

MEETING
STATE OF CALIFORNIA
AIR RESOURCES BOARD

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

THURSDAY, OCTOBER 25, 2018
9:04 A.M.

JAMES F. PETERS, CSR
CERTIFIED SHORTHAND REPORTER
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Supervisor John Gioia

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Mrs. Barbara Riordan

Supervisor Phil Serna

Dr. Alex Sherriffs

Professor Dan Sperling

Ms. Diane Takvorian

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Mr. Richard Corey, Executive Officer

Ms. Edie Chang, Deputy Executive Officer

Mr. Steve Cliff, Deputy Executive Officer

Mr. Kurt Karperos, Deputy Executive Officer

Ms. Ellen Peter, Chief Counsel

Ms. Emily Wimberger, Chief Economist

Ms. Veronica Eady, Assistant Executive Officer

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

STAFF:

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

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

Ms. Lucy Cheadle, Air Resources Engineer, Oil and Gas Section, Innovative Strategies Branch (ISD)

Mr. Peter Chistensen, Manager, Innovative Heavy-Duty Strategies Section, MSCD

Mr. Jason Crow, Innovative Strategies Branch, MSCD

Mr. Joshua Cunningham, Branch Chief, Advanced Clean Cars Branch (ECARS)

Mr. Lou Dinkler, Manager, Vapor Recovery Regulatory Development Section, Monitoring and Laboratory Division (MLD)

Ms. Catherine Dunwoody, Division Chief, MLD

Mr. Wesley Dyer, Attorney, Legal Office

Mr. Rhead Enion, Senior Attorney Legal Office

Ms. Ariel Fidely, Air Pollution Specialist, South Coast Air Quality Planning Section, AQPSD

Mr. Mark Fuentes, Assistant Division Chief, ECARS

Mr. Jason Gordon, Air Resources Engineer, Advanced Clean Cars Regulation Section, ECARS

Mr. Jason Gray, Branch Chief, Climate Change Program Evaluation Branch, Industrial Strategies Division

Ms. Annette Hebert, Division Chief, ECARS

Ms. Deborah Kerns, Senior Attorney, Legal Office

Mr. Jack Kitowski, Division Chief, MSCD

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

STAFF:

Mr. George Lew, Branch Chief, Vapor Recovery and Fuels Transfer Branch, MLD

Mr. Jack Lourenco, Branch Chief, Emissions Compliance, ECARS

Ms. Shannon Martin Dilley, Attorney and Tribal Liaison, Legal Office

Mr. Tony Martino, Manager, Aftermarket Parts Section, ECARS

Mr. Richard Muradliyan, Air Resources Engineer, Aftermarket Parts Section, ECARS

Ms. Claudia Nagy, Senior Attorney, Legal Office

Mr. James Nyarady, Manager, Oil and Gas Section, ISD

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

Mr. Nick Rabinowitsh, Senior Attorney, Legal Office

Ms. Shobna Sahni, Manager, Advanced Clean Cars Section, ECARS

Ms. Rajinder Sahota, Assistant Division Chief, ISD

Ms. Carol Sutkus, Manager, South Coast Air Quality Planning Section, AQPSD

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

Mr. Daniel Whitney, Senior Attorney, Legal Office

Ms. Michelle Wood, Air Pollution Specialist, Vapor Recovery Regulatory Development Section, MLD

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

ALSO PRESENT:

Ms. Li Ang, Coalition for Clean Air

Mr. Bob Angell, Atlas Disposal

Mr. William Barrett, American Lung Association

Mr. Naveen Berry, South Coast Air Quality Management District

Mr. Cory Bullis, California Vanpool Authority

Mr. Todd Campbell, Clean Energy

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

Mr. Jon Costantino, California Independent Petroleum Association

Ms. Noelle Cremers, California Farm Bureau Federation

Mr. Steven Douglas, Alliance of Automobile Manufacturers

Ms. Alejandra Duran, BYD Motors

Mr. Sean Edgar, CleanFleets.Net

Mr. Zach Franklin, Grid Alternatives

Mr. Rich Frick, HINO Trucks

Ms. Genevieve Gale, Central Valley Air Quality Coalition

Mr. Paul Gonsalves, Port of Long Beach

Mr. Stuart Gosswein, Specialty Equipment Marketing Association

Mr. Jesse Glickenhau, Scuderia Cameron Glickenhau

Mr. Brian Holland, Shared Use Mobility Center

Mr. Roger Isom, California Cotton Ginners and Growers Association, Western Agricultural Processors Association

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

ALSO PRESENT:

Mr. Ryan Kenny, Clean Energy

Mr. Thomas Lawson, California Natural Gas Vehicle
Coalition

Mr. Jamie Levin, Center for Transportation and the
Environment

Mr. Braden Liberg, Edelbrock

Mr. Bill Magavern, Coalition for Clean Air

Mr. Kevin Maggay, SoCalGas

Mr. Robert Naylor, Metropolitan Transportation Authority
of Los Angeles County

Ms. Kathryn Phillips, Sierra Club California

Mr. Mark Rose, National Parks Conservation Association

Mr. Ryan Schuchard, CALSTART

Mr. Samir Sheikh, San Joaquin Valley Air Pollution Control
District

Ms. Sylvia Solis Shaw, California Transit Association

Mr. Lance Stander, Superformance

Mr. Tom Swenson, Cummins Westport Inc.

Mr. Peter Treydte, Specialty Equipment Marketing
Association

Ms. Eileen Tutt, CalETC

Ms. Jhana Valentine, Beneficial State Foundation

Mr. Cameron Wynne, De Lorean Motor Company

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

2 VICE CHAIR BERG: Good morning, everyone. We
3 would like to bring the October 25th, 2018 public meeting
4 of the California Air Resource Board will come to order.
5 And we'll start our day today with the Pledge of
6 Allegiance. Please join me.

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

9 VICE CHAIR BERG: Well, I want to wish everybody
10 a happy fourth quarter. It's hard to believe that we're
11 rolling into the end of the year very quickly. You'll
12 notice that many of our staff today and many of our Board
13 members are wearing pink. And we're aware that October is
14 breast cancer month. And so Judy, would you comment?

15 BOARD MEMBER MITCHELL: Thank you. This is a
16 mission that is dear to my heart, because a member of my
17 family is also fighting breast cancer. So we wear pink
18 today to memorialize this effort. And it's breast cancer
19 awareness month, so we wear pink as sign of hope for the
20 many women who have fought and are continuing to fight
21 this disease.

22 So this -- we do this in support of own
23 employees, specifically one of our very own managers who
24 is watching from home while she conquers and wins this
25 battle. And we urge all women out there to vigilant about

1 their health, to periodically get mammograms, and to help
2 us fight this terrible disease.

3 Thank you.

4 VICE CHAIR BERG: Thank you, Judy. And our
5 absolute heartfelt wishes go out to --

6 BOARD MEMBER BALMES: Your mic is not on.

7 VICE CHAIR BERG: Thank you, Judy. And our
8 absolute heartfelt wishes go out to all of our colleagues,
9 but our special colleague that is watching today. So I do
10 have a few announcements this morning, as we get started.
11 First and foremost, we have interpretation services that
12 we'll provide -- be provided today in Spanish for Item
13 18-8-7, the San Joaquin Valley supplement to the 2016
14 State Implementation Plan. Headsets are available outside
15 the hearing room. And an attendant can sign you up at the
16 table outside, and they can be picked up at any time.

17 (Thereupon the interpreter translated
18 in Spanish.)

19 VICE CHAIR BERG: Thank you.

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

1 Anyone who wishes to testify should fill out a
2 speak -- a request to speak card, also available outside
3 in the lobby. Please turn it into the Board assistant or
4 the Clerk of the Board prior to the commencement of the
5 item.

6 Also, speakers should be aware that we do impose
7 a three-minute speaking limit. Please state your first
8 and last name when you come to the podium for our court
9 reporter. And it's very helpful to us if you put your
10 testimony in your own words. If you have written
11 testimony, that will become part of the record. But it
12 helps us to understand the issues you want to bring to the
13 Board members if you sum up that testimony for us.

14 So with that, I also would like to lay out today,
15 we have eight items we will be hearing, and one consent
16 item, so we will not be taking a lunch break. But what we
17 will take is two small breaks, one later this morning, and
18 one mid-afternoon. Board members will be taking their
19 lunch breaks. I want everybody to know that we do have
20 speakers in the back, and so they will be listening to
21 testimony. And I encourage my fellow Board members to
22 keep an eye when we need a vote, that everybody is back at
23 the dais for us to move forward.

24 So with that, let's jump into our first item.
25 Our first item on our agenda today is a consent --

1 CHIEF COUNSEL PETER: Excuse me, Vice Chair, we
2 need to take roll.

3 VICE CHAIR BERG: Oh, that would be helpful,
4 wouldn't it? Thank you very much.

5 Clerk, would you please take the roll.

6 BOARD CLERK DAVIS: Of course.

7 Dr. Balmes?

8 BOARD MEMBER BALMES: Here.

9 BOARD CLERK DAVIS: Mr. De La Torre?

10 BOARD MEMBER DE LA TORRE: Here.

11 BOARD CLERK DAVIS: Mr. Eisenhut?

12 BOARD MEMBER EISENHUT: Here.

13 BOARD CLERK DAVIS: Senator Florez?

14 Assembly Member Garcia?

15 Supervisor Gioia?

16 Senator Lara?

17 Ms. Mitchell?

18 BOARD MEMBER MITCHELL: Here.

19 BOARD CLERK DAVIS: Ms. Riordan?

20 BOARD MEMBER RIORDAN: Here.

21 BOARD CLERK DAVIS: Supervisor Roberts?

22 Supervisor Serna?

23 BOARD MEMBER SERNA: Here.

24 BOARD CLERK DAVIS: Dr. Sherriffs?

25 BOARD MEMBER SHERRIFFS: Over here.

1 (Laughter.)

2 BOARD CLERK DAVIS: Professor Sperling?

3 BOARD MEMBER SPERLING: Here.

4 BOARD CLERK DAVIS: Ms. Takvorian?

5 BOARD MEMBER TAKVORIAN: Here.

6 BOARD CLERK DAVIS: Vice Chair Berg?

7 VICE CHAIR BERG: Here.

8 BOARD CLERK DAVIS: Chair Nichols?

9 Madam Vice Chair, we have a quorum.

10 VICE CHAIR BERG: Thank you very much.

11 I was excited in my own count that I checked that
12 off my list.

13 (Laughter.)

14 VICE CHAIR BERG: So thank you very much, Ms.
15 Peter.

16 Okay. Now, let's jump into our first item. It
17 is on a consent item. And it is 18-8-1 con -- The
18 Consideration of Six Research proposals. I would like to
19 ask the Board clerk if any witnesses have signed up to
20 testify?

21 BOARD CLERK DAVIS: No.

22 VICE CHAIR BERG: Would any Board members like to
23 bring the item off of consent?

24 BOARD MEMBER BALMES: No, but I need to recuse
25 myself, because of being an employee of UC Berkeley.

1 VICE CHAIR BERG: Thank you very much. We will
2 show that Dr. Balmes is recusing himself from the vote.

3 With that, I will close the record on this agenda
4 item. Trusting that the Board members have had an
5 opportunity to review the resolution, may I have a motion
6 to move this item?

7 BOARD MEMBER EISENHUT: Move consent.

8 BOARD MEMBER RIORDAN: Second.

9 (Ayes.)

10 VICE CHAIR BERG: Thank you.

11 All in favor?

12 (Unanimous aye vote.)

13 (Dr. Balmes abstained.)

14 VICE CHAIR BERG: Any opposed?

15 And we have one abstention.

16 Our second, Item 18-8-2, is the proposed
17 submission of the California Greenhouse Gas Emission
18 Standard for Crude Oil and Natural Gas facilities into
19 the -- to bring that into the California State
20 Implementation Plan. This item is being taken off of
21 consent, as we have had a -- a major item that was
22 submitted in writing, as well as we do have somebody who
23 has signed up for testimony.

24 So with that, Mr. Corey, will you please
25 summarize this item?

1 EXECUTIVE OFFICER COREY: Yes. Thanks, Vice
2 Chair Berg. So the U.S. EPA requires the submission of
3 State Implementation Plans, or SIPs, for ozone
4 nonattainment areas classified as moderate or worse to
5 demonstrate that emission sources meet Reasonably
6 Available Control Technology, or RACT, level controls. In
7 2016, U.S. EPA published a control technique guideline, or
8 CTG, that established RACT control levels for sources in
9 the oil and natural gas industry that emit VOCs.

10 In 2017, CARB adopted the oil and gas methane
11 regulation, which reduces methane emissions from oil and
12 gas extraction and related facilities. Since VOCs in
13 methane are both found in field gas, in oil and gas
14 operations, methane controls in the oil and gas industry
15 can also reduce VOCs as a co-benefit.

16 We're proposing to submit the oil and gas methane
17 regulation as a revision to the California SIP to satisfy
18 the RACT requirement for sources in the oil and natural
19 gas industry field. This is based on our assessment that
20 this regulation applies to all emission sources covered in
21 the CTG, and that the regulation achieves equivalent or
22 better emission reductions compared to the RACT level
23 controls.

24 And as you said, we pulled this item off the
25 consent calendar because we received a comment letter from

1 the Western States Petroleum Association, or WSPA. WSPA
2 contends that the submission of this regulation into the
3 California SIP is not necessary to meet the requirements
4 of the Clean Air Act.

5 Submission of the oil and gas methane regulation
6 into the SIP is necessary to comply with the Clean Air
7 Act, which requires RACT-level controls that reduce VOCs
8 in order to meet the ozone National Ambient Air Quality
9 Standard. Controls mandated by this regulation, such as
10 vapor recovery on tanks and leak detection and repair,
11 reduce both methane and VOC emissions simultaneously. Our
12 regulation, in combination with local district rules
13 already in the SIP, achieves equivalent or better emission
14 reductions compared to the RACT level controls.

15 Our submittal of the regulation avoids the need
16 for five separate districts to make individual SIP
17 submittals through CARB to satisfy the RACT requirements.

18 Staff work with the districts subject to the CTG,
19 shared our draft staff report with them, and incorporated
20 their comments. None disapproved of our submitting CARB's
21 oil and gas regulation into the SIP. Thus, by submitting
22 this regulation into the SIP, we are assisting the
23 districts, not undermining their authority to determine
24 RACT for stationary sources.

25 Having now addressed WSPA's comments, staff

1 recommends that the Board direct staff to submit the oil
2 and gas methane regulation to U.S. EPA as a revision to
3 the California SIP.

4 That concludes my remarks.

5 VICE CHAIR BERG: Thank you very much Mr. Corey.
6 We do have a speaker this item. Jon Costantino.

7 Jon.

8 MR. COSTANTINO: Thank you. Good morning.

9 Hi. My name is Jon Costantino. And many of you
10 know me. Today, I'm representing the California
11 Independent Petroleum Association, who has worked with ARB
12 on lots of measures over the course of the last couple
13 years. And this item is related to CIPA, so that's why
14 taking the opportunity to present today, even though it's
15 not directly impactful on the imposition onto the SIP.

16 I'm going to read my comments, because they're a
17 little more than I normally speak.

18 The mission of CIPA is to promote a greater
19 understanding and awareness of California's independent
20 oil and gas producers, highlight their economic
21 contributions to the State and national economy, and
22 foster the efficient utilization of California's petroleum
23 resources. CIPA members do all this in a very regulated
24 environment.

25 In addition to the methane rule you're talking

1 about today, members are subject to many other rules not
2 found outside of California, including the pioneering cap
3 and trade rule, which puts a differentiating price of
4 carbon on their product. Innovation and creativity are
5 fundamental to continuing the operation in this
6 environment. CIPA members are pursuing carbon capture and
7 storage, Increased biogas usage, innovative renewable
8 production methods, including the largest solar project in
9 California history the Aera GlassPoint co-venture, and
10 much more to assist the State in meeting its aggressive
11 climate goals.

12 Industry is currently facing many regulatory
13 research and monitoring activities on which there -- we
14 would request additional coordination and integration.
15 Over the last few months, there have been more revisions
16 to the cap-and-trade and LCFS, which are economy-wide
17 measures which do put a price on carbon, which get the
18 innovation that we are talking about Aera.

19 But there are other similar items which have a
20 singular focus on just the oil and gas sector, which is a
21 minor sector in the overall economy. Including the oil
22 and gas methane rule, the SNAPS program, which is a
23 ambient air monitoring program, which has the name of
24 petroleum sources in the title, and then there's a
25 research proposal which you just approved which is

1 characterizing the health impacts associated with
2 facilities around oil and gas facilities, that is going to
3 look at many things, including poverty level and smoking.
4 But the name of it again is studying ethnic diverse --
5 ethnic -- make sure I get this right -- potential health
6 inequity impacts in oil and gas extraction.

7 So CIPA has been active. And as a participant,
8 we just ask that things -- not everything is brought to
9 the stakeholders early enough to have us help and
10 participate and make the process better. So we just want
11 to highlight that CIPA is here to be a partner and look
12 forward to working with you in the future.

13 VICE CHAIR BERG: Thank you very much, Jon.

14 Having no other witnesses. I am going to close
15 the record on this agenda item.

16 Do Board members have any questions of staff?

17 Knowing that the Board has had an opportunity to
18 review this resolution, do I have a motion to move this
19 resolution forward?

20 BOARD MEMBER MITCHELL: I move adoption of
21 resolution 18-44.

22 VICE CHAIR BERG: Thank you.

23 BOARD MEMBER BALMES: Second.

24 VICE CHAIR BERG: With a first and a second.

25 All those in favor?

1 (Unanimous aye vote.)

2 VICE CHAIR BERG: Those opposed?

3 Any abstentions?

4 Motion passes.

5 The next item on our agenda is Proposed
6 Amendments to Enhanced Vapor Recovery Regulation to
7 Standardize Gas Station Nozzle Spouts Dimension to Help
8 Address Storage Tank Overpressure. We're actually going
9 to be hearing two items back-to-back related to this
10 issue.

11 For our consideration is the adoption of a
12 regulation that would amend existing certification
13 procedures for vapor recovery equipment designed for use
14 at the gasoline dispensing facilities throughout
15 California.

16 California's vapor recovery program is one of our
17 most -- a major stationary source emission measures that
18 the Board has adopted over four decades ago, and one of
19 our success stories. The program not only serves to
20 attain and maintain ozone air quality standards, but also
21 reduces public exposure to benzene and air toxic
22 contaminants. The Board, from time to time, has amended
23 these regulations to obtain additional reductions, improve
24 equipment durability, and clarifies certification and
25 testing procedures.

1 Today, we will hear future improvements that will
2 be made to this program, as well as the improvement that
3 we'll be hearing today. While we're working hard to
4 reduce gasoline consumption, it will be with us for
5 decades to come.

6 To ensure we continue to innovate and to protect
7 the public health is critical, and that is the goal of our
8 agenda item today.

9 Mr. Corey, would you please introduce this item.

10 EXECUTIVE OFFICER COREY: Yes. Thanks, Vice
11 Chair Berg. So as you noted, the vapor recovery program
12 is over 40 years old. Over the last few decades, the
13 Board has periodically adopted new performance standards
14 and amended existing standards designed to control
15 hydrocarbon emissions associated with the storage and
16 transfer of gasoline by marketing to operations such as
17 service stations and loading terminals.

18 Today's regulatory proposal involves
19 standardizing nozzle spout dimensions to ensure
20 compatibility with the new generation of motor vehicle
21 fill pipe designs, while at the same time maintain the
22 current level of performance with our existing vehicle
23 population.

24 You'll hear that an incompatibility exists
25 between some nozzles and certain vehicle fill pipe designs

1 that result in increased emissions.

2 Later, as you noted, you'll hear a related
3 proposal from staff to amend the vehicle regulations to
4 include improved vehicle fill pipe specifications.

5 The intent of both proposals is to improve
6 compatibility between nozzles and vehicle fill pipes to
7 reduce air ingestion at the nozzle, which will help reduce
8 storage tank overpressure related emissions.

9 And with that, I'll ask Michelle Wood of the
10 Monitoring and Laboratory Division to begin the staff
11 presentation.

12 Michelle.

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

15 AIR POLLUTION SPECIALIST WOOD: Good morning,
16 Vice Chair Berg, and members of the Board. Thank you for
17 this opportunity to discuss staff's proposed regulatory
18 amendments to standardize gas station Nozzle spout
19 dimensions.

20 --o0o--

21 AIR POLLUTION SPECIALIST WOOD: We designed these
22 amendments to work together with amendments you'll hear
23 during the next agenda item about vehicle fill pipes to
24 help address one problem: gasoline vapor emissions
25 resulting from overpressure in gas station storage tanks.

1 --o0o--

2 AIR POLLUTION SPECIALIST WOOD: We're concerned
3 about gasoline vapor emissions, because gasoline
4 consumption is a significant source of ozone-forming
5 emissions and benzene, a toxic air contaminant.
6 California currently consumes about 15 billion gallons of
7 gasoline per year. Measures in our climate change scoping
8 plan will reduce gasoline demand significantly in the
9 coming decades, for example, by transitioning to
10 zero-emission vehicles and reducing vehicle use in
11 general. Even so, gasoline consumption will remain a
12 significant source of ozone-forming emissions and benzene.

13 --o0o--

14 AIR POLLUTION SPECIALIST WOOD: California's
15 Vapor Recovery Program focuses on reducing these emissions
16 at each step in the gasoline distribution network,
17 beginning with bulk storage facilities, to fleets of cargo
18 tank trucks, to about 14,000 fueling facilities, and
19 ultimately to more than 26 million vehicle fuel tanks.

20 To protect air quality and public health, CARB
21 has adopted regulations that control emissions at each
22 step in this process. Phase I, vapor recovery controls,
23 focus on emissions during transfer of fuel from the cargo
24 tank truck to the storage tank. And Phase II vapor
25 recovery controls focus on reducing emissions during

1 vehicle fueling. Today's proposal focuses on gas station
2 nozzles, which are one element of the Phase II vapor
3 recovery system.

4 --o0o--

5 AIR POLLUTION SPECIALIST WOOD: Over the past 40
6 years, increasingly stringent vapor recovery controls have
7 reduced emissions by more than 90 percent, in spite of the
8 fact that statewide gasoline consumption has increased by
9 almost 50 percent over that time frame. These emission
10 controls have resulted in reductions in ground level ozone
11 in nonattainment areas and reductions in exposure to
12 benzene.

13 --o0o--

14 AIR POLLUTION SPECIALIST WOOD: The success of
15 California's gasoline vapor recovery program can be
16 attributed to a partnership between CARB, local air
17 pollution control districts, and industry. CARB is
18 responsible for establishing performance requirements and
19 for certifying equipment that controls gasoline vapor
20 emissions.

21 The air districts are responsible for enforcing
22 vapor recovery requirements at gas stations. In addition,
23 the air districts provide essential data that help CARB to
24 quantify emissions and identify areas where the program
25 can be improved, and equipment manufacturers and gas

1 station operators develop and implement innovative control
2 technologies that meet CARB requirements.

3 CARB staff continues to collaborate with the air
4 districts and industry to find opportunities to improve
5 the vapor recovery program, which leads us to today's
6 proposed amendments. One of the issues identified through
7 this collaboration is overpressure of gasoline storage
8 tanks.

9 --o0o--

10 AIR POLLUTION SPECIALIST WOOD: CARB and air
11 districts field studies have found higher than expected
12 overpressure emissions, especially during the winter.
13 We're particularly concerned about the increased benzene
14 emissions, which raise potential health risk concerns at
15 some of the worst case sites for people who live and work
16 nearest the gas stations.

17 We're also concerned about the dramatic increase
18 in in-station diagnostic system alarms for overpressure,
19 when there's no equipment malfunction. These alarms are
20 like the check engine light we have in our cars. They're
21 intended to be an early indication that there might be a
22 vapor recovery system malfunction that may require repair.

23 The alarms require an authorized service provider
24 to respond. And if the alarms are ignored, they will lead
25 to site shut down. However, we found that during the

1 winter about 90 percent of the overpressure alarms and
2 associated emissions are not caused by equipment
3 malfunctions.

4 --o0o--

5 AIR POLLUTION SPECIALIST WOOD: Our collaboration
6 with industry and air districts has identified several
7 causes of the increased overpressure alarms and emissions.
8 The primary causes are the higher volatility of
9 winter-blend gasoline, and excess air ingestion due to an
10 intermittent poor seal between nozzles and newer vehicle
11 fill pipes.

12 Today's regulatory proposals focus on the
13 nozzle-fill pipe interface. I'll focus on the nozzle, and
14 in the next agenda item today, my colleague Jason Gordon
15 will focus on the vehicle fill pipe.

16 In about a year and a half, CARB staff will bring
17 another regulatory proposal to the Board that addresses
18 additional site-specific factors.

19 --o0o--

20 AIR POLLUTION SPECIALIST WOOD: So how does a
21 poor seal at the nozzle-fill pipe interface result in
22 overpressure emissions?

23 When we fuel our cars, as gasoline enters the
24 vehicle tank, the displaced gasoline vapor exits the tank.
25 Many cars have a carbon canister that captures much of the

1 We found an increasing number of new cars have
2 capless fill pipes, and some of these have built-in drain
3 paths and other openings that let in fresh air. In
4 addition, some capped fill pipe designs have deeper
5 locking lips or bigger diameters that cause a loose latch
6 with vapor recovery nozzles. And one of those nozzle
7 designs was more prone to loose latch with these fill
8 pipes, even though the nozzle complied with current CARB
9 dimension requirements.

10 And some European vehicles have bayonet style
11 file pipes with a secondary outer ring that blocks the
12 nozzle boot from sealing with the fill pipe.

13 Now, I'll describe the changes we were proposing
14 to the nozzle dimension requirements.

15 --o0o--

16 AIR POLLUTION SPECIALIST WOOD: We are focusing
17 on the parts of the nozzle that contact the vehicle fill
18 pipe. For vapor recovery nozzles, this includes the
19 nozzle spout, the anchor, which we also call the latch
20 ring, and the bellows which we also call the boot.

21 --o0o--

22 AIR POLLUTION SPECIALIST WOOD: The current
23 standard has only three dimensions for the nozzle spout.
24 These dimensions have not been updated since the 1970s,
25 when the federal government and industry agreed to

1 dimensions for nozzles that dispense unleaded gasoline.
2 We propose expanding this to include 15 spout
3 dimensions --

4 --o0o--

5 AIR POLLUTION SPECIALIST WOOD: -- and four
6 dimensions for the nozzle bellows, for a total of 19
7 dimensions. The proposed dimensions include a range of
8 values that provide the level of detail and certainty
9 required for the automotive industry to produce a
10 compatible fill pipe, while at the same time offering
11 nozzle manufacturers some design flexibility.

12 The design proposals is consistent with the
13 recommended practices developed by the Society of
14 Automotive Engineers Task Force over the past two years.
15 The development process considered multiple dimension
16 factors, including ability to form a good seal between the
17 nozzle and fill pipe, as well as compliance with other
18 CARB regulations, customer effort needed for fueling
19 vehicles, and likelihood of the nozzle becoming caught
20 within the vehicle fill pipe pocket.

21 --o0o--

22 AIR POLLUTION SPECIALIST WOOD: The task force
23 meetings, shown on the blue arrow on this timeline, were
24 not open to the public. But CARB has held five
25 overpressure public workshops since 2012 that focused on

1 the design of field studies, and the discussion of study
2 results and early regulatory proposals, including
3 amendments to nozzle spout designs.

4 And in May 2018, we had a public workshop that
5 focused specifically on our proposed amendments for nozzle
6 and fill pipe specifications. We've also had numerous
7 one-on-one meetings with nozzle manufacturers, one of
8 which voluntarily modified their design to resolve an
9 identified issue.

10 As a result, this proposal will not have a
11 negative economic impact on gas station operators, and
12 nozzle manufacturers.

13 --o0o--

14 AIR POLLUTION SPECIALIST WOOD: There is at least
15 one nozzle model that complies with the proposed
16 dimensions for each type of Phase II vapor recovery
17 system, balance and assist. These slides show the
18 voluntary design improvement for the latch ring of the
19 assist nozzle spout that helps prevent loose latches, and
20 improve the seal between the nozzle spout and vehicle fill
21 pipe during fueling events.

22 The manufacturers stopped making the prior design
23 at the end of last year, and our recent survey indicates
24 most distributors have already depleted their existing
25 stock of that older design.

1 --o0o--

2 AIR POLLUTION SPECIALIST WOOD: We estimate that
3 installation of the improved assist nozzle will reduce
4 annual pressure-driven emissions by nearly one ton per
5 year, and wintertime emissions by nearly three tons per
6 day. Excuse me. That was one ton per day on an annual
7 basis, and three tons per day during wintertime.

8 In addition, we predict installation of the
9 improved nozzle will reduce the frequency of gas station
10 overpressure alarms, which could reduce the frequency of
11 cost and cost of service calls for gas station operators
12 by more than \$3 million.

13 While we know it won't solve all the overpressure
14 problems, it will provide a significant benefit for many
15 stations with little to no cost. We plan to bring you
16 another regulatory proposal in about a year and a half to
17 resolve the remaining overpressure concerns.

18 --o0o--

19 AIR POLLUTION SPECIALIST WOOD: Implementing the
20 proposed amendments has minimal cost. We predict that
21 including 16 new dimensions and refining three existing
22 dimensions in CARB's certification process will cost
23 nozzle manufacturers about \$20,000 through 2030.

24 If this cost were passed to gas stations, the
25 amendments could cost each station about \$2.

1 amendments are needed now to halt the increasing trend in
2 air ingestion at the nozzle fill pipe interface and should
3 not be delayed.

4 Going forward, the vapor recovery program will
5 remain an important part of California's efforts to reduce
6 regional ozone levels and to reduce benzene exposure. We
7 will continue to work towards gas -- reducing gasoline
8 vapor emissions and overpressure alarm frequency in the
9 most efficient and cost-effective manner possible.

10 --o0o--

11 AIR POLLUTION SPECIALIST WOOD: Thank you very
12 much for your time and consideration.

13 VICE CHAIR BERG: Thank you very much for that
14 great report. We do not have any speakers for this item.
15 But I think it's important to note that is not an
16 indication of lack of interest. That truly is an
17 indication of congratulations, staff, you did a great job
18 in interacting with the stakeholders. So we do truly
19 appreciate your efforts.

20 I will turn to my Board members and ask do we
21 have any questions of staff on this item?

22 And you've done an excellent job answering all of
23 our questions as well. So congratulations on that.

24 So I will now close the record on this item.
25 However, if we do have a 15-day change, and if it's

1 determined that additional conforming modifications are
2 appropriate, the record will be reopened and the 15-day
3 notice of public availability will be issued.

4 If the record is reopened for a 15-day comment
5 period, the public may submit written comment on the
6 proposed changes, which will be considered and responded
7 to in the Final Statement of Reason for the regulation.

8 Written or oral comments received after the
9 hearing date, but before the 15-day notice is issued, will
10 not be accepted as part of the official record on this
11 agenda item. The Executive Officer may present the
12 regulation to the Board for future consideration if
13 warranted. And if not, the Executive Officer shall take
14 final action to adopt the regulation after addressing all
15 appropriate conforming modifications.

16 The Board has before it Resolution 18-46. Do I
17 have a motion and second to move this item forward?

18 BOARD MEMBER RIORDAN: Madam Chair, I would move
19 approval of this resolution.

20 BOARD MEMBER SHERRIFFS: Second.

21 VICE CHAIR BERG: Thank you.

22 Having a first and a second, all those in favor?

23 (Unanimous aye vote.)

24 VICE CHAIR BERG: Anyone opposed?

25 Is there any abstentions for this item?

1 VICE CHAIR BERG: The motion has passed.

2 Our next item, 18-5 -- 18-8-5 is really companion
3 item to our previous one. It is the Proposed Amendments
4 to the Fill Pipe Specifications to help ensure new motor
5 vehicle fill pipes continue to be compatible with the
6 California gas station nozzles and reduce the storage
7 tanks overpressure emissions. The original fill pipe
8 specifications were adopted in 1976 and changes were made
9 over time to ensure the vehicle fill pipe and nozzle
10 remained problem-free during refueling.

11 Today, the Advanced Clean Cars Program is
12 introducing further improvements to the fill pipe
13 specification to reduce gasoline vapor emissions during
14 refueling in conjunction with the amendments for the gas
15 station nozzle specification, which we just previously
16 hear.

17 These two rulemakings together will help
18 California to attain its ozone standard and reducing the
19 public's exposure to benzene, an air contaminant.

20 Mr. Corey, will you please introduce this item?

21 EXECUTIVE OFFICER COREY: Yes. Thanks Vice Chair
22 Berg. And as you noted, this regulatory proposal
23 introduces a new performance leak standard an additional
24 dimensional specifications for new fill pipe designs.
25 These changes are necessary to prevent fill pipe designs

1 that do not properly seal and latch with California's
2 certified gasoline dispensing nozzles.

3 And the intent -- rather the intent of this
4 proposal, as was the case with the proposal you just acted
5 on a moment ago is to reduce air ingestion at the nozzle,
6 and which will help to reduce storage tank overpressure
7 emissions. And with that, I'll ask Jason Gordon of the
8 Emission Compliance and Automotive Regulations and Science
9 Division to give the staff presentation.

10 Jason

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

13 AIR RESOURCES ENGINEER GORDON: Good morning,
14 members of the Board. Thank you for the opportunity to
15 walk you through staff's proposed amendments to vehicle
16 fill pipe regulations.

17 --o0o--

18 AIR RESOURCES ENGINEER GORDON: In the last
19 agenda item, you heard about nozzle improvements to help
20 address overpressure in gas station storage tanks. This
21 item addresses the vehicle side of the solution involving
22 improvements to fuel fill pipes.

23 --o0o--

24 AIR RESOURCES ENGINEER GORDON: This slide will
25 give you some background and illustrate what this proposal

1 is addressing. The picture on this slide points out that
2 the vehicle fill pipe is where the nozzle is inserted to
3 refuel the vehicle, and it leads to the fuel tank. For
4 today's proposal, the focus is on the fill pipe's head,
5 which interfaces with the nozzle.

6 --o0o--

7 AIR RESOURCES ENGINEER GORDON: The previous item
8 described how excess air ingestion into the gas station
9 underground storage tank leads to overpressure emissions.
10 We found that there are certain vehicle attributes that
11 lead to an improper seal, and therefore lead to excess air
12 ingestion of -- three types of vehicle fill pipes are
13 particularly prone to an improper seal.

14 The first type is a capless fill pipe, which may
15 have an open drain path to the atmosphere. The second is
16 a traditional capped design, which has a deeper locking
17 lip, or larger outer diameter, that can cause a loose
18 latch with vapor recovery nozzles. When there's a loose
19 latch, you can end up with a gap between the nozzle and
20 the fill pipe face and excess air can then be ingested.

21 Lastly, some European vehicles have bayonet style
22 fill pipes and a secondary outer ring that can obstruct
23 the nozzle from sealing. This design can also cause a gap
24 between the nozzle and the fill pipe.

25 --o0o--

1 AIR RESOURCES ENGINEER GORDON: Before we talk
2 about the staff proposal, which includes a new performance
3 leak standard, I would like to walk you through how the
4 performance leak standard proposal was developed. Early
5 on, field studies were conducted at gas stations with the
6 auto industry and CARB staff. These studies narrowed down
7 the maximum leak size that could still be allowed while
8 yield -- while still yielding adequate performance at the
9 gas station.

10 Staff worked with industry and the SAE Fuel
11 Systems Task Force to develop the bench test and the
12 performance leak standard. This was followed by
13 performing the test procedure in CARB's lab in developing
14 a specific leak standard. Throughout the development
15 process, staff coordinated with the SAE Fuel Systems Task
16 Force in order to listen to input and share ideas with
17 industry members of that Committee.

18 --o0o--

19 AIR RESOURCES ENGINEER GORDON: The equipment
20 set-up for the bench performance leak test is shown here.
21 The nozzle is latched into a fill pipe, which would be
22 secured in a vise on a bench. Vacuum would be applied to
23 the nozzle to fill pipe interface, to a degree which
24 results in a vacuum pressure of negative 500 Pascals. The
25 resulting flow rate would be the output of this test,

1 which would need to come in at or below the proposed
2 standard.

3 This test is a surrogate to actually testing with
4 California gas station equipment, which would -- which
5 would require more resources and would be more expensive.

6 --o0o--

7 AIR RESOURCES ENGINEER GORDON: This leads us to
8 the main staff proposal of 2.5 liters per minute, or LPM,
9 performance leak standard. This standard assures minimal
10 leak paths in the new vehicles' fill pipes, and verifies a
11 good seal with the nozzle. Although zero leak rate would
12 be the ultimate goal to guarantee no air ingestion, staff
13 worked with industry and developed a maximum all --
14 maximum allowable leak rate for the fill pipe and nozzle
15 interface, which would minimize the chance for air
16 ingestion.

17 --o0o--

18 AIR RESOURCES ENGINEER GORDON: The second part
19 of our proposal involves dimensional specifications for
20 fill pipes. These dimensions are being improved in areas
21 which are known to interfere with making a good seal with
22 the nozzles used at California's gas stations. These
23 changes would only affect new fill pipe head designs. In
24 other words, this would come into effect when a
25 manufacturer is changing their fill pipe head design.

1 Therefore, manufacturers would be able to
2 continue using their current designs that meet the current
3 dimensional specifications along with the previously
4 mentioned new leak standard. This minimizes burden to
5 manufacturers and minimizes compliance costs.

6 --o0o--

7 AIR RESOURCES ENGINEER GORDON: Staff estimates
8 that the proposed changes to the fill pipe specification
9 will provide statewide emission reductions of 0.6 to 1
10 tons per day reactive organic gases including benzene.
11 The total cost to industry is projected to be \$175,000 for
12 performing and reporting on the performance leak test.

13 --o0o--

14 AIR RESOURCES ENGINEER GORDON: Staff has worked
15 with stakeholders throughout this process and did receive
16 supportive comments for this proposal. The industry also
17 requested a relaxation of the performance leak standard
18 during the 45-day comment period, and also minor
19 clarifications of the dimensional specifications and the
20 bench test.

21 Staff would like to work with industry to propose
22 a 15-day change to clarify the dimensional specifications
23 and the test -- and the bench test procedure.
24 Additionally, staff may propose an alternate leak
25 standard, but only if sufficient data and justification is

1 shown by industry.

2 --o0o--

3 AIR RESOURCES ENGINEER GORDON: To sum things up,
4 this proposal includes a vehicle fill pipe performance
5 leak test and additional dimensional specifications.
6 These improvements, along with the change to the nozzle
7 described in the previous Board item, will improve vapor
8 recovery system performance. This will also reduce the
9 frequency of In-Station Diagnostics, or ISD, overpressure
10 alarms at gas stations.

11 Reduction in emissions of reactic -- reactive
12 organic gas, or ROG, and benzene from this proposal are
13 especially important in sites where people live and work
14 near gas stations.

15 --o0o--

16 AIR RESOURCES ENGINEER GORDON: The proposed
17 improvements to California vehicle fill pipe
18 specifications will result in emission benefits at a
19 reasonable cost to industry, because of the built-in
20 flexibilities. The proposal was formulated with the help
21 of a variety of people in the automotive and nozzle
22 industries, including the SAE task force.

23 Staff believes that this proposal is fair and
24 effective, and therefore recommends that the Board adopts
25 these amendments.

1 Thank you for your time and consideration.

2 VICE CHAIR BERG: Thank you, very much, Jason for
3 a thorough report.

4 We do have one speaker signed up for this item.
5 Steve Douglas, Alliance of Automobile Manufacturers.

6 Good morning, Steve.

7 MR. DOUGLAS: Good morning, Vice Chair Berg,
8 members of the Board. Thank you. I'm Steve Douglas with
9 the Alliance of Automobile Manufacturers representing 12
10 of the world's leading car companies or about 70 percent
11 of the U.S. -- the California new car market. I realize
12 that fill pipe specifications are a bit mundane. They
13 don't get the media play of electric cars or fuel economy
14 or CAFE. The President's is not Tweeting about them.

15 (Laughter.)

16 MR. DOUGLAS: The Governor is not responding to
17 those Tweets, and even Chair Nichols hasn't -- hasn't
18 Tweeted about fill pipe specifications.

19 Nonetheless, like many parts of the car, they are
20 critically important, not only from the environmental
21 standpoint, but also from the safety standpoint. As you
22 might imagine, the fuel components are safety related, and
23 the fuel pipe specifications -- design changes may require
24 additional crash worthiness testing to ensure the
25 vehicle's safety and integrity. And any changes, of

1 course, would require the development and modifications at
2 the assembly plants around the world.

3 So and likewise as the staff has suggested, it
4 has environmental impacts as well, that interface between
5 the nozzle and the vehicle. So, it's really a balance
6 between the most expeditious changes to meet your goals as
7 well as the -- as doing so in a cost effective manner.

8 And with that said, we really want to thank the
9 staff, Jason, Shobna, for all of their work. They really
10 have gone above and beyond they've worked with the
11 Alliance, as in the trade association. They worked with
12 individual OEMs. They've done testing. And they've worked
13 very hard with the Society of Automotive Engineers. And
14 we think they've developed a rule that provides the
15 environmental benefits in the most expeditious manner
16 possible, and in a cost effective way.

17 And consequently, we fully support the staff's
18 recommendation today, and we look forward to working with
19 them. And again, thank you for all your -- your work on
20 that.

21 Thank you.

22 VICE CHAIR BERG: Thank you very much, Steve.

23 Again, this agenda item shows by the -- I'm glad
24 that Steve Douglas had the opportunity to be here to bear
25 witness that staff has done an excellent job in reaching

1 out to stakeholders. In some cases, we're lucky. And in
2 all of the staff's research on the last item and this
3 item, many of the turnover of the equipment that we're
4 looking at is due over the next four or five years. And
5 so allowing manufacturers and the gas station owners to be
6 able to adopt this new equipment after the useful life
7 worked out really, really well.

8 And so congratulations on attaining all the goals
9 and having 100 percent support of the stakeholders.
10 That's very impressive.

11 Is there any follow-up questions?

12 Yes, Dr. Sherriffs.

13 BOARD MEMBER SHERRIFFS: Thank you. Thank you,
14 staff for all your work on that and the engagement with
15 stakeholders. And thanks to the auto industry for those
16 comments. I love your triangle try, where we have really
17 that sweet spot of balance, right, and cost, and input,
18 and the benefits helping balance that triangle of what
19 we're achieving here. So I want to see more of those
20 perfectly balanced triangles and presentations.

21 (Laughter.)

22 BOARD MEMBER SHERRIFFS: You know, as
23 manufacturers are more and more successful with their
24 roll-out of electric vehicles and hydrogen fuel, this will
25 be less and less of an issue, isn't that sweet?

1 This -- this -- it's small, but it's really
2 important. We've talked about benzene and reactive
3 organics. Benzene is a known carcinogen. It's one
4 that's -- it's a very clear. And so small, small benefits
5 are important.

6 For places like the Central Valley, the reactive
7 organics are hugely important in terms of our ozone
8 problems in the winger. So it may -- it may be small,
9 but, you know, small depends on location. And something
10 that's small in one place can be very big in another. So
11 great work, and I love the triangle. Keep on -- keep on
12 rolling.

13 VICE CHAIR BERG: Thank you.
14 Professor Sperling.

15 BOARD MEMBER SPERLING: I want to -- I want to
16 note that even though Mr. Douglas and President Trump
17 might not Tweet about this after this meeting, I did
18 actually lecture about this in my class yesterday.

19 (Laughter.)

20 BOARD MEMBER SPERLING: And so it is small, and
21 my doctor colleague things think it's important. So I
22 just want to note that some of us are paying attention.

23 (Laughter.)

24 VICE CHAIR BERG: So with that, I will close the
25 record on this agenda item. However, if determined that

1 additional conforming modifications are appropriate, the
2 record will be reopened and a 15-day notice of public
3 availability will be issued. If the record is reopened,
4 for the 15-day comment period, the public may submit
5 written comments on the proposed changes, which will be
6 considered and responded to in the Final Statement of
7 Reason for the regulation.

8 Written or oral comments received after this
9 hearing date, but before the 15-day notice is issued will
10 not be accepted as part of the official record on this
11 agenda time.

12 The Executive Officer may present the regulation
13 to the Board for future consideration, if warranted. And
14 if not, the Executive Officer shall take final action to
15 adopt the regulation after addressing all appropriate
16 conforming modifications. With that, we have in front of
17 us Resolution number 18-47.

18 Do I have a motion and second to move this item?

19 BOARD MEMBER BALMES: I move that we adopt this
20 resolution.

21 BOARD MEMBER SHERRIFFS: Second.

22 VICE CHAIR BERG: All in favor?

23 (Unanimous aye vote.)

24 VICE CHAIR BERG: Any opposed?

25 Any abstentions?

1 Motion carried.

2 Well, we're doing really well, group. We're just
3 ticking these off.

4 (Laughter.)

5 VICE CHAIR BERG: While we have -- while we have
6 our staff change, we'll go ahead and introduce our next --
7 our next agenda item, which is the Proposed Fiscal Year
8 2018-2019 Funding Plan for Clean Transportation
9 Investments. The plan serves as a blueprint over the
10 expenditures over \$480 million in incentives appropriated
11 to CARB this year.

12 This includes the annual funding for the low
13 carbon fuel transportation investment from the
14 cap-and-trade auction proceeds. Now, entering its sixth
15 year, and the Air Quality Improvement Program, or AQIP.
16 It represents another significant zero -- investment in
17 zero and near zero-emission technologies with a priority
18 on directing funds to disadvantaged communities low-income
19 committees, low-income households to ensure that cleanest
20 technology are deployed in the most impacted parts of our
21 State.

22 We are making great progress towards meeting our
23 ZEV deployment goals and helping advance the technologies
24 needed to meet our near-zero and long-term emission
25 reduction needs. With more widespread adoption of these

1 technologies, we get closer and closer to establishing
2 sustainable markets for these technologies.

3 Mr. Corey, will you please introduce this item?

4 EXECUTIVE OFFICER COREY: Yes. Thanks Vice Chair
5 Berg. Incentive programs, as you noted, are a critical
6 part of CARB's comprehensive strategy to accelerate the
7 introduction of the cleanest mobile source technologies
8 complementing our regulatory programs. These incentive --
9 these incentives provide important early steps to
10 transform the transportation sector to zero tailpipe
11 emissions powered by the lowest carbon energy sources
12 supporting the emission reduction strategies identified in
13 the Climate Change Scoping Plan, State Implementation
14 Plans, California's Sustainable Freight Action Plan, and
15 the ZEV Action Plan, as well as the Governor's Executive
16 Order calling for California to deploy at least five
17 million ZEVs by 2030.

18 These incentives are all designed to increase
19 access to clean transportation for disadvantaged
20 communities, and low-income Californians. These
21 investments will help implement the recommendations from
22 our Senate Bill SB 350 study on overcoming the barriers to
23 clean transportation.

24 And in the budget appropriations for these
25 programs, the Legislature provided specific direction to

1 continue with the programs we funded in the past budget
2 cycles. This funding will help meet the growing demand
3 for consumer rebates, for ZEV passenger cars, clean truck
4 and bus vouchers, and transportation equity projects,
5 including car scrap and replacement, and car sharing,
6 among others as staff will describe in their presentation.

7 This year, the proposed heavy-duty investments
8 are focused on implementing the freight and heavy-duty
9 vehicle and equipment recommendations identified in last
10 year the -- rather the last year's three-year investment
11 strategy. This will help to support the long-term
12 transition to zero-emission vehicles in the heavy-duty
13 market, as well as support investments in near-term
14 technology, needed to help meet health-based ambient air
15 quality standards.

16 And while we're investing a considerable amount
17 of money with this plan, we must recognize that these
18 investments are one piece of the state's overall clean
19 air, clean energy, and climate investment portfolio, which
20 includes other State and local agency investments. We've
21 designed our program, so that it complements these other
22 programs.

23 And with that, I'll ask Jason Crow of the Mobile
24 Source Control Division to give the staff presentation.

25 Jason.

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

3 MR. CROW: Thank you, Mr. Corey. Good morning,
4 Vice Chair Berg, members of the Board.

5 Today I'll be presenting staff's proposed funding
6 plan for clean transportation incentives for fiscal year
7 to 2018-19

8 --o0o--

9 MR. CROW: I'm going to start with a brief
10 overview of CARB's clean transportation incentive programs
11 to provide some context as to how today's proposal fits
12 into the larger portfolio programs, as well as our own
13 program goals. I'll report on the status of past
14 investments, and then describe our proposed funding plan
15 and recommendations.

16 --o0o--

17 MR. CROW: The investment recommendations laid
18 out in this funding plan are made in coordination with our
19 other incentive programs. This plan continues to provide
20 funding for transformative technologies at their earliest
21 stages when they're just coming to market, funding for
22 fully commercialized technologies, and projects for
23 transportation equity, that is projects that help to
24 ensure access to clean transportation for our priority
25 populations, or those in disadvantaged communities,

1 low-income communities, and low-income households.

2 The plan also funds projects designed to
3 encourage the turnover of fleets to the cleanest
4 commercialized technologies. Overall, CARB has developed
5 a comprehensive and balanced portfolio of investments that
6 maximize criteria pollutant and greenhouse gas emission
7 reductions.

8 --o0o--

9 MR. CROW: The programs shown here make up CARB's
10 clean transportation incentive portfolio. Each of our
11 incentive programs has its own statutory requirements,
12 emission reduction goals, and eligible projects making the
13 portfolio diverse and far-reaching. For today's
14 discussion, our funding plan will cover just the low
15 carbon transportation and AQIP programs shown on the top
16 of this slide. This is a total of \$483 million for fiscal
17 year 2018-19.

18 We will be coming back to you in February to
19 provide a more comprehensive overview of the incentive
20 programs and how they fit together.

21 --o0o--

22 MR. CROW: Also, guiding and informing the
23 decisions in this year's funding plan are the detailed
24 three-year investment strategies for light-duty and
25 heavy-duty invest -- heavy-duty projects. Updated

1 projections for both strategies are included in this
2 year's plan, and next year we will be conducting a second
3 comprehensive review, and providing our findings for both
4 plans as required by SB 1275 and SB 1403.

5 --o0o--

6 MR. CROW: The funding plan must also consider
7 and address barriers to adopting advanced technology.
8 These are also discussed in more detail in the three-year
9 heavy-duty investment strategy. While the costs
10 associated with these technologies tend to be one of the
11 most significant barriers, others include insufficient
12 consideration and awareness of outreach, infrastructure,
13 job training, and secondary markets. As we expand beyond
14 the most proactive fleets, we need easier and more
15 streamlined ways for fleets to transition.

16 We've asked CALSTART to establish a group to
17 focus on these barriers and develop strategies for
18 overcoming them. And the initial meeting is being planned
19 for early December.

20 --o0o--

21 MR. CROW: The priorities for this year's funding
22 plan are built on supporting the long-term transformation
23 of the fleet to zero-emission vehicles and equipment:

24 Building on investments from our previous budget
25 cycles; Incorporating refinements based on the lessons

1 learned and recommendation from our SB 350 study on
2 overcoming the barriers to clean transportation in
3 low-income and disadvantaged communities, which will help
4 to continue to increase access to clean transportation and
5 mobility options; and, Designing our investments to
6 benefit priority populations.

7 I also want to highlight that staff is proposing
8 increasing the AB 1550 priority population target from the
9 45 percent initially proposed in our funding plan to 50
10 percent based on the latest available project performance
11 data. We're asking you today to include this increased
12 target as part of your approval action.

13 --o0o--

14 MR. CROW: Now, I'm going to share with you an
15 update on the status of our current projects.

16 --o0o--

17 MR. CROW: As we continue to build on our prior
18 years' investments, here's a look at how these investments
19 are making a real difference in transforming the
20 light-duty fleet in California. The significant number of
21 zero-emission and plug-in hybrid passenger car rebates
22 we've issued are helping to grow the market. These
23 vehicles now make up over five percent of new care sales
24 in California. We're brining more low-income participants
25 into the program with increased rebate amounts and more

1 focused outreach with over \$35 million in increased
2 rebates issued to low-income consumers to date.

3 --o0o--

4 MR. CROW: We continue to see our equity projects
5 grow. Car share programs have now launched in Los Angeles
6 and Sacramento. Four additional projects will be
7 launching in late 2018, early 2019 in the Bay Area, the
8 San Joaquin Valley, and Watsonville. The agricultural
9 worker vanpool project is underway with over 150 hybrid
10 commuter vans starting delivery this month.

11 Also, new this year is the statewide financing
12 assistance pilot project, which launched just this past
13 June. This project is helping low-income consumers make
14 clean car purchases, including those who may not have an
15 existing car to scrap by offering low cost loans and
16 grants. And so far, over 150 of these have been funded.

17 The EFMP Plus-Up or Clean Cares 4 All project has
18 helped us scrap and replace over 3,700 old cars with new
19 cleaner vehicles. And the Rural School Bus Pilot Project
20 has funded 40 school buses for rural school districts with
21 another 75 buses to be delivered as part of last year's
22 funding allocation.

23 Many of these projects are in high demand, and
24 today's plan proposes to continue investing in these
25 critical equity projects.

1 funding available through the Volkswagen Mitigation Fund,
2 the Carl Moyer program, and the AB 617 Community Air
3 Protection Program.

4 Transit will continue to be fully eligible for
5 incentive funding until at least 2023 or 2025. And we're
6 also continuing to build in our freight investments.

7 --o0o--

8 MR. CROW: For our freight focused heavy-duty
9 investments, the introduction of last year's zero- and
10 near zero-emission freight facilities project has resulted
11 in a number of transformational projects demonstrating a
12 wide range of advanced technology vehicles and equipment
13 around the state.

14 The yellow dots on the map shown here represent
15 these projects, as well as all of our other freight
16 demonstration and pilot projects. As you can see, they
17 range from San Diego to the South Coast air, through the
18 San Joaquin Valley, up to Sacramento and the Bay Area.
19 The red areas represent all of the areas throughout the
20 state where these clean vehicles will be operating.

21 Staff is also getting ready to launch the
22 zero-emission off-road freight voucher project in the
23 coming months.

24 --o0o--

25 MR. CROW: And he's just a snapshot of some of

1 the major providers and purchasers of advanced
2 technologies. Many of these are based here, bringing jobs
3 to California. As you can see, tremendous progress has
4 already been made in growing clean transportation.

5 --o0o--

6 MR. CROW: Now I'm going to talk about the
7 funding available for this year's plan.

8 --o0o--

9 MR. CROW: The Legislature appropriated \$455
10 million in low carbon transportation funding for this
11 year. This appropriation was further suballocated with
12 specific amounts designated to go to the following
13 categories: The Clean Vehicle Rebate Project, including
14 increased rebates for low-income recipients;
15 transportation equity pilot projects; the Hybrid and
16 Zero-Emission Truck and Bus Voucher Incentive Project; and
17 Freight Equipment Advanced Demonstration and Pilot
18 Commercial Deployment Project.

19 --o0o--

20 MR. CROW: This year's budget also provides just
21 over \$28 million for the Air Quality Improvement Program.
22 AQIP funds projects that reduce criteria pollutant and air
23 toxics emissions from mobile sources. We're proposing to
24 continue to focus AQIP dollars on projects that primarily
25 deliver criteria pollutant reductions and to programs that

1 --o0o--

2 MR. CROW: This year, staff is not proposing any
3 major changes to CVRP. The funding available this year
4 should be sufficient to meet anticipated demand for the
5 year. Coupled with direct equity funding to support
6 low-income rebates, we would be able to ensure continuous
7 funding for low-income applicants. As the market grows,
8 we will need to continue to refine and better target the
9 program, increasing awareness of and accessibility to
10 incentives, especially for our priority populations.

11 --o0o--

12 MR. CROW: Our proposed investments for
13 transportation equity funding will help to increase access
14 to and awareness of clean transportation and mobility
15 options, as well as expand and adapt the existing
16 transportation equity projects based on lessons learned.

17 These investments share air quality and equity
18 goals with CARB's AB 617 Community Air Protection Program.
19 They help to promote cleaner transportation and mobility
20 options for all Californians, but especially those in low
21 income and in disadvantaged communities.

22 In total, these projects are helping to address
23 the barriers to clean transportation access for low-income
24 residents identified in our SB 350 study. Many of these
25 projects have been more complex and have taken longer than

1 anticipated to launch and/or scale up, due to a variety of
2 huddles. Projects that have launched are seeing
3 substantial interest and participation. Even though these
4 projects are still in the early stages, we are learning
5 and already seeing positive results.

6 --o0o--

7 MR. CROW: Our funding plan includes two new
8 projects this year. The first of these is the Clean
9 Mobility in Schools Pilot Project. This new \$10 million
10 equity project focuses on creating an overall
11 transformation of the entire school transportation system,
12 showcasing a variety of creative greenhouse gas emission
13 reduction techniques at one or two K through 12 schools in
14 disadvantaged communities.

15 This is an exciting opportunity for students and
16 the community to learn about the potential for a
17 zero-emission lifestyle. It would fund things like the
18 electrification of school buses and administrative vehicle
19 fleets, infrastructure improvements, education for both
20 students and parents, and community outreach. It could
21 also incorporate light-duty car sharing and other clean
22 mobility elements like bicycling.

23 It's designed to encourage increased awareness
24 and equitable access to clean transportation and mobility
25 options, which is a core goal of SB 350, and critical to

1 overcoming barriers in low-income and disadvantaged
2 communities. We will also be designing the project to be
3 replicated in disadvantaged communities throughout the
4 state.

5 --o0o--

6 MR. CROW: For our heavy-duty vehicle and
7 equipment projects, this year's funding plan includes \$180
8 million in low carbon transportation funding and about \$29
9 million in AQIP funding.

10 Collectively, these investments will support a
11 broad range of clean and efficient vehicle technologies
12 with opportunities for battery electric, fuel cell,
13 hybrid, low NOx, and clean diesel engine technologies, as
14 well as engine and system efficiency improvements, and the
15 use of low carbon renewable fuels.

16 It includes support for technologies along the
17 commercialization spectrum with funding for
18 demonstrations, early commercial pilots, and vouchers and
19 loans for commercially available technologies.

20 --o0o--

21 MR. CROW: This year's plan includes \$125 million
22 for HVIP and low NOx engine incentives, which we
23 anticipate will meet demand for all eligible technologies
24 through the fiscal year. Changes this year include
25 revising some voucher amounts to better reflect

1 incremental cost.

2 We're recommending some changes to the low NOx
3 engine incentives, including discontinuing the \$10,000
4 voucher for new 8.9 liter low NOx engines used in transit
5 and refuse fleets; providing a new \$45,000 voucher for the
6 repower of 8.9 liter CNG transit and refuse engines, and
7 increasing the 11.9 liter low NOx engine voucher from
8 \$40,000 to \$45,000.

9 And additional modification that we're proposing
10 today is adding a \$45,000 voucher to convert diesel refuse
11 fleets to the 8.9 liter low NOx CNG engine. We'll be
12 holding a work group to flesh out the details for this.

13 --o0o--

14 MR. CROW: Last year's funding plan included \$150
15 million for the zero- and near zero-emission freight
16 facilities project, which will fund advanced technologies
17 used in freight movement, and at freight facilities,
18 including the necessary infrastructure to support their
19 deployment. We mentioned last year that if our
20 solicitation was oversubscribed, that we would like to use
21 any new freight money from fiscal year 2018-19 to continue
22 to fund down the list of qualified applications.

23 Earlier this year, we announced 11 preliminary
24 awards contingent on Board action today that will be
25 supporting a large variety of vehicles and equipment,

1 everything from a battery electric locomotive, to hundreds
2 of zero-emission trucks, to an entire facility shifting
3 away from diesel.

4 Staff is proposing that the \$55 million all --
5 \$55 million allocated to us for freight be spent on
6 supporting all 11 of these amazing projects, bringing this
7 total investment in the freight system to \$205 million.

8 --o0o--

9 MR. CROW: As I noted earlier, the majority of
10 this year's AQIP allocation will continue to fund the
11 Truck Loan Assistance Program. To date, the program has
12 received almost \$100 million, allowing it to leverage
13 nearly \$1.2 billion in financing for truck loans. Just
14 last week, Board Member De La Torre spoke at a press event
15 with the Treasurer's Office celebrating the 20,000th loan
16 enrolled in the program.

17 For many small businesses, having access to the
18 Truck Loan Assistance Program makes the difference between
19 obtaining truck financing or not. We're expecting the
20 demand will begin to increase as truck and bus enforcement
21 activity increases, and DMV registration ties to truck and
22 bus compliance in 2020. And so we know that we will need
23 significantly more funding to meet demand in future years.

24 We do believe, based on current loan enrollment
25 trends, that the \$25.6 million proposed allocation for

1 this year will meet expected demand of around 8,200 new
2 trucks.

3 --o0o--

4 MR. CROW: The other new project in this year's
5 funding plan addresses existing heavy-duty vehicles that
6 were originally equipped with the now recalled Cleaire
7 LongMile diesel particulate filter system and will help to
8 reduce uncontrolled criteria pollutant and air toxics
9 emissions.

10 Between 2015 and 2017, CARB directed funds to
11 help make vehicle owners whole first under the Prop 1B
12 program for freight trucks, and then under a separate
13 program for school buses. This will help to fund
14 replacements for vehicles that were not able to
15 participate under the two previous just funding cycles.

16 Staff is proposing \$3 million in funding to
17 support these filter substrate replacements on a
18 first-come, first-served basis. We expect that this will
19 cover 270 to 500 substrate replacements or about 150 new
20 diesel particulate filter systems.

21 --o0o--

22 MR. CROW: And now I'd like to summarize our
23 proposed recommendations

24 --o0o--

25 MR. CROW: Staff's proposal advances access to

1 clean transportation, it builds on our previous
2 investments to reduce greenhouse gas criteria pollutant
3 and toxic emissions by advancing the cleanest available
4 technologies, and it expands rebate and voucher projects
5 to meet affordability and consumer and fleet demand.

6 These projects will continue the focus on
7 achieving emission reductions for priority populations
8 with increased emphasis on community outreach to help
9 people better access funding.

10 --o0o--

11 MR. CROW: The suite of investments is part of
12 our coordinated strategy to make progress toward multiple
13 climate change and air quality goals. As you can see, we
14 strive to develop and fund projects that support multiple
15 agency objectives.

16 --o0o--

17 MR. CROW: In conclusion, staff recommends that
18 the Board approve the proposed funding plan with staff's
19 modifications to the AB 1550 priority population funding
20 target, and the HVIP funding proposal as noted.

21 Thank you very much for your time and
22 consideration, and we'd be happy to answer any questions
23 you have.

24 VICE CHAIR BERG: Thank you very much for a very
25 good report, Jason.

1 And we do have about 23 people signed up to
2 testify. I think we'll go ahead and move to that
3 testimony. And so it is posted up here to my left. And
4 we'll start with Mr. Berry from South Coast Air Quality
5 Management District.

6 Good morning.

7 MR. BERRY: Good morning, Vice Chair Berg and
8 Board members. My name is Naveen Berry and I'm the
9 Assistant Deputy Executive Officer in the Technology
10 Advancement Office of the South Coast Air Quality
11 Management District.

12 SCAQMD staff appreciates the opportunity to
13 comment on agenda item number 6 that pertains to the
14 funding plan. Specifically, South Coast AQMD staff fully
15 supports the proposed funding levels of the \$55 million
16 for the Freight Equipment Advanced Demonstration and Pilot
17 Commercial Deployment Project, including projects for
18 ships at berth.

19 Specifically SCAQMD staff thanks that Air
20 Resources Board and the staff for recent award to the
21 South Coast AQMD, and believes that the warehousing and
22 freight, or ZANZEFF solicitation was really truly
23 instrumental in attracting large manufacturers into the
24 near zero and zero-emission freight vehicles and equipment
25 development and commercialization discussions.

1 So we're very thankful for that.

2 The level of awards for cargo handling equipment
3 on the broader perspective were on-road off-road
4 locomotive and marine applications truly are
5 transformative and expected to provide significant near-
6 and long-term benefits to the South Coast region.

7 The awards will provide critical data to various
8 manufacturers involved to refine the eventual commercial
9 products that we think will be deployed. And on the
10 on-road Class 8 truck projects, we'll certainly provide a
11 direct comparison between battery electric trucks and fuel
12 cell trucks. And we think this is important. And
13 especially funding the infrastructure for both of those
14 technologies as part of these projects will continue to
15 provide benefits well beyond the life of the
16 demonstrations for the vehicles under this area.

17 Specifically the award given to the South Coast
18 AQMD, Volvo is our truck partner. And they're the second
19 largest market share holder for Class 8 trucks in the U.S.
20 They're truly committing to commercializing the heavy-duty
21 battery electric trucks over the next few years. So this
22 is fantastic news for air quality, not only in the South
23 Coast region, but for the state as a whole.

24 So thank you again.

25 I do have a couple of other minor comments

1 however. South Coast is completely -- our staff is
2 completely supportive of the \$125 million for the clean
3 truck and bus vouchers, under the HVIP program the staff
4 described. SCAQMD staff supports the increase in the
5 voucher amount for the purchase and repowers of the 8.9
6 liter engine to \$45,000. I think that will go a long way
7 to help fleet turnovers.

8 However, in one minor area, SCAQMD staff
9 respectfully suggests that the transit and refuse sector
10 should be able to continue to apply for vouchers for new
11 purchases. All of the zero-emission transit bus market
12 has commercial offerings. And transit agencies are
13 committing transition to zero-emission buses. The battery
14 electric refuse truck market is not nearly as mature. And
15 no current commercial products are available, at least
16 best of our knowledge.

17 Additionally, refuse trucks using near
18 zero-emission natural gas truck engines readily use
19 renewable natural gas mainly from landfill gas that cost
20 effectively reduces criteria Pollutant and greenhouse gas
21 emissions.

22 Based on the recent survey conducted by NREL,
23 refuse trucks typically turnover their trucks every seven
24 years, because repowering causes additional maintenance
25 expenses with other ancillary components on refuse trucks.

1 So we suggest that we continue to allow new purchases for
2 both of those as well.

3 For the 11.9 liter near zero engine --

4 VICE CHAIR BERG: Mr. Berry, I need you to
5 wrap-up for me, because we do have a full agenda today.

6 MR. BERRY: Sure.

7 VICE CHAIR BERG: Thank you.

8 MR. BERRY: I will certainly do so.

9 So the suggestion is to increase that voucher
10 amount to \$70,000. We think that will help accelerate
11 that turnover. That incremental cost is based on other
12 funding programs that the South Coast Air Quality
13 Management is involved in under Carl Moyer, Prop 134 -- or
14 Prop 1B, and AB 134.

15 Thank you very much.

16 VICE CHAIR BERG: Thank you.

17 Good morning Mr. Naylor.

18 MR. NAYLOR: Good morning. Vice Chair Berg,
19 members of the Board, I'm Robert Naylor. I represent the
20 Metropolitan Transportation Authority of Los Angeles
21 County, L.A. Metro. We represent 26 percent of the
22 state's population, 47 percent of the disadvantaged
23 communities, and the worst air quality in the country.
24 And as such, we applaud the Board for its significant
25 investments in this plan, and as well as its cutting edge

1 regulations on clean cars, and trucks, and buses.

2 I have written comments that I'm submitting, but
3 I'll just highlight a couple of points. For our part,
4 Metro is investing over \$400 billion over 40 years in
5 transit, including 16 new rail and transit lines. That is
6 projected by the year 2057 to reduce vehicle miles
7 traveled by four million vehicle miles per week day.

8 Metro is also, as -- as you learned in the -- the
9 electric bus area converting its entire fleet -- CNG fleet
10 by the year 2030. That, however, is at a cost of more
11 than \$500 million over our baseline. And that is money
12 that is not yet fully accounted for.

13 We thank you for maintaining the full HVIP
14 voucher amount beyond the 100 buses. That is critical to
15 our success. Even with all the funding streams
16 highlighted today and identified four weeks ago in the
17 innovative clean transit presentation, the available
18 funding for charging infrastructure is still very limited.
19 We want to work together with you to find ways to increase
20 it in future plans.

21 And finally, one of the greatest remaining
22 challenges and clearly recognized in this -- in this plan
23 is in the goods movement and freight area. In Los
24 Angeles, the I-710 corridor is a major contribute --
25 contributor to pollution and greenhouse gases and

1 congestion. And we're just beginning to wrestle with the
2 challenges of that corridor. It's going to take a focused
3 comprehensive coordinated effort by all agencies to deal
4 with that.

5 That said, metro supports the 2018-19 funding
6 plan and thanks the Board for its fine work.

7 VICE CHAIR BERG: Thank you.

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

10 VICE CHAIR BERG: So as Mr. Frick comes down, if
11 you could keep your eye on the list please, and make your
12 way down. And so when you're up to speak, we can cut down
13 our time walking down, please.

14 Good morning.

15 MR. FRICK: Good morning, Vice Chair Berg and
16 esteemed Board members. My name is Richard Frick. And I
17 work with HINO Trucks. We're a Toyota Group Company, the
18 commercial division of Toyota. I'm here mainly to
19 highlight a line item change in the HVIP program that will
20 significantly impact our success in positioning this
21 product and deploying it in the marketplace, namely a
22 change in the voucher amount that will cut it nearly in
23 half.

24 And that will put us in a uncompetitive market
25 position. And the take rate, we fear, of the product and

1 the benefits of it being a lower emissions option in the
2 local business and communities, will have a negative
3 impact. You could see from the slides --

4 --o0o--

5 MR. FRICK: -- the overwhelming number of -- or
6 overwhelming percentage of participation that HINO has in
7 the -- in the HVIP program. And as you progress through
8 it, you can see sales statistics and then some voucher
9 amounts by fiscal year, and the most important is on page
10 three --

11 --o0o--

12 MR. FRICK: -- the second slide, the number of
13 vouchers by voucher amount. I think that graphic will
14 show you kind of where the sweet spot of the voucher
15 program hit home with the success in adopting this
16 technology.

17 And if you can go one more slide --

18 --o0o--

19 MR. FRICK: -- will be -- yet another. There we
20 go.

21 So you can see that at the \$23,000 voucher
22 amount, we were very successful in selling this truck, and
23 consumers adopting the technology, many of which are small
24 business owners, many of them in disadvantaged
25 communities, and emissions -- high emissions areas of the

1 State.

2 So we definitely want to continue to work with
3 HVIP and provide our vehicle as a solution as the only
4 Class 5 vehicle solution in the goods movement market in
5 the state.

6 And you can see the numbers as the voucher
7 amounts go down the take rate lessons. And over time, we
8 have felt that impact, but we have steadied the course
9 with the technology to have a viable option out there.

10 So, in summary, I'd like the Board to consider a
11 revision to the proposed changes, specifically to align
12 item for hybrid vehicles that would cut the voucher amount
13 to half the incremental cost of the enhancement.

14 Not only would we like to see the voucher amount
15 stand where it is today, but we would also benefit from an
16 increase in the amount, possibly for fleet owners of less
17 than three vehicles, which is an area we've been very
18 successful in penetrating. But these companies are small
19 business owners, they're small fleet operators, and they
20 do not have the resources to pay the upfront premium for
21 the technology, even though they'll yield the benefit over
22 time.

23 Thank you.

24 VICE CHAIR BERG: Thank you very much.

25 MR. BULLIS: Good morning. Cory Bullis on behalf

1 of the California Vanpool Authority. We are a JPA that
2 provides vanpools to farmworkers across the state.

3 We really just wanted to express strong support
4 for the funding plan, especially as it relates to the
5 Agricultural Vanpool Project. We really want to commend
6 staff on their work getting this program up and off the
7 ground. We've been fortunate enough to receive a grant to
8 help with deployment of the vanpools. And I can tell you
9 firsthand that, you know, we had a recent event in the
10 Fresno region that was pretty well attended from the
11 farmworker community. They're very excited about getting
12 access to a resource like this.

13 And this is one of those really unique programs
14 that is making a difference in people's lives economically
15 sneaking, given low-income folks access to a great
16 transportation service, while simultaneously doing
17 something great for the environment.

18 So really just wanted to commend staff, wanted to
19 draw attention to the fact that this program is making a
20 difference in folks lives. And thank you for your
21 continue support.

22 Thank you.

23 VICE CHAIR BERG: Thank you.

24 MR. CHAVEZ: Good morning.

25 VICE CHAIR BERG: Good morning.

1 MR. CHAVEZ: Nicholas Chavez on behalf of the
2 California Association of School Transportation Officials
3 and the School Transportation Coalition.

4 I want to start by thanking the Board and staff
5 for their commitment to cleaning up California's old dirty
6 school buses, specifically the investment in time and
7 resources to identify the problem with the California
8 school bus fleet survey, where thousands of school buses
9 were identified in need of an immediate and imminent
10 replacement, and the investment in Rural School Bus Pilot
11 Project, which are giving the smallest districts, hard
12 pressed to replace their school buses on their own, the
13 opportunity to take their old dirty buses off the road and
14 replace them with clean zero-emission vehicles.

15 And now with this funding plan, the clean
16 mobility and schools pilot project, where schools can take
17 a holistic approach to implementing the latest in
18 zero-emission energy efficient technology. The benefit of
19 each -- of school bus replace is immense.

20 Older school buses emit harmful emissions that
21 our students breathe every day on their way to and from
22 school. Older buses can emit up half of those emissions
23 back into -- into the -- into the school bus cabin. New
24 buses are zero-emission or near zero-emission vehicles.

25 School buses manufactured before 2006 do not have

1 seat belts in California. These new buses do. If
2 approved, 10 million will go to the Clean Mobility and
3 Schools Project and 15 will be purposed for the Rural
4 School Bus Pilot Project, a program which as already
5 replaced 40 buses in the first year, and 75 in its second
6 year.

7 The previous proposed -- the previous and
8 proposed funding is no way a drop in the bucket in
9 replacing the thousands of school buses that need
10 replacement in California. However, we do appreciate your
11 understanding, and there's a lot of work left to be done
12 in cleaning up California's school bus fleet. On behalf
13 of the school transportation directors, managers,
14 instructors, and drivers, we thank you for your commitment
15 and look forward to working with the California Air
16 Resources Board to continuing to remove California's old
17 dirty school buses off the road.

18 Thank you.

19 VICE CHAIR BERG: Thank you.

20 MS. DURAN: Vice Chair and members, Alejandra
21 Duran, here representing BYD motors. We're an electric
22 vehicle manufacturer. We submitted written comments on
23 October 22nd, so Monday of this week. We made comments
24 regarding the HVIP and freight project money. We want to
25 actually retract our comments regarding the freight

1 project money.

2 After we submitted our comments letter, we had
3 follow-up conversations with staff. So we want to thank
4 staff for walking us through the language. There was
5 obviously a misunderstanding on our side, so we just want
6 to say that we're in full support of that funding and
7 thank staff once again for taking the time in answering
8 our questions.

9 VICE CHAIR BERG: Thank you for coming.

10 BOARD MEMBER BALMES: I just want to say, Vice
11 Chair Berg, that the staff is really rocking today.

12 (Laughter.)

13 VICE CHAIR BERG: They are rocking today.

14 MS. SOLIS SHAW: Madam Chair and Members, Silvia
15 Solis Shaw here today on behalf of the California Transit
16 Association. The Association enthusiastically supports
17 the adoption of the fiscal year 2018-2019 funding plan for
18 clean transportation incentives.

19 In particular, the Association supports the
20 proposed investment of 125 million for the Hybrid and
21 Zero-Emission Truck and Bus Voucher Incentive Project.

22 As you know, the Association believes robust
23 incentive funding that offsets the incremental cost of
24 zero-emission buses is vital to hastening the adoption of
25 these vehicles. The funding plan before you today

1 acknowledges our position and makes several smart changes
2 to HVIP that will ultimately allow transit agencies to
3 electrify their entire fleets.

4 These include removing the reduced voucher amount
5 for more than 100 vehicles in a fleet and providing the
6 Executive Officer with discretion to increase voucher
7 amounts if global pressures require it.

8 As you move to adopt this funding plan and
9 consider your obligations in future years, we'd like to
10 call several items to your attention. Deploying
11 zero-emission buses involves more than just purchasing the
12 vehicles and installing supporting infrastructure.

13 There are softer costs associated with deployment
14 that could serve as deterrents to some agencies, and which
15 should be addressed in some form by the State. These
16 softer costs include technical assistance for initial
17 project scoping and project scaling and workforce
18 training.

19 Funding for infrastructure is still woefully
20 inadequate. It's true that as the SB 350 proceeding
21 brought new funding online for building out charging
22 infrastructure in the SCE and PGE -- PG&E service
23 territories, but it totals just over 50 million over five
24 years.

25 Finally, for the foreseeable future, access to

1 incentive funding by transit agencies will be critical to
2 avoiding the service impacts or fair increases that could
3 result from deploying still more expensive zero-emission
4 buses.

5 As ZEBs become mandated purchases under the
6 Innovative Clean Transit Regulation, the importance of
7 incentive funding will only increase. We again urge you
8 to remove the existing restrictions on the use of
9 incentive funding to meet regulatory compliance and fund
10 compliance with the ICT.

11 We appreciate this opportunity to comment and
12 look forward to continuing working with you on making the
13 transition to zero-emission buses a reality.

14 Thank you.

15 VICE CHAIR BERG: Thank you.

16 MR. ANGELL: Vice Chair Berg and members of the
17 Board, my name is Bob Angell. I am the fleet manager for
18 the Atlas Disposal, which is your local refuse and
19 recycling hauler here in Sacramento and headquarters here
20 in Sacramento.

21 I want to thank you for the opportunity to
22 comment on the proposed fiscal year 2018-19 HVIP program.
23 Atlas Disposal Industry will support, if amended, the
24 proposed fiscal career 2018-19 funding plan for Clean
25 Transportation Incentives related to the Hybrid Voucher

1 HVIP Program.

2 The HVIP Voucher Program incentive for the 8.9
3 liter low NOx engine should remain available for new
4 purchases in repowers for all locations, specifically the
5 refuse and recycling industry. Disallowing the refuse
6 sector to apply for new purchases is not the right
7 approach.

8 Regulations drive us to have the cleanest fleet
9 possible, which support our company's clear clean action
10 air core values an investment strategies.

11 Atlas Disposal has embraced the conversion to CNG
12 since 2009 in the use of renewable diesel the last three
13 years. We are proud to say we are 100 percent renewable
14 fuel fleet in our efforts to be an environmental pioneer
15 in the refuse and recycling industry.

16 We have benefited from current HVIP voucher
17 program and other available incentive programs because it
18 enables us to do early replacements of our aging diesel
19 fleet. And this offsets the additional investment
20 approximately 40 to 50 thousand dollars per vehicle
21 required to purchase a CNG vehicle.

22 We hope that you will consider and continue
23 making the refuse and recycling industry as part of the
24 future HVIP program and not carve out our industry.

25 Thank you again for allowing me to comment on

1 this important proposal.

2 VICE CHAIR BERG: So could I just ask you one
3 quick follow-up clarification question?

4 MR. ANGELL: Yes.

5 VICE CHAIR BERG: I understood that these trucks
6 did have a delta difference between 40 and 50 thousand
7 dollars. Are you seeing that difference still today?

8 MR. ANGELL: Absolutely.

9 VICE CHAIR BERG: It is -- is it shrinking at
10 all?

11 MR. ANGELL: No. The reason being is it mainly
12 is not just an engine Chair Berg, it's mainly the
13 infrastructure for the fueling part in the tank systems on
14 the trucks.

15 VICE CHAIR BERG: Okay. Thank you very much.

16 MR. ANGELL: You're very welcome.

17 Good morning, Mr. Barrett.

18 MR. BARRETT: Good morning. I'm Will Barrett
19 with the American Lung Association. I appreciate Kathryn
20 Phillips letting me jump in the queue here for a minute.

21 The American Lung Association appreciates staff's
22 work on the plan and supports the adoption today. We view
23 the transportation investments as a helpful complement to
24 strong regulatory actions needed to ensure the rapid
25 transition to zero-emission technologies across the board.

1 The transportation sector relies heavy on fuels that
2 contribute to asthma attacks, heart attacks, cancers and a
3 wide range of other respiratory and cardiovascular health
4 impacts along with premature deaths.

5 The transportation sector is also the leading
6 source of help threatening climate pollution that must be
7 rapidly addressed. The plan is the well aligned today
8 with he goals of meeting our air and climate policy
9 standards to protect public health. We appreciate that
10 the Board continues to focus on zero-emission
11 technologies, and zero-emission goals.

12 We believe these funds will work to advance the
13 roll-out -- continued roll-out of zero-emission
14 technologies and work in concert with other funding
15 opportunities that can advance cleaner fuels in all
16 sectors.

17 We also appreciate the focus on the pilot
18 projects for school -- school buses and mobility options.
19 Both of my children have active transportation routes to
20 schools, and I think every child should have that
21 opportunity. So I'm hopeful that that program can expand
22 into that realm as well.

23 We think that the staff has done a good job with
24 less resources to allocate this year. The Lung
25 Association is committee to working on creating a more

1 stable and sustainable source of funding, especially for
2 the heavy-duty sector, so that we're not looking at feast
3 or famine every year. We think that's an important way to
4 move forward and we're committed to working on that.

5 We also encourage you to continue on the path
6 that you've laid out today with a specific focus on
7 maximum investment in communities most impacted by harmful
8 pollutants, especially those identified in the of 617
9 process this year and going forward.

10 We think that the minimum requirements in the law
11 should be treated as minimum requirements for investments
12 and appreciate the staff is looking at a 50 percent
13 allocation to disadvantaged communities. We think that's
14 very important, and again support all of the work today
15 and ongoing. Look forward to working with you all.

16 Thank you.

17 MS. PHILLIPS: Kathryn Phillips with Sierra Club
18 California. If there was a me-to button, I would just
19 press that right now. We agree with what Will said, and
20 just want to underscore our appreciation for the
21 recognition of the need to transition to zero-emission
22 vehicles, and that shows up in the plan.

23 VICE CHAIR BERG: Thank you, Kathryn.

24 MR. SWENSON: Hi. Good morning. Tom Swenson
25 with Cummins Westport. I wanted to speak specifically to

1 the HVIP portion of the item. Just maybe a shameless plug
2 on the technology and update on the commercial deployment
3 of the near zero platforms. Both 8.9 and the 11.9 liter
4 engines are now in full production as a standard build
5 option with no minimum order requirements. So if you
6 order one, it just goes into the order queue, and we build
7 it.

8 We're -- we also both offer -- we offer both of
9 those engines with the identical and equivalent warranty
10 to its diesel counterparts. So it's a two-year 250,000
11 mile warranty with extended coverage options also
12 available, which we're actually decreasing the price of
13 those extended coverage options next year. And that's due
14 to our experience in improvement in product quality.

15 We're also pleased that fleets are seeing a -- an
16 equal to or less than maintenance cost associated with the
17 product when compared to diesel. If -- and this is -- I
18 think this is the case with really any technology, if they
19 follow the recommended maintenance schedule. So folks
20 that are driving our cars follow your maintenance
21 schedule. We put a lot of work and effort into those.

22 I do want to kind of echo some of the comments
23 around including refuse in the discussion and in the
24 eligibility. They have the option. We build diesel
25 engines too, and they have the option to buy those diesel

1 engines and be compliant in the state of California.

2 Now, it's true that we only build one version of
3 the natural gas engine, the near zero, but the fleets do
4 have an option to buy -- to buy diesel in many -- in many
5 areas.

6 The other piece would be on the 11.9 liter, we're
7 seeing these applications from local like drayage that are
8 going maybe 20 to 50 miles a day into longer regional
9 hauls, so L.A. ports up into Bakersfield and even to
10 Sacramento and back. And as we look at the fuel systems
11 that are required for those, as you scale up the fuel
12 system, the cost goes up. And so a one size fits all
13 isn't -- it doesn't work as well in 11.9 as it does in the
14 8.9, just because of the variety of applications.

15 So I guess my suggestion would be that we look at
16 some mechanism to scale it based on maybe fuel system size
17 or -- I mean, that's kind of where I land I guess with
18 fuel system size. So with those comments, we're in -- you
19 know, we're in general support of the -- of the proposal.
20 And I can also note that we've, in advance of this, been
21 meeting with fleets on the repower piece, and it's been
22 very well received. And, in fact, they're anxious to get
23 started. So we're anticipating starting to have folks
24 sign up as early as tomorrow.

25 VICE CHAIR BERG: Thank you very much. Before

1 you jump off, could you just help me on this cost issue?

2 MR. SWENSON: Yeah.

3 VICE CHAIR BERG: Are you seeing parity from the
4 8.9 liter to the diesel on the engines, they're close in
5 the cost or is there still a cost difference?

6 MR. SWENSON: At -- so I -- there is a cost
7 difference between diesel and natural gas for what we sell
8 to the OEM. I can't address the OEM price. I mean, they
9 set their own pricing.

10 VICE CHAIR BERG: No, I understand that. I just
11 meant the trend, because we're always looking at new
12 technology and closing that Delta --

13 MR. SWENSON: Yes.

14 VICE CHAIR BERG: -- that you have between new
15 technology --

16 MR. SWENSON: Yes. So I think Bob had it pretty
17 right. A lot of the cost is in the -- in the fuel tanks.

18 CHAIR BERG: Okay.

19 MR. SWENSON: So even -- you know, there is --
20 there is some cost in the engine, but the fuel tank piece
21 is probably where the -- where the largest piece is.

22 VICE CHAIR BERG: I appreciate that
23 clarification. Thank you.

24 MR. SWENSON: Um-hmm. Sure.

25 BOARD MEMBER BALMES: Can I make one comment?

1 VICE CHAIR BERG: Yes, please.

2 BOARD MEMBER BALMES: I just want to thank your
3 firm for leadership in developing low NOx --

4 MR. SWENSON: Thank you.

5 BOARD MEMBER BALMES: -- engines for heavy-duty
6 vehicles.

7 MR. SWENSON: Thank you.

8 MR. DOUGLAS: Thank you, Vice Chair Berg, members
9 of the Board. I'm Steve Douglas with the Alliance.

10 First, I'd like to thank the staff. This is just
11 a massive undertaking. Every year, they take input from a
12 very large group of very passionate stakeholders. And the
13 staff I believe has listened to the stakeholders and
14 they've put together a package that I think properly
15 balances the stakeholder input, their statutory
16 requirements, and this Board's direction, and we
17 appreciate their work on this.

18 I'd just make a few points. First, from our
19 standpoint, from the manufacturers' standpoint, we offer
20 over 40 different zero-emission vehicle models today, and
21 twice that are coming in the next couple years. And
22 that's not 10 years, 15 years down the road. It's just a
23 couple of years.

24 So we're getting there. And these cars come in
25 all shapes and sizes from large cars, to small cars, SUVs,

1 minivans, two-wheel drives, all-wheel drives. And they
2 come in all the different technologies that this Board has
3 identified from plug-in hybrids, to battery electrics, to
4 fuel cell vehicles. And in total, I imagine the
5 industry's investment in this technology will exceed \$100
6 dollars before 2025.

7 So -- and for your part, for California's part,
8 thanks to the leadership of this Board, the legislature,
9 the Governor's office. California has the most
10 comprehensive and consistent set of complementary measures
11 in the country. It's -- the incentives include HOV lane
12 access, reduced parking, and, of course, the most
13 important and the one that's the subject of today's
14 hearing, the Clean Vehicle Rebate Project.

15 So the combination of the State's commitment and
16 complementary measures and compelling vehicles from
17 manufacturers is making a difference in the ZEV market.
18 In 2018, we're approaching seven percent ZEVs in
19 California. Seventy percent. So that's remarkable. It's
20 great news, and it's -- and it's quite an accomplishment.

21 However, we're not -- electric cars are not
22 mainstream cars yet. And we hope they will be very soon,
23 but they're not today. So it's really important that we
24 not take our foot off the accelerator or all this progress
25 could be lost in an instant. And I'd refer you to

1 Georgia, who was the number one electric car state in the
2 country. For several years, they had a much higher sales
3 rate than California. And then they dropped their
4 incentive, and their sales plummeted over 80 percent 90
5 percent. It's never recovered, so -- and that's -- so we
6 don't want to lose the progress that we've made.

7 The final item is fuel cell vehicles we fully
8 support the staff's proposal to continue the fuel cell
9 vehicle rebate where it is today. Fuel cells are kind of
10 a unique item. They're an important element of
11 California's transportation program, and -- but the
12 technology is fairly new. And despite all the best
13 efforts of the OEMs, the Board, Air Board, we don't have
14 the infrastructure in place that we expected. So those
15 still need help, and they will continue to do so in the
16 foreseeable future, so we support that.

17 In summary, we support the staff's funding plan.
18 Thank you.

19 VICE CHAIR BERG: Thank you, Steve.

20 MR. SCHUCHARD: Good morning, Vice Chair Berg,
21 members of the Board. Ryan Schuchard with CALSTART. We
22 fully support the plan, and we thank staff, Lucina, Peter
23 and team for listening to the industry, to understanding
24 needs and gaps, comparing that with the state's climate
25 and air plans and assembling a really good funding plan.

1 Just a few things to point out in particular. On
2 the freight proposal, we support the plan to allocate the
3 FY 18-19 demonstration pilot funds to the high quality
4 freight facilities projects that were already identified
5 and have been discussed. We think it's a really good idea
6 to add to the existing really nice proposal. So we fully
7 support that.

8 I would say on freight more broadly we're
9 concerned that there's additional crucial demonstration in
10 pilot funding, which is needed for -- you know, to fully
11 support the plans that the CARB has in future years.

12 On low NOx, we -- we're excited to see that the
13 program for 11.9 liter engine vehicles is moving along.
14 We've now got I believe around 60 vouchers that have been
15 awarded in that category. And we're committed to really
16 addressing the barriers to getting what is over about
17 1,000 low NOx vouchers altogether into the order of
18 magnitude large numbers that we need to see to achieve the
19 SIP plans.

20 So we look forward to supporting the work group
21 process that was mentioned, which will be later in the
22 year, and to really and address and resolve barriers
23 among -- with different agency leads as well for low NOx
24 and other advanced tech.

25 And then finally, just another word on funding

1 sources broadly. Staff has done a really nice job, we
2 believe, of using the money that's been allocated for this
3 plan. Nevertheless, the funding plan -- well, the
4 investment plan for three-year medium- and heavy-duty does
5 call for quite a bit more funding, around 700 million a
6 year. And next year, the minimum would be round 450
7 million just for medium- and heavy-duty. That would be
8 the minimum.

9 So we continue to look forward to working with
10 staff, with the Board to securing the legislative
11 appropriations and other resources we can get to to get
12 this funding that the Board needs.

13 Thank you very much.

14 VICE CHAIR BERG: Thank you.

15 MR. LAWSON: Good morning, Chair Berg, staff, and
16 Board members. Thomas Lawson with the California Natural
17 Gas Vehicle Coalition. We're here to provide some
18 comments. We've submitted two comment letters, one in
19 August and one today that you should have in front of you.

20 So I'm not going to get in to much. I do want to
21 highlight a few points. I do want to take some time to
22 thank Peter, Jack, and their staff for all the time we've
23 engaged with them on this program and on these issues. I
24 want to say I started this position in 2016. And one of
25 the first chances that I had to meet Peter was to ask him

1 for more money for the vouchers.

2 So we are doing well. And in my first comments,
3 I want to thank them for the increase in the voucher
4 amount for diesel fleets in the waste and refuse industry
5 to be able to have access to a \$45,000 8.9 liter voucher.
6 We think that that's going to be a game changer, and we
7 appreciate that change.

8 There is some comments from the waste industry.
9 As members of my association, there are small and large
10 fleets. And some of those are waste and they have some
11 concerns about some of the mechanisms, which I think goes
12 right into my third comment, which is very thankful for
13 the formation of the working group.

14 We are a member of the 1383 Dairy Working Group.
15 And while most people don't want more meetings on their
16 calendar, they have been very informative and influential
17 and provide us some great recommendations on how to
18 implement some of these things.

19 And we look forward to engaging with staff and
20 other stakeholders in that working group, because I think
21 that one of the problems that has happened is trying to go
22 back and forth with staff and our industry, in a short
23 amount of time when a proposal is to be made is kind of
24 unfair to both sides. But to be able to hash out this
25 working group over a longer period of time kind and kind

1 of get into the weeds on some of this stuff is going to be
2 I think beneficial for everyone.

3 So we thank you for those, and, you know, we look
4 forward to an ongoing conversation. We do want to say
5 though there needs to be -- one of the things we're
6 looking forward in the working group is the difference
7 between 8.9 liter and 11.9 liter. We heard CWI talk a
8 little bit about that. And we think trying to get that
9 down is, you know, make sure we get agreement on that
10 number is going to be key. And like I said, I don't know
11 if this is the time to do that, but we look forward to
12 doing that in the working group.

13 So there's some -- general still some concerns,
14 but we know that the staff has been working hard and we
15 appreciate what we've been able to do. And we look
16 forward to some future changes.

17 Thank you.

18 MR. CAMPBELL: Good morning, Chairman Berg, and
19 members of the Board. First of all, I want to thank staff
20 for, again as Thomas mentioned, working with us. Peter
21 and Michelle have been doing a great job and -- under
22 Jack's leadership. And we're very thankful for the
23 ongoing dialogue. It's been helpful. I'd also like to
24 thank many of the Board members who have met with our
25 industry and to discuss the HVIP program under the current

1 proposal.

2 And for the most part, we're very -- we're very
3 happy in terms of the direction. The direction is going
4 in the right direction in terms of increased voucher
5 amount of \$45,000 for both the 8.9 liter and the 11.9
6 liter. We also like the fact that there's flexibility in
7 doing new purchases and repowers. Flexibility is key.
8 And so that's very, very helpful.

9 The exclusion of the refuse industry for new
10 purchases that are already CNG fleets we don't see as
11 helpful, and let me explain why. First of all, these are
12 fleets that are going above and beyond current regulation.
13 There's no requirement for them to purchase a low NOx
14 engine. And, in fact, if they wanted to go out and buy a
15 diesel engine today, they could do so.

16 Most rules are 2010 compliance. And the fact
17 that the near zero engine is a low NOx engine that meets a
18 optional low NOx standard means it's above and beyond
19 current existing standard.

20 Second, we appreciate the fact that these fleets
21 can repower or have the option to repower under this HVIP
22 program. But in this industry, they typically don't
23 repower. These trucks get banged up. They are used
24 after, you, know 7, 10 years, and then they get new ones.

25 And so the question is, is it good policy for

1 refuse industries to have the opportunity to repower or to
2 replace entirely with a new purchase and actually have
3 more years of benefit by having the ability to apply for
4 that new purchase. And I would argue, we would want to
5 encourage the new purchase just as much as the repower, if
6 not more.

7 So that's where we differ a little bit and we're
8 between a little bit with staff's recommendation. I get
9 the fact that they want to expand low NOx to other
10 vocational applications. We do too. And I guess what we
11 are typically concerned about in this particular program
12 is last year \$5 million was transferred out of it, because
13 it wasn't oversubscribed. This year the proposal is \$3
14 million.

15 We want to get to 18-19 to be a fully subscribed
16 program. And my recommendation to fix this is prioritize
17 the other vocations. And then if there is a additional
18 money left over, at a minimum allow for new purchases for
19 all refuse applications. Don't exclude them from the
20 program. We need over 900,000 low NOx engines on
21 California's roads, that's in and out of the state, to
22 meet our SIP goals.

23 So now is not the time to place any type of
24 restrictions on fleets. Second, for the 11.9 liter, very
25 different than the 8.9 liter. It is a non-return to base

1 fleet. It's a fleet that goes from point A to B to C to
2 D.

3 And so I would just recommend, in summary, that
4 the voucher amount not be \$45,000, that it be at least
5 \$60,000, if not the AQMD recommendation of \$70,000 to be
6 able to cover the cost of the tanks, which answers your
7 question, Madam Chair.

8 VICE CHAIR BERG: Thank you very much.

9 MR. CAMPBELL: Thank you.

10 MR. KENNY: Hi. Good morning --

11 VICE CHAIR BERG: Good morning.

12 MR. KENNY: -- Vice Chair Berg, members of the
13 Board. I'm Ryan Kenny with Clean Energy. And we thank
14 the staff for their time. They're always very gracious
15 with their time to discuss the important issues that we
16 have. We do have general agreement in support of the
17 funding plan. But, of course, the devil is in the
18 details.

19 And we're here to ask that the Board does
20 consider a incremental voucher amount of 60,000 and not
21 the proposed 45 for the 11.9 liter low NOx engine. We do
22 appreciate staff's willingness to come up from the 40,000
23 that it was last year. But we don't believe the 45 will
24 even increase market demand sufficiently enough to move
25 off of diesel trucks.

1 And we have some empirical data that we'd like to
2 share. Last year, the fiscal year 2017-2018 only 69
3 vouchers were used for the 11.9 liter engine. And if you
4 assume with the full allocation of \$18 million at last
5 year's \$40,000 voucher amount, that should have funded
6 450,000 vouchers. Instead, it was only 69. So we think
7 that adding just \$5,000 is not going to effectively move
8 the market more than marginally like last year.

9 It's worth noting that the \$60,000 voucher would
10 actually help fund the low NOx engine, the fuel system,
11 the warranty to match a diesel engine, potential
12 maximization of onboard fuel capacity and regional haul
13 applications, and other general costs associated from
14 switching diesel to low NOx.

15 Also, the \$45,000 voucher proposed is pegged to
16 120 DGE, diesel gallon equivalent, fuel system. And, of
17 course, the industry does have different sizes that are
18 beyond -- that are more than 120.

19 If the \$60,000 voucher cannot be approved by the
20 Board today, we do ask for consideration for stacking, so
21 that the goal of 60,000 is met. That might include also
22 some local level programs as well.

23 And also, if more information does come about,
24 that perhaps the Executive Officer would be provided
25 discretion to increase the voucher amount as well over the

1 funding year.

2 Just wrapping up, it is worth noting that
3 zero-emission platforms of \$33,000 or greater of that
4 category, they do have a voucher level as much as
5 \$300,000. So we do suggest that a \$15,000 marginal
6 increase for a low NOx engine is a worthy investment by
7 ARB, and would also help meet the SIP goals of getting
8 900,000 low NOx engines on the road by the year 2031. So
9 thank you for your consideration and we do ask that the
10 11.9 liter voucher be increased to \$60,000 today.

11 Thank you.

12 MR. MAGAVERN: Good morning. I'm Bill Magavern
13 with the Coalition for Clean Air. And as in past years,
14 the staff conducted an extensive public process to develop
15 this plan. We think the end-product is sound, and urge
16 you to adopt it today.

17 We know that the impacts of transportation
18 pollution are felt particularly acutely in our
19 disadvantaged communities. And those communities often
20 have barriers toward adopting clean mobility. Those
21 barriers were identified in the SB 350 report that you
22 did.

23 And therefore, we urge that as in past years, you
24 make sure that at least 50 percent of this funding is
25 spent in disadvantaged or low-income communities.

1 And we also believe that while these funds are
2 legally geared towards reducing greenhouse gas emissions,
3 that the project should also make sure they're improving
4 air quality, creating jobs, and providing mobility
5 services to our communities.

6 We know that to really reach all communities in
7 need requires an extensive outreach program. And we also
8 believe that these different projects should be
9 coordinated, not only within the low carbon transportation
10 program, but also among different agencies, so that, for
11 example, a low-income driver who is purchasing a plug-in
12 vehicle could link up with the energy program and get
13 solar on their roof, so that the vehicle would be fueled
14 with solar energy.

15 Some specific comments in support of the plan.
16 We urge when you do the next round of planning that you
17 look at making sure that the vehicle rebates go to plug-in
18 hybrids with sufficient battery strength that we're really
19 advancing the technology and knowing that those vehicles
20 would be making most of their trips on electricity.

21 And if you set that in advance, it will send a
22 signal to the manufacturers that they need to continue to
23 advance that technology.

24 In the Clean Mobility Program, we're particularly
25 thankful that electric bikes and bike share programs will

1 now be eligible. You only need to walk outside and see
2 the red JUMP bikes to know how successful that program has
3 been here in Sacramento. And we want to expand that to
4 disadvantaged communities across the state.

5 The clean mobility in schools new pilot is also
6 exciting. We do urge that you incorporate more active
7 transportation into that in the future.

8 And when it comes to the freight demos and
9 pilots, we would like to see at least 90 percent of that
10 money be spent in disadvantaged communities. And we
11 support the proposal to prioritize the hybrids that have
12 electric range of at least 35 seconds.

13 (Laughter.)

14 MR. MAGAVERN: Sorry, I'm thinking about my time.
15 Yeah, 35 miles.

16 (Laughter.)

17 MR. MAGAVERN: And as my time is running out,
18 I'll say we support the comments of the South Coast AQMD
19 on refuse trucks, and join others who will be working in
20 next year's budget to get more money, especially for
21 heavy-duty.

22 And now, I'd like to introduce Li Ang who is
23 visiting us from China. And ask that if she needs a
24 little extra time, that you give her that, because English
25 is not her first language.

1 VICE CHAIR BERG: Thank you very much, Bill.

2 Welcome Li Ang.

3 MS. ANG: Good morning, dear Vice Chair Berg and
4 the Board members. My name is Li Ang representing
5 Coalition for Clean Air. And I'm working with CCA on
6 exchange fellowship program sponsored by the U.S.-China
7 Relations Commission. And my home team based in Beijing
8 named Innovative Green Development Program. We're working
9 on climate change policy analysis.

10 And California is not a strange place for
11 Chinese, not only because the Hollywood and NBA teams, but
12 also because of the leadership on climate change issues.
13 I've been coordinate one of the events during the first
14 U.S.-China Climate Smart City Summit in 2015. And Senator
15 Kevin De Leon was one of the speakers introduced the Clean
16 Action -- Clean Energy Actions in California. And we also
17 draw on the global climate action summit this September.

18 So we've seen the active cooperation before and
19 after the federal government withdrawing from the Paris
20 agreement.

21 And today, I would like to make two remarks for
22 this funding plan. Firstly, I think investing in EVs is a
23 cost-effective measure for cutting GHG emissions, as well
24 as the air pollution. And as you may know that several
25 countries has already announced the time for stopping

1 selling conventional fossil fuel energy -- fossil fuel
2 vehicles, including the UK, France, India, and Norway.
3 And China is also drafting a roadmap to phase-out fossil
4 fuel vehicles.

5 And there's no official garment announcement yet,
6 but subnational entities has already showed tremendous
7 evidence to realize it. For example, Shenzhen the
8 southern city in China will electrify this public
9 transportation by early 2019. That will be like two
10 months later.

11 And we see California contribute to these
12 efforts. And a series of MOU has been signed between
13 California and the Shenzhen, and the cleantech fund has
14 been established. And we see the technology innovation is
15 connected with the potential market.

16 And secondly, I would prefer to see a greater
17 number of the incentives for heavy-duty vehicles. They
18 are -- represent a large share of air pollution in the air
19 in California. We have the same problem in China as well.

20 And the technologies applied in heavy-duty
21 vehicles require greater capacity batteries, and shorter
22 charging time, and more charging stations. All of this
23 will require higher -- higher investment in technology
24 innovation, and infrastructure cost.

25 So my colleague and I join the North California

1 Cleantech Expo last week. One of the gentlemen made a
2 statement in his slide saying his products have no major
3 components from China.

4 And there could be a lot of interpretation about
5 his statement. But I would like to take it from a
6 positive perspective, like he is considering China as a
7 strong competitor in EV market. I think it's good to have
8 competition in both U.S. and China, especially to our race
9 to the green growth. Thank you for listening.

10 VICE CHAIR BERG: Thank you very much Li. And I
11 don't disagree with Mr. Magavern very often, but your
12 English is fabulous.

13 (Laughter.)

14 VICE CHAIR BERG: Thank you very much.

15 MR. FRANKLIN: Good morning. My name is Zach
16 Franklin. I'm the Chief Strategy Officer with Grid
17 Alternatives. We're a national nonprofit that makes
18 renewable energy accessible to low-income communities and
19 communities of color.

20 We are thrilled to have been selected to
21 administer CARB's new one-stop shop pilot project to
22 streamline and improve access to clean transportation
23 related incentives, available to income-qualified
24 consumers around the state.

25 As staff discussed earlier, California currently

1 has several clean transportation equity programs, and
2 currently each has its own application process. The pilot
3 will provide coordinated community-based outreach for
4 these programs, as well as a single multi-lingual
5 application for low-income consumers to upgrade their
6 existing older vehicles and apply and qualify for zero-
7 and near zero-emission cars and clean mobility options.

8 The one-stop shop pilot addresses a core
9 recommendation of the Senate Bill 350 low-income barriers
10 study that was discussed earlier to increase low-income
11 resident's awareness of clean transportation options by
12 expanding education and outreach.

13 The pilot is also intended to lay a foundation
14 for a centralized approach to accessing opportunities for
15 clean energy, energy efficiency, and other upgrades
16 serving low-income residents, so we can have opportunities
17 to bring these programs together for great impacts similar
18 to what Coalition for Clean Air was describing earlier.

19 CARB's long-term vision and making it easier to
20 access clean transportation and clean energy equity
21 programs is a major step towards our broader vision of a
22 transition to clean renewable energy that includes
23 everyone.

24 This project is not replacing the current equity
25 incentive programs. I want to make that clear. This will

1 improve and streamline access to the existing programs and
2 in the process support a statewide community of practice,
3 so that the existing program administrators, can share
4 best practices and increase end-results for the
5 communities that we work in.

6 So thank for your partnership.

7 VICE CHAIR BERG: Thank you very much.

8 Good morning.

9 MR. GONSALVES: Good morning, Vice Chair Berg and
10 members of the Board. My name is Paul Gonsalves. I'm the
11 law firm Joe A. Gonsalves and here today on behalf of our
12 client the Port of Long Beach. The Port of Long Beach is
13 very supportive of the CTI funding plan. And we'd like to
14 thank your staff for all their work on this.

15 The funding for the heavy-duty and off-road
16 applications really demonstrates your commitment to the
17 transformation of the current State fleet to the cleanest
18 technologies.

19 The Port of Long Beach is committed to our goals
20 outlined in Clean Air Action Plan update. And your
21 investment in these emerging technologies will aid us in
22 the commercialization and the widespread deployment, along
23 with -- aid us in ours goals to meet our zero-emission
24 goals as well.

25 So the Port especially supports the

1 recommendation to allocate some of next year's funds to
2 the ZANZEFF applications that were submitted in the latest
3 round. The recommendation enables zero-emission projects
4 to get off the ground more quickly and allowing us to use
5 those demonstration findings to advance the
6 commercialization. The Carl Moyer Program, the HVIP
7 Program and others greatly aid our terminal operators and
8 other stakeholders in transitioning to alternative
9 technologies and fuels. And the proposed updates to these
10 various programs, especially including infrastructure as
11 being an eligible project, is imperative and will aid in
12 the widespread adoption.

13 Our current ZANZEFF, seaport, and VeRail projects
14 that we're working with in conjunction with the Port of
15 Los Angeles on are great examples of the pilot projects
16 funded in part by the CTI funds. And we are enthusiastic
17 to lead -- to lead that charge.

18 So again, we'd like to thank you and your staff
19 for the leadership on this issue, and we're in strong
20 support.

21 VICE CHAIR BERG: Thank you.

22 Good morning.

23 MS. TUTT: Good morning, Vice Chair Berg and
24 members of the board. My name is Eileen Tutt. And I'm
25 with the California Electric Transportation Coalition.

1 Lisa, I just want to acknowledge you, and I want
2 to let you know that I and our entire coalition that you
3 work so closely with, we appreciate you.

4 And I want to say that we fully support the
5 proposal in front of you and hope very much that you'll
6 approve it today. We also really thank the rest -- all of
7 the staff. The CARB staff has been fabulous. They're
8 incredibly accessible. They're responsive.

9 It's -- this is tough. This is a -- we're a
10 tough crowd. I mean, you've heard us today. And we're --
11 you're -- it's not possible to please all of us. So I
12 feel like this staff has done a tremendous job finding a
13 balance that I think we can all live with, and certainly
14 CalETC can fully support.

15 I do want to say that as most of you know, we
16 coordinate a very large group of stakeholders, both
17 industry and NGO stakeholders. We work with Charge Ahead.
18 We're very anxious to make sure that this Board and this
19 staff has adequate funding every year for these very
20 important incentive programs, and that it's reliable. So
21 we don't have to come back two or three times a year to
22 this Board to approve and reapprove a plan that is
23 changing in the legislature.

24 So we're going to keep at it, appreciate any help
25 that you can provide. And again, I just want to thank the

1 staff. We do fully support the proposal in front of you.
2 Thank you.

3 VICE CHAIR BERG: Thank you.

4 MR. HOLLAND: Good morning.

5 VICE CHAIR BERG: Good morning.

6 MR. HOLLAND: Brian Holland with the Shared-Use
7 Mobility Center. I also want to just acknowledge
8 everyone's efforts in putting this together, and also
9 express our full support of the plan.

10 Shared-Use Mobility Center we're a non-profit
11 organization. And we work with cities, community
12 organizations, and the private sector to promote car
13 sharing, bike sharing, ride sharing, all the sort of new
14 mobility modes. And because of this mission, we're really
15 focused on the clean mobility options element of the
16 incentive programs, and pleased to see, you know, a good
17 deal of support for that program and the plan.

18 We've been sort of the primary technical advisor
19 on three of the projects that have been funded through
20 clean mobility options so far. The most notable probably
21 is the BlueLA EV car share program in Los Angeles. And
22 now to see that another 15 million will be invested in
23 these programs statewide is very encouraging. You know,
24 we're very focused on serving disadvantaged communities,
25 and realize that, you know, despite the purchasing

1 incentives and the financing incentives, there's still
2 households that can't afford to go out and buy or lease
3 electric vehicles.

4 And by providing access to shared vehicles,
5 reduces transportation costs, and ultimately just improves
6 mobility and access for some of those households. So
7 we're very encouraged by that. And we also think there is
8 a great deal of potential in terms of GHG emissions
9 reduction potential.

10 Where, you know, we see the idea of not -- as not
11 just moving folks into electric vehicles, but really
12 shifting travel demand into electric miles. So not just
13 more vehicles on the road, but more electric VMT, and less
14 sort of dirty VMT.

15 And we think that shared mobility can do that.
16 It's kind of illustrated by the fact that a shared EV is
17 used 60 to 80 percent of the time. Whereas, a
18 personally-owned EV may only be used two to five percent
19 of the time. So, you know, you're really getting the bang
20 for the buck in investing in shared electric vehicles.

21 We're already seeing results in L.A. We launched
22 in late April, and we've got over 1,000 members signed up
23 for car share. Have reached almost 5,000 trips in, you
24 know, low-income central neighborhoods in Los Angeles.
25 Most of those members are taking advantage of low-income

1 pricing to be able to use those vehicles. And a lot of
2 them are using it for kind of first/last mile solutions to
3 get to transit. So it's got this complementary effect
4 supporting the multi-modal system.

5 So all-in-all, we see these investments as, you
6 know, being multi-benefit and reaching both our climate
7 and equity goals and really appreciate your support.

8 Thank you.

9 MS. VALENTINE: Good morning, Vice Chair Berg and
10 the Board. Thank you for the opportunity to comment, and
11 big thank you to the staff of ARB for putting this funding
12 plan together.

13 My name is Jhana Valentine with Beneficial State
14 Foundation. We were awarded the \$5 million dollar grant
15 under the 16-17 cycle to administer the statewide
16 financing assistance pilot program. So I'd like to
17 comment on number six of this funding plan regarding the
18 financing assistance pilot program. We are very excited
19 to have launched this program in June of this year, and
20 believe that it's critical that equity programs continue
21 to be funded. So thank you for showing that support.

22 I'm happy to share that since launching this
23 program, which we call the Clean Vehicle Assistance
24 Program in June, we've been able to give out 99 grants to
25 lower income Californians. This is a really unique

1 program, because it's statewide, and it's open --
2 therefore open to all lower income Californians.

3 We've seen applicants from across the State. And
4 over 75 percent of the vehicles that we've given grants
5 for have been for plug-in vehicles, which we're very
6 excited to see.

7 We working with over 2,000 applicants currently.
8 So there's a huge potential for this program and we really
9 appreciate your continued support.

10 It is also a unique program that has great
11 potential, because of the coordination. This Clean
12 Vehicle Assistance Program has a strong financing
13 component, which builds in consumer protection and
14 provides lower income individuals access to fair,
15 transparent, and affordable financing, which is a critical
16 barrier to overcome for lower income individuals who need
17 to acc -- who want to access clean vehicle technology.

18 So in closing, thank you again for continued
19 funding for this project. We believe there is incredible
20 importance to these equity projects and their
21 coordination, and we're excited to work with you to
22 implement these projects.

23 VICE CHAIR BERG: Thank you for coming today.

24 BOARD MEMBER BALMES: Vice Chair Berg, might I
25 just say, you know, I was pleased to participate --

1 represent CARB at the opening event for this program. And
2 I really want to compliment Beneficial State Bank and
3 Foundation for their efforts to support this program.

4 MS. VALENTINE: Thank you so much, Dr. Balmes.

5 MR. MAGGAY: Good morning, Vice Chair Berg, Board
6 members. My name is Kevin Maggay. I'm with SoCalGas.
7 First off I want to thank staff for being open with us --
8 to the natural gas industry throughout this process. In
9 fact, peter reached out to us several times over the last
10 couple of weeks even. We really do appreciate that. We
11 think that the program has taken some steps forward. But
12 we do have -- still have a lot of remaining concerns.
13 We've commented several times that the voucher amount is
14 not enough to cover the incremental cost. And we continue
15 to be concerned about this.

16 The incremental cost is basically made up of two
17 main components. The fuel system and the engine, and we
18 reached out to fuel system providers and the engine
19 providers, and we found that the incremental cost,
20 according to them would be about 58,000 -- up to 58,000
21 for the smaller tank configurations. The larger tank
22 configurations, as explained earlier, would cost even more
23 than that. And so the 45,000 amount just won't cover it.

24 Mr. Berry from AQMD, he shared we me, and I think
25 what we was trying to say, before he ran out time was that

1 based on their incentive plans -- the recent incentive
2 funding programs, that they found the incremental cost to
3 be \$70,000 per truck. And we think that the voucher
4 should be increased to reflect that.

5 Also, we previously commented that the RNG
6 procurement contract requirements is too burdensome for
7 users. This requires grantees to enter into a fuel
8 contract for renewable and natural gas. This essentially
9 means that you can get your -- only get your fuel in one
10 place. If I were offered an incentive for a car, but I
11 was required to fuel it at the same place every time, I
12 wouldn't take the incentive.

13 We think that this is going to continue to be a
14 significant deterrent for potential participants. We
15 think that a working group on some of the natural gas
16 issues is a worthwhile effort. However, we think it would
17 be more effective if this covered -- if it wasn't limited
18 to low carbon transportation incentives or incentives in
19 general. We think this is a chance to look at low NOx
20 engines and renewable natural gas, and how it can meet the
21 state's goals holistically from climate change, criteria
22 pollutants, short-lived climate pollutants, climate
23 adaptation, forest management, and all of the above.

24 Lastly, we want to thank staff for acknowledging
25 that there is demand for the low NOx trucks. AQMD in

1 their funding programs, they're consistently
2 oversubscribed. Last week, they took to the technology
3 committee a proposal to fund 140 low NOx trucks. This is
4 off of their over subscription list. So there is demand
5 for these trucks. There just isn't demand --
6 unfortunately as much demand for these trucks through this
7 program. So something isn't working. Something is not
8 connecting the dots here, if there's demand for the
9 trucks, but people aren't flocking to this program. And
10 we think that some of the changes that we've proposed
11 would help to alleviate that.

12 Thank you.

13 VICE CHAIR BERG: Thank you.

14 MR. LEVIN: Vice Chair Berg, members of the
15 Board. Jamie Levin with the Center for Transportation and
16 the Environment.

17 First, I would like to acknowledge your
18 fantastic, excellent staff. But I would also like to
19 emphasize that the programs -- the revenue programs and
20 the regulations that this Board has adopted makes me proud
21 as a Californian.

22 So we are recipients of prior grants, and we are
23 building fuel cell electric port equipment and transit
24 buses. And just a couple of weeks ago, I was at the
25 factory doing an inspection of the first of those buses

1 that are going to roll-out this next year. And I could
2 barely contain myself. They're excellent vehicles. And I
3 hope that we will get everyone of the members of this
4 Board on those vehicles next year in order to see what the
5 progress is towards commercialization.

6 But I'd like to emphasize it's so important to
7 keep that HVIP differential in favor of fuel cell
8 technology because in order to meet our zero-emission
9 goals, there are two electric drive options and we need to
10 continue to pursue both of those.

11 We're also very fortunate to be recipients of
12 three ZANZEFF grants to deploy UPS Class 6 fuel cell
13 vehicles, and Class 7, 8 battery electric delivery trucks.
14 And so the staff recommendation with respect to the \$55
15 million that goes towards that ZANZEFF program, we
16 consider that critical because we have shovel-ready
17 projects that we want to deploy these vehicles very soon
18 in order to continue to prove the wisdom of your staff as
19 well as the Board.

20 Lastly, I want to acknowledge the three-year
21 strategic plan update. It is really exciting to see that
22 the staff continues with the idea of pilot programs,
23 specifically with respect to fuel cell buses and
24 infrastructure. We are on the very tip and verge of
25 commercializing fuel cell transit buses.

1 We have OEMs that are at the table to manufacture
2 these vehicles. They're looking for continued commitment,
3 ongoing commitment. We have transit agencies that are
4 interested in this technology, both battery electric and
5 fuel cell electric, but we need to support the additional
6 infrastructure funding that will be necessary to make
7 those projects happen.

8 I can guarantee I'm quite aware of the dynamic
9 and the push and pull between the legislature and this
10 Board in terms of control. Our organization is working
11 very actively with the State legislature to give CARB more
12 money in order to support these projects, and especially
13 these pilot demonstrations.

14 But at the end of the day, we strongly support
15 the staff's plan, and we thank you for your support.

16 VICE CHAIR BERG: Thank you.

17 Good morning, Sean.

18 MR. EDGAR: Good morning, Vice Chair Berg and
19 Board members. Sean Edgar. I'm the director of
20 CleanFleets.net based here in Sacramento. And I come
21 bearing visual aids. I have some nice pictures of trash
22 trucks here in a packet before you.

23 And also, I'll associate my comments. You have
24 written comments that I believe are tab 15, and that's a
25 coalition letter of local refuse companies that are

1 commenting on today's proposal. And I'll also associate
2 my comments with the written letters you received from
3 Republic Services, as well as the California Refuse
4 Removal Council. And the CRC letterhead speaks on behalf
5 of 100 refuse and recycling companies here in California.
6 And I think I can characterize all of your comment letters
7 as saying the refuse industry overwhelmingly supports HVIP
8 as a program.

9 There are some surgical items that we're asking
10 you to amend specifically. We don't want to leave here
11 today with a ban on new purchase of a 8.9 liter engine,
12 because that has been a cornerstone of our success in
13 implementing near zero engines across the state.

14 And so, my only message would be before we ban
15 let's perhaps have a little bit more of a plan, because
16 removing that ability of our companies to buy the near
17 zero engines, you already heard from multiple sources, the
18 cost differential to get into those trucks is in excess of
19 \$30,000 up to \$70,000, as you heard. And the incentive is
20 what really enables companies to get into those cleaner
21 vehicles. Without the incentive, they wouldn't get there.

22 And in the time I have left, I'll just touch on
23 the comment letter, both CRC and the comment letter of the
24 local companies. I'll just say it's personal. Your staff
25 does a great job, but I'll say the refuse collection is

1 personal. And the reason that -- Dr. Sherriffs the reason
2 in Southwest Fresno you have clean NZ engines that will
3 run -- there -- you have natural gas engines running today
4 in Southwest Fresno. But the reason you'll have more
5 running is because the Caglia family there is making use
6 of the voucher program. You'll hear from Samir Sheikh on
7 other Central Valley fleets.

8 Ms. Takvorian, the reason EDCO disposal, who's
9 letter is in your packet, is able to run near zero engines
10 today in National City and down toward the border zone is
11 because of the incentives. It doesn't -- you know, the --
12 natural gas is not self-sustaining. Even 20 years I've
13 been doing this, I now celebrated my 19th year coming in
14 front of your Board talking about clean vehicles, and the
15 natural gas technology is still more expensive.

16 Supervisor Serna, you heard from Atlas Disposal
17 here in town. It's all personal. It doesn't make sense
18 to buy the vehicle but for the incentive. So removing the
19 8.9 liter incentive is something that we'll ask you to not
20 take action on today.

21 The other elements of increasing the voucher
22 amounts, I think our industry is supportive of that. We
23 want to be your partners, but really to design a program
24 that's not going to work for the refuse industry won't
25 deliver the results that we want to give you.

1 And the last thing on my slide, there are
2 12,000 -- if you look at the inventory, 12,000 vehicles
3 statewide still running on diesel. We can knock those out
4 with the help of the voucher.

5 Thank you.

6 VICE CHAIR BERG: Thank you.

7 Samir, good morning.

8 MR. SHEIKH: Good morning, Vice Chair --

9 VICE CHAIR BERG: You're going to wrap us up.
10 Thank you very much.

11 MR. SHEIKH: -- and members of the Board, I can't
12 you saved the best for last here.

13 (Laughter.)

14 MR. SHEIKH: I wasn't planning on initially
15 commenting. And I'll be brief. I'll cede the rest of my
16 time to your continued clean air efforts here on the
17 agenda.

18 I did want to connect this item to the next item
19 on the agenda, which is the mobile source SIP that you're
20 going to be considering today. As you know, there was a
21 lot of reference to the 900,000 vehicles by 2031. In our
22 case, for PM2.5, we need tens of thousands, if not
23 hundreds of thousands of vehicles by 2024 and 2025.

24 And so you're going to be hearing very soon about
25 an item that really highlights the importance of this

1 program. Your staff have done a tremendous job in
2 balancing a lot of issues in developing this program.
3 We've actually been heavy participants in the valley and
4 taking advantage of a lot of this funding.

5 The ZANZEFF opportunities are bringing some
6 really great projects to the valley that really
7 demonstrate some cutting edge technology in the freight
8 sector, locomotives, trucks, and a variety of
9 infrastructure elements to that. We're very excited about
10 that funding.

11 The EFMP project is one that we've piloted in the
12 valley and has now become this great statewide effort.
13 It's really exciting to go to our events and be able to
14 couple residents with that funding, not only for new
15 electric vehicles that have been talked about quite a bit
16 with the rebate program, but also use electric vehicles,
17 because we've been doing this for so long. There's this
18 growing market of electric vehicles that we can actually
19 deploy in our disadvantaged communities.

20 I wanted to thank Lucina, Michelle, Peter, Sam
21 and others that are here. They put a lot of effort into
22 this program. We've taken advantage of this over the
23 years. It's going to be a critical part of a much broader
24 suite of billions of dollars of funding actually that we
25 have to put into these vehicle efforts.

1 Our commitment is to work with your staff and to
2 work with -- with CARB to really make sure that we have
3 more funding available of natural gas obviously. Some of
4 the concerns there are valid concerns. We have a lot of
5 local funding that we've been bringing to bear. Yeah, we
6 need to continue working in the State legislature to bring
7 even more funding to really help deploy those projects and
8 programs.

9 So we stand here in support of the proposal. And
10 in working with staff, I think we can address hopefully
11 some of the concerns that have come up today and make
12 those projects a reality as well moving forward.

13 So thank very much for your time, and that
14 concludes my comments.

15 VICE CHAIR BERG: Thank you very much. And we'll
16 look forward to your opening comments on our next agenda
17 item

18 So with that, I'd like to conclude the -- close
19 the record on this agenda item and turn it over to the
20 Board. I think to kick us off what would be helpful -- we
21 certainly have heard a lot of testimony on the low NOx,
22 and in two areas, one the 8.9 and the 11.9 funding, as
23 well -- and included in that was the discussion of the
24 engine and the fuel systems.

25 Also, we heard some questions about the ability

1 for, I heard the term, "stacking" or some "co-funding",
2 And so I think we would appreciate to hear some comments
3 on that. And then, of course, we did also hear some
4 comments on the hybrids, the Class 5s, that also came up.
5 And so that will kind of tee us off.

6 But I'm going to have the Board members give you
7 their comments as well. And then maybe you could wrap us
8 up so that several of us aren't talking about the same
9 thing. So shall I start at this end and do we have any
10 comments?

11 BOARD MEMBER SHERRIFFS: No. I would just echo
12 exactly the points you highlighted, that I'd like to hear
13 some more feedback from staff on.

14 VICE CHAIR BERG: Okay. Diane.

15 BOARD MEMBER TAKVORIAN: Yeah. It seems like
16 we're -- we're all in on this. And there's lots to like
17 about this proposal. So I just wanted to thank staff and
18 all the stakeholders who worked hard on it. I really
19 wanted to point out that I appreciated the significant
20 shifts to what I think are truly low-income households for
21 eligibility for the incentives program. I think it
22 represents a significant change, and one that you're been
23 working on for a while. And I think that low-income
24 consumers are really appreciative of. The school bus
25 program is exciting and I had some of the same questions

1 on freight, so thank you.

2 VICE CHAIR BERG: Great. Thank you. And we
3 could certainly ask clarifying questions as staff responds
4 too.

5 BOARD MEMBER SERNA: Thank you, Ms. Vice Chair.
6 I think your structured questions for staff have captured
7 what I was going to suggest that we do, which is
8 specifically ask staff to respond to the Atlas testimony.
9 But I think you did that by another means.

10 VICE CHAIR BERG: Great. I appreciate that.
11 Ms. Mitchell.

12 BOARD MEMBER MITCHELL: Yeah. A couple things.
13 Our Chair did pretty adequately sum up what we're
14 concerned about. You heard testimony on the 11.9 liter
15 low NOx truck, and that the voucher amount doesn't cover
16 the incremental cost. And we've heard testimony that that
17 voucher amount should be, well, from AQMD 70,000, and from
18 some of the other people on the industry 60,000.

19 So that's something I think we need to take a
20 look at. And we're talking about fuel tank differences
21 too on this truck. So there may be a way to scale it as
22 was suggested in the testimony, depending on what that
23 incremental cost actually is based on fuel tank and other
24 hard costs associated with the -- with that particular
25 truck.

1 The other thing that was of concern was taking
2 out the voucher for the purchase of new refuse trucks for
3 fleets that have the natural gas engine, because we heard
4 a lot of testimony that we don't repower refuse trucks.
5 They last seven or eight years. It isn't worth it to
6 repower them. I'd like to have a take a -- take a look at
7 that.

8 Now, maybe not -- what we'd like to see is those
9 trucks move to battery electric, or hybrid, or fuel cell,
10 what's ever available. But we'd really like to see them,
11 if they're CNG, go to the low NOx CNG. And I don't know
12 whether -- what staff's thinking is on that. But that
13 would certainly be an option to reduce pollution, reduce
14 the NOx emissions in the area. So those are -- are two
15 areas, and -- that I'd like staff to take a look at.

16 I've noticed that the amount of money in the
17 program isn't fully subscribed for the low NOx truck. So
18 what could be done is that could be prioritized when it's
19 taken up by another type of truck. What's left over, you
20 could not just take it out of the program, but allocate it
21 to -- to the -- to the low NOx truck issuance.

22 Thank you.

23 VICE CHAIR BERG: Thank you.

24 BOARD MEMBER RIORDAN: I think you've covered
25 what I needed.

1 VICE CHAIR BERG: Thank you.

2 Dr. Balmes.

3 BOARD MEMBER BALMES: And not that staff doesn't
4 have enough to respond to already, but I have a specific
5 addition. On slide 6 supporting the clean transit future,
6 talks about funding also available in VW mitigation, Carl
7 Moyer, and AB 617. And as I indicated to staff when I was
8 briefed earlier this week, I'd like a little more detail
9 about how AB 617 funding fits into this.

10 VICE CHAIR BERG: Thank you.

11 Dr. Sperling.

12 BOARD MEMBER SPERLING: I'd like to build on what
13 the idea that Dr. Balmes was just starting to hint at, and
14 that is that something that's not been mentioned at all is
15 in transportation perhaps the biggest challenge or
16 certainly a really big one is that we are seeing vehicle
17 use increasing. VMT is increasing. And all the evidence
18 is it's going to get a lot worse as we start moving into
19 automated technology.

20 Early research is showing already that partial
21 automation, such as we see in the Tesla auto pilot, and
22 the General Motor cars with Cruze, that we're seeing a
23 significant increase in VMT in people that use those
24 vehicles. It's going to get a lot worse.

25 We have -- so we have that challenge. And then

1 we have the other challenge of how does this all relate to
2 disadvantaged travelers and disadvantaged communities?

3 And I'm not sure -- so I think the staff is
4 starting to move in the right direction with some of these
5 clean mobility ideas, and the vanpools, and car share --
6 electric car sharing. But I'm very concerned, I think we
7 need a lot more creativity, and a lot more focus on this.
8 There's a lot more opportunity to do this right, to use
9 the money much more effectively.

10 So, for instance, we have the -- starting out
11 with just a small example, the electric car share
12 programs. I'm starting to hear stories already that
13 there's fears that the funding lasts for maybe two years.
14 After two years, there's -- I don't know if it's called a
15 -- it would be a threat, but a -- assertions that the
16 operators could pull -- would pull out because there's not
17 enough money to keep these going for disadvantaged riders.
18 These need permanent support and permanent institutional
19 commitment to it.

20 And one little digression on that is there's that
21 vanpool organization in the valley that we heard testimony
22 from. You know, there might be organizations like that
23 that could take on a bigger role, and we should be
24 thinking about administrative support for entities, such
25 as that, because we're going to need it. Otherwise, these

1 efforts are going to just disappear, and they're not going
2 to be effective. And it's going to be essentially maybe
3 not wasted money, but, you know, not well utilized money.

4 So I'd like to see a lot more creativity,
5 especially how we can take that VMT issue, and the
6 mobility issue and link it better to the equity concerns.
7 And so, for instance, you know, the cart -- the electric
8 car share is a very small but moving in the right
9 direction. I think there's a lot of opportunity in the
10 valley, and a lot of the communities there, to do that.

11 But it's going to take more than just handing out
12 checks. It's going to require partnership. It's going to
13 require institutional commitments. And this is not
14 something CARB has, you know, historically done. But we
15 need to change our culture. We need to change how we
16 approach this.

17 And another little digression that goes, when we
18 meet with the CTC, California Transportation Commission,
19 in a month or so, I think some of these ideas should be on
20 that agenda.

21 So the creativity we need could be things like
22 focusing on a lot of -- what we can do is we need pooling
23 strategies that make sure that as we move to automated
24 cars, as we use even today, getting people to ride
25 together in the -- and the vanpools are one tiny little

1 example of that, but we have Lyft and Uber, we have
2 microtransit companies, moving into this area. We should
3 think about ways to support and perhaps subsidize
4 low-income riders to use the pooling services.

5 And again, this requires partnerships,
6 public-private partnerships. It requires new ways of
7 spending money. But we really need to do this. And I was
8 really disappointed with MTA, where they didn't talk about
9 any of this. And they're like the kind of organization
10 that should be engaging in these issues. We did hear it
11 from Mr. Holland, and Ms. Valentine, and Bill Magavern was
12 kind of heading in that direction.

13 (Laughter.)

14 BOARD MEMBER SPERLING: So -- and the staff is
15 kind of heading in that direction. But we need to really
16 focus much more. And so I'm -- you know, and I would
17 suggest that, you know, I'll offer up the university --
18 some of the university programs I'm involved with to help
19 with us.

20 But I think this is a major rethinking of how we
21 go about clean mobility and equity.

22 Thank you for that, allowing me to give that
23 little speech.

24 (Laughter.)

25 VICE CHAIR BERG: Thank you.

1 BOARD MEMBER SPERLING: I'm not sure there's
2 immediate response to it. Maybe there is, but thank you.

3 VICE CHAIR BERG: Thank you Professor Sperling
4 We will -- we will circle back to it

5 BOARD MEMBER SPERLING: Thank you, ma'am.

6 VICE CHAIR BERG: Mr. Eisenhut.

7 BOARD MEMBER EISENHUT: I'll defer to Hector.

8 VICE CHAIR BERG: Okay. Thank you.

9 Good morning, Hector.

10 BOARD MEMBER DE LA TORRE: Yes. Two things. And
11 I know they were part of what you mentioned. But on the
12 clean mobility pilot, because we've brought it up over and
13 over again, how -- in terms of scale, what's the size of
14 the problem, meaning diesel -- dirty diesel school buses
15 out there, and -- versus this pilot program? So when you
16 make those comments, how much of a dent are we going to
17 make, whether through this program or any other programs
18 that we out have there? Because again, we've -- we've
19 been on this for awhile and we want -- we want to make a
20 real impact there.

21 And then secondly, I'll just throw in my support
22 for including the trash trucks for the new vehicles as the
23 secondary. Not as a primary, as a secondary. If there's
24 money left over after you've done the first batch, and we
25 have applications from trash haulers, then go through that

1 batch as well. That's just my two cents. Thank you.

2 VICE CHAIR BERG: Thank you. So staff I think we
3 could break this up. We have the detailed things on the
4 current proposal. And then I think it would be good to
5 just have a short discussion on how to follow-up on
6 Professor Sperling's ideas. And so, Richard, do you want
7 to kind of lead us, so that we could give the Board back
8 the information?

9 EXECUTIVE OFFICER COREY: Sure. Sure. In fact,
10 I'm going to take a stab at the second part of it, just a
11 brief response to Dr. Sperling's comments, because as he
12 noted, we have an upcoming hearing on this issue. And
13 then I'm going to punt to Jack in terms of the questions
14 on low NOx, the incremental cost, and where the
15 flexibilities already exist and whether -- as well as the
16 follow-up on the trash truck comments.

17 With respect to Dr. Sperling's comments, as I
18 think we've all observed, although we met -- as a state
19 exceeded our GHG target. We've already exceeded the 2020
20 target in 2016, verified emissions. We have more to go.
21 And we need to continue to stay on point to continue to
22 drive emissions down to get to our SB 32, 40 percent below
23 1990 in 2030 and even further.

24 But what we noticed, I think the point to note on
25 this, is the transportation sector emissions actually went

1 up. It was actually the energy sector and some of the
2 sectors that drew down. We also know, as Dr. Sperling
3 knows, and the other Board members, VMT actually went up
4 as well.

5 So we have a report to the legislature under SB
6 150 that really requires an assessment of how are we
7 coming along with respect to our SB 375 targets?

8 And that report will be out shortly, and is a key
9 topic for discussion amongst this Board and the California
10 Transportation Commission at our meeting on December 4th,
11 which is a key issue.

12 And it gets to a complex challenge that Dr.
13 Sperling was getting at, which is the intersection between
14 the investments and the transportation sector, equity
15 issues, mobility opportunities, air quality and climate.
16 And really what today is a lack of alignment between the
17 basic incentive structure. And I'm talking about the
18 incentive structure all the way down from local land-use
19 decision making to broad billion dollar investments in the
20 transportation sector, and getting, not just MPOs to the
21 table, planning commissions, local land-use related
22 issues, Caltrans, CalSTA.

23 So we're not going to solve all this at the
24 December 4th meeting, but what we're going to do, I think,
25 is tee up the -- basically to actually get our arms around

1 this. And to really have a strategy that moves forward is
2 real going to require a collaborative amongst all these
3 entities to align my point about air quality,
4 transportation, mobility, and the investments in the
5 transportation sector.

6 So I think we have made, I'm going to say,
7 collective progress at framing the problem, probably
8 better than we ever have. And I think -- I think the next
9 step is really going to be getting the right folks at the
10 table, and really working through this through a
11 collaborative way.

12 And again, a -- I think a -- I'm not downplaying
13 at all the challenge involved here. But I think the
14 December 4th conversation is the beginning of a -- what I
15 truly believe is an opportunity here, but a very, very
16 important one.

17 VICE CHAIR BERG: And also what I'm hearing is
18 volunteering from Professor Sperling maybe in 2019 --

19 (Laughter.)

20 VICE CHAIR BERG: -- we have an opportunity to
21 get some of these key stakeholders together in some kind
22 of symposium or forum to really discuss options, and how
23 to incentivize these things moving forward. It seems to
24 me getting more stakeholders around the table, as he
25 recommended, might be also fruitful and tee'd up based on

1 this December 4th.

2 So maybe Professor, UC Davis would consider
3 following up with Richard and seeing how we might further
4 that conversation?

5 EXECUTIVE OFFICER COREY: Yeah, we picked up on
6 that loud and clear. He tee'd up issue and what went with
7 that was a significant volunteering, so we appreciate
8 the --

9 (Laughter.)

10 EXECUTIVE OFFICER COREY: Look forward to it.

11 So what I'd like to do now is to pivot to Jack
12 and staff in terms of some of the specific comments,
13 particularly on the low NOx and 8.9 liter engine and
14 refuse truck issues that were raised.

15 VICE CHAIR BERG: Appreciate that.

16 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

17 Hi. Yes, still good morning. Jack Kitowski.

18 So there's a number of questions that you raised,
19 and I'll start with the one that was discussed the most,
20 and that was really the HVIP vouchers and the different
21 amounts. We have a set of proposals related to this on
22 the HVIP that is refocusing the natural gas incentives
23 that we think provide real emission reductions, and look
24 to actually grow the market. And so in -- consistent with
25 what Mr. Sheikh was saying, it's an opportunity to

1 actually expand the market in ways that meet the SIP
2 needs.

3 There's a lot of numbers thrown around. So I
4 think it may be useful if I just clarify what the current
5 situation is and what the proposal is. So we're kind of
6 all clear on that. Right now, the HVIP Program provides a
7 \$10,000 voucher for transit and refuse new purchase. And
8 that \$10,000 is based on the differential cost between a
9 conventional natural gas truck and a low NOx natural gas
10 truck.

11 And then HVIP also provides \$10,000 for a
12 repower, and it provides \$40,000 for other industries, and
13 for the 11.9 liter.

14 What we -- what we've proposed now here today is
15 eliminating the \$10,000 for the low NOx transit and
16 refuse. And I'll get into the rationale for that in a
17 second. But for the diesel -- for diesel refuse fleets,
18 we've proposed to allow that to be \$45,000 instead of the
19 current \$10,000, in other words, again, growing that
20 market. For repowers, \$45,000 also instead of the 10,000.

21 And then for that 11.9 liter and other categories
22 increasing it from 40,000 to 45,000.

23 So we heard a lot about eliminating the \$10,000
24 voucher, and then about sort of appreciation for the
25 45,000, but that it wasn't enough at the 11.9 and it

1 should go higher. So I'll kind of touch on both of those.

2 The reason for the proposal on eliminating the
3 \$10,000, it's -- it's basically -- it's based on a lack of
4 being able to identify emission benefits at this point in
5 time for that vehicle, for that category for a new
6 purchase.

7 Cummins is no longer manufacturing the
8 conventional natural gas engine. And basically, the cost
9 of the low NOx natural gas engine has gone down steadily
10 until Cummins got to the point where it didn't make sense
11 to make two engines in that category.

12 Now, it's still more expensive than the diesel
13 version, but the differential, which that \$10,000 was
14 paying for, was no longer significant to justify two
15 engines.

16 So those who are purchasing natural gas vehicles
17 regularly, those people really only have one choice. That
18 is the low NOx engine today.

19 So for us, we couldn't calculate an emission
20 benefit. We couldn't calculate an incremental cost. And
21 that's why we're proposing to eliminate that, and then
22 refocus it. A question will come up or a statement came
23 up, well, could they buy conventional diesel? Could they
24 revert to diesel? And theoretically, yes, but, you know,
25 our discussions and our indications are very much like

1 what we see in any advanced technology, the electric is
2 the same case, higher upfront costs, but lower operating
3 costs. The fuel costs are significantly less with the
4 natural gas.

5 The conversion is the hard part. And once people
6 have gotten over the conversion, it makes sense for them.
7 It's actually costs effective for them to buy -- continue
8 to buy natural gas. So we didn't see a switch back to
9 diesel likely. And we were in the spot where, well, how
10 do we calculate an incremental cost, how do we calculate
11 emission benefits to show here?

12 And we thought that made sense then to eliminate
13 that cost. Where we still -- but I wouldn't say -- I mean
14 the point was brought up about banning it. I mean, far
15 from it. I mean, we still see these as viable options.
16 They're still eligible in Moyer. They're eligible in 617.
17 And so these are places where -- in those programs, there
18 is a scrap component. And that scrap component provides
19 that, you know, extra emission reductions that we can use.
20 We just didn't see a place for it in this program anymore.

21 Moving to the 11.9, we heard lots of comments.
22 And it -- it would be useful to bifurcate those a little
23 bit on how much money is useful to help move market. And
24 certainly if we provide more money, more people will jump
25 on board. I mean, people like getting more money back and

1 I get that.

2 We've based the dollar amount on the incremental
3 cost that we've seen. We have invoices -- many, many
4 invoices that we've used over the last year to gather from
5 the projects that we've already funded. And so we're
6 using those invoices. We're using the actual data from
7 that. We'd be happy to entertain additional data. And
8 look at that, but from all of the data we've gotten so
9 far, the invoices indicate to us where we ended up last
10 year that 40,000 wasn't right, but 45,000 is fully paying
11 for that incremental cost.

12 One addition to that, that came up very recent --
13 in this context was some of these trucks want to serve
14 regional longer service. We're very supportive of that.
15 That means they're going to put more miles on it. And if
16 that's the case, then they will need bigger tanks. The
17 tanks are a more expensive part. That did not weigh into
18 our calculation of the 45,000.

19 So that is a case where we could see, okay, we do
20 need -- that is additional data. We could see looking at
21 that and saying, all right, we want to revisit that
22 number. And for larger tanks it does make sense to apply
23 and additional adder there and provide additional funding.

24 We had talked about, during our presentation,
25 that the -- we have tasked CALSTART with helping us form

1 an advisory group on the implementation efforts, and how
2 to really get work through with fleets, what are the key
3 factors and barriers towards expanding this. That -- to
4 us, that's a perfect area for us to gather the data from
5 that area and get that data inputted in.

6 Our Executive Officer does have the authority,
7 the way the program is structured, to make adjustments to
8 that voucher amount if that's appropriate there.

9 You had other things to tee up, but maybe I want
10 to pause here on -- with all of that.

11 VICE CHAIR BERG: I think what would be helpful
12 to the Board is to understand what authority that we have
13 between the Executive Officer and what executive authority
14 there is, that if additional information did become
15 available, what additional authority do you have to
16 include these fuel systems. And also, it does give me a
17 little bit of pause that South Coast came and testified
18 and said that their voucher amount is \$70,000, so to
19 coordinate, to find out what additional cost.

20 I understand that our programs really focus on
21 hard costs. And so they might have some infrastructure
22 costs or something built into theirs. But I do think
23 it -- and hear from my fellow Board members that this is
24 an area of concern, and we do -- the sweet spot is
25 important, and this is an important technology. So how do

1 you feel that you do have flexibility to move forward
2 versus our direction to do so.

3 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

4 So let me -- let me start with the -- sort of the
5 second -- the earlier part you'd laid out. One of the
6 reasons, and it -- we will -- I will sit down with Naveen
7 and talk through what some of the differences are. But
8 many of the programs, the local programs, are scrappage
9 programs. And if they're scrapping vehicles as part of
10 that, then absolutely it would be more money.

11 So that might be one of the reasons, but we will
12 look to see if there are others. The way the funding plan
13 is set up, the Executive Officer -- and other members of
14 my team may chime in, the Executive Officer has the
15 authority with sufficient data after we go through a work
16 group process to adjust the voucher amounts, he also can
17 do that in response to -- we'd brought in such
18 contingencies as trade issues, or other things that might
19 raise prices and necessitate that.

20 But in this particular case, for example, if we
21 got additional information that said this is warranted, we
22 would need to do a work group, but -- and publicly notice
23 it. But then the Executive Officer could approve that.

24 VICE CHAIR BERG: Yes. Dr. Sherriffs.

25 BOARD MEMBER SHERRIFFS: Yeah. I'm -- one detail

1 I'm not sure I understand, but eliminating the 10,000
2 incentive related to the natural gas and low NOx.
3 Certainly, low NOx hugely important to Central Valley and
4 South Coast. And I guess I'm wondering, well, what do we
5 give up if we don't eliminate that. What's -- what's --
6 what's the -- I want to be sure I understand the tradeoff.

7 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

8 Well, there was -- you know, certainly there
9 was -- I think there's two ways of looking at that. One
10 is we really struggled as an agency of trying to quantify
11 what are the emission benefits we're getting by providing
12 that. And low NOx in and of itself has benefits, but for
13 this project, without a scrappage, we couldn't identify a
14 benefit or an incremental cost for us to really base that
15 on.

16 What we're giving up is what -- sort of what we
17 had talked about many times is how do you move with the
18 demand growing and growing whether we're talking transit,
19 or school buses, or other factors. We're talking about
20 expanding in natural gas into the 11.9 liter, and more and
21 more of that. How do you expand that without, you know,
22 other things sort of moving on and sort of graduating from
23 the program.

24 And I think that's a sense of what this is, is it
25 time for this to graduate and how do we -- there's still

1 eligibility within the Moyer Program, because you have
2 a -- if you have a replace component to it, then yes. But
3 as a new purchase, is it time for this to -- to graduate
4 or not.

5 VICE CHAIR BERG: Is there any other questions in
6 regards to the low NOx engine aspect?

7 I think we're moving on to the refuse trucks. I
8 think that specifically there's still some questions about
9 the refuse trucks, and why they were taken out. And I've
10 heard some definite support for allowing refuse trucks to
11 participate, if there is money available after the other
12 priorities.

13 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

14 Yes. So getting at the point about whether we
15 could set up some sort of secondary system, and whether
16 refuse trucks would continue their eligibility at some
17 point in time and some fashion. That is -- that is a
18 struggle I think for this program to implement, because
19 the whole point of a HVIP Program -- a voucher program for
20 consumers is that we never run out of money. That's our
21 ideal objective. We try and design it so that we can last
22 the year, and that there isn't this uncertainty associated
23 with fleets.

24 So ideally, if we're doing our job right, there
25 will, of course, be funding left over at the end of the

1 year. And it's not really a secondary thing. That money
2 left over at the end of the year is designed to carry us
3 through the start of the next year and continue the cycle.

4 So, it's hard for us to set up a second tier
5 within a first-come first-served program, the way we've
6 designed it.

7 VICE CHAIR BERG: So then I'm hearing from the
8 Board is that there is support from the people that did
9 comment, which we had a broad brush of districts, as well
10 as stakeholders expressing concern. The refuse trucks
11 have been our partners in pushing technology for many
12 years. And so it's not quite clear, I think to me and
13 maybe to others, that -- how we're thinking about this
14 long term.

15 And so I would like to recommend that we also put
16 that back on staff to consider the comments that have been
17 made and what our goals are. And when you come back with
18 the presentation, we're going to be making about the full
19 funding portfolio and how everything interacts with each
20 other, the big picture, because it's hard for us when
21 we're looking in compartmentalize to make sure that we're
22 attaining all of our goals. And certainly the refuse
23 trucks have been a key component. And I think you've
24 heard from the dais here that there is concern of
25 eliminating, but we might not be eliminating from the full

1 program of incentives, and maybe we don't understand that.

2 Would that be acceptable to the Board?

3 BOARD MEMBER RIORDAN: Yes.

4 Madam Chair, if I might, because the refuse
5 trucks travel in our neighborhoods on a weekly basis, and
6 they are in certainly stressed communities as well as
7 just -- you know, they're right there with us, I think a
8 lot of us show sympathy to that concept. And it occurred
9 to me that maybe there could be a timing factor which
10 would say, all right, the first six months of this program
11 we'll keep to our priorities of that technology that you
12 want to the highlight.

13 But after that first six months, then we open it
14 up. That would seem to me to be maybe an opportunity, a
15 timing factor, which would give you some comfort to
16 administer, because you'd have a certain time, and then
17 when it would be open. So I just offer that as a
18 suggestion.

19 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

20 Okay. One more related area in this area, I
21 should -- a question came up in this context about
22 stacking, about co-funding. And I will say we've been
23 fully supportive of doing that. We have people, staff
24 within each of the programs that talk regularly about how
25 they interact. There are some limitations obviously if

1 you're -- in Volkswagen funding. In your objective, you
2 have to mitigate a certain amount of NOx reductions. You
3 can't split those with other people. We need to be a
4 little careful, but we're fully supportive, and many of
5 the projects can co-fund and stack.

6 VICE CHAIR BERG: Great. And Ms. Mitchell had a
7 question.

8 BOARD MEMBER MITCHELL: I had a question, because
9 what I thought I heard you say in the -- in this program
10 with the refuse trucks, that there wasn't any additional
11 pollution reduction value in -- in that program. Explain
12 that to me again.

13 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
14 Yeah. And this is not to say that the actions
15 taken aren't -- you know, that we aren't fully supportive
16 and that these -- this is the appropriate action. This
17 is -- this simply from the matter of the Cummins engine.
18 All of these only use one engine. There's really one
19 engine available. It's a Cummins 8.9. That Cummins
20 previously manufactured two engines. They manufactured a
21 conventional en -- conventional natural gas, and they
22 manufactured a low NOx version of that.

23 Now, because many of the fleets already were
24 using natural gas, this Board in the past based the
25 emission benefits and the incremental costs that we would

1 cover on the difference between those engines. The
2 difference between the conventional natural gas and the
3 low NOx version.

4 Cummins has recently eliminated the conventional
5 natural gas engine. They don't make it anymore, because
6 the cost difference between the two, we're getting tighter
7 and tighter. So they only manufacturer the low NOx
8 version, and we have no baseline comparison to utilize to
9 provide the emission benefits, unless we go back to
10 diesel, which isn't a great comparison for these two.

11 So we're -- you know, it's a -- it's a little bit
12 of a situation where what we're trying to do is move those
13 programs to more scrap and replace. And what you saw from
14 our funding program, what we're trying to do is actually
15 work on providing additional incentives that can grow the
16 market, but that the current market, the one that's, you
17 know, people who are already in that who've made the
18 conversion, we think that's sustainable at its current
19 level.

20 BOARD MEMBER MITCHELL: So is it true then that
21 no other truck manufacturer manufactures a CNG engine, and
22 that's why you're relying on the Cummins CNG engine?

23 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
24 In that category, yes.

25 BOARD MEMBER MITCHELL: In that category. I'm

1 questioning that, because I know from my experience as a
2 city councilperson, almost all the fleets for refuse
3 trucks are CNG. They're not low NOx CNG. And so I'm just
4 seeing there probably is some beneficial value in going
5 from CNG to low NOx, particularly in the areas that are
6 not attainment for PM and ozone.

7 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

8 The move from Cummins has been in the last six
9 months, and -- but the -- there is -- they do not
10 manufacture the low -- the conventional natural gas any
11 more in this category.

12 VICE CHAIR BERG: So there is no PM benefit from
13 going from a conventional natural gas to a low NOx natural
14 gas?

15 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

16 Correct. It's -- you know, and there's -- but
17 there is a -- there's a -- there's a NOx benefit in going
18 from one to the other.

19 VICE CHAIR BERG: And we can't calculate that NOx
20 benefit to justify?

21 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

22 I'm sorry maybe I misunderstood.

23 DEPUTY EXECUTIVE OFFICER CLIFF: So Vice Chair
24 Berg --

25 VICE CHAIR BERG: Yes. Thank you.

1 DEPUTY EXECUTIVE OFFICER CLIFF: Maybe I can try
2 and help here. So what Jack is saying is that if you
3 currently own a natural gas truck, and you're going to --
4 and you have a fleet, or you've already invested in the
5 infrastructure, you're getting the benefits from that
6 natural gas fleet, because the total cost of ownership is
7 better.

8 So staff just doesn't agree that if you're going
9 to purchase a new truck, that you would switch to a diesel
10 truck at that point. If you currently have diesel in your
11 fleet, then this program would allow you to go from diesel
12 to natural gas, and would pay that \$45,000. That's a huge
13 incentive, and that's actually more than what the program
14 previously paid in past years.

15 But if you're going to buy a new natural gas
16 truck to supplement your fleet, your only choice is the
17 cleanest low NOx natural gas. So there is no incremental
18 cost, even though there is, yes, a benefit. The program
19 can't calculate that incremental cost. That's kind of a
20 bureaucratic response, but that's the truth, right?

21 The other piece of this is should the program be
22 paying people who have already invested in natural gas,
23 who we think will continue, because they're getting the
24 benefits of that total cost of ownership. And staff just
25 doesn't believe that we should continue to pay for, you

1 know, them to switch those fleets. If they've already
2 made that investment, great. We're all in. We want to
3 see those clean trucks.

4 And what we've done is driven down the cost such
5 that there's no incremental cost now to go to that
6 cleanest technology. For those that are driving in
7 communities, they're not seeing a particle benefit, which
8 is really the near source or, you know, the local impact
9 that we see.

10 Certainly, going to that low NOx, you're going to
11 get that -- that regional benefit from lower NOx.

12 If you repower, take the existing truck, which we
13 hear, you know, the industry saying they're not going to
14 do that. But if you did, then you would get that
15 incentive to go ahead and repower.

16 So I think really it comes down to us making sure
17 that there isn't backsliding, and that's something that
18 staff is going to have to continue to evaluate. But
19 recognizing that the program is kind of done what it
20 intended to do, which was get the technology cost down in
21 such a way that now these are very low cost and no
22 incremental cost trucks, and continue to provide a bigger
23 incentive to get rid of the remaining diesel, which is out
24 there.

25 VICE CHAIR BERG: Great. That was a terrific

1 wrap-up explanation. Really appreciate that. We have two
2 items still left on our list --

3 BOARD MEMBER GIOIA: So, Madam Chair, just so I
4 understand --

5 VICE CHAIR BERG: Oh, yes, sir.

6 BOARD MEMBER GIOIA: -- then based on this
7 discussion, I think we're not moving forward with --
8 with the -- with trying to accommodate a change as some
9 have suggested.

10 BOARD MEMBER MITCHELL: Well, not on -- not on
11 the refuse trucks.

12 BOARD MEMBER GIOIA: Right.

13 VICE CHAIR BERG: Not on the refuse trucks.

14 BOARD MEMBER GIOIA: That's correct.

15 VICE CHAIR BERG: On the 8.9. But staff is going
16 to move forward to get additional data on the 11.9. And
17 they have the authority, if the additional data presented
18 and is within our policy, they will increase the 11.9 to
19 include the fuel systems, if that is appropriate.

20 BOARD MEMBER GIOIA: Right. Okay.

21 VICE CHAIR BERG: And they are going to monitor
22 the backsliding to make sure that the assumptions we have
23 made on the refuse trucks is correct.

24 So the last two items I do have, we had a
25 question from Board Member De La Torre about school buses,

1 and how we are impacting and working down as we have been
2 at this for quite a bit of time? We're looking for good
3 news here.

4 (Laughter.)

5 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

6 School buses are a great good news category. But
7 the mountain is really high on this one, right.

8 So we've been in front of this Board a couple of
9 years ago now. And we've heard interest in us coming
10 back. We're looking at providing you additional
11 information on an update on where we are in school buses
12 within the next couple of months, so that you have
13 something more comprehensive.

14 But to give you a little bit of information at
15 this point, this program has school buses -- a Rural
16 School Bus Program. What you've seen from staff across
17 the incentive programs for the last, you know, many years,
18 is an effort to try to address school buses in each and
19 every program. And that's because there isn't a very
20 clear dedicated source of school bus funding.

21 So what you do see us to do -- doing is cobble
22 together a little bit here. We have 15 million for rural
23 school buses in this program. You've seen Moyer make
24 movements in that -- in that effort by raising the cost
25 effectiveness so they could fund more.

1 You've seen 617. What we also see is, in our
2 coordination with sister agencies - CEC is doing this -
3 all of these contribute incrementally but no one is the
4 silver bullet for this.

5 In this particular case, we've funded about 40
6 school buses in this program. So far, an additional 75
7 school buses will be able to funded with the funding that
8 -- the proposal that's in front of you.

9 The order is very tall. When we came to the
10 Board last time -- I don't know if you -- you may remember
11 we had several categories, and we kind of labeled them the
12 red category. These are ones we need to respond to as
13 soon as possible, a yellow category, and then a green
14 category.

15 The good news - you wanted some good news - is
16 the red category is gone. We have addressed those, and
17 we've taken care of what we felt were the most immediate
18 needs in front of us.

19 The yellow category is a category that we are
20 working on now. It's a category of about 4,000 school
21 buses in that category. So we have quite a ways to go to
22 get through that entire list, but, you know, we're all
23 working together to do it.

24 VICE CHAIR BERG: Yes.

25 BOARD MEMBER DE LA TORRE: How many were in the

1 red category?

2 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

3 There was 1,500 I think somewhere in that -- that
4 ballpark.

5 VICE CHAIR BERG: So thank you for the good news.
6 And we are glad we're out of that red category, because
7 we've been reporting on that for quite a long time. And
8 so when we appreciate that, we are tackling the 4,000.
9 That is a steep climb.

10 The last one really is the -- how the funding
11 integrates. Dr. Balmes talked about that, 617. I do
12 think, if it's okay, Dr. Balmes, we are going to have
13 staff come back to us with a informational update about
14 how all these fundings portfolio work together. And so if
15 I may defer your question until then?

16 BOARD MEMBER BALMES: Yes, I'm fine with that. I
17 knew staff would be coming back with that update, and I
18 just wanted to highlight the importance of my hearing
19 about how AB 617 fits into the rest of the picture.

20 VICE CHAIR BERG: That's great. And then it
21 wasn't directly mentioned, but I do think the presentation
22 made on the hybrids, I just would -- again, it does point
23 out that the right number is helpful, and just make sure
24 that we're getting what we want out of that program would
25 be appreciated.

1 I think with that, have we covered -- are we
2 comfortable to move forward?

3 And if so, we have Resolution -- I'm sorry,
4 18-48. And may I have a motion and a second to move
5 forward?

6 BOARD MEMBER EISENHUT: I'll move it.

7 VICE CHAIR NICHOLS: Thank you.

8 Second?

9 BOARD MEMBER SPERLING: Second.

10 VICE CHAIR BERG: Thank you. I have a motion to
11 move forward with a second. All in favor?

12 (Unanimous aye vote.)

13 VICE CHAIR BERG: Opposed?

14 Any abstentions?

15 The motion passed.

16 Thank you very, very much, staff. I hope you
17 hear loud and clear from many, many sources
18 congratulations. This was a lot of work, and for so many
19 stakeholders to come forward and say that 99 percent you
20 got it right. I hope you hear that.

21 (Laughter.)

22 VICE CHAIR BERG: And they want you to work on
23 the one percent like we did on the 99. So thank you very
24 much.

25 The is a perfect time to take our break. And so

1 what I'm going to do is we're going to take a 20-minute
2 break and be back at 11:40. But I'm going to start at --
3 I'm sorry 12:40. And I'm going to start at 12:40 sharp.
4 So it is not 12:45. Okay. Thank you.

5 (Off record: 12:19 p.m.)

6 (Thereupon a recess was taken.)

7 (On record: 12:43 p.m.)

8 VICE CHAIR BERG: Well, as we mentioned, we do
9 have speakers in the back. And the Board members that
10 aren't up front and few staff people that are finishing up
11 some lunch, they can hear us. And so we're going to go
12 ahead and move forward out here.

13 And we are -- Thank you very much, yes.

14 So our next agenda item, 18.8.7, is the San
15 Joaquin Valley Supplement to the 2016 State Strategy for
16 the State Implementation Plan. This item is critical for
17 providing the mobile source emissions reductions needed to
18 the clean air in the valley.

19 It just occurred to me to make sure that our --
20 Hi.

21 (Laughter.)

22 VICE CHAIR BERG: Thanks. Good. You're
23 fabulous.

24 (Laughter.)

25 CHIEF COUNSEL PETER: Is your mic on?

1 VICE CHAIR BERG: Yes. You don't have to put
2 that part in.

3 (Laughter.)

4 CHIEF COUNSEL PETER: You're supposed to say off
5 the record.

6 VICE CHAIR BERG: Off the record, I was just
7 checking to make sure that I had my fabulous court
8 reporter. With this new dais, you know he's just hidden.
9 And so it just occurred to me, I might be starting with
10 out him.

11 So thank you very much for being so attentive.

12 This next agenda item is critical for providing
13 mobile source emissions reductions needed to clean the air
14 in our valley. I understand the district is planning to
15 consider its part of the next SIP next month setting out
16 actions the district will be taking to achieve emission
17 reductions for sources under its regulatory
18 responsibility.

19 Once the district adopts their portion of the
20 SIP, staff will come back to us with a full SIP with
21 mobile and stationary measures for us to consider for
22 submittal to the EPA.

23 Mr. Corey, would you please introduce this item
24 for us?

25 EXECUTIVE OFFICER COREY: Yes. Thanks, Vice

1 Chair Berg.

2 The 2016 State strategy for the State
3 Implementation Plan adopted by the Board in March 2017
4 described the State commitment to achieve the emission
5 reductions from mobile sources, fuels, and consumer
6 products that are needed to meet federal air quality
7 standards throughout the state over the next 15 years.

8 The commitment included a suite of regulatory and
9 incentive programs to deploy the next generation of
10 cleaner technologies with the focus on the deadline of
11 2031 for attainment of the 75 parts per billion eight hour
12 ozone standard in the South Coast in the San Joaquin
13 Valley.

14 For the valley, the 2016 state strategy included
15 a commitment for a suite of emission reduction measures
16 and a direction to staff to return to the Board with a
17 comprehensive PM2.5 plan.

18 District and CARB staff have continued to work on
19 defining the nature of the control strategy and associate
20 emission reductions needed from both mobile and stationary
21 sources. The Board has heard updates on the progress of
22 the development of the valley's comprehensive PM2.5 SIP as
23 well.

24 The district, as you noted, has released a
25 comprehensive plan, including measures and commitments for

1 emission reductions from sources under local control.
2 Once the comprehensive plan is approved by the district
3 board, it will be brought before you for consideration.

4 The item before you today is the supplement to
5 the 2016 State strategy providing the emission reductions
6 needed to attain the 24-hour and annual standards PM for
7 the respective attainment deadlines from sources under
8 CARB's regulatory authority.

9 I'll now ask Ariel Fideldy to begin the staff
10 presentation.

11 Ariel.

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

14 AIR POLLUTION SPECIALIST FIDELDY: Thank you, Mr.
15 Corey. Good afternoon, Vice Chair Berg and members of the
16 Board.

17 As Mr. Corey just described, the Valley State SIP
18 Strategy is a supplement State SIP Strategy adopted by the
19 Board in March of 2017. When we came to the Board last
20 year with the State strategy, we knew we needed short-term
21 mobile reductions in the valley, but we didn't know
22 exactly how many. Since that time, we have finished the
23 technical work and we now know the level of reductions
24 needed from mobile sources to meet the PM2.5 standards in
25 the valley.

1 We are bringing our State and mobile source
2 commitments to you here today to keep the development of
3 this plan moving forward, and to achieve the needed
4 emission reductions from mobile sources.

5 --o0o--

6 AIR POLLUTION SPECIALIST FIDELDY: Just to be
7 clear, I want to reiterate that today's action is the
8 consideration of the San Joaquin Valley Supplement to
9 State SIP Strategy, including our CARB commitments for
10 actions to achieve the share of emission reductions needed
11 from mobile sources in the valley.

12 When we return to you in January, that action
13 will be to consider the district's comprehensive PM2.5
14 SIP, which will include the district's commitments for
15 actions to achieve reductions from stationary and area
16 sources, as well as either required SIP elements.

17 --o0o--

18 AIR POLLUTION SPECIALIST FIDELDY: How does all
19 of this relate to the valley's PM2.5 problem? To help
20 answer this question, this chart shows the contribution of
21 various sources to the valley's PM pollution problem.
22 Sources such as residential wood combustion, agricultural
23 burning, and other stationary sources emit primary or
24 directly emitted PM2.5.

25 Diesel PM is also part of directly emitted PM2.5.

1 These sources are shown here in the yellow and orange pie
2 slices. Vehicles, on the other hand, are largely
3 responsible for the secondary PM2.5 as indicated by the
4 blue chunk of the pie here. It's important to note that
5 while vehicles are responsible for 85 percent of the total
6 NOx emissions in the valley, secondary PM2.5 formed from
7 those NOx emissions is about 55 percent of the total PM2.5
8 in the area.

9 --o0o--

10 AIR POLLUTION SPECIALIST FIDELDY: Given the
11 contribution of the various sources of PM2.5 pollution in
12 the valley, it is important that responsibility for
13 solutions is balanced among all levels of government. We
14 must look to EPA to address emissions from interstate and
15 international sources under their control, such as trains,
16 airplanes, ships, and trucks that are registered in other
17 states.

18 We must also look to the district to regulate
19 local and regional sources that contribute nearly half of
20 the PM2.5 emissions in the valley, such as wood smoke and
21 cooking. The district recently released a robust plan
22 addressing sources under their control. At the State
23 level, we must strive to achieve significant reductions
24 from sources under our control.

25 Today, we are focusing on the center portion of

1 this diagram, our responsibilities and actions at the
2 State level.

3 --o0o--

4 AIR POLLUTION SPECIALIST FIDELDY: Again, I'd
5 like to reiterate that you adopted the State strategy last
6 career. It was a substantial first step. Now, I'm going
7 to walk you through what was included in that commitment
8 last year.

9 This slide those the list of measures that are
10 applicable in the valley. As you can see, these measures
11 are purely regulatory. Also included in the strategy was
12 a commitment for emission reductions from State measures
13 in the ozone attainment year of 2031. Although, they were
14 estimated, emission reductions in 2025 were not committed
15 to at that time, as we knew that we were going to need to
16 identify more measures and reductions to attain PM
17 standards in the valley.

18 As a reminder, the Board has committed to move
19 forward on the measures on this slide. Today, we're
20 committing to aggregate emission reductions in the valley
21 associated with the measures on this slide in the PM
22 attainment years, along with new measures to achieve the
23 last increment of reductions needed for attainment.

24 --o0o--

25 AIR POLLUTION SPECIALIST FIDELDY: This slide

1 shows how all of the parts fit together to achieve the NOx
2 reductions that we need. The gray bar on the far left
3 illustrates the 157 tons per day reduction in mobile
4 source emissions from 2013 levels through CARB's already
5 adopted regulations.

6 The darker blue bar in the middle shows where the
7 extra increment of nine tons per day of NOx reductions
8 from the Measures committed to in the State strategy last
9 year will get us. As these are reductions from
10 exclusively regulatory measures, we need to accelerate
11 these reductions with incentives to get to where the
12 valley needs to be.

13 The light blue bar on the right shows where the
14 valley mobile source NOx emissions will be when including
15 reductions from the measures we're committing to here in
16 the Valley State SIP Strategy.

17 As you can see, this total reduction in mobile
18 source NOx of 189 tons per day from 2013 levels will get
19 us to that target level. It's important to note that even
20 though our new measures are mainly incentives, regulations
21 account for nearly 90 percent of the mobile source
22 reductions that will get the valley to attainment for
23 PM2.5.

24 --o0o--

25 AIR POLLUTION SPECIALIST FIDELDY: The table on

1 this slide shows exactly what the emission reduction
2 commitment is in tons per day for NOx and PM2.5 in 2024.
3 The commitment in the plan before you now includes
4 reductions from measures committed to in last year's
5 strategy and quantified today, and those from the new
6 measures that we are proposing here today.

7 As can be seen here, the State's aggregate
8 commitment will be 32 tons per day of NOx and 0.9 tons per
9 day of PM2.5 in the valley. This commitment is for 2024,
10 the attainment year of the 35 microgram PM standard and it
11 will be carried through to 2025, the attainment year for
12 12 microgram annual standard. Next, I'm going to talk
13 about what exactly is new in the Valley State SIP Strategy
14 that is before you today.

15 --o0o--

16 AIR POLLUTION SPECIALIST FIDELDY: Since the
17 adoption of the State strategy, staff has continued to
18 move forward. As you well know, the Board adopted two
19 regulations that were included as measures in last year's
20 SIP strategy. These are the lower opacity limits and
21 amended warranty requirements for heavy-duty vehicles. In
22 the valley strategy, we've also expanded on a few of last
23 year's measures. And finally, we are including a new
24 commitment to initiate the public process on each measure
25 by a certain time. This is in addition to the commitment

1 to take action that you adopted last year.

2 --o0o--

3 AIR POLLUTION SPECIALIST FIDELDY: Moving
4 forward, the other part of the Valley State Strategy
5 before you today is our proposed new measures. These
6 measures were developed to accelerate the reductions that
7 are going to be achieved through the regulations committed
8 to last year. What you have here are three incentive
9 measures, one for trucks, one for agricultural equipment,
10 and one for other off-road equipment. There is also a
11 cleaner in-use agricultural equipment measure.

12 As a whole, the State Strategy for the valley
13 includes the regulatory measures adopted last year, and
14 the proposed new measures brought before you in this item.
15 My next few slides will get into a little more detail on
16 the categories being targeted in this strategy and the
17 programs that will be central to success in these areas.

18 --o0o--

19 AIR POLLUTION SPECIALIST FIDELDY: Looking at
20 on-road heavy-duty vehicles, our efforts here consist of a
21 number of existing regulatory programs, the measures
22 committed to in last year's strategy, and then the
23 proposed new measure for accelerated turnover of trucks
24 and buses in the valley.

25 While the 10 tons per day of NOx reductions we

1 are estimating we will achieve from incentivizing turnover
2 is substantial, heavy-duty truck regulations committed to
3 last year will also get over eight tons per day in the
4 valley in 2024.

5 --o0o--

6 AIR POLLUTION SPECIALIST FIDELDY: Chief among
7 the regulatory programs for heavy-duty trucks in the near
8 future will be our heavy-duty inspection and maintenance
9 program, otherwise known as heavy-duty I&M. While a
10 majority of the dirty pre-2010 model year engine trucks
11 will be retired by the 2023 thanks to Truck and Bus
12 Regulation, this cleaner technology needs to be paired
13 with actions to make sure these vehicles stay clean in
14 use.

15 As you can see the cart on this slide, NOx
16 related to deterioration of engines is the largest chunk
17 of emissions from heavy-duty diesel vehicles across the
18 State in 2023 and beyond. While CARB's existing
19 regulations, including the heavy-duty vehicle inspection
20 program, and the periodic smoke inspection program have
21 made progress in reducing in-use truck emissions, a
22 comprehensive heavy-duty I&M program designed for the
23 latest technology engines with advanced aftertreatment and
24 OBD systems is critical for continuing California's
25 progress in achieving clean, healthful air.

1 --o0o--

2 AIR POLLUTION SPECIALIST FIDELDY: Heavy-duty
3 I&M, with staff's plan for Board action in 2020, would
4 achieve a substantial amount of emission reductions. When
5 coupled with other elements of last year's lower in-use
6 emission performance level measure, we expect this program
7 to achieve around 6.8 tons per day of NOx reductions in
8 the valley in 2024.

9 Staff is currently exploring options for
10 implementation of this program, which could include use of
11 OBD data collection and roadside emission measurement
12 systems.

13 While our existing authority to regulate
14 heavy-duty emissions enabled us to implement the elements
15 described, legislation could establish a comprehensive
16 program that could link vehicle registration to
17 compliance, include owner operators in the program, and
18 establish fees for program administration allowing us to
19 maximize the benefits of the program.

20 --o0o--

21 AIR POLLUTION SPECIALIST FIDELDY: Moving on to
22 the agricultural side, I want to start by highlighting
23 that the ag industry in the valley has a long and
24 successful history of securing funding and exceeding SIP
25 targets for incentivized turnover of ag equipment. The

1 valley district has been working with the industry to
2 turnover dirty farm equipment for over a decade.

3 Since their goals set in the 2007 State SIP and
4 through programs that began shortly thereafter, there has
5 been a total public and private investment of over \$500
6 million to replace tractors in the valley.

7 Under the accelerated turnover of ag equipment
8 measure that we are proposing today, staff plans to
9 achieve 11 tons per day of NOx emission reductions in the
10 valley through turnover of approximately 12,000 ag
11 tractors by 2024.

12 --o0o--

13 AIR POLLUTION SPECIALIST FIDELDY: The recently
14 adopt Funding Agricultural Replacement Measures for
15 Emission Reductions, or FARMER, program is going to play a
16 key role in achieving the reductions that we've outlined
17 for this section.

18 This program has already allocated a substantial
19 amount of funding for turnover of ag equipment. Of the
20 \$135 million allocated by the legislature to CARB last
21 year, 108 million of that was earmarked for use in the
22 valley. For the 2018 to '19 fiscal year, CARB was
23 allocated \$132 million, though district allocations for
24 this fiscal year are still pending. It's important that
25 the funding towards this program be continued as we move

1 forward.

2 --o0o--

3 AIR POLLUTION SPECIALIST FIDELDY: The last of
4 the measures proposed today as part of the Valley State
5 SIP Strategy targets other off-road equipment. This
6 category will include oil drilling workover rigs,
7 construction equipment, transport refrigeration units,
8 forklifts, as well as other types of off-road vehicles.

9 Staff's proposed measure would incentivize
10 turnover to achieve approximately two tons per day of NOx
11 reductions in 2024.

12 --o0o--

13 AIR POLLUTION SPECIALIST FIDELDY: Finally, we'd
14 like to show you just how much funding in total we
15 estimate that we need from incentives to meet our goals,
16 and to attain the PM standards in the valley.

17 As I stated earlier, incentives have been very
18 successful in the past at reducing emissions. This is
19 specially true in the valley where the district has been
20 quick awarding incentive money to deserving projects.

21 As you can see, we're looking at \$5 billion for
22 our proposed measures. We've already identified around
23 one billion in funds that could potentially be used for
24 these purposes in the valley. This includes funds
25 allocated this and last fiscal years, and a few pools of

1 money from ongoing fee programs that we expect to continue
2 through 2024. Even so, this is still going to be a very
3 heavy lift.

4 It's imperative that the levels of funding that
5 we've received in the last few years towards these
6 programs be continued, but we must also identify more
7 opportunities for funding to get us to the levels needed
8 for turnover in the valley in the very short timeline
9 before us.

10 --o0o--

11 AIR POLLUTION SPECIALIST FIDELDY: Looking
12 forward, there are a few things I'd like to highlight.
13 First, it's pivotal to our success in the valley that
14 action on our regulatory commitments is taken in a timely
15 manner. Regulations are the foundation of all programs
16 here at CARB, and that continues to be true going forward,
17 even as we push towards incentivizing vehicle turnover at
18 an unprecedented rate.

19 Second, incentive funding must be continued and
20 even increased from the levels allocated in recent years.
21 And finally, effective implementation and enforcement of
22 truck and bus, the future our heavy-duty I&M program, and
23 other measures is imperative to ensure that really
24 emission reductions are achieved.

25 --o0o--

1 AIR POLLUTION SPECIALIST FIDELDY: Regarding the
2 action before you today, our staff recommendation is to
3 Adopt the Valley State SIP Strategy and the commitments
4 contained therein. To clarify, the commitments included
5 are two-pronged: the first is to -- the commitment to
6 begin the measure public process and take action on the
7 measures by date specified. And the second is the
8 commitment for an aggregate emission reduction of 32 tons
9 per day NOx and 0.9 tons per day PM2.5 in the valley in
10 2024 and 2525.

11 --o0o--

12 AIR POLLUTION SPECIALIST FIDELDY: Last but not
13 least, I wanted to touch on the next steps for this plan
14 and the valley's PM2.5 SIP as a whole. If adopted today,
15 we will be submitting the Valley State SIP Strategy to EPA
16 as a revision to California SIP, along with the district's
17 comprehensive PM2.5 SIP. The district released the
18 proposed draft for public comment last week, and they are
19 scheduled to take it to their board mid-November.

20 The draft valley PM2.5 plan is the most
21 far-reaching PM SIP the valley has ever developed, in part
22 due to the leadership of their new valley EP -- valley
23 APCO -- excuse me -- Samir Sheikh. We would like to thank
24 him for moving forward on releasing the plan and his
25 dedication for improving PM air quality in the valley.

1 I will now ask Mr. Sheikh to come to the podium
2 for his remarks.

3 MR. SHEIKH: Thank you. Good afternoon.
4 Appreciate that --

5 VICE CHAIR BERG: Good afternoon.

6 MR. SHEIKH: -- that last little introductory
7 part as well. Thank you so much for that.

8 (Laughter.)

9 MR. SHEIKH: I wanted to start off by just
10 thanking the Board for all of your commitment to working
11 with us in addressing the San Joaquin Valley's issues
12 going back, as the slide mentioned, to October in 2016,
13 and obviously well before that, but with that moment, and
14 really some direction to work together with us to look for
15 both stationary and mobile source reductions and come back
16 over time to develop a plan that hopefully will be before
17 you here in a couple of months in January, as was
18 discussed by staff, that really is the most comprehensive
19 plan that I think we've ever put together in the San
20 Joaquin Valley.

21 It addresses three federal standards at the same
22 time. So it's very comprehensive and really looking at
23 all of the issues that are related to implementing those
24 standards. And I think most importantly, the improvements
25 in air quality and public health are going to be

1 significant with that plan.

2 I wanted to make sure that, you know, as we talk
3 about these -- these SIPs, we never lose the fact that as
4 we put these programs together, we're not only dealing
5 with the regional issues, but there's also the
6 neighborhood level impacts and benefits that come from all
7 of these very important measures that are being discussed
8 today.

9 So I wanted to thank the staff also, Mr. Corey
10 and Kurt Karperos, and Michael, and Sylvia, and other
11 staff that have worked tirelessly on putting these
12 measures together. There's been, as was mentioned, quite
13 the public process, very extensive, a number of workshops
14 and meetings, a lot of stakeholder engagement, and really
15 trying to flesh out these measures and come up with a
16 package that now, with a plan that's going to be before
17 you very soon, demonstrates that the valley can come into
18 attainment with the right balance of measures, and the
19 right level of investment, and clearly it's going to take
20 a lot investment.

21 So as we move together, in this process, you
22 know, one of the things that we've done very well has been
23 developing a joint message on how important it is to
24 invest in these programs. This is something that we're
25 very active in in the legislature, and in putting together

1 the funding that you see before you. As was mentioned,
2 there's been a lot of funding that's come available
3 recently. That's really important, and that's going to
4 have to continue moving forward.

5 One particular program I wanted to highlight was
6 the FARMER Program that was mentioned before. What you
7 may not know is that's an acronym, maybe the best acronym
8 ever created.

9 (Laughter.)

10 MR. SHEIKH: I forget exactly what it stands for,
11 but I know it's -- part of it at least is funding
12 agricul -- agricultural replacement of -- and then that's
13 where I lose it.

14 (Laughter.)

15 MR. SHEIKH: That's a -- that's a great program.
16 We actually had a wonderful event. I hope Mr. De La Torre
17 is in the back listening to my comments. I wanted to
18 thank him for being at that event, where we really
19 highlighted and showcased what we could do when we work
20 together to really put together programs that make sense,
21 that -- in partnership with those that we're trying to
22 encourage to move forward with emission reduction
23 projects. So a very significant first step in that area,
24 and we're going to need to continue to see that same level
25 of investment moving forward in all the other key areas

1 that are here.

2 This is a very comprehensive strategy here before
3 you. You have regulatory on inspection and maintenance.
4 That's a huge lift. And that's going to take a lot of
5 action at the legislative level, as well as working very
6 closely with stakeholders to develop an effective program
7 that deals with any concerns that they're going to have in
8 moving forward with that. And you're going to see that
9 across the board with every measure is that really a
10 continue commitment to flesh out the issues and put
11 together some very good programs moving forward.

12 So it's about five billion over five years is the
13 costs of this plan. And that's going to take a lot of
14 concerted effort, a lot of ongoing advocacy and education,
15 amongst legislators and others that make decisions about
16 where that funding needs to go. And, of course, we're
17 going to continue to make that commitment to work with
18 you, and then, of course, to follow-up.

19 One of the things that's really important in this
20 process moving forward is that we come back to you on a
21 regular basis to talk about how these very aggressive
22 measures that are being put into place are doing, and
23 where we may need to make some adjustments moving forward.

24 So with that, I just wanted to tell you that I
25 really appreciate the staff, their commitment on this.

1 They've been great to work with. We've held each other
2 accountable in this process. I can sure you that CARB
3 staff has been working with us closely on our local
4 measures. And we've also been putting a lot of pressure
5 on staff to do the best they can with putting together a
6 strong mobile source element. We appreciate the hard work
7 that they've put into this.

8 It's going to achieve very significant emission
9 reductions moving forward that are going to improve air
10 quality, hopefully bring us into attainment very quickly,
11 and improve public health. So thank you very much again,
12 and I'd be happy to answer any questions you may have.

13 VICE CHAIR BERG: Thank you very much.

14 BOARD MEMBER BALMES: I just wanted to say -- oh,
15 here he is. He was bagging about attending the event.

16 BOARD MEMBER DE LA TORRE: The crushing event?

17 VICE CHAIR BERG: Are we done?

18 Back to me. Thank you very much. I really
19 appreciate that. I think I'll turn to our two valley
20 Board members for comments. Dr. Sherriffs?

21 Just opening comments, then we do have 10 people
22 testifying, but I thought maybe --

23 BOARD MEMBER SHERRIFFS: Right. No, just --
24 just --

25 VICE CHAIR BERG: -- you'd like just to make an

1 opening comment.

2 BOARD MEMBER SHERRIFFS: Just, in general, I
3 would echo what Samir has had to say. It's been an
4 extraordinary process. I think two years ago this was
5 embarked on that was a big deep breath. And it's taken a
6 long time, but that's because there's been a lot of hard
7 work. And I think we are far beyond where we would have
8 been if we had just deferred to a later date to work on
9 this. It's been a great -- a great process to see in
10 terms of the bringing together of stakeholders, of
11 advocates in the community, the environmental justice
12 community, agriculture, other businesses to focus on this
13 and get to where we are today.

14 We're obviously not quite there yet. We have a
15 few more things to wrestle with and approve on all sides,
16 but it's been gratifying to see. And it's highlighted as
17 I -- as I've been thinking about this, boy, it's far from
18 over, assuming we -- when we cross the finish line,
19 because it's not the finish. The funding is a huge issue.
20 And it's been great that we've collaborated together,
21 because there's going to have to be a lot more
22 collaboration in the future, because it's going to mean
23 everything that all of those groups mentioned can move
24 together in terms of continuing funding through the State
25 legislature, through federal programs to achieve this.

1 It relies on incentives heavily, which is very --
2 which is good, but that means we all are going to have to
3 step up to make that solution work and not have to look
4 for another solution.

5 Thank you.

6 VICE CHAIR BERG: Thank you.

7 Mr. Eisenhut.

8 BOARD MEMBER EISENHUT: I think I'll defer until
9 after the comments.

10 VICE CHAIR BERG: That would be great. Thank you
11 very much.

12 So let's turn to our witness list. We have a
13 list of up here. And we'll start with Roger Isom. Hi,
14 Roger.

15 MR. ISOM: Good afternoon.

16 VICE CHAIR BERG: There's a button at the base.

17 MR. ISOM: All right. Good afternoon. Roger
18 Isom, President and CEO of the California Cotton Ginners
19 and Growers Association, and Western Agricultural
20 Processors Association. You've heard me testify here
21 before on how successful the Incentive funding program has
22 been for tractors. And I think today is another example
23 of that with the kick-off of the FARMER Program and
24 talking about this in this SIP element.

25 And that's where my comments are going to center

1 on. We fully support the use of incentives. Agriculture
2 is different than a lot of industry sectors in that we
3 don't have the ability to pass along the cost. We simply
4 have to absorb it in order to try to -- and try to stay in
5 competition it's very difficult.

6 The incentive programs that have been used to
7 date have helped us overcome that. They've been very
8 successful. We've been able to beat every SIP commitment
9 that's been put before us. And I think that while this is
10 challenging, I think we're going to get there.

11 We do have a couple of concerns. One is that we
12 don't want to see the money reallocated out differently.
13 The San Joaquin Valley district is the only one with this
14 kind of a mandate. We want to see the San Joaquin Valley
15 receive the majority of the funding. It's not to say that
16 the other districts don't deserve it. I have members in
17 those other districts, but they have also seen a huge
18 increase in funding with this FARMER Program. So we just
19 want to make sure we maintain that.

20 We are concerned moving forward though. We have
21 a commitment for two years of funding, but what do we do
22 beyond that? We think that this use of cap-and-trade
23 is -- money is the best one out there. We just want to
24 work together. And I think Dr. Sherriffs was absolutely
25 100 percent right. It's going to take all of the groups

1 working together, but we do need to acknowledge that, that
2 we need to work with the next administration to keep this
3 money coming, because it's a huge ask.

4 There's also some -- an interesting look at the
5 equipment. We don't know that the manufacturers are going
6 to be able to keep up with this demand. And I would
7 encourage us, and we've been in discussions with ARB staff
8 to meet with the manufacturers and the dealers to make
9 sure that we can keep up with the amount of tractors that
10 need to be replaced.

11 Tractors aren't like a car, you don't go to a car
12 lot out there, or a tractor lot, and there's -- pick from
13 100 tractors. Tractors today are made to order, so it --
14 there's at least a six to eight month lead time. We need
15 to get out in front of this, if we're going to make this
16 2,400 tractors a year for the next year five years. And I
17 just want to put our commitment forward that we'll work
18 with you guys to do that. And so it was great to see
19 Board Member De La Torre down in the valley this last
20 week, as we kicked off that program.

21 The fact of the matter is, we've already spent
22 more than \$10 million of that FARMER money replacing
23 tractors. I mean, we hit the ground running. We've also
24 ticked off a program that we've been trying for a very
25 long time, and that's to get electric ATVs out in the farm

1 community. We are now doing that. And we actually
2 crushed an ATV that day there.

3 So to see that advancement, to see where we are
4 today is a huge difference. And I just want to thank the
5 staff for working with us, and encourage us to move
6 forward on the incentive part of it.

7 Thank you.

8 VICE CHAIR BERG: Thank you.

9 Hi, Will.

10 MR. BARRETT: Hi. Once more taking Kathryn
11 Phillips place in align. Will Barrett with the American
12 Lung Association, and Kathryn had to step out, but some of
13 my comments reflect what she wanted to convey.

14 So we appreciate the work that the Board and the
15 staff have done, and all partners really have done over
16 last two years to work towards strengthening the valley
17 plan. This has been all done in support of improving
18 public health. And we appreciate the persistence of
19 everyone involved.

20 We agree with our colleagues in CVAQ that this
21 proposal represents many improvements in terms of the open
22 communications, the targeting of regulatory actions for
23 the majority of emission reductions, including on the
24 agricultural tractor side, and the off-road equipment side
25 that all are geared towards benefiting the valley -- air

1 quality in the valley.

2 There are concerns, including aspects of the plan
3 that rely on legislation or federal actions to achieve
4 emission reductions. The Lung Association we're engaged
5 in both the State legislative venue here and at the
6 federal level in pushing for those actions to happen.

7 But I want to just express that concern that, you
8 know, we want the Board to move forward with everything
9 under your authority as quickly as possible to really set
10 the tone that these programs are coming, and that those
11 emission reductions will be real. And again, we'll
12 continue working on those other venues to help make that
13 happen.

14 On the discussion of incentives, we know that the
15 incentives aren't going to achieve all of the emission
16 reductions. They're going to achieve a piece of it in
17 acceleration of those reductions. But we're concerned
18 that if those incentive funds do not materialize as
19 planned, we'll have an issue. So we're engaging with your
20 agency on the regulatory side of things. We're engaging
21 in the legislature on the funding side of things. And I
22 agree with Dr. Sherriffs, we all have to be working in
23 that direction to make sure that these emission reductions
24 are happening through both the regulatory process, but
25 also through incentives. And that's something that we're

1 going to have to really focus on, given the level of
2 incentives needed under this plan.

3 So with that, I think we would support the call
4 for an ongoing reporting on progress to meeting, you know,
5 the regulatory time frame, the incentive programs, really
6 making sure that we're on track, and we can course correct
7 if we find that we're moving off track, whether that's
8 through funding issues or through those authorities not
9 coming through, or anything else that is in the plan
10 that's not maybe nailed down.

11 So, ultimately appreciate the work you've done.
12 We'll continue working with you and supporting all efforts
13 to improve the air in the San Joaquin Valley, which is
14 home to some the most difficult challenges in the country
15 of course. And everything we're doing is in line with
16 trying to improve public health. And we just want to make
17 sure we get there where we need to go.

18 So thank you very much.

19 VICE CHAIR BERG: Thank you. High, Ryan.

20 MR. KENNY: Hi. Good afternoon, Vice Chair Berg,
21 members of the Board. I just have a really quick comment.
22 We spoke, and you heard testimony last item, about the low
23 NOx engines. I won't go into that.

24 But I just want to mention that we are woefully
25 short on the SIP goal of 900,000 low NOx engines by the

1 year 2031. And we do ask, when the opportunity does
2 present itself, that funding be committed for this item
3 sooner than the proposed year of 2021, and for all mobile
4 source measures, especially the accelerated truck turnover
5 measure. We just need to get more of these vehicles on
6 the road, low NOx especially. So thank you.

7 VICE CHAIR BERG: Thank you very much.

8 Hi, Noelle.

9 MS. CREMERS: Good afternoon, Vice Chair Berg and
10 members of the Board. Noelle Cremers with the California
11 Farm Bureau Federation. I want to echo Mr. Isom's
12 comments. California agriculture is committed to doing
13 its part to clean the air in the Central Valley. And we
14 really appreciate the focus on incentives. I want to
15 thank Air Resource Board staff for communicating with us
16 early and talking through the challenges that this will
17 present.

18 I don't want to gloss over how hard it will be to
19 replace these 12,000 tractors, but I really am heartened
20 by the focus on incentives and ask that everyone work
21 together as has been already stated on identifying and
22 securing the funds necessary, because they will be
23 significant. I mean, in looking at earlier projections by
24 staff on how much it would cost to replace my back of the
25 envelope was 700 million. And I saw this morning the

1 estimate now has doubled that for how much we expect it to
2 cost to replace the tractors.

3 I did want to highlight some concerns that I have
4 with the heavy-duty vehicle inspection and maintenance
5 program. California farmers, and especially livestock
6 producers, depend on out-of-state trucks to transport
7 their livestock in the spring and fall when they're moving
8 to different feed sources. And so we're concerned about
9 how those trucks -- the logistics of making sure that
10 those trucks can come into the state.

11 I really don't want to see a situation where you
12 have a truck full of cattle at the Oregon border trying to
13 come into California, that then fails and what do we do
14 now, how do we get those cows home.

15 So we just need to work through the logistics of
16 making sure that those trucks can get certified out of
17 state before they come to the border, so that we don't
18 lose access to the trucks that we need to make ag work in
19 California.

20 Thank you.

21 VICE CHAIR BERG: Thank you.

22 Ryan.

23 MR. SCHUCHARD: Hello, again, Vice Chair Berg,
24 members of the Bard. Ryan Schuchard with CALSTART.

25 We'd like to express our support for the plan,

1 commend CARB, and Samir and his staff, for putting it
2 together.

3 You may know, but I'd just like to remind you, if
4 you aren't thinking about it, that CALSTART has -- we run
5 the San Joaquin Valley Clean Transportation Center out of
6 Fresno, which has the mission to developing clean
7 transportation projects in the valley. And we're doing
8 all kind of things there that should interest the plan and
9 its implementation, deploying zero-emission buses with the
10 major transit agencies, electric delivery trucks near
11 zero, low NOx big trucks, school buses, even the nation's
12 first network of electric aviation, and the list goes
13 on. So we're very excited about this plan in helping to
14 implement it.

15 It is appropriate that on-road measures are the
16 first sector in the plan that are targeted. And among
17 those accelerating the turnover of trucks and buses is
18 really, really important. And we think, in general,
19 there's a good balance of sticks and carrots, or at least
20 recognizing you can't achieve all with sticks or carrots.

21 And then I would just, I guess, express a concern
22 that we heard from Mr. Barrett and a couple of other
23 commenters that the district can't do this on its own. It
24 requires State legislation as well as potentially other
25 resources to ensure that we get the funding required for

1 the vehicles.

2 So the plan calls for a dramatic scale of turning
3 over 33,000 heavy-duty trucks, which the plan states
4 itself that only two-thirds of funding -- sorry, one-third
5 of funding is identified, two-thirds is not identified.
6 So we really have a lot work to do together to get the
7 legislative support for this plan, and the resources
8 needed to make it go forward in recognition that this is
9 not a short-term game, but it's where we need to be
10 thinking for the long term.

11 And if I could close with just a comment about
12 the interdependency of climate change here. This is
13 really an air pollution plan, but the needs for the SIP
14 are complementary to greenhouse gas reduction. Climate
15 change is exacerbating wildfire, forest -- and forest fire
16 risk and extent. And that is exacerbating air pollution.
17 And we've really got to work together to take that message
18 to the legislature. And CALSTART stands ready to help do
19 that.

20 Thank you for your leadership.

21 VICE CHAIR BERG: Thank you very much.

22 MR. MAGGAY: Hello again, Vice Chair Berg, Board
23 members. My name is Kevin Maggay. I'm with SoCalGas.
24 And we support the plan. Specifically, we support the
25 proposed measure to accelerate the turnover of 33,000

1 trucks to near zero or better in the valley. The plan
2 shows that heavy-duty trucks contribute 58 percent of all
3 on-road vehicle emissions for NOx. Thus, we appreciate
4 CARB's recognition that the State Action is needed to
5 accelerate reductions from this sector.

6 As you guys know, natural gas trucks are 90
7 percent cleaner than the existing standards. They've been
8 available since 2016, and when paired with renewable
9 natural gas, you also achieve significant greenhouse gas
10 emission reductions. With all that said, we do have
11 some -- some comments on the measure itself. We have six
12 comments specifically.

13 The first is that we think that the plan needs --
14 or the measure needs to be accelerated. The plan says
15 there would be Board action in 2021. We think that it
16 needs to happen well before that. Turn ing over the
17 33,000 trucks between 2021 and 2024 is a very, very
18 daunting task. The sooner you can get started on this,
19 the better.

20 Second, we need to develop infrastructure
21 concurrently, until diesel has an engine that meets the
22 low NOx standard, the complying technologies will -- would
23 be natural gas, or electric, or hydrogen. And the
24 infrastructure just isn't there yet. We recommend that an
25 infrastructure study be done as soon as possible as well.

1 Third, ten tons per day is allocated to this
2 measure. Yet, there are no new incentive projects listed
3 in the emission reduction table. We would like to see
4 more details on how ARB intends to get those emission
5 reductions through this measure.

6 Fourth, when relying on incentives to get
7 emission reductions, monitoring is going to be very
8 critical as the gentleman before me stated. We recommend
9 a robust monitoring program to ensure that the emission
10 reductions are achieved and the money is not just being
11 spent.

12 Next, the supplemental states that there -- if
13 there's a shortfall in -- for funding or if there's a
14 shortfall because of the no federal action taking place,
15 that staff would look at other categories, such as
16 stationary sources. Eighty-five percent of the NOx
17 emissions come from mobile sources, 58 percent of that
18 comes from heavy-duty trucks.

19 We caution against moving the focus to -- from
20 the heavy hitters, trucks, to categories that don't emit
21 as much as stationary sources. We do think that the focus
22 should remain on the categories that emit the most.

23 And lastly, I wanted to echo the funding
24 comments. A lot of funding will be needed to achieve
25 this. And we think that all stakeholders have to work

1 together. And SoCalGas can -- we'll do all we can to
2 participate and help us get to this goal.

3 Thank you.

4 VICE CHAIR BERG: Thank you.

5 MR. ROSE: Good afternoon. Mark Rose with
6 National Parks Conservation Association. I also live and
7 work in Fresno.

8 First, I'd just like to thank the CARB Board for
9 this opportunity to comment. And also I'd like to take an
10 opportunity to really thank CARB staff. They've been
11 crucial in getting this plan to this point. They've been
12 working with allies really well for the last two years,
13 allies and stakeholders, so thank you.

14 We at NPCA are really overjoyed to see that we
15 are this close to the finish line after about two years.
16 And it's really wonderful to see that the San Joaquin
17 Valley is projected meet attainment, with all three
18 existing PM2.5 standards.

19 That being said, CARB's current mobile source
20 plan relies on a lot of things really going right. And as
21 we all know, things rarely go right. This plan relies on
22 emission reductions from federal low NOx standards,
23 despite those reductions coming from an EPA that is
24 actively trying to rollback as many clean air regulations
25 as they can get their hands on.

1 This plan also relies on State legislative action
2 for the heavy-duty truck I&M program, despite that
3 legislation failing in the past, and without clarifying
4 what regulatory authority CARB staff has for this action.

5 Finally, and probably most importantly, as others
6 have mentioned, this plan relies on about \$5 billion worth
7 of incentive, much of which is not secured.

8 EPA's own guidance for SIP requirements states
9 that voluntary incentive-based strategies must be
10 surplus, quantifiable, permanent, and enforceable in
11 order for it to count towards State emission reductions.
12 It's sort of hard for us to see how relying on potentially
13 billions in unfunded incentives might meet this standard.

14 Meanwhile, the plan B for this attainment plan
15 should be -- or should any of these above-mentioned
16 strategies fail is merely a commitment to reach aggregate
17 emission reductions without any specifics. This is why
18 our main ask for CARB staff before the final version of
19 this rule is voted on, hopefully, this January, is that
20 moving forward CARB's mobile source plan includes
21 specific, concrete, and enforceable contingency measures,
22 such as accelerated vehicle turnover dates.

23 We'd also like to see CARB's Board require annual
24 or biannual reports on this plan. To oversee the status
25 of incentive funding, as well as where we're at in terms

1 of reach attainment.

2 Finally, given that portions of this plan are now
3 about two years overdue, we would like to see this move
4 forward in January as scheduled, because San Joaquin
5 Valley residents, and the well-being of our national parks
6 really can't wait.

7 And as Alex said, this is going to take everyone
8 working together on that. And I hope NPCA can be a
9 partner in that. Thank you so much.

10 MS. GALE: Good afternoon. Genevieve Gale,
11 Central Valley Air Quality Coalition. Two years ago this
12 month, we collectively agreed that we could do better, and
13 we could make a real plan for attainment. And here we are
14 today, 24 months later nearing the finish line.

15 Now, I didn't think it would take this long. I'm
16 not sure if you thought it would take this long either.
17 But I would like to say that your staff have been
18 instrumental in pushing progress along, truly
19 instrumental.

20 And so today, we have a mobile source plan here
21 before us that is -- represents a significant improvement.
22 As was already stated, a majority of the emission
23 reductions that we need will come from regulatory actions
24 associated with the current programs or future actions,
25 and this includes a new agricultural tractor rule, the

1 first of its kind in California.

2 But as Mark laid out, there are a lot of
3 uncertainties associated with this plan. For instance, we
4 need \$5 billion to expedite the turnover of mobile source
5 equipment. And this represents a significant increase in
6 the funding that we've gotten to date.

7 We also need the federal government to do a 180
8 and start creating stronger environmental regulations
9 rather than weakening the ones we have today. That's a
10 big what-if.

11 We also need Senate transportation bill that died
12 in its first policy committee to now get through both
13 houses of ours -- of our legislature and get off the
14 Governor's desk. So, in essence, we need the stars to
15 align for this plan to work.

16 And I know a lot of CVAQ members are not
17 incredibly comfortable with just crossing our fingers. We
18 want a back-up plan, and so I have a handout that
19 hopefully has been passed out already and it lays out a
20 few ways to create that back-up plan.

21 One is strengthening the plan that we have, such
22 as expediting and strengthening the Advanced Clean Truck
23 measures, as well as expediting the Tractor Rule,
24 increasing enforcement resources directed to the San
25 Joaquin Valley and targeting investment in our most

1 overburdened communities.

2 It also calls for stronger contingency measures,
3 this back-up plan, in case something goes wrong. And
4 unfortunately for your staff, I know what they're capable
5 of, and I know that they can probably create a stronger
6 contingency measure.

7 Sorry, guys.

8 And also as Mark noted, annual or biannual
9 updates to ensure that we're on -- we're on track. So in
10 closing, I did choose the neutral speaking card, because I
11 wish there was a "yes and" card. Yes, we need to move
12 forward, but yes we can also do better.

13 Thank you.

14 MR. MAGAVERN: Bill Magavern with the Coalition
15 for Clean Air. And I first want to second all the
16 comments Genevieve made for CVAQ.

17 Two years ago when we were in Fresno and you
18 called for a better plan, I think that we believed that
19 that plan would be finished in the first half of 2017. So
20 it's been a long time working on it, and I appreciate the
21 work of the staff and also of the advocates in the San
22 Joaquin Valley who have been calling for improved air
23 quality.

24 We know that the San Joaquin Valley has the worst
25 particle pollution in the entire country. So we have a

1 health crisis. We need to throw everything that we have
2 at it. And it's not just a matter of the district needing
3 to step up or CARB needing to step up. It's actually both
4 are required to step up, because we don't need to just
5 address mobile sources, or just address stationary
6 sources. We need to address both. Today, of course,
7 you're considering the mobile sources. And it would be
8 wonderful to think that the federal government is suddenly
9 going to completely turn around and start helping us. It
10 would be wonderful to think that here in California we
11 would suddenly be able to come up with an additional \$4
12 billion over five years.

13 But right now, we actually don't have any
14 realistic hopes that either of those will happen.
15 Although, we'll certainly do what we can to make them
16 happen.

17 So a few suggestions that I would make. First of
18 all, the in-use agriculture equipment rule, thank you for
19 putting that in the plan, but we think it could certainly
20 be adopted before 2025 and implemented before 2030, which
21 is a really long ways away.

22 Secondly, when it comes to trucks in use, you've
23 been working a lot on reducing the emissions through
24 improved maintenance and warranties, and other performance
25 measures. We recommend that while we pursue the

1 legislative track for a comprehensive inspection and
2 maintenance program, that you also begin to exercise more
3 robustly the authority that you already have.

4 And I think really just about everybody I've
5 talked to, and I think over 99 percent of Californians
6 would be shocked to find out that while their cars need to
7 go in to be smog checked, there is no such requirement for
8 big rig diesel trucks. So there's a lot more that could
9 be done in that area.

10 And then when we look towards eventually getting
11 our trucks to be zero emission, we now -- we know that we
12 already have last-mile delivery trucks that are zero
13 emission. And staff are working on a rule to have a
14 requirement. We think that that should be accelerated.
15 There should be requirements both on manufacturers and on
16 fleet purchasers, and that we should ramp that up to by
17 2030 have all fleets required to make 100 percent of their
18 new purchases to be zero emission trucks.

19 Thank you.

20 VICE CHAIR BERG: Thank you, Bill. And that does
21 conclude our testimony. And I will go ahead and close the
22 record and turn it back to staff.

23 Does staff have any questions for staff?

24 Thank you.

25 BOARD MEMBER GIOIA: So I just would be

1 interested to hear how staff would respond to some of the
2 issues raised by the coalition, where they identified, you
3 know, this -- there -- they had -- there was a letter on
4 the record and then a handout? Can you respond to some of
5 those? I think they raise legitimate concerns knowing
6 that we've pushed this plan. And I'd be interested to
7 hear from those from the valley as well how -- on the
8 board here how they feel.

9 DEPUTY EXECUTIVE OFFICER KAPEROS: Let me start,
10 and some of the issues I think others at the staff table
11 may want to -- may want to weigh in. One of the primary
12 issues that we've been having our conversation with the
13 advocates is the timing of the plan, and the timing of
14 the -- excuse me -- the aggressiveness of the turnover
15 related to the -- to the need -- the need for incentives.

16 And we certainly appreciate that the -- the
17 turnover is aggressive, both in terms of trucks and -- and
18 agricultural equipment especially. And that's why we
19 wanted to daylight for you, so that we're all very clear
20 about how aggressive it is, and how the scale of
21 incentives that would be needed.

22 In order to meet that sort of timeline, I think
23 there's two parts to that. One, you've already heard from
24 all of the witnesses -- many of the witnesses speak to it,
25 that we need to work collectively to secure those

1 reductions. But it also means that both ourselves and the
2 district need to move forward very, very quickly on the
3 rulemaking that we have committed to.

4 We have to have the rules in place, so that when
5 we bring the incentives to bear that -- that those two --
6 those two work together. For example, the district has
7 been talking to us about how we can potentially accelerate
8 the rulemaking for the low NOx truck standard.

9 We -- staff is still reviewing some of the data,
10 the test data, and we will be talking to the district
11 about how we want to ramp up that program and see if we
12 can't beat the timeline that we actually have in front of
13 you.

14 And similarly, we'll be looking, and we'll talk
15 to you about this when we bring the district plan in front
16 of you, the speed at which the district needs to move
17 forward on some of the items like residential wood
18 combustion. So that wasn't a -- I wanted to speak to that
19 at the outset, because that wasn't necessarily an item
20 that was called out in the advocates' letter, but it sort
21 of pervaded all of the testimony, so I wanted to touch on
22 that first.

23 One of the items was increased enforcement. And
24 I think we have not done as good a job as we could to
25 describe to those in the valley that work that we are

1 doing right now to enforce the Trucks and Bus Rule.
2 There's actually been a lot of staff effort underway to
3 bring trucks into compliance for that rule. So I'll pause
4 for a moment and ask Michael Benjamin to talk about that.

5 AIR QUALITY PLANNING AND SCIENCE DIVISION CHIEF
6 BENJAMIN: This is Michael Benjamin.

7 So, as Mr. Karperos said, we do have an existing
8 and ongoing enforcement program for heavy-duty trucks
9 statewide and in the valley, which consists of this
10 Periodic Smoke Inspection Program for fleets to determine
11 that they're meeting the opacity limits, and then also the
12 Heavy-Duty Vehicle Inspection Program where staff --
13 Enforcement staff pull over trucks and ensure that they
14 have the appropriate control equipment on them.

15 We have also been working at deploying some new
16 technologies and approaches for assessing compliance with
17 our rules, and also for identifying high emitters. And
18 specifically that includes our truck and bus surveillance
19 program, where we pull in selected trucks and test them in
20 our laboratory on dynamometers, very similar to our
21 existing light-duty vehicle surveillance program.

22 We also have a new effort underway to collect
23 on-board diagnostics data from trucks that are pulled over
24 by enforcement staff, which enables us to identify issues
25 warranty issues, and defective components.

1 And then we also are working, and will soon be
2 deploying -- our Enforcement Division staff will be
3 deploying our Portable Emissions Analysis or Acquisition
4 System, or PEAQS System, which will enable us to collect
5 and identify high-emitting trucks, hundreds of them, over
6 the course of a day. And that will significantly improve
7 our capabilities to identify trucks that are a problem in
8 the valley.

9 We're actually working with CVAQ on scheduling a
10 meeting with Todd Sax of our Enforcement Division, where
11 we intend to brief CVAQ on how our current enforcement
12 resources are being allocated, specifically in the valley,
13 what sort of activities are underway, and to explore in a
14 collaborative way opportunities for how those resources
15 might be used perhaps more efficiently or in different
16 ways, and also to make sure that everybody has a common
17 understanding of some potential paths forward.

18 VICE CHAIR BERG: Thank you. Does that --

19 DEPUTY EXECUTIVE OFFICER KARPEROS: Sorry?

20 VICE CHAIR BERG: Oh, go. Please, go ahead.

21 DEPUTY EXECUTIVE OFFICER KARPEROS: A couple of
22 item -- other items I wanted to touch on. We are starting
23 and will be starting a public processes on implementing
24 elements of an inspection and maintenance program for
25 heavy-duty diesels later this year. So the -- one of the

1 asks in the letter was to clarify the authority we do
2 have, and that will be a processes that we'll undertake as
3 we go forward there.

4 I also want to talk a little bit about
5 acceleration of agricultural equipment turnover. The
6 program that has been underway that Mr. Isom spoke about
7 has been, to my eye, one of the most successful turnover
8 and incentive programs in the State of California, in --
9 much in part to the involvement of the agricultural
10 industry in ensuring that that program would be effective
11 finding the equipment that is most cost effective to
12 turnover, paring that farmer up with a dealer and getting
13 that equipment out onto the field.

14 As we looked at the timing for the incentive
15 turnover program, and then paring that up with what would
16 be potentially necessary in terms of a back-stop rule, we
17 determined that we needed to maximize the amount of time
18 that we had to continue the successful effort that we've
19 had over the last 10 years. And that's why we put the
20 rulemaking into the middle of next decade. So really to
21 maximize our ability to continue on the positive path
22 we've been on.

23 Lastly, one of the requests was a stronger
24 contingency measure. We knew that was coming, so that
25 will be in your next Board item, as soon as we wrap this

1 one up.

2 (Laughter.)

3 VICE CHAIR BERG: Other Board comments?

4 Thank you, Ms. Takvorian.

5 BOARD MEMBER TAKVORIAN: New technology. Sorry.

6 Well, you know, I wanted to echo Dr. Sherriffs'
7 comments that -- and others that two years ago we, I
8 think, set a strong expectation, and staff has gone out
9 and the district has met together and worked together with
10 community members in the environmental justice community,
11 the coalition and others to -- to try to make this work.
12 I guess I feel a little overwhelmed by the plan, in the
13 sense that it's real evidence of the seriousness of the
14 problem and the cost of it.

15 And while I think it lays a good groundwork, the
16 overwhelming part is I just don't see where the four
17 billion is coming from. And there's -- I mean, just to be
18 really up front about it, there's not a chart in the plan
19 that says, you know, here are the funding sources that we
20 see over the next five years, and here's the amount that
21 we could project.

22 I mean, I know that it's all projection, but that
23 might give a greater level of comfort to folks in the
24 valley that are looking forward to this -- to these
25 reductions that are obviously clearly needed, so that we,

1 as advocates on the Board and in the community would have
2 the opportunity to say, okay, so that's where we're going
3 to point to, and that's who -- what we need to talk to the
4 legislature about, and to ourselves about in terms of the
5 allocations.

6 But that's -- unless I'm missing it, I don't see
7 it there, as to what -- what -- this is -- I know it's not
8 just a wish list, but it feels a little too vague to me to
9 rest the accomplishment of the plan on. And the plan is
10 too important to the health and quality of life for the
11 people in the valley. So I -- I really feel like I need
12 more substance and maybe you all could provide a little
13 bit more detail on that.

14 So, for instance, on the 1.4 billion for the ag
15 equipment, what percentage of that is incentive funding
16 and what percentage of that is paid for by the ag
17 industry, or is that the total that's needed in
18 incentives, and what on top of that is being paid for by
19 industry? I'm not clear on that. And forgive me if I
20 missed it in the report. So that's one question.

21 And the other is can you provide more details or
22 could we get a more detailed report at -- when we come
23 back in December, I believe, right with the stationary
24 source plan? Could we see that in terms of the funding?

25 And then I would like to hear your responses on

1 your willingness to do the biannual updates for how we're
2 doing on the plan.

3 Yeah. Thank you.

4 EXECUTIVE OFFICER COREY: Yeah. A few things,
5 Ms. Takvorian. And I think a few overall observations.

6 One is no doubt incentives are an important part
7 of the plan. They're an important part of the South Coast
8 plan. They're an important part of the overall what we
9 do.

10 Ninety percent of this plan is measures. Ninety
11 percent of getting us there. So I don't want to downplay
12 both the mobile and stationary measure. In fact, the very
13 direction that we got from this Board is sharpen your
14 pencils, work the public process much more than had taken
15 place, coordinate with the districts. And I think it got
16 us to a place that represents really a significant
17 advancement.

18 And if I had been asked back when the Board
19 adopted the mobile source plan on the overall State plan
20 two years ago or so, did we really think that we had the
21 prospect of -- I think we're managing 1.5 billion this
22 year. You know, were we going to see that kind of
23 funding? I wouldn't have ever anticipated that between
24 both the legislative appropriations or some of the
25 settlement dollars.

1 So I think a key point was identify the need,
2 identify, as clear as we can, where are the opportunities,
3 but have we identified all the opportunities? No, we have
4 identified the need and we've identified a number of
5 measures. And those measures, several of which we've
6 already started working on. In fact, later this year,
7 rather in 2019, we'll be in front of the Board with the
8 heavy-duty low NOx measure. Really significant State
9 measure. Do we ultimately need the Feds to adopt that
10 measure? We do. But the way -- we're not sitting on our
11 hands. We're not going to wait. We're moving forward.

12 As Mr. Karperos said, heavy-duty I&M, we're
13 kicking off that workshop process later this year. We
14 think that's really important. There may well be
15 follow-on legislation. I think that would be excellent.
16 But another area where we think we need to work going
17 forward.

18 But to your point from a overall implementation
19 standpoint, I think this is critical. The commitment
20 we're making, the commitment I'm making to this Board is
21 an annual report where are we with respect to the
22 measures? How are we coming along with the mobile
23 measures we've committed to in this plan? What are the
24 stationary measures that will be brought to the Board? It
25 will be in January. As well as, has the money come about?

1 What's happening with respect to incentives. We've seen
2 some of the largest numbers dollars come to the valley I
3 think we've seen in history.

4 But, you know, as people rightly have said, that
5 support needs to continue. And I think as Kurt mentioned,
6 and I think there will be some follow on to my comments
7 here and contingencies, to the extent that there are
8 progress reports to this Board, as I indicated annually,
9 and if there are areas where we are falling short, we'll
10 be straight up on that too. Where are falling short?
11 What is -- what are the -- how do we need to back-fill
12 that?

13 So I think the best approach for us, at least my
14 assessment -- and we certainly will see if we can provide
15 a little more detail in the January report, but I won't
16 have all the answers. We'll do as many as we possibly
17 can, and I think really a solid plan. But I think the
18 need for an annual status report to the Board will be a
19 really useful element to the overall approach as well.

20 So I didn't know if you wanted to add anything,
21 Kurt, to what I just put out?

22 DEPUTY EXECUTIVE OFFICER KARPEROS: No, I think
23 that was very good.

24 VICE CHAIR BERG: Was that helpful?

25 BOARD MEMBER TAKVORIAN: So thank you. I

1 appreciate that. And I don't -- I didn't mean to say that
2 I think anyone could have all the answers. And I just
3 think that we deserve to have a -- everybody, the
4 industry, the community needs to have a sense of, so if
5 this doesn't work, what are the options?

6 And I know we can't option ourselves to the moon,
7 but I think it really is important for us to say what are
8 the plans that you see as being reasonable? Because
9 otherwise, I think folks see it as well we -- then we
10 fail, you know, and nobody wants to fail.

11 I think that staff has worked way too hard, the
12 district is working way too hard. This is obviously a
13 plan for success. We want to succeed and that's what this
14 Board wants to have happen. So we just need to know when
15 we -- when we have to make that turn, if the funding isn't
16 coming through. Because on the regulatory side -- you're
17 right, and I should have noted that -- it's huge. It's 90
18 percent. But we still need \$5 billion.

19 You know, that's -- I think that's the
20 overwhelming part is we're doing all this, and we still
21 need that in order to make it happen. So I just think we
22 can work now maybe on more -- more of those plan B's,
23 those contingency plans, so that everyone can see those.

24 Thank you.

25 VICE CHAIR BERG: You're welcome.

1 Any comments?

2 Dr. Balmes.

3 BOARD MEMBER BALMES: Well, first of all, I want
4 to thank both the staff of CARB and Samir's staff at the
5 South -- at the San Joaquin Valley Air Pollution Control
6 District, and especially the community advocates for
7 pushing us to get -- well, the community advocates for
8 pushing the two agencies to get something done. And I
9 agree, it took far too long.

10 And I agree with Ms. Takvorian's concern about
11 where is the money going to come from. But I just want to
12 say, as Mr. Corey knows, I continue to do research in the
13 Fresno area on the health effects of air pollution
14 exposure on children. And I'm just putting in a grant,
15 and CARB is going to help us with the air quality
16 monitoring, that we're doing there. But there still is a
17 major air pollution problem in the San Joaquin Valley, and
18 in Fresno, in particular.

19 And so I don't want to us lose sight of that. I
20 mean, we're getting -- we're working on regulatory
21 policies to improve the air quality. But the bottom line
22 is it needs to get improved for health purposes. So I
23 just want to underscore that I believe the Dr. Sherriffs
24 would not disagree with me on that point.

25 VICE CHAIR BERG: Thank you.

1 BOARD MEMBER EISENHUT: Thank you.

2 Two years ago, I had trouble. I didn't support
3 the proposed plan. My expectation was we'd see a plan
4 back again within a six-month period. I support this
5 plan, not because it's a two-year interval, but because it
6 is a plan. It's a comprehensive much improved plan for
7 the remediation of the San Joaquin Valley. It has gaps.
8 It will require coordination and potential consequences.

9 And so to that end, I would request that it's our
10 understanding that we hear at least annually from staff as
11 to the progress of this plan, and what possible
12 remediation is required to make appropriate progress
13 should we not be headed in that direction.

14 And I'm going to suggest that the first -- and
15 I'm looking to Richard for a nod or a shake of the head --
16 but the first report be March, so that that would
17 coordinate with other such reports that might be made to
18 this Board. But I'm open, as long as it's within a year.

19 EXECUTIVE OFFICER COREY: Yes, Mr. Eisenhut, we
20 can -- we can make that work. It would be -- really, what
21 it would be is a report on the regs that have already --
22 we've already gotten out of the gate and a status report,
23 might point on NOx, I&M and some of the stationary work
24 that the district is doing, so yes.

25 BOARD MEMBER EISENHUT: I'm sorry. Thank you.

1 And one very minor point to the Farm Bureau's
2 point about livestock transportation. I have a
3 recollection of this conversation when we implemented the
4 Truck and Bus Rule. And it's my recollection that at that
5 time, Chair Nichols sent the interested parties into the
6 other room and said you figure it out. It's a small
7 business. You folks come up with the solution that works
8 for all of you. Come back and tell us you've got it
9 figured out, and I believe they did so, and I hadn't heard
10 otherwise until this moment. So I'm -- I look to staff
11 for input in that -- in that very specific issue.

12 EXECUTIVE OFFICER COREY: Just a quick -- and
13 I'll be really brief on this, Mr. Eisenhut. I understood
14 the Farm Bureau - Ms. Cremer was talking about - I think
15 concerns about a potential I&M program, so a potential
16 regulation in the future, and potential implications. So
17 following on the point that you just made and direction
18 from Chair Nichols, which was a separate issue on the
19 Truck and Bus Regulation when she provided that direction,
20 our first step on I&M, big tent, pull people in. We need
21 the Farm Bureau to have that conversation, as well as
22 other stakeholders. How do we structure and develop a
23 rule? This is a rule that's yet to be developed in a way
24 that is -- that makes sense and is workable. So we'll be
25 following up with her accordingly

1 BOARD MEMBER EISENHUT: Thank you.

2 VICE CHAIR BERG: Yes, please. Mr. Sherriffs.

3 BOARD MEMBER SHERRIFFS: Yeah. Thank -- thanks.
4 Thanks everyone for comment.

5 Yeah, I just as -- I just wanted to add, I think
6 the updates are critical. You know, many important
7 suggestions about how to strengthen this plan. And really
8 the question will become do we need to invoke those
9 things? Do we need to be moving in that direction?

10 You know, I'd suggest when the whole plan comes
11 back to us in December or January, in fact, the staff can
12 have some benchmarks along the way of where we're hoping
13 to be at one year, two years, three years in terms of how
14 many tractors have we replaced by that time, what's
15 happening with the truck enforcement and so on, so that we
16 can have a much clearer sense of our roadmap.

17 And obviously that will be adjusted over time,
18 but it's not just a general, well, we think we're on track
19 or, gee, we're running off the rails, but some real
20 benchmarks that we're all comfortable with using and
21 reflecting on. I think that will be useful for us.

22 VICE CHAIR BERG: Thank you very much, my fellow
23 Board members. There's no question that this issue, as
24 Diane you pointed out, is overwhelming. And it's been
25 overwhelming since I've been on the Board and been part of

1 these discussions, whether at the San Joaquin Valley, and
2 feeling almost inadequate that are we making progress fast
3 enough.

4 But I also think in the reporting, it is helpful
5 to know where our limitations are. There's limitations
6 under SB 1 as to accelerated truck turnover. There's
7 limitations. And so I understand the need to want to be
8 able to have those contingency plans available. But
9 probably some of them are going to look pretty draconian,
10 if, in fact, we can't get this funding.

11 And so I really do understand the desire and the
12 passion behind let's get the funding, because I'm fearful
13 that the alternatives are pretty painful. And so I will
14 hold a good note that we will. And I know you have the
15 Board's commitment to do whatever we can.

16 I don't want to close or call for the vote until
17 I really thank the valley citizens. It has been a real
18 partnership. It has been painful at times. But really
19 due to your leadership, I think Samir would agree, that we
20 have made great progress. And that truly has been about
21 the way that your leadership has come to the table. And
22 I'm glad we also have reciprocated, and also coming to the
23 table differently, and -- but I really truly want to thank
24 you. It really is a very impressive job, and we don't
25 want to let you down for all the hard work you have done.

1 And so I want to assure you of that.

2 So with that, we have Resolution 18-49 in front
3 of us. And could I have a motion to a move this forward?

4 BOARD MEMBER SHERRIFFS: Please.

5 VICE CHAIR BERG: Thank you. And a second?

6 BOARD MEMBER MITCHELL: I'll second.

7 VICE CHAIR BERG: Thank you very much.

8 We have a first and a second.

9 All those in favor?

10 (Unanimous ayes vote.)

11 VICE CHAIR BERG: Opposed?

12 Any abstentions?

13 Motion passes. Thank you, staff.

14 So you're next up --

15 (Laughter.)

16 VICE CHAIR BERG: -- is our 2018 updates to our
17 own California State Implementation Plan. Over the last
18 few years, the Board has considered adopted and submitted
19 a number of SIPs for nonattainment areas in the state.

20 However, as a result of a recent court decision,
21 the U.S. Environmental Protection Agency is revising its
22 SIP guidance requiring us now to go back and update some
23 of the elements of these plans.

24 The item before us today includes these updates
25 for the relevant nonattainment areas SIPs.

1 Mr. Corey.

2 EXECUTIVE OFFICER COREY: Yes. Thanks, Chair
3 Berg. Over the last few years, CARB staff worked with
4 local air districts to prepare numerous SIPs to address
5 the SIP planning requirements for the 75 parts per billion
6 ozone and the 12 microgram per cubic meter PM2.5 federal
7 standards, based on U.S. EPA guidance

8 Districts submitted the plans to CARB and CARB
9 adopt and submitted them to U.S. EPA as revisions to the
10 California SIP. Since CARB submitted the plans court
11 decisions determined that portions of the U.S. EPA
12 published guidance documents were inconsistent with the
13 Clean Air Act.

14 As such, CARB must update the relevant SIP
15 elements for the affected non-attainment areas in order to
16 facilitate U.S. EPA approval of these plans. The SIP
17 elements include reasonable further progress or RFP,
18 associated with RFP baseline year emission inventories,
19 transportation conformity budgets, and contingency
20 measures.

21 I'll now ask again Ariel Fideldy -- Fideldy,
22 rather of the Air Quality Planning and Science Division to
23 begin the staff presentation.

24 Ariel.

25 (Thereupon an overhead presentation was

1 presented as follows.)

2 AIR POLLUTION SPECIALIST FIDELDY: Thank you, Mr.
3 Corey. Hello again, Vice Chair Berg and members of the
4 Board.

5 As Mr. Corey said, we've submitted ozone SIPs for
6 several non-attainment areas over the last few years for
7 the 75 ppb standard. We worked very closely with the
8 districts and EPA in developing these plans to ensure that
9 we followed all applicable EPA guidance that was in place
10 at the time.

11 --o0o--

12 AIR POLLUTION SPECIALIST FIDELDY: Since then,
13 there's been a couple of court decisions that impact the
14 approvability of certain elements of these submitted
15 plans. The decisions essentially change some requirements
16 that EPA had originally defined for reasonable further
17 progress and contingency.

18 We're proposing the SIP updates today in
19 accordance with these decisions, and because EPA has
20 deadlines to act on most of the SIPs by the end of this
21 year.

22 --o0o--

23 AIR POLLUTION SPECIALIST FIDELDY: The map on
24 this slide shows the areas with plans that we're updating.
25 A total of 10 areas with plans have updates in the 2018

1 SIP update. Later on, I will highlight the elements
2 updated for each area.

3 --o0o--

4 AIR POLLUTION SPECIALIST FIDELDY: Now, I'm going
5 to quickly go over the two court decisions and their
6 impacts. Just as a reminder, Reasonable Further Progress,
7 or RFP, is a Clean Air Act requirement that areas show
8 steady progress in emission reductions prior to their
9 attainment date. RFP ensures that areas don't wait until
10 the last minute to adopt rules and get regulate -- sorry,
11 excuse me -- get reductions. Essentially, for ozone, RFP
12 is an emission inventory exercise to show a reduction in
13 emissions of three percent per year from the baseline year
14 through the attainment date.

15 When the Board adopted SIPs, EPA's guidance for
16 75 ppb standard set an RFP baseline year of 2011, but it
17 had allowed states to choose in alternate years between
18 2008 and 2012.

19 For all of the plans that CARB submitted, we used
20 an alternate baseline year for RFP. Just this year, in a
21 case titled South Coast v. EPA the court determined that
22 EPA did not properly justify the use of alternate baseline
23 years. And as such, 2011 is now the only allowable year.

24 Because all California areas used an alternate
25 baseline year in their submitted plans, we now need to

1 update all of the RFP demonstrations to use a 2011
2 baseline year. The RFP demonstration prepared for each
3 SIP has a sort of trickle-down effect into some other
4 elements of the plans. The milestone years determined by
5 RFP become the years for which we submit an emission
6 inventory. Transportation conformity budgets are also
7 required for the RFP years. Because of this, when
8 updating RFP years, we must also update the years included
9 in the emission inventory, and the conform budgets.

10 --o0o--

11 AIR POLLUTION SPECIALIST FIDELDY: The second
12 court decision, Bahr v. U.S. EPA centered around the SIP
13 element known as contingency. The purpose of contingency
14 measures is to ensure that if an area fails to meet RFP or
15 fails to attain a standard, there will be emission
16 reductions occurring while they put a SIP together.

17 Contingency measures are a Clean Air Act SIP
18 requirement to have such a measure that is already adopted
19 and will get reductions in the future if there is a
20 failure.

21 The recent BAR decision determined that along
22 with getting real reductions in the future, contingency
23 measures must include a triggered element that is
24 activated upon an EPA finding of failure to meet RFP or a
25 finding of failure to attain.

1 Essentially, the measure sits on the shelf to be
2 implemented without further regulatory action and to
3 achieve reductions if it's triggered.

4 Prior to this court decision, our practice had
5 been to use emission reductions from continued
6 implementation of our mobile source program to fulfill
7 contingency measure requirements. While this approach is
8 still important for providing additional reductions in the
9 future, we now need to add a triggered element for
10 contingency purposes.

11 --o0o--

12 AIR POLLUTION SPECIALIST FIDELDY: As a result of
13 these two court decisions, the submitted ozone plans need
14 updates in order to be approvable by EPA as follows: an RFP
15 demonstration with a new baseline year, emission inventory
16 submittals to match the RFP years, transportation
17 conformity budgets also to match the RFP years, and new
18 contingency measures with triggered elements.

19 --o0o--

20 AIR POLLUTION SPECIALIST FIDELDY: Meanwhile,
21 staff has also recently updated CARB's on-road mobile
22 source emissions model, EMAC, with the latest information
23 regarding vehicles in our control program. EMFAC 2017 was
24 completed and subjected to EPA for approval.

25 This new information shows greater emissions in

1 the future for many areas across the state as a result of
2 updated deterioration factors, motor vehicle population
3 data, and revised truck and bus compliance rates. The
4 2018 SIP update includes safety margins in the RFP
5 demonstrations and transportation conformity budgets for
6 the relevant areas to accommodate the revised estimates.

7 Including these margins will allow transportation
8 agencies to move forward with their planning efforts over
9 the next few years without being hindered by budgets
10 developed using the older model that they can now no
11 longer meet.

12 --o0o--

13 AIR POLLUTION SPECIALIST FIDELDY: My next few
14 slides will go what exactly is included in the 2018 SIP
15 update in response to all these recent events I just
16 described.

17 The table here shows the differences between what
18 was included in our originally submitted ozone plans and
19 what is included here today for RFP and the other elements
20 involved in the trickle-down I talked about earlier.
21 These changes are dependent on the baseline year used for
22 RFP demonstrations.

23 As you can see in the table, we are switching
24 from a 2012 RFP baseline year for most areas to a 2011 RFP
25 baseline year. This leads us to a first milestone year of

1 2017, rather than 2018, and then subsequent milestone
2 years every three years after until attainment.
3 Conformity budgets are set in alignment with the RFP
4 milestone years.

5 --o0o--

6 AIR POLLUTION SPECIALIST FIDELDY: In accordance
7 with the second decisions I discussed earlier, staff has
8 developed a triggered contingency measure for enhanced
9 enforcement that will apply to all 10 non-attainment areas
10 included here, and will kick-in within 60 days of the U.S.
11 EPA published finding of failure to meet and RFP milestone
12 or failure to attain one of the standards for a certain
13 area.

14 Essentially, the statewide measure commits that
15 upon failure to meet RFP or failure to attain, CARB's
16 Enforcement Division will develop a report on enforcement
17 efforts in the area, and determine the type of enforcement
18 resources that will be most effective in reducing
19 emissions in that area.

20 CARB staff will then implement an enhanced
21 enforcement program for specified timelines and publish a
22 report with the results upon the conclusion of the
23 program.

24 --o0o--

25 AIR POLLUTION SPECIALIST FIDELDY: To wrap it up,

1 the table on slide 10 shows which SIP elements are being
2 updated for each nonattainment area. For example, for
3 Imperial County, we are submitting only two SIP elements,
4 emission inventory and RFP demonstration; while for
5 Sacramento, the 2018 SIP update includes all of the
6 elements we've described: emission inventory years, RFP
7 demonstration, transportation conformity budgets, and
8 contingency measures.

9 With the elements included here in the 2018 SIP
10 update, all the submitted plans will once again be whole
11 and approvable by EPA.

12 --o0o--

13 AIR POLLUTION SPECIALIST FIDELDY: Finally, our
14 staff recommendation here consists of three parts. First,
15 to adopt the non-attainment area elements included in the
16 2018 SIP update as revisions to the California SIP.
17 Second, to adopt the statewide contingency measure as a
18 revision to the California SIP. And lastly, to direct the
19 Executive Officer to submit the non-attainment area SIP
20 elements and statewide contingency measure, both included
21 in the 2018 SIP update, to EPA as revisions to the
22 California SIP.

23 This concludes my presentation today. We'll be
24 happy to answer any questions from the Board.

25 BOARD MEMBER RIORDAN: Thank you very much. I

1 think before we open it up to Board members, we have one
2 person wishing to speak. And I'd like to take that
3 comment, and then we'll open it up to the Board for
4 questions.

5 Sean Edgar, CleanFleets.

6 MR. EDGAR: Mrs. Riordan, thank you for the
7 opportunity to address you about my favorite topic, trash
8 trucks. We'll always share a magic moment of September
9 2000 of the Diesel Risk Reduction Plan, and I keep coming
10 back. So don't take my repeated presence as just too
11 much. Most of our refuse members are out actually working
12 their companies today. And so they're out doing busy
13 work, that's why they have folks like me come up here and
14 speak on their behalf.

15 I'll just borrow from the last few items and tie
16 it into the current item. We heard Vice Chair Berg be --
17 express her concern about funding appearing for the San
18 Joaquin plan. And we know that each one of the SIP
19 strategies outlined here are going to involve money. So
20 I'm just going to take a few moments and try to make a
21 jump to lightspeed to connect all the last items that you
22 addressed.

23 The first two items that you talked about vapor
24 recovery today, Vice Chair Berg observed that there was
25 almost a perfect storm and alignment, where you had

1 equipment that was just about to be turned over and Board
2 staff worked with the industry to figure out how to get
3 the cleanest equipment out, and that was victory lap on
4 the first two items relative to your vapor recovery item.

5 We went into the HVIP item. And what I took away
6 from that is once your CNG, you're always CNG, because
7 there is a presumption with your staff that -- and by the
8 way my father came from Texas and he told me it's not
9 polite to beat a dead horse, so I won't beat a dead horse.
10 I'll just reiterate a few things that relate to the
11 current plan.

12 We heard from staff, once CNG always CNG. That's
13 not the case, because fleets routinely make a choice. Mr.
14 Sheikh talked about the need in San Joaquin County. The
15 City of Tulare, which has an LNG station, has a CNG
16 station, was buying CNG and LNG trucks just bought diesel
17 equipment, because a combination of reasons pertaining to
18 cost performance and a whole bunch of items.

19 So just because you had CNG or used to buy CNG,
20 doesn't mean you're always going to buy CNG. So that was
21 one item that I took away from our prior discussion.

22 Fleets that are on the team really don't deserve
23 to be on the team going forward. So if you've taken an
24 HVIP voucher because you've made a decision at one
25 business unit to buy some CNG trucks, secure some fueling

1 maybe locally, maybe you built, you didn't. But if you're
2 already on the team with CNG, you're not going to be on
3 the team with CNG at another site. That's what I
4 understood your staff to say.

5 And then finally, I guess in a jump to
6 lightspeed, when I said ban the purchase voucher for 8.9
7 liter, staff said the ban is not the same as eliminating.
8 They're -- apparently, the words mean different things.

9 In the time that I'm left, I'll just say
10 unfortunately I texted one of our members and reported the
11 bad news from HVIP item. And he responded glibly, "I
12 guess they don't care".

13 You know, my challenge to you in the 22 seconds I
14 have left, if you're intending to get truck reductions
15 from heavy-duty trucks, you can deal with the A team. We
16 consider ourselves the A team, because for the last 15
17 years in front of this Board, our folks have actually
18 stepped up, put the family investment on the line, and
19 bought clean trucks. And they can't do it everywhere.
20 They can't do it every time, but they're motivated to do
21 it. And it can help in all the strategies that you're
22 discussing.

23 So look forward to the next process of HVIP
24 workshop.

25 Thank you.

1 VICE CHAIR BERG: Thank you, Sean.

2 I definitely took away from our funding
3 discussion that staff is going to look at these things.
4 There are work -- there are working groups that are going
5 to be out together. I understand your frustration.

6 However, I would really encourage that we
7 consider -- we continue the dialogue, because it is an
8 important one, and we do need all those stakeholders to be
9 at the table. So please continue to be. We appreciate
10 that.

11 So with that, do we have any questions on this
12 particular item?

13 Seeing none. I will close the record on this
14 item. And we have before us Resolution number 18-50.

15 And do I have a motion to move that forward,
16 please.

17 BOARD MEMBER RIORDAN: I would move approval of
18 18-50, Madam Chairman.

19 BOARD MEMBER EISENHUT: Second.

20 VICE CHAIR BERG: Thank you. With a first and a
21 second.

22 All in favor?

23 (Unanimous aye vote.)

24 VICE CHAIR BERG: All opposed?

25 Any abstention?

1 Motion passes.

2 Thank you staff. Congratulations. And we'll
3 look forward to seeing you in -- are we coming back in
4 December or January?

5 EXECUTIVE OFFICER COREY: It's January.

6 VICE CHAIR BERG: Okay. We'll see you in
7 January. Thank you.

8 Our next agenda item is actually a very fun one,
9 because it's a new market segment. And it is a Regulation
10 and Certification Procedure for Light-Duty Engine Packages
11 that are Used in Light-Duty Specifically Produced Motor
12 Vehicles for 2019 and Subsequent Model Years. This
13 proposal will create a process for the certification of
14 newly produced replica cars in California, which are cars
15 that resemble the iconic older cars that we all loved.

16 That California car culture values the classic
17 cars of the late 50s, the muscle cars of the 60s and 70s,
18 and the sporty and stately convertibles. However, these
19 vintage cars are often expensive and can be gross
20 polluters. The replica care industry approached CARB with
21 a request to create a process ensure replica cars can be
22 sold in California legally, and still achieve low-emission
23 levels.

24 Staff's proposed process strikes a balance of
25 ensuring emission reductions without creating undue

1 economic burden on a new and exciting adventure for a new
2 industry.

3 Mr. Corey, would you introduce this item?

4 EXECUTIVE OFFICER COREY: Yes. Thanks, Vice
5 Chair Berg. So currently in order to sell light-duty
6 vehicles in California, a manufacturer must certify a
7 whole vehicle to the current low-emission vehicle exhaust
8 and evaporative emission standards and meet onboard
9 diagnostic, as well as other requirements.

10 The replica -- the replica car industry
11 approached CARB through industry associations to request a
12 pathway to sell new replica cars in California, as the
13 current requirements for new car manufacturers are cost
14 prohibitive. Staff's proposal creates a path for
15 manufacturers to certify engine packages to low emission
16 vehicle exhaust and evaporative emission standards, and to
17 grant Executive Orders to replica car manufacturers that
18 use those certified engines.

19 Through working with industry, staff is proposing
20 a process that provides needed certification flexibility
21 to the new replica car industry, while ensuring low
22 emissions.

23 I'll now ask Richard Muradliyan of the Emission
24 Compliance, Automo -- Automotive Regulations and Science
25 Division to give the staff presentation.

1 Richard.

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

4 AIR RESOURCES ENGINEER MURADLIYAN: Good
5 afternoon, Vice Chair Berg and members of the Board. I
6 have the privilege today to present to you a proposal that
7 brings back cars we all grew up with, designs you
8 remember, cars with fins, gorgeous convertibles, exotic
9 imports, and beloved muscle cars, bud brand new with
10 emission-compliant engines.

11 --o0o--

12 AIR RESOURCES ENGINEER MURADLIYAN: Our
13 presentation today will be comprised of a basic overview
14 of this item and the goals of the proposed regulation.
15 I'll describe what is a specially produced motor vehicle
16 and review the history and current status of the federal
17 program.

18 I'm present staff's concept for the proposal and
19 the costs and the emissions justification. Industry has
20 raised concerns about the proposal. We will be proposing
21 15-day changes in response to these comments. But first,
22 let's talk about the vehicles.

23 --o0o--

24 AIR RESOURCES ENGINEER MURADLIYAN:
25 Specially-produced motor vehicles, or replica

1 cars, could be a 1957 Impala, a 1964 Mustang, a late 60s
2 Dodge Challenger, or a the famous Cobra. They're cars of
3 our past, heritage classics, and works of art.

4 Our proposal focuses on vehicles that were
5 commercially produced for sale to the public at least 25
6 years ago with designs that resembles the original
7 vehicles. They are built by small volume manufacturers,
8 and offer to the public as a turn-the-key-and-enjoy
9 replica. No assembly required.

10 They will be sold just like other new vehicles
11 today, and included in the State's Smog Check Program.
12 There will be limitations on safety due to design
13 restrictions.

14 --o0o--

15 AIR RESOURCES ENGINEER MURADLIYAN: Here are
16 various samples of vehicles that may be offered under this
17 program. They are not restored, but will be brand new.
18 You can just turn the key and go.

19 --o0o--

20 AIR RESOURCES ENGINEER MURADLIYAN: These
21 heritage vehicles of our past with designs we all
22 recognize.

23 --o0o--

24 AIR RESOURCES ENGINEER MURADLIYAN: In 2015,
25 lawmakers enacted legislation for the sale of specially

1 produce motor vehicles, known as the FAST Act.

2 The FAST Act was supported by the Specialty
3 Equipment Marketing Association, SEMA, which is automotive
4 association. Currently, the EPA is working on a guidance
5 document for those who want to produce SPMVs. The
6 National Highway Traffic Safety Administration, NHTSA,
7 will soon begin a rule laying out safety requirements for
8 SPMVs.

9 Due to adoption of the federal FAST Act, SEMA
10 approached CARB to consider adoption of a process that
11 aligns with the FAST Act. Today, we bring forth staff's
12 proposal for California in response to the FAST Act.

13 --o0o--

14 AIR RESOURCES ENGINEER MURADLIYAN: Our proposal
15 has two parts, an Executive Order for engines and an
16 Executive Order for vehicle builders. The concept for the
17 engines would be that there are plug and play.
18 Manufacturers of engine packages would have to show
19 compliance with the current small volume exhaust and
20 evaporative emission standards. There would be some
21 flexibilities allowed for OBD demonstration. And just
22 like other engine manufacturers, SPMVs would meet
23 emissions warranty, defects reporting, and recall
24 provisions. Alternatively, and EV Powertrain pathway is
25 also included.

1 --o0o--

2 AIR RESOURCES ENGINEER MURADLIYAN: Like the
3 federal law, vehicle builders would be small volume
4 manufacturers with less than 5,000 vehicle production
5 annually worldwide. U.S. sales would be limited to 325
6 per manufacturer per year.

7 Our proposal limits the type of vehicles eligible
8 for this program to vehicles manufactured to resemble ones
9 of our past, and commercially produced and sold to the
10 public. The vehicle builder is also responsible for the
11 fuel tank and lines, installation, and compliance.

12 --o0o--

13 AIR RESOURCES ENGINEER MURADLIYAN: What are the
14 costs for those who participate in this optional process?

15 For engine builders, we expect the same cost as
16 current certification. So no increase in certifying to
17 the current emission requirements. Engine packages will
18 most likely be based on a current model year whole vehicle
19 certification.

20 For the vehicle builder, time and resources will
21 be needed to submit the required paperwork to show
22 compliance and be granted an Executive Order. What are
23 the emissions impacts for this new classification of
24 vehicle?

25 The engines will be vehicle -- the engines and

1 vehicles with meet current exhaust and evaporative
2 standards with some OBD concessions. Overall, the
3 regulation would not pose any potential significant
4 adverse impacts as further discussed in the Initial
5 Statement of Reasons.

6 --o0o--

7 AIR RESOURCES ENGINEER MURADLIYAN: Industry
8 raised two areas of specific concerns with the initial
9 proposal due to the complexity of putting a fully emission
10 compliant engine and OBD system into multiple vehicle
11 builds.

12 First, new body configurations and fuel tank
13 location and size all weigh in on the complications of
14 demonstrating OBD leak check and purge diagnostics.
15 Engine manufacturers believe the market will be too small
16 for these engines and too costly to make a custom OBD
17 calibration for each unique vehicle model. The second
18 issue raised was centered around the definition of a
19 specially produced motor vehicle. Industry would like a
20 broad -- to broaden the scope of what -- of that which
21 qualifies as and SPMV. CARB was concerned with making
22 sure that the scope was limited, and exclude vehicles that
23 were not production heritage classics.

24 --o0o--

25 AIR RESOURCES ENGINEER MURADLIYAN: Since the

1 noticed package was released, staff continued working with
2 stakeholders to determine if additional changes made sense
3 with the intent of the proposal. At this time, the
4 following 15-day changes are recommended for the proposed
5 regulation and procedures.

6 Changes made to the vehicle definition will
7 maintain the original intent of a specially produced motor
8 vehicle, but allow some expansion to allow more customized
9 vehicles. We will add the option to have a capless fuel
10 storage system instead of a large leak check monitor with
11 a purge diagnostic mandatory in engines certified to the
12 2023 model year and newer. Both these changes are not
13 expected to change the outcome of cost or emissions
14 impacts.

15 --o0o--

16 AIR RESOURCES ENGINEER MURADLIYAN: We recommend
17 to the Board adopt the proposed resolution, which would
18 approve for adoption the proposed regulation, and allow
19 staff to further develop 15 day changes.

20 I leave you with these final images, the
21 possibilities of an SPMV as an EV.

22 Thank you very much, Richard.

23 VICE CHAIR BERG: We have six witnesses. And,
24 boy, looking at this, you guys did a great job. They all
25 say support.

1 So let's -- let's find out how great staff did.
2 We'll start with Jesse.

3 MR. GLICKENHAUS: Madam Vice Chair, thank you.
4 Staff, thank you. I don't have a triangle in my
5 presentation, but there's some lovely circles.

6 (Laughter.)

7 (Thereupon an overhead presentation was
8 presented as follows.)

9 MR. GLICKENHAUS: So I'm Jesse Glickenhaus,
10 managing director of Scuderia Cameron Glickenhaus.

11 We are a NHTSA approved low-volume manufacturer.

12 --o0o--

13 MR. GLICKENHAUS: And we have several models of
14 replicas that are also approved by NHTSA --

15 --o0o--

16 AIR POLLUTION SPECIALIST NICHOLS: -- including
17 our replica Steve McQueen Baja Boot, as you can see in
18 color behind you, which we would love to manufacture and
19 sell in the state of California. And this proposal should
20 be set up to do just that.

21 --o0o--

22 MR. GLICKENHAUS: Of course, the Board's stated
23 object is to align with the FAST Act to allow replica
24 sales in California for replica manufacturers.

25 --o0o--

1 MR. GLICKENHAUS: But CARB's definition --
2 proposed definition of replica differs significantly from
3 the definition in the FAST Act, and herein lies the issue.
4 If you look at the Baja Boot as an example, it clearly
5 meets the FAST Act definition of replica. In fact, NHTSA
6 has approved the replica boot for manufacture. In our VIN
7 decoder it's published as approved.

8 But this vehicle doesn't meet CARB's proposed
9 definition of replica. So what are the possible
10 solutions?

11 --o0o--

12 MR. GLICKENHAUS: So CARB's proposed definition
13 blocks several vehicles that have already been approved by
14 NHTSA under the FAST Act. So we have two possible
15 solutions. First, solution A, CARB could have the
16 definition of replica that's identical to the FAST Act
17 definition; or solution B, CARB could allow the following
18 language -- could add the following language to their
19 current definition of replica, so that replicas already
20 currently approved by NHTSA would be eligible to be sold
21 under -- in California. So the language is, "Or any
22 vehicle which has, by the time of the adoption of this
23 regulation, been approved by NHTSA as a replica, as
24 evidenced by the vehicle's identification in a NHTSA
25 approved low volume manufacturer's VIN decoder".

1 If CARB adopts this proposed regulation, we
2 commit to immediately, over the next 12 months, spend at
3 least \$500,000 to design, build, and fabricate the
4 prototype replica boot in California. We anticipate we
5 will spend 10 to \$12 million a year for the next several
6 years manufacturing replica boots in California.

7 We will use verified carbon offsets to more than
8 offset the anticipated lifecycle emissions from the
9 vehicles. So any vehicle we sell in California will be
10 net carbon negative. And we will use our best effort to
11 have dealers in California, so the boots can be repaired,
12 maintained, and stay safe and clean.

13 We would love to sell these in California, and
14 build them in California, and we're asking for your help.

15 Thank you.

16 VICE CHAIR BERG: Thank you. I'm sure we'll be
17 discussing it after all the speakers.

18 Thank you.

19 MR. GOSSWEIN: Greetings, Vice Chair Berg and
20 Board Members. I'm Stewart Gosswein, Senior Director,
21 Federal Government Affairs at SEMA. And we are absolutely
22 thrilled to be here in support of the proposed regulation
23 with the revisions that are also being proposed.

24 And our thanks to CARB staff for having worked
25 for probably about two years on this, and especially very

1 diligently the last couple of months to get us here. And
2 SEMA itself is based in Diamond Bar. We represent the \$43
3 billion specialty equipment industry that produces both
4 performance equipment and vehicles such as the replica
5 cars.

6 And as Rich was saying in the presentation, we
7 worked with Congress from 2011 to 2015 to go ahead and
8 enact the legislation. And in order to get it passed, we
9 demanded and Congress demanded that these be clean cars.
10 And we pointed to the specialty constructed vehicle EO
11 program that was in place in 2012, and we used that as an
12 example. And CARB staff is expanding that, so it applied
13 to the low volume manufacturers.

14 And so we are thrilled that -- to get this up and
15 running. As Rich was saying, there's a lot of iconic cars
16 out there that can be rebuilt. And one of the things that
17 was important to us, is that these are going to be clean
18 engine packages, not only for the replica cars, but for
19 kit cars, and potentially for the hobbyists that are
20 rebuilding their older cars.

21 And so this is a viable program that will be
22 making affordable clean engine packages that will help
23 clean the air, while bringing iconic cars back to the
24 marketplace.

25 Thank you.

1 VICE CHAIR BERG: Thank you.

2 Good afternoon.

3 MR. LIBERG: Good afternoon, Chair Berg and the
4 rest of the Board. My name is Braden Liberg. I'm with
5 Edelbrock. And I'm here on behalf of Edelbrock. I want
6 to thank you for the opportunity to speak to this proposal
7 for SPMV.

8 I guess first off, I should say that we've been
9 working very closely with CARB staff. And CARB staff has
10 come up with a proposal with the revisions that we
11 completely approve of. Edelbrock is an automotive
12 performance company. We're celebrating our 80th year. We
13 were founded in California. We have our headquarters here
14 in California. We've an aluminum foundry and
15 manufacturing and distribution centers here in California.
16 We also employ over 700 people here in California. We
17 view this as an opportunity for California business to
18 grow as well.

19 CARB has faithfully supported both the
20 environment and stakeholders with this. And I can give
21 three reasons why. The first is that it would improve the
22 emissions of vehicles that would otherwise have emissions
23 that were much worse. There's other process, and guys can
24 build their vehicles with any technology from the early
25 years, which is much, much more dirty than the 2019

1 certification -- certified engines that we're planning on
2 doing.

3 This also was made possible by CARB allowing
4 certain things that Richard was talking about earlier
5 with the evaporative diagnostic and purge diagnostics
6 being able to be put to a point where we could actually
7 produce these cars, as well as they expanded the
8 definition, so that the definition can handle everything
9 from pre-war cars all the way through to the up to 25 year
10 old cars that we were talking about.

11 The second opportunity is that it does increase
12 the business opportunity here in California. Edelbrock
13 itself was planning on being an engine provider to this --
14 and also being kind of the intermediary between a large
15 OEM and the chassis manufacturer that was building the 25
16 year or older cars.

17 The third thing is it supports California
18 history, and it supports California enthusiasm for this
19 market. It's one of the things that makes being in
20 California and why Californians like to be here is it's
21 just fun. And I think that CARB staff has made it
22 possible for all these things to happen, where we have
23 cleaner cars, where we have increased California business
24 opportunity, and we have fun.

25 So for -- from Edelbrock's perspective, we want

1 to say that we fully support the regulations as proposed
2 with the revisions that they had.

3 Thank you very much.

4 VICE CHAIR BERG: Thank you.

5 MR. TREYDTE: Good afternoon, Madam Chair and
6 Board members. My name is Peter Treydte. I am the
7 Director of Emissions Compliance for SEMA. And I'd like
8 to speak just for a moment to the relationship between
9 SEMA and the CARB staff members, as we've kind of gone
10 through this process.

11 First of all, SEMA places a high priority on
12 emissions compliance with our members. And we do that
13 through first of all education. We try to Educate our
14 members on the importance of emissions compliance.
15 Secondly, we encourage them to pursue demonstrations of
16 emissions compliance. And that typically results in a
17 CARB Executive Order covering their products. And then
18 thirdly, we provide resources to those members for going
19 through that process, and that includes operating and
20 automotive emissions laboratory.

21 Over the years, SEMA has been very closely
22 engaged with ARB staff. And we really value that
23 relationship. We feel like that relationship that we have
24 is an important one on both sides. And I think that
25 the -- this -- it is this relationship that brought us to

1 this point. Staff did a great job over the last couple of
2 months of really dialoguing with us and finding out where
3 the issues were, and finding ways to resolve those issues.
4 So we're very appreciative of that.

5 And as program takes -- takes root and starts to
6 grow, we anticipate that we'll be working -- SEMA will be
7 working closely with those members to ensure their
8 emissions compliance as well.

9 Thank you.

10 VICE CHAIR BERG: Thank you.

11 MR. STANDER: Hi. Thanks very much. This is my
12 first time doing something like this. And you can
13 obviously hear the accent I'm not quite from here. But I
14 have been in the U.S. for 20 years, and I'm an American
15 citizen now. I'm very proud to be one.

16 Have also lived in California, and my business
17 Superformance and Shelby Legendary Cars that supplies a
18 lot of these old cars. We've probably done about 4,000 of
19 them over the last 20 years. But they've -- all over the
20 world we've sent them. And we naturally support this
21 initiative. We were involved with this initiative right
22 from the beginning, and would really like to see it happen
23 now.

24 We have set up -- we have invested when the bill
25 act was -- when the bill was originally signed and became

1 an Act we invested a lot of money in inventory and
2 facilities. We are in our new facility already, all
3 waiting for it to happen, and unfortunately it was slowed
4 down, but really excited that we're at this point, and
5 really thankful for CARB staff getting it to this -- to
6 this point with us.

7 Naturally we have to thank SEMA for all that they
8 did. Once they got involved, it really started happening
9 and started going forward. And I can -- I don't want to
10 reiterate all the other positives that everybody else has
11 brought up because they are all positives. It's a staff
12 creation -- a staff bill and we -- it's investment --
13 further investment, in my case, my company in California.
14 And it's just -- these cars are just part of the whole
15 California history and the American history.

16 We founded our company when we started 20 years
17 ago was about 90 percent of them were sold in the U.S.
18 Right now, we are exporting nearly 40 percent of them from
19 the U.S., so -- and with us, this bill is going to give us
20 an extra 325 or so. That's going to mean a lot more being
21 exported also. So we support it and thank you very much
22 for getting us this far.

23 Thank you.

24 VICE CHAIR BERG: Thank you.

25 MR. WYNNE: Hi. Good afternoon. My name is

1 Cameron Wynne. I'm from De Lorean Motor Company. I'd
2 like to thank you for your time for this. De Lorean Motor
3 Company has had a presence in California since 1983
4 servicing original De Lorean cars. This was originally
5 the largest market for De Lorean cars in the eighties, and
6 we intend to recreate that again in the future.

7 As a company, we intend to take advantage of the
8 low volume manufacturing legislation to produce the
9 replica cars. Within six months of the finalization of
10 the regulations, we'll be able to announce the final
11 specifications and prices -- pricing, and be able to take
12 deposits and go in production of the cars.

13 We are already in negotiations with several
14 existing and potential component suppliers in the state of
15 California to begin production and create more jobs in
16 California.

17 We share the desires of the Air Resource Board to
18 improve air quality. And these clean replica De Loreans
19 will play a small but highly pivotal role in keeping our
20 air and environment clean. I'd like to thank you for your
21 time very much.

22 VICE CHAIR BERG: Thank you.

23 So with our last witness, I'm going to go ahead
24 and close the record on this item. But I'd like to return
25 to staff on our first witness that almost got a perfect

1 record here, and -- but it's so exciting they want to play
2 too.

3 So I think this probably is an issue between
4 custom and one-off type definition, and what we're
5 proposing today. And so maybe you could just summarize
6 for the Board how that is -- how your definition is
7 different and why we did it that way.

8 ECARS EMISSIONS COMPLIANCE BRANCH CHIEF LOURENCO:

9 Sure. So when -- the FAST Act, from what I
10 understand, it was basically -- it's pretty broad about
11 how the industry can produce a vehicle to bring in. When
12 industry asked us to consider this rule, we wanted to keep
13 it limited to those vehicles that we could identify, that
14 were recognizable to us, that were our history heritage
15 vehicles.

16 And so we wanted to make sure that there wasn't a
17 circumvention of our light-duty vehicle regulations for
18 vehicles that were one-offs or show cars, things that we
19 could not verify that they were -- they were real
20 vehicles.

21 So what we had done is we -- our definition is,
22 like I said, more limited. It has a production limit.
23 Initially, we had set that production limit at 500. So
24 those would be vehicles that a manufacturer would have at
25 least produced 500. We could verify them.

1 We dropped it down to 50, because there were some
2 people who wanted a Tucker. So I think that was a car
3 from the forties and they produced 51.

4 (Laughter.)

5 ECARS EMISSIONS COMPLIANCE BRANCH CHIEF LOURENCO:

6 So now if someone wants to build a replica
7 Tucker, which we can -- we can verify. We know what it
8 looks like, and we know where it was produced, and so that
9 way it will save some -- a lot of effort when it comes to
10 implementing this rule.

11 So vehicles like the off-road vehicle is not an
12 on-road vehicle. And we kept it to on-road vehicles only.

13 VICE CHAIR BERG: Okay. Are there any other
14 Board questions?

15 Yes, Dr. Sherriffs.

16 BOARD MEMBER SHERRIFFS: Yeah. Just to clarify
17 to be sure I understand. This is not like the glider
18 program? These are vehicles that are required to meet
19 current emission standards. So if I buy one of these,
20 it's comparable in terms of emissions to, as if I go buy a
21 2019 whatever in terms of fleet emissions, yes?

22 ECARS DIVISION CHIEF HEBERT: Yes, that's
23 correct. It meets all the exhaust and evaporative
24 emission requirements of a new vehicle, just any other new
25 vehicles that's like the replica car. We did have to

1 supply some OBD concessions, because of the complications
2 of putting different lines, and fuel tanks, and multiple
3 builds compatible with the system as a whole.

4 So there is a little bit of OBD concessions, but
5 nothing that we're concerned is going to cause emission --
6 you know, negative emission impacts.

7 And we have a couple of -- there's different
8 options for manufacturers to do. But they're in the Smog
9 Check Program. So if there's any failures, they're --
10 they're held to the same requirements as any other new
11 vehicle with just a couple of OBD concessions given for
12 flexibility for builds.

13 BOARD MEMBER SHERRIFFS: And in regards to the
14 testimony with the first part. That's an off-road
15 vehicle, not an on-road vehicle?

16 ECARS EMISSIONS COMPLIANCE BRANCH CHIEF LOURENCO:
17 That was a one- or two-build vehicle, from what I
18 understand. And it was definitely build to run one of the
19 Baja races. So it's definitely an off-road vehicle.

20 BOARD MEMBER SHERRIFFS: Okay. Did you want to
21 clarify?

22 MR. GLICKENHAUS: Thank you. Yeah, so that's
23 a -- that's a prototype vehicle that General Motors made
24 to go after Jeep. They actually wanted to go after Jeep,
25 so they made that -- they made several of them. And the

1 idea was to go after the Jeep market. It was designed by
2 Vic Hickey, the gentleman that designed some iconic off --
3 trucks, on-road trucks and also the lunar rover.

4 And they drove it two the Baja from California,
5 raced the Baja. So it was an on/off-road vehicle. And we
6 intend it to replace some green sticker vehicles.

7 BOARD MEMBER SHERRIFFS: So I'm sorry, the model
8 that you're producing would be on-road street legal?

9 MR. GLICKENHAUS: Yes.

10 BOARD MEMBER SHERRIFFS: Okay. Are we going to
11 offer incentives if they put electric motors in these?

12 (Laughter.)

13 DEPUTY EXECUTIVE OFFICER CLIFF: Well, let me
14 just address that. So we would not give an incentive for
15 an electric vehicle, but there are incentives in the
16 regulation, in that that's an easy path for certification,
17 if you do an electric vehicle.

18 BOARD MEMBER SHERRIFFS: Nice

19 VICE CHAIR BERG: Yes, Mr. Gioia.

20 BOARD MEMBER GIOIA: I will -- I will move the
21 recommendation.

22 VICE CHAIR BERG: Thank you.

23 Do I have a second?

24 BOARD MEMBER DE LA TORRE: Second.

25 VICE CHAIR BERG: Before we take the vote, should

1 I read into the record the fact that we're going to have a
2 15-day change?

3 ECARS DIVISION CHIEF HEBERT: He is.

4 VICE CHAIR BERG: Yes. We'll -- before the vote,
5 I just need to read in the 15-day change language.

6 So I have already closed the record. Now, if it
7 is determined that additional conforming modifications are
8 appropriate, the record will reopened and 15-day notice of
9 public availability will be issued. If the record is
10 reopened for a 15-day comment period, the public may
11 submit written comments on the proposed change, which will
12 be considered and responded to in the Final Statement of
13 Reasons for the regulation.

14 Written or oral comments received after the
15 hearing but before the 15-day notice is issued will not be
16 accepted as part of the official record on this agenda
17 item. The Executive Officer may present the regulation to
18 the Board for future considerations, if warranted. And if
19 not, the Executive Officer shall take the final action to
20 adopt the regulation after addressing all appropriate
21 conforming modifications.

22 We have before us Resolution 18-45. I have a
23 first and a second.

24 All in favor?

25 (Unanimous aye vote.)

1 VICE CHAIR BERG: Opposed?

2 Any abstentions?

3 Motion passes. Thank you very much, staff.

4 (Discussion off the record.)

5 BOARD MEMBER BALMES: Because they've worked hard
6 and now they can enjoy the fruits of that work.

7 VICE CHAIR BERG: Well, we're on our last agenda
8 item. And that's Agenda Item 18-8-8. And it is a
9 informational item to inform the Board of California Air
10 Resources Board Tribal Consultation Policy. California is
11 one of the largest populations of Native American Tribes in
12 the country, a little under 200 tribes.

13 For generation, tribes have been sustainably
14 managing their lands, and are in a unique position to
15 offer insight, guidance, and collaboration with State
16 agencies on ways to protect the environment.

17 In late 2011, Governor Brown signed an Executive
18 Order, B-10-11, directing State agencies to consult with
19 tribes. CARB already engages with tribes on various
20 programs and has benefited from important contribution
21 tribes have made to protect California's air quality and
22 climate. For example, CARB has worked with the Yukon and
23 other tribes to develop provisions in the Cap-and-Trade
24 Regulation that allows tribes to voluntarily participate
25 within the offset portion of the program.

1 As a result of consultation, tribes are now key
2 actors in generating forest offset credits under the
3 Cap-and-Trade Program by ensuring long-term protection of
4 forest for the climate ecosystem, cultural, and other
5 benefits. This is just one example of the State tribe
6 collaboration and highlights the importance and benefits
7 of meaningful consultation.

8 Today's items will further this consultation
9 process and our understanding of it.

10 Mr. Corey, would you please introduce this last
11 item for us?

12 EXECUTIVE OFFICER COREY: Yes. Thanks, Vice
13 Chair Berg. So this item, as you noted, is to inform the
14 Board of the policy by which CARB will conduct formal
15 consultations with California Native American tribes.
16 While the federal government has been engaging in
17 consultations with tribes for a very long time, the idea
18 of consultation by State agencies has taken on increasing
19 importance under Governor Brown. The history of state's
20 interaction with tribes has not always been good one. But
21 our understanding of the importance of these
22 government-to-government relations has evolved and
23 improved over time.

24 The need for state agency consultation with
25 tribes has only become more apparent as we face air

1 quality and climate change challenges common to all of us.
2 Now, more than ever, states need to act swiftly, if we're
3 going to slow down or divert the harms caused by climate
4 change and continue on the trajectory of cleaning up our
5 air, and to back-stop some of the rollbacks of
6 environmental regulations at the federal level.

7 CARB's policy reflects our commitment to
8 consultation to recognizing the sovereignty of tribes and
9 to solidifying the importance of these
10 government-to-government relations in a knowledgeable,
11 sensitive, and respectful manner.

12 Tribes have unique insight, expertise, and
13 experience on environmental protection, and we stand to
14 benefit from full and effective consultation with our
15 counterparts in tribal government. And just as a personal
16 anecdote to demonstrate how our consultation and
17 collaboration with tribes can have an even larger impact,
18 I wanted to share a brief summary of a recent visit we had
19 with the Yurok Tribe on the Klamath River.

20 The Yurok Tribe has been working to protect their
21 forests and culture, and increase their land base through
22 an innovative combination of carbon offset financing and
23 other tools. The structure is being analyzed by tribes
24 and indigenous people from other countries as an example
25 of what can be done.

1 A few months ago, we had the honor of
2 representing CARB in a meeting with the Yurok and tribal
3 leaders from around the world to highlight the importance
4 of states and tribes working together in a co-equal manner
5 to tackle climate change. Our Tribal Consultation Policy
6 is another key to building these important relationships.

7 And with that, I'll ask Shannon Martin Dilley of
8 the Legal office to give the staff presentation.

9 Shannon.

10 (Thereupon an overhead presentation was
11 Presented as follows.)

12 ATTORNEY MARTIN DILLEY: Good afternoon, Vice
13 Chair Berg and members of the Board. I'm presenting
14 CARB's draft Tribal Consultation Policy. It is an
15 informational item, so no action is necessary, unless
16 directed otherwise.

17 As a member of the Abenak Tribe back east, this
18 is an item that is very important to me.

19 --o0o--

20 ATTORNEY MARTIN DILLEY: I would like to begin
21 with a roadmap of where we will go in the presentation.
22 First, I want to address CARB's outreach process that we
23 went through to ensure tribes had adequate input into the
24 policy. Then I will go over the purpose of CARB's draft
25 Tribal Consultation Policy, and some basic tribal

1 concepts. I will then identify important Executive Orders
2 and legislation that influenced this policy, and then go
3 over the policy itself, including important consultation
4 principles.

5 --o0o--

6 ATTORNEY MARTIN DILLEY: CARB engaged in
7 extensive outreach to tribes. We released our draft
8 policy in January providing tribes with an eight-month
9 comment period. We then conducted a mass mailing and
10 posted the policy on the CalEPA tribal listserve. We also
11 presented at three different workshops throughout
12 California, in Northern, Central, and Southern California
13 on tribal lands.

14 We presented at the Regional Tribal Operations
15 Committee meeting. We also submitted our policy for
16 review to the Governor's office, CalEPA, and the National
17 Tribal Air Association.

18 We then created a tribal relations website on the
19 CARB website, and we posted the policy to the website.
20 After reviewing the tribal comments, we met with one tribe
21 to discuss ways to address the comments. We then made
22 suggestions on language and presented it to the tribe for
23 approval. And after receiving approval, we incorporated
24 the language.

25 --o0o--

1 ATTORNEY MARTIN DILLEY: So why are we doing
2 this?

3 There were three man purposes of the draft Tribal
4 Consultation Policy. First, it is a commitment by CARB to
5 engage in government-to-government consultation with
6 California Native American tribes, and strives to do so in
7 a knowledgeable sensitive and respectful manner. Second,
8 it is aimed at fulfilling the Governor -- Governor Brown's
9 Executive Order B-10-11. And third, it provides guidance
10 to CARB staff in how we will conduct consultations.

11 CARB will use CalEPA's Tribal Protocol, which is
12 in the works right now, for a more in-depth step-by-step
13 process, and will use other documents, such as a tribe's
14 own consultation policy as well.

15 --o0o--

16 ATTORNEY MARTIN DILLEY: Some background
17 information is important. The term "tribe" can mean many
18 things. In a general sense, it means a group of people
19 with shared characteristics, kinship, language, rituals,
20 culture.

21 The legal definition, of course, is a little more
22 narrow. Under the Government code, it is either a
23 federally recognized tribe or non-federally recognized
24 tribe. And under the California Environmental Quality
25 Act, or CEQA, it is a California Native American tribe

1 located in California that is on the contact list
2 maintained by the Native American Heritage Commission. So
3 the definition depends on the law.

4 Federal recognition is done by a process
5 administered through the Department of the Interior or
6 through federal legislation. Tribes must meet certain
7 criteria to be recognized federally. And federal
8 recognition means a tribe has certain legal rights and the
9 federal government has trust duties to the tribe.

10 For purposes of consultation, CARB consults with
11 both federally recognized and non-federally recognized
12 tribes. California and Alaska have the two largest tribal
13 populations in the United States. The number changes ever
14 year, but currently there are 109 federally recognized
15 tribes, and 57 non-federally recognized tribes in
16 California, and in the U.S. There are 563 federally
17 recognized tribes.

18 California Native American tribes have been
19 managing their lands and the environment for many
20 centuries and have unique insights. Each tribe is
21 distinct from one another area. You cannot make an
22 assumption about one tribe based on interactions with
23 another tribe.

24 They are different in history, culture, language,
25 the governing bodies, and their environmental issues.

1 There is one shared characteristic, however that does
2 apply to all tribes, and that is the history of
3 interactions with the government.

4 --o0o--

5 ATTORNEY MARTIN DILLEY: The history is
6 important, because it shapes our interactions with tribes
7 today. As you can see from this slide, there are many
8 different periods. I will not go into each one unless
9 asked. But throughout time, the federal government and
10 the states institutionalized violence against Native
11 Americans, enacted policies of warfare, slavery, land
12 dispossession, relocation, and cultural determination that
13 left few people alive and no tribe intact.

14 We are in currently in the self-determination
15 era, where the government recognizes that tribes are in
16 the best position to manage their affairs. But if you
17 look at the history, you see that tribes have had many
18 years of experience working with the government, and it
19 hasn't always been good, and it shapes where we are today.

20 --o0o--

21 ATTORNEY MARTIN DILLEY: Another important
22 concept at the heart of where we are today is tribal
23 sovereignty. It is inherent tribal authority. Tribes
24 have their own constitutions, land bases, and people that
25 they govern. They have tribal governments, and tribal

1 courts. Tribes have the power to regulate, tax, punish,
2 and exclude others. This is a complex issue because there
3 are states -- state and federal laws that may affect
4 tribes depending on the legal status of the tribe and the
5 land holdings. But given the history that I just
6 described, tribes hold sovereignty very closely.

7 --o0o--

8 ATTORNEY MARTIN DILLEY: But we are in a new era.
9 State-tribal relations are more important than ever.
10 Things are changing at the federal level making the state
11 interactions a larger focus. Even before the changes at
12 the federal level, California began recognizing the
13 importance of tribes early on.

14 --o0o--

15 ATTORNEY MARTIN DILLEY: In 2011, Governor Brown
16 signed Executive Order B-10-11 directing state agencies to
17 engage in government-to-government consultations with
18 tribes. This includes both federally and non-federally
19 recognized tribes.

20 It also created the Governor's Tribal Advisor
21 Position to help with this process. Then in 2014, the
22 legislature passed Assembly Bill 52 requiring consultation
23 between lead agencies and California Native American
24 tribes as part of -- as part of the environmental review
25 process under the California Environmental Quality Act.

1 The legislature recognized that the California
2 Native American tribes traditionally and culturally
3 affiliated with a geographic area, may have expertise
4 concerning their tribal cultural resources.

5 AB 52 adds cultural resources to the list of
6 potential significant effects on the environment. It
7 requires that prior to the release of a Negative
8 Declaration, Mitigated Negative Declaration, or
9 Environmental Impact Report for a project that the lead
10 agency shall begin consultation with the California Native
11 American tribe that is traditionally and culturally
12 affiliated with a geographic area where formal
13 notification is requested. It directs public agencies to
14 avoid damaging effects to any tribal cultural resources
15 where feasible.

16 Most of CARB's work does not disturb the ground.
17 We do not issue permits and do not regulate on tribal
18 lands. Most of CARB's tribal consultations will occur
19 under Executive Order B-10-11, rather than AB 52.
20 However, as you can see, there's a lot of great work being
21 done at the higher levels that highlights the importance
22 of the tribal-state relations.

23 --o0o--

24 ATTORNEY MARTIN DILLEY: It is also important to
25 highlight CalEPA's role. CalEPA had a tribal consultation

1 policy on the books since 2009. Then, in 2015, CalEPA
2 updated its policy. And CalEPA, recognizing the unique
3 work that each of the six boards, departments, and offices
4 conducts instructed each agency to adopt their own tribal
5 consultation policies.

6 CalEPA is also in the process of formalizing a
7 tribal consultation protocol that will help with a
8 step-by-step process in conducting the tribal
9 consultation -- tribal consultations. And CARB has been
10 directly involved in that as well.

11 --o0o--

12 ATTORNEY MARTIN DILLEY: Our policy commits to
13 CARB working with tribes in a respectful, knowledgeable,
14 and sensitive manner. It sets out core principles for
15 consultation with tribes, when the tribes request
16 consultation or consultation is required or appropriate.

17 These important consultation principles are
18 things like determining when consultation is required or
19 appropriate, the scope of the consultation, the time
20 frame, whom to consult, and the meaning of consultation.

21 There is the legal meaning of consultation, which
22 is meaningful and timeful process -- timely process of
23 seeking, discussing, and considering carefully the views
24 of others in a manner that is cognizant of all parties
25 cultural values and where feasible seeking agreement. The

1 policy also notes that the tribe may have a preference on
2 how the consultation is to be conducted, what consultation
3 means, between whom, and so forth, and that we will
4 respect this.

5 It also notes that where there is a legal
6 requirement, such as AB 52 or other statutes, that we must
7 comply with the legal requirements. The policy highlights
8 three important consultation principles: consultation is
9 between high ranking officials unless something less is
10 agreed to, consultation has been -- has to be meaningful,
11 and it is not the same thing as public participation.

12 Second, the policy provides direction to CARB
13 staff should they receive a tribal consultation request.

14 Third, it lays out important guiding principles,
15 which include con -- important concepts, such as
16 respecting tribal sovereignty, committing to building and
17 strengthening the government-to-government relationship,
18 and recognizing that each tribe is distinct culturally,
19 geographically, and in their governing systems.

20 Last, it lists action items, like designating a
21 tribal liaison, implementing CalEPA's tribal protocol, and
22 attending the Tribal Advisory Committee meetings, which
23 occur quarterly.

24 This policy will be practically applied mostly in
25 the Executive Order B-10-11 setting as previously stated.

1 Thank you.

2 VICE CHAIR BERG: Thank you very much, Shannon.
3 This is an area that I have not thought a lot about,
4 tribal lands. And certainly, their sovereignty I think
5 about often. But how do tribal lands fall under the Clean
6 Air Act, or under our -- under our SIP plans, or are they
7 just carved out areas that are sovereign areas, and it's
8 up to each tribe individually decide if their
9 environmental quality is being met or not?

10 ATTORNEY MARTIN DILLEY: So tribes have to comply
11 with the federal Clean Air Act, and they work with U.S.
12 EPA. And if their area is not in attainment, they would
13 be submitting a tribal implementation plan to U.S. EPA.
14 But they could have impacts where -- they could do
15 activities that have air impacts off the tribal lands.
16 Another -- another area is if they -- if they request
17 treatment as a state from U.S. EPA. So tribal law is very
18 complex, and there's a lot that's involved, and the land
19 holdings are important.

20 But for the most part, they will be submitting
21 their own plans to U.S. EPA. And they do have air laws
22 that they have to comply with.

23 VICE CHAIR BERG: Well, thank you very much for
24 bringing this item to us today.

25 Are there any other follow-up questions from the

1 Board?

2 Yes, Dr. Balmes

3 BOARD MEMBER BALMES: I don't have a question,
4 just a quick comment. First of all, I wanted to thank you
5 for the presentation. And I also wanted to thank Mr.
6 Corey and CARB staff that actually helped me help the
7 Yurok tribe. And I learned about, you know, the
8 sovereignty issues and how the Clean Air Act did or didn't
9 apply.

10 But the Yurok tribe had a school with -- with
11 electricity that was supplied by a dirty diesel generator
12 right next to the school. Now, with the staff's help, we
13 both got a clean generator and actually PG&E finally
14 got actually a powerline to the school. But I just wanted
15 to appreciate CARB staff's help, and Mr. Corey's in
16 particular, with regard to that specific issue.

17 VICE CHAIR BERG: Yes. And thank you that we do
18 incorporate these very important citizens within our
19 state. And I appreciate all of your interaction as well.
20 So keep us updated as you feel we should be.

21 ATTORNEY MARTIN DILLEY: Thank you.

22 VICE CHAIR BERG: Thank you.

23 Oh, yes, please.

24 BOARD MEMBER TAKVORIAN: I just want to express
25 my appreciation as well for your hard work. And I think

1 that an intentional process to recognize and seek the
2 guidance from indigenous people. So I really -- when you
3 did the briefing with me, I really appreciated that you
4 saw this was a two-way interaction. And I think that's
5 critically important. We have a lot to learn from
6 indigenous people. And I appreciate you representing at
7 least a slice of the history, so that we're all reminded
8 of the challenges and awful treatment that indigenous
9 people have received in -- in our country.

10 San Diego has the largest number of tribes
11 actually, and -- not the largest number of tribal people,
12 but there's a couple of environmental protection agencies
13 that have been established on tribal lands in San Diego.
14 So we've had some interactions related to that. And I
15 really appreciate the struggle that they have gone through
16 to try to figure out how to manage environmental issues on
17 their own lands.

18 So as I said to you during our briefing, I hope
19 that we can -- we, as a Board, can do more to learn about
20 indigenous culture and about how that relates to
21 environmental stewardship, because they certainly have
22 been a key part of the environmental justice movement, and
23 we're some of the original folks who helped to start that.
24 And I think that the movement still really relies on
25 indigenous culture as guidance.

1 So I really appreciate that CARB is part of that,
2 and that you've done this policy.

3 Thank you so much.

4 ATTORNEY MARTIN DILLEY: Thank you.

5 VICE CHAIR BERG: We do not have any public
6 comments. And so at 3:05, we will bring this meeting to a
7 close, and look forward to seeing everybody in November
8 here in Sacramento, and December is in Fresno?

9 EXECUTIVE OFFICER COREY: We're going to move,
10 because it was driven by the San Joaquin item. We're
11 going to move -- the December meeting will be in
12 Sacramento. It will be January San Joaquin, so we'll have
13 to make some adjustments.

14 VICE CHAIR BERG: Great. Thank you very, very
15 much. Everybody have a great afternoon. We'll see you
16 next month.

17 (Thereupon the Air Resources Board meeting
18 adjourned at 3:04 p.m.)

C E R T I F I C A T E O F R E P O R T E R

I, JAMES F. PETERS, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing California Air Resources Board meeting was reported in shorthand by me, James F. Peters, a Certified Shorthand Reporter of the State of California, and was thereafter transcribed, under my direction, by computer-assisted transcription;

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

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of November, 2018.



JAMES F. PETERS, CSR
Certified Shorthand Reporter
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