



September 15, 2014

Mary Nichols, Chair
California Air Resources Board

Matthew Rodriguez, Secretary
California Environmental Protection Agency

RE: SBC Recommendations to Address Geographic Disparities in Preferred Method #1 (CalEnviroScreen) for the Interim Guidance on SB 535 Investments to Benefit Disadvantaged Communities

Dear Chairwoman Nichols and Secretary Rodriguez,

I am writing on behalf of Sierra Business Council (SBC), a non-profit network of 4,000 business, local governments and community partners working to foster vibrant, livable communities in the Sierra. We appreciate the chance to comment on the Draft "Interim Guidance to Agencies Administering Greenhouse Gas Reduction Fund Monies" related to investments to benefit disadvantaged communities, released August 22, 2014.

While we understand the rationale and obvious need to focus resources on the state's most disadvantaged communities, we are concerned about a number of the indicators CalEnviroScreen 2.0 uses to identify those communities. We support the CalEnviroScreen tool (Method #1) in general because it offers a scientifically based scoring rubric; however, the current scoring criteria skew against rural areas, meaning the screening system fails to meet the intent of the underlying legislation (AB 32) to reduce emissions and improve conditions across the entire state. Since CalEnviroScreen is being used to identify disadvantaged communities for purposes of other funding sources, as well, it is critical for the tool to adequately address geographic and other disparities affecting the current version.

Per AB 32, global warming affects all parts of the state, posing a "serious threat to the economic well-being, public health, natural resources, and the environment of California" [§38501]. As an example, adverse impacts are already being felt on Sierra snowpack, which in turn affects water supply, water quality and major industry sectors, such as agriculture, wine, tourism, skiing, recreational and commercial fishing, and forestry. In addition, warmer temperatures and drier conditions are creating record-breaking wildfires in the Sierra, affecting local households and businesses, burning up stored carbon, and negatively impacting air quality, water quality and, in some cases, energy distribution in the Sierra and connected urban centers.

AB 32 clearly states that GHG emission reduction measures should maximize additional environmental and economic co-benefits for California (§38562 and §38570). In addition to

“reductions in other air pollutants” – which is reflected in the “pollution burden” portion of the CalEnviroScreen scoring rubric, the list of co-benefits includes “diversification of energy sources, and other benefits to the economy, environment, and public health,” which are not as robustly reflected in the scoring criteria.

Disadvantaged rural communities will be paying into the Cap-and-Trade Greenhouse Gas Reduction Fund indirectly through higher prices for gasoline and other products that fall under the cap. They should not be unnecessarily handicapped in achieving benefit, as well. As a result, we ask you to amend the CalEnviroScreen indicators to ensure that benefits accrue throughout the state – especially under the Affordable Housing and Sustainable Communities Program, the Energy Efficiency programs, the Wetlands and Watershed Restoration Program and Fire Prevention.

To that end, we offer the following observations and suggestions to more thoroughly address the letter and intent of the underlying laws.

Pollution Burden

- Regional airflow patterns, localized meteorological conditions and topographical features such as surrounding mountains can concentrate pollution at higher elevations and hinder dispersal. In the case of ozone, prevailing winds often transport emissions inland before high ozone concentrations are reached, increasing the impacts in rural mountain and foothill areas where the pollution collects. Rural areas also lack monitoring stations to track key air pollutants; therefore, relative impact – regardless of source – is impossible to determine and score fairly.
 - Recommendation: amend criteria to account for these geographic discrepancies; consider allowing submission of localized data to prove impact; fund the placement of sensors in rural areas to provide useful indicator data for future decision-making.
- Ozone and other air quality impacts occurring from wildfires are not taken into account in determining NAAQS non-attainment status, even though wildfires contribute massive amounts of dangerous emissions and affect air quality in rural mountain and foothill communities for much of the summer. Smoke from last year’s Rim Fire outside of Yosemite, for example, created more than 11 million metric tons of GHG emissions, the annual equivalent of tailpipe emissions from 2.3 million cars or the electricity production emissions for 1.5 million homes.
 - Recommendation: include wildfire emissions in attainment and other calculations for purposes of determining impact and funding eligibility.

Population Characteristics

- Certain indicators, such as low birth-weight births or asthma ER visits, are undercounted for rural areas. For example, advanced neo-natal care is not available in many rural areas, so rural residents will travel to urban areas for services. The incidents then get misrepresented as occurring in the area where the service was provided, or they go unreported altogether, as in the case of visits to a rural health clinic, rather than an ER, for asthma attacks.
 - Recommendation: track such data by the residential address of the individual and not by the facility that provided the service.
- Poverty alone is certainly one characteristic; but there are other components that, in combination, better reflect relative degree of disadvantage across geographic areas.
 - Recommendation: include the concepts inherent in the definition of “economically distressed areas,” from Proposition 1 (the Water Quality, Supply, and Infrastructure Improvement Act of 2014) and other state programs, which look at financial hardship and low population density conditions in addition to straight median household income and unemployment rate.

Implementation

- To ensure that DAC program benefits are applied to the most in-need communities in all parts of the state, there should be some consideration for geographic distribution.
 - Recommendation: assign a portion of the DAC percentage allocations to rural areas.
- To ensure that eligible disadvantaged communities truly benefit from projects funded under this and other DAC funding sources, projects should be required to support community and local economic sustainability through expanded access to quality, living-wage jobs and workforce development opportunities, anti-displacement policies, and meaningful public participation and planning.
 - Recommendation: employ community workforce agreements to strengthen job quality standards and conditions and ensure that publicly funded projects recruit and hire local, disadvantaged workers; require projects to demonstrate how they will prevent, monitor and assess displacement; require stronger public participation elements in the project planning and design stages.



In conclusion, we appreciate DAC identification Method #1 because it proposes a transparent and scientific system for identifying disadvantaged communities. However, we find that rural areas are disproportionately eliminated from consideration under the current CalEnviroScreen 2.0 indicators. We ask that the Air Resources Board, in conjunction with CalEPA, amend the scoring criteria to account for missing data, add criteria that more fully represent the range of applicable variables, and/or consider assigning a portion of the DAC allocations to rural areas, so that disadvantaged communities across the state remain eligible and can compete for DAC-related benefits.

Sincerely,

Kerri Timmer
Government Affairs Director