

State of California
AIR RESOURCES BOARD

Summary of Board Meeting
October 25 & 26, 2007

California Air Resources Board
Byron Sher Auditorium, Second Floor
1001 I Street
Sacramento, California

MEMBERS PRESENT: Ms. Mary Nichols, Chairman
Ms. Sandra Berg
Ms. Judith Case
Ms. Dorene D'Adamo
Supervisor Jerry Hill
Ms. Lydia Kennard
Mayor Loveridge
Dr. Daniel Sperling

Agenda Item #

07-10-1: Report to the Board on a Health Update: Association Between Exposure to Traffic-Related Air Pollution and Adverse Health Effects in Adults

SUMMARY OF AGENDA ITEM:

ARB staff provides the Board with regular updates on recent research findings on the health effects of air pollution. Earlier this year, staff gave an overview of traffic-related pollutants and health effects found in infants and children. This month, staff presented recently published research on the effects of living near traffic on the severity of asthma among adults and seniors living in Los Angeles and San Diego counties, and an overview of other health effects found in adults related to traffic pollution.

The severity of asthma symptoms was examined among 1,600 adult asthmatics living in Los Angeles and San Diego counties. The investigators found that those living in areas of heavy traffic were more likely to have poorly controlled asthma than those living in areas with lighter traffic. Also, findings from several other traffic-related studies of adults and seniors were presented, which indicate that exposure to traffic may be associated with an increased risk for cardiovascular and respiratory disease and cancer.

Board Member Dorene D'Adamo asked about school siting guidelines. Staff responded that the ARB's Land Use Guidelines recommended building schools and retirements homes at least 500 feet from the freeway. Board Member Judy Case asked about the legislation for siting of schools and Chairman Nichols asked staff to consider presenting an overview for the Board and land use guidelines. Lynn Terry replied that this would be provided for the Board. Board Member Supervisor Jerry Hill commented that it is difficult to find land that is not near the freeway and that mitigation is important. Board Member Sandra Berg asked about the how exposure was defined in the study presented. Staff responded that the exposure was determined by the amount of average daily traffic within 500 feet of residences.

FORMAL BOARD ACTION: None (Informational Item)

RESPONSIBLE DIVISION: Research Division

STAFF REPORT: No

07-10-2: Public Meeting to Consider Approval of Additions to the List of Early Action Measures to Reduce Greenhouse Gas Emissions under the California Global Warming Solutions Act of 2006 and to Discuss Concepts for Promoting and Recognizing Voluntary Early Actions

SUMMARY OF AGENDA ITEM:

Assembly Bill 32, the California Global Warming Solutions Act of 2006, mandates that ARB identify a list of early action greenhouse gas reduction measures. At the June 2007 Board meeting, the Board approved 37 strategies that included three strategies meeting the definition of discrete early actions. The Board also directed staff to further consider recommendations by the Environmental Justice Advisory Committee, the California Air Pollution Control Officers Association, and the South Coast Air Quality Management District (SCAQMD) for additional options to mitigate emissions.

In response to the Board's request, ARB staff completed a comprehensive review of stakeholder suggestions as well as additional opportunities identified by staff. The result of that effort was a proposed expansion of the list of early actions as described in a staff report that was the subject of public review and comment, as well as a September workshop. The measures recommended for addition to the list consist of both regulatory and non-regulatory strategies. The recommended additions triple the list of discrete early actions previously approved by the Board in June, as well as

increase the total number of early action commitments to 44 emission reduction strategies, with total reductions in 2020 estimated at approximately 42 million metric tons measured in carbon dioxide equivalents (MMTCO₂E).

Existing ARB regulations (e.g., AB 1493) will contribute an additional 30 MMTCO₂E. These estimates *exclude* the benefits from reducing diesel particulate matter, ozone precursors and other pollutants since the CO₂ equivalent effects are yet to be determined. The ARB early actions add to similar actions anticipated by agencies represented in the Climate Action Team. Combined, these measures will make a substantial contribution to the overall 2020 statewide emission reduction goal of approximately 174 MMTCO₂E.

ARB staff also proposed a framework for developing methodologies for the quantification of voluntary greenhouse gas emission reductions.

ORAL TESTIMONY:

Twenty-three individuals representing a broad spectrum of interests and perspectives provided oral testimony regarding the Board adoption of the early action measures as presented by staff. The presenters, including their overall position on the staff recommendations, are provided below:

Ms. Whynot, South Coast Air Quality Management District
Ms. Warig, Natural Resources Defense Council
Mr. Thomas Jacob, DuPont Government Affairs
Mr. Plotkin, ARPI
Dr. Hertel, Southern California Edison
Ms. Patel, California Chamber of Commerce
Ms. Casavan, Valley Industry & Commerce Association
Mr. Anair, Union of Concerned Scientists
Mr. Schrap, California Trucking Association
Mr. Tunnell, American Trucking association
Mr. Knapp, TX1 Riverside Cement
Ms. McQueen, Mitsubishi Cement & TX1 Riverside Cement
Mr. Gibson, Lehigh Southwest Cement
Mr. Isaacson, California Portland Cement
Ms. Muriel Strand
Mr. Magavera, Sierra Club of California
Ms. James, Global Warming Action Coalition
Mr. Perez, American GI Forum & California Hispanic Chamber/Commerce
Mr. Stone, California Black Chamber
Ms. Wittenberg, California Climate Registry
Ms. Douglas, Environmental Defense Fund

Ms. Holmes-Gen, American Lung Association of California
Mr. Carmichael, Coalition for Clean Air

FORMAL BOARD ACTION:

The Board unanimously adopted Resolution 07-43 to approve 44 early action measures, of which nine are discrete early action measures pursuant to section 38560.5 of the Health and Safety Code. Three of the nine discrete early actions were approved in June 2007 and include (1) a low carbon fuel standard, (2) restrictions on high global warming potential (GWP) motor vehicle refrigerants, and (3) landfill methane capture. The six new discrete early action measures adopted by the Board include (1) sulfur hexafluoride reduction in the non-electric sector, (2) reduction of high GWP greenhouse gases in consumer products, (3) SmartWay truck efficiency, (4) tire inflation program, (5) reductions of perfluorocarbons (PFC) in the semiconductor industry, and (6) port electrification as an element of Green Ports.

Staff will provide updates to the Board every six months on the progress being made in developing and implementing the early action measures, as well as work with stakeholders to encourage voluntary early greenhouse gas emission reductions. The Board also directed staff to solicit quantification methods and develop a policy statement for early voluntary greenhouse gas reductions.

RESPONSIBLE DIVISIONS: Research Division and Office of Climate Change

STAFF REPORT: Yes

07-10-3: Public Meeting to Consider Adoption of California Climate Action Registry Forestry Greenhouse Gas Accounting Protocols for Voluntary Purposes

SUMMARY OF AGENDA ITEM:

Staff recommended the Board adopt the California Climate Action Registry (CCAR) forestry protocols for use in voluntary greenhouse gas accounting. The CCAR forestry protocols – the sector, project, and certification protocols – are cohesive and comprehensive sets of methodologies for forest carbon accounting. Adoption is a non-regulatory action and represents the Board's endorsement of a technically sound approach for carbon accounting in forest projects. This is the first step in a longer-term process to promote projects to make use of California's forest resources to reduce greenhouse gas levels. Staff also described and asked the Board to endorse a process to move forward to identify new accounting mechanisms or

additional protocols to address other forest project types and promote sound forest projects that reduce greenhouse gases (GHG).

The California Global Warming Solutions Act of 2006 (AB 32, Nunez, 2006) directs ARB to reduce statewide GHG levels to 1990 levels by 2020. One of the most important steps in effecting carbon reductions in California is accurate carbon stock accounting. The forestry sector possesses a large potential for yielding carbon reductions due to its role in sequestering carbon. Monitoring and documenting forest carbon reductions and emissions requires accurate measurements of carbon pools in projects designed to increase forest carbon stocks. The California Global Warming Solutions Act of 2006 requires ARB to use CCAR protocols where appropriate and to the maximum extent feasible.

CCAR was mandated to develop forest GHG protocols by Senate Bill 812 (Sher, 2002). This bill required CCAR to develop a GHG accounting framework for the forest sector in a manner that creates benefits for the climate while also benefiting the local environment (e.g., California's native forests, biodiversity, water quality and species habitat).

The CCAR forestry protocols have been through a four-year, multi-stakeholder public review and comment process. Development lasted over a year and a half. The protocols were reviewed by the Registry's Technical Advisory Committee and over 50 external experts, representing the forest industry, government agencies and academia. The protocols were supported by the Board of Forestry in August 2004 and adopted by the CCAR Board in June of 2005 and updated in September 2007.

While some individuals had reservations about some of the technical elements of the protocol, there was nearly unanimous support for the Board endorsement of a collaborative effort to develop new approaches for forest projects. The approaches that stakeholders would like to see addressed over the next year included, but are not limited to, the following:

- Development of alternatives to the conservation easement for ensuing permanence.
- Development of accounting methods applicable to public lands including federal and state lands.
- Ensure that California approaches are consistent with regional, national and international approaches.
- Development of a timeline for the development of additional carbon accounting approaches.

ORAL TESTIMONY:

Diane Wittenberg, California Climate Action Registry
Tony Brunello, California Resources Agency
Laura McLendon, Sempervirens Fund
Devra Wang, Natural Resources Defense Council
David A. Bischel, California Forestry Association
John Middlebrook, Forest Landowners of California
Steve Brink, California Forestry Association
Robert Meacher, Plumas County Board of Supervisors
Robert Callahan, California Chamber of Commerce
Chris Kelly, The Conservation Fund
Eric Holst, Environmental Defense
Nick Lapis, Californians Against Waste
Carol Hart, California State Parks
Staci Heaton, Regional Council of Rural Counties
Kurt Schuparra, Sierra Pacific Industries, Green Diamond
Betony Jones, Sierra Business Council
Lori Wayburn, Pacific Forest Trust
Chuck Mills, California Land Trust
Jeff Shellito, California Trust
Louis Blumberg, The Nature Conservancy
Paul Mason, Sierra Club

FORMAL BOARD ACTION:

The Board unanimously adopted Resolution 07-44, adopting the CCAR forestry protocols and directing staff to initiate a stakeholder process to develop additional approaches for forest carbon accounting. The Board also directed staff to return by June 2008 with a status report on the process and by December 2008 with additional approaches for forestry carbon accounting.

RESPONSIBLE DIVISION: Planning and Technical Support Division

STAFF REPORT: Yes

07-10-4: Public Meeting to Consider the San Joaquin Valley 2007 PM10 Maintenance Plan

SUMMARY OF AGENDA ITEM:

The Board adopted the San Joaquin Valley 2007 PM10 Maintenance Plan (2007 PM10 Plan) as a revision to the California State Implementation Plan for submittal to the United States Environmental Protection Agency (U.S. EPA).

At the request of the San Joaquin Valley Unified Air Pollution Control District's (District or Valley), the Board also approved the redesignations of the Valley from nonattainment to attainment for the federal PM10 standard. The District adopted the 2007 PM10 Plan and redesignation request on September 20, 2007. ARB staff determined that the 2007 PM10 Plan provides for continued maintenance of the PM10 standard through 2020 and met all applicable federal requirements.

In October 2006, U.S. EPA determined that the District had attained the PM10 standard based on 2003-2005 ambient monitoring data. In August 2007, U.S. EPA proposed to affirm its October 2006 determination of attainment based on evaluation of monitoring data collected through 2006. These U.S. EPA actions, however, do not constitute a formal redesignation of the District to attainment since a maintenance plan is required. The District prepared the 2007 PM10 Plan to address this need and requests official redesignation to attainment for the PM10 standard.

The 2007 PM10 Plan includes updated transportation conformity budgets to reflect heavy-duty diesel truck activity that was not available when the District adopted the plan. In addition, the 2007 PM10 Plan includes corrected baseline emission adjustments to reflect ARB adopted rules.

The Board heard testimony from four witnesses. Earthjustice and Coalition for Clean Air urged the Board to reject the 2007 PM10 Plan because they did not concur that the District attained the PM10 standards. The District and California Cotton Ginners and Growers Association urged the Board to approve the 2007 PM10 Plan since the District was now in attainment.

The Board adopted the 2007 PM10 Maintenance Plan and redesignation request at the meeting.

ORAL TESTIMONY:

Don Hunsacker, San Joaquin Valley Air Pollution Control District
Roger Ison, California Cotton Ginners and Growers Association
Paul Cort, Earthjustice
Tim Carmichael, Coalition for Clean Air

FORMAL BOARD ACTION: The Board approved Resolution No. 07-45.

RESPONSIBLE DIVISION: Planning and Technical Support
Division

STAFF REPORT: Yes

07-10-5: Public Meeting to Consider Proposed Amendments to the Suggested Control Measure for Architectural Coatings

SUMMARY OF AGENDA ITEM:

Staff presented proposed amendments to the Suggested Control Measure (SCM) for Architectural Coatings. The proposed amendments would establish lower VOC limits for 19 coating categories and would achieve 15 tons per day of VOC emission reductions statewide, excluding the SCAQMD. The SCAQMD has already adopted low VOC limits for architectural coatings and they would not be affected by the proposed amendments. The proposal also contained revised category groupings, modified definitions, and updates for test methods and labeling requirements.

The staff proposal presented at the Board meeting contained changes to the original proposal released on September 26, 2007. The revised proposal contained revisions to sections related to "Most Restrictive VOC Limits," "Applicability," "VOC Content Limits," and "Container Labeling Requirements." Based on industry response to the revisions for "Most Restrictive VOC Limits," ARB staff stated that they would work with industry and districts to refine the language within 30 days after the Board meeting. None of the changes presented at the meeting impact VOC limits or emission reductions.

Eight people testified at the Board meeting, one representative from an environmental group and seven industry representatives. The representative from the Coalition for Clean Air testified in support of the proposed amendments. Industry representatives requested clarification of the Most Restrictive Limit language in Section 5.2. Industry also requested that the proposal include a reactivity-based provision, either a case-by-case Innovative Product Exemption (IPE) or reactivity-based limits for all of the categories. Other testimony included: a request that ARB staff complete their technology review for the Specialty Primer, Sealer, and Undercoater category by December 2010; a request for a VOC exemption for tertiary butyl acetate (TBA); opposition to the minimum aluminum content requirement for Aluminum Roof coatings; and opposition to the 50 g/l VOC limit for Bituminous Roof coatings.

ORAL TESTIMONY:

Tim Carmichael, Coalition for Clean Air
David Darling, National Paint & Coatings Association
Madelyn Harding, Sherwin Williams
Kyle Frakes, Tnemec Company Inc.

Dave Laucella, American Chemistry Council Solvents Industry Group
Andrew Jaques, American Chemistry Council
James Baker, Roof Coatings Manufacturers Association
Howard Berman, Zinsser

FORMAL BOARD ACTION:

The Board unanimously adopted Resolution 07-46, approving the proposed amendments to the SCM with staff's suggested modifications, and directing the Executive Officer to forward the approved SCM to the districts for adoption and to provide assistance as necessary.

RESPONSIBLE DIVISION: Stationary Source Division

STAFF REPORT: Yes

07-10-6: Public Hearing to Consider Adoption of Proposed Regulations to Reduce Emissions from Diesel Engines on Commercial Harbor Craft Operated within California Waters and 24 Nautical Miles of the California Baseline

SUMMARY OF AGENDA ITEM:

In September 2000, the Board adopted a comprehensive Diesel Risk Reduction Plan (Plan), establishing a goal of reducing diesel PM emissions and the associated health risk by 85 percent in 2020. This proposed regulation for commercial harbor craft engines is a step toward achieving the goals of the Plan. In addition to the diesel PM reductions, the proposed regulation would reduce ozone precursor emissions and would improve the air quality in neighborhoods near California ports and waterways.

In April 2006, the Board adopted the Goods Movement Emission Reduction Plan (GMERP). The GMERP established goals for controlling emissions from commercial harbor craft of 30% by 2015 and 40% by 2020. This proposed regulation for commercial harbor craft engines achieves these goals through the accelerated replacement of unregulated and Tier 1 engines.

Diesel PM and oxides of nitrogen (NOx) emissions from the operation of diesel engines on commercial harbor craft are approximately 3 tons per day (tpd) and 73 tpd, respectively. The recent ARB exposure study for the ports of Los Angeles and Long Beach showed commercial harbor craft to be the third largest source of diesel PM emissions contributing to the cancer risk from port activities.

The proposal was developed through workshops and focus meetings involving owners and operators of commercial harbor craft, industry associations, environmental organizations, and other parties interested in commercial harbor craft.

The proposed regulation requires in-use (existing) unregulated (Tier 0) and Tier 1 auxiliary and propulsion engines, on ferries, excursion vessels, tugboats, and towboats, to be replaced with engines meeting U.S. EPA Tier 2 or Tier 3 marine engine standards. The in-use engine compliance schedule is based on replacing the oldest, highest use engine first. The schedule for the SCAQMD is accelerated by two years. All new harbor craft would be required to install the cleanest available engines. New ferries would have an additional requirement to install the best available control technology on propulsion engines to further reduce diesel PM and NOx emissions. Replacement engines for all in-use harbor craft would also be required to meet new engine standards current at the time of engine purchase. In addition, all commercial harbor craft vessels will be subject to monitoring (use of non-resettable hour meters), recordkeeping, and reporting provisions.

Twelve witnesses testified at the Board meeting, four in support of the proposed regulation, four opposed, and four neutral. Health and environmental advocates testified in support of the rule, many citing health impacts from diesel engines on harbor craft. While all of the health and environmental advocates took “in favor” positions, all recommended an accelerated compliance schedule for vessel engines located outside the SCAQMD and dividing the proposed regulation into separate NOx and PM rules. The ferry company representatives testified as neutral. All ferry representatives requested the Board to add the word “proven” when referencing “best available control technology”.

Tug boat and excursion vessel operators testified in opposition to the rule, citing the following concerns:

- Some claimed the true economic impact was not accurately addressed;
- Some stated the proposed regulation unfairly requires ocean-going tugs to comply with the proposed regulation;
- Some commented that the proposed regulation sets unrealistic compliance dates;
- Some said the compliance extension applications are burdensome;
- Some stated that the option to extend the compliance timeline by retrofitting with a retrofit that reduces PM and or NOx by >25%, should be changed from adding five years to the engine model year for that engine to adding five years to the compliance date;

- Some asked for the additional extension of the compliance dates for vessel operators that have multiple vessels that need to comply in the same year;
- One stated that the regulation unfairly treats excursion vessels the same as ferries, tugboats, and towboats;
- One claimed the regulation should not limit exemption of vessels to the National Register of Historic Places, but extend the exemption to vessels that are historically and/or culturally significant and greater than 40 years old;
- One claimed that sections of the regulation are unconstitutional.

ORAL TESTIMONY:

Jim Swindler, Golden Gate Ferry
 Jeff Browning, Sause Bros. and American Waterways Operators
 Richard Smith, Westar Marine Services
 John Kaltenstein, Friends of the Earth
 Carolyn Horgan, Blue and Gold Fleet
 Marty Robbins, Vallejo Baylink
 Joe Wyman, Hornblower Cruises & Events
 Richard Allard, Hornblower Cruises & Events
 Greg Bombard, Catalina Express
 Diane Bailey, NRDC
 Tim Carmichael, Coalition for Clean Air
 Henry Hogo, SCAQMD

FORMAL BOARD ACTION:

The Board decided to continue the hearing until ARB's regularly scheduled meeting on November 15, 2007, in Sacramento. After discussion the Board directed staff to report back at the November meeting with its further analysis of several issues raised regarding the proposal. After considering this analysis the Board will resume its consideration of the proposed regulation and make its final decision.

RESPONSIBLE DIVISION: Stationary Source Division

STAFF REPORT: Yes

07-10-7: Notice of Public Hearing to Consider Amendments to Regulations Regarding New Aftermarket and Used Catalytic Converters Offered for Sale and Use in California

SUMMARY OF AGENDA ITEM:

The staff proposed amendments to California's requirements and evaluation procedures for new aftermarket catalytic converters and

used original equipment catalytic converters offered for sale in California. The requirements are contained in California Code of Regulations, title 13, section 2222, and the evaluation procedures incorporated by reference therein. The amendments would increase the stringency of performance and durability requirements that manufacturers of aftermarket catalytic converters must design their products to meet, and would improve other aspects of the ARB's converter evaluation procedures. An amendment to sunset provisions for the sale of used original equipment catalytic converters was also part of the staff's proposal. The amendments would become effective on January 1, 2009, for new aftermarket catalytic converters. The proposed sunset date for the sale of used converters is July 1, 2008.

ARB staff estimates that the more stringent performance and durability requirements for aftermarket catalytic converters would reduce in-use emissions of hydrocarbons and oxides of nitrogen from the California fleet by 36 tons per day, statewide, by 2012. The proposed amendments would also ensure that OBD II systems on 1996 and newer vehicles continue to work as intended when aftermarket catalytic converters are installed.

The proposed amendments would increase the average price of a new aftermarket catalytic converter by an estimated \$200. When considering the increased durability of the converters meeting the proposed requirements, the cost increase amortized over the expected life of the converters would amount to 10 to 28 cents per 100 miles of vehicle operation.

The proposal would negatively impact companies that sell used catalytic converters in California by eliminating their market for used catalytic converters in California. The sale of used converters would still be legal in other states under federal regulation. Eliminating the availability of used catalytic converters could also impact owners of low volume vehicle models for which new aftermarket catalytic converters may not be offered. Such vehicle owners may have no practical option except to purchase an original equipment converter if a replacement is needed.

After listening to public testimony, the Board adopted the proposed amendments without modification.

ORAL TESTIMONY:

Jim Mattesich, DEC/Tested Products
Kelly Boyd, Brown Recycling
David Miller, Miller Catalyzer Corporation
Rasto Brezny, Manufacturers of Emission Controls Association

FORMAL BOARD ACTION:

The Board adopted Resolution 07-48 by a unanimous vote.

RESPONSIBLE DIVISION: Mobile Source Control Division

STAFF REPORT: Yes

07-10-8: Closed Session to Consider Appointment of Executive Officer

SUMMARY OF AGENDA ITEM:

The Board met in Closed Session to consider appointment of an Executive Officer for the California Air Resource Board.

FORMAL BOARD ACTION: The Board appointed James N. Goldstene as the Air Resources Board's Executive Officer.

RESPONSIBLE DIVISION: N/A

STAFF REPORT: N/A