This document was drafted by the Institute for Local Government and is an attempt to capture the discussion at the December 7, 2015 EJAC Meeting. This document may contain errors or mischaracterizations and has not been reviewed or approved by the Air Resources Board. The author has sole responsibility for the accuracy of this document and any statements contained therein.

AB32 Environmental Justice Advisory Committee

Draft Meeting Notes

Monday, December 7, 2015

OVERVIEW

On Monday, December 7, 2015 the Environmental Justice Advisory Committee (EJAC) met for the first time within the 2015-2016 meeting cycle, with four new members. The meeting kicked off with welcomes from ARB Board Member and Sacramento County Supervisor Phil Serna and ARB Executive Officer Richard Corey. The agenda included four content focused presentations: Cap-and-Trade Program, including offsets & Adaptive Management Process; Clean Power Plan; Short Lived Climate Pollutant Reduction Strategy (SLCP); California Independent System Operator (CAISO) and SB350: Clean Energy and Pollution Reduction Act of 2015. The group briefly touched on potential updates to their organizational 'Guiding Principles' and agreed to continue the conversation on the Guiding Principles through a publically noticed conference call to be held in January 2016. Action items that resulted from the meeting are detailed below and additional detail follows.

ACTION ITEMS

General Items

1. ARB to provide presentation summarizing what happened with each of the EJAC's recommendations that were submitted in April 2014 (last cycle).
2. Sarah Rubin, Facilitator, to update EJAC Guiding Principles document per member comments.
    a. EJAC requested clarification of the role of the EJAC from ARB; if the clarification is not adequate in the new Guiding Principles draft the issue should be taken up at the next EJAC meeting to ensure adequate clarity if reached.
3. ARB to provide information on how (if at all) they are currently measuring reductions from citizen science projects.
4. ARB to provide information on how (if at all) they are tracking co-benefits; and how tracking of disadvantaged communities (DACs) receiving the co-benefits happens.
5. ARB will email links to the South coast and San Joaquin Valley SIP (?). These two regional plans have implications for statewide policy. The transportation and freight strategies are

especially important for EJAC members to be aware of. These efforts are happening ahead of the Scoping Plan.

6. Per public comment from Urban Releaf, they would like the EJAC to become member(s) of the Cap-and-Trade project selection committee. And check to see if the agency is providing funds to those who should not really be qualifying (specifically lobbying agencies that are 'pass-throughs' for other organizations).

Cap-and-Trade

7. ARB is requested to provide the following information related to Cap-and-Trade fund distribution and corresponding GHG reductions
    a. The EJAC would like regular updates on the development of the ARB Cap/Trade fund tracking system
    b. The EJAC would like the tracking system to include (among other data points):
        i. All funded projects, including summary by category (since inception of Program)
        ii. Actual GHG reduction (including progress/status reports); include both by percentage and in short narrative
        iii. Graphic chart(s) showing a) percentage of funds allocated by category; b) per category percentage of funds distributed (checks cut and mailed); c) percentage of funds allocated to DACs; d) figures showing the percentage of funds distributed (checks cut) to DACs vs. non-DAC entities.
        iv. Summary of process for allocating funds in easy to understand language geared for the general public
        v. The tracking system should be interactive so members of the public can view the information by various factors
8. ARB to provide summary documentation and a presentation on the GHG reduction targets including:
    a. How the state is meeting them, where the cap is, how or if the trade is achieving those reductions or not. (This request is time sensitive to enable the EJAC to give good advice on Scoping Plan.)
    b. How are air quality benefits evaluated?
9. ARB to provide a presentation on the Scoping Plan Modeling Scenarios.
10. ARB to provide documentation and presentation on compliance and enforcement. How is compliance status tracked and provided to the public
    a. For non-compliant entities what are the enforcement actions and what is the rationale for the enforcement action(s)?

Public Engagement

11. As authentic public engagement is extremely important to EJAC members they request that ARB reach out in anticipation of public meetings to get advice and assistance to ensure public workshops/meetings are accessible and welcoming to the public. This includes providing information at an appropriate level of abstraction (i.e. 'translating' technical language into lay language); depending on the area the meeting is being held in materials should be translated, interpreters provided, and targeted outreach to non or less proficient-English speaking residents should take place (for example through Ethnic Media)
    a. ARB requests that EJAC members provide any examples / models of public engagement efforts they thought were well done.
    b. Per public comment from the Institute for Local Government the organization is happy to help connect the EJAC and ARB to the communication networks of their parent organizations (the California State Association of Counties, the League of California Cities and the California Special Districts Association) to promote any public meetings/workshops and/or any draft plans. ILG is also happy to assist with strategy for regional and statewide outreach and messaging of workshops or plans.

SLCP

12. ARB to provide clarifying information on SLCP impacts to the most vulnerable. (SR question to Trish. Is there a definition of most vulnerable?)

MEETING ATTENDEES

EJAC Members: Eleanor Torres, Gisele Fong, Martha Dina Arguello, Mari Rose Taruc, Kemba Shakur, Colin Bailey, Luis Olmedo, Tom Frantz, Rey Leon, Katie Valenzuela Garcia

ARB Staff: Floyd Vergara, Trish Johnson; Facilitator: Sarah Rubin, Institute for Local Government
Recorder: Madeline Henry, Institute for Local Government

MEETING SUMMARY

Welcome & Introductions

Floyd Vergara: within jurisdiction have oversight of key programs of AB32: cap and trade, low carbon fuels, clean power plan, oil & gas measures, etc. In packets memo on Bagley-Keene, Margret Kim from ARB's Legal Office can handle any questions you may have.

Facilitator Sarah Rubin led member introductions and reviewed the agenda.

Why We Are Here

Supervisor Phil Serna:

Purpose is to provide input on development of 2030 scoping plan; appreciation of time, input. Committed to making EJ integral part of activities on ongoing basis, CA is leader in global effort to fight climate change, broad & integrated strategy with scoping plan. Committed to working with local and national EPA. Pollution regulated through Federal and CA Clean Air Acts, long history of working at local and national levels. Asked to serve as board liaison to EJ communities and their advocates. Point person responsible for communication and relationship with committee and EJ organizations. Other board members also invested in this. John Gioia, Hector De La Torre and John Balmes , looking forward to working with two new board members in 2016. Underlying concerns on which suggestions are made, strategies to reach out to EJ communities not here today, given the EJ is an integral part of all ARB priorities. AB32 first approach in US at comprehensive environmental change. Proud of CA efforts to improve air quality, but work still to be done. Suggestions from past EJAC members to be helpful, look forward to advice this EJAC will have.

Richard Corey, Executive Officer ARB

This scoping plan will map out how we as a state move forward, with climate and co-benefits. Firm believer that we will be more effective given this partnership. All know AB32, very significant, great opportunity for co-benefits. Recognize impact on disadvantaged communities and need for further action. Teed up priorities and provided direction for action. Increase renewables, low carbon fuel standards, vehicle emission standards, landfills, cap and trade program (has led to creation of GHG reduction fund) and clear directives from legislature. Resulted in expenditures increases: car share programs, investment in renewables in disadvantaged communities. SB 350 clear 2030 GHG target, one of the reasons we are here. Triggered need to develop clear plan and update to scoping plan.

Past Co-Chairs & Steering Committee

Martha: in past EJAC have seen some changes, hoping with third will have a lot more engagement for the board. Ensuring that once they are done there is follow up. Want to be a partner with ARB in making EJ happen.

Mari Rose: Bigger moment for EJ than we've ever had. Last legislative session brought to life their interest in EJ and importance. ARB's board members being interested in EJ shapes how they handle air quality and environmental justice across the state. In first EJAC a lot of recommendations weren't followed through on, in second improved. Has hope that the third will be even better. From staff want to know what happened to their recommendations from last time.

Luis Olmedo: His second round, when he was brought in the border region wasn't represented. Has seen more access to staff, hopeful that they will end up with meaningful results. So much more still needs to happen, very optimistic. Very strong advisory board

Tom Frantz: Real measurement of this success would be a reduction in GHG. He's a farmer, as a group they don't call themselves environmentalists. But they are first to see environment. Very clear that crops aren't behaving normally. Program began around 2010-11 still not seeing any real reductions. Recent inventories are not showing decreases across state. Not sure why this is? It takes a while to get cap and trade implemented, but room to do better. Hope to get something stronger this year. Needs to speed up. CA not leading reduction, want to truly become a leader in the world.

Guiding Principles Document- Initial Introduction

On chart paper: typical chart components.

> Purpose, mission, goals, objectives, desired outcomes, guiding principles, meeting format, note format, ground rules, decision making process.

Talked in pairs about what to change, what makes sense.

Shared out:

- (KVG) Organizational Structure: nothing there about role of chairs, also now that there is an ARB Board Liaison someone needs to be in charge of communicating with him.
- (RL) Says overall societal benefits, needs to be clear that environmental justice serves vulnerable parts of the community
- (CB) also overall societal benefits: co-benefits.
- (CB) Organizational Structure: unclear of role of steering committee. Some subset to help in preparation of each upcoming meeting. If they are to follow work group structure that proceeded this would make sense for each work group to have someone that catalogues recommendations that arise. Steward of that group would be part of the recommendation write up
- (LO) diversification of energy sources. Should be clean or renewable energy sources.
- (MRT) similar to role of chairs and role of EJAC chairs, there is not a spelled out (even in summary) role of ARB staff in supporting the committee. Would like more research and research support for the committee. How does ARB staff do this, facilitate the collection or work with other state agencies to get the info? Around Public Engagement, in mission "ensure and encourage public engagement". In last EJAC, missed report backs & webinars across the state target at EJ communities about things they are learning about process/recommendations. Wants public engagement to be lifted up in this round. So

much of policy working is community members outside of this board room being excited about it.

- (MDA) Rewrite mission statement. Better definition of EJ, CARB's role to engage public engagement. Their role is to advise committee. They make this committee meaningful. They had an executive committee in past might want to revisit this.
- (ET) Public engagement is critical piece. Really important, especially when talking about her own constituency, and to educate broader public on what they're doing.
- (GF) community wants to give advice but also see where recommendations are going. Provide framework for feedback, what to expect

Sarah's thoughts:

- In other groups calls this guiding principles, but might want to put something like this in: "on chart paper" responsibility of all members of the group to work towards goals of the committee.
- Add additional sentence as far as consensus. Could consider adding in "to seek consensus on all key issues. The clearest and strongest power of this group exists when consensus can be reached… on chart paper" could use red/yellow/green cards to show consensus.

Public Comment

- Kevin Jefferson, Urban Releaf, one thing you need to focus on getting the program up and going, the program is up and going now and has millions of dollars in it. Focus of EJAC now should be to audit those funds. Received grant to plant trees, initiate a program. Appropriation of the funds (don't know when that will happen), selection committee (should be a part of the selection committee for grants). Some other grant receivers got more money than them and only meet 10% of requirements. Lobbying agencies even receive money to pass down to others who don't qualify. Concern yourself with the money and where it is going. Like Tom said, if we are really trying to reduce this and we have millions of dollars how can we ever reduce anything.
- Steve Sanders, ILG. ILG is a resource to ARB and the committee. Have a public engagement program expertise in helping with that. Connection with League of Cities, CSAC, and CSDA. Look to them as resource, above and beyond the facilitation, to connect you with folks in local government who are concerned with Environmental Justice.

Mari Rose Taruc: will ARB clarify the role of EJAC.

Richard Corey: often confusion with cap and trade proceeds, ARB has responsibility for implementing Cap and Trade. Work with stakeholders to recommend, implement, and carry out.

Subset goes to GGRF responsibility of overseeing fund. But annually legislature appropriates those funds. That money needs to be spent to reduce GHG, but how they are spent is in hands of annual budget. Development of three year investment plan, DOF with ARB and many other agencies, developed an investment plan. To serve as guide to look at annually, but ultimate decision is in legislature.

MRT: Funds from scoping plan that they're in charge of revising?

Richard Corey: 2030 scoping plan that we are working on updating has a key question: what is the game plan for meeting the 2030 GHG target? Part of that is understanding the measures that are already adopted, how much they will reduce emissions. Do GGRF play a role? Scoping plan is what is the roadmap to getting to 2030 target.

Tom Frantz: Do you look at how the funds are allocated by legislature?

RC: There are requirements legislatively that document what has been the appropriations, what have we seen given the use of those dollars, working to put together a tracking system for people to access. There is an annual report to the legislature.

TF: would like committee to receive whatever is known on these allocations and what they have achieved.

RL: flow charts on process, how the money is spent, what happens on ground level. Good for EJAC and the public. What percentage is being reached?

FV: number of documents that cover this ground. Can provide to members after lunch.

List of all funding for GHG projects, where they were spent and the process for allocating funds.

Actual GHG reductions and results of funded projects, categories in which they fall.

Edie ARB: don't have a list of each project. Can talk more about GGRF process. Can pull together types of programs different agencies are funding, how much is going to those programs over past 3 years. Right now have estimates about percentages

RL: has served on allocation committee in County. Should be able to see what happens throughout the state, not as long term as what we think. Need to make sure investments are happening where we are needing them. 85% 10-25% funding. Above the floor of 10-25, potential to take that higher.

LO: How is ARB ensuring that DAC's(disadvantaged communities) receive share of co-benefits? how is ARB measuring co-benefits? Does ARB have a way to measure reductions from citizen science projects that are out there?

Lunch Break

2030 Scoping Plan

Sara Nichols:

These pillars recognize that several areas of the states economy need to change in order to meet goals: 50% renewable electricity; 50% reduction in petroleum use in vehicles, double energy efficiency savings at existing buildings, carbon sequestration, reduce short-lived climate pollutants, safeguard California

Focused efforts on several fronts: reducing GHG, targeting clean energy investments and other efforts, provide consumers with more clean services, conserve water, preparing guidance for adapting to climate change.

Regarding AB32 objectives:

- Passed in 2006
- In addition to reducing emissions goal is to improve air quality and public health, provide policy for clean technology, model for future national and international efforts, achieve 1990 emissions by 2020 and maintain reductions past 2020

2030 Scoping Plan Update:

- Will be developed in open manner. Collaboration with state agencies, legislature and public.
- Environmental Analysis and Public Health Analysis
- Economic Analysis and Peer Reviewers
- Coordinated closely with other plans: Ex: climate pollution plan

ARB and sister agencies using set a guiding principle to guide work. 1. Develop an approach to achieve reduction goal, create jobs, save water, support disadvantaged communities, make CA resilient, transform economy

Focus areas: agriculture, waste management and water. Provide unique set of circumstances. In all cases, measurers included in scoping plan with maximizing sources across all sectors of economy.

EJAC

EJAC to advise board in developing the Scoping Plan. ARB and board have taken efforts to increase work in EJ. Board member Serna will be liaison. Scoping plan update the EJAC provided recommendations. Included: monitoring and asses impact, developing interim GHG targets,

reducing energy use and transitioning to 100% renewable, support for disadvantaged communities

Expert Reviews: in process of establishing group of peer reviewers. 3-5 experts who will call on others as needed during scoping plan development. Members have not yet been invited/announced. Will provide advice, input regarding economic impact and technology paths that exist. With oversight they will serve an advisory capacity.

Public Process: began with Governor's pillar workshops earlier this year. See slide handout for list of workshops and their purpose. 2030 Target Plan Kickoff Oct 1, 2015. Multi-agency participation and room for public comment.

In coming months, will hold regional workshops in Bay Area, LA and Central Valley. Will also be holding technical workshops on environmental analysis.

Draft updated expected in Spring 2016, 45 day public comment period. Final 2030 target scoping plan will go to board for recommendation in fall 2016.

Edie: emphasize two activities, South coast and San Joaquin valley SIP (?). Designed for this region but really a statewide policy. Underway now, briefed board in Oct. Wants to make sure that the committee is aware that the transportation and freight strategy, processes are happening ahead of the scoping plan. By the time we get to scooping plan some of these things will be baked in. Things are happening in some arenas.

Questions on Presentation:

(KVG): When you think about all of the plans, when you say coordination with other plans what ability do we have in the scoping plan to build off of other plans, for ex: GGRF?

Rajinder: with all of the plans they will be part of the scoping plan. Idea is that the scoping plan, the plans themselves if they won't get us to the targets we want to look for additional things to get them there.

(KVG): Substantial changes could delay scoping plan due to CEQA. At what point in time do you need feedback before the CEQA process is done.

SN: will be holding workshops through May 2016 to discuss CEQA process, ongoing same time as coping plan. Will be time for comment, the technical workshops will be first place to get involved. No specific date set for economic analysis.

Rajinder: submit recommendations as soon as possible. Well into modeling scenarios by March, need to have a sense of what policy packages look like.

Trish: Last time committee began to develop recommendations when draft became available. Different recommendations came up as new drafts were presented.

KVG: To summarize, would make sense for us to get past recommendations to ARB staff by March so it can be included in scoping plan before the draft is written.

TF: Governor Brown 50% reduction in vehicles by 2030. Is up to 50% the language? (FV) Yes.

Rajinder: what that amount looks like will be part of the process as we develop scoping plan.

TF: hopes to include all mobile sources (including equipment). Rajinder: you're getting at entire energy sector. All of those are part of the scoping plan. Together they are 2/3 of emissions in state of CA.

LO: Please define technical workshops. Specifically, will these provide technical assistance for disadvantaged communities to engage with ARB, will they be available throughout CA?

SN: will be holding regional workshops in coming months.

Rajinder: for example, workshop of greenhouse gas modeling, measures to reduce emissions in transportation sector. Will bring in experts who have knowledge to implement. Audience is intended to be a public workshop.

MRT: what is analysis on?

Rajinder: will include measures and goals in different sectors. How well do those policies preform, what are impacts to state of CA if move forward with those policies. This is an iterative process.

Short Lived Climate Pollutant Reduction Strategy

Marcelle Surovik,

SLCP recommended in 2014 scoping plan, required by SB605. Reducing these emissions was one of governor's pillars. Concept paper purpose was to solicit feedback from public. Workshops in Southern CA, Fresno, and Sacramento.

Report identifies where additional research is needed.

Timeline and Next Steps:

In strategy include SLCP emission targets, 50% reduction from 2013 in black carbon for non-forest sectors. Need to separate wildfire emissions (over 60%), and other sources of black carbon

Methane: reductions from dairy manure management, received a lot of public comment on issue. Landfills, CalRecycle diverting organics from landfills. Oil/gas sector, targeting emissions, developing regulations. Waste water treatment facilities as way to divert from landfills.

Expect additional reductions. When we look at 2030 as other sources go down, big area will be residential burning/fireplaces. Looking to reducing this. Public comment on how to reduce black carbon from forest sector, wildfires. Reevaluating based on public comments.

Montreal Protocol Reduction (?): was not an agreement, said would be working on it again in 2016. Released draft strategy, had comments, thorough evaluation of these comments and economic analysis. Releasing draft strategy in February. 45 day public review. Presenting to board in March. Provide written responses to any comments, will happen later in summer. Approval later in summer.

Cap and Trade

Jason. Kick off Oct 2. Cap declines over time, acts as back stop to ensure that reductions occur. Can trade emission permits, spurs innovation to lower emissions. Compliments other programs such as command and control measures.

Overview: began in Jan 2012, linked with Quebec in Jan 2014. Nov 2014 first annual compliance event. Required to surrender instruments. To date, 13 auctions. Last one was Nov. In first twelve auctions, 3 million in proceeds. Results of auction will be posted next week. First compliance period surrender date last month, 99.8% of 2013-2014 covered emissions. Looking to improve efficiency where possible, streamline and remove unnecessary requirements.

Potential Scope of 2016 Amendments for third compliance period: Streamlining cap and trade program elements, incorporate sector based offset credits into Program, Incorporate results of leakages studies for third compliance period allowance allocation, linkage with Ontario, Canada. Oct 28 workshop and white paper about work done to date and potential steps forward. Interested in EJAC comments on report. Also looking to incorporate results of linkage studies.

Potential Scope of amendments for 2020 program: continuation of program, post 2020 cap on emissions, program scope, revised or additional cost-containment provisions, market oversight, etc.

Tentative Schedule: Public workshops through Spring 2016, 45 day regulation and initial statement May 2016, First board hearing June 2016, Second Board hearing April 2017, Final Regulation and Final statement of reasons July 2017, Adopted regulation becomes effective October 2017

Q&A:

MRT: concerns because ARB is assuming cap and trade is working, and working well enough to continue for next 15 years. Not giving opportunity to see if cap and trade is working. Wants to know what are targets, how are we meeting them, where is cap and trade achieving or not achieving those. Timing issue and a set of information that this committee deserves in order to give good advice on scoping plan. Need data so they can make recommendations.

Rajinder: Other policies were included in 2008 scoping plan, what are additional measures. Finalizing package of policies, will be included in Scoping Plan. Can be presented to EJAC. Several policies have been made to date.

MRT: In next steps, would like that presentation on Scoping Plan Modeling/Scenarios to be made to EJAC.

LO: Do you have a set of standards that you go by? Seems like a redundant question in all aspects of AB32 program. Do have an evaluation department, is that in anyway a connection?

Rajinder: GHG recording program posts data every year on website. Inventory branch posts data. In 2013, all emissions in CA totaled 460 million metric tons, need to keep reducing.

LO: on ground it looks like I don't want to do any more work, just want to pour money into existing programs.

Rajinder: 33% renewable power in utilities. At 24%, on good path to hit 33% by 2020. If they don't then the lead agency will enforce. For Cap and Trade no measure saying you can't hit this number by this year, just overall by 2020. Identify type of accuracy data must have, must be 3rd party identified. Have done audits and found that people didn't report accurately, enforcement action is listed on their website. Right now, 2020 target is goal using allowances from ARB or that they buy at auctions.

LO: One recommendation, spell out. If your target population is out in the regions you need to be at their level of understanding. Reinventing of how that information gets out and who it reaches. Bring translators. Otherwise, you are just checking the boxes.

Rajinder: if you've seen other ARB programs that have been effective in public engagement please let us know so we can model.

Jason: can provide past documents, webinars, etc. for information.

Tom Frantz: *discussion on short lived climate pollutants as well when more time.* Told two years ago that cap was backstop. Would have to be cinched down in next couple of years

Rajinder: cap is set, will have to make faster rate of reductions if not already getting there

TF: will we see new rate of reduction?

Rajinder: already have caps for ’18, ’19, ’20 to reach 2020 targets. If move forward with cap and trade for 2030 plan will set reductions for ‘21-’30. There are some volunteer entities in program such as traders and brokers. Help facilitate market liquidity.

TF: 48% of total.

Rajinder: closer to 10%

RL: To support Luis point in regards to language and comprehension, be clear. When doing workshops outside of community ask questions that don’t want to be asked. Create space so that folks have comfort level. Maintain integrity. Offset credits, bring down pollution at regional level, cut emissions on either side of region but then use credits to build power plant near some of most vulnerable communities. Emission reduction credits, but have also concentrated emissions. Would love to see what this looks like, looking forward to white paper. Impacting some of most vulnerable in very important way.

KVG: talking a lot about net GHG reduction. But they care about gross emissions. How many are coming out of the smoke stack next to me and what are the reductions there. Have done it well, more used to interacting in neighborhoods. Wants to offer herself up to connect you with some of these folks, help with interpretation and review presentations/communications with public.

CB: Slide 17, discussion of cap and trade overview. Unclear to him whether those conclusions were drawn from. Whether conclusions or assumptions? *On point of enforcement and reporting, if the report that is going to be made to us can include what enforcement rations were.* In water realm, statistically significant ratio of fraud. Suggestive of high rate of misreporting.

Rajinder: very closed loop, about 450 of those in cap and trade program everyone else is under 25,000 threshold. Everyone in cap and trade is annually audited. A percentage of those are audited by ARB staff. Did not find errors +/- 5% in 2015 reports. Of 450 that have to turn in compliance reports, almost everyone did that. Report you will see in December will show those who did not comply, what their new requirements look like. New automatic compliance is 4x what original was. If after 6 months not made up, enforcement will come into play under health and safety regulations. If a settlement doesn’t happen it goes to court.

Martha Dina Arguello: Would like information that makes it easier to understand if you’ve met the cap for 2014, what does that mean. Potential that you met the cap but with offsets. What other air quality benefits are you bringing. How do we evaluate that part of it?

Rajinder/Floyd Vergara: adding more information that’s useful to stakeholders, doable in terms of showing compliance status and amount of offset they purchase. Trying to figure out how to do

that right now, ask again in future. When its posted it will include data for each smokestack. Emissions for this year were below what they thought it would be when set up cap and trade program. Modeling back in 2010.

LO: emission reductions, in DACs and non-DACs do you know this data?

Rajinder: that is part of adaptive management.

CAISO-SB350

Dennis Peters, External Affairs Manager

CAISO is one of nine independent system operators in North America, nonprofit, public benefit organization. Tasked with ensuring liability with 80% of CA. See slide hand out for specific numbers. They don't own any of those assets. To put it in context, their largest members are three utility companies: PGE, SoCal Edison, and San Diego gas & electric. Others are not part of the balancing authority.

What do they do? 1. Make sure that lights are on 24/7 365. 2. Operate markets, make sure most efficient dispatch of resources. 3. System planning, transition planning to make sure efficient and cost effective infrastructure.

Balancing authority: responsible for operating a transmission control area. they are largest of them. 38 in West. Inefficient.

Potential benefits: economies of scale could reduce GHG emissions, energy costs, fuel procurement costs, oversupply of renewable energy, peak capacity needs; enhanced reliability; improve market pricing transparency and liquidity.

SB350: enacted in October. Double energy efficiency for electricity and natural gas by retail customers, 50% renewable portfolio standard by 2030. Process for the ISO to transform into a regional organization. Regional organization, could move to ISO with other states. Requires governance change. SB350 has process for the ISO to transform into a regional organization.

Studies will determine overall benefits:

> Creation and retention of jobs; environmental impacts; disadvantaged communities; emissions; reliability.

Draft schedule: See slide.

> Oct 2015, ISO assembles team
>
> Nov 2015-Dec 2015, develop study assumptions and methodologies

Jan-Feb 2016, seek input on study

Jan-March 2016, Conduct stakeholder outreach and studies

April 2016-June 2016, Studies presented at CPUC hosted public workshop

July 2016, Studies and governance proposal presented to Governor's office.

Q&A

Tom Frantz: slight decreased in total emissions was because CA had bought more emissions from other states. You're going to make it easy for CA to import renewable energy in CA, then New Mexico burns more coal for local needs. Get credit for RPS, New Mexico doesn't have a requirement. How do we avoid this? When CA imports from other state its not average

PP: Coal plants are run in other states, increase in coal generation. By 2024 likely to be at 4% RPS. Right now have real time market to buy renewable energy. When you get to a fully integrated member, have opportunity to commit resources a coal plant outside of CA could shut down. Already starting to see that there is so much renewables in CA that there are times when loads are low enough that we don't have a place for those renewables. We need a place for renewables, will help reduce emissions and costs.

MRT: When talking about regional organization do you mean western US or connecting other states/entities in US?

PP: One of 38 balancing authorities in West. All are part of 14 Western states, 2 provinces in Canada, and part of Mexico. Looking to expand and integrate. Balancing would then be across a larger area.

MRT: asking for feedback. Transformation for low carbon, want to make sure that opportunities that types of renewable energy are types that are well suited for their folks as well. Have articulated that small scale DG, creative models, local hiring policies

LO: Is the CA independent system operator going to prioritize areas such as Imperial Valley, where economic and natural resources exists

PP: yes, concerns about how that effects the environment and land use. Have to figure out how to get those resources to load. Have significant potential for these resources. The state and energy commission give them portfolios to study. Each year do planning process. Try to determine what type of transmission there would need to be to get to load. Renewable Energy Transmission Initiative.

LO: Is ISO going to prioritize areas like the Imperial Valley where there are natural resources and high economic need?

PP: they don't prioritize, take direction from state goals. Developers present projects at locations.

CB: Identified benefits to rate payers that would studied under SB350, suggested that EJAC could provide input. Assuming study won't just look at benefits but also negative impacts? Could you identify what some of those methodologies could be?

PP: Right now, doesn't have a lot to share on methodologies. Will share as soon as they have something. Leave it up to the committee, happy to meet with them individually and as a group.

KVG: How efficient is the process, how do you access it, cost impact. Some percentage of renewable energy portfolio is through water, correct? PP: Doesn't count. One group not represented at table is tribes.

GF: back to Mari Rose comment, common refrain of EJ communities, want to see benefits of renewables in their communities. How does ISO support that? What is the role of ISO in supporting that?

PP: Dealing with high voltage, energy sources. Solar, renewable, battery storage, etc. For us, we have to consider how that impacts what we need in order to reach those folks.

RL: Special session on energy could be important. How do you deal with microgrid?

PP: microgrid are at voltage level we're not operating at. Very supportive of those types of systems. World of electric energy is changing. Now customers have greater role, more choices.

KS: focus is urban forestry. Pollutants, doing science in forestry, vegetation and pollutants. Transmission lines, as she looks through Oakland and other areas sees transmission lines in areas where it doesn't seem like it should be. Franklin elementary school. Those are areas that need to be looked at.

ET: Microgrid issue. In terms of not just for rural communities, but other areas too. If we don't centralize the system we will lose efficiency. Is decentralizing the system being considered?

Cap and Trade Adaptive Management

Johnnie Raymond

Adaptive Management process is process to identify and track any changes in emission trends. It is the ongoing process to track implementation of each recommendation. Cap and Trade is unlikely to contribute to increased localized emission impacts. Board approved AM plan in 2011; AM process under development would implement the Plan

Have identified and developed detailed process, looking at communities with group of facilities. Particular sectors. At end of process any results will be presented to board and public vetting process.

GHG emissions mapping tool publicly available on web. Around 500 cap and trade facilities, those that emit over 25,000. Can look at emissions at individual level, look for zip code, community.

Multiple opportunities for continued public participation. Allows anyone to follow their analysis. Can provide feedback throughout the year. In addition, will collect public comment leading up to next draft.

Next Steps: revise draft early 2016, additional public meetings in 2016, present final adaptive management process to board in 2016.

Q&A:

RL: how often?

JR: once a year.

KVG: Useful to have rate of decline in tool, and coordinated by census track. Also if you can look at multiple census tracks at once. Ex: pool report for top 25 census track emitters. Incorporate CalEnviroScreen

LO: Appears you get data from industrial services by zip code, does it do it by census track?

JR: no. There will be annual updates to the tool.

MDA: did not find tool useful. Hard to see trends, hard to see across regions. Spent quite a bit of time on it. Have used other tools and could figure them out.

MRT: just got cap and trade and Adaptive management flow chart, original desire/goal with EJAC and AM, is response to toxic hotspots with cap and trade system. Have developed many more steps to find out who is emitting, but short on actions that you will take if you find these hot spots. What are the actions that are being planned, how long will it take once you find these spots?

JR: planned to do these data collections annually, if they see something they will investigate further. Then they have a full process on page 3 of flowchart.

Trish Johnson: Through Sept 1 verified by third parties and eligible to be used, shared publically in November. Last month shared 2014 data, available for public review. Potentially respond to it after the fact.

CB: imprecision of mapping tool for getting at impact. Which industrial sector produces most? Health impacts?

Clean Power Plan

Craig Segall

National program under federal clean air act, achieve national reductions 32% from 2005 levels in GHG levels by 2030.

What does that mean for CA?

Initially not very much, USEPA set targets for whole country. Many states aren't even up, let alone running. Below federal target of 2030. We have many options for compliance. Most likely is through state measurers based compliance plan. Option to pursue clean energy incentive program.

Timeline: Submit initial compliance plan by Sept 2016, CA compliance plan will be coordinated with Cap and Trade Regulation, scoping plan, and post 2020 planning. June 2016 board meeting. ARB participating in regional discussions

Roughly 96 power plants involved. Essentially whole power sector. They are where population sectors. South Coast, San Joaquin, Bay Area, desert, San Diego. Opportunity to better tune all of their systems.

Includes formal requirement for EJ community:

- Continued consultation with EJAC, Invitations to community groups in affected communities to participate in the process, with translation services, outreach to tribal representatives, regional workshops as appropriate.
- Identifying EJ Groups (please email him suggestions)

Topics for EJAC Focus

- Additional resources for EJ organizations ARB should consider?
- Increase involvement of disadvantaged communities in refining Adaptive Management tool and process?
- Are there specific EJ concerns with potential SLCP Strategy measures

Next Steps

- When as individual organizations you should be commenting/ going to these meetings you heard about?
- When does EJAC comment?
- Heard that there will be workshops in the field, but need clarity on when these are. Trish passes info along.
- Timelines? How will we track these timelines and track changes
- Content education, need more of this. Really have to be thoughtful that you need time for analysis and discussion.
- Bagley-Keene all this must be compliant.
- Logistics: when will the next meeting occur?
- Need to get into guiding principles, be clear about org structure
- Public engagement/education and importance

Immediate questions: do you want to contemplate idea of publically noticed conference call? Would need to be publicly noticed, have to list location, any member of public can come to that location.

LO: need support staff to track what is being said, organize, and help.

KVG: This sounds like a full time job, they all have jobs can't do this all. Full day workshops, can't attend them all. Want capacity to handle some of this at our meetings.

MDA: bill language states that there will be adequate support for committee to do its work. First time around it was really hard, leaves them with this feeling that they haven't done a good enough job because they can't give it the attention that it needs. Needs some support, like a coordinator. In some cases Tara did that, was probably outside of her scope of work. Need this again.

ET: Being new, recognizing that there isn't one solution. There are many issues that have to be addressed at same time. Having said that, it is important that we even as a group try to figure out a way that we can make these meetings more effective to get stuff done. There were a lot of people talking, some questions repeated. Try to have more time otherwise. It was helpful to get more info, see how it works. Prefer having meetings from office, have a good use of her time. Needs all the materials to do homework beforehand. Have homework done, questions ready, be able to engage facilitator in that process.

KS: continuation from last time. How well their recommendations were received, what happened. Wants to know where we are at, where we are going.

Action Items:

- (next mtg) Summary list of GHG funded projects ask , and by project

MDA: suggestion to committee, self-discipline and come prepared. Sometimes ask for things that we don't need. For example, the summary list is publicly available. We need to do hw with what is publicly available and then ask for more

MRT: When I plan for meetings and projects want to be clear on goals/outcomes trying to achieve. From there design sessions that will lead to those outcomes. For instance, if there is a March 2016 deadline for our recommendations, then I want to know what those recommendations are going to look like and what information and discussion time do we need to get to that place. Facilitator vs. ARB Staff. How will we be supported to make recommendations? In past had clear timeline to figure out flow.

Public Comment

There were no public comments in the afternoon.

Confirm and Review Next Steps & Closing Words

SR: recommendation to schedule conference calls. First one to discuss mission, guiding principles, etc.

Trish: All have raised important point. Will work with Floyd and get back to you. ASAP. Will also start building up public website.

LO: need ARB support, not just Trish. Good example to ARB of communities throughout CA. People falling through cracks, work to be done. Needs to be a lot more support. In his community they are only EJ org out there, not everyone has support/access to info.

KVG: when they do get together, need them to be full day meeting. Appreciate materials in advance, need to ask for questions in advance.

ET: really struggled with how to represent this for her county, in anticipation she convened a committee in her own district that represents county. Created feedback loop, to get info back.

Conference call in two weeks. Trish will send out Doodle poll.

SR guiding principles:

Direct links to page.