



**BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT**

**BOARD OF DIRECTORS
CLIMATE PROTECTION COMMITTEE
COMMITTEE MEMBERS**

**JOHN AVALOS - CHAIR
SUSAN ADAMS
SCOTT HAGGERTY
SHIRLEE ZANE**

**DAVID HUDSON - VICE CHAIR
JOHN GIOIA
MARK ROSS**

**THURSDAY
MARCH 14, 2013
11:00 A.M.**

**4th FLOOR CONFERENCE ROOM
939 ELLIS STREET
SAN FRANCISCO, CA 94109**

AGENDA

1. CALL TO ORDER - ROLL CALL

2. PUBLIC COMMENT PERIOD

(Public Comment on Non-Agenda Items Pursuant to Government Code § 54954.3) Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at Air District headquarters, 939 Ellis Street, San Francisco, CA, at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee's subject matter jurisdiction. Speakers will be limited to three (3) minutes each.

3. APPROVAL OF MINUTES OF OCTOBER 31, 2011 AND APRIL 16, 2012

4. CONSIDERATION OF APPROVAL OF GREENHOUSE GAS REDUCTION GRANT PROGRAM PROJECT COMPONENTS

J. Broadbent/5052

jbroadbent@baaqmd.gov

The Committee will consider (1) allocation of an additional up to \$435,907 in Greenhouse Gas Reduction Grant Program (GGRGP) derived funds, and (2) approval of an additional 17 GGRGP contingency project components, and (3) authorizing the Executive Officer/APCO to execute Grant Agreements and contingencies to expend the funding for the recommended GGRGP contingency project components.

5. LETTER OF UNDERSTANDING BETWEEN CALIFORNIA AIR RESOURCES BOARD (ARB) AND CALIFORNIA AIR POLLUTION CONTROL OFFICER'S ASSOCIATION (CAPCOA) REGARDING COORDINATION AND COLLABORATION ON CLIMATE CHANGE

J. Broadbent/5052

jbroadbent@baaqmd.gov

The Committee will receive an update on the Air District's working relationship with the California Air Resources Board regarding Climate Change.

6. **CALIFORNIA AIR POLLUTION CONTROL OFFICERS ASSOCIATION (CAPCOA)
GREENHOUSE GAS REDUCTION EXCHANGE**

J. Broadbent/5052

jbroadbent@baaqmd.gov

The Committee will receive an update on the Greenhouse Gas Reduction Exchange being developed by California Air Pollution Control Officers Association (CAPCOA) members.

7. **COMMITTEE MEMBERS' COMMENTS**

Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may; ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Government Code § 54954.2)

8. **TIME AND PLACE OF NEXT MEETING – AT THE CALL OF THE CHAIR**

9. **ADJOURNMENT**

**CONTACT THE CLERK OF THE BOARDS
939 ELLIS STREET, SF, CA 94109**

(415) 749-5073

FAX: (415) 928-8560

BAAQMD homepage:

www.baaqmd.gov

- To submit written comments on an agenda item in advance of the meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- To request special accommodations for those persons with disabilities (notification to the Executive Office should be given at least three working days prior to the date of the meeting so that arrangements can be made accordingly).

Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the District's offices at 939 Ellis Street, San Francisco, CA 94109, at the time such writing is made available to all, or a majority of all, members of that body.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109
FOR QUESTIONS PLEASE CALL (415) 749-4963**

**EXECUTIVE OFFICE:
MONTHLY CALENDAR OF DISTRICT MEETINGS**

MARCH 2013

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Personnel Committee <i>(At the Call of the Chair)</i>	Monday	11	9:30 a.m.	4th Floor Conf. Room
Advisory Council Regular Meeting <i>(Meets on the 2nd Wednesday of each Month)</i>	Wednesday	13	9:00 a.m.	Board Room
Board of Directors Legislative Committee <i>(Meets at the Call of the Chair)</i>	Thursday	14	9:30 a.m.	4th Floor Conf. Room
Board of Directors Climate Protection Committee <i>(Meets at the Call of the Chair)</i>	Thursday	14	11:00 a.m.	4th Floor Conf. Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month) - CANCELLED</i>	Monday	18	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	18	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Special Meeting as the Sole Member of the Bay Area Clean Air Foundation	Wednesday	20	9:45 a.m.	Board Room
Board of Directors Special Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	20	9:45 a.m.	Board Room
Board of Directors Public Outreach Committee <i>(At the Call of the Chair)</i>	Thursday	21	9:30 a.m.	4th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	27	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	28	9:30 a.m.	4 th Floor Conf. Room

APRIL 2013

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	3	9:45 a.m.	Board Room
Advisory Council Regular Meeting <i>(Meets on the 2nd Wednesday of each Month)</i>	Wednesday	10	9:00 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	15	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	15	10:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	17	9:45 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	24	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	25	9:30 a.m.	4 th Floor Conf. Room

MAY 2013

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	1	9:45 a.m.	Board Room
Advisory Council Regular Meeting <i>(Meets on the 2nd Wednesday of each Month)</i>	Wednesday	8	9:00 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	15	9:45 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	20	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	20	10:30 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	22	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	23	9:30 a.m.	4 th Floor Conf. Room

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John Avalos and Members
of the Climate Protection Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 28, 2013

Re: Climate Protection Committee Draft Meeting Minutes

RECOMMENDED ACTION

Approve attached draft minutes of the Climate Protection Committee meetings of October 31, 2011 and April 16, 2012.

DISCUSSION

Attached for your review and approval are the draft minutes of the October 31, 2011 and April 16, 2012, Climate Protection Committee meetings.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Sean Gallagher
Reviewed by: Ana Sandoval

Attachments

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 771-6000

DRAFT MINUTES

Summary of Board of Directors
Climate Protection Committee
4th Floor Conference Room
Monday, October 31, 2011, 10:00 a.m.

1. Call to Order - Roll Call

Chairperson Jennifer Hosterman called the meeting to order at 10:07 a.m. with an established quorum.

Present: Chairperson Jennifer Hosterman, Vice Chairperson Gayle B. Uilkema, and Directors John Gioia, Dave Hudson, Johanna Partin, Mark Ross, and Susan Garner

Absent: Directors Susan Gorin and Carole Groom

2. Public Comment Period: None

3. Approval of Minutes of May 16, 2011

Director Hudson made a motion to approve the minutes of May 16, 2011; seconded by Director Uilkema; carried unanimously without objection.

4. Conoco Phillips Greenhouse Gas (GHG) Reduction

Jean Roggenkamp, Deputy Air Pollution Control Officer, introduced Avra Goldman, Environmental Planner, who provided an informational update on the Greenhouse Gas Reduction Grant Program (GGRGP). The update provided a brief background on the funding for this program. The funding for this program is provided from a settlement agreement between the Attorney General of California and the Conoco Phillips Company. The Air District received approximately \$4.4 million from Conoco Philips by June 1, 2009. As a result of this settlement, the Air District developed a program to reduce greenhouse gas emissions in areas closest to the refinery in Rodeo, California. Therefore, all projects funded under this program are located in Crockett, Hercules, Rodeo, and Pinole.

On June 2, 2010, the Air District Board of Directors approved an award of \$4 million to the most cost effective energy efficiency and renewable energy projects in these areas. At that same time, the Board also approved a contingency list of the highest ranking projects if funds become

available due to accrued interest and projects closing under budget or cancelled. To date, 42 project components have been allocated funding for a total of just under \$4 million. Of those, 9 projects are completed and 33 are scheduled to complete by December 2012.

The program is estimated to reduce approximately 10,078 metric tons of CO2 emissions. Air District staff is currently in the process of allocating funds from accrued interest to projects on the approved Contingency List.

Committee Comments:

Director Gioia confirmed that the amount of funds returned from completed or cancelled projects and/or accrued interest is the same amount of funds that are reallocated to new projects. Director Gioia also requested further clarification regarding the 20 year commitment requirement, particularly for the City of Pinole swim center project. Supervisor Gioia inquired about whether all these facilities need to commit to a budgetary decision 10 to 20 years out.

Damian Breen, Director of Strategic Incentives, responded that the length of the commitment is based on the project life provided by the applicant. The budget commitment is not 20 years down the road but the budget commitment now.

Director Ross asked what would happen in unforeseen loss. Mr. Breen responded that each contract contains an insurance and warranty clause.

Director Uilkema asked if a public facility, such as a firehouse, decided to allow a private entity to run the facility, how this will impact the contract. Mr. Breen stated that as long as the private entity agreed to continue with the contract, then the contract would be transferred.

Director Hosterman asked what the average time is from application receipt to time of funding. Mr. Breen responded about 6 to 8 months.

Public Comments: None

Committee Action: None; for information only.

5. Sustainable Communities Strategy (SCS) Update

Jean Roggenkamp, Deputy Air Pollution Control Officer, introduced Ken Kirkey from the Association of Bay Area Governments (ABAG) and Lisa Klein from the Metropolitan Transportation Commission (MTC) who provided the Committee with an overview of the status and development of the Sustainable Communities Strategy (SCS) and Abby Young, Principal Environmental Planner, who discussed the Air District's involvement and interest in the SCS.

Mr. Kirkey provided an update on what's new with Senate Bill 375 which requires key actions by every region in California. One requirement is that every region's transportation plan must align with and support a sustainable community strategy land use pattern. The sustainable community strategy will be adopted as part of the regional transportation plan which will happen in spring of 2013. The SCS shall identify how the region can satisfy the region's housing demand for the

projected population across all income categories and adopt a forecasted development pattern for the region, supported by a transportation system, which will reduce greenhouse gas emissions.

Director Hudson asked if the Shaping Our Future Plan would qualify as an alternative planning strategy. Mr. Kirkey responded no.

Mr. Kirkey continued with the presentation discussing regional job projections, revised Greenhouse Gas (GHG) emission reduction estimates, performance targets, priority developments areas, and housing distribution.

Mr. Kirkey requested that Ms. Klein continue with the presentation to the Committee. The following topics were discussed during this portion of the presentation: Investment Strategies, Policy Initiatives, Project Performance Assessment, and next steps.

Director Hosterman noted that Director Garner joined the meeting.

Ms. Young provided the Committee with a summary of the Air District's role in the SCS and staff's work to ensure projects and land use scenarios minimize exposure to particulate matter and air toxics.

Director Partin commented that 15% GHG emission reduction by 2035 is large. Director Partin noted that the real challenge is how to build near transit centers but at the same time address CEQA thresholds and air quality issues.

At the request of Jack Broadbent, Executive Officer/APCO, and concurrence from the Committee, Agenda item #6 is deferred to the next Climate Protection Committee meeting.

Committee Comments:

Director Gioia stated that he read the regional transit cost study and asked how the recommendations in the study fit into the SCS. Ms. Klein referred back to the presentation.

Public Comment: None.

Committee Action: None; for information only.

- 6. Committee Member Comments/Other Business:** None.
- 7. Time and Place of Next Meeting:** At the Call of the Chairperson.
- 8. Adjournment:** The meeting was adjourned at 11:00 a.m.

Maricela Martinez
Executive Secretary I

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 771-6000

DRAFT MINUTES

Summary of Board of Directors
Climate Protection Committee Meeting
9:30 a.m., Monday, April 16, 2012

1. Call to Order – Roll Call

Committee Chairperson Jennifer Hosterman called the meeting to order at 10:33 a.m. and made opening comments.

Present: Committee Chairperson Jennifer Hosterman and Director Mark Ross.

Absent: Vice Chairperson Edwin M. Lee; and Directors Susan Garner, Susan Gorin, Carole Groom, David Hudson, Katie Rice and Shirlee Zane.

Also Present: Board of Directors Chairperson John Gioia.

2. Public Comment Period: None.

3. Approval of Minutes of October 21, 2011

Approval of the Minutes of October 21, 2011, was postponed for lack of a quorum.

4. Local Climate Action Planning Update

Henry Hilken, Director of Planning, Rules & Research, introduced Abby Young, Principal Environmental Planner of Planning, Rules & Research, who gave the staff presentation Climate Action Planning Update, including reviews of the state of climate action planning at large; Air District initiatives that spurred climate planning; increases in climate action planning in the Bay Area; the interplay between the California Environmental Quality Act (CEQA), climate action plans (CAPs) and the Sustainable Communities Strategy (SCS); localities the Air District has confirmed have adopted CAPs; forms of Air District assistance in plan development; current trends and innovative measures; and the next steps in CAP efforts.

Chairperson Gioia asked, regarding slide 3, District Initiatives Spur Climate Planning, whether the \$770,700 in grants represents the total of Air District funding. Ms. Young said there was a total of \$3 million that was broken up; first, into planning grants of approximately \$770,000; second, a large portion went to Innovative Solutions for more typical project funding like Berkeley First and Marin Community Choice Aggregation; and finally, a handful of grants that went to seed fund energy and climate protection staff positions.

Director Ross asked if the \$3 million came from the Bay Area Clean Air Foundation. Ms. Roggenkamp responded that it was excess funds from the radio room but technology advanced so much that the upgrades were possible via a much cheaper solution. Chairperson Gioia confirmed that the \$3 million was all for climate change issues and asked if all of the climate change plans being discussed came from the \$770,000. Ms. Young said no and more funding has come from other sources. Chairperson Gioia asked if the total Air District funding was \$770,000. Brian Bunger, District Counsel, confirmed. Chairperson Gioia said that money then leveraged other dollars and asked staff for the information as it is important to know exactly how much was leveraged.

Ms. Young continued the presentation.

Chairperson Gioia asked, regarding slide 4, Bay Area Climate Action Planning, if 23 CAPs were adopted in 2011 plus 30 in 2012 or if those are running totals. Ms. Young said there are currently 30 CAPs adopted that approximately 13 will be adopted in 2013. Committee Chairperson Hosterman asked when the number will get to 110. Ms. Young said it is a long process from the time a decision to adopt is made and its fruition, averaging approximately one and a half years, and a great deal of resources in the form of meetings, funding, document preparation and so forth. Ms. Young noted a CAP template was created and may prove helpful for those who have not yet adopted a CAP. Committee Chairperson Hosterman stated that one may also be available through the Local Government Commission. Mr. Hilken said there are many CAPs in the works that were not included as they are still in the early planning stages.

Ms. Young concluded her presentation.

Committee Comments:

Director Ross said so few cities have a CAP but so many cities having to contend with the SCS and asked why someone has not found a way to link the two. Committee Chairperson Hosterman said the Air District is doing well working with various agencies to support the process and move things along and suggested that the Association of Bay Area Governments (ABAG), with the Metropolitan Transportation Commission (MTC), has the reins on the SCS discussion. Director Ross suggested, as a benefit for the SCS strategy, that a model CAP be prepared that could be incorporated under an SCS strategy. Committee Chairperson Hosterman said the interrelation was part of the argument in favor of completing a CAP at the City of Pleasanton. Director Ross said this may have been a better idea early on and asked if it might still help.

Jack Broadbent, Executive Officer/Air Pollution Control Officer, suggested discussing SCS now as a related sub-item of this agenda item and Committee Chairperson Hosterman agreed.

Mr. Broadbent said there is a lot of work being done on SCS, and the staffs of ABAG and MTC want to provide a brief on SCS around June, probably to the Executive Committee and then the Board. Mr. Broadbent added that Ms. Young and Air District staff spend a great deal of time on SCS and the points being made about CAP and particulate matter exposure are all comments that will be made by staff with a request for Board endorsement, probably around June. Mr. Broadbent and Ms. Roggenkamp discussed the timeline.

Committee Chairperson Hosterman agreed and said work on this has been done for a couple years, with a huge amount of staff effort expended at the various agencies throughout the Bay Area, and the general consensus seems to be that it is a great idea but its implementation is only marginally realistic and there is some question as to whether a revenue stream exists to do so. Committee Chairperson Hosterman solicited the input of others about how long this should be kept alive artificially if it is not gaining traction instead of confronting the state legislature regarding the fruitless efforts and need for a revenue stream.

Chairperson Gioia asked if Committee Chairperson Hosterman is proposing that this message come from the Air District alone or that it be raised in conjunction with the other regional agencies. Committee Chairperson Hosterman said it makes sense to include all of the agencies in the discussion, as it seems there is general agreement among them, but it is important to consider whether work is being done towards an unattainable goal and the Air District is in the perfect position to take a lead role in that discussion.

Mr. Broadbent said SCS is trying to direct 60 to 70% of future housing into priority development areas (PDAs) and rely on transit opportunities to reduce greenhouse gases (GHG) and while the point being raised of exposure is front and center in the minds of Air District staff, the SCS is operating at a somewhat high level, leaving implementation up to the jurisdictions through their planning processes. Mr. Broadbent added that it is worth raising the issue and then talking about how to implement exposure mitigation measures at a higher-than-staff level. Committee Chairperson Hosterman suggested the final solution may be making a declaration that the Bay Area is in compliance as much as possible without assistance. Mr. Broadbent recalled reports of a 6 to 8% gap towards the target and this is where the Air District can help with specific programs.

Director Ross suggested using the SCS as a vehicle to foster the implementation of more CAPs in order to obtain the necessary reductions and then bringing community risk reduction plans (CRRP) into the fold for a unified, more streamlined effort. Committee Chairperson Hosterman said some modicum of local control must be maintained. Director Ross asked what would happen if cities had an imperfect, untailed document that comes off the shelf with some basic measures that can be implemented with very little staff effort.

Chairperson Gioia asked if the goal of this discussion is to determine how best to start the dialogue about the compatibility of various plans for the region and what the proper venue would be for that dialogue. Chairperson Gioia noted the ongoing discussion at MTC and ABAG regarding the tension of planning for the various programs and asked what the helpful message from the Air District should be. Director Ross said the helpful message is you can get more support for the SCS strategy adoption by providing jurisdictions this low-cost, straightforward and streamlined package as a pathway to compliance. Chairperson Gioia noted that the deadline is fast approaching. Director Ross said that is all the more reason to proceed with developing a simpler pathway. Chairperson Gioia asked how it could be accomplished by April 2013. Director Ross said by preparing a template CAP that can fold into and implement SCS. Chairperson Gioia asked how this would play out. Mr. Broadbent suggested sister-agencies' and Air District staffs brief the Board regarding efforts to date and mentioned discussions about the viability of meeting the target and further ways to decrease GHGs, such as increased penetration of electric vehicles, a project the Air District could take the lead on. Mr. Broadbent suggested working with cities to get CAPs adopted as implementation vehicles for a lot of these things.

Director Ross asked if those reductions can be plugged into the SCS. Mr. Broadbent said yes and the second SCS is due in 2017. Director Ross asked if the Air District can quickly put together a mutually beneficial package. Chairperson Gioia suggested progress briefings be presented to the Executive Committee and Board for further discussion and asked when those might occur. Mr. Broadbent said it has yet to be determined but would probably be June or July but staff needs to check with ABAG and MTC staffs regarding how the Air District can best help them to achieve their goals. Director Ross said that bundling the uses may go a long way towards adoption. Committee Chairperson Hosterman speculated that everyone will soon see tensions rise to a level that will prevent measures from being implemented.

Mr. Hilken said local jurisdictions are not left to recreate the wheel but are instead provided templates and suggestions on how best to streamline and tailor them to their individual needs.

Public Comments: None.

Committee Action: None; informational only.

5. Update on Assembly Bill 32 Implementation and U.S. Environmental Protection Agency Programs to Reduce Greenhouse Gas Emissions Under the Federal Clean Air Act

Brian Bateman, Director of Compliance & Enforcement, gave the staff presentation Update on Implementation of Assembly Bill (AB) 32 and U.S. Environmental Protection Agency (EPA) GHG Regulatory Programs, including AB 32 background and scoping plan, the revised scoping plan CEQA analysis, cap-and-trade regulation overview and recent activity, AB 32 landfill methane and semiconductor operations rules, stationary refrigerant management program, California Air Resources Board (ARB) and Air District coordination, EPA regulation of GHG under the Federal Clean Air Act, GHG tailoring rule, Clean Air Act permit programs, and New Source Performance Standards (NSPS) and Emission Guidelines (EG).

Committee Chairperson Hosterman asked, regarding slide 3, AB 32 Scoping Plan, the meaning of the “18 – 27” figure provided. Mr. Bateman responded that the current estimate is 18 but that it could go up.

Mr. Bateman continued the presentation.

Committee Chairperson Hosterman asked, regarding slide 9, Recent Activity on Cap-and-Trade, whether the registration deadline was met. Mr. Bateman responded that he believes so but would have to check to be sure. Committee Chairperson Hosterman asked how long Quebec’s program has been in existence. Mr. Bateman said about the same as California’s.

Mr. Bateman continued the presentation.

Committee Chairperson Hosterman asked, regarding slide 12, Stationary Refrigerant Management Program, what systems are included in “non-residential stationary refrigerant systems that require more than 50 lb. of fluorocarbon refrigerant charge.” Mr. Bateman responded that grocery stores have them for food storage, not climate control.

Mr. Bateman concluded the presentation.

Mr. Bateman added, regarding slide 12, Stationary Refrigerant Management Program, that although the effective date has passed, the standards are largely unenforced because the memorandum of understanding is still being developed and work is still needed on outreach and enforcement efforts.

Mr. Bateman added, regarding slide 16, Clean Air Act Permit Programs, that all five of the formerly eligible plants in the Bay Area have shut down because the plants were fairly old and compliance would be too expensive.

Committee Chairperson Hosterman asked, regarding slide 17, NSPS and EG, whether the standards are so strict that no plant will come to the Bay Area. Mr. Bateman responded that it seems they are not preventative but that they do make it very difficult for industry to compete.

Committee Comments:

Committee Chairperson Hosterman asked how Air District staff are responding to the EPA regarding the NSPS and EG. Mr. Bateman responded that the Air District is generally supportive.

Director Ross asked if cap-and-trade allowances are valid for one year. Mr. Bateman said no but fewer allowances will be issued each year. Director Ross asked if the allowances expire. Mr. Bateman speculated no.

Director Ross asked what is going to prevent a facility from fudging its initial numbers. Mr. Bateman said there is an independent, third-party verification system. Director Ross asked if the verifier will be checking Air District numbers. Mr. Bateman said facilities have to have direct third-party verification. Director Ross asked if facilities hire their own verifiers. Mr. Bateman responded yes. Director Ross speculated they will have different numbers than the Air District. Mr. Broadbent said this was discussed with ARB and whether the air districts should be the verifiers and believes they are currently excluded from that role, adding that the program is estimated to generate billions of dollars in revenue so there is a lot of discussion about what to do with the revenue. Director Ross asked for a report back on when the allowances expire. Discussion ensued between Director Ross and Messrs. Broadbent, Bunger and Bateman regarding allowance expiration dates, the burgeoning speculation market, and program requirements.

Director Ross asked if the Air District should buy credits. Mr. Broadbent and Mr. Bunger recommended waiting until the program is matured. Committee Chairperson Hosterman and Chairperson Gioia discussed the relevancy and timing of briefing the Board on the matters discussed today.

Mr. Broadbent said the Air District role is still being clarified in terms of implementing AB 32 and asked Mr. Bateman about the next steps. Mr. Bateman said the Air District has a statement to issue and potentially forming a working implementation group. Mr. Broadbent said the industry

concern is their having to work with the ARB on one front and the Air District through the permit process.

Director Ross asked whether the Air District should obtain credits and then retire them in some way as an emission mitigation strategy. Mr. Broadbent said there has been and continues to be a great deal of discussion about reductions under, possible conflicts between, and the interplay of CEQA and AB 32, and urged caution in that regard for the time being.

Public Comments: None.

Committee Action: None; informational only.

6. **Committee Member Comments/Other Business:** None.
7. **Time and Place of Next Meeting:** At the call of the Chairperson.
8. **Adjournment:** The meeting adjourned at 11:58 a.m.

Sean Gallagher
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John Avalos and Members
of the Climate Protection Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 7, 2013

Re: Consideration of Approval of Greenhouse Gas Reduction Grant Program Project
Components

RECOMMENDED ACTION

Recommend Board of Directors:

1. Allocate an additional up to \$435,907 in Greenhouse Gas Reduction Grant Program (GGRGP) derived funds;
2. Approve the addition of 17 GGRGP contingency project components listed in Attachment C; and
3. Authorize the Executive Officer/APCO to execute all contracts and contingencies to expend the funding for the recommended GGRGP contingency project components listed in Attachment C.

BACKGROUND

On September 10, 2007, the Attorney General of California (AG) entered into a Settlement Agreement with ConocoPhillips Company (Conoco) to resolve a dispute regarding the environmental impact of greenhouse gas (GHG) emissions (primarily carbon dioxide) from the Clean Fuels Expansion Project at Conoco's refinery in Rodeo, California. On November 24, 2008, the AG and the Air District entered into a Memorandum of Understanding (MOU) delineating the Air District's authority to administer a GHG emission reduction grant program using funds from the Settlement Agreement. The Air District received \$4,443,025 from Conoco by June 1, 2009.

On June 2, 2010, the Air District's Board of Directors (Board) approved the allocation of \$4 million for 55 energy efficiency and renewable energy project components (components) in Rodeo, Hercules, Crockett, and Pinole, under the Greenhouse Gas Reduction Grant Program (GGRGP). The Board also approved a contingency list containing six additional components totaling \$3,148,556. As part of this report, the Committee will receive an update on the progress made to date and a recommendation for allocating remaining funds and expanding the contingency list.

DISCUSSION

Results of GGRGP

To date, out of the 55 Board-approved components, 25 components have been completed at a cost of \$2,130,000.95. Two contingency-list components totaling \$109,038 have also been completed. A listing of these 27 components is located in Attachment A. An additional 11 Board-approved components are currently in the process of being completed by July 31, 2013. A listing of these components is located in Attachment B. Out of the remaining 19 Board-approved components, 16 have been cancelled by the project sponsor, two have been completed by the project sponsor at no cost to the Air District, and one was incorporated and completed as part of another Board-approved project component.

In addition to these projects, staff is currently in the process of reallocating \$957,333.05 in GGRGP funds from components that were either cancelled (\$850,100) or completed under budget (\$107,233.05) to the remaining two components from the original contingency list.

Expansion of Contingency List and Allocation of Program Funds

In addition to the \$4 million in GGRPR funding that was allocated by the Board in June 2010, staff is recommending Board approval of the allocation of up to \$435,907 in additional GGRGP-derived funds. These funds include \$200,000 in contingency funds that were not included in the original Board allocation, \$135,907 in interest that has accrued on the total funds received to date, and an additional up to \$100,000 that is estimated to accrue in interest over the next up to three years.

In order to ensure that these funds are expended, staff is also recommending expanding the contingency list by adding 17 eligible components that were received as part of the initial solicitation for this program but were not previously recommended for award. These components met all GGRGP requirements but scored lower in terms of cost-effectiveness than the components the Board initially approved. The proposed revised contingency list that includes these components and their cost-effectiveness is provided in Attachment C.

If the Board approves the inclusion of these components into the contingency list, staff proposes to offer funds to the highest ranking components on the revised contingency list until all currently available funds and any interest accrued are exhausted.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None. Through the GGRGP, the Air District will distribute “pass-through” funds to public entities on a reimbursement basis. Administrative and audit costs for the program are provided by the funding source.

Respectfully submitted,

Jack P. Broadbent
Executive Director/APCO

Prepared by: Avra Goldman
Reviewed by: Karen Schkolnick

Attachment A: GGRGP Completed Project Components
Attachment B: Active GGRGP Project Components
Attachment C: Project Components Remaining from Original Contingency List and
Components Proposed for Inclusion

Attachment A: GGRGP Completed Project Components

Component Number	Project Sponsor	Building	Project Component	Actual Cost-Effectiveness	Project Component Cost	Original Award Amount	Final Award Amount
Originally Approved Components:							
09GHG03.2	The City of Pinole	City Hall	Replace boilers	Pending final review*	\$37,956.00	\$37,120.00	\$37,120.00
09GHG03.4	The City of Pinole	City Hall	HVAC controls	Pending final review*	\$84,950.00	\$79,236.00	\$79,236.00
09GHG05.1	The City of Pinole	Youth Center	Install fluorescent light fixtures	\$173.98	\$1,965.59	\$1,176.00	\$999.60
09GHG07.2	The City of Pinole	Senior Center	Install fluorescent light fixtures	\$45.04	\$4,098.71	\$1,742.00	\$1,478.31
09GHG07.3	The City of Pinole	Senior Center	Install high efficiency water heater	\$305.09	\$12,817.37	\$12,309.00	\$10,462.65
09GHG09.1	Contra Costa County	Rodeo Senior Citizen Club	Install fluorescent light fixtures	\$284.99	\$5,908.68	\$3,993.00	\$3,992.87
09GHG10.5	Crockett-Carquinez Fire Protection District	Station 78	Replace boilers	Pending final review*	\$38,895.00	\$16,784.00	\$16,784.00
09GHG11.1	John Swett Unified School District	John Swett High School	Replace heating food holding cabinets	\$124.05	\$6,398.00	\$5,798.00	\$4,903.89
09GHG11.2	John Swett Unified School District	John Swett High School	Install fluorescent light fixtures	\$194.35	\$5,868.00	\$4,368.00	\$4,368.00
09GHG11.3	John Swett Unified School District	John Swett High School	Install lamps, ballasts, and occupancy controls	\$193.68	\$34,232.00	\$23,654.00	\$23,654.00
09GHG11.5	John Swett Unified School District	John Swett High School	Replace single pane with double	\$498.68	\$504,458.00	\$498,169.00	\$498,169.00
09GHG12.1	John Swett Unified School District	Carquinez Middle School	Replace fluorescent lamps and ballasts	\$177.03	\$24,559.56	\$16,610.00	\$16,610.00
09GHG14.1	Rodeo Sanitary District	Rodeo Sanitary District	Install fluorescent light fixtures	\$239.56	\$21,065.79	\$21,066.00	\$19,424.00
09GHG14.3	Rodeo Sanitary District	Rodeo Sanitary District	Install Variable Speed Blower	Pending final review*	\$222,679.70	\$146,422.00	\$146,422.00
09GHG15.1	Rodeo-Hercules Fire District	Station 75	Vending Machine Controller	\$36.58	\$175.00	\$85.00	\$85.00
09GHG15.2	Rodeo-Hercules Fire District	Station 75	Install fluorescent light fixtures	\$125.29	\$2,246.58	\$1,351.00	\$1,148.32
09GHG15.3	Rodeo-Hercules Fire District	Station 75	Gas Fired Water Heater	\$74.83	\$5,019.00	\$3,019.00	\$3,019.00
09GHG16.1	Rodeo-Hercules Fire District	Station 76	Vending Machine Controller-cool	\$36.58	\$175.00	\$85.00	\$85.00
09GHG16.2	Rodeo-Hercules Fire District	Station 76	Install fluorescent light fixtures	\$76.30	\$6,103.32	\$2,606.00	\$2,215.10
09GHG16.3	Rodeo-Hercules Fire District	Station 76	Install Window film	\$82.04	\$1,117.05	\$884.00	\$751.40
09GHG16.4	Rodeo-Hercules Fire District	Station 76	Install high efficiency central water heater	\$289.77	\$5,019.00	\$4,810.00	\$4,810.00
09GHG20.1	West Contra Costa Unified School District	Hercules Middle-High School	Install fluorescent light fixtures	Pending final review*	\$61,320.93	\$25,980.00	\$25,980.00
09GHG20.2	West Contra Costa Unified School District	Hercules Middle-High School	Solar panels	Pending final review*	\$2,181,667.00	\$1,302,682.00	\$1,205,664.81
09GHG22.1	Housing Authority of the County of Contra Costa	Administration Building	Install attic and/or roof/ceiling insulation	Pending final review*	\$23,996.00	\$22,529.00	\$22,529.00
09GHG22.2	Housing Authority of the County of Contra Costa	Administration Building	Vending Machine Controller	Pending final review*	\$179.00	\$89.00	\$89.00
						TOTAL: \$2,232,567.00	\$2,130,000.95
Components from Contingency List:							
09GHG15.4	Rodeo-Hercules Fire District	Station 75	Solar Panels	\$ 532.81	\$39,675.00	\$36,075.00	\$36,075.00
09GHG16.5	Rodeo-Hercules Fire District	Station 76	Solar Panels	\$ 518.69	\$83,463.00	\$72,963.00	\$72,963.00
						TOTAL: \$109,038.00	\$109,038.00

*These components are currently undergoing final evaluation; estimated cost-effectiveness for each component was \$507.21/ton or less.

Attachment B: Active GGRGP Project Components

Component Number	Project Sponsor	Building	Project Component	Estimated Cost-Effectiveness	Project Component Cost	Grant Award	Scheduled Completion Date
09GHG03.3	The City of Pinole	City Hall	Solar panels	\$369	\$327,757.00	\$162,308.00	7/1/2013
09GHG04.1	The City of Pinole	Swim Center	Pool Pump	\$200	\$17,653.68	\$15,270.00	7/1/2013
09GHG04.2	The City of Pinole	Swim Center	Install pool heater	\$455	\$64,842.10	\$41,248.00	7/1/2013
09GHG04.3	The City of Pinole	Swim Center	Solar panels	\$455	\$340,344.00	\$207,423.00	7/1/2013
09GHG05.2	The City of Pinole	Youth Center	Solar panels	\$466	\$175,391.00	\$110,768.00	7/1/2013
09GHG07.4	The City of Pinole	Senior Center	Solar panels	\$407	\$289,956.00	\$159,911.00	7/1/2013
09GHG10.1	Crockett-Carquinez Fire Protection District	Station 78	Replace food service equipment	\$13	\$160.00	\$70.00	7/1/2013
09GHG10.2	Crockett-Carquinez Fire Protection District	Station 78	Install fluorescent light fixtures	\$161	\$3,384.81	\$1,894.00	7/1/2013
09GHG10.3	Crockett-Carquinez Fire Protection District	Station 78	Install high efficiency central water heater	\$70	\$3,785.40	\$2,186.00	7/1/2013
09GHG10.4	Crockett-Carquinez Fire Protection District	Station 78	Replace food service equipment	\$398	\$494.99	\$445.00	7/1/2013
09GHG10.6	Crockett-Carquinez Fire Protection District	Station 78	Solar panels	\$494	\$140,980.00	\$102,105.00	7/1/2013

TOTAL: \$ 803,628

Attachment C: Project Components Remaining from Original Contingency List and Components Proposed for Inclusion

Project Number	Project Sponsor	Building	Project Component	Grant Request Amount	Estimated Cost Effectiveness	Project Component Cost
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Project Components Remaining on the Original Contingency List:

09GHG08	Contra Costa County	Employment and Human Services Building	Install solar panels	\$1,155,074	\$556	\$1,635,098
09GHG08	Contra Costa County	Employment and Human Services Building	Install fluorescent light fixtures	\$43,993	\$586	\$47,460

Proposed Additional Components for Contingency List:

09GHG01	City of Hercules	Library	Install solar panels	\$598,178	\$625	\$808,178
09GHG24	Crockett Community Services District	Crockett Community Center	Replace windows & front doors	\$92,809	\$756	\$93,470
09GHG02	City of Hercules	City Hall	Install solar panels	\$408,000	\$786	\$418,000
09GHG12	John Swett Unified School District	Carquinez Middle School	Install double pane windows	\$354,380	\$852	\$357,000
09GHG21	West Contra Costa Unified School District	Pinole Valley High School	Install fluorescent light fixtures	\$707,149	\$876	\$741,809
09GHG22	Contra Costa Housing Authority	Administration Building	Install solar panels	\$343,717	\$900	\$360,935
09GHG08	Contra Costa County	Employment and Human Services Building	Upgrade air handling units	\$378,885	\$904	\$392,791
09GHG21	West Contra Costa Unified School District	Pinole Valley High School	Install LED light fixtures	\$191,522	\$1,070	\$198,552
09GHG10	Crocket-Carquinez Fire District	Station 78	Replace food service equipment (refrigerators-3)	\$1,635	\$1,658	\$3,510
09GHG15	Rodeo-Hercules Fire District	Station 75	Replace dishwasher	\$360	\$1,687	\$510
09GHG08	Contra Costa County	Employment and Human Services Building	Upgrade air-powered system to electric	\$53,902	\$1,855	\$54,456
09GHG13	John Swett Unified School District	Rodeo Hills Elementary School	Install "cool roof"	\$239,500	\$2,030	\$239,500
09GHG17	West Contra Costa Unified School District	Collins Elementary School	Install fluorescent light fixtures	\$250,273	\$2,535	\$251,698
09GHG18	West Contra Costa Unified School District	Ellerhorst Elementary School	Install "cool roof"	\$137,757	\$2,867	\$187,757
09GHG22	Contra Costa Housing Authority	Administration Building	Install dual glazed windows	\$44,403	\$2,882	\$44,600
09GHG19	West Contra Costa Unified School District	Steward Elementary School	Install "cool roof"	\$121,757	\$2,906	\$166,757
09GHG12	John Swett Unified School District	Carquinez Middle School	Replace boilers	\$728,452	\$2,937	\$730,794

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John Avalos and Members
of the Climate Protection Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 27, 2013

Re: Letter of Understanding between California Air Resources Board (ARB) and
California Air Pollution Control Officers Association (CAPCOA) Regarding
Coordination and Collaboration on Climate Change

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

The adoption of AB 32, the California Global Warming Solutions Act of 2006, initiated a process for the California Air Resources Board (ARB) to develop and adopt a Scoping Plan, regulations and programs to reduce statewide greenhouse gas (GHG) emissions to 1990 levels by 2020. ARB adopted the Scoping Plan, numerous regulations and programs to meet the requirements of AB 32. Many of the ARB regulations and programs to reduce GHG emissions affect stationary sources regulated by the air districts throughout California. The air districts, through the California Air Pollution Control Officers Association (CAPCOA), worked with ARB to identify ways to assist ARB and to avoid conflicts given that both ARB and the air districts are now regulating stationary sources, albeit for different air pollutants. A *Letter of Understanding* is the result of that work.

DISCUSSION

In January 2013, CAPCOA and ARB signed a *Letter of Understanding for Coordination and Collaboration between ARB and CAPCOA on Climate Change*. This *Letter of Understanding* recognizes that improved coordination and collaboration between the air districts and ARB will strengthen the climate program while maximizing the benefits in terms of air quality and public health. The *Letter of Understanding* acknowledges areas where air districts are already playing a leadership role on climate related activities, including but not limited to:

- Development of protocols for carbon offsets
- Mandatory reporting of GHG emissions
- Regulation implementation
- CEQA assistance to cities and counties

The *Letter of Understanding* also identifies key additional opportunities for collaboration including:

- Cap and Trade compliance offsets
- AB 32 Scoping Plan update
- Adaptive management
- Program implementation assessments
- Data management coordination

The *Letter of Understanding* is a good step forward. Progress on the coordination and collaboration outlined in the *Letter of Understanding* will be assessed during periodic meetings between the CAPCOA Board of Directors and ARB management.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jean Roggenkamp
Reviewed by: Jack P. Broadbent

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John Avalos and Members
of the Climate Protection Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 28, 2013

Re: California Air Pollution Control Officers Association (CAPCOA) Greenhouse Gas
Reduction Exchange

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

In early 2012, Air District staff began participating in discussions with other air districts on the development of an exchange, coordinated by the California Air Pollution Control Officers Association (CAPCOA), to match buyers and sellers of greenhouse gas (GHG) reduction credits. The primary intent of the CAPCOA GHG Reduction Exchange (Rx) is to promote and stimulate the development of GHG offsite mitigation projects in the Bay Area and California.

DISCUSSION

In 2010, the State of California updated the State CEQA Guidelines to address analysis of GHG emissions in environmental review of land use projects. In the same year, the Air District updated its own CEQA Guidelines to provide further clarification and guidance on how to assess and mitigate the impacts of GHG emissions in land use projects in the Bay Area. As a result, project developers and lead agencies have been including analysis of GHG emissions impacts in environmental review documents. In some cases, project developers and lead agencies have sought to reduce potentially significant GHG emissions impacts from projects through off-site mitigation. However, no framework currently exists for facilitating localized offsite GHG mitigation projects.

Air District staff has been working closely with staff from other air districts to develop the CAPCOA GHG Rx, which will provide opportunities for investment in local (Bay Area and California) GHG reduction projects for lead agencies and/or project developers seeking off-site mitigation. To date, development of the CAPCOA GHG Rx has included development of a software platform, criteria for project protocol development, a credit tracking system, administrative guidelines, and other materials to support participation in the program.

Staff will brief the Committee on the status and development of the CAPCOA GHG Reduction Exchange.

BUDGET CONSIDERATION/ FINANCIAL IMPACT

None. Staff resources are currently included in the Fiscal Year End 2013 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Abby Young
Reviewed by: Henry Hilken