

BOARD MEETING DATE: October 3, 2014

AGENDA NO. 28

REPORT: California Air Resources Board Monthly Meeting

SYNOPSIS: The California Air Resources Board met on September 18, 2014, in 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) September meeting was held on September 18 in Sacramento, at the California Environmental Protection Agency Headquarters Building. Key items presented are summarized below.

1. Consideration of the Interim Guidance for Agencies Receiving Monies From the Greenhouse Gas Reduction Fund

The Board approved Interim Guidance for agencies administering projects to be funded by the Greenhouse Gas Reduction Fund (GGRF). State law provides direction to State agencies receiving appropriations from the GGRF, including requirements for the Air Resources Board to develop funding guidelines to ensure statutory requirements are met. This Interim Guidance provides direction for agencies to meet SB 535 (De León, 2012) requirements to allocate 25 percent of the available moneys in the GGRF to projects that deliver benefits to disadvantaged communities and to allocate a minimum of 10 percent of the available moneys to projects located within disadvantaged communities. The guidance contains yes/no criteria for agencies to determine if a project is located within and provides direct benefits to a disadvantaged community, or if not located within a disadvantaged community, still provides direct benefits to one or more disadvantaged communities. The California Environmental Protection Agency will identify disadvantaged communities based on geographic, socioeconomic, public health, and environmental hazard criteria. Full funding guidelines will be developed over the next year and brought back to the Board for final approval in 2015.

SCAQMD Staff Comments/Testimony: South Coast AQMD staff urged the CARB Board to adopt their staff's proposed interim guidelines. The guidelines are consistent with the approach the SCAQMD uses in awarding Moyer funding to environmental justice communities. Staff indicated that the SCAQMD has been strong supporters of special measures to address environmental justice and has had environmental justice programs since 1998.

Staff indicated that the types of technologies considered for funding with the Greenhouse Gas Reduction Funds will have significant co-benefits of reducing not only greenhouse gas emissions, but also criteria pollutants and local toxics exposure. The co-benefits are critical to the protection of public health at the local level and to make attainment of federal standards possible in the South Coast Air Basin.

Staff indicated that with 42 percent of the state's population, the South Coast District has a significant number of residents living in disadvantaged communities confirmed by OEHHA's CalEnviroScreen model. As the state finalizes the methodologies for calculating cancer risk, which could potentially increase by almost a factor of 3, it is imperative that the types of technologies considered for funding be deployed to benefit all residents as early as possible. However, areas that have the greatest toxic exposure levels tend to be in disadvantaged communities. As such, these communities should receive their fair share of funding as the state develops the funding guidelines slated to be developed later this year.

Staff concluded that staff looks forward to working with CARB as they implement the guidelines and develop funding guidelines that are scheduled to be finalized mid-2015.

2. Amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms

The Board adopted implementation related amendments to the Cap-and-Trade Regulation. These amendments changed allocation requirements for two entities, modified product data definitions to align with the Mandatory Reporting Regulation, simplified corporate association disclosure requirements, and clarified legacy contract language for electricity. The Board also approved technical updates to the compliance protocols for Ozone Depleting Substances offsets and Livestock offsets. The Board delayed addressing the quantification methodology for the United States Forest protocol until December to allow additional stakeholder involvement.

3. Amendments to the Mandatory Reporting of Greenhouse Gas Emissions Regulation

The Board approved amendments to the Mandatory Reporting Regulation (MRR) of Greenhouse Gas Emissions. These amendments are needed to align the MRR with California's Cap-and-Trade Regulation and the State's other climate and greenhouse gas programs, and to integrate reporting of the Cost of Implementation Fee Regulation into the MRR. The amendments also clarify requirements for refinery and hydrogen production reporting, natural gas and petroleum suppliers reporting, and electric power entities transmission and sales reporting.

4. Amendments to the AB 32 Cost of Implementation Fee Regulation

The Board approved amendments to the existing AB 32 (Pavley, 2006) Cost of Implementation Fee Regulation. These amendments revise definitions and provisions to align with the Mandatory Reporting Regulation of Greenhouse Gas Emissions, and the Cap-and-Trade Regulation. The amendments also clarify regulatory language, streamline program administration, increase reliance on third-party verification, update emission factors and provide other clarifying changes.

Consent Items

1. Two Research Proposals

The Board approved funding for two research proposals that were developed based on the Board-approved Fiscal Year 2014-2015 Annual Research Plan. The funded projects include characterization of PM2.5 episodes in the San Joaquin Valley based on a winter 2013 study using data from NASA, and a study looking at the durability, emissions and demand for Plug-in Electric Vehicles in the Secondary Market.

2. Town of Mammoth Lakes PM10 Maintenance Plan and Redesignation Request

The Board approved the PM10 Maintenance Plan and Redesignation Request for the Town of Mammoth Lakes developed by the Great Basin Unified Air Pollution Control District. The Plan and Request will be submitted to the United States Environmental Protection Agency as a revision to the California State Implementation Plan.

Attachment

CARB September 18, 2014 Meeting Agenda

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

September 18, 2014

[Webcast](#)

This facility is accessible by public transit. For transit information, call (916) 321-BUSS, website: <http://www.sacrt.com>
(This facility is accessible to persons with disabilities.)

TO SUBMIT WRITTEN COMMENTS ON AN AGENDA ITEM IN ADVANCE OF THE MEETING GO TO: <http://www.arb.ca.gov/lispub/comm/bclist.php>

**Thursday
September 18, 2014
9:00 a.m.**

CONSENT CALENDAR:

The following items on the consent calendar will be presented to the Board immediately after the start of the public meeting, unless removed from the consent calendar either upon a Board member's request or if someone in the audience wishes to speak on it.

Consent Item #

14-7-1: Public Meeting to Consider Two Research Proposals

Staff will seek Board approval of research proposals that were developed based on the Board-approved Fiscal Year 2014-2015 Annual Research Plan.

- 1) "Characterization of PM2.5 Episodes in the San Joaquin Valley Based on Data Collected During the NASA DISCOVER-AQ Study in the Winter of 2013," University of California, Davis, Proposal No. 2778-280.

[More Information](#)

[Proposed Resolution](#)

- 2) "The Dynamics of Plug-in Electric Vehicles in the Secondary Market and Their Implications for Vehicle Demand, Durability, and Emissions," University of California, Davis, Proposal No. 2779-280.

[More Information](#)

[Proposed Resolution](#)

14-7-2: Public Meeting to Consider Approval of the Town of Mammoth Lakes PM10 Maintenance Plan and Redesignation Request

Staff recommends that the Board approve the proposed PM10 Maintenance Plan and Redesignation Request for the Town of Mammoth Lakes developed by the Great Basin Unified Air Pollution Control District. If approved, the Plan and Request will be submitted to the United States Environmental Protection Agency as a revision to the California State Implementation Plan.

[More Information](#)

[Proposed Resolution](#)

DISCUSSION ITEMS:

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

Agenda Item #**14-7-4: Public Meeting to Consider the Interim Guidance for Agencies Receiving Monies From the Greenhouse Gas Reduction Fund**

Staff will present for the Board's consideration the Interim Guidance concepts for agencies administering Greenhouse Gas Reduction Fund (GGRF) monies. State law provides direction to State agencies receiving appropriations of GGRF monies, including requirements for the Air Resources Board to develop funding guidelines to ensure statutory requirements are met. This Interim Guidance will focus on development of expenditure records and meeting Senate Bill 535 requirements to maximize the benefits of investments to disadvantaged communities. Full funding guidelines will be developed over the next year.

[More Information](#)

[Staff Presentation](#)

14-7-5: Public Hearing to Consider Amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms

Staff will present to the Board for consideration updates to the Cap-and-Trade Regulation's allocation requirements, corporate association disclosure requirements, and existing compliance offset protocols, including updates to the Ozone Depleting Substances and Livestock offset protocols as well as a change to the quantification methodology to the United States Forest protocol.

[More Information](#)

[Staff Presentation](#)

14-7-6: Public Hearing to Consider Amendments to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions

Staff will present to the Board proposed amendments to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions needed to support California's Cap-and-Trade Regulation, the Cost of Implementation Fee Regulation, and the State's other climate and greenhouse gas programs.

[More Information](#)

[Staff Presentation](#)

14-7-7: Public Hearing to Consider Amendments to the Cost of Implementation Fee Regulation

Staff will present to the Board proposed amendments to the existing Assembly Bill 32 Cost of Implementation Fee Regulation that revise definitions and provisions to conform with the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions. Modifications are also proposed to clarify requirements and/or regulatory language.

[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.

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.

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.

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 Resources Board, Fresno County Superior Court, Case No. 14CECG01788.

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, 23rd Floor, Sacramento, California 95814
(916) 322-5594**

ARB Homepage: www.arb.ca.gov

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 envíe 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.