

November 13, 2015

Mr. David Mallory
California Air Resources Board
1001 I Street
Sacramento, CA 95812

RE: California Air Resources Board's Proposed Cap-and-Trade Adaptive Management Plan

Dear Mr. Mallory:

The California League of Food Processors (CLFP) and Agricultural Council of California participated in a recent workshop conducted by the California Air Resources Board (CARB) regarding the proposed Adaptive Management Plan and would like to provide comments on the plan and the potential uses of the Greenhouse Gas Emissions Mapping Tool by CARB and by public stakeholders.

CARB Already Provides Extensive Greenhouse Gas Emissions Data for Interested Stakeholders

CARB has been tracking the GHG emissions generated by over 600 individual facilities since 2011. This data can be easily accessed on the CARB web site and is updated on a regular basis. The data is available as an Excel spreadsheet that interested parties can download and use to make comparisons between facilities, years, or other factors. It is important to note that the data reported by facilities in the cap-and-trade program is subject to mandatory third-party verification requirements, ensuring the veracity of the information in the database.

CARB Also Has a Public Information System for Reporting Emissions of Criteria Pollutants

CARB also has a robust public reporting requirement for criteria pollutants. The CARB web site includes tools that can be used to generate summary or trend reports for ozone pollutants, PM 2.5, and PM 10. The summary database covers the period 1973 – 2014, and the data can be sorted by county, eight-hour planning area, and by locations designated by CARB as “worst sites.” CARB also has extensive information on its web site regarding its air quality monitoring network, research activities, permits, rulemakings, and air quality plans.

California has some of the most rigorous air quality regulations in the U.S. It is important to note that virtually all industrial facilities with combustion equipment are required to have permits for their operations, comply with their permit conditions, and subject their combustion equipment to periodic compliance testing. These requirements were in place before the passage of AB32 and remain in place today, and facilities located in disadvantaged communities are held to the same rigorous standards as those in other locations. The state has made impressive progress in reducing air pollution and that progress will continue independent of the cap-and-trade program.

There are No Specific Localized Impacts of GHG Emissions by Facilities, So the Purpose of the Adaptive Management Plan Seems Unclear.

During the November 5, 2015 CARB workshop regarding the Adaptive Management Plan, agency staff noted that “ARB believes that localized air impacts are very unlikely” and reiterated that point during the question and answer session of the workshop. Climate change is a global phenomenon, so the GHG emissions generated at a power plant disperse globally and will not directly affect the pace of climate change in adjacent neighborhoods or communities.

However, most of the focus of the workshop, and the Plan, seems to be on tracking local changes in GHG emissions. It is not clear what of substance there is to track if CARB deems local impacts to be “very unlikely.” CLFP and the Agricultural Council understand that facilities that generate GHG’s also generate other pollutants, but as previously stated there are already permitting, reporting, monitoring, and tracking systems in place for those pollutants. The public can easily access that information and there are avenues for local jurisdictions or citizens to lodge complaints against facilities that are in violation of their permits.

With respect to GHG emissions, it is very important to note that there is no commercial technology currently available to sequester CO₂ emissions from boilers or other combustion equipment. So, to meet their compliance obligations most facilities will have to either achieve relative reductions in their combustion of natural gas on site, and/or purchase GHG emissions allowances. If they combust less natural gas, both GHG and criteria pollutant emissions should tend to decline. If combustion levels remain the same and they purchase GHG allowances, it should not increase their criteria pollution emissions. If they increase combustion, their NO_x emissions will still be subject to their facility permit limits. The point is that tracking GHG emissions may not provide an accurate indicator of potential issues with criteria pollutants.

The Purchase of Allowances is a Legitimate Cap-and-Trade Compliance Tool

Concerns were raised by a stakeholder participating in the November 5th workshop that some of the cap-and-trade facilities located in environmental justice communities might choose to purchase allowances rather than reduce emissions, implying that this would somehow be a way to circumvent the cap-and-trade compliance system or shortchange the community with respect to air quality. Our organizations take exception to that viewpoint, as the purchase of emissions allowances or offsets to meet compliance requirements is an entirely permissible approach under the rules of the cap-and-trade program. A stated goal of the cap-and-trade program is to achieve the mandated GHG emissions reductions in the most cost effective manner possible, which may be the purchase of allowances in some cases. It is not clear why firms should not be allowed to do just that, regardless of where they are located. Forcing emitters located in disadvantaged communities to pursue a more expensive compliance path may result in them cutting jobs in those very communities; an outcome that no one desires.

The Intent and Value of the GHG Mapping Tool is Unclear

The real objective of the Greenhouse Gas Emissions Mapping Tool is not clear. Our main concern is that the Tool’s data and graphics will be misused to vilify individual facilities, by

literally drawing a target on their location simply because they emit GHG's. If those facilities are in compliance with their GHG emissions reduction targets, and are in compliance with their air pollution control permits, why are they being singled out for attention on a mapping tool? During the November 5 workshop, CARB staff indicated that the "Interactive Greenhouse Gas Emissions Mapping Tool allows stakeholders to conduct their own analysis and work collaboratively with CARB staff to monitor greenhouse gas changes at individual facilities..." Again, if there are no perceived localized impacts from emissions from individual facilities, what actionable information can stakeholders gain from the analysis that they can't already obtain from the data currently on the CARB web site? Why should CARB allocate staff resources for this new activity, when they already have GHG reporting and monitoring activities?

CARB staff has also indicated that they will analyze the GHG emissions data by sector. In the food processing sector, a brewery in southern California, a cheese processor in Tulare County, and a fruit cannery in the Sacramento area don't produce the same products, have the same equipment, or operate on the same schedules. Their emissions may vary within and between years due to weather impacts on crops, market factors, changes in operations, the cost of inputs, competition from firms in other states, or other factors. It is not clear what insights that targeted analysis of GHG emissions trends in that particular sector would likely yield.

GHG Adaptive Management

Emissions data is currently available for review and analysis for anyone inclined to track the GHG trends at a given facility or locality. CLFP suggests that adaptive management plans should focus on assisting the regulated facilities in achieving long-term cost effective reductions in GHG emissions, rather than using a mapping tool to put a public bullseye on facilities that are complying with regulations.

Please contact us if you have any questions.



Rob Neenan

President/CEO

California League of Food Processors

Phone: 916-640-8150, e-mail: rob@clfp.com



Emily Rooney

President

Agricultural Council of California

Phone: 916-443-4887, e-mail: Emily@agcouncil.org