

MEETING
STATE OF CALIFORNIA
AIR RESOURCES BOARD

CAL/EPA HEADQUARTERS
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THURSDAY, JANUARY 29, 2015
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APPEARANCES

BOARD MEMBERS

Ms. Mary Nichols, Chairperson

Dr. John Balmes

Mr. Hector De La Torre

Supervisor John Gioia

Ms. Judy Mitchell

Mrs. Barbara Riordan

Supervisor Phil Serna

Dr. Alexander Sherriffs

Professor Daniel Sperling

STAFF

Mr. Richard Corey, Executive Officer

Dr. Alberto Ayala, Deputy Executive Officer

Ms. La Ronda Bowen, Ombudsman

Ms. Edie Chang, Deputy Executive Officer

Mr. Kurt Karperos, Deputy Executive Officer

Ms. Ellen Peter, Chief Counsel

Ms. Sarah Dominguez, Sustainable Communities Policy and
Planning Section, Air Quality Planning and Science
Division

Ms. Marcella Nystrom, Staff Air Pollution Specialist, Air
Quality Analysis Section, Air Quality Planning and Science
Division

Ms. Courtney Smith, Climate Action and Research Planning
Section, Research Division

APPEARANCES CONTINUED

ALSO PRESENT

Mr. Will Barrett, American Lung Association

Mr. Tony Boren, Deputy Director, Council of Fresno County Governments

Mr. Tim Carmichael, CNGVC

Mr. Evan Edgar, Clean Fleets

Mr. Ryan Kenny, Clean Energy, Coalition of Renewable Natural Gas

Ms. Carey Knecht, Climate Plan

Ms. Phoebe Seaton, Leadership Counsel

Ms. Ella Wise, Natural Resources Defense Council

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1 PROCEEDINGS

2 CHAIRPERSON NICHOLS: We're ready to get
3 underway. Looks like we have a relatively small group
4 here today, which is appropriate, because it's a short
5 meeting. But we do have some important business that we
6 need to do.

7 First of all, I want to welcome everybody to the
8 first meeting of 2015. So for those we haven't seen,
9 welcome to the new year. And as you will be hearing
10 shortly from our Executive Officer, we've got a lot
11 planned for this year. So just the fact this is a quiet
12 meeting shouldn't lull anybody into thinking this is going
13 to be a quiet year.

14 Before we get started, let's begin with the
15 Pledge of Allegiance.

16 (Thereupon the Pledge of Allegiance was
17 Recited in unison.)

18 CHAIRPERSON NICHOLS: I never known what the
19 system is for assigning seating at Board meetings. Maybe
20 it's because I never really asked the question. It seems
21 to be somewhat random. But I always get to sit in the
22 middle. But I believe this is the first time in the time
23 I've been on the Board that I've gotten to sit next to
24 you, Dr. Balmes. So I don't know what this means, but I'm
25 happy about it.

1 BOARD MEMBER BALMES: This is the first time I've
2 been on your right. I'm always on your left.

3 CHAIRPERSON NICHOLS: Anyway, I'm sure those who
4 follow us at a distance, maybe on the web, have worked out
5 a kind of a kremlenology of who's in, who's out, who's
6 left, who's right. But once we figure it out, I'm sure
7 we'll be happy to explain it all.

8 Clerk of the Board, please call the roll.

9 BOARD CLERK JENSEN: Dr. Balmes?

10 BOARD MEMBER BALMES: Here.

11 BOARD CLERK JENSEN: Ms. Berg?

12 Mr. De La Torre?

13 Mr. Eisenhut?

14 Supervisor Gioia?

15 BOARD MEMBER GIOIA: Here.

16 BOARD CLERK JENSEN: Ms. Mitchell?

17 BOARD MEMBER MITCHELL: Here.

18 BOARD CLERK JENSEN: Mrs. Riordan?

19 BOARD MEMBER RIORDAN: Here.

20 BOARD CLERK JENSEN: Supervisor Roberts?

21 Supervisor Serna?

22 BOARD MEMBER SERNA: Here.

23 BOARD CLERK JENSEN: Dr. Sherriffs?

24 BOARD MEMBER SHERRIFFS: Here.

25 BOARD CLERK JENSEN: Professor Sperling?

1 BOARD MEMBER SPERLING: Here.

2 BOARD CLERK JENSEN: Chairman Nichols?

3 CHAIRPERSON NICHOLS: Here.

4 BOARD CLERK JENSEN: Madam Chairman, we have a
5 quorum.

6 CHAIRPERSON NICHOLS: Great.

7 A couple of announcements. I don't know that
8 there is anybody here who needs this, but I'm required to
9 tell you anyway that if you want to testify, you should
10 fill out a request to speak card. And they're available
11 in the lobby. We ask that you turn them into a Board
12 assistant or the clerk before the commencement of the
13 item.

14 Also to be aware that there is a three-minute
15 time limit on speakers, which we sometimes shorten if
16 things are really tense. But I think today we are not
17 going to have a problem with giving everybody their full
18 three minutes. So when it's time for you to speak, please
19 put your testimony in your own words rather than reading,
20 if at all possible, because we get the written testimony
21 anyway. And it's much easier for us to focus if you'll
22 just speak to us directly.

23 Also please notice the emergency exits that are
24 to the rear of the room as well as those on the side of
25 the podium up here. In the event of a fire alarm, we have

1 to evacuate this room immediately, go down the stairs and
2 outside the building until we hear the all-clear alert.
3 And I think that's it in terms of official announcements.

4 So we'll begin this morning with the item that I
5 mentioned briefly in passing. And that is the Executive
6 Officer, Richard Corey, is going to brief us on his
7 program priorities, our program priorities for 2015. This
8 is going to be a year with a variety of issues, but some
9 very big ones on our agenda. And I think it would be
10 helpful if we had a chance and those who follow us also
11 had a chance to actually hear an overview of what we're
12 planning for 2015.

13 So Mr. Corey, would you please begin your
14 presentation.

15 EXECUTIVE OFFICER COREY: Yes. Thank you,
16 Chairman, members of the Board.

17 (Thereupon an overhead presentation was
18 presented as follows.)

19 EXECUTIVE OFFICER COREY: I'm pleased to have the
20 opportunity to describe some of the work we'll be doing
21 over the coming year and highlight several significant
22 items that will be coming before you.

23 --o0o--

24 EXECUTIVE OFFICER COREY: I want to start by
25 acknowledging some of the key accomplishments of the past

1 year. These accomplishments are substantial and have been
2 instrumental in moving our programs forward.

3 Then looking forward, it is clear, as the
4 Chairman noted, 2015 is going to be a pivotal planning
5 year. It's safe to say this year we'll have many major
6 planning efforts. In fact, more than ever before. So I
7 want to talk about how we are positioning ourselves not
8 just to meet the challenge, but to take advantage of the
9 opportunity this year is going to present.

10 Taken together, these planning efforts will
11 define the work of the Board for years to come.
12 Therefore, the opportunity to seek your guidance and work
13 with you throughout this process is going to be critical.

14 Lastly, I want to walk through the major
15 programmatic and regulatory items that will be becoming
16 before you during this year.

17 So first, let me highlight some of ARB's
18 accomplishments.

19 --o0o--

20 EXECUTIVE OFFICER COREY: Looking broadly at
21 progress toward our air quality climate goals, ARB
22 measures have resulted in a 50 percent reduction in ozone
23 precursors over the last 20 years. Since 2000, diesel
24 particulate matter has been reduced by over 50 percent,
25 reducing localized risk. As a result, more Californians

1 are breathing healthier air.

2 And our climate actions are putting us on the
3 path to meet our 2020 climate goals. But we need to do
4 more, and that is going to be the theme of my presentation
5 as I work through the remainder of the slides.

6 --o0o--

7 EXECUTIVE OFFICER COREY: Focusing more closely
8 on air quality and our progress this last year, 15 years
9 ago, the South Coast air basin recorded levels almost
10 twice the annual PM2.5 standard of 15 micrograms per cubic
11 meter.

12 Last year, the data confirmed they met the
13 standard one year ahead of the projected attainment date
14 of 2014. Great accomplishment. The zero emission vehicle
15 program has resulted in an increasing market share for
16 electric vehicles. In 2014, the 100,000th ZEV was sold in
17 California, with the trend continuing as more models are
18 introduced.

19 Currently, 13 battery electric vehicles are
20 certified for sale in California. Fuel cell technology
21 has also advanced with the first mass-produced fuel cell
22 electric vehicle now available and two certified for sale.
23 The ZEV MOU states have now adopted a ZEV action plan
24 ensuring steps that will result in more ZEVs throughout
25 the country.

1 ARB has been a leader in encouraging market
2 transformation through incentive programs. In 2014, ARB
3 took action to distribute over \$400 million in incentives.

4 --o0o--

5 EXECUTIVE OFFICER COREY: Looking at climate
6 change activities, last year, the Board approved the first
7 update to the Scoping Plan. The plan highlighted our
8 progress towards meeting the 2020 emissions target and the
9 programs that will continue to support greenhouse gas
10 reductions beyond 2020.

11 California linked our Cap and Trade Program with
12 the Quebec program, the first successful joint auction
13 happened in November. The California Cap and Trade
14 Program hit another major milestone in 2014. On November
15 3rd, 100 percent of the covered entities met their
16 obligation to surrender compliance instruments. And
17 finally, the first of this month, the Cap and Trade
18 Program expanded to include transportation fuels,
19 effectively doubling the size of the carbon market.

20 --o0o--

21 EXECUTIVE OFFICER COREY: Now looking to the
22 future. As I said a moment ago, the number of planning
23 efforts this year is unprecedented. This offers a
24 tremendous opportunity.

25 --o0o--

1 EXECUTIVE OFFICER COREY: As you can see, the
2 planning scope is broad, ranging from the Governor's State
3 of the State initiatives, State Implementation Plans, the
4 Scoping Plan, as well as the short-lived climate pollutant
5 plan, the sustainable freight strategy, and the investment
6 plan for the next round of auction proceeds.

7 These plans will help lay out the path to meeting
8 our midterm and 2050 climate goals achieving the PM 2.5
9 and ozone standards and reducing localized risk. I will
10 highlight this further in a moment, but would first like o
11 cover some of the internal adjustments that we have made
12 or have been making to ensure we are prepared to take on
13 the challenge.

14 --oOo--

15 EXECUTIVE OFFICER COREY: To successfully tackle
16 the increased workload and ensure our decision making is
17 integrated across our programs, we knew we needed to make
18 some adjustments. Therefore, the executive team has been
19 leading an internal effort to strengthen our operations.

20 Over the last year, we've reorganized ourselves
21 to better align our divisions with our highest priorities.
22 And we have put in place a management team well prepared
23 for the opportunities that 2015 presents.

24 We needed to further refine our economic analysis
25 capability to better inform proposed strategies and in

1 response have created an expanded role for economic
2 experts in the agency.

3 Finally, modernizing our southern California
4 laboratory facility is a priority to ensure we are
5 positioned to build on ARB's success by influencing the
6 necessary transformation to the cleanest transportation
7 system in the world.

8 --oOo--

9 EXECUTIVE OFFICER COREY: Let me briefly describe
10 the organizational changes that I mentioned. We realigned
11 our mobile source and laboratory programs to gain
12 operational efficiencies and better match our existing
13 resources with the Board's anticipated priorities.

14 Now, the Mobile Source Control Division will
15 primarily focus on heavy-duty vehicle programs, the
16 emission compliance automotive regulations and science, or
17 ECARS Division will focus on light-duty vehicle programs,
18 especially implementation of the Advanced Clean Cars
19 Program, as well as the vehicle certification and
20 verification efforts.

21 The Monitoring and Laboratory Division will
22 continue to focus on ambient air quality monitoring, the
23 vapor recovery program, and has taken on the
24 responsibility for heavy-duty emissions testing.

25 With the expansion of many of the climate-related

1 programs all under a single stationary source division, it
2 became clear a more focused structure was needed.

3 Therefore, we divided the division into two divisions.

4 The new industrial strategies division implements the Cap
5 and Trade Program and has responsibilities for the energy
6 sector, transportation fuels, and the oil and gas
7 regulatory programs. The Transportation and Toxics
8 Division has primary responsibility for freight planning
9 and programs, implementation and planning for the
10 greenhouse gas reduction fund, and air toxics related
11 programs.

12 To amplify ARB's effort to commercialize fuel
13 cell electric vehicles, a new position was created in the
14 Executive Office led by Katherine Dunwoody. Katherine's
15 job supports the transition to full cells and is helping
16 to expand the market to the levels needed to meet our air
17 quality and climate goals.

18 Finally, we recently created a new position of
19 economic advisor within the Executive Officer. The
20 economic advisor will lead a Board-wide economic team to
21 develop the next generation of economic mechanisms when
22 evaluating ARB programs. Those are the major changes to
23 the structure of the organization.

24 Now I'd like to tell you about our extraordinary
25 leadership team.

1 --o0o--

2 EXECUTIVE OFFICER COREY: In addition to the
3 executive team of Albert Ayala, Edie Chang, Ellen Peter,
4 and Kurt Karparos, we have two other important leaders in
5 the executive office. Michael Gibbs is an Assistant
6 Executive Officer who focuses on climate and energy
7 policy, and Katherine Dunwoody, who I just mentioned.

8 I would also like to acknowledge members of the
9 carried's office including Stanley Young, Jen Gress, and
10 La Rhonda Bowen, all who play a key role in communicating
11 with the press, coordinating legislative activities, and
12 helping small business.

13 --o0o--

14 EXECUTIVE OFFICER COREY: Now I would like to
15 introduce you to our complete division management team:
16 Erik White, Anette Herbert, Michael Benjamin, Floyd
17 Vergara, and Bart Croes and the divisions they manage are
18 identified on the slide. And as you can see, they're a
19 good looking group here.

20 --o0o--

21 EXECUTIVE OFFICER COREY: The other division
22 chiefs are Jim Ryden, Karen Magliano, Cynthia Marvin,
23 Steve Grogen, and Alice Stebbins. The division chiefs
24 will play a key role in developing and implementing the
25 plans I will discuss later in the presentation.

1 --o0o--

2 EXECUTIVE OFFICER COREY: Lastly, part of the
3 foundation for a future is a new Southern California lab
4 facility. I'm pleased to report there is funding in the
5 Governor's proposed 15-16 budget for the new facility.
6 Specifically, the proposed budget allocates approximately
7 5.9 million for assessing sites and developing criteria
8 for the laboratory that will support a subsequent
9 solicitation. This is a very important milestone that is
10 a precursor to that solicitation for a new laboratory.

11 The Department of Finance has been negotiating a
12 possible location that involves a land swap which could
13 translate into free land for the lab with a potential to
14 move the schedule along more quickly. While these
15 negotiations are not final, they are a positive
16 development.

17 The inclusion of the funding is an important
18 first step, no doubt. But there remains much work to be
19 done. If all goes well, the current project schedule has
20 us taking occupancy around January of 2020.

21 --o0o--

22 EXECUTIVE OFFICER COREY: Now let me preview some
23 of the major activities we will be working on this year.

24 --o0o--

25 EXECUTIVE OFFICER COREY: Starting with the major

1 plans that I discussed earlier.

2 --o0o--

3 EXECUTIVE OFFICER COREY: State Implementation
4 Plan development activities that will occur this year will
5 define strategies needed to meet federal ozone and PM2.5
6 air quality standards over the next 15 years. In the
7 first half of this year, the Board will consider updates
8 to two SIPs for the current PM2.5 standards, the South
9 Coast in February and San Joaquin Valley in April.

10 2015 will also be a key year in developing SIPs
11 for the revised ozone and PM2.5 standards that are due in
12 2016. As you will hear in today's air quality update, the
13 South Coast and San Joaquin Valley are two most
14 challenging areas for attaining the air quality standards.

15 This year's efforts will include the core
16 scientific technical work to establish the scope and
17 nature of emission reductions needed to meet the standard,
18 as well as strategy development. This will be a
19 collaborative effort with the districts. Although
20 significant reductions are needed to meet these standards,
21 ongoing implementation of our existing programs is
22 providing over half of the needed reductions.

23 In September, we will update the Board on plan
24 development and strategies.

25 --o0o--

1 EXECUTIVE OFFICER COREY: 2015 climate planning
2 will focus on mapping out the strategies needed to meet a
3 midterm target on the path to reaching the 2050 goal. As
4 required under SB 605, ARB is also preparing a short-lived
5 climate pollutant plan. The plan will highlight
6 reductions from existing regulations aimed at reducing
7 emissions, discuss current research efforts, including
8 knowledge gaps, and develop new strategies for black
9 carbon, methane, and fluorinated negotiated gases.

10 ARB will begin development of an update to the
11 Scoping Plan during 2015. The update will address actions
12 needed to meet a midterm target, which we anticipate later
13 this year.

14 This year, ARB will also be working with the
15 Department of Finance and many other state agencies to
16 update the three-year plan that will guide future
17 investments starting in fiscal year 2016 that I'll discuss
18 further in a moment.

19 --o0o--

20 EXECUTIVE OFFICER COREY: The sustainable freight
21 strategy will identify and prioritize actions to move
22 California towards a sustainable freight transport system.
23 This system is characterized by improved efficiency,
24 mobility, and safety; zero or near zero emissions and
25 renewable fuels; and increased competitiveness of the

1 logistics system. The strategy will reduce localized
2 health risks near freight facilities and provide needed
3 emission reductions to help attain air quality standards.

4 In March 2015, ARB will release an initial
5 document with options to advance air quality toward a
6 clean freight system. The Board will be discussing this
7 at its April hearing.

8 --o0o--

9 EXECUTIVE OFFICER COREY: Even as we plan for the
10 long-term goals, our continued success relies on effective
11 implementation of current programs. It's a key element.

12 Let me now highlight a few of those regulatory
13 amendments and updates that staff will be bringing to the
14 Board over the course of this year.

15 --o0o--

16 EXECUTIVE OFFICER COREY: Emission reductions
17 from the transportation sector continue to be one of our
18 most important tools for meeting air quality and climate
19 goals. You'll be seeing several key items this year from
20 our light-duty programs.

21 First, we'll finish the ZEV amendments, as you
22 directed staff last year. Staff continues work on the
23 Advanced Clean Cars Program midterm review.

24 I should note though that we continue to be very
25 pleased with the implementation of the rule, including

1 over-compliance by the automobile manufacturers. Later
2 this year, staff will update you on their investigation of
3 ZEV market status and the ongoing work with our federal
4 partners.

5 Staff has also been working jointly with the
6 California Energy Commission on the second annual
7 evaluation of the hydrogen infrastructure network that
8 supports fuel cell electric vehicles. Staff will provide
9 a progress report on this work later this year as well.

10 Lastly, we will bring to the Board an amendment
11 to the light-duty on-board diagnostics regulation. These
12 revisions will help harmonize the regulation with the
13 cleaner emission standards of LEV 3 vehicles.

14 --oOo--

15 EXECUTIVE OFFICER COREY: For heavy-duty
16 vehicles, continued improvement toward cleaner technology
17 will be critical in achieving ARB's air quality and
18 climate goals. One of our major activities will be to
19 support federal rulemaking on Phase 2 GHG emission
20 standards for heavy-duty diesel trucks, which will build
21 on the current Phase I GHG standards you approved in
22 December of 2013. These standards will be critical to
23 reducing GHG emissions from the heavy-duty sector.

24 With the continued need for NOx and PM reductions
25 in the South Coast and San Joaquin Valley, ARB staff will

1 continue its efforts to deploy new, low NOx, heavy-duty
2 engines that are up to 90 percent cleaner than current
3 engines. To help bring emerging control technologies to
4 market, staff is developing a proposal to simplify the
5 certification of emerging, innovative, and advanced
6 technology heavy-duty vehicles and engines.

7 --o0o--

8 EXECUTIVE OFFICER COREY: Finally, continuing
9 implementation of the truck and bus rule remains a high
10 priority for the agency. Staff will continue to provide
11 extensive compliance assistance and outreach to fleet
12 owners, while conducting fair and effective enforcement
13 efforts.

14 --o0o--

15 EXECUTIVE OFFICER COREY: Next month, staff will
16 propose evaporative emission control requirements for
17 recreational boats.

18 Towards the end of the year, staff will update
19 you on the findings made during the red sticker
20 off-highway recreational vehicle assessment. And we'll be
21 working up the update to the forklift and industrial
22 equipment regulation that will align current off-road
23 regulatory strategies.

24 --o0o--

25 EXECUTIVE OFFICER COREY: Staff will bring the

1 revised low carbon fuel standard to the Board next month
2 as part of the re-adoption process. The proposal includes
3 maintaining a ten percent reduction in carbon intensity by
4 2020. The promise improvements based on lessons learned
5 during four years of successful implementation will also
6 be proposed.

7 The alternative diesel fuels regulation
8 establishes a clear process for low carbon diesel fuel
9 substitutes to enter the commercial market in California.
10 Many of these fuels provide criteria pollutant and toxic
11 air contaminant emission reductions in addition to their
12 greenhouse gas benefits.

13 This year, the Board will consider the oil and
14 gas production, processing, and storage GHG regulation
15 targeting methane emissions from oil and gas operations
16 with co-benefits of VOC and toxic reductions. This
17 regulation also covers well stimulation, including
18 fracking.

19 Finally, we are working closely with the Public
20 Utilities Commission on developing and implementing rules
21 and procedures governing the operation, maintenance,
22 repair, and replacement of natural gas pipe lines to
23 minimize methane emissions.

24 --o0o--

25 EXECUTIVE OFFICER COREY: As part of implementing

1 the Sustainable Communities Programs, evaluation of the
2 greenhouse gas reductions will be presented to the Board
3 during the first half of 2015 for the first sustainable
4 community strategies, or SCSs, for the San Joaquin Valley,
5 Monterey Bay region and San Luis Obispo areas. Several
6 metropolitan planning organizations are already working on
7 their second SCSs.

8 The Board will also consider recommendations for
9 updated targets in 2015 and 2016. The success of the
10 target update and new planning rests on implementing the
11 current plans to ensure regions can meet their 2020
12 targets. Staff will work with the four largest MPOs
13 during 2015 on the necessary scenario analyses and
14 quantification of co-benefits underpinning new target
15 recommendations.

16 This year, staff will continue to implement and
17 propose additional amendments to the Cap and Trade
18 Program. Last December, the Board acted on a new rice
19 cultivation projects compliance offset protocol and an
20 amended forestry protocol to include offset projects in
21 Alaska. Both of these activities represent our commitment
22 to develop and propose new offset protocols to support the
23 Cap and Trade Program.

24 Importantly, the rice protocol reflects a
25 collaborative effort between ARB, the Department of Food

1 and Agriculture, and the Rice Commission, as well as the
2 first crop-based protocol for the program.

3 Staff will continue to evaluate potential for
4 additional offset protocols. Staff also plans to propose
5 a border carbon adjustment for the cement sector as
6 directed in a previous resolution. This mechanisms would
7 be intended to further address emissions leakage concerns
8 for cement and could be expanded to other sectors in the
9 future.

10 And lastly, this year marks the end of the first
11 compliance period for the Cap and Trade Program. In
12 November of this year, all covered entities will have to
13 submit compliance instruments to cover 70 percent of their
14 2013 emissions and all of their 2014 emissions.

15 --o0o--

16 EXECUTIVE OFFICER COREY: For incentive programs,
17 ARB staff will focus on two areas this year. First,
18 helping State agencies implement programs that are funded
19 by cap and trade auction proceeds. And second, updating
20 funding plans for incentive programs that are managed by
21 ARB.

22 To help agencies implement programs funded by
23 auction proceeds, ARB will be developing funding
24 guidelines to provide direction on program administration,
25 recordkeeping, reporting, and other accountability

1 measures.

2 Staff will also continue to work with all State
3 agencies that receive auction proceeds to assist with
4 program development and implementation and ensure that all
5 investments reduce greenhouse gases.

6 The Board will hear updated funding plans later
7 this year for two of ARB's incentive programs. This will
8 include the air quality improvement program and the update
9 to the Proposition 1B guidelines.

10 --o0o--

11 EXECUTIVE OFFICER COREY: Of course, the ARB
12 cannot do all of this work alone. We need to collaborate
13 at all levels, internationally, nationally, and locally
14 and through your leadership and outreach.

15 --o0o--

16 EXECUTIVE OFFICER COREY: We will continue to
17 work hand in hand on the local and national level.

18 As mentioned earlier, the ozone and PM2.5 SIPs
19 are developed in partnership with the air districts and
20 will be a priority throughout 2015.

21 Staff is jointly working with CAPCOA and the air
22 districts to incorporate the new information into risk
23 management programs for air toxics related to updated
24 OEHHA risk assessment guidelines. We're also working with
25 stakeholders to develop processes for evaluating potential

1 localized impacts associated with cap and trade.

2 At the national level, we need EPA to address
3 emissions from the trucks registered outside of California
4 that comprise nearly half of the trips in the South Coast
5 air basin. A national NOx standard would aid us in
6 achieving our air quality goals and address greenhouse gas
7 emissions.

8 We will continue to work on the Advanced Clean
9 Car Program midterm review with our federal partners as
10 well. As part of that effort, we will focus on the zero
11 emission vehicle infrastructure assessment and PM
12 measurement capability in a report we'll be bringing to
13 the Board later this year.

14 This year we will continue working with U.S. EPA
15 and the National Highway Traffic and Safety Administration
16 to review greenhouse gas standards for new light-duty
17 vehicles as part of the midterm review. We are also
18 working with U.S. EPA on the clean power rule. Staff will
19 present our full assessment to you later this year.

20 --o0o--

21 EXECUTIVE OFFICER COREY: The Governor has made
22 collaboration with other states and countries on clean air
23 and climate change mitigation efforts a priority.
24 California has established agreements with a number of
25 regions, including China and Mexico, to exchange knowledge

1 and work together on methods to reduce emissions.

2 ARB is working closely with Beijing on their
3 vehicle emission standards and air quality issues and with
4 the national government and several provinces on the
5 design of their emission trading systems.

6 We are also working with the national government
7 in Mexico as they implement new emission standards and
8 their national climate change law, as well as with several
9 Mexican states on vehicle inspection and maintenance
10 programs.

11 Our work with foreign jurisdictions serves as an
12 example to the countries that are negotiating a new
13 international greenhouse gas reduction protocol, which is
14 due to be completed in Paris this December.

15 ARB and other state agencies will expand on
16 existing partnerships with states, provinces, and nations
17 to accelerate ZEV adoption globally.

18 In October 2013, British Columbia, California,
19 Oregon, and Washington jointly committed to build an
20 integrated low carbon fuel market through the Pacific
21 Coast Collaborative. Our work with the collaborative on
22 the low carbon fuel standard and carbon pricing is an
23 example of the ongoing benefits of these types of
24 collaborations.

25 --o0o--

1 EXECUTIVE OFFICER COREY: 2015 will be a year
2 that will set the stage for our air quality and climate
3 programs well into the future. The many cross-sector
4 plans and initiatives that I have discussed will need to
5 be coordinated to ensure that our new regulatory programs
6 and efforts will achieve our goals in the most efficient
7 and effective ways possible. Through working together
8 internally as well as with our partners at all levels, we
9 can achieve these multi-faceted goals.

10 The Board's guidance and assistance will continue
11 to be essential for advancing our goals and initiatives.
12 As we take on these efforts, we will rely on the important
13 role that you play on local boards, national committees,
14 and through public outreach. Board member outreach has
15 been instrumental in the success of ARB's programs, and we
16 anticipate targeted requests of the Board to continue to
17 participate in these various stakeholder forums.

18 As you have seen from the scope of this year's
19 efforts, we will also be coming to you throughout the year
20 for direction on many critical planning efforts. These
21 frequent updates will provide an opportunity for key
22 guidance from the Board, as well as actions related to
23 decisions on regulatory programs.

24 We look forward to the tremendous opportunity
25 that 2015 provides to build on our many air quality

1 successes.

2 Thank you. I want to thank you for the
3 opportunity and am available to answer any questions or
4 hear your perspective.

5 CHAIRPERSON NICHOLS: Thank you, Richard. You've
6 laid out a broad, deep agenda, and I really appreciated
7 the picture gallery of all of the leaders that you
8 included at the beginning because we have so many people
9 who are new in their positions, including of course those
10 who are flanking you. It's exciting to know that we have
11 this depth of expertise and ability in our top leadership
12 team here.

13 Is there anybody who would like to ask any
14 questions or make any observations at this point? Yes,
15 Judy.

16 BOARD MEMBER MITCHELL: I have a question on your
17 light-duty vehicle program and the onboard diagnostics
18 regulation.

19 One thing I've heard out in the community is can
20 we use onboard diagnostics to determine the number of
21 miles that a vehicle has traveled. And this will be of
22 interest to any new legislation that might be supplanting
23 the excise tax to now use VMT as a way to get funding for
24 our transportation system.

25 DEPUTY EXECUTIVE OFFICER COREY: Yes, Supervisor.

1 I'm going to ask Alberto to weigh in. The amount
2 of information on vehicles with respect to the OBD system
3 is incredible. But I want Alberto to speak to the access
4 to it and any related issues.

5 DEPUTY EXECUTIVE OFFICER AYALA: I would be happy
6 to.

7 So the short answer to your question,
8 Ms. Mitchell, is we have that information today as part of
9 our I&N smog check program. When the vehicle comes in to
10 get tested, one of the data points that is recorded is
11 odometer reading. So that information is accessible
12 today.

13 I think what we are interested in is exploring
14 the greater efficiencies of the OBD system and the
15 opportunities that it may present us in a future where all
16 I&N inspections are going to be done based on the OBD.

17 I think what we are going to bring back to you
18 this year is some ideas in terms of where do we go from
19 here, because clearly cars are becoming more connected.
20 Cars are becoming essentially very heavily computerized,
21 and it's a great thing.

22 I think one of the things we want to explore with
23 you is what other potential opportunities for significant
24 greenhouse gas emission reductions, as well as increasing
25 efficiencies of the use of the vehicle.

1 BOARD MEMBER MITCHELL: Thank you.

2 CHAIRPERSON NICHOLS: Dr. Balmes.

3 BOARD MEMBER BALMES: Just a question, Richard,
4 about the cap and trade auction proceeds. Obviously,
5 that's an important area of work. When might we expect to
6 hear sort of an update about where we're going with that?

7 DEPUTY EXECUTIVE OFFICER COREY: So, Dr. Balmes,
8 the next -- so the budget -- the proposed budget for
9 fiscal year 15-16, includes a proposal for about a billion
10 dollars. That will be going through the budgetary process
11 and the appropriations process. Coincident with that are
12 a few activities. One is the budget that we are already
13 operating on and the documentation of those projects.

14 So one touch point is ARB has continued to work
15 with the various agencies that have received
16 appropriations in the last budget in terms of as they move
17 toward through projects through their solicitation
18 process. One step we've taken is so folks can see in one
19 side the different agencies that receive appropriations,
20 where they are in their process, and where to get
21 additional information. That's one element.

22 The other element that I touched on in the
23 presentation is looking forward. And that is the next
24 three-year investment plan. And the investment plan, the
25 last one really did guide and inform the appropriation

1 process. So that process will go through a public effort
2 over the course of 2015 in handshake with the Department
3 of Finance and other agencies with that plan returning to
4 the Board to discuss at the end of the year because it's
5 due to the Legislature in January 2016.

6 BOARD MEMBER BALMES: Thank you.

7 CHAIRPERSON NICHOLS: Needless to say, there's
8 even more interest in this fund this year than there was
9 last year. And so we're expecting a lot of input and a
10 lot of legislative oversight about this year's
11 expenditures as well.

12 So far, the program seems to be going well in
13 terms of the rolling out of the funds that are included in
14 the budget. And we've been very diligent about making
15 sure that we can document the expenditures and be able to
16 look at the benefits that actually have occurred as a
17 result. So it's an amazing opportunity.

18 I'm going to call next on Mrs. Riordan and then
19 Supervisor Gioia.

20 BOARD MEMBER RIORDAN: Just a comment to Mr.
21 Corey and the staff.

22 I want to commend you for going forward to
23 reorganize your staffing based on our future challenges.
24 And that's not easy to do. I suspect our Chairman may
25 have been very helpful in that effort.

1 But I do realize that as we change some of our
2 roles, and we certainly are from years past, that the
3 staffing level needs to change and the direction needs to
4 change. And I just think about, for instance, a few years
5 back we would not have thought much about an economic
6 analysis. And now we are certainly required to think
7 about that, and it becomes a very significant thing.
8 That's just one of many, many, many.

9 But I do salute you for that and look forward to
10 working with your staffing changes and opportunities.
11 Thank you.

12 CHAIRPERSON NICHOLS: Richard, you seem to have
13 edited your marks down a little bit from the draft that I
14 saw. This could possibly have taken the entire morning.

15 But as I recall, there was a pitch in there for
16 some of the great things that Board members could assist
17 us in doing. So you've kind of opened it up there with
18 your offer to work with the staff. So I don't know if you
19 want to go a little bit more into that at this point. But
20 you might want to just comment on the fact that while we
21 have a large staff and they're very good and doing
22 wonderful things, there are many areas in which they like
23 to be able to call upon the Board members, other than our
24 obvious role in passing regulations and coming to
25 meetings.

1 DEPUTY EXECUTIVE OFFICER COREY: Well, you did
2 call me on that. So we think -- and I think we have a
3 number of examples of this where we are convinced of the
4 value and benefits of tapping into the expertise of this
5 Board, and well beyond -- and goes to the Chairman's
6 comment that was just made -- well beyond the formal
7 elements as a Board hearing.

8 As I think about the plans that I talked about
9 over this next year and I think about freight and SIP,
10 what our interest is doing -- and in fact, I'm saying
11 this, calling this right out, I'm going to reach out to
12 Board members. We are as a team from a consultation
13 standpoint, from a participation in certain public
14 processes, workshops to attend, the opportunity to engage
15 and seek advice as well as the opportunity for
16 stakeholders to engage with Board members on the range of
17 planning efforts as well as over the course of the year
18 we're going to be visiting a number of sites, tours,
19 basically to get additional fact, fact finding, having
20 Board members participate in those. So what you're going
21 to get is I'm going to say an amped up degree of reach out
22 to Board members and engagement. And particularly there
23 is a number of Board members that are highly engaged in
24 particular efforts. And I think of Dr. Sperling on
25 freight. We need help. I'm not going to be afraid to ask

1 for that guidance and engagement.

2 CHAIRPERSON NICHOLS: Thank you. This was a paid
3 commercial announcement.

4 (Laughter.)

5 CHAIRPERSON NICHOLS: Mr. Gioia.

6 BOARD MEMBER GIOIA: Thanks for the presentation
7 of the great aggressive plan.

8 I've been thinking, you know, as we've --
9 clearly, we, the collective we at the Air Resources Board,
10 developed the Cap and Trade Program. So while the
11 guidelines for the use of the money are being developed by
12 multiple state agencies and there is going to be
13 legislative oversight, I think a lot of folks are still
14 going to be looking to the Air Board about, okay, how has
15 this worked? Has it been effective?

16 So I just want to understand a little bit about
17 how we are going to work with the other state agencies
18 developing guidelines to look at the metrics relating it
19 back. Obviously, their GHG reduction is the main goal,
20 but also the other co-benefits clearly.

21 So I get concerned that those who oppose cap and
22 trade are going to look for opportunities right to say,
23 well, see, it's not really achieving, although we are on
24 target to meet the 2020 goals, which clearly there is
25 success.

1 But how do we work with the other State agencies
2 to make sure that everyone is measuring the -- with some
3 common set of metrics the impact on GHG reductions. So
4 how do you see ARB's role in all of that?

5 DEPUTY EXECUTIVE OFFICER COREY: Yes, Supervisor.
6 It really is an excellent question, because the foundation
7 for the program and for those appropriations, both legally
8 and programmatically, was the quantification demonstration
9 of GHG reductions, for which we play a key role on this.
10 And to be more specifically, the agencies we've been put
11 in the role of working with each of the agencies in terms
12 of the quantification methodology.

13 So what we are doing -- this is actually every
14 other week we are meeting with a range of agencies who
15 have gotten appropriations. We've been working on
16 guidelines to help inform those projects.

17 We've also been in the last budget cycle got
18 support to develop a tracking system. So ultimately, the
19 best outcome or the approach that we're taking on this is
20 upfront -- work with the agencies up front to develop
21 guidance that informs a solicitation process and
22 ultimately the selection of the projects.

23 The other key complement to that is the
24 documentation and tracking and transparency, which means
25 someone can go to one site, web page, see the projects

1 that have received funding, where are they located, what
2 was the funding level, what are the benefits they're
3 seeing. We're working on that system to have that system
4 fully automated. That's going take some time as we work
5 through.

6 But we have a clear directive to have a clear
7 tracking and reporting system. It was a high priority
8 through the budgetary hearing processes that we went
9 through and something that we have weighed in
10 significantly that ultimately the best choices and
11 decisions are made through this upfront guidance and also
12 clear transparent tracking. We have a team that's
13 dedicated on these very specific tasks. It's very
14 important to inform decisions as well provide the public
15 with information about where that money is going.

16 BOARD MEMBER GIOIA: I'm glad to hear that. Each
17 individual agency is going to be responsible in developing
18 guidelines to achieve maximum GHG reductions with
19 co-benefits. There is a tradeoff. But having a common
20 metric among all that we're involved.

21 An issue came up so I'll delve into a detail that
22 came up with the Strategic Growth Council money. So I was
23 working with a group of local public agencies in the Bay
24 Area who are looking at jointly applying for some of the
25 money for the affordable housing SCS fund from that fund.

1 In the model, I guess that's used to rate the
2 applications, there seems to be a lot of focus on GHG
3 reductions from a particular -- let's say affordable
4 housing development. What didn't seem to be captured in
5 the rating model -- and in the Bay Area -- that is really
6 important -- when the SCS was passed, it provided that
7 about 70 percent of the growth going forward in the Bay
8 Area would occur in what are defined priority development
9 areas, right. And that the regional agencies did a lot of
10 modeling and concluded that would result in clearly
11 significant reductions in GHGs because if growth occurred
12 in more outlying areas, suburban sprawl, you have vehicles
13 miles traveled and more GHG emissions.

14 The whole basis of the plan, right, is that any
15 development in PDA is a strategy will reduce the future
16 growth of GHG emissions because of where the development
17 is occurring. So you have folks applying for affordable
18 housing developments in the priority development area.
19 But it appears the model may not capture the GHG reduction
20 that's occurring by putting development there and focusing
21 on the more localized issues -- do you see my point -- of
22 GHG reduction in the housing project.

23 And so while I think the regional agencies -- in
24 the case of the Bay Area, it's the Metropolitan
25 Transportation Association and the Bay Area Council of

1 Governments are going to try to put in an explanation
2 about that. The concerns -- this is again we're sort of
3 again this is cap and trade revenue that we want to see
4 properly spent, the issue -- we can talk about this
5 separate. It's an example of does the model that the
6 Strategic Growth Council is using to rate these
7 applications really capture the full GHG reduction because
8 the strategy of the region was to put development in these
9 development areas.

10 So you think about it. If you put affordable
11 housing development out somewhere else, it may be a
12 disadvantaged community, but not in a priority development
13 area. That's different than in a disadvantaged community
14 in a priority development area.

15 So I don't know. Have we sort of looked at these
16 types of guidelines to consider whether they're really
17 measuring full GHG reductions? Do you see the point I'm
18 making?

19 CHAIRPERSON NICHOLS: I might be able to say
20 something about this, because as you know, ARB is not a
21 member of the Strategic Growth Council. But we are
22 referred to constantly as a source of information and
23 technical advise and support. And we have been following
24 this guideline development process very closely.

25 I personally heard distressed calls from a number

1 of different people who have been involved in various ways
2 in trying to make sure that the money in this particular
3 fund is well spent and well documented. And I think it's
4 fair to say that neither the models nor the guidelines are
5 perfect at this point.

6 I do think it's clear that there is room before
7 grants are finally made for some discretion to be
8 exercised. There is no perfect model that's going to spit
9 out the priority list and decide where the money is going
10 to go. There's going to have to be some evaluation at the
11 end of the day of what the results actually were in order
12 to come up with grants that are, in fact, strategic
13 because there is a lot of factors that are in play there.

14 The point that you just made is not one that I've
15 actually heard raised in any of the discussions that I was
16 involved in. But it makes perfectly good sense that it
17 should be something that would be considered.

18 I think that probably the thing that the counsel
19 is looking for most -- with most interest is to find
20 places where there is multiple activities going on where
21 these grants are going to be able to be used not just --
22 well, leverage is the word that's always used. Everybody
23 is leveraging everything else. But where these grants can
24 add a specific increment of GHG reduction that might not
25 have happened otherwise and also allow for other good

1 things to happen that wouldn't happen without the funding.

2 So it's clear there is going to be something,
3 just given all the activity in the Bay Area that there
4 will be funds going into the area. It's more of a
5 question of I guess of which types of projects really are
6 going to be the ones that are most likely to succeed in
7 capturing the funds here.

8 But I think it is a conversation that's worth
9 pursuing with the staff. And they are actively going to
10 be involved in eventually reviewing the applications that
11 come in.

12 Yes, Supervisor Serna.

13 BOARD MEMBER SERNA: Thank you, Chairman Nichols.

14 I, too, want to thank Richard and all the staff
15 for all the great work you've done and all the time you
16 put into the 2015 program priorities.

17 Perhaps I missed it. I didn't see a dedicated
18 slide to it. But I think it's worth noting and hopefully
19 having staff briefly respond.

20 It seems to me there is a lot of involvement in
21 advancing environmental justice that didn't get a
22 dedicated slide, whether it be ARB's role in advancing
23 implementation of SB 535 or on slide 8, for instance, you
24 have a number of long-term goals, I think each of which
25 does have a pretty robust environmental justice component

1 to it.

2 So for the benefit of everyone listening and for
3 us, maybe you can touch on how you see us generally
4 continuing to focus on environmental justice matters in
5 2015.

6 DEPUTY EXECUTIVE OFFICER COREY: Yes, thank you,
7 Supervisor.

8 Few touch points, and upon reflection, a more
9 explicit reference to environmental justice would have
10 been useful. But the touch points that I see are related
11 to several efforts that were called out. And I'm just
12 going to call a few of them out.

13 Heavy duty. We know that our efforts -- and I
14 talked about diesel PM reduction. Those efforts -- and
15 just using as one example the cap and trade proceeds for
16 the clean transportation sector got \$80 million as
17 directed to the heavy-duty sector. That was all about
18 reducing emissions, diesel PM, NOx, and near distribution
19 centers, ports, rail yards.

20 The significant progress in terms of the
21 heavy-duty program is also will provide significant
22 benefits in disadvantaged communities.

23 The work with CAPCOA and the air districts on the
24 risk management guidelines, our whole effort in terms of
25 using the updated risk assessment work that OEHHA has done

1 is really revisit what does that data suggest in terms of
2 residual risks and are there near-source risks. Are there
3 residual risks in disadvantaged communities that we can do
4 additional work on. That work, to me, is an area that is
5 a key element of the environmental justice activities.

6 The other is the adaptive management work. I
7 touched on that briefly in the context of the follow-up in
8 the Cap and Trade Program. What we learned from the
9 implementation of the program, working with air districts
10 and others to ensure that there continue to be the
11 benefits that we anticipated from the program and your
12 reference to SB 375. So several have these programs have
13 webs to be direct linkage to benefits the disadvantaged
14 communities and environmental justice communities, but
15 could have been tied together a little more cleanly.

16 BOARD MEMBER GIOIA: Thank you. I would humbly
17 suggest that in the future when we have a presentation
18 such as this, which is intended to be general, I get that.
19 And we're talking about an entire year of anticipated
20 activity. I'd love to see a single slide dedicated to
21 environmental justice so that we kind of have -- and the
22 public has a very clear understanding of the connectivity
23 to all the various programs and implementation efforts
24 that were involved. I think that's important enough that
25 it should be called out that way.

1 CHAIRPERSON NICHOLS: I think it's not too late
2 to prepare something like that as a supplement. This
3 document is going to have a life of its own anyway. So I
4 think the point is very well taken that we may have done
5 too good a job of incorporating thinking about
6 environmental justice across the board and failed to track
7 the totality of what it is that we're doing. So thank you
8 for that reminder very much.

9 BOARD MEMBER BALMES: I'd like to chime in to
10 thank Supervisor Serna for bringing up a point that I
11 should have brought up myself. Thank you.

12 CHAIRPERSON NICHOLS: It's not that we've been
13 together so long we're all thinking alike, really. There
14 is a certain common thread though. Okay. Great.

15 Any other thoughts or comments before we move on?
16 Thank you so much. I do want to give you a final word,
17 but also did anyone sign up to speak to us on this item?
18 Okay. Great. Last before we move on.

19 DEPUTY EXECUTIVE OFFICER COREY: It will be very
20 brief.

21 And having been in the organization I'm coming up
22 on 30 years, but I realize that the position I'm in now is
23 it's truly a privilege, it's an opportunity. And having
24 given me this chance to play this role in this
25 organization is very important to me. I believe strongly

1 in the work that we do and strongly in excellent
2 leadership. And the work with you is something I respect
3 and look very forward to in the years ahead. So thank
4 you.

5 CHAIRPERSON NICHOLS: Thank you very much.

6 The next item on today's agenda is another
7 informational update. We do have one regulatory matter,
8 and it's an important one. But we're taking advantage of
9 the opportunity to update the Board on some things. And
10 the next item is an informational update on our research
11 that ARB has been pursuing to support more sustainable
12 communities in California. So I guess it's a nice lead in
13 to the discussion that we'll be having next about the
14 Fresno Sustainable Community Strategy.

15 We have been relative new-comers to this area of
16 research, but I think it reflects the commitment that the
17 Board has made to take a wholistic approach. Reducing
18 greenhouse gas emissions through changes in urban
19 development reflects a broad shift towards a more
20 integrated approach to environmental problem-solving. ARB
21 has a long history of supporting and conducting rigorous
22 research in the natural sciences, but social science
23 research is also extremely important as we work to deliver
24 health and economic benefits from our climate program.

25 So Mr. Corey, would you please introduce this

1 item.

2 DEPUTY EXECUTIVE OFFICER COREY: Yes, thank you,
3 Chairman.

4 Recognizing the importance of community design,
5 the Legislature passed, we touched on, SB 375 in 2008 to
6 encourage smarter community planning as a way to reduce
7 travel.

8 In addition to this legislation, other state
9 policies also support the development of more sustainable
10 communities throughout California.

11 In 2008, the state adopted CalGreen the nation's
12 first-ever statewide green building code which sets
13 prescriptive requirements to improve the environmental and
14 health impacts of new residential and commercial
15 construction in California.

16 To support these policies, ARB has been
17 supporting research to provide the technical assistance
18 needed to advance voluntary and mandatory strategies to
19 reduce the greenhouse gas emissions associated with our
20 built environment.

21 This body of research supports Senate Bill SB 375
22 and provides the necessary technical underpinnings needed
23 to advance improvements to the state's green building
24 code.

25 With that, I'd like to now hand it over to

1 Courtney Smith from the Research Division, who will
2 provide an overview of the research ARB is pursuing in
3 this area. Courtney.

4 (Thereupon an overhead presentation was
5 presented as follows.)

6 MS. SMITH: Thank you, Mr. Corey. Good morning
7 Chairman Nichols members of the Board.

8 --o0o--

9 MS. SMITH: The Air Resources Board has a long
10 history of enacting programs and regulations to reduce air
11 pollution, largely from vehicle motors and other engines.
12 Yet, with the passage of Assembly Bill 32, ARB's
13 responsibility really expanded to include reducing
14 greenhouse gas emissions across all sectors.

15 As part of the Scoping Plan, California's built
16 environment, including our land use patterns,
17 transportation systems and buildings, were identified as
18 essential, not only to reducing our state's GHG emissions,
19 but also to making you our communities healthier,
20 providing more mobility options, and creating more
21 resource-efficient homes in workplaces.

22 --o0o--

23 MS. SMITH: Advancing these built environment
24 goals presented unique challenges, not only to ARB, but
25 also for the regional and local governments and

1 individuals throughout California called upon to improve
2 how their communities are designed and built.

3 In order to help address these challenges, ARB
4 developed a Sustainable Communities Research Program to
5 provide practical tools and information that communities
6 could use to improve their sustainability.

7 This research and the strategies it advances are
8 really important in light of the Governor's newly
9 announced goals. In his inaugural address earlier this
10 month, the Governor proposed three ambitious goals to
11 build upon the climate progress we've already made. Over
12 the next 15 years, California intends to increase our
13 renewable energy generation, to cut petroleum use, and to
14 double the efficiency of existing buildings.

15 --o0o--

16 MS. SMITH: To assist with reaching these
17 ambitious 2030 goals, California has already developed a
18 strong policy framework on which to build and our research
19 program directly informs the state policies and programs
20 aimed at accelerating more sustainable communities in
21 California.

22 Our land use and transportation focused research
23 directly supports the implementation of Senate Bill 375.
24 This focus on reducing travel demand, coupled with
25 transitioning Californians to zero emission vehicles, puts

1 us on a path to cutting our petroleum use.

2 The building research we are conducting provides
3 the technical foundation needed by ARB in order to propose
4 improvements to the state's mandatory green building code
5 and to advance goals for high performing new buildings.
6 This includes state goals for new residential and
7 commercial buildings to be zero net energy by 2020 and
8 2030 respectively, as well as the Governor's Green
9 Building Executive Order, which calls for state buildings
10 to lead by example.

11 --o0o--

12 MS. SMITH: Halting and ultimately reversing
13 decades of unsustainable development in California
14 requires bold action across all levels of government and
15 ultimately requires all Californians to make more
16 sustainable decisions.

17 While ARB is an integral player in these
18 activities, as you can see here, many other state,
19 regional, and local partners are in many instances well
20 positioned with some, if not full authority, over
21 decisions that directly impact emissions from the built
22 environment.

23 --o0o--

24 MS. SMITH: In order to engage and assist these
25 stakeholders in implementation, we have created a research

1 program that actively engages end users throughout the
2 research process from identifying research needs and
3 co-funding partners, to assisting with ground truthing and
4 disseminating of research results. Part of this
5 engagement entails ensuring that research is completed in
6 a time line that matches planning and policy time lines.

7 Listed here are select partners, many of whom are
8 co-funders of key research projects.

9 --o0o--

10 MS. SMITH: To ensure that our research reaches
11 these stakeholders, we use several methods. On our
12 Coolcalifornia.org website, we publish information and
13 resources for local governments and individuals. We also
14 hold trainings and seminars on the decision support tools
15 that we have provided.

16 One of our most recent webinar trainings was
17 attended by over 150 people and was later presented to
18 members of CAPCOA. We also collaborate with our public
19 informations office to develop targeted media campaigns.

20 For the next few slides, I will focus on ARB's
21 land use and transportation research first.

22 --o0o--

23 MS. SMITH: Our work in this area is constructed
24 to influence several SB 375 implementation activities. We
25 are providing decisions support to help local and regional

1 governments prioritize the strategies they want to pursue.

2 Empirical evidence is also used by MPOs to
3 calibrate and validate the regional models they're using
4 as part of their sustainable community strategy process.

5 And lastly, our research can be used by ARB to
6 inform the setting of regional greenhouse gas reduction
7 targets.

8 --o0o--

9 MS. SMITH: To support these activities, we have
10 largely focus in three main areas of research.

11 With the inception of SB 375, ARB immediately
12 starts working to provide information and guidance to
13 regional and local governments on which strategies could
14 be implemented in their jurisdictions in order to reduce
15 car travel.

16 In addition, we have work underway to understand
17 and quantify the co-benefits and other impacts of these
18 strategies.

19 And lastly, it is time to start laying a
20 framework for tracking statewide progress toward goals
21 outlined in SB 375.

22 We currently have twelve extra extramural and
23 three in-house projects, both completed and underway,
24 aimed at addressing these three areas.

25 --o0o--

1 MS. SMITH: Focusing first on our work to
2 evaluate strategy effectiveness, the first thing ARB did
3 was review and summarize the body of empirical research
4 that has evaluated the VMT and GHG impacts of known land
5 use and transportation strategies.

6 Currently, there are 23 strategies that have been
7 evaluated as part of this effort. The literature reviews
8 and the accompanying policy briefs are all available to
9 the public on the ARB website and can be used by MPOs and
10 local governments to help them select which strategies can
11 bring about significant reductions in travel demand.

12 In addition, we have pursued research to
13 understand how the effectiveness of these strategies may
14 differ depending on where it's implemented. For example,
15 intuitively, we know that adding a new light rail station
16 in downtown Bakersfield is not going to have the same
17 impact as if it were located in downtown San Francisco.
18 Yet, at the inception of SB 375, no research had attempted
19 to quantify how this context matters.

20 To begin to address this gap, ARB funded the
21 first-known effort to actually estimate the difference
22 local context makes. And what we found is that, yes,
23 context does matter. Cities, counties, and regions
24 throughout California can use the tool to see how a subset
25 of land use and transportation strategies impact VMT based

1 on their community type.

2 And lastly, we are also conducting important
3 empirical research to fill knowledge gaps on how these
4 strategies play out in the real world. For example,
5 recent research that we've completed evaluating the impact
6 of the new expo line down in Los Angeles has found that
7 once the expo line opened, households located near the new
8 light rail stations traveled on average 10 miles less
9 every day than similar households not located near
10 stations. And this change in travel behavior held a year
11 and a half after the stations opened.

12 However, it also found that people that moved
13 into the area after the line opened were younger, they
14 were more likely to rent, and they had higher incomes.
15 And while their public transit use was more than double,
16 their daily VMT was actually eight miles higher than
17 longer-term residents. These patterns suggest that new
18 residents may differ in important ways from longer-term
19 residents and that policies should be tailored to maximize
20 their potential for transit ridership. It also calls for
21 additional research into how neighborhood change and how
22 displacement may play out in rail corridors.

23 --o0o--

24 MS. SMITH: ARB is also funding several projects
25 that attempt to quantify the co-benefits of SB 375

1 strategies. We currently have a project underway to
2 assess how actual smart growth development across
3 California is realizing local fiscal and economic benefits
4 to these communities.

5 Last year, we completed a tool to assist local
6 governments updating their general plans or climate action
7 plans with estimating the residential energy use and
8 greenhouse gas emissions associated with future
9 development. Using actual household energy usage data in
10 California, this research verified for the first time that
11 California homes in more compact development use less
12 energy.

13 And lastly, and of particular importance, ARB is
14 engaging with stakeholders over the course of the next
15 year to identify potential opportunities to advance the
16 models and methods used to quantify health co-benefits as
17 part of the regional planning process.

18 --o0o--

19 MS. SMITH: As part of our work to explore the
20 other impacts these travel strategies have, we are working
21 to identify and mitigate any adverse consequences of these
22 strategies so that way call Californians can benefit from
23 a transition towards more sustainable communities.

24 One important issue centers around the issue of
25 near roadway exposure. There is concern that pursuing

1 more compact development to reduce regional air pollution
2 may place more people in areas of high concentrated
3 traffic-related pollution. So to address this, staff has
4 focused on identifying mitigation options. We have been
5 working to summarize the state of the science on
6 mitigation options. And what we found is that while
7 certain strategies, like some traffic management
8 strategies and barriers, appear to be a promising
9 solution, there are also significant gaps in our
10 understanding of what is most effective and where.

11 To help fill these gaps, we funded several
12 extramural projects to evaluate mitigation options,
13 including vegetative sound wall barriers, in-home
14 filtration, and urban design strategies. Staff will
15 create a technical advisory that interprets these results
16 from the research for stakeholders.

17 The second area of research is focused on the
18 issue of displacement. As California regions pursue more
19 compact transit-oriented development to meet their SB 375
20 targets, there is increasing concern that new transit
21 investment and development may lead to displacement,
22 preventing low-income communities from sharing in the
23 benefit of this type of development.

24 To begin to address this issue, ARB has partnered
25 with both SCAG and MTC ABAG on a research project that

1 aims to improve our ability to predict areas vulnerable to
2 displacement and also to identify potential policy
3 solutions.

4 As part of this work, we are actively engaging
5 communities-based organizations both in the Bay Area and
6 the Los Angeles region where this research is focused to
7 help us ground truth our research results.

8 --oOo--

9 MS. SMITH: Moving forward, we will continue to
10 evaluate the effectiveness of innovative strategies being
11 considered by regions in their planning processes. As an
12 example, last month the Board approved a project as part
13 of our annual research plan to evaluate the impacts of
14 affordable housing on GHG emissions, as well as on the
15 health and well being co-benefits to residents.

16 Second, we will continue to identify technical
17 and policy solutions for the issues of near-roadway
18 exposure and displacement in order to ensure that all
19 Californians benefit from sustainable community
20 development.

21 In addition, now that many of the MPOs have
22 undergone their first round of SCSs, we are in a position
23 to really learn from this first round of innovative
24 planning. ARB staff will be monitoring and accumulating
25 research being conducted on best practices.

1 And lastly, while changing California's urban
2 fabric will take time, with research approved by the Board
3 last month, we are beginning a process to develop a base
4 line and a framework for tracking progress toward our SB
5 375 goals.

6 --o0o--

7 MS. SMITH: As mentioned earlier, buildings also
8 play a really important role in creating sustainable
9 communities. Our building-related research provides the
10 needed technical understanding to advance climate and
11 health strategies in the state's mandatory green building
12 code, as well as to support the advancement of voluntary
13 programs. In addition, staff has conducted extensive
14 research to ensure that our new proposed laboratory down
15 in Southern California meets the Governor's Executive
16 Order for green building. We are also conducting research
17 on the GHG impacts of green building strategies.

18 --o0o--

19 MS. SMITH: Our green building research falls
20 into three priority areas. Since green building was first
21 identified in the 2008 Scoping Plan, ARB has been pursuing
22 research to quantify the GHG reductions the state can and
23 is getting from green building.

24 In addition, ARB staff has also conducted
25 extensive in-house research to establish the technological

1 and cost effectiveness of green building strategies. And
2 this is largely in order to advance their uptake in both
3 mandatory and voluntary programs.

4 And last, staff has begun and will continue to
5 track the state's progress towards its ambitious green
6 building and climate goals.

7 To address these three priorities, we have six
8 extramural research projects, five of which are complete
9 and three ongoing in-house research efforts.

10 --o0o--

11 MS. SMITH: Our work focused on quantifying the
12 GHG reduction that can be realized through green building,
13 includes enhancing tools to quantify GHG benefits, as well
14 as ground truthing on the ground reductions.

15 Recently released research has confirmed that
16 actual green commercial buildings throughout California
17 are delivering real greenhouse gas emission reductions by
18 using less water, creating less waste, and generating
19 fewer car trips.

20 One of the important things this research found
21 is that for commercial office buildings this California,
22 the largest contributor to the building's carbon footprint
23 was actually the transportation to and from the building.
24 This highlights that while the transportation sector is
25 the most difficult to affect relative to the others, it

1 offers the most potential because of the significant GHG
2 intensity of travel. The acceleration of on-site
3 transportation strategies, coupled with location siting
4 improvements propelled by SB 375 can serve to
5 significantly reduce building-related GHG emissions.

6 We have also completed research exploring the
7 role of human behavior, finding that while technological
8 solutions are necessary, they are not sufficient to
9 achieving deep resource efficiency. Influencing how
10 people interact with their buildings offers additional
11 potential reductions.

12 --o0o--

13 MS. SMITH: Staff has also undergone extensive
14 in-house research on the technological feasibility and
15 cost effectiveness of progressive green building. This
16 work has provided the technical underpinning needed by
17 staff to make proposed amendments to the state's green
18 building code. Listed on this slide are several
19 successful ARB proposals were adopted into the state's
20 green building code, which applies to both new residential
21 and new commercial buildings throughout the state.

22 In addition, staff has conducted feasibility and
23 cost research to support efforts to ensure that our new
24 proposed southern California laboratory achieves LEED
25 platinum certification, is zero net energy, and provides

1 substantial fueling infrastructure for alternative
2 vehicles, all in order to meet the Governor's green
3 building Executive Order. This work really positions ARB
4 to create a showcase facility and to lead the state by
5 example.

6 --o0o--

7 MS. SMITH: Moving forward, ARB staff will
8 continue to use research findings to propose amendments to
9 the state's green building code to ensure that it reflects
10 the state's climate and health goals.

11 In the coming year, ARB staff will be working to
12 expand requirements for new construction to be more EV
13 ready. Staff will also be exploring the next generation
14 of green building for California, and specifically what it
15 might take to recognize zero and near zero carbon
16 building. To begin us down this path, last month, the
17 Board approved a project that will position ARB to begin
18 our feasibility assessment of zero carbon building in
19 2015.

20 And lastly, moving forward, there is a need to
21 continue to track state progress toward California's
22 climate and green building goals.

23 --o0o--

24 MS. SMITH: In terms of progress made to date,
25 the Energy Commission has successfully made the energy

1 code building standards increasingly more stringent.
2 However, to achieve our residential ZNE goals, the biggest
3 improvements will be needed between 2017 and 2020.

4 For commercial buildings, there are five more
5 code cycles to accomplish our 2030 ZNE goal. ARB staff
6 will continue to support the Energy Commission and CPUC
7 LEED agencies in efforts to accomplish ZNE goals.

8 On the local government level, early findings
9 from ARB in-house research has identified that many cities
10 and counties throughout the state are going above and
11 beyond the state's mandatory requirements and are adopting
12 more progressive requirements of their own. Staff
13 research has found that over 100 local governments across
14 California have adopted requirements that go above and
15 beyond the state's mandatory building requirements.

16 --o0o--

17 MS. SMITH: ARB's sustainable community research
18 supported by the Board is assisting with the
19 implementation of SB 375 and is providing the technical
20 foundation needed to make California's buildings more
21 sustainable.

22 In addition, in many cases this research is also
23 assisting ARB efforts to quantify GHG reductions from
24 projects funded using cap and trade auction proceeds.

25 We are in an exciting important time where we are

1 able to count our successes towards 2020, but we are also
2 setting our sights on the next horizon and the ambitious
3 changes required of us. Now more than ever, reversing the
4 decades of unsustainable development that has dominated
5 California's built environment is borrowing words from our
6 Governor: Exciting, bold, and absolutely necessary.

7 Thank you.

8 CHAIRPERSON NICHOLS: Thank you very much, court
9 knee.

10 BOARD MEMBER GIOIA: I appreciate actually sort
11 of the different areas of research sort of highlighted the
12 point I was bringing out earlier, which is that location
13 matters, as well as the individual components of a
14 development, for green building.

15 And I appreciate -- I didn't realize -- I had
16 seen your presentation, but that you sort of highlighted
17 that where you put development clearly is part of a larger
18 strategy. So it's -- again, I see the strategy -- the
19 research falls into two categories: The research about
20 general location, right, as part of a larger regional
21 strategy of where you put housing and transit and all of
22 that versus the research about GHG reductions due to
23 individual components of a development, green building for
24 example.

25 So in both these areas, you linked or you talked

1 about where this research is contained. Are we
2 collecting -- I know this is ongoing research -- a summary
3 of these all in one place as maybe a toolkit. One of the
4 things I hear a lot from local jurisdictions is we need
5 help quantifying a lot of this and understanding it so we
6 don't recreate the wheel in our own community. So is
7 there sort of a way to have a statewide database or
8 toolkit that can be utilized for folks to look at this
9 research and understand it, which would help them in their
10 local actions?

11 MS. SMITH: Certainly. The research that's been
12 conducted by the Air Resources Board is in a centralized
13 location on our website.

14 In terms of linking that with the research being
15 done outside ARB, there are a few efforts to create -- one
16 in particular coming out of UCLA to create a clearinghouse
17 specifically of research. It is in the ongoing process.
18 But certainly there is a need to be able to connect the
19 different entities that are all doing research.

20 In addition, we, as the Research Division, the
21 Air Board's Research Division works fairly closely with
22 the CEC and Caltrans and other State agencies conducting
23 research in this area to make sure it's coordinated. And
24 it would definitely benefit from having a conversation on
25 how together we can centralize this information.

1 BOARD MEMBER GIOIA: It would be good I think to
2 think about how we can assist in facilitating that. How
3 we can even have our own links to other agencies or
4 academic institutions, State agency institutions, whoever
5 is doing the research and link to them. Because folks
6 won't know -- like you do or the agency does -- where all
7 the different points of research are and who's conducting
8 it. It would be nice if we could help facilitate that.

9 CHAIRPERSON NICHOLS: Dr. Sperling.

10 BOARD MEMBER SPERLING: I want to comment that I
11 think the research enterprise of ARB is really -- from a
12 management perspective has come a long way over the years.
13 And I know they've been -- I've been harping on a few
14 themes. I'm going to come back to them here in a second.
15 But I think there is a lot of progress being made. And in
16 the three themes that I keep having in mind is following
17 up on what Supervisor Gioia just said is communication and
18 dissemination. I think we're doing a better job. But I
19 think we can do a way better job in some of the things and
20 Supervisor Gioia was starting to talk about are I think
21 right on. But ARB could do a much better job than
22 disseminating what it does.

23 I've been talking to staff, so this is partly to
24 emphasize a theme that I've been trying to articulate.
25 But you know, we all -- it's not just ARB. All of us

1 involved in generating knowledge and research and trying
2 to bringing science to policy, we can and need to do much,
3 much better.

4 The other theme -- and it's related to that,
5 Supervisor Gioia also said, was research partnerships.
6 And I think we are making good progress there. And as he
7 said, I think we can make a lot more progress. We're
8 moving in the right direction, but it's kind of like
9 staying focused. And it's working with the other agencies
10 more and more closely. And I know we are working more
11 closely than we certainly -- than what I first joined the
12 Board and also with universities and research centers. So
13 that's all good. And I think we're all headed in the
14 right direction.

15 Third one, I've also emphasized, but I'm a little
16 more concerned about and that is the strategic focus of
17 our research program. And the reason I'm concerned is
18 because we have such a small research program. If we had
19 a larger research program, I would -- there would be more
20 flexibility and we could be more expansive. But given we
21 don't -- and I would obviously argue for expanding it,
22 however that would happen. But even then, it's really
23 important to have this strategic focus.

24 So what really got my -- so the good news is I
25 think where the strategic focus on co-benefits. That's a

1 really good thing, because that's really key, especially
2 in the sustainable communities area. The co-benefits in
3 many ways one could argue are much more important than the
4 greenhouse gas benefits. But they are aligned very
5 closely, so most of the strategies will accomplish both.
6 So that's good.

7 Where I was getting a little concerned and I
8 mentioned that earlier in the staff briefing, but I want
9 to emphasize is this focus on buildings and zero net
10 energy. Now, I work in the largest zero net energy
11 community in the country, West Village at U.C. Davis. I'm
12 a strong proponent. It's a great idea. We need to do
13 much more. But just not in the wheelhouse of ARB. And
14 there are other things.

15 So it is clear we should be looking at the
16 relationships with water use and other effects with
17 buildings and how the buildings relate to electric
18 vehicles and being wired for EVs and all that is good and
19 fine. But you know, if I was going to pick up one other
20 theme that didn't show up here, and just as a contrast is
21 freight. There was just a passing acknowledgement of the
22 role of transportation. And I don't know if that included
23 freight or that was just passenger.

24 But freight is this huge thing that we're
25 grappling with that is integrated completely with the

1 sustainable communities. It's not part of the SB 375.
2 And maybe that's a discussion we can have at some future
3 time. But it's certainly closely integrated with anything
4 that happens in sustainable communities. And yet, I don't
5 think there was any mention of it here.

6 And I say that not that as a criticism
7 necessarily, because we are doing other things. But in
8 terms of it's this idea of having a strategic focus. And
9 I just worry that we get -- the CEC is doing a lot with
10 building energy and zero net energy buildings and so on.
11 We need to have a focus on what is important to our
12 regulatory and policy focus. I just want to make sure as
13 we go forward with these research programs, not just here,
14 but more generally is we really keep a sharp attention
15 strategically to what is the mission of ARB, what are the
16 regulatory and policy activities, and not get into
17 emission creep or into things that sound interesting but
18 are not so closely tied to our activities.

19 CHAIRPERSON NICHOLS: Seems like a more than
20 reasonable suggestion. Looks like there's been some
21 evolution recently. And I assume that you and our other
22 Board members who we asked almost two years ago now to
23 take a more strategic look at research have had an impact.
24 But that general wisdom still prevails and sounds as
25 though there's some areas where they could be doing even

1 better at refocusing to meet the needs that we have.

2 It's always a little difficult to get out of one
3 area and into another, as you started. I'm sure you know
4 that better than most. But it does seem to me that given
5 the demands on ARB and as you point out our very limited
6 resources, both in terms of external research and in-house
7 research, that some cross cutting internal process perhaps
8 for kind of regularly taking a look at where we're putting
9 our research efforts would be a sensible thing to be
10 doing.

11 I think it also is an opportunity perhaps -- as I
12 think the Board knows, I've been very interested and
13 involved for the last couple of years in an effort to try
14 to gain support for rebuilding our laboratory facility in
15 Southern California. And one of the things that I think
16 we're going to be doing soon in parallel with the effort
17 to get it sited and built, which is a huge effort in which
18 we're being assisted by one of our retired senior staff
19 people, Bob Fletcher, and we have a whole internal team of
20 people working on this, is to try to look at the
21 programming of the laboratory and particularly the
22 research that's done there to see if we can't get some
23 external help as well in sort of planning for the future,
24 which would end up having an influence on the way the
25 build is designed, but would also hopefully help us to

1 have a whole new research focus at the lab from the minute
2 it gets ready to be used.

3 So I see that as not a solution to all these
4 issues, but kind of one opportunity while something is
5 moving forward to do something that would be interesting
6 and to engage a group of people in the university who have
7 all expressed interest in being involved in our research
8 as well. So just one additional thought on this extremely
9 important item.

10 Any other comments or questions? Dr. Balmes.

11 BOARD MEMBER BALMES: Well, my comments are
12 actually sort of a segue from Dr. Sperling's.

13 First off, I want to acknowledge that Courtney
14 gave what I thought was an excellent presentation.

15 CHAIRPERSON NICHOLS: Is this another one of your
16 former students?

17 BOARD MEMBER BALMES: It is another one of my
18 former students.

19 CHAIRPERSON NICHOLS: You've done very well by
20 us.

21 BOARD MEMBER BALMES: I think Dr. Sperling is
22 ahead of me in terms of number of students. I have to
23 keep pushing.

24 But I specifically wanted to comment on something
25 that he already commented on about the health benefits

1 quantification with regard to smart growth. Just to
2 underline I think I agree with him, this is a key area. I
3 was part of the team, the subgroup of the Board that the
4 Chairman commissioned to try to help realign our research
5 priorities. And first of all, I want to congratulate
6 staff for moving in the directions that we outlined. So I
7 appreciate that. And I'm going to leave out -- I'm going
8 to leave comments about green buildings alone for the
9 moment.

10 But on the smart growth area, which is in our
11 wheelhouse, I think that quantification of health
12 benefits, health co-benefits is key. I really want to
13 underline that I would ask for more detail about what's
14 underway, but I don't think we need to do that today, but
15 in the future.

16 I also want to underscore another comment of his
17 about the dissemination and communication. And as I
18 mentioned in my briefing, I get asked on a regular basis
19 about the issue of siting high-density housing next to
20 roadways that have a lot of traffic. And I think we've
21 been remiss in the past for not having sort of an updated
22 technical advisory, because our old advisory, whatever it
23 was called, guidance document, suggested that you have to
24 be 500 feet away from a busy roadway. So this work was
25 also very important, and I think that we should try to --

1 once it's completed to try to have a communication
2 strategy to broadly disseminate. I think it would be very
3 helpful to local jurisdictions. As Supervisor Gioia has
4 mentioned, location is everything. I just wanted to
5 underscore those two points. Thank you.

6 BOARD MEMBER GIOIA: Just as a comment -- and I
7 think there has been a lot of good work at the Bay Area
8 Air Quality Management District on this issue of the
9 balance between -- and it's caused some friction in the
10 Bay Area where you site development, as you know. So you
11 have these potential development areas which are infill
12 which are near transit, but that some of them -- or the
13 location of some of them are near freeways with a lot of
14 particulate matter emissions. And so the air district has
15 developed a whole series of guidelines about how you
16 analyze new development in these areas so that you try to
17 balance it.

18 So the location matters both from the standpoint
19 of the global issue of reducing GHGs, but also the
20 personal health issue of where you build homes. There's a
21 lot of really -- it's interesting. It faced a lot of push
22 back from housing -- nonprofit housing developers who were
23 trying to build housing in these areas. So I think that's
24 been probably the most comprehensive planning in the state
25 was in the Bay Area on this issue.

1 CHAIRPERSON NICHOLS: Thank you.

2 Dr. Sherriffs.

3 BOARD MEMBER SHERRIFFS: I just wanted to also
4 thank you for highlighting health, which is obviously
5 important in and of itself, but is really critical I think
6 to our helping COGs help sustain the implementation of SB
7 375. You know, the appeal to help is a very important
8 driver. It's really an important unifier in terms of
9 getting people to work together for these goals. So
10 again, very important. Thank you.

11 CHAIRPERSON NICHOLS: Okay. Well, thanks all for
12 an excellent presentation. Thank you to Courtney Smith
13 and the whole team. And we will now move on to to our one
14 decision-making item that we have to accomplish this
15 morning and it builds on this research. It was nicely
16 organized.

17 And this is a presentation of the staff's
18 evaluation of the greenhouse gas determination for the
19 Fresno Council of Governments Sustainable Community
20 Strategy, or SCS. And we want to welcome our friends from
21 Fresno who have been patiently waiting for this item to
22 come up.

23 Last summer, we saw staff presentations that gave
24 some preliminary information about the Fresno SCS. Today,
25 we're going to see the results of the staff's technical

1 evaluation of the modeling and performance indicators that
2 underline the Fresno Council of Governments greenhouse gas
3 quantification.

4 This item does involve a formal Board action to
5 either accept or reject the Council of Governments
6 determination their SCS meets the greenhouse gas emissions
7 reductions targets that were set by this Board.

8 I'm pleased that we have representatives of the
9 Fresno Council of Governments here with us today. We want
10 to welcome and thank them for coming. And I look forward
11 to an update from when you last heard this item, because I
12 know there's been a lot of work done.

13 So, Mr. Corey, would you like to briefly
14 introduce this item?

15 DEPUTY EXECUTIVE OFFICER COREY: Yes, thank you
16 Chairman.

17 In 2010, the Board adopted per capita greenhouse
18 gas emission reduction targets for the 18 MPOs in
19 California pursuant to SB 375. For each of the eight in
20 the San Joaquin Valley, those targets are five percent per
21 capita reduction by 2020 and ten percent per capita
22 reduction by 2035.

23 In addition to setting the targets, ARB is
24 responsible for evaluating the greenhouse gas
25 determinations prepared by the MPOs and either accepting

1 for rejecting the MPO's determination that its sustainable
2 community strategy, SCS, would meet the targets. First
3 round of SCSs for the San Joaquin Valley were completed
4 last summer. Today, you will be looking at the first of
5 these from the Fresno Council of Governments, or Fresno
6 COG.

7 Over the past few months, ARB staff and Fresno
8 COG staff have worked collaboratively to complete the
9 technical evaluation of Fresno's SCS and greenhouse gas
10 quantification.

11 Today's presentation will review the results of
12 that evaluation, which concludes that Fresno's SCS, if
13 implemented, would achieve the targets of five and ten
14 percent.

15 We have in the audience today representatives of
16 the Fresno COG, including Tony Boren, the Executive
17 Director, who I understand would like to address the Board
18 once the staff presentation is done.

19 I'll now ask Sarah Dominguez from our
20 Transportation Planning Branch to begin the staff
21 presentation. Sarah.

22 (Thereupon an overhead presentation was
23 presented as follows.)

24 MS. DOMINGUEZ: Thank you, Mr. Corey, Chairman
25 Nichols, and members of the Board.

1 In this presentation, I will provide a brief
2 overview of the Fresno region, highlight the key elements
3 of its sustainable community strategy, and summarize the
4 results of the staff's technical evaluation of Fresno
5 COG's greenhouse gas quantification.

6 --o0o--

7 MS. DOMINGUEZ: Under SB 375, the Air Resources
8 Board has the responsibility to set regional GHG reduction
9 targets for the 18 metropolitan planning organizations in
10 California.

11 In September 2010, the Board set targets for each
12 of the eight counties in the San Joaquin Valley at five
13 percent per capita reduction by 2020 and ten percent per
14 capita reduction by 2035.

15 Using the targets set by ARB as goals, each MPO
16 must develop a sustainable community strategy, or SCS,
17 which, if implemented, would meet the reduction targets.

18 Once an MPO adopts the SCS, it submits the SCS
19 along with the GHG quantification demonstration to ARB.
20 ARB must then review the MPO's determination and either
21 accept or reject it. Local governments have an important
22 role, both in the development of the projects and policies
23 that are incorporated in the SCS and for implementing the
24 adopted SCS policies through local land use decisions and
25 actions.

1 --o0o--

2 MS. DOMINGUEZ: The Fresno 2014 regional
3 transportation plan and SCS represents a shift away from
4 the county's historic growth pattern of disbursed auto
5 oriented development and instead encourages compact growth
6 within existing communities.

7 The SCS pairs inward growth with increased
8 investments in alternative modes of transportation, such
9 as public transit and active transportation. The land use
10 strategies in the 2014 RTP SCS enable the region to reduce
11 its development footprint and consume less land by 2035
12 than the previous RTP adopted in 2011.

13 The SCS reflects sustainable development policies
14 included in the recently updated general plan of its two
15 major cities, Fresno and Clovis. These and the recently
16 updated general plans of other smaller cities in Fresno
17 County, incorporate smart growth principles from the
18 Fresno blueprint. The 2011 RTP was also influenced by the
19 Fresno blueprint, but it did not include supportive local
20 land use policies.

21 --o0o--

22 MS. DOMINGUEZ: Now let's look at the county
23 setting for the RTP SCS. Much of the land in the county
24 is agricultural with a large percentage of it under
25 Williamson Act protection status. With agricultural

1 production from the county valued at \$6.6 billion in 2012,
2 Fresno County is the leading agricultural county in the
3 United States. The current population of Fresno County is
4 a little under one million and the county is expected to
5 grow by an additional 40 percent by 2040.

6 Most of these residents live in one of 15 cities
7 in the county. Fresno and Clovis are the largest cities
8 and are home to two-thirds of the total population. The
9 pattern of growth that has occurred over the past 30 years
10 has been primarily taken the form of single family
11 residential development, Suburban style commercial
12 development, and disbursed job centers.

13 --o0o--

14 MS. DOMINGUEZ: The 15 incorporated cities of
15 Fresno County are shown on this map, with each city's
16 population represented by the size of the gray circle.
17 Except for Fresno and Clovis, each of these cities has a
18 population of less than 25,000 and are predominantly rural
19 or agriculturally oriented.

20 Much of the county's population is centered near
21 the Fresno/Clovis metropolitan area, along State Route 99.
22 The Kings Canyon National Park and Sierra National Forest
23 cover most of the eastern half of the county.

24 --o0o--

25 MS. DOMINGUEZ: The SCS provides a range of

1 housing and transportation choices for residents while
2 supporting cost effective development decisions. The 2014
3 RTPS encourages more compact infill development near
4 existing services and encourages more new multi-family
5 housing units. The transportation project list places
6 less emphasis on road capacity expansion projects and
7 instead invests a higher percentage of the budget on
8 transit, bicycle, and pedestrian infrastructure.

9 --o0o--

10 MS. DOMINGUEZ: If the strategies in SCS are
11 implemented, nearly three-fourths of the county population
12 growth would occur within the Fresno/Clovis metropolitan
13 area. The increased infill development within Fresno,
14 Clovis, and other cities, will reduce average trip
15 distances of approximately ten percent by 2035 by placing
16 residents closer to destinations. The 2014 SCS also
17 offers for transportation options. Five bus rapid transit
18 are planned for the city of Fresno with one line currently
19 under construction. The BRT corridors will link existing
20 and planned activity centers within Fresno, including
21 north Fresno, California State University, and downtown
22 Fresno.

23 --o0o--

24 MS. DOMINGUEZ: The county will see over 500 new
25 bike lane miles added by the 2040 year horizon of the

1 plan, as well as 120 miles of new sidewalks. This will
2 allow more people to use active transportation as an
3 alternative to driving.

4 Another strategy in the SCS is the use of
5 transportation demand measures, such as carpooling and van
6 pooling. Fresno COGs existing computer and farm worker
7 van pool subsidy helps to address the needs of commuters
8 in rural communities and those with remote work sites.
9 Fresno COG will continue to encourage carpooling and van
10 pooling by offering financial incentives and a ride
11 matching service.

12 --o0o--

13 MS. DOMINGUEZ: Increased local support for more
14 compact sustainable development has led to the
15 construction of many projects, such as the ones depicted
16 here. The 1612 Fulton project is a mixed use development
17 incorporating live/work lofts. It was completed in 2013
18 and is located in Fresno within a half mile of existing
19 transit and within a half mile of the first BRT line.

20 On the right is the City View at Van Ness, a
21 mixed use project currently under construction in Fresno.
22 It is also within a half mile of existing transit and
23 within a half mile of the first BRT line.

24 At the bottom of the screen is the mixed use
25 Marion Villas Apartments scheduled to be completed at the

1 end of 2015 in Kingsburg, a smaller city south of Fresno.
2 These projects offer examples of the types of future
3 projects we can expect, given the strategies included in
4 the SCS.

5 --o0o--

6 MS. DOMINGUEZ: The rest of the presentation
7 addresses the technical evaluation of Fresno COGs RTP SCS,
8 which ARB staff conducted in accordance with the technical
9 methodology established in 2011. The next several slides
10 compare the performance of the 2014 RTP SCS to the
11 performance of the previous RPT adopted in 2011. All
12 comparisons are the performance of the respective plans in
13 2035, unless otherwise noted.

14 --o0o--

15 MS. DOMINGUEZ: The graph shows the difference in
16 residential density between the two plans using the
17 dwelling units per residential acre metric. The average
18 density increases from 4.9 to 9.3 units to the acre, an
19 increase of about 90 percent. This increase is in part
20 due to the projected smaller single family lots and to the
21 increased share of new multi-family housing units.

22 --o0o--

23 MS. DOMINGUEZ: In this graph, the two bars on
24 the left represent the 2011 RTP, and the two bars on the
25 right represent the 2014 RTP SCS.

1 The blue bars indicate the single family housing
2 and the green indicate multi-family.

3 The percentage of multi-family housing increases
4 from 22 percent to 47 percent of the total new housing
5 units. This is notable departure from the historic
6 pattern of the single family home construction.

7 --o0o--

8 MS. DOMINGUEZ: The 2014 RPS also encourages more
9 housing and jobs growth near transit. The strategy of
10 encouraging growth near existing activity centers in
11 addition to the construction of the BRT lines increases
12 the total number of new jobs and housing units that would
13 be accessible by transit compared to the 2011 RTP.

14 --o0o--

15 MS. DOMINGUEZ: The land use strategies in the
16 2014 RTP SCS reduce the development of footprint of Fresno
17 COG's future growth. This graph shows the total amount of
18 acres consumed by the development under each plan and the
19 acres of farmland consumed. Compared to the 2011 RTP, the
20 2014 RTP SCS consumes approximately one-third fewer total
21 acres and one-third fewer acres of farmland.

22 --o0o--

23 MS. DOMINGUEZ: The total budget of the 2014 RTP
24 SCS represents approximately \$4.5 billion in projects
25 through 2040. Compared to the 2011 RTP, the 2014 RTP SCS

1 provides a greater investment in transit, bike, and
2 pedestrian infrastructure.

3 In addition to the bike lane and sidewalk
4 improvement projects within the bike and pedestrian budget
5 category, the budget for roadway capacity expansion
6 includes about 164 miles of bicycle and pedestrian
7 amenities that will be included in capacity expansion
8 projects as a result of the complete street policies.

9 The increase in transit funding reflects the five
10 new BRT lines in Fresno, the purchase of additional rural
11 transit vehicles, and also investments in CNG vehicles and
12 fueling stations throughout the county. Although this
13 plan prioritizes investments in existing urbanized areas,
14 the RTP SCS implementation strategies, such as the
15 transportation needs assessment, represent a first step in
16 addressing the mobility needs of rural areas.

17 --o0o--

18 MS. DOMINGUEZ: The 2014 RTP SCS demonstrates a
19 decrease in the daily VMT per capita and the daily CO2 per
20 capita for both 2020 and 2035. These reductions of a
21 result of the many elements of the RTP SCS, including
22 strategies previously discussed, such as reduced trip
23 distances due to infill development and increased
24 alternatives to single occupancy vehicle travel.

25 Fresno COGs travel demand model developed in 2012

1 with funding from the Strategic Growth Council was used to
2 develop the 2014 RTP SCS. The Fresno model is based on
3 the CUBE software platform similar to other MPOs. The
4 current model is an improvement over the previous model,
5 but is still limited in its ability to forecast outcomes
6 of certain land use and transportation strategies.

7 In addition, Fresno COG used Envision Tomorrow to
8 evaluate alternative land use patterns. Like other MPOs,
9 Fresno COG used off-model tools to quantify GHG reductions
10 for certain SCS strategies to which the model was not
11 sensitive.

12 --o0o--

13 MS. DOMINGUEZ: As part of ARB's technical
14 evaluation, staff reviewed key inputs and assumptions of
15 the travel demand model and land use tool. This included
16 the demographics and growth forecast, current and future
17 land use, the transportation network, and auto operating
18 cost. The input assumptions are reasonable and are
19 comparable to those of other MPOs.

20 --o0o--

21 MS. DOMINGUEZ: Fresno COG also provided ARB with
22 a copy of its travel model, which ARB staff has installed
23 and run. Having access to Fresno's travel model has
24 provided ARB staff with a better understanding of model
25 operation, model inputs, and assumptions.

1 To determine if the model was adequately
2 sensitive to the strategies included in the SCS, ARB
3 collaborated with Fresno COG staff to design and run five
4 sensitivity tests: Auto operating cost, transit
5 frequency, residential density, proximity to transit, and
6 household income. These tests demonstrated the travel
7 model sensitivity to the land use and transportation
8 strategies found in the SCS.

9 --o0o--

10 MS. DOMINGUEZ: Based on staff's technical
11 evaluation, staff recommends that the Board accept Fresno
12 COG's determination that its 2014 RTP SCS, if implemented,
13 would meet the region's per capita GHG reduction targets
14 for 2020 and 2035.

15 This concludes my presentation. Now if the Board
16 would like the Executive Director of the Fresno Council of
17 Governments, Tony Boren, to address the Board, he is
18 available. Thank you.

19 CHAIRPERSON NICHOLS: That's what I was planning
20 to do, according to my script.

21 Thank you, Sarah for the staff presentation. I
22 would like to invite Tony Boren to address the Board on
23 behalf of the Fresno COG.

24 MR. BOREN: Thank you, Chair Nichols and Board
25 member.

1 As I'm standing here listening to this discussion
2 and the staff presentation, it just dawned on me this has
3 been a heck of a ride. Seven years we've been in this
4 process since 375 was first approved. The target setting
5 process in and of itself was a challenge, all kinds of
6 challenges. As I sit here and see the information and I
7 see the metrics and the results and it seemed like that
8 was just so easy. It wasn't that easy. We have looked
9 forward to this day, COG staff, our COG Policy Board, our
10 COG member agency, we've looked forward to this day
11 specifically this event for a long time.

12 It was quite a challenge, but I'm so proud of our
13 planning process, so pleased with our staff, Christine Ki
14 is here. She was kind of our planning manager on this
15 process. But all of our COG staff just working just so
16 well with the ARB staff and our member agency. That was a
17 big part of it. Because when this process was first
18 introduced, there was a lot of suspicion on the part of
19 land use agency. But through just working together and
20 teamwork, I think we developed an SCS that meets the
21 targets and is going to provide an improved quality of
22 life for our community.

23 I think we get it. Our community gets it. And
24 we had this process -- we had I don't know how many
25 meetings. I know over a thousand different participants,

1 but really just something we're very proud of. So I'm
2 really here to sort of acknowledge all of those folks,
3 thank ARB, Sarah and Terry for all their help.

4 Again, this is something we've been working
5 together with these folks for a long time. To be here
6 today at this moment is very rewarding. So I'm going to
7 stop right there. I would be happy to answer any
8 questions you might have.

9 CHAIRPERSON NICHOLS: I think we should probably
10 all just listen to the people who have signed up to speak
11 on this item. I don't think we have any opposition here.
12 But we might as well take the public input.

13 But I want to congratulate you, too, on coming to
14 this point. I know it's been a long process and has not
15 always been easy. And it's called for a lot of effort on
16 the part of people in Fresno. And you've been there, not
17 only for your own community, but to help other communities
18 as well. And I think the results of that really show.

19 So I'm just going to call up Ella Wise from the
20 Natural Resources Defense council, Will Barrett from
21 American Lung Association, and Carey Knect and Phoebe
22 Seaton. You can see your names up there on the wall.
23 Good morning.

24 MS. WISE: Good morning, Chairman Nichols and
25 members of the Board.

1 My name is Ella Wise from the Natural Resources
2 Defense Council.

3 I want to thank and congratulate the ARB staff,
4 the Fresno COG, and its staff and all the community
5 members who contributed to Fresno's sustainable community
6 strategy and its modeling. It is clear that Fresno has
7 taken advantage of the opportunity provided by SB 375 to
8 make impressive progress in their land use transporting
9 and transportation investments.

10 As the first technical evaluation for a valley
11 SCS, this sets important precedent for the rest of the
12 valley. With that in mind, I want to remind us of all of
13 the concerns and outstanding questions about some of the
14 valley SCSs adopted this summer.

15 Specifically, the Kern County draft SCS claimed
16 assumptions in the model, specifically assumptions about
17 future operating costs, accounted for most of the GHG
18 reductions. The region was relying on these assumptions,
19 not active policy changes and shifts in investments as the
20 law of SB 375 intends to meet the targets.

21 So with those concerns from last summer in mind,
22 I propose three important questions when considering
23 today's evaluation.

24 One: Were reasonable assumptions used?

25 Two: What role did those assumptions play in

1 achieving the GHG targets?

2 And three: What role did interregional travel
3 play in achieving the GHG targets?

4 From my reading of the report, one: As staff
5 said, reasonable assumptions were used.

6 Two: Assumptions of future operating costs do
7 account for significant amount of the GHG reductions, but
8 at least not a majority of the reductions as other SCSs
9 have claimed.

10 And three: ARB is committed to improving the
11 accounting of interregional travel in the valley.

12 So these are good things.

13 That said, I do want to draw attention to a
14 concerning fact that there is relatively little difference
15 between the projected VMT in 2035 if the SCS is
16 implemented and the projected VMT in 2035 if it's not
17 implemented. So the difference between to "project" and
18 the "no project" alternative is only a few percentage
19 points. This small difference in VMT indicates that we
20 need to do much more to move the needle on climate change.
21 And fortunately, we can do more in the valley where the
22 great projected population growth allows for real change
23 in how we build our communities.

24 So we look forward to supporting the Fresno COG,
25 ARB, and my colleagues and stakeholders in ensuring that

1 strategies in the next SCSs gain even more GHG reduction.
2 There is a bigger difference in VMT between the project
3 and the no project. First, congratulations on this first
4 round. Thank you very much.

5 CHAIRPERSON NICHOLS: Thank you.

6 Will Barrett from the American Lung, good
7 morning.

8 MR. BARRETT: I'm Will Barrett with the American
9 Lung Association of California.

10 I want to thank staff fr their first round of
11 SCS. We appreciate the useful recommendations that were
12 made as well to strengthen future plans. We also want to
13 acknowledge the Fresno COG, a really large role in making
14 this process go smoothly by providing a COG model for ARB
15 to utilize.

16 We appreciate the COG has taken many of those
17 recommendations seriously for the next round.

18 I also want to appreciate the Fresno COG has
19 taken on public health in a meaningful way in their
20 implementation strategies. As was discussed earlier, the
21 needs assessment, the grants program, these things are
22 all -- we're working with COG on these, along with the
23 health department, to really identify and fund health
24 promoting projects that come forward for disadvantaged
25 communities.

1 Local communities like Gridley and Clovis are
2 bringing more health focus into their plans. And we think
3 the strong local implementation is critical, as Fresno
4 County is home to some of the most difficult air pollution
5 challenges in the nation, has higher than average rates of
6 asthma and other chronic illnesses impacted by community
7 plans.

8 From a broader perspective, Governor Brown's goal
9 of cutting petroleum consumption by half in 2030 will
10 require strong implementation at the local level and
11 stronger plans over a time really to shift the land use
12 patterns that are included.

13 In the Fresno draft EIR, it stated even with the
14 implementation of the various improvements, considering
15 the future land use development under the 2014 plan, VMT
16 and fuel consumption will actually increase over time
17 overall. So while the transportation choices are becoming
18 more efficient under the plan, the local decisions really
19 are at the core really to land use and are not grown far
20 enough yet to reign in the VMT in petroleum use needed
21 over the long term.

22 We encourage ARB to continue to develop
23 recommendations for improving the SCS plans themselves
24 going forward, but also to work closely with the valley
25 COGs to identify more transformational projects that can

1 add to more future growth and healthier walkable
2 communities and really expands the stable of projects that
3 come forward for Strategic Growth Council funding out of
4 this region that needs so much attention in the
5 disadvantaged communities.

6 We want to see continued support for the
7 discussions, as Dr. Sperling mentioned, with academic
8 institutions like U.C. Davis and really to offer
9 innovative solutions that can make the most sense in the
10 valley and really draw from the research discussion we
11 heard this morning about location-specific practices that
12 make the most impact.

13 Finally, want to carefully encourage you to
14 carefully review the targets once the first round SCS
15 process is complete. Fresno and most of the COGs have
16 offered plans in excess of their targets. And we want to
17 see the local governments really challenged to put forward
18 new plans and new projects that go beyond where they are
19 now and take advantage of some of these innovative
20 approaches that are coming forward.

21 So with that, I just want to thank the Board, the
22 COG staff, and look forward to working with all of you to
23 continue to make the valley a healthier place to live with
24 cleaner air. Thank you very much.

25 CHAIRPERSON NICHOLS: Thank you.

1 Carey Knecht.

2 MS. KNECHT: Good morning. Like the speakers
3 before me, I'd like to start by thanking and
4 congratulating staff here at ARB as well as at Fresno for
5 this in-depth review and making this information available
6 to all of us and for all of the hard work that went into
7 the Fresno COG's SCS.

8 As someone who followed the process, I got to see
9 some how much hard work went into this plan, and I want to
10 congratulate Fresno on this staff determination that it
11 met the targets.

12 As I read the review, I read it asking myself the
13 question: Did Fresno achieve the targets via policy
14 change or via assumptions in the model? And it is clear
15 from the review that Fresno COGs SCS did dramatically
16 depart from business as usual and from its previous RTPs
17 in making development more compact and expanding housing
18 and transportation choices.

19 It also seems clear that reasonable assumptions
20 were used that, for example, the auto operating costs were
21 the same as assumed by the big four MPOs, which I was
22 happy to see.

23 At the same time, when compared to the no-project
24 alternative, the plan is only slightly better, not for
25 instance ten percent better, and several of the scenarios

1 would have gone further. So to me, this suggests that
2 three things need to happen:

3 If a no-project alternative means around a seven
4 percent decline, then the targets can and should be higher
5 than ten percent.

6 At the same time, land use and transportation
7 modeling can get more integrated and improved so that
8 Fresno can be getting credit for all of the strategies
9 that this analysis highlights.

10 And as statewide stakeholders, we need to quickly
11 study and share the best practices that will have the
12 greatest benefit and advance multiple goals like the great
13 research programs we've been hearing about this morning so
14 far.

15 Many of these actions, as we know, will require
16 funding and leadership from the state. And I appreciate
17 ARB's leadership and ask for continued leadership in
18 making that happen.

19 As the state studies these best practices, I feel
20 there are many untold stories in Fresno. I often hear
21 about best practices from other regions and think Fresno
22 is doing something similar or beginning to do something
23 similar. For example, Fresno offered mini grants to
24 community groups to participate. They allowed community
25 organizations to submit their own scenario. They scored

1 transportation projects in a true transparent criteria.
2 There are a number of things that are going well in
3 Fresno.

4 And moving forward, they are practically tackling
5 some key questions in their implementation.

6 I look forward to the discussion that will
7 continue around SB 375 best practices and what we can
8 learn from this SCS. Thank you.

9 CHAIRPERSON NICHOLS: Thank you.

10 Phoebe Seaton.

11 MS. SEATON: Hi. Good morning. Phoebe Seaton
12 with Leadership Counsel for Justice and Accountability.

13 I, too, thank the Board and thank the COG and
14 along with my fellow speakers appreciate how far the COG
15 has come along since its last RTP, but really see this
16 next phase as a period where we can go further and better
17 in implementation and preparing for the next round.

18 One area that we remain disappointed is that we
19 see that the COG did continue too much emphasis on new
20 time development at the expense of investing in existing
21 communities. Not only this GHG emission reduction
22 ramifications, but it also impacts the other major goal
23 that we see in SB 375, the development of healthy,
24 sustainable, livable regions and communities.

25 For example, the RTP does put two-thirds of its

1 new growth in unincorporated areas and new towns where
2 there are many existing communities that have seen
3 substantial transportation and transit needs. And another
4 example is the small town of Mendota, often highlighted in
5 national newspapers for its high levels of poverty and
6 lack of access. 1.2 percent of the population there, only
7 .1 percent of the investments. We'd like to see more
8 equitable investments going forward.

9 And we also look forward to working with the COG,
10 as several have noted, on implementation of key strategies
11 and policies and programs doing transportation and transit
12 needs assessments throughout the region to identify
13 opportunities for leveraging the strength of the
14 communities that are there and developing a grants program
15 to further the implementation.

16 We would also like to see greater emphasis on
17 conservation farmland preservation. While we think that
18 the SCS does call for too much conversion of farmland, we
19 look forward to working with COG on implementing its
20 conservation priorities.

21 And finally, we continue to read the equity
22 analysis and am confused by it. We put out a health
23 impact assessment and have done our own equity analysis
24 and we hope with the COG and the Air Board we can look to
25 those indicators rather than those who are included in

1 this report to really focus on what potentials are in
2 Fresno, use that as an identification of where we can go
3 in the region and other rurals areas of the state and move
4 forward with implementation and improved practices.

5 Thanks so much.

6 CHAIRPERSON NICHOLS: Okay. That concludes the
7 list of witnesses. And now we have an opportunity for the
8 Board to ask questions or make comments on the
9 presentation.

10 Dr. Balmes, would you want to speak first?

11 BOARD MEMBER BALMES: Yes. I think the last time
12 the SCS for valley NPOs came up, I was on the critical
13 side. I want to say today it feels nice to be able to be
14 congratulatory to the Fresno COG and again to our staff
15 for working with them. It's that kinds of cooperative
16 interaction that I'd like to see all the NPOs in the
17 valley emulate.

18 So my most important point is thank you to Fresno
19 for working closely with our staff. Thank you to our
20 staff for being willing to provide the assistance that
21 Fresno needs, and as the other NPOs will need as well.

22 I agree with some of the comments made by the
23 witnesses. It could be better. But I don't think we
24 should let the perfect be the enemy of the good. This is
25 a good first step, and I'm very pleased to see that.

1 CHAIRPERSON NICHOLS: Thank you. Any other
2 comments here?

3 Yes, Dr. Sperling.

4 BOARD MEMBER SPERLING: I'm with Dr. Balmes all
5 the way, and I was before in our skepticism last time
6 around.

7 But I agree. It's really great to see the
8 progress that's being made, the commitment in the Fresno
9 area. Because in the end, you know, what we really are is
10 looking for is more livable communities. And a big part
11 of more liveable means less expensive transportation and
12 less expensive housing, making it economically sustainable
13 as well.

14 And so looking -- there was one -- I guess I
15 can't help but pick up on that one little observation and
16 that is disconcerting about the change in VMT between 2020
17 and 2035 and greenhouse gases, especially because the
18 reduction to 2020 was probably due in large part to the
19 economy and what happened. And now if fuel prices stay
20 low, and I suspect today's fuel price is a lot lower than
21 what's in the models, one would -- the actual VMT at least
22 model would go up. In reality, it will probably go up,
23 too. So there are concerns here. But you know, I think
24 it's heading in the right direction.

25 The real comment or observation I want to make is

1 that going forward partnerships and incentives are so key
2 to this. And we did hear about the partnerships, and that
3 seems to be moving in the right direction.

4 I would note that after the last meeting, some of
5 my colleagues and myself met with Fresno and some of the
6 other COGs and actually have started working together in
7 coming up with more innovative creative ways of dealing
8 with transportation. Are there less expensive and better
9 ways of providing low carbon transportation? And I think
10 that's a good example of some of the partnerships.

11 But going in the right direction -- but the big
12 thing -- it's important for us here on the Board is to
13 stay focused also on the rewards and incentives. We need
14 to -- that's probably the most important thing we can do.
15 Yes, we want to help with the modeling. Yes, we want to
16 support the technical assistance and that's important and
17 that's valuable.

18 But most important is helping create the
19 incentives and the rewards for the political leaders to be
20 able to do the kinds of things that need to be done. And
21 that means one part of it of course is the cap and trade
22 revenues, but there's other ways of doing that in terms of
23 transportation funding can be used in different ways. And
24 a lot of that requires state -- changes in state policy
25 and something that I've -- it's a complicated topic, but I

1 think it's important for both Fresno as well as the entire
2 state. So that's I know a theme that some of us are
3 starting to pay attention to.

4 So congratulations. And we're -- I guess we
5 should reiterate we're here as partners to help you do a
6 better job. So thank you. And thanks to the staff, too,
7 for being those partners.

8 CHAIRPERSON NICHOLS: Does anybody else want to
9 add a comment, our representative from Fresno?

10 BOARD MEMBER SHERRIFFS: Sure. I don't think I
11 can be more eloquent than the last two doctors. So I'll
12 use an analogy here.

13 I'm not going to be watching television on
14 Sunday. But you know, I think we've seen there weren't
15 any long passes in this. But we didn't get any deflated
16 footballs either. And it was tough because this didn't
17 start on the 20 yard line. It started very deep in the
18 end zone. Very deep in the end zone.

19 So I was cautioned by Dr. Sperling not to get up
20 and do any end zone dances here, because the game is not
21 over. The game is not over. The game is not over.

22 BOARD MEMBER GIOIA: You're not watching the
23 game?

24 BOARD MEMBER SHERRIFFS: Going to miss the
25 advertisements and everything. The game is not over and

1 it's not even clear we're at the end of the first quarter.
2 This really is just the beginning. And the field has
3 changed. And it's probably actually a little longer than
4 100 yards. So we definitely have our work cut out for us.
5 But as has been pointed out, a great deal of success here.
6 So with that thought in mind, I would move adoption.

7 BOARD MEMBER SPERLING: Second.

8 CHAIRPERSON NICHOLS: I think we might as well
9 just proceed to a vote then. All those in favor please
10 say aye then.

11 (Unanimous aye vote.)

12 CHAIRPERSON NICHOLS: Any opposed?

13 It's passed unanimously.

14 Done for now. Thank you. And congratulations.
15 This is, indeed, a big moment and time to celebrate a
16 little bit.

17 I'm not planning to watch the game either, but I
18 have seen the BMW commercial, which is excellent. And
19 it's going to be a -- people are going to be talking about
20 this commercial. And it has something to do with the
21 future of transportation. It's right up our alley. Just
22 a teaser.

23 I have a question before you leave. This doesn't
24 effect the decision at the moment. But the planning, how
25 does it deal with the future now? Clearly, I think

1 reality that high speed rail is going to be going through
2 Fresno and that there will be a station in Fresno? Is
3 that factored into the plan?

4 MANAGER ROBERTS: Yes. Chairman Nichols, yes.

5 Fresno COG is fully aware and with open arms
6 hoping to see high speed rail developed in the valley.
7 There is going to be a high speed rail station in the city
8 of Fresno near the downtown. City of Fresno actually has
9 a \$1 million grant to do a stationary plan, a specific
10 plan around that station. The Fresno COG RTP SCS
11 acknowledges the fact that high speed rail is coming to
12 the valley and, therefore, many people in Fresno County
13 including the mayor of the city of Fresno who are really
14 looking forward to high speed rail providing a huge
15 economic incentive to the area and a focal point for
16 community development and infill development.

17 CHAIRPERSON NICHOLS: One would assume in the
18 long term some of the GHG benefits that we've assessed
19 from high speed rail will be attributable to this
20 particular area. And I'm just interested to know whether
21 a region in their SCS could take advantage or count, if
22 you will, those.

23 MANAGER ROBERTS: The Fresno COGs travel model
24 did not incorporate high speed rail as one of the
25 strategies from which they were expecting to get

1 greenhouse gas benefits. So if their model were to
2 include high speed rail as yet another land use or
3 transportation strategy, they probably could have shown
4 even greater greenhouse gas reductions. But that is not
5 something their model currently contains.

6 BOARD MEMBER SPERLING: Is that true? Because I
7 thought the inner city travel is not included in the
8 model.

9 MANAGER ROBERTS: Inter city?

10 BOARD MEMBER SPERLING: Inter city is
11 incorporated included in the travel models that are being
12 used, was my understanding.

13 MANAGER KALANDIYUR: I think international travel
14 is not currently captured in this one, but they estimate
15 the statewide model. That's why we are going to move
16 forward.

17 DEPUTY EXECUTIVE OFFICER KARPEROS: In terms of
18 calculating emission reductions against the target,
19 interregional travel is not included in that calculation.

20 In terms of taking greenhouse gases out of the
21 area, certainly the model would be able to capture a shift
22 of mode from road interregional or not to high speed rail.
23 And that would show up in their analysis.

24 BOARD MEMBER SPERLING: I was making a plea for
25 everyone to get their act together and improve those

1 models.

2 CHAIRPERSON NICHOLS: I was teeing it up for you
3 to do that. Okay. Thank you very much.

4 We have one more item of business before us
5 today. That is another informational item, a very
6 important one. It's a report on air quality with a focus
7 on ozone and fine particulate matter, basically an update
8 on how we're doing.

9 So as our air quality continues to improve and
10 some areas are actually meeting the federal air quality
11 standards, we do still have others that have a ways to go.

12 So given the agenda that Mr. Corey started with
13 at the beginning in terms of developing state
14 implementation plans that are going to be due to the EPA
15 next year, this is a good time to hear an update on how
16 we're doing on our progress on air quality standards.

17 I believe that we have everybody in place who is
18 going to be reporting on this item.

19 So Mr. Corey, are you ready to introduce it?

20 DEPUTY EXECUTIVE OFFICER COREY: Certainly. As I
21 noted in my priorities presentation, ARB is currently
22 developing SIPs that will move us toward attaining the
23 current federal ozone and PM2.5 standards. These SIPs
24 will be becoming before the Board in 2015 and 2016. Those
25 plans are based on measured air quality. Therefore, as we

1 start the planning process, we need to provide you the
2 latest information on the air quality status. As you'll
3 hear, ozone and PM2.5 air quality have improved
4 significantly. And although many areas attained the
5 current standards, other areas such as the South Coast and
6 San Joaquin Valley present greater challenges. However,
7 ozone levels and population exposure continue to improve
8 into these regions as well.

9 At this time, I'd like to ask Marcy Nystrom to
10 begin the staff presentation. Marcy.

11 (Thereupon an overhead presentation was
12 presented as follows.)

13 STAFF AIR POLLUTION SPECIALIST NYSTROM: Thank
14 you, Mr. Corey. And good morning, Chairman Nichols and
15 members of the Board.

16 In today's presentation, I will be talking about
17 regional air quality with respect to the progress we've
18 made. I'll also talk about the work we still have before
19 us, as we continue to move toward attainment of the
20 federal air quality standards.

21 --o0o--

22 STAFF AIR POLLUTION SPECIALIST NYSTROM: The
23 majority of my presentation will focus on our air quality
24 successes and the nature of our future challenges.

25 Ozone and PM2.5 remain our primary concerns and

1 regional difference in these pollutants will inform the
2 development of future control strategies.

3 I'll end the presentation with a discussion of
4 U.S. EPA's proposed revision to the federal ozone
5 standards and what the future planning requirements will
6 be.

7 --o0o--

8 STAFF AIR POLLUTION SPECIALIST NYSTROM: U.S. EPA
9 has established air quality standards for a number of air
10 pollutants. Through ongoing implementation of our control
11 program, California meets the federal standards for carbon
12 monoxide, nitrogen dioxide and sulfur dioxide statewide.
13 We also attain the federal led standard, with the
14 exception of a limited portion of Los Angeles County.

15 The remaining exceedances in this area are tied
16 to a local facility, and the South Coast district
17 continues to implement controls to reduce emissions.

18 In addition to these pollutants, California's
19 programs have also substantially reduced exposure to toxic
20 compounds such as Benzene and diesel particulate matter.
21 However, statewide attainment of the federal ozone and
22 PM2.5 standards remain significant challenges. Therefore,
23 the remainder of my presentation will focus on these two
24 pollutants.

25 --o0o--

1 STAFF AIR POLLUTION SPECIALIST NYSTROM: A key
2 aspect of the challenge is the need to address multiple
3 standards for each pollutant. These standards have become
4 more health protective over time, as U.S. EPA has reviewed
5 them in light of more recent scientific studies.

6 California has already developed and submitted
7 SIPs to address the 80 parts per billion or PPB 8-hour
8 ozone standard. We've also submitted SIPs to address two
9 of the PM2.5 standards, the 15 microgram per cubic meter
10 annual standard, and the 35 microgram per cubic meter 24
11 hour standard.

12 As part of this presentation, I'll characterize
13 the significant progress that's been achieved through
14 implementing these SIP strategies. However, U.S. EPA
15 recently adopted new standards, lowering the ozone
16 standard to 75 parts per billion, and the annual PM2.5
17 standard to 12 micrograms.

18 While our current strategies will continue to
19 move us closely to meeting the new standards, significant
20 further reductions will be needed. As we develop new SIPs
21 to meet these standards, air quality trends and the nature
22 of the remaining air quality challenge will help inform
23 appropriate strategies.

24 --o0o--

25 STAFF AIR POLLUTION SPECIALIST NYSTROM: With

1 these multiple standards in mind, let's take a look first
2 at ozone.

3 --o0o--

4 STAFF AIR POLLUTION SPECIALIST NYSTROM: In 2004,
5 U.S. EPA designated 15 areas of California as
6 non-attainment for the 80 PPB ozone standard. These 15
7 years are shown on the map in green and dark gray.
8 Compliance with the federal standard is assessed using
9 what is known as the design value. This statistic looks
10 at concentrations measured over a three-year period at
11 each monitoring site. Design values at each site in an
12 area must meet the standard to demonstrate attainment.

13 Since the designations were made, ozone
14 concentrations have decreased throughout the state. Ten
15 of the original 15 non-attainment areas, those shown in
16 green, now meet the standard. In addition, the Sacramento
17 metro area has only one site that still exceeds the
18 standard and by only one PPB. We, therefore, expect the
19 entire Sacramento metro area will attain the 80 PPB
20 standard this year.

21 In the remaining non-attainment areas, ozone
22 design values have decreased up to 45 percent since 1990.
23 Today, more than 80 percent of Californians live in areas
24 with air quality that meets the standard compared with
25 only 35 percent in 1990.

1 --o0o--

2 STAFF AIR POLLUTION SPECIALIST NYSTROM: The
3 remaining non-attainment areas included the Coachella
4 Valley, Mohave Desert, South Coast, and San Joaquin
5 Valley. The Coachella Valley and Mohave Desert are
6 located downwind of South Coast and attainment in these
7 areas is linked to air quality improvements in the South
8 Coast.

9 Design values in the San Joaquin Valley and South
10 Coast are about 15 to 20 percent above the standard.
11 Thus, ongoing emission reductions are still needed to meet
12 the 2023 attainment date.

13 --o0o--

14 STAFF AIR POLLUTION SPECIALIST NYSTROM: While we
15 continue to implement the current control strategy, as you
16 heard in Mr. Corey's presentation, we've also begun
17 developing SIPs for the 75 PPB standard. These SIPs are
18 due in 2016.

19 U.S. EPA designated 16 areas as non-attainment
20 with the 75 PPB standard in 2012. Today, four of the 16
21 original non-attainment areas already meet the standard,
22 as shown by the green areas on the map. The remaining
23 non-attainment areas shown in dark gray have attainment
24 dates ranging from 2015 to 2032, depending on the severity
25 of their air quality.

1 The South Coast and San Joaquin Valley are the
2 only two extreme areas in the nation, and they have until
3 2032 to attain the standard. The nature of the challenge
4 in these two areas differs and therefore will require
5 regional differences in strategy.

6 --o0o--

7 STAFF AIR POLLUTION SPECIALIST NYSTROM: The next
8 series of slides will highlight factors that influence air
9 quality in these two regions and how that knowledge is
10 helping to inform needed control strategy approaches.

11 This map shows how ozone concentrations vary
12 across the South Coast. The green shades represent the
13 lowest concentrations, those that meet the 75 PPB
14 standard, while red represents the highest concentrations.
15 South Coast's proximity to the Pacific Ocean results in
16 air flow patterns that help keep ozone concentration low
17 in the coastal area.

18 In contrast, ozone concentrations tend to build
19 up at inland locations where temperatures are higher and
20 the air is more stagnant. This contrast in weather and
21 topography results in large ozone concentration across the
22 region.

23 As shown in green, a relatively large portion of
24 the South Coast already meets the standards. Further
25 inland, design values are nearly 30 PPB above the standard

1 and there can be up to 70 exceedance days each year.
2 These inland sites drive attainment emission reduction
3 needs.

4 This graph shows the reduction in the South Coast
5 ozone design value since 1990. South Coast has made
6 steady progress over the years, resulting from strategies
7 that have reduced both ROG and NOx emissions.

8 Preliminary modeling for the 2016 SIP indicates
9 that ongoing reductions of both ROG and NOx will continue
10 to be essential for future progress. A combined strategy
11 is necessary to address the large remaining inventory of
12 anthropogenic ROG and NOx emissions.

13 --o0o--

14 STAFF AIR POLLUTION SPECIALIST NYSTROM: In
15 contrast to the South Coast, ozone levels in the San
16 Joaquin Valley are impacted by its geography, a large
17 inland valley surrounded by mountains. Hot temperatures,
18 coupled with air flow patterns that move pollutants
19 throughout the valley results in ozone concentrations that
20 are more uniform across the region.

21 As shown in green on the map, only a small
22 portion of the San Joaquin Valley currently meets the 75
23 PPB standard, but a large portion of the valley is within
24 10 PPB.

25 The regions surrounding Fresno, the eastern

1 foothills, and Bakersfield record the highest
2 concentrations. In these areas, design values are up to
3 20 PPB above the standard, with up to 55 exceedance days
4 each area.

5 --o0o--

6 STAFF AIR POLLUTION SPECIALIST NYSTROM: Similar
7 to the graph for the South Coast, this plot shows the
8 reduction in the San Joaquin Valley ozone design value
9 since 1990. Over the last decade, the rate of progress
10 has increased, coincident with significant NOx reductions.

11 Preliminary modeling for the 2016 SIP shows that
12 ozone will be most responsive to continued NOx reductions.
13 In contrast, the modeling indicates that reducing
14 anthropogenic ROG emissions will be less effective as the
15 ROG inventory in the valley is dominated by natural
16 sources.

17 --o0o--

18 STAFF AIR POLLUTION SPECIALIST NYSTROM: Now
19 let's move onto PM2.5. U.S. EPA has promulgated PM2.5
20 standards to address both annual average chronic exposure
21 as well 24-hour acute exposure. In the next few slides,
22 I'll walk through each of these standards.

23 --o0o--

24 STAFF AIR POLLUTION SPECIALIST NYSTROM: Starting
25 with the annual standard, U.S. EPA designated two areas as

1 non-attainment for the 15 microgram standard in 2005.
2 These areas are the South Coast and the San Joaquin
3 Valley. Annual design values in the South Coast, shown
4 here in green, have been cut in half over the last decade.
5 As a result, the South Coast attained the standard in
6 2013, one year before its required attainment date.

7 Annual PM2.5 concentrations in the San Joaquin
8 Valley have also decreased over the last decade. However,
9 they continue to exceed the annual standard in many parts
10 of the valley. Impacts related to drought have increased
11 the challenge, as I will highlight in a few minutes.

12 --o0o--

13 STAFF AIR POLLUTION SPECIALIST NYSTROM: Next
14 I'll move onto the 24-hour PM2.5 standard.

15 In 2009, U.S. EPA designated seven areas, shown
16 in green and dark gray, as non-attainment for the 35
17 microgram standard. Today, four of these seven areas,
18 shown in green, meet the standard. One additional area,
19 Calexico, near the international border in Imperial
20 County, would also meet the standard absent impact from
21 the emissions from Mexicali, Mexico. South Coast is
22 nearing attainment, with only one site still exceeding and
23 is expected to attain the 35 microgram standard this year.

24 In contrast to those areas, the San Joaquin
25 Valley remains the most challenging region, with levels

1 above the standard throughout much of the valley. The
2 valley's current attainment date for the 24-hour standard
3 is 2019.

4 --o0o--

5 STAFF AIR POLLUTION SPECIALIST NYSTROM:

6 California's ongoing drought had a significant impact on
7 PM2.5 concentrations in the San Joaquin Valley in 2013 and
8 2014. The weather conditions and lack of rainfall
9 associated with the drought are also conducive to the
10 formation and accumulation of PM2.5.

11 The graph on the right shows the difference in
12 the number of 24-hour exceedance days at Bakersfield and
13 Fresno during December 2012 and January 2013 compared with
14 the same months in 2013 and 2014.

15 During this two-month period, the valley
16 experienced virtually no rainfall. The 24-hour PM2.5
17 standard was exceeded on a majority of days during these
18 two months, a nearly three-fold increase over the prior
19 period.

20 The increased wintertime concentrations also
21 impacted the annual average, and the valley failed to meet
22 the 15 microgram annual standard by its 2014 attainment
23 date. As a result, the district is developing a revised
24 PM2.5 SIP. The SIP will take into account the emission
25 reductions necessary to attain under these drought

1 conditions.

2 --o0o--

3 STAFF AIR POLLUTION SPECIALIST NYSTROM: In
4 addition to the annual and 24-hour standards I've already
5 discussed, U.S. EPA adopted a more stringent 12 microgram
6 annual PM2.5 standard in 2012. U.S. EPA finalized
7 designation for this standard just last month and SIPs
8 will be due in 2016.

9 There are four non-attainment areas for this
10 standard shown in dark gray, and each area has its own
11 unique set of challenges. These areas are required to
12 meet the standard between 2021 and 2025.

13 As I discussed previously, the Calexico area of
14 Imperial County is impacted by cross border transport from
15 Mexicali, Mexico.

16 Portola, a small isolated valley in Plumas
17 county, is impacted by wood burning used for home heating.

18 In the South Coast, more than half the region
19 already meets the new 12 microgram standard, but ongoing
20 reductions will be needed to bring the entire region into
21 attainment.

22 Finally, similar to the other PM2.5 standards,
23 the challenge in the San Joaquin Valley is the most severe
24 and is further exacerbated by recent drought conditions.

25 --o0o--

1 STAFF AIR POLLUTION SPECIALIST NYSTROM: So far,
2 I've talked about the successes and challenges we face in
3 meeting the current federal standards for ozone and PM2.5.
4 U.S. EPA has also recently proposed adopting a new more
5 health-protective 8-hour ozone standard.

6 The federal Clean Air Act requires U.S. EPA to
7 set national ambient air quality standards to protect
8 public health and to review the adequacy of each standard
9 every five years. As part of this process, U.S. EPA
10 conducts a comprehensive review of the scientific evidence
11 relevant to the protection of the public health and
12 welfare.

13 As a result of its periodic review of the ozone
14 standard, U.S. EPA recently proposed a new 8-hour standard
15 in the range of 65 to 70 PPB. This lower level will
16 provide increased health protection for California and the
17 rest of the nation.

18 U.S. EPA will conduct a public hearing in this
19 auditorium next week to gather public input and comments
20 on the proposal. The standard will be finalized by
21 October 1st of this year. And SIPs will be due in the
22 2020 to 2021 time frame. Attainment dates will range from
23 2020 to 2037.

24 --o0o--

25 STAFF AIR POLLUTION SPECIALIST NYSTROM: A new

1 standard of 65 or 70 PPB will likely result in additional
2 non-attainment areas.

3 In the maps on this slide, the areas shown in
4 dark gray are already designated as non-attainment under
5 the current 75 or 80 PPB standard. The gold areas would
6 be potential new non-attainment areas under the proposed
7 standards. As shown on the left, there could be four new
8 non-attainment areas for the new standard set at 70 PPB.
9 As shown on the right, there could be twelve new
10 non-attainment areas at a 65 PPB level.

11 These new areas would include a number of rural
12 areas that are impacted by transport from upwind urban
13 areas. It's important to note that the maps on this slide
14 are based on 2014 design values. However, given the
15 current schedule, U.S. EPA will likely make non-attainment
16 designations in 2017, based on data through 2016. As
17 ozone concentrations continue to decrease, some of these
18 areas may attain the new standard before the designations
19 are finalized.

20 --o0o--

21 STAFF AIR POLLUTION SPECIALIST NYSTROM: This
22 next map shows other US counties that would not meet a new
23 65 or 70 PPB standard based on 2013 design values. In
24 total, U.S. EPA estimates that 358 counties would violate
25 a 70 PPB standard. Two-hundred additional counties, or a

1 total of 558, would violate 65 PPB standard.

2 --o0o--

3 STAFF AIR POLLUTION SPECIALIST NYSTROM: In
4 summary, California has made great strides in improving
5 statewide ozone and PM2.5 air quality and more
6 Californians are breathing healthier air.

7 Our current strategies continue to move us
8 forward and ensure ongoing progress toward more stringent
9 standards. As we begin the process of developing SIPs for
10 the newest ozone and PM2.5 standards, regional differences
11 will inform the development of strategies that focus on
12 the most effective combination of controls.

13 Staff will bring these SIPs to the Board for
14 consideration in 2015 and 2016.

15 This concludes my presentation. And we'll be
16 happy to answer any questions you have.

17 CHAIRPERSON NICHOLS: I don't see any questions.
18 And we don't have anyone who signed up to speak on this
19 item. I expect we'll be hearing more about this issue,
20 however, in the days to come as EPA moves to finalize the
21 ozone standard. I think ARB is on record supporting a
22 range, which includes the numbers that EPA is considering;
23 is that correct? Did we formally testify on that? I
24 think Karen or Kurt might respond to that.

25 DEPUTY EXECUTIVE OFFICER KARPEROS: We provided

1 comments with EPA -- when the Scientific Advisory
2 Committee originally proposed a range from 60 to 70. We
3 said, yes, that was more health protective and that was
4 appropriate. And the further down the range, the more
5 health protective. EPA is now proposing out of that range
6 of 60 to 70 a range of 65 to 70. And we'll be providing
7 similar comments on that.

8 CHAIRPERSON NICHOLS: Clearly, it's a challenge,
9 but a challenge we faced before and are used to managing.
10 Thanks, everybody. Appreciate that very much.

11 And we do have three witnesses who have signed up
12 to speak in the public comment period. So they are
13 entitled to their few minutes to address the Board. I
14 believe they're all here to talk about the same topic.

15 MR. CARMICHAEL: Good morning, Chairman Nichols,
16 members of the Board.

17 Tim Carmichael with the California Natural Gas
18 Vehicle Coalition. Thank you for the opportunity to
19 speak. We don't normally do this on a non-agenda item,
20 but intentionally doing it today so as not to distract
21 from the LCFS focus next month.

22 We have been actively participating in the air
23 quality improvement program development. There have been
24 a couple of workshops. We had a couple meetings with
25 staff managers talking about SB 1204 implementation, which

1 is a subset of the Air Quality Incentive Program. And
2 we've been working closely, as you're going to hear from
3 the Renewable Natural Gas Coalition, the California
4 Bioenergy Association, and the California Trucking
5 Association.

6 Our collective concern and the reason we're here
7 today is we feel like it's not moving in the right
8 direction, specifically related to incentives for
9 heavy-duty trucks. We are not talking about passenger
10 vehicles. We're not talking about medium-duty vehicles.
11 Our concern collectively is really on the heavy-duty truck
12 market where we feel like -- and we've been saying this
13 for some time -- there is a critical need for focused
14 incentives, not only for the development of those vehicles
15 but for the deployment of those vehicles. And we're
16 concerned that that's not the tract that we are on or the
17 staff's current proposal development is not on that path.

18 And the impacts are significant. We won't -- our
19 current belief is we're not going to see incentives South
20 that will help deploy heavy-duty -- cleaner heavy-duty
21 trucks in the near term. We won't see the assistance
22 needed to support the low carbon fuel standard in getting
23 more renewable natural gas into play between now and 2020.
24 And we won't see the community health benefits that
25 everyone knows is needed and significantly impacted by

1 heavy-duty trucks in our state.

2 We want to simply flag this issue for you today.
3 We're not looking for a solution today. But we want to
4 put it on your radar screen, because this is going to move
5 quickly over the next few months. And we really feel
6 strongly it's not on the right path right now.

7 Again, comments are focused on the heavy-duty
8 truck piece, not broadening that. Thank you.

9 CHAIRPERSON NICHOLS: Thank you.

10 Mr. Kenny.

11 MR. KENNY: Good morning, Chair Nichols and
12 members of the Board.

13 Just reiterating the previous comments. My name
14 is Ryan Kenny with Clean Energy. We are a leading
15 provider of natural gas transportation fuel in north
16 America, also here on behalf of our trade association, the
17 Coalition for Renewable Natural Gas.

18 And just to reiterate those points, we do believe
19 staff has been attentive to meeting with us. We
20 appreciated their time both in workshops and privately.

21 But we do reiterate the same concerns with the SB
22 1204 funding. We do believe that they're not dedicated as
23 per statute to go towards heavy-duty trucks. In fact,
24 there is some concern that staff is looking at broadening
25 the definition of heavy-duty trucks into more the

1 medium-duty classification to broaden it to other
2 technologies that might not be ready to go as much as
3 liquefied natural gas would be to replace diesel at this
4 time.

5 We do believe heavy-duty trucks going away from
6 diesel to liquefied natural gas and other such
7 technologies would reduce greenhouse gas emissions,
8 especially in communities that are closer to major ports
9 and along highways.

10 Also, the staff proposal has mentioned to allow
11 the CEC to allocate funding towards renewable low carbon
12 fuel production projects. We believe that the statutes
13 are rather clear that the CEC should be complimenting the
14 ARB funding, not replacing it. And we do believe that
15 what the CEC allocates is just a fraction of what is
16 needed.

17 So again, we're just here to flag and let you
18 know of our concerns as this process unfolds. And thank
19 you for your time.

20 CHAIRPERSON NICHOLS: Mr. Edgar.

21 MR. EDGAR: Good morning, Chair Nichols and Board
22 members.

23 I'm Evan Edgar, Director of the Cleanfleets.net.

24 It's a treat for my to be in front of you again
25 this month. I was in front of you last month on the issue

1 of the fuel and technology assessment. And I had a very
2 high praise for staff for being attentive to issue of
3 renewable natural gas. I stand by those remarks. And
4 just share with my colleagues that spoke previously, want
5 to flag the issue of heavy-duty trucks. And what I'd like
6 to do is just ask you to put a very high priority on
7 renewable natural gas projects as you deliberate on what
8 to do with GGRF money.

9 And the reason I'll do that in two minutes and 26
10 minutes, I'll take a little trip back to the future.
11 Tying into your priority discussion on the first item
12 today, Supervisor Gioia was concerned about coordination
13 between agencies and your Executive Officer replied about
14 guidance. One of the big winners of the test case that we
15 have for this type of project is in south San Francisco,
16 Blueline Transfer Station where we're taking organic
17 waste, converting it into motor vehicle fuel, and putting
18 it back into electric vehicle. That's the test case or
19 poster project for the R&G type of project I'm talking
20 about.

21 That project in terms of guidance and the
22 trifecta the Executive Officer Corey was talking about
23 trying to hit one of the big targets on waste reduction as
24 your staff noted as we were looking at the pie chart on
25 what the greenhouse gas emissions are, waste reduction

1 delivers tremendous benefit.

2 These are carbon negative projects. When I say
3 carbon negative, I mean it's consuming. It's a net
4 benefit to the environment because the consuming of the
5 waste resources of fuel completes the recycling loop and
6 is a tremendous benefit and is carbon negative today. I
7 know you have great targets for carbon negative in the
8 future. These projects are carbon negative today.

9 Supervisor Serna, environmental justice part of
10 your priorities, just a walk down memory lane, because
11 Mrs. Riordan and I share a special affection over trash
12 trucks. Because I think she's the only member of the
13 Board that was sitting during 2000 to 2003. And I had a
14 great walk down memory lane thinking about my testimony
15 today about that experience. And the reason that you went
16 after trash trucks in terms of diesel risk reduction is
17 because they were local, they had tremendous fuel
18 consumption. High fuel consumption, local communities, a
19 lot of EJ issues there. That was part of the reason the
20 rationale the Board used to work on trash trucks.

21 This is exactly the poster child for RNG to take
22 what we've already -- diesel risk deduction we've done on
23 trash trucks, take it to the next level of RNG.

24 I guess I'll just close with Hollywood has given
25 us the answer. Back to the future where you saw the

1 banana peel and the liquid being put into the Delorian, we
2 can do that on a heavy-duty vehicle. It's being done
3 today. It's in its infancy. It needs to incentive to
4 survive.

5 I'm always appreciative on your staff's open ear
6 and your Board's consideration of my testimony as well as
7 putting it high on the priority list because the great
8 bang for the buck it delivers. Thank you.

9 CHAIRPERSON NICHOLS: Okay. Thanks.

10 Mr. Corey, just briefly, what's the timing for
11 the AQIP funding plan coming to the Board?

12 BOARD MEMBER SPERLING: Can you elaborate for us
13 what exactly is the problem, the issue?

14 DEPUTY EXECUTIVE OFFICER COREY: The lack of a
15 flux capacitor.

16 BOARD MEMBER SPERLING: I thought it was the fuel
17 cell in the Delorian. The fuel cell, not a --

18 DEPUTY EXECUTIVE OFFICER COREY: A few things I
19 think I can cover this.

20 The timing, Chairman, is the 15-16 AQIP plan will
21 come to the Board in June. We have several months to
22 continue to develop that plan. But there is a few points
23 imbedded in the comments that were made. I want to touch
24 on them.

25 So one is the benefits of the renewable natural

1 gas with respect to GHG benefits. And we would actually
2 strongly support that. And in fact, we look at the AQIP
3 plan to the extent we can incentivize the use of renewable
4 if you want to do that. You can have a stronger signal.

5 But there was a comment about the need for
6 cleaner technologies, reductions in emissions. And what
7 that is really referring to is NOx. And under AQIP what
8 we want to encourage are lower NOx emissions, not status
9 quo certification to .2 grams per brake horsepower hour.
10 We're looking for technologies that are certified to lower
11 limits than the voluntary .01 or even down to .1 or even
12 down to .02 and are looking how can we encourage the
13 engine, the technology to be certified at those lower
14 levels and open that opportunity to fund under AQIP. So
15 fundamentally, as we look at the AQIP funding, we're
16 looking at opportunities for further emission reductions
17 and further emission reductions for NOx and GHGs.

18 CHAIRPERSON NICHOLS: I thought -- I know this
19 isn't a hearing, and I'm not making any decisions or even
20 giving directions at this point because this isn't an
21 agenda item.

22 I was concerned about the comment about localized
23 greenhouse gas emission reductions in environmental
24 justice communities or impacted communities because those
25 are communities that are impacted by conventional air

1 pollution. And they should be the focus of our attention
2 for things that have multiple benefits.

3 So the question is: Would we be funding projects
4 that only got GHG benefits if they didn't also have
5 substantial air quality benefits to them as well. And the
6 information that we were presented just now on where we
7 stand with respect to meeting air quality standards
8 suggests that NOx control has to continue to be front and
9 center for our concerns.

10 DEPUTY EXECUTIVE OFFICER COREY: Chairman, that's
11 really -- although I wasn't as clear as I wanted to be,
12 the theme of the objective when we're talking about the
13 AQIP plan, NOx reductions, and GHG reductions.

14 CHAIRPERSON NICHOLS: We obviously can't ignore
15 greenhouse gases. That's a very much at the top of our
16 agenda. But it isn't the only thing that's on our agenda
17 either.

18 So anyway, we look forward to hearing more in
19 more detail. We understand the point that clearly there
20 is a strong effort here on behalf of people who care about
21 heavy-duty vehicles to try to get more of the funds to go
22 in the direction of natural gas. We understand that's
23 something we have to take a look at. If there is no
24 further business and no more witnesses, I think we --

25 BOARD MEMBER GIOIA: I was going to make one

1 comment. Since there was a discussion about the Superbowl
2 this weekend. So I understand that the first national ad
3 marketing an electric vehicle is going to be run during
4 the Superbowl, the BMW I3. They are revealing an ad I
5 saw. I saw the ad on the web.

6 CHAIRPERSON NICHOLS: They did unveil it.

7 BOARD MEMBER GIOIA: They're spending a lot of
8 money to sell electric vehicle around this country. So
9 that actually will be interesting to see the reaction to
10 that.

11 BOARD MEMBER MITCHELL: Chairman, Madam Chair,
12 let me just comment that I had the opportunity during my
13 stay here overnight in Sacramento to drive that new
14 electric vehicle by BMW, and it truly is a wonderful
15 vehicle. Everybody -- here's my own ad before the
16 superbowl. It's truly a wonderful vehicle, such a smooth
17 ride and very quiet and easy to drive.

18 BOARD MEMBER GIOIA: It's a state issue. It's
19 becoming a state issue to the Air Resources Board staff,
20 is that what it is?

21 CHAIRPERSON NICHOLS: They do bring vehicles over
22 to test from time to time. They do.

23 CHIEF COUNSEL PETER: We have a closed session.

24 CHAIRPERSON NICHOLS: I'm sorry. As we are not
25 actually formally adjourning. We are recessing to go into

1 a closed session and when we're done -- as far as I know,
2 no action is planned. But should anything happen, we will
3 report on it when we come back out and actually close the
4 meeting. Thank you.

5 (Whereupon the Air Resources Board recessed into
6 closed session at 11:58 a.m. and reconvened in
7 open session at 12:40 p.m.)

8 CHAIRPERSON NICHOLS: We're back in open session.
9 The Board conducted a closed session meeting at which we
10 received legal advise from our counsel with regard to a
11 procedural matter and also received a list and had a
12 discussion about pending litigation. No action was taken
13 on any of these items, so that was concluded, and I'm now
14 ready adjourn the meeting. We are now officially
15 adjourned. Thank you.

16 (Whereupon the Air Resources Board adjourned at
17 12:40 p.m.)
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CERTIFICATE OF REPORTER

I, TIFFANY C. KRAFT, a Certified Shorthand Reporter of the State of California, and Registered Professional Reporter, do hereby certify:

That I am a disinterested person herein; that the foregoing hearing was reported in shorthand by me, Tiffany C. Kraft, a Certified Shorthand Reporter of the State of California, and thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said hearing nor in any way interested in the outcome of said hearing.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February, 2015.

TIFFANY C. KRAFT, CSR, RPR
Certified Shorthand Reporter
License No. 12277