

Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, CA 94105
(415) 749-5073

Board of Directors Regular Meeting
Wednesday, March 15, 2023

APPROVED MINUTES

*This meeting was webcast, and a video recording is available on the website of the
Bay Area Air Quality Management District at
www.baaqmd.gov/bodagendas*

CALL TO ORDER

1. **Opening Comments:** Board of Directors (Board) Chairperson, John J. Bauters, called the meeting to order at 9:00 a.m.

Roll Call:

Present, In-Person (375 Beale Street, Board Room, San Francisco, California, 94105): Chairperson John J. Bauters; Vice Chairperson Davina Hurt; Secretary Lynda Hopkins; and Directors Margaret Abe-Koga, Brian Barnacle, Ken Carlson, Noelia Corzo, Joelle Gallagher, John Gioia, Juan Gonzalez, Erin Hannigan, Tyrone Jue, Sergio Lopez, Otto Lee, Myrna Melgar, Nate Miley, Ray Mueller, Katie Rice, Mark Ross, Vicki Veenker, and Shamann Walton.

Present, Participated via Zoom (remote presence does not count for quorum, but votes are counted for all action items): Director Steve Young (just cause.)

Present, In-Person Remote Teleconference Location: (Office of Contra Costa County Supervisor John Gioia, Conference Room, 11780 San Pablo Avenue, Suite D, El Cerrito, California 94530): Director Mark Ross.

Absent: Directors David Haubert and David Hudson.

2. **PLEDGE OF ALLEGIANCE**
3. **PUBLIC MEETING PROCEDURE**

PUBLIC HEARING

4. **PUBLIC HEARING TO CONSIDER ADOPTION OF PROPOSED AMENDMENTS TO REGULATION 9: INORGANIC GASEOUS POLLUTANTS, RULE 4: NITROGEN OXIDES FROM FAN TYPE CENTRAL FURNACES (RULE 9-4) AND RULE 6: NITROGEN OXIDES (NO_x) EMISSIONS FROM NATURAL GAS-FIRED BOILERS AND WATER HEATERS (RULE 9-6), AND CERTIFICATION OF AN ENVIRONMENTAL**

IMPACT REPORT FOR THE PROPOSED AMENDMENTS TO RULE 9-4 AND RULE 9-6 PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Chair Bauters opened the public hearing.

NOTED PRESENT: Director Miley was noted present at 9:07 a.m.; Director Abe-Koga was noted present at 9:08 a.m.; and Director Melgar was noted present at 9:09 a.m.

Jennifer Elwell, Senior Air Quality Engineer in the Rules & Strategic Policy Division, and Dr. Phil Martien, Director of Assessment, Inventory, and Modeling, gave the staff presentation *Proposed Amendments to Rules 9-4 and 9-6*, including: outcome; outline; requested action; background; NO_x emissions comparisons; residential appliance emissions; necessity; NO_x emissions reductions expected; greenhouse gas (GHG) emissions reductions expected; health benefits; modeled fine Particulate Matter (PM_{2.5}) from all sources; modeled PM_{2.5} reductions with zero- NO_x natural gas appliances; modeled PM_{2.5} reductions with electric appliances; modeled health benefits; summary of health valuations; modeled PM_{2.5} exposure; equity assessment; changes to peak air pollution levels (24-hour PM_{2.5} and 8-hour ozone); summary of benefits; rules updates and package contents; overview of existing rules; applicability; Rule 9-4 updates (furnaces); Rule 9-6 updates (water heaters); interim report; Implementation Working Group; costs to property owners; cost effectiveness range; socioeconomic impact analysis; statutory findings; Air District impacts; CEQA impact analysis; public comments received (cost, grid); common questions; timeline; and resolution and recommendation.

Public Comments

Public comments were given (in person) by: Matthew Lakin, US Environmental Protection Agency; Annalisa Schilla, California Air Resources Board; Dr. Bret Andrews; Hon. Wei-Tai Kwok, Lafayette City Council; Kyle Bergeron, Air-Conditioning, Heating, and Refrigeration Institute (AHRI); Kathy Kerridge, Benicia resident; Dr. Janice Kirsch, Physicians for Social Responsibility; Sylvie Ashford, Natural Resources Defense Council; Dr. Mary Williams; retired physician (name unknown); physician (name unknown); Melissa Yu, Sierra Club; Jared, Burlingame resident; Jackie Garcia, 350 Contra Costa; Leah Louis-Prescott, Rocky Mountain Institute (RMI); Jacob Klein, Oakland resident; Virginia Reinhart, Sierra Club; Dr. Cynthia Mahoney; Peter Belden, San Francisco resident; Jan Warren, Interfaith Climate Action Network of Contra Costa County; Lin Dan Do; Laura Feinstein, San Francisco Planning and Urban Research Association; Glen Garfunkel, Climate Reality Project Silicon Valley Chapter; Megan Leary, Emerald Cities; Denise Grab, RMI; Jed Holtzman, RMI; Jean Warner, SF resident; Aaron Riven, Oakland resident; Courtney Berman, Oakland resident; Dr. Margaret Chen; Celeste Mirassou, Napa Climate Now; Joni Eisen, Potrero Hill resident; Tim Laidman, El Cerrito; David Tuft, Harvest Thermal; Suzanne Emerson, San Carlos resident; Michael Arnold; Leanna, Oakland resident; Bill Olson; Adam Klaus, San Francisco resident; Debbie Mytels, Peninsula Interfaith Climate Action Network; Crystal Wickham, Sunnyvale resident; Kathy Battat, Hillsborough resident; Andrea Gara; Mary Dateo, Mountain View; Sierra Club representative (name unknown); Cooper Marcus, Quit Carbon; Noah Cordova; Robert Chun; Caleb Brown, San Francisco resident; Diane Bailey, Menlo Spark; John McKenna, Menlo Park resident; John Kocher, West Oakland resident; Rod Sinks, Cupertino resident; Austin; Corey Jung, Urban Promise Academy (UPA); Chance Cutrano, Sierra Club; Brian, UPA; Tim Frank, representing various Building Trades Councils in the Bay Area; Christopher, UPA; Trinity; Jaime, UPA; Rachel Golden, Oakland resident; Kevin, UPA; Jack Fleck, Oakland resident; Youssef, UPA; Bhima Sheridan; Amal, UPA; Ariel; Emanuel, UPA; Caroline Spears, Climate Cabinet; Donna, UPA; Amir Shah, San Francisco resident; Emily, UPA; Chris, San Francisco resident; Danica, UPA; Ava, Oakland resident; Esperanza, UPA; Francis Sawyer, SF resident; Melanie, UPA; Vita; Armando, UPA; Yerma, UPA; Jesus, UPA; Max, UPA.

Public comments were given (via Zoom): Girish Balachandran, Silicon Valley Clean Energy; Rebekah Collins; David Moller; Megan Miko; Jenny Green, Mothers Out Front; Shoshana Wechsler, Sunflower Alliance; Kristel Rietesel; Clean Air Coalition; Robert Mayo, Mountain View resident; Jenn Engstrom; Hoai-An Troung, Mothers Out Front; Igor Tregub, Sierra Club; Jared Johnson, Acterra; Dr. Stephen Rosenblum, Palo Alto resident; Crystal Hernandez; Brenna Shafizadeh, Lafayette resident; Linda Hutchens Knowles, Mothers Out Front; Edwin Richter; Fernando Gaytan, Earthjustice; Jenny Michel, Menlo Park resident; Krysta Wanner; Anil Babbar, California Apartment Association (CAA); Eric Veium; Bret Anderson, Palo Alto resident; Floy Andrews, Richmond resident; Chris Frank, Millbrae resident; Fariya Ali, Pacific Gas & Electric (PG&E); Jordan Grimes, Peninsula Young Democrats; Dr. Bob Gould; Jeffrey Wong, City of Oakland; Ted Tiffany, Santa Rosa resident; Elaine Lee, Santa Clara resident; Regan; Tekuru Schwartz; Fay Yassini, CAA; Tom Kabat; Susan, San Mateo resident; Angelina Soldatos, CAA; Adam Sweeny, San Jose resident; Gary Trot; Max Perrey; Spencer Horowitz; Brian Kissel; Jean Tepperman, Sunflower Alliance; Batoul Al-Sadi, Oakland resident; Karen, Menlo Park resident; Kendall Sawyer; David Stark, Bay East Association of Realtors; Hope Salzer; Skylar Sacoolas; Gary Latshaw; Nyah Tisdell, Local Clean Energy Alliance; Arlene Baxter; Bruce Naegel; Ken Szutu, Citizen Air Monitoring Network of Vallejo; Michael Kapolnek; Matthew Vasilakis; Building Electrification Institute; Pamela Drake, Oakland resident; Roopak Kandasamy, BlocPower; Sue Sainders; Alfredo Angulo, Richmond resident; Fatima Abdul-Khabir, Oakland resident; Mabry Tyson, Los Altos resident; Jason Mendelson, Redwood City resident; Catherine Elvert; Garren Checkley, San Francisco resident; David Page; Pam Reaves, Marin Conversation League; Chris Gilbert; Rhovy Lyn Antonio, CAA; and Laura Petrillo-Groh, AHRI.

NOTED DEPARTURE: Director Walton left the meeting at 12:12 p.m.

Chair Bauters closed the Public Hearing.

Board Comments

The Board and staff discussed appreciation for the Air District staff who developed the rule amendments; concerns about anticipated cost burdens (especially in disadvantaged communities); concerns about lack of financial assistance for property owners and those who are not proficient with computers and/or identifying rebates; concerns about having to pay costs up front before receiving rebates; concerns about the amount of space and air flow that electric appliances can require; challenges with emergency equipment replacement; concerns about the projected availability of electric water heaters; concerns about grid load reliability; concerns of old appliances going into landfills; the desire for the Board to send a clear market signal to contractors, manufacturers, homeowners associations, and the public, indicating the Air District's commitment to clean air; the San Francisco County Board of Supervisors' adoption of a resolution supporting the Air District's proposed changes to Rules 9-4 and 9-6, and its adopted ordinance amending the City of San Francisco's Environment Code to repeal Chapter 7 (Green Building Requirements for City Buildings) and replace it with Municipal Green Building Requirements; the request that the Implementation Working Group provides the Board with varying cost scenarios, based on the variety of housing stock and challenges within the Bay Area's nine counties, and the need to consider equity during rule implementation, as residents in varying socioeconomic situations will experience different results; a request that the Air District gets a firm commitment from PG&E and holds PG&E accountable for their involvement in implementing these rule amendments; the request for legislation requiring PG&E to improve service in areas that are not considered priorities (rural areas); how the City of Palo Alto's Advanced Hot Water Heat Pump Program, which was passed in October 2022, and aims to install 1,000 heat pump water heaters by the end of 2023, could offer lessons learned to the Air District; hopes that the adoption of these rule amendments will drive innovation within the electric appliance market; the need for multilingual explanations and instructions for non-English speaking Bay Area residents; the composition of the Implementation Working Group; challenges with energy storage; the request for annual reports to the Board

on the progress of these rulemakings, should they be adopted; whether the proposed timeline can be extended; the difference between replacement and repair of appliances; efforts around education and outreach; the effects of inflation on middle income households, and how they may be impacted by these rule amendments; concerns of power outages affecting electric appliances; concerns about a lack of qualified installers of electric appliances; concerns about the fact that enforcement (of prohibiting the installation of banned equipment) will fall on cities and counties; the desire for the Air District to be transparent about the objectives of PG&E; whether the property assessed clean energy (PACE) model could be an appropriate mechanism for financing energy efficiency and renewable energy improvements that will be needed in people's homes during implementation; and how lower-voltage electric appliances can make panel upgrades unnecessary.

NOTED DEAPRTURE AND RETURN: At 1:28 p.m., Director Jue left the meeting for another Brown Act meeting. He returned at 1:51 p.m.

Board Action

Chair Bauters made a motion, seconded by Director Lopez, to **adopt** proposed amendments to Regulation 9, Rule 4: Inorganic Gaseous Pollutants, Rule 4: Nitrogen Oxides from Fan Type Central Furnaces (Rule 9-4) and Rule 6: Nitrogen Oxides Emissions from Natural Gas-Fired Boilers and Water Heaters (Rule 9-6) and Certification of an Environmental Impact Report for the proposed amendments to Rule 9-4 and Rule 9-6 pursuant to the California Environmental Quality Act; and the motion **carried** by the following vote of the Board:

AYES:	Abe-Koga, Barnacle, Bauters, Carlson, Corzo, Gallagher, Gioia, Gonzalez, Hannigan, Hopkins, Hurt, Jue, Lopez, Lee, Melgar, Miley, Rice, Ross, Veenker, Young.
NOES:	None.
ABSTAIN:	Mueller.
ABSENT:	Haubert, Hudson, Walton.

[Click here to view signed Board Resolution No. 2023-03](#)

CONSENT CALENDAR

5. **REFERRAL OF THE PROPOSED BUDGET FOR FISCAL YEAR ENDING (FYE) 2024 TO THE FINANCE AND ADMINISTRATION COMMITTEE**

No presentation was given.

Public Comments

No requests received.

Board Comments

None.

Board Action

Director Hannigan made a motion, seconded by Director Carlson, to **refer** the proposed Budget for the Fiscal Year Ending on June 30, 2024, to the Finance and Administration Committee for review and consideration; and the motion **carried** by the following vote of the Board:

AYES: Abe-Koga, Barnacle, Bauters, Carlson, Corzo, Gallagher, Gioia, Gonzalez, Hannigan, Hopkins, Hurt, Jue, Lopez, Lee, Melgar, Miley, Rice, Ross, Veenker, Young.
NOES: None.
ABSTAIN: Mueller.
ABSENT: Haubert, Hudson, Walton.

OTHER BUSINESS

6. PUBLIC COMMENT ON NON-AGENDA MATTERS

No requests received.

7. BOARD MEMBER COMMENTS

None.

8. REPORT OF THE EXECUTIVE OFFICER/APCO

Dr. Philip M. Fine, Executive Officer/APCO, waived his report.

9. CHAIRPERSON'S REPORT

Chair Bauters waived his report.

10. TIME AND PLACE OF NEXT MEETING

Wednesday, April 5, 2023, at 9:00 a.m. at 375 Beale Street, San Francisco, CA 94105. The meeting will be in-person for the Board members and members of the public will be able to either join in-person or via webcast.

11. ADJOURNMENT

The meeting was adjourned at 3:07 p.m.

/s/ Marcy Hiratzka
Marcy Hiratzka
Clerk of the Boards