



May 7, 2007

Dr. Robert J. Sawyer
Chairman
California Air Resources Board
1001 I St
Sacramento, CA 95812

Linda Adams
Secretary for Environmental Protection
California Environmental Protection Agency
1001 I St
Sacramento, CA 95812

Re: Suggestions for Early Action Measures

Dear Chairman Sawyer and Secretary Adams,

On behalf of the Natural Resources Defense Council (NRDC), we commend the California Air Resources Board (CARB) and the agencies in the Climate Action Team (CAT) on the "Proposed Early Action Measures to Mitigate Climate Change" documents that were released for public review on April 20, 2007. The identification of early action measures that can be adopted and enforced by 2010 is the first major step to implement Assembly Bill (AB) 32. These measures will be essential to begin emission reductions as quickly as possible, while the state works toward developing the broader 2009 scoping plan to meet the 2020 emission limit.

NRDC strongly supports the measures included on the proposed early action measure lists. We applaud the CAT agencies for committing to adopt early action measures, even though AB 32 only requires CARB to adopt early action measures on an accelerated timeline. The proposed early action measures will provide significant emission reductions.

In particular, we strongly support CARB adoption of the low-carbon fuel standard as an early action measure, which CARB estimates will provide 10 to 20 million metric tons of carbon dioxide equivalent (CO₂e) reductions by 2020. We recognize that it will take considerable staff resources to adopt this standard as an early action measure, but we think it is essential both to make the Governor's policy enforceable and because time is of the essence. Just as California sent a clear signal to the power market with Senate Bill 1368 that the state will not make long-term financial commitments to carbon-intensive power plants, prompt adoption of the low-carbon fuel standard will send a

clear signal to the fuels market that California is not interested in carbon-intensive fuels. In both instances, California's low-carbon commitment is critical not only to achieving the state's greenhouse gas (GHG) reduction targets, but also to protecting California consumers from future financial risks. With imminent development of carbon-intensive fuels such as coal-to-liquids and tar sands oil, it is essential that California enact the low-carbon fuel standard as quickly as possible to protect consumers. In addition, we believe it should be a priority early action measure because the GHG reductions are an order of magnitude larger than the savings that can be achieved by many of the other measures under discussion. We urge CARB to adopt the low-carbon fuel standard as an early action measure and to ensure no backsliding in air quality in its implementation.

NRDC also supports the other measures on the proposed list of early action measures, including hydrofluorocarbon reductions, prompt implementation of SB 1368 to ensure that all the state's utilities meet a comparably rigorous standard, adoption of upgraded building and appliance efficiency programs and extension of utility efficiency programs (which provide significant GHG reductions and economic benefits), and the cement specification for limestone blended cement. The cement specification has the double benefit of reducing toxic mercury emissions by an estimated 32 to 40 pounds per year.¹ Some stakeholders have expressed concern that some of the proposed early action measures would disproportionately burden low-income consumers; we strongly encourage CARB and the CAT agencies to explicitly commit to design the early action measures to avoid disproportionate burdens on low-income consumers. In addition, many agencies have additional existing programs underway to reduce emissions, such as the Renewable Portfolio Standard, which merit ongoing attention to ensure full implementation.

We appreciate the "conveyor belt" concept described at the April 23rd workshop: that CARB will have an ongoing stream of rulemakings to implement GHG reduction measures and that not all activities can be on the "early action" list. The "Group 2" and "Group 3" activities are important, and it is useful to know that the agencies have many activities in the pipeline. We encourage CARB and the other agencies to provide deadlines for when they will adopt these programs.

In our letter dated January 30th, we proposed numerous GHG reduction measures and five criteria for the agencies to use in prioritizing what measures should be on the early action list. We support the measures already on the proposed early action list, and the measures we proposed in our January 30th letter. In addition, we believe that the measures described below rise to the top of the priority list, and we strongly encourage CARB to add them to the early action list. In particular, we believe the heavy duty vehicle emission reduction measure and the cement energy efficiency measure are priorities for CARB's early action measure list because of the opportunity to reduce GHGs and toxic emissions at same time. We also urge the Department of Water Resources (DWR) to adopt an additional early action measure to encourage water efficiency.

¹ For comparison, mercury concentrations that are considered harmful for human consumption are measured in micrograms, and there are almost 500 million micrograms in a pound.

Heavy-duty vehicle emissions reduction measure

We urge CARB to accelerate the heavy-duty vehicle emission reductions measure (currently listed in “Group 2”) to the early action measure list, and to incorporate GHG emission reduction measures into the current diesel truck rulemakings for several reasons. First, CARB has already begun rule development on two related rules, for private truck fleets and port trucks, expected to be completed in spring 2008. It is essential that GHG reduction opportunities be incorporated into these rules, since it is unlikely that CARB would add new GHG emission reduction requirements for these trucks just after the diesel reduction requirements take effect. Second, there are several truck emission reduction technologies that have already been developed under the U.S. EPA’s SmartWay Transport Program and are available as retrofits today. Measures include single wide tires, trailer aerodynamics, automated tire inflation, fuel additives, and low-viscosity lubricants.

EPA’s SmartWay Program found that these measures could reduce emissions by nearly 10 percent for long haul trucks.² While the California truck fleet contains many short haul trucks traveling shorter distances and at lower speeds than long haul trucks, we believe that the potential GHG emission reductions remain significant for short haul trucks. CARB should evaluate the potential GHG reductions for both long haul and short haul trucks in more detail as part of the diesel truck rulemakings. We expect that this would not delay the diesel rulemaking schedule, as many of the technologies and their benefits have already been evaluated by U.S. EPA. Further detail on this proposed measure is described in a separate letter submitted by a group of environmental organizations today.

Cement energy efficiency measure

We urge CARB to adopt energy efficiency requirements for cement manufacturing facilities as an early action measure. The staff report on “Proposed Early Action Measures to Mitigate Climate Change” says that consideration of this measure has been referred to the Business, Transportation & Housing (BT&H) agency. However, CARB has authority to address the GHG emissions from cement manufacturing facilities under AB 32 and additional authority to control sources of mercury emissions under its toxic air contaminant program.³ The BT&H blended cement measure listed in the CAT early action measure list addresses *specifications* for the *composition* of cement, whereas we are urging CARB to look at requirements for cement *manufacturing facilities*.

Energy efficiency requirements for cement manufacturing facilities merit consideration as an early action measure because they offer significant GHG reductions *and* toxic emission reductions. Cement production in California accounts for about 2% of

² U.S. EPA SmartWay Transport Program, “SmartWay Technology Package Savings Calculator Explanation of Assumptions,” March 6, 2006, www.epa.gov/smartway/calculator/calculatorexplanation.htm#calculations.

³ Health & Safety Code §§ 39658(b) & 39666(c).

greenhouse gas emissions,⁴ and almost 90% of statewide mercury (Hg) emissions.⁵ Lawrence Berkeley National Laboratory has estimated an emission reduction potential of 0.68 million tons of CO₂ per year from energy efficiency improvement measures at cement facilities in California.⁶ Further detail on this proposed measure is described in a separate letter submitted by a group of environmental organizations today.

Water efficiency measures

We urge DWR to adopt an additional early action measure to encourage water efficiency to reduce GHG emissions. (In addition, we would appreciate clarification of what is envisioned by the DWR water use efficiency early action measure that has been proposed in the CAT report.) We urge DWR to commit to establish a certification program and statewide water use database to ensure compliance with the Urban Water Best Management Practices (BMP) contained in the Memorandum of Understanding (MOU) Regarding Water Conservation in California, and to establish incentives for urban water agencies to exceed the BMPs. The CALFED Comprehensive Evaluation clearly found that the current voluntary process is not working.⁷ We strongly believe that a certification program is necessary to ensure compliance with the MOU and implementation of the BMPs. The establishment of a certification program was specified in the federal Record of Decision on the CALFED Bay-Delta Program.

Thank you for the opportunity to comment on the staff reports on early action measures, and we appreciate your consideration of our suggestions.

Sincerely,



Devra Wang
Director, California Energy Program

cc: Brian Prusnek, Deputy Cabinet Secretary
Dan Skopec, Undersecretary, California Environmental Protection Agency
Eileen Tutt, Assistant Secretary for Climate Change Initiative, California Environmental Protection Agency
Catherine Witherspoon, Executive Officer, CARB
Chuck Shulock, Program Manager for GHG Reduction, CARB

⁴ Climate Action Team, *Climate Action Team Report to Governor Schwarzenegger and the Legislature*, 2006.

⁵ U.S. EPA, 2004 data release for Toxic Release Inventory, available at <http://www.epa.gov/triexplorer>.

⁶ Lawrence Berkeley National Laboratory, *Optimization of Product Life Cycles to Reduce Greenhouse Gas Emissions in California*, for California Energy Commission Public Interest Energy Research Program, CEC-500-2005-110-F, August 2005.

⁷ CALFED Bay-Delta Program, *Water Use Efficiency Comprehensive Evaluation, Public Review Draft*, April 2006, p.16.