

MEETING

STATE OF CALIFORNIA

AIR RESOURCES BOARD

JOE SERNA, JR. BUILDING

CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

BYRON SHER AUDITORIUM, SECOND FLOOR

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TIFFANY C. KRAFT, CSR, RPR
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PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

BOARD MEMBERS

Ms. Mary D. Nichols, Chairperson

Dr. John R. Balmes

Ms. Sandra Berg

Ms. Dorene D'Adamo

Ms. Lydia Kennard

Dr. John Telles

Mr. Ken Yeager

STAFF

Mr. James Goldstene, Executive Officer

Mr. Tom Cackette, Chief Deputy Executive Officer

Ms. Ellen Peter, Chief Counsel

Mr. Michael Scheible, Deputy Executive Officer

Ms. Lynn Terry, Deputy Executive Officer

Ms. Kathleen Quetin, Ombudsman

Mr. Joe Calavita, On Road Controls Branch, Mobile Source Control Division

Mr. Kurt Karperos, Chief, Air Quality and Transportation Planning Branch, Planning and Technical Support Division

Ms. Kyra Naumoff, Climate Action and Research Planning Section, Research Division

Ms. Monica Vejar, Board Clerk

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APPEARANCES CONTINUED

ALSO PRESENT

Mr. Mel Assagai, Strategic Counsel

Mr. Mark Aubry, Smith Electric Vehicles

Mr. Damian Breen, Bay Area AQMD

Mr. Jay Friedland, Plug-In America

Mr. Jamie Hall, CalSTART

Mr. Henry Hogo, South Coast AQMD

Ms. Eloisa Kleinentich, BTH

Ms. Aleecia Macias, California Energy Commission

Ms. Laura Marion, APTERA

Mr. Matt Miyasato, SCAQMD

Mr. Noel Perry, Next10.org

Ms. Colleen Quinn, Vectrix

Mr. Max Scheder-Bieschin, Barefoot Motors

Mr. John Shears, CEERT

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1 PROCEEDINGS

2 CHAIRPERSON NICHOLS: The April 24th Board
3 meeting will come to order. This is the continuation.
4 We'll jump right into it.

5 Will the Clerk please call the roll?

6 BOARD CLERK VEJAR: Dr. Balmes?

7 BOARD MEMBER BALMES: Here.

8 BOARD CLERK VEJAR: Ms. Berg?

9 BOARD MEMBER BERG: Here.

10 BOARD CLERK VEJAR: Ms. D'Adamo?

11 BOARD MEMBER D'ADAMO: Here.

12 BOARD CLERK VEJAR: Ms. Kennard?

13 BOARD MEMBER KENNARD: Here.

14 BOARD CLERK VEJAR: Mayor Loveridge?

15 Ms. Riordan?

16 Supervisor Roberts?

17 Professor Sperling?

18 Dr. Telles?

19 Supervisor Yeager?

20 BOARD MEMBE YEAGER: Here

21 BOARD CLERK VEJAR: Chairman Nichols?

22 CHAIRPERSON NICHOLS: Here.

23 BOARD CLERK VEJAR: Madam Chairman, we have a
24 quorum.

25 CHAIRPERSON NICHOLS: We're expecting Dr. Telles

1 shortly.

2 Dr. Sperling is excused, because he's in
3 Washington testifying in the House Public Works Committee
4 on the low-carbon fuel standard.

5 And all the others who are not here are excused
6 for a very good cause. But that was one I thought was
7 worth mentioning.

8 There are two changes in today's agenda. The
9 first change is in the order of items on the agenda. We
10 are going to first hear Agenda Item 9-4-8, the status
11 report on the State Implementation Plan, our State
12 Strategy for the State Implementation Plan. And we'll
13 consider approval of a proposed revision to the State
14 Implementation Plan that would reflect implementation of
15 the 2007 State Strategy. Afterwards, we will continue the
16 agenda as noticed in the public agenda.

17 Secondly, immediately following the staff
18 presentation on the air quality improvement program
19 guidelines and funding plan, Agenda Items 09-4-6 and
20 09-4-7.

21 My fellow Board members and I invite all you to
22 join us outside on the corner of 10th and I Streets to
23 view some of the technology that's going to be on display
24 that is an example of the kinds of equipment that are
25 going to be paid for through the Air Quality Improvement

1 Plan in the upcoming fiscal year. So basically we approve
2 the money first, then go get to look at the good things
3 the money is going to buy. And Mr. Cackette is going to
4 lead us out on this expedition outside the building, but
5 it's only just outside the front door.

6 I have to also repeat the logistical
7 announcements in case there's anyone here who isn't
8 familiar with our procedures.

9 Anyone who wishes to testify needs to sign up
10 with the clerk of the Board over here. You have the
11 option to include your name on the speaker card.

12 Also, we remind people that speakers need to
13 stick to a three-minute time limit, although we might have
14 to impose a shorter limit if there's some reason why
15 that's necessary to do.

16 We would appreciate it if you would state your
17 full name when you arrive at the podium and put your
18 testimony into your own words rather than reading it.
19 It's much more effective for us to listen to it that way,
20 and your written testimony will be in the record.

21 Finally, I have to point out the emergency exists
22 at the rear of the room and to remind you that in the
23 event of a fire drill or any alarm going off, we're to
24 exit through those doors in the rear of the auditorium and
25 wait downstairs outside the building until the all-clear

1 signal is given.

2 I think that's enough for that.

3 And we can now move into the status report on
4 implementation of the 2007 State Strategy for meeting the
5 federal 8-hour ozone standard.

6 Mr. Goldstene.

7 EXECUTIVE OFFICER GOLDSTENE: Thank you, Chairman
8 Nichols. Good morning, members.

9 The SIP revision before you today is a technical
10 update that demonstrates ARB's progress in achieving new
11 emission reductions needed to meet federal air quality
12 standards.

13 The U.S. EPA has been reviewing the 2007 SIP and
14 requested some specific revisions that would facilitate
15 the approval process. Staff will briefly summarize the
16 proposed revision.

17 Kurt Karperos, Chief of our Air Quality and
18 Transportation Planning Branch, will make the
19 presentation. Kurt.

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

22 AIR QUALITY AND TRANSPORTATION PLANNING BRANCH
23 CHIEF KARPEROS: Thank you, Mr. Goldstene. Good morning,
24 Board members.

25 As Mr. Goldstene just said, I will describe the

1 proposed technical amendment to the SIP to aid U.S. EPA
2 approval. And I'll begin with a brief SIP status report.

3 --o0o--

4 AIR QUALITY AND TRANSPORTATION PLANNING BRANCH

5 CHIEF KARPEROS: The State Strategy the Board approved in
6 2007 committed ARB to reduce oxides of nitrogen, reactive
7 organic gases, sulfur oxides, as well as directly emitted
8 particulate matter by various amounts in various years.
9 These reductions are in addition to the benefits we
10 achieve from regulations already in place.

11 The enforceable legal commitment is for specific
12 emission reductions in various years, along with a
13 schedule for developing new control measures for ARB to
14 achieve new reductions.

15 In the 18 months since the Board approved the
16 State Strategy, you have taken action on 14
17 pollution-reducing rulemakings. Eleven of those
18 rulemakings implement measures outlined in the State
19 Strategy.

20 But just as with past SIPS, staff has developed
21 additional ways to reduce emissions that weren't
22 envisioned in the plan.

23 The Board has adopted three rules that were not
24 described in the State Strategy, but the reductions from
25 those rules will count toward the SIP commitment.

1 AIR QUALITY AND TRANSPORTATION PLANNING BRANCH

2 CHIEF KARPEROS: Now let me turn to the SIP revision
3 itself.

4 As I mentioned earlier, U.S. EPA requested that
5 we include information in the SIP to aid their approval of
6 the plan. U.S. EPA is asking for this information
7 specifically in the context of its three-part approval
8 criteria for SIPs that, like California's, rely on
9 enforceable commitments to reduce emissions.

10 The first criterion is that the commitment be for
11 a limited portion of the needed emission reductions. As I
12 just described, with approximately 90 or more percent of
13 the needed near-term reductions accounted for with adopted
14 regulations, staff believes this test is clearly met.

15 U.S. EPA's second approval criterion is that the
16 State is capable of fulfilling its commitment. ARB's
17 track record speaks for itself. ARB's performance in
18 meeting its obligations both under this SIP and prior SIPs
19 is solid evidence the State is capable of adopting
20 regulations to which it commits.

21 U.S. EPA's third approval criterion is that the
22 commitment be for a reasonable and appropriate period of
23 time.

24 The rulemaking schedule in the SIP runs through
25 2012, with most of it done by 2010, which meets that

1 criterion.

2 --o0o--

3 AIR QUALITY AND TRANSPORTATION PLANNING BRANCH

4 CHIEF KARPEROS: So that U.S. EPA can conclude the
5 emission reductions in California's enforceable commitment
6 from yet to be adopted measures is a limited proportion of
7 emission reduction needed for attainment, the proposed
8 revision quantifies for U.S. EPA the benefits of the
9 recently adopted State measures.

10 Related to its criteria, U.S. EPA has also asked
11 that ARB commit to revise the SIP as may be appropriate in
12 2010. This will give U.S. EPA the assurance it needs that
13 ARB will continue to meet the criteria on an ongoing
14 basis.

15 Next, U.S. EPA also asked for more detail on the
16 development of long-term strategies to meet the 2023
17 attainment deadline for the 8-hour ozone standard in the
18 South Coast and San Joaquin Valley.

19 In response for the SIP, staff outlined the
20 coordinated public research efforts with U.S. EPA and the
21 two air districts.

22 Finally, for editorial clarity, the proposed
23 revision also incorporates emissions reductions in
24 Sacramento from the State Strategy now that the Board
25 approved it last month.

1 will need to account for that as we move forward towards
2 the attainment deadline.

3 But in terms of how it doesn't -- the numerical
4 impact is small enough and less than a percent in terms of
5 how much progress we've made towards fulfilling our
6 commitment.

7 BOARD MEMBER BERG: Thank you. You're very kind.
8 It was the off-road rule, not the on-road rule.

9 And secondly, if we look at doing a mid-course
10 review in 2010, it might be very interesting data to be
11 looking at what the effect of the economy might be having
12 on our air quality. Even though we certainly don't like
13 this downturn, there might be some benefits to air
14 quality. And it will be interesting looking at that data
15 as well.

16 Thank you very much.

17 CHAIRPERSON NICHOLS: Thank you.

18 Your questions illustrate the fact that this is a
19 constantly moving process that we're engaged in. And
20 every one of these submittals is taken at a certain point
21 in time, even though the train may have moved on and the
22 elephants may have gone in the opposite direction. That
23 seems to have happened here.

24 But anyhow, we do have some progress to report.
25 And I think it's -- I'm really heartened by the fact that

1 we are able to close the big gap on the unknown portion of
2 the commitments, having sat on the other side of this
3 issue at EPA.

4 Everybody always knew that California had a great
5 program and California was going to do things that nobody
6 else could do, as we demonstrated once again yesterday.
7 But the Clean Air Act has some very precise requirements
8 in terms of tons that have to be reduced. And it's very
9 nervous-making when you just get a big promise without any
10 detail attached to it. And obviously there's not a lot
11 more detail. It's very encouraging.

12 I show only one witness signed up to speak on
13 this, and that's Henry Hogo.

14 Good morning, Mr. Hogo.

15 MR. HOGO: Good morning, Madam Chair, members of
16 the Board.

17 I'm Henry Hogo, Assistant Executive Deputy
18 Officer of our Mobile Source Division at the South Coast
19 AQMD.

20 I want to make two comments this morning relative
21 to the action.

22 First, I want to commend the Board and your staff
23 for the significant progress made in implementing the SIP
24 through your rulemaking. They're a very challenging
25 rulemaking, and we really appreciate that effort.

1 Also want to commend staff for the progress made
2 with U.S. EPA towards an approvable SIP. That's the
3 action you're taking today.

4 We do have very short comments.

5 The first is that the proposed SIP revision
6 contains a commitment to achieve future emission reduction
7 in total. If there is a shortfall in adopting specific
8 measures, other measures or strategies will be identified
9 to make up the shortfall. We believe to strengthen this
10 commitment that commitments should be extended to existing
11 regulations in the case that these existing regulations do
12 not achieve the benefits that were to be realized when you
13 adopted the rule. So we believe that can strengthen your
14 commitment on the SIP.

15 The other comment is that we just want to be
16 mindful that the large black box that we have in the South
17 Coast that despite the significant progress, we need to
18 move expeditiously towards identifying specific measures
19 or strategies to make up for that black box. And so we
20 need to move as quickly as possible. And we really want
21 to see a SIP revision earlier than 2020 in order to look
22 at the black box.

23 With that, I just want to say that the South
24 Coast AQMD staff is looking forward to working with your
25 staff as you identify these measures in the black box.

1 Thank you.

2 CHAIRPERSON NICHOLS: Thank you.

3 Were there any other cards submitted on this
4 item?

5 BOARD CLERK VEJAR: No.

6 CHAIRPERSON NICHOLS: Okay. Well, I think we
7 actually have a resolution here that we need to act on.

8 Do we have any other remarks, Mr. Goldstene or
9 Mr. Karparos, anything else we need to do before we bring
10 this resolution up?

11 EXECUTIVE OFFICER GOLDSTENE: No. Not at this
12 time.

13 BOARD MEMBER D'ADAMO: I'll move adoption of the
14 resolution.

15 BOARD MEMBER BALMES: Second.

16 CHAIRPERSON NICHOLS: Okay. All in favor -- all
17 in favor please say aye.

18 (Ayes)

19 CHAIRPERSON NICHOLS: Any opposed?

20 Great. Thank you very much.

21 Now we return to the agenda as it was previously
22 organized. We have an early action item that was
23 identified under AB 32, which is to develop guidance and
24 protocols to assist small businesses in reducing
25 greenhouse gas emissions. These are voluntary guidelines.

1 They're not regulatory. But the belief is that there is
2 an interest and certainly an opportunity out there for
3 small business to both assist in improving our greenhouse
4 gas emissions profile and also to develop cost effective
5 measures that they can take themselves that will help with
6 energy efficiency.

7 So we need to hear a progress report on how this
8 is doing. Mr. Goldstene.

9 EXECUTIVE OFFICER GOLDSTENE: Thank you, Chairman
10 Nichols.

11 Of course, small businesses are an essential part
12 of California's economy. And the AB 32 Scoping Plan
13 underscored the need for us to provide tools to assist
14 businesses with transitioning to a low-carbon future.

15 In response, staff's been developing an online
16 toolkit that will help businesses identify meaningful and
17 cost effective actions that they can take as part of our
18 statewide effort to reach our 2020 greenhouse gas goals.

19 Staff from the Research Division has led this
20 effort with a lot of support from other State agencies and
21 several other -- many external stakeholders.

22 Kyra Naumoff of our Research Division will make
23 the staff presentation.

24 (Thereupon an overhead presentation was
25 presented as follows.)

1 MS. NAUMOFF: Thank you, Mr. Goldstene. Good
2 morning, Madam Chair and members of the Board.

3 We are pleased to introduce to you ARB's small
4 business toolkit that will help small businesses
5 participate in California's efforts to reduce greenhouse
6 gas emissions, and in many instances, save money.

7 This measure was identified by the Board as an AB
8 32 early action in 2007.

9 Before I discuss the toolkit, I will highlight
10 the importance of the small businesses both in terms of
11 California's economy and in meeting California's climate
12 change goals as outlined in AB 32.

13 I will then discuss our resource portal,
14 CoolCalifornia.org, home of the small businesses toolkit.

15 The remainder of the presentation will focus on
16 the toolkit itself.

17 --o0o--

18 MS. NAUMOFF: California's 3.4 million small
19 businesses employed 13.8 million Californians and
20 generated \$149 billion in 2007. They are clearly an
21 important contributor to California's economy.

22 Small business owners are also a hard-working and
23 creative group of people. In many cases, they work on
24 tight margins with limited time and constantly wear
25 multiple hats.

1 This creative drive will be an important asset in
2 helping California meet its climate change goals.

3 --o0o--

4 MS. NAUMOFF: Given the importance of small
5 businesses to California's economy, ARB analyzed the
6 impact that implementation of Scoping Plan measures will
7 have on them. While most of the measures in the Scoping
8 Plan will not impact small business directly, our analysis
9 concluded that the primary impacts AB 32 will have on
10 small businesses include changes in the costs of goods,
11 services, and energy.

12 The Scoping Plan specifically recognizes the need
13 to work in partnership with California small businesses
14 and reiterated the importance of developing a small
15 business toolkit to provide a one-stop shop for technical
16 and financial resources to facilitate voluntary GHG
17 emission reduction and cost savings strategies.

18 We will continue working with the many business
19 associations, organizations, and other State partners that
20 can contribute resources, input, and expertise.

21 --o0o--

22 MS. NAUMOFF: CoolCalifornia.org is our
23 overarching resource portal designed to provide all
24 Californians with tools to voluntarily reduce GHG
25 emissions. Tools have been developed for small

1 businesses, local governments, and individuals. Staff
2 will introduce the local government toolkit at the May
3 Board meeting.

4 Future plans to improve the website include
5 developing tools and resources for youth, school, and
6 community organizations, and translating the site into
7 other languages, including Spanish and Chinese.

8 Though there are many existing resources that
9 promote climate-friendly action, they are not organized in
10 a central location. CoolCalifornia.org strives to do just
11 that, while also providing a unique carbon footprint
12 calculator and social networking capacities that are
13 California specific. Staff worked with the web designers
14 and stakeholders to create a site that is clear and user
15 friendly.

16 --o0o--

17 MS. NAUMOFF: A strength of CoolCalifornia.org is
18 its partnership of five government, academic, and
19 non-governmental organizations. Collectively, the
20 partners have the expertise to develop site content and
21 experience to broadly distribute the information.

22 Our key partners are NEXT 10 and UC Berkeley.
23 NEXT 10 is a non-governmental organization that creates
24 tools and provides information that fosters a deeper
25 understanding of the critical issues effecting all

1 technical review panel, shown on the slide, and from small
2 business owners.

3 --o0o--

4 MS. NAUMOFF: Discussions with stakeholders were
5 instrumental in guiding the toolkit development process.

6 Via these conversations, staff learned that it
7 was critical to:

8 Emphasize that cost savings often go hand in hand
9 with emission reduction strategies;

10 Highlight success stories that can be replicated
11 by other small business owners;

12 Concisely discuss how AB 32 will impact small
13 businesses;

14 Provide business to business networking
15 opportunities;

16 And develop a plan to actively distribute the
17 toolkit so that small businesses across the state can use
18 it.

19 These suggestions are reflected in part by the
20 icons shown on the left-hand side of the screen that are
21 currently displayed on the CoolCalifornia.org home page.

22 --o0o--

23 MS. NAUMOFF: Toolkit development also included
24 web and literature reviews and a review of similar
25 programs to emulate successful strategies.

1 screen is organized similarly. A table of contents at the
2 top of the page directs users to no-cost, low cost, and
3 long-term energy savings strategies. The resources
4 section on the right-hand side of the page points users to
5 related sites with additional information.

6 --o0o--

7 MS. NAUMOFF: In addition to the online
8 resources, staff developed concise down-loadable check
9 lists for each money-saving strategy to facilitate action.
10 This is part of a sample checklist for saving energy.

11 In addition to specific actions, the checklist
12 has information on initial investment costs, annual cost
13 savings, and GHG reduction potential. A comprehensive
14 checklist can be downloaded from the small business home
15 page.

16 Alternatively, specific check lists can be
17 downloaded for each money saving strategy.

18 --o0o--

19 MS. NAUMOFF: Another tool for tuning up
20 businesses is information about funding options to get
21 small businesses started on climate friendly retrofit
22 projects.

23 Considering only monies available to facilitate
24 energy efficiency upgrades, there is approximately \$800
25 million available for 2009 for general energy efficiency

1 metrics, like up-front cost, payback period, net cost
2 savings, and investment rate of return.

3 --o0o--

4 MS. NAUMOFF: Staff also developed an awards
5 program to incentivize, recognize, and reward early
6 leadership. This program is based on existing models.
7 Some models, like EnergyStart, Flex Your Power, and the
8 Waste Reduction Award Program recognize businesses that
9 have taken action in a specific area, such as energy
10 conservation or waste reduction.

11 Other programs, like the Governor's Environment
12 and Economic Leadership award, have a climate change
13 award, but tend to recognize high level extraordinary
14 businesses and organizations.

15 This new award will recognize multiple California
16 small businesses that demonstrate climate leadership by
17 implementing and promoting climate friendly practices.
18 Applicants will be eligible for one of two awards. For
19 the CoolCalifornia excellence award, each business will be
20 evaluated individually and up to 20 awards will be
21 presented. Approximately five 'Small Business of the
22 Years' awards will be awarded to the businesses that
23 demonstrate exceptional climate change management
24 practices and communication.

25 Applicants will be scored by selected experts.

1 Award winners will be able to use the CoolCalifornia
2 winner logo in their window and on other materials to
3 publicize their achievements.

4 --o0o--

5 MS. NAUMOFF: Staff is committed to developing a
6 comprehensive toolkit distribution strategy. A key avenue
7 will be working in partnership with stakeholders to share
8 the toolkit through existing networks coordinated by
9 California small business leadership. For example, both
10 the air districts and California.gov will post a link to
11 CoolCalifornia on their home pages.

12 Business Transportation and Housing is committed
13 to promoting the toolkit by working through local economic
14 development agencies.

15 We are also going to be working with the Office
16 of Climate Change to organize multiple community forums
17 across the state to introduce online and printed toolkit
18 versions and facilitate connections to local resources.

19 Staff regularly give toolkit presentations at
20 conferences and trade fairs and is willing to make
21 presentations for interested business associations. We
22 are also working closely with ARB's Office of
23 Communications to develop a marketing strategy.

24 --o0o--

25 MS. NAUMOFF: The toolkit is a continually

1 MS. NAUMOFF: Many small businesses across the
2 state have already demonstrated that they can improve
3 their bottom line with climate friendly actions.
4 Collectively, these actions can help California reach its
5 2020 GHG emissions reduction goals.

6 Moving forward, staff will continue to work with
7 small business leadership to improve and widely distribute
8 the toolkit.

9 Throughout the process, it's instructive to keep
10 in mind that the EnergyStart campaign started in 1992 as a
11 voluntary labeling program, saved businesses,
12 organizations, and consumers about \$19 billion in 2008,
13 and avoided GHG emissions equivalent to those from 29
14 million cars.

15 Similarly, since 2001, the Carbon Trust helped
16 participants in their energy efficiency and carbon
17 emissions reductions programs save over \$1.4 billion worth
18 of energy and reduce carbon dioxide emissions by 17
19 million metric tons.

20 Staff looks forward to moving the small business
21 toolkit and CoolCalifornia.org along in a similar
22 trajectory.

23 Thank you for your attention. We would be
24 pleased to answer any questions.

25 CHAIRPERSON NICHOLS: We have two witnesses.

1 They're actually partners and collaborators of ours. And
2 I'd like to hear from them, and then we can have some
3 discussion.

4 We'll start with Noel Perry from NEXT 10.

5 Welcome, Noel.

6 MR. PERRY: Thank you, Chairman Mary.

7 My name is Noel Perry, and I'm the founder of
8 NEXT 10. NEXT 10 is a nonpartisan, nonprofit organization
9 located in Palo Alto, California. And NEXT 10 is working
10 at the intersection of the environment, the economy, and
11 quality of life issues in California.

12 I'm honored to be here today to talk a little bit
13 about the work of NEXT 10 with the Air Resources Board and
14 also our other esteemed partner.

15 As a venture capitalist and businessman, I'm very
16 impressed with the resources that the California Air
17 Resources Board has brought to the CoolCalifornia site and
18 specifically, as we're focused on today, small businesses
19 in California. I thought the report that was done by Kyra
20 was excellent. I could go on and on about the importance
21 of small business in California, but I think she did a
22 really good job highlighting what the contribution is.

23 And specifically, quite simply, in business, most
24 businesses in California are small, with under 150
25 employees. And I think it's really significant that the

1 California Air Resources Board is reaching out to small
2 business California, because small business California is
3 the life blood of California.

4 I just want to say a little bit about what NEXT10
5 has produced. We've produced the California green
6 innovation index. And the index is focusing on the
7 economy and the environment as relates to AB 32 and the
8 successful implementation of it. And check it out, if
9 you'd like to look at it. It's not partisan. I think
10 it's documenting the work that's happening here in the
11 state of California, specifically focused on the economy,
12 green jobs, and how we reduce greenhouse gas emissions.

13 I'd like to compliment the California Air
14 Resources Board for what happened yesterday with the low
15 carbon fuels. I guess that was an early action item. And
16 so we are honored to be here working on another project
17 that was an early action item which is the CoolCalifornia.

18 CHAIRPERSON NICHOLS: Not quite as many witnesses
19 on this one.

20 MR. PERRY: Right. I guess today is a little
21 easier to come up here and speak.

22 I would like to thank Mary for her leadership.
23 I'd like to thank Bob Croes and all the staff that we're
24 working with on this project. And it's a real honor.

25 I would like to really say how tremendous it is

1 to work with the California Air Resources Board, because I
2 see it as the leader in the nation and actually the world
3 as one of the most respected and esteemed regulatory
4 bodies that is leading the world in terms of reduction of
5 greenhouse gas emissions. So keep up the fabulous work.

6 Last, but not least, I want to thank Sara Henry,
7 the NEXT 10 program manager who's been working very
8 closely with CARB. Congratulations, and thank you for
9 letting me speak.

10 CHAIRPERSON NICHOLS: We hate to cut people off
11 when they're complimenting us, but we have to keep the
12 time limits.

13 Thank you so much, Noel, for all your support.
14 And really you've added a lot to this document, which is
15 very much appreciated. Thank you.

16 Go ahead.

17 MS. KLEINENTCH: Good morning. My name is Eloisa
18 Kleinentich. I'm Assistant Deputy Secretary of Business
19 Transportation and Housing Chairwoman and to the Board.

20 I just wanted to talk a little bit about what BT
21 and H is doing and how we got involved and really jumped
22 on this excellent opportunity and your great staff here at
23 the ARB.

24 Secretary Bonner has a regional economic recovery
25 and work plans. And what we're trying to do is trying to

1 get from the bottom up is understand what infrastructure
2 projects locals have focused on as being important for
3 their communities. But what we also have asked is what
4 can we do to support small businesses, specifically in
5 these difficult economic times.

6 Secretary Bonner put green teams as one of those
7 options. What we'd like to do -- our initial idea was to
8 go and create a website and get all of the organizations
9 within the state together. But when I ran into your great
10 team, as I mentioned, here at the ARB, I thought this is
11 great. I'll have the opportunity to work with them.

12 So what we were able to do, thanks to the
13 information that we received from them, is work together
14 to really focus some of the content for small businesses.
15 We work with all the economic developers throughout the
16 state. That's county, regional, and cities all have some
17 sort of economic development effort. What they're telling
18 us is they would like some sort of tools they can use to
19 bring to the table with small businesses.

20 So what we've teamed up is again based on the
21 website information, filling some of the information on
22 small businesses, is how can we, in fact, help them. What
23 we will do with that is teaming up with ARB is get the
24 information out to the economic developers about what
25 these options are. And in our responses back to local

1 communities on their regional economic recovery work
2 plans, we'll also be referencing the website
3 CoolCalifornia, so they can also work with their
4 businesses as well.

5 So we find that this is a great opportunity for
6 cross pollenization. It's a great toolkit. It's been a
7 pleasure to work with the excellent staff at ARB. And
8 it's great that we're all coming together to support small
9 business.

10 So thank you.

11 CHAIRPERSON NICHOLS: Thank you very much.

12 I'd like to open this discussion. I know we
13 could take a day on this issue and it would be very
14 productive, but we have people on this Board who have some
15 real expertise in this area that I would also like to hear
16 from, other than just myself.

17 I just want to start off by saying I think this
18 is a very good start. I think it's well organized. It's
19 thoughtful. But the most important thing that I want to
20 flag about this is that it has to be road tested. And it
21 hasn't really been yet. And where we need the help is not
22 just to count the number of hits that come to a website,
23 but to actually find out whether people are taking action
24 as a result of this and what they need in order to enable
25 them to do that, because they disconnect between what

1 government thinks it's offering no matter how good it is
2 and what people actually do is very large as we all know
3 in many programs. And finding ways to actually get this
4 information to people in a format that's useable that they
5 can act on is not an easy thing at all.

6 One of the reasons why I think having these two
7 partners that are here today is tremendously valuable to
8 us is they have different networks. They come from
9 different backgrounds. They have different resources
10 literally available to them than we do.

11 But, you know, I have to acknowledge the fact
12 that yesterday we heard from an array of people who have
13 Chamber of Commerce and small business in their titles who
14 are hearing nothing but that AB 32 and the Air Resources
15 Board are going to cost them a lot of money and create
16 havoc in the state. And I don't think that they're part
17 of this process at all. Maybe we can't get every
18 individual in the state or every group in the door. But
19 I'd sure like to find a way to do something about that
20 disconnect.

21 So I'd like to open the discussion up to the
22 Board members. Start with you, DeeDee, I guess, or you.

23 BOARD MEMBER KENNARD: Well, first of all, I had
24 a pre-briefing, and I'm really very impressed with the
25 work that staff has done.

1 And I think this is the first step in engaging
2 the small business community, in educating them. But most
3 importantly, at the end of the day, it's going to be the
4 economics. If you're a small business owner, and
5 particularly in this environment, you're struggling just
6 to survive. And if this can help to create the nexus and
7 the information to convince that small business owner that
8 this is going to increase their margins of profitability,
9 I think we'll have a real win here.

10 And this is a great first step at getting people
11 educated in this vain and that they can participate in
12 reducing emissions and still be profitable. And that will
13 be the key I think for the small business owners.

14 So I'm really excited about this.
15 Congratulations on this good work. Again, this is another
16 just beginning for us, and I think it's very exciting.

17 CHAIRPERSON NICHOLS: Great. Thank you.

18 DeeDee.

19 BOARD MEMBER D'ADAMO: Well, I agree with the
20 comments that the Chair made about the groups that were
21 here yesterday.

22 I'd like to know from staff, did you meet with
23 any of the representatives? We did see a number yesterday
24 that were here yesterday and on several previous
25 occasions. So did you meet with any of those individuals?

1 RESEARCH DIVISION MANAGER MORA: We met initially
2 with the Hispanic Chamber. So we went over the concept of
3 the toolkit. We've been trying to arrange a meeting, but
4 we certainly look forward to working with them in the
5 future. We have a couple of meetings set up in the next
6 few weeks. So we will continually improve the toolkit as
7 we get feedback from the various groups. There will
8 always be an opportunity to provide.

9 BOARD MEMBER D'ADAMO: Terrific.

10 I just think we need to find a constructive place
11 for those groups to go.

12 And I agree with Ms. Kennard that if it results
13 in a savings, if they see that connection, that that might
14 be one way to peak their interest.

15 And then I think a key is going to be
16 distribution. It's going to involve a lot of work getting
17 out into the communities. And a lot of these businesses
18 don't even have time to go to their local chamber
19 meetings. So figuring out a way to get beyond just
20 organization meetings and somehow getting the information
21 out to individuals that are just busy working well beyond
22 9:00 to 5:00.

23 CHAIRPERSON NICHOLS: Right.

24 Yes, Supervisor.

25 BOARD MEMBER YEAGER: Thank you.

1 Thank you, Kyra, for the follow-up information
2 that you sent me. I was able to forward it on to a lot of
3 green organizations in Santa Clara Valley, and hopefully
4 we'll have some of our success stories to site.

5 And then as we had talked about, and I think you
6 were going to follow up on it, if we could track where
7 users go after they've been to this website, it's
8 always -- and I know there are programs that are out
9 there. Just be curious to know what additional
10 information are they looking for that they couldn't find
11 at the website. And then we can figure out if we didn't
12 want to include that or do a link or whatever. I think it
13 will give us additional information.

14 And is there a way for similar businesses or
15 government agencies to sort of talk with each other?
16 Because all these businesses and whether you're a school
17 or city just sort of have different needs and are going to
18 be wanting different information. Will there be a
19 category for schools? How can you just sort of zero in on
20 like businesses or services?

21 MS. NAUMOFF: Sure. That's a great question.

22 When you go to the home page, the top of the home
23 page area, there is a horizontal navigation bar that lists
24 the different sectors: Government, business, community,
25 and organizations.

1 And we are also going to a Phase 2 development
2 where we're exploring more social networking opportunities
3 to give, for example, businesses the opportunity to create
4 a page that they can post their own things if they're
5 interested in that and do those same type of things for
6 the local government. We can follow up with you on that,
7 because we'll be having those discussions within the next
8 week.

9 BOARD MEMBER YEAGER: You'd be able to cross
10 reference you can go to all the school districts that are
11 listed or all the nurseries that are listed or restaurants
12 just to figure out -- and maybe it's a little bit to the
13 social networking you're saying if there is perhaps a way
14 for people to comment. I applied for this loan; it was
15 really easy. Or I applied for this loan, and it was a
16 nightmare. Whatever it is. I tried this, and it didn't
17 save me any money, you know. In that way, you can sort
18 of -- they can all talk to each other to some extent.

19 MS. NAUMOFF: That point came up in another
20 briefing sharing the challenges. We're going to have some
21 sort of online blogging opportunities for businesses to do
22 that. We have talked about that idea with actual business
23 owners and chambers at a meeting organized by Marty
24 Keller, and they seem very receptive to that opportunity
25 as well. We expect to see that as part of the toolkit

1 down the line.

2 BOARD MEMBER YEAGER: One last point. I'm more
3 familiar with government, but there's a lot of businesses
4 and government agencies that are doing a lot. Is it going
5 to be their responsibility to log onto the website and put
6 down what they're doing, or is it our responsibility to
7 find out what others are doing and then include that?
8 Because the latter is going to take a lot more staff time,
9 but it's going to be a lot more comprehensive, because,
10 you know, a lot of businesses and government agencies are
11 really being very serious about this. And so there's a
12 lot of information out there. I'm not sure how you're
13 going to collect it.

14 MS. NAUMOFF: I think it's going both ways. At
15 this point, it's been staff mostly trying to compile the
16 resources, but clearly that list isn't comprehensive. So
17 as we have these community forums across the state as we
18 just extend our network and have our marketing and
19 outreach campaigns, hopefully more governments and
20 businesses that are already doing things will contact us
21 as well. So I think that is going to be going in both
22 directions.

23 BOARD MEMBER YEAGER: Great. It's very exciting.

24 CHAIRPERSON NICHOLS: Sandy.

25 BOARD MEMBER BERG: It is very exciting, and I

1 congratulate staff. You've done an outstanding job in
2 taking the first step.

3 I think I'm disappointed that we don't have some
4 representatives here from small business, and we did have
5 quite a few people yesterday. And so I think we see what
6 one of our challenges is. They obviously do go over the
7 agenda, and they do attend and come and testify. And yet
8 it would have been very helpful to get some feedback
9 today.

10 So I think that for me that is an indication of
11 some of the challenges we're going to face on providing
12 what Chairman Nichols said is a valuable tool that they
13 actually will get valuable information. The value's here.
14 We just have to figure out how to get the value
15 proposition out.

16 The other thing I think as a Board member and
17 somebody that meets with these people is I also can say,
18 wait a minute. These are the tools that are available,
19 and so I would like to assist in that. And as we roll
20 these things out, being able to have that information as
21 I'm having meetings so that I can pass on that information
22 and have a little accountability from both sides. I know
23 there's a great deal of intrepidation, a great deal of
24 uncertainty, but sometimes you have to push them up to a
25 momentum where they start seeing the positive rather than

1 the negative. And so if we could be mindful of that.

2 As we go into the social networks -- and I'm not
3 of the generation that really understands all that
4 dynamic. But after seeing what happened with the black
5 car situation on the cool paints, which I did get a
6 tremendous amount of calls about -- I could have almost
7 sold out of my black paint. We would really need to
8 monitor those blogs and make sure that we have like
9 information and accurate information for people to read.
10 And so it would be important if we venture into that that
11 we would commit the staff resources to monitor, to
12 respond, and to keep the conversation flowing from all
13 opinions. So that would be an observation that I would
14 have.

15 And I would be happy to help in any of the
16 marketing strategies as we look to getting this out.

17 But congratulations. It's a great first step,
18 and I look forward to participating.

19 Thank you.

20 CHAIRPERSON NICHOLS: Thank you.

21 Doctor.

22 BOARD MEMBER TELLES: Yes, so my first question
23 is to Ms. Naumoff.

24 So, Kyra, when you were measuring wood stove
25 emissions in Guatemala a few years ago, did you ever think

1 you would be doing the CoolCalifornia website?

2 MS. NAUMOFF: I'm still looking for the link.

3 BOARD MEMBER TELLES: Very proud of your work
4 here. Another former student. School of Public Health at
5 Berkeley.

6 But more seriously and to follow up on Ms. Berg's
7 comments, I think we -- this is a great toolkit. And
8 you're talking about surveying 50,000 businesses. But
9 there are 3.4 million businesses.

10 And I think that in the area of climate change in
11 greenhouse gas emissions, we're, as we talked about
12 yesterday, in a different ballpark than the air quality
13 regulations that we've been used to for the last number of
14 decades. So I think we have to have a different
15 communication strategy.

16 You know, I think it's great how we get op-ed
17 pieces in the L.A. Times about the low-carbon fuel
18 standard. I think we're very good at doing that. And I
19 commend the communication staff. But to market this kind
20 of stuff and get the word out that climate change, AB 32
21 regulations are more than gobbledygook, which is what most
22 people think they are, we have to figure out a way to do
23 that. And it's probably an entirely different type of
24 communication and marketing strategy than we've ever been
25 used to. So I don't know if staff has been thinking about

1 that.

2 But the only thing I can compare from my own
3 experience is the California Department of Health Human
4 Services then put a lot of resources into professional
5 marketing about smoking and stop smoking. Those campaigns
6 were very effective. They were also very expensive and
7 very slick. People knew what they were doing in
8 developing those slick adds.

9 Are we moving in that direction? Because I think
10 it would be -- it's really probably important not just for
11 us to feel good about getting the word out, but so that
12 the public, all sectors, small businesses, in particular,
13 we're focused on is engaged in working with us, because if
14 the public isn't engaged, we aren't going to get there.

15 CHAIRPERSON NICHOLS: Right. I'm pretty
16 convinced that there is a strong overlap between what
17 we're trying to do or the product we're trying to sell, if
18 you will, and the Flex Your Power campaign and previous
19 campaign to get people involved in energy conservation.
20 There are some additional items, of course, that we're
21 talking about here in terms of, you know, products for
22 re-doing your auto air conditioning.

23 I mean, there are going to be some other
24 approaches other than just energy conservation. But most
25 of the stuff is really about energy conservation, using

1 energy more efficiently. And there is a lot to learn
2 about what's worked and what hasn't worked in the past.

3 The twist or connection between that and
4 greenhouse gases kind of cuts two ways. I agree with
5 several people who said that for a lot of the folks that
6 are listening to this, greenhouse gases are just some
7 weird thing that people are talking about now that
8 environmentalists are trying to get you scared about. And
9 there is a substantial minority, but it's not a fringe of
10 people, who feel that this whole issue is just one more
11 thing they don't want to worry about. They'd rather not
12 hear about it, thank you very much.

13 And I do think that since we are obviously -- we
14 have to talk about it, because we're required to by AB 32,
15 making the connection between that and other things that
16 do resonate like energy efficiency and independence from
17 foreign oil and saving money are the ways that we're going
18 to succeed. So we don't have to cover up what our agenda
19 is, but we have to talk to people about something that
20 they're actually willing to hear about. And I think
21 that's going to be the key to this.

22 And it is going to involve marketing techniques
23 that we are not familiar with. I think it's actually
24 perfect that someone who has a background in public health
25 is working on this project, because that's exactly the

1 same kind of approach that we have to take here.

2 Sandy.

3 BOARD MEMBER BERG: We might be able to piggyback
4 on some of those programs, as you said, that wouldn't be
5 as expensive.

6 And the other thing, it might be a great
7 opportunity to go to some of the business schools and see
8 who would like to take a project on marketing this type of
9 program and coming up with a campaign and get some of that
10 younger generation that really is embracing these changes
11 and how would they get the word out.

12 So we might want to -- we've got some dynamite
13 business schools in this state. And if a few of the
14 schools and a couple of student teamed up if that was
15 their project, we might be get some really interesting
16 ideas.

17 CHAIRPERSON NICHOLS: That's terrific.

18 BOARD MEMBER KENNARD: Mary, I had one other
19 thought.

20 That is in listening to this conversation, I want
21 us to be very careful about the expectation, because this
22 is all phenomenal work. But to expect that us as Board
23 and staff can make a huge and phenomenal impact on this is
24 really I think unfair and that we ought to have some
25 measurable expectations about the numbers of businesses we

1 actually can reach by utilizing organizations like NEXT 10
2 and the chamber, et cetera. Because as a matter of
3 reality, we're not going to reach a huge number of
4 businesses, particularly in these initial years. And so I
5 just want us to be careful about not putting that kind of
6 pressure on staff and ourselves to believe we can all of a
7 sudden miraculously get a huge number of small businesses
8 engaged.

9 CHAIRPERSON NICHOLS: Do you have any
10 suggestions? Maybe this is another one of those business
11 school type projects. But, you know, how to develop a
12 realistic plan for what we should be targeting so we would
13 be able to really measure our success.

14 BOARD MEMBER KENNARD: I think that in
15 coordinating with the chambers and other organizations to
16 kind of take a pole on what is realistic. Is it ten
17 percent of the population of small businesses? Is it one
18 percent?

19 I think it would be really helpful if we had kind
20 of a target as opposed to just out there nebulously saying
21 we're going to reach out to small businesses. Because if
22 we don't have a target, we never can be successful,
23 because we don't know what the number is.

24 CHAIRPERSON NICHOLS: That's a very good point.
25 I hope we can address that and fold that into your

1 thinking. And obviously there's a lot of interest on the
2 part of the Board in staying abreast of what you're
3 saying. So keep us posted.

4 BOARD MEMBER BERG: And there certainly are other
5 programs out there that we can measure against as well.
6 So I think that's an excellent point.

7 CHAIRPERSON NICHOLS: Okay. If we're done with
8 this item, which I think we are -- thank you for those who
9 came to join with us today.

10 If there's anybody that doesn't get the joke
11 about black paint, you can ask one of the ARB staff
12 people. They'll explain it to you.

13 We need a Resolution here. What are we doing
14 with the Resolution?

15 EXECUTIVE OFFICER GOLDSTENE: You're directing us
16 to continue to work on this.

17 CHAIRPERSON NICHOLS: We're directing you to
18 continue to work on this.

19 BOARD MEMBER BERG: I move on Board Resolution
20 9-4-5, instructing staff to move forward.

21 CHAIRPERSON NICHOLS: We don't have a quorum at
22 the moment to pass a Resolution. People left.

23 BOARD MEMBER KENNARD: It's still an important
24 issue.

25 EXECUTIVE OFFICER GOLDSTENE: The discussion has

1 been very helpful.

2 CHAIRPERSON NICHOLS: You don't need a Resolution
3 anyway. But I think you have the sense of the Board. We
4 wish you to continue working on this project.

5 EXECUTIVE OFFICER GOLDSTENE: Thank you.

6 CHAIRPERSON NICHOLS: Thank you.

7 BOARD MEMBER BALMES: I heard that.

8 CHAIRPERSON NICHOLS: We still need one more. We
9 need six.

10 Normally, when we have a nice feel good item like
11 this, we don't also have to pass a Resolution. But staff
12 seems to wish to have a Resolution. We have one, and it's
13 good.

14 BOARD MEMBER KENNARD: I'll move it.

15 BOARD MEMBER BERG: Second.

16 CHAIRPERSON NICHOLS: All in favor say aye.

17 (Ayes)

18 CHAIRPERSON NICHOLS: Thank you very much.

19 When Dr. Balmes was commenting on the effective
20 anti-smoking campaign, I remember hearing a very
21 interesting briefing from one of the professionals that
22 was involved in designing those commercials about how they
23 had developed them. And it focused on the fact which I
24 think most people realize, although we don't like it, is
25 we all respond better to negative commercials than we do

1 to positive. So all of the commercials they did that were
2 designed to make people understand why it would be good to
3 quit smoking were not nearly as effective as the ones
4 that focused on evil tobacco industry people who were
5 coercing you to do things that were bad for your health.
6 So I guess we can say the same thing.

7 We are now ready for the next two items, which
8 we're going to take up together, because they're directly
9 related. They both address implementation of the air
10 quality improvement program, which we call AQIP, ARB's
11 newest incentive program. And this is a program which was
12 created by a bill called AB 118 signed into law by
13 Governor Schwarzenegger in 2007. It was a priority for
14 then Assembly Speaker Nunez who worked very hard to create
15 this program, which provides money for incentives for
16 transforming vehicle fuels and technologies.

17 And so we now have the opportunity to put
18 together guidelines for how this money is to be spent.
19 And so we're going to be looking at a regulation for this
20 funding plan regulation which will define how the funding
21 program will work for fiscal year 2009-2010. It gives us
22 the opportunity to spend \$42 million for projects in the
23 next fiscal year and establishes our priorities also for
24 the funding cycle, describes the projects that we would
25 fund, and sets funding targets for each of these projects.

1 This will be an annual event, but hopefully we
2 will have priorities which will stretch out for more than
3 one year at a time so that people can see the direction
4 that we're going in.

5 So we'll take up the funding plan and the
6 guidelines at the same time and hear testimony on both of
7 these items together.

8 Mr. Goldstene, would you introduce this item,
9 please?

10 EXECUTIVE OFFICER GOLDSTENE: Thank you, Chairman
11 Nichols.

12 AB 118 creates three new incentive programs
13 providing up to \$200 million in annual funding through
14 2015 to support introduction of alternative fuels and
15 reduce greenhouse gas and smog emissions.

16 The funding is administered by ARB, the
17 California Energy Commission, and the Bureau of Automotive
18 Repair.

19 Today, we are asking the Board to approve two
20 proposals that would enable us to move forward with ARB's
21 part of AB 118, the air quality improvement guidelines,
22 and the plan for expending this year's funding.

23 AQIP provides over \$40 million annually for ARB
24 to invest in clean vehicle and equipment projects to
25 reduce criteria pollutants and toxics. The projects will

1 also provide significant ancillary greenhouse gas
2 benefits.

3 AB 118 expands ARB's portfolio of air quality
4 incentives, providing the opportunity to fund projects
5 that do not fit within the statutory framework of existing
6 incentive programs, such as the Carl Moyer Program, Goods
7 Movement, and Lower Emission School Bus Programs.

8 These existing programs focused on near-term
9 reductions to reduce ozone and particulate matter
10 pollution and cut exposure to toxics. We propose to use
11 AB 118 funds to help achieve commercializing the advanced
12 technologies necessary to help meet post-2020 SIP goals
13 and 2050 climate change goals. This fills a critical
14 niche in ARB's air quality investment portfolio.

15 This funding will provide an economic stimulus
16 for California by accelerating development and deployment
17 of tomorrow's vehicles and improvement, providing a boost
18 to local advanced technology manufacturers, and
19 stimulating the California market for the next generation
20 of green workers needed to support these technologies.

21 Today's proposal builds upon the action the Board
22 took last September by approving the AB 118 guidelines.
23 As we noted at that time, those guidelines were narrowly
24 limited in scope to ensure the projects ARB and the Energy
25 Commission fund under AB 118 complement and do not

1 this year;

2 Our proposed funding plan to guide expenditure of
3 \$42 million in AQIP year two funds.

4 --o0o--

5 MR. CALAVITA: First some background on AB 118
6 and how it fits in with California's other air quality
7 incentive programs.

8 --o0o--

9 MR. CALAVITA: The state now has over half a
10 billion dollars available annually to invest in clean air.
11 Each of these six incentive programs have different
12 statutory provisions and fill particular niches, but they
13 fit together to form a complementary portfolio that can
14 help us meet both our near-term and long-term air quality
15 goals.

16 Traditionally, ARB's incentive programs have
17 focused on near-term reductions to reduce ozone,
18 particulate matter, and air toxics. AB 118 builds on
19 these successes and creates three new programs.

20 The first provides \$30 million a year to expand
21 the Bureau of Automotive Repair's car scrap program.
22 We'll propose implementation guidelines for this program
23 at the June Board meeting.

24 AB 118 also provides up to 120 million annually
25 to the California Energy Commission for alternative and

1 been crafted to allow the types of projects, funding
2 mechanisms, and other program elements to evolve.

3 --o0o--

4 MR. CALAVITA: The proposed regulation
5 establishes the robust administrative requirements
6 necessary to ensure that AQIP will be implemented in
7 accordance with statutory provisions.

8 At the same time, the proposed regulation
9 provides sufficient flexibility to encourage the
10 development of new emerging emission control technologies.

11 We held four rounds of public workshops over the
12 past year to develop today's proposal. We've received
13 positive feedback supporting the guidelines, and we've had
14 no requests for changes.

15 --o0o--

16 MR. CALAVITA: I'll now change gears a little bit
17 and provide an update on how we're using year one AQIP
18 funds to launch the Truck Loan Program, as known as PLACE.

19 We introduced the Board to this program last
20 December as a way to assist truckers impacted by the two
21 regulations adopted that month.

22 --o0o--

23 MR. CALAVITA: The Truck Loan Program helps
24 truckers get more reasonable financing terms for purchase
25 of new and used trucks, exhaust retrofits, and SmartWays

1 energy efficiency upgrades.

2 We estimate that ARB's \$42 million appropriation
3 will leverage about \$300 million in financing.

4 Today's tightening credit market makes this
5 program even more critical than when it was originally
6 conceived. The target participant is what we refer to as
7 the nearly bankable truck owner, one that doesn't quite
8 conform to conventional loan underwriting standards, yet
9 is not so risky as to be considered unbankable.

10 --o0o--

11 MR. CALAVITA: The loan program has two
12 components. The first is a loan guarantee program run
13 through the State Treasurer's Office Capital Access
14 Program, also known as CalCAP. We spoke to you briefly
15 about this at last month's Board meeting during our update
16 on ARB truck incentives.

17 The CalCAP loan program kicked off just this
18 week. Truck owners can now access loans either through
19 participating lenders or truck dealerships.

20 We're heard a number of truck owners have already
21 submitted loan applications which are with banks being
22 processed.

23 We're also launching a second component to
24 provide additional financing options, such as interest
25 rate buy downs, lease buy backs, or extended re-payment

1 periods. These alternative financing options will be
2 available starting this summer.

3 We will closely monitor the Truck Loan Program
4 and evaluate future funding each year as part of the
5 annual AQIP funding plan.

6 --o0o--

7 MR. CALAVITA: I'll now shift into the core of
8 the presentation, the proposed funding plan for the coming
9 fiscal year.

10 Our vision is for these funds to advance the next
11 generation of technologies needed to meet longer term SIP
12 and climate change goals. This compliments the Moyer and
13 bond program's focus on near-term reductions from fully
14 commercialized vehicles and equipment.

15 --o0o--

16 MR. CALAVITA: The cornerstone of the proposed
17 funding plan is \$25 million to accelerate the deployment
18 of hybrid trucks and buses. This is a category where we
19 believe an initial large investment can have an impact on
20 truck and bus fleet makeup and help advance hybrid
21 technology.

22 We anticipate this funding commitment will help
23 these vehicles become established in the market, much the
24 way hybrid cars are now established.

25 We're also proposing investments in the next

1 generation of passenger vehicles, lawn and garden
2 equipment, and off-road work vehicles. The 9 million
3 proposed for demonstration projects target technologies
4 that are not yet ripe for commercialization, but that show
5 near-term promise.

6 --o0o--

7 MR. CALAVITA: This slide identifies the ten
8 types of AQIP projects authorized by AB 118. Our proposal
9 covers these six of the ten allowable project types.

10 Substantial investments in air quality research,
11 work force training, and light-duty vehicle scrap are
12 being made by the Energy Commission and Bureau of
13 Automotive Repair pots of AB 118 funding, so we're
14 deferring funding for these categories this year.

15 --o0o--

16 MR. CALAVITA: You may be wondering how the
17 proposed funding plan for this year fits into our
18 long-term vision for AQIP. We expect that as hybrid
19 trucks and buses are produced in larger numbers, vehicle
20 costs will decline to the point that funding is no longer
21 needed.

22 At the same time, hybrid off-road equipment and
23 marine vessel technology should mature and could be a good
24 candidate for future year AQIP funds.

25 --o0o--

1 MR. CALAVITA: Similarly, we anticipate funding
2 for electric residential mowers will help encourage
3 further development of this technology, to the point that
4 electric equipment becomes available for use in the
5 commercial sector where the bulk of emissions occur.

6 --o0o--

7 MR. CALAVITA: Our funding allocation for ZEVs is
8 based on the number of vehicles expected in the next year.
9 As production of these vehicles ramps up further, we may
10 recommend additional funding in future years.

11 As with the other deployment projects proposed
12 for funding today, we expect these vehicles to eventually
13 be self-sustaining so incentives would no longer be needed
14 in the longer term.

15 Of course, each year's funding plan will be
16 dictated by on-the-ground circumstance and is ultimately
17 predicated upon Board approval.

18 --o0o--

19 MR. CALAVITA: On to a summary of the proposed
20 projects.

21 Hybrid technology can significantly reduce
22 criteria pollutant, air toxic, and greenhouse gas
23 emissions, particularly in delivery vans, work vehicles,
24 urban buses, trash trucks, and other vehicles with high
25 stop and go or idling duty cycles.

1 Hybrid trucks and buses are now on the market in
2 multiple configurations and models. But because they're
3 being built in small numbers, their price is typically too
4 high to justify their purchase based on fuel economy
5 savings alone. This project would provide a voucher for
6 about half the incremental cost of these vehicles --

7 --o0o--

8 MR. CALAVITA: -- which is between 10 to \$35,000
9 depending upon vehicle weight.

10 Our funding would accelerate deployment of about
11 the first thousand vehicles in California, helping pave
12 the way for the medium and heavy-duty hybridization
13 measure in Climate Change Scoping Plan.

14 --o0o--

15 MR. CALAVITA: The next project is for incentives
16 to purchase zero-emission and plug-in hybrid passenger
17 vehicles, neighborhood electric vehicles, zero emission
18 motorcycles, and zero emission commercial vehicles.

19 This project's proposed structure and rebate
20 amounts are modeled after ARB's successful alternative
21 fuel incentive program, which is sunseting this spring.

22 For the first time, we're also proposing
23 incentives for zero emission medium- and heavy-duty
24 commercial vehicles, such as electric delivery vans.

25 --o0o--

1 MR. CALAVITA: The next project would augment
2 local air districts' popular and successful lawn and
3 garden equipment replacement programs. The project would
4 fund replacement of gas powered lawn and garden equipment,
5 typically residential lawn mowers with cordless electric
6 equipment.

7 District programs have been limited in scope due
8 in part to lack of funding. And this project would invest
9 significant State funds in this category for the first
10 time.

11 We anticipate this program will enable districts
12 to fund an additional eight to 10,000 zero emission lawn
13 mowers.

14 All air districts designated as non-attainment
15 for the federal 8-hour ozone standard would be eligible
16 with a focus on those districts with the worst air
17 quality. Districts would be required to match each dollar
18 of AQIP funding with a dollar of local funds.

19 --o0o--

20 MR. CALAVITA: The final vehicle deployment
21 project is for zero emission agricultural utility terrain
22 vehicles, or UTVs. The equipment population of these
23 vehicles in the California agricultural industry is second
24 only to that of tractors.

25 Electric agricultural UTVs are available for sale

1 today, but their higher cost relative to gas-powered UTVs
2 can defer their purchase. The proposed rebates equal
3 about half the vehicle incremental cost. Recreational
4 vehicles would not be eligible for funding.

5 --o0o--

6 MR. CALAVITA: We're proposing to administer
7 these projects differently than the Carl Moyer or Goods
8 Movement Incentive Programs. We've used the lessons
9 learned from these existing programs and the statutory
10 flexibility provided by AB 118 to craft streamlined,
11 transparent, and user-friendly funding mechanisms.

12 The first three projects listed here would allow
13 purchasers to access and redeem vouchers or rebates as
14 part of their typical purchase transaction and would use
15 common statewide funding protocols.

16 You may hear comments today suggesting other
17 funding mechanisms. However, we believe the
18 administrative structure we're proposing is consumer
19 friendly and provides the simplest most transparent
20 mechanism to accelerate deployment of these technologies.

21 The proposed AQIP guidelines complement our
22 proposal by providing the framework for robust oversight
23 and accountability.

24 We'll conduct competitive solicitations for an
25 air district, CAPCOA, or other qualified public or private

1 organizations to administer each of the first three
2 projects listed here.

3 The lawn and garden equipment replacement
4 project, the fourth deployment project, is intended to
5 allow multiple air districts to fold AQIP funding into
6 their existing programs.

7 --o0o--

8 MR. CALAVITA: I'll now move on to the
9 demonstration projects we're proposing to fund. To
10 identify projects, we held 12 public work group meetings
11 with local air districts, technology providers, vehicle
12 and equipment manufacturers, and other interested
13 stakeholders.

14 The off-road focus of our proposed demonstration
15 project was made in coordination with the Energy
16 Commission, which focuses its AB 118 demonstration project
17 funds on the on-road sector. We targeted those
18 technologies which show the most promise for
19 commercialization within the next three years.

20 As mentioned earlier, we believe the technologies
21 proposed for demonstration today could be good candidates
22 for rebate funding to accelerate their deployment in
23 future years.

24 --o0o--

25 MR. CALAVITA: This slide identifies the five

1 proposed vehicle and equipment categories and funding
2 targets for demonstration projects. The \$9 million
3 proposed for demonstration projects represents about 20
4 percent of the total AQIP funding allocation.

5 Eligible technologies, including hybrid and zero
6 emission technologies, are detailed in the proposed
7 funding plan.

8 We believe air districts are uniquely suited to
9 administer demonstration projects for vehicle and
10 equipment types that most impact their regions.
11 Solicitations for demonstration project administrators
12 would be staggered over the 2009-2010 fiscal year and
13 would allow for funding of projects in the five categories
14 listed here.

15 --o0o--

16 MR. CALAVITA: The bulk of this program's
17 benefits aren't from the vehicles that are directly
18 funded, but are ancillary benefits from accelerating
19 initial deployment of proven advanced technologies.

20 These accrue by helping increase production and
21 bring down vehicle and equipment costs to the point where
22 they can be competitive.

23 By bringing these technologies into the main
24 stream, our projects will also help accelerate technology
25 transfer, for example, hybrid technology transfer from

1 when we bring our proposed year three funding plan to you
2 for your consideration next spring.

3 --o0o--

4 MR. CALAVITA: In conclusion, we recommend the
5 Board adopt the proposed air quality improvement program
6 guidelines and approve the proposed funding plan for
7 fiscal year 2009-2010.

8 CHAIRPERSON NICHOLS: Thank you.

9 I don't have a witness list on this item.

10 CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: The
11 next step is to go outside and look at the vehicles that
12 we showed on the slide.

13 CHAIRPERSON NICHOLS: We're going to take a break
14 first. All right. Sorry. I thought we were going to do
15 it the opposite way. I've been confused before.

16 In that case, we will adjourn briefly, like for
17 15 minutes I would say probably, to go out the back way
18 and down the stairs and out to the street on the 10th
19 Street side. We'll follow you.

20 CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: We've
21 got -- I think there's probably about eight or nine pieces
22 of equipment. They're labeled with the kind of incentives
23 they are. There's somebody to talk about each one if you
24 have interests. But we can go relatively quickly down the
25 line and hit the street. We'll start at the right-hand

1 side and go towards I Street toward the Citizen Hotel.

2 CHAIRPERSON NICHOLS: Okay. Great. Thank you.

3 (Thereupon a recess was taken.)

4 CHAIRPERSON NICHOLS: The first name on my list
5 is Aleecia Macias from the California Energy Commission.

6 The other Board members are in the back, but they
7 can hear you.

8 EXECUTIVE OFFICER GOLDSTENE: Chairman Nichols,
9 before she starts, I'd like to say we've been very happy
10 with the work we've been doing with the Energy Commission
11 and are very proud of the partnership we have with them.

12 CHAIRPERSON NICHOLS: Very glad to hear that.

13 MS. MACIAS: Thank you, Mr. Goldstene.

14 Good morning, Chairman Nichols and members of the
15 Board. I feel kind of awkward saying that.

16 CHAIRPERSON NICHOLS: They're not physical, but
17 they're there virtually.

18 MS. MACIAS: My name is Aleecia Macias. I am
19 representing the California Energy Commission today in
20 support of the Air Quality Improvement Program guidelines
21 and the 2009-10 funding plan.

22 The Energy Commission has worked closely with the
23 Air Resources Board staff over the last year to ensure our
24 respective programs and the proposed funding allocations
25 are complementary.

1 Staff have held a number of coordination meetings
2 and supported our program development. So we also
3 appreciate the Air Resources Board staff.

4 And today at the Board meeting, the potential
5 adoption of the guidelines and the funding program, we
6 wrap up a big week for alternative fuels in California.
7 You may be aware on Earth Day the Energy Commission
8 adopted the investment plan for the Alternative Fuel and
9 Vehicle Technology Program. The Air Resources Board Air
10 Quality Improvement Program and Energy Commission's
11 Alternative Renewable Fuel and Vehicle Technology Program
12 couldn't be timelier with the availability of federal
13 moneys through the stimulus package.

14 California has the potential to double the
15 investment in alternative fuels that come into our state.
16 And these programs offer investment that is critical to
17 California's alternative fuel industry, allowing for
18 growth in our economy, green job creation, and more.

19 And I would like to thank the Air Resources Board
20 staff for the partnership we've shared in developing these
21 programs. We support the adoption of both the AQIP
22 guidelines and funding plan today as the next step towards
23 bringing alternative fuels to the marketplace. And we
24 look forward to continuing our partnership to make these
25 programs a success.

1 Thank you for your time.

2 CHAIRPERSON NICHOLS: Thank you very much. This
3 is a real partnership, and it's so far I think
4 unprecedented really historically that we've had two
5 agencies working so effectively to make sure that our
6 funds go further than they would have separately.

7 So I know that's what the Governor's insisting on
8 and hopefully will put us in good stead for getting more
9 stimulus money as well.

10 So thank you.

11 CHAIRPERSON NICHOLS: Okay. Laura Marion from
12 APTERA.

13 (Thereupon an overhead presentation was
14 presented as follows.)

15 MS. MARION: Good morning.

16 --o0o--

17 MS. MARION: My name is Laura Marion, and I'm the
18 Chief Financial Officer of APTERA Motors. And I'm pleased
19 to have the opportunity to speak with you this morning.

20 APTERA understands the broad purpose of the Air
21 Quality Management Improvement Program, and we support the
22 staff proposals on both the guidelines and 2009-2010
23 funding plans.

24 Next slide.

25 --o0o--

1 MS. MARION: Particularly as it relates to
2 encouraging greater adoption of light-duty clean vehicles
3 through the use of the Clean Vehicle Rebate Program. We
4 believe that one of the challenges that has been impeding
5 the adoption of clean light-duty vehicles to date has been
6 the limited number of options available to consumers in
7 the market.

8 --o0o--

9 MS. MARION: Very few zero emission vehicles
10 available on the market today are freeway capable and
11 affordable. And ATPERA believes increased adoption of
12 clean vehicles will require a broader selection of choices
13 for consumers that are both freeway capable and
14 affordable.

15 --o0o--

16 MS. MARION: That's why APTERA strongly supports
17 the inclusion of two- and three-wheeled vehicles known as
18 ZEMs in the clean vehicle rebate program. Including ZEMs
19 increases the product choices that are available for
20 consumers and importantly provides additional
21 transportation alternatives that are both freeway capable
22 and affordable.

23 APTERA's corporate mission, in fact, is to
24 provide consumers with personal transportation that is
25 highly efficient, which aligns very closely with the

1 objectives of AB 118.

2 --o0o--

3 MS. MARION: Our first vehicle to market is the
4 APTERA 2e, a prototype of which you just saw outside. The
5 APTERA 2e is a two passenger plug-in electric vehicle,
6 which will be in production starting in the fourth quarter
7 of this year.

8 --o0o--

9 MS. MARION: The APTERA 2e is an ideal commuter
10 vehicle. It offers 100 mile range per charge freeway
11 capability with a top speed of 90 miles an hour and an
12 affordable price point of 25 to \$40,000.

13 In addition, consumers do not need any special
14 infrastructure at home to drive an APTERA 2e, as it
15 recharges on a conventional 110 volt outlet.

16 In addition to supporting California's AB 118
17 objectives, APTERA is supporting California's economic
18 development. We are headquartered in northern San Diego
19 County and will be manufacturing our vehicles there.

20 Our direct employment will add more than 300 jobs
21 in California by year end 2010, and our sales and supply
22 chains will add or protect even more California jobs.

23 APTERA appreciates ARB's leadership in improving
24 California's air quality by supporting increased adoption
25 of light duty-clean vehicles through use of rebates.

1 We're particularly pleased the staff proposals recognizes
2 the important role that ZEMs have to play in the clean
3 vehicle space.

4 We support the adoption of the staff proposals
5 for the AB 118 guidelines and funding plan. And we
6 encourage the staff and the Board to consider increasing
7 both the rebate amounts and the total rebate dollars
8 available to further enhance the adoption of light-duty
9 clean vehicles.

10 Thank you very much for your time.

11 CHAIRPERSON NICHOLS: Thank you. That's quite an
12 exciting looking vehicle. Appreciate your bringing it.

13 Okay. John Shears with CEERT.

14 MR. SHEARS: Good morning, Chair Nichols and
15 members of the Board. Here we are again.

16 Just want to echo Aleecia's comments. And this,
17 indeed, is an historic week here in California with the
18 Energy Commission approving the AB 118 component
19 investment plan, the OAL approving their regulations, and
20 low-carbon fuel standard yesterday, and today ARB launches
21 its program.

22 And I want to thank and commend the ARB staff
23 who've been diligent, I must say, in reaching out and
24 making sure that they had received a lot of input on
25 designing this program. There's been a lot of very good

1 thinking that has gone into designing this program.

2 Look forward to working with ARB and with the
3 Energy Commission going forward on the rest of this
4 program and also in helping go after some of the federal
5 stimulus money starting on Monday.

6 We support and urge that you approve the
7 regulations -- to approve the proposed regulations and the
8 funding program. Thank you.

9 CHAIRPERSON NICHOLS: Thank you very much.

10 Max Scheder-Bieschin from Barefoot Motors.

11 (Thereupon an overhead presentation was
12 presented as follows.)

13 MR. SCHEDER-BIESCHIN: Good morning, Madam Chair,
14 members of the Board. My name is Max Scheder-Bieschin.
15 I'm co-founder of Barefoot Motors. We design and assemble
16 100 percent electric off-road utility vehicles. And we
17 thank you for the opportunity to speak today.

18 We want to convey our support for staff's
19 recommendation to include 1.3 million for electric
20 agricultural work vehicles in the proposed 2009-2010 AQIP
21 funding plan.

22 At Barefoot Motors, we have integrated best of
23 class electric propulsion technologies and innovative
24 design to develop rugged, high performance, market-driven
25 vehicles.

1 back to you in three years and showing how setting aside
2 just three percent of your budget turned the tide and made
3 clear once and for all the potential of electric vehicles.

4 --o0o--

5 MR. SCHEDER-BIESCHIN: Just the last couple
6 comments.

7 Comment, the range question as this is perceived
8 Achilles' heel of the EV industry. This we address by
9 matching the technology with the appropriate applications.
10 The average size of California's farms, 76,000 of them, is
11 349 acres. Do the math, and you will know why we see
12 farmers pleasantly surprised. We don't need 300-mile
13 range. Crisscrossing your land 30 to 40 times during the
14 day is just fine.

15 A comment to cost, the reason AQIP's plan is so
16 spot on. Initially, yes, our up-front cost will be about
17 40 percent more. But because you spend 25 to \$3,000 less
18 in fuel and don't spend 25 to 3,000 on engine maintenance
19 and the like, customers pencil out spending 20 percent
20 less over the life of the vehicle.

21 This brings me full circle as to why I will be
22 back here in three years congratulating you. The five per
23 vehicle you set aside under AQIP covers less than
24 one-seventh of one percent of ATVs on California farms
25 today. This credit will help jumpstart California's

1 efforts to demonstrate the benefits of electric vehicles
2 and will do so in conjunction with those that feed our
3 country.

4 This is great directional leadership you are
5 showing at a time when our country wants to go cleaner and
6 wants to know more about how our food is made. Thank you.

7 CHAIRPERSON NICHOLS: Thank you. One question.

8 BOARD MEMBER D'ADAMO: How long does it take to
9 recharge and what type of power outlet?

10 MR. SCHEDER-BIESCHIN: Standard plug, 110 or 220
11 volt outlet. The on-board charger takes seven hours and
12 the option for two on-board chargers will be three and a
13 half hours.

14 Every hour you charge it, you increase the seat
15 time, as we call it, of three to eight hours for the
16 vehicle you increase it 25 percent.

17 CHAIRPERSON NICHOLS: Thanks.

18 Have you had any feedback about the lack of
19 noise? Do people appreciate that?

20 MR. SCHEDER-BIESCHIN: People love it. People
21 love it. It's incredible. I have a video here, but I ran
22 out of time. During the interview, the vehicle is on and
23 you hear the birds chirping in the orchard.

24 CHAIRPERSON NICHOLS: That's great. Thank you.

25 MR. SCHEDER-BIESCHIN: Thank you.

1 CHAIRPERSON NICHOLS: Okay. Damian Breen.

2 MR. BREEN: Good morning, Chairperson Nichols,
3 and members of the California Air Resources Board.

4 I'm here this morning representing the Bay Area
5 Air Quality Management District. And I would like to
6 thank you for the opportunity to provide comments on the
7 Air Quality Improvement Funding Plan for fiscal year
8 09-10.

9 In general, the Bay Area Air District strongly
10 supports ARB's efforts to provide funding through AB 118
11 to accelerate the deployment of technologies and programs
12 that look to the future of air quality throughout the
13 state. However, there are two particular issues in the
14 proposed funding plan that we believe may keep it from
15 achieving its overall goals.

16 Firstly, the Bay Area Air Districts feels ARB's
17 definition where the greatest air quality impact can be
18 identified may be too narrow. Based on our review of the
19 proposed funding plan, it seems ARB's focus is decidedly
20 on areas in non-attainment of the federal ambient air
21 standards for criteria pollutants.

22 While the Bay Area Air District applauds this
23 goal of improving air quality in these areas, we feel this
24 program needs also to address areas with specific health
25 concerns. For example, the Bay Area's home to

1 approximately 22 percent of California's population, and a
2 number of those citizens, those living in the west Oakland
3 community, are highly impacted by toxic diesel particulate
4 emissions. It is important that highly impacted areas
5 like these are also addressed in the funding plan by
6 targeting at least some of the efforts to address areas
7 with toxic concerns.

8 Secondly, the Bay Area Air District feels that
9 many local air districts are better equipped and
10 positioned than unknown third-parties to administer
11 incentive programs that achieve AB 118's goals.

12 ARB's current planning for the AQIP requires that
13 the bulk of funding be distributed through third party
14 vendors through competitive processes that via their
15 statewide nature limited local air district's
16 participation. ARB staff has argued this will make
17 participation easier and that that will get advanced
18 emission reduction technologies into the field earlier.
19 However, the Bay Area Air District feels without those
20 technologies operating in areas where they can be most
21 effective, such as highly impacted communities, and
22 without thought to sustainable infrastructure, these
23 technologies may actually be harmed by ARB's current
24 planning.

25 We would propose that similar to the advanced

1 technology demonstration projects local air districts be
2 allowed to compete for funding based on the merits of the
3 projects they can solicit. This funding approach would
4 provide air districts with the ability to seek affordable
5 funding from incentive programs, the California Energy
6 Commission portion of the 118 program, local
7 Transportation Commission funds, and be able to support
8 and coordinate the infrastructure needed for these
9 projects to succeed.

10 We at the Bay Area Air District appreciate all
11 the hard work that ARB staff has done on the development
12 of these programs and believe they represent a valuable
13 contribution to the improvement of air quality statewide.

14 We understand that you may not be able to act on
15 these suggestions today, but by considering and
16 incorporating the Bay Area Air District's suggestions,
17 these programs and the AQIP as a whole can have an even
18 greater chance of success now and in the future.

19 And thank you for your attention, and I'm
20 available to answer questions.

21 CHAIRPERSON NICHOLS: Thank you. I appreciate
22 your comments. I just wanted to reflect this is the first
23 year of this program. And I think the staff has done a
24 good job of balancing a lot of different considerations.

25 But I share your fondness for competitive grant

1 programs in the sense I think they always get people
2 thinking more creatively and give you an opportunity to
3 see an array of different kinds of ideas come forward. So
4 I hope that would be something that we would be able to
5 consider next time around. Thank you.

6 Jay Friedland.

7 MR. FRIEDLAND: And actually it's a real pleasure
8 to be here on this kind of a day.

9 So, first, thank you, Chairman Nichols and
10 members of the Board. And I want to especially thank
11 staff today. I am here to specifically comment on the ZEV
12 Clean Vehicle Rebate Program. But I overall I want to
13 just say what a pleasure it's been to work with staff.
14 They've done a tremendous job in putting together this
15 program, and we feel that it's just been a really, really
16 great process. So they deserve a lot of kudos.

17 CHAIRPERSON NICHOLS: Thank you.

18 MR. FRIEDLAND: As everyone knows, Plug-In
19 America's goal is to get more vehicles on the road. That
20 is our fundamental approach. We want to get more plug-ins
21 on the road. We feel the AQIP program does exactly that.
22 There are key components to it that make a significant
23 difference. We're particularly pleased with the range of
24 vehicles that are covered, everything from ZEMs, the zero
25 emission motor cycles, all the way through zero emission

1 commercial vehicles.

2 The one thing I guess that I would also add is
3 that basing the program -- at least that part of the
4 program on the very successful AFIP program was an
5 excellent idea, because what it does is allows this money
6 to get out quickly and get into consumers' hands. We
7 really fundamentally believe that getting consumer
8 awareness increasing and getting consumers in vehicles and
9 getting vehicles in showrooms are the key things that are
10 going to create the tipping point for mass acceptance of
11 these vehicles.

12 So one of the things I want to just mention is we
13 come to you in a time where it's a very different time
14 frame. We now have nine OEMs that have announced either
15 plug-in hybrids or pure electric vehicles. It's a very,
16 very different time.

17 The key ask I would say today we would like you
18 this year to consider potentially allocating more money to
19 this program. And beyond that, looking at the out years.
20 Obviously, we want to show a success.

21 One of the things we believe that can happen by
22 allocating more money, we can attract some of the early
23 deployment programs, particularly for plug-in hybrids.
24 And right now, if you look at the numbers, really after
25 you give out the money to the commercial vehicles, which

1 is about 150 commercial vehicles, you only end up with
2 about 400 full ZEVs or about 600 plug-in hybrids or, you
3 know, the combination of 600 or 700 zero emission
4 motorcycles.

5 So clearly, the funding when you go look at the
6 zero emission motorcycle space, they're talking about
7 thousands of vehicles. Nissan is talking about deploying
8 thousands of vehicles next year. If you look at Chevrolet
9 or General Motors, there's also many, many vehicles there.

10 So we really just like to encourage you. And our
11 proposal is to increase from five million to nine million
12 that number of vehicles or to potentially look at the
13 commercial vehicles and move them over to the hybrid
14 program, which would allocate about three million more
15 into direct consumer rebates.

16 CHAIRPERSON NICHOLS: Thank you.

17 I was just going to ask you the question, because
18 I know you're counting numbers of vehicles. But it seems
19 to me that for air quality and also market development
20 purposes that demonstrating these commercial vehicles is a
21 really important piece.

22 MR. FRIEDLAND: And we believe really the range
23 of vehicles having everything from zero emission
24 motorcycles all the way up to your commercial vehicles,
25 really the commercial vehicles I like to say, you know,

1 one of the requirements should be as you give money is
2 that somewhere very large on the side of them they should
3 say they're zero emission vehicles as part of the program.
4 You know, so those are rolling billboards for the program.

5 CHAIRPERSON NICHOLS: Thank you.

6 MR. FRIEDLAND: Thank you.

7 CHAIRPERSON NICHOLS: Jamie Hall followed by Matt
8 Miyasato.

9 MR. HALL: Thank you, Madam Chairman and members
10 of the Board, for giving us an opportunity to provide
11 comment here.

12 I'm here on behalf of the CalSTART and the Hybrid
13 Truck Users Forum to express strong support for the AQIP
14 program guidelines and the funding plan for the first
15 year.

16 We commend the staff for their work in developing
17 this hybrid truck and bus voucher incentive program, which
18 is really what I want to focus on. We think this
19 visionary approach should really serve as a model for
20 other technology commercialization efforts in California
21 and around the county.

22 Hybrid trucks and buses are a valuable next
23 generation technology that really provide significant
24 greenhouse gas criteria emission and petroleum reduction
25 benefits. This technology is on the cusp of full

1 commercialization, but high initial purchase costs really
2 acting as a barrier. These are largely due to low sales
3 and production volumes at this stage in the
4 commercialization process.

5 The hybrid voucher incentive program directly
6 addresses this barrier by providing a buy down right at
7 the point of purchase. This approach is consistent with
8 the recommendations from our hybrid truck users forum
9 working groups and will be far more valuable than the tax
10 credit or other indirect buy down mechanism.

11 The voucher program should jumpstart the
12 commercialization of hybrid technologies. And the need
13 for public support, as Joe mentioned in his presentation,
14 should disappear as volumes increase and costs come down.
15 The beauty of this program from our standpoint is really
16 its simplicity. It's a straight forward, user friendly,
17 transparent, and easy to understand program.

18 This meets the needs of both fleet operators and
19 manufacturers without creating additional barriers or
20 administrative burdens. We believe this is the best
21 approach and do not recommend further complicating the
22 program by adding geographical or other restrictions
23 beyond those contained in the staff recommendations.

24 California's innovative policy will help the
25 state meet its 2020 greenhouse gas goals. It will also

1 help jumpstart an industry with economic and environmental
2 benefits, including the creation and retention of green
3 jobs in advanced vehicle manufacturing. We believe this
4 hybrid voucher program can and should serve as a national
5 model, and we are working to make this happen.

6 Thank you again for the opportunity to provide
7 input today and throughout this process. The staff has
8 been great to work with. And we think you definitely
9 should adopt the plan as is.

10 CHAIRPERSON NICHOLS: Well, CalSTART has been
11 keeping this flame going for a long time now. It's much
12 appreciated.

13 Mr. Miyasato, followed by Mel Assagai.

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

16 DR. MIYASATO: Thank you, Madam Chair, members of
17 the Board, I have some slides.

18 --o0o--

19 DR. MIYASATO: For the record, I'm Dr. Matt
20 Miyasato, the Assistant Deputy Executive Officer for
21 Technology Advancement at the South Coast AQMD.

22 I'm providing on behalf of the South Coast staff
23 our comments and input on the proposed funding plan as
24 well as the guidelines.

25 --o0o--

1 DR. MIYASATO: Overall, we're very supportive of
2 the program, specifically the staff's recommendation for
3 maintaining flexibility. You noticed on the staff
4 presentation slide four that showed half a billion dollars
5 of investment incentive. But you also noticed it could be
6 a bit convoluted and confusing with all of those funding
7 incentive programs as adopted with all the regulatory
8 requirements. So who could argue the goal of the program
9 to reduce criteria pollutants. We certainly wouldn't want
10 to argue that and support that.

11 We also support staff's focus in areas that do
12 not already incorporate incentive fundings. If you click
13 the mouse one more time, we urge the Board to direct staff
14 to propose an integrated review of a comprehensive program
15 that looks at all of the incentive programs and identify
16 which technologies can be funded under each of those
17 programs and then use the flexibility that's allowed by AB
18 118 to perhaps go after additional emission reductions
19 that aren't afforded by the incentive programs. So have
20 an integrated and comprehensive approach to how you invest
21 that half a million dollars in incentives.

22 Next slide.

23 --o0o--

24 DR. MIYASATO: And we're extremely interested in
25 these incentive programs, because as you know, we have the

1 that you really have them address it in each and every
2 solicitation. Instead of would discuss each of these
3 things, we would suggest shall discuss and provide higher
4 priority projects that are located in environmental
5 justice areas.

6 One final comment, Madam Chair. We are looking
7 forward to working with your staff in implementation of
8 this program, specifically in our lawn mower exchange
9 program. I might note we just opened our exchange program
10 this week, close to 5,000 units, 90 percent have been
11 reserved since Tuesday so it's clear we do need additional
12 funding, because it's going to be an oversubscribed
13 program. And we're looking forward to working with you in
14 the future.

15 CHAIRPERSON NICHOLS: Good. Thank you.

16 On the environmental justice overlay on this, one
17 of the problems I think we're finding this year is that
18 districts differ a lot in terms of how they designated
19 environmental justice areas. The boundaries are in some
20 places very small. In others, they are very huge. Not
21 just based on numbers of people, but on sort of political
22 decisions that were made, policy decisions I should say.
23 I don't need to minimize it. But this is one of those
24 things we need to be working on. And we are with our
25 friends at OEHHA to try to clarify it.

1 BOARD MEMBER BALMES: I would just respond by
2 saying we have one screening that we funded, which I would
3 still like to see us try to move into use. I know OEHHA
4 is working on other tools. But we need these tools to
5 assess cumulative impacts.

6 CHAIRPERSON NICHOLS: And this should be applied
7 in the area of grant programs as well. So that's a
8 consideration I'd like to see pushed forward as we move on
9 with this grant program.

10 Okay. For the next speaker we have Mr. Assagai
11 and Colleen Quinn.

12 MR. ASSAGAI: Good morning, Madam Chair and
13 members. I'm Mel Assagai for Navistar. Our subsidiaries
14 produce the IC brand school bus and commercial school
15 buses workhorse brand chassis for motorhomes and the
16 durastar which was demonstrated out front. We're in very
17 strong support of the staff's AQIP guidelines and the
18 funding. We think this staff has gone out and become a
19 partner with industry in producing the kind of
20 technologies that meet the challenges of the state.

21 You have through this program helped us develop
22 products that lower emissions and lower greenhouse gas
23 emissions at the same time.

24 As you know, in Napa, we have a school bus that's
25 a plug-in hybrid that has twice the fuel efficiency of

1 to supporting 220 jobs in the state. Our motor controller
2 component manufacturer is also located in the state.

3 --o0o--

4 MS. QUINN: I think another important point that
5 you're worried about is what kind of usage will these
6 vehicles get. Well, one thing is certain. Vectrix
7 consumers use their vehicles as a commuting alternative to
8 their cars. We have polled consumers all over the state,
9 and you can see that we have an average of 4,000 vehicle
10 miles traveled per year.

11 CHAIRPERSON NICHOLS: You have ran out of time.

12 MS. QUINN: Well, thank you very much. I just
13 want to say we support the program and hope that you will
14 continue the \$1500 rebate.

15 CHAIRPERSON NICHOLS: Thank you. We appreciate
16 the data that you brought also as well as the motorcycle.

17 Bonnie Holmes-Gen, followed by Mark Aubry.

18 MS. HOLMES-GEN: Chairman, Nichols and Board
19 members, first of all, congratulations again on your
20 historic decision yesterday. And we are pleased to be
21 here again today to support the investment plan, the
22 guidelines for the AB 118 AQIP program, and to be part of
23 the launch of this important program for spending \$50
24 million a year in air quality funding.

25 And I wanted to comment that we agree with the

1 funding priorities in the plan. We do appreciate the
2 staff's hard work and have to compliment the staff on
3 their level of effort to outreach and include us, even
4 when we're harried and running around on so many projects.

5 And also I do appreciate that the Air Board and
6 the CEC staff had a very good level of coordination. It's
7 important to ensure we're maximizing the use of the whole
8 \$200 million and covering the basis and getting the
9 funding out for key technologies.

10 And when we start off getting engaged in this
11 effort, we were concerned that the funding should be
12 focused on a few key areas to maximize the impacts on
13 technology development deployment. And we do think the
14 final recommendations are doing that and focusing funding
15 a big chunk on the hybrid heavy-duty technologies and
16 smaller but still very important chunks on EV and hybrid
17 electric deployment for heavy duty.

18 I wanted to just comment that this funding is
19 especially important in these difficult fiscal times. And
20 it's so important to have this funding. And former
21 Speaker Nunez got this bill passed, and it wasn't easy at
22 the time. It was a difficult project. And we really look
23 forward to the Board reporting back to the Legislature in
24 the next year and briefing them on a tremendous success
25 that you're going to be achieving with this funding.

1 And I think that will be very, very helpful in
2 ensuring the Legislature continues support for this
3 program. So we support the effort. Thank you for the
4 hard work. And let's get going with it.

5 CHAIRPERSON NICHOLS: Thank you for all of your
6 help in securing the funding in the first place.

7 Mr. Aubry.

8 MR. AUBRY: Good morning.

9 CHAIRPERSON NICHOLS: Good morning.

10 MR. AUBRY: My name is Mark Aubry. I'm Vice
11 President of Sales for Smith Electric Vehicles.

12 Thank you for everyone being here on the Board
13 and everyone of the Air Resources Board staff.

14 This is an historical moment and certainly has
15 been an historical week. And we fully support the passing
16 of this AQIP bill and certainly the \$20,000 per vehicle on
17 the commercial electric vehicle side.

18 From an historical standpoint, Smith Electric
19 vehicles has over 90 years of experience and numerous
20 major corporations across Europe and now into North
21 America that will be taking some of our largest commercial
22 products and also in coordination with Ford Motor Company
23 later on this year and begin using some of the money that
24 today will be passed by the Air Resources Board.

25 I think one of the things that we would like to

1 notice is that the support of Air Resources Board shows
2 once again California's leadership in leading the nation
3 and changing air transportation. As we begin production
4 in July of 2009, one of our major plans is to steer the
5 numerous launch partners that we have to replace our
6 current short haul vehicles with our vehicles in order to
7 begin using the Air Resources Board resources and helping
8 increasing California jobs. And also inconclusive of
9 that, the universities involvement teaching and training
10 students and in-house mechanics how to work with
11 all-electric commercial vehicles.

12 With that being said, we fully support it. Thank
13 you for all the hard work that Joe Calavita and his team
14 did. Look forward to working with the Air Resources Board
15 staff.

16 CHAIRPERSON NICHOLS: Thank you. Thank you for
17 coming today.

18 Okay. I have no further witnesses. I think it
19 is time to close the record. Having received written
20 testimony as well as staff comments and put those into the
21 record, and we are not going to need to grant any
22 extensions for the comment period, so we can close the
23 record on Agenda Item Number 6. That will then put us in
24 the position to move to consideration and a vote.

25 I think we should disclose any ex partes

1 communications, if there are any. Anybody have any to
2 report?

3 BOARD MEMBER BALMES: Before we do that, I
4 actually wanted to bring up questions.

5 CHAIRPERSON NICHOLS: We can ask questions or --

6 BOARD MEMBER BALMES: We already moved to the ex
7 parte.

8 CHAIRPERSON NICHOLS: We can continue to ask
9 questions. I'll back off.

10 BOARD MEMBER BALMES: This is actually for Dr.
11 Telles who --

12 CHAIRPERSON NICHOLS: Yes, he was not able to be
13 here today unfortunately.

14 BOARD MEMBER BALMES: He has one of his kids is
15 in the hospital in San Jose.

16 But he asked me to bring up whether -- doesn't
17 sound like for this year, but maybe in the future these
18 moneys could be used for non-vehicle technologies.

19 Specifically, I'm going to read what he said so I don't
20 misquote him.

21 "A good use would be to have grants for biofuel
22 plants in the San Joaquin Valley to be used to help them
23 acquire NOx filters. In our polluted valley, these plants
24 have to get expensive filters. The expense of these
25 filters has limited the expansion of projects like methane

1 digesters on dairies. With 2,500,00 dairy cattle in the
2 San Joaquin Valley, we can make a lot of methane."

3 So I'm just passing that on from Dr. Telles.

4 EXECUTIVE OFFICER GOLDSTENE: Thank you. Give us
5 a moment.

6 CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: If that
7 example -- it doesn't have to do with transportation, then
8 it doesn't work here. But things like biofuel plants that
9 provide transportation fuel are one of the subjects at the
10 Energy Commission \$120 million or so a year is aiming at.

11 EXECUTIVE OFFICER GOLDSTENE: We'll pass that
12 comment on to the Energy Commission.

13 BOARD MEMBER BALMES: Maybe you could get back to
14 Dr. Telles.

15 EXECUTIVE OFFICER GOLDSTENE: We'll do that.

16 BOARD MEMBER BALMES: Thank you.

17 CHAIRPERSON NICHOLS: Another comment, yes.

18 BOARD MEMBER D'ADAMO: I can't find the slide
19 that I wanted to refer to.

20 Did you have two separate presentations? I
21 thought it was all one. There was a slide that referred
22 to the different programs, funding programs.

23 CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: Page 2.
24 If you have a double one like we do, it's page 2 of this.

25 BOARD MEMBER D'ADAMO: Oh, there it is. A long

1 last couple of days.

2 So slide four. This is not the time to get into
3 a discussion about the on- and off-road rules. But
4 looking at this reminds me of the tremendous need that we
5 have. And I know that we have got infusion of funds in
6 the program. But I think staff is really supporting
7 use -- big portion of those funds for locomotives.

8 So I'm wondering if staff could come back to us
9 at some point with a discussion sort of honed in on the
10 on- and off-road rule strategies for incentive funds.

11 I think with what Dr. Telles talked about
12 yesterday, his concern about the impact that these rules
13 are having on certain regions of the state, that might be
14 a good way to channel, you know, some of our energy.

15 CHAIRPERSON NICHOLS: Yes. I think an overview
16 of the strategy behind how we allocate this money and
17 where the big gaps are if we see them, it would be I think
18 useful, because the Legislature keeps creating new
19 different programs instead of taking an overview of what's
20 there in existing programs. So we may need to do that for
21 them.

22 CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: I think
23 we have at least three different events coming up between
24 now and December, the end of the year, that recap parts of
25 the on- and off-road rule. And so maybe what we can do is

1 each time we come back, we should not make it the sole
2 subject, but we can include an update on where we are on
3 funding. So like when -- in July, we're going to do the
4 revisions for the budget change that effects the off-road
5 rule and we could at least at that time summarize how the
6 pilot program for funding is going in the valley and
7 whether, you know, your other Moyer things. Because some
8 of the changes we're making are aimed at reducing the
9 costs of the program. So we can do that. And then we've
10 got on-road truck rule revisions I think were coming back
11 in September or October on that. Not revisions, but to
12 update you on that program.

13 So would that be okay, every time we come back
14 we'll include something on funding?

15 BOARD MEMBER D'ADAMO: Sure. That would be fine.
16 I didn't mean to have the focus be on the valley,
17 statewide. But also to put it in perspective when we see
18 large amounts of money, 250 million, 200, et cetera, what
19 does that mean in terms of how far that gets us with
20 compliance?

21 EXECUTIVE OFFICER GOLDSTENE: We can make sure
22 when we present that we're able to show the context of
23 where it fits in. As Chairman Nichols said, where the
24 gaps might be.

25 CHAIRPERSON NICHOLS: How far we have to go.

1 Those sounds like such big sums, and of course they are.
2 Yet in comparison to the need, oftentimes, they're really
3 a drop in the bucket.

4 I need to push back a little bit on your comment
5 though, Mr. Cackette, about the digester projects. I
6 would agree with you if they were building a digester and
7 using the gas to create electricity to pump on the farm or
8 something like that. But if they were using it to create
9 a fuel that could be used in a vehicle, then it would be
10 eligible.

11 CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: Yes.

12 CHAIRPERSON NICHOLS: I know there's been some
13 different views about what the best ways to handle many of
14 these agricultural -- but dairy digesters are the biggest
15 focus I know for us at this point.

16 But there are different technologies that can be
17 used for everything, from tree trimmings to clippings and
18 all of that that where people have a real choice as to
19 what the product is they want to produce, whether they
20 want to try to go to a gas or to electricity. I don't
21 know if we're trying to direct that kind of thinking one
22 way or another.

23 ON-ROAD CONTROL REGULATIONS BRANCH CHIEF
24 KITOWSKI: If we can interject.

25 The statute actually does prohibit us from making

1 infrastructure or fuel-related projects within our
2 funding. So the comment back to CEC really is where this
3 project, even if the digester was used to make a fuel, it
4 still is a CEC project.

5 CHAIRPERSON NICHOLS: It's not within our ARB
6 pot. But it's within AB 118. You're right of course.
7 Sorry. Thank you.

8 Yes.

9 BOARD MEMBER D'ADAMO: Sorry to take up so much
10 time, but this reminds me. I have received so many
11 comments from dairymen and from dairy associations about
12 the challenge with criteria pollutants.

13 So I think not just handing it off to CEC, but
14 maybe if we could get Ms. Terry and others to work -- put
15 together a meeting and do some follow-up on the air
16 quality piece as well. There seems to be a lot of angst
17 out there in the ag community.

18 DEPUTY EXECUTIVE OFFICER TERRY: Yes, actually
19 there is. We are working with our technical staff as we
20 speak over the next few weeks to try to pull together a
21 comprehensive overview of this issue. And it is primarily
22 in the valley, because as Chairman Nichols talked about,
23 there are lots of different potential decisions about the
24 form of the project, what the ultimate fuel is, whether it
25 goes in a pipeline, whether it goes into a fuel cell

1 versus a diesel engine.

2 So our technical staff are working on sort of a
3 more comprehensive overview that we think could help frame
4 the issue. And once that's done, perhaps it might be
5 something appropriate to present to the Board at some
6 point for --

7 CHAIRPERSON NICHOLS: Well, particularly if there
8 are opportunities to work in conjunction with the Energy
9 Commission on this, that would be good. This is one of
10 the thorniest issues I have encountered yet given the
11 difficulties that different people seem to have of
12 defining what the problem is, what the project is. We
13 know there is technology out there. We know there is a
14 better way to do things than what we're doing today. But
15 we seem to be having a hard time getting a collective
16 vision of where we're headed. I know Ms. Terry and her
17 staff have been doing a lot of work on this issue. I'm
18 glad to hear it's not stalled.

19 Okay, yes.

20 BOARD MEMBER YEAGER: Yes. Thank you.

21 I'm wondering if staff could talk more about the
22 idea of this third-party vendor. I know that some of the
23 air districts for a lot of good reasons think they're in a
24 better position with this. I'm a little worried about
25 paying additional overhead costs perhaps depending on who

1 was hired.

2 What kind of evaluation process are we going to
3 have to see how they are distributing the funds?

4 CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: Let me
5 tell you why we have third party vendor. Under State
6 budgetary rules, the general theme is when we get money,
7 we got to get rid of it real quick. We have to spend it
8 or contract or do whatever is supposed to be done with it.

9 On many of these incentive programs, what we need
10 is the money could be out there for two or three years,
11 because we don't know when exactly some of these new
12 technologies will come into place and when they'll start
13 ramping up. So we've chosen to use a second party,
14 contract with them to be the bank that then distributes
15 the incentives to whichever sector is being done. That's
16 the reason why we have to do it that way versus just
17 leaving it, for example, at the State.

18 BOARD MEMBER YEAGER: Air districts couldn't play
19 that role of being a bank?

20 CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: Yes,
21 they could. So we have had discussions with them about
22 whether they would be interested, either CAPCOA as a group
23 or even one air district who would be willing to do this
24 on a statewide basis.

25 In other words, not only pay the money for

1 projects in their areas, but also Bay Area and South Coast
2 as well. And we've asked them for a proposal. We haven't
3 got one yet. We're still talking to them. And they
4 certainly can compete along with private sector people for
5 that contract to distribute funds if they wanted to.
6 There's still time for them to do that. Let me just ask
7 if there's --

8 ON-ROAD CONTROL REGULATIONS BRANCH CHIEF

9 KITOWSKI: I also think it's -- you've heard from a number
10 of commenters today that they believe the approach that we
11 have is streamlined and will allow for the efficient
12 operation.

13 I think it's important that one other fact get on
14 the table. The legislative -- there isn't legislative
15 overlay related to this in that the legislation does
16 require a competitive aspect to the funding. So, for
17 instance, the Board could not say we like your voucher
18 program for heavy-duty hybrids, but we want to go through
19 and assign so much to South Coast, so much to Bay Area, so
20 much to each district. That would not be consistent with
21 the legislative direction. There needs to be a
22 competitive point in there some place. And as Mr.
23 Cackette said, CAPCOA as an entity is certainly allowed to
24 compete in that.

25 BOARD MEMBER YEAGER: Just one other question.

1 I know some of these programs are just going to
2 be available to a certain number of the air districts.
3 I'm just wondering if in the future we'll be able to
4 broaden it so that all the air districts in the area in
5 this state will be able to apply for them, or what the
6 timing it might be on that.

7 ON-ROAD CONTROL REGULATIONS BRANCH CHIEF

8 KITOWSKI: There actually are not any of the categories
9 that are limited. Any one of the categories are open to
10 all air districts. There is only one category,
11 specifically lawn and garden, that has extra points for
12 the air districts that are in more severe attainment
13 areas. So they get bonus points. But every air district
14 is allowed to compete for the funds across each and every
15 category.

16 BOARD MEMBER YEAGER: That wasn't my
17 understanding. Thank you for that clarification.

18 CHAIRPERSON NICHOLS: All right. Can we move
19 forward now? Are we ready?

20 So at this time, not only is the record closed,
21 but it's time to move towards a vote, which means we have
22 to go through the disclosure of ex partes. I'll start. I
23 don't have any.

24 BOARD MEMBER BALMES: Neither do I.

25 BOARD MEMBER BERG: I had a phone call on April

1 22nd with South Coast Air Quality and Henry Hogo and Matt.

2 BOARD MEMBER YEAGER: I had conversations with
3 Bay Area Air Quality Management District.

4 CHAIRPERSON NICHOLS: As you would expect.
5 Great.

6 Anybody on this side here? No. No.

7 I think we're ready to have a motion and vote, I
8 think.

9 BOARD MEMBER D'ADAMO: Move adoption of -- do you
10 want to do separate ones?

11 CHAIRPERSON NICHOLS: We can do them together.

12 BOARD MEMBER D'ADAMO: Move adoption of
13 Resolution 09-3-2 and 09-3-3.

14 CHAIRPERSON NICHOLS: Okay.

15 BOARD MEMBER BALMES: Second.

16 CHAIRPERSON NICHOLS: All in favor please say
17 aye.

18 (Ayes)

19 CHAIRPERSON NICHOLS: Any opposed?

20 Very good. It's done.

21 We've had no sign-ups for general comment at this
22 time, so therefore we will stand adjourned. 11:27 AM

23 (Thereupon the California Air Resources Board
24 adjourned at 11:27 a.m.)

25

1 CERTIFICATE OF REPORTER

2 I, TIFFANY C. KRAFT, a Certified Shorthand
3 Reporter of the State of California, and Registered
4 Professional Reporter, do hereby certify:

5 That I am a disinterested person herein; that the
6 foregoing hearing was reported in shorthand by me,
7 Tiffany C. Kraft, a Certified Shorthand Reporter of the
8 State of California, and thereafter transcribed into
9 typewriting.

10 I further certify that I am not of counsel or
11 attorney for any of the parties to said hearing nor in any
12 way interested in the outcome of said hearing.

13 IN WITNESS WHEREOF, I have hereunto set my hand
14 this 8th day of May, 2009.

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