



South Coast Air Quality Management District

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LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISORY GROUP FRIDAY, MAY 8, 2020 MEETING MINUTES

MEMBERS PRESENT:

Council Member Ben Benoit, LGSBA Chairman (Board Member)
Supervisor Janice Rutherford (Board Member)
Felipe Aguirre
Mayor Pro Tempore Rachelle Arizmendi, City of Sierra Madre
Paul Avila, P.B.A. & Associates
Todd Campbell, Clean Energy
LaVaughn Daniel, DancoEN
John DeWitt, JE DeWitt, Inc.
Bill LaMarr, California Small Business Alliance
Rita Loof, RadTech International
Eddie Marquez, Roofing Contractors Association
David Rothbart, Los Angeles County Sanitation District

MEMBERS ABSENT:

Supervisor V. Manuel Perez (Board Member)
Geoffrey Blake, Metal Finishers of Southern California

OTHERS PRESENT:

Mark Ambrowitz
Tom Gross, Board Member Consultant (*Benoit*)
Dan McGirney, SoCal Gas
Andy Silva, San Bernardino County
Patty Senecal
Mark Taylor, Board Member Consultant (*Rutherford*)

SCAQMD STAFF:

Jill Whynot, Chief Operating Officer
Derrick Alatorre, Deputy Executive Officer
Ron Moskowitz, Chief Information Officer
Sarah Rees, Assistant Deputy Executive Officer
Fabian Wesson, Assistant Deputy Executive Officer
Teresa Barrera, Senior Deputy District Counsel
Veera Tyagi, Principal Deputy District Counsel
Lisa Tanaka O'Malley, Senior Public Affairs Manager
Ian MacMillan, Planning & Rules Manager
Philip Crabbe III, Public Affairs Manager
Anthony Tang, Information Technology Supervisor

Van Doan, Air Quality Specialist
Elaine-Joy Hills, Air Quality Specialist
Paul Wright, Senior Information Technology Specialist
Jeanette Short, Senior Public Information Specialist
Stacy Day, Legislative Assistant

Agenda Item #1 - Call to Order/Opening Remarks

Chair Ben Benoit called the meeting to order at 11:30 a.m.

Mr. Derrick Alatorre provided guidelines and general instructions for participation in the remote meeting for the Local Government & Small Business Assistance Advisory Group (LGSBA) via Zoom webinar and teleconference.

Agenda Item #2 – Approval of February Meeting Minutes/Review of Follow-Up/Action Items

Chair Benoit called for approval of the February 14, 2020 meeting minutes. The minutes were approved unanimously.

Agenda Item #3 – Review of Follow Up/Action Items

Mr. Derrick Alatorre stated that there were no follow-up or action items.

Agenda Item #4 – Update on Proposed Rule 2305 – Facility-Based Mobile Source Measures

Mr. Ian MacMillan provided an update on the development of proposed Rule 2305 – Facility-Based Mobile Source Measures.

Chair Benoit stated it is interesting to see how this rule is shaping up and expressed appreciation for the hard work and effort put into this rule development. He further stated that meetings with stakeholders will continue despite changes resulted from the coronavirus disease 2019 (COVID-19) pandemic.

Mr. Bill LaMarr stated that cost assessments are typically conducted prior to determining if a rule is necessary. He further commented that the COVID-19 pandemic caused a reduction in global commerce, particularly the shipping industry, and asked if the warehouses are fully occupied. Mr. LaMarr stated that there have been emissions reductions at the ports, leading to emissions reductions in the Inland Empire (IE) and asked if South Coast Air Quality Management District (South Coast AQMD), California Air Resources Board (CARB), or anyone has recently completed an emissions inventory. Mr. MacMillan replied that different economic metrics are being monitored, showing container throughput decreased in March and increased in April. Mr. MacMillan stated that the economic shock to the system is impacting various industries in different ways; for example, grocery and cold storage space activities are increasing, whereas other industries are decreasing. Mr. MacMillan stated that there has been poor air quality in the IE in the last couple of weeks with high ozone levels, indicating there was continued goods-movement activities. There was some reduction in truck traffic and more reduction in car traffic; however, diesel fuel production level remained the same or increased, consistent with the increased demand for goods while people remained at home. What is happening now and within the next 6-12 months is likely temporary and things will eventually return to normal. This rule is not designed for a single, one-time action by warehouses. If this rule is approved by the Governing Board (GB) in the first quarter of next year, then the first compliance date will be a year after that and every year thereafter. The next working group meeting has been delayed as more information and input are needed from industry. The last several weeks demonstrated the air quality still needs significant improvement and proved that there is a long term need for this rule. Mr. LaMarr stated that businesses contribute to

climate change and affect the air quality in the IE; however, it is not a good use of a rule like this to have the businesses bear the financial burden during this time. Mr. LaMarr referenced slide #3 and suggested to establish a de minimis level for fee applicability and delay the responsibility for stationary sources. Mr. MacMillan stated that this rule is not targeting stationary sources and most warehouses are not required to be permitted by South Coast AQMD. Mr. MacMillan indicated that slide #3 referenced businesses with 100,000 ft² facilities, which are not considered small businesses. This rule is targeting larger operations, not small businesses. Mr. MacMillan mentioned that CARB is considering regulations on truck manufacturers and truck fleets and the Environmental Protection Agency (EPA) is also looking at truck manufacturers. The indirect source rule (ISR) targets the destination and how to set up an ecosystem of clean technology, including options for creating the infrastructure. Many businesses are taking steps to comply on their own; however, the challenge is to get others to help develop this ecosystem to improve the air quality.

Mr. David Rothbart stated that the purpose of this rule is to reach attainment as part of the Air Quality Management Plan (AQMP) and asked what the anticipated emissions reductions would be. Mr. Rothbart stated that attainment would not be achieved by 2023 and it is up to CARB and EPA to develop ways to control mobile sources to reach attainment. Mr. Rothbart further asked how ISR would fit into the overall ecosystem if a complex rule is implemented locally and included in the State Implementation Plan (SIP). Mr. MacMillan replied that ISR is not the only answer, but it is one piece of the toolkit that the South Coast AQMD could use to require emissions reductions from mobile sources. It could be used to focus on manufacturers, fleets, or destinations, while providing maximum flexibility for critical incentive programs. Mr. MacMillan stated the emissions reductions needed are substantial and with the attainment deadlines approaching, ISR is one of the few ways available to obtain such reductions. There is also a strong community voice expressing the desire to reduce emissions in the communities around the warehouses, indicating there is a wide variety of needs for a rule like this. Mr. Rothbart stated if EPA specifies alternative options to reach attainment, then South Coast AQMD might not want a rule that is not retractable because it is in the SIP. Mr. Rothbart suggested to include an option to remove the requirements when a certain emissions level is reached.

Mr. Todd Campbell referenced a study on heavy-duty vehicles emissions standards and actual emissions levels published by the International Council on Clean Transportation and stated that the actual emissions are 5-6 times above the standards. Mr. Campbell asked if there was a rule that addressed 34 tons of emissions per day. Mr. MacMillan replied the Regional Clean Air Incentives Market (RECLAIM) Program. Mr. Campbell stated if this rule gets adopted and requires emissions reductions from mobile sources, it could provide significant pressure relief to the stationary sources. Mr. MacMillan agreed that it would relieve pressure on stationary sources if there are more emissions reductions from mobile sources. Mr. Campbell stated that by 2023, federal sanctions would be placed if standards are not met and commented on the need to reduce emissions now. He asked if it would be better to reduce emissions now or in 20-30 years to which Mr. MacMillan replied that the agency is charged with meeting attainment as quickly as possible. Mr. Campbell stated that the point system does not reflect that as 126 points are given to zero-emission trucks and 55 to near-zero emission trucks, but the difference in emissions reduction is 1%. If those trucks are powered by renewable natural gas, then there would be better emissions and climate change. He commented on the need for a better point system and more cost-effective strategies for emissions reductions and expressed concern for the lack of near-zero emission yard tractors. Mr. MacMillan responded that a decision has not been made regarding the near-zero emission yard trucks and will consider the comments; however, many stakeholders asserted that only zero emission yard trucks should be included. As for the difference in point allocations for near-zero and zero emission on-road trucks, facilities typically select the cheapest method

to comply and possibly would obtain more near-zero emission trucks than zero emission trucks; therefore, the actions and points are not the only factors to consider, but the cost component is also important to include in the analysis. Mr. Campbell stated the point system does not reflect the current situation and cost-effectiveness should be considered, so the GB is unlikely to adopt the rule. Mr. MacMillan replied that discussion will continue in the next stage of the rulemaking process.

Ms. Rita Loof referenced slide #10 on Warehouse Actions and Investments to Reduce Emissions (WAIRE) menu items and asked if the filters are installed at the warehouses and if they are high-efficiency particulate air (HEPA) filters. Mr. MacMillan responded that the filters are not installed at the warehouses, but they are installed at nearby sensitive receptors, such as homes, schools, or daycare centers. Ms. Loof referenced slide #12 and asked if the cost of \$455k is to acquire one class 8 near-zero emission truck. Mr. MacMillan replied that the cost is for seven trucks. Ms. Loof asked for a brief explanation of the rule stringency level. Mr. MacMillan stated that the stringency level refers to the number of points each facility needs to earn. For example, a facility with more trucks would need to earn more points than a facility with less trucks; however, the actual levels have not been established and there will be an analysis of the economic condition, technological availability, air quality need, etcetera.

Agenda Item #5 – Update on 2019-20 State and Federal Legislation

Mr. Philip Crabbe III and Ms. Lisa Tanaka O'Malley provided an update on state and federal legislation.

Mr. Alatorre stated the Spot Bill 2241 did not go through because the deadline to introduce the bill was March 24, 2020, but the sessions were adjourned on March 19, 2020. However, there may be future opportunities for this bill to be introduced.

Mr. LaMarr asked for the status of Assembly Bill (AB) 2737 on Community Emissions Reduction Programs introduced by Assembly Member Cristina Garcia. Mr. Crabbe replied that staff has been in contact with Assembly Member Garcia's office and provided comments and confirmed that AB 2737 will not be moving forward this year.

Mr. Campbell indicated that the next senate stimulus package is being developed and asked if South Coast AQMD is seeking funding opportunities related to ports, truck drivers, and fleet operators, and have approached Senators Steven Bradford or Robert Hertzberg who represent the affected areas. Mr. Crabbe replied that South Coast AQMD is exploring different opportunities, such as funding for AB 617 implementation, green technology, and stimulus package and has been in contact with the Governor's office. Mr. Campbell stated that funding is needed for the SIP to work and encouraged staff to seek additional funding opportunities. Mr. Crabbe replied that South Coast AQMD has been aggressively seeking opportunities since January and continues to advocate for clean air, despite the pandemic. Studies have shown that there are disproportionate impacts of poor air quality on communities of color and that air pollution increases health risks, which puts people at great risk of serious illness from COVID-19.

Mr. Alatorre stated that South Coast AQMD staff spoke with the Chair of the Senate Budget and Fiscal Review Committee and found that state revenues are severely impacted in a negative sense due to lack of sales tax received. With an anticipated \$54 million deficit, it would be difficult to obtain additional funding, but staff will try their best given the current situation.

Mr. Campbell stated that South Coast AQMD has the direct link since air pollution could exacerbate COVID-19 effects. Mr. Campbell further stated that more money will be available and encouraged staff to keep trying.

Chair Benoit agreed with Mr. Campbell's comment and stated the next step is to convince the legislature.

Agenda Item #6 –Monthly Report on Small Business Assistance Activities

No comments.

Agenda Item #7 - Other Business

None.

Agenda Item #8- Public Comment

None.

Agenda Item #9 – Next Meeting Date

The next regular Local Government & Small Business Assistance Advisory Group meeting is scheduled for Friday, June 12, 2020 at 11:30 a.m.

Adjournment

The meeting adjourned at 1:09 p.m.