

DOCKETED

Docket Number:	16-OIR-05
Project Title:	Power Source Disclosure - AB 1110 Implementation Rulemaking
TN #:	229668
Document Title:	California Air Resources Board Meeting Transcript - July 26, 2018
Description:	N/A
Filer:	Gregory Chin
Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	9/5/2019 1:16:27 PM
Docketed Date:	9/5/2019

MEETING
STATE OF CALIFORNIA
AIR RESOURCES BOARD

CALEPA HEADQUARTERS
COASTAL HEARING ROOM
SECOND FLOOR
1001 I STREET
SACRAMENTO, CALIFORNIA

THURSDAY, JULY 26, 2018

9:03 A.M.

JAMES F. PETERS, CSR
CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 10063

A P P E A R A N C E S

BOARD MEMBERS:

Ms. Mary Nichols, Chair

Ms. Sandra Berg, Vice Chair

Dr. John Balmes

Hector De La Torre

Mr. John Eisenhut

Senator Dean Florez

Supervisor John Gioia

Ms. Judy Mitchell

Mrs. Barbara Riordan

Supervisor Phil Serna

Dr. Alex Sherriffs

Professor Dan Sperling

STAFF:

Mr. Richard Corey, Executive Officer

Ms. Edie Chang, Deputy Executive Officer

Mr. Steve Cliff, 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. Veronica Eady, Assistant Executive Officer

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

STAFF:

Mr. Matthew Botill, Branch Chief, Climate Investments Branch, Transportation and Toxics Division (TTD)

Mr. Mike Carter, Assistant Division Chief, Mobile Source Control Division (MSCD)

Mr. Rhead Enion, Senior Attorney, Legal Office

Mr. Bart Croes, Division Chief, Research Division (RD)

Ms. Rebecca Fancher, Staff Air Pollution Specialist, Legal Office

Ms. Rachel Gold, Air Pollution Specialist, Industrial Strategies Division (ISD)

Ms. Jessica Gordon, Senior Attorney, Legal Office

Ms. Maureen Hand, Air Resources Engineer, ISD

Mr. Aaron Hilliard, Manager, Alternatives Strategies Section, MSCD

Mr. David Hults, Assistant Chief Counsel, Legal Office

Mr. Doug Ito, Assistant Division Chief, TTD

Ms. Peggy Jenkins, Manager, Indoor Exposure Assessment Section, RD

Mr. Jack Kitowski, Division Chief, MSCD

Ms. Cheryl Laskowski, Manager, Climate Investments Policy Section, TTD

Mr. Hyung Joo Lee, Air Pollution Specialist, Indoor Exposure Assessment, RD

Ms. Cynthia Marvin, Division Chief, TTD

Ms. Claudia Nagy, Senior Attorney, Legal Office

Mr. Nicholas Nairn-Birch, Air Resources Engineer, Alternatives Strategy Section, Incentives and Technology Advancement Branch, MSCD

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

STAFF:

Mr. Nick Rabinowitsh, Senior Attorney, Legal Office

Mr. Randy Reck, Attorney, Legal Office

Mr. Scott Rowland, Chief, Incentives and Technology
Advancement Branch, MSCD

Ms. Rajinder Sahota, Assistant Division Chief, ISD

Ms. Bailey Smith, Staff Air Pollution Specialist, Climate
Investments Policy Section, TTD

Ms. Linda Smith, Chief, Health and Exposure Assessment
Branch, RD

Mr. Jakub Zielkiewicz, Air Pollution Specialist, ISD

ALSO PRESENT:

Mr. Alan Abbs, California Air Pollution Control Officers
Association

Ms. Fariya Ali, Pacific Gas and Electric

Mr. Brian Biering, Turlock Irrigation District

Mr. Michael Boccadoro, Dairy Cares

Mr. Drew Bowen, California Energy Commission

Ms. Grecia Elenes, Leadership Counsel for Justice and
Accountability

Ms. Genevieve Gale, Central Valley Air Quality Coalition,
Central Valley Asthma Collaborative

Ms. Jayme Go, Valley Clean Air Now

Mr. Rod Headley, Central California Power

Mr. Bill Magavern, Coalition for Clean Air

Mr. Colin Murphy, Nextgen California

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

ALSO PRESENT:

Mr. Mike Neuenburg, Sacramento Metropolitan Air Quality Management District

Mr. Luis Olmedo, Comite Civico Del Valle

Mr. Minh Park, Natural Resources Defense Council

Mr. Raul Portugal, Central California Power

Mr. Ed Randolph, California Public Utilities Commission

Ms. Cherene Sandidge, The Sandidge Urban Group, Inc.

Mr. Steve Uhler

Ms. Diana Vazquez, California Environmental Justice Alliance

Ms. Deanna Yee, Bay Area Air Quality Management District

I N D E X

	PAGE
Pledge of Allegiance	1
Roll Call	1
Opening Remarks by Chair Nichols	2
Item 18-6-5	
Chair Nichols	5
Executive Officer Corey	6
Staff Presentation	6
Motion	8
Vote	8
Item 18-6-2	
Chair Nichols	9
Executive Officer Corey	11
Mr. Randolph	12
Staff Presentation	15
Mr. Bowen	32
Board Discussion and Q&A	34
Mr. Uhler	36
Ms. Ali	39
Mr. Biering	40
Board Discussion and Q&A	41
Motion	46
Vote	46
Item 18-6-1	
Chair Nichols	46
Executive Officer Corey	48
Staff Presentation	49
Ms. Yee	61
Mr. Neuenburg	63
Mr. Abbs	65
Mr. Magavern	66
Mr. Park	69
Ms. Go	71
Board Discussion and Q&A	71
Motion	90
Vote	90
Item 18-6-3	
Chair Nichols	90
Executive Officer Corey	93
Staff Presentation	94
Mr. Portugal	104

I N D E X C O N T I N U E D

	PAGE
Item 18-6-3(continued)	
Mr. Headley	105
Ms. Sandidge	107
Mr. Magavern	109
Mr. Murphy	110
Ms. Elenes	111
Mr. Olmedo	114
Mr. Boccadoro	116
Board Discussion and Q&A	119
Motion	129
Vote	129
 Item 18-6-6	
Chair Nichols	130
Chief Counsel Peter	134
Board Discussion and Q&A	140
Ms. Vazquez	153
Ms. Gale	154
Ms. Elenes	156
Mr. Olmedo	158
Board Discussion and Q&A	159
Motion to Postpone	168
Vote	169
Board Discussion and Q&A	170
Motion	175
Vote	176
 Afternoon Session	 178
 Item 18-6-4	
Chair Nichols	178
Executive Officer Corey	181
Staff Presentation	181
Board Discussion and Q&A	191
Mr. Olmedo	198
Board Discussion and Q&A	200
 Public Comment	 204
 Adjournment	 204
 Reporter's Certificate	 205

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

2 CHAIR NICHOLS: Okay. So we will begin the
3 public meeting with the Pledge of Allegiance to the flag,
4 which is over there.

5 (Thereupon the Pledge of Allegiance was
6 Recited in unison.)

7 CHAIR NICHOLS: All right. Madam Clerk, Please
8 call the roll.

9 Hello. Roll call.

10 BOARD CLERK DAVIS: Hello.

11 CHAIR NICHOLS: Hi.

12 BOARD CLERK DAVIS: Hi.

13 Dr. Balmes?

14 BOARD MEMBER BALMES: Here.

15 BOARD CLERK DAVIS: Mr. De La Torre?

16 BOARD MEMBER DE LA TORRE: Here.

17 BOARD CLERK DAVIS: Mr. Eisenhut?

18 BOARD MEMBER EISENHUT: Here.

19 BOARD CLERK DAVIS: Senator Florez?

20 Assembly Member Garcia?

21 Supervisor Gioia?

22 BOARD MEMBER GIOIA: Here.

23 BOARD CLERK DAVIS: Senator Lara?

24 Ms. Mitchell?

25 BOARD MEMBER MITCHELL: Here.

1 BOARD CLERK DAVIS: Mrs. Riordan?

2 BOARD MEMBER RIORDAN: Here.

3 BOARD CLERK DAVIS: Supervisor Roberts.

4 Supervisor Serna?

5 Dr. Sherriffs?

6 BOARD MEMBER SHERRIFFS: Here.

7 BOARD CLERK DAVIS: Professor Sperling?

8 BOARD MEMBER SPERLING: Here.

9 BOARD CLERK DAVIS: Vice Chair Berg?

10 VICE CHAIR BERG: Here.

11 BOARD CLERK DAVIS: Chair Nichols?

12 CHAIR NICHOLS: Here.

13 BOARD CLERK DAVIS: We have a quorum.

14 CHAIR NICHOLS: Thank you very much.

15 Couple of announcements before we get started.

16 Is the interpreter here?

17 Yes.

18 We will be providing interpretation services in
19 Spanish for Item Number 18-6-3, the Cap-and-Trade Auction
20 Proceeds Funding Guidelines for Agencies that Administer
21 California Climate Investments. Headsets are available
22 outside the hearing room at the attendance sign-up table
23 and could be picked up at any time.

24 (Thereupon the interpreter translated.)

25 CHAIR NICHOLS: Thank you.

1 For safety reasons, please note the emergency
2 exits to the rear of the room. In the event of a fire
3 alarm, we're required to evacuate this room immediately,
4 go down the stairs and out of the building until the
5 all-clear signal is given. We'll be returning to the
6 hearing room then as soon as we hear that signal.

7 Anyone who wishes to testify should fill out a
8 request-to-speak card. These are also available out in
9 the lobby. We appreciate it very much if you turn it into
10 the clerk or an assistant before the item that you're
11 interested in is called.

12 Also, we will be imposing a 3-minute time limit.
13 And we appreciate it if you summarize your testimony in
14 your own words, especially if you have written testimony
15 because that will go into the record.

16 So, a couple of things that I want to mention
17 which are not part of the normal prepared script. First
18 of all, I want to make sure that everybody knows there
19 will not be a regular board meeting in the month of
20 August. However, CARB is going to be hosting a workshop
21 in August that will focus on greenhouse gas reductions in
22 the transportation sector. We recently released the 2016
23 greenhouse gas inventory. And the great news is that the
24 greenhouse gas emissions continue to decline and that we
25 have achieved our 2020 target four years early.

1 However, we have also seen a slight increase in
2 emissions from the transportation sector, which including
3 upstream emissions from fossil fuel extraction and
4 refining accounts for half of our total State greenhouse
5 gas emissions.

6 While California has many transportation
7 regulations and policies in place to work towards our 2030
8 greenhouse gas target, through cleaner fuels, tighter
9 vehicle efficiency standards, and increased development
10 of -- deployment of zero-emission vehicles, we need to
11 understand why emissions have increased in this sector and
12 how we can reverse course rapidly, looking at both fuel
13 supply and demand. This is especially critical when
14 climate change is happening faster than expected and the
15 scientific consensus is that globally we should be
16 striving for carbon neutrality, not just reductions but
17 actually a balance.

18 So look for more information on that soon in
19 terms of the scheduling of the date for the workshop. But
20 I want to make sure that the Board members know that you
21 are all invited. It will be a publicly noticed meeting,
22 but it will not be set for any decisions or actions by the
23 Board. And our chief economist, Emily Wimberger, who is
24 sitting right in front of me, has been working on making
25 sure that we have a group of experts assembled to talk to

1 us who represent the widest possible range of viewpoints
2 on these issues so that we'll have an opportunity to
3 really air the issues very fully.

4 So, I also want to mention that we'll be back in
5 Sacramento in September and October for our board
6 meetings, then we'll be in Fresno in November, and then
7 back in Sacramento to round out the 2018 agenda.

8 I've also asked that we move up item 18-6-6, the
9 Public Meeting to Consider Board Members' Initial
10 Staggered Terms, and that we hear it before we break for
11 lunch today, because we will be losing some of our Board
12 members at lunch time and I think it's important that we
13 get that one taken care of.

14 So without further ado, let's begin with our
15 first Board item, the Public Hearing to Consider
16 Environmental Comments from John R. Lawson Rock & Oil
17 Company regarding Board Item 18-4-3.

18 VICE CHAIR BERG: Madam Chair, before we start
19 I'd like to recuse myself. I did recuse myself from the
20 original item, and it would be appropriate for me to do so
21 for this one.

22 CHAIR NICHOLS: All right. Thank you.

23 Is there anybody else who needs to do so?

24 If not, we will excuse you.

25 And proceed, Mr. Corey, if you'll introduce this

1 item.

2 EXECUTIVE OFFICER COREY: Yes, thanks, Chair.

3 The Board considered this item at its May 25th,
4 2018, meeting and approved Resolution 18-20. Staff is now
5 bringing this item back to the Board to consider a
6 response to environmental comments received during the May
7 Board meeting and to consider further action appropriate
8 in light of that comment.

9 I'll now ask Rhead Enion of their legal office to
10 begin the staff presentation.

11 Rhead.

12 SENIOR ATTORNEY ENION: Thank you, Mr. Corey.

13 In your May Board hearing you approved regulatory
14 amendments to the heavy-duty inspection and maintenance
15 program, referred to as HDVIP, and the Periodic Smoke
16 Inspection Program, referred to as PSIP, through
17 Resolution 18-20. These programs establish opacity limits
18 that vehicles must meet in order to legally operate in
19 California.

20 Staff proposed five amendments to the HDVIP and
21 the PSIP: lowered opacity limits, smoke test retraining
22 requirements, reporting requirements, optional submission
23 of on-board diagnostics data, and opacity testing upon
24 sale of a vehicle.

25 At the May Board hearing we received one comment

1 letter that purported to raise environmental issues
2 associated with the proposed amendments, including claimed
3 issues under the California Environmental Quality Act,
4 CARB staff was unaware of the letter at the time, and so
5 you did not have an opportunity to review staff's
6 responses to those environmental comments at the May
7 hearing. We have since made procedural changes to address
8 such letters in the future.

9 Subsequent to the May Board hearing, staff
10 prepared responses to the comment letter. The staff
11 responses are included as Attachment B to the resolution
12 before you.

13 CARB's certified regulatory program requires
14 staff to prepare a written response to environmental
15 comments prior to a vote of the Board. Therefore, we are
16 proposing today that you repeal Resolution 18-20 and
17 approve through Resolution 18-28 the response to
18 environmental comments set forth in Attachment B as well
19 as the proposed regulatory amendments to HDVIP and PSIP
20 that you've already fully reviewed.

21 You may recall that at the May Board hearing, you
22 directed the Executive Officer to modify the proposed
23 amendments to provide an exemption to the proposed testing
24 requirement upon vehicle sale for family transfers under
25 the Periodic Smoke Inspection Program.

1 Resolution 18-28 contains text reflecting this
2 directive; and staff continues to work on the directive in
3 the ongoing regulatory process.

4 In addition, the Board provided direction on
5 several other points, and those are under discussion for
6 follow-up as appropriate.

7 Resolution 18-28 before you today is otherwise
8 unchanged from the resolution you adopted at the May Board
9 hearing.

10 Thank you.

11 CHAIR NICHOLS: Well, thank you, Mr. Enion.

12 Do any Board members have any questions about
13 this item?

14 I'm informed that no one signed up to testify on
15 it. So I will close the record on this item and indicate
16 that if we receive any written or oral comments after
17 today, they will not be accepted as part of the official
18 record on this item.

19 So, the Board has before them Resolution 18-28.

20 Do I have a motion and a second?

21 BOARD MEMBER DE LA TORRE: So moved.

22 BOARD MEMBER RIORDAN: Second.

23 CHAIR NICHOLS: All right. Thank you.

24 We will I think just do this on a voice vote.

25 All in favor please say aye?

1 (Unanimous aye vote.)

2 CHAIR NICHOLS: Opposed?

3 Of course we have -- Board Member Berg has
4 recused herself.

5 Okay. The motion passes.

6 Thank you very much.

7 We are now going to move to Item 18-6-2. And I'm
8 just going to make a brief remark about SB 350. And I
9 know that we have a representative of the PUC who's with
10 us who is going to be commenting at the beginning. So if
11 you'll just come forward as soon as I finish with this.

12 So I just want to note that Board Member
13 Garcia -- Eduardo Garcia could not be here today. He is
14 an ex officio member and so he would not be voting on the
15 item. But he did provide us with a letter for the Board's
16 consideration on three of today's agenda items, including
17 SB 350 as well as the Cap-and-Trade Auction Proceeds
18 Distribution item, also the issue of the Board member
19 terms.

20 I understand that the Board members have received
21 his letter in their materials. Members of the public can
22 request a copy of the letter from the clerk. Or at the
23 front table the letter will be publicly posted on the
24 Board's meeting page. This to make sure that there's
25 complete adherence to the rules about public meetings.

1 SB 350 for integrated resource planning in the
2 electricity sector will be the next staff presentation.
3 Pursuant to SB 350, our board must adopt greenhouse gas
4 planning targets for the year 2030 for the electricity
5 sector retail electricity providers. These targets will
6 be implemented through integrated resource plans, the
7 planning mechanism for retail electricity providers that
8 eventually leads to procurement of energy resources. And
9 this is a process that's done under the guidance of the
10 Public Utilities Commission.

11 Integrated resources plans will bring together
12 under one umbrella greenhouse gas planning targets,
13 statutory requirements for greater renewable energy
14 generation, reliability and cost effectiveness
15 requirements, and the need to minimize air pollution
16 throughout the State with a priority on disadvantaged
17 communities.

18 The 2017 Scoping Change -- Climate Change Scoping
19 Plan update established California's 2030 climate goal of
20 40 percent reductions from 1990 levels in greenhouse gas
21 emissions. The scoping plan looked at economy-wide
22 actions needed to reduce greenhouse gas emissions. And
23 the Board determined the 2017 Scoping Plan Update should
24 inform the 2030 greenhouse gas planning target range for
25 the electricity sector for purposes of SB 350. This is

1 actually simpler than it sounds.

2 The electricity --

3 (Laughter.)

4 CHAIR NICHOLS: The electricity sector has an
5 active and important role to play in achieving the
6 economy-wide greenhouse gas reduction target of 40 percent
7 below 1990 levels and has already done a lot to get us to
8 our current state of meeting the 2020 target.

9 So, with that, Mr. Corey, will you please
10 introduce this item.

11 EXECUTIVE OFFICER COREY: Yes, thanks, Chair.

12 As noted, the proposed SB 350 GHG planning
13 targets before you today are informed by California's
14 existing climate programs and incorporate policies for the
15 electricity sector to increase renewable energy and energy
16 efficiency. Though the integrated resource planning
17 process and through it as established GHG planning
18 targets, the State of California guides energy procurement
19 decisions in support of achieving California's climate
20 change goals, protecting public health especially in
21 vulnerable communities, and supporting the transition to
22 sustainable low-carbon economy.

23 Since December of 2015, staff has coordinated
24 with the California Public Utilities Commission and the
25 California Energy Commission, as well as having had

1 several workshops to establish the proposed greenhouse gas
2 planning targets.

3 Today we're presenting the proposed greenhouse
4 gas planning targets for the electricity sector and each
5 applicable load-serving entity in publicly owned utility.
6 The proposed planning targets incorporate legislative
7 direction provided in AB 32, SB 350, Governor Brown's
8 Executive Order B 30-15, and Board direction that the 2017
9 Scoping Plan Update should inform the 2030 greenhouse gas
10 planning target range for the electricity sector.

11 Before I ask Jakob Zielkiewicz to give a staff
12 presentation, I'd like to invite Ed Randolph from the
13 California Public Utilities Commission to provide his
14 remarks on the GHG planning targets and the collaboration
15 between the PUC and CARB. Due to time conflicts, we're
16 having Ed present his remarks before the staff
17 presentation. We'll have the California Energy
18 Commission's remarks following the staff presentation.

19 And with that, Ed.

20 MR. RANDOLPH: I do want to thank you for
21 accommodating me early in this process. I do need to run
22 over to our own commission meeting which starts at 9:30 to
23 testify on an item there.

24 CHAIR NICHOLS: I hope you'll make it.

25 MR. RANDOLPH: So I'm doing double duty this

1 morning.

2 I'm Edward Randolph. I'm the director of the
3 Energy Division at the California Public Utilities
4 Commission. I'm here on behalf of the Public Utilities
5 Commission to support the adoption of the SB 350 electric
6 sector GHG emissions targets.

7 The CPUC supports the staff proposal to establish
8 a GHG planning target range for the electricity sector of
9 30 to 53 million metric tons by 2030 in the
10 apportionment -- or the apportion -- and to apportion the
11 GHG planning targets to individual electric load-serving
12 entities based on CARB's cap-and-trade allowance
13 allocation methodology.

14 The CPUC appreciates the close coordination
15 between CARB, the CEC, and the PUC in developing this
16 planning target and the implementation of the new
17 integrated resource planning process as required by
18 SB 350. The three agencies have been working closely on
19 this issue for several years, and today's proposed targets
20 are supported by extensive analysis in the developing the
21 Scoping Plan Update and the CPUC's resolve modeling in our
22 integrated resource planning process.

23 The range encompasses the CPUC's integrated
24 resource plan target of 42 million metric tons by 2030 for
25 the integrated resource plan, which the CPUC found

1 represents an increase in GHG reductions relative to the
2 current policies and will allow for electrification of
3 other sectors including transportation and residential and
4 commercial buildings.

5 The range also allows for adjustments to be made
6 in subsequent rounds of IRP based on experiences and
7 lessons learned from the first round and as new analysis
8 and other information become available.

9 The CPUC also supports the CARB's proposal to
10 delegate authority to the CARB Executive Director to
11 update the LSE, load-serving entity, GHG planning target
12 ranges in the future rounds of IRP, provided the overall
13 electricity sector range is maintained.

14 This is particularly important as new community
15 choice aggregators may continue to form and expand in the
16 near term and load shares of the statewide total may shift
17 rapidly between the load-serving entities within and
18 between the integrated resource planning targets.

19 I thank you for accommodating me early.

20 CHAIR NICHOLS: Thank you, Mr. Randolph. I -- We
21 would appreciate it if you would also convey my thanks and
22 appreciation to Commissioner Randolph, who I know led this
23 effort on behalf of the commission. She came over and met
24 with us, and was very, very helpful in terms of providing
25 thoughts and guidance. So it's been a very good process

1 and we appreciate it

2 MR. RANDOLPH: I certainly will. And she's very
3 proud of the process and the coordination so far.

4 CHAIR NICHOLS: Thank you.

5 Okay. Let's proceed then to Jakob.

6 (Thereupon an overhead presentation was
7 Presented as follows.)

8 AIR POLLUTION SPECIALIST ZIELKIEWICZ: Great.

9 Thank you Mr. Randolph and Mr. Corey.

10 Good morning, Chair Nichols, Vice Chair Berg, and
11 members of board.

12 As Mr. Corey mentioned earlier on today, I will
13 be presenting on the Senate Bill 350 Integrated Resource
14 Planning Electricity Sector Greenhouse Gas Planning
15 Targets for consideration for Board approval.

16 --o0o--

17 AIR POLLUTION SPECIALIST ZIELKIEWICZ: I'll start
18 today's presentation with background on SB 350 Integrated
19 Resource Plans, or IRPs, GHG Planning Targets, how this
20 initiative relates to California's climate programs, and
21 the process that we've undertaken in developing the SB 350
22 IRP GHG Planning Targets.

23 Next, I'll discuss the proposed IRP GHG Planning
24 Targets, including a summary of the approach taken to
25 establish the planning targets, and the proposed process

1 to update the planning targets.

2 Lastly, I'll provide the staff recommendation of
3 approving the SB 350 IRP GHG Planning Targets.

4 --o0o--

5 AIR POLLUTION SPECIALIST ZIELKIEWICZ: Today
6 we're here to discuss one component of Senate Bill 350
7 that directs CARB to establish GHG planning targets for
8 purposes of the Integrated Resource Plans that utilities
9 will create.

10 Specifically, in coordination with the California
11 Public Utilities Commission and the California Energy
12 Commission, CARB is to establish greenhouse gas emissions
13 reductions planning targets for the electricity sector;
14 for each load-serving entity, or LSE, subject to CPUC's
15 jurisdiction; and for each publicly owned utility, or POU,
16 exceeding an electrical demand threshold.

17 In addition, these planning targets are to
18 reflect the electricity sector's contribution to achieving
19 the economy-wide GHG reductions target of 40 percent below
20 1990 levels by 2030.

21 --o0o--

22 AIR POLLUTION SPECIALIST ZIELKIEWICZ: In the
23 previous slide I mentioned that the GHG planning targets
24 are to be set by CARB for purposes of the Integrated
25 Resource Plans that utilities create.

1 As such, it's important to briefly speak about
2 the multiple requirements that fit together to form an
3 IRP.

4 In general, an integrated resource plan is a
5 utility plan for meeting forecasted annual energy demand
6 through a combination of supply-side and demand-side
7 resources over a specified future period; and in this
8 case, the year is 2030.

9 The requirements or variables that California
10 utilities must balance in developing IRPs include meeting
11 the electricity's portion of the statewide GHG target, the
12 50 percent Renewables Portfolio Standard and doubling of
13 energy efficiency by 2030, promoting transportation
14 electrification, minimizing impacts to ratepayers,
15 ensuring grid reliability and cost effectiveness, and the
16 need to minimize air pollution throughout our State with
17 priority on disadvantaged communities.

18 In addition, the State has a role to play in
19 overseeing and guiding resource planning for California's
20 utilities, and helping ensure that the electricity sector
21 is planning for lower carbon resources that are reflective
22 of the economy-wide GHG emissions reductions target of 40
23 percent below 1990 levels by the year 2030 as mandated by
24 Senate Bill 32.

25 CARB's role is to establish the GHG planning

1 targets for the electricity sector and for the utilities.

2 CPUC and CEC, through their separate IRP
3 processes, work directly with the utilities to develop the
4 individual plans to reflect how the planning target will
5 be achieved.

6 --o0o--

7 AIR POLLUTION SPECIALIST ZIELKIEWICZ: As
8 mentioned previously, one of the objectives of SB 350 is
9 for CARB to establish a GHG planning target to reflect
10 electricity the electricity sector percentage in achieving
11 economy-wide greenhouse gas emissions specified in SB 32.

12 You can see the progress that the State is making
13 to achieve our economy-wide targets. The solid blue line
14 shows is our GHG emissions have been decreasing. This
15 slide also depicts the State's AB 32 GHG target in 2020
16 and the SB 32 GHG target in 2030.

17 Recently CARB released the 2018 edition GHG
18 emissions inventory, which shows that for the first time
19 we are below 1990 levels and below the 2020 target.

20 This reflects that our climate programs, as they
21 are phased in and take root, are delivering the real GHG
22 reductions we expected to see and, in some instances,
23 overperforming.

24 The Board approved the 2017 Scoping Plan Update
25 in December of last year, which identifies the actions

1 that the State will take to achieve the 2030 GHG target
2 mandated by SB 32.

3 The approved scoping plan actions span all
4 economic sectors, including the electricity sector. In
5 the electricity sector, two of the main GHG emissions
6 reductions measures include the 50 percent renewables
7 portfolio standard and the doubling of energy efficiency
8 savings.

9 As mentioned previously, these actions are also
10 being planned for as part of the IRP process.

11 --o0o--

12 AIR POLLUTION SPECIALIST ZIELKIEWICZ: This slide
13 shows the expected change of GHG emissions by economic
14 sectors between 1990 and 2030.

15 The left-most bars of each sector group are the
16 1990 levels of emissions and the right bars are the
17 expected GHG emissions in 2030 with implementation of the
18 scoping plan.

19 In general, we see decreases for all sectors from
20 1990 levels. Some sectors reduce emissions by more than
21 40 percent and some less.

22 The exceptions are the high global warming
23 potential and waste sectors where we see increased
24 emissions between 1990 and 2030 as a result of expected
25 growth in these sectors. In addition, as part of SB 1383,

1 we reduce those gases by 40 percent relative to 2013
2 levels, not 1990 levels.

3 For the electricity sector, we see a greater
4 decrease in GHG emissions than in other sectors. Indeed,
5 in 2030, we anticipate GHG emissions will be between 51
6 percent and 72 percent lower than 1990 levels for the
7 electricity sector. We expect the electricity sector to
8 reduce GHG emissions more than other sectors.

9 Lastly, in 2030, cap-and-trade is expected to
10 deliver an additional 34 to 79 million metric tons
11 throughout the economy. So there will be additional
12 emission reductions to the covered sectors on this slide
13 based on where it's most cost effective to reduce the
14 emissions. These additional reductions are not depicted
15 in the bar chart since the exact apportionment of GHG
16 reductions among covered sectors is unknown.

17 We know the Cap-and-Trade Program is already
18 influencing the electricity sector and reducing greenhouse
19 gas emissions by favoring lower carbon dispatch over
20 higher carbon dispatch.

21 --o0o--

22 AIR POLLUTION SPECIALIST ZIELKIEWICZ: As we
23 think about the SB 350 IRP GHG planning targets, we
24 recognize that the electricity sector is subject to
25 uncertainty and in a state of transition.

1 Greater electricity demand could result from more
2 electric vehicles, electrification of our buildings and
3 industry, population growth, and/or economic growth, among
4 other factors.

5 Likewise, energy efficiency programs, an economic
6 downturn, and decreased production may decrease
7 electricity demand.

8 It's important to recognize though that increased
9 electricity demand does not necessarily mean higher
10 greenhouse gas emissions.

11 In fact, GHG emissions should decrease as
12 electricity supply serving California continues to be less
13 carbon intensive. With more renewables and storage
14 technology being deployed, and with ongoing work to better
15 integrate renewables into our grid, we should see lower
16 GHG emissions.

17 As a state, we need to achieve lower GHG-emitting
18 resources from the electricity sector, independent of
19 energy demand. IRPs can assist in achieving this goal by
20 supporting utilities in the proactive planning necessary
21 to create a modernized, reliable, low-carbon grid.

22 --o0o--

23 AIR POLLUTION SPECIALIST ZIELKIEWICZ: This slide
24 focuses on the IRP process with roles for utilities, CPUC
25 and POU boards, and CARB.

1 Load-serving entities and publicly owned
2 utilities must consider numerous components when creating
3 their IRPs. They make a number of assumptions about the
4 future and about what electricity demand will be in 2030.
5 They create IRPs to describe what investments they plan to
6 make over the next decade.

7 CPUC and the POU boards will be informed by IRPs
8 and will make decisions to position the electricity sector
9 to meet statewide GHG emissions reductions targets.

10 Decision may include, but not be limited to,
11 procurement of new or renewable energy supplies,
12 retirement schedules and/or operation modifications for
13 natural gas plants, transmission and distribution
14 infrastructure investments, procurement of storage, and
15 electric vehicle charging infrastructure, to name a few.

16 It's important to note that CARB tracks statewide
17 GHG emissions and monitors progress of achieving our
18 climate targets through the GHG inventory.

19 CARB will evaluate progress and any need for
20 adjustments in meeting our climate targets through Scoping
21 Plan updates, which occur at least once every five years.
22 This update process provides an opportunity to adjust our
23 climate strategy and electricity sector planning targets.

24 In addition, interim updates to IRPs will be
25 made.

1 --o0o--

2 AIR POLLUTION SPECIALIST ZIELKIEWICZ: Since
3 December 2015, CARB staff has coordinated with CEC and
4 CPUC pursuant to SB 350, and has engaged with a wide range
5 of public stakeholders to establish the GHG planning
6 targets CARB, CEC, and CPUC workshops were made available
7 via webcast, and a web-based comment system was
8 established to provide stakeholders with a medium to
9 publicly communicate their comments to CARB, CEC, and CPUC
10 staff on an ongoing basis.

11 Public engagement and interview is important with
12 all CARB processes, and SB 350 IRP GHG planning target
13 setting is no different. We've held joint agency public
14 workshops on the GHG planning target process. This is in
15 addition to the numerous public workshops and webinars
16 that CPUC and CEC have held with regards to the broader
17 IRP process.

18 The recommendations provided by CARB by -- the
19 recommendations provided to CARB by both the CPUC and the
20 CEC regarding proposed GHG planning target methodologies
21 are consistent with the approach CARB is proposing today,
22 which I'll describe in a few minutes.

23 --o0o--

24 AIR POLLUTION SPECIALIST ZIELKIEWICZ: In
25 addition to public workshops, we have undertaken a public

1 process in the development of the staff proposal.

2 On April 27th, 2018, CARB released the draft
3 staff report containing proposed GHG planning targets for
4 the electricity sector and each applicable load-serving
5 entity and publicly owned utilities. This document was
6 informed by stakeholder input during public workshops. An
7 accompanying draft environmental analysis was also
8 released for a 45-day public review starting on April 27th
9 and ending on June 11th.

10 Throughout the public workshops and public
11 process we have received and reviewed numerous written and
12 oral public comments. The final staff report was released
13 on July 13th.

14 --o0o--

15 AIR POLLUTION SPECIALIST ZIELKIEWICZ: As
16 mentioned, a Draft Environmental Analysis was completed
17 and released in April.

18 Staff determined that implementation of the
19 proposed GHG planning targets under a conservative
20 approach may have potentially significant indirect impacts
21 to some resource areas. However, these impacts are mainly
22 due to short-term construction-related activities.

23 Today we are focused on the planning process
24 rather than approval of any specific project. It isn't
25 clear what type of projects will occur or be foregone as a

1 result of the GHG planning targets. As such, we've taken
2 a conservative approach to identifying potentially
3 significant impacts. Individual projects will go through
4 their own environmental analyses, at which time specific
5 mitigating projects and solutions can be identified to
6 address the impacts.

7 The draft EA was released for a 45-day comment
8 period which ended on June 11. No comments related to
9 environmental issues were received.

10 Staff prepared a final environmental analysis
11 which was posted on our website earlier this month.

12 --o0o--

13 AIR POLLUTION SPECIALIST ZIELKIEWICZ: The
14 Scoping Plan Board Resolution adopted by the Board in
15 December 2017, directed staff to use the Scoping Plan to
16 inform the GHG planning targets for the electricity sector
17 and each utility pursuant to SB 350.

18 In the adopted Scoping Plan, table 3 summarizes
19 the estimated range of GHG emissions by sector. This
20 includes the 30- to 53 million metric ton range in 2030
21 established for the electricity sector as a component of
22 the broader 2030 economy-wide target of 260 million metric
23 tons in 2030. That range represents 51 to 72 percent
24 lower emissions than 1990 levels.

25 --o0o--

1 AIR POLLUTION SPECIALIST ZIELKIEWICZ: CARB staff
2 is proposing to establish the SB 350 IRP GHG planning
3 targets as summarized here. I'll provide additional
4 details on subsequent slides.

5 I'll note that CARB's approach is consistent with
6 the recommendations from CPUC and CEC.

7 CARB is proposing to establish a GHG planning
8 range for the electricity sector of 30- to 53 million
9 metric tons in 2030. This range is equivalent to the
10 range set in the Scoping Plan. CARB determined in this
11 process that this planning range remained the best option
12 going forward.

13 In order to establish the specific load-serving
14 entity and publicly owned utility targets we apportion the
15 sector target to each entity.

16 Staff proposes to apportion the electricity
17 sector target among all POUs and investor-owned utilities,
18 or IOUs, using information that was provided by utilities
19 as part of Cap-and-Trade Electrical Distribution Utility
20 Allocation for the year 2030. This was part of the
21 Cap-and-Trade rulemaking approved by the Board in 2017.

22 There's one additional step for IOUs, since in
23 IOU territories load is served by Community Choice
24 Aggregators, or CCAs; Electric Service Providers, or ESPs;
25 and host IOUs.

1 This additional step is further apportioning the
2 IOU planning targets to CCAs, ESPs, and host IOUs based on
3 forecasted electricity demand in 2030.

4 The GHG planning target ranges CARB establishes
5 will be used by POU's and LSEs, or load-serving entities,
6 in their IRPs; and by CPUC and CEC in their respective IRP
7 processes.

8 Sorry, there's a lot of acronyms here.

9 (Laughter.)

10 --o0o--

11 AIR POLLUTION SPECIALIST ZIELKIEWICZ: This slide
12 depicts the apportionment to investor-owned utilities and
13 publicly owned utilities as a pie chart and an equation.

14 Each IOU and POU's contribution to 2030 GHG
15 emissions is based on estimated GHG emissions in the 2021
16 to 2030 allocation spreadsheet that was developed in
17 support of the Cap-and-Trade 2021 to 2030 allowance
18 allocation for electrical distribution utilities.

19 Estimated 2030 electrical distribution utilities specific
20 emissions for each electrical distribution utility are
21 divided by the sum of estimated 2030 greenhouse gas
22 emissions for all EDUs to obtain a percentage of the 2030
23 electricity sector GHG emissions. And that's depicted --
24 it's a lot of words, but that's depicted in the equation
25 on this slide.

1 This EDU percentage is multiplied by the
2 electricity sector range, or 30- to 53 million metric
3 tons, to obtain an individual EDU GHG planning target. As
4 discussed earlier, the planning target for an IOU is
5 further apportioned to the CCAs and ESPs that operate in
6 its territory based on shares of electricity demand.

7 Approximately 77 percent of the target is
8 apportioned to 6 investor-owned utilities reporting to
9 CPUC, which are the blue colors in the pie chart.

10 Approximately 21 percent is apportioned to the 16
11 publicly owned utilities reporting to the California
12 Energy Commission, which are brown colors in the pie
13 chart.

14 The gray colors are the remaining 1.7 percent,
15 and these are the electrical distribution utilities below
16 the 700 gigawatt-hour threshold stipulated in SB 350,
17 meaning that they don't have to file integrated resource
18 plans. The majority of these are publicly owned utilities
19 representing approximately 1.7 percent of the target with
20 the remainder reflecting the four cooperatives subject to
21 CPUC jurisdiction.

22 It's important to note that this is a zero sum
23 game. So if the planning targets are adjusted higher or
24 lower for any one utility, that impacts the share of the
25 sector range available to other utilities.

1 reductions by 2030 of 1990 levels. Existing mandates such
2 as 50 percent RPS are likely to result in lower GHG
3 emissions for the sector, so this alternative is actually
4 higher than the estimated electricity sector GHG emissions
5 in 2030 under business-as-usual conditions.

6 --o0o--

7 AIR POLLUTION SPECIALIST ZIELKIEWICZ: This slide
8 depicts the various timelines that we're coordinating.

9 Yellow arrows indicate periods between IRP filing
10 and Scoping Plan adoption.

11 The green stars indicate CARB Scoping Plan
12 adoption.

13 Blue stars indicate -- but our blue stars
14 indicate the January 1st POU adoption deadline as part of
15 the CEC process, and the May 1st LSE filing deadline with
16 CPUC, with the exception of this year, during which CPUC
17 extended the filing deadline to August 1st.

18 This depiction of IRP and Scoping Plan process
19 timelines does not account for exceptions such as
20 expedited Scoping Plan development due to Executive Orders
21 or other factors, or updated POU IRP filings based on the
22 date of when POU governing boards adopt the IRPs.

23 We know that GHG planning targets will change
24 over time as better information becomes available, as will
25 individual IRP plans.

1 At CPUC, the IRP process occurs every other year.
2 Meanwhile POU's must submit IRPs to CEC at least once every
3 five years.

4 To coordinate these timelines, to streamline this
5 process and to alleviate administrative burden, staff is
6 proposing to seek Board approval for updates to GHG
7 planning targets for the electricity sector, and
8 corresponding LSEs and POU's, in coordination with the
9 Scoping Plan process, which also occurs at least once
10 every five years.

11 In interim years, we propose that authority be
12 delegated to the CARB Executive Officer to coordinate with
13 CPUC and CEC through a public process should individual
14 entity planning targets change.

15 This is particularly relevant to CPUC IRP
16 updates, where individual LSE target adjustments are
17 likely, for example, when a new or expanding community
18 choice aggregator shifts load away from an IOU.

19 As long as these individual entity adjustments do
20 not result in changes to the electricity sector target,
21 and the current proposed methodology is used, then we
22 propose that the Executive Officer is delegated authority
23 to approve revised utility GHG planning targets.

24 --o0o--

25 AIR POLLUTION SPECIALIST ZIELKIEWICZ: Staff

1 recommends that the Board certify the final environmental
2 analysis; adopt the required CEQA findings and statement
3 of overriding considerations; approve the proposed GHG
4 planning targets for the electricity sector, the
5 load-serving entities, and the publicly owned utilities;
6 and to approve the proposed approach to update the GHG
7 planning targets.

8 With that, I'd thank you. And if -- I don't know
9 if it's appropriate but I'd like to invite Drew Bowen from
10 the Energy Commission to provide remarks. Or is that your
11 duty? Sorry.

12 CHAIR NICHOLS: It's okay. You can do it.

13 (Laughter.)

14 CHAIR NICHOLS: Hi, Drew. Welcome.

15 MR. BOWEN: Good morning, Chair, members. My
16 name is Drew Bowen. I'm the Executive Director of the
17 California Energy Commission. And I am honored to be here
18 this morning representing the commission and stating our
19 strong support for the recommendations you just heard.

20 I want to thank Rajinder, Jakob and the whole
21 team.

22 This really has been a multi-year, complicated,
23 but really excellent process. Lots of public input as
24 you've heard. And we bring slightly different
25 perspectives to how we view things. I think that makes

1 for a stronger product in the end.

2 You already heard from Ed Randolph from the
3 Public Utilities Commission; and his focus is on the
4 investor-owned utilities. Ours is on the 40-plus publicly
5 owned utilities. And as you heard, only the top 16 by
6 statute are required to file IRPs. And I just want to
7 spend a minute briefly on the process.

8 We have -- we adopted guidelines last year for
9 the POUs. We think they're very good. And IRPs are not a
10 new concept. Some utilities have been doing them for
11 years; some utilities have never done them. But the
12 concept isn't new. But what's new about the way we're
13 approaching it is we're -- the statute directs the
14 utilities to look at a whole suite of options; and what
15 our guidelines do is provide a list of those options. So
16 it includes some of the things you've heard, like energy
17 efficiency, electrification of vehicles, critical
18 component, storage, demand response. And this is not a
19 one-size-fits-all situation. You've got utilities where
20 one of these tools in the toolbox works particularly well,
21 maybe in another jurisdiction it doesn't work well at all
22 and other tools work better.

23 So it provides tremendous flexibility to these
24 individual jurisdictions - these are sovereigns - to make
25 decisions that fit their needs the best but still achieve

1 the goal.

2 So we will review each of them as they come in.
3 We already got one well ahead of time. The first
4 reporting period is not due until January 1st of next
5 year, but we already got one. And then, as Jakob pointed
6 out, every five years thereafter the POUs are required to
7 do updates.

8 So, we think this is a good-news story. I also
9 want to point out that the electricity sector deserves
10 some kudos for already reducing substantially against 1990
11 their GHG production, and obviously there's a lot of work
12 to do but there's really some good news there.

13 So again, thank you very much for the opportunity
14 to speak, and we look forward to moving forward.

15 CHAIR NICHOLS: Thank you. It has obviously been
16 a long process, and it could be a little bit like the
17 Stockholm syndrome, that you've all been together so long
18 that you can --

19 (Laughter.)

20 CHAIR NICHOLS: -- deliver each other's remarks.

21 But whatever the reason is, I really do
22 appreciate hearing this amount of commonality on the part
23 of the Agency. I know we get criticized -- government
24 gets criticized quite often for giving conflicting
25 mandates to people that we regulate. And there's probably

1 no single sector that has more regulatory agencies that
2 they have to deal with than the electric utilities.

3 So the fact that we have been able to streamline
4 this process to the extent of being able to give very
5 consistent signals is really very important, and it's a
6 tribute I think to the leadership of the Governor's office
7 in many ways in having insisted that we pursue common
8 policy objectives. But as this presentation has shown,
9 getting there is not always easy.

10 I do have one question. You may have covered it
11 and I missed it. But what happens to the increasing
12 number of entities out there that are forming as community
13 choice aggregators, basically splitting away from the
14 traditional utility model and working directly with
15 customers as far as purchasing of resources?

16 AIR POLLUTION SPECIALIST ZIELKIEWICZ: Yeah, so
17 in terms of our process, we do establish the targets for
18 the community choice aggregators and other load-serving
19 entities.

20 In the equation -- or in some of the more
21 technical details, we in essence look at the load that's
22 served by the existing IOUs, the investor-owned utilities.
23 And that's a portion -- the CCs are a portion of the
24 investor-owned utilities. But the targets are established
25 for all the load services.

1 CHAIR NICHOLS: They're included in this?

2 AIR POLLUTION SPECIALIST ZIELKIEWICZ: They're
3 included indeed, yeah.

4 CHAIR NICHOLS: And enforcement, if you will, is
5 through the PUC?

6 INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF
7 SAHOTA: So for the IOUs and the CCAs that are formed
8 within the IOUs, IRPs are due back to the CPUC, and so the
9 CPUC has direct oversight of approval of the plans and
10 tracking progress.

11 CHAIR NICHOLS: Right. Okay. That answers my
12 question.

13 We do have three witnesses who've signed up to
14 speak on this item. So if you would come forward and
15 deliver your testimony.

16 MR. UHLER: Good morning, Board. And -- is it
17 on?

18 CHAIR NICHOLS: Yes, it is. You just need to get
19 close to it.

20 MR. UHLER: Thank you.

21 I turned in a written comment here related to my
22 comment was modified by staff, effectively censoring 90
23 percent of my comment.

24 And the staff also seems to think my comment has
25 nothing to do with the methodology, when I actually have

1 the image -- I don't know whether or not some of you only
2 got the scanned version with no links. But I took three
3 weeks before somebody actually put my comment on the site.

4 I'm not here to talk about that. My main concern
5 is this PATHWAYS Model. I've identified formulas that
6 reference cells that are blank, and I was hoping to get
7 answers to that so I could actually further comment on
8 this.

9 I would suggest that the Board consider a Belton
10 suspenders approach instead of this mathematical mod -- or
11 in addition to this mathematical modeling, to actually use
12 material resource planning, the kind of thing that Toyota
13 uses to plan their factories and stuff, where you can
14 actually trace this stuff down. I'm looking to try to
15 find out why Sacramento County -- even though California's
16 meeting its 2020 goals, why Sacramento County has doubled
17 its greenhouse gas for electrical generation. I want to
18 get a handle on that.

19 I want to get a handle on what appears to be
20 double counting. And I'm looking through all of these.

21 I produced a system that will turn the
22 spreadsheet into a webpage so that you can move around the
23 spreadsheet and find things like literal values in
24 formulas, which is never a good idea in a system. They're
25 hard to find, check, although my system goes out and finds

1 them for me.

2 But these cases where something called
3 uncertainty has a zero value, and then you find out the
4 cell references a blank cell that has nothing, I would
5 like to have some answers to that.

6 And some of the commission stuff, there is a
7 renewable net short -- on the commission. And there are
8 invalid formulas. And you might say, "Well, how can this
9 guy say they're invalid formulas?" It's simple. A
10 formula if it has a parentheses, there has to be an equal
11 number of left- and right-hand parentheses. They have
12 formulas that don't have equal numbers, so the formula is
13 invalid. And it doesn't even meet the word problem
14 described in the text.

15 So, I think a lot of -- you should form maybe a
16 skunkworks for somebody to go in And actually review these
17 things and present something that you can look at, at your
18 leisure, and completely understand what these complex
19 things are. So that's basically it.

20 And once again, I would like to know the general
21 rule that allows your staff to modify the public's
22 comment. If appears you have a senior attorney who is
23 unaware of the meeting laws and the public record laws.
24 They've censored me and left that on the site for three
25 weeks. Who knows looked at it. But I would like to

1 before I leave here today have that rule or an explanation
2 of how that happened

3 CHAIR NICHOLS: Thank you.

4 MR. UHLER: Thank you.

5 CHAIR NICHOLS: Fariya Ali.

6 Yes.

7 MS. ALI: Good afternoon -- or actually good
8 morning still, chair Nichols and members of the Board.
9 Fariya Ali on behalf of Pacific Gas & Electric Company.

10 PG&E supports the electric sector GHG plan target
11 range as proposed by ARB staff and urges the Board to
12 adopt the staff recommendation.

13 Specifically we support the staff's use of the
14 2017 Scoping Plan's range of 30- to 53 million metric tons
15 instead of a point estimate. This allows the electric
16 sector to move towards the State's overall GHG emissions
17 reductions goals while still providing flexibility. And
18 having flexibility through such a range is necessary in
19 order to balance the other objectives that the staff
20 highlighted in their presentation; and it also reflects
21 the uncertainty of what electric load and supply will be
22 in the future, such as the future in which the electric
23 sector helps to decarbonize other sectors like
24 transportation.

25 PG&E also agrees with staff's proposal for

1 apportioning the overall electric sector target to
2 load-serving entities in a way that creates a level
3 playing field within EDU service territories.

4 And, finally, we support the plan to update the
5 electric sector target every five years in alignment with
6 the Scoping Plan.

7 PG&E believes the staff proposal is clear,
8 transparent, and fair.

9 Thank you.

10 CHAIR NICHOLS: Thank you.

11 MR. BIERING: Good morning, Chairman Nichols,
12 members of the Board. The name is Brian Biering. I'm
13 here on behalf of Turlock Irrigation District.

14 Turlock Irrigation District is a publicly owned
15 utility in the valley that operates its own balancing
16 authority. That's critical because the district is
17 limited in terms of its ability to achieve certain GHG
18 emission reductions within the balancing authority because
19 there's a need to balance both supply and demand.

20 We're supportive of the IRP targets that staff
21 has recommended because they provide the flexibility to
22 really account for the need to maintain reliability.
23 They, you know, provide the flexibility to make sure that
24 as we're planning to reduce our GHG emissions, we're also
25 achieving that at least cost to our customers. The

1 majority of our customers are located in disadvantaged
2 communities within the district.

3 So we're very supportive of the proposal. It
4 does provide a lot of flexibility. But it also is very
5 clear, transparent, and open process. So we're supportive
6 of the process as well.

7 Thank you.

8 CHAIR NICHOLS: Thank you.

9 That concludes the list of witnesses who signed
10 up to speak. Is there anybody else who wanted to speak?

11 Okay. Hearing none, we can go ahead and close
12 the record here.

13 What else do we need to do?

14 Oh, here we are. Sorry.

15 So, we've closed the record, and we have the
16 resolution in front of us.

17 Do any Board members have any questions or
18 comments?

19 Dr. Sperling.

20 BOARD MEMBER SPERLING: I note that none of the
21 utilities are concerned with the allocation, so that's
22 seems good news. And it is great to see the agencies
23 working together on this.

24 My question has to be that -- these are planning
25 targets and there was a partial response to Chair Nichols

1 a moment ago that PUC would be responsible for the IOUs in
2 terms of oversight. But I'm kind of curious, where does
3 this all lead? I mean who -- so who's going to be
4 responsible for all the others? And more importantly,
5 what's the plan for how to achieve these targets? I know
6 that's not part of this discussion, but I mean if we're
7 going to sit here talk -- I mean we talk about planning
8 targets, about all kinds of things all the time.

9 CHAIR NICHOLS: Yes, understood. I think that's
10 a very important contextual question.

11 Would you like to respond, Ms. Sahota?

12 INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF

13 SAHOTA: Yes. So you're right, it was a partial response,
14 because we talked about the entities that would be subject
15 to PUC oversight. There are also the POUs, the publicly
16 owned utilities, that are subject to their local board
17 decisions.

18 And as the director for CEC testified, they are
19 putting out guidelines and will be reviewing and providing
20 guidance on the IRPs for the POUs. There is no direct
21 traditional kind of oversight that a regulatory agency
22 like ARB or the way that PUC will be following the process
23 for the IOUs.

24 Obviously, if the PUC is pushing a little bit
25 harder on the IOUs to be a bit more aggressive on things

1 like the RPS, that does leave more space in the pie for
2 the sector for the POU's. Our hope is that we can continue
3 to work with the POU's to ensure that they are also doing
4 everything possible to reduce in a similar way or looking
5 at their approach to IRP development the similar way that
6 the IOU's will be doing.

7 It's a little bit awkward because under SB 350,
8 you have ARB setting the planning targets for the sector
9 and you have setting the targets for the individual
10 utilities.

11 But after this point, it goes back to the energy
12 agencies to actually implement the process, while we track
13 it against the statewide targets.

14 There are mandates that must be followed within
15 the IRP such as the SB 350 50 percent RPS, the doubling of
16 energy savings, storage requirements, all of those
17 targets. But the IRPs can be used to see if there's more
18 action that can be taken, and maybe coordinate that to
19 maximize the effectiveness of the overall policy to reduce
20 GHGs.

21 BOARD MEMBER SPERLING: Just to be clear, it's
22 voluntary for the munis and the other public entities, and
23 I'm just trying to understand. I'm not making any
24 judgment here.

25 And then the rest of it is these targets are

1 being used as essentially guidelines as the PUC adopts and
2 the districts adopt specific rules dealing with, you know,
3 storage and everything else. Is that -- do I understand
4 that right?

5 INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF

6 SAHOTA: So it's mandated that the POU's and the -- the 16
7 largest POU's and the IOU CCAs, all of those entities,
8 develop an IRP plan. To the extent that the POU's are held
9 to the direct implementation of the plan, that falls back
10 on the individual local boards and not to a State agency.

11 BOARD MEMBER SPERLING: Thank you.

12 CHAIR NICHOLS: Yes, Dr. Balmes.

13 BOARD MEMBER BALMES: Just another question about
14 implementation.

15 So I understand that the IRPs balance increased
16 demand with the effort to reduce greenhouse gas emissions.
17 And I guess I just wanted to hear a little bit more about
18 how good we think we are at projecting demand as we push
19 electrification in multiple sectors including
20 transportation, surface goods movement.

21 So I realize that there's going to be an ongoing
22 process review. But do we feel like we have a handle on
23 this?

24 INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF

25 SAHOTA: So we've used actual reported information by the

1 utilities themselves to inform where we think that they're
2 load growth will occur as we look long term to 2030.

3 The use of the Scoping Plan range for the sector
4 began with looking at long-term pathways modeling, looking
5 at increased electrification for what we were trying to do
6 under the ZEV implementation plan, the new requirements
7 for building electrification, all of those. So we use the
8 best available data to actually include that in the
9 modeling for the sector.

10 When it came to the individual utilities, we have
11 their own reported information about what they see as
12 their long-term load growth, procurement decisions, et
13 cetera. The five-year scoping plan process lets us revise
14 those and evaluate how close we were. And the individual
15 processes -- the two-year process at CPUC; the five-year
16 process at CEC, which is not consistent across all of
17 these, also allows for some updates here, and that's why
18 we're asking to have authority delegated back to the
19 Executive Officer here at ARB in case there's new
20 information that warrants a change within the individual
21 utility like they're able to advance electrification
22 faster than we suspected in a certain sector, or poor
23 electrification, as long as the overall sector target is
24 maintained.

25 CHAIR NICHOLS: Okay. So it's an unbalanced

1 system in some ways. But we're working through it, and it
2 seems as though overall the Energy Commission has got a
3 mature, robust effort underway now to really work with the
4 POUs to make sure that they're carrying their piece of
5 this as well.

6 Okay. So with that, are we ready to move this
7 item?

8 VICE CHAIR BERG: Yes, I'll move the item.

9 CHAIR NICHOLS: Second?

10 BOARD MEMBER SPERLING: Second.

11 CHAIR NICHOLS: A second, Dr. Sperling.

12 All in favor please say aye.

13 (Unanimous aye vote.)

14 CHAIR NICHOLS: Opposed?

15 Abstentions?

16 Okay. Great.

17 Let's move along then to our next agenda item,
18 which is the Proposed Guidelines for the Clean Cars 4 All
19 Program and an update to the Enhanced Fleet Modernization
20 Program, or EFMP, an acronym which deserves to fade into
21 the sunset, never to be heard again.

22 I think whoever thought that one up really was
23 not thinking about anything other than just getting an
24 acronym.

25 So the EFMP, as it still exists, is our

1 scrappage -- vehicle scrappage program. It's a scrap and
2 replace program. It's been operating in the South Coast
3 and San Joaquin Valley Air Districts for the past three
4 years. It has also a scrap-only program, which is run by
5 the Bureau of Automotive Repair and has been operating
6 since 2010.

7 The scrap and replace incentive programs reduce
8 fleet emissions by accelerating the turnover and
9 replacement of the existing fleet of vehicles with newer,
10 cleaner, and more efficient vehicles.

11 Assembly Bill 630 created a new program called
12 the Clean Cars 4 All Program, which is a new light-duty
13 vehicle scrap and replace incentive program. This
14 program, Clean Cars 4 All, codifies the existing EFMP
15 Plus-Up pilot project as a formal stand-alone program.

16 So some consolidation of these various efforts is
17 going on here.

18 A major goal of Clean Cars 4 All and EFMP is to
19 benefit low-income and disadvantaged communities.
20 Reducing emissions from the existing fleet is a component
21 of our State implementation Plan for meeting clean air
22 standards and also supports our climate a goals as well.
23 So it really does both.

24 Today, staff is going to propose guidelines for
25 the Clean Cars 4 All Program as well as to propose an

1 update to the old guidelines for the existing program.

2 So, Mr. Corey, would you please introduce this
3 item.

4 EXECUTIVE OFFICER COREY: Yes, thanks, Chair.

5 The Enhanced Fleet Modernization Program, or
6 EFMP, was authorized by Assembly Bill 118 in 2007. Since
7 then, the program has been funded by a one-dollar
8 surcharge on motor vehicle registration, translating into
9 about 35 million each fiscal year.

10 In 2014, the Board adopted revamped guidelines
11 for EFMP and approved a new pilot project called EFMP
12 Plus-Up. EFMP Plus-Up complements EFMP - there will be a
13 few more acronyms - by providing additional incentives to
14 lower income participants living in or near disadvantaged
15 communities who purchase advanced technology vehicles.

16 EFMP Plus-Up is one of several light-duty equity
17 projects developed under Low-Carbon Transportation
18 Investments Program and supported by the Greenhouse Gas
19 Reduction Fund.

20 The proposed Clean Cars 4 All guidelines for
21 lower income consumers the staff will present our intended
22 to seamlessly transition from the existing EFMP Plus-Up
23 project to Clean Cars 4 All.

24 Assembly Bill 630 also requires CARB to update
25 the existing guidelines for EFMP. Staff is proposing to

1 make several relatively minor changes to the guidelines to
2 streamline administration, enhance consumer protections,
3 and facilitate coordination with other clean
4 transportation incentive programs. The Clean Cars 4 All
5 Program is part of our broader low-carbon transportation
6 efforts, one of more than 40 climate investment programs

7 Later today you'll hear about new funding
8 guidelines for all 16 agencies including CARB that
9 administer climate investments.

10 With that, I'll now ask Nicolas Nairn-Birch with
11 our Mobile Source Control Division to give the staff
12 presentation.

13 Nicolas.

14 (Thereupon an overhead presentation was
15 Presented as follows.)

16 AIR RESOURCES ENGINEER NAIRN-BIRCH: Thank you,
17 Mr. Corey.

18 Good morning, Chair Nichols and members of the
19 Board. Today I will present for your consideration
20 proposed regulatory guidelines for the Clean Cars 4 All
21 Program and updated regulatory guidelines for the Enhanced
22 Fleet Modernization Program.

23 --o0o--

24 AIR RESOURCES ENGINEER NAIRN-BIRCH: I will start
25 today's presentation with the review of recent legislation

1 authored by Assembly Member Cooper that creates the Clean
2 Cars 4 All Program and requires CARB to update the
3 Enhanced Fleet Modernization Program, or EFMP, setting in
4 motion today's presentation.

5 I will then provide background on EFMP including
6 an overview of our progress to date. After this
7 background I will then describe our proposal and finish my
8 presentation with recommendation to the Board.

9 Our proposal supports EFMP and the EFMP Plus-Up
10 pilot project, a voluntary car scrap and replace program
11 for lower income Californians from underserved
12 communities.

13 EFMP consists of two components, a scrap-only
14 program implemented by the Bureau of Automotive Repair, or
15 BAR, and the Scrap and Replace Program, which CARB
16 oversees. Scrap and replace has expanded in recent years
17 by the addition of Cap-and-Trade funds and the expansion
18 to the Plus-Up project, which encourages participants to
19 purchase advance technology vehicles.

20 Today's presentation will focus primarily on the
21 EFMP Scrap and Replace and the Plus-Up project. Together
22 I will refer these simply as The Program.

23 --o0o--

24 AIR RESOURCES ENGINEER NAIRN-BIRCH: Assembly
25 Bill 630 formalizes the Plus-Up project as stand-alone

1 program, renaming it Clean Cars 4 All, and requires CARB
2 to update the EFMP guidelines by January 1, 2019.

3 AB 630 also directs us to coordinate Clean Cars 4
4 All with all other incentive programs supported by the
5 Greenhouse Gas Reduction Fund.

6 Finally, the bill requires CARB to set annual
7 goals for each district, evaluate the progress toward
8 those goals, and post the evaluations on the program
9 website.

10 Another bill, Assembly Bill 188 authored by
11 Assembly Member Salas, requires CARB to update the EFMP
12 guidelines and to allow more pickup truck drivers to
13 participate.

14 Overall the bills allow the flexibility to keep
15 those aspects of scrap and replace that we determine work
16 well and to make necessary adjustments to enable Clean
17 Cars 4 All to help the greatest possible number of
18 Californians.

19 --o0o--

20 AIR RESOURCES ENGINEER NAIRN-BIRCH: The South
21 Coast and San Joaquin Valley Air District launched
22 programs in July of 2015 with an initial annual budget of
23 \$2.4 million per district. Since then, the legislature
24 has allocated approximately \$110 million to the program.

25 We've also been working to expand the program to

1 new air districts, including the Bay Area Air Quality
2 Management District, which expects to launch their program
3 by the end of 2018.

4 We are also in the process of integrating the
5 program with CARB's other equity focused incentive
6 programs, such as one-stop shop and financing assistance.
7 One of the main reasons for doing this is to raise
8 awareness, make it easier for the public to take advantage
9 of the program, and maximize environmental and economic
10 benefits for folks with the greatest need.

11 --o0o--

12 AIR RESOURCES ENGINEER NAIRN-BIRCH: While
13 scrapping in-use older cars and replacing them with newer
14 and cleaner ones provides air quality and climate change
15 benefits, another important objective is to provide lower
16 income and disadvantaged community members the benefits of
17 reliable fuel efficient transportation.

18 To increase accessibility the Board has
19 previously approved flexible guidelines that allow the air
20 districts to tailor their programs to the specific needs
21 of their own communities. We recognize that Scrap and
22 Replace is an intricate program for air districts to
23 implement, with a number of unique challenges.

24 A key challenge is understanding what barriers
25 the participants confront when purchasing a new car. To

1 address this, we provide support for air districts to
2 partner with community-based organizations and encourage
3 partnerships with trusted financial institutions.

4 Consumer protection and education are essential
5 to the success of the program. Air districts provide
6 education on the pros and cons of the various vehicle
7 technologies to ensure participants make informed
8 decisions.

9 The district also helped the consumer get fairly
10 priced, reliable, and safe vehicle that is financially
11 sustainable. These guiding principles have been
12 fundamental to the success of the program thus far. They
13 also provide a firm foundation from which the program can
14 transition to its next phase and help Californians on a
15 larger scale.

16 --o0o--

17 AIR RESOURCES ENGINEER NAIRN-BIRCH: One of the
18 core features that has worked well is basing the incentive
19 amount on the participant's income and choice of
20 replacement vehicle. Incentives range from \$2500 to
21 \$9500. The highest incentives go to folks with the
22 greatest financial need while also encouraging
23 participants to buy the cleanest vehicles.

24 As a program is focused on lower income drivers,
25 all applicants must have a household income less than 400

1 percent of the Federal Poverty Level. While participants
2 can choose to receive a voucher for alternative forms of
3 clean transportation, such as public transit or car
4 sharing, in lieu of a replacement vehicle, to date this
5 option has rarely been chosen.

6 --o0o--

7 AIR RESOURCES ENGINEER NAIRN-BIRCH: Since they
8 launched three years ago, the pilot programs in the San
9 Joaquin Valley and South Coast Air Districts have together
10 replaced over 3500 cars. Encouragingly, 85 percent of the
11 replacement vehicles thus far have been advanced
12 technology. What is perhaps even more encouraging is that
13 the majority have been either plug-in hybrids, like the
14 Chevy Volt, or zero-emission cars like the Nissan Leaf.
15 Conventional hybrids like the Toyota Prius have also been
16 a very popular choice.

17 --o0o--

18 AIR RESOURCES ENGINEER NAIRN-BIRCH: As mentioned
19 previously, a primary goal of the program is to benefit
20 disadvantaged communities. With programs operating in the
21 South Coast and San Joaquin Valley Air Districts,
22 approximately 70 percent of Californians living in or near
23 disadvantaged communities have access to the program.
24 Expanding the program to districts with larger populations
25 would increase this coverage close to 90 percent.

1 For participants, the program provides newer and
2 more reliable transportation, with a lower cost of
3 ownership that provides economic boost to their families
4 and local communities. So far, the average replacement
5 vehicle is 18 years newer and twice as fuel efficient as
6 the average scrapped jalopy.

7 --o0o--

8 AIR RESOURCES ENGINEER NAIRN-BIRCH: Those
9 benefits are going to the families and communities that
10 need them the most. So far, more than \$26 million in
11 scrap-and-replace incentives have been awarded.

12 Looking at the pie chart on your left, we see
13 that 98 percent of this investment went to participants
14 living in or near some of California's most heavily
15 burdened communities. I'd also like to point out that 58
16 percent went to folks living within a disadvantaged
17 community census tract.

18 In addition, the pie chart on your right shows
19 that 93 percent of this total investment has gone to
20 participants with household incomes less than 225 percent
21 of the federal poverty level, or FPL. This income
22 threshold is equivalent to \$56,000 for a family of four.

23 Only 7 percent of the State's investment went to
24 participants earning more than 225 percent of the federal
25 poverty level but less than the program's 400 percent

1 income cap. This income cap is equal to about hundred
2 thousand dollars for a family of four.

3 --o0o--

4 AIR RESOURCES ENGINEER NAIRN-BIRCH: Even though
5 the pilot phase of the program was largely successful, we
6 have learned some important lessons over the last three
7 years. Despite a better than expected start in both the
8 South Coast and San Joaquin Valley, the growth in overall
9 participation hasn't been able to keep pace with the
10 increase in funding levels in recent years.

11 The districts are working to increase
12 participation through increased outreach and scaling up
13 support to process applications more quickly.

14 However, increasing participation is not simple.
15 With its multiple goals and emphasis on ensuring
16 applicants are able to find a car that's right for them,
17 this is an intricate program to implement. Each air
18 district's program by necessity consists of a multi-step
19 process, including community outreach, consumer
20 protections, education about the pros and cons of the
21 replacement options, and partnering with vehicle
22 dismantlers and dealerships.

23 We're working closely with the air districts to
24 provide them with the overhead support necessary to
25 increase participation without having to take any

1 shortcuts.

2 This support also includes integration with other
3 incentive programs to maximize the benefits to
4 participants. For example, in the near future we will
5 launching the one-stop-shop program, which will streamline
6 the application process, expand outreach, and also link
7 applicants to other programs that they may not be aware of
8 such as financing assistance.

9 Lack of financing has been identified as one of
10 the major barriers to participation so far. Many of the
11 equity focused incentive programs have common
12 requirements, such as low-income verification, consumer
13 education, and outreach.

14 Finally, it can not be overstated that the
15 flexibility each district has to meet local needs and
16 leverage existing capabilities is critical to each
17 program's success.

18 --o0o--

19 AIR RESOURCES ENGINEER NAIRN-BIRCH: This lessons
20 have informed our proposed guidelines for Clean Cars 4 All
21 and updates to the existing EFMP guidelines. After
22 consulting with BAR, we not proposing to make any changes
23 to their scrap-only program. This program will continue
24 being implemented statewide, providing \$1500 to low-income
25 drivers to scrap their functional higher emitting

1 vehicles. This program is extremely popular and regularly
2 oversubscribed, scrapping about 25,000 older cars each
3 year.

4 For Clean Cars 4 All, our proposal would
5 essentially formalize the existing EFMP Plus-Up pilot
6 project. Our proposed guidelines would create the general
7 framework for Clean Cars 4 All and detail the core
8 requirements each district's program must meet. These
9 requirements would ensure we continue to focus on
10 low-income drivers living in and near disadvantaged
11 communities, and maintain the emphasis on consumer
12 protection and education.

13 Under our proposal, air districts would continue
14 to have flexibility to tailor their programs to the needs
15 of their local communities.

16 Our proposal would retain flexibility for CARB as
17 well, which will ensure that we can meet the AB 630
18 direction for coordination with other programs and make
19 adjustments when needed.

20 The Board would, for example, be able to adjust
21 the incentive amounts through the Low-Carbon
22 Transportation Funding Plan, consistent with how the EFMP
23 Plus-Up pilot project is currently administered.

24 The regular reporting and setting of performance
25 goals will help identify any adjustments that need to be

1 considered. We will collaborate with air districts in
2 impacted communities to set performance goals, including
3 number of replacement vehicles, types of replacement
4 vehicles, and the geographical distribution.

5 Districts will continue to submit detailed
6 reports every quarter, which we will use to conduct annual
7 performance evaluations. The result of our evaluations
8 will be posted on our program website.

9 We are also taking this opportunity to ask your
10 approval to increase the incentive available for the
11 alternative mobility option. As noted, there hasn't been
12 much interest in the option to date. And we believe that
13 increasing the incentive amount from its current maximum
14 of \$4500 to \$7500 may increase interest.

15 For context, the revised amount would align with
16 the amount for a hybrid replacement vehicle, the most
17 common type of replacement vehicle purchased so far.

18 Finally, the current EFMP guidelines apply a
19 separate fuel economy eligibility threshold to minivans to
20 ensure there's a replacement option that meets the needs
21 of larger families.

22 As directed by Assembly Bill 188, staff is
23 proposing to allow this threshold to also apply to pickup
24 truck replacement vehicles. This proposal would, for
25 example, allow participants to choose from at least three

1 fuel-efficient pickup trucks per model year.

2 --o0o--

3 AIR RESOURCES ENGINEER NAIRN-BIRCH: In summary,
4 our proposal builds on the success of the existing Scrap
5 and Replace Program and is informed by lessons learned
6 after three years of implementation.

7 The proposal provides enough flexibility to
8 ensure Clean Cars 4 All can make continual improvements
9 and be easily coordinated with other equity programs.

10 It further ensures its staff will be able to set;
11 measure; and evaluate vehicle replacement goals each year,
12 which we will make publicly available.

13 Staff recommends the Board approve our proposed
14 guidelines for Clean Cars 4 All and our proposed update of
15 the EFMP guidelines. With Clean Cars 4 All, we look
16 forward to starting the next phase of scrap and replace.
17 In doing so, we'll continue to work closely with
18 implementing air districts and help new air districts come
19 on board.

20 This concludes our presentation. Thank you very
21 much.

22 CHAIR NICHOLS: Okay. We have a list of
23 witnesses here. So why don't we hear from them first.

24 And by the way, my slightly sarcastic comments
25 about the name of EFMP were not meant as a criticism of

1 the program. It's a great program. I just feel that we
2 could do better in terms of marketing it. But we obvious
3 are doing well because a lot of people are taking
4 advantage of it anyway. It's just it would be nice if it
5 were better known, that's all.

6 Okay. Let's hear from Deanna Yee.

7 MS. YEE: Is this on?

8 Good morning, Chair Nichols and members of the
9 Board. Thank you for the opportunity to speak here today.
10 My name is Deanna Yee, and I'm one of the staff members of
11 the Bay Area Air Quality Management District. I am
12 responsible for their Light-duty Electric Vehicle Grant
13 programs.

14 Earlier this year, in March, we signed an
15 agreement with CARB to receive funding for the EFMP
16 Plus-Up Program. We're excited to give low-income Bay
17 Area residents and disadvantaged communities an
18 opportunity to replace their older, dirtier vehicles with
19 newer, cleaner vehicles or alternative transportation
20 options such as transit's air passes.

21 We are currently putting together our program and
22 we're putting together the partnerships and infrastructure
23 necessary for success. We anticipate doing a soft lunch
24 at the end of this year in a pilot community before
25 expanding the program to the rest of the Bay Area early

1 next year.

2 Equity in transportation and electric vehicles
3 has always been a topic of concern. High upfront costs
4 and a lack of adequate charging infrastructure have been
5 major barriers for low-income residents.

6 This program not only helps bridge the equity gap
7 for the most vulnerable residents in our most vulnerable
8 communities, but it also helps improve air quality and
9 public health, and increases access to electric vehicles
10 and the supporting infrastructure that is needed to meet
11 State goals and improve the climate.

12 There is it still a lot of work for us to do to
13 get our program up and running, but we're thankful to
14 CARB's staff for their guidance and continued support
15 throughout this process.

16 We're also appreciative that we've received
17 support from South Coast Air District staff, who run the
18 Replace Your Ride Program, and San Joaquin Valley's Air
19 District staff who run the Tune In and Tune Up Program.

20 We've also been working with staff from Sac
21 Metro's Air District, the Beneficial State Foundation, and
22 local community choice aggregators in our region.

23 Achieving equitable and affordable transportation
24 options is a really big challenge. But when we come
25 together with a sustained commitment, we can impact the

1 lives of low-income residents and disadvantaged
2 communities as well as the global climate more broadly.

3 Thank you.

4 CHAIR NICHOLS: Thank you.

5 MR. NEUENBURG: Good morning to Chair Nichols and
6 to the CARB Board and staff. My name is Mike Neuenburg
7 and I'm representing the Sacramento Metropolitan Air
8 Quality Management District.

9 Just on a side note as well: Assembly Member Jim
10 Cooper wanted to be here today but was unable to attend,
11 and just wanted to inform the Board of that.

12 I would like to take a moment to say thank you
13 for the opportunity to speak to all of you today in
14 support of the proposed Clean Cars 4 All and Enhanced
15 Fleet Modernization Program guidelines with two requested
16 modifications:

17 Sacramento Air District believes that this
18 investment stream is an excellent path and looks forward
19 in working with CARB to putting these funds into the DAC
20 and low-income communities to reduce emissions, boost
21 equitable mobility, and keep California at the cutting
22 edge of clean transportation.

23 As with our Community Car Share of Sacramento,
24 our innovative zero-emission car sharing program for
25 low-income housing communities, these funds will continue

1 to boost equity in Cap-and-Trade investments and bring
2 clean mobility options into communities most burdened by
3 air pollution.

4 District staff are working diligently with local
5 community partners to develop and implement a robust and
6 efficient Clean Cars 4 All Program in the Sacramento
7 region. But we believe two key program guideline
8 modifications are necessary.

9 First, since significant initial start-up work is
10 required before Clean Cars 4 All becomes a reality, the
11 addition of seed money to help get the program off the
12 ground would go a long ways towards ensuring the program's
13 success in the Sacramento Region.

14 And second, and to be frank, our district
15 seriously considered not moving forward with this Clean
16 Cars 4 All due to an anticipated financial strain on local
17 resources. We believe the current funding percentages
18 allocated for program support require additional
19 flexibility.

20 The nature of the program and the communities it
21 will serve requires specialized outreach and community
22 education. Based on evidence from the South Coast and San
23 Joaquin Valley projects, these elements will require
24 significant resources, and San Diego APCD opted to not run
25 the program due to these concerns.

1 Community partnership, robust outreach, and
2 effective implementation are all vital components to the
3 program's success and require huge amounts of district
4 staff time.

5 Our estimated true cost for program
6 implementation and community outreach and education is 25
7 percent, versus the 15 percent offered by ARB. And our
8 agency is using limited funds to cost share an additional
9 5 percent to help offset this gap.

10 We request that CARB staff allow a higher
11 percentage of funds towards these core functions.

12 And once again, I'd like to thank you for the
13 opportunity to speak to you today.

14 CHAIR NICHOLS: Thank you.

15 CAPCOA EXECUTIVE DIRECTOR ABBS: Good morning,
16 Chair Nichols and members of the Board. My name's Alan
17 Abbs. I'm with the California Air Pollution Control
18 Officers Association here to express support for staff's
19 proposed guidelines for the Clean cars 4 All Program.

20 And as a side note, I've also talked with Samir
21 Sheikh, Wayne Nastri, and Jack Broadbent from San Joaquin,
22 South Coast, and the Bay Area individually. I know
23 Deanna's already been here to express the Bay Area's
24 support but I'm also expressing the support of the three
25 executive officers for this program as well.

1 As staff noted, this program has been a
2 tremendous success in the San Joaquin and South Coast
3 districts. We're looking forward to expansion to Sac
4 Metro and to the Bay Area. These -- this program aligns
5 very well with a lot of the hard work that the air
6 districts and CARB have done with AB 617 in identifying
7 disadvantaged communities and burdened communities and
8 providing support in those areas.

9 And in addition, as staff noted, there's a lot of
10 land-holding to get someone through the entire process,
11 from turning in an old vehicle to getting a new vehicle.
12 And so we also have -- I've also had support for CARB
13 staff to try to balance the administrative workload that
14 districts have to get folks through to the end of the
15 process and still provide the bulk of the funding to the
16 folks that need it most to get those clean cars. And so
17 thank CARB staff for all the work that they've done on
18 that as well.

19 Thank you.

20 CHAIR NICHOLS: Thank you.

21 MR. MAGAVERN: Minho would like to follow me if
22 that's okay with you.

23 Okay. Thanks.

24 Bill Magavern with the Coalition for Clean Air,
25 and also a proud member of the seersucker caucus today.

1 (Laughter.)

2 CHAIR NICHOLS: I was just noticing you were
3 looking very spiffy today.

4 MR. MAGAVERN: But when it gets over a hundred
5 degrees...

6 CHAIR NICHOLS: Well, that's great.

7 MR. MAGAVERN: We have participated in the
8 workshops for this program and also submitted written
9 comments. But we were one of the sponsors of the Charge
10 Ahead law four years ago and also supported AB 630 and
11 we've had very productive discussions with your staff on
12 this program, so I want to thank Scott and Aaron and Nick
13 for being open to our input.

14 As noted, this program has many names. EFMP,
15 Clean Cars 4 All, Replace Your Ride in the South Coast,
16 Drive Clean San Joaquin. But by whatever name, we think
17 it's an important program. The benefits are in reducing
18 greenhouse gas emissions and reducing local air pollution
19 and providing important benefits to low-income drivers in
20 California who can see major improvement in their quality
21 of life from getting out of what's usually an old
22 polluting and unreliable vehicle into a much newer, not
23 only cleaner but safer and more reliable mode of
24 transportation.

25 According to CARB, 44 percent of smog-forming

1 emissions from cars come from the 5 percent of vehicles
2 that are more than 20 years old. So we really get a lot
3 of benefits from addressing that sector of the vehicle
4 fleet.

5 And when we first started talking to people in
6 the legislature four years ago about giving disadvantaged
7 communities access to electric vehicles, we often heard,
8 "Well, people in disadvantaged communities don't want
9 electric vehicles," or "Electric vehicles won't work for
10 the San Joaquin Valley." Yet, you saw from the staff
11 presentation, that 85 percent of the vehicles that are
12 part of the replacement program here are the advanced
13 technology vehicles, from conventional hybrids, but even
14 more of them actually are plug-in vehicles. So we're
15 seeing a lot of demand in disadvantaged communities.

16 And as we look to expand, I want to particularly
17 support three areas that the staff talked about:

18 The increase in value for the alternative
19 mobility option, for those who will not want a replacement
20 car but will be able to get around other ways.

21 Also outreach is so important, that we use not
22 only event-based models but also web-based models so that
23 more people know about this program. As the Chair noted,
24 we need to get the word out better.

25 And, finally, integration and coordination, so

1 that this program is not in isolation but works along with
2 some of the other climate investment programs. So, for
3 example, somebody getting a plug-in vehicle can get solar
4 on their roofs so they can plug into that clean
5 electricity.

6 Thank you very much.

7 CHAIR NICHOLS: Thank you.

8 I personally like Replace Your Ride. I think
9 that's a much better name.

10 (Laughter.)

11 CHAIR NICHOLS: That's a winner for the South
12 Coast. Congratulations, Judy.

13 Okay. So Minho is next.

14 MR. PARK: Good morning, Chair Nichols and
15 members of the Board. My name is Minho Park, and I'm here
16 today representing the Natural Resources Defense Council.

17 An avid outdoorsman, I care deeply about the
18 condition of our natural world. And as you all know, the
19 transportation sector is the largest contributor to
20 California's greenhouse gas emissions. And innovative
21 programs like Clean Cars 4 All will go a long way in
22 tackling these emissions.

23 Along these lines, we support staff's proposal
24 for the following two reasons:

25 First, allowing more air districts to implement

1 retire-and-replace programs will broaden the reach of the
2 Clean Cars 4 All Program and further its emissions
3 capacity.

4 Secondly, providing consumers with more
5 flexibility in replacement vehicle choice will ultimately
6 give them more incentive to replace their high emission
7 vehicles.

8 I also want to support the comments made by our
9 Charge Ahead California partner, the Coalition for Clean
10 Air, especially regarding connecting consumers with other
11 incentives to leverage multiple transportation related
12 programs.

13 Close coordination with utilities is a perfect
14 example of how linking incentive programs can yield
15 additional greenhouse gas benefits. In fact, utilities
16 have invested over \$1 billion towards transportation
17 electrification, 200 million of which provides charging
18 infrastructure for light-duty vehicles. And as a
19 provision of these investments, these utilities have made
20 commitments to support Air Resources Board programs such
21 as Clean Cars 4 All.

22 We therefore encourage ARB to communicate
23 directly with utilities to operationalize these
24 commitments. This collaboration will connect clean air
25 replacement incentives with necessary charging

1 infrastructure development within low-income communities.

2 This will also allow the utilities to tackle the
3 obstacle of charging infrastructure deployment while the
4 ARB can extend the value of their dollar by focusing on
5 the removal of aged, pollution-heavy vehicles from
6 California roads.

7 We all deserve a clean and healthy environment,
8 and programs like Clean Cars 4 All will help us get there.

9 Thank you.

10 CHAIR NICHOLS: Thank you.

11 I believe that -- nope, one more. Sorry.

12 Valley Clean Air Now.

13 Hi.

14 MS. GO: Good morning, Chair and members of the
15 Board. Jaymee Go on behalf of Valley Clean Air Now. We
16 just wanted to express our support for the Clean Cars 4
17 All Program guidelines. We believe that these guidelines
18 will help the program continue its success. And we
19 respectfully urge your adoption of the program guidelines
20 as they're proposed.

21 Thank you.

22 CHAIR NICHOLS: Thank you.

23 I appreciate all the support for the program and
24 for the updating of the guidelines. Obviously there's
25 more to be done and this program along with other

1 transportation enhancement programs needs to be better
2 coordinated and made easier to implement I think by our
3 partners in the district.

4 I did just want to mention that the legislation
5 which brought us here today by Assembly Member Cooper was
6 a good push in the right direction in terms of having it
7 be a stable existing program of its own. I think that's
8 going to help us in the future especially when we have
9 funding as we did, for example, with the Volkswagen
10 settlement where we needed to have the ability to utilize
11 some of that money directly. This is going to be very
12 helpful.

13 So, yes, Supervisor Serna.

14 BOARD MEMBER SERNA: Thank you, Chair Nichols.

15 First of all, as is somewhat customary, I want to
16 thank staff for all their hard work on this one.

17 I have a couple questions. I think the first is
18 probably best directed at our economist.

19 And, that is, there was some mention by one of
20 the speakers - it may have been Mr. Magavern - about
21 the -- kind of the general benefit of the program, not
22 just the critical part which is getting a clean car in --
23 clean transportation in the hands of folks, especially
24 those in disadvantaged communities.

25 But have we done any economic analysis in terms

1 of what we save -- what the program in the long run will
2 save those consumers? Because they now have a newer car
3 with fewer repair costs, fewer -- better gas mileage, so
4 less maintenance costs overall?

5 CHIEF ECONOMIST WIMBERGER: Yes, you point out a
6 great benefit that I think we could do more to publicize.
7 But that is a huge benefit if not just the air quality
8 impacts. There are these hosts of different cost-saving
9 measures for the participants. So we do have some of that
10 information and we can make that more publicly available.

11 BOARD MEMBER SERNA: But to the Chair's earlier
12 comment about doing a better job of marketing, I would
13 strongly encourage you and your staff to think carefully
14 about how perhaps we begin to incorporate that into our
15 messaging and kind of the general structure of the
16 program, so that when someone that may potentially take
17 advantage of this opportunity is considering the entirety
18 of it, they're looking at it from the standpoint of their
19 pocketbook as much as, you know, saving our air and
20 reducing carbon emissions.

21 CHIEF ECONOMIST WIMBERGER: And that is a large
22 part of what happens at the events. You know, when those
23 discussions with the participants, there is a lot of
24 mention about the hand-holding that goes on. There is --
25 it's a very labor intensive process to really go through

1 these steps. And so that is a lot of the discussion with
2 the participants themselves is really showcasing a lot of
3 the value to participating in a program.

4 BOARD MEMBER SERNA: Great.

5 And then second comment/question directed at
6 Mr. Corey is, we heard from a representative from my local
7 district here in Sacramento about concerns over -- or
8 challenges about implementation. And there have been
9 other local air districts that have kind of taken it to an
10 extreme that they're just not going to participate because
11 of those challenges.

12 Maybe if you -- you know, I guess what I'd like
13 to hear from you is maybe a reminder for everyone in terms
14 of what we do and, in particular, what our executive
15 officer does and his executive staff to make sure that all
16 local districts, not just Sacramento, understand that
17 we're here to make sure that when we do extend and try to
18 refine these programs, it's not just, you know, one and
19 done at a hearing. We're actually going to be working
20 with those local air districts to make sure that they have
21 as smooth an opportunity to implement these programs as
22 possible.

23 EXECUTIVE OFFICER COREY: Thank you, Supervisor.
24 And a key point - and this point is always about the --
25 you know, one, the words, but, two, the execution; and,

1 that is, districts are absolutely key partners in this
2 program and several others. But to be -- get more to
3 drill down, well, how do you translate that? Few things.

4 One is that -- and these are some adjustments
5 we've made over the last few years in terms of recognizing
6 that a strengthened relationship with the districts is
7 going to be key to achieving our clean air and climate
8 goals. First is the CAPCOA Board. Board of directors
9 meets monthly. I go to every one of those meetings now.
10 Every single one. Been doing it for the last few years
11 because it's an opportunity at the leadership level of
12 every district, are there issues? There are issues we
13 need to work clear -- we use them for that. Have agendas
14 that Alan puts together. That's been a really useful
15 forum.

16 The other is at the working level, subgroups of
17 CAPCOA that members of this -- CARB's team works with in
18 terms of, as you noted, not just the guidelines. The real
19 challenge in the issues are implementation, make sure that
20 we have that feedback loop. And specifically with respect
21 to this program, South Coast and San Joaquin were out
22 first, so already have experience. We've been talking
23 with them and the broader CAPCOA, what can be learned from
24 the South Coast and San Joaquin experience, as other
25 districts are being brought in the program - Sacramento

1 and Bay Area included. So there is that feedback loop.

2 And I would -- as reflected in CAPCOA's remarks,
3 I think it's been working. I mean these are complex
4 programs, complex feedback loop in terms of the ability to
5 learn and adjust. And as noted in staff presentation,
6 that learning will need to continue. And we will be
7 flexible to work through the districts on adjustments.

8 So those are some examples of how we're working
9 together.

10 BOARD MEMBER SERNA: Thank you.

11 BOARD MEMBER GIOIA: Madam Chair?

12 CHAIR NICHOLS: So if I may say, the bottom line
13 is here, that you're open to readjusting this percentages
14 that are allowable for administration, but you want to
15 sort of get the thing started and see how it works first
16 and work with the districts to make it easier for them to
17 implement the programs.

18 EXECUTIVE OFFICER COREY: Exactly.

19 CHAIR NICHOLS: Okay. Thank you.

20 Yes.

21 BOARD MEMBER GIOIA: Thanks for the presentation.
22 I think this is an absolutely important program. And I've
23 had a chance to speak with I know the organization that
24 ARB provided funding to about a year or two ago to do this
25 pi -- a pilot program in the Bay Area, - Community Housing

1 Development Corporation of Northridge - which is running a
2 program Bay Area wide with a different pot of -- pot of
3 money. And I've had a chance to speak to folks who've
4 participated in the program.

5 And what they said was very consistent with this
6 slide 7, which shows overwhelmingly most of the people who
7 participated replaced their vehicles with a plug-in hybrid
8 or conventional hybrid. And that was because there
9 usually wasn't charging infrastructure available in their
10 community. Many people lived in multi-family housing.

11 So I feel we somewhat have a two-tier system
12 still, that until we can figure out how to link other
13 dollars to make more battery electric vehicles
14 available -- and I understand there'll be still a choice.
15 But even your chart shows 15 percent were battery
16 electric; 85 percent were various types of hybrids.

17 So I think we need to think about how, when we
18 have these dollars out in the community, we are aligning
19 dollars for EV infrastructure.

20 And of course multi-family housing -- I mean
21 folks -- there are low-income individuals who want to
22 get -- participate and get battery electric, but they
23 can't because there's no charging available to them.

24 So I think this is good. But it's still a
25 two-tier system. Wealthier communities or just

1 middle-class communities will -- which have more charging
2 infrastructure available will be able to get battery
3 electric, whereas everybody else is get -- lower income
4 are getting the hybrids. It's an improvement over the
5 gasoline vehicles, so I just want us to be aware of that.
6 I mean I've talked to real people who say, "I want a
7 battery electric. I can't because there's no charging
8 available. So you're program is helpful but it's not
9 exactly getting what I want."

10 So I think we need to work harder in that.

11 So how would you anticipate thinking about that?
12 Because I think we can pat ourselves on the back and say
13 we're making progress, but we're making incremental
14 progress.

15 EXECUTIVE OFFICER COREY: I'll take a stab at
16 this, because I want to refer to the Governor's Executive
17 Order earlier this year --

18 BOARD MEMBER GIOIA: Right.

19 EXECUTIVE OFFICER COREY: -- which really
20 underscored a few things.

21 One, it underscored for both our air quality and
22 climate goals we need many, many more ZEVs; in fact,
23 5 million target by 2030. We're about 400,000 today. And
24 it also recognized that infrastructure is a key element.
25 Not only we're getting many, many more vehicles; I think

1 we're at 35, 40 models we're coming up on, range is
2 continuing to increase in terms of the vehicles, costs are
3 going down, energy density of the batteries continue to
4 increase. But the infrastructure and consumer awareness
5 are also key elements of moving forward as part of that
6 Executive Order, and then followed with the budget that
7 was just acted on was funding through CEC for
8 infrastructure investments. I think it was about 235
9 million this year and then a hundred million a year going
10 forward.

11 BOARD MEMBER GIOIA: Right, right.

12 EXECUTIVE OFFICER COREY: Coupled with the PUC
13 action to further support infrastructure investments as
14 well as continue to work with local cities, counties, and
15 others that are investing, with an emphasis on the
16 challenge that you just noted, with multi-unit dwellings,
17 as well as how we're looking at the VW settlement, which
18 was a key element in terms of that consent decree with the
19 \$800 million over the next several years investment.

20 No silver bullet here.

21 BOARD MEMBER GIOIA: No --

22 EXECUTIVE OFFICER COREY: But ultimate -- all
23 those elements are focusing at this issue of the key
24 aspect that infrastructure investments play as well as the
25 vehicles moving us forward.

1 BOARD MEMBER GIOIA: Right. Well, I know that
2 the PUC-approved program for the investor-owned utilities
3 have -- I mean the utilities have indicated they want to
4 focus on multi-family, but they're -- at least, you know,
5 the PG&E program in Northern California is a relatively
6 modest program and I think it was scaled down -- I don't
7 know. Is someone from the PUC still here?

8 Because originally, there was a larger program
9 and it was scaled down.

10 And so, the problem is it's still a drop in the
11 bucket. So it's -- on the multi-family side, I think
12 that's our biggest gap, especially with low-income
13 residents; and, frankly, also in city -- in other -- in
14 cities like San Francisco, which have very expensive
15 multi-family housing. So it's a gap in both those types
16 of communities.

17 So the -- I'd like to see us continue to
18 encourage or look at funding for that segment. I'm not
19 sure how much is going to happen very soon. And so, it
20 remains -- I get all of this is long term, but it's not
21 happening soon. And so I think -- so the problem if it's
22 not happening soon, it's still this two-tier system. You
23 live in -- lower income you live in multi-family, you're a
24 ways off from getting infrastructure versus being in
25 single family in other communities.

1 CHAIR NICHOLS: Good point. Well said. And,
2 yes, we agree -- I agree.

3 Yes, Ms. Mitchell.

4 BOARD MEMBER MITCHELL: I just want to make a few
5 comments. Because this program has been in effect in
6 South Coast for a couple of years now, since 2015; and it
7 has been immensely successful, oversubscribed for the most
8 part.

9 And one of the things that I think is most
10 remarkable, which was highlighted in the staff report, is
11 that 85 percent of the vehicles chosen are advanced
12 technology. And from my recent discussions with our
13 technology staff, the Leaf is one of the vehicles most
14 often chosen. So there must be some charging
15 opportunities out there since people are choosing plug-ins
16 and zero-emission battery electric.

17 But implementation is likely to run over some
18 hurdles. We now have on-line application. But you have
19 to work with trusted partners, trusted partners in the
20 dealerships that you deal with and any financing firms
21 that you might be working with as well.

22 So it's certainly a worthwhile program, and one
23 of the great benefits is getting the experience of driving
24 a clean vehicle to our disadvantaged residents. So I
25 would say I'm glad to see it expanding to these other

1 areas. And at CAPCOA, ideas can be exchanged on how to
2 make it work.

3 CHAIR NICHOLS: Um-hmm. Yes. Well, increasingly
4 the focus is on charging at work places and, you know,
5 that's a much more diverse group of locations. But we are
6 seeing a larger number of facilities that are putting in
7 charging that's available to employees. So that's a very
8 promising area.

9 BOARD MEMBER MITCHELL: And our staff has said
10 that about 15 percent of the vehicles that are chosen are
11 pure battery electric.

12 CHAIR NICHOLS: Um-hmm.

13 BOARD MEMBER MITCHELL: So that's a pretty good
14 percentage.

15 CHAIR NICHOLS: It's a good start --

16 BOARD MEMBER MITCHELL: I would say some 2500
17 vehicles --

18 CHAIR NICHOLS: -- better than the market as a
19 whole.

20 BOARD MEMBER MITCHELL: Yes.

21 CHAIR NICHOLS: Dr. Sperling.

22 BOARD MEMBER SPERLING: Yes, I have two items.
23 One is to follow on this discussion. It's recently
24 come -- on the charging infrastructure.

25 CHAIR NICHOLS: Uh-huh.

1 BOARD MEMBER SPERLING: It's recently come to my
2 attention that if you're -- Okay, I'll give you a case
3 study that happened. So there's a unit of 30 apart -- 30
4 units and they wanted charging infrastructure put in. The
5 major utility said, "We'll pay 90 percent if you pay 10
6 percent." They said, "Okay, good deal."

7 And then they found out later that the
8 kilowatt-hour charge was going to be 35 cents -- 35 cents
9 a kilowatt. You know, that's two or three times a normal
10 residential rate.

11 And this is -- all comes back to the fact that in
12 this arrangement that the PUC has with the utilities, is
13 that they're allowed or I guess expected to make a return
14 on their investment or at least to capture their
15 investment. And so, they're doing things like that, which
16 is counter to what we're trying to achieve.

17 You know, the overarching -- there's a couple
18 overarching points. One is that a public charging or any
19 kind of charging is never going to make money. It has to
20 be subsidized in one way or another. You can't make money
21 on selling electrons. And so in this particular case,
22 especially -- I mean with any apartments, but especially
23 low-income, I think there has to be special attention
24 given to subsidizing these charging units if we're going
25 to make these kinds of programs a success.

1 The other point I wanted to follow upon is staff
2 request. They said about this idea of more funding to --
3 well, to increase the incentives for alternative mobility
4 options. So I want to give a very strong resounding
5 yes --

6 (Laughter.)

7 BOARD MEMBER SPERLING: -- to that. You know,
8 our goal here in California is -- to achieve our
9 transportation greenhouse gas reductions is to -- you
10 know, a strategy to get there is to reduce car ownership.
11 And I do want to say, at some point in these proceedings I
12 want to add -- embellish that and say the goal should be
13 to increase mobility but decrease vehicle use. We'll get
14 to that at one of our future proceedings.

15 But -- and that's especially relevant to
16 low-income people. They need to have more mobility. And
17 the world -- the transportation world has changed in the
18 last -- even just the last five years. There's a lot more
19 options out there, everything from dockless scooters to
20 dockless electric bike sharing and uberPOOL and Lift Line,
21 microtransit services. All of this is brand new.

22 And I would strongly urge us to not only increase
23 the funding but figure out how to make it attractive or to
24 communicate it, market it better. It -- you know, the
25 cost -- as someone pointed out, you know, with the cost of

1 owning a car -- even if we give \$10,000, the cost of
2 owning a new car is about \$9,000 per year. Per year,
3 total cost of ownership.

4 And so having a new car, you know, okay, if it's
5 electric and so on you can save it. But owning cars is
6 expensive and it's not what we're trying to -- you know,
7 we're trying to reduce VMT. So I think this -- that whole
8 program should be greatly elevated and figure out how to
9 make it so that people can get access to all of these
10 other services. There -- often you get much better
11 service when you have this suite of options available to
12 you than when you have to depend on one car and worry
13 about parking and registration and everything else.

14 Thank you for allowing me that little speech.

15 (Laughter.)

16 CHAIR NICHOLS: Well, one of the problems of
17 bringing anything in front of this Board is if -- you
18 know, it's a slice of the whole program, and there clearly
19 is a need which I certainly am feeling for this Board to
20 be able to tackle kind of the broader vision where the
21 transportation system is going. And we've had some
22 internal conversations about how best to tackle that,
23 because I think everybody wants to see us put our stamp on
24 something that's more of a comprehensive approach. But in
25 the meantime, we do have to deal with the individual

1 programs one at a time and just hope that we can do it in
2 a way that doesn't undercut our abilities to do other
3 smart things, which I think has been provided for here.

4 BOARD MEMBER SPERLING: Yeah. In this case the
5 staff in their presentation specifically requested support
6 approval of increasing the amount of the incentives.

7 So --

8 CHAIR NICHOLS: Yes.

9 BOARD MEMBER SPERLING: -- I don't know if we
10 have to do that in any kind of formal way, but --

11 CHAIR NICHOLS: Well, we're going to have to
12 actually vote on this item, I believe.

13 BOARD MEMBER SPERLING: But that's not written
14 into the resolution as I see it. That was just kind of
15 a -- I don't know --

16 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
17 It is --

18 BOARD MEMBER SPERLING: -- how official that
19 request was.

20 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
21 It is part of the regulatory proposal in front of
22 you.

23 BOARD MEMBER SPERLING: Oh, it is? Okay.

24 CHAIR NICHOLS: So.

25 Thank you.

1 (Laughter.)

2 CHAIR NICHOLS: Yes, Dr. Sherriffs.

3 BOARD MEMBER SHERRIFFS: Thank you. As part of
4 the San Joaquin Valley, I really need to speak up with
5 this, because, you know, early work on it -- a reminder to
6 everybody, I believe the Tune-in, Tune-up, the original,
7 one of the major goals was in fact to get unregistered
8 vehicles registered and in compliance and, you know, talk
9 about meeting an important community need and
10 underrepresented community. So very powerful and reaching
11 those most polluting vehicles.

12 Boy, just like South Coast, we -- you know,
13 people are lining up hours before these events are
14 opening. So I don't think there's any problem of
15 interest. And I believe the law says vehicles older than
16 eight years. Now, I think we absolutely want to be
17 focusing on the older vehicles. But there's a huge group
18 out there to reach. But focusing on those older vehicles.
19 And that comment about 44 percent of smog producing
20 pollutants coming from 5 percent of vehicles over 20 years
21 of age, boy, that is critical for South Coast and the
22 Central Valley for meeting our air quality standards, not
23 to mention the greenhouse gas opportunities there.

24 Do the districts have -- well, can we target
25 those vehicles? Do the districts, are they able to get

1 DMV registration and send the postcard -- you know, I get
2 in the mail all the time, "I'll buy your house."

3 (Laughter.)

4 BOARD MEMBER SHERRIFFS: Can we send people,
5 "We'll buy your car"?

6 And wouldn't that be incredible if we could
7 couple that to the alternative mobility option. You know,
8 how would that be for a win.

9 But serious question about DMV access.

10 MSCD ALTERNATIVE STRATEGIES SECTION MANAGER

11 HILLIARD: So our program partners in BAR do have a pretty
12 robust access to DMV. I think we could probably work with
13 them to work something out within, you know,
14 confidentiality laws and things like that. But those are
15 some of the things that we have been working on with BAR
16 and seeing if we could target -- you know, more accurately
17 target some of these vehicles. So I think that's
18 something we can explore.

19 BOARD MEMBER SHERRIFFS: So it's not something
20 that we could do now but it's certainly in the realm of
21 possible that if districts were interested in?

22 MSCD ALTERNATIVE STRATEGIES SECTION MANAGER

23 HILLIARD: Absolutely. I think we can explore the
24 possibilities with BAR, yeah.

25 BOARD MEMBER SHERRIFFS: Great.

1 CHAIR NICHOLS: Any other Board comments?

2 If not, can we move this item. I have to
3 officially close the record. I don't think I did that.
4 And I'm supposed to point out that it will be reopened and
5 a 15-day notice of public availability issued. And if the
6 record is reopened for comments, then the public may
7 submit comments on the proposed changes that will be
8 considered at the time of final decision as part of the
9 Final Statement of Reasons. However, any comments that
10 are submitted just after this and before a notice is
11 issued will not be accepted as part of the official record
12 of this agenda item.

13 And the executive officer may present the
14 regulation to the Board for further consideration if
15 warranted. If not, the executive officer shall take final
16 action to adopt the regulation after addressing all
17 appropriate conforming modifications.

18 This is all part of our new language that we are
19 using to make sure that we and everybody else are
20 following the proper process here for finalizing rules
21 consistently with comments -- with public comments.

22 Okay. The Board has before it Resolution Number
23 18-25.

24 Do I --

25 BOARD MEMBER SERNA: Move it.

1 BOARD MEMBER SHERRIFFS: Second.

2 CHAIR NICHOLS: So moved and seconded.

3 All in favor please say aye?

4 (Unanimous aye vote.)

5 CHAIR NICHOLS: Opposed?

6 None.

7 It carries.

8 Thank you.

9 Okay. We have another exciting opportunity here
10 on the next item dealing with our guidance on climate
11 investments. And I'm sure there's going to be quite a bit
12 of public interest in this one as well. We certainly
13 heard a lot about it over time.

14 I think as everyone knows, the funds that come
15 through the greenhouse gas reduction fund have been
16 enormously popular and have come to be quite well known
17 out in a number of communities. The fact that the
18 legislature was willing to recommit to a Cap-and-Trade
19 Program and a mechanism for these investments really
20 provides an opportunity for California to showcase what
21 can be done with a Cap-and-Trade Program that addresses
22 climate in a way that also deals with concerns about
23 impacts on the community as well. We are one of the few
24 jurisdictions in the world today that has a comprehensive
25 climate program, and the fact that we are able to both

1 include a variety of different mechanisms for reducing
2 emissions and targeting the investments of funds that come
3 to the State as a result of having a price on carbon has
4 proven to be something that is looked to in many other
5 places from far afield as something that is worthy of
6 consideration as governments around the world struggle to
7 come up to what they're required to do under the Paris
8 Accord. And it also of course is in stark contrast to the
9 actions at the federal level in terms of simply putting
10 all action on climate away.

11 So, we have put here in California billions of
12 dollars to work in funding innovative technologies,
13 providing incentives for switching to lower carbon
14 technologies, as well as protecting our natural and
15 working lands as a source -- or as a place in which we can
16 store carbon for the long-term future.

17 We are focusing these investments under
18 legislative direction on the most disadvantaged
19 communities, those that experience some of the greatest
20 barriers to making transformational changes needed to
21 fight climate change. And it is noteworthy that many of
22 the same communities that are singled out for investments
23 from the greenhouse gas fund also suffer disproportionate
24 share of air pollution burden as well.

25 So that there's a link here with our AB 617

1 Community Air Protection Program, providing really an
2 opportunity to align climate and air quality goals and to
3 focus public funds on the places and the people who need
4 it the most.

5 California needs to continue to ensure that these
6 funds are being spent well, because they are funds that
7 the public is entrusting us with and, as I said before,
8 because we are being watched very closely by people around
9 the world.

10 And I think one element of our ability to be
11 successful here is that the staff has done a really
12 outstanding job of developing guidance and forming
13 partnerships with other agencies at the State level,
14 regional and local level, as well as with many of our
15 stakeholders. The funding guidelines that we're looking
16 at here today provide the framework for over 20 State
17 agencies that implement dozens of programs and, as of last
18 count, over 200,000 projects that have been assisted with
19 these Cap-and-Trade funds.

20 So I'm looking forward to hearing more about the
21 progress of the program and how we can continue to ensure
22 that we're providing meaningful benefits to residents
23 across the State.

24 So, Mr. Corey, please introduce this item.

25 EXECUTIVE OFFICER COREY: Thanks, Chair.

1 So today the State has raised nearly 8 billion in
2 auction proceeds which, as you noted, the legislature
3 appropriates to programs across all our major economic
4 sectors. Over half of the projects funded today have
5 benefited our most disadvantaged communities, while
6 providing improved local air quality, better access to
7 transit and active transportation options; protecting our
8 agricultural lands; creating more resilient natural
9 landscapes; and supporting jobs.

10 We developed the funding guidelines for
11 California climate investments to make sure agencies use
12 the funds to facilitate GHG reductions and invest in
13 disadvantaged and low-income communities.

14 We last presented the funding guidelines to the
15 Board in 2015; and since then, the program has evolved.
16 The passage of Assembly Bill 1550 in 2016 raised the
17 minimum investments for disadvantaged communities and
18 established funding targets for low-income communities and
19 households.

20 Last year, AB 398 identified new priorities for
21 climate investments and new appropriations created
22 programs not covered by the existing guidelines.

23 CARB staff have worked with our State agency
24 partners and stakeholders to incorporate these priorities
25 and develop new guidance to reflect this evolution of the

1 program.

2 And with that, I'll ask Bailey Smith from the
3 Transportation and Toxics Division to begin the staff
4 presentation.

5 Bailey.

6 (Thereupon an overhead presentation was
7 Presented as follows.)

8 STAFF AIR POLLUTION SPECIALIST SMITH: Thank you,
9 Mr. Corey.

10 Today I will be presenting staff's proposed
11 revisions to the Funding Guidelines for agencies that
12 administer California Climate Investments.

13 I will begin by giving you a brief overview of
14 the Climate Investment programs and how the Funding
15 Guidelines are shaping investments across the State.

16 Then I will discuss the evolution of the program
17 and how we are proposing to improve the guidelines to
18 better serve communities.

19 --o0o--

20 STAFF AIR POLLUTION SPECIALIST SMITH: For the
21 past five years, California Climate Investments have been
22 reducing greenhouse gas emissions and achieving important
23 economic, environmental, and public health benefits.

24 To date, over \$2 billion has gone to projects
25 across the State, with over 1 billion benefiting

1 disadvantaged communities.

2 We estimate this funding will reduce over 23
3 million metric tons of greenhouse gases over the coming
4 years. These are in addition to the reductions we expect
5 once high-speed rail is operational.

6 The investments are wide ranging and cover many
7 of California's major economic sectors. Among the
8 projects are 180,000 zero-emission and plug-in hybrid
9 vehicle rebates, 2500 affordable housing units, and 20,000
10 urban trees planted.

11 --o0o--

12 STAFF AIR POLLUTION SPECIALIST SMITH: Since the
13 beginning of the program, the legislature has greatly
14 expanded the number of State agencies administering
15 California Climate Investments and the types of programs
16 that are being funded. Just last year the legislature
17 placed additional emphasis on public health by
18 establishing new incentive programs like CARB's Community
19 Air Protection grants, and created several new programs
20 that address impacts of climate change through adaptation,
21 resiliency, and wildfire prevention programs.

22 CARB alone administers over a dozen new and
23 existing California Climate Investments programs

24 --o0o--

25 STAFF AIR POLLUTION SPECIALIST SMITH: Because

1 CARB is required by statute to provide guidance for all
2 agencies that receive money from the Greenhouse Gas
3 Reduction Fund, the expansion and evolution of the program
4 has led to today's updates of the funding guidelines.
5 They set guiding principles and identify statutory
6 requirements including investment minimums for certain
7 populations.

8 We refer to populations identified by statute as
9 priority populations, which includes disadvantaged
10 communities, low-income communities, and low-income
11 households. The Funding Guidelines provide direction for
12 how agencies can target their investments to priority
13 populations, whether it be locating projects within
14 disadvantaged communities, providing jobs for local
15 residents, or enhancing cost savings for low-income
16 individuals.

17 The guidelines also contain requirements for
18 transparency and accountability that include reporting on
19 the status and outcomes of funded projects.

20 With the methods and reporting requirements
21 identified in the Funding Guidelines, we have been able to
22 deliver consistent and reliable information to the public
23 and legislature.

24 --o0o--

25 STAFF AIR POLLUTION SPECIALIST SMITH: Outreach

1 is an important component of any incentive program.

2 Through our Funding Guidelines we provide specific
3 recommendations for how agencies conduct outreach.

4 Agencies have responded by significantly
5 increasing public engagement and program development.

6 CARB is also directly supporting efforts on behalf of
7 all climate investments.

8 In 2016, CARB contracted with the Foundation for
9 California Community Colleges to increase on-the-ground
10 outreach and provide a bilingual hotline and email for
11 inquiries.

12 --o0o--

13 STAFF AIR POLLUTION SPECIALIST SMITH: In
14 addition to adding new programs, the legislature has also
15 enacted additional priorities and requirements for the
16 program.

17 In 2016, Assembly Bill 1550 increased the
18 previous investment minimums for projects located within
19 disadvantaged communities and added new investment
20 minimums for low-income communities and households.

21 Assembly Bill 398 identified priorities for
22 future investments that emphasize the importance of
23 project outcomes beyond greenhouse gases.

24 --o0o--

25 STAFF AIR POLLUTION SPECIALIST SMITH: We have

1 also learned a lot from listening to community advocates
2 and residents, and these proposed updates are in response
3 to much of this feedback, which I'll cover in the
4 following slides.

5 We've heard in the -- that these investments must
6 foster job creation and job training and ensure that local
7 businesses and residents are the recipients of employment
8 opportunities.

9 Funds should provide quality jobs and job
10 training that lead to long-term employment. Stakeholders
11 also want data on the jobs and quality outcomes.

12 We've heard the need for technical assistance and
13 capacity building in applying for funds. Many programs
14 have rigorous application processes, and some project
15 applicants need more help accessing these funds.

16 Another common theme was the importance of
17 meaningful engagement building partnerships and involving
18 local organizations.

19 Finally, across the State we've heard that it's
20 critical these investments don't end up causing harm to
21 already vulnerable communities. This week, community
22 groups have submitted three letters specific to the
23 proposed Funding Guidelines before you today. One letter
24 in particular from the California Climate Equity Coalition
25 provided actionable feedback on how to go further. Staff

1 proposes to revise the funding guidelines consistent with
2 their feedback.

3 --o0o--

4 STAFF AIR POLLUTION SPECIALIST SMITH: The
5 proposed updates in the Funding Guidelines before you
6 today are centered on two primary themes.

7 First, prioritizing benefits beyond greenhouse
8 gas emissions across the broad portfolio of Climate
9 Investment Programs; and

10 Second, enhancing provisions to protected and
11 improve communities.

12 I'll discuss a few these changes in more detail.

13 --o0o--

14 STAFF AIR POLLUTION SPECIALIST SMITH: The first
15 major change relates to how agencies demonstrate that
16 their programs meet the statutory requirements that
17 expenditures facilitate greenhouse gas emission
18 reductions.

19 The 2015 guidelines requires agencies to quantify
20 greenhouse gas emission reductions from each project.
21 Agencies are doing this and will continue to do so to the
22 extent possible.

23 The proposed revisions require that agencies
24 evaluate how their program as a whole is facilitating
25 greenhouse gas emission reductions. This provides

1 agencies flexibility in tailoring their programs to meet
2 community needs and ensure outreach and technical
3 assistance are available to those who need it.

4 As an example, CARB's own Community Air
5 Protection Program, as created last year through Assembly
6 Bill 617, was appropriated \$255 million for incentives.
7 Under this approach, the Community Air Protection Program
8 can fund a mix of both climate projects and air quality
9 projects. The Community Air Protection Program will still
10 be required to quantify the greenhouse gas emission
11 reductions for climate projects, but may also support
12 other efforts like air toxic innng reductions, technical
13 assistance, and outreach as part of their broader program.

14 To support agencies in assessing and reporting on
15 a range of environmental and health benefits or
16 co-benefits, CARB staff is developing methods for agencies
17 to estimate co-benefits.

18 --o0o--

19 STAFF AIR POLLUTION SPECIALIST SMITH: One
20 co-benefit we want to highlight today is jobs.

21 We have updated our guidance on how agencies
22 should foster job creation and job training opportunities,
23 including strategies for targeted hiring.

24 We recommend -- the recommendations also
25 emphasize the importance of job quality.

1 In order to provide information about the
2 employment benefits of Climate Investments, staff is
3 proposing to make reporting on jobs mandatory. Jobs
4 reporting by agencies was previously optional.

5 As we focus on more co-benefits and tell the
6 story of the suite of benefits provided by these billions
7 of dollars, we do not want to miss this critical piece.

8 The emphasis on job creation and job training is
9 also aligned with the legislative direction in Assembly
10 Bill 398, which identifies a need for transitioning our
11 workforce to have the skills for a low-carbon economy.

12 Climate Investments programs can contribute to
13 this objective by supporting jobs within low-carbon
14 sectors, and creating opportunities for the necessary
15 training within these sectors.

16 --o0o--

17 STAFF AIR POLLUTION SPECIALIST SMITH: In
18 response to Assembly Bill 1550, staff updated the Funding
19 Guidelines to incorporate the new statutory investment
20 minimums for projects benefiting priority populations.

21 Staff updated the benefit criteria for each
22 project type, which administering agencies must use to
23 determine whether projects provide benefits to priority
24 populations.

25 Administering agencies must determine if a

1 project meets the criteria for providing benefits and
2 addresses an important community need.

3 --o0o--

4 STAFF AIR POLLUTION SPECIALIST SMITH: Staff is
5 proposing to add a guiding principle to the Funding
6 Guidelines that requires all agencies to consider and
7 avoid potential substantial burdens of their programs on
8 disadvantaged and low-income communities.

9 All projects are likely to include trade-offs
10 that an administering agency will need to consider when
11 designing programs and selecting projects.

12 This principle is meant to get agencies thinking
13 about impacts early in the process to avoid unintended
14 consequences and protect public health.

15 The Funding Guidelines provide examples of
16 strategies agencies can use to avoid potential substantial
17 burdens.

18 The Funding Guidelines also emphasize the
19 importance of direct community engagement by agencies and
20 applicants to identify community needs and potential
21 burdens.

22 Increased engagement with communities will result
23 in better projects that meet our State's climate and air
24 quality goals, and are better aligned with what
25 communities want from these investments.

1 --o0o--

2 STAFF AIR POLLUTION SPECIALIST SMITH: Many of
3 the changes have been informed by the early years of the
4 program, and from staff's ongoing engagement with agencies
5 and the public.

6 Since the last Board version, staff has held an
7 extensive public process to gather input on the changes in
8 the draft documents and how we can further enhance the
9 guidelines.

10 Staff attended, held, and co-hosted meetings in
11 partner with community-based organizations throughout the
12 State in the Bay Area, Central Valley, Los Angeles area,
13 San Bernardino County, Imperial Valley and here in
14 Sacramento.

15 --o0o--

16 STAFF AIR POLLUTION SPECIALIST SMITH: Today,
17 staff recommends the Board approve Resolution 18-27 and
18 its direction to finalize the 2018 Funding Guidelines.

19 As part of our statutory requirements, CARB staff
20 will continue to work with administering agencies to
21 develop quantification methodologies and guidance on
22 reporting outcomes including benefits to priority
23 populations.

24 Staff will also continue ongoing engagement with
25 communities across the State to increase program awareness

1 and improve funding access.

2 Agencies will continue implementing these
3 important dollars in a way that improves meaningful
4 benefits across the State.

5 Thank you for your time today.

6 CHAIR NICHOLS: Okay. Thank you.

7 I'm waiting for the list here.

8 Okay. We're catching up with our list of
9 witnesses here.

10 Okay. We've got eight people who have signed up.
11 So let's get started.

12 MR. PORTUGAL: Good morning, Chair, Board
13 members, fellow airheads. My name's Raul Portugal.

14 And I'm here today to ask the ARB to work closely
15 with San Joaquin Valley Air Pollution Control District and
16 other local air districts who already have programs in
17 place and have clients or applicants in place ready for
18 the programs which they have available.

19 As a consultant, I work very close with a lot of
20 the low-income and disadvantaged communities around San
21 Joaquin, holding their hand through the process, applying,
22 getting everything ready.

23 Through our projects of repowers and
24 replacements, we've seen a NOx and PM reduction of 98
25 percent. We've done about 600 of these projects

1 throughout the -- since the inception of the Carl Moyer
2 program in 1998, and we're just here to kind of display
3 our matrix.

4 And the first page shows how we get all our
5 emissions reductions, all our cost effectiveness.

6 The next page shows your average NOx reductions
7 of 98 percent in a 1,000-hour-a-year operation. This
8 represents loaders which are -- usually this falls in kind
9 of a Lost Hills area.

10 The next slide represents the PM, also about a 98
11 percent reduction.

12 And the last slide, especially highlighted is the
13 cost effectiveness of each one of these projects, which is
14 really, really, really cost effective to the Board and are
15 immediate.

16 And through programs like these that San Joaquin
17 already has in place, we can get the most meaningful
18 projects.

19 Thank you.

20 CHAIR NICHOLS: Thank you.

21 MR. HEADLEY: Good morning, Chair Nichols, Board
22 members and attendees. My name is Rod Headley. I'm the
23 president/owner of Central California Power in Shafter,
24 California, just outside of Bakersfield.

25 I've been associated with the local air districts

1 through Carl Moyer and its inception since 1998.

2 My concern is the enormous amount of time it
3 takes to complete projects. It is the responsibility of
4 CARB appropriately -- to appropriately distribute funds to
5 low-income and disadvantaged communities through
6 meaningful and cost effective programs that will provide
7 immediate emission reductions. The largest concentration
8 of these areas lie in the San Joaquin Valley.

9 Our challenge to you is to allocate even more
10 than the minimum required for these disadvantaged areas in
11 a timely manner. We have many projects in queue, one of
12 which has been approved by the air district and has been
13 awaiting funding from CARB for 11 months. This one
14 project alone would start reducing 95,000 pounds of NOx
15 and approximately 5,000 pounds of particulate matter
16 immediately.

17 It takes one or two months for us to hold hands
18 with all the applicants and get them in the programs; the
19 Air Board, a couple months. Even though we have constant
20 contract -- contact with the Air Board, it still -- it
21 takes an inordinate period of time for approval and
22 funding from CARB. Somehow, if this process could be
23 streamlined, we could be putting equipment to work and
24 start reducing NOx and PM, which is our primary objective
25 and should be yours. This would benefit the low-income

1 and disadvantaged communities for which the program is
2 intended.

3 I invite any of you to come to Shafter and see
4 firsthand the process it takes to complete our portion of
5 the project, especially Mary, Sandra, Judy and Tracy.

6 Clean air is not being -- but clean air is our
7 objective, but we need to remedy the cause for delay. It
8 can't be that complicated.

9 Mary Nichols tweeted: "Get rid of dirty rumbling
10 diesel engines," which exactly fits into our goals and
11 ability by repowering, retrofitting new tier 4 finals into
12 pre-2004.

13 Do you have another slide?

14 Guess not.

15 Okay. We have --

16 CHAIR NICHOLS: Sorry.

17 MR. HEADLEY: -- 16,000 horsepower of these low
18 emissions non -- brand new tier 4 engines sitting on our
19 floor that's capable of 262,000 pounds of NOx reduction.

20 That's the other slide.

21 CHAIR NICHOLS: Thank you.

22 Okay.

23 MS. SANDIDGE: Hi. Good morning to the Board.
24 My name is Cherene Sandidge. I'm the principal of
25 Sandidge Urban Group. I am an affordable housing

1 developer that works exclusively in disadvantaged
2 communities in the Bay Area.

3 I wanted to come today to speak in favor of the
4 proposal put before you, but to ask that there be two
5 major modifications that would make the program more
6 successful in disadvantaged communities, especially as
7 they relate into the area of Richmond, California.

8 I'm sure it spreads out everywhere, but I'm
9 talking specifically for the Housing & Community
10 Development Department to take into consideration of
11 removing the density requirement for single-family
12 housing. This would allow us to do scattered-site infill
13 housing on several -- many vacant lots that are plighting
14 and blighting local urban infill communities. Doing this
15 would allow us as nonprofits to also increase the
16 affordability in housing where our long-term goal is to
17 move -- sustaining and moving families and keeping them in
18 the community as they move out of our multi-family units
19 and into a more economic beneficial housing situation for
20 them.

21 So having said that, I'm asking that this Board
22 instruct HCD to go back and take a look at those two
23 items, removing the density so we are successful at doing
24 single-family housing, as well as allowing us to cobble
25 together many, many sites in the same area and provide

1 affordable housing on those particular sites.

2 But again, I raise to speak in support of -- and
3 I know that we submitted some comments on this issue, but
4 I don't think the comments were clear that we are talking
5 about single-family housing and not the multi-family. So
6 I wanted to bring that forward to make sure we're clear on
7 those through our comments.

8 Thank you very much for your time.

9 CHAIR NICHOLS: Thank you for what you do.

10 Mr. Magavern next.

11 MR. MAGAVERN: Good morning again. Bill Magavern
12 with the Coalition for Clean Air. We sponsored SB 535
13 with Senator de León which passed back in 2012; and also
14 worked closely in 2016 with then Assembly Member Jimmy
15 Gomez on AB 1550 which strengthened the requirements.

16 Of course the goal of both of those is to make
17 sure that a good chunk of the climate investments are
18 going to our disadvantaged communities and low-income
19 communities, because those are the areas that usually are
20 the hardest hit by the impacts of climate change, yet have
21 the fewest resources with which to address those impacts.

22 So, we need investments like this. We're happy
23 with the progress that's been made so far and look forward
24 to more investments and more effective ones.

25 We've been working on these guidelines with your

1 staff for years. So I want to thank Matt and Cynthia and
2 the whole team for the collaboration. We even co-hosted a
3 community meeting in Los Angeles with CARB, and my
4 understanding is that was very successful.

5 We have submitted written comments basically
6 suggesting some improvements in three areas:

7 One is avoiding harm.

8 Second is making sure that the investments are
9 meaningfully addressing important community needs.

10 And, thirdly, requiring that the project
11 applicants demonstrate how the project will deliver job
12 training benefits to the priority community residents,
13 those that are low-income people that most knead the job
14 training.

15 So I heard in the presentation that there is a
16 proposal to incorporate our suggestions. So look forward
17 to hearing more about that.

18 And thank for your attention to this.

19 CHAIR NICHOLS: Thank you.

20 MR. MURPHY: Thank you, members of the Board.
21 Colin Murphy of Nextgen California. To a large extent I
22 want to echo what Mr. Magavern just said.

23 We recognize that it's a significant
24 administrative and technical challenge to balance the
25 priorities of reducing greenhouse gases through GGRF

1 expenditure as well as addressing a lot of the issues that
2 are facing disadvantaged communities. We'd like to
3 commend the Board and staff for how well they've done that
4 so far, and really just encourage to maintain the idea
5 that there needs to be a balance and a focus on our
6 achieving multiple goals at once, including greenhouse gas
7 reduction over the next decade. The expenditures from
8 GGRF are going to need to continue to drive out greenhouse
9 gases as well as addressing those.

10 So we don't see a problem with how they've been
11 doing so far or with the proposals -- or the changes that
12 have been proposed. I just want to really reinforce that
13 that balance needs to be maintained through the coming
14 decade.

15 Thank you.

16 CHAIR NICHOLS: Thank you.

17 MS. ELENES: Good morning, Board. My name is
18 Grecia Elenes. I'm with Leadership Counsel for Justice
19 and Accountability. We're a local non-profit based in San
20 Joaquin and Eastern Coachella Valley, working with
21 low-income communities and communities of color there.

22 And I just wanted to echo a couple of the things
23 that we've entered already and that was already submitted.
24 But first we'd like to appreciate CARB's -- the staff's
25 effort to strengthen some of the language that would have

1 otherwise negatively impacted some of the community that
2 we work in and especially those overburdened communities,
3 specifically in changing some of that -- the language from
4 "minimize" to "avoid" adverse impacts in disadvantaged
5 communities.

6 However, we do have three main points that we
7 would like to elevate that we think would strengthen the
8 guidelines themselves to ensure that these communities are
9 receiving these direct benefits and that they're the ones
10 deciding those projects themselves.

11 First and foremost we would like to recommend
12 that CARB does not allow for any trade-offs when
13 disbursing these funds. These trade-offs can often times
14 have unintentional adverse impacts. And, you know, given
15 the change in language, we think this would, you know,
16 differ in that language.

17 And, you know, specifically, dairy digesters are
18 often, you know, facilities that receive funds from the
19 GGRF program. But we remain concerned about the air
20 quality impacts both in the operation of these facilities
21 but in addition -- but also in the additional cows and
22 manure coinciding in the development of these digesters.

23 And similarly there's also water quality impacts
24 which we have concerns that have -- there have not been
25 enough analysis done to ensure that there is no water

1 quality impact. Given, you know, we are in a drought, a
2 lot of these communities do rely on well water, and this
3 can again negatively impact. However, when CARB and other
4 agencies are analyzing these applications, we would like
5 to recommend that they are more rigorous when given these
6 points that allegedly benefit these communities, because
7 oftentimes they are being funded when in reality if you
8 ask a community member from these very same communities
9 where the digesters, this was in no way something that
10 they wanted to see, this was not something that they see
11 as a benefit.

12 Which leads me to my next point, that when
13 these -- where these projects are coming across our
14 agencies that we -- that CARB encourages has strongly and
15 which are encouraging community participation in the
16 process and in developing the projects themselves. We've
17 seen this work in the Transformative Climate Communities
18 Program where, you know, we have residents be the decision
19 makers themselves and it works. They know what works in
20 the communities. They are at the end of the day the
21 experts that know.

22 Lastly, and very quickly, I would like to just
23 recommend that similarly as in the Affordable Housing and
24 Sustainable Communities Program, that CARB set aside a
25 rural set aside. These communities are often underfunded,

1 underresourced, just overburdened in every sense of the
2 word, and don't have the resources to have county or other
3 facilities apply for them. And so we have these
4 unincorporated communities that are severely disadvantaged
5 and sometimes the CalEnviroScreen score does not reflect
6 that in it itself, and nobody's, you know, advocating for
7 them except, you know, for us oftentimes. So we really do
8 encourage that.

9 You know, be more than happy to work with staff
10 on these recommendations. And our letter has been
11 submitted.

12 Thank you.

13 CHAIR NICHOLS: Thank you.

14 MR. OLMEDO: Morning. My name's Luis Olmedo.
15 I'm the executive director of Comite Civico Del Valle.
16 And I have a very simple ask.

17 And I ask the Board to really take a look at the
18 approach that the climate program has taken over the
19 years. There's certainly a lot of progress. I'm very
20 pleased with many of the things that the program has
21 brought.

22 But there are still areas in California, like the
23 eastern southern part of California, that -- Coachella and
24 Imperial to be specific -- that as more funding gets
25 invested, the gap of investment continues to keep us in

1 drought of any investment. And I don't believe that the
2 program has done sufficient to be able to close that gap.

3 And I'd like you to take a close look -- I ask
4 that the members take a close look at the Program 617.
5 Clearly, the leadership of CARB has been given the
6 directive to 617 and put -- assembled a strong team to
7 make 617 successful.

8 But they're not running in parallel speed. 617
9 has taken off. And perhaps at taking a look at the
10 leadership of the climate investments is important. Not
11 to take away from all the hard work the staff has done,
12 the outreach that they've done. But these models where
13 they're still looking at contracting a Sacramento base or
14 statewide consultant, they're not really investing in the
15 communities, not really connecting to the actual experts
16 in the communities, and continuing to use these models of
17 Sac State. Not to take anything away from them. But we
18 need to localize these investments. We need to bring the
19 experts locally. And for some reason, the program has
20 been unsuccessful to do that. And that's what I'd ask the
21 Board, to perhaps give them some better direction, look at
22 what 617 is doing. They're so much further ahead -- I
23 feel that it's so much further ahead in terms of
24 engagement and it's something that I don't quite see in
25 climate investments.

1 Thank you.

2 CHAIR NICHOLS: Thank you.

3 MR. BOCCADORO: Thank you, Madam Chair and
4 members. Michael Boccadoro on behalf of Dairy Cares. And
5 it's continuing to be disheartening to hear the concerns
6 raised about the Dairy Digester Program. And so I wanted
7 to use this opportunity to share with you some of the
8 tremendous success story that is the actual result of the
9 Dairy Digester Program in California.

10 It's one of the most successful and effective
11 programs currently being implemented by the State. And
12 I've got some handouts that are being shared with the
13 Board members that I'm going to talk from today.

14 Since inception of the Dairy Digester Program in
15 2015 we've had six new projects come on line; that was in
16 addition to the 12 that were operating here in California.
17 There were 18 new projects that are in various stages of
18 development that have received grant funding from CDFA.
19 Just a few weeks ago 40 additional projects received grant
20 awards by CDFA.

21 When you total that all up between the new
22 projects that are being built existing, we have about 80
23 projects that are currently being built here in California
24 or currently operating. And there is funding for another
25 round in the 2018-2019 State budget, which should lead to

1 another 40 digesters. So its conceivable that we're going
2 to have between 100 and 120 digester projects funded and
3 operating in the next four to five years. And that's a
4 tremendous success story, and it's owed to a lot of
5 people. It's owed to Senator Lara for having the vision
6 in 1383 to develop an incentive-based program for the
7 development of these projects. It's because Governor
8 Brown has invested \$260 million of GGRF now in dairy
9 methane reduction efforts in California. It's because of
10 the leadership here at your staff at ARB starting with
11 Richard and Edie and Floyd Vergara, and the rest of their
12 teams on short-lived climate pollutants. But we're making
13 significant progress. And I've got a map of where those
14 80 projects are located.

15 But let me just give you some of the bottom lines
16 about the program.

17 The average costs of reduction to the State is
18 about \$8 per metric ton. At that level, this is the third
19 most cost effective program of all those currently being
20 implemented under your climate portfolio in the State.

21 More importantly, as these projects come on line,
22 it will be the most effective program in terms of
23 achieving total GHG reduction. There are -- you know,
24 these projects, bottom line, are going to get us well on
25 the path to achieving the 40 percent reduction that ARB is

1 looking for in dairy methane manure.

2 So it's a tremendous, tremendous success story.
3 And rather than creating additional burdens on these
4 disadvantaged communities -- the last 58, the last two
5 rounds that have been funded by CDFA are all pipeline
6 biomethane projects, which means they're not only not
7 creating NOx at the local level through energy creation,
8 electricity creation; they're actually going to be
9 reducing NOx at the local level in large part because
10 we're going to be displacing diesel with renewable natural
11 gas.

12 Water quality benefits are also accruing. These
13 projects are required to line their lagoons as part of the
14 grant funding process. They're required to do the
15 outreach.

16 So it's a tremendous success story.

17 I realize my time is up. I'm happy to answer any
18 questions that the Board might have if there are specific
19 ones. But we should be doubling down on the investment in
20 this program, not pulling back.

21 CHAIR NICHOLS: Thank you. Well, as you know,
22 the Board has been very supportive and worked hard on
23 making sure that this program is a success. I'm very
24 happy to see all this data, the emissions matrix and so
25 forth, and --

1 MR. BOCCADORO: Thank your staff. They did that
2 data. That's not ours. That's your staff --

3 CHAIR NICHOLS: Well, they --

4 MR. BOCCADORO: -- doing the good work --

5 CHAIR NICHOLS: -- you did a nice job of
6 organizing it.

7 MR. BOCCADORO: -- to show and document what the
8 co-benefits are. And so a tremendous effort by your team
9 here at ARB.

10 CHAIR NICHOLS: This will be useful. Thank you.

11 MR. BOCCADORO: Thank you very much.

12 CHAIR NICHOLS: Mr. Boccadoro was our last
13 witness, unless anybody else is ready to come forward.

14 So, it comes back to the Board at this point.

15 I want to say something, but I think maybe I
16 should do it more in the form of a question, because I
17 want make sure that my understanding here is correct.

18 So from the beginning of the existence of the
19 GGRF, another lovely acronym, but the funds that we have
20 brought to the State through the sale of the small number
21 of allowances that the State holds, we have been in the
22 position of being asked to advise but not having
23 responsibility for the actual allocation of these funds.
24 That is, the money comes into an account; it is
25 appropriated by the legislature every year through the

1 budget. Actually it's a separate -- its own separate
2 process every year because these are funds that are very,
3 very highly prized, as you can imagine. And they are
4 being spread out over a large number of different kinds of
5 projects.

6 To the point that was made by Mr. Olmedo and
7 others as well, we don't get to decide how to divide those
8 funds up. And we also don't control how the agencies that
9 do receive them through their own existing programs are
10 making the decisions about how to spend those funds.
11 Those are being done by other sister and brother agencies
12 out there. And so not to be -- not to try to duck this,
13 but the fact is that you don't have a single point where
14 ARB is developing a plan and then carrying that plan out.
15 The program just doesn't work that way.

16 And so therefore it is different from 617 in a
17 very material way, where once ARB was given the task, we
18 staffed up and, you know, started to develop the approach.
19 And although I'm sure it's not perfect, it does -- it has
20 shown a lot of progress in terms of reaching out into the
21 communities and allowing people to see where our
22 priorities are and where the funding is going to go.

23 This is an inevitable tension in a democratic
24 society where, you know, you have -- the legislature is a
25 branch of government which has specific responsibilities

1 in the budget area and there's a lot of needs that they
2 want to see addressed.

3 And so this is not to critique the decisions
4 they've made, just to say that it's a different kind of
5 process. And we're not able to do anything other than try
6 to advise, to make sure that the moneys that do come
7 through -- through this fund are at least being tracked,
8 that there's transparency about how the money is being
9 spent, that there's accountability in terms of assuring
10 that the funds have been used as they were supposed to be
11 used, and an overview I would say of the overall cost
12 effectiveness of these different types of projects,
13 because they really are meeting a wide variety of
14 different kind of needs.

15 So, for example, when it comes to the guidelines
16 on affordable housing, we can certainly take those
17 comments and pass them on. But unless I'm mistaken, we're
18 not in a position to change the way that HCD decides what
19 you can do with the money.

20 So, I guess my question to the staff that worked
21 so hard on this is just whether you're seeing any kind of
22 a coalescing, if you will, around the overall expenditure
23 program here and whether you're feeling that we have the
24 ability at least to, through these guidelines, you know,
25 give direction that will make sure that we are getting

1 very significant benefits out of all of these expenditures
2 given the multiple demands on the program?

3 TTD CLIMATE INVESTMENTS IMPLEMENTATION SECTION
4 MANAGER BOTILL: Good morning. Matthew Botill, Climate
5 Investments Branch Chief.

6 So, with these funds -- I mean with these Funding
7 Guidelines, we do have the responsibility to provide
8 direction on how to maximize benefits to disadvantaged
9 communities. And a number of comments that we've heard
10 are really centered around concerns about potential
11 burdens to communities. And so, with the recommendation
12 that Bailey mentioned in her presentation, we're proposing
13 to increase some of the expectations on the agencies to do
14 more community engagement in our stance of those potential
15 burdens and factor that into their program design as they
16 move forward. So that's one specific area that we're
17 looking at as a response to comments.

18 CHAIR NICHOLS: Okay. Thank you, Mr. Botill.
19 Mrs. Riordan.

20 BOARD MEMBER RIORDAN: Following along on your
21 comments, I think we can take one step further perhaps to
22 be available to help people know where to go to get
23 answers for some of their issues that were raised today,
24 and I've heard others. For instance, the housing. Maybe
25 we know somebody within the housing agency that's handling

1 this, so we can give direction to somebody who wants to do
2 infill housing. I see us needing to sort of make that
3 connection for people.

4 And then, finally, to say to staff, I just hope
5 that we continue to support any effort on wildfire
6 prevention and response and readiness. It's so apparent
7 to me, living where I do, that we really have some big
8 issues, plus what's occurring up here near Yosemite right
9 now.

10 So I hope we just keep kind of pushing that
11 little envelope as far as we can because I think it's a
12 real major issue for us in California right now.

13 CHAIR NICHOLS: Thank you.

14 Dr. Balmes.

15 BOARD MEMBER BALMES: Thank you, Chair Nichols.

16 I wanted to follow up on Mr. Botill's response to
17 your question, which I really appreciated.

18 CHAIR NICHOLS: Um-hmm.

19 BOARD MEMBER BALMES: And I want to also echo
20 what Mr. Olmedo said about, I think so far so good, early
21 on, with the AB 617 implementation process, because I
22 think we are learning and teaching each other - meaning
23 CARB, staff, with the various organizations concerned
24 about implementation of AB 617 - how to work together.
25 And I think it's been -- it's been very positive

1 experience for me so far, and so I -- I think he's right,
2 that we can -- we have learned as an agency about how to
3 engage with communities through the 617 process. And I
4 realize that we're only advising these other agencies.
5 But if we could advise them, as Mr. Botill suggested,
6 about community engagement, it would be better for this
7 program.

8 CHAIR NICHOLS: Yes, I agree. I'm wondering -
9 maybe this is a question for the executive officer - what
10 kind of resources we have available to do that? I mean
11 are we in a position do more than just, you know, publish
12 some guidelines and then sit back and let them play out?

13 EXECUTIVE OFFICER COREY: From an implementation
14 standpoint, no, I think, because it's just -- that's a
15 major, major effort. But from a -- some lessons learned
16 and from an interaction with the leadership of the
17 agencies, yes, that -- I think that's a reasonable and
18 appropriate follow-up discussion. We certainly have been
19 working with the staff of the other agencies. But I could
20 see a point, you got a leadership of the other agencies
21 really talking about some of these lessons learned. But
22 when it comes to their full-on solicitation process and
23 implementation on the ground, that's a major, major task
24 that really full -- more than eclipses what we'd be able
25 to execute on.

1 BOARD MEMBER GIOIA: Madam Chair?

2 CHAIR NICHOLS: Yes.

3 BOARD MEMBER GIOIA: Two comments. One is just
4 to follow up on the responses to the joint letter we
5 received. So can you talk about the other changes you're
6 anticipating making? I agree, I thought there were very
7 good points raised in the joint letter, that the Coalition
8 for Clean Air and others signed on to. So how do you
9 intend to sort of respond?

10 And, second, yeah, the issue of density on
11 housing is a good one. And I think, as the Chair pointed
12 out, those are the grant requirements set by other State
13 agencies. We're just doing sort of the guidelines that
14 really address working with communities specifically. And
15 I'm very familiar with the situation that the speaker
16 mentioned. I think it's reflective, happens around the
17 State: How do you build on vacant lots in a community?

18 So I think it would be good to think about in
19 various ways how we communicate that to the State; but,
20 frankly, others as well. I think that's -- housing
21 advocates should communicate that as well to the State
22 agencies that actually set grant requirements in addition
23 to any comments we make. And I'm glad to do that.

24 So the responses to the letter.

25 TTD CLIMATE INVESTMENTS IMPLEMENTATION SECTION

1 MANAGER BOTILL: Yeah, happy to.

2 So broadly, the Climate Equity Coalition
3 submitted a letter with three components that we were
4 talking about here today.

5 So the first was that we recognize within the
6 Funding Guidelines that displacement and exposure to
7 toxics is a concern for communities and a potential burden
8 that may come from the implementation of some of these
9 investments.

10 The second was that we require when projects are
11 being awarded funding and reporting on the outcomes of
12 their investments that they identify the community need
13 that that project is really targeting.

14 And then the third comment that they provided to
15 us was that as projects are being implemented, if they are
16 indicating that they're providing jobs training and jobs
17 benefits, that they show and they demonstrate how those
18 benefits were targeted to disadvantaged and low-income
19 communities.

20 And so, we support and kind of agree with the
21 concept of these changes and look forward to being able to
22 work to update the guidelines after the Board meeting to
23 address these comments within the guidelines.

24 BOARD MEMBER GIOIA: So there'll be communication
25 back with the coalition?

1 TTD CLIMATE INVESTMENTS IMPLEMENTATION SECTION
2 MANAGER BOTILL: Yes. And our plan is to -- subject to
3 approval of the resolution, to go and make my specific
4 text edits to the guidelines.

5 BOARD MEMBER GIOIA: Thank you.

6 CHAIR NICHOLS: Other comments?

7 Yes, Dr. Sherriffs.

8 BOARD MEMBER SHERRIFFS: A question whether the
9 guidance, the advising includes anything about
10 recommendations for branding programs?

11 You know, I love the California Climate
12 Investments Cap-and-Trade dollars at work. It's important
13 that the public understand this is their money working for
14 them.

15 I don't know if we can go out and get the dairies
16 that have renewable natural gas, we can put brands on
17 their cows, or how we can get that out there, but --

18 (Laughter.)

19 TTD CLIMATE INVESTMENTS POLICY SECTION MANAGER
20 LASKOWSKI: Hi.

21 CHAIR NICHOLS: Hi.

22 TTD CLIMATE INVESTMENTS POLICY SECTION MANAGER
23 LASKOWSKI: My name is Cheryl Laskowski. I'm the
24 manager -- policy manager under the Climate Investments
25 Branch.

1 Yeah, we've worked really hard over the past few
2 years with our public information officer to create a
3 branding and a logo for this program and with our agencies
4 to ensure that they are using the branding and their
5 solicitation materials and to the extent feasible on the
6 projects themselves. They've done a much better job over
7 the past few years and are starting to get that branding
8 and that name recognition out there.

9 We've got -- we have requirements within our
10 Funding Guidelines. Our information officer also works
11 with the other communications liaisons at the other
12 agencies to assist in the communication at the social
13 media publication of the program and the projects that
14 result.

15 CHAIR NICHOLS: Always good to mention it.

16 I'm wondering whether this isn't a time to go
17 back to our friends at CalEPA who run the Climate Action
18 Team and suggest that it would be a good idea to have a
19 meeting to talk about these guidelines, and to perhaps
20 start a process at least of doing some joint education
21 around the community outreach piece of this. I don't want
22 to say that all wisdom resides at the Air Resources Board,
23 but I definitely think we have some experiences to share
24 and it would be a good idea to do something like that, you
25 know, sometime within the next few months. If we can --

1 if we could get that going, that would be great.

2 EXECUTIVE OFFICER COREY: We'll do that.

3 Actually I think it's an excellent idea. And I think it
4 serves as a forum that -- in terms of the multiple
5 agency -- the 15 agencies we're talking, I have to pull
6 them together for that discussion.

7 CHAIR NICHOLS: Yeah. I think there would be a
8 lot of interest in participating.

9 Okay. Thank you very much.

10 This record on this item is now closed. And we
11 have a resolution in front of us.

12 So, it's time for a motion and a --

13 BOARD MEMBER EISENHUT: Motion.

14 CHAIR NICHOLS: -- second.

15 VICE CHAIR BERG: Second.

16 CHAIR NICHOLS: A motion from Mr. Eisenhut.

17 Thank you.

18 Okay. All in favor please say aye.

19 (Unanimous aye vote.)

20 CHAIR NICHOLS: Opposed?

21 Hearing none.

22 Any abstentions?

23 Okay. This is good. It's really -- it's nice to
24 get this moving. Appreciate all the hard work that went
25 into it.

1 As I indicated at the beginning when I did my
2 opening monologue, I'm asking that we now move to the last
3 item on the agenda, and then take a lunch break before we
4 do the presentation on remote sensing.

5 So -- actually we could even postpone further I
6 suppose, but depends how long this takes.

7 So, the last item was the initial staggered terms
8 for voting members of the Board. This item was set in
9 response to AB 197, which did a number of things,
10 including changing the Board's membership in two
11 significant ways. First of all by adding two ex officio
12 non-voting legislative members to the Board; and the
13 legislature has done that by appointing from the Assembly
14 side Eduardo Garcia and from the Senate Ricardo Lara.

15 Secondly, AB 197 set up a framework for the
16 voting members of the Board to serve fixed six-year terms
17 after a transition period that the bill calls, quote,
18 initial staggered terms.

19 This is something that as far as we can tell has
20 not ever been done before. And normally if the
21 legislature sets up a new system of appointments to
22 anything or a new board, they decide themselves what the
23 terms are going to be. But this time they decided to give
24 that task to us to create our own terms and figure out how
25 to stagger them.

1 It's taken a long time from the passage of this
2 legislation to actually get this proposal in front of the
3 Board. And honestly, I think in some ways it might have
4 been easier if we had just put all the names in a hat and
5 drawn the numbers out. But -- because asking any group of
6 people to decide on their own tenure of their terms is a
7 rather challenging task, let's put it that way.

8 However, I would like to say that the staff
9 approached this in a way that I think was very sensible,
10 which was to look at the needs of the institution
11 primarily as their first criterion, and then to try to
12 figure out how to allocate the slots. Saying that there's
13 nothing perfect would be an understatement. But the idea
14 that there would be sort of three groups and that there
15 would be enough stability over time so that there wouldn't
16 be any huge changes in any one year, that the staff who
17 have to deal with these confirmations, which all of us
18 who've been through this I think will recall as quite a
19 long and extensive process. And of course, that's what
20 the legislature wanted, was they wanted to have the
21 opportunity to bring Board members in front of them and to
22 ask a lot of questions and make sure that everybody who
23 serves on this Board had to answer for whatever the big
24 issues were that the Board was dealing with and that the
25 legislature was concerned about.

1 So the idea of switching from a board which was
2 totally at will but which over successive administrations
3 has been extraordinarily stable to one which is now -- has
4 fixed terms is a fairly momentous change. But the idea
5 was to make it as painless as it could be, recognizing --
6 and I've seen some of the coverage on this, so I want to
7 be clear. These are not term limits. These are terms.
8 That is, the Governor at any time when the person comes to
9 the end of the term, or the legislature in the case of the
10 two legislative appointments, could appointment either a
11 new person or someone who's already there and keep them in
12 that office for as long as successive governors want to do
13 that.

14 I have to say parenthetically, by the way, just
15 because I've seen some accounts that indicated that I was
16 asking for or had already decided that I was appointing
17 myself to be the Chair until 2020, that is not something
18 within my power to do, vast as those powers may be.

19 (Laughter.)

20 CHAIR NICHOLS: The fact is that AB 197 is very
21 clear that the Chair has to be a member of the Board but
22 the chairmanship, chairpersonship, whatever, is up to the
23 Governor to decide. So the next governor will have the
24 ability to decide who he wants to serve in that position.
25 And he can either pick from any one of us who are already

1 here; or if there's a vacancy, he can make a new
2 appointment and make that person the Chair.

3 So if you're listening out there, potential
4 governors, please know that we're not taking away your
5 authority.

6 Finally, I think what I wanted to say is that,
7 you know, this staggering process was -- the idea that
8 there should be a stagger could be -- you could divide it
9 up many different ways. You know, you could have one
10 every year, you could have two, whatever.

11 The three is consistent with the way that most
12 existing boards and commissions already work and also is
13 consistent with the way most nonprofit boards that I'm
14 familiar with work, which is if you've got a big board,
15 you don't have more than a third of them turning over in
16 any given year.

17 Other than that, in terms of how this gets
18 presented or was presented - and I think maybe our counsel
19 is going to address this as well - but I just want to say
20 that there was a lot of concern given that this is
21 something that affects us that there would be a temptation
22 on the part of the Board members to get together and
23 decide this issue on their own, either in groups or as a
24 whole, not in a public process. And so the staff
25 proceeded I think in a very careful way to speak

1 individually to the different Board members one-on-one,
2 but not to try to brief groups of Board members so that we
3 were not in danger of violating the open-meeting laws,
4 which is a big concern.

5 So this is the first time that there has been a
6 public discussion about this issue, and we're all in it.

7 There is a staff report in front of us. But
8 before going to that, I think Ms. Peter had a couple of
9 words she wanted to add.

10 CHIEF COUNSEL PETER: There is a staff report, a
11 PowerPoint that's coming up right now.

12 Good morning, Madam Chair, members of the Board.

13 This is unprecedented occurrence to have the
14 chief counsel give the staff presentation, which is --
15 follows along with what Chair Nichols just said, this is a
16 very unusual process.

17 So some of this was already touched upon, but let
18 me hit a few high points.

19 The statute, which is Assembly Bill 197, raised,
20 as the Chair noted, a number of complicated and different
21 issues for us. Took some time to work through. So today
22 in front of us is the proposal for the 14 voting members
23 of the Board.

24 And so for the public, I'm going to go through a
25 few more points, which somewhat echo what Chair Nichols

1 just did.

2 --o0o--

3 CHIEF COUNSEL PETER: So AB 197 gave us --
4 changed the governance of the Board in two significant
5 points:

6 We have the two ex officio members, Senator Lara
7 and Assembly Member Eduardo Garcia, who've been on our
8 Board since this went into effect. The legislature
9 appointed those.

10 Now, for the terms, as the Chair noted
11 previously, everybody was at will. And then AB 197 for
12 the first time puts together these terms; and they're not
13 term limits, as noted. They are terms.

14 So what we have here is -- one other point I
15 wanted to mention that was not mentioned before is AB 197
16 specifically sets out that members can be reappointed. So
17 it's not even up for discussion. It says right in AB 197,
18 everyone can be reappointed. And there can be no --
19 there's no limit on how many times people can be
20 reappointed. So this applies both to the two legislative
21 appointees and then the 12 gubernatorial appointees.

22 So -- in person -- I just want to note. I've
23 been here for a while, and this is a great board. So if
24 anybody asks me, I would like to suggest all of you be
25 reappointed, because --

1 (Laughter.)

2 CHIEF COUNSEL PETER: -- I think this is a very
3 effective board and very dynamic and very engaged. So
4 that's a little, you know, commercial for all of you.

5 CHAIR NICHOLS: Thank you for that commercial.

6 (Laughter.)

7 CHIEF COUNSEL PETER: So as I said, we don't have
8 any guidance for how we're supposed to proceed. And so we
9 came up with a staff proposal. So instead of just showing
10 up and say, "Hey, you guys, what do you want to do?", we
11 thought we would put out a few of the things that we as
12 staff thought that you might want to think about.

13 There was no closed session on this before.
14 There's been no meetings. All of you were instructed when
15 you got the memo for us is that you need to be extremely
16 cognizant of the Bagley-Keene requirements. And I'm sure
17 you always are anyway. We just wanted to make that a high
18 level and very clear request because that's -- obviously
19 you don't want to have, you know, deals being made.

20 So here we are. So we wanted to have a
21 transition to the six-year terms. We wanted to maintain
22 the institutional knowledge.

23 We did not want to have all six air districts
24 come up at the same time. We wanted to spread them out.
25 That's a problem if you just start drawing straws. You

1 don't know how this is all going to shake out.

2 So obviously some members are going to have a
3 shorter period of time than other members. Otherwise we
4 can't effectuate a stagger. And so we have three
5 different end dates. We have one end date of December
6 31st, 2018; second tier is December 31st, 2020; and the
7 third tier is December 31st, 2022.

8 So what we're doing here is all terms then on
9 that basis conclude within six years of the effective date
10 of the statute. So by January 1st, 2023, all of the
11 members on the Board will have, you know, finished their
12 six-year terms.

13 And then finally, I think this is something since
14 it has been a while that the staff recommends that this
15 vote go -- proceed today.

16 --o0o--

17 CHIEF COUNSEL PETER: So what we have here is for
18 those three tiers I outlined, there's three members in the
19 first tier, five members in the second tier, and six
20 members in the third tier.

21 One of the reasons they are skewed or clustered
22 towards the end is we have a new Governor coming in, you
23 know, in January of 2019, which I understand has 3,000
24 appointees, and so we actually had let -- we shifted the
25 gubernatorial ones for the most part towards the end. And

1 that was one of the rationales for that.

2 So going to the next slide.

3 --o0o--

4 CHIEF COUNSEL PETER: So here's our first tier
5 that comes out with December 31st, 2018. So obviously the
6 two legislative appointees are in this group. And the
7 reason they were put in this group -- or one of the
8 reasons they were put in this group was that we didn't
9 want to presume what the legislature wanted to do.

10 So conceivably they would take the position that
11 if we put them in a later term, then they would be bound
12 by that, because the statute is not clear. It says that
13 the Board sets the initial terms. So we did not to -- you
14 know, we wanted to give the legislature absolute authority
15 to do whatever they wanted to do.

16 But we needed to set a term. We wanted to give
17 kind of a heads-up. So we set that term at December 31st,
18 2018.

19 So once again, just as I said before, for any of
20 you, if the legislative appointees can get reappointed by
21 their respective Senate and the Assembly. So that was the
22 purpose for that.

23 Ron Roberts is not running for office again and
24 he will not be eligible by operation of law to have his
25 position on the San Diego County Air Pollution Control

1 District. So we put that one into the first term.

2 --o0o--

3 CHIEF COUNSEL PETER: Going to the second term --
4 second tier. So we took the remainder of the five air
5 districts and all of the others -- the six gubernatorial
6 appointee positions and we put them in two different
7 statuses. So this is the for 2020.

8 So what we were trying to do here is -- as I
9 said, Ron -- Supervisor Roberts is off, so that one's
10 already proceeding. So I already explained why that went
11 early.

12 This one is -- Dr. Sherriffs is from the San
13 Joaquin Valley Air Pollution Control District. And that
14 has a very unusual statute. And they actually already had
15 a four-year term. The Governor only could appoint the
16 person -- their two representatives to that board for
17 four-year terms. And they get confirmed every time
18 they're voted.

19 So on top of that the legislature in AB 197
20 dropped a six-year term on top of the four-year term. So
21 we specifically put Dr. Sherriffs in this --

22 (Laughter.)

23 CHIEF COUNSEL PETER: -- because his four-year
24 term is up in 2020. Not exactly at the same time but the
25 same year, he has to go through a confirmation for both

1 the local term, which is a gubernatorial appointee, and
2 the six-year term for that thing. And so at least on the
3 first shot out of the gate here we've tried -- we put them
4 both in 2020, because there will be two confirmation
5 decisions and potentially could be done in one hearing.
6 But that also depends on the legislature and the Governor.

7 --o0o--

8 CHIEF COUNSEL PETER: So going to the last group.
9 Basically, this is the remainder of the gubernatorial
10 appointees. The Vice Chair we put in a different term
11 than the Chair's term. And we put the current vacancy in
12 there as well.

13 So that's basically the super high level thinking
14 of the staff that went into this. We recommend that the
15 Board consider the draft resolution. But once again, that
16 is totally up to the Board how they want to handle this.

17 So thank you.

18 CHAIR NICHOLS: Okay. Any questions or comments
19 from any of the Board members?

20 BOARD MEMBER GIOIA: One question.

21 So whatever we decide in a resolution, is this
22 binding on the Governor or can the Governor set the terms
23 as he likes?

24 CHAIR NICHOLS: No, this is it. It's up -- it's
25 us.

1 BOARD MEMBER GIOIA: Right.

2 CHAIR NICHOLS: It's on us.

3 BOARD MEMBER GIOIA: And then the Gov -- so this
4 establishes the terms for the different positions?

5 CHAIR NICHOLS: Right.

6 BOARD MEMBER GIOIA: Got it.

7 Thank you.

8 CHAIR NICHOLS: Yeah, but it goes with the
9 position, just to be clear again.

10 If someone were to leave early in their tenure,
11 an appointment can happen, but it only goes to the end of
12 the term of that position and then they have to be
13 reappointed. So --

14 CHIEF COUNSEL PETER: That was one of the legal
15 issues that took a while to parse through, is what the
16 difference if the term runs with the person and if it runs
17 with the office. And there's some great case law from
18 over a hundred years ago that does give us some guidance
19 on that. But it is -- it's -- once again the legislature
20 did not address that in the statute. But that is -- what
21 the Chair just said is absolutely correct. The terms go
22 with the position.

23 CHAIR NICHOLS: Okay.

24 Yes, Mr. Florez.

25 BOARD MEMBER FLOREZ: Yeah. Of course I have a

1 couple questions.

2 So let me -- I won't try to monopolize time. But
3 I did want to start with maybe to legislative
4 representatives.

5 What was the reason that we only posted it this
6 morning? What's the public policy rationale that such a
7 momentous type of vote would only post today?

8 CHIEF COUNSEL PETER: So the agenda was posted 10
9 days ago, after July 13th, and it said this was the item.
10 The staff proposal did not come up. To some extent
11 putting the staff proposal out on this actually takes
12 away, in my view, you know, the discussion of the Board.
13 Each of the Board members got the list on the 13th. I
14 think it went five minutes before it got posted, so --
15 with the admonition about don't violate the open meetings
16 law of course.

17 And so it was. And I know it did get circulated
18 by some people. That's fine.

19 BOARD MEMBER FLOREZ: Well, it got circulated by
20 me. So I -- and the reason for that is some of us
21 represent EJ communities, for example, or various other
22 communities, so I think we like to talk to those folks
23 before the meeting. Not just among ourselves, but we like
24 to check in, kind of just ask, "What do you think?"

25 In this particular case, the two EJ

1 representatives are first out, if you will, or terms
2 began. Let's use another term rather than term in or term
3 out. When does the clock start ticking is really the way
4 to look at it. And for the EJ representatives from both
5 the Senate and the Assembly, that is the first up.

6 And a lot of this is optics in some sense. You
7 know, I think the Chair mentioned or someone mentioned
8 that we could have thrown in the hat and pulled out. That
9 may have been even better, quite frankly, in terms of the
10 optics. I see industry representatives with, in some
11 sense, terms are beginning. Clock starting to tick in
12 2022. And then I see EJ representatives' terms start to
13 start in 2018. And I think that's -- you know, if you
14 kind of look at it, I'm just wondering the optics of that.
15 I mean why couldn't an EJ representative be in the 2022
16 slot and an industry representative be in the 2018 slot?

17 CHIEF COUNSEL PETER: I'm not exactly sure what
18 you mean by the industry representative.

19 BOARD MEMBER FLOREZ: Well, we had an ag
20 representative, correct?

21 CHIEF COUNSEL PETER: Well, the ag --

22 BOARD MEMBER FLOREZ: We had an auto
23 representative, correct?

24 CHIEF COUNSEL PETER: The agricultural
25 representative is the agricultural representative.

1 BOARD MEMBER FLOREZ: Those would be the industry
2 folks that I am referring to.

3 CHIEF COUNSEL PETER: Okay. So let me take a
4 step back --

5 BOARD MEMBER FLOREZ: Okay.

6 CHIEF COUNSEL PETER: -- so that --

7 BOARD MEMBER FLOREZ: And before you do, let me
8 just ask one more so you can combine it.

9 An I guess for first time seeing this, I would
10 have expected some alternatives. I would have expected
11 some scenarios. You know, if you look at the Water Board
12 or the PUC or some of the other boards, they have
13 prescriptive examples of term limits. In some cases, it
14 goes four, four, five, in terms of the Water Board. The
15 PUC a very similar type of cadence. Our cadence is off,
16 as you compare those other agencies.

17 And, yes, the legislature prescribed it. But I'm
18 just wondering if we took that kind of cadence into
19 account prior to making the recommendation to this Board -
20 I would have liked to have seen some examples what other
21 boards are doing - how that compares to this particular
22 recommendation.

23 And I would have liked to have affected groups
24 being able to weigh in on their view of this.

25 And you're right, I think you mentioned there are

1 some open seats. Ron Roberts is leaving. We have a
2 gubernatorial seat that's open. Yet that's on the 2022
3 list.

4 I mean there were a lot of different ways to do
5 it. I guess I would have preferred -- and I just wondered
6 why we let it out the same day; we don't have
7 alternatives; we don't have any options, if you will;
8 there's no chance to check in with folks. People are
9 waiting. They see the item but there's no real meat to
10 this particular thing. And it is momentous. I mean this
11 is a pretty big change. This isn't a small change. This
12 is something that kind of affects the trajectory depending
13 on the next gubernatorial appointment obviously. And I
14 don't necessarily see the work put in in terms of giving
15 us various scenarios and options.

16 CHIEF COUNSEL PETER: Let me address the
17 scenarios and options first.

18 You're right, there -- in almost all of the
19 situations when you look back at other boards and
20 commissions, there was -- it's in the statute how to do
21 it. This is very -- this is unusual. And I would like to
22 think in -- and you never know what the legislature as a
23 whole thinks when they pass something. But they did know
24 that you have a very long-standing board here, and so
25 they're giving this Board and you here today -- and the

1 staff proposal is just -- you can consider it or you
2 cannot. Okay. So that is -- you know, that is -- it's,
3 as opposed to regulatory items where we went through
4 workshops and so forth, this is really somewhat different.

5 So we didn't do alternatives. The CEC, as I
6 mentioned, they did draw lots, and that was in the
7 statute. The Governor had to appoint them within 30 days.
8 All five of them drew lots to see who got the 1, 2, 3, 4,
9 5 years. So that was in the statute.

10 And there's a lot of other examples about that.
11 This one did not have that, so we thought, okay, well,
12 this is -- and that's why I laid out the staff
13 considerations for doing it.

14 Let me just check on the -- touch base on your
15 other point about the EJ people not having input.

16 So the input goes to the legislature. I mean
17 that's who makes the appointments. The assembly makes one
18 appointment and the Senate makes the other appointment.
19 Obviously you know that. Both you and Mr. De La Torre
20 were appointed by your respective heads. And from my
21 point of view, if you both are reappointed again, that's
22 great.

23 And I see where the EJ role comes in is talking
24 to the appointing organization, which is the Rules
25 Committee in the Senate and the Speaker. And if we

1 actually put the legislative members at the end, the
2 argument would be that we were tying their hands by
3 putting them later.

4 And so to the extent --

5 BOARD MEMBER FLOREZ: Why would that be? You
6 just said they could be replaced any time by the
7 leadership.

8 CHIEF COUNSEL PETER: No. No, once -- now. But
9 once the initial terms go in, they're set. So that's
10 the --

11 BOARD MEMBER FLOREZ: So somebody in the 2022
12 slot -- I'm glad you just said that, because -- so
13 somebody starting today with a vote in the 2022 slot is
14 locked, correct?

15 CHIEF COUNSEL PETER: Right. That is correct.
16 So --

17 BOARD MEMBER FLOREZ: Right. So that's why this
18 is a momentous vote.

19 So if you are someone in the 2022 slot -- and you
20 just have said earlier that next governor could come in
21 and change this. But if you're in the 2022 slot, the next
22 governor can't necessarily change it, correct.

23 CHIEF COUNSEL PETER: They can't change --

24 BOARD MEMBER FLOREZ: They cannot. I just want
25 to make sure we're really clear.

1 CHIEF COUNSEL PETER: Right, right. But I'm --

2 BOARD MEMBER FLOREZ: So that they cannot. So --

3 CHIEF COUNSEL PETER: But -- excuse me. You
4 talked about -- not to interrupt you but to interrupt you.

5 BOARD MEMBER FLOREZ: Yeah.

6 (Laughter.)

7 CHIEF COUNSEL PETER: On the enviro --

8 BOARD MEMBER FLOREZ: That's okay. I'll probably
9 interrupt you in a moment.

10 CHIEF COUNSEL PETER: Your honor. You know, I
11 was trying to like, you know, Get back into my litigation
12 mode here.

13 So, what -- I think you're correct, is that there
14 is -- should be a process, and I don't know -- I know
15 people either nominate themselves to the gubernatorial
16 appointees and they -- and they solicit suggestions. But
17 the environmental justice people, if they have a view of
18 that -- you know, on this point, their audience is
19 actually the legislature. This group --

20 BOARD MEMBER FLOREZ: Right. But they just got
21 this today. How are they supposed to call Toni Atkins
22 this morning or Speaker Rendon today if the exact
23 specifics of this proposal was literally out this morning?

24 CHIEF COUNSEL PETER: Because --

25 BOARD MEMBER FLOREZ: How much reaction time is

1 that for the leadership of the legislature to weigh into
2 this when our vote is five hours later?

3 CHIEF COUNSEL PETER: They're given five-months'
4 notice that the term is up at the end of 2018. And then
5 they can say, "We think that" -- you know, as I said, I
6 think they -- I would think it would be great if --

7 BOARD MEMBER FLOREZ: And they say, "We'd like
8 this slot to be in 2022"?

9 CHIEF COUNSEL PETER: No.

10 BOARD MEMBER FLOREZ: That's exactly what I'm
11 asking you right now. I'm asking you why we would not
12 switch EJ into the slots of 2022. And the leadership can
13 continue with either myself or Mr. De La Torre, or whoever
14 they'd like, but at least the clock starts in 2022 as
15 opposed to 2018.

16 CHIEF COUNSEL PETER: Actually what -- they have
17 the option now in January 2019 to appoint both of you to
18 six-year terms. So you will have the most continuity of
19 anybody else here.

20 BOARD MEMBER FLOREZ: Okay. Let me disagree with
21 that.

22 If the leadership wanted -- if these two EJ terms
23 started in 2022 - let's just -- follow me here, let's say
24 that the proposal was that - are you saying that the EJ
25 representatives would be off in 2018 if they were simply

1 reappointed?

2 CHIEF COUNSEL PETER: No. There's a question --
3 there's a --

4 BOARD MEMBER FLOREZ: They would have the longer
5 of the term, quite frankly.

6 CHIEF COUNSEL PETER: The existing people would
7 have the longer term, but the leadership who appoints them
8 would not have the opportunity. We would have locked them
9 in -- we've taken away their discretion to appoint
10 somebody. And we are taking away their discretion to the
11 end of this year. Then they have the opportunity. If AB
12 197 said it was a term limit or didn't specifically make
13 it absolutely clear they could be reappointed, then we
14 would be tying their hands.

15 BOARD MEMBER FLOREZ: Yeah, I disagree with that
16 analysis.

17 CHIEF COUNSEL PETER: I understand.

18 BOARD MEMBER FLOREZ: I understand the semantics,
19 but the reality is we have just got a new Pro Tem that's
20 going to have a very long term. We have a Speaker that
21 has a much longer term. Both of those overlap in each of
22 those situations. I think the governor -- the next
23 governor should be concerned, quite frankly. I think what
24 you've said is concerning, that you have two gubernatorial
25 appointments in 2022, and that will be the case until such

1 time the gov -- you're tying the governor's hands, not the
2 legislature, in this proposal.

3 CHIEF COUNSEL PETER: So the legislature actually
4 wouldn't have -- they could amend the statute still, and
5 they didn't do it initially.

6 BOARD MEMBER FLOREZ: Exactly. Do you want the
7 legislature -- do we want Mr. Garcia to come back and --
8 he's written this letter saying he doesn't like the
9 process. It's public. Everybody has it here on the dais.
10 Do we want -- are we inviting the legislature to go back
11 and change the statute?

12 CHIEF COUNSEL PETER: So one thing the
13 legislature could do is say that this -- term limits only
14 applies to gubernatorial appointees, and that's --

15 BOARD MEMBER FLOREZ: The legislature can do a
16 million things. And do we want them to do that?

17 I would say that we should offer some options,
18 that you should give this Board an opportunity to go back
19 to their communities. I think people should have an
20 opportunity to look at various situations. If they're
21 going to draw lots, withdraw lots, whatever that may be.
22 But we're just hearing about all these alternatives today.

23 CHAIR NICHOLS: We have three witnesses who've
24 signed up to testify. So maybe we should hear from them,
25 unless anybody else wants to engage at this point.

1 BOARD MEMBER BALMES: Could I just make one point
2 of correction.

3 CHAIR NICHOLS: Please.

4 BOARD MEMBER BALMES: My esteem colleague from
5 the University of California who's a transportation
6 engineer is not an industry representative.

7 (Laughter.)

8 CHAIR NICHOLS: Yeah, it's a kind of expertise
9 that he represents, not an industry.

10 You can argue about the slot for agriculture, so
11 somebody who has expertise in that area.

12 I guess you happen to be in the field, right?
13 You do it. You're one of them.

14 BOARD MEMBER EISENHUT: Background.

15 CHAIR NICHOLS: Yes, yes. Background.

16 Okay. So, Ms. Vazquez.

17 MS. VAZQUEZ: Hi. Good afternoon. I'll say it's
18 morning afternoon. But my name is Diana Vazquez. I'm
19 here on behalf of the California Environmental Alliance.

20 And really I think it was a lively conversation.
21 There was a lot of points that Mr. Florez raised that we
22 have concerns. Specifically I think there's more
23 questions than anything, given that we were just seeing
24 this proposal this morning. We were able to actually kind
25 of gather some thoughts. But I think really the questions

1 are, I think the EJ seats that were brought up I think
2 there's an explanation on that.

3 But really with the fact that we were involved in
4 the passage of 197 two years ago, I think really the
5 premise is how do we provide legislative oversight in this
6 process and really providing the input that we need? I
7 think it was a little bit -- you know, I think
8 enlightening to see that the staff provided those
9 recommendations process, but we just heard this like 30
10 minutes ago. I think it's really, where is the process
11 that we can actually comment and really provide the input
12 that we need, and specifically on the terms and how the
13 terms are being staggered to bring the continuity that we
14 want specifically on some of the EJ seats? And understand
15 if leader -- if the legislature wants to weigh in, they
16 should have a say how the terms are being drafted, and not
17 an afterthought. And that's one of the things at least
18 for us is concerning.

19 Another aspect is really looking at some of the
20 really health experts are being termed out earlier than
21 some of the other expertise are being mentioned,
22 specifically industry and ag. Those are being termed out
23 in 2022, and really getting a rationale why that's
24 happening.

25 Another issue that's really for us is, this took

1 two years in the making, and there was really no input
2 from anybody to really provide the insight that's needed.
3 And now we're really rushing it within an hour -- and I
4 don't even know if it's a voting resolution. If it's
5 going to be voting, it seems as if folks can vote yes or no
6 depending on how individuals feel. But I don't know if
7 the Board has that chance to actually talk to their
8 constituency to really get that input.

9 And really what we ask and urge the Board to
10 really consider, just having more of a transparent process
11 for us to really say, hey, this is going to be affecting
12 us in the next two years, four years, and six years. And
13 really another question is, are all the individuals who
14 are getting reappointed, because there's no limits, are
15 they also going through a Senate confirmation process? Is
16 that also provided in the system? And if it is, is it
17 just for new appointments or reappointments?

18 So those are the kind of questions that we have.
19 And I really appreciate, you know, a little bit more
20 insight on that before we actually vote on this?

21 Thank you.

22 MS. GALE: Good morning, Board members. My name
23 is Genevieve Gale here on behalf of Central Valley Air
24 Quality Coalition.

25 I would like to say I'm really happy to be here

1 today. It's been really hard in the valley recently.
2 There's been a lot of smoke and a lot of smog, and so I'm
3 really happy to breathe some air up here. My headache has
4 gone away and it's a little easier to breath. So I do
5 want to say that I -- some people say they're happy to be
6 here, but I'm really happy to be here.

7 (Laughter.)

8 MS. GALE: So I'm speaking on behalf of not just
9 CVAQ but also Kevin Hamilton of Central California Asthma
10 Collaborative. And I want to speak on the topic of
11 process.

12 So CARB normally proceeds with really excellent
13 standards of process. Things are posted early. Workshops
14 are hosted. Sometimes staff even reach out to
15 stakeholders to make sure that their voices are heard.
16 And those materials are usually in draft form. Staff
17 listens to the public, make edits, bring that back to the
18 Board before a final vote occurs.

19 And in this instance, it seems the process is
20 limited public review. So we found out about this
21 proposal from an L.A. Times article yesterday, which was
22 kind of surprising. And then we couldn't see the actual
23 proposal until this morning. And I know I haven't been
24 here that long, but this is the first time I've seen this
25 type of process.

1 And so we are concerned that these normal
2 standards that will decide the leadership of this Board
3 are being circumvented or just changed in this instance.
4 And we are concerned, and we wish that there was more
5 public comment, that there was more a chance to even look
6 at the proposal. And like Mr. Florez says, time to speak
7 with Board members, especially those who are supposed to
8 represent environmental justice.

9 And so we ask for a little more review --
10 public -- opportunity for public review on this proposal.

11 And those are my comments today. Thank you.

12 CHAIR NICHOLS: Thank you.

13 BOARD MEMBER GIOIA: Madam Chair?

14 Go ahead.

15 We have also one more person who signed up at the
16 last minute, Luis Olmedo.

17 MS. ELENES: Good morning, Board members. My
18 name's Grecia Elenes with Leadership Counsel for Justice
19 and Accountability. And I'm here just to echo a lot of,
20 you know, the comments and concerns of my -- our partners
21 at the Central Valley Air Quality Coalition, the Central
22 California Asthma Collaborative, and the Central
23 Environmental Justice Alliance.

24 You know, given CARB's influence on, you know,
25 not just EJ communities but just really all California,

1 all their public health. As Genevieve mentioned, we're
2 having a really, really hard time breathing in the valley
3 right now. And it's sad to see that this decision can be
4 made today without any public process. And, you know, to
5 date so far on the processes that I have been involved
6 with the CARB, you know, it's been great. You guys are
7 very attentive, you're very receptive and respectful to
8 our comments, you know, which is contrary to some of, you
9 know, the councils and the boards that we encounter in the
10 valley.

11 So it's typically, you know, refreshing to be
12 here. But today, you know, we're a little disappointed to
13 see that this decision that is so monumental can be made
14 today and that, you know, from our perspective, especially
15 the EJ community that we work and that we serve and that
16 are typically, you know, a second thought for most people,
17 that they're being in a sense forgotten given that the
18 environmental justice seats, you know, are potentially --
19 are one of the first to be replaced. And so that's, you
20 know, a huge concern for us.

21 And all we ask of you today is just, you know, to
22 put off this decision, to allow a true democratic process
23 to allow public, to allow us engage with the communities
24 that we work with to get their input, so that way we can
25 then, you know, provide that to yourselves. And that's

1 all we're asking for today is just, you know, let's puts
2 this off, allow folks to be truly engaged, you know, to be
3 meaningfully, you know, brought into this process and to
4 create a more thoughtful decision at the end of the day.

5 Thank you.

6 MR. OLMEDO: Thank you. Back again. Luis
7 Olmedo, executive director of Comite Civico Del Valle.

8 I try and make sense of all the different changes
9 that have occurred in such a short period of time.

10 I want to say I'm very pleased to work with all
11 of you. And I think I've had the opportunity we work more
12 closely with some and not as much with others. But I know
13 that all of you are open to talking about environmental
14 justice and listening to environmental justice.

15 I feel that we have this great opportunity to
16 work with the representatives that are sitting here as
17 representatives of environmental justice. And while I
18 think that there's -- what I'd ask is that there be
19 sufficient time, and I think that's what I hear, to really
20 look at this. I've had the privilege of working as a
21 designee of environmental justice with Senator Dean
22 Florez. I would expect that with the new appointee of
23 environmental justice, that that opportunity opens up as
24 well. I was -- didn't have enough time I think to work
25 with the previous appointee, Diane Takvorian. We didn't

1 have enough time to do enough work is what I'm trying to
2 say. But I have plenty of time to work with her.

3 I really ask that you have -- that we get your
4 support to make this a fair process. You know, a process
5 that gives us some continuity and some true
6 representation. And I'm in support of all the comments
7 that have been made from Senator Dean Florez. I know that
8 I've spoken with Assembly Member Garcia, also a member.
9 And I agree with many of these points. So -- and as well
10 as those points put forth by the environmental justice
11 colleagues that are here representing this issue.

12 Thank you.

13 BOARD MEMBER GIOIA: Madam Chair?

14 Over here.

15 CHAIR NICHOLS: Oh, Mr. Gioia.

16 BOARD MEMBER GIOIA: Thank you.

17 First I want to start by saying I appreciate that
18 there's probably no perfect path forward or solution on
19 this. The legislation was ambiguous and it sort of left
20 it up to the Air Board -- the staff of the Air Board to
21 sort of figure this out.

22 So saying that -- and I know this is a tough
23 discussion, because every time any argument that's given
24 one way or another may be interpreted as dealing with a
25 particular individual.

1 And so I want to make sure that any general
2 comment I make is not -- doesn't refer -- is really not
3 reflective of who holds the seats. It's more about just
4 sort of process. Right?

5 And I respect what people said on process. I
6 think whatever we do, this version or something else, I
7 understand that having a process is important for sort of
8 a public integrity point of view. And I know it's hard
9 for people to come up, I just want to acknowledge, to
10 speak to us on this issue, because if you're from the EJ
11 community, if you're from industry, if you're from the
12 environmental community, you're going to be concerned that
13 some comment you make is going to have an effect on a
14 Board member, which I suspect is why we don't have a lot
15 of people speaking on this - let me be real - because
16 people don't want to, you know, get on the wrong side of
17 folks.

18 And so anything you say doesn't -- you know, I'm
19 happy with -- I understand, so I'm willing to live with
20 whatever outcome. But I just want to raise -- I think
21 since we did get a letter from Assembly Member Garcia who
22 serves here and who also, as he says, was one of the lead
23 authors for AB 197, I do think we owe it publicly to at
24 least answer the two questions in his letter; which I
25 think he raises two issues - right? - which is it would

1 seem that having more even distribution, like 4, 5, and 5,
2 right, in the staggering of the terms would avoid
3 significant turnover.

4 And then his second one, which is, it would be
5 more logical and aligned with the intent of AB 197 -
6 again, he's one of the authors - to have Board members who
7 have served longer than six years end their terms earlier
8 than Board members who have not yet reached their six-year
9 term.

10 I would appreciate staff explaining. I think he
11 owes it -- I mean I think there's -- anyone can make
12 different interpretations of what to do. But I think
13 he -- it's owed answering the two questions in his letter.
14 I mean if I had a comment on any initial reaction I have
15 from this it's that -- that there didn't seem to be rhyme
16 or reason about how long people served in calculating the
17 terms. So there are people -- number of people who have
18 served less than six years, including some of the air
19 district representatives, who are coming up earlier than
20 people who served for 27 years or 14 years.

21 So -- and I don't know if the intent wasn't
22 clear. He's stating the intent is that it is more
23 consistent to have those who've served longer than six
24 years end their terms earlier than those who have not yet
25 reached their six years.

1 So I mean if the statute had said that, then we
2 would know what to do. The statute didn't say that, so I
3 understand.

4 But I think it's fair just to complete the record
5 to respond publicly to the two issues that he raised in
6 his written letter as a member and as a coauthor on the
7 legislation.

8 CHAIR NICHOLS: If I may, as a matter of
9 privilege here. So, I negotiated directly with Assembly
10 Member Garcia when this bill was going through, and had a
11 role in urging the Governor to sign the legislation.

12 It was not something that the Administration
13 sought. This particular item was not something that the
14 Governor was supportive of, and he really was somewhat
15 reluctant to sign it, frankly.

16 You have to look at this as sort of a political
17 science question in a way. The constituency for deciding
18 who gets to serve on a board of this kind, although
19 ultimately it's the public who wins or loses, depending on
20 how we perform, it's actually the appointing authorities
21 who have the interest in this issue. In this case,
22 leadership of the Assembly and the Senate and of -- and
23 the Governor.

24 And the Governor was very insistent on his
25 prerogatives, including being able to fill any vacancies

1 up until the last time -- last minute that he could in
2 office even if those aren't confirmed at the end of the
3 day by the legislature. Hopefully they would be. But he
4 would be in a position to make the appointments that are
5 up to him. So that would be filling the Ron Roberts
6 position. And of course, with the other position that's
7 been vacated, if he makes an appointment before the end of
8 the year, that also will have to come up for confirmation.
9 But as -- so he's got that.

10 And the leadership of both houses, through their
11 staffs and personally, also indicated a great interest in
12 having control over their own appointments to the maximum
13 extent possible. And in fact at one point there was
14 discussion about whether they would be able to make their
15 appointments at will and not have to -- not be subject to
16 the terms at all if -- the statute isn't totally clear on
17 that point. But they have made it very clear that they
18 believe that they will be subject to the six-year terms as
19 well.

20 But just to be -- just to make the point that,
21 with all respect to Mr. Garcia who is the author of the
22 bill, the opinions that count in this matter primarily in
23 terms of putting this out and getting it done and then
24 having those who have interest in who gets the positions
25 go to those appointing authorities, as our chief counsel

1 said, because that's where the power actually resides in
2 this situation. And we could shuffle the positions around
3 some. And, you know, I don't think it would make a huge
4 amount of difference one way or the other. But that
5 was -- that really is the impetus behind doing this now.

6 VICE CHAIR BERG: Maybe this would be a good time
7 to answer a couple of the questions that we did get from
8 public comment, that if you are -- first of all, it isn't
9 term limit. So it's really important to understand that
10 terminology. My understanding, it was an opportunity for
11 that individual position to come up and the choice to be
12 made. Did they need a different type of expertise? Was
13 there something different about the Board that we needed a
14 different type of leadership? And so a six-year term was
15 an opportunity for someone to come on board and work hard
16 and be very dedicated, and at that six-year point the
17 authority could then reappoint, and then they will have to
18 go through confirmation again. So they do go through the
19 entire process again and serve another six years.

20 But there's no limit. That person could
21 continue, as Barbara Riordan has so honorably done, for a
22 couple decades. And so that process is still in place.

23 But to answer the question from the floor, yes,
24 they do go through confirmation again. And to me where
25 the public input is is in seeing a position come up, is to

1 talk to the convening authority. This isn't about each
2 one of us going out to the area that we represent and have
3 a whole roomful full of people come up and really advocate
4 for one position or another. And I think that's important
5 in that.

6 CHAIR NICHOLS: You used a magic word, which is
7 "represent." And I do want to speak to that point,
8 because my understanding of the law is that when you are
9 appointed to serve on a board, regardless of the
10 specifications for your position, whoever -- you know,
11 whatever seat it is that you're filling, you are not their
12 as a representative. Once you're on that board, your duty
13 is to serve to the best of your independent knowledge and
14 ability as a member of that board. I think that's a kind
15 of a critical confusion that sometimes comes up in terms
16 of -- obviously if Mr. Eisenhut's -- I'm going to pick on
17 him because he's right here -- is in agriculture. People
18 who are in that field are likely to turn to him with
19 questions. And we would hope that he would go talk to
20 people from that constituency when he gets a chance about
21 what's going on with the Board, because we rely on him to
22 bring that expertise to the Board. But he is not expected
23 to go out and consult or seek support for every vote that
24 he takes on the Board or to be seen as being the
25 representative of agriculture when he's serving on this

1 Board.

2 So...

3 CHIEF COUNSEL PETER: Thanks to my Assistant
4 Chief Counsel, David Hults, who just pointed out that
5 that's actually in the statute. So, the statute that sets
6 out your expertise in subdivision G specifically says:
7 "All members shall exercise their independent judgment as
8 officers of the State on behalf of the interests of the
9 entire State in furthering the purposes of this division,"
10 which is the entire air quality division.

11 What they did do, and started decades ago, is
12 they had areas of expertise. There's no agricultural
13 seat. That seat can be of a couple of different
14 categories. It's law, agriculture, and so forth.

15 The air district ones are -- there's certain air
16 districts - South Coast, Bay Area, San Diego - there's
17 certain ones that were -- San Joaquin -- that were called
18 out.

19 The other seat that Ms. Riordan's in is for any
20 of the other 30 districts can also be on that that are not
21 specifically called out.

22 In terms of the expertise, I think it's the
23 experience in transportation, automotive, you know -- you
24 know, because originally if you go back in time, that
25 was -- the focus, you know, 50 years ago was on

1 automotive. And so I think that what the specific
2 specialty expertise for those members show that there
3 needs to be a range of views.

4 For the air districts, Supervisor Serna, he was
5 the latest one added on. There was a decision by the
6 legislature a number of years ago that we needed to add
7 one more, you know, not designated -- and they did it just
8 a little bit different. They said of the Northern
9 Sacramento Valley District, somebody from that group. And
10 so there is a group.

11 So the legislature has tinkered with the -- with,
12 you know, what kind of, you know, additions to it. And
13 the Board therefore is getting bigger, which is why we're
14 in this room as opposed to next door, because they're
15 building our bigger, expanded diaz in the next room where
16 we normally meet.

17 But it goes back to decades ago where the
18 legislature said, you know, look at your, you know,
19 experience or your connection within air districts and so
20 forth. But you serve all the people of the State of
21 California.

22 So a longer version of what you just said, Chair
23 Nichols.

24 BOARD MEMBER FLOREZ: Madam Chair, can I just ask
25 a question. I understand the nuances and the weeds about

1 who we represent and who we don't. Everybody has a
2 different style. People check in, some people don't.

3 I like to check in with EJ communities. I think
4 I'm expected to do that.

5 But I do think that as a board, taking all of our
6 hats off as industry, one thing that hopefully we can
7 agree on, this is not a good process. Posting this the
8 same day and voting on it is not a good process. It's not
9 reflective of who this Board is. It's not reflective I
10 think of the character of the way we operate. I don't see
11 any harm in moving this over to the September meeting. I
12 would like to see staff come with options even if we come
13 back with the same proposal. And at least it gives the
14 opportunity for folks to comment. And I think that's what
15 this Board is about. We are a public board. We don't
16 serve each other. We serve the public.

17 So I would like to make a motion to carry this
18 over to the September meeting and direct staff to come
19 back with some recommendations on alternatives. I may not
20 get a second, but I certainly think the public deserves
21 it.

22 CHAIR NICHOLS: Well, we have a motion on the
23 floor. Is there a second

24 BOARD MEMBER SHERRIFFS: I'll second it.

25 CHAIR NICHOLS: Okay. Then I think we should do

1 a roll call vote.

2 Clerk will call the roll.

3 BOARD CLERK DAVIS: Dr. Balmes?

4 BOARD MEMBER BALMES: No.

5 BOARD CLERK DAVIS: Mr. De La Torre?

6 BOARD MEMBER DE LA TORRE: No.

7 BOARD CLERK DAVIS: Mr. Eisenhut?

8 BOARD MEMBER EISENHUT: No.

9 BOARD CLERK DAVIS: Senator Florez?

10 BOARD MEMBER FLOREZ: Aye.

11 BOARD CLERK DAVIS: Assembly Member Garcia?

12 Supervisor Gioia?

13 BOARD MEMBER GIOIA: No.

14 BOARD CLERK DAVIS: Ms. Mitchell?

15 BOARD MEMBER MITCHELL: No.

16 BOARD CLERK DAVIS: Mrs. Riordan?

17 BOARD MEMBER RIORDAN: No.

18 BOARD CLERK DAVIS: Supervisor Roberts?

19 Supervisor Serna?

20 BOARD MEMBER SERNA: No.

21 BOARD CLERK DAVIS: Dr. Sherriffs?

22 BOARD MEMBER SHERRIFFS: Yes.

23 BOARD CLERK DAVIS: Professor Sperling?

24 BOARD MEMBER SPERLING: No.

25 BOARD CLERK DAVIS: Vice Chair Berg?

1 VICE CHAIR BERG: No.

2 BOARD CLERK DAVIS: Chair Nichols?

3 CHAIR NICHOLS: No.

4 BOARD CLERK DAVIS: Motion is defeated.

5 CHAIR NICHOLS: Okay. Well, then I guess the
6 next step is to proceed to the motion.

7 Oh, sorry.

8 BOARD MEMBER DE LA TORRE: I didn't know that was
9 going to happen. I thought we were still talking.

10 CHAIR NICHOLS: Oh, sorry. Go ahead.

11 You can talk.

12 BOARD MEMBER DE LA TORRE: Thank you.

13 Frankly, I think I'm the canary in the coal mine
14 on this. I'm the one who shifted in the middle of this.
15 And if I hadn't shifted, I'd be the 2022 person. But I'm
16 not. I'm the 2018 person now.

17 And for the EJ folks, I want to -- there's a
18 duality to these roles. And I understand your concerns
19 about the EJ part of it. It's the legislative part of it
20 that is why these two seats are being -- are in the first
21 tranche, in the first group.

22 It's because the legislature passed this bill.
23 If this bill hadn't been done, we wouldn't be here having
24 this conversation. We would all be at will. And we would
25 all be removable by the appointing authorities at any

1 time.

2 The legislature created the legislative/EJ spots
3 before they did this bill. This term bill. They had the
4 opportunity to be very clear about what they wanted to do
5 with the EJ/legislative seats, and they did not. So,
6 they're lumped in with everybody else in this case.

7 So as has been mentioned over and over again,
8 I'll note in that L.A. Times article that was mentioned it
9 took them 12 hours to correct a mistake in their article,
10 which was that this isn't term limits, it's just terms.

11 There is no limit. So as was mentioned, could be
12 reappointed over and over again by whoever the appointing
13 authority is.

14 So there is nothing that is changing here today.
15 This is not a regulatory item that requires all of the
16 processes that you're talking about. It's just a
17 housekeeping thing, that we all are here, we'll continue
18 to be here until someone decides we're not. And that's as
19 simple as it gets.

20 In terms of the legislative bodies, I know that
21 Ellen has been talking to ledge counsel for quite a while
22 about this issue, which is why it took this long, was to
23 get to some kind of understanding of what this was going
24 to look like.

25 I do want to address the two points that Assembly

1 Member Garcia raised. The first, he asks why not do 4, 5,
2 and 5 in each of the groups, '18 '20, '22. Well, we're
3 doing 3, 5, and 6. That's a difference of one. That's
4 not a huge change.

5 Obviously he has a personal preference. It
6 wasn't written in the legislation. So, the fact that
7 there are two legislative seats, we have a Speaker and a
8 Pro Tem who can reappoint easily or not, that's going to
9 happen at the end of this year. And then those people are
10 going to have six whole years. The first long terms are
11 going to kick in at that point.

12 And then Roberts' -- Supervisor Roberts' slot
13 obviously will be a brand new person as well.

14 So that's for the terms and the way we broke this
15 out.

16 In terms of the second question, how long people
17 have been on the Board? Two of the three people who were
18 in that first tranche, in the 2018 tranche, are long-term
19 members, myself and Mr. -- and Supervisor Roberts.

20 I happen to have switched over. In fact, I just
21 spoke to somebody who thought I'd just been here a month.

22 (Laughter.)

23 CHAIR NICHOLS: You made a big impression.

24 BOARD MEMBER DE LA TORRE: I had to let them know
25 that I'd been here for seven years.

1 But that -- two of the three have been here for a
2 long time, and therefore it isn't about new versus old.
3 Again, it's just a reshuffling.

4 And going forward - I think this is very, very
5 important - the reappointing that may or may not happen,
6 new people will come on board. People will leave of their
7 own volition - that has happened - from this Board as
8 well. And there will be slots that come open that way.

9 Today, the Governor has five slots at UC Board of
10 Regents that are empty. Those are termed slots. That
11 impacts how they're doing their work.

12 We will have that same impact somehow. We can't
13 avoid it. This is just a new mechanism that will create
14 that shuffle that's going to happen organically over time.
15 And, you know, it will play itself out. It's just a new
16 form of math.

17 I was not supportive of this legislation. I
18 would have been with the Governor back then when this bill
19 was making its way through, because I thought, you know,
20 if it ain't broke, don't -- you don't need to fix it. But
21 the legislature wanted to have a chance to check on the
22 members every six years. Fine. We just -- again, this is
23 just a transition. Everyone will have continued access to
24 all of us. The legislature will have access to some of
25 us, not the two legislative appointees. So I won't ever

1 have to go before the Senate for this seat.

2 But the public will have a chance to engage
3 there. We'll have a chance to engage with the Governor's
4 office, or with the legislative offices on this.

5 And I'll point out neither the Speaker nor the
6 Pro Tem said anything about what was happening today.

7 CHAIR NICHOLS: No.

8 BOARD MEMBER DE LA TORRE: And so I think --

9 CHAIR NICHOLS: Nor did any of our other
10 stakeholders, and they've been well aware of the fact that
11 this was coming.

12 BOARD MEMBER DE LA TORRE: And certainly not the
13 Governor's office.

14 And I'll close with this. I was part of some
15 legislation creating a new authority before I left the
16 legislature, and Governor Schwarzenegger was able to seed
17 that board with his folks before he left. And it -- I
18 wasn't very happy back then.

19 But this an existing board, and so you want that
20 continuity. We've got a great group here that works well
21 together. And that's what we need to be focused on, is to
22 move onto the work and the regulatory work and all the
23 other wonderful things that we do as a board. And just,
24 you know, move on from this transition that we've got to
25 go through.

1 You know, for folks who are concerned about
2 Governor Brown making appointments versus whoever the next
3 governor's going to be, again I just cited an example of
4 the previous governor making decisions for this governor
5 that still have impact today. It's just part of the
6 process. It's just part of the process. And we're not
7 going to change that here.

8 And I'm sure the next governor will be okay with
9 a few of the folks here remaining on the Board. Maybe not
10 everyone, but for the most part. So I'm very supportive
11 of just, you know, going with the staff recommendation.
12 We could, you know, nitpick it to death. But the bottom
13 line is nothing's really changing. And so let's just move
14 on.

15 Thank you.

16 CHAIR NICHOLS: Thank you. I'm glad I didn't cut
17 you off.

18 But I do think we should put the motion on the
19 table at this point.

20 BOARD MEMBER DE LA TORRE: I'll move that.

21 VICE CHAIR BERG: And I'll second.

22 CHAIR NICHOLS: All right. Moved by Mr. De La
23 Torre, seconded by Ms. Berg.

24 Again, let's just do the roll call.

25 BOARD CLERK DAVIS: Dr. Balmes?

1 BOARD MEMBER BALMES: Yes.
2 BOARD CLERK DAVIS: De La Torre?
3 BOARD MEMBER DE LA TORRE: Aye.
4 BOARD CLERK DAVIS: Mr. Eisenhut?
5 BOARD MEMBER EISENHUT: Aye.
6 BOARD CLERK DAVIS: Senator Florez?
7 BOARD MEMBER FLOREZ: No.
8 BOARD CLERK DAVIS: Supervisor Gioia?
9 BOARD MEMBER GIOIA: Aye.
10 BOARD CLERK DAVIS: Ms. Mitchell?
11 BOARD MEMBER MITCHELL: Yes.
12 BOARD CLERK DAVIS: Mrs. Riordan?
13 BOARD MEMBER RIORDAN: Aye.
14 BOARD CLERK DAVIS: Supervisor Roberts?
15 Supervisor Serna?
16 BOARD MEMBER SERNA: Aye.
17 BOARD CLERK DAVIS: Dr. Sherriffs?
18 BOARD MEMBER SHERRIFFS: Yep.
19 BOARD CLERK DAVIS: Professor Sperling?
20 BOARD MEMBER SPERLING: Aye.
21 BOARD CLERK DAVIS: Vice Chair Berg?
22 VICE CHAIR BERG: Yes.
23 BOARD CLERK DAVIS: Chair Nichols?
24 CHAIR NICHOLS: Aye.
25 BOARD CLERK DAVIS: Motion passes 11 to 1.

1 CHAIR NICHOLS: Thank you. That was a very rich,
2 robust discussion, and I'm glad it's over.

3 And let's now take a break and have some lunch.
4 And we will not be doing an executive session over lunch.
5 I know people have other things that they need to move on
6 to today as well.

7 Do you want to take a full hour for lunch or --
8 no, let's try to get -- let's get back at 1:30 and we'll
9 do the last item.

10 Thank you.

11 (Off record: 12:53 p.m.)

12 (Thereupon a lunch break was taken.)

13

14

15

16

17

18

19

20

21

22

23

24

25

1 A F T E R N O O N S E S S I O N

2 (On record: 1:37 p.m.)

3 CHAIR NICHOLS: All right. So, we are actually
4 back from lunch in case anybody was in doubt. And our
5 next item is the informational presentation about our use
6 of satellite remote sensing data to estimate pollution
7 levels across the State, which is a very interesting
8 topic.

9 However, before I turn to Mr. Corey, I want to
10 take a moment to recognize one of our leaders from the
11 staff, and certainly one of longest serving division
12 chiefs as far as I know in CARB's history. Bart Croes has
13 let us know that he is retiring this fall. So I want to
14 say a few words about him because this may be the last
15 time we've got a chance to embarrass him in public.

16 He's already blushing.

17 Bart joined CARB in 1981, which was 37 years ago.
18 He became chief of the Research Division in 2000. In his
19 career Bart has been a major part of the organization's
20 success. He's worked on the main topics facing the agency
21 such as acid deposition. He's worked with most of the
22 field studies of the 1980s and 1990s that informed policy
23 to reduce particulate matter and ozone.

24 As division chief over research, he oversaw the
25 writing of the early action plan for AB 32, the motor

1 vehicle air conditioning portions of the Pavley and
2 advanced clean car regulations, the programs dealing with
3 hydrogen -- I'm sorry, hydrogen -- with HFCs and other
4 chemicals.

5 And he also oversaw the multi-year Lake Tahoe
6 atmospheric deposition study that was aimed at better
7 understanding the impact of air pollution on the clarity
8 of Lake Tahoe.

9 Bart is well known and respected in every major
10 academic area that works with air pollution and enjoys the
11 respect and admiration of his staff and the broader CARB
12 community.

13 So, Bart, I want to congratulate you on your
14 impressive public service career. And I think on behalf
15 of the entire Board, I can thank you for your work and
16 give you our best wishes for your retirement.

17 So having now put you on the spot, would you like
18 to say a few words.

19 (Laughter.)

20 RESEARCH DIVISION CHIEF CROES: Thank you very
21 much, Mary, for those gracious comments.

22 It's been my pleasure to work for the Board all
23 these years. I never imagined when I first started that I
24 would continue on such a long career here. But it's --
25 the position, as you know, has evolved, you know, where we

1 dealt with ozone and then it became PM2.5, and now
2 greenhouse gases and multi-media issues. It's been
3 interesting all along. And it's very impressive what the
4 Board's been able to accomplish over all these years, and
5 I've really been glad to be a part of that.

6 Thank you.

7 CHAIR NICHOLS: Thank you. Thanks very much.

8 Okay. Now, we can go to the --

9 BOARD MEMBER BALMES: Mary? Mary?

10 CHAIR NICHOLS: Yes. Oh, please.

11 BOARD MEMBER BALMES: I just have to take this
12 opportunity to --

13 CHAIR NICHOLS: Indeed.

14 BOARD MEMBER BALMES: -- say something about Bart
15 because I've worked with him for a long time.

16 I was on the Research Screening Committee before
17 being on the Board. So, I don't know how far we go back,
18 but it's pretty far back.

19 And so it's been great to work with you as a
20 fellow colleague in research with regard to air pollution
21 for a long time. But in the last few years I appreciate
22 your willingness to listen me and some of my crackpot
23 ideas. And especially I think it's been important by your
24 embracing my sort of passion for understanding co-benefits
25 of climate change mitigation policies.

1 So I'm going to miss you.

2 Thanks.

3 RESEARCH DIVISION CHIEF CROES: Thank you, John.

4 CHAIR NICHOLS: Thank you.

5 I shouldn't have cut off any Board members.

6 Anybody else have any comments they want to make?

7 Okay. Well, thanks.

8 Okay. Let's talk about now satellite remote
9 sensing. Exciting topic.

10 Richard, you want to do the intro?

11 EXECUTIVE OFFICER COREY: I do. I'm quite ready.

12 Today the Board's going to hear how staff are
13 using satellite remote sensing data to estimate air
14 pollution levels and support air quality decision-making.

15 Staff will present results from our ongoing
16 collaborations with NASA, and describe plans that take
17 advantage of recent and upcoming advancement in satellite
18 capabilities.

19 I'll now ask Dr. Hyung Joo Lee to give the staff
20 presentation.

21 Hyung Joo.

22 AIR POLLUTION SPECIALIST LEE: Thank you,
23 Mr. Corey.

24 Good afternoon, Chair Nichols and members of the
25 Board.

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

3 AIR POLLUTION SPECIALIST LEE: Today I'm going to
4 tell you about our in-house and collaborative research
5 using satellite remote sensing data to support air quality
6 decision-making.

7 --o0o--

8 AIR POLLUTION SPECIALIST LEE: I will begin with
9 an overview of current satellite capabilities to measure
10 air quality. Then show how this data is being used to
11 support our programs.

12 I will conclude with some of the exciting
13 development expected from the next generation of satellite
14 instruments.

15 --o0o--

16 AIR POLLUTION SPECIALIST LEE: This is a
17 satellite image taken during the Thomas fire last December
18 demonstrating their capability to show the transport of
19 wildfire smoke and the affected areas. However, to derive
20 the air quality levels, we need more quantitative data
21 from the satellite's sensors.

22 --o0o--

23 AIR POLLUTION SPECIALIST LEE: How do we obtain
24 such quantitative air quality information from satellite
25 sensors?

1 This video shows NASA's MODIS sensor in orbit,
2 which has been widely used for PM research. This sensor
3 observes reflected sunlight from the earth, from both the
4 atmosphere and the surface. To derive air quality
5 information, NASA performs a calculation to extract the
6 signal of reflected sunlight contributed by the atmosphere
7 alone.

8 --o0o--

9 AIR POLLUTION SPECIALIST LEE: There are
10 advantages and limitations of using satellite data to
11 estimate air quality. The key advantage is wide spatial
12 coverage that complements currently available ground
13 monitors. This is particularly useful in areas without
14 ground monitoring. Satellite data from NASA are publicly
15 available at no cost and because consistent methods are
16 used to derive air quality data, satellite observations
17 are comparable across the globe.

18 On the other hand, satellite data can only be
19 retrieved during daylight hours and in cloud-free
20 conditions. Most of the satellites are polar-orbiting and
21 only provide a snapshot of air quality information during
22 the satellite overpass time. Satellite sensors measure
23 through the column of air between the ground and the
24 satellite, and multiple statistical and physical
25 approaches have been developed to infer ground level air

1 quality information. However, this particular discrepancy
2 is still critical for ozone because the majority of the
3 signal to the satellite sensor comes from the
4 stratospheric ozone layer.

5 --o0o--

6 AIR POLLUTION SPECIALIST LEE: This is a list
7 selected satellite remote sensing data available to
8 estimate air pollutant levels including criteria
9 pollutant, greenhouse gases, and other gaseous pollutant.

10 Each satellite product has different spatial and
11 temporal resolution and data accuracy. And the selection
12 of a specific data product will depend on the purpose of
13 CARB's programs. This list is still evolving as advanced
14 satellite instruments are deployed.

15 --o0o--

16 AIR POLLUTION SPECIALIST LEE: We have applied
17 satellite data in a way that is complementary to ground
18 monitors and other research tools. To achieve the
19 following three objectives: To screen for air pollution
20 hotspots; to track progress from California's control
21 program; and to augment research studies on various policy
22 relevant topics. Our in-house and collaborative research
23 activities will be presented in the following slide to
24 give specific examples of how we have supported CARB's
25 programs using satellite capabilities.

1 --o0o--

2 AIR POLLUTION SPECIALIST LEE: California has one
3 of the densest ground monitoring networks in the world.
4 And in fact, this network is needed to translate satellite
5 measurements into air quality data. Still, ground PM2.5
6 monitors are not located in each area where people live.

7 These spatial gaps can be filled by using
8 satellite data, potentially identifying previously
9 unrecognized PM2.5 hotspots.

10 Aerosol Optical Depth, or AOD, is a measure of
11 light extinction by particles and therefore reflect
12 particle abundance in the atmospheric column. Because of
13 this physical property, AOD has been used as a predictor
14 of PM2.5.

15 We use statistical models to identify the
16 relationships between AOD and measure PM2.5, and these
17 relationships are used to estimate PM2.5 in the areas with
18 satellite AOD data but without ground PM2.5 data. These
19 PM2.5 estimates fill in the spatial gaps of ground PM2.5
20 measurement.

21 --o0o--

22 AIR POLLUTION SPECIALIST LEE: This is our first
23 satellite research effort published in 2016. We estimated
24 PM2.5 concentrations using 10 kilometer resolution AOD
25 data for the years 2006 to 2012. The figure shows average

1 PM2.5 levels in California, with a 7-year study period.
2 Higher PM2.5 was estimated in highly populated areas; the
3 San Joaquin Valley, the southern valley in particular; and
4 the U.S.-Mexico border areas.

5 Because of the expanded spatial coverage provided
6 by the satellite data, these PM2.5 estimates were
7 incorporated into the most recent version of
8 CalEnviroScreen 3.0.

9 --o0o--

10 AIR POLLUTION SPECIALIST LEE: This slide shows
11 how satellite data fills in the spatial gaps of PM2.5.
12 The figure on the left represents interpolated PM2.5 using
13 only ground PM2.5 monitors. The interpolation method is a
14 common approach that uses adjacent ground PM2.5
15 measurement to estimate PM2.5 in between monitors and was
16 employed in older versions of CalEnviroScreen.

17 The figure on the right shows our satellite-based
18 PM2.5 estimate from the previous slide as used in
19 CalEnviroScreen 3.0, filling in almost all of the spatial
20 gaps from the traditional approach.

21 --o0o--

22 AIR POLLUTION SPECIALIST LEE: 10-kilometer
23 resolution MODIS AOD data have been used for air quality
24 and health research all over the world. But air quality
25 and health scientists expressed the need for higher

1 resolution data. In response, NASA released one kilometer
2 resolution AOD data, called MAIAC AOD. To take advantage
3 of this data for our programs, we recently estimated one
4 kilometer resolution PM2.5 levels for all of California
5 for 2016. The major advantage of 1 kilometer over
6 10-kilometer data is that we now can look at community
7 level PM2.5 distributions and identify higher PM2.5 areas
8 within a city. When we apply this estimation method in
9 future years, we can potentially track progress in AB 617
10 communities.

11 --o0o--

12 AIR POLLUTION SPECIALIST LEE: The next slides
13 show results from our collaborative research with NASA's
14 jet propulsion laboratory in Pasadena and Emory
15 University. JPL recently released 4.4 kilometer
16 resolution AOD data from the MISR sensor that can be used
17 to estimate all four major PM2.5 components - nitrate,
18 sulfate, organic carbon, and elemental carbon.

19 The MISR sensor is unique in that other satellite
20 sensors generate data only on total PM2.5 without data on
21 these components.

22 --o0o--

23 AIR POLLUTION SPECIALIST LEE: As shown in these
24 figures, all four components generally decrease in
25 Southern California from the period of 2000 to 2009, on

1 the left, through 2010 to 2015, on the right, indicating
2 that PM2.5 mitigation strategies have been effective in
3 this region. For each PM2.5 component, the extent of the
4 changes varied in each of 4.4 kilometer grid. The
5 grid-specific progress of the PM2.5 component can be used
6 to assess their relative contribution to total PM2.5 trend
7 in each location.

8 Because each PM2.5 component is derived from
9 different source types, this assessment helps prioritize
10 PM2.5 component and their source types that need to be
11 further targeted to reduce total PM2.5 levels.

12 We are currently working with JPL to extend this
13 analysis statewide and through 2018.

14 --o0o--

15 AIR POLLUTION SPECIALIST LEE: We have studied
16 using spatially resolved PM2.5 concentrations to estimate
17 exposures for health studies. In the field of
18 environmental epidemiology many health researchers have
19 already benefited from satellite-based exposure estimate,
20 and the use of satellite data for health studies, is
21 becoming more popular. We are also using satellite data
22 for more spatially representative environmental justice
23 analysis, complementing our ground monitoring based
24 analyses. For example, we plan to incorporate one kilometer
25 resolution PM2.5 estimate into the next version of

1 CalEnviroScreen.

2 In a previous Board item, we highlighted our
3 airborne survey of methane super-emitters with JPL and the
4 California Energy Commission. And we are beginning to use
5 available satellite data on ammonia and nitrogen dioxide.
6 This data will be used to compare with air quality models
7 and emission trend.

8 --o0o--

9 AIR POLLUTION SPECIALIST LEE: In the next few
10 years, we expect to see more advanced satellite instrument
11 that will further support CARB's programs. In 2016, NOAA
12 launched a geostationary satellite called GOES-16,
13 designed to provide AOD data every 15 minutes at
14 2-kilometer resolution. Such high temporal resolution
15 enables us to estimate near real-time PM2.5 levels and
16 therefore track in-state and interstate PM2.5 transport.
17 This data should be available later this year.

18 After 2020, there will be two new NASA satellites
19 with advanced technologies. JPL's MAIA is designed
20 specifically for PM, providing daily particle size and
21 composition. TEMPO will be on board a geostationary
22 satellite, which is capable of retrieving hourly pollutant
23 levels, including formaldehyde and ground level ozone.
24 These satellites will enhance our capabilities to identify
25 sources and quantify transport across and between air

1 basins.

2 In addition to these federally funded satellites,
3 there will be numerous commercial satellites, some of
4 which will produce air quality information with potential
5 to inform our programs.

6 --o0o--

7 AIR POLLUTION SPECIALIST LEE: In conclusion,
8 satellite remote sensing is a powerful and cost-effective
9 tool to support our programs. In our in-house and
10 collaborative research, satellite-based PM2.5 estimates
11 have been used to screen for air pollution hotspots, fill
12 the spatial gaps of ground PM2.5 monitors, and track the
13 progress of PM2.5 mitigation strategies.

14 These research activities have supported
15 CalEnviroScreen and satellite data also have the potential
16 to track progress related to AB 617 activities, and State
17 implementation plans.

18 Satellite applications need to be combined with
19 ground resources, such as stationary and mobile monitoring
20 because each data resource has different spatial and
21 temporal scales and therefore different advantages and
22 limitations.

23 In the near future, new satellite sensors will
24 benefit CARB's programs due to additional pollutants,
25 higher spatial resolution, and increased frequency.

1 --o0o--

2 AIR POLLUTION SPECIALIST LEE: This concludes my
3 presentation. Thank you for your attention, and we are
4 happy to take your questions.

5 CHAIR NICHOLS: Great. Thank you.

6 You want to start?

7 BOARD MEMBER BALMES: Yes. Thank you for that
8 presentation.

9 Just for my fellow Board members, I actually
10 utilize remote sensing data from satellites in some of my
11 research, including on wildfires. And so I think it's
12 really great that the Research Division is developing an
13 expertise in this area. So thank you, Dr. Lee.

14 I guess the one question I have from your
15 presentation is, in the conclusion slide, you mentioned
16 tracking progress with AB 617 and SIPs. So I think with
17 SIPs there's no question that we can track progress over
18 time with satellite data.

19 But tell me how you're going to use -- track
20 progress with AB 617. I realize we have finer resolution
21 data for PM2.5 than we used to from remote sensing. But I
22 still think it's going to be -- I still have trouble
23 understanding how we're going to use that to track
24 progress with AB 617 at the community level.

25 AIR POLLUTION SPECIALIST LEE: Well, we have

1 1-kilometer resolution PM2.5 estimate. And that is in
2 2016. So we are going to apply this estimation approach
3 to future years, so after AB 617 start. So we can compare
4 this 1 kilometer PM2.5 concentration before and after AB
5 617.

6 BOARD MEMBER BALMES: Okay. So I get that. So
7 what we aren't going to be trying to do is monitor on a
8 semi-continuous basis using the satellite data how a
9 specific community like Richmond is doing after -- after
10 we start implementing the community air monitoring program
11 and emissions reduction program in Richmond, right?

12 Maybe I wasn't clear.

13 I have trouble seeing -- I can see before and
14 after long term, on a long-term time scale. But I don't
15 want the Board members to think that we're going to be
16 able to continuously monitor with satellite data how we're
17 doing with 617. I mean I guess it's theoretically
18 possible, but...

19 CHAIR NICHOLS: Yeah, I was going to say, why
20 not? Why shouldn't we?

21 BOARD MEMBER BALMES: Well, let's see what they
22 say.

23 RESEARCH DIVISION CHIEF CROES: So, Dr. Balmes,
24 there are other data products that we're going to take
25 advantage of. So, for example, the elemental carbon data

1 that we showed, I think that would be a good way to track
2 progress on diesel PM sources.

3 And, you know, one other advantage of satellite
4 data is we're able to go back in time pretty far, to 2001,
5 and, you know, look continuously what's happened as the
6 control programs have evolved.

7 You know, limitation are -- we're limited to the
8 pollutants that can be looked at with the satellite data.

9 BOARD MEMBER BALMES: Exactly.

10 RESEARCH DIVISION CHIEF CROES: So, for instance,
11 toxics are very difficult. Things like BTEX aren't
12 measured by satellites, like Chrome VI and lead that
13 communities are worried about. So obviously there would
14 have to be other approaches.

15 We do have a collaboration we didn't talk about
16 in this presentation with San Jose State University and UC
17 Riverside where they're trying to take the 1-kilometer
18 PM2.5 down to 1- and 200-meter resolution. So we're
19 hoping that approach if successful will help it in this
20 regard as well.

21 CHAIR NICHOLS: Yes.

22 BOARD MEMBER SHERRIFFS: Yeah, thank you.

23 Amazing.

24 Okay. Thanks.

25 Who else is using the data? How big a user are

1 we compared to other folks who are tapping into this? And
2 can you say a little more about how this complements the
3 ground monitoring. Does it replace some ground monitoring
4 potentially? Are we there yet? And how the cost
5 compares, what's this cost as compared to the ground
6 monitoring?

7 BOARD MEMBER BALMES: While you're thinking of
8 your answer, I'm reviewing a paper right now that -- from
9 the CDC, the environmental health tracking program at CDC
10 that is using a version of this data, not at the
11 1-kilometer resolution yet.

12 So it's being applied -- in fact, there are Emory
13 collaborators are the same people that collaborate with
14 the CDC.

15 RESEARCH DIVISION CHIEF CROES: So just to take
16 your questions in order.

17 So this is not a replacement for ground monitors;
18 it's complementary to it. So ground monitors measure what
19 people breathe 24/7. This is away to, you know, get a
20 fairly consistent method applied to the entire State. You
21 know, obviously you can't put ground resources at every
22 location. And this ability to go back in time to 2000, I
23 think is very important as well.

24 At this point everything is free to us, you know,
25 from these federal agencies. And I think overall it's a

1 very cost-effective program, you know, because you get
2 global concentrations.

3 We appear to be the single biggest user of this
4 data. I'm not aware that local districts, other states.
5 I think EPA uses the data a bit. But, you know, we're
6 actually working hand in hand with the researchers at NASA
7 and JPL. And I think having Dr. Lee has really been quite
8 a step change for us in our ability to access this data.

9 BOARD MEMBER SHERRIFFS: Thank you.

10 CHAIR NICHOLS: Yes, please.

11 BOARD MEMBER SERNA: Thank you.

12 So on that point, how proprietary is the data?
13 Are academic institutions -- do they have access to this?
14 So that -- especially geographers. I happen to be a proud
15 one. I mean, having earned an undergraduate degree in
16 geography. Are programs at the university level accessing
17 the data, will they access the data, help refine the use
18 of the instrumentation?

19 AIR POLLUTION SPECIALIST LEE: Anybody can access
20 the data. But NASA provides the raw data. So that's not
21 a text file so they can't just look at the AOD values
22 right away. But instead they have a specific data format.
23 So we need to open that satellite format data to the Excel
24 file, the text files. So then we can use it.

25 But one of the challenges for the general people

1 is to open the decode, the satellite data format. So that
2 was the big challenge for them.

3 So if -- once we have that decoding process, then
4 the next part is to use the statistical model to relay the
5 AOD and PM2.5. So the big challenge is to decode the
6 satellite data format.

7 BOARD MEMBER SERNA: That's encouraging to hear.
8 It seems like this is a terrific opportunity to, I mean,
9 explore kind of an unending capacity to develop all kinds
10 of schematic cartographic products, if you will, whether
11 in the form of dissertations or otherwise, in terms of
12 understanding the relationship between fine particulates,
13 criteria pollutants, and things like transportation
14 networks and growth and development and commerce. I mean,
15 it seems like the opportunities are endless here.

16 Thank you.

17 CHAIR NICHOLS: I guess my question relates more
18 to the future of these kinds of programs. I remember
19 reading some articles in the fairly recent past about
20 cutbacks for funding for satellite programs and NASA; and
21 curious to know kind of where are we right now and where
22 does it look like we're headed?

23 RESEARCH DIVISION CHIEF CROES: So we did speak
24 to our colleagues at NASA and JPL about this concern. So
25 we know from them that certain climate-oriented

1 satellites, you know, that measure greenhouse gases, those
2 have been mothballed. You know, ones that they had
3 planned to put into space to increase capabilities. But
4 it seems like these advanced next-generation satellites
5 that measure air quality parameters are still scheduled to
6 be launched, and it seems like there's still a full
7 commitment to that aspect of the program.

8 In fact, NASA is funding, you know, a fair number
9 of health researchers to utilize this data. For example,
10 the children's health study is using some of this data as
11 well.

12 CHAIR NICHOLS: So there maybe is a shift in
13 priorities but not necessarily a backing away completely.

14 RESEARCH DIVISION CHIEF CROES: I think it's
15 more they've continued what they're doing on air quality
16 and they're slowing down, they're discontinuing some of
17 what they're doing on climate change.

18 CHAIR NICHOLS: And I saw an article but no
19 follow-up that possibly some private organizations
20 including Environmental Defense fund were looking at
21 taking over their own climate satellite. Is anything
22 going on with that?

23 RESEARCH DIVISION CHIEF CROES: We're actually in
24 pretty active discussions with Environmental Defense Fund.
25 So they've put out a proposal to do what they call

1 MethaneSAT. So this would be private sector or --
2 satellite that measures methane fluxes in general. And
3 then, you know, we've demonstrated this technology called
4 AVIRIS-NG that can identify specific super emitters to
5 within a few meters. And so we've -- we're joining forces
6 with them to try to get both the satellite approaches,
7 which are very complementary, launched in the next few
8 years. We're both in a money-raising mode right now. And
9 then we're in active discussions about how we share data
10 and make that publicly available.

11 CHAIR NICHOLS: I think that's really important
12 not to try to supplant the work that the federal
13 government should be funding but more to just put
14 California's stamp on some of these research programs if
15 we can find the means to do it with, given all the
16 resources that we have both in science and in funding
17 potential.

18 So good. I'm glad to hear that's going on.

19 Any other questions or comments from the Board?

20 We have one person who signed up to speak on this
21 item.

22 Luis Olmedo.

23 MR. OLMEDO: Hello again. My name's Luis Olmedo,
24 executive director of Comite Civico Del Valle.

25 And a couple of things I would like the staff in

1 the Research Division and the Board to really consider is
2 there's a lot of research priorities right now happening
3 in the community -- environmental justice communities.
4 And like to see actionable research happen. And would
5 like to see these partnerships happen with local community
6 organizations.

7 I haven't seen significant or sufficient
8 partnerships from the Research Division at ARB
9 establishing these partnerships. I know they're very
10 excited, and I don't want to put any credit to any, but
11 the enthusiasm that I perceive is that they're very
12 excited about the data sector, very excited about the
13 satellites, very excited about research that perhaps may
14 not even benefit the actionable type of research that
15 communities are looking for right now.

16 AB 617 is putting forth a lot of research
17 activity in the entire State and making a significant
18 investment. We need the Research Division to focus on
19 those research studies, prioritize those communities. We
20 need a lot of help. There's going to be methane research.
21 There's going to be all types of toxics and criteria type
22 of pollutants. Research that's going to be happening on
23 the ground. We need the Research Division to focus on the
24 communities, on environmental justice, on disadvantaged
25 communities. That's the language that I like to hear.

1 My concern is that when we're exploring into
2 these privatized models that are vulnerable to
3 privatization or vulnerable to -- there are large --
4 there's sensors out there that the Research Division
5 continues to use that are not open source, they're not --
6 you know, I've heard feedback where it's like we just care
7 about the end number, we don't care about how you arrive
8 to that number. It's, like, no, that's not true. You
9 care about how you get to that number, because otherwise
10 what kind of credibility and validity do we have as
11 community researchers, community scientists? We don't.
12 We want to operate at the standards that government and
13 ARB is going listen -- is going to pay attention to our
14 research and to the information we bring forth.

15 So I do -- I would like to ask the Research
16 Division and the Board and the executives, who's always
17 been very supportive, to really help us redirect them into
18 working with communities moving forward.

19 CHAIR NICHOLS: Luis, I think -- if I may, I
20 would like to suggest a process for you to do this.
21 Because I don't really think you want the Board to stop
22 doing some of the far-reaching, globally significant
23 research we are still doing and we will continue to do. I
24 think what you want is to see how that can be applied and
25 used better to answer questions that you have about air

1 quality in the community.

2 I think the way or the place that would be the
3 most effective to do that would be through the Research
4 Screening Committee, which is the body that has to approve
5 the research plan and the research funding and to approve
6 all of the reports that come in from research that we
7 fund.

8 So this isn't just the Research Division people,
9 you know, doing research themselves. They're also
10 spending money up through academic research to try to get
11 more studies done and to leverage more studies. And I
12 think you do have a lot to contribute in terms of how to
13 think about what kinds of studies would be the most
14 useful. But the stage at which I think that's going to be
15 the most useful -- I'm looking to Mr. Corey. He was
16 looking a little bit puzzled at me because he doesn't know
17 where I'm going with this. But I really do feel like
18 the -- from what I've seen in the past at least that if
19 you were able to be involved in the process that every
20 year comes up with the suggestions for where research
21 should be done and what kinds of studies and the RFPs,
22 that you could in fact have a big influence on those and
23 get more of exactly what you're asking for. And you can
24 disagree or have a different idea. I just thought -- I
25 want to just sort of have that discussion since, you know,

1 Mr. Olmedo has taken the time and the trouble to come and
2 think about these issues with us, that we should have some
3 sort of a response.

4 EXECUTIVE OFFICER COREY: No, he has. In fact,
5 we've got -- working with Luis on a number of fronts. And
6 I think your characterization of really what informs the
7 overall research projects that are brought to this Board
8 and ultimately many projects that run over the course of
9 the years, it is the research plan. And in fact I think
10 one of the transitions that we've been making and was
11 presented to this Board earlier in the year was really
12 transitioning to a longer term research plan rather than a
13 year by year vision.

14 So I think that is the right form. In fact,
15 taking this exchange here I think a starting point.
16 Actually Luis and I are meeting later this afternoon.
17 We'll have this conversation and we'll pull the -- I think
18 some follow-up steps with the Division in terms of how the
19 research plan connects and where those opportunities are.

20 BOARD MEMBER BALMES: Madam Chair, may --

21 CHAIR NICHOLS: Yes.

22 BOARD MEMBER BALMES: I would just -- having been
23 on the Research Screening Committee for a long time, and
24 knowing how those solicitations go out, you know, they
25 haven't gone out really to the community folks. You know,

1 they've gone out to various academic institutions and
2 other stakeholders. So I think that's one way we could do
3 things differently. We could actually inform people of
4 the research plan at a -- more broadly, the research
5 planning process.

6 And just like I mentioned earlier when we were
7 talking about the greenhouse gas reduction fund, spending
8 from another agencies, you know, where we give
9 community -- I would say actually give community
10 engagement advice guidance, I think that we in planning
11 our research efforts with a long-term planning process
12 that Mr. Corey mentioned, that we, you know, heed the call
13 to have more actionable research that will benefit our 617
14 process. I mean I actually think that -- As Dr. Lee
15 mentioned in his response to my question, that there's a
16 lot of rich opportunities to do before-and-after research
17 with AB 617 implementation. So I just -- I think we can
18 shift our goals a bit with regard to the research planning
19 process to be more community engaged and AB 617
20 supporting.

21 CHAIR NICHOLS: So we agree with you. And thank
22 you for the comment. I think we need to give some thought
23 to how best to institutionalize it to make it real, so you
24 don't have to have people spending all day every day, you
25 know, at CARB to have that kind of influence. But we can

1 make sure that there are engagement points along the way
2 and that this kind of thinking informs what the staff is
3 doing as they interact with the research community as
4 well.

5 So thank you.

6 MR. OLMEDO: And, Madam Chair, let me just close
7 my comment, is I agree with all the comments. I think all
8 of you pretty much completed my entire thought.

9 Dr. Balmes closed it very well. I think he said
10 it much better than I did. With limited time, I just try
11 to get to what my vision would be. I do not want to
12 hinder on progress. I think it's great, the Research
13 Division, what they're doing.

14 And so I did skip into the -- you know, what my
15 vision would be.

16 So thanks to all of you.

17 CHAIR NICHOLS: Thank you.

18 Okay. That is the conclusion of our agenda,
19 except for any public comment, if anyone signed up for the
20 general public comment.

21 They didn't.

22 Okay. Well, then we're actually finished and we
23 can adjourn. Thank you all very much.

24 (Thereupon the Air Resources Board meeting
25 adjourned at 2:16 p.m.)

C E R T I F I C A T E O F R E P O R T E R

I, JAMES F. PETERS, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing California Air Resources Board meeting was reported in shorthand by me, James F. Peters, a Certified Shorthand Reporter of the State of California, and was thereafter transcribed, under my direction, by computer-assisted transcription;

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

IN WITNESS WHEREOF, I have hereunto set my hand this 7th day of August, 2018.



JAMES F. PETERS, CSR
Certified Shorthand Reporter
License No. 10063