

Central Valley Air Quality Coalition
Earthjustice
Central California Asthma Collaborative
Association of Irritated Residents
Climate Change Law Foundation
Coalition for Clean Air
Central California Environmental Justice
Network
Community Science Institute
Leadership Counsel for Justice and
Accountability

Californians Against Fracking &
Dangerous Drilling
Center for Biological Diversity
Medical Advocates for Healthy Air
Center on Race, Poverty and the
Environment
Sierra Club, Kern-Kaweah Chapter
Sierra Club, Tehipite Chapter
Sierra Club California
Valley Improvement Project

January 9th, 2019

Ms. Mary Nichols
Chair, California Air Resources Board
101 I Street
Sacramento, CA

RE: Emission Reduction Credit Banking in the San Joaquin Valley

Chair Nichols and Members of the California Air Resources Board,

On behalf of the undersigned organizations, we respectfully request the California Air Resources Board (CARB) conduct a thorough review of the Emission Reduction Credit (ERC) banks currently administered by the San Joaquin Valley Air Pollution Control District (Air District), starting with the banks for volatile organic compounds (VOCs), nitrogen oxides (NOx) and carbon dioxide and carbon dioxide equivalents (CO₂e). Our groups, which represent frontline communities across the San Joaquin Valley, have substantial evidence which indicates that many of the ERCs contained in the banks are invalid. Invalid credits potentially jeopardize the integrity of the ERC system, allow for the improper permitting of new sources of pollution, and threaten progress toward attainment of air quality standards in the Valley, and maintenance thereof.

This assertion of invalidity is supported by a new 30-page report released by Earthworks: "*Undeserved Credit: Why emissions banking in California's San Joaquin Valley puts air quality at risk*" (November, 2018; see attached). Earthworks is a national nonprofit that partners with affected communities to respond to and solve threats to the environment. Earthworks spent approximately 9 months compiling extensive case studies of ERCs that represent approximately 1/3 of the emission reduction credits in the Air District's VOC bank and 1/2 of the credits in their CO₂e bank.

Earthworks' research demonstrates that, of the ERCs reviewed, a large proportion of credits in the VOC and CO₂e banks appear to be invalid. ERCs were found invalid for numerous reasons, including credits not meeting Clean Air Act requirements, credit issuances violating the Air District's Emission Reduction Banking rules, credit applications submitted after the regulatory deadlines, and

credits not being “surplus” of then-current regulations. The report goes on to state that a review of even more certificates and their relationships would likely raise validity questions for an even larger proportion of credits in the San Joaquin Valley Air District’s banks.

These conclusions are especially pertinent in light of the San Joaquin Valley’s proposed PM2.5 Attainment Plan. The Valley’s PM2.5 Plan will be brought before the CARB Board on January 24th, 2019. If implemented correctly, the Plan could bring the Valley into attainment of multiple PM2.5 standards within the next 5-7 years. However, the ERC system in place intended to maintain - and guard against increases in - pollution levels appears to be insolvent. We believe a malfunctioning ERC system threatens progress toward and maintenance of attainment.

Given the evidence presented in the attached report — and in the context of severe and persistent air quality problems across the San Joaquin Valley — we ask CARB to conduct an audit of the ERCs in the San Joaquin Valley Air District’s banks and direct staff to report back to the Board with their findings. Earthworks’ research has paved the way, but more resources and emissions-related expertise are necessary for a full audit.

Sincerely,

Genevieve Gale,
Central Valley Air Quality Coalition

Elizabeth Forsyth,
Earthjustice

Bill Magavern,
Coalition for Clean Air

Denny Larson,
Community Science Institute

Nayamin Martinez,
Central California Environmental Justice Network

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Gary Lasky,
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Kevin Hamilton,
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Elly Benson,
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Tom Frantz,
Association of Irrigated Residents

Caroline Farrell,
Center on Race Poverty and the Environment

Gordon Nipp,
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Thomas Helme,
Valley Improvement Projects

Maya Golden-Krasner,
Center for Biological Diversity

Ivanka Saunders,
Leadership Counsel for Justice and Accountability

CC: Mr. Richard Cory
Mr. Kurt Karperos