

March 8, 2013

Ms. Mary Nichols
Chair, California Air Resources Board
1001 I Street
Sacramento CA 95814

RE: Investment plan for Cap-and-Trade Auction Revenue

Dear Chairman Nichols:

Thank you for providing the Sacramento Metropolitan Air Quality District (SMAQMD) the opportunity to comment on the Cap-and-Trade Auction Proceeds Investment Plan. We appreciate the California Air Resources Board (CARB) continuous efforts in reducing greenhouse gas emissions (GHG) to improve our State's climate, as well as reducing other forms of air pollution.

We would like to strongly encourage investing a portion of the Cap-and-Trade fee revenues to fund local air districts wood smoke programs throughout the State. Effective wood smoke programs have direct carbon reductions that will help meet the state's GHG emission reduction goals by 2020 and 2050, while also protecting public health by reducing toxic air contaminants, particulates and NO_x. For example, the SMAQMD wood smoke programs have reduced approximately 63,000 tons/yr CO₂-e while helping the Sacramento region meet the federal PM_{2.5} standard. Emission reductions from this incentive program are cumulative, since installed less emissive devices continue reductions year after year.

SMAQMD operates a three part wood smoke program: 1) prohibiting new fireplace and dirty wood burning device installations, 2) providing financial incentives to replace wood burning fireplaces and wood stoves with cleaner, more efficient alternatives (most recently focusing those incentives on low income households), 3) implementing a Check Before you Burn Program (CBYB-Rule 421), which prohibits wood burning when poor air quality is forecast. The District's successful incentive program has replaced over 5,100 devices with lower emitting, more fuel efficient devices. On No-Burn days, the "Check Before You Burn" program achieves a 70% reduction in wood smoke and carbon, toxics, and criteria pollutants. The benefits are most helpful in older communities, including EJ communities, where fireplaces and old, dirty devices are prevalent. The success of our District's wood smoke programs has been essential to the

region's attaining the PM2.5 standard, but our air quality levels are still very close to exceeding standards, and funding for these programs is diminishing.

Even a small amount of additional funding, in Sacramento's case \$300,000 could be matched with the District funding of \$950,000 in the next year, could make a big difference. If funding was provided through the Cap-and-Trade program, local air districts would achieve additional carbon reductions and other air quality benefits by increasing public outreach that improves compliance rates for CBYB programs, and increasing the number of wood burning replacements. It would also further assist the implementation of Senate Bill (SB) 535 (De Leon, Chapter 830) in using the proceeds to benefit disadvantaged communities.

Wood smoke programs provide GHG emission reductions, reduced toxics emissions and can improve overall air quality. Wood smoke programs like the one in Sacramento have the ability to help the State reach its GHG emission reduction goals by 2020 and beyond, help regions meet federal criteria pollutant standards, and improve public health, particularly in low income households. Thank you for the opportunity to provide this input.

Sincerely,

A handwritten signature in black ink, appearing to read "Larry Greene", with a stylized, flowing script.

Larry Greene

Executive Director/Air Pollution Control Officer
Sacramento Metropolitan Air Quality Management District

Cc: Brigette Tollstrup

Aleta Kennard

Janice Lam Snyder