

BOARD MEETING DATE: October 2, 2015

AGENDA NO. 31

REPORT: California Air Resources Board Monthly Meeting

SYNOPSIS: The California Air Resources Board met on September 24 – 25, 2015, in Sacramento. The following is a summary of this meeting.

RECOMMENDED ACTION:  
Receive and File.

Judith Mitchell, Member  
SCAQMD Governing Board

sm

---

The Air Resources Board's (ARB or Board) September meeting was held on September 24 and 25, 2015 in Sacramento at the California Environmental Protection Agency Headquarters Building. Key items presented are summarized below.

---

#### Discussion Items

---

### **1. Public Hearing to Consider the Proposed Regulation on the Commercialization of Alternative Diesel Fuels (ADFs)**

The Board adopted a regulation governing the introduction of ADFs into the commercial market. The ADF regulation works with the Low Carbon Fuel Standard (LCFS) to enhance the development and penetration of low carbon ADFs. This regulation will help California achieve the LCFS 2020 goal as well as the State's 2030 50 percent renewable energy goal. The proposed regulation was first presented to the Board at its February 2015 public hearing. At the February meeting, the Board directed staff to release a 15-day change packet and respond to public comments. In response to public comments, the regulation includes a limited producer/importer exemption and clarifies the reporting and recordkeeping requirements. The Board also approved the combined environmental analysis to meet the California Environmental Quality Act for both ADF and LCFS.

**SCAQMD Staff Comments/Testimony:** Mr. Henry Hogo thanked staff for working closely with the SCAQMD staff in addressing concerns regarding the potential increase in NOx emissions from the use of certain biodiesel fuels. The SCAQMD staff supported the proposed regulation and requested the Board's adoption of the regulation.

## **2. Public Hearing to Consider the Proposed Re-adoption of the Low Carbon Fuel Standard**

The Board re-adopted the LCFS, including updates and revisions to the regulation now in effect. The proposed re-adoption and amendments were initially presented to the Board at its February 2015 public hearing. Following Board direction to work with stakeholders, ARB staff held an additional workshop, released three 15-day change packages, responded to over 2600 pages of comments, and completed a scientific peer review. This hearing also addressed the State's Court of Appeals direction regarding adherence with the California Environmental Quality Act and Administration Procedure Act. The re-adoption of the LCFS provides greater clarity and certainty in the regulation, simplifies credits, establishes a cap on credit prices, finalizes carbon intensity models and restates the 2020 goal of reducing the carbon intensity of the transportation fuel pool by 10 percent.

**SCAQMD Staff Comments/Testimony:** Mr. Henry Hogo thanked staff for working with the SCAQMD staff in the development of revisions to the Low Carbon Fuel Standard (LCFS). Mr. Hogo indicated that there are several fuel pathways that provide not only greenhouse gas emission benefits, but also have the potential to reduce criteria pollutant emissions. SCAQMD staff will continue to work with CARB as the LCFS is implemented. The SCAQMD staff supported the proposed regulation and requested the Board's re-adoption of the regulation.

## **3. Public Meeting to Consider Proposition 1B Program Funding Awards to Reduce Emissions from Freight Transportation**

The Board approved grant awards to fund local agency projects to reduce freight-related emissions in California's four priority trade corridors. The awards, totaling approximately \$287 million from Year 5 and unspent funds, are eligible to local agency projects as defined by the Program Guidelines. The Board also directed the Executive Officer to reallocate approximately \$46 million of recaptured funds from previously awarded local and State agency projects for Year 5 eligible projects. The funding priorities are for zero and near-zero emission advanced technologies, improvement of small truck fleets, and penetration of Tier 4 locomotives.

**SCAQMD Staff Comments/Testimony:** Mr. Henry Hogo thanked staff for working with SCAQMD staff on the funding allocations. The Proposition 1B has been a very successful program in the South Coast Air Basin. He indicated that the SCAQMD has an open solicitation for heavy-duty truck projects and looks forward to working with CARB in implementing the program. Mr. Hogo indicated that since this is the last round of funding, new funding opportunities need to be identified for future projects. Mr. Hogo requested the Board's approval of the proposed funding awards.

#### **4. Public Hearing to Consider the Cap-and-Trade Auction Proceeds Funding Guidelines for Agencies that Administer California Climate Investments**

The Board approved the Funding Guidelines for agencies administering California Climate Investments from the Greenhouse Gas Reduction Fund. These Guidelines address program administration to further the purposes of Assembly Bill 32. Specifically, they give direction to agencies for the preparation of Expenditure Records, for project tracking/reporting, to quantify greenhouse gas reductions and co-benefits, and to meet Senate Bill 535 requirements to maximize benefits to disadvantaged communities. The Board further specified guidance on public transparency, outreach, and technical assistance with applications for the funds. In addition, with these Guidelines, the Board sought to maximize benefits to disadvantaged communities by emphasizing that the projects need to be direct, meaningful and assured, and should not result in physical or economic displacement of a low-income residence or business.

#### **5. Public Hearing to Consider Technical Status and Proposed Revisions to On-Board Diagnostic System Requirements (OBD II) and Associated Enforcement Provisions for Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles and Engines.**

The Board approved amendments to the OBD II regulation that update requirements to account for Low Emission Vehicle III emission standards and address implementation in light of the Advanced Clean Car program's emission controls. The amendments will also align the program with U.S. EPA's Tier 3 requirements for certification and in-use programs, and will standardize the data collected to support other ARB programs, such as Smog-Check. The data will also include GHG emissions. The Board also adopted updates to the associated OBD II enforcement regulation to align it with the OBD II amendments.

**SCAQMD Staff Comments/Testimony:** Mr. Henry Hogo commented that on-board diagnostics (OBD) is an important tool for emissions compliance and enforcement. In addition, OBD is an important tool to help understand real world emissions as new emissions inventories are developed for attainment demonstration. Mr. Hogo concluded

with SCAQMD staff's full support of the proposed revisions and urged the Board's adoption of the proposed revisions as proposed by staff.

---

Consent Items

---

**1. Public Meeting to Consider Appointments of New Members to the Environmental Justice Advisory Committee**

The Board appointed Colin Bailey, Sekita Grant, Eleanor Torres, and Katie Valenzuela Garcia to serve on the Environmental Justice Advisory Committee (EJAC). The Board further approved the addition of another position to the EJAC to be appointed from the San Diego Area.

**Attachment**

CARB September 24-25, 2015 Meeting Agenda

**PUBLIC MEETING AGENDA**

**Thursday, September 24, 2015  
and  
Friday, September 25, 2015  
(Sacramento, CA)**

[Webcast](#)

**LOCATION:**

California Environmental Protection Agency  
Air Resources Board  
Byron Sher Auditorium, 2<sup>nd</sup> Floor  
1001 I Street  
Sacramento, California 95812

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 24, 2015  
9:00 a.m.**

**DISCUSSION ITEMS:**

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

**Agenda Item #**

**15-7-1: Public Hearing to Consider the Proposed Regulation on the Commercialization of Alternative Diesel Fuels**

*The Board will consider a proposed regulation governing the introduction of alternative diesel fuels into the California commercial market, including special provisions for biodiesel. The proposed regulation was first presented to the Board at its February 2015 public hearing, at which the Board directed staff to make modifications to the proposal. The Board will also consider the combined environmental analysis prepared under the California Environmental Quality Act for this proposal and the proposed re-adoption of the Low Carbon Fuel Standard (Item 15-7-2) and the written responses to environmental comments. The Board will close the public hearing on this item at the conclusion of public comment on September 24th and continue the meeting on September 25th to deliberate and vote on the proposal.*

[More Information](#)

[Staff Presentation](#)

**15-7-2: Public Hearing to Consider the Proposed Re-adoption of the Low Carbon Fuel Standard**

*The Board will consider the proposed re-adoption of the Low Carbon Fuel Standard, which includes updates and revisions to the regulation now in effect. The proposed regulation was first presented to the Board at its February 2015 public hearing, at which the Board directed staff to make modifications to the proposal. The Board will also consider the combined environmental analysis prepared under the California Environmental Quality Act for this proposal and the proposed Regulation on the Commercialization of Alternative Diesel Fuels (Item 15-7-1) and the written responses to environmental comments. The Board will close the public hearing on this item at the conclusion of public comment on September 24th and continue the meeting on September 25th to deliberate and vote on the proposal.*

[More Information](#)

[Staff Presentation](#)

**15-7-4: Public Meeting to Consider Proposition 1B Program Funding Awards to Reduce Emissions from Freight Transportation**

*The Board will consider approving grant awards for local agency projects to reduce freight-related emissions in California's four priority trade corridors.*

[More Information](#)

[Staff Presentation](#)

**15-7-3: Public Hearing to Consider the Cap-and-Trade Auction Proceeds Funding Guidelines for Agencies that Administer California Climate Investments**

*The Board will consider the draft Funding Guidelines for agencies administering investments from the Greenhouse Gas Reduction Fund. These Guidelines will address program administration to further the purposes of Assembly Bill 32, preparation of Expenditure Records, quantification of greenhouse gas reductions and co-benefits, meeting Senate Bill 535 requirements to maximize benefits for disadvantaged communities, and project tracking/reporting.*

[More Information](#)

[Staff Presentation](#)

**Friday**  
**September 25, 2015**  
**8:30 a.m.**

**CONSENT CALENDAR:**

The item on the consent calendar will be presented to the Board immediately after the start of this second day 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 #****15-7-5: Public Meeting to Consider Appointments of New Members to the Environmental Justice Advisory Committee**

*The Board will consider the appointment of new members from Inland Empire, San Diego, and Sacramento to fill Environmental Justice Advisory Committee (EJAC) vacancies from former members that left their positions. Under Assembly Bill 32 (Global Warming Solutions Act of 2006), the Air Resources Board (ARB) originally convened the EJAC in 2007 to advise it on developing the Initial Scoping Plan and reconvened the EJAC in 2013 to advise it on the First Scoping Plan Update. The EJAC will advise ARB on developing the Scoping Plan to meet Governor Brown's new interim statewide target to reduce greenhouse gas emissions to 40 percent below 1990 levels by 2030.*

[More Information](#)

[Proposed Resolution](#)

**DISCUSSION ITEMS:**

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

**Agenda Item #****15-7-8: Public Hearing to Consider Technical Status and Proposed Revisions to On-Board Diagnostic System Requirements and Associated Enforcement Provisions for Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles and Engines (OBD II)**

*The Board will consider approving for adoption amendments to the OBD II regulations that update requirements to account for Low Emission Vehicle III applications and monitoring*

requirements for gasoline and diesel vehicles, and clarify and improve the regulation. The Board will also consider approving for adoption updates to the associated OBD II enforcement regulation to align it with the proposed amendments to the OBD II regulations and a minor amendment to the definition of "emissions-related part" in title 13, CCR section 1900.

[More Information](#)

[Staff Presentation](#)

**15-7-1: Consideration of the Proposed Regulation on the Commercialization of Alternative Diesel Fuels (Continued from September 24th)**

Staff will present to the Board responses to comments received during the September 24th public hearing on this item and on the combined environmental analysis for the Proposed Regulation on the Commercialization of Alternative Diesel Fuels and the Proposed Re-adoption of the Low Carbon Fuel Standard. The Board will consider adopting the proposed regulation, certifying of the environmental analysis, and approving responses to environmental comments.

[More Information](#)

**15-7-2: Consideration of the Proposed Re-adoption of the Low Carbon Fuel Standard (Continued from September 24th)**

Staff will present to the Board responses to comments received during the September 24th public hearing on this item. The Board will consider re-adopting the Low Carbon Fuel Standard.

[More Information](#)

**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 these pending or potential litigation, and as authorized by Government Code section 11126(a):

*American Fuels and Petrochemical Manufacturers, et al. v. Jane O'Keeffe, et al., U.S. District Court (D. Ore. Portland), Case No. 3:15-CV-00467.*

*Sarah Farley v. California Air Resources Board, Superior Court of California (Sacramento County), Case No. 34-2015-80002044.*

*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 Manufacturers, 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 successful appeal, California Court of Appeal, Third District, Case No. C071891 [remanded to the trial court].*

*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.*

*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.*

*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).*

*Jack Cody dba Cody Transport v. California Air Resources Board, et al. (Sacramento Superior Court, Case No. 34-2015-80002116).*

*CO-AL Transport v. California Environmental Protection Agency et al., (United States Court of Appeals, Ninth Circuit, Case No. 15-70839).*

*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 (plaintiff's transfer to Sacramento Superior).*

*California Air Resources Board v. BP West Coast Products LLC, Contra Costa County Superior Court, Case No. C12-00567.*

*Sacramento Metropolitan Air Quality Management District v. Hardesty Sand & Gravel, et al. (Sacramento County Superior Court, Case No. 34-2011-00101272).*

#### **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: [www.arb.ca.gov](http://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.