



To: Brian Bateman, Director of Compliance and Enforcement Division, Bay Area Air Quality Management District (BAAQMD)
Greg Stone, Engineering Manger, Engineering Division, BAAQMD

CC: Jack Broadbent, Executive Officer
Henry Hilken, Director of Planning
Dan Belik, Air Quality Program Manager
David Vince, Air Quality Planning Manager
Abby Young, Principal Environmental Planner

From: Bay Localize
Date: March 13th, 2012
Re: Proposed Changes to Rule 2-2 New Source Review and Reg 3 Fee Schedule T

Dear Mr. Bateman and Mr. Stone,

Thank you for the opportunity to comment on proposed revisions to BAAQMD Regulations 2 and 3. Bay Localize, a nonprofit project of the Earth Island Institute, brings citizens and local government together for effective climate change mitigation and adaptation in the nine-county Bay Area. Since 2006 our work has won commendations from members of the California State Senate and Assembly, the American Planning Association, and local and national media including the *New York Times*.

Bay Localize supports the Bay Area Air Quality Management District in being a leader in climate protection. Reducing industrial greenhouse gas (GHG) emissions in the Bay Area can have significant co-benefits in reducing other air pollutants as well. We believe the District's proposed rule changes should implement the GHG policy goals set forth in the District's 2010 Clean Air Plan (CAP). Specifically, we propose the following amendments to Regulation 2 Rule 2 New Source Review and Regulation 3 Schedule T Greenhouse Gas Fees:

Establish effective GHG regulation (2010 CAP Further Study Measure 9 – GHG Mitigation in BACT and BACT Determinations). The Bay Area can and should do better than the federal baseline for regulating greenhouse gases. In accordance with the goals of the 2010 CAP, we ask that the District amend Rule 2-2 New Source Review to establish a daily GHG emission level to trigger Best Available Control Technology (BACT) review for permitted sources.

Incorporate energy efficiency into the District's permit regulation (2010 CAP Stationary Source Measure 15 – GHGs in Permitting, Energy Efficiency). When facilities apply for permits, make sure they are doing their part to save energy in their physical plants and industrial operations. Include energy efficiency review and standards in permitting in Rule 2-2 New Source Review.

Raise the existing GHG fee to create a regional climate resilience fund. Implementing these recommendations will require District staff time and expenses, and justify raising the District's existing greenhouse gas emissions fee of 4.8 cents/ton CO₂E. In addition, the public health and infrastructure costs of climate action and adaptation will be immensely expensive for many other branches of local government in the Bay Area as well as for community groups, especially those serving vulnerable populations. Our region needs a dedicated grant fund to pay for local clean energy and green jobs programs, implementing climate action plans, improving public transportation, and community-driven climate adaptation. We recommend raising the region's existing GHG emission fee to begin to recoup the high social costs of climate change by seeding a climate action and adaptation grant fund for Bay Area local governments and nonprofits, with set-asides for serving vulnerable populations. We believe an increased Bay Area GHG fee is compatible and can work hand-in-hand with AB 32.

We believe these are practical and common sense steps for our region to not only reduce industrial greenhouse gas emissions, but also create a sustainable regional funding source for local government and community climate action and adaptation. We look forward to meeting in person to discuss working with you on implementing these recommendations.

Sincerely,

Kirsten Schwind
Program Director
Bay Localize