

MEETING
STATE OF CALIFORNIA
AIR RESOURCES BOARD

CALEPA HEADQUARTERS
BYRON SHER AUDITORIUM
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SACRAMENTO, CALIFORNIA

THURSDAY, FEBRUARY 16, 2017

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JAMES F. PETERS, CSR
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A P P E A R A N C E S

BOARD MEMBERS:

Ms. Mary Nichols, Chair

Ms. Sandra Berg, Vice Chair

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Mr. John Eisenhut

Senator Dean Florez

Supervisor John Gioia

Senator Ricardo Lara

Ms. Judy Mitchell

Mrs. Barbara Riordan

Supervisor Phil Serna

Ms. Diane Takvorian

STAFF:

Mr. Richard Corey, Executive Officer

Dr. Alberto Ayala, Deputy Executive Officer

Ms. Edie Chang, Deputy Executive Officer

Mr. Kurt Karperos, Deputy Executive Officer

Ms. Ellen Peter, Chief Counsel

Ms. La Ronda Bowen, Ombudsman

Ms. Emily Wimberger, Chief Economist

Ms. Trish Johnson, Air Pollution Specialist, ISD

Mr. Gabriel Monroe, Attorney, Legal Office

A P P E A R A N C E S C O N T I N U E D

STAFF:

Mr. Floyd Vergara, Division Chief, Industrial Strategies
Division(ISD)

Ms. Rajinder Sahota, Assistant Division Chief, ISD

ALSO PRESENT:

Mr. Alan Abbs, California Air Pollution Control Officers
Association

Mr. John Amodio, Tuolumne River Trust

Mr. Ernesto Arevalo, Communities for a Better Environment

Mr. Will Barrett, American Lung Association in California

Mr. Nathan Bengtsson, Pacific, Gas & Electric

Mr. David Bischel, California Forestry Association

Ms. Eileen Boken

Ms. Julia Bussey, Chevron Corporation

Mr. Michael Carr, Shell

Mr. J.P. Cativiela, Dairy Cares

Mr. Jon Costantino, Ad Hoc Offsets Group

Ms. Jessica Counts-Arnold, United States Environmental
Protection Agency, Region 9

Mr. Patrick Cruz, Tesoro

Mr. Don Cuffel, Valero

Mr. John E. DeWitt, J.E. DeWitt, Inc.

Mr. Craig Ebert, Climate Action Reserve

Mr. Don England, Tesoro Refinery

A P P E A R A N C E S C O N T I N U E D

ALSO PRESENT:

Mr. Nick Facciola, Origin Climate Inc.

Dr. John Faust, Office of Environmental Health Hazard Assessment

Ms. Jo Fleming, California Green Business Network

Mr. Walt Gill, Chevron

Mr. Gary Hughes, Friends of the Earth

Mr. Shrayas Jatkar, Coalition for Clean Air

Ms. Deanna Martinez, Shell Oil

Mr. Richard McCaskill, Recon Recycling

Ms. Terrie Mitchell, Sacramento Regional County Sanitation District

Mr. Taylor Miller, Yosemite Stanislaus Solutions

Mr. Brent Newell, Center for Race, Poverty, and the Environment

Ms. Callie Nguyen, Chevron

Mr. Sean Penrith, The Climate Trust

Mr. Richard Quiroz, Chevron

Mr. Craig Reed, Chevron

Ms. Tiffany Roberts, Western States Petroleum Association

Mr. Gary C. Rynearson, Green Diamond

Mr. Ryan Schuchard, CalStart

Mr. Mikhael Skvarla, California Council for Environmental and Economic Balance

Ms. Andrea Stephenson, A Stephenson Group

A P P E A R A N C E S C O N T I N U E D

ALSO PRESENT:

Ms. Shelly Sullivan, Climate Change Policy Coalition

Mr. Michael Swords, Partnership of the Los Angeles
Cleantech Incubator

Mr. Kevin Townsend, Bluesource

Mr. Cedric Twight, Sierra Pacific Industries

Ms. Amy Vanderwarker, California Environmental Justice
Alliance

Mr. Erik White, Placer County Air Pollution Control
District

Mr. Andy Wunder, Ceres, BICEP

Dr. Lauren, Zeise, Director, Office of Environmental
Health Hazard Assessment

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1 P R O C E E D I N G S

2 CHAIR NICHOLS: Good morning, everyone. And
3 welcome to the February 20 -- 16th 2017 public meeting of
4 the Air Resources Board.

5 I could see, without calling the roll, that we
6 have a quorum.

7 (Laughter.)

8 CHAIR NICHOLS: So I think I'm going to waive the
9 calling of the roll this morning, if nobody really minds.

10 But we do traditionally open the meeting by
11 saying the pledge of allegiance, so would you please
12 stand.

13 (Thereupon the Pledge of Allegiance was
14 recited in unison.)

15 CHAIR NICHOLS: I am also required by powers that
16 be that run this building to remind everybody that we have
17 emergency exits to the rear of the room, and to the side.
18 And please note where they are. And be prepared, if you
19 need to evacuate in the event of a fire alarm, to go to
20 one of those exits, and leave the building by the stairs,
21 and wait for a signal to come back into the building.

22 I also have a couple of other preliminary
23 announcements. First of all, we do have interpreter
24 services available today for Spanish language speakers for
25 the second item of the day, which is the public meeting to

1 hear a report on the proposed 2030 target scoping plan.

2 There are headsets outside the room at the
3 attendance sign-up table. And I think we'll wait and have
4 the translator -- well, we'll do it now, and then you can
5 do it again before the item.

6 Okay. Thank you, Madam.

7 (Thereupon the interpreter translated
8 into Spanish.)

9 CHAIR NICHOLS: Thank you.

10 We will be imposing a 3-minute time limit as
11 usual for speakers. There are request-to-speak forms
12 outside the room, or with the Clerk. And we appreciate it
13 if you would give those to the Clerk. And I think with
14 those preliminaries, we can actually get started.

15 So the first item on the consent calendar is Item
16 number 17-1 -- 2-1, a public meeting to consider one
17 research proposal. And I need to ask the clerk if any
18 witnesses have signed up to testify on this item?

19 BOARD CLERK McREYNOLDS: (Shakes head.)

20 CHAIR NICHOLS: There are none.

21 Okay. Are there any Board members who would like
22 to see this item removed from the consent calendar?

23 Seeing none.

24 Then I'll close the record. And --

25 BOARD MEMBER RIORDAN: I move approval, Madam

1 Chairman of Resolution 17-1.

2 BOARD MEMBER BALMES: I'll second.

3 CHAIR NICHOLS: All in favor?

4 (Ayes.)

5 CHAIR NICHOLS: Opposed?

6 And abstentions?

7 Great.

8 Okay. Then we move to 17-2-2. The second item
9 on the consent calendar. And this is to consider approval
10 of the Portola PM2.5 State Implementation Plan. And
11 again, I'd ask the Clerk if any witnesses have signed up
12 to speak on this item?

13 BOARD CLERK McREYNOLDS: No one has signed up to
14 speak.

15 CHAIR NICHOLS: No speakers.

16 And if any Board members want this item removed
17 from consent?

18 Seeing none.

19 We can have a motion.

20 BOARD MEMBER SERNA: Move the item.

21 BOARD MEMBER RIORDAN: Second.

22 VICE CHAIR BERG: Second.

23 CHAIR NICHOLS: All in favor?

24 (Ayes.)

25 CHAIR NICHOLS: Opposed?

1 Abstentions?

2 Okay. We have approval then. Thank you. That
3 was easy.

4 Now, we move to a report from the Office of the
5 Ombudsman. And this is an informational item regarding
6 our Ombudsman -- be led by our Ombudsman La Ronda Bowen,
7 who came to the Air Resources Board a number of years go.
8 We recruited her to bring her expertise and leadership in
9 small businesses and environmental issues, and to turn the
10 Ombudsman's Office into what we hope would be a showcase
11 in particular for a regulatory agency to also provide
12 liaison services to members of the regulated community,
13 also to educators and the public.

14 She has used a multi-pronged approach. She has
15 worked tirelessly to advocate for including small business
16 owners early in policy discussions, and to make sure that
17 their perspectives and their expertise are more thoroughly
18 integrated into our work.

19 She has also worked to identify and foster
20 collaborative opportunities, to maximize ARB's access to
21 networks that exist out in the community, and to bring to
22 small businesses the tools and resources they need to
23 implement ARB's policies successfully.

24 And third, she has worked to make the office more
25 proactive in understanding and affecting issues that will

1 have an impact on small businesses, especially those in
2 disadvantaged, rural, and low-income communities.

3 As climate change has become a larger part of the
4 ARB's focus, La Ronda began a new engagement between small
5 business, particularly those who are in the clean tech
6 development area, and ARB to enhance their opportunities
7 to participate in this policy agenda, in particular in
8 areas that include freight and transportation, where we
9 are especially in need of new technologies.

10 And as a result of her work, I think we can all
11 have -- we all have observed that ARB's engagement with
12 small businesses has become more dynamic and a more
13 integral part of the ARB's regulatory process. To
14 strengthen this trend, La Ronda has plans to continue to
15 work with not only the ARB program offices, but also the
16 Small Business Advisory Panel that she created to begin to
17 formalize an approach to engaging small businesses in the
18 regulatory process, beginning with the development of
19 rules, and even the conceptualization of them and ending
20 with the enforcement program.

21 She will also build on this experience to get
22 further insights into what's going on in other agencies,
23 and to benchmark our efforts against other agencies around
24 the State and around the world.

25 So she's been a strong advocate for stakeholder

1 engagement, and she serves frequently as an ambassador for
2 ARB. And I have very positive feedback wherever she goes.
3 So, Mr. Corey, would you please introduce this item?

4 EXECUTIVE OFFICER COREY: Yes. Thanks, Chair
5 Nichols. You underscored the importance of engagement
6 with small businesses to achieve ARB's broad and ambitious
7 agenda, which I outlined before the Board last month.

8 With La Ronda as our Ombudsman, we continue to
9 strengthen our engagement with small businesses owners and
10 entrepreneurs to take advantage of the synergies created
11 to help ARB implement our goals.

12 So today, you'll hear from La Ronda's 2 co-chairs
13 as well for the Small Business Opportunities Advisory
14 Panel. Alan Abbs, Executive Director of the California
15 Air Pollution Control Officers Association, and Richard
16 McCaskill, President and CEO of Recon Recycling, a
17 California small business in San Diego.

18 La Ronda will also share a few 2016 highlights,
19 and identify how the Ombudsman's priorities for 2017 will
20 support those of ARB, the State, California small
21 businesses, and all stakeholder.

22 And with that, La Ronda.

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

25 OMBUDSMAN BOWEN: Good morning. Thank you, Chair

1 Nichols and Board members. Thank you, Mr. Corey.

2 Today, I will focus on 2 major activities of the
3 Office of the Ombudsman and Small Business: helping small
4 businesses reduce emissions and stakeholder engagement.
5 We will then open up the discussion for Board members to
6 directly engage with our guests, all of whom are seated
7 behind me.

8 Jessica Counts-Arnold from U.S. EPA Region 9 on
9 grants to small business through the Green Business
10 Certification Program. With her is Jo Fleming of the
11 California Green Business Network.

12 The Small Business Opportunities Advisory Panel
13 led by co-chairs Richard McCaskill and Alan Abbs and SBOAP
14 members John DeWitt, Andrea Stephenson, and Terrie
15 Mitchell. And Michael Swords will introduce the L.A.
16 Clean Technology Incubator, the number 3 in the world
17 small business incubator. And because numbers 1 and 2 are
18 not technology incubators, by default number one clean
19 tech incubator in the world. He will share the connection
20 between small business entrepreneurs and AB 32.

21 Our plan for today, as we go to the next slide --
22 --o0o--

23 OMBUDSMAN BOWEN: -- I will give a brief overview
24 of what the Ombudsman does, including 2 examples of
25 compliance assistance and the lessons learned; share our

1 work to help businesses achieve voluntary greenhouse gas
2 emission reductions through 3 U.S. EPA pollution
3 prevention grants, which the California Green Business
4 Network performed as a subcontractor.

5 After introducing the proposed enhanced
6 stakeholder engagement process for small business, SBOAP
7 co-chair Richard McCaskill will share why this is a top
8 priority in 2017, and what the expected benefits are from
9 enhanced small business engagement.

10 Co-chair Alan Abbs will share why this engagement
11 is essential, and reflect on ARB and local air district
12 compliance assistance for regulated businesses. I will
13 highlight the challenges ahead and invited Mike Swords to
14 the microphone to share the engagement of LACI, small
15 business clean technology innovators.

16 We expect our presentation to take about 30
17 minutes, and leave ample time for Board members to engage
18 directly with the Panel.

19 --o0o--

20 OMBUDSMAN BOWEN: So the mission. The mission of
21 the Ombudsman is to support the California Air Resources
22 Board in achieving federal and State clean air objectives.
23 Every thing we do has that as our bottom line.

24 --o0o--

25 OMBUDSMAN BOWEN: What do we do?

1 Ombudsman connects the public and ARB in multiple
2 ways. However, our 2 key responsibilities are handling
3 problems and providing small business assistance in
4 reducing emissions, voluntary, or required.

5 We have a small team, and rely on collaboration
6 and engagement across all known sectors to achieve air
7 quality objectives as articulated by this Board.

8 --o0o--

9 OMBUDSMAN BOWEN: Compliance Assistance.

10 Two areas where Compliance Assistance and
11 collaboration are proving effective for small business are
12 moving dry-cleaners out of perchloroethylene, a toxic air
13 contaminant, and into wet cleaning.

14 ARB staff, working with air districts, local
15 utilities, and small businesses to accomplish this,
16 learned that the key to success was peer-to-peer training.
17 Dry-cleaners were afraid to use water on dry-clean only
18 garments. But when a cleaner, who had switched to wet
19 cleaning, invited other dry-cleaners to his demonstration
20 that wet cleaning works, others followed, and applications
21 for grants began to come in.

22 It another example ARB's refrigerant management
23 rule staff learned that a key was using a concept that
24 translated easily into the many languages spoken in
25 California. That message was that leaking refrigerant was

1 leaking money.

2 The "Save Money" cards on-site demonstrations on
3 how to detect leaks and report into ARB's database
4 continue to prevent noncompliance. They also clarify that
5 ARB's rule makes the small business owner responsible for
6 ensuring that their business properly reports and is in
7 compliance, even when they use a certified technician to
8 replace leaking refrigerants.

9 --o0o--

10 OMBUDSMAN BOWEN: Also ARB received free booth
11 space at ethnic and grocery stores to promote this
12 program.

13 Our pollution prevention grants, achieving the
14 State's clean air and greenhouse gas emission reductions
15 requires helping small businesses go beyond compliance.
16 Small businesses are essential partners to reducing
17 greenhouse gas emissions in their communities -- in their
18 communities.

19 Excuse me -- in their communities, industries and
20 among their employees.

21 So education on why and how it matters is
22 important. Not every small business is regulated, but
23 every small business owner can make their business more
24 sustainable or green. The barriers are knowledge,
25 capacity, and cost. The Ombudsman's Office, in

1 collaboration with the California Green Business Network,
2 applied for and won 3 pollution prevention grants from
3 U.S. EPA Region 9 to help businesses reduce greenhouse gas
4 emissions, conserve water and energy, recycle, and reuse
5 materials, and implement greener business practices.

6 CAGBN is a nonprofit organization that helps
7 small- and medium-sized businesses become green, and
8 tracks the results. It also helps expand market place for
9 green businesses with both businesses and public
10 consumers.

11 The Green Business Network consists of 25 green
12 business programs in cities and counties throughout the
13 State of California. Under each of the pollution
14 prevention grants, funding was provided to expand the
15 Green Business Programs into disadvantaged communities.
16 This program grew up primarily in the Bay Area into
17 disadvantaged communities and also into Southern
18 California. EPA awarded about \$500,000 for these grants.

19 --o0o--

20 OMBUDSMAN BOWEN: And from this slide you'll you
21 can see the main tasks for each grant. Under the second
22 grant rebates were provided to cover the cost of
23 purchasing LED lights, recycling bins, or energy efficient
24 equipment to encourage businesses in the disadvantaged
25 communities to get certified as a green business, because

1 after the first grant, they found out that even those
2 small costs were barriers to businesses who wanted to do
3 green practices actually doing them.

4 --o0o--

5 OMBUDSMAN BOWEN: So on reducing emissions, as of
6 December 2016 over 3,400 businesses have been certified by
7 the Clean -- CAGBN. That's from their inception.

8 The environmental outcomes, shown on this slide,
9 have been calculated using some of the same methodologies
10 used by CoolCalifornia and CalRecycle. Jo Fleming is here
11 and can answer more questions and details about the
12 metrics and how the -- how they're counted at the end of
13 this presentation.

14 --o0o--

15 OMBUDSMAN BOWEN: When we think of stakeholder
16 engagement, the ARB established its Small Business
17 Opportunities Advisory Panel to help ensure small business
18 concerns are being addressed. Throughout 2016, their
19 focus has been on ways to increase small business
20 engagement at ARB, and in our policies, and regulations.
21 The end result that they want is to achieve the desired or
22 better environmental outcomes at the most reasonable cost
23 and the least unintended impacts on small business.

24 The green boxes on the figure at the top depict
25 regulator responsibilities. The orange boxes depict small

1 business responsibilities. The purple dotted lines depict
2 a continual two-way feedback loop, so that the lessons
3 learned in each stage are fed back to the next regulatory
4 process or proceeding.

5 The entire graphic is a way to unpack the
6 regulatory process. Ultimately, the outcome sought is
7 greater and mutual understanding and collaboration on
8 important California air quality goals. The process of
9 getting there must work for regulators for the small
10 businesses who implement the regulations, and for the
11 business innovators who are creating the technologies of
12 tomorrow.

13 The consultation process - I'm just going to
14 focus on a few of the processes here - recognizes that
15 where an emission's challenge exists, a small business may
16 see or be aware of an opportunity. By engaging small
17 business stakeholders more broadly and making sure they
18 understand the regulatory results that ARB needs to attain
19 from an industry sector, ARB may learn of complimentary
20 changes that are already occurring in that industry. In
21 that case, ARB may be able to use that synergy.

22 Small business may see an opportunity to achieve
23 better environmental cost or societal outcomes that should
24 not be unintentionally ruled out. Early consultation
25 makes room to correct challenges, such as a lack of data

1 about small businesses, solutions, costs, ideas, or
2 barriers. This step informs ARB's economic analysis for
3 the policy and would be repeated for each rule.

4 The education process produces proposed draft
5 regulation, provides best ideas on compliance, draft
6 compliance assistance tools, clear guidance on where small
7 business and ARB staff agree or disagree. The next step
8 from here is rule adoption.

9 Now, I'm going to skip to compliance monitoring.
10 Problems with regulatory compliance, including tools
11 needed and cultural issues usually show up in the early
12 months after the rule is enacted. Communicating these
13 risks early and having a way to address them is critical.

14 And finally enforcement. Small businesses want
15 strong and equitable enforcement. I've heard that at
16 South Coast 10, 20 years ago, and I'm still hearing it
17 here. SBOAP has been helpful to ARB in implementing a
18 more productive approach in the truck rule, for example.

19 --o0o--

20 OMBUDSMAN BOWEN: The Small Business
21 Opportunities Advisory Panel. In 1990 -- the 1990
22 amendments to the Clean Air Act required every State in
23 the territories to have a three-part program that includes
24 an ombudsman, compliance assistance, and a small business
25 advisory panel.

1 Our Small Business Opportunities Advisory Panel,
2 SBOAP, was formed in 2014. They spent first the couple of
3 years forming and learning about ARB, its policies and
4 Regulatory processes. They listened, they consulted, and
5 they engaged with the chair -- they engaged with Chair
6 Nichols, Vice Chair Berg, Board Member Eisenhut, Executive
7 Officer Richard Corey, as well as Deputies Edie Chang,
8 Alberto Ayala, as well as ARB staff.

9 They have talked to their peers and among
10 themselves. They do not minimize ARB's current efforts to
11 engage small business. They're very appreciative of the
12 work that this agency already does to reach out and
13 include small businesses.

14 The stakeholder engagement process does recognize
15 that an ARB culture change, similar to what is occurring
16 to engage environmental justice concerns, is needed to
17 more thoroughly incorporate small business knowledge,
18 ideas, and experience into our thinking and regulatory
19 processes.

20 --o0o--

21 OMBUDSMAN BOWEN: SBOAP has 3 co-chair, ARB,
22 small business, and CAPCOA.

23 Richard McCaskill, President of Recon Recycling
24 represents small business. Mr. McCaskill, a Desert Storm
25 Special Forces Marine built a recycling business from zero

1 to about a million dollars over a 7-year period, and
2 changed his city's perspective on the value of using
3 light-duty instead of heavy-duty trucks for recycling, and
4 from waste management to thinking more about recycling.

5 He recently closed his recycling business, and
6 became a consultant. Mr. McCaskill will summarize the
7 SBOAP's primary goals for 2017.

8 Richard.

9 --o0o--

10 MR. McCASKILL: Good morning, Board members.
11 Thank you for seeing us this morning. Thank you, La Ronda
12 Co-Chair Nichols, Vice Chair Berg, and members of the
13 Board.

14 I appreciate Mr. Corey, Mr. Ayala, Ms. Chang and
15 the ARB staff who have engaged the Small Business
16 Opportunity and Advisory Panel. I'm honored to be here
17 with my co-chairs representing the small business advisors
18 to the ARB. Our ranks include a contractor, an auto
19 dealer, fuel distribution, food manufacturing, furniture
20 manufacturing, trucking, media, and waste sectors.

21 We span the State from the San Diego region in
22 the south all the way to Fort Bragg in the far north. In
23 between we catch Riverside, Los Angeles, Hughson in the
24 Central Valley. We are diverse, yes.

25 We have in common -- what we have in common is

1 our strong commitment to the triple bottom line - a
2 healthy environment, a healthy resilient small business
3 base for California's economy, and an equitable society.

4 We also have a direct stake in the work of ARB
5 and your partner organizations, because what you do
6 affects not only the health of our families and employees,
7 but also our businesses and our communities.

8 And that is why we spent 2016 working through Air
9 Resource -- or ARB's regulatory development, economic
10 analysis, and outreach processes to see what we could
11 contribute to make them stronger, and better to ensure
12 that you get the results you need, while creating fewer
13 hardships for California small businesses.

14 We would be willing to discuss specific cases
15 after this meeting. SBOAP, or the Small Business
16 Opportunity and Advisory Panel is recommending that ARB
17 pilot the stakeholder engagement process that La Ronda
18 outlined earlier with a policy issue or regulation chosen
19 by ARB.

20 In 2016, SBOAP identified 3 reoccurring issues
21 for small businesses relative to ARB, and air district
22 regulations: outreach, economic analysis, and stakeholder
23 engagement.

24 All SBOAP members contributed to discuss -- or
25 contribute to discussions on each of these aspects. La

1 Ronda took all of our comments and fit them into
2 the -- into the process chart, which you see before you
3 today. With Alan and I today, our SBOAP members, Andrea
4 Stephenson is here with us, John DeWitt, and Terrie
5 Mitchell.

6 La Ronda.

7 OMBUDSMAN BOWEN: Thank you, Richard.

8 --o0o--

9 OMBUDSMAN BOWEN: You see from the map, Alan Abbs
10 is -- there are 35 air districts in California. Alan Abbs
11 is the Co-Chair of the CAPCOA, and became the air district
12 co-chair for the SBOAP at the end of 2015.

13 Alan brings the perspective of a former air
14 pollution control officer from the small district of
15 Tehama. Today, Alan will share the value of new
16 perspectives in achieving climate goals, and also ways in
17 which ARB and districts are collaborating to provide
18 greater compliance assistance to California's small
19 businesses.

20 Alan.

21 --o0o--

22 CAPCOA EXECUTIVE DIRECTOR ABBS: Thank you, La
23 Ronda. Coming from a small district, it's easy to
24 recognize that small businesses have a history of looking
25 at a problem and seeing different solutions than

1 regulators.

2 One goal that enhances small business engagement
3 is to learn from each other. This is important, because
4 we need all the creative solutions we can find to meet the
5 current challenges and those ahead.

6 Whatever process ARB and SBOAP developed for
7 stronger engagement of small businesses will also help our
8 smaller air districts and our larger air districts.

9 In a similar vein, ARB and local air districts
10 currently use a number of tool for compliance assistance
11 to regulated businesses. In our stakeholder engagement
12 Chart, these tools would be discussed and some developed
13 in draft form during the mutual education process.

14 While this might pose a burden on very small
15 districts, the process should be informative to everyone.
16 Lessons learned from a pilot would likely be useful to
17 all. And so I support the SBOAP goal of developing a more
18 robust small business engagement process.

19 La Ronda.

20 OMBUDSMAN BOWEN: Thank you, Alan.

21 This is about connecting. Our theme is using
22 collaboration and engagement to support ARB in achieving
23 State and federal clean air objectives through this
24 network of stakeholders, we can help inform policy,
25 encourage the demonstration and deployment of cleaner

1 technologies, and identify knowledge gaps that could
2 become obstacles to our success.

3 --o0o--

4 OMBUDSMAN BOWEN: In 2016, small business
5 engagement at all levels is essential. Finding better
6 ways to utilize this most valuable resource and supporting
7 it is critical.

8 So the ombudsman needs to continue to meet the
9 challenges ahead. The purpose of this slide is to remind
10 us of the challenges as Executive Officer Richard Corey
11 outlined in January.

12 In a moment, I will introduce a relatively new
13 stakeholder to our conversation, Michael Swords. He is
14 the VP of partnerships at the L.A. Cleantech Incubator,
15 which hosted a dialogue between some of our L.A. area
16 Board members and the LACI small business clean technology
17 developers in 2016.

18 --o0o--

19 OMBUDSMAN BOWEN: Just go through that one.
20 There's a resource slide that you guys will have, if you
21 need it

22 --o0o--

23 OMBUDSMAN BOWEN: I will now ask Michael Swords
24 to give his comments. And then we will hear from Jessica
25 Counts-Arnold on the pollution prevention grants.

1 Mike.

2 (Thereupon an overhead presentation was
3 Presented as follows.)

4 MR. SWORDS: Thank you, La Ronda. My name is
5 Michael Swords, and I'm the vice president of government
6 relations for the Los Angeles Cleantech Incubator, or
7 LACI. I'd like to thank Chair Nichols and the Air
8 Resources Board for inviting LACI to participate in this
9 meeting.

10 LACI is a nonprofit public/private partnership
11 created by the City of Los Angeles about 5 years ago that
12 was part of a strategy to revitalize the downtown
13 industrial core of Los Angeles. And LACI was to be the
14 component that would focus on supporting the growth of
15 early stage cleantech companies. And then there will be
16 several other features that would bring in larger scale
17 manufacturing back to that area.

18 Since the fall of 2011, LACI has helped 64
19 companies. We've raised \$118,000,000 in funding for our
20 companies. We've created 1,200 jobs both directly and
21 indirectly. And the city of Los Angeles estimates that we
22 have created \$270,000,000 in economic value for the L.A.
23 region.

24 How do we do this?

25 We do it by providing access to world class space

1 in an incubator or a co-working space. We provide
2 coaching and mentoring. We have 8 executives and
3 residents all of whom have C level experience. We also
4 haVe a network of over 60 mentors and advisors that we can
5 draw upon to help our companies. We provide access to
6 funding, and we provide access to institutional partners.

7 So we have agreements in place with the Los
8 Angeles Department of Water and Power, Southern California
9 Edison, Metropolitan Water District, and several other
10 large organizations. We now have satellite campuses at
11 Cal State Northridge, the Port of Los Angeles, Silicon
12 Valley, and we're working with the Mayor of Mexico City to
13 develop an incubation program there. And we're also
14 working with the World Bank in developing a program in
15 Addis Ababa, Ethiopia.

16 LACI is proud to partner with the State of
17 California on several major initiatives. We are one of
18 the State's 16 innovation hubs. We run an advanced
19 transportation center that is funded by the California
20 Energy Commission. And we were recently awarded a
21 \$5,000,000 grant by the CEC to create a regional energy
22 innovation cluster with several of our partners in L.A.,
23 Santa Barbara, and Ventura counties.

24 We also moved into a world class space about 15
25 months ago. It's 60,000 square feet: 30,000 square feet

1 of space is devoted co-working, 30,000 square feet of
2 laboratory space. We believe that the State policies that
3 are up on the screen right now are really driving the
4 demand for many of our companies' products and services.
5 Whether it's in the electrification and transportation,
6 solar panels, any kind of distributed energy generation,
7 water efficiency, leak detection, you name it, LACI
8 companies are benefiting because California has taken such
9 a leadership role in promoting these technologies with
10 their policies.

11 We would like to encourage the Air Resources
12 Board and other State agencies to bring early stage
13 companies into the conversation, and to create further
14 levels of engagement. And we recently hosted, I think it
15 was noted earlier, a meeting with the Air Resources Board
16 in August. And we hope to do more of that level of
17 engagement. And I'll stop there.

18 OMBUDSMAN BOWEN: Thank you, Mike.

19 Now, I'd like to introduce Jessica Counts-Arnold.
20 And again sitting with her -- she's from U.S. EPA and gave
21 us those wonderful grants, about \$50,000 worth to help
22 these businesses. And we gave -- subcontracted the grants
23 to California Green Business Network. The State of
24 California does have a California Green Business Program.
25 It was established by the Legislature.

1 Unfortunately, the funding for that had to be
2 redirected, and so we really want the help, we really want
3 the emissions reductions. And so we have reached out to
4 EPA, and they've graciously given us the grants. And Jo
5 Fleming from the California Green Business Network
6 implements them.

7 Thank you.

8 Jessica.

9 (Thereupon an overhead presentation was
10 Presented as follows.)

11 MS. COUNTS-ARNOLD: Thank you, La Ronda, and
12 thank you Chair Nichols and the California Air Resources
13 Board for inviting me to come and speak to you today about
14 the Pollution Prevention Program.

15 So next slide, please.

16 --o0o--

17 MS. COUNTS-ARNOLD: So what we do, we do projects
18 and we have partnerships. But overall, the Pollution
19 Prevention Program is to work with State, federal, local
20 governments, tribes, small businesses to help reduce
21 pollution at the source. So that's the first -- what we
22 want to start first.

23 We award grants, as La Ronda had mentioned, and
24 I'll talk more about that. We have 2 types of grant
25 programs -- excuse me -- and we service the region. So we

1 are the P2 provider for our region. And we help make
2 connections and convene.

3 Next slide, please.

4 --o0o--

5 MS. COUNTS-ARNOLD: So we have 2 types of grant
6 programs, the Pollution Prevention Grant Program is a
7 competitive grant program. It provides technical
8 assistance and services and training for businesses. The
9 grant supports projects that utilize pollution prevention
10 techniques to reduce and eliminate pollution from air,
11 water, or land.

12 Eligible recipients include State agencies, trust
13 territories, tribes, and tribal consortiums. Projects
14 must target the P2 program's national emphasis areas,
15 which are climate change mitigation, and prevention of
16 greenhouse gas emissions.

17 The next one is State or community approaches to
18 hazardous materials, and source reduction, and food
19 manufacturing. We typically receive \$380,000 each year
20 for grants, and we award 3 to 4 grants per year. This
21 program has recently moved to a 2-year grant cycle, so the
22 next solicitation will come out in 2018.

23 The partnership with the California Green
24 Business Network and the California Air Resources Board
25 helps to provide technical support to help small- and

1 medium-sized businesses reduce their environmental impact,
2 and also is focusing in economically disadvantaged
3 communities. We really appreciate the dedication and
4 leadership of the California Air Resources Board, and the
5 Green Business Network partners. We feel like this is a
6 gold standard and a model that other states can use.

7 These grants support the projects that help
8 businesses cut their greenhouse gas emissions, conserve
9 energy and water, and reduce their hazardous waste
10 generation. And pollution prevention saves money and
11 lower utility and waste disposal costs, while increasing
12 efficiency.

13 And the Green Business Program is a great model.
14 It shows how businesses can operate in a more efficient
15 way, cost effective way, and a sustainable way. And we
16 have really enjoyed working with our partners to leverage
17 our resources.

18 --o0o--

19 OMBUDSMAN BOWEN: Thank you, Jessica.

20 Madam Chair, that concludes our presentation, and
21 we're open for dialogue with the Board.

22 CHAIR NICHOLS: Great. Well, you've opened up a
23 number of interesting topics of conversation that -- and I
24 know that Board members are going to want to pursue them.
25 But I think I'll start with my Vice Chair, who also is our

1 resident small business owner.

2 VICE CHAIR BERG: Thank you. Well,
3 Congratulations, La Ronda, and thank you so much again for
4 assembling such a great group to come and make this
5 presentation. When we look over the 4 years, as to where
6 we've started to where we are today, I, for one, just want
7 to say congratulations and thank you for -- to everyone
8 for all of your hard work.

9 It really, after being in our meeting yesterday,
10 it really looks at -- yesterday, we had a meeting with the
11 EJAC committee looking at the scoping plan, and how it
12 affects our disadvantaged communities. And here we do
13 have one element that we would be able to offer. And so
14 I'm really interested to hear a little bit more about this
15 pilot program that you're thinking about. High level,
16 what would be some of the criteria you'd be looking at,
17 what are some of the timelines, and what assistance that
18 you need?

19 And then, of course, the incubator. Everybody is
20 looking for avenues to be able to get access and to hear
21 from EPA about these grants as another very good news
22 story.

23 And La Ronda, how do we take this information and
24 provide it to people like our EJAC Committee that is
25 looking for opportunities to connect? How can we have our

1 EJAC Committee meeting at the incubator, so we can
2 introduce people, so they can start networking, and we can
3 just be the opportunity that really helps opening up these
4 doors?

5 So just to summarize, how are you looking at the
6 pilot program, kind of what is your timing, what are your
7 thoughts, what do you need from the Board? And then
8 secondly, how are we taking all this great information and
9 getting it to the people that truly do need it, and how
10 can we help facilitate that?

11 OMBUDSMAN BOWEN: Thank you. Do you want me to
12 answer now or wait for all the Board members?

13 Okay. On the stakeholder engagement process,
14 what we would like to do, I think, is to get your
15 permission to go back and flesh that out, and then bring
16 it back as something the Board could actually have all the
17 details in and guide us to adopt or to implement.

18 But I think right now where we are is that the --
19 we've looked at all the different elements that the SBOAP
20 members think need to be addressed, and we -- in the 3
21 areas that they really want to focus on. So we would like
22 to take a rule or a policy from the current, either
23 scoping plan or the executive officer priorities, and just
24 start from the beginning with engaging the SBOAP, inviting
25 them to develop a pathway for that particular rule. How

1 do we do the consultation, how do we get the businesses
2 there?

3 You know, there's still a big mistrust, as you
4 guys know already. How do we get the businesses there?
5 But we'd like to be able to develop a pathway forward and
6 bring that back, and have the Board decide that that --
7 that that's a workable approach.

8 So interim steps would be internally we would
9 take the information we have and finish our meetings
10 with -- we've been talking to the Deputies, but we really
11 do need to engage ARB staff and get their input. And then
12 develop a step-by-step process, and bring it back maybe in
13 3 months or so.

14 VICE CHAIR BERG: So that sounds great. Of
15 course, the land mines in this is making it too wide. And
16 so really being able to understand what our objectives
17 are, so to meet ARB objectives, as well as how we impact
18 small business, and so that we can make sure that the
19 program that we're putting together does -- is measurable,
20 and does obtain the goal.

21 I think it's great to reach out to staff and to
22 continue to have small business at the table, so we're not
23 assuming or talking past each other. So I think those 2
24 pieces are really important.

25 And my schedule is freeing up, and so I'm

1 available, if you need me.

2 OMBUDSMAN BOWEN: I'd love to consult with you,
3 Vice Chair Berg.

4 On the how do we get information, how do we take
5 the information we get and get it back out to the
6 communities and out to the businesses?

7 That group is actually pretty well -- this group
8 meaning the SBOAP members are pretty well connected in
9 their own industries. And they're very good at diffusing
10 the information that they have and bringing information
11 back. But one of the things that they're constantly
12 asking me, in terms of outreach that the agency does, it's
13 usually, you know, people that already know us.

14 So one of the things that this group is
15 interested in doing and learning more about is how they
16 can use the Air Resources Board to build the
17 relationships. That means having you guys out in the
18 field sometimes, if that's possible. You know, I realize
19 everybody is very, very busy. But they're willing to help
20 set up meetings with small business organizations, so that
21 there's actually a face on the Air Resources Board in the
22 communities.

23 We also get information when -- out, not only
24 through the net -- their internal networks, but they
25 belong to many different organizations, faith-based

1 organizations for faith-based businesses, areas where we
2 have difficulty, the Ombudsman has difficulty reaching.

3 The EJAC made me smile when you raised that,
4 because when -- I think it was Richard watching the Board
5 meeting of January heard the EJAC members -- was it you,
6 Richard?

7 MR. McCASKILL: (Nods head.)

8 OMBUDSMAN BOWEN: -- was so excited. Well, we
9 want to meet those people. We want to get together with
10 them. So that is definitely on our agenda to reach out to
11 the different groups that are already working in various
12 aspects of environment. That's what we do. So we'll just
13 continue to keep making those connections.

14 Internally, I think we can do a better job of
15 feeding back what are the things that surface up, the
16 positives and the less positives.

17 VICE CHAIR BERG: You know, it really is so
18 telling that as we have looked at various issues over the
19 years, and how siloed things are, rightfully so. But on
20 the issues going forward, how important it is going to be
21 to integrate.

22 And I know, Mr. Corey, we've got a new position
23 starting on March 1st. And from an executive perspective,
24 maybe having an opportunity to have truly a
25 cross-integration program that would include the

1 ombudsman, would include your objectives, our objectives,
2 and this new position with the EJAC. How do we feed these
3 together in a way that people are feeling that their
4 issues are being heard and we're addressing them?

5 So I think it's all very, very exciting. You
6 know devil continues to be in the details in how we spend
7 our time and resources. That's always a challenge. And
8 we're here to help.

9 And congratulations again, La Ronda.

10 OMBUDSMAN BOWEN: Thank you.

11 CHAIR NICHOLS: Mrs. Riordan.

12 BOARD MEMBER RIORDAN: Yes. Thank you. First of
13 all, thank you all for being here, and participating with
14 us. I just want to speak a little bit about the incubator
15 concept. And having had the opportunity to be there, I
16 was very impressed with the diversity of those who were
17 participants in that program. And I think that might be a
18 very helpful -- I know you're reaching probably within
19 your area, but there may be some areas that are, you know,
20 mindful of the restrictions they have, but could
21 participate perhaps with you, if they knew more about you.

22 So I hope, besides just looking maybe to -- I
23 think you named a couple of other counties that you were
24 working with. Stretching that a little bit further. I
25 don't know if there is a comparable group in the Bay Area.

1 There probably may be. But I'm just thinking in Southern
2 California where I have a little bit of knowledge that if
3 you were to reach out, they may profit greatly by knowing
4 that there is that opportunity, and of the wealth of
5 support you have there, and the ability to develop things
6 that are, you know, not -- they're not able to do in their
7 own particular area.

8 MR. SWORDS: So I just wanted to let you know
9 that LACI recently received a \$200,000 grant from JP
10 Morgan to create a diversity and inclusion initiative.
11 And so we've hired two full-time staff whose job it is is
12 to create these programs of outreach that you're talking
13 about. We've already hosted, just in the last 3 months
14 that this program has been in existence, we've already
15 hosted I think 5 events, where we've brought in a lot of
16 the environmental justice groups, we've brought in
17 economic development organizations, we've brought in
18 nonprofits that are working in south L.A., and San Pedro,
19 and several other areas.

20 We have recently taken over management of
21 PortTech Los Angeles, which is an incubator in San Pedro.
22 And we're using that as a vehicle to reach out and to all
23 their stakeholder groups. And so we have made this a
24 strategic initiative.

25 I can't speak to what we're doing in the Bay Area

1 yet. That is still, you know, a very nascent sort of
2 project. But I know that our director there has been
3 working with the Mayor's office to really focus on equity
4 and inclusion.

5 BOARD MEMBER RIORDAN: Great. I wish you well
6 with your outreach.

7 CHAIR NICHOLS: Dr. Balmes, then Mr. Serna.

8 BOARD MEMBER BALMES: I also would like to thank
9 everyone for being here and for all the efforts you've
10 made to work with us. I do think that this kind of
11 public-private partnership is really the right way to go.

12 But I was really intrigued by what Vice Chair
13 Berg just said about integrating our efforts with EJAC and
14 the small business community, because yesterday, we heard
15 a lot about jobs and creating jobs in disadvantaged
16 communities. And I think there really is an opportunity.
17 So I'm glad that Mr. McCaskill expressed some excitement
18 about meeting the EJAC.

19 So I just want to endorse Ms. Berg's idea.

20 CHAIR NICHOLS: Great. Mr. Serna.

21 BOARD MEMBER SERNA: Thank you, Chair.

22 So I, too, want to add my sincere thanks and
23 congratulations to La Ronda and the folks on the SBOAP.
24 You're doing great work, and it's obviously very important
25 work. I think we can all admit that oftentimes this

1 agency gets an undeserved bad wrap for not reaching out
2 and not working with economic interests across the State,
3 which is, I think, obvious by the work done to date, is
4 untrue.

5 I had a couple questions and comments here. The
6 first is you had a slide, La Ronda, that had the - a very
7 impressive one - total cost savings of the -- it's from
8 the outcome report, Reduced Emissions from Small
9 Businesses.

10 And when you have -- when you have an impressive
11 slide like this and you have a list of multi-hundred
12 million dollar cost savings, you always want to have a
13 grand total at the bottom.

14 (Laughter.)

15 BOARD MEMBER SERNA: So it's about -- it's a
16 little over \$400,000,000.

17 (Laughter.)

18 BOARD MEMBER SERNA: So just to put a finer point
19 on that.

20 And then I wanted to know how -- is there a
21 particular process or criteria for the stakeholders that
22 are listed on one of the slides here? And I don't know if
23 that's an exhaustive representation or not.

24 OMBUDSMAN BOWEN: No, you're talking about the
25 slide that shows all of our collaborators.

1 BOARD MEMBER SERNA: Right.

2 OMBUDSMAN BOWEN: That is not an exhaustive list.

3 BOARD MEMBER SERNA: Okay.

4 OMBUDSMAN BOWEN: It is the ones we've worked
5 with most recently the past year and a half.

6 BOARD MEMBER SERNA: Okay.

7 OMBUDSMAN BOWEN: And if we made an exhaustive
8 list, it would be more than probably 5 slides. We're
9 constantly looking, you know, sort of -- Vice Chair Berg
10 alluded to this, we're always looking for new
11 partnerships, new places, people that we can collaborate
12 with. We pick everybody's brain, who do you know, who are
13 you working with, and we try to follow up.

14 BOARD MEMBER SERNA: So there have been some
15 comments already by Board members about the Bay Area and
16 some opportunities that might be exploited there in a good
17 way. Is the Bay Area Council part of this?

18 OMBUDSMAN BOWEN: Yes. Jo's group -- Jo
19 Fleming's group, we've worked very closely --

20 BOARD MEMBER SERNA: Okay.

21 OMBUDSMAN BOWEN: -- with Bay Area Council of
22 Governments.

23 BOARD MEMBER SERNA: And then in Sacramento, what
24 about the Greater Sacramento Economic Council, which is a
25 relatively new group. GSEC.

1 OMBUDSMAN BOWEN: I'm not familiar with them.

2 BOARD MEMBER SERNA: We can talk off-line, but I
3 would encourage you to reach out to GSEC. And I think
4 that would be another good collaborator for this
5 initiative.

6 OMBUDSMAN BOWEN: Thank you.

7 BOARD MEMBER SERNA: Thanks.

8 CHAIR NICHOLS: Great. Yes, Ms. Takvorian.

9 BOARD MEMBER TAKVORIAN: Thank you. Let me add
10 my congratulations, La Ronda. Great work. And to
11 everyone that you brought together. Thank you all for
12 being here.

13 And I think we all -- we want to really
14 acknowledge the intentional work that you've done in
15 working in disadvantaged communities. And we know that
16 it's critically important. We particularly appreciate
17 your sensitively to providing information in Spanish. And
18 we talked about the need to expand beyond Spanish, but we
19 know that that is a critical language that's important for
20 many of our communities, and that we know that there are
21 many others in many other businesses in other ethnic
22 communities that have other languages. So I know we'll
23 all strive for that. And I, for one, wanted to offer that
24 assistance where we can.

25 We have over 40 languages in City Heights in San

1 Diego. So we're -- I told La Ronda we're up to 5
2 languages in our community meetings, so we're -- it's a
3 constant challenge. So -- so we appreciate that, and want
4 to help whenever we can.

5 I also had shared with her that I understand the
6 dilemmas and challenges of being a small business person.
7 I'm the daughter of a small business man who was a union
8 carpet layer, who achieved his dream of becoming the owner
9 of a carpet cleaning business, which unfortunately used a
10 lot of toxic chemicals.

11 (Laughter.)

12 BOARD MEMBER TAKVORIAN: And, you know, I didn't
13 think there was anything more fun than playing in all of
14 that as a child. But on very serious side, my father then
15 contracted Parkinson's Disease, which we're very sure was
16 related to his exposure to those chemicals.

17 And so, you know, it's serious for the
18 communities that these companies are in, and it's serious
19 for the owners and for the workers, so I think we share a
20 mutual goal of wanting these to be the healthiest
21 workplaces that they possibly can be.

22 And from an environmental justice perspective,
23 there are small businesses that are also challenged by
24 being in communities with incompatible land-use practices
25 and zoning that allows these businesses to be right next

1 door to homes and schools. And we know that those
2 businesses came in in a legal way. The cities have
3 allowed that to occur. So it's even more important that
4 are they -- if they are to stay, that they be as clean as
5 possible as we kind of sort out that incompatible land
6 use.

7 So I think that's another imperative that we
8 really haven't talked about as to why it's really
9 important for these businesses to get the kind of help
10 that you're providing.

11 I wanted to agree with Board Member Berg that I
12 think there's an integration here with the scoping plan
13 that we talked about yesterday, that if there are funding
14 opportunities potentially -- especially for items that may
15 be outside of the ARB's purview, that maybe those get
16 added to the scoping plan analysis that we talked about
17 yesterday, where we would outline what we have the
18 authority for, what we don't, and perhaps what funding
19 possibilities there are.

20 And that kind of leads me to our EPA
21 representative. And I don't want to put you on the spot,
22 but we've all heard rumors about the freeze at the federal
23 level of these -- of these good programs. So do you have
24 good news for us about that?

25 MS. COUNTS-ARNOLD: I don't have any news for

1 you, but -- so the freeze pertains to our hiring, but not
2 our grants and contracts, so that's the good news. And we
3 fully intend to continue to support this program. So
4 until we hear otherwise, we're going forward.

5 BOARD MEMBER TAKVORIAN: Good. Well, we're all
6 keeping up as much as we can with the news, but thank you
7 very much. It's a great program, and followed the
8 Pollution Prevention Program for a long time. So thank
9 you for being here and sharing that with us.

10 CHAIR NICHOLS: That's great.

11 Mr. Gioia.

12 BOARD MEMBER GIOIA: Thanks for the presentation.
13 And I don't want to repeat all the good comments made by
14 colleagues here. So I will just add I think where there
15 are opportunities to work with local agents -- local
16 government, whether it's through agencies like the
17 environmental health departments that enforce State law,
18 and environmental health, or whether it's permitting, I do
19 think that relationship with those local permitting
20 entities are helpful, because oftentimes for small
21 businesses it's tied up with those requirements as well.

22 So just briefly, what opportunities -- it doesn't
23 sound like you've done that much in that area, or correct
24 me if I'm wrong, and how do you -- how do you see that
25 opportunity, in terms of -- with the current resources

1 that you have, that we collectively have in this area?

2 OMBUDSMAN BOWEN: We work a lot with the local
3 air districts, obviously, because there's --

4 BOARD MEMBER GIOIA: Right, with the local air
5 districts. I'm talking local city and county government.

6 OMBUDSMAN BOWEN: Local city, not as much.
7 Mainly through the Green Business Network --

8 BOARD MEMBER GIOIA: Right.

9 OMBUDSMAN BOWEN: -- the work that they do.
10 They're connected with most of the cities and counties.
11 Many cities still do have economic development functions.

12 BOARD MEMBER GIOIA: Right.

13 OMBUDSMAN BOWEN: And we typically connect
14 through them. We work a lot with the universities and
15 with the schools --

16 BOARD MEMBER GIOIA: Right.

17 OMBUDSMAN BOWEN: -- and not as much with
18 individual -- I mean, with all the cities that are around,
19 no. With the Governor's Office of Business and Economic
20 Development, we -- we work very closely with them to
21 understand what's happening with the -- the employment,
22 you know, development department. So how -- where are the
23 jobs happening, where are the problems happening, what
24 resources are available to get to small businesses to help
25 them higher somebody, if they need to hire somebody.

1 We look at the Franchise Tax Board, you know,
2 what opportunities do they have. So wherever there are
3 other government resources, we are -- those we're
4 constantly seeking out, and trying to connect those to the
5 small business folks. But actually, sitting down with
6 like the city manager and trying to figure out where we
7 can do things collaboratively, we haven't done that, and
8 that's a great suggestion.

9 BOARD MEMBER GIOIA: Great. Okay. And I'd be
10 glad to offer thoughts, which I'll do off-line. Thanks.

11 OMBUDSMAN BOWEN: Thank you.

12 CHAIR NICHOLS: So before we wrap this up, I want
13 to focus briefly on another aspect of your work,
14 recognizing the presence of Alan Abbs on the Small
15 Business Advisory Committee, and specifically to highlight
16 the fact that small businesses are also located in, and
17 many times are the only businesses located in, communities
18 in rural areas.

19 And we have a divide in our State, demographic
20 divide, which is only growing in terms of increasing
21 concentrations in the urban areas, and, you know, relative
22 lack of resources in some of the most rural parts of our
23 State, which cover the largest geography. Most of us here
24 are urban people. Ms. Riordan represents the rest of them
25 and does an able job, but she's outnumbered on a regular

1 basis.

2 And frankly, it's even more difficult sometimes
3 to think about how to design regulatory programs or
4 assistance programs in a way that rural areas can take
5 advantage of.

6 And so I just wanted to acknowledge that, and
7 also ask again if Alan has any particular thoughts or
8 advice about ARB's work in these areas, and whether there
9 are any sort of cross-cutting kinds of ideas that we might
10 want to be considering.

11 CAPCOA EXECUTIVE DIRECTOR ABBS: Well, thank you,
12 Chair Nichols. You put me on the spot there.

13 (Laughter.)

14 CHAIR NICHOLS: Sorry. And I didn't warn you
15 either.

16 CAPCOA EXECUTIVE DIRECTOR ABBS: As La Ronda
17 mentioned, I used to work in Tehama County and lived there
18 for many years. And in a rural district like Tehama
19 County, a lot of the work that the air district staff does
20 is really sitting down with folks that come into the
21 office and helping them get a permit, apply for a permit,
22 tell them the rules that apply to them, and basically
23 getting them through the process from start to finish,
24 whether it's -- whether it's getting a burn permit, a
25 stationary source permit, incentive grant.

1 And so a lot of the work that happens in the
2 rural areas is really retail, talking with folks and, you
3 know, going through the entire process. And so I think
4 you pointed out a big discrepancy between how things
5 happen with -- in rural areas versus urban areas, the
6 importance of small businesses, not only in urban areas,
7 but in rural areas as well.

8 And I think it is important to be able to -- one
9 of the things I think ARB has done right is to try to get
10 out throughout the State and host workshops in areas where
11 some of the problems are really -- or go out to where the
12 problems really are.

13 And so, as an example, during the Truck and Bus
14 Rule changes, ARB did some significant work going around
15 the State to areas and trying to explain how the
16 rulemaking would affect the business owners in that part
17 of the State. And I think things like that ended up being
18 really successful, in terms of getting folks to a better
19 understanding of how the rules were going to affect them.

20 So I think that that's a good -- a good strategy
21 going forward. Obviously, any help that air districts can
22 get in continuing to do the work that they do on a daily
23 basis in those areas would be appreciated as well.

24 CHAIR NICHOLS: Well, I guess you haven't chosen
25 the rule that you're going to work on as your pilot

1 program yet.

2 OMBUDSMAN BOWEN: No. Do you have a suggestion?

3 CHAIR NICHOLS: But -- No, I'm not about to make
4 a nomination, but I was going to suggest that if it's one
5 where there -- I assume it would be where there are --
6 where there are impacts all over the State of California,
7 that you'd put in a component that specifically addresses
8 this issue of the disparity between rural and urban areas,
9 in terms of how to -- how to do it.

10 We've confronted a number of these issues at the
11 Board, with the Truck and Bus Rule, when we talked about
12 school buses, and just in terms of the differences in the
13 way people experience air pollution around our State.

14 And so I just -- I'd like to at least make that a
15 feature of whatever it is you're going to end up doing,
16 and look forward to hearing more about it.

17 Other questions, comments?

18 BOARD MEMBER RIORDAN: No, but I thank you for
19 the last comment. One of the things that small districts
20 have little or no money to really help their small
21 businesses. And so if there is a way that we find, with
22 the help of some of our partners, that we could get that
23 message out to CAPCOA. I'm thinking that is probably the
24 best way to do it quickly, to let the members of CAPCOA,
25 who are in those small districts, have that kind of

1 information. They can sometimes put the appropriate
2 business with appropriate opportunities for grants, as
3 well as education.

4 I mean, we, I think, try to do both. But I can
5 just tell you that the small air pollution control
6 districts just simply don't have a lot of money to assist
7 their small businesses.

8 CHAIR NICHOLS: Right.

9 BOARD MEMBER RIORDAN: Thank you.

10 CHAIR NICHOLS: Thank you. Okay. Last words?

11 OMBUDSMAN BOWEN: Chair Nichols, if there's time,
12 maybe 1 or 2 of the SBOAP members would just like to say
13 thank you.

14 CHAIR NICHOLS: I'm sorry?

15 OMBUDSMAN BOWEN: If there's time, a few of the
16 SBOAP members would just like to say thank you to you.

17 CHAIR NICHOLS: Oh, of course.

18 MS. STEPHENSON: Thank you. I guess I get to go
19 first. No pressure.

20 We are very, very excited about the opportunity
21 to come before you and demonstrate our willingness and
22 eagerness to develop these relate -- and continue to
23 develop these relationships that we are working to develop
24 with the 3 million small businesses here in the State of
25 California.

1 That work could not be done obviously without the
2 support of this Board, and the foresight of the impacts
3 and the improvements that are going to take place as a
4 result of the actions that you take regularly.

5 And we just want to say thank you very much for
6 allowing us to be a part of this. Thank you for allowing
7 us to approach you today, and to be before you and answer
8 any questions, and thank you.

9 CHAIR NICHOLS: Well, thank you for your time.
10 Really, it's -- I know it's taking away from other things
11 you could be doing, so much appreciated.

12 MR. DeWITT: John DeWitt with -- there we go.
13 Oh, there's the green light.

14 John DeWitt, J.E. DeWitt, Incorporated. We are a
15 family run and owned business for 70 years in the San
16 Gabriel Valley. And I ditto my partner -- chair partners
17 conversation. I do have one question for you all, and
18 which we in small business are concerned about is, what
19 does it cost?

20 We have to measure our costs on a budget. We
21 project a budget, and then we go back and say what stones
22 do we stub our toe on, and where did the costs -- where
23 are the costs?

24 And this is from DeWitt, not necessarily from
25 anybody else, but I would like to see you put a program in

1 place to measure the costs. You have benefits. You have
2 costs. How do we project it what it might be?

3 What happens?

4 Thank you again.

5 CHAIR NICHOLS: Thank you.

6 Hi.

7 MS. MITCHELL: Good morning, Chair Nichols
8 members of the Board. Again, my name is Terrie Mitchell.
9 I just would like to also express our thanks for having
10 this Committee going forward, and really helping establish
11 processes to help small businesses. And I think there was
12 a common theme you heard today that how to better a great
13 environment -- integrate environmental sustainability,
14 economic growth, and small business assistance.

15 And they are -- they can be blended together, and
16 that bridge needs to be built on how can we affect that
17 process. And I think with our stakeholder engagement
18 process, I really think it opens the lines of
19 communication between the regulated community, as well as
20 with the regulators.

21 And oftentimes, there's really good solutions
22 that can come from that. So you can hear from businesses
23 on how they can address compliance issues, and that can
24 get brought in early into the regulatory process. And so
25 I think we're all looking forward to having that

1 engagement, and putting this through a process, and
2 hopefully that will help small businesses in the future.

3 Thank you.

4 CHAIR NICHOLS: Thank you.

5 Okay. Thank you, La Ronda, and thank you,
6 members of the Committee. I know that what you're doing
7 sometimes might seem like it was swimming against a tide,
8 but, believe me, we recognize the importance of what we
9 learn from you in making our programs better. So we truly
10 want to thank you for that, and hope that you feel that we
11 are listening, and we are grateful for the input, because
12 in the long run we won't succeed without you and the
13 communities that you represent, the groups, the
14 constituencies that you -- that represent, recognizing
15 that this is a complicated process, and it gets technical.

16 And, you know, you commented about the economics.
17 Just trying to do a study of the cost of a particular rule
18 when you have to factor in all the different entities that
19 might be subject to that rule in itself can be an
20 extremely complicated process.

21 So we keep trying to develop better tools, and we
22 learn from you. So thank you very much.

23 I'm going to suggest that we take a break, so
24 that we can have the group that was here now get a chance
25 to say goodbye and maybe even take a photo, if we have

1 anybody present who wants to do that. And then we can
2 reassemble after maybe a 10 minute break or so and take up
3 the scoping plan.

4 (Off record: 10:21 a.m.)

5 (Thereupon a recess was taken.)

6 (On record: 10:38 a.m.)

7 CHAIR NICHOLS: Come back to order.

8 CHAIR NICHOLS: I need my gavel. Ladies and
9 gentlemen. Could I get people in the back to sit down.
10 Helping you're going to join us.

11 We've been joined by our newest Board member. So
12 if you want to be present for a historic occasion, come on
13 in. Sit down.

14 Sit down. I see you, Stephanie.

15 All right. We have our EJAC representatives
16 here. We have our staff here. Where is Mr. Corey?

17 Is he here?

18 He will be.

19 We have a microphone. We have a microphone, and
20 it works. That's great. Well, I think we should give one
21 to Senator Lara.

22 Ladies and gentlemen, as I think everybody know
23 who follows the Air Resources Board, last year the
24 Governor signed legislation, 2 bills that were joined
25 together, SB 32 and AB 197. And they created 2 new

1 positions on the Air Resources Board for members of the
2 legislature, one from the Assembly and one from the
3 Senate, who would serve as ex officio members of the
4 Board.

5 We got the word yesterday that the Senate had
6 made its appointment. And he is here today, and he is a
7 very good friend of the Air Resources Board, and a author
8 of some significant air quality and climate legislation
9 over the last couple of years, and that is Senator Ricardo
10 Lara.

11 But before he's allowed to do anything, he has to
12 take an oath of office, because we all do. It's the same
13 oath that the Governor takes, that legislators take, and
14 Air Board members take too

15 So without further ado, I will ask you to please
16 raise your right hand, and repeat after me, "I, Ricardo,
17 Lara" --

18 SENATOR LARA: I, Ricardo Lara --

19 CHAIR NICHOLS: -- "Do solemnly swear" --

20 SENATOR LARA: -- do solemnly swear --

21 CHAIR NICHOLS: -- "that I will support and
22 defend" --

23 SENATOR LARA: -- that I will support and
24 defend --

25 CHAIR NICHOLS: -- "the Constitution of the

1 United States" --

2 SENATOR LARA: -- the Constitution of the United
3 States --

4 CHAIR NICHOLS: -- "And that Constitution of the
5 State of California" --

6 SENATOR LARA: -- and the Constitution of the
7 State of California --

8 CHAIR NICHOLS: -- "against all enemies foreign
9 and domestic;" --

10 SENATOR LARA: -- against all enemies foreign and
11 domestic --

12 CHAIR NICHOLS: -- "that I will bear true faith
13 and allegiance" --

14 SENATOR LARA: -- that I will bear true faith and
15 allegiance --

16 CHAIR NICHOLS: -- "to the Constitution of the
17 United States" --

18 SENATOR LARA: -- to the Constitution of the
19 United States --

20 CHAIR NICHOLS: -- "and the Constitution of the
21 State of California;" --

22 SENATOR LARA: -- and the Constitution of the
23 State of California --

24 CHAIR NICHOLS: -- "that I take this obligation
25 freely" --

1 SENATOR LARA: -- I take this obligation
2 freely --

3 NICHOLS: -- "without any mental reservation" --

4 SENATOR LARA: -- without any mental
5 reservation --

6 CHAIR NICHOLS: -- "or purpose of evasion" --

7 SENATOR LARA: -- or purpose of evasion --

8 CHAIR NICHOLS: -- "and that I will well and
9 faithfully discharge" --

10 SENATOR LARA: -- and that I will well and
11 faithfully discharge --

12 CHAIR NICHOLS: -- "the duties upon which I'm
13 about to enter".

14 SENATOR LARA: -- the duties upon which I'm about
15 to enter.

16 Got it.

17 (Laughter.)

18 CHAIR NICHOLS: Thank you. And welcome to the
19 Air Resources Board.

20 SENATOR LARA: Thank you.

21 (Applause.)

22 CHAIR NICHOLS: All right. Our new Board member
23 is going to be seated with us.

24 BOARD MEMBER GIOIA: Can I just note, and there's
25 been a few of us here who had a chance to go through

1 confirmation hearings when you were on -- with your role
2 on the rules Committee a few years ago.

3 So thank you for that.

4 SENATOR LARA: Thank you.

5 (Laughter.)

6 SENATOR LARA: I think I did well. I think I
7 picked some good folks.

8 CHAIR NICHOLS: You made the right decision.

9 (Laughter.)

10 CHAIR NICHOLS: Would you like to make any
11 opening remarks?

12 SENATOR LARA: Thank you. Thank you, Mary, and
13 thank you to the Board. It's great to be here, you know,
14 to be part of such an illustrious group and such a great
15 group of staff, that, you know, now more than ever it's
16 important for us to continue to lead the rest of the world
17 when it comes to our progressive environmental policies,
18 and ensuring we protect our most vulnerable, and that we
19 protect our beautiful State of California. And I'm
20 blessed to be part of such a distinguished group with
21 fellow colleagues of mine, in particular Hector De La
22 Torre, who we used to represent the same area, who really
23 well understands the need for us to continue to fight for
24 air quality.

25 And, of course, Senator Dean Florez passionate

1 advocate for our Central Valley. You know, for me, it's
2 such an honor to be part of the ARB now, to be able to
3 lend yet another voice to those who may not feel they have
4 a voice in our government, and to continue to fight for
5 those most vulnerable communities. I was -- you know, I
6 was raised in East Los Angeles, California, right next to
7 Vernon.

8 My playground was the railyards and the parking
9 lots of many of those companies, because we didn't have
10 appropriate park space. And sometimes we shut down the
11 street illegally to play ball.

12 (Laughter.)

13 SENATOR LARA: But those are the times of
14 yesteryear. Now, I'm glad to see that we continue to
15 improve the conditions of life for our most vulnerable.
16 So I look forward to having -- having those discussions.
17 And again, what we were able to accomplish through our
18 Short-Lived Climate Pollutant Plan, which Mary and I got
19 together in Paris. And I said I'm going to get this done,
20 one way or another.

21 And now we have the strongest targets in the
22 world to address what essentially is the next big fight
23 for us, is, you know, methane gases and black carbon.

24 And so I look forward to continuing having those
25 discussions, and look forward to being part of such a --

1 such a great group.

2 Thank you.

3 CHAIR NICHOLS: Thank you. Welcome aboard.

4 Your timing was perfect, because we were just
5 about to begin the second of three hearings on the scoping
6 plan for meeting the 2030 targets.

7 So I'm just going to make a couple of very brief
8 owning remarks, and then we'll get right into the staff
9 presentation.

10 The proposed plan was first presented to the
11 Board at the January Board meeting of this year. At that
12 meeting, the Board provided direction to the staff on some
13 additional analyses, and requested an opportunity to have
14 a joint meeting with the members of the Justice Advisory
15 Committee.

16 We held that meeting yesterday afternoon, so that
17 the Board members and the EJAC members could have a more
18 in-depth conversation. I think it was a very good
19 conversation. And although I certainly can't speak for
20 everyone there, I feel like I personally have a better
21 understanding of the Committee's concerns and its history
22 and deliberations.

23 And I learned some things which I have reflected
24 on. One of the things that came up yesterday, and that
25 has come up in the EJAC's earlier remarks to the Board, is

1 the desire of the Committee and some of our own Board
2 members - and I want to particularly thank Diane Takvorian
3 for having so articulately presented this - for more time
4 to comment on and consider the scoping plan.

5 Now, that the draft is out, I know that the
6 Committee is working hard to wade through the document,
7 and that they're also planning a series of community
8 meetings in March. After the discussion yesterday, as
9 well as thinking further on this and pressing the limits
10 that we have from a legal perspective, I am convinced that
11 we can improve the process by providing more time for
12 input, public discussion, and analysis.

13 So I am directing the staff to delay the Board's
14 consideration of the scoping plan until June of this year,
15 which means that the Board will also have to delay
16 consideration of the amendments to the Cap-and-Trade
17 Regulation until June as well. I think that will provide
18 more time for all of us to look at the analyses that the
19 staff are working on, as well as provide comments, and for
20 the staff to reflect those comments in the final draft
21 that the Board would act on.

22 So I think that's a good segue in today's -- into
23 today's staff presentation. Today the staff is going to
24 be providing an update on the progress that they've made
25 in directing -- in addressing our direction from January,

1 as well as the stakeholder comments that we heard at the
2 January Board meeting and at a recent workshop.

3 In addition, OEHHA is here with us to provide a
4 summary of their recently released report. So with that,
5 Mr. Corey, would you please introduce this item?

6 EXECUTIVE OFFICER COREY: Yes. Thanks, Chair
7 Nichols.

8 As you mentioned, this is the next step in the
9 process to develop California's plan to meet the 2030 GHG
10 target. Today, we're providing the Board with an update
11 on progress staff has made on the scoping plan in response
12 to Board direction provided at the January Board hearing,
13 and comments provided by stakeholders.

14 Since this is the second of three Board hearings
15 on the scoping plan, today's Board hearing provides
16 stakeholders an opportunity to provide additional comments
17 prior to the development of the final plan. I'm also
18 pleased to welcome Lauren Zeise and John Faust from OEHHA,
19 who have joined us to provide a summary of their report
20 and answer any questions you may have.

21 Based on the process we're going through, we're
22 confident that the final plan we bring to the Board to
23 consider in June will help California achieve its climate
24 goals, protect public health, especially in vulnerable
25 communities, and support the transition to a sustainable,

1 low carbon economy.

2 And with that, I'll now ask Emily Wimberger to
3 give the staff presentation.

4 Emily.

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

7 CHIEF ECONOMIST WIMBERGER: Thank you, Mr. Corey.
8 Good morning, Chair Nichols, all members of the Board, new
9 member of the Board.

10 Today, I'll provide a report on the scoping plan
11 process that has taken place since the January 27th Board
12 hearing. Today is the second of three Board hearings for
13 the scoping plan. The first Board hearing occurred in
14 January, and the third Board hearing will occur later this
15 year.

16 --o0o--

17 CHIEF ECONOMIST WIMBERGER: Today's Board
18 presentation includes background on the 2017 scoping plan
19 update, including the objectives that guide the proposed
20 plan. Then I will focus on the progress that has been
21 made since the proposed plan was presented to the Board in
22 January, including the release of the initial AB 32
23 implementation report issued February 2nd by OEHHA.

24 I will then outline refinements being made to the
25 scoping plan draft released in January. These refinements

1 include the presentation of supplemental information and
2 additional analyses in response to Board member and
3 stakeholder feedback.

4 The presentation will conclude with a schedule
5 for developing the final scoping plan.

6 --o0o--

7 CHIEF ECONOMIST WIMBERGER: Today, I will begin
8 with a reminder of the background for the scoping plan.
9 The proposed plan released in January describes how the
10 State will reduce greenhouse gas emissions by 40 percent
11 below 1990 levels by 2030. The most ambitious target in
12 North America.

13 The plan builds on the State's successful efforts
14 to reduce greenhouse gas, criteria and toxics emissions,
15 and work done in previous scoping plans. And the target
16 is consistent with global consensus about how much we need
17 to reduce greenhouse gases to avoid the most harmful
18 impacts of climate change.

19 In California, our greenhouse gas emissions have
20 declined due to the successful design and implementation
21 of many policies and programs. The proposed plan
22 describes how these programs can continue to play an
23 important role in achieving the 2030 target. In
24 particular, the proposed suite of policies provides the
25 most certainty in achieving the State's 2030 target, and

1 promotes technology, energy, and economic transformation
2 that will make our communities and economy more resilient
3 and equitable at the same time.

4 --o0o--

5 CHIEF ECONOMIST WIMBERGER: This slide lists some
6 key objectives to achieve the 2030 limit. A primary goal
7 of the scoping plan is to achieve the 2030 limit and put
8 us on the path to achieving the long-term 2050 limit of an
9 80 percent reduction below 1990 levels. We believe the
10 proposed plan includes features that provide the highest
11 certainty that we can achieve this target.

12 We want to provide direct greenhouse gas
13 emissions reductions in largest economic sectors to ensure
14 our economy is transitioning to more sustainable
15 production and energy.

16 The plan should also minimize emissions leakage
17 and ensure any reductions in California are not just a
18 result of relocation of those sources, or production out
19 of State, which in some situations could actually lead to
20 an increase in greenhouse gas emissions.

21 This scoping plan must include a mechanism to
22 support climate investments for programs in disadvantaged
23 communities to ensure these communities can benefit from
24 clean technology, fuels, and become more resilient in the
25 face of climate change. To date, approximately

1 \$470,000,000 from cap-and-trade auction proceeds are being
2 used for projects to benefit disadvantaged communities.

3 We must also leverage the plan to provide air
4 quality co-benefits to protect public health. The final
5 plan should also be cost effective, and provide compliance
6 flexibility, so that the economy can grow and support a
7 robust workforce while still reducing emissions.

8 Importantly, we want to make sure we are able to
9 work at subnational and national levels to ensure greater
10 greenhouse gas reductions through mutual collaboration.
11 Our Cap-and-Trade Program is currently linked with
12 Quebec's program, and proposed to be linked with Ontario's
13 program. It is also desirable to have a scoping plan that
14 readily meets the mandates in the U.S. EPA's Clean Power
15 Plan.

16 --o0o--

17 CHIEF ECONOMIST WIMBERGER: This slide outlines
18 public meetings and reports that have been released in the
19 weeks since the January Board hearing. On February 2nd,
20 OEHHA released an initial report titled, "Tracking and
21 Evaluation of Benefits and Impacts of Greenhouse Gas
22 Limits in Disadvantaged Communities". The report was
23 prepared in response to a December 2015 directive issued
24 by the Governor to analyze possible benefits and impacts
25 to communities identified as disadvantaged under SB 535

1 So the reports are intended to address concerns
2 that regulatory programs aimed at reducing emissions of
3 greenhouse gases may have unintended effects of increasing
4 other air pollution, like toxic air contaminants, in
5 environmental justice communities or leaving communities
6 behind if there are broad reductions, but they're
7 occurring elsewhere.

8 Of course, climate change programs also have the
9 potential to reduce emissions of both greenhouse gases and
10 conventional air pollutants in disadvantaged communities.

11 So the slide shows the Governor's directive. The
12 report that you have was prepared in response to this
13 directive that was issued by Governor Brown a little over
14 a year ago. The directive asked for a series of reports
15 to look at the benefits and impacts of the greenhouse gas
16 limits in disadvantaged communities.

17 OEHHA is to look at emissions of a variety of air
18 pollutants, including greenhouse gases, criteria air
19 pollutants, toxic air contaminants, as well as public
20 health and other environmental health exposure indicators
21 related to air pollutants in disadvantaged communities.

22 So I'd like to start by saying that this initial
23 analysis does not make conclusions regarding benefits or
24 impacts in communities resulting from any climate change
25 program.

1 Our analysis is a first look at the types of data
2 that are available for greenhouse gas facilities, the
3 proximity of emitting facilities to disadvantaged
4 communities, and how greenhouse gas emissions relate to
5 other air pollutants.

6 Next slide.

7 --o0o--

8 OEHHA DIRECTOR ZEISE: So our first report
9 focuses on industrial facilities and other sources that
10 emit greenhouse gases and are regulated under ARB's
11 Cap-and-Trade Program. It emphasizes releases of air
12 pollutants from large emitting facilities.

13 One of the objectives was to look at whether
14 these facilities tend to be differentially located in
15 disadvantaged communities. These communities -- the
16 communities we looked at were the ones identified by
17 CalEPA in 2014 based on their pollutant burdens and
18 population vulnerabilities, such as poverty, using our
19 CalEnviroScreen tool.

20 The top 25 percent of California's approximately
21 8,000 census tracts rated by CalEnviroScreen were
22 identified as disadvantaged by CalEPA. Another objective
23 was to look at how facility's emissions of greenhouse
24 gases, like carbon dioxide, may relate to emissions of
25 other pollutants, specifically the criteria and toxic air

1 pollutants for major cap-and-trade facilities.

2 Here, we made use of data from both ARB and the
3 U.S. Environmental Protection Agency. We also developed a
4 couple of case studies looking at trends in emissions for
5 cement plants and refineries.

6 Our -- again, our initial work is limited. Much
7 of it relies on data we were able to obtain regarding
8 emissions of air toxics for a single year 2014. We intend
9 to continue gathering information on emissions from these
10 facilities to more fully examine trends. We also intend
11 to look at other AB 32 programs where there are potential
12 benefits and impacts to disadvantaged communities.

13 Next slide.

14 --o0o--

15 OEHHA DIRECTOR ZEISE: Overall, our report makes
16 several findings. Major industrial facilities regulated
17 under the Cap-and-Trade Program are more likely to be
18 located in or near disadvantaged communities.

19 Second, emissions of greenhouse gases from major
20 cap-and-trade facilities were moderately correlated with
21 emissions of particulate pollution, PM2.5, as well as
22 other criteria air pollutants and toxic emissions.

23 Correlations varied among different kinds of
24 facilities. Refineries, for example, showed the strongest
25 correlation between greenhouse gases and toxic

1 co-pollutants, and cement plants showed moderate
2 correlations.

3 Regarding our case studies of refineries and
4 cement plants, we saw variations among indus -- individual
5 facilities, and the correlations between greenhouse gases
6 and criteria and toxic co-pollutants.

7 These case studies illustrate that the
8 relationship between greenhouse gases and other pollutant
9 emissions is complex. Knowing the changes in greenhouse
10 gas emissions at a particular facility doesn't tell you
11 exactly what the changes in toxic air contaminant or
12 criteria air pollutant emissions have occurred.

13 Nonetheless, OEHHA's analysis suggests that
14 reductions in greenhouse gas emissions from large
15 greenhouse gas emitting facilities are likely to result in
16 varying amounts of lower emissions and exposures to other
17 pollutants in and around communities located near such
18 facilities.

19 However, again, this is based on limited data and
20 investigation. There's a need for additional
21 investigation into the factors that drive emissions
22 changes, and what future greenhouse gas reductions may
23 mean for changes in emissions of toxic pollutants.

24 Data on greenhouse gases in air toxics are
25 collected by different agencies, and other programs

1 operating under different reporting requirements. These
2 regulatory programs were established over time by
3 different legislative mandate. This complicates data
4 acquisition and complicates data interpretation.

5 Co-reporting of high quality data on criteria,
6 air toxic, and greenhouse gas emissions for facilities
7 subject to the Cap-and-Trade Program would substantially
8 aid the investigation of emissions impacts.

9 Next slide.

10 --o0o--

11 OEHHA DIRECTOR ZEISE: So as I mentioned, this is
12 a first report. OEHHA will continue to acquire and
13 analyze data for future reports, which will build on this
14 report's initial work.

15 The Cap-and-Trade Program is still relatively
16 new. And as the program continues to generate data over
17 the next several years, it should become easier to detect
18 and evaluate trends in emissions.

19 In future reports, OEHHA also plans to expand its
20 analysis to cover other climate change programs in
21 addition to the cap and trade, and include an analysis of
22 the benefits and impacts arising from investment of
23 Greenhouse Gas Reduction Funds.

24 CHIEF ECONOMIST WIMBERGER: Thanks, Lauren.

25 --o0o--

1 CHIEF ECONOMIST WIMBERGER: Now, I will discuss
2 the refinements to the scoping plan that are underway in
3 preparation for the release of the final plan. The
4 proposed plan posted for comment on January 20th includes
5 all the analyses and appendices to support the choice of
6 ARB's preferred scenario.

7 Refinements to the proposed plan will provide
8 more information to compare all alternatives presented in
9 the proposed plan, and include refinements to the economic
10 appendix as outlined in the January draft of the proposed
11 plan.

12 These refinements include an analysis of the
13 regional impacts of the proposed plan, and all
14 alternatives, as well as additional sensitivity analysis
15 related to uncertainty and abatement from greenhouse gas
16 reduction measures and costs.

17 These refinements are being incorporated into the
18 economic analysis in response to stakeholder comments,
19 including those received from the EJAC committee and the
20 economic reviewers to the scoping plan.

21 The refinements also include a supplemental
22 health analysis as proposed by Supervisor Gioia at the
23 January Board hearing. I will provide additional detail
24 on the methodology for this supplemental analysis in a few
25 moments.

1 --o0o--

2 CHIEF ECONOMIST WIMBERGER: Refinements are also
3 being made in the presentation of material across the
4 proposed plan and 4 alternatives. The final plan will
5 include the same level of detail in the description and
6 modeling for the proposed scenario and all alternatives.

7 --o0o--

8 CHIEF ECONOMIST WIMBERGER: This slide presents
9 an outline of the additional detail that will be
10 incorporated into the scoping plan in regards to the
11 cap-and-tax alternative. The draft plan released on
12 January 20th, included a description of the cap-and-tax
13 alternative, but there was a request for staff to provide
14 greater detail on this alternative.

15 Staff has evaluated a cap-and-tax option as an
16 alternative to a post-2020 Cap-and-Trade Regulation, as
17 part of a suite of measures to achieve the 2030 statewide
18 emissions target.

19 Similar to a post-2020 Cap-and-Trade Program, the
20 cap-and-tax alternative would be put in place to achieve
21 the emissions reductions needed to close the gap between
22 the known commitments and the 2030 target. Each entity
23 covered by the cap-and-tax alternative would be subject to
24 an individual annual cap on emissions that would decline
25 each year by 4 and a half percent.

1 This declining cap would cover all sectors,
2 including industry, transportation, energy, agriculture,
3 recycling and waste, high GWP gases, and residential and
4 commercial, not just those entities currently covered by
5 the Cap-and-Trade Program.

6 Each metric ton of greenhouse gas emissions would
7 also be subject to a tax set at the social cost of carbon,
8 approximately \$50 in 2030. Additional penalties would be
9 assessed for emissions above an entity's individual cap.
10 For example, an entity may be assessed a penalty of 3
11 times the tax rate for emissions above its cap.

12 Under this alternative, there is no trading among
13 entities and there's no use of offset credits. Thus,
14 entities covered by the cap-and-tax program would need to
15 reduce on-site emissions, and utilities and fuel suppliers
16 would need to reduce emissions for delivered energy and
17 fuels in order to meet the annually declining entity
18 emissions caps.

19 --o0o--

20 CHIEF ECONOMIST WIMBERGER: This slide outlines
21 some additional details within the cap-and-tax
22 alternative. ARB is considering using the social cost of
23 carbon for the tax, similar to the carbon tax alternative.
24 Within the cap-and-tax alternative, it is the declining
25 cap that will set the level of emissions, not the tax,

1 which will act as revenue generator that can be used to
2 further greenhouse gas reductions, provide a dividend to
3 California households or other uses.

4 Under the cap-and-tax alternative, additional
5 program design details, including the growth of production
6 at facilities and the entry of new industry into
7 California would need to be addressed prior to adoption
8 and implementation.

9 Additional work would also be needed to establish
10 a base reference year and annual caps for each entity in
11 California. We would not want to set up a process that
12 incentivizes increases in emissions if future years were
13 to be used as the basis for declining emissions caps.

14 ARB does not believe that every sector will be
15 able to achieve the 4 and a half percent annual reduction
16 required to meet the 2030 target under the cap-and-tax
17 alternative.

18 The cap-and-tax alternative is expected to have
19 the highest cost to the California economy of all the
20 analyzed alternatives. This can translate into
21 significant reductions in the State economy, loss of
22 industry, and loss of employment as entities in California
23 reduce production or move out of State.

24 The potential for emissions and economical
25 leakage is high under the cap-and-tax alternative, while

1 there's no opportunity for linkage of a cap-and-tax
2 program with other jurisdictions.

3 Additional detail on the impacts and the economic
4 modeling of the cap-and-tax alternative will be presented
5 in the March scoping plan workshop, as well as in the
6 final plan.

7 --o0o--

8 CHIEF ECONOMIST WIMBERGER: There are also
9 refinements being made to the economic analysis of the
10 proposed plan. As outlined in the January draft, ARB is
11 continuing to refine the economic analysis in response to
12 stakeholder comments. These refinements include analyzing
13 the impact of the proposed plan and alternatives by
14 region, including an estimation of the impact on
15 disadvantaged communities as identified by CalEnviroScreen
16 2.0.

17 This additional work is in response to
18 stakeholder feedback asking for additional granularity in
19 the economic analysis. The planned refinements also
20 include sensitivity analysis to analyze the impact of
21 uncertainty and varying ranges of greenhouse gas abatement
22 and costs across the proposed plan and alternatives.

23 ARB is also making refinements to the modeling
24 across all scenarios, including updating cost information
25 in response to stakeholder feedback. Modeling results for

1 the proposed plan and all alternatives will be presented
2 with a uniform level of detail for the final plan. This
3 additional detail will allow for easy comparison across
4 all the alternatives.

5 In response to stakeholder and Board member
6 comment at the January Board hearing, the refinements also
7 include a supplemental analysis incorporating estimated
8 avoided health impacts from the proposed plan and
9 alternatives into the economic analysis. Relying on
10 health experts, researchers, and established
11 methodological techniques, ARB is working to quantify and
12 monetize the avoided health impacts that are projected to
13 result for the proposed scenario and the alternatives.

14 --o0o--

15 CHIEF ECONOMIST WIMBERGER: This slide provides
16 additional detail on the framework used to estimate the
17 health impacts associated with the proposed plan and
18 alternatives. Some actions that reduce GHG emissions can
19 also lead to reductions in ozone and PM2.5 precursors, and
20 toxic air contaminants. Reductions in these non-GHG
21 emissions can reduce adverse health impacts and reduce
22 cancer risk in California.

23 Actions that result in GHG reductions in the
24 transportation sector can also lead to significant health
25 benefits by promoting active transportation, as well as

1 improving air quality.

2 ARB will be utilizing some of the AB 197 analyses
3 to quantify the health benefits of the proposed plan and
4 the alternatives. We will need to make assumptions about
5 how reductions in GHGs may relate to toxic and criteria
6 pollutant reductions. All of those assumptions are
7 already caveated in the proposed plan.

8 Reductions in criteria and toxics can be
9 translated into health risks. This process is similar to
10 how ARB has quantified health impacts of other plans and
11 measures.

12 For active transportation, staff presented the
13 proposed methodology for how to quantify the health
14 impacts at the February 9th workshop and is seeking
15 comments on this methodology.

16 --o0o--

17 CHIEF ECONOMIST WIMBERGER: Regarding next steps
18 and the schedule going forward, the original schedule is
19 outlined on this slide, although that is now outdated,
20 given Chair Nichols' remarks.

21 (Laughter.)

22 CHIEF ECONOMIST WIMBERGER: Staff will work to
23 modify the original schedule, and make these details
24 available to the public as soon as possible. We will hold
25 at least one additional workshop that will outline --

1 we'll both take comments on the proposed plan, as well as
2 the refinements to the proposed plan, and we will continue
3 to support the EJAC as they meet and have community
4 meetings throughout the State.

5 This concludes my presentation. I would now like
6 to invite members of the EJAC to the podium for comment.

7 EJAC MEMBER VALENZUELA GARCIA: Good morning.
8 Long time, no see.

9 (Laughter.)

10 EJAC MEMBER VALENZUELA GARCIA: I think it's been
11 about what 12 hours since we last saw each other.

12 Thank you for time on today's agenda. My name is
13 Katie Valenzuela Garcia. I am one of the provide
14 co-chairs of the Environmental Justice Advisory Committee
15 joined today by Mayor León from the City of Huron, who
16 will speak after me, and also joined by our colleagues
17 Eleanor Torres and Luis Olmedo in the back from Brawley.

18 First, I just want to thank you all again for
19 what was, we think, a historic meeting yesterday of the
20 full Air Resources Board and the Environmental Justice
21 Advisory Committee. We were excited that we got to start
22 some really important conversations. One of those
23 conversations was around the need for a just transition
24 for workers.

25 As Emily just noted, we all are -- we are all

1 worried about the potential for job loss in our
2 communities as industry starts to do more direct emissions
3 reductions. So our ability to understand what those
4 clean, green, living-wage jobs will look like, so we can
5 start investing in those training and resources for those
6 workers is really exciting and a conversation we're
7 looking forward to continue with you all.

8 We also talked a lot about -- about getting a
9 better understanding of public health impacts of this
10 plan, of all of the scenarios of this plan, and really
11 encouraging staff to continue the work that started to
12 figure out how we can better quantify the cost from a
13 public health perspective, as well as an economic
14 perspective in all of the decisions that we're trying to
15 make.

16 And finally, how to include data like the OEHHA
17 report that was recently completed, the Cushing Report
18 that came out in September, so we make sure that the
19 scoping plan is based on the fullest range of data that's
20 available to us before it's adopted.

21 So we are incredibly grateful that you've given
22 us some more time. One of the things that we've talked
23 about a lot is the need for a thorough analysis of our
24 recommendations that have been completed to date, because
25 we did discuss how there -- more conversation about things

1 that can be in the scoping plan, but there's also some
2 things that are outside of the scoping plan, and might
3 require ARB's commitment to work with other agencies, as
4 well as our legislative allies to figure out how we can
5 make sure our communities have what they need as
6 California moves towards these ambitious targets.

7 So we're looking forward to seeing that full
8 analysis, and we'd like to reiterate our idea to continue
9 having these joint meetings, hopefully in April, since
10 we'll have another round of recommendations to you at the
11 end of March, after we complete another round of robust
12 community meetings that you are welcome to attend, so that
13 we can continue the discussion and start honing in on
14 areas of agreement and areas of need for further
15 discussion.

16 Thank you.

17 EJAC MEMBER LEÓN: Buenas Tardes. Good
18 afternoon, or is it still morning. Buenos días in that
19 case.

20 My name is Ray León, founder and executive
21 director of the Latino Environmental Advancement and
22 Policy Project, very long. We just say LEAP, Valley LEAP,
23 in the San Joaquin Valley.

24 And just recently, as you just heard, elected as
25 Mayor of my home town in the City of Huron. I'm very

1 proud that. Huron is a farmworker community on the west
2 side of the valley, near the 5. Very detached from the
3 county resources, and so in -- and one of the poorest, I
4 think the poorest, cities in the State of California.

5 And I'm very proud of participating in the EJAC,
6 but also proud of being of California -- proud of being
7 from California, you know, partially because of the
8 leadership that we have here. You know, I appreciate all
9 of you at the Air Resources Board. I think your
10 leadership and the staff as well has been instrumental.
11 And, of course, the leadership of the legislature, I think
12 we're showing the way to the country, right? And not just
13 in terms of greenhouse gases, but in other matters, which
14 I'm, you know, proud to say, you know, I was born and
15 raised in California.

16 But, you know, in regards to the auction funds
17 and the investments, I think there's still some gaps in
18 rural San Joaquin Valley and other similar regions. I
19 have my good friend and ally here from the Coachella
20 Imperial valleys, farmworker regions as well. I think we
21 need to pay a little bit more attention there. And Dean
22 knows about that as well.

23 But I'd like to, you know, share my appreciation
24 that I think there's been some un-siloing, you know,
25 within the agencies, at least under CalEPA, the BDOs, you

1 know. I think we've still got some work to do there, but,
2 you know, we're working towards it, right?

3 Not overnight. I think part of it is just
4 building the relationship, that trust, that amistad, and
5 really working together to develop the best and ideal, you
6 know, process for all of our folks here in the State.

7 I also -- I would like to recommend that we start
8 lassoing in this innovative spirit for sustainability to
9 other State institutions. You know, on the way up here I
10 was thinking, and I've got friends that are teachers and
11 Presidents of the California Community Colleges, and I had
12 a conversation with them on the road up from Huron,
13 regarding -- hey, you know, I was telling them you guys
14 are training truck drivers and other things that aren't
15 directly, you know, related to the clean energy plaza we
16 intend to build.

17 You know, and I would like my families in the
18 future to say, yeah, my tio helped build that, my
19 grandfather helped build that. You know, it makes it more
20 intimate, you know, a solution for greenhouse gases, but
21 that also helps reflect and empower a culture of
22 sustainable living, right?

23 And when you're able to say, yeah, may tio, you
24 know, that's -- that creates something very strong,
25 cultural. And so not only are we developing these things,

1 but we're making them to where they are also bolstering
2 or -- is that the right term? -- the culture to continue
3 with that sort of work.

4 And, you know, just thinking about that in
5 regards to -- we have a struggle for high school right now
6 in my home town, you know, in the schools -- the public
7 schools, they should be learning about this. I don't know
8 if it's in the curriculum yet, but, you know, our
9 innovation is something to applaud, and it's recognized
10 worldwide.

11 So our children should know about it to be proud
12 of it and have that morale to continue and be not just the
13 manufacturers, but the engineers. And that's what I'd
14 like to see from my home town of Huron. But, you know,
15 we're number one and we'll continue to be number one under
16 the free energy sun.

17 (Spoke in spanish) Thank you.

18 EJAC MEMBER OLMEDO: Good morning. Thank you,
19 Chairman Nichols for your leadership in leading us from
20 policy into actions into hopefully transformational
21 impacts on disadvantaged communities. I also want to
22 congratulate Senator Lara for your appointment and the 2
23 other seats, environmental justice, Diane Takvorian and
24 Board member Senator Florez. I think it's historic.

25 I do have an ask. I'm very supportive of my

1 colleague's comments. I'm won't repeat them. But I do
2 want to reinforce the fact that I think it was another
3 historic moment yesterday when we met, both the
4 Environmental Justice Advisory Committee, the Air
5 Resources Board. I'd like to ask that we continue those
6 meetings, whether they're quarterly, or whether they're
7 biannual. I'm not sure how feasible or how frequent we
8 can have those meetings, but I'd like to make that
9 recommendation.

10 There's a lot of discussion also in terms of
11 measurements in terms of metrics. And I'm also very
12 pleased with the way the discussion from the executive, to
13 the staff, to the Board of -- and other academic
14 institutions, such as those that were convened by USC[sic]
15 President Janet Napolitano who have really taken very
16 serious the discussion of community monitoring. We've
17 seen it very effectively implemented in emergencies like
18 Aliso Canyon. We'd like to see it continue in
19 disadvantaged communities, and hopefully measure what the
20 impacts of disadvantaged -- of investments will be moving
21 forward into the -- now and into the future.

22 We need those data. We need the data gaps. Very
23 clearly today, OEHHA, the Director and staff, have -- John
24 had brought that to your attention. I read that in their
25 report. There's a lot of data gaps. And hopefully,

1 through this community monitoring, or other types of data
2 acquisition instruments, we can fill in those data gaps
3 and have a better picture of how to move forward.

4 Thank you very much. Appreciate it.

5 CHAIR NICHOLS: Thank you. Thank you, all.

6 All right. We also have about 20 witnesses who
7 have signed up to speak on this item. And we are going to
8 be imposing our usual 3 minute time limit on the speakers.
9 So we also are using both of the podiums. They both have
10 live mics on them. So if you could be ready and come on
11 down before your time to actually speak, that would be
12 much appreciated.

13 We're starting off this morning with an ARB
14 alumnus. Now, the head of the Placer County Air Pollution
15 Control District, Erik White.

16 MR. WHITE: This is -- this is a little different
17 for me, but good morning, Madam Chairman and members of
18 the Board.

19 (Laughter.)

20 MR. WHITE: My name is Erik White, and I'm the
21 Director of air pollution in Placer County. So no, I am
22 not here to talk about the Truck and Bus Rule this
23 morning.

24 (Laughter.)

25 MR. WHITE: The last time I was here, it was --

1 it was to say so long to many old friends. And so it's
2 great to be here again today to see so many familiar faces
3 and friends, and welcome new members to the Board,
4 including Senator Lara.

5 It's been great. I want to just emphasize that
6 as we've worked with staff, and we really appreciate the
7 coordination and cooperation of staff with the air
8 districts on the development of, not just the scoping
9 plan, but the various other elements of the State's
10 climate strategy.

11 It's very important, as we think about how the
12 State is going to meet those strategies, to recognize that
13 it is a multi-pronged stool. So as we think about whether
14 it's the scoping plan the Short-Lived Climate Pollutant
15 Plan, the climate investments, the Forest Carbon Action
16 Plan, that, as was mentioned in the previous presentation,
17 we not think about these things in a silo. We have to
18 recognize that while one might focus on a particular
19 aspect of the plan, all of them interrelate to how the
20 State and local agencies are going to meet those targets.

21 So I have a few specific comments I want to make.
22 And I think really the best example of that interrelations
23 when we think about wildfires. A single wildfire can wipe
24 out all of the benefits that we see from our anthropogenic
25 black carbon strategies that we have.

1 And it also represents 80 percent of the carbon
2 emissions from working lands. So recognizing black
3 carbon, carbon, and the need to -- for forest resiliency
4 is very important as we move forward.

5 Focusing on the scoping plan itself, a couple of
6 comments that the staff of the Air District would like to
7 make. And first is that it's going to be very important
8 we think to increase the information about black carbon
9 and carbon sequestration in forests and working lands, and
10 to more aggressively encourage research and identify
11 strategies to reduce the carbon, black carbon impacts from
12 those sources.

13 There is a number of efforts underway to better
14 help our understanding of emission inventories, carbon
15 sinks, carbon inventories in the forests, but we think
16 there's information now that the plan could start to move
17 forward with recommendations as to how to start to address
18 those[sic] information. We don't need perfect at the
19 expense of good, and we should begin progress now in
20 making -- making those projects -- making those efforts,
21 especially as we recognize that there's over 100,000,000
22 dead and dying trees in California. And despite the
23 recent rains, those numbers are going to increase until
24 the situation stabilizes in our forests.

25 A couple of actions that we think would be ideal

1 for inclusion certainly could be the development of liquid
2 biofuels from -- in support of Low Carbon Fuel Standard
3 from woody biomass, recognizing and supporting the
4 important role of biomass energy, as we think about the
5 renewable -- renewable portfolio standard, and recognizing
6 that a -- that was a quick 3 minutes.

7 (Laughter.)

8 MR. WHITE: -- that black carbon.

9 CHAIR NICHOLS: That's right.

10 MR. WHITE: It is -- that black carbon emissions
11 can be reduced by 98 percent as we think about outlets
12 through fixed facilities.

13 So again, thank you for the opportunity to
14 testify and look forward to working with staff in the
15 future.

16 CHAIR NICHOLS: Thank you.

17 Tiffany

18 MS. ROBERTS: Good morning, Madam Chair and
19 members of the Board. Thank you for the opportunity to
20 speak today. We understand that the task ahead of you is
21 a daunting one. It's going to be tough to balance your
22 current program with the requirements of 197. So we don't
23 envy you.

24 And I think conversations like yesterday's are
25 really important in working through a lot of the issues

1 that we have before us. You put in a significant amount
2 of time yesterday. And the conversation was striking,
3 particularly in regards to jobs, and those jobs
4 specifically in the fossil fuel industry.

5 Much of that conversation was consistent with
6 ARB's analysis, the economic analysis. It's Appendix E,
7 page 23. I think it's important for all of us to look at
8 that page, because that page indicates what the potential
9 job loss is of this plan. And we're talking anywhere from
10 62,000 to 99,000 jobs. So there does seem to be, at least
11 an acknowledgment, that many of these jobs will be coming
12 from the fossil fuel industry.

13 And you've heard from lots of folks on the issue,
14 but I think today what we wanted to be able to do is to
15 present a little bit of the other side of the story. So
16 as you folks hear from folks in the industry, as they come
17 to you today, and they speak, and they share their story,
18 we just ask that you keep a couple of things in mind.

19 The first thing is the comment that was made
20 yesterday during the workshop. There was someone who
21 mentioned the fact that we need a better sense of the
22 overall mapping of where green jobs are. It seems like
23 there's some anecdotal evidence, some snapshots of where
24 those jobs are, but we don't really have a comprehensive
25 view of where those jobs are.

1 And so without that -- without that, what we
2 potentially risk is dislocation of workers, of families.
3 And so we'd ask you to keep that in mind. And then the
4 other thing that we would ask you to keep in mind is that
5 there is another way. Cap and trade will directly reduce
6 greenhouse gas emissions, and could potentially allow us
7 to save some of the jobs.

8 So I know staff has worked, they did the all
9 cap-and-trade analysis. We'd continue to ask to have the
10 results of that analysis released, again so that public
11 policymakers, yourselves included, have the opportunity to
12 kind of deliberate over those numbers, especially when
13 we're talking about the numbers in terms of jobs that are
14 at stake. So again, thank for the opportunity to speak
15 today.

16 CHAIR NICHOLS: Good.

17 MS. MARTINEZ: Hi. I'm Deanna Martinez. I work
18 at Shell Oil. And I can tell you first hand that I grew
19 up in the industry. My father, my grandfathers, my
20 cousins, my uncles, I mean, I grew up going to visit them
21 at work at Chevron. So I -- my children work in the
22 refinery, so I feel it's a safe environment.

23 I started out as a pipefitter, now I work in
24 operations, and health and safety, so I get to see a
25 little bit of everything. When I got hired in 2013, I was

1 working on a project that was -- for the green -- sorry,
2 greenhouse emissions reduction. And I -- I like to say
3 that they're doing a lot of things to reduce the -- you
4 know, the emissions.

5 And if you guys would -- I'm opposed to the
6 reduct -- the 20 -- sorry. I'm not -- I'm new to this
7 kind of stuff -- the 2030 change. And I think it's
8 what -- the policy that they have now is effective and are
9 they're making the right changes.

10 Thank you.

11 CHAIR NICHOLS: Thank you.

12 MR. ENGLAND: Hello, Board members. My name is
13 Don England. And I'm an analyzer technician at the Tesoro
14 Refinery. I've worked in the -- as a analyzer technician
15 in the continuous emission monitoring for approximately 25
16 years. I work -- I've worked in the refinery and power
17 generation for 25 years. I can tell you that we, in the
18 industry, have done a tremendous amount of work over the
19 years installing state-of-the-art equipment and process
20 upgrades that have dramatically reduced emissions.

21 As a result, California has some of the most
22 efficient facilities in the world. And I'm proud that I
23 could be a part of the tremendous change.

24 When I heard that our State legislature is
25 considering requiring all refinery facilities to come up

1 with the same level of efficiency, as the most efficient
2 facility in the State, this concerns me, not because we
3 don't want to be a conscientious contributor to cleaner
4 air, but because of the way individual refineries are
5 designed and built. It is not as straightforward as you
6 might think.

7 We don't fault anyone for not understanding that,
8 but it seems as though some people probably don't
9 understand how different facilities are built, and how
10 they work. It is important before arbitrarily targeting
11 facilities to meet a single standard that each of you have
12 a better understanding of how each facility works before
13 making such broad changes.

14 Refineries especially differ vastly from one
15 another. And it is not possible for every refinery to
16 achieve the same efficiency. In fact, refineries are
17 designed to run at optimal levels. These levels vary --
18 these levels differ based on the design of a facility. If
19 a refinery is forced to run for extended periods of time
20 at levels other than their designed optimal level,
21 emissions will actually result in higher greenhouse gas
22 emissions per barrel produced. This will result in the
23 opposite effect of what this regulation is intending.

24 I was glad to hear the recommendation to push the
25 vote to June. I think it is important that more time is

1 spent together talking through the technical side of what
2 is being suggested in the refinery measure before it is
3 included in this blueprint document. I believe the State
4 wants to make sure that this plan is as well vetted as
5 possible. And as a refinery community, I know we would
6 welcome the opportunity to share the more technical
7 aspects of this, so better informed decisions can be made.

8 I appreciate your time. Thank you.

9 CHAIR NICHOLS: Thank you.

10 BOARD MEMBER GIOIA: And, Madam Chair, can I make
11 just one brief comment. Over here. I'm over here.

12 CHAIR NICHOLS: Oh, excuse me. Sorry.

13 (Laughter.)

14 BOARD MEMBER GIOIA: Over here.

15 So I just wanted to say, I know there was a
16 reference to air district engineers not understanding
17 refineries. The air district engineers, who are among the
18 same group of engineers who discovered and caught
19 Volkswagen cheating on its emission control, are highly
20 trained engineers who understand refinery operations, and
21 are working with the facilities in addition.

22 So I just wanted -- I think it's important to
23 note, because there's word that goes out that the
24 engineers at the air district don't understand refineries.
25 These are some of the most qualified engineers who

1 understand these -- who are again -- whose colleagues
2 discovered the emission control violations at Volkswagen,
3 which has resulted in billions of dollars to the State.
4 So I just wanted to acknowledge that.

5 CHAIR NICHOLS: Okay. Thank you.

6 Mr. Cruz.

7 MR. CRUZ: Good morning. My name is Patrick
8 Cruz. I am a process operator -- I'm a process operator
9 employed by Tesoro Martinez Refinery. I've been a
10 operator for 9 years. I actually went through the Process
11 Technology Program in the local community college. And I
12 thought it was a good opportunity to be able to contribute
13 to our economy, and have a job that I thought was future
14 proof.

15 I'm here in spite of the fact that public
16 speaking is not strong suit. I'm actually terrified right
17 thousand, but I'm more --

18 (Laughter.)

19 MR. CRUZ: -- terrified of losing my job. And
20 going back to my co-workers, 650 directly employed in
21 Tesoro Martinez. We have about 1,000 contractors. And I
22 know yesterday there was a meeting, and it was discussed
23 that -- offhand that people can be retrained to green
24 jobs, people can be relocated. But it kind of brings
25 images of Solyndra, Fisker Motors, and other failed green

1 jobs out there. So you understand our hesitation and our
2 stress, especially seeing all the numbers come up.

3 Yeah, it is hard not to be concerned, because we
4 are Californians, we are Californians who work in the
5 industry, who help drive the economy. And I just hope
6 that the Board does its due process of actually analyzing
7 the unintended consequences, the impacts, because I love
8 California.

9 I don't really want to go to Texas. I've been
10 there. California has a different standard of living. I
11 immigrated here from the Philippines back in 1998, signed
12 up in the military, did my stint for about 3 years, went
13 through college, worked various jobs, and then discovered
14 this industry.

15 This is one of the few industries where you can
16 only have a high school diploma and actually earn a living
17 wage in California. In a way, we're all
18 environmentalists, because we want to make sure that
19 there's no spills or fires, because I'm the one who has to
20 respond to a spill or fire. I'm part of the emergency
21 brigade in my refinery.

22 So thank you again for letting me speak. And I
23 appreciate all the concerns that are being brought up
24 here, both for the environmental and the industry side.

25 CHAIR NICHOLS: Thank you. You know, you have a

1 right to speak. It's not -- we didn't just let you speak.
2 You're here, because you have a right to speak, and we
3 have an obligation to listen, and we also have an
4 obligation to try to put together a plan that works, and
5 that works for the most people, and that causes the least
6 disruption.

7 So we really do appreciate your coming and
8 telling us your concern, as an individual. And understand
9 that we are listening, not just to you or those who come,
10 but also to all of the information that we can get. We're
11 not voting on anything here today, but we do really
12 appreciate the fact that these are big decisions and they
13 impact real people's lives. So thank you for taking the
14 time.

15 BOARD MEMBER BALMES: And despite your jitters,
16 you did a really good job.

17 (Laughter.)

18 MS. NGUYEN: Hi. My name is Callie Nguyen. And
19 I'm an environmental air specialist at the Chevron
20 Richmond Refinery. I've been with Chevron for about 2 and
21 a half years. And before that, I worked for BAAQMD for 7.

22 I took the time off work to come here today,
23 because I am concerned, I think as many people have said,
24 about the potential impact of this plan in ARB's
25 analysis -- economic analysis. In the economic analysis,

1 it says that the proposed plan will cost anywhere from
2 62,000 to 99,000 jobs.

3 Since my industry seems to be the only one with a
4 direct measure, I'm concerned most of these jobs will be
5 lost in my industry. I am proud to work in this industry
6 for many reasons, but I am most proud of the diversity of
7 the people that I get to work with. Thirty percent of
8 industry workers are latinx, 30 percent have a bachelor's
9 degree or higher, and a third of workers have high school
10 credentials or less.

11 This last point is very personal to me as the
12 child of an immigrant refugee, who came to the U.S. from
13 Vietnam. My father came here with no formal American
14 education, and was only able to find work in the light and
15 heavy industries.

16 But without these jobs, like the jobs in my
17 industry, my father would have very likely never risen
18 above the fragile economic status he arrived in.

19 I will end by saying as an environmental
20 specialist, I am pro-regulation, and I -- I know you have
21 a difficult decision in front of you. I only ask as a
22 child of a -- of a working class family that you keep in
23 mind the widening gap and income inequality in California,
24 and the possible impact of this proposal on the working
25 class and immigrants of our States. These communities may

1 not have the means nor the desire to relocate and/or
2 retrain for entirely new careers.

3 Thank you.

4 CHAIR NICHOLS: Thank you.

5 MR. REED: Good morning, Madam Chair and Board
6 members. My name is Greg Reed. I'm an employee at the
7 Chevron refinery in Richmond. And I've been an employee
8 there for 11 years. My background is a little unique.
9 I'm actually a third generation from Richmond. My family
10 is from all parts of Richmond, but my father is from North
11 Richmond. And I am a legacy child. So I'm the second of
12 our family to work at Richmond -- or at Chevron. We don't
13 consider it Chevron, it's Standard Oil.

14 (Laughter.)

15 MR. REED: That's what the old people tell me. I
16 want to comment on some of the other comments that my
17 counterparts have already addressed. The potential for
18 job loss, and these type of job losses, I represent -- I
19 want to be a face and a voice for those that couldn't be
20 here. I did take off work to be here, and it's very
21 important. My background, I started at Chevron as an
22 operator. I operated many of the units.

23 Now, I'm in the health and environmental safety
24 department. I'm actually in compliance. So everyone at
25 the refinery is familiar with me. We do take

1 environmental compliance very serious and I do hold people
2 accountable.

3 As you can see, I'm a member of the Chevron Fire
4 Department. I'm a volunteer brigade member. Because of
5 that, not only was I able to get a job -- and we're
6 talking jobs with just like -- like Patrick said, high
7 school diploma, driver's license, and a clean record, I
8 was able to gain skills and more training to further my
9 career.

10 I'm a certified hazmat technician. I'm certified
11 to respond in confined space rescue, emergency response,
12 CPR, wildland fire, the list goes on.

13 A few of my concerns, like everyone else, is job
14 loss. I already come from an economically challenged
15 neighborhood and community. And it's -- and most of the
16 people that I come in contact with that I talk to, they're
17 concerns is how can I got a job at Chevron, not how are we
18 going to lose jobs at Chevron?

19 So I want to just encourage you please to take a
20 serious look at the economic impact of the proposed -- of
21 the proposed plan. Also, just the tax revenue from our
22 facility as well to the city.

23 I want to speak on behalf of just the 1,200
24 employees, the 3,000 contractors that I work with on a
25 daily basis, they -- we have various people that are

1 relying on us. I think about the ladies at the lunch
2 counter that own the small businesses that we frequent for
3 lunch. I think about our vendors that we do business
4 with, whether it's parts, maintenance, or materials, our
5 painters. I also want to remember just our truck drivers
6 and all the delivery folks. These are people that come in
7 and out that may not always be thought of, but are
8 affected by what happens at our facility.

9 I also want to just -- also remind you that
10 there's single mothers. I have a cousin, and she's
11 raising here own son off of one income, and that's unheard
12 of in California these days.

13 We are very proud of what we do.

14 Excuse me.

15 We're safe an reliable for those people, and we
16 want to make sure that all the loved ones that you want to
17 see, you're able to go see them, take your kids to school,
18 go to the grocery store and put food on the table.

19 CHAIR NICHOLS: Excuse me, but your time is up.
20 That was what that buzzer meant.

21 MR. REED: All right. Well, I think you for your
22 time.

23 CHAIR NICHOLS: Thank you.

24 And while we're waiting for our next speaker.

25 You know, I don't usually interrupt the flow or try to get

1 into debates with people, believe me, but I think it's
2 important that we understand something, because several
3 people have now quoted numbers from the economic analysis
4 that's in the report to the effect that there would be job
5 losses. And that's something that makes us all sit up and
6 take notice, because we've lived through times in this
7 State where there have been job losses.

8 But I want to be clear that this economic
9 assessment is looking prospectively out to 2030. And,
10 Emily, you're the economist here, so maybe you could
11 explain what those numbers are actually referring to.

12 CHIEF ECONOMIST WIMBERGER: Yes. There's been a
13 lot of reference to -- it's page 23, Table 15. And I
14 think it is important to put these numbers into context.
15 So what we're doing in this table and generally when we're
16 modeling the overall impacts of both the proposed plan and
17 all of the alternatives is we're projecting the California
18 economy into 2030.

19 So this is a different California economy based
20 on today's, but we're thinking about growth. And in 2030,
21 the California economy is a \$3.4 trillion economy. So
22 what this number -- this number that's being referred to,
23 it's really a reduction in the growth of jobs from that
24 2030 baseline that we're seeing. And that's not, you
25 know, job losses from today's level. It doesn't represent

1 job losses in 2030. It's really a slowing in the growth
2 of job -- of jobs.

3 And so looking at overall employment in
4 California, it's about a 0.3 percent change in the level
5 of employment in 2030 relative to this projected baseline.
6 And what that means is it would take about 3 months longer
7 for these jobs to materialize.

8 So the economy is just growing a little bit
9 slower because of the implementation of the proposed plan.

10 CHAIR NICHOLS: Okay. So, I mean, there is an
11 impact, no question about it, but it's off of some growth
12 that otherwise we would expect to be more robust and fast.

13 CHIEF ECONOMIST WIMBERGER: That's right. We
14 base our projections on Department of Finance's
15 projections of the California economy. So there's growth
16 in production, there's growth in population. So we're
17 going to see a continuing growth in the California economy
18 for 2030.

19 CHAIR NICHOLS: And that's really 3 months worth
20 of growth?

21 CHIEF ECONOMIST WIMBERGER: It's about 3 months,
22 yeah.

23 CHAIR NICHOLS: Okay. Well, I hope at least that
24 when we continue to talk about this and others do, that
25 they try to be accurate then when they talk about it.

1 Okay. Thank you, sir. Go ahead.

2 MR. QUIROZ: Good morning. My name is Richard
3 Quiroz. I've worked at Chevron for almost 29 years, and
4 I'll try to avoid numbers here.

5 (Laughter.)

6 MR. QUIROZ: This scoping plan presents
7 challenges and opportunities. The challenge obviously is
8 achieving greenhouse gas emissions in support of climate
9 objectives.

10 There's an opportunity here for the Board to act
11 in ways that won't adversely affect employment, that won't
12 restrict the flow of goods and services, and that won't
13 restrict the capabilities of our airports.

14 Every refinery job like mine shouldn't get
15 eliminated. It has a cascading effect on the local
16 economy, assuming that there's a non -- that there's an
17 alternative non-carbon economy awaiting is not realistic.
18 And at my age, it's too late to start over.

19 Many cities are struggling to maintain essential
20 services, like fire, police, and maintaining roads.
21 Several more cities are close to bankruptcy. Measures
22 that target refinery operations could aggravate many of
23 these situations.

24 Many people here today drove here, some probably
25 flew here. Please think about a world wear these means of

1 travel are becoming less available. And I've worked here
2 almost 29 years, and I still can't afford a Tesla.

3 (Laughter.)

4 MR. QUIROZ: Reservation glitches have caused --
5 reservation glitches and inclement weather have caused
6 tremendous chaos at airports lately. Think about a world
7 where every day at the airports is as chaotic as
8 Thanksgiving weekend, because there are not enough flights
9 due to fuel being unavailable.

10 But I -- but I do want to commend, Madam Chair,
11 for your suggestion to take the time to continue to work
12 on a measured holistic approach that realistically
13 considers impacts on society.

14 Thank you for the opportunity to speak.

15 CHAIR NICHOLS: Thanks.

16 MR. CUFFEL: Good morning, Madam Chair, members
17 of the Board, ARB staff, and members of the public. My
18 name is Don Cuffel, and I'm the Health Safety and
19 Environmental Director at Valero's Benicia refinery. But
20 more important than my role in industry, I'm a native
21 Californian, and I have 3 grandchildren. And we all live
22 here and we all breathe the air. So don't think for one
23 minute that I'm not committed to air quality and
24 protecting the environment.

25 When I look at proposed regulations, or in this

1 case proposed scoping plan update, I look through both of
2 those lenses. I look through the lens of an experienced
3 fellow in industry, and as a citizen with a family that
4 I -- for which I have concerns.

5 So I was disappointed to read -- and forgive me
6 here while I get my glasses on -- that for refineries the
7 regulation would require facilities to become more
8 efficient through such actions as boiler electrification.
9 And the reason I'm disappointed is because that's not a
10 viable solution. No matter how well intended it is, it
11 doesn't reflect an understanding of the role that boilers
12 play in refineries, not only to generate steam, but to
13 keep the refinery in, what we call, fuel gas balance,
14 something I can't explain in 3 minutes.

15 However, staying in fuel gas balance is essential
16 for a safe, stable, environmentally compliant operation.
17 It's not discretionary. It's absolutely a must.

18 So my specific ask for the Board today is that we
19 have technical meetings with staff, not workshops with
20 presentations, but that we sit down and talk about what is
21 the role of a boiler in a refinery, and is it viable to
22 include it as a proposed solution in your plan.

23 That really concerns me, because I think it -- it
24 may set people up to think, oh, all they need to do it
25 electrify. That should be quite easily done, and it's

1 not. So that's my specific ask.

2 Thank you for considering my request.

3 CHAIR NICHOLS: Thank you.

4 MR. SCHUCHARD: My name is Ryan Schuchard. I'm
5 with CalStart. We represent 160-plus member companies who
6 are committed to a clean transportation future. These are
7 transit agencies, clean fuel, clean vehicle technology
8 producers, creating jobs and building revenues and
9 investments for the State.

10 Madam Chair and Board members, thank you very
11 much for this -- for this forum. Senator Lara, welcome.
12 It's great to have you.

13 And let me just please first say thank you to the
14 staff of ARB for such a diligent and thoughtful process to
15 get us to this point. Just a couple of quick items.

16 Number one, CalStart continues to advocate for
17 the inclusion of cap and trade and the Low Carbon Fuel
18 Standard post-2020. These are policies which create the
19 incentives that companies need to invest in the
20 technologies that bring the prices down, and create the
21 jobs in the future.

22 Number two, as for the Low Carbon Fuel Standard
23 reduction targets specifically, please let me underline
24 that a higher stringency in the policy means more
25 incentives, and a faster path to commercializing new

1 technology and creating jobs. A 20 percent slope, which
2 is one of the paths considered, is merely a straight line
3 from 2010. And we need to be ramping up and not down our
4 commitments.

5 And I'll just close by saying that as we were
6 speaking a new report was released that highlights how cap
7 and trade and LCFS are complementary, that strong LCFS
8 drives down auction prices.

9 Actually, one final closure remark. Let me just
10 say that ARB's leadership today is more important and more
11 visible in the United States than it ever has been, and we
12 applaud you all for your leadership.

13 Thank you.

14 MR. TOWNSEND: Good morning, Madam Chair and
15 members of the Board. Thank you very much for the
16 opportunity to speak with you today. My name is Kevin
17 Townsend. I'm with a company called Bluesource and we
18 develop carbon offset projects.

19 It's a tremendously tumultuous time in our
20 country right now, and there are many reasons for this.
21 But one of the ones that is most perplexing to me, and
22 disconcerting, is that truth just doesn't seem to matter
23 any more.

24 It seems that facts can be given without fact
25 checking. It seems that information can be manipulated,

1 and it seems that as long as we deny something enough
2 times, that it no longer matters if it's true.

3 And I just want to -- this goes without saying,
4 but I want to encourage the Board to be resolute in just
5 raging against this trend through very, very careful
6 evaluation of the information that it's presented with.

7 So why do I bring this up? There are claims that
8 are being made about the effects of the kinds of projects
9 that companies like mine produce. And there are even
10 implications of our intent. And these are going without
11 fact checking. And you'll probably hear some of them
12 today.

13 And I know that this is a value that's shared by
14 the Board, but I do what I do, because I have a passion
15 for helping local and global communities with respect to
16 environmental harm. Another example that is more concrete
17 is that there's lot of talk around a Dornsife study of
18 Preliminary Environmental Equity Assessment of
19 California's Cap-and-Trade Program. And I am not here,
20 let me be clear, to refute or agree with any of the
21 report's findings.

22 I just want to note that it is preliminary. And
23 there's a very important phrase, and I want to be accurate
24 as well in my facts, so I'm going to read it. In this
25 report in the conclusion that say "Further research is

1 needed before firm policy conclusions can be drawn from
2 this preliminary analysis".

3 Yet, that's exactly what some are trying to do.
4 They're trying to influence policy decisions using a
5 preliminary assessment. And so I think that these authors
6 need to be given more time to make their assessment full
7 and complete, and that it should be peer reviewed as well.
8 And it does remind of another study that I also don't want
9 to -- or I'm sorry, actually, the next sentence in the
10 report says that, "As regulated industries adapt to future
11 reductions in the emissions cap, California is likely to
12 see more reductions in localized GHG and co-pollutant
13 emissions".

14 CHAIR NICHOLS: What is the study you're
15 referring to? You said Dornsife?

16 MR. TOWNSEND: USC Dornsife.

17 CHAIR NICHOLS: Oh, USC. Okay.

18 MR. TOWNSEND: I'm sorry.

19 CHAIR NICHOLS: Oh, the Cushing Report.

20 Okay. Sorry. Thank you.

21 MR. TOWNSEND: It goes by a few names but that's
22 the one. And so the report is actually saying that we're
23 likely to see more emission reductions local as the
24 program goes on.

25 And that reminds me of a report that was recently

1 done by the ABT Institute on the RGGI program over 5-year
2 span, that has some remarkable health benefits attributed
3 to a 5-year timeline: 8,200 to 9,900 asthma exacerbations
4 avoided; 14,500 respiratory illnesses voided. More, but
5 maybe the most important one, is the 300 to 833 -- 830
6 adult deaths avoided in a 5 year program.

7 May I have just a few more seconds?

8 CHAIR NICHOLS: All right. Go ahead. Finish up.

9 MR. TOWNSEND: Thank you.

10 I just want to encourage us that cap and trade
11 needs more time. It was a design -- it was a program
12 designed to take a while. And so let's not throw it out
13 or radically change it before it has the chance to do
14 exactly what it's intended to do.

15 Thank you.

16 CHAIR NICHOLS: Thank you.

17 MR. EBERT: Good morning, Chair Nichols and ARB
18 Board. I'm Craig Ebert, President of the Climate Action
19 Reserve. Any conscientious Californian should be
20 concerned about local air quality and toxicity concerns
21 affecting any community, particularly our disadvantaged
22 communities.

23 We need effective strategies to address that
24 problem, but global climate change strategies is not the
25 place to start. And in particular, trying to take carbon

1 offsets out of the equation fails to recognize that
2 they're actually part of the solution, not the problem.

3 Carbon offsets have a strong environmental
4 justice underpinning. You can just look at that by
5 examining the projects that have been done here in the
6 State, many of which are in disadvantaged or severely
7 disadvantaged communities.

8 And just use one example as -- of a dairy
9 digester. Anybody who's familiar with uncontrolled
10 emissions in water control at a farm from their childhood
11 knows full well what the air and water quality benefits
12 are of effective environmental control. And are offset
13 projects are bringing those benefits to the table. We're
14 not only achieving direct emission reductions, but we're
15 creating jobs in many communities around the State.

16 I mentioned that there is a strong environmental
17 justice component. I had the privilege of assisting on
18 international negotiations leading up to Kyoto Protocol.
19 And I can tell you offsets are part of the international
20 formulation for solving the climate problem, precisely
21 because countries like Brazil and the rest of the
22 developing countries demanded assistance on reducing
23 emissions for a problem that they didn't feel was
24 particularly their responsibility.

25 Why did I bring this up today?

1 We like to say we're the fifth largest economy.
2 We're also the 18th largest emitter in the world. And
3 it's hard to be an international leader if all we're going
4 to do is look inward. There's a fundamental moral
5 imperative here with our climate strategy, and carbon
6 offsets are one of the tools in the tool belt. Humanity
7 is out of time. We need more tools, not fewer, and let's
8 ensure that carbon offsets and an effective cap and trade
9 program is available to all of us moving forward.

10 Thank you.

11 CHAIR NICHOLS: Thanks.

12 MR. HUGHES: Keeping my eye on the clock.

13 Thank you, Chair Nichols, members of the Board.
14 It's an honor to be here. My name is Gary Graham Hughes,
15 and I work with Friends of the Earth, United States.

16 We are encouraged by the decision of the Board to
17 provide more time to the public to comment on the scoping
18 plan. And we also commend the Board for the decision to
19 give the staff more time to develop a scoping plan that is
20 scientifically defensible, economically fair, and socially
21 just.

22 And the reason why we think this is important
23 that the staff have more time to develop the scoping plan,
24 is that we find the scoping plan to be deficient in many
25 ways, including most principally in science, and a failure

1 to fully address the root causes of global climate change,
2 which is essentially the mobilization of fossilized carbon
3 and our use of fossil fuels.

4 One of our greatest concerns is that the
5 Cap-and-Trade Program, as it is being built out in
6 California, is leaky. It's phenomenally leaky. The
7 dependence on offsets is leakage, and by definition in
8 science.

9 Actually, the Cap-and-Trade Program has all the
10 environmental integrity of the emergency spillway at the
11 Oroville Dam. We besiege the members of the Board to
12 seriously address the public health shortcomings and the
13 erroneous scientific assumptions underpinning the role of
14 offsets and the concept of offsets as they're being
15 presented in the California Cap-and-Trade Program.

16 Offsets fail to provide public health benefits in
17 the communities shouldering the burden of pollution, and
18 they also perpetuate a type of climate illiteracy, a
19 certain climate science denial. And remember that one of
20 the defining characteristics of climate science denial is
21 the cherry-picking of science, and the using of political
22 and economic reasoning to push science aside.

23 So the science is really clear that the impact
24 from our mobilizing fossilized carbon and burning fossil
25 fuels is essentially irreversible. And as you know, the

1 Forest Carbon Plan is now up for discussion this
2 afternoon, and it's incredibly inadequate.

3 So as far as California providing global
4 leadership, it's actually essential that California take
5 action here at home. Okay. And that includes addressing
6 deforestation.

7 And the last thing I want to say really as
8 someone who grew up in a timber family, and the discussion
9 about jobs, it's very important, and we demand a just
10 transition for fossil fuel communities and timber
11 communities, but to remember there are no jobs on a dead
12 planet.

13 I'm going to leave a couple items with the clerk.
14 Hopefully, copies of all this can be made and distributed
15 to the Board in order -- especially that you can read a
16 letter that we presented last fall.

17 CHAIR NICHOLS: That will be included.

18 Thank you.

19 MR. BENGTSSON: Good morning, Chair Nichols,
20 members of the Board and a warm welcome to Senator Lara.
21 Lots of clever and moving testimony here today. I'm just
22 going to tell you up front, I'm coming at you
23 straightforward and wonky.

24 So 3 points for your consideration.

25 (Laughter.)

1 MR. BENGTSSON: The first is just I'd like to
2 reiterate that achieving California's 2030 goals is going
3 to take a combination of well-designed programs, like the
4 LCFS, like the RPS, and cap and trade.

5 We agree with the analysis in the proposed
6 scoping plan that points to many of the alternatives being
7 inadequate from both an environmental and an economic
8 perspective. And the proposed scenario in Alternative 3,
9 both of which include cap-and-trade, are most suitable to
10 be considered for adoption with, of course, some
11 modifications.

12 One modification that is -- bears talking about
13 today is the addition of a strength in price cap for
14 cap-and-trade allowance prices. This was actually
15 seconded by the Legislative Analyst's Office this week,
16 which mentioned that this will be important as the -- as
17 substantial price volatility could get involved as we move
18 towards a 2030 -- moved towards 2030.

19 So second, returning to the new modeling in the
20 proposed scoping plan, we really want to recognize staff
21 for their efforts to thoroughly evaluate all of the
22 alternatives and to have added new alternatives. In
23 particular, we appreciate the incorporation of uncertainty
24 into the analysis, which also points towards cap and trade
25 as a great option.

1 And similarly, we thank ARB for providing a
2 dollar per metric done metric for each cost -- of cost
3 effectiveness for each scoping plan measure, which again
4 endorses cap and trade as a strong cost-effective option
5 for achieving our goals.

6 Finally, we encourage ARB to provide some
7 additional information -- all the great analysis they've
8 done, and we just want more -- as part of the AB 197
9 analysis. So yesterday, Vice Chair Berg made a really
10 great point about having to define the zeros for her
11 employees when sharing financial information. And this is
12 basically the same principle.

13 We'd like ARB to include a summary of its current
14 local air pollutant inventory. This is needed to give
15 context for the amount of reductions, which are quantified
16 for each local air pollutant. We just need to know what
17 we're looking at, how much does that really mean?

18 Additionally, we encourage ARB to provide
19 additional details on its methods and assumptions for
20 determining the avoided criteria and toxic emissions
21 presented in Table 3-1. It's just important, so that we
22 can interpret and understand the avoided emissions rates
23 that are assumed.

24 There are some counterintuitive findings,
25 especially for the electric sector, and we have some more

1 detailed comments that we'll submit, and we can talk
2 through those with staff if need be.

3 But again, we really appreciate staff continued
4 efforts. It's a lot of work to get us to 2030. And we
5 agree that the cap-and-trade inclusive options are the
6 right way for California to meet its important
7 environmental goals.

8 Thank you very much.

9 CHAIR NICHOLS: Thanks.

10 MR. WUNDER: Madam Chairman, members of the
11 Board, welcome to Senator Lara. My name is Andy Wunder.
12 I'm here with Ceres. We are a nonprofit environmental
13 group that advocates for sustainability leadership. I --
14 we mobilize a network of businesses, 39 leading businesses
15 across the U.S., that represents \$400,000,000,000 in
16 annual revenue.

17 This group advocates for the adoption of
18 meaningful energy and climate legislation, and is excited
19 to provide comment on the scoping plan. This group called
20 BICEP includes many California based, including Levi's,
21 eBay, Dignity Health.

22 BICEP is here to show business support for the
23 extension of California's successful Cap-and-Trade
24 Program. Cap and trade has proven an excellent backstop
25 to the State's greenhouse gas mitigation work, and we

1 applaud staff for their inclusion of cap and trade in the
2 proposed plan.

3 BICEP supports cap and trade as a key component
4 of California's Climate Program, along with complimentary
5 programs like the Low Carbon Fuel Standard, because it
6 allows for compliance to be achieved in the most
7 cost-effective way possible.

8 With increasingly ambitious goals, the adoption
9 of the most economically efficient policy is paramount for
10 California businesses. Furthermore, continuing the use of
11 a current policy with a successful 4-year track record of
12 compliance provides regulatory consistency that is
13 critical for California businesses.

14 BICEP also appreciates the global leadership
15 value that California's Cap-and-Trade Program provides, as
16 it allows for international partnerships, supports future
17 leakages, and is serving as a model for carbon pricing
18 nationally and globally.

19 Put simply, BICEP believes that cap and trade
20 must be made a central part of the State's strategy to
21 meeting our 2030 emission goals. BICEP is also very
22 supportive of strong transportation policies, advancing
23 the deployment of clean vehicles and clean fuels in order
24 to reduce carbon emissions from the sector.

25 We see the Low Carbon Fuel Standard as a key

1 California climate program, and we support the extension
2 of the Low Carbon Fuel Standard in the current proposed
3 scenario, which is a key complement to cap and trade.
4 However, we believe the 18 percent recommendation for the
5 Low Carbon Fuel Standard fails to fully leverage a policy
6 that has driven investment in job creation across the
7 State, and we encourage setting a more aggressive Low
8 Carbon Fuel Standard policy for 2030.

9 We also see the deployment of zero emission
10 passenger and freight vehicles as a key strategy for
11 reducing fuel costs, as well as carbon emissions
12 associated with our company's operations. Given that
13 California's ZEV Program, Zero Emission Vehicle Program,
14 will fall short of its 2025 target, it will be necessary
15 not only to strengthen the post-2025 program, but also
16 provide support for workplace charging, infrastructure,
17 and purchasing incentives in order to drive zero emission
18 vehicle deployment.

19 Similarly, we urge the adoption of ambitious
20 policies to promote the electrification of heavy-duty
21 trucks.

22 Thank you for your time.

23 CHAIR NICHOLS: Thank you.

24 MS. SULLIVAN: Good afternoon, Chair Nichols and
25 Board, and welcome to Senator Lara. My name is Shelly

1 Sullivan. I'm here representing the Climate Change Policy
2 Coalition. And I do indeed believe it's unanimous that we
3 all thank you for the extended time in -- for the
4 examination and the review of the 2030 scoping plan and
5 the Cap-and-Trade Regulation.

6 First, I'd like to say that I think yesterday's
7 conversation, and yesterday afternoon's workshop was
8 extremely important, and it really brought a lot of
9 interesting points to light.

10 CCPC has long advocated for like -- an Industry
11 Advisory Council, like the EJAC Committee. And I'd like
12 to say that although we've -- it's not a vision of what we
13 had wanted, we wanted to thank La Ronda for reaching out
14 to us and suggesting that she meet with us.

15 The meeting has not occurred, but we do look
16 forward to that, and I think that that's at least some
17 sort of a start.

18 Second, we believe that the economic allowances
19 for the all-cap-and-trade scenario should be released. We
20 think that this will allow all stakeholders the ability to
21 assess the merits of that scenario, and we do believe that
22 the more information we have, the better as we move
23 forward.

24 And finally, CCPC further believes that
25 complimentary -- further complimentary measures will

1 result in taking funds out of the -- our Cap-and-Trade
2 Program, and that these measures will actually undermine
3 the Cap-and-Trade Program with regard to programs
4 designated for disadvantaged community programs.

5 We continue to support a well designed
6 Cap-and-Trade Program with a broad use of offsets. And so
7 we hope that you further look toward that as you move
8 toward implementing the 2030 scoping plan.

9 That's it. Thank you.

10 CHAIR NICHOLS: Thank you.

11 MR. GILL: Good afternoon, Board members. My
12 name is Walt Gill. And I'm up here from a small town of
13 Kensington in West Contra Costa County. So I'm a
14 constituent of Supervisor Gioia.

15 I also work --

16 BOARD MEMBER GIOIA: There's been a few
17 constituents here today, I see that, yes.

18 MR. GILL: Yes, and there may be more.

19 I'm also the Government Affairs Manager at the
20 Chevron refinery in Richmond.

21 First, I want to thank all of you for the work
22 that you're doing in support of the quality of life in
23 California. It's important to us as citizens and to the
24 many people that work at our facility. Our refinery is
25 the largest in the Bay Area. We supply 25 percent of the

1 motor gasoline, 70 percent of the jet fuel that goes to
2 the airports to fly the jets, and all of the base lube oil
3 in the western United States.

4 So we feel we're important to the regional
5 economy. And as you make your decisions, please be
6 thoughtful of that.

7 We also heard talk about disadvantaged
8 communities this morning. And that's certainly true of
9 Richmond. And our company has been there for 100-plus
10 years, and we're very proud to be part of that community.
11 We recently entered into an agreement with the city to
12 supply \$90,000,000. Some of that was for greenhouse gas
13 reductions. It included a \$35,000,000 scholarship program
14 to allow local high school kids to go to college. So
15 we're very proud of that, and we're going to continue to
16 support the community.

17 So what we'd like to ask today is that you
18 continue to be thoughtful, use good data as you make these
19 very important decisions. And the other thing that I will
20 ask, as Supervisor Gioia will tell you, the door is always
21 open at our facility to come and take a tour to meet our
22 people, to understand what we do as far as toxic
23 reductions, as far as greenhouse gas reductions.

24 So we would love to have any of you come and tour
25 our facility in keeping with the Brown Act. And John can

1 be your tour guide.

2 So thank you very much.

3 (Laughter.)

4 CHAIR NICHOLS: I suspect he could give the tour.

5 (Laughter.)

6 BOARD MEMBER GIOIA: We can show you the
7 wonderful Richmond shoreline.

8 (Laughter.)

9 CHAIR NICHOLS: Great.

10 MR. PENRITH: Good afternoon. My name is Sean
11 Penrith. I am the executive director of the Climate
12 Trust. We're an unusual not for profit. We run an impact
13 investment fund specifically focused on carbon.

14 Last year, there was a research report that
15 determined that \$2.89 billion of impact capital remained
16 on the sidelines last year, because there was no
17 investable product. And so when we speak with impact
18 capital people in the major capitals, one of the issues
19 they keep on pointing out to us is, there is no, what they
20 call, deal flow.

21 And so the offset mechanism that you have
22 carefully implemented offers an unprecedented mechanism,
23 or conduit, to marry impact capital with real and tangible
24 permanent reductions on the ground.

25 So, in case it's not clear, we are very

1 supportive of the continuation of the Cap-and-Trade
2 Program post-2020 with the inclusion of the 8 percent
3 limit. Offsets account for 55 million tons of real
4 reductions.

5 Any discussion about removing them off the table
6 removes 55 million tons of greenhouse gas reductions that
7 have occurred primarily in the natural and working lands
8 sector. We invest in grasslands, forestry, and digesters.
9 Many of our projects are located in disadvantaged
10 communities.

11 We see firsthand what our investment stimuli does
12 to those projects. So keep up the good work. Let this
13 program reach the 2030 goal, and please continue allowing
14 the inflow of needed impact capital.

15 Thank you.

16 CHAIR NICHOLS: Thanks.

17 MR. BARRETT: Good afternoon. I'm Will Barrett
18 with the American Lung Association in California.

19 First of all, I'd like to say welcome to Senator
20 Lara, and thank you for your clean air leadership. It's
21 been wonderful working with you in the Capitol and now
22 here. So thank you and welcome.

23 We support the Board moving forward with the
24 health evaluation, the supplemental evaluation that's
25 coming to look at the potential positive and negative

1 health outcomes of the full range of programs and
2 scenarios included the plan.

3 We think we'll find information helpful on lung
4 disease, heart disease, diabetes and other chronic
5 illnesses. I wanted to quickly thank Mr. Gioia, Ms.
6 Takvorian, and Dr. Balmes for their leadership on this
7 issue, as well as the whole Board for supporting.

8 In addition to looking at air quality and toxic
9 information, we appreciate the Board as moving forward to
10 look at an analysis of active transportation health
11 benefits. We think this is a key example of the type of
12 information that will really help strength the plan going
13 forward.

14 Recently, at the Strategic Growth Council, and at
15 the public health work group Climate Action Team, there
16 were good discussions of active transportation health
17 benefits that I think will just help strengthen this whole
18 discussion.

19 Further, I think the adaptive management program
20 within the cap-and-trade rule will be helpful in looking
21 at the local pollution impacts of toxics and other air
22 pollutants.

23 Overall, we feel the evaluation can strengthen
24 the scoping plan as a whole, and really help us move
25 forward to create the greatest benefit to all

1 Californians.

2 To expand the health benefits, we look forward to
3 that ongoing discussion, and think that the Board should
4 really focus on elevating the direct emission reduction
5 programs that can provide the most direct local air
6 quality benefits, such as increasing the zero emission
7 freight targets to over 100,000 units, to optimize black
8 carbon reductions, as well as improve health in port
9 communities, looking at protecting local public health
10 through the refinery measure and other stationary source
11 measures, and as well as strengthening the zero emission
12 vehicle mandate, and Low Carbon Fuel Standard beyond the
13 current rates of progress.

14 We also think that aligning the land use and
15 transportation targets within the scoping plan can help
16 move the ball forward in building healthy, sustainable
17 communities for all Californians, and think that that's
18 going to be an important measure to really align our SB
19 375 processes and investments with the 2030 target.

20 Finally, we think that the evaluation as a whole
21 is really an important step. It's something that the Lung
22 Association and our public health partners have been
23 advocating for over the last several months of this
24 process, and we really do appreciate seeing it come -- you
25 know, coming forward and look forward to participating in

1 that process.

2 So with that, I'll thank you for help, and
3 improving air quality in California.

4 Thank you very much.

5 CHAIR NICHOLS: Thank you.

6 MR. NEWELL: Good morning, Madam Chair, members
7 of the Board. I'm Brent Newell with the Center on Race,
8 Poverty and the Environment.

9 Before I'm on the clock, I have a clarifying
10 question about the Chair's announcement earlier. I
11 appreciate the extension until June. The EJAC was very
12 interested in getting that extension. The question is, is
13 the cap-and-trade extension regulation also extended till
14 June?

15 CHAIR NICHOLS: Yes. Yeah.

16 MR. NEWELL: Okay. And is the comment period for
17 the scoping plan extended beyond March 6th?

18 CHAIR NICHOLS: I believe everything gets
19 extended.

20 EXECUTIVE OFFICER COREY: Chair, based on your
21 direction, I'm regrouping with staff, but there will be
22 adjustments to each of those deadlines that were
23 reflected.

24 CHAIR NICHOLS: I don't have a date, but yes --

25 EXECUTIVE OFFICER COREY: Correct.

1 CHAIR NICHOLS: -- there will be and extension.

2 MR. NEWELL: Thank you very much.

3 I just am a bit concerned about the way that cap
4 and trade and a direct carbon fee are being framed by
5 staff in the scoping plan. There is a strong bias towards
6 cap and trade. And there is almost a straw man type
7 construction of a direct carbon fee. So we're
8 highlighting the benefits of cap and trade, and the
9 scoping plan draft is not really looking at the benefits
10 of a direct carbon fee. It's pointing out these problems
11 with it.

12 And, you know, there should be a real sort of
13 fair and even assessment of these things. And, you know,
14 one thing that came to mind during the economic
15 presentation was -- was how a direct carbon fee could
16 negatively impact the California economy. And it wasn't
17 clear to me whether that considered the economic
18 multiplier effect of that revenue being recycled back into
19 the economy through climate investments, through a direct
20 dividend to the public, instead of, right now, revenue
21 from, you know, a lot of multi-national corporations gets
22 offshored, and not recycled back into the economy.

23 CHAIR NICHOLS: The answer is it is being
24 considered. Staff is --

25 MR. NEWELL: That is being considered

1 CHAIR NICHOLS: Yeah, it is.

2 MR. NEWELL: Well, looking forward to seeing that
3 data then.

4 CHAIR NICHOLS: We all are.

5 MR. NEWELL: It's not -- it's not out there yet.

6 The other thing is, as you know, cap and trade
7 provides an opportunity to achieve direct reductions at
8 these facilities. The OEHHA report and the Cushing report
9 both show the direct correlation between greenhouse gas
10 emissions and toxics and criteria pollutants, so
11 reductions in greenhouse gases also means reductions in
12 these dangerous co-pollutants and health benefits.

13 You know, the revenue from such a system would be
14 strengthened and enhanced, and also certain and
15 predictable, unlike the market-based approach.

16 And finally, a direct carbon fee would be
17 transparent and much simpler than this super complex
18 regulatory system that's been constructed. You know, much
19 of the compliance data with cap and trade is confidential
20 business information, and can't be accessed or analyzed,
21 as the Cushing report showed, and as the OEHHA report
22 inferred.

23 Finally, I want to point out that -- that, you
24 know, as we move into the short-lived climate pollutant
25 hearing next month, that dairy digesters aren't the

1 solution to the methane problem. I want to applaud the
2 Oakland School District for adopting a climate-friendly
3 school lunch program that reduces greenhouse gas emissions
4 by avoiding such things as non-pasture raised dairy
5 products.

6 Pasture is a great climate solution. It
7 sequesters carbon. It reduces methane emissions. And as
8 we move towards an economy where we're decarbonizing what
9 we drive, decarbonizing how we heat our homes, we also
10 need to think about how we decarbonize what we're eating,
11 We don't need to put cheese on everything is the simple
12 fact of the matter.

13 Thank.

14 CHAIR NICHOLS: Thanks, Brent.

15 (Laughter.)

16 MR. AREVALO: Hello. I am Ernesto Arevalo with
17 Communities for a Better Environment. I live in one of
18 these disadvantaged communities that's been brought up in
19 deep East Oakland. I coordinate the Climate Adaptation
20 and Resiliency Enhance Project. CBE operates in
21 environmental justice communities statewide. We oppose
22 extending cap and trade beyond 2020. We want direct
23 pollution cuts instead of pollution trading. Our
24 communities need clean, renewable energy and environmental
25 justice.

1 Direct cuts and energy transformation to clean
2 renewables is the only way we can, and we will avoid,
3 catastrophic climate change.

4 And finally clean up the public health disaster
5 that is smog in our communities, which is made even worse
6 by hotter days, which looking at climate change we can see
7 it's going to happen.

8 We need a just transition to clean safe jobs that
9 includes oil workers, and this should be funded and
10 included into the scoping plan.

11 CARB also needs to stop the bleeding, stop the
12 business-as-usual practice of oil refinery expansions, and
13 switches to extreme crude. This means a statewide
14 moratorium on extreme oil and refinery expansion.

15 The scoping plan must support local community
16 efforts to stop oil industry expansion, and recognize that
17 this helps meet its goals. We need more like 50 percent
18 direct emissions cuts in oil emissions. And we need to
19 stop building new gas-fired power plants for electricity.

20 New reports find we don't need them, and they're
21 costing us a billions unnecessarily. We need 6 to 7
22 million electric vehicles, according to the State's own
23 modelers to meet cuts by 2030, which would drastically cut
24 smog and greenhouse gas emissions from cars and oil
25 refineries.

1 This can actually help us to balance the
2 electricity grid by providing energy storage through the
3 car's batteries.

4 If we don't do this phase-out of fossil fuels, no
5 amount of climate adaptation can save us, especially those
6 of us living in the front lines of injustice. That's how
7 we define front-line communities is people that are facing
8 existing injustices. And what we know about climate
9 change is that it just intensifies those injustices.

10 So please beef up the scoping plan, and ditch cap
11 and trade.

12 Thank you.

13 CHAIR NICHOLS: Thank you.

14 MR. MILLER: Good morning -- it's still morning?
15 Good afternoon. Sorry

16 CHAIR NICHOLS: Afternoon.

17 MR. MILLER: I'm Taylor Miller, appearing as a
18 volunteer on behalf of a organization called Yosemite
19 Stanislaus Solutions, better known as YSS. We -- YSS is a
20 diverse coalition of 23 community interests focused on
21 restoring the health and resiliency of the 1,000,000-acre
22 Stanislaus National Forest in Tuolumne County.

23 At the outset, our organization would align
24 itself strongly with the comments of your first witness
25 today, Erik White, from the Placer County APCD. We're

1 generally in support of the scoping plan and its greater
2 emphasis on natural and working lands in the last few
3 years here at ARB, which is great.

4 We would like to see more emphasis on national
5 forest restoration activities, and we'll submit additional
6 detailed comments whenever the new deadline is or maybe
7 before that. And, of course, we'll participate in this
8 afternoon's Forest Carbon Plan workshop.

9 The YSS organization is located in the area where
10 the Rim Fire occurred, and you may have heard of that, in
11 2013. Over 250,000 acres were burned in that enormous
12 fire, 12,000,000 tons of GHG emissions occurred, which we
13 understand was more than 3 times the year-on-year GHG
14 reductions achieved in all other sectors for that year.

15 Fires such as this have become unfortunately more
16 common during the -- due to, among other things, 100 years
17 of aggressive fire suppression, and decades of selection
18 of the largest, most fire resilient trees. More recently,
19 of course, drought and climate change have played a role.

20 Research documents that the frequency and
21 intensity of such mega fires and insect-caused mortalities
22 can be reduced through ecological thinning and prescribed
23 fire.

24 Of course, the difficult question is who should
25 pay for this, and manage the effort, and how does it fit

1 into the myriad of issues which the scoping plan must
2 address?

3 While this is obviously a dominant federal
4 responsibility on national forest lands, how these lands
5 are managed does profoundly affect the State's GHG
6 emissions. There's been recent focus on modeling the GHG
7 inputs and outputs of the entire State natural land
8 system. While modeling can add value over time, as the
9 results from forest health treatments increase its
10 accuracy, we're concerned that this attempt to model the
11 workings of such a varied and complex natural system could
12 delay action.

13 That seems to have already happened. So I'm just
14 about out of time, and I'll just say what we're urging is
15 more action, maybe not so much modeling, at least --

16 CHAIR NICHOLS: Thank you

17 MR. MILLER: -- do both at the same time.

18 Thank you.

19 (Laughter.)

20 MR. AMODIO: Thank you. I'm John Amodio with the
21 Tuolumne River Trust. And Ms. Nichols and the whole Board
22 we are deeply indebted to your long leadership, globally
23 important leadership on this matter.

24 The Tuolumne River was -- 95 percent of the Rim
25 Fire occurred within the Tuolumne River, so we've become

1 quite knowledgeable of the situation. And here -- I'm
2 here today to highlight an emerging challenge, what one
3 might call an inconvenient truth California style.

4 California became a global leader on climate
5 change through passage of AB 32 in 2006. In the early
6 years of its implementation, it was reasonable to not
7 include wildfire emissions as part of the inventory,
8 because one could argue that they were part of the natural
9 background.

10 The inconvenient truth is that we now know that
11 both from actual events, and further research, that that
12 assumption is simply not true. Our forest have been
13 transformed, indeed ecologically impoverished by more than
14 100 years of overaggressive fire suppression and removal
15 of most of the large fire resilient and most efficient
16 carbon sequestering trees.

17 In truth, our Sierra forests, particularly those
18 on the more than 10,000,000 acres of national forestlands
19 have become highly susceptible to uncontrollable
20 wildfires, and unprecedented bark beetle epidemics, such
21 as the current one that has killed more than 66,000,000
22 trees in the Sierra alone.

23 Sierra forests are rapidly becoming one of the
24 largest greenhouse gas emitters in California. And as
25 they continue their rapid decline, their capacity to

1 sequester greenhouse gas is similarly declining. Much
2 more dangerous is that the rapid growth in size and
3 severity of wildfires, and the unprecedented bark beetle
4 epidemic, are already affecting the reductions being
5 achieved through the AB 32 program.

6 You've heard about the Rim Fire, and that gives
7 you a magnitude of what could happen. So this is
8 definitely, we believe, an all hands on deck emergency.
9 We believe that it will require robust implementation of a
10 State and federal partnership to restore this areas
11 ecological health.

12 Your leadership will be essential to develop and
13 implement a scale, the watershed improvement program that
14 the Sierra Nevada Conservancy has developed. Twenty years
15 ago, you had the vision for reducing public health impacts
16 from vehicular pollution.

17 You launched a program, that despite the lack of
18 technology or capability being in place, has really saved
19 many, many lives.

20 Our plead with you today is to assert similar
21 bold leadership now. If anything, the stakes are even
22 higher, the challenge is greater, as is the need for your
23 full on leadership participation.

24 We look forward to continue working with you on
25 this inconvenient truth.

1 Thank you.

2 MR. RYNEARSON: Chair Nichols, Board members,
3 Senator Lara, welcome to the -- welcome to the Board.

4 Gary Ryneerson, Green Diamond Resource Company in
5 Humboldt and Del Norte County timberland owners.

6 First I'd like to thank the Chair for extending
7 the deadline. The FCAT or the FCAT forest carbon plan is
8 still being developed. And I think it's important that be
9 done, so it can help inform this scoping plan.

10 Second of all, the scoping plan truly recognizes
11 the benefit of forests to the -- to helping address the
12 climate issues. So we appreciate that, and we appreciate
13 the opportunity.

14 I believe you have my written comments, which
15 includes some attachments also, so let me summarize those
16 very quickly. One of the key issues and I -- just oddly
17 enough all the forestry folks seem to bunch up here to
18 follow up is identifying timber -- what we're really
19 talking about. Timberland versus forestland versus
20 grassland versus brushlands.

21 I think it's important to identify where the
22 opportunities are, what was there -- there are some areas
23 that are emitter, there's other areas, including
24 forestlands, which are currently sequestering carbon.

25 Attachment 2 demonstrates the forest inventory

1 and analysis data from the U.S. Forest Service, that shows
2 timberlands are a net sequester of carbon. Now, that --
3 that's an ongoing -- they have ongoing studies that
4 demonstrate that, and that's the most current data. Our
5 timberlands are sequestering carbon, both on the public
6 lands and the private Lands.

7 So I think that's important. So as we go forward
8 identifying what we're talking about, are we talking
9 timberlands, are we talking woodlands? Are we talking --
10 brushlands is important to identify and understanding
11 where the opportunities are for improvement.

12 You just heard some of the opportunities for
13 improvement. It's important that we manage these
14 timberlands. We've let them get in -- get in an overstock
15 state, especially in some of the central Sierra national
16 forests. And updated John's number, it's 102 million dead
17 trees now, and it's moving north. And unfortunately, it's
18 starting to approach the Tahoe Basin.

19 So that's a critical real-time situation that we
20 need to address. So managing those forest, getting them
21 back to a number of trees breaker that -- where they can
22 be resilient to fire into insect and disease is critical.
23 We also need the support in keeping the -- a regulatory
24 environment in place that allows landowners to continue to
25 manage.

1 Now, I say the cost of that regulatory
2 environment, not any diminution of the regulatory
3 standards but to have a cost structure in place that
4 encourages landowners to continue to manage their
5 property, especially the small landowners.

6 We also need to support by both maintaining and
7 to create new infrastructure, saw mills, bioenergy
8 facilities, biomass facilities, whether it's biofuel or
9 whether it's direct combustion to power. These are
10 critical, especially looking at the lack of opportunities
11 to remove those dead trees and move them into a carbon
12 neutral power source.

13 We'll also -- we also have some specific concerns
14 that are more technical in nature about Appendix G. It
15 shows a rapid decline in the forest carbon in starting in
16 2017, this year, which is inconsistent when you look at
17 the Attachment 3 with the Option 8 documents for 3 major
18 landowners, including Green Diamond, Humboldt Redwood, and
19 Mendocino, all of which have a positive slope for 100-year
20 period. So I encourage -- I look forward to working with
21 staff on this issue.

22 Thank you very much.

23 CHAIR NICHOLS: Thank you.

24 MR. JATKAR: Good afternoon, Chair Nichols and
25 members of the Board. And welcome Senator Lara.

1 My name is Shrayas Jatkar, Coalition for Clean
2 Air. And first, I'd like to start off by talking about
3 the plan as a whole plan, because I think it is important
4 to see it as that first before getting into the specific
5 components. And so I do want to appreciate and recognize
6 that there is an emphasis here on direct emission
7 reductions to achieve most of our greenhouse gas emission
8 reductions towards the 2030 target.

9 So I think that's -- that's an important point,
10 and, of course, that several of those emission reduction
11 measures -- direct emission reduction measures are
12 existing known commitments.

13 And, of course, it's important then to
14 acknowledge that any carbon pricing mechanism is
15 complimentary to, and not the centerpiece of our State's
16 approach to dealing with climate change, as sometimes it's
17 reported.

18 When it comes to those direct emission reduction
19 measures, we would like to see stronger requirements,
20 stronger standards put into place, particularly on the
21 transportation sector, which is the leading source of
22 emissions for both greenhouse gas emissions and air
23 pollutants.

24 Specifically, when it comes to cleaner vehicles,
25 stronger targets for zero emission vehicles, and advanced

1 technology vehicles in the light-duty as well as the
2 freight sectors.

3 When it comes to cleaner fuels, we want to see a
4 stronger Low Carbon Fuel Standard, and would support what
5 others have discussed, in terms of really ramping up that
6 standard. And also, it's not quite clear to me where the
7 low emission diesel standard exactly lives. I saw it in
8 one of the alternatives but wasn't sure if that is
9 actually a core part of the mobile source strategy or not.

10 The point anyway is that we really do want to see
11 movement begin on a low emission diesel standard. This is
12 going to be very important in the freight sector for those
13 long-haul trucks, but also in off-road applications, of
14 course, in the agricultural sector, construction sector.
15 So that low emission diesel standard, I think, is another
16 important measure when it comes to cleaning up the fuels
17 in the State.

18 And also on that point, I'll just say, as we've
19 said before, we support the refinery measure being
20 included.

21 Lastly, I'll just touch on the part that gets a
22 lot of attention, the carbon pricing mechanism. We are
23 glad to see more attention to cap and tax type measure.
24 That is something -- that is the type of measure we
25 support. We want to see a fee on emissions.

1 Given AB 197, and how it's being integrated at
2 least in certain respects into the scoping plan, I think
3 it is appropriate to request again that there be some
4 analysis, if possible, to look at fee on emissions that
5 includes criteria air pollutants and toxic air
6 contaminants and not just greenhouse gas emissions.

7 And we think that that is a way to demonstrate
8 California's leadership, not just in State climate policy,
9 which the State has led on for many years and decades, but
10 really leading on environmental justice in our climate
11 policy.

12 Thank you.

13 CHAIR NICHOLS: Okay. Thanks.

14 MS. VANDERWARKER: Good afternoon, Board members
15 and welcome, Senator Lara. My name is Amy Vanderwarker
16 with the California -- sorry -- Environmental Justice
17 Alliance.

18 First, I just want to say thank you very much for
19 the meeting with the Environmental Justice Advisory
20 Committee yesterday. I know that takes a lot of time. I
21 think it's a really important step forward. And I also
22 want to say thank you for extending the timeline. That's
23 a recommendation that CEJA strongly supported. And I want
24 to give a special thank you to the EJAC for all of their
25 hard work, but also Board Member Takvorian and Chair

1 Nichols for your work on the matter.

2 And we really hope that it crates space in the
3 coming months for a full analysis of EJAC recommendations
4 and other recommendations from the environmental justice
5 community on how we can really achieve air quality and
6 greenhouse gas reductions in our most vulnerable
7 communities, because that is the critical issue for EJ
8 organizations as part of our alliance. In workshop after
9 workshop across the State, you know, community residents
10 echoed their request for health improvements through
11 direct emission reductions, as well as greenhouse gas
12 emission reductions. That's critical to our communities
13 as well.

14 And we feel like both the EJAC analysis will be
15 really important, but also a full response from the Board
16 to both the OEHHA report, as well as the Cushing and
17 Pastor report released last fall. As of yet, we haven't
18 received -- really seen a full analysis, a full response
19 from the Board, particularly to the Cushing report, and
20 the OEHHA report just came out. But both really highlight
21 the potential health benefits we can achieve in our
22 scoping plan and our climate policy more broadly, if we
23 take those findings seriously and really think about how
24 we can address them.

25 And so the scoping plan moving forward I hope in

1 the coming months will include a direct response to both
2 of those reports, and to the EJ community more broadly.

3 I'd also like to -- and we also are encouraged by
4 the inclusion of the health analysis. We look forward to
5 seeing that. I think that can potentially get at some of
6 the many issues highlighted in the report, but both those
7 reports do also look at a wide range of issues that the
8 scoping plan really needs to address.

9 We really appreciate inclusion of the cap-and-tax
10 scenario, so thank you for your work on it. We do agree
11 that there is still more robust analysis that's needed.
12 It does feel very skeletal. I think it's very indicative
13 that it includes strategies such as facility level caps.
14 That can be a critical strategy to actually addressing
15 environmental justice or hot spot issues.

16 We also look forward to seeing the economic
17 analysis so we can understand the modeling behind some of
18 the rather dire predictions that were outlined.

19 Finally, I think also related to the OEHHA and
20 Cushing and Pastor report is a more clear plan for AB 197
21 implementation. AB 197 we really support the refinery
22 reduction rule, but it really should not be limited to the
23 refinery sector. There's nothing in the statute limits to
24 that. It can also be a critical strategy to both
25 addressing EJ issues, addressing many of the issues

1 outlined in the OEHHA and Pastor reports, achieving direct
2 emission reductions, and also getting at the very real
3 data challenges that the OEHHA report highlighted.

4 Thank you so much for your time and we look
5 forward to continuing the conversation.

6 MR. FACCIOLA: Good afternoon, Chair Nichols, and
7 members of the Board. I'm Nick Facciola, director of
8 carbon projects at Origin Climate, and a proud resident of
9 Oakland, California.

10 Scrapping the Cap-and-Trade Program at this
11 point, and in particular the offsets piece, I think would
12 be a terrible blow to innovation to green jobs and to a
13 known sector of cost effective greenhouse gas emission
14 reductions. As well, it would also really harm the
15 progressive third generation farmers who are just trying
16 to do the right thing. I see dozens of these folks around
17 the country.

18 I urge the Board to weigh these considerations
19 heavily against the possible disruption of the path that
20 we've all worked so hard to forge, instead allowing the
21 ARB staff to produce a wider pool of offset protocols
22 will -- would spur innovation in California. It would add
23 additional green jobs, and it would improve the growing
24 list of co-benefits to the program ranging from natural
25 working lands in agriculture to perhaps the Delta

1 wetlands. And we can even work to develop emission
2 reduction protocols that are designed to work in urban
3 areas.

4 So let us work together to address -- to address
5 these environmental justice concerns. Within the
6 framework of cap and trade, I believe it can be done.

7 Thank you.

8 MR. COSTANTINO: Hi. Good morning. John
9 Costantino over here.

10 Senator Lara, welcome. My time flies. It was 8
11 years ago that -- in December of 2008 that we adopted the
12 original soaping plan. My daughter at the time was in
13 first grade. Now, she's in high school.

14 And it's -- one of the things that came about in
15 scoping plan was a thoughtful process to put all the
16 pieces together. And today I'm here representing the Ad
17 Hoc Offsets Group that was put together in the last few
18 months really to educate and revisit the issue of offsets.

19 And I come with an offer to educate. We're
20 putting together materials. We're putting together the
21 data. Happy to answer any questions. Now that we have a
22 little more time, where are offsets? How do they impact
23 California? How do you fund them? What are they? What
24 are they not?

25 And the members of the Offset Group, there's 13

1 members that provide the vast majority of offsets in
2 California. They are the experts.

3 They know their digesters, ODS, forests, and
4 other protocols. And they will be willing to speak,
5 answer questions, and get to the bottom of what really is
6 a question that I think was brought up a lot lately, what
7 are offsets and how do they value California.

8 So with that, I just leave the offer and thank
9 you for your time.

10 CHAIR NICHOLS: Thanks. Look like a good
11 project. Thank you.

12 Michael Carr.

13 There you go. Hi.

14 MR. CARR: Good afternoon, Madam Chair, and all
15 members of the Board. Thanks very much for the chance to
16 speak today.

17 I'm going to start by reminding folks that Shell
18 supports a market based Cap-and-Trade Program as the best
19 mechanism to achieve the goals of the Paris Accord, and
20 the Under2 MOU at the lowest cost to citizens in
21 California and ultimately elsewhere.

22 The debate that we're now having around how we
23 actually end up choosing to address climate change in
24 California is very important.

25 I know that the ARB and others in the State pay

1 attention to the European Union who are co-leaders in the
2 climate change space. Their recent activity is
3 informative. The EU Parliament voted on Wednesday - yes,
4 that's yesterday - to reform their ETS. I'll speak to
5 aspects of that vote that's most relevant to my industry.

6 They passed solidly with yeas outnumbering nays
7 by more than 100 votes continuation of cap and trade with
8 continuation of allowances for emission intensive
9 industries through 2030 with 100 percent allocation to the
10 most efficient players in industry and provision of 12
11 billion Euros of support to the industry that isn't as
12 efficient, because they recognize that industry will need
13 the support.

14 Ensuring ongoing assistance to the industry by
15 shifting 5 percent of the auction reserve to the allowance
16 reserve, and thus recognizing that industry is an integral
17 part of the fabric of society that provides jobs and will
18 need support.

19 So on to the refinery stationary source measure,
20 which I and others in the industry have expressed grave
21 concerns about. I do want to provide full disclosure that
22 the EU are actually advancing an efficiency measure for
23 refineries, similar to what you're considering.

24 They, however, are implementing a data driven
25 approach, using real data to define appropriate limits

1 versus just floating an aspirational but arbitrary number.
2 The data they're using is based on actual performance from
3 2008 to date, and will require maintenance of this
4 trajectory which requires continuing reductions by the
5 industry of about one quarter of a percent per year.

6 This is essentially an order of magnitude
7 different than what is being proposed by ARB in the base
8 scoping plan, which would require 2.2 percent year on year
9 to get a 20 percent efficiency metric of 2030. This
10 clearly informs critical feasibility concerns with what
11 ARB has proposed for California refineries, and I hope it
12 gives pause to staff before continuing to go down this
13 proposed path and create significant risk for both
14 environmental leakage and the risk to good California
15 jobs, many of which do not require a degree, as you've
16 heard today.

17 Bottom line is you do not need a refinery measure
18 to achieve emission reductions. The Cap-and-Trade Program
19 will deliver them. You simply cannot meet the mandate of
20 SB 32 otherwise. They will happen.

21 I would note, in closing, that the concerns
22 outlined by staff about the cap-and-tax alternative
23 equally apply to the refinery measure.

24 So we look forward to continuing the debate.
25 Thank you very much.

1 CHAIR NICHOLS: Thank you.

2 MS. BUSSEY: Good afternoon, Madam Chair and
3 Board. My name is Julia Bussey. I represent Chevron
4 Corporation.

5 I want to say from the very beginning that we
6 support also databased approaches, and we would like the
7 Board to consider, given that we have more time, to
8 re-examine a couple of areas that the scoping plan goes
9 into.

10 And the first of which is the approach to
11 criteria pollutants. I would like to submit that
12 according to the Air Board's own documents, the capped
13 stationary sources only equal 5 percent of the criteria
14 and toxic pollutants in California. And yet, those same
15 capped stationary sources equal 37 percent of the
16 greenhouse gas emissions. The modeling that was done
17 equates criteria pollutants ton for ton to greenhouse
18 gases.

19 I think that it's pretty clear that that's not
20 appropriate. And even if we shut down every capped
21 source, we would only get a 5 percent reduction in
22 criteria and toxic pollutants.

23 The second area I'd like you to reconsider is the
24 refinery measure. And I know you've heard a lot about it
25 today. But the one thing that I would like to let you

1 know is that that measure is flawed in its concept, and
2 also in the amount that it's asking for. So the 20
3 percent is based on a simple barrel approach. Simple
4 barrel, means simply greenhouse gases divided by product.

5 The simple barrel refineries, the most efficient
6 ones, make less than 3 percent of clean California
7 product. And so it seems clear that that is not an
8 appropriate standard to use for the refineries in
9 California.

10 Not only that, but refineries in California make
11 different products and use different pieces of equipment.
12 And therefore, you can't simply change out pieces of
13 equipment to try to make every refinery like the other.
14 So I want to give you an example of what kinds of
15 emissions might be available reductions. The Chevron
16 modernization -- Richmond modernization project cost
17 \$1,000,000,000. It took 10 years to permit. And it
18 reduced and it -- it improved our efficiency by 4 percent.
19 So that's just an example of what can be done for what
20 amount of time and what amount of money.

21 And therefore, I ask that you go back to work on
22 that measure. And as many of the refineries folks have
23 offered today, we'd be really happy to work with you and
24 to work with other parties in trying to establish both
25 what's the right amount of criteria pollutants to assume,

1 and also what's the best way to approach stationary source
2 measures. And we fully support also using cap-and-trade
3 for direct reductions, because this is what must occur
4 under the current program.

5 Thank you.

6 MR. SKVARLA: Good afternoon. Mikhael Skvarla
7 here on behalf of the California Council for Environmental
8 and Economic Balance.

9 First, we support the California cap and trade
10 just as we supported AB 32 in 2006 and through the scoping
11 plan. The cap and trade provides the necessary cost
12 containment, as well as protection against leakage that
13 has brought our industries and labor unions to the table
14 on this issue specifically over the last decade, I guess.

15 With regards to some of the reports that have
16 been discussed, we appreciate the extension so that we
17 have a chance to analyze it. We have noted and have
18 brought to staff that there are some inconsistencies with
19 the data to that end for the criteria pollutant portions
20 of the OEHHA, and that may kind of skew the statistical
21 analysis.

22 We'll continue to work with ARB staff, the air
23 districts and OEHHA to make sure this gets corrected, and
24 that these stationary sources that have to comply with the
25 cap and trade are able to provide their input on that.

1 The district rules and the State rules don't always lineup
2 on emission factors. And it's not an easy thing to figure
3 out.

4 And so we want to make sure that the data is
5 right and can be corrected, so that the analysis is as
6 robust and complete as possible. So to that end, we
7 continue to support cap and trade moving forward in this
8 scoping plan with offsets and all the vital cost
9 containment mechanisms and will continue to work with
10 staff and provide information to the Board as we move on.

11 Thank you.

12 CHAIR NICHOLS: Thanks.

13 Hi, Dave.

14 MR. BISCHHEL: Madam Chairman, members of the
15 Board, my name is David Bischel. I am a Registered
16 Professional Forester and President of the California
17 Forestry Association. We represent about 4,000,000 acres
18 of private forest owners, all of whom are either privately
19 held or family-owned businesses.

20 And we have been actively involved in this
21 process, as Mary knows, from the very beginning in terms
22 of the advisory committee that was set up to create --
23 help create the forest carbon credits from the beginning
24 involving forest owners, conservation organizations, State
25 and federal agencies. Every third Friday for 2 and a half

1 years we met in this building to develop the foundation of
2 the forest protocol, which then went to the reserve for
3 their wire brushing, and eventually to you and your staff.

4 And what -- it is what we have today and is
5 probably, I would guess -- not probably, I think it's the
6 most universally accepted forest carbon credit certainly
7 in the nation, and we're seeing Canadian provinces that
8 are involved. And I think it's a prime example of how cap
9 and trade ultimately can work. And we certainly would
10 like to see the program continue.

11 We support working with your staff. We certainly
12 support using science as the foundation, science and data
13 as the foundation. I think we have found some
14 inconsistencies in the data that's in the plan.
15 Certainly, the -- the dependency on the U.S. Forest
16 Service report on the forest products industry, it appears
17 there's some differences there. We've tried to talk with
18 the authors of that publication to identify what is
19 different between their data. And it's very complex, of
20 course, if you're talking about million board feet, or a
21 thousand cubic feet, or hundreds of square feet at 3/8th
22 differentials when you're talking about forest products,
23 whether it's bone dry tons, green tons, dried tons.

24 So we look forward, I think, to try and figure
25 out why the products that we come out don't -- aren't

1 fully represented in the -- in the report. And we'll do
2 that.

3 We also would like to take a look at more closely
4 some of the forest data, because certainly there's always
5 lumpers and splitters. And Dr. Battles' study was a
6 lumping activity. And I think we're certainly recognized,
7 and I think the Board recognized, that California has --
8 the State of California has arguably the most powerful
9 environmental protections in the nation, and they're very
10 different than what Federal standards are, and others.

11 So we look forward to working with you on those
12 issues, and thank you for the opportunity.

13 CHAIR NICHOLS: Thank you.

14 MR. CATIVIELA: Good afternoon, Chair Nichols,
15 members of the Board. I'm J.P. Cativiela with Dairy
16 Cares.

17 As you know, the scoping plan and the Short-Lived
18 Climate Pollutants Plan, which is sort of a component of
19 that, as well as SB 1383 passed last year by - welcome,
20 Senator Lara - has set very ambitious goals for reductions
21 from dairy farms in California, 40 percent by 2030. And,
22 of course, those are goals that no -- we see nowhere else
23 the world.

24 We're committed to working with you to meet those
25 goals. We hope to do a lot of it on a voluntary

1 incentive-based basis and as early as possible in that
2 timeline, so that there's not much left to do when it
3 comes time to regulate.

4 We do appreciate the support for pasture dairies.
5 We support them too. They're not appropriate everywhere
6 in California, given the difference in climate and what
7 resources that are available. And we do need other tools
8 besides pasture dairies, if we're going to meet these
9 goals.

10 And I think the Senator was well aware of that
11 when 1383 passed last year that digesters would have to be
12 one of the tools in our tool bag. Thankfully, they're
13 also one of the best investments of GGRF funds. There
14 have been quite a bit of study to show -- on return -- the
15 bang for buck on the amount of GHG that's reduced by these
16 is very, very good, and comparable to many -- superior to
17 many other projects.

18 We are also interested in other types of
19 strategies. And we believe there are many other ways we
20 can reduce in GHG, and we're actively working to
21 investigate those, and get the research done so we can
22 quantify what those reductions are, so that we have other
23 tools in the tool bag besides digesters.

24 But I want to leave you with a thought that, you
25 know, digesters are an important tool, not the only tool.

1 They have the bang for the buck, and they provide the
2 opportunity for many other environmental benefits besides
3 GHG. They do reduce other criteria air pollutants, and
4 they provide water quality benefits when designed
5 properly.

6 And with the development of a transportation fuel
7 component, we can move some of these environmental
8 benefits off the dairy and into our environmental justice
9 communities.

10 With that, we appreciate the opportunity and look
11 forward to working with you and your staff on this.

12 Thank you.

13 CHAIR NICHOLS: Thanks. We have one last
14 witness.

15 MR. TWIGHT: Good afternoon. My name is Cedric
16 Twight. I work for Sierra Pacific Industries. Our
17 comments are focused on the Forest Carbon Action Plan. In
18 particular, our concern -- while we appreciate the Forest
19 Carbon Action Plan's goals, I think that we can agree with
20 most of those, we're concerned with Appendix G, and the
21 modeling that's gone on with that effort from Lawrence
22 Berkeley Lab.

23 The -- in particular, we're concerned with how
24 high management effects are interpreted, particularly with
25 respect to the forest sector. On page 20 of the

1 PowerPoint, you can see a forest curve that just
2 precipitously drops in terms of total landscape carbon.

3 This is completely incongruent with our own
4 understanding of what happens under high forest management
5 activities. In particular, we modeled and estimated
6 through our own inventory that we will be tripling our
7 standing carbon stocks over the next 100 years under a
8 high management regime, while doubling the amount of
9 useful wood products that we're going to be getting from
10 those timberlands.

11 And you may think well that's just -- you though
12 one other estimate, but our estimate is based on actual
13 forest inventory plots totaling more than 400,000
14 individual forest plots across our ownership. So we're
15 pretty confident with our numbers, and we're really
16 concerned that the modeling done by Lawrence Berkeley Lab
17 are erroneous, and we would appreciate maybe that effort
18 getting shifted over to CalFire, or possibly the
19 University of California Agricultural -- Division of
20 Agricultural and Natural Resources, so that we can feel
21 more confident that they're coming up with answers that
22 are accurate.

23 Thank you.

24 CHAIR NICHOLS: Okay.

25 Is there anyone else who's here to testify on

1 this item?

2 Yes. Mr. Serna.

3 BOARD MEMBER SERNA: Thanks, Chair. If there
4 aren't any others that are speaking --

5 CHAIR NICHOLS: There are not.

6 BOARD MEMBER SERNA: -- we're at that point in
7 the program where you're expecting the --

8 CHAIR NICHOLS: Yes, we can close it off.

9 BOARD MEMBER SERNA: You're expecting
10 conversation or deliberation --

11 CHAIR NICHOLS: Yes.

12 BOARD MEMBER SERNA: -- at least commentary from
13 Board members. I'd like to chime in at this point.

14 First, I certainly want to start by -- as we
15 customarily do here thanking staff for all their great
16 work to date. I know that there are some members of the
17 EJAC that had to leave early, but I do want to extend my
18 thanks to all of their work as well. And I was part of
19 the joint meeting yesterday, and agree with all the
20 positive comments that have been issued so far this
21 morning and this afternoon about how productive that was.

22 And I think it's actually a good idea that we
23 perhaps institutionalize regular meetings with the EJAC
24 for what it's worth.

25 I do agree with the Chair, I think it's a great

1 idea to extend the amount of time that I think all of us
2 need to make sure that we have as, no pun intended,
3 airtight our analysis as possible.

4 (Laughter.)

5 BOARD MEMBER SERNA: But I do have a -- I do have
6 a question for our Chief Economist. It has to do with the
7 presentation on cap and tax. So I understand there's
8 going to be further analysis about that particular
9 alternative. But to date, I don't know if it was
10 mentioned in your presentation, Emily, or not, the effect
11 that we think that might have, specifically on the ag
12 sector, how would you characterize that relative to some
13 of the other industries.

14 CHIEF ECONOMIST WIMBERGER: So that modeling work
15 is currently under way, and we are hampered a little bit
16 by the confines and the limitations of the modeling that
17 we're using. We can look at impacts to different sectors,
18 both in terms of output by industry, including ag. Ag is
19 sort of lumped together with forestry in the models that
20 we look at, so it's a little hard to disentangle
21 specifically.

22 But we are looking both at employment by
23 industry. And also as part of the regional impact
24 assessment, we're going to be able to look at location of
25 employment. So we can look both by county, by region in

1 California, and by census tract to really see what the
2 changes in employment are across all of the -- the
3 proposed plan and all the alternatives in specific areas.

4 BOARD MEMBER SERNA: I think it would be very
5 helpful for me, and I would presume those in the
6 environmental justice community, not just those on our
7 EJAC, would also be interested to understand specifically
8 under that particular alternative what if any adverse
9 impacts there may be on employment, specifically the
10 farmworker community in California. I'm going to be very
11 interested to understand that, as you go forward and
12 conclude your analysis on that particular alternative.

13 So I just wanted to make sure that you knew that
14 you have one. You may have others up here that are also
15 likewise interested.

16 Thank you.

17 CHAIR NICHOLS: I want to remind us all that this
18 is the second in a series of meetings on this. A lot of
19 interest, obviously. A lot of very different kinds of
20 comments. A number of individuals and organizations who
21 have brought forward data of their own, or who have raised
22 questions about our data that require us to take another
23 look at things. Certainly, some ongoing analytical work
24 that needs to be done.

25 I think that the presentation today was helpful

1 in kind of signaling what the staff is working in this
2 regard, but it might be helpful to give a little more
3 sense of what you expect to be doing over the next couple
4 of months, in terms of the major activities relating to
5 finishing up the scoping plan.

6 And again, just to remind people, if you don't
7 put a draft out, then there's nothing for people to react
8 to. So while sometimes it's a little disconcerting to
9 find out what some of those reactions are, it's also very
10 helpful, because it does then focus our next round of
11 effort on the things that we understand are the ones that
12 need the most work.

13 And I think -- I don't want to speak for the
14 people who are writing the plan at this point, but I do
15 think it's -- a big effort has gone on to try to
16 evaluate -- well, first of all, to select, and then to do
17 a meaningful evaluation of alternative scenarios, because
18 it's not just a question of cap and trade versus no cap
19 and trade. There are quite a few other constructs that
20 people have put forward, and variance on variance.

21 And we want to try to come up with legitimate
22 assessments of those, and to be as open as we can to
23 improvements, because that is what we do.

24 It wouldn't be reasonable to expect, you know,
25 the organization that's implementing the program to

1 suddenly decide that it was a terrible idea, especially
2 when the facts that we have seen so far have indicated
3 that it's been very successful. But I have not detected
4 any lack of willingness to look for alternatives if there
5 are ways that we could do things better going forward.

6 So I just want to -- I just want to emphasize
7 that, but I would like you to give us a little more
8 information about sort of what people are actually up to
9 here.

10 DEPUTY EXECUTIVE OFFICER CHANG: So I think that
11 Emily did a good job in her presentation in talking about
12 some of the things that we're doing in response to both
13 the Board's direction and questions, as well as
14 stakeholder's direction and quest -- stakeholder's
15 direction and questions.

16 And so some of those are refinements of some of
17 the work that we've been doing on the economic modeling.
18 We heard a little bit about sort of the -- some of the
19 refinements on the cap and tax. I think that to the
20 extent that there are -- if folks have questions about how
21 we have designed that, because, you know, you can design,
22 as you said, anyone of these scenarios in many, many
23 different ways. And oftentimes the assumptions that you
24 make in your analysis really affect the outcome of that
25 analysis.

1 What we've been trying to do in the workshops is
2 provide enough information about what we're doing and what
3 we're assuming, so that folks can come and tell us, oh,
4 that's not what we were thinking, when we were thinking a
5 cap and tax. And so we're very open to that input.

6 We had a workshop last week to get into technical
7 detail with stakeholders about the methodologies that
8 we're using, for the refinements to the economic analysis,
9 as well as what we're planning to do on the health
10 analysis that the Board had directed us to do.

11 Our plan is to have another workshop. We want to
12 make sure that we have a chance for folks to see the
13 results of these analyses before we just kind of pop them
14 out in a draft, and no one has any chance to have any
15 input. And we don't have the chance to have feedback from
16 stakeholders. We take a lot of pride in doing good work,
17 but I think having lots of folks take a look at your work
18 is always a good thing.

19 So the intention is we're working through these
20 refinements. We would have another workshop. And as the
21 Executive Officer said, we're working on schedule now with
22 the delay. So we would plan to provide on the website, as
23 well as a listserve, a schedule of, you know, when the
24 comment period will end, when we'll have another workshop,
25 and then before the Board hears the final plan, we would

1 plan to put out the next draft of the plan that
2 incorporates all of this discussion that we've been having
3 and the new analysis.

4 CHAIR NICHOLS: So I -- I've had some feedback
5 just as I've been going around in the last few days from
6 people who have said maybe we should be doing fewer
7 workshops, because there's so much work that goes into
8 doing workshops, and there more -- the format tends to be
9 a presentation and then people go back and say, oh, my
10 God, that was -- you know, I really didn't agree with
11 that.

12 And then they -- they don't necessarily even
13 react on the spot. They wait until later to come in with
14 their comments. And so you get into this kind of do-loop
15 of -- that can be kind of distracting.

16 I'm not trying to give direction at this point,
17 but I would suggest that the need is for actually more
18 analysis and maybe time to work on writing some of these
19 things, than it is necessarily for just more meetings.

20 I understand the EJAC is also planning more
21 meetings or workshops, is that also true?

22 EXECUTIVE OFFICER COREY: They'll be having
23 community meetings, my understanding is, in the March time
24 frame, which the discussion about the comment period will
25 allow some extension to reflect those community meetings.

1 CHAIR NICHOLS: So maybe we could confer with
2 them about how to make those meetings or workshops as
3 useful as possible, too, in terms of really being a
4 two-way communication.

5 Any other --

6 BOARD MEMBER GIOIA: Yeah.

7 CHAIR NICHOLS: Yes. Senator Florez

8 BOARD MEMBER FLOREZ: Thank you.

9 I just have --

10 BOARD MEMBER GIOIA: Madam Chair.

11 BOARD MEMBER FLOREZ: Just to maybe go along the
12 path of the Chair and also my colleague, Mr. Serna, I
13 think the issue for the Board will be once we get this
14 analysis is to understand, in some sense, what the inputs
15 were. It's not to get so into the weeds, but not, in some
16 sense, to ignore that.

17 So, you know, I think the most important number
18 in the world for this Board and probably the world the
19 social cost of carbon. And I'm just wondering how -- when
20 we begin to model that, even in the analysis you put
21 forward, you know, how you derive that, what that is, what
22 the input is going to be?

23 I'd be remiss to say that the Trump
24 administration obviously would like to take that
25 completely away, but the courts have said you can't do

1 that. So then again the court didn't assign a value
2 either.

3 So I'm kind of wondering what our value is, what
4 that cost is? Is it \$36? Is it \$6? Is it \$125? I mean,
5 in some sense, we're discounting this to make a decision
6 from a Board perspective. And I get the discount rate,
7 but I don't understand, in some sense, what the inputs
8 were to get to some of those social costs. Mr. Serna
9 mentioned farm workers, agricultural land. We've heard
10 pasteurized kinds of issues today.

11 I think somehow not to get too in the weeds, but
12 I think it would be important for all of us to kind of
13 understand how we derive that. We all get we have to do a
14 discount rate, but what goes into that is kind of
15 important to some of us here definitely on the dais.

16 And I also would like to know, you know, we all
17 know what's going on nationally, but if there's some
18 outcome that would impact us or not, I'm not sure legally,
19 you know, how that operates. But at least at some point
20 in time trying to figure out what that looks like as we
21 come back, that would be important to me as well.

22 CHIEF ECONOMIST WIMBERGER: I can do a quick
23 overview of the social cost really quickly. It is a very
24 complicated issue that requires not just economic
25 consideration, but atmospheric analyses, projections

1 globally through 2050.

2 But as we outlined --

3 BOARD MEMBER FLOREZ: Take us through each of
4 those really carefully right now.

5 (Laughter.)

6 CHIEF ECONOMIST WIMBERGER: Yeah, exactly.

7 (Laughter.)

8 CHIEF ECONOMIST WIMBERGER: I think we all want
9 lunch at some point.

10 But to take it -- to put it in the context of
11 what we've done in the scoping plan, we're really relying
12 on estimates that the EP -- U.S. EPA has used. There's 3
13 pretty well known models that the tires have been kicked
14 extensively. And then the U.S. EPA has looked at those
15 models and came up with a range, based on different
16 discount rates, of what the social cost of carbon would
17 be.

18 And so this is what we're using in the scoping
19 plan to look at social cost. While not specifically
20 called out in AB 197 as the social cost of carbon, the
21 social cost, as defined in AB 197, takes the definition of
22 the social cost of carbon that is used by U.S. EPA.

23 So what that -- it's looking at, it's looking
24 specifically at the impact of a ton release of carbon in
25 the atmosphere in a specific year, and then we discount

1 that back to today.

2 I think there's an important distinction that we
3 need to think about in terms of the social cost of carbon,
4 and then a comprehensive analysis of costs related to
5 health impacts, related to indirect land use, related to
6 other issues that aren't necessarily captured in the
7 social cost of carbon, but that are costs that are borne.

8 And so we -- you know, we usually think about
9 direct costs of reducing emissions, or in terms of cost
10 effectiveness. I think the social cost is one additional
11 aspect when we're thinking about the social -- the overall
12 cumulative cost, but it's not the whole picture.

13 And so I think a lot of what we're trying to do
14 in terms of incorporating the health impacts and thinking
15 more broadly about benefits and avoided damages is to try
16 to pick up some of these issues related to land use,
17 related to health impacts. And that's really part of the
18 whole picture, but it goes -- it goes beyond social cost
19 as analyzed in the scoping plan.

20 BOARD MEMBER FLOREZ: Okay. Great. Thank you.
21 And as you begin to flesh those out, it would be great to
22 hear. I mean, this may ultimately be the standard going
23 forward as we -- you know, someone just mentioned Kyoto
24 Protocol, and AB 32, and how that all came about.

25 I mean, this might be, at some point, the

1 standard that other states, other nations, and others
2 follow, so I think understanding that -- I would only add
3 2 factors to what you're looking at. I think wealth is
4 obviously a discounted factor. And some people think
5 folks are going to get wealthier and some folks might
6 think just the 1 percent are going to get wealthier.

7 So I think overall, as you begin to run that
8 model, I think there's always an assumption discounting
9 that we continue to get wealthier as a society over
10 generations. And I'm not necessarily sure that's a true
11 input for California, particularly if you take Mr. Serna's
12 issue about rural California, which we heard a couple of
13 times today.

14 So I would say, you know, a discount of a
15 discount, or a subset would be good to look at.

16 CHAIR NICHOLS: Thanks.

17 You know, when 197 passed and we realized that we
18 were going to have a bigger Board, the ARB shamelessly
19 went out and asked for funding to fix this room so that
20 the person sitting in the middle could see to both sides
21 and have some kind a system for knowing who wants to talk.

22 (Laughter.)

23 CHAIR NICHOLS: So instead, I now have people
24 like waving at me madly hoping to get some attention. And
25 I apologize if I don't look in the right direction at the

1 right time. But I did say to John Balmes that I would
2 recognize him, because I know he has a train, and then
3 I'll turn to this end. Okay. Thanks.

4 BOARD MEMBER BALMES: And you noticed I got up
5 and asked her.

6 (Laughter.)

7 BOARD MEMBER BALMES: So first off, for those who
8 attended yesterday's meeting with EJAC, I came away from
9 that pretty energized, in large part because in
10 post-meetings with the CARB staff, I really sensed a
11 willingness to sort of embrace public health as part of
12 our mission. I know we've been saying that for a long
13 time, but I really feel it now. And, you know, as
14 somebody who is the public health representative on the
15 Board, I look forward to this sort of new orientation.

16 I'm going to say a few things that I said
17 yesterday, because this is now a formal hearing. With
18 regard to the economic analyses, if, you know, cap and
19 trade comes out as the best, I don't have a problem with
20 that. But as I said yesterday, I don't think we should
21 take a carbon fee/tax off the table for the future. And
22 I'm talking about decades from now, we might really need
23 to have a carbon fee to reach our greenhouse gas emission
24 reduction goals.

25 So I just think keeping that open mind,

1 especially since there are now conservatives, Jim Baker,
2 for one who are talking about a carbon tax and -- you
3 know, we'll see but...

4 The other thing I would like to reiterate from
5 yesterday is that while we focused on cap and trade a lot,
6 both because that's on the radar of EJAC, and because the
7 initial OEHHA report focused on the emissions related to
8 cap and trade, I think we should be looking at community
9 benefits -- community impacts of all our suite of AB 32
10 climate change mitigation policies, not just cap and
11 trade.

12 And, you know, I appreciate that OEHHA is going
13 to do this for other elements of our repertoire. As many
14 you of know, you've heard me drone on about getting
15 co-benefits with regard to reduction of criteria and toxic
16 pollutants, as we get reductions in greenhouse gas
17 emissions at cap facilities, I really think we need to
18 have that clearly spelled out in the scoping plan. And I
19 think we certainly do sort of conceptually, but I'd like
20 to see, as I said yesterday, a few lines committing to the
21 adaptive management program.

22 And I agree with Chairman Nichols' comments in
23 her summary statement yesterday at the EJAC meeting, that
24 adaptive -- what we currently do with adaptive management
25 is kind of whimpy. That's a quote. I said it first, but

1 you agreed with me.

2 CHAIR NICHOLS: I said it. I said it.

3 BOARD MEMBER BALMES: But she also said, and this
4 is where I really sort of am pleased about what I think --
5 what I sense is sort of a culture change, is that AB 197
6 requires us to be concerned about toxic emissions in all
7 our work.

8 And I told several staff, including Richard and
9 Edie, that I will be happy to work hard on this aspect to
10 try to get the public health co-benefits.

11 And with regard to the OEHHA report - I thank my
12 long-term colleague Lauren Zeise for that report - one of
13 the bullets in the - I don't know - either the executive
14 summary or the conclusion, is that they need better data.
15 And the data is siloed. We heard that same concern from
16 the Cushing report authors.

17 And I participated briefly in a conference call
18 back in the fall with the Cushing report researchers about
19 trying to facilitate access to the data. I don't blame
20 anybody for the mess of the data that we have, and the
21 siloed nature, but we really have to work on siloing it,
22 and making it available both for OEHHA and our academic
23 research colleagues.

24 And then the last thing I wanted to say, because
25 I missed the January meeting, I didn't hear about this

1 effort to monetize, you know, public health benefits --
2 potential benefits of our - I don't know if it's
3 specifically cap and trade or is all of our -- okay.
4 Good -- all of our climate change mitigation efforts.

5 I applaud that, but I just want to caution, it
6 isn't easy to monetize health impacts. You have to
7 quantitate -- quantify them first, and that's not easy.
8 There are people who's whole research careers are built on
9 that kind of quantification. And then going from the
10 quantification to the monetization is not easy.

11 And then I was really excited about trying to
12 monetize the public health benefits of active commuting,
13 but that's even, you know, more nascent in, you know, a --
14 in people's efforts. So again, I think we should be doing
15 this. I applaud staff. I applaud all my fellow Board
16 members for, I guess, pushing staff to do this.

17 I applaud staff's efforts. And again, I'll be
18 willing to work on this. It's in my bailiwick.

19 Thanks.

20 CHAIR NICHOLS: Okay. Thank you. Down to this
21 side. John, and Judy, and then Diane.

22 BOARD MEMBER GIOIA: Thanks. I'll be brief.

23 I was one of the individuals that Dr. Balmes had
24 talked about really trying to push this health analysis,
25 and understanding that it's not -- that there are

1 limitations and challenges, but that, you know, we rely so
2 much on economic analysis, and to take that as sort of
3 science, knowing that there's actually, you know, a lot of
4 uncertainty there as well.

5 And that we need to do as good of a job we can to
6 try to quantify at least a range -- to understand the
7 health benefits and health costs of all of these policies,
8 because oftentimes we put things so much in terms of -- we
9 under -- we understand job impacts, and that's important,
10 and we need to understand sort of health benefits as well
11 from these strategies, and -- and so we have a -- more of
12 a, you know, as thorough an analysis as possible. So --
13 and I appreciate the update you provided.

14 And as I said at the last meeting, I know we're
15 going to have a stand-alone sort of health analysis. What
16 often happens when we do a stand-alone health analysis,
17 folks say it's over there, but it's not in the economic
18 analysis. And so people still rely on the economic
19 analysis without sort of quantifying health.

20 But I think to the extent we can try to
21 incorporate some of that into the economic analysis
22 itself, that that's really important. So we raise that
23 issue up. So I appreciate that.

24 I do think also on the economic analysis, we need
25 to strive to have a clear -- use lay language, because,

1 you know, economists aren't very good about using lay
2 language. They're like engineers.

3 (Laughter.)

4 BOARD MEMBER GIOIA: As I say this to a group of
5 engineers and economists, that it then allows others to
6 sort of take -- I think the example, you know, Chair
7 Nichols sort of corrected a comment that was made today
8 about taking sort of a sentence and a paragraph from the
9 economic analysis and say here's the total context. So we
10 need to lay that context out in a clear way, because I --
11 we know that there will be a lot of sometimes accurate and
12 sometimes distorted interpretation of our economic
13 analysis. So we need to do our part to make it clear, a
14 lay version of it, you know, whatever you call that, so
15 that it can be picked up, because I think that's going to
16 be -- that's going to clearly be a big issue as we go
17 forward.

18 So those are the really 2 points. And I agree
19 delaying, as we got into this discussion yesterday, makes
20 sense. It's reasonable sort -- I don't want to call it
21 delay -- it's sort of thoughtful time to finish something
22 that is extremely important, and continuing to have the
23 meetings with the EJAC makes sense.

24 CHAIR NICHOLS: Okay.

25 Yes, Ms. Mitchell.

1 BOARD MEMBER MITCHELL: Thank you. Thanks for
2 your comments, too, John. I think your input has been
3 very valuable. And thank you to staff for all you've done
4 on this so far. And thank you to the EJAC Committee for
5 coming forward with all of their recommendations.

6 I want to support Phil Serna's recommendation,
7 Supervisor Serna, to continue meetings with EJAC on some
8 kind of regular basis, maybe twice a year. But that
9 encounter where we're face to face sitting around the
10 table with all of them and hearing their issues was really
11 valuable for me, in particular, and maybe for others as
12 well. But I think, you know, that was very good
13 communication.

14 There's a couple of things that are concerning me
15 a little bit on the scoping plan. I had kind of a Eureka
16 moment yesterday when Chair Nichols brought up AB 197, as
17 we were meeting with the EJAC community. It seems to me
18 that AB 197 really transforms a lot of what we are doing
19 here, because it requires us now to consider the impact of
20 what we do with the criteria pollutants and toxics. And
21 also, it requires us to look at direct emissions.

22 So while -- before we were pushing the
23 co-benefits approach to all of our greenhouse gas
24 reduction efforts, now we're required to do that. And as
25 we've seen in some of the things that we have done here to

1 reduce greenhouse gases, it sometimes does mean increases
2 in the criteria pollutants.

3 I mean, we saw that with biofuels. We had to
4 really work hard on the biofuel rule to get that refined,
5 so we weren't increasing NOx as we were lowering
6 greenhouse gases, so -- and I'm not sure quite how this is
7 going to be implemented, which is why I turn to staff and
8 say I do think this will require a much closer
9 collaboration with air districts. And we did talk about
10 this at the CAPCOA meeting last summer, where Supervisor
11 Gioia and I attended that meeting.

12 And I want staff to kind of think about how we're
13 going to implement that, and how we can work closer with
14 the air districts, because we're going to do -- be dealing
15 with stationary sources as we -- as we get through that
16 process.

17 The other thing that I'm wondering about - and I
18 need some help from staff and others on this - is that if
19 we move from a Cap-and-Trade Program to a cap and tax or
20 another kind of cap program, what does that do to the
21 efforts that we have been engaging in in connecting with
22 Quebec, Ontario, maybe even other states, because the
23 reason those connections work is because of the trading
24 aspect of that.

25 If you take the trading aspect out, we wouldn't

1 have that ability to connect or there wouldn't be that
2 interest in connecting. So we need to think about what is
3 the value of that for our program? It seems to me there
4 is a value to that, because global warming isn't just
5 happening in California. And this pushes the agenda in a
6 more global way, but it also gives other jurisdictions the
7 opportunity to connect with our programs on which we've
8 already done all the research, and work -- work ahead with
9 those.

10 So that's something I think to think about,
11 and -- because I don't see how it works with a cap-and-tax
12 program. I don't know whether others think that, but I
13 don't see how that would work.

14 Thank you.

15 BOARD MEMBER TAKVORIAN: Thank you. Yes. Thank
16 you. It's been a busy couple of days.

17 (Laughter.)

18 BOARD MEMBER TAKVORIAN: And it's been a great
19 couple of days. I think that -- I want to say again I
20 think that we are -- we're fortunate, I think, to have a
21 Chair, and a staff, and Board that was welcoming of the
22 workshop that we had yesterday with the EJAC. And I think
23 it's a -- it was a very important move, and an important
24 moment to have that conversation. So I just want to again
25 express my appreciation to everyone for that.

1 And I think continuing those meetings would be
2 excellent. And I think given the conversation or the
3 comments that were just made about the health assessment,
4 that that might be a really important topic to discuss.
5 Health is what's driving a lot of the comments that come
6 from the environmental justice communities as we all know.
7 So I think that that could be a really good topic for a
8 future workshop.

9 I also want to say, and I think off of your --
10 your comments, that it -- it's really about integration,
11 you know, and I think 197 really is pushing us to
12 integrate more, but I think SB 375 pushed us to a certain
13 degree as well, and we can take advantage of that. And
14 I -- I also think regarding the market mechanism that it's
15 really about what the best program is to achieve our
16 overall goals. And each of them may benefit more in
17 certain sectors, whether it's the economic sector, or the
18 health sector, or the quality of life sector. There's
19 trade-offs across the Board.

20 So I think we have to look carefully at that. I
21 want to thank Chair Nichols for extending the timeline. I
22 think it's important. It will provide everyone, as we've
23 heard today, from many sectors the time and resources to
24 analyze the data on the part of staff to then respond to
25 that.

1 I think it's important for us to come forward
2 with what the comment period deadline will be as soon as
3 possible. And also, if it's the June meeting, I
4 understand there may be some questions about what date
5 that is. So if anyone knows that today, that would be
6 really helpful.

7 I wanted to thank the OEHHA staff for being here,
8 and for the report that you provided. I think it
9 underscores the fact that environmental justice
10 disadvantaged communities are most impacted by these
11 emissions, and it's clear that they -- that we need more
12 data.

13 And so once again, we have that information. So,
14 of course, there's a level of impatience related to
15 knowing that our communities are the ones that are the
16 most impacted, and knowing that our communities are the
17 ones that have the sickest kids, and the highest asthma
18 rates, and the highest cancer rates. So we need to move
19 forward with the strategies. And it's not that we're not
20 with any. We are, but there -- you can understand -- I
21 forget which gentleman it was that said that his child is
22 in high school now.

23 And I've watched kids grow up too, and watched
24 them watch their parents put a lot of their time and
25 energy, which they don't have much of, into trying to

1 change policies, and watching their kids grow up, and
2 continue to be impacted by having various diseases,
3 especially respiratory diseases. So I think that's --
4 we're all motivated by that.

5 In regards to the economic analysis, I appreciate
6 the description of the refinements and the -- and the
7 beginning analysis of the cap and tax. I wondered -- I
8 have questions. And I don't know if those can be answered
9 today or in the future about which of the sectors that you
10 are particularly concerned about that would be challenged
11 to reduce at the projected levels, as is indicated in the
12 presentation? Are there sectors that can reduce at higher
13 levels? So how does that balance out?

14 And I think the cost and benefits comparison that
15 you talked about doing will be important to see going
16 forward.

17 I had questions about the health analysis, but I
18 think that has been -- those -- that's been fully
19 discussed. So those are my questions.

20 CHAIR NICHOLS: Okay. Thank you.

21 Ms. Berg.

22 Oh, I'm sorry. Go ahead.

23 BOARD MEMBER DE LA TORRE: Thank you. I wanted
24 to just make a comment about the jobs piece. I said it
25 yesterday, there is a comprehensive analysis of green jobs

1 that's happening. UCLA is doing it. And hopefully at
2 some point this year, we'll get those results. It will be
3 the most comprehensive look that we've had of green jobs,
4 what's out there, how many, you know, what kinds, et
5 cetera.

6 So I think that's a very important piece that
7 will inform a lot of what we do going forward, and it will
8 be great for people to know, you know, what they are, how
9 many there are, if a lot of what we're talking about is
10 growing green jobs. Well, we need to know what they are
11 to begin with.

12 The second part is actually a conversation I had
13 yesterday after the session, that made a lot of sense to
14 me and resonated with me, which is a lot of the job skills
15 that we're talking about are just add-ons to existing
16 skills. It's a mechanic -- an auto mechanic who learns
17 how to work on an electric vehicle.

18 I remember when I had a hybrid back in the
19 mid-2000s, at my dealership there was only one mechanic
20 who worked on the hybrids, because they didn't want to
21 touch the batteries. And so it's just added skill sets to
22 what people are already doing.

23 And I'm sure that replicates itself. Yesterday,
24 we talked about -- I forget the name of the company, the
25 refinery in paramount that does biojet fuel. That's a

1 refinery. I'm sure it's not that different from refining
2 petroleum. And so there are people working in a refinery
3 doing good stuff, instead of not so good stuff.

4 And so we have to think about those add-on skill
5 that will augment the skills that people already have that
6 are already doing it to adapt to this.

7 And so I think we need to think about that as
8 well.

9 Thank you.

10 VICE CHAIR BERG: And just to piggyback on what
11 you were saying, Hector, my favorite all-time move this
12 year is Hidden Figures. For those of you that have not
13 been able to go see it, make time, Netflix, whatever, when
14 it comes out.

15 But remember, when NASA was first created, we had
16 banks of human calculators, literally -- no, calculators.
17 People that were mathematicians and they called them
18 calculators. Human -- no, they didn't have computers
19 then.

20 (Laughter.)

21 VICE CHAIR BERG: And what was coming -- and they
22 were mostly women, but I wasn't going to add that part.

23 (Laughter.)

24 VICE CHAIR BERG: But at the same time they were
25 building this great big huge room, because what was

1 coming, the IBM computer. And these women did see the
2 change of the tide coming, that pretty soon they were
3 going to be out of jobs, because the computer was going to
4 replace the ability to calculate at such a rapid rate.

5 But one thing they discovered is that the human
6 brilliance can never really be totally replaced. It's
7 just retooled, as you were saying. And they went out and
8 learned programming, they readjusted their skill set to
9 drive what we know computers today to go from a room of
10 this size, calculating down now to our cell phones, our
11 smartphones. And so thank you for bringing that up,
12 Hector. That's just so true.

13 CHAIR NICHOLS: And giving us an opportunity to
14 talk about a great movie.

15 (Laughter.)

16 CHAIR NICHOLS: All right. Yes, Senator Lara.

17 SENATOR LARA: Thank you, Madam Chair.

18 Also just in thinking -- first of all, I would
19 never be a human calculator. You can ask Mrs. Brown at
20 Stevenson Junior High in Boyle Heights --

21 (Laughter.)

22 SENATOR LARA: -- my algebra teacher who barely
23 passed me.

24 (Laughter.)

25 SENATOR LARA: I wanted to again echo Supervisor

1 Serna about doing those EJAC meetings. I'm just sorry I
2 was just a little to late and missed -- missed that
3 meeting, but would love to participate, and also dovetail
4 on what Hector was saying in terms of the job mapping.

5 We know there's a study coming. But again,
6 stressing, particularly for us in the legislature, and
7 particularly in the Senate trying to prove that we can
8 decouple our economy from carbon and still be successful,
9 not only in our economy, but actually job creation.

10 And given the tenor and rhetoric that we're
11 hearing at the federal level, to be able to prove that, we
12 can not only improve the air quality in our most high
13 priority communities, but actually reinvent those local
14 communities, and their local economy. We know that in a
15 lot of our small rural areas, if we invest in job
16 creation, that really transforms the local economy. And
17 we want to be able to prove that, not only, you know,
18 through our work, but politically around the world.

19 And then the other question I had -- or the other
20 thought I had was in terms of the linkages to other
21 jurisdictions ensuring that, you know, as we move forward
22 with the trading system, that we have -- and I know
23 there's been interest from other entities from around the
24 world to link to our system, is there a comprehensive look
25 at who's ready, are -- and who has the sophistication to

1 be able to link to our program -- our current system, so
2 that we can continue to strengthen it and prove through
3 this auction program that we can continue to build
4 partners.

5 Again, it was said earlier, climate change is not
6 just happening in California, but we're inextricably
7 linked to the rest of the world. So I just wanted to
8 offer some thoughts on that. And I believe Hector that
9 the entity you're talking about was AltAir in Paramount,
10 who are doing great things in my district.

11 (Laughter.)

12 CHAIR NICHOLS: Thank you.

13 ARB has been involved over the years, as has
14 CalEPA and the Governor's Office in a number of efforts to
15 sort of assess readiness for linkage when trading across
16 the world. And we're involved in a number of efforts.
17 The only one that's pending at the moment is the official
18 linkage with Ontario. But we have a -- we do have sort of
19 a working list of organizations that are talking to us,
20 and we'd be happy to share that.

21 Okay. I believe that we can draw this
22 presentation to a close.

23 Before we adjourn, we are required to take public
24 comment in an open comment period on any topic that isn't
25 included on our agenda. And so for 3 minutes, we will

1 hear from Eileen Boken who has been sitting here patiently
2 all day.

3 MS. BOKEN: All right. Thank you. Eileen Boken
4 San Francisco resident. Here in Sacramento the same
5 script seems to be playing out that regular -- regulations
6 will negatively affect the future of the refineries,
7 particularly those in the Bay Area.

8 However, I believe what will have the most impact
9 on the future of the refineries is consumer choice.
10 Consumers can now choose from electric, plug-in, flex
11 fuel, and hydrogen fuel cell vehicles. One manufacturer
12 of hydrogen fuel cell vehicles states, "It feels good to
13 drive change in California".

14 According -- regarding hydrogen, discover the
15 element that's fueling the turning point. If we are at a
16 turning point, how will we turn the page in terms rules
17 such as the Bay Area, rule -- proposed Rule 1216?

18 I believe there is the model with PG&E and the
19 Diablo Canyon Nuclear Power Plant. Diablo Canyon will be
20 decommissioned in the next 7 to 8 years. PG&E has
21 committed to convert the facility into clean energy plant
22 and retrain all 1,500 workers in clean energy technology,
23 so there will be no net job losses.

24 The following are excerpts from the Los Angeles
25 Times from June of last year, and I quote, "One of

1 California's largest energy utilities took a bold step in
2 the 21st century electricity revolution with an agreement
3 to close its last operating nuclear plant, and develop
4 more solar, wind, and other clean power technologies".

5 "California is already a leader in curtailing
6 greenhouse gases', said Peter Bradford a former member of
7 the U.S. Nuclear Regulatory Commission. Now, they're
8 saying they can do even -- go even further. That's
9 potentially a model for other situations".

10 "PG&E Chief executive Tony Earley acknowledged
11 the changing landscape in California, noting that energy
12 efficiency, renewals, and storage are the central to the
13 State's energy policy. To craft Tuesday's proposal, PG&E
14 worked with the International Brotherhood of Electrical
15 Workers Local 1245, the Coalition of California Utility
16 Employees, the Natural Resources Defense Council,
17 Environment California, Friends of the Earth, and the
18 Alliance for Nuclear Responsibility".

19 Thank you.

20 CHAIR NICHOLS: Do you have a written statement
21 that you brought with you?

22 MS. BOKEN: No.

23 CHAIR NICHOLS: Oh. Okay. All right. Well, we
24 have a court reporter, so -- all right, that's it then.

25 Without any further ado, we will be adjourned.

1 Thank you all very much.

2 (Thereupon the Air Resources Board

3 adjourned at 1:37 p.m.)

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1 C E R T I F I C A T E O F R E P O R T E R

2 I, JAMES F. PETERS, a Certified Shorthand
3 Reporter of the State of California, do hereby certify:

4 That I am a disinterested person herein; that the
5 foregoing California Air Resources Board meeting was
6 reported in shorthand by me, James F. Peters, a Certified
7 Shorthand Reporter of the State of California, and was
8 thereafter transcribed, under my direction, by
9 computer-assisted transcription;

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

13 IN WITNESS WHEREOF, I have hereunto set my hand
14 this 2nd day of March, 2017.

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