California Council for Environmental and Economic Balance
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January 17, 2017

Richard Corey
Executive Officer
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: Proposed Short-Lived Climate Pollutant Reduction Strategy

Dear Mr. Corey,

On behalf of the members of the California Council for Environmental and Economic Balance ("CCEEB"), we provide you with comments on the Draft Short-Lived Climate Pollutant ("SLCP") Reduction Strategy. CCEEB is a non-profit, non-partisan association of business, labor, and public leaders, which advances balanced policies for a strong economy and a healthy environment.

CCEEB continues to believe the best path to achieving the state's long-range environmental goals—including SLCP-focused reductions—is through an integrated and flexible policy framework that optimizes sustainable and cost-effective GHG reductions across all programs and sectors. By addressing SLCP goals in a way that manages costs and spurs innovation, the State can ensure that California's economic recovery continues. CCEEB recognizes that the California Air Resources Board ("ARB") has been directed by the Legislature to develop this strategy document but it is important to recognize that some of the strategies in this document establish new, additional complementary measures that can potentially undermine the flexibility envisioned by the Cap-and-Trade program. ARB needs to guard against layered regulatory programs that add cost without benefit. ARB should rely on its many existing programs to the greatest extent possible as the starting point for strategies for addressing SLCPs.

Global Warming Potentials ("GWP")

A 100-year global warming potential ("GWP") value is the current internationally accepted standard used across myriad State and Federal regulatory regimes including the ARB's statewide emissions inventory, AB 32 Scoping Plan, and the Cap-and-Trade regulation. The factor change would defeat the internal consistency of the State's policy. ARB should put this change into context for the public and Board's review prior to adoption of the proposed strategy.

Changing 100-year to 20-year GWP factors also alters the cost-effectiveness of the overall program. The AB 32 Scoping Plan, which includes this program, is based on 100-year GWP factors. By changing the calculation to 20-year factors for a limited number of pollutants (SLCPs) results in artificially increasing their cost-effectiveness relative to all of the other measures in the Scoping Plan.

Technological Feasibility and Permitting Barriers

CCEEB believes that the proposed strategy overstates the ability to site, permit, and build many of the required resources to achieve the targets set by staff. It is concerning that regulatory bodies do not acknowledge the difficulty that private business encounters due to substantial permitting barriers that have been developed by layered environmental and land use policies in the state. This is in addition to simple nuisances presented in communities from such things as odors that dedicated food waste collection bins create. While these impediments can be overcome, the strategy should clearly indicate the barriers and discuss legal and regulatory changes that would have to take place in order to achieve the aspirational goals of the proposed strategy. Absent this context, policy makers will simply view the strategy as a guidebook for legislation without the nuance of the full array of policy concerns.

To create further clarity CCEEB recommends that staff complete a pathway analysis prior to finalizing the proposed strategy. While treated as an aspirational goal-setting exercise, the development of a SLCP strategy needs more detail on the feasibility of actually achieving the goals. Also of concern is that these goals are directly related to the global goals, which have not been put into the context of California's far more stringent air and climate legal and regulatory structure, and which account for the proactive approach that this state has taken.

For example, the SLCP strategy includes a sector-specific target for the oil and gas sector of 45% methane emissions reductions below 2013 levels by 2030. The framework for achieving these reductions refers to three ongoing rulemakings (the Leak Abate Order Instituting Rulemaking at the CPUC, ARB's Oil and Gas Rule and the Division of Oil, Gas, and Geothermal Resources' Underground Gas Storage rulemaking). However, the SLCP strategy does not include a comprehensive perspective on the collective emissions reductions from these rulemakings.
ARB should include an examination of emission reductions from each of the regulations referenced in the Revised Strategy's framework as well as their cost-effectiveness and technical potential before setting sector-specific emission targets.

Resources Needed to Achieve SLCP Targets

The goals of SB 1383 as well as the SLCP are ambitious requiring significant short- and long-term investments, perhaps in the billions of dollars. As an example, meeting the organic diversion goals of SB 1383 will require building the necessary infrastructure in the waste sector estimated by industry in the $1 to $2 billion range by 2025, yet to date, Cap-and-Trade allocations towards these ends has been a fraction of this amount. In fact, despite the recognized importance of reducing the short-lived pollutants to the overall SB 32 goals, the Governor's latest proposed budget includes less than 5% of the total GGRF funds for SLCP reduction. If the state is serious about achieving the ambitious goals outlined in the SLCP strategy, funding programs should be re-aligned to provide a greater percentage to SLCP reduction.

Leverage Existing Regulations

CCEEB appreciates ARB's inclusion of existing regulations and believes that a comprehensive review of federal and State control measures will provide a vast majority of the reductions needed to achieve the State's goal and demonstrate that SLCP emissions will be significantly reduced directly or indirectly in the future. For example, according to ARB's own data, most black carbon in California comes from wood burning and forest fires. Wood burning is increasingly regulated by regional air districts. Moreover, regulation of particulate matter ("PM") under both Federal and State laws has already reduced black carbon by 85 percent from 1990 levels.[1] CCEEB believes that inclusion of forestry management practices is vital and will have substantial benefits across multiple pollutant categories including the reduction of black carbon from forest fires.

Black Carbon

CCEEB remains concerned that ARB has chosen to avoid the largest contributor of black carbon in the state, forest fires. It is clear that policy decisions on forestry management and fire suppression have led to anthropogenic black carbon from forest fires. Federal and State policies created a large inventory of fuel that is susceptible to natural or human caused fires that ultimately end up uncontrollable for days and even weeks. These substantial forest fires release a vast majority of California's black carbon emissions each year. CCEEB would like to see a greater emphasis on forestry management as a cost-effective strategy to manage black carbon emissions in California with tremendous co-benefits.

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[1] ARB lecture shows that large decadal trends in black carbon concentrations are largely in response to policies enacted to decrease PM emissions from diesel combustion: http://www.arb.ca.gov/research/lectures/speakers/ramanathan/ramanathan.pdf

Conclusion

Thank you for allowing us the opportunity to comment. Please contact me or Jackson R. Gualco, Kendra Daijogo or Mikhael Skvarla, CCEEB's governmental relations representatives at The Gualco Group, Inc. at (916) 441-1392, if you have any questions regarding our comments. We welcome the opportunity to discuss any climate change-related matter of significance to the CCEEB membership.

Sincerely,

Gerald D. Secundy

GERALD D. SECUNDY
President

cc: Honorable Chair & Members of the Air Resources Board
Mr. David Mehl
Ms. Sarah Pittiglio
Ms. Marcelle Surovik
Mr. William J. Quinn
Ms. Janet Whittick
The Gualco Group, Inc.