

**Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 771-6000**

APPROVED MINUTES

Summary of Board of Directors
Climate Protection Committee
9:30 a.m., Thursday, June 7, 2007

- 1. Call to Order - Roll Call:** Chair Pamela Torliatt called the meeting to order at 9:35 a.m.

Present: Pamela Torliatt, Chair, Tom Bates, Chris Daly, Erin Garner (9:45 a.m.), John Gioia (9:45 a.m.), Scott Haggerty (9:58 a.m.), Yoriko Kishimoto, Jake McGoldrick.

Absent: Gayle B. Uilkema.

Also Present: Mark Ross, Board Chair.

- 2. Public Comment Period:** There were none.

- 3. Approval of Minutes of May 3, 2007:** Director Kishimoto moved approval of the minutes; seconded by Director Bates; carried unanimously without objection.

- 4. Opportunities For Greenhouse Gas (GHG) Reductions From Stationary Sources:**
Consultant from URS Corporation provided an overview of the study recently completed for the District, "Opportunities for Further GHG Reductions for the BAAQMD Stationary Sources."

Henry Hilken, Director of Planning, Rules & Research, introduced the topic and stated that Mark Strehlow, PE, Senior Projects Manager, consultant from URS Corporation will present the report.

Directors Erin Garner and John Gioia arrived at 9:45 a.m.

Mr. Strehlow presented the report of the region-wide study conducted to identify and evaluate potential retrofit GHG mitigation technologies for permitted stationary sources in the Bay Area region. The overall framework of the study was to identify the most significant industries and subsequent source categories contributing to GHG emissions, identify potential mitigation options for controlling the GHG emissions, and evaluate the effectiveness, costs and impacts of each of the most promising options.

The basis of selecting the source categories to be evaluated was the draft GHG emissions inventory from the Air District. The sources identified for evaluation included stationary combustion and process sources in electrical power, cement manufacturing, landfills, wastewater treatment plants, and petroleum refinery and chemical manufacturing plants. For each source category identified as high priority for evaluation within the study, potential GHG mitigation options were identified. Mr. Strehlow provided an overview of the mitigation options, estimated cost effectiveness for each representative facility, and prioritization and ranking of mitigation options.

In conclusion, Mr. Strehlow outlined the following recommendations made by URS Corporation to the District for the next phase: (1) to consider the above average mitigation options, along with biotic cover and biofiltration options, for further evaluation of applicability in a more focused study; (2) to conduct a detailed cost/benefit analysis of site-specific application of each selected technology; (3) to conduct a comparable analysis of mitigation options for new sources in order to identify the technologies of most importance in achieving the long-term goals; and (4) to evaluate reduction potential, costs, impacts and implementation barriers.

Director Scott Haggerty arrived at 9:58 a.m.

Mr. Strehlow and staff responded to the Committee's questions. In response to the Committee's request, staff provided each member with a copy of the GHG Emission Trends for the Bay Area by Major Sources for the period 1990 to 2016.

In response to Chair Torliatt's question regarding the feasibility of the Air District's authority to regulate carbon and how it would fit into the context of this study, Jack Broadbent, Executive Officer/APCO mentioned that the Board of Directors, at its meeting on June 6, 2007, had suggested to staff to investigate this issue further. Mr. Broadbent stated that staff will bring back the results of its investigations to the Committee at a future meeting. In addition, the Air District Counsel's office will review the issue to look at what the Air District's authority might be, and will provide counsel to the Committee on how to proceed.

Committee Action: The Committee accepted the report, as presented.

5. Phase II Opportunities For Greenhouse Gas (GHG) Reductions From Stationary Source Study: *The Committee considered recommending Board of Directors' approval of a Phase II study of opportunities for greenhouse gas reductions from stationary sources..*

Mr. Broadbent introduced the item by explaining that under Phase I of the study, a broad review of the categories was conducted. The District has been on the forefront and initiated this effort before AB 32 was introduced, and has now taken further steps to conduct this study which is a more focused review of some explicit categories. The District will also be reviewing its rules to see if they can be amended to obtain additional reductions. Mr. Broadbent informed the Committee that the California Air Resources Board (CARB) is moving forward with its regulatory structure as well, and the District will need to be flexible in implementing its next steps in conjunction with CARB's initiatives.

Mr. Hilken introduced Alex Ezersky, Principal Air Quality Specialist, who then presented information on the Opportunities for GHG Reduction Phase II Study. Mr. Ezersky provided a summary of the work performed to date; recommendations for next steps and an explanation for those recommendations.

Staff recommended the following:

1. Board of Directors approval of URS Corporation as the contractor to conduct Phase II study on opportunities for further reduction of GHG; and
2. Board of Directors authorization for the Executive Officer to execute a contract with the selected contractor for an amount not to exceed \$95,000 to conduct the study.

There was extensive discussion on staff's recommendation for Phase II of the study. In response to Director Garner's inquiry to receive more specific details regarding the scope of work to be performed in Phase II, Mr. Ezersky explained that it would be a quantitative assessment and a more focused study.

In response to Director Haggerty's question regarding the connection between this Committee and the Stationary Source Committee, and as to why the scope of the Stationary Source Committee is so limited, Mr. Broadbent explained that since the study is looking specifically at carbon dioxide (CO₂) and methane reductions, the data and results were first brought to this Committee since it is focused on climate protection. The Stationary Source Committee is focused on more traditional ozone precursors and particulate matter efforts. However, there is an overlap between the two Committees. Jean Roggenkamp, Deputy APCO, mentioned that one of the results of the Phase II study would be ways to modify the District's rules and regulations and at that time it would be essential to take that initiative to the Stationary Source Committee. Director Haggerty recommended that the Stationary Source Committee be kept in the loop on the data and results of this study even though there are some overlaps.

In response to Chair Torliatt's inquiry as to when the Committee would be proactively addressing new construction and new development sources as opposed to only retrofit sources, Ms. Roggenkamp stated that one of the points made by the California Air Pollution Control Officers' Association (CAPCOA) to the ARB was on how they go about regulating stationary sources under AB32 and to ensure that there are GHG reductions as well as criteria pollutants and toxics. The District has not yet heard back from ARB in terms of their perspective on AB32 and its implementation.

In response to Board Chairperson Ross' inquiry if it would be possible to include a subset to the Phase II study by including sources such as agricultural and chicken waste and reclamation waste, Mr. Broadbent explained that because of the real time nature of the AB32 implementation, the contract for the Phase II study will need to be written more flexibly so as to not only include categories that have already been identified, but to also look at some of these other suggested categories. If necessary, staff will bring this item back to the Committee for additional augmentation if some of these other sources need to be included.

Committee Action: Director Daly moved that the Committee recommend Board of Directors' approval of the following: (1) URS Corporation as the contractor to conduct the Phase II study on GHG reductions from stationary sources; and (2) Authorize the Executive Officer/APCO to execute a contract with URS Corporation in an amount not to exceed \$95,000. The Committee directed staff to provide more specific detail on the scope of work to be performed by the contractor in Phase II of the study. The motion was seconded by Director Haggerty; carried unanimously without objection.

6. Discussion on Establishment of Foundation: *The Committee discussed establishing a foundation.*

Brian Bunger, District Counsel presented information on the establishment of a foundation and discussed its potential purposes, activities and steps for creating it and explained that its purpose would be broader than simply focusing on climate change activities.

There was an extensive discussion and Mr. Bunger responded to the Committee's questions. Chair Torliatt recommended that the Budget and Finance Committee also be involved in this issue and requested staff to provide the criteria for distributing the \$3 million Climate Protection Grant Program funds at the Committee's next meeting.

Committee Action: The Committee accepted the information and report.

7. Committee Members' Comments: There were none.

8. Time and Place of Next Meeting: 9:30 a.m., Thursday, July 19, 2007 – 939 Ellis Street, San Francisco, CA 94109.

9. Adjournment: The meeting was adjourned at 11:00 a.m.

/s/ Neel Advani
Neel Advani
Deputy Clerk of the Boards