city rail program that we
18 run in coordination with Amtrak, we operate three of the
19 top five lines of rail nationwide.

20 And also the State funding commitment. Actually,
21 I saw a Statistic in the last five years is about equal to
22 all other states combined. So very, very prominent there.
23 But clearly, to achieve the greenhouse gas reduction goals
24 of the state, we need to do more. And most significant I
25 think in that area is the passage of SB 375 and

1 sustainable communities strategies that the local
2 governments are engaged in. And those first few plans out
3 are very significant for changing the investment of modes
4 of different types of transit and changing the thinking
5 really on what the priorities should be.

6 The second thing to mention really is the rail
7 modernization program that the Legislature adopted last
8 year. And that we see really has the potential to
9 transform how people travel in California that creates a
10 linked rail system in the state that will be very fast.
11 The investment in last year's plan include statewide rail
12 investment as well. So you're seeing early benefits. The
13 electrification of CalTrain in the Bay Area is one
14 example.

15 So we're pleased this Investment Plan focuses on
16 those new strategies and I think will really help drive
17 those initiatives forward.

18 CHAIRPERSON NICHOLS: Great. Thank you.

19 Anybody else? Yes. Go ahead. Drew.

20 MR. BOHAN: Madam Chair, thank you. And thank
21 you, Board members.

22 The Energy Commission is very supportive of the
23 Investment Plan. I wanted to echo one thing Brian said,
24 and that is, while this is a collaborative effort, we
25 spent a lot of time and energy in working on this.

1 Monique and your staff did the heavy lifting and
2 deserve tremendous credit for pulling this document
3 together. And I've read lots of these types of documents,
4 and this one is very, very good I think.

5 One other point I want to make, it's probably
6 obvious to most people in this room. And I wanted to
7 highlight that one of the graphs that Monique showed and
8 it appears on page 11 of the report identifies by sector
9 where our greenhouse gas emissions are coming from. But
10 it may be less obvious to some folks who read this that
11 they're all energy-centric, with a couple of exceptions.

12 So electricity generation is clearly
13 energy-consuming, but so is transportation. And
14 industrial really is all about the energy consumption that
15 goes into our industry. Commercial and residential, same
16 thing. And even ag and forestry, a significant chunk of
17 the greenhouse gas emissions as a consequence of those
18 activities are as a result of energy consumption.

19 So I just wanted to make that point and note that
20 the challenge is one that we, at the Energy Commission,
21 are keenly aware of. And we look forward to continuing to
22 work with your staff, stakeholders, and our sister
23 agencies to continue to proceed.

24 CHAIRPERSON NICHOLS: Thank you very much.

25 MS. INGENITO: Madam Chairman, members of the

1 Board, my name is Mariam Ingenito. I'm with the Office of
2 the Secretary of California Environmental Protection
3 Agency.

4 I just wanted to provide a quick high level
5 overview of how we identify disadvantaged communities that
6 is incorporated today in the Investment Plan.

7 The Office of the Environmental Health Hazard
8 Assessment, or OEHHA, under our guidance, developed a tool
9 to identify areas that are disproportionately affected by
10 both pollution burden as well as socio-economically
11 disadvantaged. We call that tool CalEnviroScreen, and as
12 noted earlier, it was released in its final version just
13 earlier this week.

14 We believe that the tool meets the definition and
15 the criteria set forth in 535. And so it was fortuitous
16 we were working on that tool at the same time as this was
17 being developed.

18 For those of you new to CalEnviroScreen, I'll
19 take a couple of minutes to walk you through what it is
20 and why we developed it.

21 We developed it because Cal/EPA is required to
22 conduct all of its program, policies, and activities as
23 well as enforce all of its existing statutes and
24 regulations in a manner that ensures the fair treatment of
25 people of all races, cultures, and income levels.

1 In 2004, Cal/EPA adopted a statutorily mandated
2 Environmental Justice Action Plan. And in that plan, it
3 called for the development of a mechanism to analyze the
4 impact of multiple pollution sources in California
5 communities. And that tool is CalEnviroScreen.

6 In July of 2012, we released a first draft of
7 this document. It was built upon a 2010 document and
8 report, which described the science behind identifying
9 communities that face multiple pollution burdens.

10 Between July of 2012 and today, we had convened
11 two public meetings of our cumulative impacts and
12 precautionary working group, which is an advisory body the
13 OEHHA and Cal/EPA on this project.

14 We helped twelve public workshops in seven
15 regions throughout the state, including -- and we also had
16 an academic workshop.

17 We received in excess of a thousand comments and
18 questions. And through all of that, we did do the most
19 recent revision was released on the 23rd. As a result,
20 some of the communities that were in the draft that was
21 released and considered in the workshops have changed.
22 There was 15 communities that are new to the list of
23 disadvantaged communities and 17 that dropped off.

24 And that was a result of the major changes that
25 were -- or the changes that were made and the tools based

1 on those comments.

2 The maps included before you in the report are
3 from CalEnviroScreen 1.0 and are based on the 18
4 indicators. There are six indicators of exposure to
5 pollution, which include PM2.5 concentrations, ozone
6 concentrations, diesel PM concentrations, pesticide use,
7 toxic release from facilities, and traffic density.

8 There are five indicators of pollutions and
9 environmental effects, which are clean-up sites,
10 groundwater threats, impaired water bodies, hazardous
11 waste facilities and generators, and solid waste sites and
12 facilities.

13 And then there are three indicators of sub-groups
14 within populations that are especially sensitive to the
15 health effects of pollution, which is the prevalence in
16 children and elderly, asthma, emergency department visit
17 rate, and the rate of low birth weights.

18 And finally, there are four indicators of socio
19 economic conditions that may increase the community's
20 vulnerability to pollution, including education,
21 linguistic isolation, and poverty and race and ethnicity.

22 The communities highlighted in the maps before
23 you today are the disadvantaged communities that Cal/EPA
24 has identified for the investment opportunities consistent
25 with 535 and 1532. And they represent CalEnviroScreens in

1 the 90th to 100th percentile. It's the top 10 percent if
2 you will. And those communities represent approximately
3 20 percent of the state's population.

4 CHAIRPERSON NICHOLS: Thank you.

5 So to bring it down to the grass roots level, how
6 do I find out if my ZIP code is in one of those areas?

7 MS. INGENITO: We did provide that information.
8 That information I believe is attached to the maps. So
9 they have the maps and the ZIP codes are listed.

10 CHAIRPERSON NICHOLS: Okay

11 MS. INGENITO: Also, it is available on the
12 Office of Health Hazard Assessment's web page. And there
13 is a link to it on the Cal/EPA web page as well.

14 CHAIRPERSON NICHOLS: So if anybody isn't
15 focusing on that aspect of it, they can easily get that
16 information.

17 Anybody else? Yes.

18 MR. MC COY: Mike McCoy, Strategic Growth
19 Council.

20 I'd like to start out by expressing my thanks to
21 the organizer of this process, especially Cynthia Marvin
22 at ARB who worked tirelessly on behalf of all of us to see
23 this through to today's presentation.

24 The Strategic Growth Council has had the
25 privilege of overseeing the granting of \$60 million in

1 sustainable community planning incentive awards to local
2 and regional governments to support the goals of SB 375.
3 And in that process, it's been a very gratifying
4 experience to see the initiative, commitment, creativity
5 of our local governments.

6 They brought a tremendous level of ingenuity to
7 their work. And I'm very pleased that through this
8 process that we're addressing today, there will be
9 additional opportunities to work with these local
10 partners.

11 CHAIRPERSON NICHOLS: Thank you. Anybody else?

12 Perhaps it goes without saying, but any one of
13 the areas that were identified could probably use all the
14 proceeds that's going to come in from the auction. And so
15 the fact that people are willing to work together to flush
16 out this plan and to recognize the validity of these
17 categories is I think really a remarkable testimony to the
18 commitment across the board of this administration to
19 address the fundamental goals of AB 32.

20 And I just want to reiterate my thanks to Cynthia
21 and everyone else who worked on this document.

22 Now it's time to hear from the public.

23 We have to hear from the Board first.

24 BOARD MEMBER ROBERTS: I was straining my eyes
25 open your map. San Diego looks largely clear. I couldn't

1 tell if there was a little dot at Barrio Logan?

2 CHAIRPERSON NICHOLS: I think so.

3 MS. INGENITO: For the disadvantaged communities,
4 there were six ZIP codes in the San Diego region. Sorry.
5 Five. Sorry.

6 CHAIRPERSON NICHOLS: Okay. So we will start I
7 think the testimony with elected officials or staffs of
8 elected officials who are here.

9 By the way, we're flashing up on the screen the
10 order of testimony. So you don't have to rely on me to
11 read the names. You can see where you are on the chart.

12 We will start with Matthew Montgomery with
13 Senator Hannah-Beth Jackson's office

14 MR. MONTGOMERY: Good morning, Chairman Nichols
15 and members. Thank you so much.

16 My name is Matthew Montgomery, and I'm here on
17 behalf of Senator Hannah-Beth Jackson from Santa Barbara
18 who would like to urge the Air Resources Board and the
19 Department of Finance to include in the Santa Barbara
20 County Air Pollution Control District's proposal for a
21 voluntary Vessel Speed Reduction Incentive Program along
22 the California coast to reduce greenhouse gas emissions.
23 And it is her hope that it be included in the final
24 Greenhouse Gas Investment Plan.

25 The Vessel Speed Reduction Incentive Program has

1 received broad-based support from federal, State,
2 regional, local agencies, elected leaders, NGO groups,
3 industry, and the community. The Senator is also
4 supportive of this and has submitted a letter to the Board
5 detailing her position on this issue.

6 The Vessel Speed Reduction Program aligns with
7 the Investment Plan objectives and significantly reduces
8 greenhouse gas emissions from transportation while also
9 having the combined benefits of improving the air quality
10 for public health, enhancing coastal air district's
11 ability to meet State air quality standards. It benefits
12 the disadvantaged communities in Oxnard and Port Hueneme
13 and also, of course, protecting the whale populations.

14 This program would be modeled after the existing
15 successful programs at the Ports of Los Angeles and Long
16 Beach. And on behalf of Senator Jackson, I'd like to
17 thank you for consideration of this request

18 CHAIRPERSON NICHOLS: Thank you.

19 Samantha Contreras.

20 MS. CONTRERAS: Good morning, Board members.

21 My name is Samantha Contreras. And I'm here
22 today to represent Assemblyman Das Williams. We share a
23 district with Senator Hannah-Beth Jackson. So I also want
24 to express his support for the Vessel Speed Reduction
25 Initiative as proposed by the Santa Barbara Air Pollution

1 Control District.

2 The Vessel Speed Reduction Proposal is modeled
3 after successful programs implemented in the Ports of Los
4 Angeles and Long Beach and has received broad-based
5 support from federal, State, and local agencies and the
6 community.

7 This proposal aligns with investment plan
8 objective and significantly reduces greenhouse gas
9 emissions from transportation and has additional
10 co-benefits like improving air quality.

11 Thank you for your consideration.

12 CHAIRPERSON NICHOLS: Thank you.

13 Supervisor Gioia.

14 SUPERVISOR GIOIA: Yes. Today I'm wearing a CSAC
15 hat.

16 Good morning, Chair Nichols and Board members.
17 Thank you again for the opportunity to provide input into
18 the cap and trade allocation process.

19 I'm here today on behalf of the California State
20 Association of Counties. I'm Vice President of CSAC. And
21 on behalf of a coalition of governments that includes the
22 League of Cities, the California Special Districts
23 Association, the Local Government Commission, and a number
24 of cities, counties, special districts, and regional
25 agencies.

1 Over the past several years, local governments
2 across the state have taken significant steps to reduce
3 greenhouse gas emissions through a variety of different
4 approaches, including clean and renewable energy projects,
5 energy efficient measures, facilities and fleet upgrades,
6 and innovative planning processes.

7 In addition to achieving greenhouse gas
8 reductions, these projects create jobs and they help
9 stimulate our local and state economies.

10 We are pleased to see local governments listed as
11 eligible recipients for several of the potential funding
12 categories in the draft Investment Plan. However, we
13 would strongly support the inclusion of a new local
14 government Emission Reduction Program to focus investment
15 opportunities specifically for local governments into a
16 centralized category, maximizing greenhouse gas emission
17 reductions, while providing for effective coordination.

18 Local governments are already engaged in many of
19 the same types of greenhouse gas reduction activities
20 contemplated in the Governor's budget and outlined in your
21 draft Investment Plan. And we are best able to identify
22 and implement projects to reflect local needs, leverage
23 other funding sources, and achieve the greatest reduction
24 of greenhouse gases.

25 We believe the state would be well served by the

1 establishment of a local program where regional and local
2 agencies working with non-profits in our community can
3 serve as a delivery tool for the range of investments
4 outlined in the Investment Plan, including energy
5 efficiency, distributed generation, water use efficiency,
6 urban forestry, solid waste programs, and other items.

7 In addition, many of our members are
8 participating in the transportation coalition for livable
9 communities, which proposes to allocate funds through
10 local governments to achieve greenhouse gas reductions
11 through transportation investments and positive land use
12 changes.

13 Providing local governments with a funding source
14 to engage in these efforts will not only promote local
15 sustainability and create healthier and more equitable
16 communities, it will also help the State demonstrate to
17 the public that cap and trade funds are being spent in a
18 manner that is consistent with AB 32 and beneficial to the
19 local communities.

20 Thank you for the opportunity to provide
21 meaningful input.

22 CHAIRPERSON NICHOLS: Thank you.

23 We'll hear next from Ash Kaira representing the
24 Bay Area AQMD. Good morning.

25 MR. KAIRA: Good morning, Chair Nichols and

1 Board.

2 Thank you for allowing me to speak. My name is
3 Ash Kaira, San Jose Council member and Chair of the Bay
4 Area Air Quality Management District.

5 First of all, I'd like to commend the Air
6 Resources Board for their consideration of impacted
7 communities within the broader effort of greenhouse gas
8 reduction.

9 The Bay Area Air District has a long history of
10 identifying and addressing impacted communities as well.
11 And we want to thank the Air Resources Board for your
12 leadership and guidance in helping Regional Air Districts
13 in achieving our goals and working toward them as well.

14 As you may know, the Bay Area is in the process
15 of adopting an effective and realistic greenhouse gas
16 emissions reductions plan through the Sustainable
17 Communities Strategy. While we believe this plan will be
18 a significant step for the Bay Area and the State,
19 additional funding is needed to bolster this region-wide
20 emission reduction commitment, specifically in the
21 critical areas of transportation and strategy
22 implementation like electric vehicle deployment.

23 While ARB's draft Investment Plan supports
24 additional funding in these areas, it does not clearly
25 state how funding will be distributed to each SCS region.

1 The law requires that select funding be distributed to the
2 most impacted and disadvantaged communities in California.

3 The draft Investment Plan indicates the
4 CalEnviroScreen tool will be used to identify these
5 communities. However, this tool scores areas based on the
6 rate of the occurrence of various indicators of
7 vulnerability in a particular area without necessarily
8 regard to the number of vulnerable individuals that are
9 present.

10 For example, the scores do not reflect whether
11 100 vulnerable individuals or 100,000 are affected.

12 In order to benefit the greatest number of
13 vulnerable people, we strongly recommend the methodology
14 for allocation of revenue also consider population
15 density.

16 In the Bay Area and in my own community of San
17 Jose, for example, we have very dense development. This
18 allows for easy access to transit, reducing reliance on
19 automobiles and greenhouse gas emissions.

20 While this development creates more sustainable
21 communities, it also results in a high density of
22 potentially vulnerable people.

23 Therefore, in order to ensure safe, healthy, and
24 robust growth while reducing both greenhouse gas and
25 criteria pollutants in areas with the greatest number of

1 Californians, we strongly recommend the funding
2 distribution mechanism explicitly account for population
3 density.

4 Thank you for your consideration.

5 CHAIRPERSON NICHOLS: Thank you, Mr. Kaira.

6 We also have with us Larry Greene I believe from
7 the Sacramento Air Quality Management District.

8 Mr. GREENE: Good morning, Madam Chair and Board.

9 I wanted to come up today and talk about a couple
10 of things.

11 First of all, to commend this great group for
12 this plan they put together. I think it's amazing all the
13 things that are in there. Wish we had tons of money to do
14 all that. But at least it outlines a parameter for how we
15 can get where we need to be.

16 I want to talk about two particular things. One
17 is a request that air districts would be included as
18 potential recipients in Appendix B under the category low
19 carbon freight transport and zero emission passenger
20 transportation. We have a long history of working with
21 the Air Resources Board staff. And I think we've
22 established that we can work well under guidance from the
23 staff, receiving money and allocating it at the local
24 level. We are very good at reaching local fleets and
25 doing public outreach.

1 The second thing I would like to note is that we,
2 too, are a member of the Transportation Coalition for
3 Livable Communities. And we support the comments that
4 will be made later by the team of people who are going to
5 speak to that.

6 I would note that incentivizing the best projects
7 in the Sustainable Community Strategies in our community
8 here in Sacramento would go a long ways toward helping air
9 quality and also provide exceptional benefits, not only
10 for greenhouse gases, but for public health, for transit
11 access. I think that's a strategy that has so many
12 benefits that we absolutely need to spend some of the
13 moneys that comes from the fuels revenue for that purpose.

14 I am appreciative of the fact that you have a
15 pathway there in the plan for that to happen. And we'll
16 continue to work with that coalition as we bring
17 legislation forward.

18 Thank you very much.

19 CHAIRPERSON NICHOLS: Thank you.

20 I think that concludes representatives of
21 agencies that had signed up to speak and elected
22 officials. But if any of them join us, I hope they'll
23 make themselves known.

24 We'll turn now to the SB 535 Coalition. And I
25 believe the lead-off speaker, Nidia Bautista.

1 MS. BAUTISTA: Good morning, Chair members of the
2 Board.

3 Nidia Bautista with Coalition for Clean Air. But
4 really here with the privilege of representing along with
5 my colleague Guillermo Mayer from Public Advocates
6 representing the SB 535 Coalition, a coalition that's
7 working to ensure clean air, clean energy, and revitalize
8 communities.

9 Many of our organizations have been working on
10 this effort for many years, as many of you know, even
11 before, there was legislation through our efforts in the
12 2006 Scoping Plan. So it's been many years in the making.
13 And we just want to say and express our excitement, our
14 enthusiasm, our eagerness for the possibilities here.

15 We've been working -- once the legislation was
16 signed back in the fall, we've been working very closely
17 towards implementation. And I won't bore you with all the
18 details of it, but just know there's been multiple --
19 essentially we had our own mini administration workshops,
20 if you will, across the state, through webinars, through
21 phone calls with conversations with the Administration and
22 with members of the Board as well.

23 In terms of the efforts at Cal/EPA and OEHHA, we
24 just really want to commend their work. It's been a long
25 time coming in terms of identifying disadvantaged

1 communities. And while the tool is certainly, you know,
2 we know will be continued improved -- continually
3 improved, we are very appreciative of the work that those
4 agencies have done in terms of really identifying
5 disadvantaged communities and incorporating our comments
6 in terms of the factors that should be considered.

7 Now as it relates to specific projects, programs,
8 and priorities in terms of the auction revenue, we're
9 going to share with you some details around some of the
10 near-term priorities. But also just talk to you a little
11 bit about the long term.

12 In terms of near term, we wanted to share with
13 you that these are programs that will have an immediate
14 impact. They will provide flexibility to accommodate the
15 varying needs across the state, whether you're in the Bay
16 Area, Fresno, or southern California. They provide
17 additional co-benefits, clean air, but also want to
18 emphasize the workforce side, because that is such a key
19 and critical aspect that we heard from communities across
20 the state about wanting to ensure real jobs in their
21 communities from these efforts.

22 And lastly, that they are scalable. So depending
23 on funding that can be -- they can be scaled to
24 accommodate the funding.

25 So the first is low income energy efficiency

1 programs. This is Rising Sun Energies. They're doing
2 work in the Bay Area to implement a lot of energy
3 efficiency things, like better insulation, better windows.

4 Another one is affordable transit-oriented
5 development and Guillermo will speak more to this. This
6 is an example of affordable transit oriented development
7 near a transit line.

8 Solar on low-income homes. I think that's a
9 given with AB 32, but we just want to express it's not
10 just about the solar panel. Great Alternatives is a
11 fantastic nonprofit which is actually implementing the
12 State's single-family affordable -- excuse me -- SASH
13 program, and this is the Madera solar-thon. You can see
14 the whole community gets involved.

15 Our recent effort on Grape Street in San Diego
16 County I think Supervisor Roberts, you were recently
17 there. And transit operations, and Guillermo will speak
18 to this as well.

19 And urban and community forestry, not just about
20 the tree planting. It's about the people and the impact.
21 Here's a great example in San Fernando where before this
22 street was experiencing lots of flooding. Now this street
23 has dealt with the flooding issue. It's improved the
24 community. This is a dramatic change. This is an
25 immediate impact. And it again involves the community.

1 Long-term projects, I won't go into details, but
2 just know those are in our written comments. I want to
3 express the need that all implementing agencies should
4 really work to ensure that SB 535 minimum requirements are
5 met. It's not sufficient to wait until the end of the
6 year to know whether or not we've met those. We should
7 know how those agencies are going to be doing it before
8 they've made those investments.

9 And then I think it was a slight oversight, but
10 we want to mention that small businesses were not
11 mentioned in the plan. And we know that they were
12 included in AB 32. We know that the intention I'm sure
13 from the Administration is to include them. We want to
14 highlight that because our small business partners are
15 very critical in these communities.

16 MR. MAYER: Good morning. Just to round off our
17 testimony, Guillermo with Public Advocates.

18 I want to applaud, and just three recommendations
19 to strengthen the plan.

20 First, we would like the final plan to expressly
21 include transit operations as a strategy. We're excited
22 about the investments in public transportation. But
23 without the funding to actually put the service on the
24 street, we can't really maximize greenhouse gas
25 reductions. And disadvantaged communities rely heavily on

1 transit service, bus service in urban centers, van pool
2 service in rural areas, and the language in the plan is
3 vague and needs to be strengthened to explicitly recognize
4 operations.

5 We're also very excited about the TOD housing
6 program. And we would request that the cap and trade
7 revenue investments in this program be targeted to
8 development of housing units that are affordable to low
9 and very low income families. These are the families that
10 use transit the most and at greatest risk of being
11 displaced by TOD if home affordability is not ensured.

12 Lastly, we want to be sure that the project's
13 funded result in tangible and on-the-ground improvements
14 so that people can actually touch and feel them and know
15 that those investments are real, that AB 32 was working
16 for them. And using these funds for things like debt
17 service or other items will frustrate that opportunity to
18 excite people around AB 32.

19 We've submitted revised comments that contain
20 other important recommendations, and now we'd like to have
21 other members of the 535 Coalition identify themselves and
22 their support. Thank you very much.

23 MR. JEFFERSON: Hello. My name is Kevin
24 Jefferson of Urban Relief.

25 We encourage you to continue the efforts in this.

1 As far as urban forestry, there are major
2 investments that need to be in urban forestry, providing
3 pathways to employment for our young folks, providing more
4 resources for our research projects around the benefits of
5 trees. But more importantly also in planting trees. We
6 need millions of trees. But we also need to allow
7 opportunities for folks in the communities to also know
8 about the benefits of trees.

9 So this is about educating neighbors. It's about
10 educating our constituents and then also coalescing
11 together to make these things happen. So we look forward
12 to this happening. Thank you.

13 MR. ROBINSON: Chair Nichols, Air Resources
14 Board, Leonard Robinson. I'm part of SB 535 Coalition,
15 California Black Chamber of Commerce.

16 First, I want to recognize that AB 32 was the
17 first piece of environmental policy to include
18 disadvantaged communities at the beginning. Very, very
19 good. I think you need to include small businesses as
20 well.

21 And then training; California's entering into a
22 new revolution, clean technology transportation. And
23 we're going to need a trained workforce so we don't lose
24 these opportunities to Asia and other countries. Just
25 here in support of the draft Investment Plan and good job.

1 Thank you very much.

2 MR. GRESCHNER: Good morning, Chair Nichols and
3 members of the Board.

4 My name is Stan Greschner representing Grid
5 Alternatives, a nonprofit solar installer that has
6 installed over 3,000 solar electric systems for low-income
7 families throughout California.

8 Grid also serves as the program administrator for
9 the Public Utilities Commission's SASH program.
10 Particularly pleased to see the inclusion of the
11 low-income solar funding as part of the Investment Plan,
12 especially as funds for the existing SASH and MASH
13 programs are running out. SASH and MASH meet nearly all
14 the co-benefit goals that were outlined in the plan, with
15 the exception of the transportation goal. And those
16 programs infrastructures are in place now to deploy
17 projects immediately in disadvantaged communities.

18 So Grid supports the SB 535 Coalition and the
19 draft Investment Plan. Thank you.

20 MR. YOUNG: Good morning Chair Nichols, Board
21 members. Ryan Young on behalf of the Greenlining
22 Institute. I'd like to offer a hearty me too in support
23 of my colleague's remarks from the Coalition for Clean
24 Air, Breath California, and Public Advocates. Thank you.

25 MS. ROS TARUC: Good morning. Mari Rose Taruc

1 with the Asian Pacific Environmental Network.

2 On behalf of the hundreds of families that we
3 have who live next to the Chevron Oil Refinery and all of
4 the multiple explosions they have, as well as other
5 disadvantaged communities who experience this pollution,
6 that we are in support of SB 535 Coalition public
7 comments. Thank you.

8 MS. MILLS: Good morning. Rebecca Mills, and I'm
9 with the Planning and Conservation League. And we would
10 like to give our support for the SB 535 Coalition and all
11 its priorities. Thank you.

12 MR. MILLS: Good morning. Chuck Mills with
13 California Relief, a statewide nonprofit organization
14 representing nearly 90 regional and local urban forestry
15 organizations throughout California, including Sacramento
16 Tree Foundation, Tree Fresno, Tree Davis, Tree Foundation
17 in Visalia, Urban Core of San Diego, Los Angeles
18 Conservation Core.

19 Also supportive of the draft Investment Plan, the
20 comments that have been made by the 535 Coalition, and
21 additional comments that will be made for the Sustainable
22 Communities For All Coalition and the Natural Resources
23 Coalition. Thank you.

24 MS. REIFSNIDER: Good morning. Betsy Reifsnider
25 with the Environmental Justice Project for Catholic

1 Charities in the Stockton Deices. And we, too,
2 enthusiastically support the comments of the 535
3 Coalition. Thank you.

4 MS. LYONS: Good morning. I'm Felicity Lyons,
5 the Sustainable Communities Coordinator at Housing
6 California. And we, too, support the comments made by the
7 535 Coalition. Thank you.

8 MS. KIRKOBY: Good morning. Megan Kirkoby from
9 the California Housing Partnership, and we also support
10 the 535 Coalition's remarks today. Thank you.

11 MR. MASTRODONATO: Good morning. Rico
12 Mastrodonato's with the Trust for Public Land in full
13 support of the 535 Coalition comments. Thank you.

14 MS. BAUTISTA: Lastly, Chair, we just want to say
15 thanks again for the work on the Investment Plan. I think
16 many of our comments were reflected in the plan. But as
17 with noted, there are some areas we want to see
18 strengthened.

19 We want to thank the Board members, particularly
20 Dr. Balmes who has been steadfast in his commitment on
21 this issue for many years. And the new CARB Board member,
22 Hector De La Torre, who has really taken on this torch and
23 stayed comitted to that as well.

24 CHAIRPERSON NICHOLS: Thank you.

25 Before you leave, I wanted to acknowledge that SB

1 535 has been mentioned here, but I think I was remiss at
2 least in my opening remarks in not acknowledging the hard
3 work that you and many others put into getting that
4 legislation passed and to the leadership of Senator De
5 Leon in over a period of several years working to try to
6 get something like this put into law.

7 So I want to make sure that we also honestly oral
8 of that hard work that's gone into getting us to that
9 point. And we really appreciate your being here and
10 working in coalition to try to coordinate a lot of groups
11 that don't always work together. So appreciate that.

12 MS. BAUTISTA: Thanks.

13 CHAIRPERSON NICHOLS: Okay. Next I guess is --
14 actually, Stuart, I'm going to interrupt you for a second
15 here because I called on Air Districts earlier and I
16 omitted to call on two of the people who presented earlier
17 but were here to testify on this item. So I'm going to
18 take out of order Samir Sheikh and Philip Fine. If the
19 two of you will come testify now, then we can close off
20 the Air District portion of the testimony.

21 MR. SHEIKH: Good morning, again, Madam Chair and
22 members of your Board. As you're well aware, the San
23 Joaquin Valley faces one of the most significant air
24 quality challenges in the state and faces socioeconomic
25 issues that are unlike California's major metropolitan

1 areas.

2 As such, we would like to offer the following
3 comments for your consideration as you continue to develop
4 this Investment Plan and take it to the final stages here.

5 Many of the measures that will reduce greenhouse
6 gas emissions will also have co-benefits of reducing
7 criteria air pollutants, of which we have particular
8 challenges in addressing in the San Joaquin Valley.

9 The Valley Air District recommends prioritizing
10 the expenditure cap and trade auction proceeds on measures
11 that obtain both greenhouse gas reductions and criteria
12 pollutant reductions.

13 We, thus, strongly support the inclusion of this
14 principle under the proposed investment principle number
15 two, which does seek to maximize air quality co-benefits
16 for longer term transformative technology, of which we, of
17 course, also have a similar need and see a synergy there.

18 We also ask that you include this same priority
19 for the other half of that principle for projects that are
20 more geared towards near-term benefits and bring that
21 across the board in terms of how you prioritize that
22 funding.

23 Additionally, a district believes that priority
24 should be given to projects that are located in areas that
25 currently face significant air quality challenges that

1 will be worsened by climate change.

2 We support the statutory framework of SB 535 that
3 requires a minimum of 25 percent of revenue be spent to
4 benefit disadvantaged communities and that ten percent of
5 that revenue be spent in those communities.

6 Cal/EPA, as you heard, recently developed the
7 CalEnvironScreen tool to help identify and rank these
8 communities in California. And just to give you some
9 perspective in terms of the San Joaquin Valley based on
10 this tool, nearly 50 percent of our population lives in
11 ZIP codes that rank in the top ten percent of communities
12 most likely to be impacted by the various social
13 environmental burdens that are looked at under that tool.
14 And 75 percent of the population lives in ZIP codes that
15 ranked in the top 25 percent of those communities.

16 We support the use of this tool to help channel
17 much needed funding, such as this cap and trade revenue.
18 But would also caution the tool not be used beyond its
19 intended scope for CEQA determinations or red lining of
20 those communities from economic development. That's
21 something that, of course, has been discussed as part of
22 developing that tool.

23 The draft Investment Plan identifies categories
24 and examples of potential projects for investment through
25 2020, and we are significantly impacted by a lot of the

1 same emissions and categories that are addressed by those
2 recommended categories. We support measures to reduce,
3 for example, reductions from goods movement. That's a big
4 issue for the San Joaquin Valley. And we're very pleased
5 that you've got that as a priority in the Investment Plan.

6 Just to put that in perspective, of the four
7 major goods movement corridors in the state, nearly
8 50 percent of all truck vehicles miles traveled occurs in
9 the San Joaquin Valley. So, of course, it's going to be a
10 high priority for us.

11 One comment and point of clarification within
12 that category would be to include local air districts as
13 partners, as was mentioned earlier. And we want to thank
14 you for listening to our comments, and we look forward to
15 working with you in implementing the expenditures of those
16 funds. Thank you very much.

17 CHAIRPERSON NICHOLS: Thank you.

18 Philip Fine. And while we're at it, can Koyama
19 come down?

20 MR. FINE: Thank you, Madam Chairman. Philip
21 Fine, South Coast Air Quality Management District. I'll
22 be very brief, because we've submitted written comments
23 and made oral testimony on the plan, mostly in regards to
24 achieving the co-benefits where possible for air quality
25 and air toxic exposure reduction, especially in

1 disadvantaged communities.

2 But I really just wanted to third now the request
3 that in Appendix B on page B6 that under recipients for
4 the low carbon freight transport and zero emission
5 passenger transportation programs that under recipients
6 that local air districts be included, because State law
7 does allow us to implement those programs. And, in fact,
8 we're already implementing similar programs right now.
9 Thank you.

10 CHAIRPERSON NICHOLS: Thank you.

11 MR. KOYAMA: Good morning, Madam Chair. And
12 thank you for bringing me up. I want to see the 4th
13 through 35th motion to add to our voice about local
14 districts being a conduit for assuming these funds.

15 I'm Ken Koyama, Executive Director of CAPCOA, the
16 California Air Pollution Control Officers Association,
17 which represents all 35 air districts. We very much
18 appreciate ARB staff reaching out to us to get our
19 feedback on the Investment Plan.

20 CAPCOA has provided written comments on both the
21 concept paper and the draft investment paper. We were
22 pleased that most of our comments have been incorporated
23 in the draft. Our comments today relates to Appendix B,
24 which lists funding areas and targeted participants.

25 As you know, as you've heard already, several

1 member districts have existing programs for providing
2 funding for low and zero emission heavy-duty and
3 light-duty vehicles. These local district programs, which
4 is coordinated by our very active CAPCOA Committee, who
5 grants a Mobile Sources Committee, which includes ARB
6 staff as well, has been one of our most robust and
7 successful programs in the state. We strongly recommend
8 that these local district programs be added as an option
9 to distribute auction revenues for freight and cars and
10 other appropriate areas.

11 Thank you for this opportunity. And we look
12 forward to working with ARB staff in this area. Thanks.

13 CHAIRPERSON NICHOLS: Thank you.

14 I strongly suspect that the omission of air
15 districts was based on the notion that it was obvious to
16 us that air districts would be included in these programs.
17 But I appreciate the fact that you would like to be
18 specifically recognized. So hopefully we can make that as
19 a clerical change. Thank you.

20 I notice that we have been joined by another
21 group of visitors this morning. I want to welcome some
22 officials. We have a group of distinguished officials
23 visiting us from the Secretary of the Environment from the
24 Mexico. And so we would like you also please to stand up
25 and be recognized by our Board, if you would, please.

1 (Applause)

2 CHAIRPERSON NICHOLS: I think it's fair to say
3 that everything we do at ARB has an international
4 dimension to it. It's nice to when we actually get to see
5 some of the people we are working with. Thank you for
6 joining us.

7 Okay. Moving back to the list here, Stuart Cohen
8 I think is next in line.

9 MR. COHEN: Thank you very much. Good morning,
10 Chair Nichols and fellow Board members.

11 I'm Stuart Cohen, Executive Director at
12 Transform, which is the state's largest nonprofit,
13 promoting world-class public transportation and walkable
14 communities.

15 And I'm here today representing the Sustainable
16 Communities For All Coalition and more than the 50
17 organizations that have signed on in support of the
18 proposal for use of cap and trade proceeds.

19 Our coalition strongly commends CARB and the
20 other State agencies that crafted the plan, and we are
21 particularly supportive of the focus on sustainable
22 communities. And this Investment Plan really acknowledges
23 that SB 375 is a strong framework for achieving greenhouse
24 gas reductions, a strong economy, and can have real
25 benefits to public health and disadvantaged community.

1 And I wanted to recognize two important points in
2 the plan, and we hope these remain.

3 First, that regions are creating some very strong
4 sustainable community strategies. They've all been
5 meeting their greenhouse gas reduction target projections,
6 but only with additional financial resources are they
7 going to realize the transformational promise of SB 375.
8 That's noted in all of those plans.

9 The second is there are many moving parts to
10 building sustainable communities. So we really
11 appreciated in the plan the categorical support for some
12 items, likes public transit, the local planning grants,
13 biking and walking, affordable homes near transit, energy
14 efficiency, and urban forestry.

15 While these categories and investments could and
16 should be coordinated and collocated, we don't think this
17 idea of putting them into a single comprehensive pot would
18 be a good idea to have them compete against each other.

19 Yesterday, members of our coalition met with
20 Secretary Rodriguez, and he emphasized two points that we
21 strongly agree with and stand ready to help.

22 First off, that the use of funds should be
23 supported by strong evidence and have monitoring and
24 reporting to show the GHG reductions.

25 And the second one is additionality, showing how

1 these projects result in additional impact.

2 I've like to focus on two points today that go
3 towards these criteria. The first is that the draft plan
4 mentions public transit ridership and service expansion,
5 but it does not mention explicitly transit operating
6 funds. We're not sure if that's an oversight or a
7 purposeful omission. We ask that transit operations is
8 mentioned explicitly and as an investment priority.

9 Since transit service has been cut almost
10 everywhere in recent years, we know there is a latent
11 demand for extended service, and these funds can start
12 bringing GHG reductions within this fiscal year. This is
13 especially true if focused on high ridership carders and
14 areas that serve high propensity riders, like low income
15 folks, seniors, and youth.

16 And in the Bay Area, we do have a program that
17 checks up on effectiveness of transit each year through
18 our bridge toll increase where they have to meet certain
19 thresholds of ridership to continue getting funds in the
20 following years. So there are ways to monitor this.

21 Just two days ago, the over 100 Transform members
22 were in the Capitol showing to our legislators and staff
23 these maps that we've produced showing the huge financial
24 and climate benefits of areas that have the best transit.
25 I've given these out before, and I'll make them available

1 again for those who want them.

2 What it shows is areas with the best transit
3 access in the state are saving about \$3,800 per year per
4 household and emitting nearly that much less in GHGs.
5 Your investments, and of course the legislature's
6 appropriations, could amplify those savings.

7 The second major point that I'd like to make is
8 that SB 375 does a strong job of making sure cities are
9 zoning for affordable homes in a way that meets GHG goals,
10 but that's just zoning. We need to actually get the
11 buildings done. That's why we really commend the focus
12 and the plan on transit-oriented development for low
13 income households.

14 In order to maximize these benefits though and
15 guarantee the GHG reductions, we've got three ideas for
16 you. One is that we need to focus them on intensive
17 transit areas. And in San Diego, they did a study. This
18 was just two years ago that really shows why. They looked
19 at all of the affordable housing and found in very
20 suburban areas, there were about 13 vehicles for every ten
21 households. In the core urban areas, that went down to
22 one vehicle for every ten households. We have to be able
23 to guarantee the GHG reductions. And location is key to
24 that.

25 The second is it should go towards those making

1 50 percent or less of their median incomes. Those are the
2 folks in the San Diego study the most likely to shed a
3 vehicle when they get transit access.

4 And finally, we've been working with our Green
5 Trip Program to make sure developers are giving out free
6 transit passes and car sharing, having that available at
7 their sites. And from the surveys we've been able to get
8 back, there's been a 22 percent car shedding rate when
9 they get those free transit passes at low-income housing.

10 So we are very excited to work with you on
11 showing you how this can be monitored through the 55 year
12 covenants that affordable housing has. They have annual
13 reporting, and this all can be a part of it.

14 So in summary, we look forward to continuing
15 discussions with Cal/EPA and other agencies about how to
16 operationalize the monitoring of all of these programs GHG
17 benefits that are in our platform. We're excited to see
18 so many of the proposals we had were included in the draft
19 Investment Plan and hope to see them reflected in
20 Department of Finance expenditure plan.

21 And with the remaining time, I have some of the
22 members of the coalition that were able to make it today
23 would like to say their names and organizations.

24 CHAIRPERSON NICHOLS: Okay. Thank you go ahead.

25 MR. WRIGHT: Good afternoon. Thank you, Madam

1 Chair and distinguished CARB members for allowing us to
2 speak.

3 My name is Jerard Wright, a member of Move L.A.
4 and also a member of the Sustainable Communities For All
5 Coalition.

6 Co-signing on what Stuart has to say, we want to
7 add a couple important highlights. We're generally
8 encouraged and pleased that CARB is measuring up to a new
9 emission, which sets to both understand and appreciate the
10 importance of the nexus of investments and integration of
11 transit in land use.

12 The plan can be improved in structure of programs
13 to invest in the transit operations that are likely to
14 provide measurable and predictable greenhouse gas
15 reduction results. Transit operation program investments
16 such as lower head ways, more frequent service, that serve
17 both discretionary riders and transit dependent, special
18 programs, such as student transit passes that ensure both
19 short-term and long-term gains of promoting a healthy
20 lifestyle of transit and less car usage.

21 CARB needs to include special value for
22 affordable housing near high propensity transit users that
23 would be located within a quarter to a half mile of
24 transit stations.

25 And finally, the plan needs to specificity and

1 detail. We encourage CARB the competitive grant program
2 can be useful tool to balance us out. But we got to
3 balance this out against the high administrative needs of
4 that. So thank you very much.

5 CHAIRPERSON NICHOLS: Thank you.

6 MS. LYONS: Hello, again, members of the Board
7 and Chairman Nichols.

8 I'm Felicity Lyons with Housing California. And
9 on behalf of the hundreds of developers of affordable
10 homes and the hundreds of thousands of families that we
11 serve, we strongly support the remarks made by Stuart
12 Cohen, especially regarding an integrated approach to SB
13 375 implementation that includes building homes affordable
14 to lower-income families near transit. Thank you.

15 MS. KIRKOBY: And to echo that, again I'm Megan
16 Kirkoby also in support of the Sustainable Communities for
17 All coalition. Thank you.

18 MS. MILLS: Rebecca Mills also here to give
19 support with the Planning Conservation League for the
20 Sustainable Communities For All proposal. Thank you.

21 MS. WARD-WALLEN: Hello, Board. Jeannie
22 Ward-Wallen with the Safe Routes for School national
23 partnership in support of the Sustainable Communities for
24 All Proposal.

25 Also just want to thank you for your

1 identification in the draft Investment Plan of active
2 transportation as a high priority and also the call out
3 specifically of safe rides to school on behalf of children
4 getting safely to school.

5 MS. REIFSNIDER: Good morning again. Betsy
6 Reifsnider, environmental justice project Catholic
7 Charities Deices of Stockton and enthusiastic supporter.
8 Thank you.

9 MS. ROSE TARUC: Hello. Mari Rose Taruc and in
10 strong support of the sustainable communities for all
11 proposal for the Asian Pacific Environmental Network, for
12 Public Advocates, and for the nature Conservancy.

13 CHAIRPERSON NICHOLS: Thank you.

14 Obviously, a certain account of overlap between
15 the two coalitions, but with slightly different emphasis
16 in your comments. You about I think there is a lot of
17 mutual support there.

18 That is great. It has come to the time when
19 normal people start to think about lunch. So I just
20 wanted to indicate that I think what we should do, given
21 the numbers of people that are here to testify, many of
22 whom have traveled long distances, Board members get a
23 chance to order lunch in advance. So we can step out in
24 small numbers and just grab a bite as needed, if that's
25 acceptable to my fellow Board members, rather than taking

1 a lunch break, per se.

2 But what that means for people who are here to
3 testify is that you need to sort of look at where you are
4 on the program and decide whether you want to step out
5 quickly, there is a cafeteria downstairs you can get to in
6 just a couple of minutes or whether you just want to hang
7 out for a while. I hope that will get us through more
8 efficiently than if we just break for a period of time and
9 then try to reassemble again. And I guess the same thing
10 would hold true for staff and other guests here as well.

11 BOARD MEMBER SHERRIFFS: Do you want to remind
12 people we will hear people testifying?

13 CHAIRPERSON NICHOLS: That's true. If you see
14 someone who walks away, don't think they've gone away very
15 far. In the back of this auditorium, the speakers from
16 this room are piped in, so we can hear you everywhere.
17 Everywhere in the back. All right. Thank you very much.

18 So I think that gets us to the Mayor of Davis; is
19 that right? Joe Krovoza?

20 MR. KROVOZA: Madam Chair and members of the Air
21 Resources Board, it's delighted to -- I'm delighted to be
22 here and speak before you. I'm speaking on behalf of the
23 Transportation Coalition for Livable Communities. I'm a
24 Board member of SACOG and SACOG has endorsed the
25 principles of the coalition.

1 I'm also speaking as the Mayor of the city of
2 Davis, which is fully supportive of the Coalition's
3 proposal.

4 I want to thank all of you pork for the work that
5 has gone into the implementation plan, and particularly of
6 your recognition of the need to give regions and local
7 governments the tools they need to implement the
8 Sustainable Communities Strategies to rebuild and build
9 our communities to reduce GHG and move them in a more
10 livable direction.

11 We particularly appreciate the recommendation of
12 the Investment Plan Appendix B3 the funding for livable
13 communities should be allocated to regions for
14 suballocation according to State guidelines and
15 performance criteria.

16 This is one of the key elements of the
17 coalition's proposal. This is also the cornerstone of SB
18 375. SB 375 is the new framework for the State of
19 California to encourage regions to think about the most
20 effective strategies that they can come up with for carbon
21 reduction within their areas. If this plan can further
22 the work of SB 375 and the Sustainable Community
23 Strategies, it will encourage cities and regions to work
24 together to find the best strategies. This is not simple
25 to do.

1 And in fact, we see across the state of
2 California that cities and counties are adopting Climate
3 Action Plans. If those Climate Action Plans, which
4 dovetail with the SCSs, are not funded, you're going to be
5 sending the message to local communities and regions that
6 if you plan, if you coordinate, if you find the most
7 effective strategies forward for you, they may or may not
8 be funded. You want to send a clear message that those
9 who coordinate will be rewarded for that.

10 I want to offer one concern, and that is that the
11 Transportation Coalition's proposal recognizes the
12 incredible need to mesh land use and transportation
13 strategies. And the more we can leverage those two
14 together, the better. This is not explicitly recognized
15 in the Investment Plan at this point in time. So I would
16 urge that to happen.

17 We don't want to recognize just all the different
18 tools that communities might adopt. We want to think
19 about the big picture of carbon reduction and then let
20 regions and localities decide which tools they're going to
21 use.

22 The key to the SCSs is that what works in Davis
23 is not going to work in Sacramento or Sacramento County.
24 What works in Placer County is not going to work in El
25 Dorado. Who works in the L.A. basin may not work in San

1 Diego. We want to empower communities and regions to do
2 what works best for them.

3 So in Davis, we have over 22 percent of our
4 travel trips are by bike. Does that work for everybody?
5 No. We have over three million bus trips a year in Davis
6 for a community of 65,000. Is that going to work
7 everywhere? No.

8 The reason though that we have that bike mode
9 share and the reason we have these transit trips is
10 because we coordinated our land use and our local
11 investment decisions with our transportation strategies.
12 That's brought us this great success in Davis. This is
13 what should happen all over the state. And this is what
14 the SCSs are encouraging everywhere.

15 In the remarks I've heard so far from other
16 speakers, I don't think there is great disagreement. We
17 all want to find ways to make more livable communities.
18 We all want to find ways to drive investment to the local
19 level.

20 The key is who are we going to defer to to make
21 those decisions? If we empower cities to find co-funding,
22 that's going to be very, very, very valuable.

23 I want to say also that competitive grant
24 processes that take place in regions bring people
25 together. And bringing people together through

1 competitive grant processes lead to people finding
2 solutions outside of state funding and outside of federal
3 funding. And so a huge co-benefit to encouraging the SCS
4 and competitive process at the local level is that you're
5 going to bring people together. And all kind of solutions
6 are going to happen outside of this very, very powerful
7 funding stream.

8 So others from the Coalition are going to speak.
9 And thank you very much for having the opportunity to
10 speak are you today. Thank you.

11 CHAIRPERSON NICHOLS: Thank you.

12 Mr. Earp.

13 MR. EARP: Good morning. My name is Jim Earp.
14 I'm here today as the Chair of the Transportation
15 Coalition for Livable Communities. We are a coalition of
16 transportation agencies, labor, MPOs, and COGs, cities and
17 counties, environmental groups, and air districts.

18 First, I want to just commend Mayor Krovoza for
19 his comments. I endorse everything he said. He did it
20 very articulately.

21 I also really commend the work you have done on
22 the Investment Plan up to date. It's reflected a number
23 of our key issues. And most importantly, it recognizes
24 the need to put cap and trade dollars into transportation
25 infrastructure.

1 Because implementing AB 32 is likely to result in
2 higher fuel prices for motorists we feel it is critical
3 that any new revenue be derived from the public be
4 allocated directly back to transportation infrastructure
5 and programs that can demonstrate a reduction in
6 greenhouse gas emissions.

7 Our proposal does that very effectively by
8 empowering communities with the tools to determine what
9 works best and their locality, as has just been mentioned.

10 Our primary focus has been developing a proposal
11 that meets regional and local needs in transportation,
12 while meeting all requirements for spending AB 32 money
13 from both legal and a policy standpoint.

14 It sounds like my time is up. I had more to say,
15 but I think it will be reinforced by other members of the
16 Coalition.

17 CHAIRPERSON NICHOLS: If the rest of the group is
18 not all planning on speaking their full time, I don't mind
19 if you just go ahead and finish your comments.

20 MR. EARP: I actually have a lot of respect for
21 what they have to say as well and I'll be around. You can
22 always hear from me. I'll give you the rest in writing.
23 How's that?

24 CHAIRPERSON NICHOLS: Thank you very much.
25 Appreciate that.

1 MR. SHAW: He would have been great. Joshua
2 Shaw, Executive Director of the California Transit
3 Association representing all of our local public transit
4 systems. We're a co-founding member of the Coalition with
5 Jim and his group.

6 We believe, as do all of our members, as do some
7 of the people in the audience and you, strongly in the
8 integrated approach to achieving the SB 375 goals of
9 sustainable community planning process that Deputy
10 Secretary Annis and others spoke about, and in addressing
11 land use and transportation investments. Together, you
12 find greater benefits than simply putting money into
13 single purpose projects. Like, it's not just good enough
14 to buy a zero emission bus or do a rail extension.

15 In the case of transit, combining land use
16 changes with transit investments creates a multiplier
17 effect. We think you get more greenhouse gas emissions
18 than any of those single projects. And it happens to make
19 the transit investments more effective and better meets
20 community mobility needs.

21 I want to thank and for my organization
22 acknowledge the comments and underscore the comments that
23 Guillermo and Stuart Cohen made about transit operations.
24 We do see the plans reference to funding programs to
25 increase transit. To us, that means operations. And we

1 really commend the regional approach. Our members know
2 how to work with the regional agencies that Joe spoke
3 about. Thank you.

4 MR. HORNER: Hello. My name is Justin Horner
5 from the Natural Resources Defense Council. NRDC is also
6 a member of the Transportation Coalition for Livable
7 Communities. And we've put a proposal before you that you
8 have seen. And thank you so far for your work on the
9 Investment Plan. I think it's great so far.

10 But I want to talk about our proposal as being
11 uniquely structured to maintain the legal integrity of AB
12 32 by creating a transparent, scientifically-sound process
13 that makes cost-effective greenhouse gas reductions the
14 most important criteria for funding.

15 And everyone, my other Coalition members, have
16 talked about the importance of integrated projects and
17 looking at land use and transportation when looking at
18 projects to fund.

19 Our proposal ensures the maximum cost effective
20 greenhouse gas reductions, while giving regions the
21 flexibility to meet their unique transportation land use
22 needs and provides a framework to get money down to
23 regions who are, after all, ultimately responsible for
24 implementing SB 375 and meeting the regional targets that
25 you've set for them.

1 The draft Investment Plan notes a number of
2 things, and we will go to the next one.

3 CHAIRPERSON NICHOLS: Justin, you mentioned your
4 plan, the NRDC plan?

5 MR. HORNER: No. It's referring to the TCL.

6 MR. HIGGINS: Bill Higgins from the California
7 Association of Councils of Government. And I'm the first
8 of the me too's, you'll be glad to know. But we represent
9 all 18 of the metropolitan planning organizations that are
10 responsible for the 375 plans and are in support of the
11 coalition principles.

12 MR. KEMPTON: Madam Chairman and members, Will
13 Kempton representing Transportation California, an
14 industry-based advocacy group supporting the
15 transportation program.

16 I wanted to express our support for the framework
17 that you've outlined in the plan. Look forward to working
18 with our coalition and with the Board as you move towards
19 implementation. Thank you.

20 MS. STRECK: Good afternoon. Wendy Streck with
21 the San Bernardino Association Governments in support of
22 the Transportation Coalition proposal.

23 MR. ANTWIH: Afternoon, Madam Chair and members
24 of the Board. Andrew Antwih. I'll be speaking again
25 later for the port of L.A. But I'm here as part of the

1 Transportation Coalition to support the coalition's
2 approach on this.

3 Relative to L.A. Metro, for which I'm speaking
4 now, we want to recognize that in the mega regions, like
5 in the SCAG region, we would like to follow the precedent
6 of SB 375, where the implementers of the projects will get
7 the fund directly. And the investments in public transit
8 that meet the goals of SB 375 will be key. And in our
9 region, L.A. Metro makes a significant investment in
10 transit at a level that actually benefits the entire
11 region. Thank you.

12 MR. RENTSCHLER: Madam Chair, members of the
13 Board. My name is Randy Rentschler with the Bay Area's
14 Metropolitan Transportation Commission. We are the
15 planning organization seeking to meet the objectives of
16 Senate Bill 375.

17 We support the Coalition's efforts and would like
18 to reiterate the comments made by our prior speaker about
19 giving us the resources we need directly to implement this
20 plan. And we've been doing for over 20 years in the Bay
21 Area. Thank you.

22 CHAIRPERSON NICHOLS: Very good. Thanks. Is
23 that the full group from the transportation coalition? I
24 think it is.

25 My next would be Erica Morehouse from the

1 Environmental Defense Fund.

2 MS. MOREHOUSE: Sorry about that. Erika
3 Morehouse with Environmental Defense Found.

4 And we are a member of the Transportation
5 Coalition for Livable Communities that also just spoke.

6 But I just wanted to note that I think from what
7 we've heard today, it's obvious that reaching our 1990 by
8 2020 target for greenhouse gas emissions reductions is
9 just the beginning of the opportunities that are unlocked
10 by California's landmark Global Warming Solutions Act. We
11 have opportunities for creating benefits for our economy,
12 for our planet, and for our health as well.

13 And one of the really key things about these
14 investments is that we can create these boons for low
15 income and disadvantaged communities that have for too
16 long had to disproportionately suffer the environmental
17 impacts. And we want to thank the SB 535 Coalition for
18 their leadership on this.

19 We do see value in all of the areas that were
20 laid out in this Investment Plan for funding, including
21 transportation. We also have staff that work directly on
22 overcoming, for example, financing benefits -- financing
23 obstacles for energy efficiency. Also on reducing
24 greenhouse gas emissions from the agricultural sector.

25 And these are all benefits that we can get in

1 addition to greenhouse gas emissions reductions from these
2 investments. And we appreciate the Investment Plan's
3 focus on both near-term priorities and also the long-term
4 benefits that we need to maintain the reductions as our
5 populations grow and to meet our 2050 goals. And thank
6 you.

7 CHAIRPERSON NICHOLS: Thank you. Because this
8 chart is getting a little messy -- I'll use that as my
9 excuse anyway -- I omitted Paul Mason from the Pacific
10 Forest Trust. By I see you're listed as part of another
11 coalition, which is the Natural Resources Coalition. Can
12 you identify or can the people who are part of that also
13 come forward at this time as a group? Is that -- even if
14 they're not quite in order.

15 MR. MASON: Sure. And actually, I'm Paul Mason
16 with Pacific Forest Trust.

17 We had actually -- I was going to say, you can
18 picture 20-some odd virtuous people here behind me are not
19 all -- who did not all drive to Sacramento. We figured,
20 you know, we're going to have one person speak.

21 CHAIRPERSON NICHOLS: You're claiming credit for
22 those emissions that you didn't create. Okay.

23 MR. MASON: Count those in our categories for
24 those reductions.

25 And there will be a letter circulating with about

1 20 various organizations that -- including the Nature
2 Conservancy, Trust for Public Land, California Relief, the
3 California Climate and Agriculture Network, Autobahn,
4 Planning Conservation League, Green Built Alliance. There
5 should be a letter that will circulate with a broader list
6 there.

7 In any event, we all share a common vision for
8 protecting and restoring resilient and natural resources
9 and working lands which are amongst the most cost
10 effective investments that can be made to reduce harmful
11 carbon dioxide emissions, increase safe natural
12 restoration, all while providing a myriad of critical
13 public benefits. Those, of course, would include
14 watershed protection, wildlife habitat, open space, the
15 beauty of California, urban forestry, and a number of
16 other benefits.

17 Our main message is generally thank you. The
18 Investment Plan does a nice job, including a diversity of
19 natural resource and working land strategies. There are a
20 couple of areas that we think could be addressed a little
21 bit more directly and a couple of other observations we'd
22 like to make.

23 First, we would note that related to SB 375 and
24 sustainable communities, by protecting working lands and
25 open space adjacent to urban areas, we can avoid sprawl in

1 this significant transportation related greenhouse gas
2 emissions.

3 The Investment Plan would benefit from
4 highlighting more explicitly those connections between
5 sustainable community strategies and protecting farmland
6 and open space adjacent to some of these communities.

7 Also, the plan includes urban forestry and urban
8 greening strategies, but does not explicitly mention
9 community parks, which in addition to sequestering carbon
10 dioxide, also mitigate urban heat island effects and
11 reduce vehicle miles traveled, because people have an
12 opportunity to recreate closer to where they live. We
13 would encourage inclusion of parks and the Investment
14 Plan.

15 We were pleased to see that the plans outlines
16 principles for investment. And we support transparent
17 publicly accountable investments, public accounting for
18 investments of these proceeds and achieving tangible
19 projects on the ground.

20 I would note that amongst those investment
21 principles, one of them was to focus on areas of highest
22 emissions. We think it would be useful to think of that
23 instead or in addition to investments with the greatest
24 opportunities for reductions so that we don't foreclose
25 the opportunity to, for example, re-forest an area that's

1 been de-forested by fires for 20 years or a State Park
2 that's burned up or something because it's not actually
3 emitting right now.

4 And then finally, in terms of investment
5 principles, we and a number of other organizations that
6 cut across the different interest groups feel very
7 strongly that it will be important as we're pushing money
8 out to a variety of different programs and different
9 agencies that we maintain consistent accounting of how
10 we're looking at the benefits of those investments.

11 It would be very easy as they're pushing money to
12 very disparate organizations for very different projects
13 to have very creative or different ways of evaluating
14 those benefits. And it's going to be very important in
15 our mind to make sure there is consistency there. And the
16 only reasonable way that I can envision consistent
17 scientifically defensible ways of doing that accounting is
18 to have the Air Resources Board working with those
19 agencies on their methods for evaluating those projects
20 and approving those methodologies, less we get some
21 creative and/or indefensible outcomes.

22 So thank you very much. We really appreciate the
23 fact that the natural resource sector was included in the
24 Investment Plan in a thoughtful way and we look forward to
25 working with you further. Thanks.

1 CHAIRPERSON NICHOLS: Thank you. I did invite
2 others to come up. So why don't you come on up. Yeah.
3 Go ahead, if you're part of this group.

4 MS. CARR: Yes, I'm part of the group. My name
5 is Kim Carr with the Sierra Nevada Conservancy. We are a
6 State agency within the Natural Resources Agency and
7 primarily here today to thank you very much for including
8 forest and ecosystem management within the Investment
9 Plan.

10 The Conservancy has been working with a number of
11 groups through our Sierra Nevada forest and community
12 initiative developing common vision for how to manage the
13 forests. We also are supporting local forest
14 collaboratives to move forward with active forest
15 management, as well as working with the State's biomass
16 working group.

17 I just want to give a little bit of background on
18 forests since Paul was the first speaker on this. As he
19 mentioned, it stores millions of tons of carbon. And with
20 active forest management, there is an opportunity to
21 really increase that.

22 There are large areas of the California forest
23 that are in risk of catastrophic fire. And of course,
24 this results in very high emissions. So actively reducing
25 that risk is important.

1 CHAIRPERSON NICHOLS: I think we're trying to
2 compress the time here. If that's --

3 MS. CARR: Can I just get to the recommendations:

4 CHAIRPERSON NICHOLS: Yes.

5 MS. CARR: Okay. So our agency is called out in
6 the 2012 Bioenergy Action Plan to take responsibility to
7 promote forest bioenergy, as well as to help implement SB
8 1122, which is a requirement for large utilities to
9 purchase forest bioenergy, 50 megawatts.

10 So we recommend that the Sierra Nevada
11 Conservancy be listed as a State agency to provide
12 oversight, developed program criteria, and distribute
13 funds.

14 We also recommend that the plan actually invest
15 in funding early phase development for the bioenergy
16 facilities to help get this new industry up and going, to
17 avoid open pile burning. Actually, clean -- use the
18 materials in a clean way and as an energy source. Allow a
19 portion of the revenues to be spent on public federal
20 forest lands since the U.S. Forest Service ends up
21 managing such a high percentage of the forests in the
22 state.

23 And then finally, fund forest conservation
24 easements through different State agencies. So thank you
25 very much for your time.

1 CHAIRPERSON NICHOLS: Sorry. There is a little
2 conference going on up here at the front because I think
3 there's been some confusion, which we probably helped to
4 create. By bringing people up as coalitions, we Assumed
5 that meant you said your piece. But we're now hearing
6 people who spoke as part of a coalition, even if they
7 didn't just say me, too, also are thinking that they're
8 going to come back up and speak again, which then is going
9 to push us way over into the afternoon if each of you
10 takes three minutes.

11 So I really want to encourage people. We're
12 going to have to implement a one-minute limit and be
13 strict about it. Or some of you folks who have already
14 spoken or had your area covered are going to have to
15 decide that you've already been taken care of one way or
16 the other.

17 I'm going to let this continue on here for a
18 little while because we didn't make the announcement
19 earlier. But I just need you to recognize that, you know,
20 there's a lot of other people who weren't part of these
21 groups who also have signed up and are waiting patiently.
22 It's not fair if people double tip, so to speak.

23 Go ahead.

24 MR. GYANT: Good afternoon, Madam Chair and the
25 Board. I'm not a part of the coalition. And I'm not

1 double dipping, but I won't --

2 CHAIRPERSON NICHOLS: No, sir. You are a federal
3 official.

4 MR. GYANT: But we won't take three minutes. But
5 I will take this opportunity and along with not only the
6 Board, but all the people in this room, I hope they listen
7 to this message.

8 Forestry accounts for 30 percent of the landscape
9 in California. About 60 percent of all the water used in
10 California comes off the Sierra Nevada's forest. It's
11 very important with being able to protect those
12 watersheds, because it means a lot to the people in and
13 around the whole state of California. The Natural Forest
14 manages 20 million acres in the state, 20 percent of that
15 state. What we're asking is particularly in support of
16 the Investment Plan.

17 We also think, too, if we're able to reduce some
18 of the fuels on the national forest, that can help
19 accelerate carbon sequestration with larger trees. So
20 with the reductions, reductions is good, but you also have
21 to have the carbon storage piece in addition. So that's
22 what we're proposing is be able to have those funds as an
23 investment to reduce the fuels, which ultimately reduces
24 the impacts of large fires, which effects the airshed due
25 to smoke. On an average, we burn about 400,000 acres a

1 year in California, if not more.

2 So with this Investment Plan, with forestry as a
3 part, working very closely with CalFire, also working with
4 the Sierra Nevada Conservancy gives us an opportunity to
5 continue that work that we are doing in the sierras.
6 Thank you.

7 CHAIRPERSON NICHOLS: Thank you very much.
8 Thanks for coming and staying, too.

9 MR. KUSEL: Hi. Jonathan Kusel, Sierra Institute
10 for Communities and the Environment. And while I'm up
11 here with Kim and Barnie, we are a part of the natural
12 resources. We aren't part of the natural resources group,
13 though we are speaking to natural resource issues.

14 In some ways, I feel like the Lorax with a twist.
15 And that is talking about the forests, but also the rural
16 communities which have not been acknowledged for the most
17 part. When you look at the CalEnvironScan and you look at
18 the maps and you say are there no disadvantaged
19 communities in these rural areas?

20 And a little background might be appropriate
21 here. I sat on the President's planning team for the
22 Northwest Forest Plan. I was the lead sociologist on the
23 Community Assessment Team for the Sierra Nevada system
24 projects. And as recently as last summer, was assessing
25 rural communities through northern California as a rural

1 sociologist.

2 So when I look at the CalEnviroScreen -- and I
3 submitted some comments specifically, there are
4 methodological problems. There is a lot of very good work
5 that's a part of that. But it is limited in that there
6 are some extremely disadvantaged communities in rural
7 areas that are left out and need to be a part of that.

8 So I urge as we move forward to look at what's
9 been left out, look at the reasons for that. And I can --
10 I'm happy to submit additional comments with respect to
11 the methodological implications of the approach that's
12 been used and what might also considered. I'll leave it
13 at that. Thank you very much.

14 CHAIRPERSON NICHOLS: Thank you. We understand
15 the issue.

16 Go ahead.

17 MS. ROJAS-CHEATHAM: My name is Ann
18 Rojas-Cheatham, and I'm the co-director of nail salon
19 owners greening their jobs and the environment.

20 I would like to, as several speakers have
21 mentioned, support the importance of resources and
22 assistance to small businesses, especially in
23 disadvantaged communities for energy efficiency programs.

24 We've been working with PG&E, East Bay Mud, the
25 City of Oakland to audit nail salons which are low income

1 businesses and figure out how they can become energy
2 efficient, save water, et cetera. And they don't have any
3 capacity to fund themselves to make those changes. Zero.

4 And I know there is other industries, dry
5 cleaners, auto body shops, that also aren't able to do
6 that in disadvantaged communities. Gets very critical
7 that that become part of what happens in the future.

8 I also think that it would be short-sighted to
9 just focus on energy efficiency in small businesses and
10 that another co-benefit could be added, which would be to
11 improve jobs currently that low income people are working
12 in, not just to create new jobs.

13 We have many, many jobs in industries that are
14 high polluting, that are contributing greenhouse gas
15 emissions where we need strategy. We need to look at
16 strategies that do reduce greenhouse gas emissions and
17 improve working conditions and the health of workers in
18 those industries. We have to be big thinkers. Our future
19 is at stake. I know you will. And I'm really interested
20 in following this and participating. So thank you.

21 CHAIRPERSON NICHOLS: Thank you. I see you were
22 part of the earlier group and just got missed.

23 MS. ROJAS-CHEATHAM: I just didn't get to speak.
24 So thank you for listening. I'm sorry.

25 CHAIRPERSON NICHOLS: Of course.

1 Matt Schrap I believe is next.

2 MR. SCHRAP: Thank you, Madam Chair and Board
3 members.

4 My name is Matt Schrap. I'm Vice President of
5 Government Programs for Crossroads Equipment Lease and
6 Finance. We are a division of the Velocity Group, the
7 largest commercial truck dealership network on the west
8 coast.

9 Through the Velocity Vehicle Group, we've
10 processed literally thousands of statewide grants and have
11 secured tens of millions of dollars for clean purchases
12 for operators here in California.

13 We're standing before you today to echo our
14 support of the recommendations for the funding plan.
15 However, we would like to recommend that in the
16 negotiations for actual programmatic change for
17 implementation, we suggest there is a greenhouse gas only
18 type loan program scenario, similar to the very successful
19 PLACE loan program here in California that providing loan
20 assistance for clean equipment.

21 We feel this could be a very robust way of
22 getting these small to moderate size fleets into the zero
23 or near-zero emissions technology that we're looking for
24 in order to achieve some of these goals.

25 The capital costs of this equipment is so great

1 that many times even grants can't offset the incremental
2 costs that is necessary for these operators to be able to
3 purchase these pieces of equipment. So any type of help,
4 especially from along the lines of financing, can really
5 encourage people to get into this equipment.

6 We're looking forward to the final
7 recommendations and also looking forward to working with
8 finance staff as well as ARB staff in developing some type
9 of plan that would address this need, this growing need
10 for help on residual financing of clean equipment,
11 especially zero emissions equipment.

12 So I won't take up any more time. But I thank
13 you for the opportunity to present.

14 CHAIRPERSON NICHOLS: Thanks and look forward to
15 following up. Okay.

16 Medical knee?

17 MS. SCHLOTTERBECK: Madam Chair, members of the
18 Board, Investment Team, my name is Melanie Schlotterbeck.
19 I'm here representing Friends of Harbors, Beaches, and
20 Parks, an Orange County nonprofit.

21 I applaud not only the multi-agency
22 collaboration, but also the creation of a more robust
23 natural resources component in the draft plan.

24 I do have one suggested change on page B12.
25 Please consider revising the language from simply

1 "develop" to "develop and implement natural communities
2 conservation plans," as implementation dollars are needed
3 to fund the conservation work.

4 Additionally, as science becomes available, we
5 hope that the plan proves flexible and inconclusive to
6 support additional types of natural resource investments.

7 Further, we also support appropriate
8 distributions of the cap and trade revenues to Southern
9 California -- Southern Californian efforts, that is, as it
10 has more than half the State's population and a
11 significant number living below the poverty level.

12 Through our coordination, we have nearly 120
13 organizations in Southern California watching how this
14 Investment Plan unfolds.

15 I have a support letter from Friends of Harbors,
16 Beaches and Parks and three fact sheets on Southern
17 California conservation efforts and programs that are
18 available for investment dollars. The first is the Orange
19 County Transportation Authority's Environmental Mitigation
20 Program, which comprehensively mitigates for freeway
21 impacts.

22 The second is the Orange County Council of
23 Government's first in the state conservation policy and
24 the subregional SCS, and the Southern California
25 Association of Governments, second conservation policy in

1 the state, or Regional Advanced Mitigation Program.

2 Thank you for your time and leadership.

3 CHAIRPERSON NICHOLS: Thank you.

4 MS. DESLAURIERS: Hello, Chairman Nichols and
5 members of the Board.

6 My name is Sarah Deslauriers. I am the program
7 manager of the California Wastewater Climate Change Group,
8 the members of which represent the State's wastewater
9 perspective on climate change issues.

10 Many of our concerns that we put in writing on
11 the draft concept paper were already addressed in the
12 draft Investment Plan, but some bear repeating here.

13 The California Wastewater Climate Change Group
14 supports inclusion of wastewater to energy as an eligible
15 project type and energy efficiency and clean energy
16 investment priority. These types of projects provide
17 greenhouse gas emissions reductions and support the
18 renewable energy goals sought by the AB 32 Scoping Plan.

19 In addition, inclusion of these projects also
20 addresses environmental justice issue and provide
21 additional co-benefits.

22 To better support the renewable energy goal, we
23 encourage the Board to consider investment in full-scale
24 implementation of proven technology, and not just for
25 pilot testing and demonstration projects, as many of these

1 practices uses established technologies that do not
2 require pilot testing.

3 We also encourage the Board to consider not only
4 biogas as a fuel source for renewable energy production at
5 wastewater treatment facilities, but also biosolids.

6 The California Wastewater Climate Change Group
7 supports the waste diversion goals of the state and
8 believe that investments should be directed to wastewater
9 treatment facilities to facilitate partnerships in
10 managing organics in existing digesters.

11 Finally, we recommend including the development
12 of low carbon transportation fuels in the low carbon
13 freight transport and zero emission vehicle's investment
14 priority. Right now, this investment priority only refers
15 to the charging and fueling infrastructure. We recommend
16 also including investment in the production of low carbon
17 fuels. Thank you.

18 CHAIRPERSON NICHOLS: Okay. Thank you.

19 John.

20 MR. MC CAULL: Thank you, Madam Chair and
21 members.

22 John McCaull here today representing another
23 coalition, Working Lands Coalition. Myself and John
24 Gamper from the Farm Bureau are going to present on behalf
25 of the coalition.

1 We established it in earlier this year. It's a
2 growing coalition of agricultural groups, conservation
3 organizations, and land trusts. Our purpose is to focus
4 on the increasing funding for agricultural land protection
5 and open space production and financial incentives for
6 stewardship.

7 Initially, thank you so much for your good work
8 on the Investment Plan for including the core of our
9 proposal in the plan. You've recognized the value of
10 protecting agricultural land as a key component of making
11 sustainable community strategies work. We heard that
12 today from other speakers, from the Mayor of Davis, from
13 the Transportation Coalition folks that getting
14 sustainable community strategies to works requires land
15 use strategy as well.

16 What we tried to do in our basic premise is that
17 to meet the land use and transportation planning
18 objectives of SB 375, we have to shift development to
19 existing urban areas, encourage more compact growth. To
20 achieve those objectives, we have to reduce the potential
21 for sprawl.

22 We commissioned CalThorp and Associates to use a
23 rapid fire, which is a modeling tool scenario planning
24 tool to try to illustrate the benefits of different land
25 use scenarios to help meet the goals of SB 23 and SB 375.

1 The first way to measure this is to look at land
2 consumption. Business as usual models would indicate that
3 to meet a goal of an additional -- trying to get 50
4 million people living in California by 2050, if we use
5 business as usual growth models, we would consume
6 potentially another 1.2 million acres of land.

7 More compact growth models can reduce that very
8 dramatically, maybe only 300,000 acres of land. And
9 obviously, there's various versions of these scenarios in
10 between those two figures.

11 San Joaquin Valley is even more stark.
12 Certainly, I think that's where we've seen the kinds of
13 growth patterns that have had the biggest impact on prime
14 ag lands. Almost half of that growth or consumption of
15 land would occur in the San Joaquin Valley, if we use the
16 business as usual model. We could reduce the compact
17 growth scenarios and reduce land consumption dramatically.

18 Now, the translation here is avoiding vehicle
19 miles traveled, avoiding greenhouse gas reductions. So we
20 took the land consumption scenarios and tied them to
21 projected GHG emission profiles. Most of this is from
22 vehicle miles traveled. Some of it is from actual
23 building emissions as well. You can see here at a
24 statewide level we're looking at about 26 million metric
25 tons avoided if we can achieve the compact growth scenario

1 for the San Joaquin Valley comparative reductions.

2 Basically, our strategy is to use existing tools
3 that we have successfully used for ag land protection,
4 open space protection in California for decades, and
5 repurpose them to achieve SB 375 and AB 32 goals. These
6 include reinstating the Williamson Act Subvention Program,
7 targeting conservation easements, agricultural easements,
8 and also the farmland context and encouraging stronger
9 land use protections at the local level for agricultural
10 land.

11 We have a -- our proposal is comprehensive. We
12 don't want it to be piece meal. We think it fits together
13 well. I'll let John Gamper talk more about that.

14 CHAIRPERSON NICHOLS: Thank you.

15 I do want to ask you or perhaps Mr. Gamper the
16 question that someone alluded to earlier. I gather that
17 at least when some folks met with the Secretary, he made
18 the same comment, which is if you just reinstate a
19 program, how does that achieve additional greenhouse gas
20 reduction? So hopefully you can talk to that.

21 MR. GAMPER: I will in deed. My name is John
22 Gamper. I represent the California Farm Bureau Federal
23 Reservation. We are the state's largest general farm
24 organization. We represent about 85 percent of production
25 agriculture.

1 We're proud participants in the Working Lands
2 Coalition and fully endorse its recommendations.

3 We appreciate the inclusion of those
4 recommendations in the Investment Plan, specifically
5 funding the California Land Conservation Act, which we
6 believe is crucial to the future success of the
7 Sustainable Community Strategies.

8 The California Land Conservation Act of 1656 is
9 popularly known as the Williamson Act. It's one of the
10 most important environmental laws ever adopted in the
11 state, especially when you consider it was adopted in 1965
12 when the county assessor was essentially the planner for
13 most jurisdictions. It was a self-fulfilling prophecy on
14 the part of assessor to value land based on its highest
15 and best use and whether it was a prune orchard in Santa
16 Clara or a prune orchard shopping center, it was going to
17 be the land -- ag land was going to be valued as
18 residential. And again, a self fulfilling prophecy that
19 led to the conversion of hundreds of thousands of millions
20 of acres of prime agricultural land in the state.

21 With the inception of the Open Space Subvention
22 Act in the 1970s, we saw dramatic increase in the
23 enrollment in the program as counties were backfilled for
24 their foregone property tax revenue. It started around
25 13.7 million in the early 1970s, and we've held between

1 13.7 and 16.5 million acres under enforceable restriction
2 since the early 1970s. A very laudable goal for the Act.

3 It's always been a three-way partnership. The
4 land owners give up their right to develop the land, to
5 subdivide, a promise to continue agricultural production
6 and keep it an open space, in return for having the land
7 valued at its agricultural value, how much income it can
8 produce from agriculture versus its acquisition value.

9 Of course, prior to Prop. 13, was its highest and
10 best use. But since 1978, it's valued at its acquisition
11 value.

12 The Williamson Act provides an incredible
13 property tax relief to land owners. But in return, they
14 do give up significant development rights and rights to
15 subdivide.

16 The counties, for their part, offered this
17 reduced valuation process. And the State, for its role
18 since the 1970s, has back filled for that foregone revenue
19 and funded Williamson Acts through subvention.

20 As the Chair may recall when she was Secretary of
21 Natural Resources, since 2001, the Williamson Act became a
22 pawn in the annual budget process. Eventually, it came to
23 the point in 2009 when the funding was cut to \$1,000 and
24 it has remained there since 2009.

25 In response, numerous counties -- Imperial County

1 immediately non-renewed all their contracts. Numerous
2 counties examined the Williamson Act and whether or not
3 they should stay in the program. And about half the
4 counties have placed a moratorium on new contracts which
5 again I think provides -- it puts the program at great
6 risk going forward.

7 Part of that risk going forward is the fact that
8 on Williamson Act land, we sequester -- the land
9 sequesters 3.5 billion pounds of carbon on an annual
10 basis. If it is at risk, that sequestration is at risk as
11 well.

12 So I think to answer your question, if you have
13 the Hippocratic oath for greenhouse gas reduction, first
14 do no harm. And you don't want to see that sequestration
15 go away, especially when you consider much carbon is
16 released into the environment in urban areas also rural
17 areas or ag land, which I believe there is a 75 percent
18 reduction or comparison.

19 In closing, I just want to highlight an important
20 component of our proposal. That is to incentivize
21 counties to adopt greater farmland protection programs
22 through a two-tiered subvention program.

23 And we believe that this will encourage counties
24 to adopt and fully implement farmland protection and ag
25 viability strategies. And we believe this will greatly

1 complement the CS -- the SCS strategy as required by
2 Senate Bill 375.

3 And also, it's a win-win situation for food
4 security, because we're talking about nine billion people
5 being on this planet between now and 2050. And that nine
6 billion people is going to mean we're going to have to
7 produce as much food as produced on this planet since the
8 dawn of agriculture in 10,000 BC. We're going to have to
9 keep as much ag land in production as we can while we
10 reduce greenhouse gases.

11 Finally, it's important inform note we do have
12 broad bipartisan support in both the Senate and Assembly
13 for this coalition. We've been circulating a letter. And
14 again, very strong bipartisan support.

15 Thank you very much for your time.

16 CHAIRPERSON NICHOLS: Thank you very much. Okay.

17 We'll move next to Ed Pike. We're down to only
18 27 remaining speakers to go great. Okay. Thank you.

19 MR. PIKE: My name is Ed Pike. I'm a Senior
20 Project Manager with Energy Solutions. Thank you for the
21 opportunity to comment today.

22 We recommend adding a few words to the draft
23 Investment Plan for passenger vehicle in-use energy
24 efficiency incentives, such as energy efficient
25 replacement tires and engine oil. And we've provided

1 written comments that provide specific language.

2 We estimate that an incentive program could
3 achieve \$750 million in annual net consumer cost savings
4 and two million metric tons per year of greenhouse gas
5 reductions, as well as criteria air pollutant benefits and
6 would have very favorable cost effectiveness.

7 Measures for replacement tires and engine oil
8 were included in the scoping plan. They haven't been
9 adopted yet. And this incentive program could achieve
10 much of those reductions and cost savings and would also
11 complement any future standards that do move forward, such
12 as tire standards under SB 1170.

13 This idea is an excellent match for many of the
14 Investment Plan priorities, which we agree with. And some
15 examples are the AB 32 goals for greenhouse gas
16 reductions, criteria pollutant co-benefits, and also
17 achieve -- it's a good opportunity to achieve near-term
18 greenhouse gas reductions, prioritizes the transportation
19 sector, is the largest greenhouse gas sector, the ability
20 to focus investment on disadvantaged communities and
21 benefits for disadvantaged communities and leveraging
22 private investment through leveraging purchasing
23 decisions.

24 So in conclusion, while there is understandably
25 much attention focused on existing programs that can be

1 funded in the upcoming budget year, our suggested revision
2 to the Investment Plan would create flexibility to
3 potentially fund very cost effective source of greenhouse
4 gas reductions in future years of the three-year
5 Investment Plan.

6 Thank you again for the opportunity to comment.

7 CHAIRPERSON NICHOLS: Thank you, Ed.

8 Alex.

9 MR. JACKSON: Good afternoon, Chair Nichols and
10 members of the Board. Alex Jackson on behalf of the
11 Natural Resources Defense Council.

12 And I promise to be brief and additive to my
13 colleague's statement on behalf of the Transportation
14 Coalition for Livable Communities.

15 This is perhaps guilty of a little double
16 dipping, but I will hold myself to less than three
17 minutes.

18 NRDC does support a broader use of revenues than
19 just that piece of it for the transportation sector. And
20 in that regard, very supportive and encouraged about what
21 we saw in the plan about really transformational
22 strategies across sectors to achieve California's
23 ambitious and really transformational goals.

24 In particular, wanted to highlight our support
25 for the plan's focus on achieving co-benefits and benefits

1 in the state. Spotlight a few examples for low carbon and
2 zero emissions freight technologies to reduce diesel soot
3 emissions, which of course has a huge tremendous localized
4 air quality impact. Also tremendous carbon impacts by
5 reducing black carbon, which is, of course, a potent
6 pollutant or potent greenhouse gas warmer.

7 Also want to support the focus on industrial
8 energy efficiency and maximizing opportunities to reduce
9 emissions at those sources themselves, achieve those
10 co-benefits in those communities, and to spotlight
11 opportunities to really enhance our Clean Vehicle Rebate
12 Programs. We see opportunities there.

13 And I will support the comments from Ed Pike
14 previously and perhaps expanding the reach of some of
15 those programs to look at tire efficiency as well.

16 Briefly, you know as we move now from this
17 process into the budget process, I do want to say we're
18 very encouraged by the support we saw. Unequivocal
19 support in the plan and the presentations that we need to
20 remain focused on expenditures that are designed to
21 achieve greenhouse gas reductions.

22 I don't understand the budget could be a very
23 messy and complicated negotiation, but I hope that that
24 level of scrutiny remains. And I urge all the
25 decision-makers here keep that as a primary focus as these

1 expenditures are about reducing greenhouse gas emissions.
2 And we don't want to see that become a co-benefit with a
3 lot of the other good policy proposals ahead of you.

4 So just a concern there on funding the existing
5 programs or back-filling the existing programs that
6 weren't really designed with a greenhouse gas benefit in
7 mind.

8 With that, thank you very much. And I will also
9 just say and associate our organization the principles of
10 the SB 535 Coalition of which we were a co-sponsor and
11 support.

12 CHAIRPERSON NICHOLS: Kathy.

13 MS. COLE: Thank you, Madam Chair and members of
14 the Board and officials with the Brown Administration.

15 I'm Kathy Cole with the Metropolitan Water
16 District of Southern California.

17 First, I would like to acknowledge the difficult
18 and complex undertaking that the Brown Administration has
19 entered into over the last several years, I guess, in
20 developing a draft plan to provide a sound blueprint for
21 investment of auction revenues.

22 We would also like to express our appreciation
23 for the plans's recognition of the contribution that
24 wholesale water agencies can provide in reducing
25 greenhouse gas emissions, the relationship between water

1 and energy is well known.

2 As one of the largest providers of wholesale
3 matter in the state, Metropolitan has significant power
4 and energy requirements that are satisfied by local
5 electric utilities as well as Metropolitan itself.

6 It is the self-provision of energy over one
7 million megawatts hours annually for our large pumps along
8 our 242 mile aqueduct system from the Colorado River that
9 has classified us as a covered entity under the cap and
10 trade regulation.

11 With an allocation of cap and trade auction
12 revenues, we will be able to initiate or expand efforts
13 that lead to permanent reduction in greenhouse gas
14 emissions. These efforts could include the installation
15 of new renewable energy facilities on our water
16 distribution and conveyance system, replacement of older
17 less efficient equipment, and new or expanded water
18 conservation and recycling programs.

19 This would benefit the 19 million people who live
20 and work in Metropolitan service area in Southern
21 California and receive their water from Metropolitan's 26
22 member public agencies. Metropolitan's service area
23 covers most of the disadvantaged communities identified by
24 the CalEnviroScreening tool in the Ventura, Los Angeles,
25 San Diego, and Inland Empire regions.

1 We stand ready to work with the Brown
2 administration and the Legislature to assure the
3 distribution of auction revenues for water-related
4 projects obtains the highest possible level of greenhouse
5 gas emission reductions and helps to achieve the goals of
6 AB 32.

7 I thank you for the opportunity to comment.
8 Thank you.

9 CHAIRPERSON NICHOLS: Tim Haines, and then
10 Devilla Ervin.

11 MR. HAINES: Thank you, Chair Nichols and the
12 Board members.

13 We appreciate the opportunity to be able to speak
14 with you today. We also appreciate the opportunity that
15 we've had to work with you in the past, the hard work that
16 you've undertaken, you and your staff, in order to be able
17 to understand our views on cap and trade.

18 I'm Tim Haines with the State Water Contractors.
19 We're an association of public water agencies that supply
20 water to 25 million customers throughout the state of
21 California. That includes 750,000 acres of agricultural
22 land as well.

23 In the Governor's budget proposal from January,
24 he identified that investing in efficiencies in the water
25 sector would further the goals of AB 32. And so we want

1 to tip our hat to the multi-agency task force that put
2 together the implementation plan.

3 I think they've done a great job in being able to
4 take that vision that was set forth in the Governor's
5 budget proposal and carrying it into the Investment Plan.
6 The recommendation that there be investments in efficiency
7 that's associated with water supply, use, and conveyance
8 is something that we do think can further the goals of AB
9 32. We think that there's a role for the State Water
10 Project to be able to play in assisting with that as well.

11 There's another aspect to this than simply the
12 direct reduction of greenhouse gas that an investment into
13 the State Water Project is going to provide. And that is
14 that the project provides significant assistance to the
15 grid in terms of reliability. And so that's really
16 important. It's increasingly important as we add
17 additional renewables to the power system.

18 The ISO is challenged in being able to maintain
19 the reliability. The State Water Project is able to
20 provide support to that. And so you have the direct
21 benefit of the GHG reduction as a result of an investment
22 in the State Water Project. But you also have the
23 indirect assistance that's provided in integrating all the
24 other renewables into the power system.

25 So we look forward to commenting to work with the

1 team as they finalize the Investment Plan. Thank you.

2 CHAIRPERSON NICHOLS: Thank you. Appreciate your
3 active involvement throughout this process. Okay.

4 Now New Voices are rising.

5 MR. ERVIN: Good evening, ladies and gentlemen of
6 the Board.

7 My name is Devilla Ervin. I'll be speaking on
8 behalf of the Rose Foundation.

9 As a young man looking to live on my own, I'm
10 deeply troubled by the threat of displacement in my
11 community and other areas slated for transit-oriented
12 development.

13 Affordable housing needs to be at the forefront
14 of this conversation, because you cannot cut VMT or
15 greenhouse gas emissions without limiting displacement.

16 Living in Oakland, I have known many people who
17 find themselves being forced to leave their homes and
18 communities in pursuit of housing that's less expensive.

19 One example of this is my foster mother. My
20 junior year of high school, she found a place more
21 affordable, but it was in Sacramento, yet she was working
22 in Hayward and was commuting up to five hours a day to and
23 from work.

24 Another example is my friend Pamela who works
25 closely with the Rose Foundation, whose mom decided to

1 move to the Central Valley where an apartment was half the
2 price of their home in West Oakland. However, she was not
3 able to find work. After four months of desperate job
4 searching, she found a job in Union City's Industrial
5 Park. Pamela's mom now lives in Manteca but has to
6 commute to Union City for work. What used to be a 30
7 minute, \$4 commute is now a four-hour \$60 commute.

8 To top things off, she is earning minimum wage
9 and literally cannot afford to pay for transportation. So
10 she decided not the travel. Her alternative was to sleep
11 on BART trains riding back and forth until the end of the
12 line, getting off and doing it all over again. She even
13 resorted to sleeping on the floor of her jobs's cafeteria.
14 Pamela has made it clear she does not wanted your pity,
15 but these are the facts.

16 We are asking you to make the kind of investments
17 that will keep housing and transit affordable for families
18 like Pamela's. Without careful, conscious, and deliberate
19 investments in affordable housing and transit operation,
20 disadvantaged residents will be facing longer, more
21 expensive and often polluting commutes.

22 Investment in transit operations is particularly
23 important to disadvantaged communities because of
24 extensive cuts to service especially night and weekend
25 service.

1 Brenda, another friend who is a freshman at San
2 Francisco State and also works closely with the Rose
3 Foundation has seen transit services cut and increase in
4 fares that are detriment to her community. Unreliable
5 transit service leads to longer wait times, overcrowding
6 on BART and buses, which ultimately people -- means people
7 are late to work and school.

8 Increasing investment in public transit
9 operations to improve service and bring fares back down to
10 an affordable level and investing in affordable housing
11 near transit will go a long way towards addressing these
12 concerns and making sure that transit-oriented development
13 works.

14 Finally, I wanted to take a moment to highlight
15 the health benefits of public transit investment,
16 especially investments in buses that the communities we
17 work in and rely on for daily needs.

18 According to the Bus Access Health Impact
19 Assessment --

20 CHAIRPERSON NICHOLS: Could you wrap up, please?
21 You're over your three minute.

22 MR. ERVIN: I'm taking the time of the two Rose
23 Foundation people behind me.

24 CHAIRPERSON NICHOLS: Okay. Very good. Thank
25 you.

1 MR. ERVIN: -- conducted by the Alameda County
2 Public Health Department, more investment in transit
3 service, especially bus service, can improve health and
4 vitality for riders, their communities, and the transit
5 system overall.

6 Currently, youth, seniors, and transit-dependent
7 people's health is suffering as a result of this
8 investment in public transportation.

9 The HIA found that reductions in bus service
10 negatively affects the physical and mental health, safety,
11 and well being of the most vulnerable riders.

12 In order to reduce VMTs and GHGs, we must restore
13 local transit by investing in transit operations. Not
14 doing so means that youth, seniors, and folks who live in
15 disadvantaged communities will continue to experience
16 negative health impacts and critical barriers to
17 opportunities due to the rising transit costs and service
18 cuts. These are the priorities we find important. I hope
19 you address these concerns in the final plans.

20 Thanks for listening.

21 CHAIRPERSON NICHOLS: Thank you. Appreciate
22 that. Thanks to the Rose Foundation.

23 Scott Elrod.

24 MR. ELROD: Chair and members of the Board,
25 thanks for the chance to speak to you today.

1 My name is Scott Elrod. I'm a Vice President at
2 PARC, which is the Palo Alto Research Center. PARC is the
3 place where the foundations of computing were all
4 invented. The graphical user interphase, the ethernet,
5 the mouse, things like that.

6 And those innovations coming out of PARC have
7 really transformed the way people live and work. And not
8 only that, they've created very large scale economic
9 growth for California and jobs for California.

10 So we believe in the transformative power of
11 longer term research and development. And we think that
12 the energy systems, especially energy systems,
13 transportation, as well as home, residential, and
14 commercial are right for this kind of transformation.

15 One thing I want to point out is that these
16 innovations coming out of PARC didn't happen by accident
17 but rather were the result of a conscious effort to merge
18 several different elements. One element is the long-term
19 disciplinary research. A second element is a really
20 strong focus on the needs of the users. So using social
21 science, ethnography, anthropology to really understand
22 what people need and then also what it requires for them
23 to adopt the technology.

24 And lastly, a primary focus on commercial
25 outcomes with a variety of business models to employ for

1 that.

2 We believe that for energy systems to really be
3 deployed the most widely and the most equitably, it's
4 going to be necessary to apply significant R&D of the type
5 that I just described that was necessary for information
6 technologies. And we think a transformation of energy
7 systems can occur, which will resemble what has happened
8 in information sciences.

9 We recognize that the initial proceeds from the
10 auction will probably go towards near-term benefits,
11 near-term programs, existing programs, and that makes
12 sense.

13 But we do believe that if we're going to meet the
14 goals of 2050 and if we're going to have really broad and
15 equitable distribution of new technologies, it is going to
16 be required to have a sustained program of
17 multi-disciplinary R&D.

18 So we would ask the Board as well as the
19 Department of Finance to really think about that and
20 include some specific focus toward the R&D that will be
21 necessary to meet those goals.

22 Thank you very much.

23 CHAIRPERSON NICHOLS: Thank you.

24 I'm happy that cap and trade revenue isn't the
25 only source of funding for this kind of thing. It is

1 important. We all agree with that. But I feel that there
2 are other funds that have been created in recent years and
3 that exist that are also focused on the same thing. So
4 maybe we need to be talking about better implementation or
5 more coordinated planning for the research. I very much
6 support what you're suggesting here. I'm just a little
7 concerned that we keep the focus as we have to in this on
8 just the funds that are coming from the auction proceeds.

9 MR. ELROD: Thank you.

10 CHAIRPERSON NICHOLS: Thank you.

11 Pauline Chow.

12 MS. CHOW: Hi. Good afternoon. I thank you,
13 CARB, for this opportunity to speak with you.

14 My colleague came up with the Sustainable
15 Communities For All Coalition, but I want to touch on and
16 reiterate the importance of using this Investment Plan for
17 active transportation.

18 And I'm Pauline Chow representing Southern
19 California as the Southern California Regional Policy
20 Manager for Safe Routes to School national partnership.
21 We support this draft Investment Plan, especially its
22 clear blueprint for decreasing greenhouse gas emissions
23 through using active transportation.

24 Fifteen percent of all trips in California are
25 completed by walking and biking. And of those trips,

1 unfortunately, 25 percent of them are involved in serious
2 injuries and fatalities on the road.

3 In Southern California, even more people walk and
4 bike 25 percent. In L.A. County, it's 33 percent. And
5 children, a third of California children walk and bike to
6 school. And of all accidents involving children, they are
7 of -- a fourth of them are done -- are walking and biking.

8 So we want to make sure that this increase in
9 active transportation participants we use this money to
10 make these roads safer for them to get to school.

11 Additionally, in Southern California, there is a
12 huge need and desire for walking and biking. But the
13 safety is at peril here. When we work with SCAG and
14 support SCAG as well as CARB in this Investment Plan. And
15 with SCAG, we are working with them internally to increase
16 resources for active transportation, in their OWP, overall
17 work plan, and in creating an active transportation
18 department. So these funds are crucial to building out
19 these regional plans and increasing safety.

20 Additionally, there is some recommendations we
21 would like to add or call attention to. One is we would
22 obviously really love a dedicated source of revenue to
23 active transportation. And in addition, create an
24 equitable strategy to allocate money to rural
25 jurisdictions to construct large-scale active

1 transportation networks and as well as requiring complete
2 streets for all transportation programs, and including
3 active transportation plans and complete streets plans
4 eligible for these active transportation CARB funds.

5 So overall, we're not asking for all trips to
6 become walking and biking in Southern California or in
7 California. But there is a real opportunity to take the
8 short trips one to three miles and shift them to walking
9 and biking so our communities can be healthier and
10 increase the quality of life. Fifty percent of all trips
11 in California are under three miles, and 60 percent of all
12 trips in California are under one mile. There is a real
13 opportunity.

14 We thank you for your support and both our
15 coalitions, Sustainable Communities For All, as well as
16 the SB 535 Coalition that we're a part of.

17 Thank you. Have a great day.

18 CHAIRPERSON NICHOLS: Thank you.

19 David Almeida.

20 MR. ALMEIDA: First off, I want to thank the
21 Board and thank all of the members of agencies from across
22 the state for being here and to providing these comments.

23 I'm going to be fairly quick here. I want to
24 first just echo the comments from my colleagues in the
25 Transportation Coalition For Livable Communities. I

1 represent the California Center for Sustainable Energy,
2 and we feel that funding on the local level is very
3 important.

4 I want to address a critical need, a critical
5 near-term need right now. And that's focused on funding
6 for zero emission vehicles and near zero emission
7 vehicles.

8 I specifically want to encourage the Board to
9 clearly set aside funding for the Clean Vehicle Rebate
10 Project and incentive program for electric and plug-in
11 electric vehicles for three reasons. It's very
12 successful. It furthers the goal of AB 32 and provides
13 necessary co-benefits. And it's also aligned with the
14 strategy of the Investment Plan. So it's successful.
15 We've resulted in 20,000 vehicles in the past few years on
16 the road today. In March, 2,000 of those resulted from
17 incentives within March. So we're definitely seeing an
18 increase in the trend for vehicles.

19 We've got somewhat of a critical problem here
20 where we're going to be running out of funding for the
21 Clean Vehicle Rebate Project. Likely in this year and
22 definitely the funding will be limited to next year. So
23 we're really looking for additional funding for the next
24 year.

25 These 20,000 vehicles provide around 15 million

1 electric vehicle miles every month that results in direct
2 reductions for greenhouse gas emissions, as well as
3 co-benefits towards improving air quality.

4 If this is also aligned with the priorities in
5 the Investment Plan. The Investment Plan states we want
6 to look at first year programs or investment in the first
7 year in programs that are already successful, that can
8 implement emission reductions right away. This is that
9 program.

10 So we really encourage the group of stakeholders
11 here to invest heavily within the Clean Vehicle Rebate
12 Project within the next year. So I want to thank you for
13 your time.

14 CHAIRPERSON NICHOLS: Thank you. I think we've
15 been remarkably successful every year with that program.
16 But you're right; the demand outstrips the supply at this
17 point.

18 So if we are really going to live up to our
19 goals, we're going to have to come up with additional
20 funding for that. Thank you.

21 Nathan.

22 MR. VOGELI: Nathan Vogeli.

23 Madam Chair, Board members, thank you for the
24 opportunity to provide comments. I first want to thank
25 ARB staff for their efforts in putting together this

1 investment plan. I know it brings together a lot of
2 different moving pieces.

3 I'm a staff attorney for the Yurok Tribe. And
4 the Yurok Tribe would like to provide these comments to
5 highlight the tribal disadvantaged communities,
6 particularly the Yurok Reservation community. The tribe
7 supports the use of auction proceeds for the use of
8 natural resource projects, including land acquisition.

9 The Yurok reservation itself encompasses 57,000
10 acres, and the community includes both Yurok tribal and
11 non-members. Portions of the reservation exceed 80
12 percent unemployment, and over a quarter of all families
13 on the reservation fall below the poverty line.

14 Certain areas even lack grid electricity and
15 basic phone service. There is also extensive
16 environmental degradation from past logging practices.
17 Tribal communities require a focused risk assessment. The
18 assessment must treat them as a community and account for
19 aggravated health impacts to tribal populations that are
20 dependent on traditional subsistence food sources.

21 Investment in tribal disadvantaged communities
22 through natural resource and forest land acquisition
23 projects advances the goals of AB 32 and SB 535.

24 Projects that benefit fish and wildlife habitat,
25 sequesters carbon, and reduce environmental burdens also

1 benefit the health and economy of the local community that
2 depends on such resources for its well being.

3 Thank you.

4 CHAIRPERSON NICHOLS: Thank you.

5 Eileen Tutt.

6 MS. TUTT: Thank you. My name is Eileen Tutt,
7 and I'm with the California Electric Transportation
8 Coalition. We are an organization of industry, auto
9 makers, utilities who support electrification of the
10 transportation system.

11 First, I want to say congratulations, Chairman
12 Nichols. You deserve every accolade, and I'm glad time
13 can be added to your list.

14 We obviously support this plan. I want to tell a
15 quick story with my time.

16 In the Midwest, the Frito Lay decided to do a
17 pilot program. They decided to replace 300 of their
18 diesel delivery trucks with electric trucks and see how
19 the drivers reacted.

20 What happened at the end of that program was
21 unexpected. This program, this cap and trade program, is
22 transformational and transformational things are going to
23 happen that we don't anticipate.

24 In the Midwest, there were a lot of glitches.
25 One of the thing that happened was the heaters didn't work

1 that well. And in the Midwest winter, that can be a
2 problem. It took a while to get that right. At the end
3 of the pilot program, only two people -- only two of the
4 drivers, these men and women, wanted to return their
5 trucks and get their diesel trucks back. The reasons were
6 completely unanticipated.

7 First, the men and women, they would come home
8 and we were not exhausted any more. The rattling of the
9 diesel trucks and combustion engines vehicles in general
10 wasn't there anymore. So they just weren't as tired. The
11 fuel itself doesn't smell. So they didn't come home
12 needing a shower and to go right to bed.

13 The second thing they talked about is they would
14 drive these trucks up to deliver their product and people
15 would ask them questions. And they would get a lot of
16 increased foot traffic at the stores.

17 The store owners liked them better. So their
18 self esteem was elevated. They felt like they were not
19 just delivery men and women. They were sales people for
20 their company.

21 These were the kinds of unanticipated benefits of
22 these really transformational policies. So I want to laud
23 everyone on the staff who developed this report, not just
24 because we support it, but because they really listened
25 during these workshops that were held. And CARB is just

1 excellent at that, and it's very good to see the other
2 agencies joining together in this way.

3 So with that, one more plug. I agree with the
4 previous speaker. We have to save the Clean Vehicle
5 Rebate Program this year and going forward. So I hope
6 that that also becomes a priority. Thank you for your
7 time.

8 CHAIRPERSON NICHOLS: Thank you very much.
9 Thanks for sharing that story, too.

10 Chris Mertens.

11 MR. MERTENS: Hi, Chair and members. I'm Chris
12 Mertens here on behalf of the Clean Energy Working Group,
13 a group of clean energy technology companies, investors,
14 and industry organizations who have been engaged in this
15 investment plan process for some time.

16 We believe using some portion of the funds to
17 invest in clean energy technologies can yield significant
18 GHG reduction benefits as well as support California jobs
19 here in the state.

20 We think that the funds should be invested in two
21 key ways. The first is during the first couple years of
22 the program, investment in existing programs with proven
23 GHG reduction benefits, such as the self-generation
24 incentive program, AB 118, and PACE.

25 The second thing we would suggest is investing in

1 a financing mechanism such as a green bank. This type of
2 mechanism could leverage significant private capital,
3 simulate widespread adoption of GHG-reducing technology,
4 and become self-sustaining over time.

5 We believe the draft Investment Plan does a great
6 job of laying the groundwork for both of these items, and
7 we would urge the Department of Finance to adopt and
8 allocate funding to these items. Thank you.

9 CHAIRPERSON NICHOLS: Thank you. We've had
10 several people who have made the green bank suggestion. I
11 know it's one of those things that needs further
12 examination. But appreciate the suggestion.

13 Christina Lokke.

14 MS. LOKKE: Hi. Christine Lokke with the
15 California Special Districts Association.

16 We represent over a thousand special districts
17 and affiliate organizations throughout the state,
18 including water, sanitation, air quality management,
19 conservation, parks and recreation districts, and want to
20 thank you for your time and patience today.

21 In the interest of time, I'll just echo the
22 comments of Supervisor Gioia today on behalf of the local
23 government coalition and suggest that we strongly support
24 the creation of a local emission reduction program to
25 dedicate funds specifically to local governments. Thank

1 you.

2 CHAIRPERSON NICHOLS: Thank you.

3 Nadine Peterson.

4 MS. PETERSON: Hi there. Thank you for your
5 patience in listening to all of us today. I want to thank
6 you also for your leadership and your contributions, both
7 at the Air Board and Cal/EPA. We think overall this is a
8 really great draft investment strategy. So thank you very
9 much.

10 I wanted to make a couple comments. In
11 particular, we want to support the inclusion of natural
12 resources and sustainable communities as one of the key
13 sectors to helping achieve the legislative goals through
14 the auction revenues.

15 In addition, directing investments to projects
16 that reduce greenhouse gas emissions while delivering
17 multiple co-benefits is really important to us. Our
18 agency has for many, many years and several decades worked
19 on multiple benefit projects. And we think that it's
20 very, very important for both human and natural
21 communities.

22 We also support targeting existing grant programs
23 to deliver projects and certainly in the short term and
24 benefits expeditiously.

25 To that end, we would like to make one

1 recommendation, and that is that calls to conservancy be
2 included and their climate-ready program, which is a newly
3 developed program, as one of the agencies that could help
4 to administer the funds. And we think that's important
5 because the coast is not only going to take a big huge
6 beating, both in terms of infrastructure from the sea
7 level rise and also the wetlands that will be affected.
8 But is also holds some of the most important lands for
9 sequestering carbon, and we want to help make sure those
10 continue to do so.

11 And as one example of both our expertise and
12 accomplishments, but also for why it's important to
13 continue to get funding is, for example, we've helped to
14 restore over 10,000 acres of salt marshes in the last
15 decade. And we have at least another 10,000 that are
16 almost nearing completion in the planning and need
17 funding. And the sooner those marshes are restored, the
18 more resilient they're going to be and the more they'll
19 continue to provide the benefits that include extensive
20 levels of carbon sequestration as well as fish or
21 nurseries and water quality benefits and flood protection.
22 We're finding out more and more about how valuable they
23 are.

24 One of the areas that needs it drastically
25 funding for tidal marshes is the South Bay Salt Ponds,

1 which of course protect much of Silicon Valley. So in the
2 area of forest conservation, we funded one of the first
3 along with WCB forest conservation projects, the Garcia
4 Project, which is now obtaining auction revenues in the
5 private market. And our Board just approved another
6 funding for when we hope to close in May, which will be
7 another 20,000 acres. Both of those properties were way
8 over harvested. And in the management measures that are
9 being done, they in one case are sequestering considerably
10 more carbon. And the new one that was just approved by
11 our Board will be able to do the same.

12 In terms of ag conservation, we have bought
13 easements in many areas of the coast and Marin County and
14 are working with Marin County now on improving a Carbon
15 sequestration in those ag areas.

16 And then finally, on the parks and urban greening
17 trails department -- I'll concludes my comments. So I
18 would just again thank you and would appreciate having the
19 Coastal Conservancy listed as one of the agencies that can
20 help you meet your goals. Thank you

21 CHAIRPERSON NICHOLS: Thank you for your
22 thoughtful contribution and good work on climate, too.

23 Campbell Ingram.

24 MR. INGRAM: Good afternoon, Madam Chair and
25 Board members. Thank you for the opportunity to be here

1 this afternoon.

2 My name is Campbell Ingram. I'm the Executive
3 Officer of the Delta Conservancy. We are the new State
4 Conservancy. We are expected to be a lead agency for
5 ecosystem reservation and economic development in the
6 delta.

7 I want to express our appreciation for the
8 recognition of managed wetlands as well as a base line
9 inventory for the delta within the Investment Plan as an
10 eligible investment.

11 As you has all know -- am I done already? As you
12 all know, the delta has many, many challenges. Subsidence
13 is probably one of the most significant. Currently,
14 there's over 300,000 acres in the delta that 20 to 30 feet
15 subsided below sea level. This is a result of 150 years
16 of agricultural practice in the delta that continues to
17 emit emissions at a rate of about seven tons per acre per
18 year and continues that subsidence at a rate of one to two
19 inches per year.

20 I think it's very important to state the threat
21 that that subsidence is to California's water system and
22 by extension obviously to the California economy.

23 So we are very interested in moving these
24 projects forward. Managed wetlands can stop those
25 emission immediately. They can stop subsidence and

1 actually begin to accrete elevations immediately.

2 Most importantly, they can keep ag practices on
3 the land and viable within the delta. And we believe this
4 is one of the few places in California where you can
5 achieve mitigation and adaptation at the same time. So we
6 very much hope that the administration and legislation
7 will commit funds for managed wetlands and a base
8 inventory in the May revise. And we very much look
9 forward to working with ARB staff to implement these
10 projects. Thank you very much.

11 CHAIRPERSON NICHOLS: Thank you.

12 Jamie Hall.

13 MR. HALL: Good afternoon, and thank you for the
14 opportunity to provide input and comments on the
15 perspective investment of cap and trade revenues.

16 The proposed priorities outlined in this document
17 really are very well aligned with those that we've come up
18 with in the Clean Energy Working Group that Chris Mertens
19 spoke about a bit ago.

20 This group agrees the plan should focus on
21 near-term opportunities and on the development of
22 transformational technologies that can get us to our
23 long-term goals.

24 We also agree that the best way to move forward
25 in the near term is to focus on enhancing existing

1 programs.

2 So since Chris already gave comments on the
3 group's broader priority, I want to zero in on
4 transportation for a minute because that's where CalSTART
5 is most interested. We strongly agree with the
6 recommendation to allocate the largest portion of revenues
7 to the transportation sector because the needs are just
8 tremendous in this area. It's the biggest single
9 contributor the greenhouse gases and criteria emissions.
10 And investments in this sector are desperately needed and
11 they will have substantial co-benefits.

12 We've heard quite a bit today about the need to
13 invest in sustainable community strategies, and we fully
14 support those investments. But I want to stress the
15 ongoing need for technology investments as well. There
16 are some existing and successful programs in the
17 technology area, such as AB 118 program at ARB and CDC.
18 But the revenues these programs are not sufficient to meet
19 our long-term goals.

20 For example, we need to see much broader
21 deployment of clean, zero, and near-zero emission trucks
22 and off-road equipment. And developing and deploying
23 these technologies at scale will require resources that go
24 beyond what we have through existing programs, such as
25 118. We want to hear more success stories like what

1 Eileen mentioned earlier. We're going to need additional
2 funding.

3 Second, we agree that zero emission passenger
4 cars and infrastructure should be a high priority for
5 investment. We really need to see broad adoption of these
6 types of vehicles if we want to meet our goals as a state.

7 The Clean Vehicle Rebate Project is a very
8 important program and sort of moving us in that direction,
9 but it also is very oversubscribed. And we really
10 recommend using some of this funding to ensure continued
11 and sufficient funding for that program.

12 As I noted at the outset, we think the best way
13 to address these needs, the easiest way, to augment
14 existing programs, such as the AB 118 program. It's
15 successful. It's driving both near-term and longer-term
16 reductions now. But it's oversubscribed, and we hope that
17 the Board will allocate some funding to this area and will
18 remember the need for technology investments and
19 transportation. Thank you.

20 CHAIRPERSON NICHOLS: Thanks. Kembra, is that
21 where we are? I believe, yeah, Kembra Shakur. I know he
22 spoke earlier.

23 Andrew Antwih, you're still here for the port?
24 Yes.

25 MR. ANTWIH: Thank you, Madam Chair members of

1 the Board. I'm here on behalf of the Port of Los Angeles.

2 We'd first like to commend the Board members and
3 staff for the work you've done to develop this plan. We
4 hope that the Department of Finance and the Legislature
5 work to implement the structure that you've laid out.

6 The Port of L.A. would like to take a second to
7 just brag about the good working relationship that we have
8 with the Air Resources Board, whether it be in the
9 development of the Clean Air Action Plan, the Drayage
10 Truck Rule, or the Clean Truck Program, we enjoy a very
11 good working relationship and want to call out the
12 excellent working relationship with the folks like Cynthia
13 Marvin and others on the CARB staff.

14 With respect to cap and trade, we've reviewed the
15 draft plan, the Investment Plan, and want to call out
16 investments for zero emission technologies, emission
17 reduction technology demonstrations, and studies focusing
18 on energy efficiency. We think investment in these areas
19 that would go directly to ports would further the goals
20 and objectives of AB 32 and dramatically reduce greenhouse
21 gas emissions.

22 And we think that the development of these
23 technologies would have applications beyond just in the
24 goods movement sector. So we very much like the direction
25 the plan is going. We want to call specific focus on

1 working directly with the ports and the especially on the
2 zero emission technology. We think it's a good
3 application and worth mentioning. Thank you again.

4 MR. EDGAR: Evan Edgar. Chairman, Board members,
5 my name is Evan Edgar on behalf of the California Refuse
6 Recycling Council. I'm representing the Super Organics
7 Coalition today, but they're not here. I have slide I
8 want to share with you up on the screen.

9 I'm not double dipping, but I'm triple playing.
10 The group I represent, we are here in the middle. You
11 look at clean transportation clean energy, natural
12 resources, and waste diversion. We're in the sweet spot.
13 We do all three at the same time by making a carbon
14 negative fuel.

15 We support the investments when you have
16 currently for the organic waste to bioenergy and the
17 composting. But we urge you to look at carbon negative
18 fuel, because right now you do have the infrastructure
19 equipment for the clean fleets and zero emissions. But
20 CARB Board has certified biogas from anaerobic digestion
21 from food waste has been carbon negative at -15. So your
22 Board staff has certified that. We're making it. And we
23 are up and running with it right now.

24 So with this Super Organics Coalition starts with
25 the California Refuse Recycling Council, I represent over

1 a couple thousand fleets out. There's 15,000 organics and
2 recycling trucks in California. 2,000 are currently on
3 CNG.

4 Then we go to the waste diversion where I'm
5 representing the California Organics Recycling Council,
6 local government, city of San Jose, and from Santa Barbara
7 and from San Diego and Organic Waste Solutions in upper
8 valley, we collect organics from restaurants and we
9 collect them from different generators and retailers. And
10 we are actually implementing the Mandated Commercial
11 Recycling Program that requires five million metric tons
12 of CO2 to be reduced by 2020 as part of the AB 32 Scoping
13 Plan.

14 We take the food waste and green waste and move
15 onto clean energy. There we've got one-third of our
16 biogas goes towards a paracidic load to run the anaerobic
17 digestion. Two-thirds goes into the tank. So on behalf
18 of the zero waste to energy and harvest power, we are
19 doing this right now in California with pilot programs and
20 making them commercial scale. The Bioenergy Association
21 of California, the urban, dairy, and ag sector fully
22 supports biomethane, and we're the local manufacturers,
23 the local government, CSFA, wastewater treatment plants
24 and landfills. And we highly support bioenergy and
25 biomethane.

1 Up there is Bend, which the Stockton Chamber of
2 Commerce about is building infrastructure now for
3 recycling and composting in California. Along with
4 Californians Against Waste who wants to support more
5 recycling and more composting with the same organization.

6 Moving down, the California Compost Coalition, I
7 created the white paper that you guys endorsed as part of
8 your Investment Plan. Thank you very much.

9 We take that compost and we take it to the
10 digestate from anaerobic digestion. We make biomethane.
11 We make digestate. The digestate we take into the compost
12 for sustainable ag and disadvantaged communities and work
13 with the farmers in order to take that compost to the ag
14 lands where we save water by 30 percent on behalf of the
15 Sonoma Compost and Agromin out of California. We're doing
16 that now.

17 But the best part about it, we make a biomethane,
18 which can be clean and compressed into the renewable CNG
19 or bio CNG which is carbon negative fuel. And right now
20 we're doing that. Cleanfleets.net is out on the road
21 training people how to do that. So --

22 CHAIRPERSON NICHOLS: You're like one of the guys
23 who sells the food chopper on late night TV. I get it.
24 You do everything. All you do is great. So why are you
25 here? What are you asking for?

1 MR. EDGAR: I'm asking --

2 CHAIRPERSON NICHOLS: I'm giving you more time,
3 just for that reason.

4 MR. EDGAR: Thank you.

5 Because the Super Organics Coalition, local
6 government, manufacturers, everybody, environmental, we're
7 asking for a focus on carbon negative fuel. Within the
8 plan itself, there's money towards clean equipment, fuel,
9 and infrastructure, but the fuel itself, making it with
10 anaerobic digestion and the biomethane and cleaning and
11 compressing it, that's our ask, because that's not
12 specifically lined out within the Investment Plan. We'd
13 like to see that to have focus investment on carbon
14 negative fuel from biomethane and anaerobic digestion.

15 CHAIRPERSON NICHOLS: Thank you very much.
16 Scott.

17 MR. HAUGE: Thank you. Scott Hauge. Good
18 afternoon. And thank you for the opportunity to speak
19 today.

20 My name is Scott Hauge. I'm the President of
21 Small Business California. We're a grass roots advocacy
22 group and responsible for bringing on bill financing into
23 California --

24 CHAIRPERSON NICHOLS: We can't hear you.

25 MR. HAUGE: I apologize.

1 We are a grass roots advocacy group for small
2 businesses and on-bill financing to California.

3 We supported AB 32. AB 32 Section 38565 says,
4 "The State Board shall ensure that greenhouse gas emission
5 reduction rules, regulations, programs, mechanisms and
6 incentives under its jurisdiction where applicable and to
7 the extent feasible direct public and private investment
8 toward the most disadvantaged communities in California
9 and provide an opportunity for small business, schools,
10 affordable housing, associations," et cetera.

11 In ZIP codes areas designated as disadvantaged
12 communities, small businesses are vital. We ask for the
13 inclusion of small business into the Cap and Trade
14 Investment Plan.

15 We request two specific areas, page 28 in
16 addition recommended energy investment offers significant
17 opportunities to provide jobs and to be located in
18 disadvantaged communities. Example given, residential
19 areas, small businesses, and local public buildings.

20 And section Appendix B8, at a minimum, ten
21 percent of the funds set aside for projects located in
22 disadvantaged communities.

23 Glad to have the support of the coalition 535
24 because they, like us, believe the small businesses
25 particularly diverse, owned, and ethnic small businesses

1 are the backbone of job creation. Thank you.

2 CHAIRPERSON NICHOLS: Thank you. We agree. I'm
3 not sure where the best place is to insert that thought,
4 but we'll take a look at it for sure.

5 Paul Gonzalves.

6 MR. GONZALVES: Good afternoon, Madam Chair and
7 members of the Board.

8 My name is Paul Gonzalves, and I represent the
9 Port of Long Beach.

10 The Port of Long Beach appreciates the
11 opportunity to provide comment to you today on the cap and
12 trade proceed Investment Plan -- excuse me.

13 The Port of Long Beach supports the efforts of
14 the ARB and is committed to developing and implementing
15 appropriate and effective strategies to reduce GHG
16 emissions and other air pollution associated with the
17 movement of goods.

18 The availability of funding from the State's cap
19 and trade auction proceeds will provide opportunities to
20 advance the development of transformative technologies and
21 approaches to reduce GHG emissions for port operations.
22 These include development of zero emission transportation
23 technologies, energy efficiency, clean technologies, and
24 the development of sustainable communities design
25 strategies as identified in the draft concept paper.

1 And investment in these programs will further the
2 State's AB 32 goals and approve air quality from the most
3 impacted neighborhood surrounding the Port of Long Beach
4 and jobs in Southern California.

5 The Ports will respectfully encourage the funds
6 to be allocated directly to the ports and not through any
7 other agencies.

8 And overall, the Port of Long Beach is supportive
9 of the preliminary concepts presented in the draft concept
10 paper and recommends that the funds raised through the cap
11 and trade auctions be allocated towards the advancement of
12 port-related projects and programs. Thank you.

13 CHAIRPERSON NICHOLS: Thank you.

14 Jim Lites.

15 MR. LITES: Good afternoon. I'd ask you, Madam
16 Chair and Board, bear with me for just a moment as I will
17 wear three hats of distinct modes of transportation this
18 afternoon.

19 My name is Jim Lites. I am here on behalf of the
20 San Francisco Bay Area Rapid Transit District. We've had
21 a chance to review the report and are pleased with the
22 emphasis on transportation. As you know, the BART system
23 is in the process of expansion. Ridership is at record
24 highs. And BART is a large electricity consumer. So we
25 look forward to the opportunity to implement methodologies

1 and alternative energy sources for the system to reduce
2 the electricity consumption. Thank you.

3 My name is Jim Lites, and I'm here on behalf of
4 the California Association of Port Authorities. And we
5 also -- I think you've heard today about some of the very
6 successful programs at the Ports of Los Angeles and Long
7 Beach that are in the process of being replicated at other
8 port jurisdictions.

9 We would note, however, that not all of the ports
10 around the state of which there are eleven total have the
11 resources available or have been able to capture some of
12 the resources previously available to implement some of
13 the GHG reduction measures that are certainly priorities
14 of the Board.

15 So we look forward to working within the plan and
16 the structure with the Board, the Legislature, the
17 Department of Finance in order to go ahead and finally
18 implement fully at more ports some of the priorities.

19 One more. Lastly, my name is still Jim Lites.
20 I'm here on behalf of the California Airports Council. We
21 comprise the 30 commercial airports in the state. In
22 essence, anywhere you can buy a ticket and get on a plane.

23 And we were also -- I'd like to associate my
24 comments with those of the gentleman that just spoke on
25 behalf of BART. We're pleased that the report has the

1 transportation emphasis that it does, and it specifically
2 references aircraft. Airports have tried to do many
3 things to not only reduce aircraft engine emissions while
4 at the gate, but also do what they can to reduce their
5 carbon footprint at other aspects and in other aspects of
6 airport operations.

7 So again thank you. And we look forward to
8 working with the Board.

9 CHAIRPERSON NICHOLS: Really great. I think you
10 actually should bring the three hats next time. Little
11 extra visual aid.

12 Bonnie Holmes-Gen.

13 MS. HOLMES-GEN: Good afternoon, Chairman Nichols
14 and Board members. Bonnie Holmes-Gen with the American
15 Lung Association in California.

16 As you are aware, the American Lung Association
17 released our annual State of the Air report yesterday, and
18 I think this provides important context to our discussion.
19 Our report draws attention to the health hazards of air
20 pollution across the country and reminds us that here in
21 California we have some of the worst air pollution in the
22 country, which affects everyone, but especially vulnerable
23 populations, those with asthma, other heart and lung
24 illnesses in children and the elderly.

25 What I wanted you to know about the report is

1 that we don't just issue grades, but we show tremendous
2 progress. Over 36 percent reduction in ozone in the L.A.
3 area. Forty to 60 percent reduction in ozone counties in
4 San Joaquin Valley. Just to remind us all that we're
5 making tremendous progress and that this sustained effort
6 is something that is critical to maintain. And this pot
7 of funding, of course, gives us the ability to support
8 these critical air quality and health goals.

9 So I wanted to make sure that you had seen an
10 important letter from American Lung Association in
11 California and 20 other health organizations, and I will
12 make sure we get a copy of that in the record.

13 I don't have all the 20 groups standing behind
14 me. But the groups include organizations like the
15 California Thoracic Society, the California Public Health
16 Association North, Regional Asthma Coalition, and the
17 Health Officers Association of California.

18 And we are urging you to use those cap and trade
19 funds to achieve the highest level of air quality and
20 health benefits in addition to of course achieving
21 greenhouse gas reductions.

22 And some specific guidelines that we are
23 proposing maximizing local and regional reductions in
24 criteria air pollutants to support our Federal Clean Air
25 Standards, state and federal standards, improving

1 community resilience to worsening climate conditions
2 through improved air quality and health and improved
3 community design, which we talked a lot about that. And
4 of course, advancing health and equity in disadvantaged
5 communities.

6 And we are very supportive of the recommendations
7 that are before you to focus funding on the top priority
8 category in terms of cleaner transportation, zero and near
9 zero emission vehicles, cleaner freight, and assisting SB
10 375 implementation. And just wanted to mention that this
11 375 implementation process has been a big priority for the
12 American Lung Association. And we've been working hard to
13 develop more data to demonstrate the broad health and
14 benefits of sustainable communities, including the
15 benefits from reduced emissions by getting vehicle trips
16 off the road, but also the broader health benefits from
17 increasing physical activity and more active
18 transportation. And we think this will be very important
19 as we move forward.

20 We want to work with you. We are really pleased
21 with the effort that's going on at the Department of
22 Public Health and the Strategic Growth Council to develop
23 more of this data.

24 CHAIRPERSON NICHOLS: That was the buzzer.

25 MS. HOLMES-GEN: That's the buzzer. Thank you so

1 much. We look forward to working with you and there's
2 other recommendations in our letter.

3 A Thank you. Appreciate it. I know you've been
4 involved in this and will continue to be. It's not your
5 last opportunity.

6 Joseph Oldham from Fresno.

7 MR. OLDHAM: Good afternoon, Chairman Nichols and
8 members of the Board. Very pleased to be here today.

9 I'm representing our mayor, Mayor Ashley
10 Swearengin. Fresno, it seems appropriate, the lineup
11 today. I follow the American Lung Association, and Fresno
12 is right in the center of the San Joaquin Valley. It's
13 plagued by some of the worst air quality problems in the
14 state. We've been making huge strides in trying to reduce
15 that air pollution impact.

16 We've been working very closely with the Air
17 Resources Board's policies and goals and objectives for
18 many, many years.

19 The City of Fresno has recognized that you can't
20 just do this with one thing. You have to do it with a
21 variety of different programs. So we've undertaken not
22 only clean vehicle technology upgrades, but also energy
23 efficiency programs, both on the residential and
24 commercial sector. And now we're engaged in a very
25 comprehensive general plan update that is trying to curb

1 the sprawl pattern of growth that has led to a lot of the
2 vehicle emissions that we have in our community and in our
3 region that's plagued really communities all over the
4 California since the end of World War II.

5 Our specific ask is that the Board would look at
6 the HCD infill infrastructure grant as a source of funding
7 for shovel ready capital projects that would promote
8 infill development. Right now, the City of Fresno has
9 very few tools to encourage infill development. We feel
10 that if this grant program was supported through the cap
11 and trade revenues, it would provide us that tool to get
12 incentives available to encourage private capital to
13 invest in our downtown and our urban core areas that have
14 been blighted from the sprawl development that's pretty
15 typical across most communities this California. So
16 that's our ask. And our Mayor has submitted a letter with
17 these comments.

18 CHAIRPERSON NICHOLS: Yes. I had a chance to
19 speak to her also. I was really impressed by her ability
20 to juggle all of various elements of the complexities of
21 the challenge. And her focus on that particular grant
22 program made an impression on me.

23 I did not get a chance to ask any of the previous
24 speakers. But as far as I know, the other groups that are
25 supportive of sustainable communities and transit and so

1 forth, I think this is consistent with what they were
2 asking. But we didn't specifically call this program out
3 in the plan. Is that correct?

4 MS. CHAVIS: Russia Chavis with the Business
5 Transportation Housing Agency.

6 The proposal, as you know, has the
7 transit-oriented development program that HCD has. They
8 also have a second grant program which is the infill
9 infrastructure grant program. They're a little similar
10 and then there is a little bit of differences. The TOD
11 program really allows funding for transit agencies and
12 that's where you get the transit hook. The infill
13 infrastructure grant program allows for more of open
14 space, water, sewer, like those basic infrastructure
15 needs. It's something that you could revisit, but there
16 is small nuances as how those programs funds are
17 allocated.

18 And given conversations with everyone, they were
19 leaning more towards the TOD programs, since that was your
20 transit specific hook since you were looking at
21 transportation.

22 CHAIRPERSON NICHOLS: Okay. Well, hopefully
23 we'll have a chance. I know there is a lot of work
24 between now and the budget that has to be done and not
25 much time. But maybe there is an opportunity to take a

1 look at that.

2 Tim Carmichael.

3 MR. CARMICHAEL: Good afternoon, Chair Nichols,
4 members of the Board.

5 I'm just wondering whether you want to talk to
6 Mr. Kempton or you want me to talk to Mr. Kempton about
7 bumping me from the dead last speaker position, which --

8 CHAIRPERSON NICHOLS: You know, what happens is
9 people come in behind you. So you've got to be careful to
10 hang back until the last second.

11 MR. CARMICHAEL: Which is risky business here.

12 In any case, more seriously, Tim Carmichael with
13 the Natural Gas Vehicle Coalition.

14 I want to echo the comments from CalSTART on two
15 points, the need to fund freight cleanup as a priority and
16 the -- the other thought will come back to me.

17 But one point they didn't make was a small edit
18 on page B6 of the appendix where you're talking about the
19 freight funding. We read that first point on freight as
20 missing some words. It doesn't mention vouchers or
21 rebates. And that's a big part of the current approach to
22 this. Competitive grants are fine, but vouchers and
23 rebates are an effective part of how we are doing it now.
24 And we want to make sure that that was really just an
25 oversight and those words. They're mentioned right below

1 on passenger vehicles. They also apply to the freight
2 vehicles.

3 That also reminds me of the second point, which
4 is that there is a lot of merit to the idea of using these
5 funds to augment programs that are already working well.
6 You don't have to reinvent the wheel. Just the engines in
7 the fuel system.

8 But the --

9 CHAIRPERSON NICHOLS: And tires.

10 MR. CARMICHAEL: More efficient tires and
11 aerodynamics. I was trying to keep it short.

12 So that's it. Very supportive of what you are
13 doing here. Looking forward to this money being collected
14 and distributed quickly. Thank you.

15 CHAIRPERSON NICHOLS: Thanks, Tim. Thanks for
16 being a good sport.

17 Ryan James.

18 MR. JAMES: Good afternoon, Madam Nicholas and
19 the rest of the Board.

20 My name is Ryan James. I represent my
21 organization OOG from East Oakland, California and all of
22 Oakland, California.

23 I want to say thank you very much. I really
24 appreciate. I'm so grateful to be here and to be able to
25 tell my kids in the future that I was part of the

1 conversations for the future. I mean, this is, for me,
2 absolutely mind-blowing. I have so different things going
3 on in my head I'd love to share with everybody, but my
4 time is obviously limited. And we all want to get out of
5 here after a couple hours.

6 But it's so warming to hear all of these
7 conversations right now as far as what's going to be
8 happening with our future.

9 I work with kids from first and second graders on
10 a day-to-day basis. And we are the disadvantaged
11 community that has been kind of Oakland, California. East
12 Oakland, I have gun shots going off every day and whatnot.

13 But we are looking forward to how this
14 programming with reducing the greenhouse emissions is
15 going to create all these other different programs. I'm
16 so excited to be working with everyone that is still here.
17 And just all the different programs and opportunities that
18 we're going to have for our youth.

19 The big emphasis for me looking into the future
20 is that this is the planning piece right now. But all of
21 this is going to be played out in the next 15 to 20 years.
22 So our youth are going to be the ones that are the
23 workforce for this. We're going to be the workers and the
24 drivers for all the great thinkers that are in the room
25 right now.

1 So with that said, like I said, it's so warming
2 that we're making the changes for tomorrow. We're making
3 changes grow. And it's just great we're going to be able
4 to be growing change. We are going to be able to be
5 harnessing change from the sun. We're going to be able to
6 be pulling out water and doing all sorts of new and
7 innovative things as we constantly try to develop as a
8 society.

9 There are so many conversations I've been a part
10 of this week as far as how we talk about how people are
11 now beginning to see the future. Seeing what's tomorrow.
12 So many people are taking off the blinders and we're able
13 to then look forward and be able to plan and be able to be
14 mindful and present as far as what is going on around us.
15 So I want to thank everyone again and have a beautiful
16 day.

17 CHAIRPERSON NICHOLS: Thanks for bringing all
18 that energy with you today. We really appreciate it.

19 MR. JAMES: We drove 80 miles to bring all that
20 energy. I really appreciate all the energy in the room.

21 CHAIRPERSON NICHOLS: That's great.

22 Will Kempton. Is he still with us? He spoke
23 before.

24 Then Chris Shimoda gets the last word. Except
25 for us, of course.

1 MR. SHIMODA: Chair Nichols, my name is Chris
2 Shimoda. I am the Manager of Environmental Policy with
3 the California Trucking Association.

4 And I'd first like to just say we support the
5 changes from the first revision to the second revision of
6 this plan, the inclusion of infrastructure funding in this
7 current plan was, in our opinion, a very good decision.

8 So I'd like to just note two kind of technical
9 points about the wording of the Investment Plan. Number
10 one, I'd like to support Tim Carmichael's earlier comments
11 of including the vouchers rebate approach in addition to
12 the competitive grant process and also put in a plug for
13 financing approaches like the PLACE loan program. We
14 think that as far as the approaches that are currently
15 working, all of those models have proved successful in
16 addition to the grant program. So we'd like to see those
17 continue on in whatever grant process goes forward.

18 So also just one quick comment about specifically
19 AB 118 being named. There are some uncertainties even in
20 the near term prior to the reauthorization process that we
21 know is going to be happening past the scope of the
22 current Investment Plan. But we've seen in some pieces of
23 legislation recently that there is some even near-term
24 uncertainty around AB 118.

25 I'd just like to put in a plug for looking at

1 naming either any successor program, any other type of
2 program that ARB or CDC currently has on the books that
3 would fund any GHG beneficial technologies. We think that
4 the revisions in the future to the Carl Moyer program may
5 look at GHG co-benefits. I know that's one things that's
6 been discussed amongst the folks looking at
7 reauthorization.

8 Just making sure that AB 118 isn't the only
9 program that we could potentially look for because there
10 is some uncertainty there.

11 So looking at a backstop, just providing more
12 certainty for the people who are trying to support the
13 current Investment Plan model would be welcome. That's my
14 comments for today.

15 CHAIRPERSON NICHOLS: Thank you very much. That
16 brings the public hearing portion of this to a conclusion.
17 However, both the court reporter and I need a five-minute
18 break. We're going to take a really short break and then
19 come back and then have some discussion.

20 (Whereupon a recess was taken.)

21 CHAIRPERSON NICHOLS: I think we are ready to go
22 back into session here.

23 Board Member Riordan and I were just chatting
24 about how well this was organized, and I do want to really
25 compliment both the staff and all of the people who

1 participated for the not just individually thoughtful, but
2 collectively thoughtful process that has gone on here.

3 Clearly, the previous workshops and all the
4 meetings that were held in advance of getting to this day
5 made a big difference in terms of the coherence,
6 cohesiveness, and effectiveness of the presentation that
7 we heard.

8 And so I want to express my gratitude, and I
9 think I speak for all the Board members when I say that.

10 We do have a resolution in front of us. As you
11 heard at the beginning, technically, we don't have to do
12 anything. We were required to hold a hearing, and we've
13 held the hearing.

14 But, you know, as a Board, I think we're
15 accustomed to working through resolution process. And I
16 do think it's useful to put our stamp on this product and
17 on the process.

18 And it's also an opportunity now for the members
19 of the Board who have been with this from the beginning
20 from the first time we started talking about how we might
21 actually design a cap and trade program to the point where
22 we have it, we've done it, and now we have some revenue to
23 talk about, which is a definitely a much better position
24 to be in.

25 But there's still steps to go, obviously,

1 including both the budget and the Governor's budget, and
2 the Legislature putting their final stamp on all of this.
3 So we're not in a position yet to be writing any checks.

4 On the other hand, I think there is a lot more
5 clarity than there was a few months ago about how we can
6 use the proceeds of this program in ways that truly
7 support our overall goals as a state. So I think it's
8 pretty exciting.

9 But I do want to give Board members an
10 opportunity to make any observations or ask any questions
11 at this point that they might want to, starting with you,
12 Professor Sperling.

13 BOARD MEMBER SPERLING: Well, I thought the
14 report was actually a really good beginning. I was
15 impressed with it. Provided a good structure, good
16 priority. Articulated a lot of the priorities. And its
17 focus on existing programs initially for at least year one
18 made sense.

19 It was good to see the engagement of all the
20 other agencies as a real participatory because I
21 participate in some of those CAT meetings in the
22 beginning, and I think at some noted they were a little
23 lacking in commitment and engagement by some of the
24 others. But now there is real engagement.

25 So, today, I thought was a really inspiring

1 process. And I thought there were a lot of good ideas in
2 moving forward. And I came out of it with two points that
3 I wanted to emphasize.

4 One is I think we -- it's in the report a little
5 bit -- one or two people -- I know Secretary Rodriguez
6 mentioned it. The idea that we really increased to make
7 sure we say focused on the long term as well as the short
8 term. You know, everyone sees money and they want to
9 spend it. But the real point here is to be stimulating
10 innovation and change and transformation, words that we
11 heard. And so as we go forward, I just hope we don't lose
12 track of that.

13 And you know, part of that might mean in creating
14 some new incentive programs or expanding programs in
15 creative ways that are focused on stimulating innovation.
16 And there are lots of ideas that -- just some quick ideas
17 are including farmland preservation, low friction tires,
18 innovative mobility services. And there were a lot of
19 other ideas that came up. So that was one idea.

20 The other idea that came to me that I didn't hear
21 much of was that we really need to make this performance
22 based as much as possible. That it's very -- you know,
23 we're working across so many areas, so many kinds of
24 programs. And it really lends itself to just getting
25 politicized too much. And I know I'm an academic, but I

1 do believe we can bring some science to the policy process
2 here. And I think we should need to put more efforts into
3 figuring out how to do that. I understand that it's not
4 simple. There is co-benefits. There's the equity issues.
5 There's the long term versus short term. There's
6 leveraging. So it's not straight forward.

7 But I think that should be an important principle
8 when we think about this moving forward. And so it's the
9 idea of creating a more formal quantitative-based
10 framework.

11 And kind of the corollary to that is that
12 accountability part of the process. Are we just going to
13 give out money and then go home?

14 And I think ARB is probably going to be in a
15 position at the end of the day of being put in the
16 position of trying to assure some kind of accountability
17 in the process. And we are here for the long term. And
18 the money is going to be here for the long term. So that
19 idea of accountability I think is something that also
20 should be addressed.

21 CHAIRPERSON NICHOLS: Yes, other comments? Yes.
22 There is.

23 BOARD MEMBER ROBERTS: First of all, I want to
24 agree with Professor Sperling. There are a couple things
25 that jumped out at me.

1 You have to go back to how this whole thing
2 started. I mean, it was a major concern that greenhouse
3 gas is going to basically destroy the planet as we know
4 it. And I think on our way to saving the planet, it seems
5 like we're getting down to saving neighborhoods.
6 Something is getting lost here to some extent.

7 There needs to be some metrics and some standards
8 for prioritizing what we are doing. And I don't see that
9 in the specific sense. We've largely focused our efforts
10 in cleaning up the air by really looking what programs are
11 effective and prioritizing effective programs so that, you
12 know, there may be a lot of programs out there, but they
13 may be very expensive. And we've shied away from those so
14 that we emphasize what are cost-effective ways to clean up
15 the air.

16 We should have some similar structure here. And
17 it's not so much choosing between those big bubbles, but
18 it's within those bubbles even to try to decide what we
19 should be doing.

20 There is no real guideline. And virtually
21 everything qualifies, you know. If I keep my tires filled
22 with air, I'll get better gas mileage. So I guess we
23 should supplement air pumps in every gas station to make
24 sure. You know, that works. Whether it makes sense or
25 not, I don't know.

1 And there is a lot of stuff out here. Once you
2 help create a pot of money, there's going to be a lot of
3 people that see themselves as part of the solution. And
4 they are. But it may not be the most effective thing.

5 And I don't think we should just at the end of
6 the day -- and I think this is somewhat what Professor
7 Sperling is saying, that we are not -- we don't have that
8 criteria in front of us to discriminate between different
9 programs. I mean, I love the Transportation Coalition.
10 But I think even within that there is a whole series of
11 different questions.

12 So the first big part of this that has me a
13 little bit concerned is is this going to end up to be a
14 political boondoggle and a slush fund that's just going to
15 be spent. And, yes, it will in some way, shape, or form,
16 it might effect greenhouse gas, but not necessarily in the
17 most efficient way.

18 If we are really going to do this, it seems to me
19 we ought to be able to feel comfortable that the people
20 whose funds are providing this money that we're taking
21 those and using them in the foremost efficient manner to
22 do the thing that we tax them for.

23 Secondly, the criteria for the disadvantaged
24 communities, whether we talk about urban areas that are
25 excluded or we talk about rural areas that are excluded.

1 I don't know if it's because in the nature that we are
2 doing -- I'm just surprised by what is included and not
3 included, because there are a number of disadvantaged
4 communities.

5 And one of the speakers talked about the grid
6 program and our efforts to put solar into houses and some
7 of the disadvantages of areas. And I was surprised to
8 find those disadvantaged areas aren't even included in our
9 disadvantaged areas. And yet, they're qualifying for the
10 programs we are doing. And I just -- I don't -- there is
11 something in the criteria there that's missing. And I'm
12 not sure what it is. But I'm surprised by it.

13 Some of the very poorest areas and the neediest
14 areas in San Diego are not in there. And they're right up
15 against freeways. And in fact, they're surrounded by
16 freeways. And in most instances and their programs were
17 reactively -- areas where we're trying to actively develop
18 programs for healthier living.

19 So, you know, I don't know what to suggest, but
20 it just seems to me that their criteria may be usually
21 inconclusive or exclusive and we're not -- we're missing
22 something. And from my personal knowledge, just suggest
23 that there are areas that I know are quite deserving that
24 aren't in there. As much I'd like to tell you that all of
25 San Diego is so wealthy we don't need any of this,

1 CHAIRPERSON NICHOLS: I thought you were going to
2 tell us it was all disadvantaged and all the money should
3 be focused there.

4 BOARD MEMBER ROBERTS: I wouldn't claim that
5 either. But there are distinct areas that somehow are
6 being overlooked.

7 And I know from an income and air quality
8 standpoint that they ought to be part of this program.

9 CHAIRPERSON NICHOLS: This is a controversial
10 area, and I'm sure that staff at Cal/EPA and OEHHA would
11 be happy to walk you through how they got to the lines on
12 the map that they got to.

13 Obviously, you know, now that real decisions are
14 riding on it, people are going to be examining it even
15 more critically than they did before. There are people
16 who are pushing back on the very term disadvantaged and
17 suggesting that by labelling certain communities, we're
18 going to be automatically reducing property values and we
19 shouldn't do that. That's in the legislation. So it's
20 not something we have a choice about. But I'm just saying
21 this is going to -- I think we're going to continue to
22 hear about this as we move forward.

23 BOARD MEMBER ROBERTS: Maybe it's the community
24 and it's geographic definition. May be it's causing some
25 problems here also because there are disadvantaged people

1 who maybe don't fall on the same tracks.

2 CHAIRPERSON NICHOLS: Don't live in the ZIP
3 codes. That's part of what the issue is, actually, is the
4 attempt to merge map and merge things sometimes.

5 BOARD MEMBER ROBERTS: Well, I'm just here to
6 testify it's not working.

7 CHAIRPERSON NICHOLS: Understood.

8 BOARD MEMBER ROBERTS: It's leaving out some.
9 Maybe even including some. I'm not sure. But I would say
10 absolutely for certain it's leaving out some people who
11 otherwise should be included.

12 CHAIRPERSON NICHOLS: Mrs. Riordan.

13 BOARD MEMBER RIORDAN: First, let me say I think
14 for our first step, which as I read in our Board summary
15 here that staff did an excellent job and the working
16 together with other agencies, you have done a yeoman's job
17 I think all of you coming together to provide a framework
18 for us.

19 I also hear a bit of what the last two speakers
20 have said. I'm not sure -- and this is my question to you
21 after my compliments. There is a second step, which is
22 mentioned, which is the appropriation of funds to the
23 State agencies and to be consistent with the three-year
24 plan.

25 And I'm wondering if within that first step and

1 the second step there might be some more refinement of
2 what we have just heard in terms of discussion by two
3 Board members that we need to refine perhaps a little bit
4 of what we're doing before we actually have an allocation
5 of fund.

6 I mean, you can distribute the funds but -- to
7 the agencies. But I think collectively maybe we should
8 come to some criteria so that they would know whether or
9 not -- for instance, I'll just give you an example.

10 If we are to look at expenditures, maybe there is
11 a good reason to incentivize some of those moneys where we
12 can do some marching moneys with other funds, whether they
13 be private or public, and that we give some credit to
14 that. In other words, if we used so many of the cap and
15 trade moneys and somebody else contributes to that pot of
16 money and we do a particular program, maybe that should be
17 given a little bit more consideration than one that
18 doesn't use that.

19 I mean, there is a whole host of things I could
20 think of that we might want to have a little bit more
21 discussion. I don't know if that is appropriate for the
22 group that provided us with the recommendations for today.
23 But I think somebody sometime ought to be thinking about
24 it before we actually expend money so that there is some
25 commonality amongst agencies that are responsible so that

1 they know how to expend these moneys.

2 I don't know, Madam Chairman, is there something
3 to be said for something like that?

4 CHAIRPERSON NICHOLS: I have some thoughts along
5 those lines, but I think I'm going to wait until we've
6 heard from others and maybe throw some thoughts out there.

7 Other commentors at this end of the table? John?
8 Whoever. Don't fight for the microphone.

9 BOARD MEMBER BALMES: I would always defer to
10 Sandy.

11 BOARD MEMBER BERG: We are sharing over here.

12 Thank you. I do want to echo my congratulations.
13 This meeting went stellar. It wasn't was inspiring. It
14 was great to see the amount of people that have taken this
15 subject so seriously and the outcomes very seriously and
16 really put some thoughtful proposals together, some ideas.

17 So my question really is it's impossible to
18 capture in a document all of the various ideas. And so we
19 have a plan that we're taking a look at. But as you hear
20 and come across other proposals that could be in the mix,
21 how are we going to integrate new ideas into the plan? Or
22 once we submit it, this is it for 2013 through '16?

23 So we have a list, for example, on various
24 exhibits on what type of programs might be thought of.
25 And I hear from the stakeholders, well, could we put in

1 parks, for example? Could we put in this specific
2 language to make sure that our project may be considered?
3 Is it the type of thing that if the description isn't on
4 the list, then you're excluded for this round?

5 DEPUTY EXECUTIVE OFFICER COREY: Ms. Berg, this
6 is Richard Corey. I wanted to add to that response or
7 have a response and then DOF may want to add to my
8 response.

9 But thinking about the comments that were made
10 here today, a number of them I would characterize as
11 consistent with the intent. Several of the comments
12 talked about the potential candidates for funding,
13 particularly Appendix B. They're referring to Appendix B
14 and the different categories.

15 CHAIRPERSON NICHOLS: Can air districts receive
16 funds. Those are editorial, frankly, and changes that
17 could be made.

18 DEPUTY EXECUTIVE OFFICER COREY: And transit
19 operations and small business. That, to me, is an
20 opportunity as DOF finalizes the plan considering the
21 discussion today to really fold in. And I think we've had
22 a side chat with DOF. And I think there is a willingness
23 and preparedness to take this input and reflect that
24 intent in the document.

25 But with that I'm going to have Karen see if

1 she'd like to add to what I just said.

2 MS. FINN: Thank you, Richard.

3 I think what Richard said is true, and I think
4 after there's few of us here who were on these work
5 groups, and I think we've all been taking notes of things,
6 what I'm going to suggest is maybe we reconvene a few of
7 us, get our notes together, look at the types of things
8 that Richard said were maybe pure technical we all agree
9 on. And maybe the other things that were added we talk
10 through and see, kind of go back to our process, what did
11 we do and were those consistent with what we still thought
12 or were there very specific reasons why we might have left
13 things out.

14 BOARD MEMBER BERG: I think that would be really
15 great if you could do that.

16 And also I think it would be very helpful in
17 looking long term that there -- this is a three-year plan.
18 And we understand that the funding -- we're not quite sure
19 exactly how that's all going to transpire. We're walking
20 a new line here. And we're going to learn a lot.

21 But it would be really helpful if the document
22 would also be very clear that we are looking at short term
23 and long term to set up what the next plan may look like
24 or include, not to be prescriptive any way, but maybe to
25 be a little bit principle bound.

1 So whether that was some of the things that
2 Dr. Sperling spoke about, performance-based, the
3 accountability, simulating innovation. So because I think
4 what you're doing is you are setting the foundation for
5 things to come. And if we're going to do an Investment
6 Plan on three-year period cycles, let's just say, long
7 term might get lost in the process. And I think that
8 would not be in our benefit since the true challenge of
9 this is to meet 2050 or come as close as we can. And
10 without some very, very specific committed long-term
11 projects, we're going to miss that by a long shot.

12 And I'm one that tends to get caught up in the
13 details of today and can stick my head up and say, oh, I
14 was headed for the moon. And I'm still in Sacramento.

15 And so I would just really, really encourage you
16 to step back a little bit and include some long-term
17 language that guides us that we don't want to forget. And
18 those are things on research. There are things,
19 innovation. And when we look at performance-based and
20 accountability, we can't have a one-size-fits-all metric
21 that is used to determine what projects.

22 So if there's one metric, I think we'll also box
23 ourselves in. So I applaud you. This was a yoman's job.
24 I congratulate all the groups for working very closely
25 together. And we're really looking forward to helping you

1 in any way we can. Thanks.

2 BOARD MEMBER BALMES: Well, first, I'd like to
3 add my congratulations to the work of CARB staff and the
4 other State agencies. And I also greatly appreciate all
5 the testimony we heard today. And I've been more diligent
6 than usual in terms of reading comments from various
7 stakeholders. And by and large, those were also very
8 thoughtful.

9 So a couple reactions to what I've heard so far
10 from my fellow Board members, most of which I agree with.
11 Especially about the need for performance-based approach
12 and metrics, both in terms of assessing the impact of
13 potential programs for funding for investment and then the
14 impacts of those programs once they are funded.

15 I mean, we heard that from several of the
16 stakeholder coalitions. I wrote down SB 535 Coalition,
17 the Sustainable Communities Coalition, and the Natural
18 Resources Coalition. They all in one way or another
19 talked about wanting to see good reporting for
20 accountability purposes. I think that's key.

21 Now, we all remember the President's stimulus
22 program, which I think, in fact, did impact positively on
23 the overall economy. Depending on your political
24 persuasion, you would say how well. But it was important
25 that there was some effort in terms of accountability so

1 people couldn't say it was a boondoggle and politicized
2 what went where. I think as an agency that prides itself
3 on evidence-based policy, I think even though we're not in
4 the driver's seat here that we should be pressing for as
5 much performance based metrics as possible. So that's
6 number one.

7 So I agree with Dan, Ron, Barbara, I think Sandy
8 as well in that regard. But one thing I would take issue
9 with with Professor Sperling, I do think we have to keep
10 our eye on the long term. You know, making our 2050 goals
11 is going to be difficult. But I also think we need early
12 results. Because if we want public support for this over
13 the long haul, I think we have to deliver something that
14 the public can see is of benefit.

15 And particularly the public interest groups that
16 have supported AB 32 and actually fought for its
17 preservation politically. So just I think there is a mix
18 of early benefits and then long-term focus.

19 With regard to my colleague Supervisor Roberts,
20 the issue about the disadvantaged communities, a couple
21 things. The map, we knew it was going to be
22 controversial. As a matter of fact, we were sort of
23 unsure. At some point, we were really driving map
24 writing, map drawing for disadvantaged communities. And I
25 was actually very glad that OEHHA took it up from us.

1 Because it's an incredibly difficult task. I think they
2 did a good job with it. It's not perfect. It probably
3 will need tweaking over time. But I think the fact that
4 seven out of ten worst communities are in the San Joaquin
5 Valley is probably right.

6 So the other thing about disadvantaged
7 communities and co-benefits is that's in the law. AB 32
8 says that we should be trying to -- as we implement
9 greenhouse gas mitigation strategies, that we should be
10 targeting disadvantaged communities and especially
11 providing co-benefits to those communities in terms of air
12 quality. I was very impressed that the largest air
13 quality management district in the state, South Coast,
14 specifically said that we need to make sure that our
15 programs -- at least some of the programs target the urban
16 poor in terms of co-benefits in terms of air quality. I
17 know I sound like a broken record on that point. But I'm
18 happy --

19 CHAIRPERSON NICHOLS: It's your thing.

20 BOARD MEMBER BALMES: It is my thing. I think
21 it's an important thing.

22 While we're on the urban poor, several of the
23 groups that came to talk to me, SB 535 Coalition, the
24 Sustainable Communities Coalition, the Natural Resources
25 Coalition, all three groups in one way or another talked

1 about efforts to help urban poor with the first two was
2 mostly -- the thing I was most impressed with was
3 increased transit operations. So not just getting the
4 fanciest new clean emission buses, which might tend to be
5 driven on routes that give maximal publicity and aren't
6 necessarily targeted to the poorest communities, just
7 providing better service. Poor people are reliant on
8 those services, and they've been underfunded, as
9 Supervisor Robert has said in many of these meetings for a
10 long time.

11 So I think that that's a totally important
12 priority with regard to the transportation bubble bin of
13 the Investment Plan.

14 And transit-oriented development, as was brought
15 up by the same coalitions, if we can -- again, the urban
16 poor are who have to rely on public transportation. So if
17 we can provide housing -- support for housing development
18 around public transportation, I think we're achieving both
19 good greenhouse gas emissions, smart growth policies, and
20 helping the urban poor.

21 So I guess the last thing I would say is Ms. Berg
22 said something very insightful, as she often does. In
23 addition to having good metric in terms of accountability,
24 we also need to learn from the first three year Investment
25 Plan in terms of building the next Investment Plan. So I

1 heartily agree with her that we need to use what we learn
2 carefully performance-based to plan for the next round.

3 Thank you.

4 CHAIRPERSON NICHOLS: Okay. Anybody else?

5 Yes, Dr. Sherriffs.

6 BOARD MEMBER SHERRIFFS: Thank you.

7 I also want to add my thanks to staff and the
8 other agencies for their tremendous amount of work that
9 went into this, the collaboration and coordination, the
10 effort that everyone put working together. And really
11 creating a sense that this is not a zero sum game by any
12 means. Even though resources are limited, that we have
13 these long-term goals in mind that everyone is working
14 for. And that's so important.

15 Having complimented everyone on all the great
16 work and the public for their testimony, for the letters,
17 for the participation and the workshops, for being here
18 today, I'll be a little contrary perhaps and say this is
19 called an Investment Plan, but I don't think we have a
20 plan yet. We have lots of opportunities, lots of
21 fantastic ideas, but it's not really a plan. We have some
22 ideas about how we think the fund should be distributed to
23 maximize the benefits that are accrued. But that's not
24 really a plan yet. So we have a lot more work to do on
25 this.

1 And because it really is a work in progress and
2 it's really quite crude, it makes it all the more
3 important that we have those metrics, that we have
4 accountability. We need to know why we're doing what we
5 do. Did it do what we thought it would do. And then that
6 continuous quality improvement, what does this teach us
7 about the next round and reaching our goals.

8 I would also add the short term, yes, it's very
9 important for people to feel this, to be part of it. I
10 think the on-the-ground community involvement for people
11 to actually see things happening in their neighborhoods in
12 relation to this is very important. In many ways, we're
13 talking preventative medicine. And preventative medicine
14 is always a very hard sell. Convincing somebody that
15 something bad didn't happen because they did this, it
16 doesn't work. It doesn't go very far.

17 So those things that people can be involved in
18 and see are very important, not just to 2020, but for the
19 commitments we've all got to make to the 2050 goals.

20 So again, I would really emphasize I think the
21 need -- there needs to be some central accountability.
22 Otherwise, it becomes the fuse. There's potential for
23 many different measures of what succeeded, what didn't.
24 You know, it's been suggested because of ARB's experience
25 with the dealing with a number of these related issues

1 that it may fall to ARB staff. And I wouldn't want to
2 suggest that, because they're already overworked. But
3 we -- part of a plan really is to have -- there needs to
4 be some central locus in terms of where things get
5 reported and how they're tracked. Thank you.

6 CHAIRPERSON NICHOLS: Thank you.

7 BOARD MEMBER SERNA: Thank you, Madam Chair.

8 Certainly, I have the least experience with the
9 subject matter and the product today. But I can tell you
10 that doing what I do as an elected local official, you
11 know, I know that there is no such thing as a perfect
12 plan, whether you call it a plan or some other term,
13 there's not going to ever be a perfect plan.

14 But what I'm very impressed with today is that we
15 had over 70 folks that came to testify. And I think all
16 but two of them held support positions. And they
17 obviously expressed that orally, and the other two were
18 neutral positions.

19 So I think that actually probably speaks louder
20 than anything else that there's been a lot of dedicated
21 effort by our staff and other State agency staff and
22 certainly stakeholders and the public in general.

23 Obviously, this was not something delivered in a
24 day. Although I'm seeing this in my third meeting here at
25 CARB as being somewhat of a milestone event.

1 I think a lot of credit is due to all the folks
2 that had their hand in this. And again, when you have the
3 California Trucking Association, the Farm Bureau, and a
4 whole host of environmental organizations that can agree
5 at least at this point that this is progress, I think that
6 says volumes.

7 So I also want to agree with some of the comments
8 made by my colleagues about focusing on both long- and
9 short-term objectives. I think that's very key. And
10 let's not lose sight of the fact, too, that this is a very
11 interesting ballet in which we're involved moving forward
12 with the Department of Finance, the Administration,
13 ultimately the Legislature. This is not the end of the
14 story. This is the end of maybe the first chapter.

15 And so I think it's important to moving forward
16 to also remember context. We heard from local government
17 today, special districts association. We heard from
18 representatives of local air districts. Not so much with
19 an express concern for not being able to have their hands
20 on the purse string, but I think they actually have some
21 very legitimate concerns in terms of the legislative
22 intent that is in AB 32.

23 And for instance, if you look at local
24 governments, cities and counties in particular, with lots
25 of redevelopment, there's possibly an opportunity here to

1 actually do a couple different things, including maybe
2 have some financial resources where there once were some
3 with redevelopment to focus on TOD development in urban
4 centers and public transit agencies as well. They've
5 suffered immensely over the last several years with their
6 budgets being devastated the way they have. So you can't
7 really blame them for looking at their opportunities to
8 also try to achieve the AB 32 objectives. But also
9 fortify what their intent is in life, which is to provide
10 optimal transit service and to have operations that are
11 serving those disadvantaged communities. So again, great
12 job again. I really look forward to the next chapter.

13 Thanks.

14 CHAIRPERSON NICHOLS: Thank you.

15 Hector, you get the next to the last word.

16 BOARD MEMBER DE LA TORRE: Thank you very much.

17 I'll start with Dr. Sherriff's comments. I
18 agree. It's not a plan. It's like a framework. So
19 you've narrowed down the universe of possibilities down to
20 some manageable possibilities. And so now, you know, we
21 really start to figure out based on some of the things
22 that have been said here about the accountability, about
23 performance measurement, et cetera, how do you get the
24 biggest bang for your buck, because although there's a lot
25 of dollars here, they're still limited.

1 So I think as we move forward, I would hope that
2 CARB will be very much involved in the delivery and the
3 accounting of these dollars, if not the actual expenditure
4 on a regular basis. So this has to be some entity that is
5 very familiar with climate change, that is in a leading
6 role here. And I think that just makes sense that it's
7 here at CARB. So that's -- I know that's something that's
8 being discussed, but I very much believe it needs to be
9 here for AB 32, all the way down the road.

10 So a couple things. A couple thoughts. The five
11 priorities that were brought by the SB 535 Coalition, I
12 want to draw attention to how impressive that was. Having
13 worked with those communities in the past and the EJ folks
14 sometimes, it's like herding cats. And they came of their
15 own accord and narrowed down the possibilities to five.
16 That is an impressive accomplishment. And so I think we
17 have to keep faith with that going forward in those ZIP
18 code communities. And whatever other ones we end up
19 finding that we do those things, those five priorities
20 that we honor those five priorities in those communities.

21 I think economic development is something we
22 didn't talk a whole lot about. Chairman Nichols and I
23 have spoken to some legislators, and they're very
24 interested in the economic development possibilities of
25 green tech in California. And we need to figure out how

1 you do that. You know, whether that's existing entities
2 or going a little bit outside of the norm to find out how
3 do you invest in getting these. Not in research and
4 development, but taking something that's proven and getting
5 it over the hump into mass production and out there to
6 benefit the most people possible.

7 That I think will tie into small business. And
8 getting them engaged in this somehow, whether it's, you
9 know, these start-ups that will be doing this work or in
10 providing inputs, subcontracting, whatever into those
11 products.

12 And then also local government. I absolutely
13 agree with the comments that were made about local
14 government benefiting from this, especially in light of
15 what happened with redevelopment.

16 I would add one other thing, which is if they are
17 able to reduce their costs -- so it isn't just giving them
18 money. It's also finding ways to get them to reduce their
19 costs with energy efficiency, et cetera, so their bills
20 are less. You're doing the same thing. You're giving
21 them money over the long term if they're able to reduce
22 their expenses on utilities, et cetera. So I think
23 there's some great possibilities. The Prop. 39 moneys I
24 think are going to be going to the schools. I think there
25 can be a parallel thing here for cities and counties.

1 And then, finally, just to echo the comments on
2 accountability. There is no doubt about it. We have to
3 have some metric, some way to monitor and report what is
4 happening on the ground with these dollars as they're
5 being spent. I think the public, I think the Legislature
6 will expect nothing less from us.

7 And so we need to start thinking about what that
8 looks like, how you compare apples to apples, even though
9 you're not in terms of some of those projects. Because we
10 are going to have to verify these things and justify it.
11 And then, you know, in some cases, I think we're going to
12 find that some dollars might not be well spent in some
13 certain areas and we just pull back and move somewhere
14 else. But it has to be data driven as we move forward.
15 So those are my comments.

16 But again, echoing everybody else's comment, this
17 was a very good start of a framework of narrowing down
18 thousands of possibilities down to just a handful. And
19 that's a very good start. Thank you.

20 CHAIRPERSON NICHOLS: One more thought. Okay.

21 BOARD MEMBER BALMES: It's a detail, but I think
22 I might be an important one.

23 There is a 50 percent disadvantaged community and
24 identified area requirement for funds to be counted
25 towards the 25 percent -- so 25 percent of the funds are

1 supposed to be providing benefits in disadvantaged areas.

2 CHAIRPERSON NICHOLS: Correct.

3 BOARD MEMBER BALMES: I think you have to spend
4 50 percent of certain dollars -- 50 percent -- not 50
5 percent of dollars, but 50 percent of an area has to be
6 disadvantaged for that to qualify.

7 CHAIRPERSON NICHOLS: No.

8 BOARD MEMBER BALMES: No.

9 CHAIRPERSON NICHOLS: That's not -- I don't know
10 where that language comes from.

11 BOARD MEMBER BALMES: I can actually find it in
12 here. What I was concerned about --

13 CHAIRPERSON NICHOLS: Excuse me. Cynthia, what
14 are we talking about here?

15 BOARD MEMBER BALMES: I should have had it
16 marked.

17 CHAIRPERSON NICHOLS: I don't have it in front of
18 me.

19 ASSISTANT DIVISION CHIEF MARVIN: Cynthia Marvin.
20 This is something that was added to the plan at
21 the request of Cal/EPA and the EJ program. And so we had
22 discussions about what does it mean o benefit a
23 disadvantaged community. And there is a proposal in here
24 that that be defined -- let me read you the words. It's
25 on page 29. And what it says is to meet the 25 percent

1 benefit requirement, at least half of the census ZIP codes
2 served by the project should be identified disadvantaged
3 communities.

4 BOARD MEMBER BALMES: I actually was a little
5 concerned about that being too high of a bar for regional
6 transportation projects, for example.

7 CHAIRPERSON NICHOLS: If a whole city benefits
8 and only a third of the city is disadvantaged or less
9 that, means the project doesn't meet the criteria?

10 BOARD MEMBER BALMES: Exactly. That's what I was
11 concerned about. I'm glad I brought it up.

12 CHAIRPERSON NICHOLS: Thank you. I'm very glad
13 you brought it up. I had not seen that. I don't think we
14 can endorse that particular language. I'm not quite sure
15 what it meant, but I don't think we're at the point yet
16 where we are ready to come up with an accounting
17 methodology to determining whether projects meet the 535
18 threshold. I think that's going to be a topic for a lot
19 of conversation both in advance and afterwards.

20 And I'm sure our Environmental Justice Advisory
21 Committee is going want to have something to say about
22 that, and others are as well.

23 So is that -- are we stuck with that? I mean, I
24 know we're not doing anything. But you're open to at
25 least considering revision to that?

1 MS. FINN: Correct.

2 CHAIRPERSON NICHOLS: I know we're dealing with a
3 draft plan here.

4 MS. FINN: We'll look at it.

5 CHAIRPERSON NICHOLS: Okay. Thank you for
6 pointing that out.

7 One of the things I love about being on this
8 Board is that by the time it gets around to me, most
9 everything that could possibly have been said has been
10 said. And I tend to agree with almost all of it, but I
11 have a couple things to I want to add.

12 First of all, I just want to again once again
13 remark how when we were dealing with wrestling with
14 putting the details of the cap and trade program in effect
15 and taking all of the negative testimony on it, if we
16 could have foreseen a day when we could be here hearing
17 from so many people who are implicitly endorsing the cap
18 and trade program, I think it would have helped cheer us
19 on in somewhat difficult days. And that's a very good
20 thing.

21 Secondly, I just want to say that a lot of my
22 life experience has been shaped around the fact that I
23 worked on several Bond Acts, which raised a lot of money
24 for the state to invest in natural resources projects and
25 then got the opportunity to wrestle with how to spend that

1 money. And it's very interesting to see the evolution of
2 thinking in the Legislature I think partly as a result of
3 all of that.

4 I mean, to think that there would be so many
5 members of a Board like this who would be really
6 expressing strong concerns about accountability and about
7 oversight, you know, as opposed to just, yeah, let's get
8 out there and spend the money and do good stuff. That
9 represents a real change in all of our thinking and
10 philosophy. Maybe moving more in Supervisor Roberts
11 direction.

12 BOARD MEMBER ROBERTS: Hell of an idea.

13 CHAIRPERSON NICHOLS: But the fact is I heard the
14 same kind of conversation going on yesterday when I was
15 waiting for our budget to be called at the Assembly Budget
16 Committee with respect to Prop. 39 and the members,
17 Democrats, you know, leading the charge talking about
18 accountability and how they could be assured that the
19 money was really going to be spent in ways that supported
20 the intent of the people and so forth. So it's a good
21 thing that I think that kind of thinking is going to
22 inform everybody as we moved forward.

23 I don't detect honestly, despite the occasional
24 inflammatory comments, you know, may be coming from the
25 chamber, I don't see anybody saying, yeah, let's just

1 spend the money without any accountability. People are
2 looking for accountability mechanisms.

3 And I love the term that Dr. Sherriff's used,
4 preventative medicine, because I think there are kind of
5 two poles here in terms of saying we're dealing with
6 preventative medicine. How can you measure in advance
7 especially what didn't -- what caused you not to get sick
8 versus the desire to spend a lot of time and effort being
9 able to document in detail exactly how many colds people
10 didn't get as a result of what we did. We're not going to
11 achieve perfection. Obviously, somewhere between those
12 two extremes there is the right answer.

13 But I think that, for me, probably the most
14 heartening thing is to see that stepping back there are
15 plenty of very good ways to invest the proceeds of the cap
16 and trade program that will move us in the direction of
17 achieving the goals of AB 32. And so if we started at the
18 beginning thinking that that was going to be a problem, I
19 think we now see that there is no shortage of good ways to
20 utilize these proceeds.

21 So I would like to ask that we move the
22 resolution that was prepared. Simply says this is a good
23 start and the process was good.

24 BOARD MEMBER SHERRIFFS: Motion.

25 BOARD MEMBER SPERLING: Second.

1 CHAIRPERSON NICHOLS: I'd like to send this along
2 on its way. But clearly I think, Karen, you deserve a
3 shout out for having spent the most time with all of us in
4 a project which is very different from the way the
5 Department of Finance usually works. You know, the
6 Department of Finance is known in bureaucrat parlance as a
7 control agency. That means they don't sit around and
8 collaborate with people. You bring them a plan and they
9 say, yes, no, no, no, no. There is a lot more no than
10 there is yes involved most of the time.

11 So the fact that we've been able to have so much
12 of your time and attention devoted to this and hopefully
13 that you will be willing to continue to keep these
14 discussions going with this group is just -- it's just
15 terrific. I want to thank you for that. We have a motion
16 and a second.

17 Could we have a vote? All in favor please say
18 aye.

19 (Ayes)

20 CHAIRPERSON NICHOLS: Any opposed? No. Okay.
21 You've had your public hearing. Your plan is now
22 yours.

23 (Applause)

24 MS. FINN: I just want to add as you brought up,
25 this was unique for Department of Finance to work on this

1 too, but I think it was unique for all of our departments
2 here that I mentioned at one other meeting. We're so used
3 to working with our blinders on and work with our own
4 programs. This was really a good opportunity for all of
5 us from transportation, natural resources, Air Board all
6 worked together. I think we've already gotten compliments
7 from a few legislative staff that we've dealt with. And I
8 think this will continue to be a very good work in
9 progress. First step, acknowledging. So thank you.

10 CHAIRPERSON NICHOLS: Thank you. If there is no
11 further business -- do we have anyone sign up for public
12 comment? We do not. Okay. I think we are adjourned.
13 Thanks, everybody.

14 (Whereupon the Air Resources Board adjourned
15 at 2:40 p.m.)
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