

BOARD MEETING DATE: December 2, 2016

AGENDA NO. 30

REPORT: California Air Resources Board Monthly Meeting

SYNOPSIS: The California Air Resources Board met on November 17, 2016, in Sacramento, CA. The following is a summary of this meeting.

RECOMMENDED ACTION:
Receive and File.

Judith Mitchell, Member
SCAQMD Governing Board

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The Air Resources Board's (ARB or Board) November meeting was held on November 17, 2016 in Sacramento at the California Environmental Protection Agency Headquarters Building. Key items presented are summarized below.

Discussion Items

1. Public Meeting to Hear a 2016 Legislative Update

The Board heard highlights of air quality and climate change legislation from the second year of the 2015-2016 California State (State) legislative session from the ARB Legislative Director. The Director reviewed State legislature activity of importance to ARB over the past year such as post-2020 climate action, environmental justice, legislative oversight, and cap-and-trade auction proceeds. In addition, the Director discussed legislature activity regarding the unexpected environmental crises caused by the Volkswagen emission scandal and the Aliso Canyon gas leak. Finally, the Director gave an overview of upcoming State legislative action that ARB will be following.

2. Public Meeting to Consider the Proposed Amendments to the Evaporative Emission Requirements for Small Off-Road Engines

The Board approved amendments to address low compliance of small off-road engines (SORE) with existing evaporative emission standards. SORE are used to power a broad range of lawn and garden equipment as well as generators and small industrial equipment. The amendments will strengthen enforcement provisions, update fuel requirements used for certification to current fuel sold in California, and provide an optional streamlined fuel tank test procedure that will better harmonize with U.S. EPA requirements. In response to stakeholder comments, staff has included 15-day changes to address emissions from fuel caps, fuel lines and canister purging requirements. In the presentation, staff also discussed possible actions to achieve significant additional emission reductions from SORE using currently available technology in order to meet air quality and climate goals. A demonstration of electric lawn and garden equipment was on display at the California Environmental Protection Agency Building to showcase this available clean equipment.

SCAQMD Staff Comments/Testimony: Staff provided comments supporting CARB staff proposed amendments to the Small Off-Road Engine (SORE) Regulation to tighten compliance requirements for the evaporative emission standards. Staff indicated that the VOC evaporative emissions from SORE equipment contribute to the ozone air quality problem in the South Coast Air Basin and reducing VOC emissions is still necessary for the region to attain the ozone air quality standards. More importantly, evaporative emissions from gasoline-powered equipment have a direct air toxic exposure impact to the operators of such equipment. Air monitoring measurements from the MATES IV showed that benzene and butadiene (two components of gasoline fuel) account for around 16 percent of the total risk in the Basin. Staff indicated that the proposed amendments should not be delayed to 2018 as requested by the industry given the direct exposure to gasoline evaporative emissions to operators of the equipment.

3. Public Meeting to Hear an Informational Item on the AB 32 Scoping Plan Development

The Board heard an overview of the 2030 Target Scoping Plan objectives, greenhouse gas (GHG) emission sources, GHG modeling results and draft policy scenarios developed to meet the 2030 GHG target. The current 2030 baseline policies do not achieve the 2030 target and leave a gap in reductions needed by 2030. Three scenarios were discussed as potential options to fill this gap. The scenarios included the draft Scoping Plan Policy Scenario (including Cap-and-Trade and reducing GHG at refineries), a no Cap-and-Trade alternative (including measures to increase the stringency of existing regulations and to reduce GHG at major sources), and a Carbon Tax alternative (including GHG reductions at refineries). Staff also discussed the

importance of local government actions in meeting the 2030 GHG goals. This informational update allowed stakeholders and board members to discuss the policies and economic modeling results before staff makes recommendations for measures in the 2030 Target Scoping Plan. Staff plans to release a discussion draft in late November and a proposed Scoping Plan in early January. The Board will hear the proposed Scoping Plan as an informational item in January 2017, with projected consideration of the final Scoping Plan in the spring of 2017.

4. Public Meeting to Update the Board on the Cap-and-Trade Adaptive Management Process

The Board heard an update on the Cap-and-Trade Adaptive Management Process. Adaptive management establishes methods to identify and track emission increases, if any, leading to the detriment of local air quality that is directly attributable to implementing the Cap-and-Trade Program. The presentation included discussion of the broader effort to focus on actions to achieve additional emission reductions at mobile and industrial sources. This effort will address near-term toxic exposure through joint ARB/district action, develop state measures to reduce criteria pollutants, toxics, and GHG emissions from mobile sources, use the latest science to assess health impacts and prioritize actions, and implement adaptive management to avoid emission increases due to Cap-and-Trade. ARB staff previewed a new visualization tool for presenting emissions of both criteria pollutants and greenhouse gas emissions from facilities included in ARB's Mandatory Reporting Regulation. A full analysis of 80 communities with Cap-and-Trade covered facilities will be included with the Draft Adaptive Management Report to be released in the spring of 2017. This report is scheduled to be brought before the Board in the summer of 2017.

5. Annual Update to the Board on the Cap-and-Trade Program

The Board heard an update on the status of California's Cap-and-Trade Program, including information on recent auctions, compliance events, the offsets program, linkage with other jurisdictions, and the status of proposed amendments to the program brought to the Board in September. Staff will continue the public process for the 2016 amendments with two 15-day regulatory packages to allow additional public comments. Staff plans to bring the amendments to the Cap-and-Trade Program to the Board for final consideration in spring 2017.

Attachment

CARB November 17, 2016 Meeting Agenda

LOCATION:

California Environmental Protection Agency
Air Resources Board
Byron Sher Auditorium, 2nd Floor
1001 I Street
Sacramento, California 95814

PUBLIC MEETING AGENDA

November 17, 2016

[Webcast](#)

This facility is accessible by public transit. For transit information, call (916) 321-BUSS, website:

<http://www.sacrt.com>

(This facility is accessible to persons with disabilities.)

TO SUBMIT WRITTEN COMMENTS ON AN AGENDA ITEM IN ADVANCE OF THE MEETING GO TO: <http://www.arb.ca.gov/lispub/comm/bclist.php>

Thursday
November 17, 2016
9:00 a.m.

DISCUSSION ITEMS:

Note: The following agenda items may be heard in a different order at the Board meeting.

Agenda Item #

16-10-1: Public Meeting to Hear a 2016 Legislative Update

The Board will hear highlights of air quality and climate change legislation from the second year of the 2015-2016 legislative session from the Air Resources Board Legislative Director.

[More Information](#)

[Staff Presentation](#)

16-10-2: Public Meeting to Consider the Proposed Amendments to the Evaporative Emission Requirements for Small Off-Road Engines

The Board will consider amendments to address non-compliance of small off-road engines (SORE) with existing evaporative emission standards, as well as amendments to streamline the certification process by harmonizing where feasible with federal requirements. SORE are used to power a broad range of lawn and garden equipment as well as generators and small industrial equipment. Staff will also present to the Board a vision for achieving significant additional emission reductions from SORE in order to meet air quality and climate goals. As part of this Board item, a showcase of electric lawn and garden equipment will be displayed inside and adjacent to the California Environmental Protection Agency Building.

[More Information](#)

[Staff Presentation](#)

16-10-3: Public Meeting to Hear an Informational Item on the AB 32 Scoping Plan Development

Spanish translation will be provided at the Board Meeting for this item, Item 16-10-3.

The Board will hear a summary of draft policy scenarios developed as part the 2030 Target Scoping Plan Update. These scenarios will include policies that may be recommended to help the State achieve the 2030 greenhouse gas limit. This is an informational update that will allow stakeholders and board members to discuss the policies and economic modeling results before staff recommends a suite of measures for the 2030 Target Scoping Plan.

[More Information](#)

[Staff Presentation](#)

16-10-4: Annual Update to the Board on the Cap-and-Trade Program

Spanish translation will be provided at the Board Meeting for this item, Item 16-10-4.

The Board will hear an update on the status of California's Cap-and-Trade Program, including information on recent auctions, compliance events, the offsets program, linkage with other jurisdictions, and the status of currently proposed amendments.

[More Information](#)

[Staff Presentation](#)

16-10-5: Public Meeting to Update the Board on the Cap-and-Trade Adaptive Management Process

Spanish translation will be provided at the Board Meeting for this item, Item 16-10-5.

The Board will hear an update of the Cap-and-Trade Adaptive Management Process. Adaptive management involves establishing a process to identify and track emissions increases, if any, that are directly attributable to implementing the Cap-and-Trade Program. This process would also identify potential ways to address any increases that might be identified.

[More Information](#)

[Staff Presentation](#)

CLOSED SESSION

The Board will hold a closed session, as authorized by Government Code section 11126(e), to confer with, and receive advice from, its legal counsel regarding the following pending or potential litigation, and as authorized by Government Code section 11126(a):

POET, LLC, et al. v. California Air Resources Board, et al., Superior Court of California (Fresno County), Case No. 15CECG03380.

American Fuels and Petrochemical Manufacturers, et al. v. Jane O'Keeffe, et al., U.S. District Court (D. Ore. Portland), Case No. 3:15-CV-00467; Plaintiffs' appeal, U.S. Court of Appeals, Ninth Circuit, Case No. 15-35834.

POET, LLC, et al. v. Corey, et al., Superior Court of California (Fresno County), Case No. 09CECG04659; plaintiffs' appeal, California Court of Appeal, Fifth District, Case No. F064045; California Supreme Court, Case No. S213394 [remanded to trial court]; plaintiff's appeal of trial court order discharging peremptory writ of mandate, Court of Appeal, Fifth District, Case No. F073340.

Rocky Mountain Farmers Union, et al. v. Corey, U.S. District Court (E.D. Cal. Fresno), Case No. 1:09-CV-02234-LJO-DLB; ARB interlocutory appeal, U.S. Court of Appeals, Ninth Circuit, Case No. 09-CV-02234 [remanded to trial court].

American Fuels and Petrochemical Manufacturers, et al. v. Corey, et al., U.S. District Court (E.D. Cal. Fresno), Case No. 1:10-CV-00163-AWI-GSA; ARB's interlocutory appeal, U.S. Court of Appeals, Ninth Circuit, Case No. 10-CV-00163 [remanded to trial court].

California Chamber of Commerce et al. v. California Air Resources Board, Sacramento Superior Court, Case No. 34-2012-80001313; plaintiffs' appeal, California Court of Appeal, Third District, Case No. C075930.

Morning Star Packing Company, et al. v. California Air Resources Board, et al., Sacramento Superior Court, Case No. 34-2013-800001464; plaintiffs' appeal, California Court of Appeal, Third District, Case No. C075954.

Kimberly-Clark Worldwide, Inc. v. California Air Resources Board, et al., Sacramento County Superior Court, Case No. 34-2015-80002246.

Sowinski v. California Air Resources Board, et al., United States District Court for the Central District of California, Case No. 8:15-cv-02123.

State of West Virginia et al. v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 15-1363.

Murray Energy Corporation v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 15-1385.

State of North Dakota, et al. v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 16-1242.

Alliance for California Business v. California Air Resources Board, et al., Glenn County Superior Court, Case No. 13CV01232.

Dalton Trucking, Inc. v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 13-1283 (dismissed), U.S. Court of Appeals, Ninth Circuit, Case No. 13-74019.

Owner-Operator Independent Drivers Association Inc. et al. v. Corey et al., U.S. District Court, (E.D. Cal. Fresno) Case No. 1:13-CV-01998-LJO-SAB (transferred by court to E.D. Cal. Sacramento, Case No. 2:14-CV-00186-MCE-AC), plaintiffs' appeal U.S. Court of Appeals, Ninth Circuit, Case Nos. 15-72101 and 15-16429.

Jack Cody dba Cody Transport v. California Air Resources Board, et al., Sacramento Superior Court, Case No. 34-2015-80002116; plaintiff's appeal, Court of Appeal, Third District, Case No. C083083.

John R. Lawson Rock & Oil, Inc. et al. v. California Air Resources Board et al., Fresno County Superior Court, Case No. 14-CECG01494; ARB's appeal, Court of Appeal, Fifth District, Case No. F074003.

Transportation Solutions Defense and Education Fund v. California Air Resources Board, Fresno County Superior Court, Case No. 14CECG01788 (plaintiff's transfer to Sacramento Superior Court, Case No. 34-2014-80001974-CU-WM-GDS).

Meeks v. California Air Resources Board, et al. Los Angeles County Superior Court, Case No. BC592558.

Adam Brothers Farming, Inc. v. California Air Resources Board, et al., Santa Barbara County Superior Court, Case No. 15 CV04432.

In re: Volkswagen "Clean Diesel" MDL, United States District Court, Northern District of California, Case No. 15-MD-2672-CRB (JSC).

American Coating Association, Inc. v. State of California and California Air Resources Board, Sacramento County Superior Court, Case No. 04CS01707.

Hamilton v. California Air Resources Board, et al., U.S. District Court for the Eastern District of California, Case No. 1:15-CV-01942-AWI-SKO.

Mahan v. California Air Resources Board, Sacramento County Superior Court, Case No. 34-2016-80002416.

California Air Resources Board v. Adam Brothers Farming Inc., Santa Barbara County Superior Court, Case No. 16CV01758.

California Air Resources Board v. SSA Containers, Inc., Los Angeles County Superior Court, Case No. BC628573 and No. BC628722.

People v. Southern California Gas Company, Los Angeles Superior Court, Case No. BC 602973.

California Air Resources Board v. BP West Coast Products LLC, Contra Costa County Superior Court, Case No. C12-00567.

California Air Resources Board v. West Coast Diesel, Inc., Fresno County Superior Court, Case No. 15 CECG 03337.

OPPORTUNITY FOR MEMBERS OF THE BOARD TO COMMENT ON MATTERS OF INTEREST

Board members may identify matters they would like to have noticed for consideration at future meetings and comment on topics of interest; no formal action on these topics will be taken without further notice.

OPEN SESSION TO PROVIDE AN OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD ON SUBJECT MATTERS WITHIN THE JURISDICTION OF THE BOARD

Although no formal Board action may be taken, the Board is allowing an opportunity to interested members of the public to address the Board on items of interest that are within the Board's jurisdiction, but that do not specifically appear on the agenda. Each person will be allowed a maximum of three minutes to ensure that everyone has a chance to speak.

TO ELECTRONICALLY SUBMIT WRITTEN COMMENTS ON AN AGENDA ITEM IN ADVANCE OF THE MEETING GO TO:

<http://www.arb.ca.gov/lispub/comm/bclist.php>

(Note: not all agenda items are available for electronic submittals of written comments.)

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE CLERK OF THE BOARD:

1001 I Street, 23rd Floor, Sacramento, California 95814

(916) 322-5594

ARB Homepage: www.arb.ca.gov

SPECIAL ACCOMMODATION REQUEST

Consistent with California Government Code Section 7296.2, special accommodation or language needs may be provided for any of the following:

- An interpreter to be available at the hearing;
- Documents made available in an alternate format or another language;
- A disability-related reasonable accommodation.

To request these special accommodations or language needs, please contact the Clerk of the Board at (916) 322-5594 or by facsimile at (916) 322-3928 as soon as possible, but no later than 7 business days before the scheduled Board hearing. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Consecuente con la sección 7296.2 del Código de Gobierno de California, una acomodación especial o necesidades lingüísticas pueden ser suministradas para cualquiera de los siguientes:

- Un intérprete que esté disponible en la audiencia
- Documentos disponibles en un formato alterno u otro idioma
- Una acomodación razonable relacionados con una incapacidad

Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor llame a la oficina del Consejo al (916) 322-5594 o envíe un fax a (916) 322-3928 lo más pronto posible, pero no menos de 7 días de trabajo antes del día programado para la audiencia del Consejo. TTY/TDD/Personas que necesiten este servicio pueden marcar el 711 para el Servicio de Retransmisión de Mensajes de California.