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AIR QUALITY
MANAGEMENT
DISTRICT
SINCE 1955

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(Chairperson)

Jack P. Broadbent
EXECUTIVE OFFICER/APCO

December 3, 2008

Mary Nichols, Chairman
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Dear Chairman Nichols:

The Bay Area Air Quality Management District (Air District) commends the California Air Resources Board (ARB) for the significant achievement it has made in preparing a far-reaching and aggressive Climate Change Proposed Scoping Plan for AB 32 implementation. It is clear that a great deal of thoughtful effort and collaboration has gone into the development of the Plan and we praise you and ARB staff on this tremendous effort.

Global climate change is arguably one of the greatest challenges faced by humankind in the twenty-first century. In the Bay Area we will be facing rising temperatures that make it ever more difficult to attain compliance with state and federal clean air standards, reduced snowpack that limits our water supplies, and rising sea levels that will threaten existing public and private infrastructure. Since establishing its Climate Protection Program in 2005, the Air District has made climate protection a top priority. The Air District seeks to support and complement current climate protection programs in the state and the region, stimulate additional emission reduction efforts through public education, outreach, and technical assistance to local governments and other interested parties, and promote collaboration among stakeholders. It is in this spirit of collaboration that the Air District shares the following recommendations with ARB to strengthen the Proposed Scoping Plan implementation.

- 1) Recognizing that local air districts already have established relationships with stationary sources of greenhouse gas emissions, and programs in place to permit, regulate and verify emissions from those sources, the Air District recommends that ARB recognize the appropriateness of local air districts to implement greenhouse gas reduction rules applying to sources within their jurisdiction.
- 2) Due to the costs associated with rule development, administration and enforcement activities, the Air District recommends that ARB acknowledge the establishment of cost recovery mechanisms by implementing agencies. Such mechanisms may include direct fees or upstream funding provided by the state.



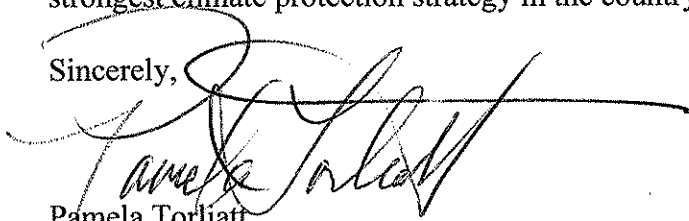
Save the Air

- 3) The Air District has participated in ARB's protocol development and recommends that ARB expand the breadth of protocols under development and designate resources to accelerate protocol development in a collaborative and transparent manner.
- 4) Given the clear role local air districts play in regulating stationary sources of criteria pollutants, toxic air contaminants and greenhouse gas emissions, through rule development, permitting and compliance, the Air District recommends that ARB clearly articulate a collaborative process with local air districts to develop a workplan for local air district participation in AB 32 implementation.
- 5) Finally, the Air District recommends that the Scoping Plan lay out a stronger role for local land use planning in the overall emission reduction strategy. This should be reflected in a significant increase of the anticipated reduction from local land use planning from the 5 MMT figure currently listed in the Plan. In order to empower local governments to accelerate their implementation of emission-reducing policies and projects, the Air District recommends that the Scoping Plan include clearly defined resources from the state to support local efforts, such as increased funding and financing, additional quantification protocols, and targeted technical assistance. The attached principles from the Air District's Advisory Council address these and other issues.

The Air District supports the resolution language submitted by CAPCOA (attached) as a mechanism for addressing these Scoping Plan implementation issues.

On behalf of the Bay Area Air Quality Management District, I applaud the work that you and your staff have done to date on the Scoping Plan. The Air District looks forward to continued collaboration and partnership with ARB in implementing the strongest climate protection strategy in the country.

Sincerely,



Pamela Torliatt
Chair, Board of Directors
Bay Area Air Quality Management District

Attachment(s)

Advisory Council Principles
CAPCOA Resolution

Bay Area Air Quality Management District
Advisory Council Principles on the AB 32 Scoping Plan
Adopted September 10, 2008

1. Climate protection actions can and should reinforce current efforts to reduce criteria and toxic air contaminants. Other benefits include lower heating and cooling costs, reduced water use and improvements in energy efficiency and public health;
2. Given that the transportation sector contributes approximately 40% of all global warming emissions in California, the Scoping Plan needs to include more aggressive emission reduction targets for land use and transportation. The plan should encourage efficient, non-auto dependent growth and compact development close to resources, jobs and transit;
3. By taking a strong leadership role now, California will realize compounded and co-occurring benefits from future land use and transportation planning undertaken now. Actions not taken will cost all Californians more in the future;
4. Given that bus and train ridership is at an all-time high in California and that transit agencies are chronically underfunded, the Scoping Plan needs to address crucial transit investments and promote transportation efficiency to give Californians better transportation options, including biking and walking;
5. The California Air Resources Board (CARB) should set firm targets for regions but authorize regions and localities to choose from a flexible set of policy tools to achieve the targets. Targets need to be set using a transparent, justifiable methodology, and once set progress should be measured in the same process and reviewed in shorter timeframes in order for it to be consistent over the years;
6. The Air District supports the adoption of a series of key policy tools currently under consideration, including the Indirect Source Rule, Pay-As-You Drive Insurance, Congestion Pricing and incentive programs. Other innovative measures could include alternative parking management practices (e.g. the "SFPark Program), speed reduction measures and new carbon fees to assist and reward jurisdictions successful in meeting planned targets;
7. The plan should make it a top priority to invest in and sustain public transportation and programs to improve transportation efficiency and reduce congestion. In many cases, the state, regions, and local agencies can simply redirect funds they are already going to spend. For instance, the statewide plan should encourage metropolitan planning organizations to re-examine committed funds in their long-term transportation plans;
8. Cities, counties and regions should be given incentives to develop in less fire-prone areas, manage vegetation and conserve forests and agriculture in order to sequester carbon and improve air quality.

**CAPCOA Recommended Additions to the Adopting Resolution
for the Proposed Scoping Plan**

WHEREAS, the CARB Board wishes to ensure efficient and effective implementation of the Scoping Plan and its implementing regulations and programs; and

WHEREAS, the CARB Board believes the existing air pollution control program provides a sound platform for state direction and oversight of local implementation and enforcement of greenhouse gas requirements for stationary sources; and

WHEREAS, the CARB Board wishes to promote integration of requirements for stationary sources across criteria, toxic, and greenhouse gas air pollution programs, and to minimize duplication, redundancy, and costs;

THEREFORE BE IT RESOLVED, that the CARB Board directs staff that as state rules are developed for sources that are under local air district permitting and/or compliance programs that enable permitting and enforcement of these rules at the local level to maximize administrative efficiency and take advantage of the expertise and resources that are available; and

BE IT FURTHER RESOLVED, that the CARB Board directs staff to propose in each rule, a mechanism for cost recovery where local air districts would collect fees for rules that they are implementing, and pass a portion of the fees on to CARB, as appropriate, and to provide local air districts the option to adjust their portion of the fees, if needed; and

BE IT FURTHER RESOLVED, that the CARB Board directs staff to devote resources to work with CAPCOA on development of additional emission quantification protocols and to review and consider approval of the protocols in a timely manner; and

BE IT FURTHER RESOLVED, that the CARB Board directs staff to work with CAPCOA to develop a workplan for air district participation in AB 32 implementation (i.e., permitting, enforcement, protocol development, emission inventory, local government outreach, and other applicable areas) and bring the workplan to the CARB Board for review and approval in Spring 2009.