

MEETING
STATE OF CALIFORNIA
AIR RESOURCES BOARD

BYRON SHER AUDITORIUM
SECOND FLOOR
1001 I STREET
SACRAMENTO, CALIFORNIA 95814

THURSDAY, JUNE 27, 2013

9:09 A.M.

JAMES F. PETERS, CSR, RPR
CERTIFIED SHORTHAND REPORTER
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A P P E A R A N C E S

BOARD MEMBERS:

Ms. Mary Nichols, Chairperson

Dr. John Balmes

Ms. Sandra Berg

Mr. Hector De La Torre

Supervisor John Gioia

Ms. Judy Mitchell

Mrs. Barbara Riordan

Supervisor Ron Roberts

Supervisor Phil Serna

Dr. Alex Sherriffs

Professor Daniel Sperling

STAFF:

Mr. Richard Corey, Executive Officer

Dr. Alberto Ayala, Deputy Executive Officer

Ms. Edie Chang, Deputy Executive Officer

Ms. Lynn Terry, Deputy Executive Officer

Ms. La Ronda Bowen, Ombudsman

Mr. Bart Croes, Chief, Research Division

Mr. Dan Donohoue, Chief, Emissions Assessment Branch,
Stationary Source Division

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

STAFF:

Ms. Jennifer Gray, Air Pollution Specialist, SIP and Local Government Strategies Section, Planning and Technical Support Division

Ms. Peggy Jenkins, M.S., Manager, Indoor Exposure Assessment Section, Research Division

Mr. Nesamani Kalandiyur, Air Resources Engineer, Transportation Analysis Section, Planning and Technical Support Division

Mr. Kurt Karperos, Chief, Planning and Technical Support Division

Ms. Deborah Kerns, Senior Attorney, Office of Legal Affairs

Ms. Cynthia Marvin, Chief, Stationary Source Division

Mr. Paul Milkey, Staff Air Pollution Specialist, Technical Analysis Section, Stationary Source Division

Ms. Christina Morkner Brown, Staff Attorney, Office of Legal Affairs

Ms. Claudia Nagy, Attorney, Office of Legal Affairs

Ms. Annmarie Rodgers, Manager, Climate Action and Research Planning Section, Research Division

Dr. Linda Smith, Chief, Health and Exposure Assessment Branch, Research Division

Mr. Jon Taylor, Manager, Transportation Analysis Section, Planning and Technical Support Division

ALSO PRESENT:

Ms. Jenny Bard, American Lung Association in California

Ms. Pamela Bensoussan, Deputy Mayor, City of Chula Vista

Mr. Andrew Chesley, San Joaquin Council of Governments

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

ALSO PRESENT:

Mr. Stuart Cohen, TransForm

Mr. Justin Fanslau, California State Association of
Electrical Workers

Mr. Gary Gallegos, San Diego Association of Governments

Mr. Steve Heminger, Metropolitan Transportation Commission

Mr. Justin Horner, Natural Resources Defense Council

Mr. Hasan Ikhrata, Southern California Association of
Governments

Mr. Chris Jones, Researcher, University of California,
Berkeley

Dr. Daniel Kammen, Professor, University of California,
Berkeley

Mr. Joe Krovoza, Mayor, City of Davis

Mr. Howard Levenson, Cal Recycle

Mr. Marc Luce, Supervisor, Napa County

Mr. Mike McKeever, Sacramento Area Council of Governments

Former Senator Don Perata

Mr. Michael Quigley, California Alliance For Jobs

Ms. Rhodesia Ransom, Chief, City of Tracy Planning
Commission

Mr. Ezra Rapport, Association of Bay Area Governments

Mr. David Schonbrunn, Transdef.org

Mr. David Siegel, Chief, Air, Community and Environmental
Research Branch, Office of Environmental Health Hazard
Assessment

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

ALSO PRESENT:

Ms. Kara Vuicich, Alameda County Transportation Commission

Ms. Amy Rein Worth, Mayor, City of Orinda

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P R O C E E D I N G S

1
2 CHAIRPERSON NICHOLS: Microphones, for those who
3 are not familiar with this particular set-up, if you want
4 to speak, you have to actually press the base of your
5 microphone so the green light goes on.

6 And otherwise, if you're not speaking, it's
7 probably better to keep it off, just because then we don't
8 get any feedback from all the other electronics we have up
9 here.

10 Welcome, everybody. Good morning. The June 27th
11 2013 public meeting of the Air Resources Board will come
12 to order. And before we begin any of our other business,
13 we will all please rise and say the Pledge of Allegiance
14 to the flag.

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

17 CHAIRPERSON NICHOLS: The Clerk of the Board will
18 please call the roll.

19 BOARD CLERK JENSEN: Dr. Balmes?

20 BOARD MEMBER BALMES: Here.

21 BOARD CLERK JENSEN: Ms. Berg?

22 BOARD MEMBER BERG: Here.

23 BOARD CLERK JENSEN: Mr. De La Torre?

24 BOARD MEMBER DE LA TORRE: Here.

25 BOARD CLERK JENSEN: Supervisor Gioia?

1 BOARD MEMBER GIOIA: Here.

2 BOARD CLERK JENSEN: Mayor Pro Tem Mitchell?

3 BOARD MEMBER MITCHELL: Here.

4 BOARD CLERK JENSEN: Mrs. Riordan?

5 BOARD MEMBER RIORDAN: Here.

6 BOARD CLERK JENSEN: Supervisor Roberts?

7 BOARD MEMBER ROBERTS: Here.

8 BOARD CLERK JENSEN: Supervisor Serna?

9 BOARD MEMBER SERNA: Here.

10 BOARD CLERK JENSEN: Dr. Sherriffs?

11 BOARD MEMBER SHERRIFFS: Here.

12 BOARD CLERK JENSEN: Professor Sperling?

13 BOARD MEMBER SPERLING: Here.

14 BOARD CLERK JENSEN: Chairman Nichols?

15 CHAIRPERSON NICHOLS: Here.

16 BOARD CLERK JENSEN: Madam Chairman, we have a
17 quorum.

18 CHAIRPERSON NICHOLS: Thank you very much. We
19 certainly do. We have almost entirely a full house, which
20 is great. Before we do anything else, I want to introduce
21 our two Board members, one of whom has already been sworn
22 in, and that's Mayor Judy Mitchell, just sitting to my
23 right, and the other, who is about to be sworn in and
24 who's brought a few friends and family along with him for
25 the occasion.

1 And I would like to invite now a former member of
2 this Board, Senator Mark DeSaulnier, who's gone on to do a
3 few good things since he left us, to come up and do the
4 swearing in, or are we going to do it down at the podium?
5 Where are we actually going to make happen? Has anybody
6 figured that out?

7 BOARD MEMBER DeSAULNIER: You better not let us
8 up there or we'll --

9 (Laughter.)

10 CHAIRPERSON NICHOLS: Oh, and he's also
11 accompanied by another member of the legislature, Loni
12 Hancock. Okay. Why don't you come up here and we can use
13 a mic up here.

14 SENATOR DeSAULNIER: We haven't rehearsed this,
15 so we'll see how it goes.

16 (Laughter.)

17 SENATOR DeSAULNIER: If we do it wrong, you might
18 not be lawfully -- which might be a benefit.

19 BOARD MEMBER GIOIA: It may not be such a bad
20 thing.

21 (Laughter.)

22 SENATOR DeSAULNIER: First off, it's delightful
23 to be back here with a lot of former colleagues and all
24 the great work that this institution does.

25 And it's a delight to swear in my friend, my

1 former colleague on the Contra Costa County Board.

2 So, John, if you'd raise your right hand.

3 I --

4 BOARD MEMBER GIOIA: I --

5 SENATOR DeSAULNIER: -- John Gioia --

6 BOARD MEMBER GIOIA: -- John Gioia --

7 SENATOR DeSAULNIER: -- do solemnly swear --

8 BOARD MEMBER GIOIA: -- do solemnly swear --

9 SENATOR DeSAULNIER: -- that I will support and
10 defend --

11 BOARD MEMBER GIOIA: -- that I will support and
12 defend --

13 SENATOR DeSAULNIER: -- the Constitution of the
14 United States --

15 BOARD MEMBER GIOIA: -- the Constitution of the
16 United States --

17 SENATOR DeSAULNIER: -- and the Constitution of
18 the State of California --

19 BOARD MEMBER GIOIA: -- and the Constitution of
20 the State of California --

21 SENATOR DeSAULNIER: -- against all enemies
22 foreign and domestic --

23 BOARD MEMBER GIOIA: -- against all enemies
24 foreign and domestic --

25 SENATOR DeSAULNIER: -- that will bear true faith

1 and allegiance --

2 BOARD MEMBER GIOIA: -- that I will bear true
3 faith and allegiance --

4 SENATOR DeSAULNIER: -- to the Constitution of
5 the United States --

6 BOARD MEMBER GIOIA: -- to the Constitution of
7 the United States --

8 SENATOR DeSAULNIER: -- and the Constitution of
9 the State of California --

10 BOARD MEMBER GIOIA: -- and the Constitution of
11 the State of California --

12 SENATOR DeSAULNIER: -- that I take this
13 obligation freely --

14 BOARD MEMBER GIOIA: -- that I take this
15 obligation freely --

16 SENATOR DeSAULNIER: -- without any mental
17 reservation --

18 BOARD MEMBER GIOIA: -- without any mental
19 reservation --

20 SENATOR DeSAULNIER: -- or purpose of evasion --

21 BOARD MEMBER GIOIA: -- or purpose of evasion --

22 SENATOR DeSAULNIER: -- that I will well and
23 faithfully --

24 BOARD MEMBER GIOIA: -- that I will well and
25 faithfully --

1 SENATOR DeSAULNIER: -- discharge the duties upon
2 which I am about to enter.

3 BOARD MEMBER GIOIA: -- discharge the duties upon
4 which I am about to enter.

5 SENATOR DeSAULNIER: Congratulations.

6 BOARD MEMBER GIOIA: Thank you very much.

7 Thank you, Loni.

8 (Applause.)

9 SENATOR DeSAULNIER: It may be the last time you
10 smile.

11 (Laughter.)

12 CHAIRPERSON NICHOLS: Are you suggesting that
13 there are issues here.

14 (Laughter.)

15 SENATOR DeSAULNIER: No. We're all one big happy
16 family.

17 CHAIRPERSON NICHOLS: Great.

18 Well, I think, as John Gioia knows, he has a very
19 important role to fill here. The Bay Area seat on this
20 Board does have a distinguished history, and so we're
21 looking forward to having you continue that tradition. If
22 you'd like to say a few words.

23 BOARD MEMBER GIOIA: Well, I don't want to take
24 up much of our time. I know it's a busy day. But I just
25 want to say I'm really honored to serve with all of you.

1 This has been an amazing Board that has led, not only this
2 country, but led the world on so many policies with regard
3 to air quality. And so I'm looking forward to serving
4 with all of you, and, of course, our Chair who's been
5 named as the 100 -- one of the most 100 influential people
6 in the world, because of her environmental work.

7 And so I'm really proud to be representing the
8 Bay Area, because I think in the Bay Area we have been
9 very progressive on many of these issue. And, of course,
10 I need to acknowledge Senator DeSaulnier, who had this
11 seat a few years ago. And so -- and Senator Hancock.
12 We've had great leadership out of our delegation in the
13 Bay Area, and I know have worked with the Air Resources
14 Board.

15 And I just want to acknowledge some of my staff
16 who are here. I appreciate you all coming and supporting
17 me, because as you all know, especially to the county
18 supervisors and city council members and mayors who serve
19 on this, as well as the others, but when you're elected to
20 a council or board of supervisors, this other work is the
21 extra work you do on top of everything else every day.
22 And everybody here does this whether they're the electeds
23 or not elected, because they care about this work. It's
24 very important work, and I look toward to continuing this
25 broader work for the benefit of the State of California.

1 So thank you.

2 CHAIRPERSON NICHOLS: Thank you so much. It's
3 great to have you here, and I just want to acknowledge
4 again -- because Judy Mitchell was sworn in at our
5 Haagen-Smit Symposium in Long Beach, gosh, sometime ago
6 now, a few weeks. A few weeks -- the importance that this
7 Board has placed on the liaison relationships that we have
8 with the local air districts. Unlike some other agencies,
9 we don't have local branches. We are partners with the
10 local districts, most of which actually were created
11 before the State Air Resources Board even came into
12 existence.

13 So it's always been a interesting dynamic, and it
14 is a dynamic between the State and the local air boards to
15 try to make sure that we're collaborating and mobilizing
16 all of our resources as effectively as we can. I think in
17 recent years, we've enjoyed some really excellent times,
18 because we've all come to recognize that with the looming
19 threat of global warming, there's more work than any of us
20 can do separately or collectively. And so finding the
21 best ways that we can all be helping to make a difference
22 in moving our State forward is really the task that has
23 been added to everything else we do to protect public
24 health and try to promote clean technology. So these are
25 very good times to be on the Air Board, and I really want

1 to welcome both of you to our midst.

2 I need to announce a couple things at the
3 beginning, one of which is that we have speaker cards for
4 anyone who wishes to testify and did not sign up
5 originally on-line. We ask that you fill out a card and
6 give it to the clerk of the Board over here at the desk.
7 If you have signed up on line, you don't have to fill out
8 a card, but we do need you to check in with the clerk just
9 to make sure that your name is still on the list.

10 We will be imposing a three-minute time limit on
11 speakers, and we appreciate it if when you come up to the
12 podium to speak, you put your testimony in your own words
13 and not read your written testimony, because we will have
14 it in writing and we can read faster than you can talk.

15 (Laughter.)

16 CHAIRPERSON NICHOLS: For safety reasons, we have
17 to point out the exits at the rear of the room and to the
18 side of the dais where we're sitting up here. If there is
19 a fire alarm, and we had one earlier this week actually,
20 we will be told to clear the building and stay -- proceed
21 by stairs outside to the park until we get the all-clear
22 sign and are allowed to come back. Every once in awhile
23 alarms just go off randomly in this building. It seems
24 they vacated several floors earlier this week. So I'm not
25 hoping that that's going to happen but just to be

1 prepared.

2 Okay. With that, I think we can move straight to
3 the agenda. And our first item, which is a consent item
4 is 11 research proposals, which have been bundled together
5 in one item.

6 So I first need to ask the clerk if any witnesses
7 have signed up to speak on this item?

8 BOARD CLERK JENSEN: (Shakes head.)

9 CHAIRPERSON NICHOLS: No.

10 Are there any Board members who would like to see
11 this item taken off of the consent calendar?

12 Seeing none.

13 Okay. Then we close the record officially and I
14 will ask if the Board members have had an opportunity to
15 look at the proposals, if you have any questions you'd
16 like to ask?

17 If not, then I would like a motion and a second
18 ear

19 BOARD MEMBER RIORDAN: I'll move, Madam Chairman,
20 that we adopt the staff recommendation to approve these.

21 CHAIRPERSON NICHOLS: Thank you.

22 BOARD MEMBER BALMES: Second.

23 CHAIRPERSON NICHOLS: There's a second from Dr.
24 Balmes.

25 Okay. All in favor please say?

1 (Ayes.)

2 CHAIRPERSON NICHOLS: Any opposed?

3 Any abstentions?

4 BOARD MEMBER SPERLING: Chairman Nichols. I'm
5 recusing myself from this vote.

6 CHAIRPERSON NICHOLS: Dr. Sperling is not voting
7 on this item.

8 BOARD MEMBER BALMES: Madam Chair, I should do
9 that as well.

10 CHAIRPERSON NICHOLS: Okay. Both of you. Then
11 you have withdraw your second.

12 BOARD MEMBER BERG: So I'll do the second.

13 CHAIRPERSON NICHOLS: All right. Then we'll have
14 a second.

15 Yes.

16 BOARD MEMBER GIOIA: Just one want comment. I
17 wanted to make the comment after we approved it. I think
18 it's really appropriate that we're approving the study
19 developing a new methodology for analyzing potential
20 displacement, because we're going to hear this morning a
21 presentation from the Bay Area about its Sustainable
22 Communities Strategy. One of the issues is how to avoid
23 displacement. And the strategy attempts to do that. And
24 this study is going to help inform, I think, the regions
25 as they adopt their Sustainable Communities Strategy. And

1 it's timely that it's today.

2 CHAIRPERSON NICHOLS: Thank you for noting that.
3 It's very timely.

4 Okay. So having completed our first item, we can
5 go on to number two, which is also -- we've got several
6 consent items this morning. This one is the public
7 meeting to consider a State Implementation Plan revision
8 to update the demonstration of contingency measures for
9 the annual PM 2.5 standard for the San Joaquin Valley.

10 Did we have any speakers signed up on this one
11 either?

12 BOARD CLERK JENSEN: (Shakes head.)

13 CHAIRPERSON NICHOLS: Okay. Any questions or
14 comments? Any of our representatives from the valley or
15 any staff have anything to add?

16 This is a obviously straightforward part of the
17 usual SIP process. But if none, then we can just go ahead
18 and have a motion to approve it.

19 BOARD MEMBER SHERRIFFS: Motion.

20 BOARD MEMBER RIORDAN: Second.

21 CHAIRPERSON NICHOLS: All in favor say aye?
22 (Ayes.)

23 CHAIRPERSON NICHOLS: Any opposed?
24 Any abstentions on this one?

25 No. Good.

1 Okay. We also have the opportunity to appoint a
2 new member to the Environmental Justice Advisory
3 Committee. This is a consent item, but I'd like to ask
4 for just a comment from the staff on where we are on this
5 process?

6 Mr. Corey, if you'd like to give us an update.

7 EXECUTIVE OFFICER COREY: Sure, Chairman Nichols.
8 As you mentioned, staff is proposing the appointment of
9 Luis Olmedo from Imperial County to the Environmental
10 Justice Advisory Committee, making a 13th member. And as
11 you recall, AB 32 directed the Board to convene the
12 Committee of at least three members by '07 to advise the
13 Board in developing the original scoping plan and any
14 other pertinent matter implementing the Global Warming
15 Solutions Act of '06.

16 And the first Advisory Committee was appointed
17 back in January of '07 to advise the Board on the first
18 scoping plan. Earlier this year, staff solicited
19 nominations to convene the Environmental Justice Advisory
20 Committee to advise the Board on the update to the scoping
21 plan. Two former members plus seven new members were
22 appointed to the Committee at the March Board hearing.
23 Per the Board's direction, three additional members from
24 underrepresented regions of the State were also appointed
25 to the Committee.

1 And in early May, staff received multiple
2 nominations for Luis Olmedo from Imperial County to sit on
3 the Advisory Committee. Mr. Olmedo has 12 years of
4 experience addressing environmental justice issues in
5 Imperial County. Staff believes he would be an excellent
6 addition to the Committee. And as a result, staff is
7 recommending that the Board appoint him as an additional
8 member.

9 CHAIRPERSON NICHOLS: Thank you. Mr. De La Torre
10 was the person who initially, I think, made the
11 recommendation that we expand the Environmental Justice
12 Advisory Committee. And in your original proposal, I
13 think we were looking at Inland Empire and the valley as
14 places that were underrepresented. But I hope you will
15 agree that Imperial is also a place that's in serious need
16 of additional representation.

17 BOARD MEMBER DE LA TORRE: Absolutely. I wanted
18 to thank my fellow Board members for supporting this
19 effort. It was clear when we came up with the first list
20 that that area, which is a significant area, and has
21 tremendous pollution issues, was not represented. And so
22 to have somebody from the Inland Empire/Imperial Valley is
23 very important to getting the kind of input that we need
24 as we move forward. So thank you all for doing this.
25 Thank staff for doing the extra work. I really appreciate

1 it.

2 BOARD MEMBER BALMES: And if I might just chime
3 in. I've worked with Mr. Olmedo with regard to asthma in
4 the Imperial Valley on the California Department of Public
5 Health's California Breathing program and found him to be
6 well-informed, as well as a strong advocate for
7 environmental justice.

8 CHAIRPERSON NICHOLS: That is great. I'm really
9 looking forward to this new committee beginning its work
10 in helping us with our scoping plan.

11 Okay. Would you like to move the appointment
12 then or move the item?

13 BOARD MEMBER DE LA TORRE: So moved.

14 BOARD MEMBER BALMES: Second.

15 CHAIRPERSON NICHOLS: Second, Dr. Balmes.

16 Okay. All in favor please say aye?

17 (Ayes.)

18 CHAIRPERSON NICHOLS: Any opposed?

19 Any abstentions?

20 Great.

21 All right. Our next item is the CoolCalifornia
22 Cities Challenge Award. And this is a fun project. We
23 are blazing new trails here, and we're recognizing cities
24 that have been at the forefront of this.

25 We want to acknowledge the top three cities that

1 participated in the CoolCalifornia city pilot project.
2 This is one of those situations where everybody who
3 participated actually is a winner, but we did have a
4 competition for those who achieved the most by way of
5 reductions as a result of this program. So I am going to
6 ask staff for a few words on this one as well.

7 Mr. Corey.

8 EXECUTIVE OFFICER COREY: Yes, Chairman Nichols.
9 And before I introduce staff and the presentation, I did
10 want to acknowledge a new face at the table here. I'm
11 going to say a new face but an old face, but it doesn't
12 come off quite --

13 (Laughter.)

14 CHAIRPERSON NICHOLS: Well, it's getting worse,
15 Richard.

16 (Laughter.)

17 EXECUTIVE OFFICER COREY: I'm trying.

18 (Laughter.)

19 BOARD MEMBER SPERLING: Familiar.

20 EXECUTIVE OFFICER COREY: That's the word.

21 I want to acknowledge Edie Chang as our new
22 Deputy Executive Officer. Edie brings with her over 20
23 years of experience with ARB in our Mobile Source Group,
24 our Planning Group, our Stationary Group, and our Climate
25 Group, and just extraordinary creativity, drive,

1 communication skills, and we are just very pleased to have
2 her in this position.

3 CHAIRPERSON NICHOLS: Yes. We are indeed very
4 lucky to have Edie with us. The only thing that I find a
5 little bit appalling is that she's been with us for 20
6 years. Was she in elementary school when she started?

7 (Laughter.)

8 CHAIRPERSON NICHOLS: Part of our special
9 program.

10 (Laughter.)

11 CHAIRPERSON NICHOLS: That's wonderful. Thank
12 you.

13 EXECUTIVE OFFICER COREY: All right. The AB 32
14 Scoping Plan recognizes the actions by local government,
15 as well as individual Californians will help us in meeting
16 the climate goals. Many local governments in California
17 are already leading the way in their efforts to address
18 climate change.

19 The cities that we'll acknowledge today are
20 taking a community-oriented approach to climate change by
21 encouraging their residents to reduce greenhouse gases.
22 Through the CoolCalifornia Challenge, these cities have
23 worked to raise the climate awareness of the residents and
24 to exchange them -- or rather engage them into taking
25 action.

1 The CoolCalifornia City Challenge is part of an
2 ARB-funded research project with UC Berkeley, with the
3 goal of evaluating strategies to encourage voluntary
4 greenhouse gas emission reductions at the household level.
5 The presenters for this item are first Ms. Annmarie
6 Rodgers of the Research Division who will provide some
7 background on both CoolCalifornia.org and the
8 CoolCalifornia City Challenge. Then Professor Daniel
9 Kammen, from UC Berkeley, the principal investigator for
10 the research project, will provide some complementary
11 comments.

12 After that, we'll ask Chairman Nichols to step
13 down to the podium to present each of the cities with the
14 awards.

15 And with that, Annmarie.

16 CLIMATE ACTION AND RESEARCH PLANNING SECTION

17 MANAGER RODGERS: Thank you, Mr. Corey.

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

20 CLIMATE ACTION AND RESEARCH PLANNING SECTION

21 MANAGER RODGERS: And good morning, Chairman Nichols and
22 members of the Board. This morning, I will provide you
23 with some background on the CoolCalifornia.org website and
24 the CoolCalifornia City Challenge Awards Program.

25 ARB has put into place a suite of programs to

1 address the largest sources of greenhouse gas emissions,
2 through regulations and market mechanisms, but we need the
3 involvement and commitment of all Californians in their
4 everyday lives to complement and support those efforts.

5 Recognizing that voluntary greenhouse gas
6 emission reductions are an essential component of
7 California's effort to meet the AB 32 and 2050 goals, ARB
8 has developed a variety of tools and resources to support
9 voluntary efforts. The CoolCalifornia.org website was
10 developed through a partnership among ARB, the nonprofit
11 Next 10, and the Renewable and Appropriate Energy Lab at
12 the University of California, Berkeley.

13 The goal of CoolCalifornia is to provide easy
14 access to tools and resources to support the voluntary
15 efforts of local governments, small businesses, households
16 and schools to reduce greenhouse gas emissions. Resources
17 housed on the CoolCalifornia.org website include carbon
18 calculators for household and small businesses, climate
19 action planning resources and tips for reducing emissions
20 for local governments, a searchable database of financial
21 incentives for emission reducing projects, emission
22 reduction success stories, and recognition programs, such
23 as the CoolCalifornia Small Business Award Program, and
24 most recently, the CoolCalifornia City Challenge.

25 The CoolCalifornia City Challenge is a pilot

1 competition engaging thousands of households and cities
2 across California to conserve energy, reduce their carbon
3 footprint, and help build more vibrant and sustainable
4 communities. The Challenge is also an ongoing ARB
5 research contract with Renewable and Appropriate Energy
6 Lab at UC Berkeley. Additional sponsorship for the
7 competition was provided by the nonprofit Next 10 and by
8 Pacific Gas & Electric Company.

9 The objectives of the challenge are to evaluate
10 the effectiveness of a city-to-city competition for
11 encouraging voluntary carbon footprint reductions
12 throughout the community, and to quantify the household
13 greenhouse gas emissions reductions that result from this
14 type of program.

15 Cities have long been leaders in reducing
16 greenhouse gas emissions, and many cities in California
17 have already adopted and begun implementing climate action
18 plans.

19 Programs like the CoolCalifornia Challenge seek
20 to foster stronger connections between local governments,
21 community-based organizations, and households with the
22 goal of encouraging significant voluntary carbon footprint
23 reductions throughout the community.

24 The Challenge began in early 2012 when cities had
25 to apply to join the program by securing official support

1 for their city by February 28th. The competition formally
2 launched on May 1st. The first stage of the competition
3 was a qualifying round, where each month for three months
4 the cities competed to be a finalist. Since then, the
5 finalist cities have been competing for the title "Coolest
6 California City". And the competition just wrapped up on
7 May 30th.

8 Today, we are announcing the top three cities in
9 the competition and showcasing their accomplishments. We
10 plan to run the competition again beginning in fall of
11 2013 with the launch date set at September 1st. The
12 application deadline for interested cities is August 15th.

13 Cities from across the State applied to
14 participate in this pilot round of the Challenge, which
15 required that they secure support from their city manager.
16 Eight cities completed the application process
17 successfully: Davis, Chula Vista, Tracy, Sacramento, San
18 Jose, Citrus Heights, Pleasanton, and Pittsburg. And many
19 others are interested in joining future rounds of the
20 competition. Over 2,600 households signed up in eight
21 participating cities.

22 Households tracked driving and home energy use
23 in easy-to-use on-line software, which was built from the
24 same data that underlies the CoolCalifornia household
25 carbon calculator. Households earned points for their

1 city every time they entered data or reduced their
2 emissions. And each point also earned the household a
3 raffle ticket for a prize from their city.

4 Cities worked to engage residents through various
5 events, including farmers markets, festivals, and other
6 activities, such as holiday lighting exchanges where old
7 inefficient holiday lights were traded for newer LED
8 versions, free screenings of sustainability-themed movies
9 and even city-sponsored solar energy efficiency rebates.

10 Households responded by pledging further
11 reductions and taking action to reduce their emissions
12 from transportation and household energy use through
13 activities such as biking instead of driving or hanging
14 laundry to dry instead of using the drier.

15 The 1,000 most engaged households used 50 percent
16 less energy than similar households and reduced energy
17 an additional seven percent during their involvement with
18 the program. Total savings from energy and transportation
19 were 224 metric tons of CO₂ equivalent.

20 As mentioned, the Challenge is also an ongoing
21 ARB research contract with UC Berkeley. Because
22 participants track their driving and home energy use, this
23 program offers a rare opportunity to measure the
24 greenhouse gas emissions and reductions of households that
25 report their data throughout the program. In this pilot

1 round, participants received points every time they
2 entered data about their driving and household energy use
3 into on-line software. They earned triple points every
4 time their emissions declined. As a result, the point
5 system provides insight into both how committed
6 participants were to tracking their emissions and how
7 committed they were to reducing them.

8 Over the last year, the roughly 1,000 of the
9 2,600 participating households with energy and vehicle
10 reports reduced more than 220 metrics tons of CO2
11 equivalent greenhouse gas emissions, equivalent to taking
12 about 90 California homes off the electrical grid for a
13 year.

14 Another component of the research includes
15 surveying participants. Preliminary findings provide
16 valuable insights into the households that participated in
17 the competition, including demographic and socioeconomic
18 characteristics, attitudes, and the motivations that led
19 them to join the competition.

20 The study will help the future effort -- help
21 inform future efforts to promote and quantify voluntary
22 carbon footprint reductions, and help establish best
23 practices for citizen engagement and community capacity
24 building.

25 In the long run, we hope programs like this will

1 foster meaningful engagement of Californians in the
2 State's effort to tackle climate change.

3 I'm joined at the table today by the research
4 team. Dr. Dan Kammen and Mr. Chris Jones. Mr. Jones is a
5 researcher at the CoolClimate Network a research program
6 of the Renewable and Appropriate Energy Lab at UC
7 Berkeley. He also currently serves as co-chair of the
8 Behavior, Energy, and Climate Change Conference, and is a
9 doctoral student in the Energy and Resources Group.

10 He also led the development of the CoolCalifornia
11 carbon calculators, and is also coordinating research on
12 nine other projects including the California -- the
13 CoolCalifornia City Challenge.

14 Dr. Kammen, the principal investigator of the
15 City Challenge Project, is among the world's leading
16 authorities on energy efficiency and renewables. Dr.
17 Kammen is the Director of the Renewable and Appropriate
18 Energy Laboratory, where he is a professor of both energy
19 and public policy.

20 He was a coordinating lead author on the
21 intergovernmental panel on climate change reports, serves
22 as envoy to the U.S. Department of State, and is a
23 frequent advisor to political and NGO leaders. I invite
24 Dr. Kammen now to say a few words about the role of
25 efforts, like the Challenge, in meeting California's

1 climate goals.

2 Dr. Kammen.

3 DR. KAMMEN: Thank you very much for the chance
4 to speak. And you can tell I'm literally speechless over
5 this event.

6 (Laughter.)

7 CHAIRPERSON NICHOLS: I've never heard you with a
8 voice like that before.

9 DR. KAMMEN: This comes from 48 hours in D.C.
10 with the Obama speech, and a rally on the oval afterwards.
11 So I apologize, but I think it's in a good cause.

12 (Laughter.)

13 DR. KAMMEN: Annmarie, thank you, and, Bart,
14 thank you as well for all the work on this. And thanks to
15 the Board.

16 This is a very exciting event. Even though it's
17 a small pilot, it really highlights a critical set of next
18 steps. What you heard Annmarie say in terms of the
19 savings that households were able to accomplish is really
20 quite dramatic. And it highlights what I suspect, and in
21 fact, am convinced will be one of the next areas for work
22 across the State, and that is how can technology, how can
23 policy, and how can partnerships enable behavior?

24 We know we cannot achieve our climate goals
25 without enabling the sorts of innovations that not only

1 the three winning or lead cities accomplished, but all the
2 cities that engaged in the process were able to do.

3 In fact, the most interesting part of the story
4 is what you mentioned before about moving into a next
5 round, where we refine the software tools, we refine the
6 data gathering, and we make this information much more
7 rapidly and more easily available to all the participating
8 entities.

9 The ability to save this much carbon by voluntary
10 behaviors is, in fact, one of the hallmarks of
11 California's process, in particular on innovating and
12 energy efficiency, and finding opportunities to link low
13 carbon lifestyles to a growing State and regional economy.

14 So the main thing I wanted to say with my few
15 words today is how impressed I am, but what the city
16 participants have done. The Davis team, for example, has
17 come color coded for the event, which makes it very easy
18 for me. But it really highlights the degree to which
19 innovations spread from team member to team member.

20 On the longer frame, what it also highlights
21 though is that the process of utilizing IT tools, both the
22 ways to record the data and also the way to test and
23 challenge each other to develop and spread the best
24 practices is, in fact, part of the equation that everyone
25 in D.C. that I talk to from Capitol Hill to The White

1 House was most critically interested in, in terms of what
2 should they pick up next as the areas to go ahead.

3 So I can add my -- only add my congratulations to
4 the cities, and look forward to working you -- to working
5 with you as we go forward to a moment where I can actually
6 talk to you about what we're doing.

7 (Laughter.)

8 DR. KAMMEN: So thanks so much.

9 CHAIRPERSON NICHOLS: Thank you, Dan. And I'd
10 just like to add that when this program first started, I
11 think there was a sense that, oh, maybe it was a feel good
12 kind of program, because there were cities that, you know,
13 were interested in doing something about carbon, but
14 wasn't likely to really be all that productive. And I
15 think to have not only been able to measure very
16 significant reductions, but to really be at the point now
17 where when the President of the United States announced
18 the National Climate Program, he called out the roles of
19 the cities and the local governments in this area, is a
20 big change in the thinking that everybody really had at
21 the beginning.

22 This is not just about power plants and cars,
23 although it is about power plants and cars and fuels and
24 all of that, it is about things that people have to agree
25 to do in their own lives, in their own homes. And cities

1 are uniquely well-positioned to make some of these things
2 happen.

3 So it's very exciting. I know you want to get on
4 with actual doing the presentations. I want to screw up
5 your plan just a little bit. And that is that I know I'm
6 supposed to come down to the podium and hand out the
7 awards, and have a picture with the people who getting
8 them. I would also like to invite the members who
9 represent the places that these cities are in to join me
10 for that. So you're going to have to tell them who they
11 are, in case they don't already know.

12 You have to announce the cities. So we've got
13 Davis, which obviously is Supervisor Serna.

14 CLIMATE ACTION AND RESEARCH PLANNING SECTION
15 MANAGER RODGERS: Chula Vista.

16 CHAIRPERSON NICHOLS: Chula Vista, Mr. Roberts.

17 CLIMATE ACTION AND RESEARCH PLANNING SECTION
18 MANAGER RODGERS: And Tracy.

19 CHAIRPERSON NICHOLS: And Tracy, which would
20 be -- it would you be.

21 (Laughter.)

22 CHAIRPERSON NICHOLS: San Joaquin. Okay, right.

23 And congratulations too, because these efforts
24 don't happen with any one person obviously, but it would
25 just be nice to have a picture with everybody. So if they

1 want to come down and join me while this happens, that
2 would be great. And then you can go ahead and read the
3 citations, right?

4 Is that the deal?

5 CLIMATE ACTION AND RESEARCH PLANNING SECTION

6 MANAGER RODGERS: Well, yeah. So I was going to read the
7 accomplishments of Davis and then have you come down and
8 do the photo opp and present the award.

9 CHAIRPERSON NICHOLS: After you've done all
10 the -- each of them separately.

11 CLIMATE ACTION AND RESEARCH PLANNING SECTION

12 MANAGER RODGERS: I'll do each of them separately.

13 CHAIRPERSON NICHOLS: Okay. But that means I
14 have to stand down there.

15 CLIMATE ACTION AND RESEARCH PLANNING SECTION

16 MANAGER RODGERS: Well, you can come down after. No, you
17 can sit with them in the chair.

18 (Laughter.)

19 CHAIRPERSON NICHOLS: We're hard to -- this is a
20 group that's hard to orchestrate.

21 CLIMATE ACTION AND RESEARCH PLANNING SECTION

22 MANAGER RODGERS: Do you want to do the photo opps after I
23 read then each of them?

24 CHAIRPERSON NICHOLS: Yeah, that would be better.

25 CLIMATE ACTION AND RESEARCH PLANNING SECTION

1 MANAGER RODGERS: Okay.

2 So our first award goes to the City of Davis.
3 I'd like to introduce Mayor Joe Krovoza who is here on
4 behalf of Davis to accept the award. A number of
5 volunteers from the Cool Davis Foundation and other local
6 Davis participants in the challenge are also here, and
7 we'd like to invite them to take a picture at the end of
8 the presentation.

9 CHAIRPERSON NICHOLS: Great. Thank you.

10 CLIMATE ACTION AND RESEARCH PLANNING SECTION

11 MANAGER RODGERS: Davis has long been an environmental
12 pioneer and has set a goal to engage 75 percent of Davis
13 households in voluntary greenhouse gas reduction
14 activities by 2015.

15 Davis' participation in the CoolCalifornia
16 Challenge was a key part of the overall city-wide effort
17 to achieve its community engagement goal, building on a
18 long history of engaging the local community in its
19 environmental efforts. Davis also boasts a
20 community-based organization, the Cool Davis Initiative,
21 which is focused on greenhouse gas reduction and improving
22 the quality of life for Davis residents, and was a
23 critical component of Davis' strategy for engaging the
24 community in the Challenge.

25 The City and Cool Davis actively engaged Davis

1 residents through events such as the Cool Davis festival,
2 and provided tools to encourage households to take action,
3 such as individual household action checklists.

4 Throughout the Challenge, Davis participants
5 demonstrated a strong commitment to tracking and reducing
6 greenhouse gas emissions from household energy use and
7 travel. Well over 400 Davis households signed up for the
8 challenge and collectively reduced approximately 59 metric
9 tons of CO₂ equivalent emissions. As a result of these
10 accomplishments, Davis is being named the "Coolest
11 California City".

12 Mayor Krovoza.

13 (Applause.)

14 DAVIS CITY MAYOR KROVOZA: Do I say something?

15 CLIMATE ACTION AND RESEARCH PLANNING SECTION

16 MANAGER RODGERS: Yes.

17 DAVIS CITY MAYOR KROVOZA: Okay. All right.

18 CHAIRPERSON NICHOLS: Yes.

19 (Laughter.)

20 DAVIS CITY MAYOR KROVOZA: Chairman Nichols,
21 members of the Board, thank you very much for having Davis
22 here today. We're truly honored to be able to participate
23 in this competition and help it through its first year.

24 I want to recognize, and they'll come up and take
25 picture, but Cool Davis is our citizen arm for climate

1 change and GHG reduction. They stepped up on this. They
2 were queued up. They were ready for this when it started,
3 and they really delivered. So Cool Davis thank you all
4 very, very much for being here with us today.

5 (Applause.)

6 DAVIS CITY MAYOR KROVOZA: I would just observe
7 that competition is good, and competition in the name of
8 climate change and GHG reduction is absolutely essential
9 for the State of California. And as we enter a great,
10 great era for the State of California, where we have set
11 in place the technical and the policy innovations that are
12 going to be necessary for carbon reduction, we need to add
13 the social innovations, and that's what ARB is doing here.

14 So in the technical area now, we have smart
15 meters where people can really access the information. We
16 have dashboards of one sort or another. We're learning
17 all kind of things about user interfaces and how people
18 are learning about how they're using their energy and how
19 they can reduce their energy.

20 People buying electric cars now understand MPG
21 equivalents and they want to know how they can drive their
22 MPG equivalents lower and lower.

23 In the policy arena, it starts here. And
24 everything that ARB has done with efficient vehicles, low
25 carbon fuels, and the implementation of SB 375 cue up our

1 communities to be able to respond to the challenges that
2 we have before us.

3 But until we have the social innovations, it is
4 not going to happen. Until every community event and
5 every community group knows that climate change is part of
6 their mission, it's not going to happen. And so with the
7 information technologies that we now have, you know, with
8 Facebook and all of these things cued up to plug into
9 these kinds of competitions, we're going to make a true
10 difference, and that's what you've started here today.

11 So the first year of a program, right, is the
12 birth. And occasionally that comes with some pain, right?
13 But we learn lots of things from that. And year two is
14 going to be better, year three, year four, year five.

15 I'm a Director with Supervisor Serna on the
16 Sacramento Area Council of Governments. One of the things
17 that SACOG has done for eight years running now is having
18 a May as Bike Month. And once we get into year four,
19 five, and six, the tools are well honed, the communities
20 are expecting it, and we inch better and better. And
21 that's what's going to happen with the CoolCalifornia
22 Challenge, every year it's going to be better.

23 So I want to encourage all of you, as Board
24 members, to find those little extra resources, those extra
25 connections, the ways that this can get linked into SB 375

1 Sustain Communities Strategies and so on. Let's keep
2 twisting our brains to make the CoolCalifornia Challenge
3 in year one the seed that really built climate change,
4 behavior change, and social innovation across the State of
5 California when we look back five, 10, 15, and 20 years
6 from now.

7 So thank you very much to the Air Resources
8 Board. Davis is honored. Congratulations to Chula Vista
9 and Tracy. One point I do want to make that our staff
10 emphasized to me is that the cities work together in this.
11 This was a competition, but it was also a collaboration,
12 and so we shared with each other what was working in our
13 communities, and that will continue to happen as this
14 competition goes forward. That's going to help everybody
15 come along. So thank you all very, very much.

16 CHAIRPERSON NICHOLS: Thank you, and
17 congratulations.

18 (Applause.)

19 CLIMATE ACTION AND RESEARCH PLANNING SECTION

20 MANAGER RODGERS: Thank you.

21 Our next award goes to the City of Chula Vista.
22 And I'd like to introduce Deputy Mayor Pamela Bensoussan
23 who is here on behalf of Chula Vista to accept their
24 award.

25 Chula Vista, the second largest jurisdiction in

1 San Diego County, and was one of the first cities in
2 California to develop a climate action plan, which was
3 recently updated to include climate adaptation strategies.

4 Chula Vista saw the challenge as an opportunity
5 to connect its multiple sustainability related programs
6 and services into one community-wide campaign.

7 The city took advantage of its annual holiday
8 lighting exchange, sustainable landscape workshops,
9 farmers markets, street festivals and numerous other
10 events to recruit participants into the challenge, and
11 educate them on the broader impact of climate change and
12 on Chula Vista's quality of life.

13 The city also leveraged its already strong local
14 government partnership with San Diego Gas and Electric
15 Company to multiply the local impact of the challenge.
16 Nearly 700 Chula Vista households participated in the
17 challenge and diligently tracked and reduced their carbon
18 footprints throughout the competition, resulting in
19 approximately 60 metric tons of CO₂ equivalent reduced.

20 Chula Vista took a very close second place in the
21 competition and is being recognized as a CoolCalifornia
22 City.

23 Deputy Mayor Pamela Bensoussan.

24 (Applause.)

25 CHULA VISTA DEPUTY MAYOR BENSOUSSAN: Thank you

1 very much. I'm honored to accept, on behalf of the City
2 of Chula Vista, this CoolCalifornia Challenge award from
3 the Air Resources Board. In Chula Vista, we are very
4 fortunate to have a high quality of life, great weather
5 that supports a healthy and vibrant community. So it only
6 makes sense that as elected officials our city council
7 wants to maintain that quality of life, even in the face
8 of climate change. And we embrace all of these kinds of
9 efforts whenever they come available.

10 This was a call-to-action program. With help
11 from business associations and community volunteers, the
12 city participated and excelled in the CoolCalifornia
13 Challenge. We feel more programs offering voluntary means
14 to promote climate action are necessary and are pleased
15 that CoolCalifornia Challenge will soon be re-launching.

16 Davis, watch out.

17 (Laughter.)

18 CHULA VISTA DEPUTY MAYOR BENSOUSSAN: Largely
19 driven by volunteers, these types of programs are critical
20 to achieving California's climate goals. They can benefit
21 from and hopefully be expanded by the use of cap-and-trade
22 funds. This particular program with its competitive
23 component, pitting cities against cities, was also
24 community building, fostering local pride in our
25 accomplishments towards sustainability.

1 I also want to knowledge some great partners that
2 have helped support our staff and efforts in this program,
3 including the Air Resources Board, UC Berkeley, and
4 Renewable and Appropriate Energy Laboratory, as well as
5 San Diego Gas and Electric Company.

6 Thank you again for recognizing the City of Chula
7 Vista's efforts. Congratulations to all the winners
8 today, and thanks to your Board for recognizing and
9 supporting local efforts.

10 Thank you very much.

11 CHAIRPERSON NICHOLS: Thank you.

12 (Applause.)

13 CLIMATE ACTION AND RESEARCH PLANNING SECTION

14 MANAGER RODGERS: And the final award goes to the City of
15 Tracy. I'd like to introduce Planning Commission Chair
16 Rhodesia Ransom who is here on behalf of Tracy to accept
17 their award.

18 The City of Tracy is located at the edge of the
19 San Joaquin County, and has the distinction of being the
20 first city in the county to have an approved comprehensive
21 sustainability action plan. Tracy competed in the
22 challenge in partnership with PG&E as a means to engage
23 local residents in the City's sustainability efforts. The
24 City and PG&E engaged households in the competition
25 through a variety of events, including city-sponsored

1 block parties, the weekly farmer's market, movies in the
2 plaza, the Dry Bean Festival and many more events
3 throughout the year.

4 Nearly 400 Tracy households participated in the
5 challenge. And their commitment to tracking and reducing
6 their greenhouse gas emissions led to an estimated 35
7 metric tons of CO₂ equivalent reduced.

8 Tracy's accomplishments led to its third place
9 ranking in the Challenge, and Tracy is being recognized
10 also as CoolCalifornia city.

11 CHAIRPERSON NICHOLS: Great.

12 Commissioner.

13 (Applause.)

14 TRACY PLANNING COMMISSIONER RANSOM: Good
15 morning, to the Chair Mary Nichols and to the Board.
16 First of all, I want to say that we, at the City of Tracy,
17 are proud and honored to be receiving this award and
18 receiving the distinction of being one of three
19 CoolCalifornia cities. With the help of UC Berkeley, the
20 help of the Air Resources Board, and our local residents,
21 we were able to continue our long-standing tradition of
22 being stewards of our environment and working towards
23 reducing our carbon footprint.

24 It's really part of the fiber of what our
25 community is. It goes right down to everything that we've

1 been working on as a community, even the design of our
2 communities with walkable and bikeable neighborhoods. So
3 we're very happy to have participated in this Challenge.

4 The seed money was very useful and really helped
5 us, enabled us to outreach to over 20,000 residences --
6 residents, where we created many challenges and worked
7 with the community and really increased their awareness
8 and involvement, and really helped us to have joint values
9 and joint accountability for what happens in our
10 community. So we really appreciated the opportunity to
11 get out there with the community and let them see how they
12 can really make a difference in the way we sustain our
13 community.

14 We'd like to publicly thank our staff who was
15 very helpful in this initiative; our planner, Kimberly
16 Matlock, who worked very closely with PG&E, with UC
17 Berkeley, as well as other partners, because it was really
18 important that we have someone to lead the outreach
19 initiative, because that's really what this was about is
20 creating an awareness where people were not aware. Now,
21 they're not only aware, but they are accountable and
22 involved.

23 We want to thank our partners like PG&E,
24 individual residents who advocated for the challenge and
25 validated our community stewardship values. And we're

1 just proud and honored to know that Tracy is one of the
2 CoolCalifornia cities. It's an honor and achievement.
3 And we want to say that next year we plan to be cooler, so
4 thank you very much.

5 (Laughter.)

6 CHAIRPERSON NICHOLS: Excellent.

7 (Applause.)

8 CHAIRPERSON NICHOLS: All right. Rather than
9 taking a break in the proceedings, when we go down to have
10 the photos taken, I know there's several Board members who
11 have comments on this whole program and process. So I'm
12 going to first call up upon Mayor Mitchell and then we'll
13 just move down there. And, Barbara, if you want to call
14 on anybody else who wishes to be recognized, I'd
15 appreciate it.

16 Thanks.

17 BOARD MEMBER MITCHELL: First of all, I want to
18 congratulate all the cities who have won this award. As a
19 representative of local government, I understand the
20 challenges that all of you have in accomplishing what you
21 have accomplished.

22 Most of us as cities have already been working on
23 the reduction of greenhouse gas emissions on -- in the
24 public facility arena, where we're required to look at our
25 public facilities, our city halls, our recreation

1 facilities and that sort of thing to reduce greenhouse gas
2 emissions.

3 But the challenge has been reaching out to your
4 community, to your households to get them to engage in
5 this as well. That has been a real challenge for anybody
6 who's in government. So what you have done sets a really
7 good model for the rest of us to look at and to work on
8 and to try to achieve.

9 I want to say also that the mention of Council of
10 Governments is noteworthy. Lots of Councils of
11 Governments are working on this issue, and reaching out to
12 the cities in that particular COG. So that's happening in
13 my area, where we have some pretty strong environmental
14 programs, where we reach out to the households in the
15 community through Council of Governments.

16 And you mentioned that PG&E has been a partner.
17 I want to mention that in southern California, Southern
18 California Edison has been working with local governments.
19 They have installed a lot of smart meters around the
20 community, and are implementing software that connects
21 with those smart meters so that households can begin to
22 track their energy usage.

23 And I've always felt northern California is a few
24 steps ahead of southern California, but we're going to
25 race and try to keep up with you here in northern

1 California. So thank you for this challenge and you can
2 count on me bringing some outreach to this program to my
3 area to see if we can't catch up with northern California.

4 So congratulations to all of our cities.

5 BOARD MEMBER RIORDAN: Thank you Mayor, Mitchell.

6 Other comments. Yes.

7 BOARD MEMBER GIOIA: I just want to ask the folks
8 from Davis, if we can borrow your, "Do Your Part Tree"?
9 This is amazing. This is great. If we can just like
10 change it around and put our own jurisdiction on it. Are
11 you okay with that?

12 DAVIS CITY MAYOR KROVOZA: Yes.

13 BOARD MEMBER GIOIA: Good all. All right. It's
14 great. I mean, the leadership of all these three cities
15 is amazing. And I think as the Mayor said, it's really
16 about your land-use policies, your transportation
17 policies, the policies on a regional scale, you know, the
18 citizen outreach. All of this is amazing. And really
19 it's not -- I really -- what I really think is important
20 on your chart, Davis, is the speak-up part of it, because
21 you not only talk about all the practical sort of steps
22 that need to be taken, but you talk about the advocacy
23 steps. And I think that's really important, because, you
24 know, it's that advocacy at the local level which changes
25 policies at the regional and State level, which is so

1 important, and I really appreciate that.

2 DAVIS CITY MAYOR KROVOZA: Thank you, Supervisor.
3 We waive all rights to that graphic. And Professor
4 Sperling may disagree, plagiarism is encouraged in this
5 instance.

6 (Laughter.)

7 BOARD MEMBER GIOIA: I mean we would say it's
8 created by Cool Davis, but we would just sort of change it
9 around.

10 BOARD MEMBER RIORDAN: That's very nice and nice
11 to share. Other comments from the Board members?

12 We certainly congratulate all of you. And when
13 our Chairman returns -- but this is a great useful tool,
14 and hopefully we will share that with other cities and
15 counties. There's a lot of unincorporated areas. I
16 happen to represent a lot of area that is unincorporated.
17 And so it's going to be the county that's going to take on
18 that responsibility. And this is a wonderful tool that
19 we're going to share.

20 DR. KAMMEN: In fact, just adding a quick point
21 after Mayor Mitchell's comment about PG&E, they were, in
22 fact, the founding platinum sponsor. So I would encourage
23 all of our IOUs to take platinum sponsor roles and have a
24 little bit more competition at the utility level as well.
25 So we'd love to talk to SDG&E and SCE as well on this.

1 BOARD MEMBER SPERLING: And I'd like to, you
2 know, give extra thanks to Professor Kammen, because for
3 this program to happen and more importantly to continue,
4 it's going to be his leadership that's going to keep it
5 going. So we are very appreciative of your commitment and
6 your efforts.

7 BOARD MEMBER RIORDAN: So you've been given a
8 challenge by Professor Sperling. Good.

9 (Laughter.)

10 BOARD MEMBER SERNA: And through the Chair, if I
11 could. I just want to issue my congratulations to Mayor
12 Krovoza and the Davis team. And while my home City of
13 Sacramento was not one of the three finalists, it's no
14 secrete in our region that Davis is often seen as the
15 vanguard on initiatives like this. And I just want to
16 publicly invite the other cities within our six-county
17 region to follow suit. And it would be nice to see in the
18 future other cities from the region that I represent down
19 at the podium receiving the same awards.

20 Congratulations.

21 DR. KAMMEN: If I could add the one other line,
22 and that is that this did start out as a very unusual
23 thing to do. It was unclear where it fits in. I think
24 Dan's comments are really key. And the Air Resources
25 Board really enabled something that looked in the

1 beginning like an unusual approach. But as the
2 competition that Chris highlighted, the conferences on
3 behavior, this has really become the nexus of where we are
4 going to get the next big set of innovations.

5 And so the next competition begins September 1st,
6 and we're ready for Davis, and my hometown of Oakland, and
7 others to tee up as well to challenge Tracy.

8 CHAIRPERSON NICHOLS: Well, it is a challenge.
9 Yes, Dr. Sherriffs.

10 BOARD MEMBER SHERRIFFS: My congratulations too.
11 Wonderful. You know, I'm thinking about the valley and
12 I'm thinking about all the small communities. And each
13 one is not such a big contribution, but all together makes
14 a big difference. And it's important to bring the valley
15 along in terms of this effort for greenhouse gas
16 reductions.

17 And, boy, the valley loves competition, football.
18 You know, that's what Friday is all about.

19 (Laughter.)

20 BOARD MEMBER SHERRIFFS: And the valley loves
21 voluntary. And I think we really need to think about how
22 to engage smaller communities in the valley in this. In
23 some ways I think it would be a very easy sell, but we
24 need to put some effort into that. So I don't know if
25 that's round three. But it can be done, and I think it

1 can succeed handily. And, again, very important in terms
2 about getting the message out and SB 375 and so on.

3 But the other thing is I'm thinking about other
4 competitions that I'm familiar with, Van Cliburn Piano
5 Competition and Tchaikovsky. Part of the award -- part of
6 the award is a concert tour for the next year.

7 (Laughter.)

8 BOARD MEMBER SHERRIFFS: So I would like us to
9 think about a way to -- well, the winners get some extra
10 money, but the expectation is they hit the road.

11 CHAIRPERSON NICHOLS: They go on road.

12 BOARD MEMBER SHERRIFFS: They go on the road and
13 they go to these other communities to show folks how it
14 can be done, to identify a local champion, and, as has
15 been mentioned, there was a lot of collaboration in this
16 competition, and to maintain that connection in pulling
17 people along. I think it's very doable.

18 CHAIRPERSON NICHOLS: That's a great idea.

19 Just being a winner of one of those competitions
20 entitles you to have that title forever. And I hope that
21 the Cool Communities that are recognized here today will
22 be able to, in some way or another, take advantage of how
23 cool they are, being in the first round in particular.
24 This is just a great beginning.

25 So thank you all so much for having participated.

1 Professor Kammen, Chris Jones, thank you for your
2 incredible support and help, staff, Annmarie and others.
3 And, yeah, this is onward and upward. This program is
4 definitely going places.

5 So thanks to you all. And I think that unless
6 there's anybody else who was any testimony from the
7 audience on this one?

8 Seeing none.

9 We will simply thank you once again and move on
10 then. Thank you.

11 (Applause.)

12 CHAIRPERSON NICHOLS: Okay. Our next item is an
13 update related issue, which is the work of local
14 governments in the direction of implementing AB 357. This
15 morning, we're hearing an update. We've done several of
16 these, but this is the first time we've heard from the San
17 Francisco Bay Area. This is the first Sustainable
18 Communities Strategy that this region has worked on. And
19 so it's exciting that we're able to hear from them today,
20 when we also have a new representative from the Bay Area.
21 And I am going to call on him, since I knows he's been
22 very active in regional government in the Bay Area,
23 serving on the Bay Area Air Quality Management District's
24 Board, as well as the Association of Bay Area Governments,
25 and the Bay Area's Joint Policy Committee.

1 When he spoke about all the voluntary activities,
2 he wasn't kidding. It's unclear if he ever sleeps, but I
3 guess we'll find out later.

4 Meantime, what we really would like to hear is an
5 update from him about how this program is looking from the
6 perspective of somebody who's been very active in the
7 whole area of visioning, and the visioning process, which
8 is one of those words that sort of come upon the horizon.
9 And I suppose it could mean something different to
10 different people, but clearly what it is helping to do is
11 to bring disparate groups together that have different
12 agendas and different interests and help them to develop
13 some kind of a common vision for a sustainable and vibrant
14 community.

15 This is something that I think the Bay Area has a
16 history of doing. At least in my experience, the Bay Area
17 has been a leader in regional programs, regional efforts
18 to deal with a variety of different air quality and other
19 goals of the region. And so this is just another
20 accomplishment in terms of adding transportation to
21 housing, to land use, to the environment, and social
22 equity as part of the overall approach to finding mutual
23 benefits from individual steps that need to be taken to
24 solve individual problems.

25 So before we turn to the presentation, I wanted

1 to invite Supervisor Gioia to say a few words about this.

2 BOARD MEMBER GIOIA: Thank you, Chair Nichols.
3 And it has been a very long process. And you're going to
4 hear some, I know, thorough presentations by folks from
5 the Metropolitan Transportation Commission and Association
6 of Bay Area Governments. I do serve on the ABAG Executive
7 Board, so I have attended many of these meetings and
8 participated in many of those discussions. And again,
9 we'll hear more.

10 I think it's important to note a few things. One
11 is that the Bay Area already starts from a place where the
12 per capita GHG emissions are 15 percent below other
13 metropolitan areas in the State. And so we're starting in
14 the Bay Area from a point where our emissions level per
15 capita is less, and therefore, you know, squeezing out
16 that additional amount is always harder.

17 We're also in an area where there are two
18 regional government organizations involved in making this
19 decision, both Association of Bay Area Governments and the
20 Metropolitan Transportation Commission. So that, I'm not
21 going to say, complicates it, but it just makes it a
22 longer process.

23 The Bay Area has been very thorough in involving
24 stakeholder from across the region from the business
25 community, the labor community, the environmental

1 community, the social justice environmental justice
2 community. We've had many debates about how do we
3 encourage more infill without displacement, which is, I
4 think, exactly why that research project that CARB is
5 funding is a very important one.

6 And there have been many community meetings
7 around the Bay Area. It's my understanding that this
8 discussion in the Bay Area is probably the most
9 controversial discussion on an SCS plan around the State,
10 that, I mean -- I know other regions have adopts -- a few
11 other regions have adopted their sustainable community
12 strategy, but our has been particularly contentious, but I
13 think we're doing a very good job at trying to reach
14 consensus.

15 And I think the Board members of MTC and ABAG
16 understand that, and they've -- and hopefully I think
17 we're going to hear also from some of the advocacy groups.
18 Some of the advocacy groups have been very instrumental in
19 helping move us toward consensus as well, and we really
20 appreciate that.

21 One of the things also to note is that we are, I
22 think in the Bay Area, really focused on a lot of the more
23 progressive sort of initiatives like we are a leader in
24 electronic vehicle adoption. And the San Francisco Bay
25 Area is number one in the country for hybrid sales. And

1 almost 10 percent of all the sales in the Bay Area are
2 hybrid. That's a pretty amazing number. The U.S. average
3 is a little under three percent, and we're almost 10
4 percent in the Bay Area.

5 There's also been a lot of polling done, and you
6 may hear more about that, because we tried to get a sense
7 of where residents were going to be, because what often
8 happens at many of these meetings, and many of you
9 appreciate this, is that the folks who show up at the
10 meetings are the ones who are against something, not the
11 ones who are for something.

12 CHAIRPERSON NICHOLS: I'm shocked.

13 (Laughter.)

14 BOARD MEMBER GIOIA: You're shocked, right?

15 (Laughter.)

16 BOARD MEMBER GIOIA: So usually the people in the
17 room don't represent necessarily the general public. And
18 so we have to step back and say, you know, what's the
19 right thing to do to reduce greenhouse gas emissions, and
20 achieve sensible land use and transportation investment
21 policies, and how far can we push this knowing where our
22 public stands?

23 And the polling that we've done in the Bay Area
24 really finds that people are willing to change their
25 behaviors, in so many ways, including their transportation

1 related behaviors to achieve these larger objectives. And
2 when the folks in the audience who may be against that
3 hear that, they don't agree with the polling methods, but
4 you know, we know where the residents stand. So it's
5 been, I think, a very good process.

6 So I just wanted to make those sort of
7 preliminary comments to sort of set the stage for what
8 you're going to hear I know from the region, and obviously
9 there will be some more discussion after that. We're
10 looking forward to the adoption of this plan in July. We
11 just had a meeting about a week or two ago of the
12 Association of Bay Area Governments including a joint
13 meeting with the Committee of Metropolitan Transportation
14 Commission, where we gave some initial -- some additional
15 direction, because, again, we are trying to fine-tune this
16 and hopefully get this done in July.

17 CHAIRPERSON NICHOLS: Great. All right. I think
18 at this point, I'll turn it over then for the staff
19 presentation.

20 Mr. Corey.

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

23 EXECUTIVE OFFICER COREY: Yes. Thank you,
24 Chairman Nichols.

25 Since the Board adopted the regional greenhouse

1 gas reduction targets in 2010, Sustainable Communities
2 Strategies have been completed for San Diego, southern
3 California and Sacramento regions. Each of these plans
4 have met the Board's targets. And we're pleased to report
5 that the Bay Area's draft plan shows how it would meet and
6 slightly exceed the Board's targets for 2020 and 2035.

7 As we've done with the other major Sustainable
8 Communities Strategies, staff will brief the Board on how
9 the plan would meet the targets. And as Supervisor Gioia
10 mentioned, on July 18th, Metropolitan Planning Commission
11 and the Association of Bay Area Governments will consider
12 approval of the plan, including a determination that it
13 meets ARB's greenhouse gas reduction targets.

14 ARB staff has closely followed the development of
15 the plan and is reviewing it using the approach outlined
16 in the 2011 technical methodology document. The focus of
17 the review is the quantification of greenhouse gas
18 reductions.

19 We appreciate the extra effort that MTC staff has
20 made to provide data for our review, while also trying to
21 wrap up the final plan. The Bay Area's approach to
22 meeting the ARB's targets builds on its regional
23 transportation and land-use strategies, with the addition
24 of several climate policy initiatives. This includes
25 actions that will complement ARB's Advanced Clean Cars

1 Program.

2 We strongly support these efforts to expand the
3 electrical vehicle infrastructure that Supervisor Gioia
4 mentioned and encourage the purchase and use of cleaner
5 vehicles.

6 Here today, are Mr. Steve Heminger, Executive
7 Director of MTC and Mr. Ezra Rapport, executive director
8 of ABAG, Napa County Supervisor, ABAG President, and MTC
9 Commissioner Mark Luce. And finally, Orinda Councilwoman
10 Amy Rein Worth, Chair of MTC, to speak after the staff
11 presentation.

12 I'll now turn the presentation over to Jennifer
13 Gray in our Transportation Planning Branch, who will give
14 the staff presentation.

15 Jennifer.

16 AIR POLLUTION SPECIALIST GRAY: Thank you, Mr.
17 Corey, Chairman Nichols, and members of the Board.

18 To begin this presentation, I'll provide a brief
19 overview of the status of SB 375 implementation, followed
20 by an overview of the Bay Area region and the planning
21 that has been ongoing in the region.

22 I will then highlight key elements of the Bay
23 Area's Draft Sustainable Communities Strategy, or SCS, and
24 describe some of the strategies that the region proposes
25 to use to meet the greenhouse gas emission reduction

1 targets set by this Board.

2 I will also show you some of the results of ARB
3 staff's technical review of the Draft SCS, mention some of
4 the public comments that MTC and ABAG are working to
5 address, and then describe the next steps in the process
6 of plan review adoption.

7 First a brief refresher on where we are in the
8 implementation of SB 375, the Sustainable Communities and
9 Climate Protection Act of 2008. In September 2010, the
10 Board set regional greenhouse gas emission reduction
11 targets for each of the 18 MPOs. These targets are for
12 2020 and 2035 from a base year of 2005. The metric for
13 the target is a per capita reduction.

14 In 2011, ARB staff published a document
15 explaining how we would conduct our technical review of an
16 SCS focusing on the regions modeling systems that are used
17 to estimate passenger vehicle greenhouse gas emissions.
18 We've applied that methodology to five SCSs so far,
19 starting with San Diego, next with southern California and
20 Sacramento, and then the Butte and Tahoe regions.

21 The Bay Area is the last large MPO to release
22 their SCS, giving them the benefit of watching the
23 processes of the others before them. We are now in the
24 process of reviewing the Bay Area's Draft SCS, which is
25 scheduled for consideration and adoption by MTC and a ABAG

1 next month.

2 The Bay Area is a geographic compact region
3 surrounding the San Francisco Bay. Currently, the region
4 has a population of just over seven million people and is
5 expected to grow by over two million people between now
6 and 2040, nearly a 30 percent increase.

7 It is made up of nine counties and 101 cities and
8 towns. The Bay Area has a rich and diverse transportation
9 infrastructure with a highly developed system of public
10 transportation, including commuter rails, such as BART and
11 Caltrain, a robust transit network with some 9,000 miles
12 of routes, street cars, ferries, and over 1,000 miles of
13 bicycle paths and routes, including 330-mile San Francisco
14 Bay Trail.

15 A little over five percent of all trips in the
16 region are made by transit. This is more than double the
17 percent of all transit trips in any of the other three
18 large MPO regions in the State. In addition, even with
19 the hilly terrain Bay Area, over 11 percent of all trips
20 in the region are made by bicycle or walking.

21 The diversity of the region is characterized by
22 its varied communities and landscapes. San Francisco,
23 Oakland, and San Jose are examples of highly urbanized
24 communities. But the region also has many suburban
25 communities, such Walnut Creek, Novato and Palo Alto, and

1 rural, predominantly agricultural areas, such as much of
2 Sonoma and Napa Counties.

3 The region is well known for its Silicon Valley,
4 the heart of the State's high tech industry. But it is
5 also rich in parks, open space, farms, vineyards, wetlands
6 and wildlife areas, think Golden Gate Park, the Marin
7 Headlands, and the Napa Valley.

8 The concept of sustainability in land use and
9 transportation planning are not new to the Bay Area. The
10 region's Transportation for Livable Communities Program,
11 or TLC, provides funding for community based
12 transportation projects that provide for a range of
13 transportation choices, and support connectivity between
14 transportation investments and land uses.

15 Since the program was launched in 1998, MTC has
16 awarded over \$200 million in TLC funds. To further
17 encourage development patterns that support higher transit
18 usage, MTC adopted a transit oriented development policy
19 in 2005, which promotes the development of mixed use
20 neighborhoods around new transit stations. This policy
21 requires minimum levels of development around transit
22 stations and along corridors. And MTC helps to fund the
23 preparation of station area plans to meet that
24 requirement.

25 The FOCUS initiative is a regional development

1 and conservation strategy that promotes a more compact
2 land use pattern for the Bay Area. This voluntary
3 incentive based regional blueprint plan encourages local
4 governments to identify priority development areas, where
5 more compact, transit-accessible land uses can be
6 accommodated, and priority conservation areas where
7 significant resource lands are in need of protection.

8 All of these regional programs are consistent
9 with the broad goals of SB 375, and there are many
10 examples of projects either in the pipeline or on the
11 ground that demonstrate the region's commitment to
12 sustainable planning. A few of these are shown on the
13 next two slides.

14 The Bay Area Rapid Transit, or BART, system is
15 one of the better know features of the Bay Area's
16 transportation network. Currently, it includes 140 miles
17 of rail with 44 stations stretching from Richmond and
18 Pittsburg in the north to Millbrae and Fremont in the
19 south. A new BART extension from Fremont to San Jose
20 shown in the upper right will add 10 miles of track and is
21 expected to be up and running by 2018.

22 Bus Rapid Transit infrastructure can be built in
23 phases, providing almost immediate congestion relief and
24 offering cost-effective future expansion options. It also
25 attracts transit-oriented development.

1 The East Bay Bus Rapid Transit project will be
2 run between Oakland and San Leandro and is projected to
3 increase this corridor's transit ridership from 25,000 to
4 36,000 daily. The picture in the lower left shows that
5 BRT buses travel on dedicated lanes not available for
6 other auto traffic.

7 The Contra Costa Center Transit Village
8 surrounding the Pleasant Hill BART Station includes
9 office, commercial, and residential uses. Studies have
10 shown that 40 percent of the village residents use BART to
11 commute to work. Businesses contribute to an employee
12 transportation demand management program to minimize the
13 use of single occupancy vehicles. This project has
14 received many awards including the 2012 National Planning,
15 Excellence, Achievement, and Leadership award.

16 The Emeryville Bay Street development is an urban
17 village developed on a former industrial brownfield site
18 near the Emeryville train station. This is also an
19 award-winning development, which includes a retail center,
20 nearly 100 townhomes, and 284 rental apartments, with 56
21 low-income units. The retail area features more than 60
22 shops and restaurants along three city blocks surrounding
23 a main street. Two to four stories of residential units
24 sit atop the retail stores.

25 The process for setting regional greenhouse gas

1 emission reduction targets goes back to 2009 with input
2 from the Regional Targets Advisory Committee. The final
3 report of the RTAC recommended a collaborative bottom-up
4 process with MPOs and stakeholders and a target metric of
5 per capita reduction.

6 As authorized by SB 375, the MPOs also
7 recommended to ARB what their goal -- what their targets
8 should be based on modeling of alternative planning
9 scenarios.

10 MTC went through a similar technical exercise as
11 the other MPOs to recommend targets, but the MTC Board
12 wanted more aggressive targets for the Bay Area based on
13 the use of innovative strategies, not just the results of
14 scenario modeling.

15 MTC staff recommended to its Board, that the Bay
16 Area targets should be seven percent in 2020 and 10
17 percent in 2035. The MTC Board decided to recommend
18 targets of seven and 15 percent to ARB. And those were
19 the greenhouse gas emission reduction targets set for the
20 Bay Area by the ARB Board in 2010.

21 The Bay Area's Draft Plan states that the region
22 would meet those targets and do even better with
23 reductions of 10 and 16 percent per capita. The draft
24 plan also estimates the per capita greenhouse gas
25 reduction in the horizon year, 2040, at 18 percent,

1 which indicates continued greenhouse gas emissions
2 reduction beyond 2035.

3 The Bay Area's Regional Transportation Plan and
4 Sustainable Communities Strategy are integrated into one
5 document called the Plan Bay Area. The SCS is not a
6 separate component or chapter of the plan. It is an
7 integral part of the overall vision and strategy.

8 Plan Bay Area is a long-range transportation,
9 land-use, and housing plan intended to support a growing
10 economy, provide more housing and transportation choices,
11 and reduce transportation related pollution in the Bay
12 Area. It is the product, as Supervisor Gioia said, of a
13 multi-agency collaboration involving the four regional
14 agencies responsible for planning and management in the
15 region, the Metropolitan Transportation Commission, or
16 MTC, the Association of Bay Area Governments, or ABAG, the
17 Bay Conservation and Development Commission, or BCDC, and
18 the Bay Area Air Quality Management District or Air
19 District.

20 In 2010, these four agencies signed on to the One
21 Bay Area initiative, which takes a holistic approach to
22 the sustainability through interagency cooperation
23 efforts.

24 The plan itself was developed by MTC, the
25 regional MPO and transportation planning and financing

1 agency, and ABAG, the council of governments, and regional
2 planning agency for the region's nine counties and 101
3 cities. The Air District, which protects air quality, and
4 BCDC, which manages the health of the Bay, were important
5 collaborators in developing the vision for the plan. In
6 addition, the county Congestion Management Agencies, local
7 governments, local transit agencies, and community
8 organizations were also partners in the creation of the
9 Plan Bay Area.

10 The plan puts forth a regional vision that
11 accommodates growth through efficient use of available
12 infrastructure, and makes strategic transportation
13 investments to support and complement the region's housing
14 and employment growth.

15 All of the projected regional growth would be
16 accommodated within existing urban growth boundaries and
17 urban limit lines, thereby relieving pressure to convert
18 open space, agricultural lands, and wildlife habitat and
19 retaining the character of existing communities.

20 It preserves and maximizes the efficiency of the
21 established transportation system by investing in both the
22 roadway and transit infrastructure. This is important to
23 meet the mobility needs of its growing population.

24 The plan seeks to achieve multiple regional goals
25 of economic, social, and environmental improvement,

1 including greenhouse gas reduction through the integration
2 of urban development strategies transportation
3 investments.

4 Development of the plan started three years ago
5 with a regional visioning and planning process. The
6 public process involved over 250 public meetings,
7 including workshops, advisory committee meetings, public
8 hearings, and focus group meetings. Public interest in
9 the plan is strong, as evidenced by active participation
10 at public meetings, and hundreds of comment letters
11 submitted on the plan.

12 Several advisory committees and working groups
13 were established early in the process and met regularly
14 over the three years. The Equity Working Group was
15 convened to ensure thorough consideration of the social
16 equity and environmental justice issues. This community
17 engagement resulted in preparation equity analyses at
18 early stages of the decision-making process.

19 In early 2011, MTC and ABAG adopted a broad set
20 of performance targets to clearly identify the plan's
21 policy objectives, and as metrics to measure the region's
22 progress over time and reaching its land-use, housing,
23 transportation, and other goals.

24 While the performance targets include the
25 greenhouse gas targets established by ARB, they also cover

1 the additional broad themes of adequate housing, health
2 and safety, open space and ag land, equitable access,
3 economic vitality, and transportation system
4 effectiveness.

5 Unique to the Bay Area was a project level
6 performance assessment for individual transportation
7 projects. This involved not only a cost benefit analysis,
8 but also screening of projects using the regional
9 performance targets as criteria prior to including in the
10 projects in the plan.

11 Five alternative planning scenarios were
12 developed in June 2011. From these five alternative
13 scenarios, one was selected by the ABAG and MTC Board
14 members as the preferred plan as it built on and leveraged
15 the previous regional initiatives, addressed the region's
16 long-term needs, and was developed with extensive
17 coordination with local jurisdictions, all while meeting
18 as many of the performance targets as possible. The Draft
19 Plan Bay Area was released in March for public comment.

20 So, how will the proposed plan achieve the stated
21 vision?

22 The next set of slides will cover how some of
23 the -- cover some of the key strategies that the region
24 plans to employ.

25 The plan seeks to minimize sprawl by encouraging

1 future development within existing urban boundaries, where
2 infrastructure, including transportation is available.
3 Priority Development Areas, or PDAs, are those areas local
4 governments have identified as appropriate for denser new
5 growth and where the region encourages new jobs and
6 housing growth.

7 Focusing growth in these areas is the foundation
8 of the region's land-use strategy. The region has also
9 designated Priority Conservation Areas, or PCAs, for the
10 purpose of protecting important natural lands with the
11 cooperation of willing property owners. The PCAs
12 complement the growth strategy by identifying areas in
13 need of long-term protection from near-term development
14 pressures.

15 All PDAs within the existing urban boundaries are
16 within the existing urban boundaries, and can accommodate
17 80 percent of the projected new housing, and 66 percent of
18 the projected job growth.

19 This is a map of the Priority Development Areas
20 nominated by local governments. For the development of
21 the current draft plan, the concept of PDAs has been
22 expanded to focus on employment growth as well. Both
23 previously designated and currently proposed PDAs are
24 reflected in the map. PDAs can be large or small in urban
25 or suburban communities, but all must have an existing or

1 planned transit station or stop. Furthermore, as a result
2 of the regional programs I described earlier, and the
3 strategies in the Plan Bay Area, more transit funding
4 would be available for investment the PDAs.

5 As you can see from the map, the footprint of
6 these growth areas is limited. The population growth of
7 two million more people by 2040 would occupy only five
8 percent of the region's total land area.

9 Priority Conservation Areas, or PCAs, are
10 identified in partnership with land trusts, open space
11 districts, park and recreation departments, local
12 jurisdictions, and property owners to preserve the
13 region's diverse farming, recreational, and resource lands
14 for future generations through purchase or conservation
15 easements with willing property owners.

16 By focusing growth into the more urban areas, the
17 PDAs, pressure to develop in the PCAs can be reduced.
18 Plan Bay Area dedicates \$10 million in One Bay Area grant
19 funding for PCA planning, farm-to-market projects, and for
20 the purchase of lands in the conservation areas.

21 Plan Bay Area focuses on preserving the existing
22 transportation system roads, bridges, and various transit
23 options to ensure that the investments already made in
24 their transportation network continue to provide
25 multi-modal options.

1 The Bay Area's transportation system is among the
2 oldest in our State, and therefore requires more funding
3 to maintain, renovate, and replace the newer systems.

4 As such, Plan Bay Area focuses 87 percent on
5 its -- of its funding on operating and maintaining the
6 existing transportation assets. This also supports
7 focused growth in the areas served by these assets. The
8 balance of the 13 percent of funding is dedicated to
9 transit and road expansion projects.

10 Because the region relies more on rail services,
11 such as Caltrain and BART than do other regions in the
12 State, these capital intensive aging rail fleets are
13 targeted for replacement and also for extensions and
14 upgrades.

15 The BART extension under construction from
16 Fremont to San Jose is projected to open to new passengers
17 in 2018. Plan Bay Area also includes funding for
18 extending Caltrain to downtown San Francisco, and for
19 frequency improvements that will result from
20 electrification of the existing Caltrain line. This
21 modernization is necessary to accommodate California's
22 high-speed rail service.

23 Other transportation strategies in Plan Bay Area
24 include specific funding for planning efforts, and for
25 transportation infrastructure, for a transit-oriented

1 development in PDAs, and improvements to bicycle and
2 pedestrian facilities with the creation of more complete
3 streets.

4 In addition, the plan includes a variety of
5 measures to boost freeway and transit efficiency, such as
6 adding a regional express lane network or toll lanes, and
7 congestion pricing in downtown San Francisco and Treasure
8 Island.

9 The plan directs 62 percent of its total funding
10 for \$180 billion to transit operations, maintenance, and
11 expansion, with \$48 billion more in funding for operations
12 and maintenance as compared to the previous RTP.

13 Consistent with the Bay Area's innovative spirit,
14 they have included some cutting-edge strategies we haven't
15 seen in other SCSs, some of which support our own Advanced
16 Clean Cars regulation. We looked at these strategies as
17 part of staff's evaluation of the Bay Area's SCS.

18 The region plans to invest in technology
19 advancements and provide incentives for travel options to
20 help meet the greenhouse gas targets. MTC proposes
21 several climate policy initiatives to complement the
22 proposed multi-modal transportation network and focused
23 land-use patterns in the Bay Area.

24 These initiatives involve public education and
25 incentives from more fuel efficient driving habits, as

1 well as incentives for more rapid turnover to a cleaner
2 vehicle fleet. We are very interested in the rapid
3 deployment of clean vehicles and hope to learn from MTC's
4 experience in implementing these strategies.

5 Plan Bay Area's climate initiatives invests \$630
6 million in seven programs that rely on technology and
7 education to enable people to make cleaner transportation
8 choices. Three of them are directly supportive of ARB's
9 advanced clean car technology goals. These are the
10 regional electric vehicle chargers, the vehicle buyback
11 and plug-in electric vehicle incentives, and the clean
12 vehicle feebates.

13 The regional EV chargers initiative provides
14 financial incentives to establish a regional public
15 network of electric vehicle charging equipment at commuter
16 hubs, workplaces and other destinations, to increase the
17 number of miles driven in electric mode rather than in
18 gasoline mode.

19 The vehicle buyback initiative accelerates fleet
20 turnover to more advanced and efficient plug-in hybrid
21 electric or Battery Electric Vehicles through cash
22 incentives to consumers who are willing to trade in older
23 vehicles.

24 By 2020, MTC proposes to establish a regional
25 clean vehicle feebate program to encourage purchase of

1 cleaner vehicles by rewarding consumers with a rebate when
2 they purchase a car meeting a per mile greenhouse gas
3 emission standard and charging a fee on purchasing
4 vehicles that exceed the standard.

5 MTC proposes expansion of car sharing membership
6 in the region with support for these short-term auto
7 rental programs. Car sharing provides a flexible
8 transportation alternative to owning a car, which can
9 result in reduced in VMT, reduced auto ownership, and
10 shifts towards more trips made by walking, bicycle, and
11 public transit.

12 The Smart Driving Initiative is a public
13 education campaign to encourage change in motorists
14 driving techniques, like accelerating and decelerating
15 smoothly, not speeding, and keeping up with regular car
16 maintenance to reduce emissions. It would provide rebates
17 for in-vehicle, real-time fuel efficiency gauges.

18 Commuter Benefit Ordinance would require
19 employers with 50 or more full-time Bay Area employees to
20 offer incentives for their employees to use a mode other
21 than driving alone while commuting to and from work. MTC
22 and the Bay Area Air District have the legislative
23 authorization to implement such an ordinance.

24 The Vanpool Initiative would provide a \$400 per
25 month subsidy per van, reducing the average vanpool rental

1 and operations costs by about 30 percent.

2 With the Bay Area testing out these strategies,
3 we have the opportunity to add to the existing body of
4 knowledge about their effectiveness on a regional scale.
5 Therefore, ARB staff plans to work closely with MTC as
6 they implement the strategies. The feedback MTC will be
7 able to provide on the performance of the strategies in
8 region should be very useful to ARB's work and to that of
9 the other MPOs.

10 Plan Bay Area shows that by 2035, the SCS would
11 achieve a 16 percent reduction in per capita greenhouse
12 gas emissions. That's 9.8 percent from their land-use and
13 transportation strategies, and 6.2 percent from their
14 climate initiatives. Therefore, ABAG and MTC project that
15 they would exceed their 2035 target by one percent with
16 implementation Plan Bay Area.

17 We continue to work with the technical staff on
18 the completion of their sensitivity tests. And ARB staff
19 looks forward to receiving from MTC modeling staff the
20 remainder of the data needed to complete staff's review of
21 Plan Bay Area's greenhouse gas quantification. This
22 portion of ARB staff's review will be included in the
23 final staff report on the Bay Area's SCS.

24 Moving on with our technical review of the SCS,
25 we have focused on the accounting of greenhouse gas

1 emission reductions as described in our July 2011
2 technical methodology paper, which has been useful in our
3 review of the five other SCSs so far.

4 The methodology outlines our general approach,
5 but the staff's evaluation is tailored to each region,
6 give the unique characteristics and strategies of each MPO
7 and plan. We look at four key components of an MPOs
8 travel demand modeling system. These components include
9 the technical schools and methodologies, data inputs and
10 assumptions, model sensitivity analysis, and performance
11 indicators. Each is critical to understanding how the MPO
12 quantified the greenhouse gas reductions in the SCS.

13 ARB staff reviewed changes in key metrics that
14 support the MPO's greenhouse gas quantification. This is
15 the part of our technical methodology that looks at trends
16 and performance indicators to see if the SCS moves in the
17 region -- moves the region in the right direction. The
18 next slides show a few examples of the performance
19 indicators we examined.

20 Plan Bay Area would result in the share of
21 multi-family households increasing from about 37 percent
22 in 2010 to about 43 percent in 2035. This is a 16 percent
23 change from the base year to 2035, which is significant,
24 considering that 65 percent of all housing construction in
25 the 1990s was single-family housing.

1 As this graph shows, by 2035, 35 percent of all
2 housing units, existing and future, would be located in
3 Priority Development Areas, a result of the region's
4 support from more infill development in urban areas. This
5 would account for a 33 percent increase in total housing
6 in the Priority Development Areas.

7 By 2035, MTC and ABAG project that there will be
8 fewer drive-alone trips and an increase in the number of
9 trips made by walking, biking and transit. This graph
10 shows that between 2005 and 2040, there would be a 46
11 percent increase in the number of trips made by public
12 transit, and a 16 percent increase in the number of trips
13 by biking or walking as a result of Plan Bay Area.

14 Per capita vehicle miles traveled decreases over
15 time through 2035. In 2005, per capita VMT was 22.6
16 miles, and in 2035 would be 20.7 miles. This represents
17 an eight percent change.

18 As mentioned earlier, MTC and ABAG have received
19 hundreds of comment letters on the draft plan. Many have
20 recognized the plan as an important step forward in the
21 comprehensive regional planning process to address the
22 complexities of transportation, land use, and housing.

23 Many were encouraged by the prioritization of
24 system and maintenance and preservation, which is critical
25 for continued efficient operation of mature

1 infrastructure, and commenters generally applaud the
2 inclusion of public health-related performance targets.

3 There were many public comments concerning
4 housing affordability and related issues of transit
5 investment and displacement. A number of commenters
6 requested that the plan accommodate more affordable
7 housing, including measure to avoid an unintended effect
8 of displacement of lower-income residents, and increase
9 the amount of transit investments for communities of
10 concern.

11 ARB staff review is substantially complete with
12 the exception of some additional data that we still need
13 from MTC modeling staff. While we have made publicly
14 available our draft staff report, because of our
15 obligation under SB 375 to review each MPO's
16 quantification of greenhouse gas gases, we are looking to
17 MTC modeling staff to provide the additional needed data
18 to help us complete our evaluation and finalize our staff
19 report.

20 Meanwhile, the bay area staff is preparing a
21 final SCS to present to its Board and Commissioners to --
22 for adoption on July 18th. Recognizing that there are
23 extensive public comments on the draft plan and Draft EIR,
24 we recognize -- we realize that there could be potentially
25 some modifications to the plan before it is adopted.

1 Once ABAG and MTC submit the final SCS with GHG
2 quantification to ARB staff, we will review any changes,
3 since the Draft SCS, and determine if those changes have
4 any bearing on our technical evaluation.

5 Once the MPO has demonstrated that its final SCS,
6 if implemented, would meet the 2020 and 2035 regional
7 targets, ARB staff will issue a determination in writing
8 through an Executive Order. Staff will transmit to you
9 our final acceptance or rejection of the MPO's greenhouse
10 gas quantification.

11 That concludes my presentation. I'm happy to
12 answer any questions. And we have a number of
13 representatives from the Bay Area here as well, who would
14 like to speak with us all today.

15 CHAIRPERSON NICHOLS: Yes.

16 BOARD MEMBER GIOIA: I just wanted to make one
17 additional comment. On the slide that you showed showing
18 the involvement of all four regional agencies in the
19 development of this plan, I wanted to add that the four
20 regional agencies, which include the Bay Area Air Quality
21 Management District and the Bay Conservation and
22 Development Commission, in addition to MTC and ABAG, are
23 working through the Joint Policy Committee with Senator
24 DeSaulnier on a bill that would, in the next iteration of
25 the SCS, have all four agencies actually approving it,

1 because I think, as we all appreciate, the air quality
2 issues are important.

3 So while they've been involved in integral parts
4 of this, they will be more involved. I serve on these
5 other two regional agencies and we've had this discussion,
6 that it is really important for all of them to be involved
7 in the development of the SCS the next time around. So
8 that is the discussion that's going on with regard to a
9 bill.

10 CHAIRPERSON NICHOLS: Thank you.

11 Let's bring up the representation --
12 representatives of the agencies that are working on this
13 and hear from them next, and then we'll turn to other
14 stakeholders -- speakers.

15 Welcome.

16 I have kind of a generic question. I'm not sure
17 who it's addressed to. Anybody can probably answer it.
18 And that is the extent to which people are thinking
19 through what the effect of this plan is going to be on
20 projects that come along after the plan is adopted, and
21 how exactly they will either receive approval or receive
22 further review based on the plan itself that -- how that
23 actually works.

24 BOARD MEMBER GIOIA: And I think we're going to
25 hear that. I think, Steve, you're going to address some

1 of that in your comments, and I can add after, but I'll
2 leave it to them to start.

3 CHAIRPERSON NICHOLS: Okay. Great.

4 ORINDA CITY MAYOR WORTH: Good morning, Chair
5 Nichols and members of the Board. My name is Amy Worth
6 and as Chair of the Metropolitan Transportation Commission
7 it is my great pleasure and honor to be here today with
8 you to join with my colleagues in presenting an update on
9 the Bay Area's efforts regarding Senate Bill 375. And I
10 just wanted to say too what a pleasure it is personally to
11 be able to here presenting at Supervisor Gioia's first
12 meeting on the Air Board on CARB. John and I have had the
13 pleasure of working together for nearly 20 years on
14 regional issues. And we are, in the Bay Area, very happy
15 to share him with the State of California, knowing that
16 you all --

17 BOARD MEMBER GIOIA: Thank you, Amy. Thank you.
18 It's great to work with you. You've been great. You've
19 been great.

20 ORINDA CITY MAYOR WORTH: -- and knowing that you
21 all will enjoy working with him. And so, you know, last
22 week I was at my youngest daughter's graduation from UC
23 Riverside, and I was looking up at the those beautiful
24 mountains. And the fact that I could see those beautiful
25 mountains gave me incredible pride in the work that all of

1 you, and everybody in California, has done for the last
2 really half a century and more to improve the air quality
3 and environmental quality in California. I moved to
4 southern California in 1969, and it was really staggering
5 to see that.

6 At the same time, I looked around the audience at
7 the graduates, the thousands of UC graduates that are
8 going to be leading California in the future, and realized
9 that our challenge and our responsibility is, in fact, to
10 plan for the future of our -- in our State for those, our
11 children and our grandchildren.

12 And as we in the region, the bay region, have
13 been reflecting on Plan Bay Area for the last several
14 years, and doing a lot of speaking to community groups, to
15 our cities, our residents, stakeholder groups, this is
16 really what's emerged, that this is the most important
17 effort that we, in California, can be engaged in now for
18 the future.

19 In the Bay Area, we have been engaged in regional
20 planning for the last 50 years, and -- but the genius of
21 Senate Bill 375, is it fundamentally brings together land
22 use, housing production, and transportation planning and
23 investment.

24 And the Plan Bay Area that you've seen today, and
25 I want to thank your staff for their excellent

1 presentation and summary of our efforts, reflects over 250
2 public meetings. And it reflects a plan that has the
3 three elements at its basis, which are environment,
4 equity, and economy. We start this plan with a strong
5 regional transportation transit network. This balances a
6 history of environmental protection. Many of it is voter
7 approved along with providing homes for our communities.

8 And as Chair Nichols indicated at the beginning
9 of this meeting, as we honored the CoolCalifornia cities
10 challenge. It really spoke to the fact that what we are
11 looking at is providing the opportunity, the
12 infrastructure, the community foundations for residents to
13 be able to do what they want to do in terms of preserving
14 the environment and having a sustainable economy.

15 When we did our polling recently, we found that
16 although there's been a lot of discussion as we've moved
17 through this planning process, there's overwhelming
18 support from the Bay Area Residents for the efforts that
19 we are undertaking through Plan Bay Area, and I think
20 that's very significant.

21 And finally, as the Mayor of Orinda, I have the
22 opportunity to meet with young people all the time. And I
23 recently went to Brownie Girl Scout meeting, and the first
24 question out of the first Girl Scout, she raised her hands
25 and she said what are you going to do about global

1 warming?

2 (Laughter.)

3 ORINDA CITY MAYOR WORTH: And I -- we started
4 talking about our bike and pedestrian plan. We talked
5 about the school buses. We talked about all the
6 initiatives both locally and regionally that we are doing,
7 so that these young people who care so deeply about the
8 issues that we're talking about today are unable to live
9 in communities where they can achieve those goals.

10 So thank you very much for your help and support
11 as we work -- look forward and work together in these
12 efforts. And now it's my great pleasure to introduce my
13 colleague, Mark Luce who's president of the Association of
14 Bay Area Governments.

15 NAPA COUNTY SUPERVISOR LUCE: Hi. Good morning
16 Chair Nichols and esteemed members of the Board. It's my
17 great pleasure to address you today. Thank you for the
18 opportunity.

19 I think one of the questions perhaps you're
20 asking is okay we do a great job of visioning. We have a
21 great plan, but how is it going to work? Is it really
22 going to work?

23 And I think that's a really important question,
24 and I think -- I'm particularly excited about this plan,
25 because I think it has the opportunity to work well. And

1 the primary reason for that is it involves
2 collaboration -- it has involved collaboration with local
3 governments.

4 Imagine the idea, a sustainable community
5 strategy that has the community involved in setting the
6 strategy. And that's what we have here. These Priority
7 Development Areas are areas that are nominated by local
8 governments to say this is where we think you can meet
9 your goals of having housing near jobs, near transit. And
10 as a result, 80 percent of our housing allocation is in
11 areas where cities have said we welcome housing in this
12 area.

13 In order for this plan to succeed, it has to
14 address certain realities. One of the realities is that
15 every project is eventually going to need a city council
16 or a board of supervisors approval of that project before
17 it proceeds. We can zone for it, but until that vote
18 happens, those projects don't happen.

19 With this project, this approach, we believe
20 those cities are going to be on board. They're going to
21 be advocates for those projects, and therefore there's a
22 much higher likelihood that this plan is going to succeed
23 than past regional housing needs, allocation processes,
24 which enforce zoning in areas where communities haven't
25 welcomed them.

1 I think you'll hear from our staff about some of
2 the other incentives that we hope to offer, in terms of
3 perhaps streamlined CEQA, some other issues that will
4 address the needs of developers, because the second step
5 in the process is no developer is going to bring a project
6 that they can't sell, that they can't make pencil out.
7 There has to be a willing buyer. They have to see that
8 and then there has to be a process that they can get
9 through.

10 And so those are the kinds of things that I think
11 we're going to focus on in future years to make sure that
12 that does happen, that we have a community that welcomes
13 this type of development, and two, we can now facilitate
14 that so these things actually happen.

15 In that way, I think we have more than just a
16 plan. We have a set of actions that will result in the
17 goals that we've set.

18 So without further ado, I guess I'll introduce
19 our Executive Director of the Association of Bay Area
20 Governments, Ezra Rapport.

21 MR. RAPPORT: Thank you very much for the
22 opportunity to explain our plan. Although I do agree that
23 the staff did a wonderful job. And there are many
24 different strategies that we incorporated into this
25 program.

1 Do we have a PowerPoint?

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

4 MR. RAPPORT: Thank you.

5 So the Bay Area does have a history of
6 progressive thinking regarding how to get communities to
7 work and how to collaborate on a number different issues
8 related to our robust economy and our beautiful
9 environment.

10 And there's been a lot of success in the Bay Area
11 with respect to regional planning, including the creation
12 of these agencies that most of them were the first. Like
13 ABAG is the first council of government in the United
14 States, and MTC is closely following as the first
15 transportation planning agency.

16 These two agencies are separate, but that allows
17 ABAG to have more relationship with its members, and it
18 does take time. So we are a little slower, but we are in
19 deep collaboration with cities. And without that, we
20 really can't get to implementation.

21 So the purpose, as has been mentioned many times,
22 is to engage in neighborhood planning with the cities
23 for -- in their Priority Development Areas. The fact that
24 they're -- all the Priority Development Areas were 100
25 percent self-nominated by the cities was an extraordinary

1 achievement, and there's 170 of them in the Bay Area,
2 including 70 jurisdictions.

3 What we've accomplished is a commitment to
4 neighborhood planning, so that we're not looking for
5 individual projects coming in, but a city commitment to do
6 the advanced planning, to create a high quality
7 neighborhood that incorporates the environment and the
8 economy and the equity issues that may come up.

9 MTC, as part of a transportation demand
10 management program, has funded many of these planning
11 efforts. Cities really can't afford to do that. When we
12 had the financial crisis, advanced planning was probably
13 their first cut. Maybe not their first cut, but it was an
14 early cut. So this money that we provided to cities was
15 crucial for -- in incorporation of their neighborhood
16 planning.

17 And the next steps is to have these Priority
18 Development Areas receive additional incentives, so that
19 we can get to Programmatic EIRs that will allow projects
20 to come in and not have to face political will challenges,
21 or entitlement challenges, because we've used the SB 375
22 implementation CEQA benefits through good programmatic
23 planning that we reduces all environmental impacts to a
24 level of insignificance.

25 Now, that's another level of investment that's

1 going to take place after the plan is adopted. But that's
2 really the primary reason why we think we can achieve the
3 development targets, because we've got the entitlement
4 process going and the political will issue resolved, which
5 have been the two biggest barriers for cities and
6 developers -- the small infill developers who really just
7 can't afford to invest the predevelopment costs without
8 the knowledge that they can get the entitlement and that
9 they have the political will of the community and the city
10 council. So that's really the strategy behind Priority
11 Development Areas.

12 And with regard to the rural areas, because we
13 have four northern counties that are primarily rural, we
14 have programs now for agricultural protection, and farm
15 land sustainability, so that all the counties are
16 participating in this plan.

17 Regional Measure 2, one of my favorites, raised
18 the bridge toll by a \$1. And that was part of an
19 extensive regional transit plan that allowed for
20 additional fundings to fill gaps in that system. One of
21 the biggest problems we've had in the Bay Area is our cost
22 of housing. And the businesses which are really important
23 for the State of California and the nation, have to pay a
24 very substantial wage premium because the price of housing
25 is so high, or the level of time it takes for

1 transportation to other housing is too long.

2 So as a result, we need a lot more housing in the
3 Bay Area in the right places. And that's why the PDAs are
4 such an important structure, because they were vetted to
5 be close to these employment centers and have access to
6 transit. So over time, we're hoping that that will make
7 it easier for the workforce to be aggregated to support
8 these critical industries for the Bay Area and the State.

9 And this process started well before SB 375.
10 It's taken us literally five years to get that kind of
11 buy-in from local government. And, as I said, it's an
12 effort that we can do best, because we -- these cities are
13 our members, and they understand that we're attempting to
14 facilitate what they want rather than a top-down plan. We
15 did top-down plans in the past, and noticed that they did
16 not have the buy-in and did not achieve much. So we
17 stopped that, and we went to a bottoms-up plan. So this
18 is really more of a local government plan than it is a
19 regional plan -- I mean, a plan developed by regional
20 government.

21 We started with a good planning process, throwing
22 out visions in very high numbers to assess feasibility.
23 We got a lot of feedback. And what we did with the
24 Priority Development Areas, as a result, was we provided
25 each one with nomenclature, whether it was going to be a

1 suburban town center, a transit center, or a regional
2 center, and get the buy-in from the local government, that
3 that was the right nomenclature for that Priority
4 Development Area.

5 That allowed us to create densities within those
6 areas. Almost all of these Priority Development Areas are
7 going to require reuse of land. So that puts -- and add
8 another extra burden without having redevelopment as a
9 tool to have these PDAs grow.

10 So we're clearly needing a more structured
11 affordable housing revenue that should come from the
12 State, like many, many other states do. It's a critical
13 element in the plan to make sure that the residents of the
14 PDAs are not displaced, and other tools that we could use
15 to make sure that we retain the community buy-in that we
16 have today.

17 The second element is the loss of redevelopment
18 and the loss of the power to assemble land, and the
19 ability to uses increment to facilitate certain
20 infrastructure investment, which has a positive fiscal
21 benefit to the State. And ultimately, when this fiscal
22 crisis has receded, we hope to have a conversation about
23 the benefits to the State of reinvesting some money to
24 make sure that we have our growth managed properly.

25 So the final plan I guess we've crossed 252

1 public meeting barrier, is in July 2013. There's been a
2 very strong level of support from many stakeholders and
3 from the local government, because of the way we handled
4 this, but there's also been some really hard core
5 opposition from people who are thinking that regional
6 government is somehow an oppressive concept and really
7 Misunderstand that the Priority Development Areas are
8 local control.

9 So the plan was set to also meet a variety of
10 performance measures. And from this slide, I'm going to
11 give the mic to Steve Heminger.

12 Thank you.

13 MR. HEMINGER: Thank you, Ezra. Madam Chair,
14 Board members, good to see you again. We're the caboose
15 here bringing the rear of the large MPOs in California.
16 And we have learned a lot, not only from our colleagues
17 around the State but from your staff, especially on our
18 climate protection initiatives. We probably should have
19 thought twice about delving into an area where you have so
20 many much expertise, but we are a region that likes to
21 innovate. And so we don't mind being on the bleeding edge
22 a little bit, as long as you bring the tourniquets and
23 keep the bleeding to a minimum.

24 (Laughter.)

25 MR. HEMINGER: This has been a performance-based

1 plan from start to finish. And as you look up on the
2 screen at it -- your screens at the dais, you'll have a
3 hard time finding the transportation performance measures.
4 They're there on the top right, but most of the rest
5 relate to other matters, and that's the way in which this
6 plan has become much more integrative and much more
7 comprehensive than your grandfather's regional
8 transportation plan.

9 We have a lot of growth coming to the region. I
10 know there's been some controversy on this as well about
11 just how much. We think our numbers are reasonable. And
12 I think the important thing is you need to plan for the
13 growth, and we'll figure out in 2035 who was right or not.

14 But the fact is we have a growing region, and we
15 have very constrained land base resource base, so we need
16 the grow smarter. The housing trends that we are already
17 seeing in our region, the numbers on this page do not
18 reflect the impact of this plan. This is what the market
19 is doing anyway. Show you that there is a significant
20 shift underway in our region. I think you've seen similar
21 numbers from the other large metros in California, that
22 single family used to have a commanding market share, and
23 that share is now being reduced. And, in fact, I think in
24 the future, it will be the minority fraction, not the
25 majority fraction, of what is constructed.

1 The employment trends in our region. Obviously,
2 Silicon Valley looms large in a region like, ours but it's
3 not just Silicon Valley. And I think a lot of people tend
4 to think Silicon Valley is just in Santa Clara county, and
5 it's not. It's in three counties, at least now, and we
6 wouldn't mind it taking over most of the Bay Area, because
7 it's a very effective job-producing machine. And we, in
8 fact, see part of our future, that those kind of
9 technology clusters will not be only located in the south
10 bay.

11 The growth strategy we have, that we are showing
12 you here is that we really want to try to grow within the
13 footprint we have. And that footprint has, over the
14 years, expanded considerably, especially along the
15 corridor that you drive to get from our region to this
16 region, along I-80. And that's an example of, I think,
17 where we want to try to grow differently, where we want to
18 try to grow as much as possible within our region, grow
19 around existing infrastructure.

20 And, as you can see, the PDAs are designed to do
21 just that, eighty percent of the new housing, 60 percent
22 of the new jobs. That is quite aggressive. And I think
23 you may hear from people today who think it's too
24 aggressive. Again, I think that's one of those questions
25 where let's see how aggressive we can be, let's see what

1 we can pull off. And if we don't quite meet up to this
2 standard, then we adopt new strategies we adapt to those
3 circumstances and try something different. That's what
4 innovation to me means.

5 The transportation investments in a way are a
6 lesser part of the story, I think, because the major
7 innovation here, from a policy point of view, is to bring
8 the transportation plan and the land-use and housing
9 strategy together. Our transportation investment
10 portfolio has looked fairly similar to this in the last
11 couple of plans, but I'm sure to many of you it looks
12 somewhat startling.

13 First of all, that it's over 60 percent going to
14 public transit. This is a plan that an Air Board ought to
15 love. And I think, even more telling though, is that
16 nearly 90 percent of the investment -- this is every
17 dollar we're going to spend for the next 30 years is going
18 to rehabilitate and maintain and operate the existing
19 transportation network.

20 Now, on its face, that sounds sort of climate
21 neutral. And I suppose it is, you know, because filling
22 potholes doesn't make people change their travel behavior.
23 But I think, in terms of the land-use linkage, this is
24 probably the biggest single thing we can do to support
25 infill development in our region, because the vast

1 majority of this maintenance expenditure is going to be
2 reinvested in the urban core of our region That's where
3 the old stuff is that we need to maintain, whether it's
4 BART or roads or bridges, and that we think is what this
5 transportation strategy really does.

6 I often say that we've had an infill
7 transportation plan for years. We've been looking for an
8 infill housing strategy to go with it, and lo, and behold,
9 ABAG brought one along.

10 The discretionary investments are a subset of
11 that. And I'd really like to talk about one of them in
12 particular that I think you've heard a bit about already,
13 and that's the One Bay Area grant program. And I think
14 this is a case where we are innovating quite
15 substantially, not only in California but nationally.

16 What we did is amalgamated a series of funding
17 programs that used to focus on particular things, like
18 transportation from livable communities, or bikes, or
19 local road repair. We realized that over time those
20 things were starting to be spent on very similar things.
21 And so we decided to package them into more of a block
22 grant to local government in our region through the
23 county-wide congestion management agencies.

24 And what we decided to do is try to achieve more
25 of a policy impact through those expenditures. The money

1 will still be spent on those kinds of projects, but the
2 policy impact at the upper right there, I think is pretty
3 significant. First of all, in order to get the money, a
4 local jurisdiction has to have a certified housing
5 element. HCD, we ought to be there star pupil, because
6 there have been a lot of these housing elements approved
7 in the last few months, as a result of the enactment of
8 this program.

9 There is also a string attached that each
10 jurisdiction has to adopt a Complete Streets policy for
11 pedestrian and bicycle safety. There's also a
12 requirement, depending upon how big your county is, that
13 you either have to spend 70 percent in the five southern
14 counties or 50 percent in the five northern counties in
15 the PDAs

16 And finally, as you can see, the formula for
17 distributing the funds is not your average transportation
18 funding formula, because there's not a transportation
19 element in it. It's half population and half housing
20 production. And so this, we think, really does represent
21 the most physical manifestation of this linkage between
22 transportation and housing policy that we're trying to
23 pull off.

24 This program, in fact, is free-standing from the
25 plan. It's already adopted. The money is already

1 starting through the chute. And the plan is simply going
2 to formalize it, and institutionalize it over the life of
3 the plan.

4 Your staff showed you some projects already, so
5 here are some more.

6 (Laughter.)

7 MR. HEMINGER: I think the more important thing
8 is this slide, which is -- as your staff mentioned, this
9 is our second plan, where we have subjected every major
10 capital expenditure to a benefit-cost analysis, as well as
11 an analysis of how those projects measure up against our
12 performance targets.

13 And what you will see in these, these are the top
14 performers out of that analysis. What you will see is a
15 lot of strategies that relate to infill, a lot of
16 strategies that relate to squeezing more capacity out of
17 our existing system. When you're spending 90 percent of
18 your money on O&M, you've got to be pretty darn smart
19 about how you spend the remaining 10, because you have so
20 little of it, and we still have a growing region. It's
21 not as if we can just stand pat.

22 The climate initiatives you've heard quite a bit
23 from your staff. And here we have learned a lot from them
24 in terms of our attempt to invest, roundabout \$600 million
25 in a series of initiatives. The one point I would make

1 here, because I know in the staff report there's quite a
2 bit of commentary about well, you know, the literature
3 here isn't all that great, and, you know, we don't have a
4 lot of experience with this or that.

5 One thing I would note, just a couple of
6 factoids, the Bay Area is home to 13 percent of all EV
7 owners in the United States. Eight percent of all
8 car-sharing people in the country are in the Bay Area.
9 Those numbers are four and six times our population share.
10 We are a region of early adopters.

11 And in a region like that, you don't need a whole
12 lot of incentive to go a long way, because a lot of people
13 want to try this stuff out. We've got waiting lines for
14 Priuses. So that does give us some optimism, some
15 confidence that these strategies are going to work just
16 fine.

17 But if they don't, we're going to figure out
18 other things. One thing that's not on this list, that
19 we're going to be implementing in the next few months, is
20 1,000 bike share program, just like New York just
21 launched. That will be starting in a few months in the
22 Bay Area. So we're doing a lot. We're throwing a lot of
23 spaghetti at the wall to see what sticks in this area.

24 And finally, the tail of the tape, where we
25 started this whole process, which, again, I agree with my

1 Chair, Amy Worth, is very health. It's a
2 performance-based process. It's not checking each little
3 box. It's saying here is your target. You go innovate.
4 You go try to do this. Sacramento you do it differently
5 from Los Angeles. San Diego you do it differently from
6 the Bay Area. Just meet your target. And we have done
7 that. As you can see in 2020, we're exceeding the get
8 you've. Set we're also exceeding the target you set in
9 2035. In fact, we're meeting Sacramento's target in 2035,
10 while we were at it. And you can see the downward slope
11 that continues from the horizon year that you've
12 established.

13 And finally, I will conclude on this point.
14 There is a lot of work we need to do. And I will say
15 there's a lot of work the State of California needs to do
16 on this question of making these plans a reality.

17 As you know, the same legislature that passed SB
18 375 obliterated redevelopment financing, which was
19 probably the single most effective strategy we had to
20 implement Senate Bill 375. So we are going to need to
21 find something, call it by a different name, have it
22 operated under a different set of rules that replaces
23 those kinds of funding sources. OBAG, in our region, is
24 just a little itty-bitty attempt to head down that path.

25 And in terms of transportation, I'll mention one

1 thing that we think is clearly a necessary part of our
2 strategy to succeed, and that is in light of the fact that
3 we're not seeing a whole lot of new investment in
4 transportation coming from either Washington or
5 Sacramento, we thought we might get a little cap and trade
6 money this year, and the football got pulled away from the
7 kicker at the last minute.

8 We do think we need a new standard for voting on
9 local ballot measures. And we think that standard ought
10 to be maybe the one we had for 200 years, which is
11 majority rules. And so we are supporting efforts in
12 Sacramento to put something on the ballot that would make
13 sure that when our local elected officials want to put a
14 tax on the ballot, want to stick their neck out, and try
15 to get some additional revenue for transportation or other
16 purposes, that a majority of the voters can say that's
17 okay and we can move ahead on that basis.

18 So I think that concludes our presentation, and
19 we would be happy to try to address any of your questions.
20 And we appreciate, again, all the work that your staff has
21 done with us to make this a better plan.

22 CHAIRPERSON NICHOLS: Thank you. I'm sure that
23 Board members do have a few questions. I just want to
24 actually make a comment on your last item, because I
25 invited you to comment on the -- how we make these plans a

1 reality. And I think there was a lot of disappointment
2 around the State and here too when we realized that the
3 money from the cap and trade program wasn't going to be
4 available this year for spending.

5 However, I want to be very clear that we have a
6 commitment, I think, from the Governor and the Legislature
7 that it was a one-year loan, that the money will be there,
8 and I want to invite you and others who are here who are
9 stakeholders to work with us in the coming months to put
10 together really solid spending plans, because I don't
11 think we can wait for the normal budget process to just
12 sort of develop those things. I think we're going to have
13 to come in with some well thought through proposals. And
14 I really want to be part of it.

15 MR. HEMINGER: And I do think, Madam Chair, the
16 value that your process has had, you've now got all four
17 major metropolitan areas of the State, 80 percent of the
18 population, we have identified for you where we want to
19 invest that money.

20 CHAIRPERSON NICHOLS: Yes.

21 MR. HEMINGER: We know exactly what we want to
22 do, so just start sending the checks.

23 (Laughter.)

24 CHAIRPERSON NICHOLS: We may need a little more
25 detail like the account number, but, you know, we're

1 close.

2 Thank you.

3 All right. Dr. Balmes.

4 BOARD MEMBER BALMES: Yes. Mr. Heminger, first
5 of all, as a Bay Area resident, I appreciate all the
6 efforts that you and your agency and the other agencies
7 involved in this plan have made. And I really agree with
8 you that the integration of transportation policy with
9 land-use policy is a, if you can really pull it off,
10 incredibly important thing.

11 I have a specific question though. And it
12 follows your comments about -- oh, here's my phone going
13 off. Let me just turn it Off.

14 It follows your transportation funding concern,
15 and I have a specific question about that. So from
16 Supervisor Roberts I've learned how important State funds
17 for public transportation have been over the years, and
18 how those funds are no longer really there due to the
19 fiscal crisis the last few years. And I also learned from
20 Mr. Gioia's predecessor -- Supervisor Gioia's predecessor,
21 Supervisor Yeager, about Caltrans funding and
22 sustainability of that.

23 And I think it's great that there's electric --
24 there's money now for electrification of Caltrain. But on
25 the other hand, I'm not sure that Caltrain is on a

1 sustainable path in terms of just maintaining its funding.
2 So it would be great -- it's great if we electrify the
3 service, but if the service isn't there, it's a problem.

4 And just, I think, last month, there was an
5 article in the chronicle about how there's still not a
6 sustainable funding path for Caltrain, so I wanted to hear
7 you comment about that.

8 MR. HEMINGER: You're putting your finger on a
9 big one, which is the fact that we've got both aging pains
10 and growing pains at the same time. And, you know, we
11 want to make investments like electrifying Caltrain,
12 because it's really to me not so much a transportation
13 investment. It's a public health benefit, and it's a
14 community vitality project.

15 BOARD MEMBER BALMES: I Agree.

16 MR. HEMINGER: But we've got to keep the train
17 running or, you know, we'll have catenary wires and
18 nothing underneath them. The Bay Area does have a history
19 of solving those problems, I will say. You know, the BART
20 system is supported by a dedicated sales and property tax.
21 The Muni in San Francisco is supported by dedicated
22 parking revenue. We have an enormous volume of local
23 funding in the operation of our public transit network.
24 That's one reason that we actually rely less on a
25 percentage basis on State funding than perhaps some of the

1 other areas of California do.

2 So I have no doubt that we're going to solve the
3 Caltrain problem as well. I think a lot of it, as you
4 probably know, has to do with the fact that it's governed
5 by three -- a three-county agency. And each of those
6 three counties, San Francisco, San Mateo, and Santa Clara
7 has its own transit system. So their own transit system
8 comes first and Caltrain is number two for all three. And
9 that's not a good position to be in.

10 So they, like the other major systems in our
11 region, need a dedicated funding source. And I would ask
12 you to stay tuned, because you're probably going to see
13 something on the ballot in the Bay Area some time soon on
14 that very question.

15 CHAIRPERSON NICHOLS: Dr. Sperling.

16 BOARD MEMBER SPERLING: I want to say this has
17 been one of the most inspiring set of presentations I've
18 heard in a very long time. I was -- I'm very impressed.
19 And I observed two things about these sets of
20 presentations.

21 One is the tremendous amount of collaboration and
22 engagement that's taking place with the local governments.
23 And Mr. Rapport talked about this is really a local
24 government plan. And that is probably the most important
25 observation or attribute of all of this. I remember when

1 this 375 law was first being put together. And when the
2 MPOs were going to be designated, I was very skeptical
3 that that was the right way to go. That I did think the
4 cities should have been the regulator -- you know, the
5 regulated parties.

6 And to see what you've, you know, done in the Bay
7 Area and what SCAG has done also, and, you know, your
8 leadership Steve and the political leaders there is
9 just -- it's just mind blowing, you know, how successful
10 it's been. And the same thing with what saw Hasan Ikhata
11 did down in SCAG, and Sacramento, of course, as a leader
12 in that. So that was number one.

13 Number two is the innovation here that we
14 haven't -- and I like what you said that each of these
15 plans is building on the previous one. And the amount of
16 innovation that you have in here is really impressive,
17 adding -- you know, I like some of them, in particular,
18 you know, we're you're looking at feebates -- including
19 feebates, looking at the eco-driving, the housing
20 integration, Complete Streets, and so on.

21 I mean, this is all fabulous stuff. This is
22 exactly what we mean. When the Cool Cities presentations
23 were going on, I mean, these are the kinds of things we
24 need the cities to be doing, and so the leadership here is
25 great.

1 Now, it all -- actually, I have one other little
2 innovation idea for you that hasn't been discussed, and
3 that is natural -- so, you know, part of what's going on
4 here, you're going beyond -- you know, your plan goes
5 beyond what the conception of these plans were going to be
6 with your climate initiatives. And I think that's great.
7 Although I'm going to have a little comment on that in a
8 minute, but I like that innovation.

9 But, you know, another example of that could be
10 what we're seeing with natural gas systems is there's a
11 tremendous amount of leakage from the systems. There was
12 a study in Boston where as much as 10 percent of all the
13 natural gas was leaking, because they had these old pipes.
14 In fact, they weren't even pipes anymore. They were holes
15 in the -- you know, through the ground.

16 And that could be one of the biggest payoffs of
17 all. And having the local governments engaged in this,
18 working with the utilities, is the kind of thing -- and so
19 that's why this engagement, working with the different
20 organizations is so critical.

21 And so I tie it -- and to bring this to a kind of
22 a -- bring this back to ARB. Madam Chairman, I didn't
23 clear this with you previously, but --

24 (Laughter.)

25 BOARD MEMBER SPERLING: -- it points to me that

1 we really need to build up our capability here a little
2 more in the transportation, land use, local government
3 area. Not in the way of being a regulator, but in terms
4 of facilitating, information dissemination, what we see
5 with Cool Cities idea, is these cities are doing
6 something. What Steve talked about, what they're doing
7 in -- and, you know, they've learned from others. And I
8 know, you know, Gary Gallegos and Hasan and Mike McKeever
9 are all here.

10 And those are the big -- but there's so much
11 learning that's taking place. And there's so much -- and
12 at the same time, some kind of monitoring, so the
13 methods -- I mean, you did a lot of it. You referred to
14 the scientific literature as being pretty weak in a lot of
15 these areas where you're making claims for benefits, car
16 sharing and some of the others.

17 And I think we really need ARB perhaps, not by
18 itself, but certainly ARB needs to really strengthen its
19 capabilities in this area to help out. So I know budgets
20 are limited, et cetera, et cetera.

21 CHAIRPERSON NICHOLS: You know I'm going to be
22 shocked and unhappy at that comment, right so --

23 (Laughter.)

24 CHAIRPERSON NICHOLS: No. It's terrific, of
25 course. I'm going to let the staff talk about a little

1 bit what they are doing to build on what they've been
2 learning, but I think we've got a number of other Board
3 members who wanted to comment, so I think we'll just take
4 those comments first.

5 I'm going to sort of proceed down the row. So,
6 I'll go to Mr. Serna and Ms. Mitchell and then turn to the
7 other side. And I promise I'll switch next time.

8 BOARD MEMBER SERNA: Thank you, Madam Chair.

9 BOARD MEMBER ROBERTS: Thank you, Madam
10 Chairwoman.

11 BOARD MEMBER SERNA: I certainly want to start by
12 Echoing Dr. Sperling's comments. I think the
13 presentation, the information is very encouraging. I also
14 want to echo Supervisor Gioia's opening statements.

15 Before I was on the Board of Supervisors, I was a
16 San Ramon Planning Commissioner and actually sat on the
17 ABAG Regional Planning Committee some 13 years ago. And
18 even back then, I can tell you that the region was cutting
19 edge with its adoption of the blueprint long before
20 Sacramento did the same thing.

21 I do want to say that I think one of the most
22 important questions to be asked and answered today and
23 probably in other settings is the one that was asked
24 earlier by our Chair. And that is what is this SCS, what
25 are all the SCSs by all the MPOs in our State, how are

1 they going to affect projects? I mean, what is the real
2 world impact?

3 And the reason I think it's so important is we
4 had -- and this is my opinion. We had an unfortunate
5 experience in Sacramento County, quite frankly recently,
6 where, you know, the Board of Supervisors voted to approve
7 a project that was not in the SCS. And it came, you know,
8 not too long on the heels of the adoption of our region's
9 SCS. So I guess the question is more for Ezra, how would
10 you measure the commitment by all the multitude of
11 jurisdictions that are investing in this SCS? I think
12 it's a critical question to ask.

13 MR. RAPPORT: Well, as I said, we were using
14 these Priority Development Areas as the proxy for where
15 growth would be managed. And each Priority Development
16 Area needed to be brought before the city council for
17 resolution of adoption.

18 So that, at least within the confines of what we
19 were discussing, shows that -- is a demonstration of
20 political will, which in the Bay Area is one of the most
21 important factors. The Bay Area typically has been
22 anti-growth anti-development, mostly because there was
23 concern about how traffic was growing rapidly.

24 But when we use the Priority Development Areas as
25 a mechanism for neighborhood planning and the amenities

1 that come with it and the commitment to have good transit
2 service, we were able to witness change in the attitudes
3 of both the cities and the planning directors. So I think
4 the profession of the planning directors has caught up to
5 the challenges that we're facing. All of us want to
6 sustain the economy of the Bay Area, and do it in an
7 environmentally sensitive way and make sure the equity
8 issues are handled.

9 All of that came before each city council for a
10 resolution of adoption. And from there, ABAG used that to
11 generate density calculations and investments from MTC to
12 make sure that we were continuing down that path.

13 The next step, as I said before, is to develop
14 the entitlement process, which has been severely broken in
15 the State. But from my experience in the Bay Area, it has
16 excluded small developers because they cannot take the
17 upfront risk of the entitlement process. So if we can't
18 fix that, we are stuck with just really big projects and
19 major developers. And that would be a big mistake for the
20 State to be relying on that.

21 We need to bring another industry in, which is
22 the small infill builder, but not -- but remove these
23 barriers that make it impossible to know whether or not
24 your project is going to be approved.

25 So the neighborhood plans get very specific. Of

1 course, there's flexibility, so you can change things as
2 the market requires, but you would not have to do a
3 Supplemental EIR, because the Programmatic EIR would cover
4 those issues and there'd be enough investment in that EIR,
5 so that you can reduce all of the significant issues,
6 which is what SB 375 implementation is about. And you can
7 see that in the bill.

8 We may need some tweaking of that, because
9 there's some requirements there that may be excessive.
10 For example, there are Priority Development Areas that are
11 in areas that have a lot of affordable housing. So to ask
12 each project to contribute another 20 percent, you know,
13 may be unreasonable in that market area. That's just an
14 example.

15 In the wealthy PDAs, this is an appropriate
16 requirement. But in those that are not so wealthy, they
17 already have a certain percentage of affordable housing
18 within their -- within the PDA, it's a show stopper for
19 many projects. So that's the kind of analysis we're going
20 to continue doing in our assessment of how to get to
21 marketability.

22 And we think there's demand. As you know, the
23 senior population is growing rapidly. A lot of the
24 millennial generation wants to be able to live in areas
25 with amenities in safe areas. We have a complete

1 community standard for how we look at PDAs, so it's not
2 just housing numbers and just transit. It's about the
3 quality of life.

4 And we need to make sure that all the special
5 districts are participating in this, because we have 500
6 special districts in the Bay Area. So it's not just
7 cities alone, it's the infrastructure, it's public works,
8 it's the police department, it's the schools. It's a
9 whole variety of different activities that comprise a
10 complete community.

11 So that's our intent. We've defined the
12 geographic area. We have established political will. We
13 have certain amount of entitlement streamlining that needs
14 to improve, and now we need to look at other investments
15 by special districts to buy-in to this plan.

16 CHAIRPERSON NICHOLS: Thank you.

17 BOARD MEMBER SERNA: I appreciate that response,
18 and I would respectfully say to our Chair and to my
19 colleagues and to our staff that because implementation of
20 SCSs is still relatively new territory for all the MPOs
21 across the State, we should be cognizant of how each MPO
22 is learning about really its commitment by its member
23 jurisdiction to implementing the SCS at local levels.
24 It's something that I think, if it's not something added
25 to our list of things to do, so to speak, that we -- you

1 know, we very quickly begin to move into the realm of
2 making plans that collect dust and that don't get
3 implemented. And so that's the whole point in my
4 estimation.

5 So I do appreciate the response.

6 Thank you.

7 CHAIRPERSON NICHOLS: Thank you.

8 MR. HEMINGER: Supervisor, if I could just
9 quickly add too. On the investment side, we've taken
10 another step with a program we call TOAH, which is
11 Transit-Oriented Affordable Housing fund. And that's a
12 case where we're trying to reduce developer risk. We've
13 put \$20 million in of our transportation money. We have
14 leveraged another \$70 million of stuff -- money from
15 foundations and banks. So we've got \$90 million fund
16 that's going to help a lot of those projects pencil out by
17 doing land-backing, all sorts of other things, and it's
18 going to be a revolving fund. So they pay it back, we can
19 loan it out again.

20 That's another instance where I think putting
21 these two subjects together has led to a kind of
22 conversation about investment that we wouldn't have had on
23 our own.

24 BOARD MEMBER SERNA: Thank you.

25 CHAIRPERSON NICHOLS: That's great.

1 BOARD MEMBER SHERRIFFS: Can I ask a follow-up?

2 CHAIRPERSON NICHOLS: Okay. You can piggy-back
3 on.

4 BOARD MEMBER SHERRIFFS: Well, you spoke very
5 well to the commitment of the cities. I'm wondering, can
6 you speak a little bit about the commitment of the
7 counties, the county governments?

8 BOARD MEMBER GIOIA: Some of us up here can talk
9 about that too.

10 CHAIRPERSON NICHOLS: You've got a county right
11 here.

12 MR. RAPPORT: Yeah. We have had a lot of county
13 leadership. A couple of counties have had some political
14 issues that are based really in misunderstanding and fear
15 mongering about this plan. But, in general, the counties
16 have all submitted Priority Development Areas as well, so
17 they understand the process.

18 And when this plan comes for adoption, I think
19 we'll see the counties approving the plan, along with the
20 cities, since our executive board is comprised of county
21 supervisors and city council members and mayors.

22 CHAIRPERSON NICHOLS: Okay. Ms. Mitchell

23 BOARD MEMBER MITCHELL: Thank you. And I also
24 want to commend you on your SCS -- sorry. I forgot to
25 turn it on.

1 Can you hear me?

2 I want to start by commending you on your SCS. I
3 think you've done a very fine job. And I want to say that
4 when SB 375 was first enacted, we saw tremendous push-back
5 from cities, from counties, from any local entity that was
6 in charge of land-use planning. And I think what we are
7 seeing now is that this can be done successfully, and it
8 has great promise.

9 What's interesting to me is -- and I am from
10 southern California, the SCAG region, for those of you who
11 don't know where I hail from. And we did our SCS, and
12 it's different from yours and for legitimate reasons. I
13 mean, you already have a pretty well-defined transit and
14 transportation system. In California we're building one.

15 So you also have revenue streams that will help
16 you in that maintenance. And we in southern California
17 are really struggling with where are we going to get the
18 money to do what has to be done? What has to -- and what
19 has to be done is the maintenance of existing streets and
20 roads, but also the building of new transit systems.

21 So it's interesting that -- to me that there are
22 different challenges in different areas. And what you
23 have presented shows the challenges that you have in your
24 area.

25 The other thing that we all are struggling with

1 is with the demise of redevelopment, that was our tool for
2 doing some of the things that we thought we would be doing
3 with SB 375. So I think we all need to work together to
4 find a new tool for us to do that.

5 The other thing I think we need to be careful of
6 as we are doing housing development, and meeting the
7 requirements of low income housing, is that we are careful
8 not to build low income housing projects that turn out to
9 be failures. And we have seen a lot of criticism of what
10 we call, "The projects", that then end up being places
11 where there is high crime and a low quality of life.

12 And so I urge you in moving forward with your
13 housing plans to think about that. One way I think that
14 that can be done is to integrate your low income housing
15 units in a larger facility that has a mix of different
16 incomes, so that we're not putting all low income in one
17 place. And that's kind of a sort of idealistic, personal
18 viewpoint. But I want to put it out there, because I
19 think it's important that we look at that aspect of
20 developing low income housing.

21 And you have in your area that issue of
22 displacement. And so I think that, you know, an approach
23 that is cognizant of avoiding the development of all low
24 income in one area where you can have a quick sort of
25 decline in the quality of life is an important thing to

1 consider.

2 Overall, I think you have a very fine plan and
3 urge you to move forward with it.

4 Amy, nice to see you again. I'll comment Amy's
5 brother is on the planning commission in my city.

6 (Laughter.)

7 BOARD MEMBER MITCHELL: It's really a small
8 world. So I've gotten to know Amy over the years through
9 that connection.

10 Thank you.

11 CHAIRPERSON NICHOLS: That's great. Start down
12 at the other end actually, and call on you Supervisor
13 Roberts, unless you -- Hector, you weren't -- you didn't
14 have your hand up. Yeah. Okay. Good.

15 BOARD MEMBER ROBERTS: I was looking at the
16 outcast on the end here to see if he was -- he had his
17 hand up first.

18 BOARD MEMBER DE LA TORRE: I'm part of it.

19 (Laughter.)

20 BOARD MEMBER ROBERTS: Okay. Be way out on the
21 wing and I didn't know.

22 Let me -- first of all, the plan looks terrific.
23 But you made it sound so easy the way it all went
24 together.

25 (Laughter.)

1 MR. HEMINGER: It wasn't so easy.

2 BOARD MEMBER ROBERTS: I'm curious, did you have
3 any area areas in cities that told you, oh, my God. We
4 can't take anymore people. We're built out or -- where it
5 might look otherwise like a prime -- a prime area for
6 growth or the most evil word in the vocabulary, at least
7 in our parts of southern California, is "density". Were
8 these issues or did you just -- everybody just -- you just
9 parceled out all this stuff? You looked at your transit
10 and said here's where we're going to do it and everybody
11 smiled and said, "Of course".

12 MR. HEMINGER: Sure, we had trouble. You know
13 the old joke in the Bay Area is there are two things
14 people in our region hate, density and sprawl, right?

15 (Laughter.)

16 MR. HEMINGER: And I'm sure that's true in most
17 places.

18 We had plenty of places who thought that growth
19 in a particular part of their city wasn't appropriate, but
20 in another part it was. And I think that's why, as Mark
21 said, relying on their efforts to promote and recommend is
22 really one of the great strengths of this plan, because,
23 you know, it's easy to fall in the trap when you -- you
24 know, whatever level of government you work at, you tend
25 to think that's the right level of government, right?

1 And it's easy to fall into the trap, that we know
2 better, and this is where it ought to be because the
3 planner handbook here says that this BART station ought to
4 have this many people. And I think we've been able to
5 reach a very good compromise. As Ezra said, quite a bit
6 of the upset in our region is from places that are not
7 being asked to grow much at all, but they're just upset
8 with the principle of the whole thing. And I think that's
9 just part of the bargain, in terms of putting together a
10 plan like this, that is -- that is moving toward quite a
11 bit of change. And I'm sure you've had similar
12 conversations in your region as well?

13 BOARD MEMBER ROBERTS: Very similar. Yeah.
14 There are places in our most rural area that would love to
15 have high-rise buildings, but somehow they don't fit.

16 MR. HEMINGER: I think one reason this process
17 has been so successful in all four metropolitan areas is
18 that we were all doing this already. It's not as if we
19 were at a dead stop and the State came along and kicked us
20 in the pants. We were all moving, and SB 375 was just
21 sort of a gust of wind, and it got us going faster. And I
22 think that's been a pretty good partnership. I wish we
23 could do that with a lot of other State policies.

24 BOARD MEMBER ROBERTS: I hope somebody is
25 listening.

1 (Laughter.)

2 BOARD MEMBER ROBERTS: The next thing, open
3 space, you talked about acquiring -- is there a integrated
4 plan for the whole area? And, if so, how does it get
5 funded?

6 MR. HEMINGER: I do think that's an area where we
7 didn't do as much work as we would like. Now, to start
8 with, the Bay Area has one of the greatest systems of open
9 space protection you'd ever want to see. In fact, if you
10 want to look at two issues, open space protection and
11 affordable housing production, we're a lot better at the
12 first one than we are at the second. So I think we put a
13 lot of emphasis on the Priority Development Areas, because
14 that, I think, is where the Bay Area needs to do a lot
15 better.

16 The Priority Conservation Areas, in terms of the
17 investment we made in the OneBayArea Grant Program is much
18 smaller. And I do think that's an area where, in the next
19 version of our Sustainable Communities Strategy, we've got
20 to place more emphasis and more investment.

21 BOARD MEMBER ROBERTS: Assuming that, at some
22 day, that the money that's coming out of the Greenhouse
23 Gas Program is not going to be loaned but is going to be
24 used for things that are needed within our communities to
25 reduce greenhouse gas, what would be a high priority or

1 maybe top priorities in your area?

2 MR. HEMINGER: I think for us, as I mentioned
3 earlier, we think we've got the model. We've got the
4 blueprint of where we want to grow. We've got a very
5 significant shortfall in the kind of subsidies and
6 incentives and other kinds of changes that we need to make
7 to make that growth occur.

8 And so to the extent that we free up money,
9 whether it's in Sacramento or Washington or whether we
10 generate some more in the Bay Area, I think we've got the
11 structure in place to make that investment. So, again, I
12 think the pump is primed, and we've just got to get some
13 water moving through it.

14 BOARD MEMBER ROBERTS: So maybe subsidizing in
15 housing and other areas?

16 MR. HEMINGER: Sure. Absolutely. I mean, to
17 carry out the kind of intensification that all four
18 metropolitan areas are talking about, we need to make
19 those developments pencil out. And often it's just easier
20 to do it far away, where you don't have to deal with all
21 these people, and all these cars, and all these existing
22 schools that are already crowded and all the rest of it.

23 So we need quite a bit of public investment to
24 accompany that private investment to make this infill
25 strategy work.

1 BOARD MEMBER ROBERTS: And with the lack of
2 redevelopment now, I suspect that that puts --

3 MR. HEMINGER: Yeah. I think that's really the
4 big -- that's the big challenge for the SCSs around
5 California is to find some way of replacing in whole, in
6 part, under whatever name you want to call it, that kind
7 of funding stream. In the Bay Area, it was close to a
8 billion dollars a year. That's a big chunk of change to
9 replace.

10 BOARD MEMBER ROBERTS: Thank you. I like the
11 plan.

12 CHAIRPERSON NICHOLS: Indeed. Yes, Mr. Gioia.

13 BOARD MEMBER GIOIA: I think the first thing that
14 we should all recognize is there's been really a
15 tremendous amount of outreach, leadership, and education
16 around the Bay Area to get to where we are today. This
17 hasn't been easy. And I think Mayor Worth and Supervisor
18 Luce are sort of being very humble in not talking about
19 sort of their own leadership and their colleagues on MTC
20 and ABAG.

21 I mean, these are folks who are advocating for
22 regional policies, and then go back to their own city
23 council or board of supervisors and face a lot of
24 criticism. In fact, there's a supervisor in Marin, who's
25 potentially facing a recall because of her advocacy of a

1 regional plan and affordable housing.

2 And I use the term affordable housing, because
3 the housing that we're talking about here is housing for
4 teachers and often folks in law enforcement, who can't
5 live in their own communities where they work.

6 And, in fact, the Supervisor in Marin who's
7 potentially facing a recall, if you look at affordable
8 housing numbers in Marin, that's -- those are still pretty
9 high numbers, because they're calculated on a county-wide
10 basis.

11 But the leadership that's occurred has been key
12 to getting it to where it is, because there is still a lot
13 of misunderstanding about this plan. And despite that,
14 folks, you know, the leaders are willing to take the risk
15 and support this because their own constituents have
16 varying levels of knowledge about what this plan really,
17 means, especially the Priority Development Area.

18 I mean, the point we've all made is look it's up
19 to the city and county to decide a Priority Development
20 Area. And if you are one, you're going to be eligible for
21 more incentive -- for more regional dollars. I think
22 that's sort of -- that's the carrot approach, right, that
23 these regional dollars are going to get used for those
24 communities that develop in the Priority Development
25 Areas. So I just want to acknowledge that that leadership

1 has been really an important part of this.

2 And the other thing I want to say about counties,
3 I think folks often think, well, counties just represent
4 the unincorporated areas. And in my county, that's about
5 20 percent of the population. But frankly, the counties
6 provide the health and social service infrastructure for
7 everybody in the county, whether they live in a city or
8 the unincorporated area. And that health and social
9 service infrastructure is a really important part --
10 important part of getting -- of supporting development in
11 these PDAs.

12 If you're going to do infill in areas, where
13 there are potential displacement issues, so the county
14 infra -- and I think you're seeing counties very
15 supportive generally of regional planning, because they
16 get the importance of regionalism, because in our county
17 we have 19 cities. The Bay Area has got nine counties and
18 101 cities. So the counties play an important role that
19 have been supportive. And I know those in county
20 government and others sort of understand that.

21 And the last thing I'll say is that I do think
22 that, you know, we all learn from what happens in other
23 parts of the State. So, you know, the fact that we are
24 looking at what other regions have done is helpful to us
25 in the Bay Area. We learn from successes. We learn from

1 failures. And this is going to be an iterative process,
2 because as we go forward, we're going to be -- there's
3 going to be opportunities to change things. I mean, these
4 are not all cast in stone. We're going to learn. We're
5 going to measure our outcomes. And we have to go back to
6 our own constituents and talk about, you know, what are
7 really achieving? Are we reducing greenhouse gas
8 emissions?

9 And I think this is a case where the public, in
10 general, is pushing the electeds, you know, to do the
11 right thing. They're not always the public that show up
12 at the meetings. But as others have talked about, the
13 polling indicates that Bay Area residents are supportive
14 of this.

15 So I want to thank also -- and the executive
16 directors of the two -- of all the four agencies,
17 especially these two, who've played a very important
18 leadership role.

19 CHAIRPERSON NICHOLS: Great. We have 11
20 witnesses who have signed up to speak on this item. And
21 each of them is going to get three minutes. And before I
22 call them all up, I would like to just maybe wrap-up this
23 part of the discussion with one additional comment,
24 because I really loved Steve's use of the term of a gust
25 of wind about SB 375. And, of course, it's true that when

1 it passed, there was a lot already going on, as we very
2 quickly learned.

3 But speaking from the perspective of the Air
4 Resources Board as one who's followed these issues both
5 here and at my local level in southern California for a
6 long time, SB 375 did come along at a critical moment.
7 And the fact is that somehow or another greenhouse gases
8 became the metric for success in an area where previously
9 we hadn't ever had a role for ARB. I mean, after years of
10 Clean Air Act work where -- and Clean Water Act and other
11 things that had all tried to push some of these same kinds
12 of concepts of regional planning for housing and land use
13 and transportation, somehow, AB 32 and SB 375 have become
14 the tool that has helped to really push all of this
15 wonderful innovation, as Dr. Sperling said.

16 That did not come with a whole new set of
17 resources for the Air Resources Board. And I'd like to
18 give credit to our staff for having very quickly assembled
19 a team of people with technical and planning credentials,
20 as well as considerable skill in working at the local
21 level to, you know, help to move this process forward.

22 But as we -- as we take the next steps in the
23 direction of implementation, we are going to need to up
24 our game here, in terms of how we provide the kind of
25 support that you're talking about. And it really does

1 become a different way of organizing. I think quite a bit
2 of the work that's done at ARB, if we're going to provide
3 the kind of support and technical assistance and mobilize
4 the programs that we are able to mobilize effectively.

5 So this is a discussion that it's great that
6 we're starting today, but it's going to have to continue,
7 I think, over a period of time. So with that, I'm going
8 to call you up, and I'll just call three names at a time.
9 So we'll start with Hasan Ikhrata, and then we'll hear
10 from former Senator Don Perata, who knows a thing or two
11 about the State role in these things. And then Kara
12 Vuicich. I hope I'm pronouncing that right.

13 Okay. Hasan, welcome.

14 MR. IKHRATA. Thank you, Chairwoman and Board
15 members. Good afternoon -- well, actually, good morning.

16 CHAIRPERSON NICHOLS: It's still morning.

17 (Laughter.)

18 MR. IKHRATA: Good to see all of you. We're here
19 to commend on behalf of the Southern California region our
20 brothers in the Bay Area, specifically in MTC and ABAG,
21 for an excellent job. You know, for somebody from the Los
22 Angeles area, southern California, to come say anything
23 good about the Bay Area --

24 (Laughter.)

25 MR. IKHRATA: -- that tells you something.

1 But truly it is a great plan. I want to add my
2 support to what Steve said, that we did plans. Eighty
3 percent of the State now has Sustainable Communities
4 Strategies. I believe SB 375 allowed us to have a
5 discussion we should have had probably 20 years ago, and
6 it's a very significant discussion about the future.

7 And the supervisor mentioned that plans are not
8 worth the paper they're written on unless they become
9 reality. And for them to become reality, I think the
10 State needs to help us, in a big way, give us the tools,
11 the mechanisms.

12 You know, Steve mentioned redevelopment. The
13 delay in cap and trade we'll take your word for it,
14 Chairwoman, that this money will be there for us. But I
15 believe the regions are ready to move forward in a
16 significant way. And the Bay Area today showed you a
17 great way of moving forward. So I think the State of
18 California is going to be much better for it.

19 So I'm here to -- on behalf of the 84 Board
20 members, one of them who's sitting right there, to say
21 congratulations to the Bay Area and ask you to accept or
22 approve or whatever the terminology is. And it's good to
23 be here.

24 Thank you.

25 CHAIRPERSON NICHOLS: Thank you. One of the

1 great joys about this whole process is the way that these
2 MPOs have come together as the amigos who travel around
3 the State as pack.

4 Senator Perata.

5 FORMER SENATOR PERATA: Good morning. I'd like
6 to just, before I say what I came to say, is to
7 acknowledge the chair and the guy that used to work for
8 Kip Lipper. There have been a lot of discussion recently
9 this week over the Proclamation of President Obama about
10 reductions in greenhouse gas generated by coal-fired
11 plant -- power plants.

12 And that was Kip's bill in California that was
13 moving simultaneously to AB 32. And I know you
14 collaborated with him on that. And he said at the time,
15 he thought that would be the significant play, and he was
16 right. And I read a lot about that, but I didn't see -- I
17 saw -- heard you -- saw you quoted, but you obviously
18 didn't lavish any praise on yourself. And I just wanted
19 to point that out that sometimes those who serve also are
20 very effective in what they do.

21 I'm here today representing the California Infill
22 Buildings Association. I like the plan when I first saw
23 it, but I was really impressed when they -- what they had
24 to say here today. I just want to emphasize that we
25 believe that infill is where California's past, present,

1 and future is. And I just told Hasan, I just as soon
2 southern Californians don't come up and praise the Bay
3 Area all that often.

4 (Laughter.)

5 SENATOR PERATA: We appreciate them, but --
6 particularly since the Giants lost three games this
7 weekend.

8 (Laughter.)

9 SENATOR PERATA: But we -- this plan does do
10 exactly what we believe collectively needs to happen. And
11 the emphasis -- there are a couple things that I want to
12 just draw out. I've become, for some reason, very
13 interested in senior citizens and the aging process over
14 the last couple of years.

15 (Laughter.)

16 SENATOR PERATA: And we need the kind of
17 flexibility for the empty nesters, and for people who want
18 to continue to live an urban life, but they don't need
19 what they had before. And California does not have a
20 housing policy that emphasizes that. We still are looking
21 at three and four bedroom homes, and in many places lot
22 and block.

23 Well, this plan, I think, has the flexibility to
24 do that. And I know Steve is right, you know, we hate
25 sprawl and he hate density. But if you've got the

1 services that can provide what is necessary, everything
2 else will fall into place.

3 The Chair asked about project implementation.
4 Ezra responded about the little developer, the smaller
5 develop, which is very, very important. But the key thing
6 I believe is that we cannot have CEQA and other very
7 influential laws in this State that are not in concert
8 with what's happening here right now.

9 There are still too many ways to stop a project
10 to completely thwart the intention and all the hard work
11 that's gone into that.

12 (Thereupon the time went off.)

13 FORMER SENATOR PERATA: We should have had one of
14 these in the Senate.

15 (Laughter.)

16 FORMER SENATOR PERATA: So I think as you look at
17 implementation, you also need to look at -- CEQA right
18 now, in my judgment, is out of compliance with the concept
19 of what's been talked about here.

20 So if we don't address that, this is a lot of
21 nice cocktail conversation, but it will have no efficacy
22 when it comes down to it. This is all about the
23 environment. And everything else we do ought to be about
24 the environment as well.

25 And I want to say it's delightful to be here with

1 Steve Heminger when we're not talking about the Bay
2 Bridge.

3 (Laughter.)

4 CHAIRPERSON NICHOLS: Thank you. You know you
5 get extra time when you compliment the Chair.

6 (Laughter.)

7 CHAIRPERSON NICHOLS: So just for future
8 reference.

9 Thank you.

10 (Laughter.)

11 CHAIRPERSON NICHOLS: Ms. Vuicich.

12 MS. VUICICH: Hi, Madam Chair and honorable
13 members of the Board. My name is Kara Vuicich. Very
14 good. I know it's a tough name to pronounce.

15 I'm a Senior Transportation Planner for the
16 Alameda County Transportation Commission. And I apologize
17 that our Executive Director, Art Dao nor our Deputy
18 Director of Planning Beth Walukas is able to be here today
19 to speak. We have a Commission meeting early afternoon,
20 and unfortunately there's no way they could travel fast
21 enough between Sacramento and Alameda to make it.

22 That Alameda County Transportation Commission is
23 both the congestion management agency for Alameda County.
24 We're also the sales tax -- the authority for our local
25 transportation sales tax, and so we've had quite a bit of

1 experience, a long history with -- as a local self-help
2 county in that regard.

3 We appreciate the opportunity to provide our
4 comments today and support the process by which the draft
5 SCS was developed, the projects and programs it contains
6 and the methodology used by ABAG and MTC to determine
7 whether greenhouse gas reductions targets will be
8 achieved.

9 As many of the speakers have said before, this
10 draft plan represents three years of dialogue and work
11 with a diverse number of representative groups, including
12 local jurisdictions, counties, and advocates. And as the
13 Bay Area's first SCS, it represents a significant
14 achievement in meeting and exceeding the greenhouse gas
15 reduction targets, while respecting the legislative
16 mandate for local land-use control.

17 The draft plan's project alternative is the one
18 that's most vetted and understood by Bay Area residents
19 and the most consistent with local and county-wide plans,
20 and thus the most implementable, and the most
21 comprehensive in addressing the needs of all
22 transportation modes and users while remaining
23 environmentally sound and beneficial and achieving, if not
24 exceed, our greenhouse gas reduction targets.

25 There were five different alternatives that were

1 analyzed. And overall, it was determined that the project
2 alternative, the plan, was overall the most beneficial,
3 but I think it's particularly important to point out that
4 when it comes to the likelihood that greenhouse gas
5 reduction targets will actually be achieved within the
6 given time frame, the feasibility of implementing a given
7 alternative is critical.

8 And the plan that you saw before you today is the
9 one that is, in fact -- that our agency believes is the
10 most feasible and most implementable, because it's based
11 on local land-use plans and policies.

12 And lastly, I just want to emphasize that this
13 draft plan has been developed again with significant
14 public and stakeholder input, and is based on -- it
15 incorporates the projects and programs from the Alameda
16 County Transportation Commission's county-wide
17 transportation plan and our transportation expenditure
18 plan, and it's also the most consistent with local
19 land-use plans.

20 And we're looking forward to working with --
21 continuing to work with MTC and ABAG on moving forward
22 with implementation and addressing a lot of the critical
23 and important issues that remain in our region.

24 Thank you very much.

25 CHAIRPERSON NICHOLS: Thank you.

1 Jenny Bard, David Schonbrunn, and Gary Gallegos.

2 MS. BARD: Good afternoon, Chairman Nichols and
3 members of the Board. As a Santa Rosa resident, I'm a
4 regional director for programs and advocacy for the
5 American Lung Association. And as a Santa Rosa resident
6 I'm really happy to be here today support Plan Bay Area.
7 And also as an electric vehicle driver, in my second year,
8 I actually can drive here from Santa Rosa with a great
9 fast charging station in Vacaville. And it's exciting to
10 see the bank of electric charging stations on the top of
11 the parking garage. So it addresses destination anxiety
12 as much as range anxiety.

13 The American Lung Association commends the
14 metropolitan transportation commission and the Association
15 of Bay Area Governments, the excellent work on the Plan
16 Bay Area to focus on infill development, and for the first
17 time, incorporating critical public health goals through
18 the regional planning process.

19 The plan was the first to develop project
20 performance assessments, and to analyze the impacts of
21 transportation projects. And you'll be hearing more about
22 this from TransForm, and we will be supporting those
23 comments.

24 This plan was the first to set specific health
25 performance targets for the scenario assessments,

1 including 11 percent reduction in premature deaths from
2 exposure to fine particulate matter, a 50 percent
3 reduction in the number of injuries and fatalities from
4 all collisions, and an increase of 50 percent, the average
5 walking time or biking per person per day from 2000
6 levels.

7 This was the first time a target had been
8 established to reduce health impacts from emissions from
9 motor vehicles, and the first time the benefits of
10 physical activity were analyzed and measured in a regional
11 transportation plan. We hope explicit health outcomes can
12 be included in all SCS scenario planning efforts going
13 forward.

14 While some of these targets were met, others fell
15 short. For instance, injuries from bicycle and pedestrian
16 crashes are predicted to rise 35 percent under the plan
17 before you today due to higher vehicle densities in
18 Priority Development Areas. So there is much more we must
19 do to advance health outcomes, and hopefully we can figure
20 out how to incorporate explicit health outcomes in the
21 next planning process.

22 Because of the many health benefits identified in
23 the equity environment and jobs alternative, the American
24 Lung Association in California urges CARB to support the
25 elements of the alternative that will get us closer to our

1 health and equity goals. And to use these as a model for
2 other plans as they are developed and updated, greater
3 investments in transit and increasing transit ridership,
4 and away from highway expansion projects, greater options
5 for safe walking and bicycling to schools, work, and
6 recreation and essential services, more affordable housing
7 near jobs, public transit, parks, schools, and services.

8 Thank you very much for your time.

9 CHAIRPERSON NICHOLS: Thank you.

10 Mr. Schonbrunn.

11 MR. SCHONBRUNN: I'm David Schonbrunn with
12 Transdef, the Transportation Solutions Defense and
13 Education Fund. I'd like to start by welcoming Supervisor
14 Gioia to the ARB and to congratulate Dr. Sperling for his
15 award of the 2013 Blue Planet Prize, which is known as the
16 Nobel Prize of the environmental sciences.

17 The week that the --

18 BOARD MEMBER SPERLING: Thank you.

19 MR. SCHONBRUNN: -- Draft Environmental Impact
20 Report comments were do on this Sustainable Communities
21 Strategy was the very week when the world reached the 400
22 parts per million mark in atmospheric CO₂. Given that
23 context, I'm the environmental advocate here to brief you
24 on something you haven't heard today.

25 This SCS fails at the climate level. This is

1 because of the unfortunate 2010 decision of this Board to
2 adopt the regional emissions reduction targets proposed by
3 the MPOs.

4 Your staff has just given MTC a pass. You would
5 never know from today's presentations that contrary to the
6 purposes of SB 375 and the scoping plan, the SCS would
7 result in an actual increase in greenhouse gases. This
8 outcome is only possible because MTC proposed a lowball
9 per capita emissions reduction target that didn't require
10 breaking a sweat to attain. And your Board accepted that
11 proposal despite my testimony and that of others at that
12 time.

13 This SCS will result in an overall 18 percent
14 increase in regional transportation GHG emissions and a 28
15 percent increase in regional land-use emissions. While
16 the SCS complies with your per capita targets, the 30
17 percent projected growth in population completely
18 overwhelms its emission reductions.

19 It's only because of claiming reductions from
20 scoping plan measures that the SCS is able to trumpet
21 lower 2035 emissions. That framing is an explicit
22 rejection of the SB 375 goal of achieving additional
23 emissions reduction from regional land use and
24 transportation, above and beyond other scoping plan
25 measures.

1 For me, the take-home message is that the SCS
2 will lower 2050 emissions, GHG emissions, by 20.5 percent
3 when the executive order calls for 80 percent. That's
4 pathetic.

5 The DEIR violates CEQA by not disclosing and
6 mitigating that impact on 2050 goals. I'm here today to
7 make the point that the current regional emissions
8 reductions targets are a farce. The value of the SB 375
9 program is gravely diminished by having per capita targets
10 that are substantially below population projections. That
11 makes this process here sadly irrelevant.

12 CHAIRPERSON NICHOLS: Sir, your time is up. I
13 think you've made your point.

14 MR. SCHONBRUNN: Can I give you two sentences?

15 CHAIRPERSON NICHOLS: Yeah, why not.

16 MR. SCHONBRUNN: California and the world need
17 ARB to do more to truly lead on behalf of the climate.
18 Please use the scoping plan update process to revise these
19 regional targets and put our State firmly on track to
20 achieve 2050 goals.

21 Thank you.

22 CHAIRPERSON NICHOLS: Thank you.

23 We did hear you when you were here before, so.
24 Okay. Mr. Gallegos.

25 MR. GALLEGOS: Good morning. I guess it's right

1 at good morning or good afternoon here, Madam Chair and
2 members of the CARB Board. Thank you for allowing us to
3 speak. I'm here on behalf of the SANDAG. And, Madam
4 Chair, you called us the Four Amigos, so, you know, we
5 either blame you or give you credit for the fact that, you
6 know, we worked pretty closely. And we're here in support
7 of either the MTC/ABAG plan. They put together a good
8 plan.

9 And I think one of the really positive outcomes
10 that we're seeing here is the collaboration that's
11 happening, I think, not only amongst the four MPOs, but
12 all the MPOs throughout the State of California. That
13 there's, in my opinion, a lot of learning and a lot of
14 positive things going on as we -- this is a marathon, not
15 a sprint. I think we're all learning from each other,
16 whether it's in areas of pricing or how we protect open
17 space, how we might administer grants, how we may improve
18 our models, so that there's hopefully, you know, better
19 tools for us as we forecast into the future.

20 And so all those are positive things. I think
21 the Bay Area has done a great job in putting their plan
22 together. A couple of things that I would emphasize, and
23 I think they've highlighted is, I think, the importance
24 and the reality of these plans is can we get local
25 governments to buy into them, because that's, you know,

1 the people that actually make the decisions. And to the
2 extent that we as MPOs are kind of the link between local
3 government and what happens here at the State, that I
4 think having all our cities on board and our counties on
5 board are extremely critical to the success of these
6 plans, if they're really, truly going to make a
7 difference.

8 Secondly, I think implementation is key. I mean
9 a plan is a plan, but can we implement it? And I think as
10 Steve and Ezra and others have highlighted, I think one of
11 the challenges in terms of implementation in an area that
12 at least, from a SANDAG perspective, we look forward to
13 working with CARB, is how do we put the tools together,
14 the financial tools, to make this happen, whether it's at
15 the federal level, State level, or local level really
16 doesn't make any difference. But I think we do need
17 financial tools to match the plans that we're bringing
18 forward here.

19 And last, but not least, let me close that, you
20 know, Steve and Ezra as they're wrapping up here, you
21 know, we're getting started on the next cycle. And I
22 think one of the things that we've learned from your staff
23 in working with CARB, an opportunity to recognize the CARB
24 staff here, is that we're also learning from you guys.
25 And I think one of the areas you guys have done a great

1 job -- and Supervisor Roberts continues to remind us of
2 this on a regular basis back home -- is how you guys deal
3 with technology.

4 And I think the one area as we look forward in
5 the transportation area that, you know, when we're
6 forecasting 20 or 30 years into the future, I don't know
7 that we've accounted for the technology changes and
8 hopefully the improvements that we're going to see in the
9 next 20 or 30 years. And so, in many cases, we're using
10 today's technology to sort of figure out what's going to
11 happen 20 or 30 years in the future. And one of the
12 focuses that we hope to bring in this next plan is to, you
13 know, try to look at that and see how we might be able to
14 do better.

15 But let me close with again congratulations to
16 the Bay Area, and we encourage that you approve or adopt
17 their SCS as a plan that conforms and meets your targets.

18 Thank you.

19 CHAIRPERSON NICHOLS: Thank you.

20 Andrew Chelsey, Justin Horner, Stuart Cohen.

21 MR. CHELSEY: Chair Nichols, members of the
22 Board. My name is Andrew Chesley. I'm the Executive
23 Director of the San Joaquin Council of Governments in
24 Stockton.

25 And I want to take a little moment just to say

1 congratulations and a pat on the back to our
2 inter-regional partners just to the west of us in the Bay
3 Area.

4 We are the last of the group that will be coming
5 to you to talk about our Sustainable Communities
6 Strategies. Among the five regions, the San Joaquin
7 Valley is the last of the group. And those eight MPOs
8 will be before you to talk about this. We've learned a
9 lot from the process that's been followed by our friends
10 at SANDAG, SCAG, SACOG and now MTC and ABAG through this
11 process.

12 Besides the range of things that have been talked
13 about here, one of the things that I think has been
14 important for us looking at what MTC and ABAG have done is
15 the integrity they've used in terms of wrestling. And I
16 think wrestling may be the appropriate word with the issue
17 of trying to match jobs and housing and affordable
18 housing, in particular, in the Bay Area. This is not a
19 new issue for them, and one that they have had struggles,
20 in terms of addressing in the past. And I think through
21 the SB 375 process and this particular plan, they have
22 done an effort that they should be applauded for in regard
23 to this.

24 But I think also maybe Ezra and Steve also
25 mentioned that they're not really done in this area yet.

1 And that kind of brings me to my second and last point
2 here. I think it's recognized that the Bay Area is well
3 known as the gateway to the San Joaquin Valley. And that
4 interconnectedness between us is one that we've recognized
5 for a long time. As a matter of fact, Mayor Worth and
6 Senator DeSaulnier, in the past, have been very strong
7 advocates and leaders of this kind of communication
8 between our regions.

9 We need to continue that particular effort. And
10 the Bay Area has reached out to us and we have reached out
11 to them. I think maybe one of the least articulate, but
12 maybe one of the more important aspects of SB 375 and the
13 process that we've been going through here is that sharp
14 line that we have on maps between our regions is starting
15 to be blurred a little bit. And maybe that's a good thing
16 for all of us in terms of planning for the benefit of the
17 State of California.

18 So congratulations to the Bay Area and
19 wholeheartedly can endorse the product they have brought
20 before you.

21 CHAIRPERSON NICHOLS: Thank you.

22 MR. HORNER: Good afternoon, Chair and members of
23 the Board. My name is Justin Horner. I'm from the
24 Natural Resources Defense Council. We're here to praise
25 MTC and ABAG for the Draft Plan Bay Area. With the

1 issuance of the plan, the Bay Area once again has shown
2 itself to be a leader in sustainable development and good
3 regional planning.

4 Already a region committed to preserving open
5 space, promoting public transit, and encouraging compact
6 development, the Draft Plan Bay Area reveals a vision that
7 really continues this legacy.

8 Concentrating all new development in the existing
9 urban footprint is among the signature accomplishments of
10 the Draft Plan Bay Area. The Draft Plan Bay Area also
11 expands transit accessibility and meets and even is
12 projected to exceed the targets that you've set for the
13 regional.

14 Despite a rather aggressive timeline for issuance
15 the Draft Plan Bay Area and the EIR, NRDC found staff to
16 be open, approachable, and straightforward, both with
17 respect to their land-use and transportation models, and
18 as well as the assumptions behind the climate initiatives.

19 We are particularly interested in the climate
20 initiatives. The Bay Area is the natural place for these
21 type of innovations to be pushed forward, and we commend
22 the plan for its ambition in this regard. It's essential
23 that these new and promising transportation strategies be
24 brought to scale, analyzed, and explored. And it's really
25 one of the strong parts of the Draft Plan Bay Area.

1 The climate initiatives, however, play a vital
2 role in ensuring that the Bay Area meets its targets under
3 SB 375. And so we look forward to continuing our --
4 continuing our work with staff to ensure that the program
5 promotes important innovations while also making sure that
6 we can be confident that we're going to make the plan's
7 targets.

8 We do believe the plan can be even better. We've
9 joined a number of community groups who have called for
10 the inclusion and consideration of some of the stronger
11 elements of the equity, environment, and jobs alternative
12 in the EIR, and also have made some recommendations
13 regarding affordable housing anti-displacement policies,
14 and transit operations.

15 But, in total really, our comments have been
16 offered in the spirit of helpfulness and really wanting to
17 improve what is already a quality effort. We are happy to
18 hear from the Board and also from staff, you know, a
19 realization of the importance also of implementation,
20 particularly with respect to CEQA and ensuring that those
21 benefits that accrue to projects that are consistent with
22 the SCSs really make sure that these projects can happen
23 on the ground.

24 So thank you for your oversight of this important
25 process.

1 CHAIRPERSON NICHOLS: Thank you.

2 Mr. Cohen.

3 MR. COHEN: Good afternoon. Stuart Cohen. I am
4 the founder and Executive Director of TransForm. We're
5 the State's largest nonprofit focused on sustainable
6 communities in developing world class transit. And we've
7 been -- we started in the Bay Area, and, in fact, our
8 first campaign in 1997 and '98 was to get MTC to do a
9 smart growth scenario which they weren't doing until that
10 pointed. And so it's really great to get to this place
11 where, you know, they are continuing to blaze new paths
12 for regions around the State.

13 A few things that they did really well and then a
14 couple of areas of concern that I'd like you to note, and
15 maybe act on. They started the process with really great
16 public participation, set excellent goals, and then used
17 those goals, as Steve described, all along the way to try
18 to guide investments and policies.

19 The OBAG program definitely very innovative. We
20 always had that problem of we're setting these regional
21 targets since 2003 of a compact growth scenario, but
22 really didn't have a fundamental way to link it to
23 reviving urban core areas that needed the investment. And
24 this is the biggest attempt in the country to do that. So
25 very strong kudos for the OBAG campaign.

1 The climate program, the TOAH Fund, which we've
2 done in partnership with MTC and other groups, and then
3 finally they have this environmental -- an environmental
4 justice alternative, part of which came from our comments
5 and some other groups.

6 And that leads to what I'd like to see a little
7 bit changed. We'd like them to see -- we'd like them to
8 adopt some additional components of that alternative. One
9 of them is to invest additional funds in transit system.
10 And we believe this could be done by looking at their
11 express lane proposal. This would allow solo drivers in
12 for a fee into the network of HOV lanes. They're going to
13 use the first billions in revenue, 2.8 billion in total,
14 to help build out the rest of the system with new lanes.

15 We'd like to see a proportion of that money,
16 ideally at least 50 percent, add to the transportation
17 choices on the existing system, where they're doing those
18 conversions instead of really going out to build new
19 lanes. It's the second largest proposal and it's
20 basically a large highway expansion proposal that was a
21 little glossed over in the presentations.

22 The second thing I would like you to note is that
23 they did an excellent job with the project performance
24 assessments. I was part of that technical advisory
25 committee. But kind of to no fault of their own, it was

1 unavoidable, due to limitations in the models and the
2 methodology, it overestimates the benefits of highway
3 projects that are in there.

4 And so, for example -- and this will just be my
5 closing comment -- a new road expansion proposed from
6 Tracy to Brentwood comes out looking very good -- it
7 actually should have been on that chart of high scoring
8 projects -- because the model doesn't allow for it to show
9 any new trips happening, because you have to kind of
10 constrain the model to do the analysis.

11 So even though it would generate a huge number of
12 new trips, cause lots of traffic on Highway 4 for all
13 those trips coming in, it shows this big GHG benefit and
14 time-savings benefit. And we'd like to -- if we go and
15 replicate and disseminate, as Professor Sperling correctly
16 notes, we need to make sure that these weaknesses in
17 methodology also travel along as it makes its way to other
18 regions.

19 Thank you.

20 CHAIRPERSON NICHOLS: Thank you.

21 Justin Fanslau, Mike McKeever and Michael
22 Quigley.

23 MR. FANSLAU: Good afternoon, Madam Chair and
24 Board members. Justin Fanslau here on behalf of the
25 California State Association of Electrical Workers.

1 We're really here today to congratulate ABAG and
2 MTC on their hard work. And I was -- as I was watching
3 the presentation, I was remembering the debates during SB
4 375, where the argument was made that these new laws would
5 hurt our economy, drive business out, and people wouldn't
6 be going to work.

7 Well, we're really proud to be here to look at a
8 plan that actually says, no, that's not the case.
9 Actually, here's a way that the economy and the
10 environment can work together to allow for the new growth
11 that's going to happen and provide good quality jobs for
12 people in the Bay Area. And so we're very happy to be
13 here in support of their project.

14 Thank you.

15 CHAIRPERSON NICHOLS: Thank you. Thanks for your
16 participation.

17 Mr. McKeever, I think I saw you come back in.
18 Yes, there you go.

19 MR. MCKEEVER: Thank you, Chair Nichols and
20 members of the Board, particularly --

21 CHAIRPERSON NICHOLS: You need your mic a little
22 closer.

23 MR. MCKEEVER: Chair Nichols, members of the
24 Board, Supervisor Serna, one of my many bosses. Good to
25 see you up there.

1 I'm going to make a couple of sort of global
2 comments related to Senate Bill 375 and the whole RTAC
3 process and then some things I particularly am impressed
4 with in the draft plan.

5 375 set in place and empowerment of this Board,
6 gave you broad discretion in terms of how you set the
7 targets for all the MPOs and gave you discretion to modify
8 those as you go forward. I think, for this first round of
9 targets, you did a great job at meeting your stated goal
10 of pushing us to realize the most ambitiously achievable.

11 It's irony given a phrase that a prior speaker
12 used, because I was going to use it myself. We all had to
13 break a sweat to meet these targets. Anybody who thinks
14 that Ezra and Steve have not been sweating the last couple
15 of years have not been following what's going on very
16 closely. And I'm not just talking about the political
17 situation, I'm just talking about technically.

18 The per capita target, I think for this part of
19 your portfolio, in the scoping plan is absolutely the
20 right way to go. Had you set an absolute tonnage
21 reduction target for us based on the fast-growing economy,
22 which we had when Senate Bill 375 was passed, we all and
23 almost undoubtedly would have been able to meet that
24 target simply because of slow growth, and not because of
25 changed land-use patterns.

1 You cannot possibly look at the MTC/ABAG plan and
2 the plans of the other three major regions in the State,
3 just on the land-use variable alone, and not say that this
4 statute and this first round of plans has not produced
5 major land-use change throughout this State. The fact
6 that they have their entire land-use forecast with no
7 green field development included in it, and meeting their
8 federal regulations and whatnot in doing that, is amazing
9 to me.

10 It's a similar sorry, not quite that much in
11 Hasan's region in southern California, and in Gary's
12 region, and we're completely turning the growth pattern in
13 terms of housing product mix on its head in the Sacramento
14 region as well.

15 So I feel really good about this first phase of
16 implementation. It has not been perfect in all respects.
17 You know, that's not how -- the world is messier than
18 that. But it has made huge strides forward in I think
19 what your Board's mission is and the overarching intent of
20 AB 32 and Senate Bill 375.

21 May I say just a couple of more things about the
22 MTC/ABAG plan?

23 CHAIRPERSON NICHOLS: I think we have a little
24 time here, so, yeah, quickly.

25 MR. McKEEVER: Okay. Thank you.

1 That region has been a leader for a long time in
2 this area. They were the first out of the gate to do a
3 big regional growth vision over 10 years ago. The Bay
4 Area Footprint, I think it was called, Livability
5 Footprint. And certainly in the performance measurement
6 area they have -- they've been leaders in that for a long
7 time, and they're going even farther with this plan.

8 Driving that down to the individual project
9 level, there are all kinds of technical challenges of
10 that. And I'm sure there's going to be continued
11 evolution of that science, but they've gone much further
12 than we have at SACOG. And we're -- I'm sure that we will
13 be doing more in our next plan because of the ground that
14 they broke here.

15 And also the topic area breadth of their
16 performance indicators, where they went into what, you
17 know, you referred to as co-benefits during the 375 target
18 setting process. They went there in a number of areas,
19 and again are setting standards for the rest of the State,
20 and I suspect for some of the country as well in the work
21 that they're doing.

22 And the last thing I want to say is we -- you've
23 heard from the other amigos, I have a hunch, about the
24 comradery that has been built through this process. It's
25 very real. We've gotten smarter. We've gotten more

1 collegial. There's definitely a friendly competition
2 going on too. And I know that Ezra and Steve are sitting
3 here feeling pretty good that their draft plan - draft
4 plan, I emphasize - has a higher greenhouse gas reduction
5 in 2035 than any of the rest of us by a nose. But I just
6 want them to know that the other three amigos are already
7 starting on our next plan, and the game is still on.

8 (Laughter.)

9 CHAIRPERSON NICHOLS: That's great. Thank you.
10 And last we hear from Michael Quigley.

11 MR. QUIGLEY: Madam Chair, members of the Board,
12 my name is Michael Quigley. I'm the director of
13 government affairs with California Alliance For Jobs. We
14 represent 2,500 union construction contractors, and over
15 80,000 union construction workers from the basic crafts of
16 operating engineers, carpenters' and laborers' unions.

17 I'm here today in support of MTC's draft SCS.
18 Today, this would be, as of my calculation, the 253rd
19 meeting on this. And I would -- being the last speaker,
20 I'll be brief.

21 We are, as I said, in support of the proposal.
22 It has several important infrastructure
23 transportation-related elements, including the expansion
24 of the HOT lane network, and capital expansions for the
25 BART service down to Santa Clara, and other regions

1 throughout the Bay. We think these are important
2 infrastructure investments that will be required to meet
3 the goals of SB 375.

4 Additionally, I'll just have a couple of quick
5 points concerning implementation. It was mentioned by
6 several speakers, and we concur, that there needs to be
7 some measure of CEQA reform, especially as it relates to
8 implementation of these greenhouse gas plans.

9 There's too many opportunities to derail what has
10 been developed over such a long and lengthy process, as
11 the best course forward by interests that are more local
12 rather than looking at this greenhouse gas reduction as a
13 regional issue. So we think that your body here has an
14 important voice in that discussion.

15 And finally, I would like to also bring up the
16 fact that we are looking at a serious transportation
17 funding cliff coming at the end of this year. The
18 California Alliance For Jobs, along with the California
19 Transit Association are chairs of a very important
20 transportation coalition for livable communities that is
21 looking to make very broad and targeted investments in
22 reducing greenhouse gases from the transportation sector
23 using cap and trade monies.

24 And we believe that, as you move forward in this
25 process, having the revenue stream to implement these SCSs

1 across the State is an important and critical issue to
2 make this whole thing work.

3 So thank you.

4 CHAIRPERSON NICHOLS: Thank you very much.

5 That concludes the list of witnesses that I had.
6 I think everyone knows that this is an informational item.
7 We're not taking any action today, but I would ask perhaps
8 Lynn Terry to just say a few words about the process from
9 here on out.

10 DEPUTY EXECUTIVE OFFICER TERRY: Yes. As you've
11 heard this is the last of the major MPOs for this first
12 round. And it's quite an accomplishment and wonderful to
13 have all our new Board members here today.

14 So as we have done with the other plans is once
15 the locals have finished their process and a final plan is
16 done, we will review our preliminary technical analysis
17 that was out and available today to the public, and see if
18 there's been any change to the greenhouse gas
19 quantification.

20 If there has not, we will complete an Executive
21 Order that makes the determination that we're required to
22 do under State law, which is, quite simply, either we
23 accept or reject the local's determination that they have
24 met the Board's target.

25 So, at this point, our preliminary draft says,

1 based on this plan, it does meet the target.

2 CHAIRPERSON NICHOLS: Okay. Thank you. Any
3 additional questions or comments before we end this item?

4 Dan.

5 BOARD MEMBER SPERLING: Yeah, just one small one.
6 I think a discussion is needed about what are the
7 boundaries of these plans that we're talking about. And,
8 you know, the Bay Area really expanded those boundaries on
9 us, and that's great. But if we're going to have a
10 credible process going forward, I think we've got to, you
11 know, address that question, what's included -- you know,
12 I came up with, you know, my new idea about the leakage,
13 which is a great idea, but it's a legitimate question.
14 Can that be counted?

15 And if we start counting more things, we should
16 go back to this question of the targets - and that was
17 kind of subtly raised a moment ago - going forward.

18 CHAIRPERSON NICHOLS: Yeah, I was going to say a
19 word about targets, because I just, as a number of the
20 Board members know, just came back from China where I was
21 helping with the launch of the first greenhouse gas
22 emissions exchange program trading system in Shenzhen,
23 China, the first of seven pilot programs that are being
24 launched this year in China under the direction of their
25 Central Development Authorities.

1 And there's, you know, all kinds of excitement
2 and interesting things going on. But I was very mindful
3 of the fact that the cap and trade program that's being
4 adopted there is a per capita, or per unit of production
5 actually cap, not a hard cap, because China is not about
6 to adopt a cap that would have a negative impact on their
7 ability to grow. They're definitely in the business of
8 growing their economy.

9 And we have a different kind of cap under AB 32.
10 But with SB 375, as a result of a very intense process
11 that we went through with our technical advisory
12 committee, we chose to use a per capita cap in order to
13 recognize that, particularly when we were putting our toe
14 in the water in an area that we really had never been
15 before, as a Board, as a regulatory agency, that we should
16 be careful about learning before we started to impose the
17 kind of caps that might well lead to regions just
18 rebelling. I mean, just feeling like they couldn't do
19 what was being asked of them.

20 And it's good to hear that that process worked so
21 well, and that everyone of the big areas has come back
22 with something that they are excited about, not resting on
23 their laurels in any way, shape, or form. I think it's
24 clear this has not been an easy process for them, but they
25 are definitely making accomplishments.

1 But it is also true that in the big scheme of
2 things, we can't really say that we've achieved
3 perfection, because we are going to be growing in
4 emissions if we continue along this path, unless
5 technology saves us.

6 But the fact is that to even make a serious,
7 credible, measurable effort at improving the overall
8 efficiency of our land use and transportation systems in
9 this way is a remarkable achievement for the State of
10 California, when no one would have thought we could have
11 done anything like this a few years ago.

12 So I think we just have to kind of keep adjusting
13 and keep on being ambitious, as we say, but at the same
14 time, to mark steps of progress. I didn't hear anybody
15 saying that this was the end, that they wouldn't be
16 continuing to try to make improvements.

17 So hopefully we'll be -- we'll all be spending
18 more time on these issues as we go forward.

19 And any other closing comments?

20 Yes.

21 BOARD MEMBER ROBERTS: Yeah, I feel compelled to
22 respond to something.

23 CHAIRPERSON NICHOLS: Yes. Okay.

24 BOARD MEMBER ROBERTS: And Professor Sperling
25 brought up his concern for natural gas. I would just say

1 if we've got major leakages in natural gas in our system,
2 we've got a more immediate problem than global warming
3 that somebody is going to have to face up with.

4 But I think we're -- you know, there's something
5 that we frequently miss when we ask other people to do
6 planning, and we're asking them to do something that we
7 don't do. When we plan, and the success that we've had
8 over many years that I've been part of this, is that we've
9 kept the goals in sight. We didn't have specific
10 solutions of how we're going to get there. Okay. We're
11 asking them in their planning, they better show us
12 specific solutions now to the year 2050. That's kind of
13 nuts, okay?

14 We don't do it, but we're asking you to do it.
15 We keep, what we call, a black box and we try to shrink it
16 each year by bringing new solutions forward. We don't
17 know what those are going to be. We know technologically
18 things sometimes work and sometimes they don't. And we
19 saw what the electric car, when we first tried to launch
20 it, it was a disaster. Okay.

21 It didn't work. It didn't have the range. All
22 the -- everything that scientists had predicted, none of
23 it was there in terms of the batteries we were going to
24 have within two or three years. None of it happened.

25 So the result of that was we changed. We

1 switched gears and went to allowed hybrids. And what are
2 we seeing an incredible success story. And what has --
3 we've achieved, in terms of the goal, we didn't get to the
4 goal the way we thought we were, but we're asking all of
5 these organizations you got to tell us exactly how you're
6 going to get there.

7 We don't allow them that sort of black box and
8 say let's pull some solutions out. Technologically, we
9 don't have to look far ahead. None of them are taking
10 into account the things that are going to happen with
11 vehicle-to-vehicle systems and perhaps driverless cars.
12 And I think that will happen well before 2050. And all
13 the things -- the dramatic changes that are going to
14 occur, and I think largely beneficial the things that came
15 out of that. Maybe some negatives.

16 But we hold them to a different standard. And we
17 have people that sue over -- we're not doing a good job
18 of -- by the year 2050, like the crystal ball is so clear,
19 we know exactly what's going to happen.

20 It was mentioned, and Gary mentioned it, you
21 know, for me, the technological stuff, which we can't
22 predict, has had such an incredible influence on whether
23 we have it. It seems that there should be a way to have
24 some flexibility in this planning process, instead of
25 imagining that -- we go through the cycles and, you know,

1 we're in our second iteration now as we're examining the
2 Bay Area Plan. The Bay Area has a good plan, but it's not
3 just that you're going to update them periodically. The
4 fact is that any given point when you're projecting out 20
5 and 30 and 40 years away, you're really -- you're doing
6 that out on a such a limb and trying to imagine what the
7 impacts are, that it seems to me we overplan. And to do
8 that and to force major expenditures as though we could
9 see so clearly, it gets me very concerned.

10 I think they're doing a great job. I think they
11 have a good plan. They seemed to have covered all of the
12 areas. And, you know, they have to keep on top of it.
13 But I wish we would allow them to have a black box, that
14 says, you know, you don't have all the solutions, and you
15 don't know all the technologies that are going to be
16 available to you.

17 And you know what, at the end of the day, I'd be
18 willing to bet that everyone of these groups is going to
19 do significantly better than what they're committing to
20 now.

21 CHAIRPERSON NICHOLS: Well, I intend to be around
22 to see how that works out --

23 (Laughter.)

24 CHAIRPERSON NICHOLS: -- in 2050. Yes, we'll
25 give you the last word, Mr. Gioia.

1 BOARD MEMBER GIOIA: I felt sort of -- I felt
2 optimistic this week. I was at -- I had a chance -- you
3 know, the national -- sort of Nation Air and Waste
4 Management Conference was in Chicago. And I had a chance
5 on Monday to visit two of the major U.S. Department of
6 Energy sponsored energy labs, Argonne Laboratory and the
7 Fermilab.

8 And I didn't realize that the Argonne Lab, that's
9 where the lithium ion battery for the Volt was developed.
10 And I guess they said they still owned the patent to it.
11 But that they have been designated as sort of the major
12 lab to do research on battery development. What's the
13 good of solar and wind if you can't store it somewhere?

14 And so it's really heartening to see the progress
15 that's been made, from a technology standpoint, and know
16 that there is some really focused research going on out
17 there that's going to clearly complement all the policy
18 work we're doing, and just wondered what type of support
19 has the Air Resources Board provided for that type of
20 research, whether it's research in California or research
21 elsewhere on things like that, like battery development,
22 for example, which is sort of again a large part of the
23 technology that's needed to advance the policies that
24 we're putting forward?

25 CHAIRPERSON NICHOLS: I'll take just a moment and

1 ask Dr. Ayala who's the head of our mobile source program
2 to address that.

3 DEPUTY EXECUTIVE OFFICER AYALA: We are, like
4 you, following those developments. And we're also
5 encouraged, because we're lucky that the Department of
6 Energy has invested so heavily and so consistently in the
7 area of energy storage, because it's so critical.

8 What we do with our research plan is try to
9 support and leverage the small amount of funding that we
10 can dedicate to those very large programs. And as you can
11 see, we obviously look for opportunities to partner with
12 them, and to make sure that whatever we can do, which is
13 in a scale much smaller than what the Department of Energy
14 can do, is complementary to those efforts, because, as you
15 said --

16 BOARD MEMBER GIOIA: That's on such a large
17 scale.

18 DEPUTY EXECUTIVE OFFICER AYALA: -- that
19 technology is such a critical aspect of what we're trying
20 to do.

21 CHAIRPERSON NICHOLS: But we have a pretty good
22 record of having not only used our funds well, but also
23 inventing things ourselves in our very own laboratory,
24 which I hope you'll get to visit soon, if you haven't yet.

25 BOARD MEMBER GIOIA: But this was heartening to

1 see that there is clearly great research going on that
2 complements all the policy.

3 CHAIRPERSON NICHOLS: Absolutely.

4 Okay. I think we will close out this item with
5 thanks to everybody who traveled to get here. It was
6 great to see you. And now we know that there's this
7 back-door connection between SCAG and the MTC will be
8 watching for that. But we will look forward to hearing
9 more as this goes forward.

10 And I think I'm going to suggest that we have
11 a -- we do have a lunch break scheduled today. We were
12 going to have a brief update on litigation, so we will do
13 it in executive session and hear from our counsel about
14 the status of litigation that the Board is involved in.

15 And we'll just adjourn now then, and be back in
16 an hour.

17 Thanks, everybody.

18 (Off record: 12:31 PM)

19 (Thereupon a lunch break was taken.)
20
21
22
23
24
25

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

2 (On record: 1:43 PM)

3 CHAIRPERSON NICHOLS: All right. We're going to
4 get back to work here.

5 We have two informational items this afternoon.
6 And both of them are interesting and important. So we
7 don't mean to give them short shrift, but on the other
8 hand, I know people just have only so much patience for
9 just sitting and being briefed.

10 So why don't we just ask the staff to get right
11 started with the presentations without much further ado.
12 We wanted an update on indoor air quality, both our
13 research and what we've been doing from a policy
14 perspective. And the person who leads that effort is
15 going to do the presentation, but Richard if you want to
16 introduce her, please go ahead.

17 EXECUTIVE OFFICER COREY: We're going to have
18 Peggy Jenkins with the Research division give the
19 presentation. And with that, Peggy.

20 CHAIRPERSON NICHOLS: Great. Welcome, Peggy.

21 (Laughter.)

22 INDOOR EXPOSURE ASSESSMENT SECTION MANAGER

23 JENKINS: Thank you, Mr. Corey and good morning Chairman
24 Nichols -- or, I'm sorry, you're right. Good afternoon,
25 Chairman Nichols and members of the Board.

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

3 INDOOR EXPOSURE ASSESSMENT SECTION MANAGER

4 JENKINS: My presentation today will provide highlights on
5 our research and regulatory actions related to indoor air
6 quality.

7 So, first, I'll begin with some background. Air
8 quality in the indoor environment reflects air pollution
9 generated both indoors and outdoors. Outdoor pollutant
10 levels contribute to indoor levels, because there's a
11 constant exchange of indoor and outdoor air through open
12 windows and doors, leakage points, and for those buildings
13 that have them, ventilation systems.

14 As a result, California's effort to meet outdoor
15 ambient air quality standards is improving our indoor air
16 quality. However, indoor sources alone can cause poor
17 indoor air quality. Indoor emissions can be quite high,
18 and the building shell partially traps the pollutants,
19 especially when doors and windows are closed.

20 ARB's indoor air quality program includes both
21 research and mitigation efforts. However, our authority
22 is limited and indoor air quality authority is spread
23 across many other State and federal agencies.

24 Unlike outdoor air pollution, there is no
25 well-defined governmental structure to comprehensively

1 address indoor air pollution. No federal or State agency
2 has direct or full authority over indoor air quality or
3 indoor sources of pollution. Instead, a number of
4 agencies have authority over one or more sources or
5 conditions that can affect indoor air quality.

6 For example, the federal Consumer Product Safety
7 Commission has authority to regulate a variety of consumer
8 products for health and safety. And our State Energy
9 Commission has authority to set minimum building
10 ventilation rates, which can have a significant impact on
11 indoor pollutant levels.

12 ARB's authority to address indoor pollution is
13 also limited and is primarily focused on research.
14 However, State law does give us specific authority to
15 limit ozone emissions from indoor air cleaners. And we
16 have used our outdoor authority under the Toxic Air
17 Contaminants Program to reduce formaldehyde emissions from
18 composite wood products, since these emissions impact both
19 indoor and outdoor levels of pollution.

20 ARB's Consumer Products Program also provides
21 indoor benefits, since these emissions are largely
22 released indoors. Our consumer products regulations are
23 designed to reduce emissions of volatile organic
24 chemicals, or VOCs, that contribute to violations of ozone
25 air quality standards. However, ARB's regulations have

1 resulted in reformulations of consumer products that are
2 also reducing indoor exposures to some toxic air
3 contaminants, including some carcinogens.

4 Prohibitions on use of several chlorinated
5 solvents and over 80 different product categories have
6 reduced emissions of these carcinogens by over 13 tons per
7 day, much of it indoors. Specific examples include
8 degreasers, spot removers, lubricants, and adhesives. The
9 increasing use of water-based formulations to comply with
10 VOC limits is also generally reducing chemical exposures
11 in the indoor environment.

12 Today, general cleaning, floor cleaning,
13 degreasing and glass cleaning products are all
14 predominantly water-based surfactant technologies.

15 ARB's indoor air quality program began in 1986
16 when funding for research on indoor air quality was first
17 included in ARB's budget and a new State law directed ARB
18 to assess indoor exposures to toxic air contaminants.

19 Over the years, we have funded and conducted
20 pioneering studies on a wide variety of indoor air quality
21 and personal exposure Topics. Much of the research has
22 focused on children, homes, and schools, because children
23 are especially vulnerable to the impacts of air pollution.
24 This timeline illustrates some of our key research
25 projects that have supported regulations and educational

1 efforts by ARB and other agencies.

2 Before discussing some highlights of our indoor
3 program, I'd like to briefly review some key indoor
4 information.

5 People's daily exposure to air pollution occurs
6 in a variety of indoor and outdoor settings, including
7 time spent in our vehicles. Our activity pattern studies
8 showed that on average, Californians spend about 87
9 percent of their time indoors, making the indoor
10 environment a major determinant of overall exposure and
11 health risk.

12 Other studies have shown that there are many
13 sources of pollutants indoors, including building
14 materials, paints and coatings, furnishings, cleaning
15 products, personal care products, and gas and wood burning
16 appliances.

17 Another aspect of indoor air pollution is that
18 people's indoor activities, such as the use of a gas stove
19 or aerosol products, puts them in very close proximity to
20 the source. This increases the probability of exposure
21 and exposure concentration.

22 While the average adult spends a majority of
23 their time in indoor environments, they spend relatively
24 less time at home children. For children, the home is the
25 key environment in determining overall exposure to air

1 pollutants. ARB's children's activity pattern study
2 showed that the youngest Californians spend the most time
3 indoors at home. As the bar graph shows, children under
4 the age of two spend an average of about 85 percent of
5 their time indoors in a home, thus they are more likely to
6 experience exposures to any contaminants the are present
7 in the home.

8 As children grow up, they spend less of their
9 time indoors at home, but the home is still the major
10 exposure environment for them.

11 Studies indicate that indoor air pollution can
12 pose significant health risks. The primary health issues
13 associated with indoor pollution include exacerbation of
14 asthma, exposure to cancer-causing pollutants, and impacts
15 of particulate pollution.

16 A National Academy of Sciences report published
17 in 2000 found that there is a greater variety of asthma
18 triggers indoors than outdoors, including environmental
19 tobacco smoke, high levels of nitrogen dioxide, house dust
20 mites, cockroaches, and pet dander. More recent studies
21 have implicated cleaning products and some VOCs as
22 possible asthma triggers.

23 Hire exposures to known human carcinogens, such
24 as formaldehyde, environmental tobacco smoke, and asbestos
25 occur indoors, and increase cancer risk when these

1 pollutants are present. And lastly, particulate
2 pollutants generated indoors from gas appliances, cooking,
3 vacuuming, smoking, and burning candles and incense can
4 increase risk respiratory and cardiovascular symptoms and
5 cause irritant effects.

6 As with outdoor air pollution, the primary
7 approach to improving indoor air quality is to reduce
8 emissions. Key emission reduction strategies for indoor
9 pollution are the use of low-emitting building materials,
10 reformulation of consumer products, limiting ozone
11 emissions from air cleaners, and reducing wood burning and
12 smoking.

13 In addition, increasing ventilation and air
14 filtration will reduce people's exposure to pollutants
15 once the pollutants are emitted. Ventilation is a
16 mitigation strategy that can reduce exposure for most
17 pollutants because it dilutes and exhausts indoor air
18 pollutants. Venting gas goes with an effective range hood
19 is one example of effective local ventilation.

20 And finally, high efficiency air filtration can
21 be an effective mitigation strategy for particle removal.

22 Next I will focus on two examples where ARB
23 research has led to regulations that reduce exposures to
24 key indoor pollutants, the air cleaner regulation and the
25 Air Toxic Control Measure for composite wood products. I

1 will then discuss current ARB funded high efficiency
2 filtration studies focused on reducing indoor exposures to
3 outdoor pollutants.

4 So, first, I'll discuss ARB's actions on
5 ozone-generating indoor air cleaners.

6 ARB staff conducted air cleaner studies that
7 documented the high ozone levels produced by some air
8 cleaner models that generate ozone and show the need for
9 regulation. The ozone levels observed in these studies
10 significantly exceeded the levels of State and federal
11 ozone air quality standards.

12 One device, the Prozone Whole House model,
13 produced levels over 400 parts per billion. This is more
14 than twice the Stage 1 Smog Alert level.

15 The finding that some air cleaners were
16 generating high ozone levels was especially a concern,
17 because an ARB-funded survey found that most owners of air
18 cleaners purchased them to address asthma, allergies, or
19 some other health issue of one of their family members.
20 These individuals are often among those who are most
21 susceptible to the effects of ozone.

22 In 2006, Assembly Bill 2276 was enacted which
23 gave ARB authority to regulate ozone emissions from indoor
24 air cleaners. In 2007, the Board adopted a regulation
25 that established an ozone concentration limit of 50 parts

1 per billion, or ppb, for indoor air-cleaning devices
2 manufactured, distributed, or sold in California. This
3 level was chosen because it was well below the eight-hour
4 ambient air quality standard level of 70 parts per billion
5 for ozone, and, as directed by AB 2276, was consistent
6 with the Federal Drug Administration's 50 part per billion
7 maximum ozone standard for medical devices.

8 The compliance test method used for the
9 regulation measures ozone as it is released from the air
10 cleaner. But because the ozone disperses and reacts
11 quickly, the exposure level in the room with an ARB
12 certified air cleaner is typically less than three parts
13 per billion.

14 The regulation requires ARB certification, and
15 includes specific labeling requirements for indoor air
16 cleaners and the product packaging. In-duct air cleaners
17 and those for certain industrial uses are exempt from the
18 regulation. And we have funded a study of induct air
19 cleaners that emit ozone to determine whether those
20 in-duct devices also need to be regulated, and results are
21 due out later this year from that study.

22 ARB implements the air cleaner regulation through
23 a certification program. To date, ARB has certified over
24 900 air cleaner models for sale within California. The
25 market for air cleaners is still very strong, and

1 consumers have a wide variety of effective, safe air
2 cleaning technologies to choose from. The certification
3 program is generally successful and there is good
4 compliance in retail stores in California.

5 However, ozone generators are still readily
6 available for sale to Californians via the Internet from
7 noncompliant suppliers and overseas companies. This is an
8 area where a national approach would be more effective.

9 Federal action by the United States Consumer
10 Product Safety Commission and the Federal Trade Commission
11 is needed to effectively reduce internet sales of ozone
12 generators.

13 Federal action also is needed to assure the
14 validity of the effectiveness claims made by some
15 manufacturers, particularly of ozone generators, regarding
16 the removal of various pollutants by their air-cleaning
17 devices.

18 Moving on to formaldehyde. In 1992, ARB
19 identified formaldehyde as a toxic air contaminant based
20 on its carcinogenicity. ARB's research has led to several
21 actions that reduce unhealthful indoor levels.

22 In 1996, we funded a study that measured
23 formaldehyde emissions from a variety of building
24 materials and consumer products. The investigators found
25 that the highest formaldehyde emissions by far were those

1 from composite wood products made using urea-formaldehyde
2 resins, or UF resins, as shown by the bar on the left.

3 Urea-formaldehyde composite wood products, such
4 as plywood and particle board, are often used for interior
5 construction for walls, cabinetry, and flooring. These
6 materials are responsible for the very high levels of
7 formaldehyde reported in new homes and in manufactured
8 homes, which are constructed using substantial amounts of
9 pressed wood products.

10 This study prompted ARB's action to develop the
11 composite wood products regulation.

12 Several ARB field studies have confirmed the need
13 to reduce formaldehyde levels indoors. In 2004, ARB and
14 the Department of Health Services completed a statewide
15 study that assessed the environmental conditions,
16 including indoor air quality, in California's portable and
17 traditional classrooms. We found that formaldehyde levels
18 in all of the classrooms exceeded health benchmarks
19 averaging 13 parts per billion.

20 In 2009, a study co-funded by ARB and the Energy
21 Commission on ventilation and indoor air quality in 108
22 new single-family homes found that new California homes
23 also had high levels of formaldehyde with an average of 35
24 parts per billion.

25 And in 2012, an ARB-funded study of contaminant

1 levels in 40 daycare centers in northern California found
2 that some had formaldehyde levels again above health
3 benchmarks, averaging 15 parts per billion.

4 So in all of these studies, indoor formaldehyde
5 levels typically exceeded the health benchmark for
6 long-term exposures set by the Office of Environmental
7 Health Hazard Assess, which is currently set at seven
8 parts per billion. A small percent of buildings in each
9 study also exceeded guideline levels for higher short-term
10 exposures.

11 Although, their formaldehyde results are
12 highlighted here, each of these studies had other
13 important findings as well. For example, the first two
14 studies found inadequate ventilation in many classrooms
15 and homes, and the daycare center study found levels of
16 other contaminants above health standards or guidelines in
17 portions of the centers, including PM10, PM2.5, benzene,
18 chloroform and two brominated flame retardants.

19 The results from ARB's formaldehyde emissions
20 study and the classroom study prompted ARB to adopt a
21 regulation to reduce formaldehyde exposure from composite
22 wood products. The regulation was adopted as part of our
23 toxic air contaminant program, and limits formaldehyde
24 emissions from hardwood plywood, particle board, an medium
25 density fiberboard, as well as from furniture and other

1 finished goods made with these materials.

2 Manufacturers must have their products tested and
3 certified through third-party verifiers. Acceptable
4 emission levels for each type of material were specified
5 under a two-phase schedule for compliance.

6 At the time the regulation was adopted, staff
7 estimated that when fully implemented, the Phase 2
8 requirements could result in a maximum reduction of 58
9 percent in indoor formaldehyde concentrations. Phase 2
10 standards are now in effect, but because of sell-through
11 provision, some Phase 1 products may still be offered for
12 sale. We are encouraging consumers to purchase the
13 products labeled Phase 2 compliant to achieve the maximum
14 protection.

15 The impact of our regulation will be far
16 reaching. As required by Congress, the U.S. Environmental
17 Protection Agency recently proposed a federal regulation
18 similar to ours that will extend these protections to all
19 Americans and to facilitate implementation and enforcement
20 of the regulation.

21 Another positive aspect of ARB's regulation has
22 been the incorporation of our formaldehyde limits into the
23 California Green Building Standards Code, also known as
24 CalGreen. ARB staff worked with the California Building
25 Standards Commission and the California Department of

1 Housing and Community Development to add the formaldehyde
2 limits for composite wood products, as well as limits for
3 emissions of formaldehyde and other chemicals from
4 carpets, vinyl flooring, insulation, and other building
5 materials in both residential and commercial buildings.

6 In addition, many of these measures have been
7 incorporated into the first International Green
8 Construction Code as well.

9 Incorporating the limits into the building code
10 complements ARB's composite wood regulation, which
11 requires manufacturers to certify their products. As
12 compliant building materials are used, indoor formaldehyde
13 levels will decline. We will continue to work with other
14 agencies to identify ways to further reduce emissions
15 through educational efforts and regulatory actions.

16 And finally, I'll discuss two major research
17 projects now underway that focus on high efficiency
18 filtration to reduce indoor exposures. Both studies have
19 broad applicability, but results will be a special value
20 for homes that in close proximity to traffic emissions.

21 The relative contribution of indoor and outdoor
22 generated pollutants to indoor air quality is complex.
23 Ventilation that brings outdoor air indoors is important
24 for reducing the build-up of indoor pollutants. In the
25 2009 study of new homes I mentioned earlier, the

1 investigators found that air exchange rates were
2 unacceptably low.

3 This led to new Title 24 requirements. So the
4 State Energy Code now requires mechanical ventilation in
5 new homes in order to increase the air exchange rate. The
6 most common type of system used in California homes to
7 comply with this requirement is a continuous exhaust
8 system in the bathroom or utility room.

9 Such systems bring in unfiltered outdoor air
10 through leakage points in the building, and improved
11 filtration is not required by the Energy Code. If the
12 outdoor air has a high concentration of outdoor
13 pollutants, such as traffic emissions, filtering the
14 outdoor air entering a home would help ensure that the
15 benefit of ventilation is not diminished or overwhelmed.

16 And ARB has funded two key projects to address
17 these issues.

18 The goal of the two filtration studies underway
19 is to assess how well high efficiency filtration may
20 reduce indoor exposures. Limited studies have shown that
21 up to a 96 percent reduction in indoor PM2.5, ultrafine
22 particles, and black carbon levels can be achieved with
23 high efficiency particle filtration. California field
24 studies are needed though to document the real world
25 exposure reductions that can be expected from using high

1 efficiency filtration in California homes.

2 The first study, a study of filtration with
3 mechanical ventilation, is expected to be completed in
4 2015 Lawrence Berkeley National Laboratory. The second, a
5 study of asthma and exposure reduction, is expected to be
6 completed in 2016 by the University of California at
7 Davis.

8 In the first study, high efficiency filtration
9 systems will be tested in combination with different
10 mechanical ventilation systems with the goal of
11 identifying the combinations that best reduce indoor
12 concentrations of outdoor pollutants while being energy
13 efficient. Each combination of systems will be tested in
14 a home during both summer and winter seasons. The
15 investigators will compare pollutant concentrations
16 indoors and outdoors in order to assess the effectiveness
17 of high efficiency filtration.

18 The Lawrence Berkeley National Laboratory will
19 provide data for use in -- excuse me, the Lawrence
20 Berkeley National Laboratory study will provide data for
21 use in reviewing the State energy and building codes.

22 A demonstration of the effectiveness of high
23 efficiency filtration would support Title 24 amendments to
24 require appropriate types of high efficiency filtration in
25 new homes with mechanical ventilation for greater

1 protection of health.

2 Secondly, the results of this study are expected
3 to provide information to the Energy Commission, the
4 Department of Housing and Community Development, and the
5 Building Standards Commission for use in State building
6 codes for residential retrofits.

7 The second ARB-funded study currently underway
8 will help us understand how much high efficiency
9 filtration reduces indoor exposures to outdoor PM and
10 asthma symptoms in children with asthma.

11 For this study, homes of 200 children ages six to
12 12, diagnosed with moderate to severe asthma will be
13 equipped with high efficiency filtration. The high
14 efficiency filtration will be installed in each home,
15 either in the central heating and air conditioning or as
16 portable air cleaners for a one-year intervention period.
17 The UC Davis investigators will measure pollutant
18 concentrations indoors and outdoors and obtain asthma
19 measurements and symptoms diaries for two years to compare
20 the effects of one year with filtration to one year
21 without filtration.

22 The results of this study are expected to provide
23 guidance on filtration improvements for existing homes
24 that reduce indoor exposures to particles indoors and
25 reduce asthma symptoms in children with asthma.

1 The guidance will be useful for homeowners,
2 renovators, and State and local jurisdictions that oversee
3 retrofits and renovation.

4 In summary, ARB's research is focused on
5 understanding the nature of indoor air pollution exposures
6 and mitigation strategies. By identifying indoor air
7 quality issues and solutions, ARB and other agencies have
8 had the information necessary to take action to approve
9 indoor air quality.

10 ARB regulations have reduced indoor formaldehyde,
11 ozone, and a variety of pollutants in consumer products.
12 Through collaborative interagency efforts and public
13 education, we have helped to reduce exposures to indoor
14 pollutants, to improve ventilation, and to support the
15 development of green building code measures.

16 The ARB ventilation studies underway should
17 support the implementation of mitigation strategies to
18 help reduce the impact of exposures to high levels of
19 outdoor air pollution, including asthma symptoms.

20 Thank you for your attention. I'd be happy to
21 answer any questions.

22 CHAIRPERSON NICHOLS: Okay. Before we turn to
23 any questions from the Board, I made a mistake when we
24 opened this proceeding by not announcing that we were
25 entering back into an open session from having had a

1 closed session, and that we didn't take any action in that
2 session. So I've now done that for the record, and we can
3 move on.

4 Do Board members have questions or comments on
5 the indoor air quality report issue more generally?

6 I'm starting down at this end, because I've been
7 very bad about turning to the right all the time,
8 overcoming my natural tendencies.

9 BOARD MEMBER DE LA TORRE: I'm okay.

10 CHAIRPERSON NICHOLS: You're okay, despite being
11 cast away way down at the end of the table there.

12 (Laughter.)

13 CHAIRPERSON NICHOLS: All right. Ms. Berg, did
14 you have your hand up there?

15 BOARD MEMBER BERG: No.

16 CHAIRPERSON NICHOLS: No, you did not.

17 Okay. Well, in that case, I'll turn in this
18 direction.

19 BOARD MEMBER SHERRIFFS: That takes care of the
20 left.

21 CHAIRPERSON NICHOLS: Did you have something?
22 I apologize.

23 BOARD MEMBER GIOIA: I was just going to ask, I
24 appreciate getting this presentation about the range of
25 indoor air quality activities that districts and other

1 Boards are involved with. It would be useful to get a
2 list of the specific types of regulations and actions
3 we've taken that are -- whether they're on the website or
4 not to provide. I know this has been a subject of
5 interest and concern with the local air districts, as well
6 as how best to increase their authority to work on indoor
7 air quality issues. And I realize that this Board will
8 have different authority than the local air boards, but it
9 would be useful to see the full range of projects
10 specifically.

11 CHAIRPERSON NICHOLS: Is this -- Richard, is this
12 something that CAPCOA has talked about lately, the air
13 officers?

14 EXECUTIVE OFFICER COREY: No. I'm thinking about
15 the range of CAPCOA committees and the areas we focus on.
16 It's not something I recall having a focused discussion
17 with them on, but we'll pull the information together you
18 requested.

19 CHAIRPERSON NICHOLS: Okay. Well, maybe we could
20 put a one-pager of some kind together.

21 EXECUTIVE OFFICER COREY: Yes.

22 CHAIRPERSON NICHOLS: Okay. Great. All right.
23 Now, in this direction.

24 Dr. Sherriffs.

25 BOARD MEMBER SHERRIFFS: Great. Thank you. I

1 wish this regulation -- these formaldehyde regulations had
2 been in force when I got my new bed several years ago. My
3 bedroom stank for six months, and I wondered what is this?
4 And I finally figured it out.

5 The problem of the energy efficiency and
6 mechanical ventilation, how is that being looked at,
7 because clearly these things may --

8 INDOOR EXPOSURE ASSESSMENT SECTION MANAGER

9 JENKINS: Right. Well, the Energy Commission approved,
10 about three years ago now, the mechanical ventilation
11 requirement. It had been brewing even before our studies
12 showed, you know, the very low levels of air exchange and
13 the high levels of formaldehyde.

14 So it is, you know, a tradeoff. But, then again,
15 to protect health, the mechanical systems you can get some
16 good air exchange with a fairly low energy system. And
17 the study that I discussed will be looking particularly at
18 a number of ventilation systems that do not require a lot
19 of energy. There are some that do and some that don't.
20 So there is some give and take there.

21 CHAIRPERSON NICHOLS: Okay. John.

22 BOARD MEMBER BALMES: Well, Peggy, thank you very
23 much for that presentation. I was aware of most of what
24 you presented, because I've worked with your program over
25 the years, but it was a nice summary.

1 I have a specific question on slide five, which
2 was the amount of time that Californians spend indoors.
3 And are those data recent? Is this updated? Because I
4 know we had data from several decades ago. And I was just
5 curious if these are new data?

6 INDOOR EXPOSURE ASSESSMENT SECTION MANAGER

7 JENKINS: Right. What we have are the older data, but
8 they're generally accurate still because there hasn't been
9 a big change across the entire adult and teen population.

10 BOARD MEMBER BALMES: Well, I was actually
11 thinking of kids. Yeah, it was the teens I was thinking
12 about, and kids spending more time indoors on computer
13 screens and cell phones.

14 INDOOR EXPOSURE ASSESSMENT SECTION MANAGER

15 JENKINS: I mean the pie chart here is for adults and
16 teens, so that's -- that hasn't changed. With children, I
17 think some of it has. However, you know, the younger
18 kids, the little ones, are still basically in the home.
19 If they're at day care, a majority of those are in homes
20 as well. Although, some are public daycare centers.

21 BOARD MEMBER BALMES: So the next slide is that
22 more recent data?

23 INDOOR EXPOSURE ASSESSMENT SECTION MANAGER

24 JENKINS: We did look at -- that's -- again, it's from our
25 original study. We looked at -- there are smaller

1 studies. And, as you know, some epidemiology type studies
2 do obtain like activity pattern data. So looking across
3 those current studies, it's still in the same ballpark.
4 We wish that, you know, it weren't, but -- actually, we
5 wish they were outdoors more, but --

6 BOARD MEMBER BALMES: And then my last question
7 would be, in terms of challenges for your program going
8 forward, you know, what's -- what's an emerging problem
9 that you're paying attention to that you haven't talked
10 about in this presentation, which was mostly about what
11 you've done in the past and then the new mitigation
12 studies?

13 INDOOR EXPOSURE ASSESSMENT SECTION MANAGER

14 JENKINS: Right. I think -- well, of course, we would
15 like to have some federal assistance with the ozone
16 generators and the internet as we mentioned.

17 I think a big area that we still need to address
18 is indoor combustion. And that's probably the main one
19 we'd like to focus on next. Unfortunately, we don't have,
20 you know, the authority we'd like to have --

21 BOARD MEMBER BALMES: Right.

22 INDOOR EXPOSURE ASSESSMENT SECTION MANAGER

23 JENKINS: -- but I think ARB is an excellent facilitator.
24 You know, we've helped to fund some of the research that's
25 identified, some of the indoor combustion issues. We work

1 closely with the Energy Commission staff. They funded
2 some work. There's some new research showing that range
3 hoods show some promise with some design tweaks and
4 improvements to take care of the issue.

5 So we are working with those folks, so that's
6 probably a big one. I think we could do a little more for
7 in-vehicle exposure reduction as well. We have a study
8 that's going on right now with an investigator from UCLA
9 looking at high efficiency filtration in cars and school
10 buses. And I think that shows promise for more exposure
11 reduction. So those are probably the two I would
12 highlight.

13 BOARD MEMBER BALMES: Thanks.

14 CHAIRPERSON NICHOLS: I think this is an area
15 where, particularly with interest and support from the
16 districts, we might be able to pull together some quite
17 interesting, you know, day or two kind of conference and
18 look at what an agenda would look like for how to proceed
19 on this issue. I think that would be a great project for
20 ARB. And I know the staff is interested. And you're
21 right, people have been wanting to do this for a long
22 time.

23 So it's good to have you here to push this issue,
24 because I know people have, over the years, kind of felt
25 that they were hitting a wall. Now, we can maybe find a

1 way to get through it. So great. Thank you.

2 Do we have any comment on this issue? Did
3 anybody come to talk about this one?

4 Seeing none.

5 Let's move to our final item of the day then.

6 EXECUTIVE OFFICER COREY: All right, Chairman
7 Nichols, while they're transitioning, very briefly, AB
8 1900 was authored by Assemblyman Mike Gatto and chaptered
9 into the law on September 2012. It supports Governor
10 Brown's desire for expanding the use of bioenergy sources
11 in California by removing some of the barriers to using
12 biomethane in gas pipelines.

13 Staff will be presenting a presentation on work
14 that they've done with the Office of Environmental Health
15 Hazard Assessment that supports a PUC rule-making. And
16 Paul Milkey with our Stationary source Division will be
17 giving the presentation.

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

20 CHAIRPERSON NICHOLS: As soon as he can get into
21 his chair.

22 Hi.

23 AIR POLLUTION SPECIALIST MILKEY: Hi.

24 CHAIRPERSON NICHOLS: Welcome.

25 AIR POLLUTION SPECIALIST MILKEY: Thank you, Mr.

1 Corey, and good afternoon, Chairman Nichols and members of
2 the Board.

3 As Mr. Corey said, I'll be presenting an update
4 on recommendations Air Resources Board and the Office of
5 Environmental Health Hazard Assessment staff have provided
6 to the California Public Utilities Commission to assist in
7 their development of standards for injection of biomethane
8 into natural gas pipelines.

9 Before I get to our work on AB 1900, I'd like to
10 begin with a short review of biogas and biomethane.

11 Biogas is produced when organic matter decays in
12 a low oxygen, or anaerobic environment. This can happen
13 in a landfill, sewage treatment plant or a digester
14 containing dairy manure, green waste, food scraps, or
15 other organic matter.

16 Untreated biogas contains mostly methane and
17 carbon dioxide with lesser amounts of other gases and
18 trace contaminants. Biogas needs to be treated or
19 upgraded to produce pipeline quality gas that meets
20 utility standards, so that it can be injected into the
21 natural gas pipeline system. This is done in numerous
22 projects throughout the United States, including one
23 project in California.

24 There are many advantages to using biomethane as
25 an energy source. It's a renewable source of energy. It

1 supports energy diversity. It has the potential to reduce
2 greenhouse gas emissions by replacing conventional fossil
3 based natural gas. It promotes sustainable waste
4 management practices. The facilities that process and
5 utilize biomethane create in-state jobs. It's an
6 important component of the waste management sector plan
7 being developed to meet our State's waste and greenhouse
8 gas reduction goals. And finally, it's a component of
9 California's Bioenergy Action Plan.

10 As a renewable source of energy biomethane can be
11 used to fuel transportation, on site for production of
12 power -- of electric power and it can be used to inject
13 into the natural gas pipeline system, where it's used by
14 homes and businesses.

15 The initial restrictions on the use of biogas
16 began in the 1980s over concern of vinyl chloride in
17 landfill gas. Legislation was enacted that essentially
18 prohibited the injection of landfill biogas into the
19 common carrier pipeline. In recognition of the many
20 benefits of biomethane, Assembly Bill 1900, which was
21 strongly supported by the Brown Administration, was passed
22 to remove barriers to its safe use.

23 AB 1900 assigned specific tasks to the CPUC, ARB,
24 and OEHHA. The bill requires the CPUC to adopt standards
25 by the end of this year that both protect public health

1 and ensure pipeline integrity and safety.

2 In support of this effort, ARB and OEHHA were
3 tasked with developing recommendations for health-based
4 standards for constituents of concern in biomethane. We
5 did not address the pipeline integrity issues as these
6 will be investigated by the CPUC.

7 As specified in AB 1900, the ARB and OEHHA
8 provided recommendations for health-based standards on May
9 15th of this year. These recommendations were developed
10 in consultation with CalEPA, Cal Recycle, and the
11 Department of Toxic Substances Control.

12 Under AB 1900, the CPUC is to give due deference
13 to the ARB recommendations for health-based standards.
14 And AB 1900 requires that ARB and OEHHA update
15 recommendations at least every five years and more often,
16 if needed.

17 And we'll skip. And one more.

18 So this is a brief summary of the approach we
19 used to develop the recommended concentration limits for
20 each of the constituents of concern. We identified the
21 compounds in biogas or biomethane, their highest
22 identified concentration found in a gas sample, and their
23 associated health risk value. Concentrations were
24 adjusted to reflect dilution and actual exposure to end
25 users.

1 The exposure-adjusted concentrations were
2 compared to the public health values identified by OEHHA
3 to determine the compounds of concern, and the appropriate
4 health-protective concentration limits for each of the
5 constituents.

6 Finally, a risk management approach was developed
7 to ensure that the biomethane used would not exceed health
8 protective-values.

9 To identify what constituents are present in
10 biogas, we reviewed readily available data and were able
11 to find more than 300 individual constituents likely to be
12 present in landfill, dairy, or POTW biogas, representing a
13 broad range of chemical groups.

14 As required by AB 1900, we focused on compounds
15 found in significantly greater concentrations in biogas
16 compared to natural gas. OEHHA was able to identify
17 health-risk values for over 200 of these compounds.

18 Yeah, we'll skip.

19 So this table shows the 12 constituents of
20 concern identified through our analysis of the available
21 data. The compounds with an asterisk next to them were
22 identified due to their carcinogenicity and the others due
23 to their non-cancer chronic risk. The columns to the
24 right indicate the biogas source for each of the
25 constituents of concern were found. And as you can see,

1 12 of the constituents were found in landfills, six in
2 POTWs and five in dairies.

3 Benzene would qualify as a constituent of
4 concern, except that it was found to be a natural gas at
5 higher concentrations than in biogas and is thus not on
6 the list.

7 In crafting our risk management approach, we
8 relied on OEHHA's health protective values and risk
9 management guidelines approved by the ARB in 1993. We
10 recommend trigger levels for each constituent of concern
11 at the health protective concentration levels identified
12 by OEHHA. We also recommend a lower action level that
13 would trigger more frequent testing and shut off if more
14 than two exceedances occur in a 12-month period. There
15 are also upper action levels that if exceeded would
16 require that the biomethane flow to the pipeline be
17 immediately shut off.

18 Skip ahead.

19 And one more time.

20 Our analysis of the available data and exposure
21 modeling indicates that from a public health perspective,
22 biomethane can be safely injected into the natural gas
23 pipeline system. Most of the constituents of concern in
24 biomethane were found to be below trigger levels, and all
25 were found to be below the lower action levels.

1 Based on this information, injection of
2 biomethane presents no additional health risk compared to
3 natural gas. These recommendations were provided in a
4 report sent to the CPUC on May 15th of this year.

5 The next step in the process is for the CPUC to
6 complete their rule-making to adopt standards for
7 biomethane by the end of this year. We intend to continue
8 to work with the CPUC staff during their regulatory
9 process to see if the risk management and other
10 requirements that we recommend can be integrated with a
11 pipeline integrity requirements that they'll be working on
12 and to look at identifying an appropriate process for
13 potentially adding biogas from additional sources.

14 Based on the work we've done to date, it appears
15 there is growing interest on the part of biogas producers
16 to pursue pipeline injection projects. We're optimistic
17 that completion of the CPUC rule-making process will
18 provide more certainty regarding the requirements for
19 biomethane injection into the common carrier pipeline,
20 which in turn will help facilitate increased use of
21 biomethane a renewable energy source.

22 Thank you.

23 CHAIRPERSON NICHOLS: Remind me again, I think
24 you said this at the beginning of your presentation, how
25 long ago it was that California essentially banned the

1 injection of landfill gas in the pipelines?

2 AIR POLLUTION SPECIALIST MILKEY: This was back
3 in the 1980s.

4 CHAIRPERSON NICHOLS: 1980s, yeah. Okay. Thank
5 you.

6 We have one witness who signed up to testify on
7 this item also. And that is Howard Levelson(sic).

8 MR. LEVENSON: Thank you, Madam Chair and good
9 afternoon, Board members. I'm Howard Levenson. I'm
10 Deputy Director at Cal Recycle. And I'm here to provide
11 our appreciation for the efforts of ARB, OEHHA, and the
12 CPUC in working on this issue.

13 In preparing this report to the CPUC, your staff
14 worked with us to identify a number of key issues of
15 concern to Cal Recycle. And the main issue that remains
16 for us is whether biomethane produced at anaerobic
17 digestion facilities that used food waste and other
18 components of the solid waste stream will eventually be
19 eligible for pipeline injection?

20 Right now, as Paul indicated, there is sufficient
21 testing data for biomethane from three sources, landfills,
22 dairies, and POTWs, but there's not sufficient data from
23 the anaerobic digestion facilities that might be using
24 food waste in the future.

25 And this is a very key priority for Cal Recycle

1 as we begin moving towards our 75 percent statewide
2 recycling goal. And, as Paul mentioned, it's a key
3 component in the waste sector portion of the scoping plan
4 update because of the implications for avoiding methane
5 emissions at landfills.

6 So we appreciate that the report identifies this
7 priority as well as the need to continue working with CPUC
8 on getting testing data and addressing some of the cost
9 issues associated with that. And really as a result of
10 this report plus a recent meeting at the Governor's office
11 of the Bioenergy Interagency Working Group, CPUC has
12 already reached out to Cal Recycle, and we'll be meeting
13 with them in July to continue discussions on this issue.

14 So I just wanted to provide our support and our
15 appreciation for the work that you and your staff have
16 done and we look forward to continued coordination on this
17 with all the agencies involved.

18 Thank you.

19 CHAIRPERSON NICHOLS: Thank you very much. It's
20 been, I know, a great partnership between these agencies.
21 This is a really important example of how difficult it is
22 to do something that seems to make sense on all fronts,
23 but where you've got health concerns that are raised, you
24 just have to be extraordinary careful. And sometimes it
25 takes a very long time. But I know the PUC was eagerly

1 awaiting our report. And now that they've got it, they're
2 getting ready to go to work to try to develop some
3 standards.

4 Yes, Dr. Sherriffs. I'm sorry, you're pointing
5 me in the other direction. Sorry.

6 BOARD MEMBER DE LA TORRE: On a related matter --
7 it's not this specifically, but it's similar, I read
8 recently about methane dairy digesters where they burn it
9 and turn it into electricity on site. And in the nineties
10 a lot of folks went out and built these systems on these
11 farms, and then over time the regulatory environment got
12 such that they had to shut them down and apparently are
13 just starting up again.

14 Do we have a role in that regulatory process?
15 And what's changed from the nineties to today to allow
16 these facilities to function today and not back then?

17 Clearly, the methane -- getting rid of the
18 methane is a good thing, if they're doing it the right
19 way.

20 EXECUTIVE OFFICER COREY: Mr. De La Torre, I'll
21 take that. With respect to dairy digesters, you're
22 correct in terms of the potential opportunity with respect
23 to methane generation.

24 And you're also correct, historically, there were
25 some issues with older engines and the maintenance of

1 those engines and NOx implications going, you know, back
2 many years. But going forward, in terms of where things
3 stand, one recognizing there's a significant opportunity
4 in terms of harnessing the GHG emissions, methane
5 emissions from dairy digesters.

6 There's a number of pilot projects that are
7 moving forward with ARB, CalEPA, and CDFA focusing on
8 really what has been a key issue, which is there's an
9 economic barrier. That the basic costs of the -- putting
10 the infrastructure. And there's a few approaches. One
11 approach is if there's access to a pipeline, the issue has
12 been the economics aren't necessarily there to pipe in one
13 dairy digester, but if you can connect a network of
14 digesters. It's been work looking at that.

15 It's also been work with respect to the pilots of
16 cleaner generation. There's actually some fuel cell
17 applications going on, as well as other work. And
18 honestly, some efforts to look at what it would take from
19 an incentive standpoint, understanding basic economics of
20 different applications.

21 So the point has been -- a key barrier really has
22 been the bottom-line economics that is still an issue.
23 There's no doubt about that.

24 The pilot work that's going on is intended to
25 help inform that and also intended to help inform what

1 might be an incremental role that incentives can play to
2 move these things forward.

3 CHAIRPERSON NICHOLS: Actually, the Energy
4 Commission put money and had grants available for some of
5 these projects to begin with. But the problem is that
6 it's a cost to the dairy owner, and it's not recouped
7 through any value that they can get out of selling this
8 stuff. And there's not enough of a disincentive from the
9 regulatory perspective, even with all the water quality
10 issues, or the CO₂ issues to really get them to do it
11 involuntarily.

12 So the next step I think -- and there was
13 actually quite a bit of an article about this. I think
14 it's probably the same one you saw in the LA Times, which
15 suggested, and this is it what I've heard also, that
16 they're beginning to emerge third-party businesses who
17 will come in and own the digester. They'll basically rent
18 the land and/or buy the manure from the dairy owner, and
19 that's the feed stock to then create the gas, which then
20 they can -- this third party can then sell into the
21 pipeline system.

22 And if we can overcome all the barriers along the
23 way, there is a way for somebody to make money on it, but
24 it is -- it just isn't necessarily the case that somebody
25 who's in the dairy business really wants to be in the fuel

1 supply business also.

2 EXECUTIVE OFFICER COREY: That's right. In fact,
3 those third parties are also looking at the integration
4 that I mentioned, where the economics for an individual
5 dairy may not be there, but to basically connect through a
6 network of pipelines, the economies may actually become
7 more economically viable.

8 BOARD MEMBER DE LA TORRE: And taking tons of
9 manure from a bunch of places and taking them to one
10 central place is not the most efficient way of doing this
11 either.

12 CHAIRPERSON NICHOLS: Right.

13 BOARD MEMBER RIORDAN: In looking, as you drive
14 up the I-5 now, you have a group of, what I would call,
15 the largest of the dairies all somewhat co-located. So
16 that may make some sense to begin there and to try to
17 incorporate the efforts on -- I don't know how many
18 dairies are there, but there's got to be at least from the
19 visual point of view at least four major dairies right
20 there on the 5.

21 CHAIRPERSON LLOYD: In answer to the question, we
22 have a lot of staff time invested in this issue. A lot.

23 EXECUTIVE OFFICER COREY: We have, that's right.

24 CHAIRPERSON NICHOLS: Yes.

25 BOARD MEMBER MITCHELL: I wanted to just comment

1 about an experience I had a couple of months ago. And
2 this dealt with the use of fuel cell and distributed
3 generation at the Honda plant in Torrance. And I visited
4 that plant. They are actually piping in methane from
5 Texas to operate this fuel cell. And they use it only in
6 the summer months, so they're only using it half the year.
7 And then they're using it only for peak generation. And
8 they are saving themselves a ton of money just using it on
9 that limited -- in that limited time period, and using
10 methane piped in from Texas. So there certainly is viable
11 use.

12 CHAIRPERSON NICHOLS: Room for improvement.

13 BOARD MEMBER MITCHELL: Yeah, there's good use
14 for this.

15 What I have heard in discussions with the South
16 Coast Air Quality Management District on the use of
17 methane is the difficulties in cleaning it, in removing
18 the siloxanes out of the methane, so that it can be used
19 safely. And I assume that's part of the big hurdle here
20 in getting to the next step. So I hope we're working on
21 that, because we need to start converting our waste to
22 energy. We can't keep filling up our lands full --

23 CHAIRPERSON NICHOLS: Mr. Donahoue.

24 EMISSIONS ASSESSMENT BRANCH CHIEF DONOHOUE: Just
25 a brief comment on that. We have looked in detail at the

1 clean-up technologies with respect to this. And it does
2 appear that we have good clean-up technologies, that they
3 are capable of achieving very low levels in cleaning this
4 gas up to being cleaner than natural gas.

5 The issue is it does cost to do that and
6 that's -- so that's part of the economic hurdle. And then
7 the other thing that we're still working through with the
8 CPUC is the testing frequency associated with that,
9 because the testing costs actually for doing the speciated
10 analysis that you need to do is very expensive. And so
11 that's the thing we're also looking at. It helps that
12 we've identified some key compounds that you need to focus
13 on versus a broader suite of compounds. But we do still
14 need to work with CPUC on the end analysis and how much
15 testing needs to be done.

16 BOARD MEMBER MITCHELL: Well, I'm encouraged to
17 see us working on this. I think it's an important issue.

18 CHAIRPERSON NICHOLS: Yeah. Again, if any Board
19 members want additional information from the staff, this
20 is an area we do have quite a lot of in-depth expertise.

21 So other comments, questions?

22 Mr. Sperling.

23 BOARD MEMBER SPERLING: And one reason we have
24 in-depth expertise, if my mind doesn't fail me is, it's
25 one of our major offset programs, isn't it?

1 CHAIRPERSON NICHOLS: Dairy digesters, yes.

2 EXECUTIVE OFFICER COREY: That's correct.

3 BOARD MEMBER SPERLING: So why aren't -- I mean,
4 we have a lot invested in this, you know, in terms of the
5 success of it.

6 CHAIRPERSON NICHOLS: Correct.

7 EXECUTIVE OFFICER COREY: That's right that's an
8 important category, you bet.

9 CHAIRPERSON NICHOLS: But if nobody wants to take
10 advantage of the protocol, then we can't make them do it.
11 We have to try to find a way to get people to use it.

12 All right. If there are no additional comments,
13 then I think we've come to the end. We had no general
14 members of the public wanting to come speak to us.

15 We did not. So I think we could be adjourned.

16 Lets do it. All right. Thanks, everybody.

17 (Thereupon the California Air Resources Board
18 meeting adjourned at 2:34 p.m.)

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1 C E R T I F I C A T E O F R E P O R T E R

2 I, JAMES F. PETERS, 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 California Air Resources Board meeting was
7 reported in shorthand by me, James F. Peters, a Certified
8 Shorthand Reporter of the State of California.

9 That the said proceedings was taken before me, in
10 shorthand writing, and was thereafter transcribed, under
11 my direction, by computer-assisted transcription.

12 I further certify that I am not of counsel or
13 attorney for any of the parties to said meeting nor in any
14 way interested in the outcome of said meeting.

15 IN WITNESS WHEREOF, I have hereunto set my hand
16 this 9th day of July, 2013.

17
18
19 A handwritten signature in blue ink that reads "James F. Peters". The signature is written in a cursive style with a horizontal line under the first name.

20
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