

State of California
AIR RESOURCES BOARD

Summary of Board Meeting
February 28, 2008

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

MEMBERS PRESENT: Mary Nichols, Chairman
Dr. John Balmes
Ms. Sandra Berg
Supervisor Judith Case
Ms. Dorene D'Adamo
Supervisor Jerry Hill
Ms. Lydia Kennard
Mayor Ronald Loveridge
Mrs. Barbara Riordan
Supervisor Ron Roberts
Professor Daniel Sperling

Agenda Item #

08-2-1: Commemoration of the 100th Meeting of the Scientific Review Panel

SUMMARY OF AGENDA ITEM:

The Scientific Review Panel on Toxic Air Contaminants met jointly with the Air Resources Board to commemorate the Panel's 100th meeting. In a brief presentation, the Scientific Review Panel Chairman, Dr. John Froines described the purpose and intent of the law establishing the air toxics program, and also the Panel's accomplishments since its inception. In addition to reviewing proposed toxic air contaminants and health values (e.g. almost 300 reference exposure levels and unit risk values), the Panel also reviews risk assessment guidelines for the Air Toxics Hot Spots program and guidelines for the Children's Environmental Health Protection Act to assure that infants and children are protected.

Dr. Froines highlighted a number of the contaminants the Panel had addressed including benzene, diesel particulate, metam sodium, and perchloroethylene. He then introduced the individual Panel members

and their affiliations. Chair Nichols expressed the Board's appreciation for the Panel members' service after which the Panel left to begin their regularly scheduled meeting.

ORAL TESTIMONY: None

FORMAL BOARD ACTION: None (Informational Item)

RESPONSIBLE DIVISION: Research Division

STAFF REPORT: No

08-2-2: Public Meeting to Consider Research Proposals

SUMMARY OF AGENDA ITEM:

Staff described the objective and expected results for the following eight research proposals.

1. "Developing a California Inventory for Ozone Depleting Substance and Hydrofluorocarbon Banks and Emissions from Foams," \$349,758, Proposal No. 2656-259.
2. "The California Climate Change Industry: the Current Market and Prospect for Growth in the Global Economy," \$196,211, Proposal No. 2646-258.
3. "Expansion of the NYSEERDA Evaluation of On-Board Real-Time Particulate Emissions Measurement Technologies Program," Southern Research Institute, \$102,722, Proposal No. 2650-259.
4. "Source Apportionment of Carbonaceous Aerosols Using Integrated Multi-Variant and Source Tracer Techniques and a Unique Molecular Marker Data Set," University of Wisconsin, Madison, \$409,962.71, Proposal No. 2651-259.
5. "Environmental Chamber Studies of Ozone Impacts of Coatings Volatile Organic Compounds," University of California, Riverside, \$200,041, Proposal No. 2652-259.
6. "Characterization of Toxicity as a Function of Volatility of Ultrafine PM Emissions from Compressed Natural Gas Vehicles," West Virginia University, \$349,996, Proposal No. 2653-259.

7. "ARCTAS-California 2008: An Airborne Mission to Investigate California Air Quality," university of California, Irvine, \$400,000, Proposal No. 2654-259.
8. "In-vehicle Air Pollution Exposure Measurement and Modeling," University of California, Irvine, \$500,000, Proposal No. 2643-258.

ORAL TESTIMONY: *None*

FORMAL BOARD ACTION:

The approved resolution numbers – 08-14 through 08-21.

RESPONSIBLE DIVISION: Research Division

STAFF REPORT: No

08-2-3: Public hearing to consider the approval of Ozone Early Progress Plans for Coachella Valley, Antelope Valley and Western Mojave Desert, Ventura County, Imperial County and Eastern Kern County

SUMMARY OF AGENDA ITEM:

The Board considered and approved Ozone Early Progress Plans for Coachella Valley, Antelope Valley and Western Mojave Desert, Ventura County Imperial County and Eastern Kern County. These plans establish transportation conformity emissions budgets and demonstrate progress toward attaining the federal 8-hour ozone air quality standard. The Board received testimony from Nidia Bautista who asked the board to hold a hearing on the Imperial County attainment plan to be submitted later this year.

ORAL TESTIMONY:

Nidia Bautista, Coalition for Clean Air

FORMAL BOARD ACTION:

Approved Resolution 08-10 by a unanimous vote.

RESPONSIBLE DIVISION: Planning and Technical Support

STAFF REPORT: Yes

08-2-4: Report to the Board on AB 32 Implementation

SUMMARY OF AGENDA ITEM:

The Global Warming Solutions Act (AB 32) requires that ARB adopt a Scoping Plan by the end of 2008, which will delineate the measures and strategies that will be used to reduce greenhouse gas (GHG) emissions back to 1990 emission levels. Staff provided the Board with the first in a series of updates on major sectors and issues that must be addressed in the Scoping Plan. The update focused on climate change activities in the transportation sector. In addition, staff presented an analysis and comparison of the California vehicle GHG tailpipe standard and the federal government's fuel economy standard. The transportation sector is responsible for the largest amount of GHG emissions in California—38 percent of the GHG emissions or 182 million metric tons of carbon dioxide equivalent (MMTCO₂E). Therefore, achieving substantial reductions in the transportation sector is critical to achieving the State's 2020 goal and beyond. GHG reductions will come from three overarching strategies: more efficient vehicles/engines, lower-carbon fuels, and reduction of vehicle/engine use or vehicle miles traveled (VMT).

ORAL TESTIMONY:

Kathryn Phillips, Environmental Defense

FORMAL BOARD ACTION: No action required.

RESPONSIBLE DIVISION: Office of Climate Change.

STAFF REPORT: No.

08-2-5: Public Meeting to Consider Adoption of a Policy Statement on Voluntary Early Actions to Reduce Greenhouse Gas Emissions

SUMMARY OF AGENDA ITEM:

The Global Warming Solutions Act (AB 32) directs the Board, to the extent feasible, to design the regulations in a manner that encourages early action to reduce greenhouse gas emissions, and to provide appropriate credit for early voluntary reductions. Staff presented a proposed policy statement intended to encourage early emission reductions for the Board's consideration. The statement commits ARB to take the following actions to promote this policy:

- Work in partnership with the California Climate Action Registry to establish a process that will allow entities taking voluntary early actions to document those actions so that the reductions can be considered for credit against AB 32 obligations once the full program is in place. The Board will later determine the appropriate credit to be given for voluntary early actions and the conditions under which voluntary reductions may be used to comply with mandatory requirements,
- Work with interested parties to review proposed emission quantification methodologies for voluntary GHG reductions. Where appropriate, staff will issue an Executive Order to confirm the technical soundness of the methodologies, and
- Work with the South Coast Air Quality Management District and other local air districts to promote expedited development of quantification methodologies and protocols.

At the meeting, the Board heard comments from five people. One representative from an environmental organization and three industry representatives spoke in favor of the policy. One representative from a local sanitation district spoke taking a neutral stance on the policy.

Following questions directed to staff from the Board and these comments, the Board approved the policy statement.

ORAL TESTIMONY:

Frank Caponi, Los Angeles County Sanitation Districts
Michael Hertel, Southern California Edison
Leah Fletcher, Natural Resources Defense Council
Taylor Miller, Sempra Energy
Chuck White, Waste Management

FORMAL BOARD ACTION:

The Board adopted the policy statement by a unanimous vote.

RESPONSIBLE DIVISION: Office of Climate Change.

STAFF REPORT: No.

08-2-6:

Report of the Economic and Technology Advancement Advisory Committee

SUMMARY OF AGENDA ITEM:

The Economic and Technology Advancement Advisory Committee (ETAAC or Committee) was created pursuant to the Global Warming Solutions Act of 2006, Assembly Bill 32 (AB32). Committee members appointed by the Board were principally charged with advising ARB regarding technologies to reduce greenhouse gas emissions in California and for policies to advance development and utilization of those technologies. This month, the Committee turned over its report and set of recommendations to the Board for consideration and use as the Board continues its work under AB32.

As the presentation began, the twelve Committee members present were invited to introduce themselves to the Board. Then Committee Chair Alan Lloyd and vice-Chair Bob Epstein described to the Board the process the Committee used to accomplish its work over the past year and how the members worked very hard, met several times in different venues around the state, and developed a set of recommendations they could agree to make to the Board. Dr. Lloyd and Dr. Epstein then summarized the recommendations in terms of opportunities and strategies, and discussed a few of the recommendations, including the California Carbon Trust.

After the presentation, Chairman Nichols noted that the Board was not being asked to formally approve the report, but that individual recommendations contained therein would be considered as the Board's AB32 work continues in the future. At that time Board Member Loveridge asked if ETAAC will continue working and how the set of recommendations will be used. Chairman Nichols responded that she has asked the Committee members to continue to monitor the process and to come back if asked on any specific items. She also explained that the recommendations would be considered as the AB32 scoping plan is developed.

Next were heard comments from 15 members of the public. Generally, these public comments were supportive of the work and the set of recommendations though concern was expressed that some could have issues and would need to be implemented carefully.

ORAL TESTIMONY:

Frank Harris, Southern California Edison
Taylor Miller, Sempra Energy

Leah Fletcher, Natural Resources Defense Council
Kevin Whilden, Climos
Muriel Strand, citizen
Steven Lehtonen, Green Plumbers, USA
Chuck White, Waste Management
Scott Smithline, Californians Against Waste
Charles Helget, Allied Waste Services
Frank Caponi, Los Angeles County Sanitation Districts
Marc Aperia, Republic Services
Rick Ruiz, Capstone Microturbine
Patricia Monahan, Union of Concerned Scientists
Tim Carmichael, Coalition for Clean Air
Bill Magavern, Sierra Club

FORMAL BOARD ACTION: None.

RESPONSIBLE DIVISION: Research Division

STAFF REPORT: None. Committee's Report entitled "Recommendations of the Economic and Technology Advancement Advisory Committee (ETAAC) – Final Report."

08-2-7:

**Public Hearing to Consider Adoption of Proposition 1B
Guidelines for Implementation of the Goods Movement Emission
Reduction Program**

SUMMARY OF AGENDA ITEM:

The Goods Movement Emission Reduction Program (Program) is a partnership between the Air Resources Board (ARB) and local agencies, such as local air districts, seaports, regional transportation agencies, and possibly others. Its purpose is to quickly reduce air pollution emissions and health risk from freight movement along California's priority trade corridors.

As part of Proposition 1B, the voters authorized \$1 billion in bond funds to clean up the diesel engines used in trucks, locomotives, equipment, and vessels that move freight, both into and through California. Prop1B authorizes funding for grants, loan assistance, and other incentives to accomplish this goal. Senate Bill 88 (Chapter 181, Statutes of 2007) created the Program, and defined the funding structure and criteria. It also directed ARB to adopt Program Guidelines as the first step. Assembly Bill 201 (Chapter 187, Statutes of 2007) made minor clarifications to SB 88. The FY 2007-08 State budget included the first installment of \$250 million.

The Program Guidelines detail the funding criteria and procedures to implement Prop 1B funds for cleanup of diesel engines used in the goods movement industry. The Program will award grants to fund projects proposed by local agencies and those agencies will then be responsible for providing financial incentives to owners of equipment used in freight movement to upgrade to cleaner technologies.

The staff presentation provided highlights of the health impacts from freight-related air pollution, the application procedures for local agencies, the competitive process that the local agencies will use for solicitation and awards to individual equipment owners, and the administration funds for local agencies.

Los Angeles discussed the recommended trade corridor funding targets: LA/Inland Empire, \$550 million; Central Valley, \$250 million; Bay Area, \$140 million; and San Diego/Border, \$60 million. Staff also highlighted source category funding targets to focus 76% of the funding on cleaner trucks.

The Department of Finance recently approved the three-part accountability structure required by Executive Order S-02-07 for this Program that is based on the verification, inspection, audit, and other provisions of the Guidelines to ensure that the Program funds deliver the expected results.

Senate Bill 88 makes available no more than \$25 million of the FY 2007-08 funds for "early grants" to fast track eligible projects to achieve the earliest possible health risk reduction. Staff recommended partial funding for truck projects proposed by five local air districts and a Bay Area shore power project at the Port of Oakland.

The Board heard oral testimony from 43 witnesses representing communities impacted by goods movement, environmental organizations, the Legislature, local governments and air districts, the freight industry, and others.

The vast majority of the witnesses representing the Legislature, local governments and air districts, and community advocates, urged the Board to allocate additional funding to the region they represented.

A few industry witnesses expressed concern about the requirement for bond funded equipment to remain in California operation for most of its useful life. However, one witness representing the environmental organizations fully supported 100 percent California operation.

The Board heard from one air district representative that the funding caps were too restrictive and would discourage participation in the bond program. Another district objected to treatment of AB 923 funds as State funds. This witness also requested flexibility to provide preferences to equipment operating at least 75 percent of the time within the Los Angeles/Inland Empire corridor. Another district witness requested that the Board set aside 25 percent of funds to go to trucks that travel between two corridors.

Several industry witnesses requested that the Board modify staff's early grant recommendations to allow the South Coast district to fund new LNG port trucks. Two witnesses representing an environmental organization and a technology manufacturer requested early grant funding for cargo handling equipment projects.

Many witnesses, especially environmental organizations, supported the overall Program Guidelines.

ORAL TESTIMONY:

Mark Abramowitz, Vycom
Rafael Aguilera, Verde Group
Athena Applon, West Oakland Environmental Indicators Project
Assemblymember Juan Arambula, Fresno
Mayor Alan Autry, City of Fresno
Tim Carmichael, Coalition for Clean Air
Senator Dave Cogdill, Fresno
Bob Curry, California Cartage Company
Senator Jeff Denham, Merced
Assemblymember Mark DeSaulnier, Martinez
Mayor Amar Dhaliwal, City of San Joaquin
Jeff Findley, San Joaquin Valley Air Pollution Control District
Jim Ganduglia, Environmental Policy Committee for the California Trucking Association
Larry Greene, Sacramento Metropolitan Air Quality Management District
Jennifer Gress, Senate Transportation and Housing Committee, representing Senator Alan Lowenthal, Long Beach
Dwight Hanson, Cummins Westport
Henry Hogo, South Coast Air Quality Management District
Roger Isom, California Cotton Ginners and Cotton Growers Association
Tom Jordan, San Joaquin Valley Air Pollution Control District
Bruce Kern, East Bay Economic Alliance
David Lighthall, Central Valley Health Policy Institute at California State University, Fresno

Rick McVaigh, San Joaquin Valley Air Pollution Control District
Terri Mejorado, Fresno City and County Visitor's Bureau
Fred Minassian, South Coast Air Quality Management District
Matt Miyasato, South Coast Air Quality Management District Erik
Neandross, Gladstein, Neandross, and Associates
Scott Nester, San Joaquin Valley Air Pollution Control District
Supervisor Leroy Ornellas, County of San Joaquin
Council Member Henry Perea, San Joaquin Valley Air Pollution Control
District Board
Kathryn Phillips, Environmental Defense
Mary-Michael Rawling, Citizens' Advisory Committee
Councilwoman Tonia Reyes Uranga, South Coast Air Quality
Management District Board
Assemblymember Ira Ruskin, Redwood City
Sofia Sarabia, Center on Race, Poverty, and the Environment
Seyed Sadredin, San Joaquin Valley Air Pollution Control District
Doug Selleck, Sterling Truck Corp.
Dave Sherman, Daimler Truck Financial
Tim Smith, Bay Area Air Quality Management District
Mark Stout, San Joaquin Valley Clean Energy Organization
Assemblymember Michael Villines, Clovis
Barry Wallerstein, South Coast Air Quality Management District
Pete Weber, California Partnership of San Joaquin Valley

FORMAL BOARD ACTION:

The Board voted to adopt Resolution 08-12, which specifies adoption of the Program Guidelines with modifications proposed by staff in the presentation and \$25 million in early grant awards. The adopted source category funding targets and the trade corridor funding targets are based on the original January 3, 2008 staff proposal. The Board directed staff to work with the South Coast district and allow funding of LNG trucks in the early grant program if those projects could be made cost-competitive with diesel options.

RESPONSIBLE DIVISION: Planning and Technical Support Division

STAFF REPORT: Yes

08–2–8:

40th Anniversary Presentation: The Success of Air Pollution Controls in California -- A 40th Anniversary Retrospective

SUMMARY OF AGENDA ITEM:

February 2008 marks the 40th anniversary of the first meeting of the Air Resources Board. In honor of the occasion, staff gave a commemorative presentation which discussed the early history of the Board, the major air pollution problems of the last four decades, the progress in improving air quality and public health, the cost vs. benefits of air quality controls, and future challenges faced by the Board.

In the presentation, staff noted that relative to pre-control levels, adopted standards and regulations represent a required 99% reduction in emissions from gasoline vehicles, over 98% for diesel vehicles, 80-90% for industrial sources, and approximately 75% for smaller sources such as consumer products. These reductions have been achieved in spite of rapid growth in California's population, economy, and vehicle travel. To demonstrate progress in ambient air quality improvement, staff showed that peak ozone concentrations have decreased to roughly one fourth of 1960's levels. Also, actual trends in ambient lead and PM2.5 concentrations in the South Coast were contrasted with projected trends in the absence of controls. Relative to projected levels, control measures have prevented thousands of deaths and cases of illness annually.

The presentation concluded by emphasizing that health protection and climate change are ARB's top priorities for the future. Programs such as Diesel Risk Reduction and Goods Movement target remaining major pollution sources, while measures aimed at reducing greenhouse gases will likely lead to health co-benefits.

Following the presentation, Chair Nichols thanked staff and expressed interest in using material from the presentation in future meetings.

ORAL TESTIMONY: None

FORMAL BOARD ACTION: None (Informational Item)

RESPONSIBLE DIVISION: Research Division

STAFF REPORT: No