



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA: 4

10-Point Climate Action Work Program

Climate Protection Committee
March 20, 2014

Henry Hilken
Director, Planning, Rules & Research

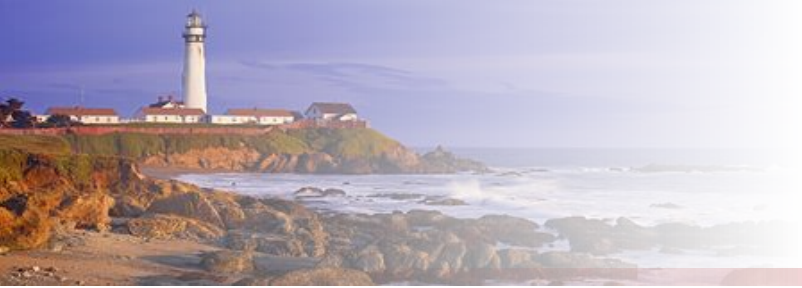


Climate Protection Resolution

Air District Board Adopts Resolution

November 6, 2013

- **Sets regional GHG reduction goal: 80% below 1990 levels by 2050**
- **Initiates regional climate protection planning process (Clean Air Plan)**
- **Directs staff to develop a work program to guide efforts in the near-term**
- **Climate Protection Committee directs staff to continue robust outreach effort**



Outreach: Meetings

Air District staff conducted a series of 16 meetings throughout the Bay Area

- **Meetings in each of the 9 counties**
- **Region-wide public workshop**
- **Meetings with specific stakeholder groups:**
 - **350 Bay Area**
 - **Bay Area Clean Water Agencies**
 - **CA Council for Env'l and Economic Balance (2 mtgs)**
 - **Regional agency planning staff**
 - **Silicon Valley Leadership Group**



Outreach: Stakeholders

Stakeholder groups reached through meetings

Local governments

Regional agencies

Water agencies

Special districts

Public health officers

Transportation agencies

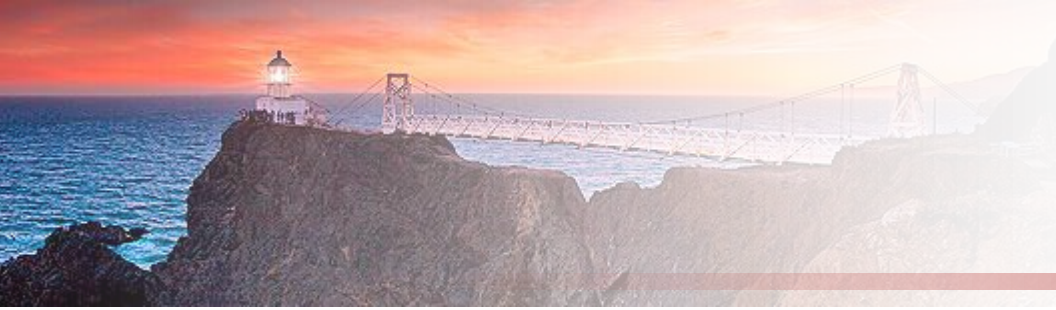
Business organizations

Land use planning orgs

Local energy agencies

Environmental organizations

Community-based orgs



Outreach: Results

Major Themes

- Supportive comments on Draft Work Program
- Questions, clarifications about Air District's planning and rule-making processes
- Ideas for collaboration
- Desire for continued assistance to local govts (tools, best practices, convening, info-sharing)
- Importance of standardizing GHG data
- Suggestions for the 2015 Clean Air Plan



Outreach: Results

Suggestions for the 2015 Clean Air Plan

- Investigate GHG reduction in permitting
- Continue supporting EVs and EV infrastructure
- Need more incentives and funding
- Regional rule-making could help implement local climate action plans
 - Green building requirements
 - Parking standards
 - Control of various types of polluting equipment
 - Heat island mitigation strategies

A background image of a lush green forest with large trees and ferns.

Revisions to Work Program

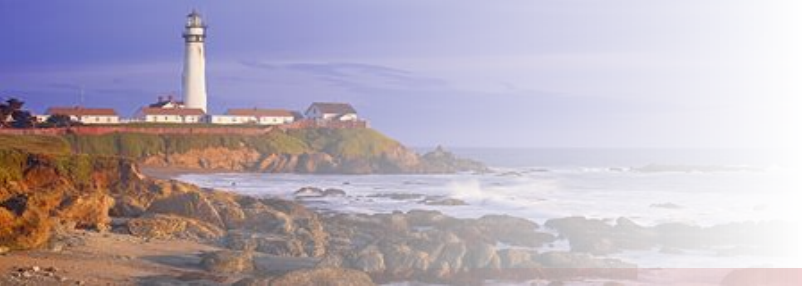
- **Emphasize working with stakeholders on GHG forecasts and interim targets**
- **Conduct a “robust public outreach effort” on the Clean Air Plan**
- **Under CAPCOA GHG Exchange, specify development of offset protocols that support local GHG reduction projects**
- **Include review of Air District’s permitting program to facilitate GHG reductions**



Estimated Resource Needs

- Much implementation will occur with existing staff
- Additional resources will be needed

Resource	Cost
Existing GHG Program (9 FTE)	\$1.4 million
New GHG Program - Reallocation (1 FTE)	\$160,000
New GHG Program - New Hires (4 FTE)	\$640,000
Total staff	\$2.2 million
Capital	\$360,000
Supplies & services	\$350,000



Next Steps

- **Implement the 10-Point Work Program**
- **Prepare the 2015 Clean Air Plan and Regional Climate Protection Strategy**
- **Continue dialogue with stakeholders**
- **Update the Climate Protection Committee**

41.3

7.4

17.5

27.6



Recommendation

Staff recommends that the Climate Protection Committee recommend Board of Directors approval of the proposed 10-Point Climate Action Work Program

Bay Area Air Quality Management District Climate Protection Committee

March 20, 2014

California Cap and Trade Program Revenue Allocation Overview

Damian Breen
Deputy Air Pollution Control Officer

Overview

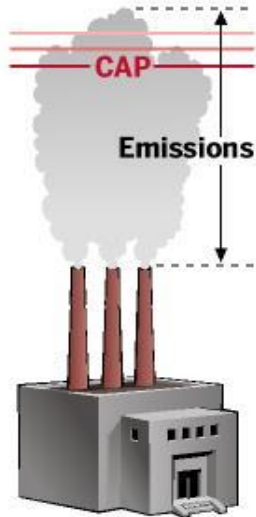
- Background
- ARB/DOF 3-Year Investment Plan
- Impacted Communities under the Plan
- Proposed State Budget
- Impacts on the Bay Area
- Challenges & Next Steps

Background

How the Cap Works

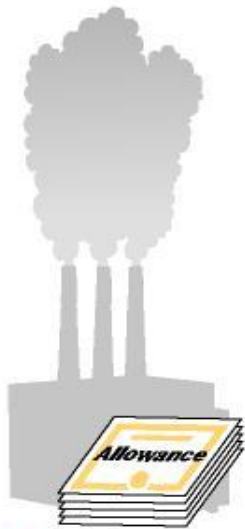
How California's cap-and-trade will work

Rather than having a strict government mandate, like a carbon tax, to reduce pollution, a cap-and-trade system uses market mechanisms to reward companies that figure out ways to reduce pollution below the level the government sets. California's cap-and-trade rules, which will affect oil refineries, power plants and large factories, take effect Jan. 1.

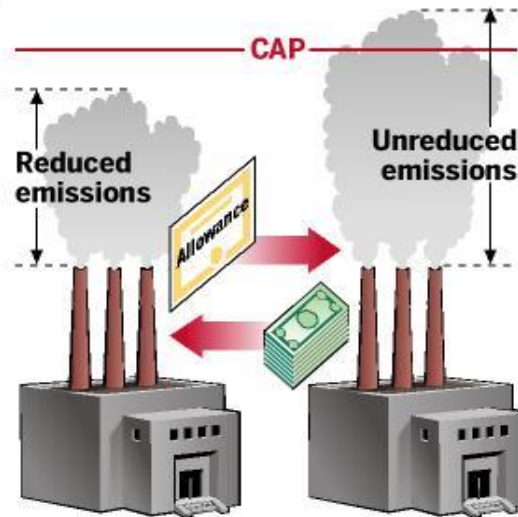


- 1 Starting in 2013, a statewide cap on greenhouse gases will be put in place. Through 2020, it will drop each year by 2 to 3 percent.

Source: Mercury News reporting



- 2 Industries must obtain a permit, known as an "allowance," for every ton of carbon dioxide and other greenhouse gases they emit.



- 3 As the cap goes down, companies must decide each year how they will get enough allowances to cover their emissions. Their choices: Operate more efficiently, burn less fossil fuel, or buy allowances from another company.



- 4 Sacramento makes money by holding an electronic auction four times a year to distribute the pollution allowances. At first, 90 percent will be given away free and 10 percent auctioned for sale. By 2020, 50 percent will be auctioned. The first auction is scheduled for Wednesday.

BAY AREA NEWS GROUP

ARB/DOF Investment Plan

- Three year plan prepared by DOF and adopted by ARB
- Funding appropriated for the Plan annually in the California Legislature
- Plan divides investments into three categories:
 - Sustainable Communities and Clean Transportation
 - Energy Efficiency and Clean Energy
 - Natural Resources and Waste Diversion
- **SB 535** – requires that a minimum of 25% of proceeds benefit impacted communities and 10% of proceeds must be spent in impacted communities

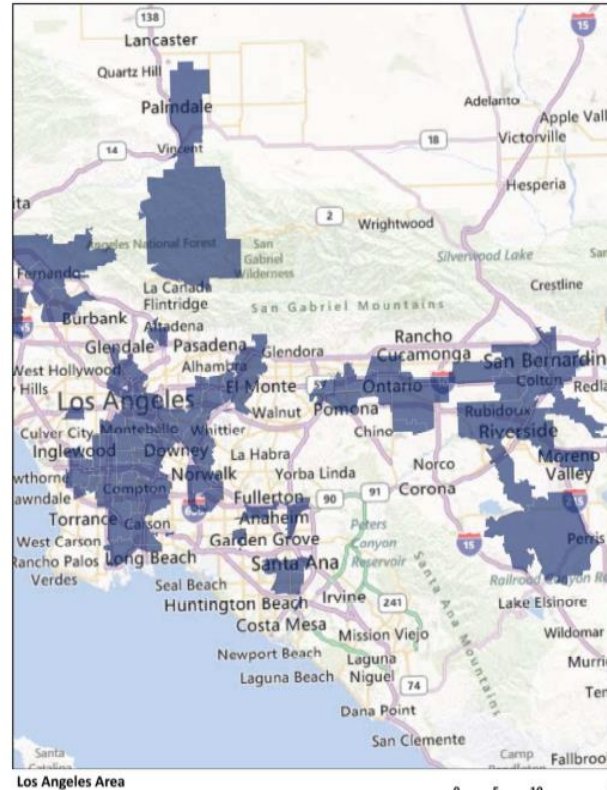
ARB/DOF Investment Plan

Funding Category	Percentage Funding Targeted to Impacted Communities
Sustainable Communities Strategy (SCS) Implementation	25%
Developing Plans for SCS	50%
Low-Carbon Freight Transport and Zero-Emission Passenger Transportation	50%
Energy Efficiency and Residential Weatherization	50%
Public Energy Efficiency and Renewable Energy	50%
Industrial/Agricultural Energy Efficiency	50%
Forests and Ecosystem Management	<25%
Agricultural Management	<25%
Waste Diversion	75%

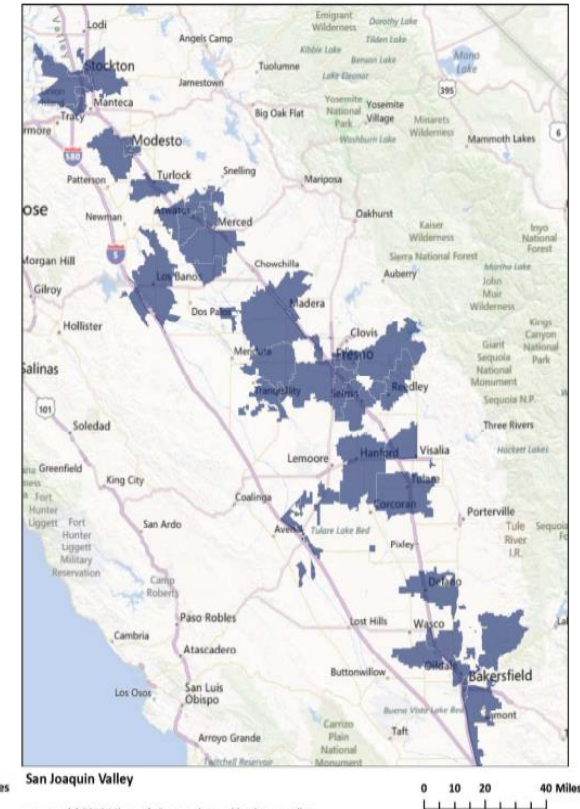
Impacted Communities



Basemap source: (c) 2010 Microsoft Corporation and its data suppliers



Basemap source: (c) 2010 Microsoft Corporation and its data suppliers



Map source: (c) 2010 Microsoft Corporation and its data suppliers

- CALENVIROSCREEN -11 types of pollution and environmental factors and 7 population characteristics and socioeconomic factors to determine Impacted Communities

Proposed State Budget

Category	Department	Program	Amount (Millions)	% Targeted to Impacted Communities*	Funds for Other Communities*
Sustainable Communities and Clean Transportation	High-Speed Rail Authority Caltrans	Rail Modernization	\$300	50%	\$150
	Strategic Growth Council	Sustainable Communities	\$100	50%	\$50
	Air Resources Board	Low Carbon Transportation	\$200	50%	\$100
Energy Efficiency and Clean Energy	Department of Community Services and Development	Energy Efficiency Upgrades & Weatherization	\$80	50%	\$40
	Department of General Services	Green State Buildings	\$20	50%	\$10
	Department of Food and Agriculture	Agricultural Energy and Operational Efficiency	\$20	50%	\$10
	Department of Water Resources	Water Action Plan – Water and Energy Efficiency	\$20	50%	\$10
Natural Resources and Waste Diversion	Department of Fish and Wildlife	Wetlands and Watershed Restoration	\$30	<25%	\$30
	Department of Forestry	Fire Protection and Urban Forestry	\$30	<25%	\$30
	Cal Recycle	Waste Diversion	\$30	75%	\$7.5
TOTALS			\$830		\$437.5

**Per ARB's 2014-16 investment plan*

Impacts on Bay Area

- Distribution of funding for Impacted Communities using CALENVIROSCREEN may underfund the Bay Area
- Majority of Bay Area communities may only be eligible for 52% of available funding
- Bay Area Impacted Communities competing with much larger geographic areas in the State

Challenges and Next Steps

Challenges

- Staff supports Governor's budget allocation
- However, 9 bills already in the State Legislature seeking to reallocate funding
- Allocation of Cap and Trade revenues a major focus this legislative year
- This year's distribution will guide future years' distributions

Next Steps

- Staff to work with Bay Area delegation on CALENVIROSCREEN concerns
- Working with CAPCOA and Bay Area delegation to ensure funding for low carbon transportation



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AGENDA: 6

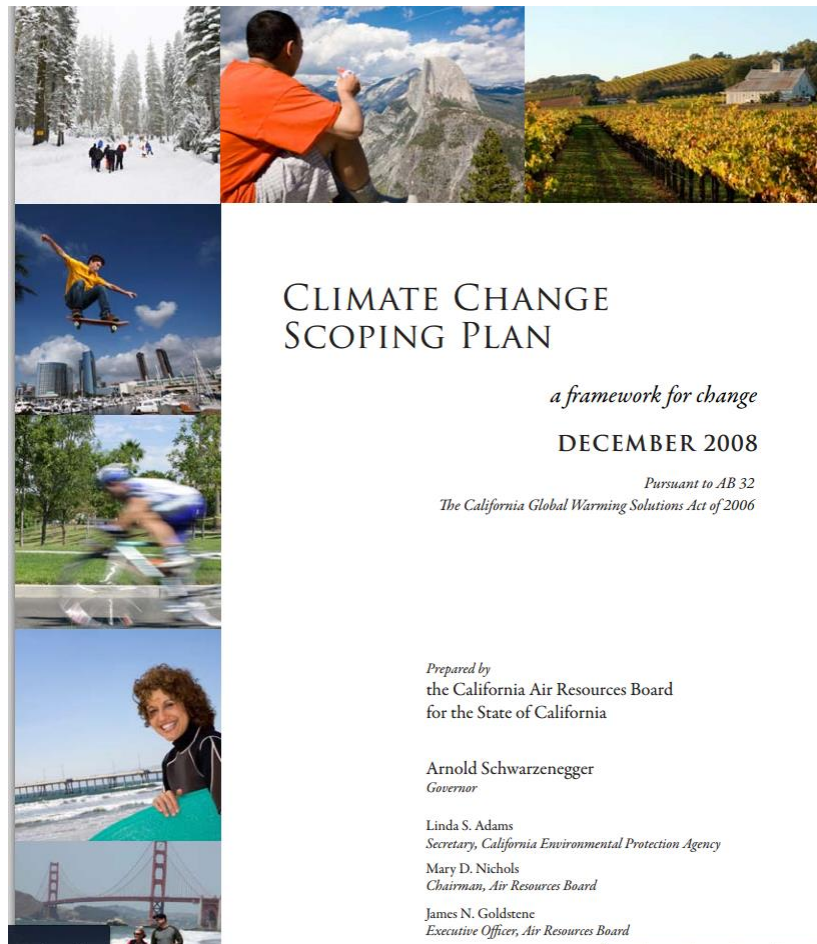
AB 32 Scoping Plan Update

**Climate Protection Committee Meeting
March 20, 2014**

**Sigalle Michael
Senior Environmental Planner**

Scoping Plan Update

- AB 32, Global Warming Solutions Act, GHG goal: 1990 levels by 2020
- AB 32 requires ARB to prepare Scoping Plan to achieve 2020 goal
- AB 32 requires ARB to update Scoping Plan every five years
- Update to 2008 Scoping Plan





Background

Air District co-hosted Scoping Plan Update workshop with ARB in July 2013

- › Open house showcased local and regional efforts
- › Over 180 attendees

Discussion Draft Update released Oct. 2013

Proposed Update released Feb. 2013



Progress Update

California is on track to meet 2020 GHG Goal

Cleaner and more efficient energy

- › Renewable Portfolio Standard, Energy Efficiency Standards, Solar Initiative

Cleaner transportation

- › Low Carbon Fuel Standard, Pavley Standards, Zero emission vehicle program

Cap & Trade Program

- › Utilities, electricity importers, and large industrial facilities entered Cap & Trade in 2013



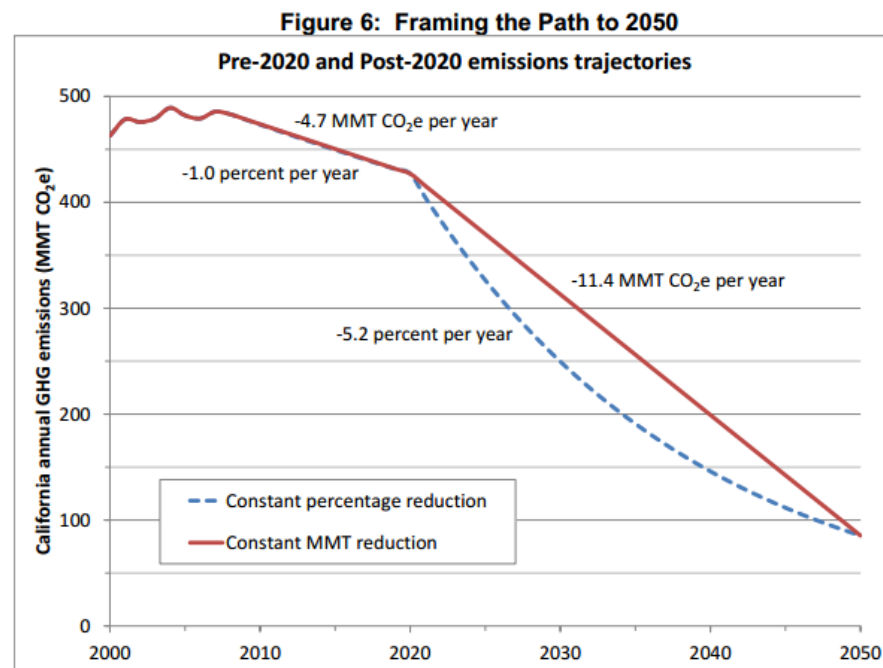
Overarching Message

ARB views climate change as great unifier

- › Climate change presents unprecedented challenges and opportunities
- › Integrate climate thinking and sustainability across sectors
- › Many co-benefits including improving air quality, especially in most heavily impacted communities
- › Cut GHG emissions and deliver cleaner, healthier, and more sustainable future

Challenges/Opportunities

- Establish mid-term targets
- Plan for zero, near zero emissions across sectors
- Improve air quality, create more livable communities, spur innovation
- Chart path to State's 2050 Goal: Reduce GHGs 80% Below 1990 Levels



A blurred background image of the San Francisco skyline at night, with city lights reflecting on the water and a large ship visible on the left.

Key Sectors

Key focus areas

- › Energy
- › Transportation
- › Agriculture
- › Water
- › Waste management
- › Natural and working lands
- › Short lived climate pollutants
- › Green building



Sector Recommendations

Energy

- › Reduce carbon intensity and improve energy efficiency
- › Minimize air pollutants and reduce impacts in disadvantaged communities
- › Encourage building energy assessments at time of sale

Transportation

- › Achieve GHG reductions of 5% per year
- › Align efforts to achieve air quality standards
- › Accelerate low and zero emission vehicles
- › Ensure SCS reductions achieved
- › Build high speed rail
- › Develop sustainable freight strategy



Sector Recommendations

Agriculture

- › Expand GHG calculating tools to estimate GHG emissions and sequestration from farm sources
- › Incorporate farmland conservation in local and regional land use planning

Water

- › Implement new water conservation strategies
- › Modify state and regional water board permits to encourage water conservation, water recycling, stormwater reuse, and wastewater to energy

A photograph of a forest with large trees and ferns, partially obscured by a white and blue gradient overlay.

Sector Recommendations

Waste

- › Eliminate organic waste in landfills
- › Enhance methane control

Natural and Working Lands

- › Support forest carbon storage
- › Engage local and regional local land use planning agencies on land conservation, urban forestry, and green infrastructure

A photograph of a forest with large trees and green ferns in the foreground, partially obscured by a white and blue gradient overlay.

Sector Recommendations

Short Lived Climate Pollutants

- › Continue diesel controls for black carbon
- › Establish mitigation fees on high-GWP gases

Green Buildings

- › Explore retrofit requirements at time of sale
- › Establish pathway toward zero net carbon building



Next Steps

ARB

- › Collect public input
- › Draft environmental analysis (EA) released March 14, 2014
- › ARB Board to consider final EA and final Update in late spring
- › Develop mid-term and sector targets; implement recommendations

Air District

- › Align Air District climate activities with Update
- › GHG emissions inventory forecasts; sector based approach; 2050 and interim goals