### BOARD MEETING DATE: January 9, 2015

### AGENDA NO. 19

## REPORT: California Air Resources Board Monthly Meeting

SYNOPSIS:The California Air Resources Board met on December 18, 2014, in<br/>Sacramento. The following is a summary of this meeting.

RECOMMENDED ACTION: Receive and file.

Judith Mitchell, Member SCAQMD Governing Board

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The Air Resources Board's (ARB or Board) December meeting was held on December 18 in Sacramento at the California Environmental Protection Agency Headquarters Building. Key items presented are summarized below.

## 1. Fiscal Year 2015-2016 Research Plan

The Board approved the Fiscal Year 2015-2016 Research Plan, which allocates \$6.5 million toward 17 project concepts that support ARB program needs in health and exposure assessment, air quality improvement, and climate change programs. Health and exposure studies will evaluate women's cardiovascular risk from particulate matter exposure and whether health effects from air pollution exposure can be passed from mother to child. Air quality projects will study air pollution episodes in the San Joaquin Valley, and provide additional data about in-use heavy duty vehicle emissions. Climate change projects include studies that track the benefits of sustainable land use planning, evaluate emissions reduction strategies for short-lived climate pollutants and nitrous oxide, and analyze climate pollutant reductions from passenger cars.

## 2. Imperial County 24-hour PM2.5 State Implementation Plan

The Board approved the proposed Imperial County 2013 State Implementation Plan (SIP) for the 35  $\mu$ g/m<sup>3</sup> 24-hour PM2.5 standard. The Imperial PM2.5 SIP was developed under a provision of the Clean Air Act that allows states to take into

consideration the contribution of cross-border transport of pollutants. Staff presented the technical demonstration that Imperial County would have attained the PM2.5 standard absent the impacts of international emissions from Mexicali Mexico. The SIP complies with all the other Clean Air Act requirements to demonstrate appropriate local and State actions have been taken to reduce emissions. Staff also discussed the collaborative efforts ARB and Mexico are pursuing to improve air quality in the border region.

## 3. Update on International Coordination

The Board heard an update on ARB's work as a world leader on climate policy and air pollution. Drawing on its experience in developing programs to lower greenhouse gases ARB has formed collaborations with more than a dozen national, sub-national and other U.S. state governments on cap-and-trade programs, increased penetration of electric vehicles and decreased deforestation. The update also covered how countries such as India and China are looking to ARB for guidance on addressing their air quality issues. For example, ARB is working with India on their air monitoring system and with several Mexican states on developing smog-check programs. These collaborations on climate change and air quality provide benefits to California in its effort to address global warming and to create markets for the technology needed for California to meet our air quality goals.

# 4. Amendments to the Cap and Trade Regulation and Market-Based Compliance Mechanisms

The Board was briefed on the development of amendments to the forest management offset protocol and development of a new rice cultivation offset protocol. The amendments to the forest management offset protocol will expand project eligibility to parts of Alaska, and the rice cultivation offset protocol will promote farming practices that reduce methane emissions from rice cultivation. Offsets developed under the protocols can be used by regulated entities for compliance with the cap and trade program. The Board will consider final approval of the amendments and the accompanying environmental analysis in 2015.

## 5. Technology and Fuels Assessment

The Board heard an update on Staff's assessment of heavy duty Technology and Fuels (Assessment). The Assessment results will inform many of the Board's upcoming planning efforts and policy decisions, including the Sustainable Freight Strategy, State Implementation Plan, Scoping Plan update, incentive funding plans, and the Governor's ZEV Action Plan.

The Assessment considers both tailpipe and upstream emissions, and examines available and emerging technologies, including zero emission battery and fuel cell technologies, hybrid engines and technologies that reduce main engine use, technologies that maximize efficiency from combustion engines, and low carbon fuels.

Public testimony focused on the need for technology transformation within the freight movement industry. The Board expressed its desire for staff to develop policy concepts for addressing freight emissions as part of the Sustainable Freight Initiative.

SCAQMD Staff Comments/Testimony: Staff indicated that the technology assessments are one of the most comprehensive to date and thanked the ARB staff for facilitating the SCAQMD staff's involvement with the technology assessments. Staff indicated that the assessments will provide a strong foundation for the development of the Sustainable Freight Strategy and the next round of measures needed for the upcoming 2016 SIP development. There are many advanced technologies that are currently being demonstrated and early commercialization is critical for the South Coast region to meet federal ozone air quality standards by 2023 and 2032. With only eight years to attain the federal ozone standard in 2023, there is a need to develop actions in parallel to the completion of the technology assessments and Sustainable Freight Strategy, that will send strong market signals to technology providers and engine manufacturers, and provide certainty for end users as they replace their legacy vehicles. Staff commented that early actions are needed and expressed appreciation for the recognition for such actions in the overview presentation. Additional avenues to pursue early actions may be identified as the Sustainable Freight Strategy is developed. The Sustainable Freight Strategy will set the tone for the future of sustainable freight movement. As such, the Sustainable Freight Strategy needs to be as aggressive as possible recognizing the need to meet the federal air quality standards and climate change goals, and a vibrant economy.

## 6. Assembly Bill 8 Carl Moyer Program Evaluation

The Board heard an update from ARB staff and CAPCOA president Alan Abbs on the joint ARB/CAPCOA Incentive Program Advisory Group (IPAG) report with recommendations on changes to the Carl Moyer Memorial Air Quality Standards Attainment Program. The IPAG concluded that there were five areas that could be improved to help the program better achieve State and local air quality and climate goals, referred to as the five pillars for change. These dealt with raising outdated cost-effectiveness limits, recognizing projects with GHG

co-benefits, allowing greater leveraging from other funding sources, expanding approvable project types (such as infrastructure), and increasing the efficiency of the program.

## Attachment

CARB December 18, 2014 Meeting Agenda

California Environmental Protection Agency	LOCATION: Air Resources Board Byron Sher Auditorium, Second Floor 1001 I Street Sacramento, California 95814 http://www.calepa.ca.gov/EPAbldg/location.htm
PUBLIC MEETING AGENDA	This facility is accessible by public transit. For transit information, call (916) 321-BUSS, website: http://www.sacrt.com
December 18, 2014	(This facility is accessible to persons with disabilities.)
<u>Webcast</u>	AGENDA ITEM IN ADVANCE OF THE MEETING GO TO: http://www.arb.ca.gov/lispub/comm/bclist.php

Thursday <u>December 18, 2014</u> 9:00 a.m.

#### **DISCUSSION ITEMS:**

Note: The following agenda items may be heard in a different order at the Board meeting.

#### Agenda Item #

## 14-10-1: Public Meeting to Consider Approval of Draft Report: Proposed Research Plan, Fiscal Year 2015-2016

Staff will present to the Board the proposed 2015-2016 Research Plan. This Research Plan reflects a concerted effort to identify the Air Resources Board's (ARB) highest priority research needs, and the research projects included in this Plan will support attainment of upcoming air quality and greenhouse gas targets. Research included in this plan will examine the extent and effects of air pollution exposure and associated mitigation strategies, enhance modeling techniques for criteria pollutants, inform future improvements to ARB's clean vehicle programs, improve estimates of emissions from heavy-duty vehicles, conduct economic assessments of ARB's climate programs, evaluate sustainable communities strategies, and investigate the potential to lower emissions of short-lived climate pollutants.

More Information

Staff Presentation

#### 14-10-2: Public Meeting to Consider Approval of the Imperial County 2013 State Implementation Plan for the 2006 24-Hour PM2.5 Moderate Nonattainment Area

Staff will present to the Board the proposed Imperial County 2013 State Implementation Plan for the 35 µg/m<sup>3</sup> 24-hour PM2.5 standard. The Plan shows Imperial County would have attained the standard but for transport of international emissions from Mexicali, Mexico and addresses all requirements under the federal Clean Air Act.

More Information

Staff Presentation

#### 14-10-3: Update to the Board on International Coordination

Staff will update the Board on the Air Resources Board's climate and air quality collaborations with foreign jurisdictions.

More Information

Staff Presentation

#### 14-10-4: Public Hearing to Consider Amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms

Staff will present to the Board updates to the Cap and Trade Regulation to include a new Rice Cultivation Compliance Offset Protocol and an update to the United States Forest Compliance Offset Protocol that would include project eligibility in parts of Alaska.

More Information

Staff Presentation

#### 14-10-5: Draft Overview and Status Update of the Technology and Fuels Assessment

Staff will update the Board on the current status, results, and conclusions from the Air Resources Board staff's Technology and Fuels Assessment being conducted to support development of the Sustainable Freight Strategy, future State Implementation Plan measures, incentive funding programs, and future climate change scoping plan updates. The Assessment includes trucks, buses, transport refrigerators, locomotives, ocean-going vessels, commercial harbor craft, cargo-handling equipment, aviation, and conventional and alternative fuels.

More Information

Staff Presentation

#### 14-10-6: Update and Report to the Board on the Joint Air Resources Board/California Air Pollution Control Officers Association Assembly Bill 8 Carl Moyer Program Evaluation

Staff will update the Board on its joint Air Resources Board/California Air Pollution Control Officers Association report on the findings and recommendations of potential changes to the Carl Moyer Memorial Air Quality Standards Attainment Program designed to help the program better achieve State and local air quality and climate goals.

More Information

Staff Presentation

#### **CLOSED SESSION**

The Board will hold a closed session, as authorized by Government Code section 11126(e), to confer with, and receive advice from, its legal counsel regarding the following pending or potential litigation, and as authorized by Government Code section 11126(a):

*POET, LLC, et al. v. Corey, et al.,* Superior Court of California (Fresno County), Case No. 09CECG04850; plaintiffs' appeal, California Court of Appeal, Fifth District, Case No. F064045; California Supreme Court, Case No. S213394. [remanded to trial court].

Rocky Mountain Farmers Union, et al. v. Corey, U.S. District Court (E.D. Cal. Fresno), Case No. 1:09–CV–02234–LJO–DLB; ARB interlocutory appeal, U.S. Court of Appeals, Ninth Circuit, Case No. 09-CV-02234 [remanded to trial court].

American Fuels and Petrochemical Manufacturing Associations, et al. v. Corey, et al., U.S. District Court (E.D. Cal. Fresno), Case No. 1:10-CV-00163-AWI-GSA; ARB's interlocutory appeal, U.S. Court of Appeals, Ninth Circuit, Case No. 10-CV-00163 [remanded to trial court]. *California Dump Truck Owners Association v. Nichols,* U.S. District Court (E.D. Cal. Sacramento), Case No. 2:11-CV-00384-MCE-GGH; plaintiffs' appeal, U.S. Court of Appeals, Ninth Circuit, Case No. 13-15175.

*Engine Manufacturers Association v. California Air Resources Board,* Sacramento Superior Court, Case No. 34-2010-00082774; ARB's appeal, California Court of Appeal, Third District, Case No. C071891.

*Truck and Engine Manufacturers Association v. California Air Resources Board,* Sacramento Superior Court, Case No. 34-2013-00150733.

Alliance of Automobile Manufacturers v. California Air Resources Board; Sacramento Superior Court, Case No. 34-2013-00152974.

*Citizens Climate Lobby and Our Children's Earth Foundation v. California Air Resources Board,* San Francisco Superior Court, Case No. CGC-12-519554, plaintiffs' appeal, California Court of Appeal, First District, Case No. A138830.

*California Chamber of Commerce et al. v. California Air Resources Board,* Sacramento Superior Court, Case No. 34-2012-80001313; plaintiffs' appeal, California Court of Appeal, Third District, Case No. C075930.

Morning Star Packing Company, et al. v. California Air Resources Board, et al., Sacramento Superior Court, Case No. 34-2013-800001464; plaintiffs' appeal, California Court of Appeal, Third District, Case No. C075954.

Delta Construction Company, et al. v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 11-1428.

*City of Los Angeles through Department of Water and Power v. California Air Resources Board, et al.,* Los Angeles Superior Court, Case No. BS140620 (transferred to Sacramento Superior Court, Case No. 34-2013-80001451-CU-WM-GDS).

Alliance for California Business v. Nichols et al., Glenn County Superior Court, Case No. 13CV01232.

*Dalton Trucking, Inc. v. United States Environmental Protection Agency,* U.S. Court of Appeals, District of Columbia Circuit, Case No. 13-1283.

*Owner-Operator Independent Drivers Association Inc. et al. v. Richard W. Corey et al.,* U.S. District Court, (E.D. Cal. Fresno) Case No. 1:13-CV-01998-LJO-SAB (transferred by court to E.D.Cal. Sacramento, Case No. 2:14-CV-00186-MCE-AC).

John R. Lawson Rock & Oil, Inc. et al. v. California Air Resources Board et al., Fresno County Superior Court, Case No. 14-CECG01494.

*Transportation Solutions Defense and Education Fund v. California Air Resoures Board,* Fresno County Superior Court, Case No. 14CECG01788 (plaintiff's transfer to Sacramento Superior).

*California Nozzle Specialists, Inc. v. California Air Resources Board,* Los Angeles County Superior Court, Case No. BC564965.

#### OPPORTUNITY FOR MEMBERS OF THE BOARD TO COMMENT ON MATTERS OF INTEREST

Board members may identify matters they would like to have noticed for consideration at future meetings and comment on topics of interest; no formal action on these topics will be taken without further notice.

#### OPEN SESSION TO PROVIDE AN OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD ON SUBJECT MATTERS WITHIN THE JURISDICTION OF THE BOARD

Although no formal Board action may be taken, the Board is allowing an opportunity to interested members of the public to address the Board on items of interest that are within the Board's jurisdiction, but that do not specifically appear on the agenda. Each person will be allowed a maximum of three minutes to ensure that everyone has a chance to speak.

## TO ELECTRONICALLY SUBMIT WRITTEN COMMENTS ON AN AGENDA ITEM IN ADVANCE OF THE MEETING GO TO:

http://www.arb.ca.gov/lispub/comm/bclist.php

(Note: not all agenda items are available for electronic submittals of written comments.)

#### IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE CLERK OF THE BOARD: 1001 I Street, 23<sup>rd</sup> Floor, Sacramento, California 95814 (916) 322-5594 ARB Homepage: <u>www.arb.ca.gov</u>

#### SPECIAL ACCOMMODATION REQUEST

Consistent with California Government Code Section 7296.2, special accommodation or language needs may be provided for any of the following:

- An interpreter to be available at the hearing;
- Documents made available in an alternate format or another language;
- A disability-related reasonable accommodation.

To request these special accommodations or language needs, please contact the Clerk of the Board at (916) 322-5594 or by facsimile at (916) 322-3928 as soon as possible, but no later than 7 business days before the scheduled Board hearing. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Consecuente con la sección 7296.2 del Código de Gobierno de California, una acomodación especial o necesidades lingüísticas pueden ser suministradas para cualquiera de los siguientes:

- Un intérprete que esté disponible en la audiencia
- Documentos disponibles en un formato alterno u otro idioma
- Una acomodación razonable relacionados con una incapacidad

Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor llame a la oficina del Consejo al (916) 322-5594 o envié un fax a (916) 322-3928 lo más pronto posible, pero no menos de 7 días de trabajo antes del día programado para la audiencia del Consejo. TTY/TDD/Personas que necesiten este servicio pueden marcar el 711 para el Servicio de Retransmisión de Mensajes de California.

#### SMOKING IS NOT PERMITTED AT MEETINGS OF THE CALIFORNIA AIR RESOURCES BOARD