



AGENDA
PCAPCD Board of Directors Meeting
Thursday, October 14, 2021, at 2:30 PM
Board of Supervisors Chambers
175 Fulweiler Avenue, Auburn, CA 95603

Meeting’s Public Participation Procedures:

Any person who wishes to address the Board regarding any item not on the agenda, but within the jurisdiction of this Board, may do so during the public comment period. However, the Board is not permitted to take action or engage in discussion on topics which are not on the agenda. All items on the agenda will be open for public comments before final action is taken. The Board requests public commenters state your name and association for the record before you speak. There is a 5-minute time limit per speaker, and a 15-minute total comment period per agenda item. The Chair has the discretion to limit the total discussion time on any item.

Call to Order

Flag Salute

Roll Call / Determination of a Quorum

Approval of Minutes: August 12, 2021

Public Comment

Consent: Item 1

These items are expected to be routine and non-controversial. The Board will act upon these items at one time without discussion. Any Board member, Staff member, or interested citizen may request that an item be removed from the consent calendar for discussion.

- 1. Designation of Members of the Mountain Counties Basinwide Air Pollution Control Council and the Sacramento Valley Basinwide Air Pollution Control Council for 2022.**
For the 2022 calendar year, designate Placer County Air Pollution Control District Board members to the Basinwide Air Pollution Control Councils (BCC’s) as follows: Mountain Counties BCC: Jim Holmes as primary and Trinity Burruss as alternate; Sacramento Valley BCC: Jeff Duncan as primary and Scott Alvord as alternate. If any of the jurisdictions appoint new District Board members in 2022, the designated members from that jurisdiction will assume the associated role on the BCC’s.

Information: Items 2, 3 and 4

- 2. 2021 Wildfire Smoke Update.** *No action requested. This is an informational item to provide an update on 2021 wildfire smoke incidents.*

- 3. Update on State Energy Projects and Public Safety Power Shutoff Activity.** *No action requested. This is an informational item to provide an update on the District’s activities related to the State Power Augmentation Project, Public Safety Power Shutoff activities, and other energy demand response programs.*

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- Page 16 **4. District's Incentive Grant Programs Update.** *No action requested. This is an informational item to provide an update regarding the current incentive programs managed by the District in Fiscal Year 2021-22.*

Air Pollution Control Officer Report

- A. General APCO Updates
- B. Holiday Office Closure Schedule
- C. Fiscal update – financial report to be provided at or prior to meeting

Meeting Adjournment

Next regularly scheduled Board Meeting: December 9, 2021, at 2:30 PM

Placer County Air Pollution Control District is committed to ensuring that persons with disabilities are provided the resources to participate fully in its public meetings. If you require disability-related modifications or accommodations, please contact the Clerk of the Board. All requests must be in writing and must be received by the Clerk five business days prior to the scheduled meeting for which you are requesting accommodation. Requests received after such time will be accommodated only if time permits.

Materials related to this meeting which are provided to Board members are available for public inspection at the meeting and during business hours at the Air Pollution Control District office at 110 Maple Street, Auburn, CA 95603. District Office Telephone: (530) 745-2330.



MINUTES
PCAPCD Board of Directors Meeting
Thursday, August 12, 2021, at 2:30 PM
Board of Supervisors Chambers
175 Fulweiler Avenue, Auburn, CA 95603
and Via Zoom Meeting ID: 947-7673-8252

Zoom Meeting Information:

Zoom Meeting link: <https://placer-ca-gov.zoom.us/j/94776738252>

Meeting ID: 947-7673-8252

Via telephone: (877) 853-5247 (Toll Free)

The Board of Directors of the Placer County Air Pollution Control District met for a regular meeting at 2:30 PM, Thursday, August 12, 2021, at the Placer County Board of Supervisors' Chambers, 175 Fulweiler Avenue, Auburn, California.

The meeting was called to order by Chairperson, Robert Weygandt. Roll call was taken by the Clerk of the Board, with the following members in attendance via Zoom teleconference: Scott Alvord, Daniel Berlant, Trinity Burruss, Jeff Duncan, Suzanne Jones, and Alyssa Silhi. The following members were in attendance at the Board of Supervisors Chambers: Jim Holmes and Robert Weygandt. A quorum was established.

Representing the District were: Erik White, Air Pollution Control Officer; Adam Baughman, Deputy Air pollution Control Officer; Maria Swan, Administrative & Fiscal Officer; Yushuo Chang, Planning and Monitoring Section Manager; Molly Johnson, Air Quality Specialist; Emmanuel Orozco, Senior Air Quality Engineer; Christiana Darlington, District Counsel; Russell Moore, I.T. Technician; and Shannon Harroun, Clerk of the Board.

Flag Salute

Statement of Meeting's Public Participation Procedures

Approval of Minutes: April 8, 2021 and June 10, 2021

Motion: Holmes/Berlant

Action: Approved Minutes / Unanimous Vote 8:0

Ayes: Alvord/Berlant/Burruss/Duncan/Holmes/Jones/Silhi/Weygandt

Public Comment: There were no public comments received during the public comment period.

Consent: Item 1

- 1. Amendment to Integrated Communications Strategies LLC Contract for Community Engagement and Strategic Advisory Services.** *Authorized the Air Pollution Control Officer (APCO) to negotiate and execute an amendment to the District's contract with Integrated Communication Strategies LLC, for community engagement and strategic advisory services, to extend the contract end date to 6/30/23; to approve funding for Fiscal Year (FY) 2021-22 not to exceed \$40,000, as provided for in the FY 2021-22 proposed Final Budget; and to recognize potential future funding, not to exceed \$20,000, needed for these services, contingent upon approval by the Board in its Final FY 2022-23 Budget.*

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Motion: Holmes/Burruss

Action: Approved Consent Item 1 / Unanimous Vote 8:0

Ayes: Alvord/Berlant/Burruss/Duncan/Holmes/Jones/Silhi/Weygandt

Public Hearing / Action: Items 2 and 3

- 2. Proposed Final FY 2021-22 Budget Public Hearing and Approval.** *Conducted a Public Hearing for the purpose of reviewing the District's FY 2021-22 Proposed Final Budget; and adopted Resolution #21-07, thereby approving the District's Final Budget for FY 2021-22.*

Chair Weygandt opened the public hearing for the District's Proposed Final FY 21-22 Budget. Ms. Maria Swan then presented the Proposed Budget for FY 21-22. She first explained an administrative change to the budget, which is that past and current obligations for professional services contracts, Clean Air Grants and other incentive programs will now be included in full within their respective budgeted line items. This is to accommodate the method WorkDay uses for budget tracking. Ms. Swan stated that the final proposed FY 21-22 budget is \$14,896,006, which is a 25% increase from last year's FY 20-21 budget; she noted that part of this increase is due to including the obligations in full in the budgeted line items. Ms. Swan provided details of budgeted FY 21-22 revenues and expenses. She also explained proposed changes to the District's assigned (reserve) funds.

Director Alvord asked for an explanation of the increase in "burn, land and other permits" revenue. Ms. Swan explained that the increase is due to the increase in permit fees, as well as expected settlement funds from the District's James Day case, of which a portion is pass through, as the District pays half of this settlement to another air district.

There were no public comments received during this public hearing.

Motion: Holmes/Jones

Action: Approved Item 2 / Unanimous Vote 8:0

Ayes: Alvord/Berlant/Burruss/Duncan/Holmes/Jones/Silhi/Weygandt

- 3. Amendment of District Rule 502, New Source Review.** *Conducted a Public Hearing for the proposed amendment of Rule 502, New Source Review; adopted Resolution #21-08, thereby approving the text of amended Rule 502, New Source Review, as shown in Exhibit I to the Resolution; and directed the APCO to forward the amended Rule 502, New Source Review, and all necessary supporting documents to the California Air Resources Board for submittal to the United States Environmental Protection Agency as a requested revision to the State Implementation Plan.*

Chair Weygandt opened the public hearing for the amendment of District Rule 502, New Source Review. Mr. Emmanuel Orozco presented the proposed amendment to Rule 502. He first introduced the rule, explaining that the New Source Review rule provides requirements for the review of new and modified stationary sources of air pollution through regulatory mechanisms by which permits for these sources are issued, without interfering with the attainment or maintenance of ambient air quality standards. He further stated that the New

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Source Review program is included as part of a federally required air quality plan, known as the State Implementation Plan or “SIP”, which is compiled by the California Air Resources Board and submitted to the U.S. Environmental Protection Agency for review and approval, as required by the Federal Clean Air Act. Mr. Orozco provided the rule’s history and detailed the proposed amendments to the rule, which were developed in collaboration with the United States Environmental Protection Agency Region 9 and reviewed by California Air Resources Board staff.

There were no public comments received during this public hearing.

Motion: Holmes/Silhi

Action: Approved Item 3 / Unanimous Vote 8:0

Ayes: Alvord/Berlant/Burruss/Duncan/Holmes/Jones/Silhi/Weygandt

Action: Items 4 and 5

- 4. Amendment of “Review of Land Use Projects under CEQA” Policy.** *Adopted the amended Review of Land Use Projects under CEQA Policy (Policy); and directed District staff to use the principles articulated in the Policy to review and provide comment on environmental documents prepared by lead agencies.*

Mr. Yushuo Chang provided the history and background of the Policy, then introduced District Counsel, Christiana Darlington to present the rationale for proposing this amendment. Ms. Darlington noted that the impetus for implementing this amendment was a recent California court ruling in the case, Golden Door Properties LLC v. County of San Diego, with regards to the use of offset credit mechanisms to mitigate Greenhouse Gas (GHG) emissions from land use projects. Ms. Darlington detailed the case and ruling and clarified how they will affect future CEQA determinations for GHG emission impacts. Mr. Chang then described the specific resulting revisions to the GHG offsite mitigation aspects of the Policy, including how to implement an offsite mitigation measure for GHG impacts, and options for developers to implement GHG offsite mitigation. He also outlined the District’s public outreach efforts and comments received regarding the proposed amendment.

Ms. Angel Green, Senior Planner with Placer County’s Community Development Resource Agency, thanked District staff for reaching out to the County Planning Division for feedback, and for the public workshop held. She expressed the support of County staff of this proposed amendment and stated that the modifications recommended by District staff will help to inform County staff as they develop the criteria for CEQA GHG mitigation requirements for offsite mitigation projects, and for the project selection criteria as part of the development of the offset program.

Motion: Holmes/Alvord

Action: Approved Item 4 / Unanimous Vote 8:0

Ayes: Alvord/Berlant/Burruss/Duncan/Holmes/Jones/Silhi/Weygandt

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- 5. Implementation of the Wood Stove Replacement Incentive Program with District and Other Grant Funds in a Cooperative Partnership with the El Dorado County Air Quality Management District.** *Adopted Resolution #21-09, thereby (1) authorizing the District to continue to implement the Wood Stove Replacement Incentive Program (Program) with District and other grant funds; (2) authorizing the redirection of a portion of Placer County's funds from the Environmental Protection Agency Targeted Airshed Grant (EPA TAG) and the Tahoe Regional Planning Agency (TRPA) grant to the El Dorado County Air Quality Management District (EDCAQMD), to implement the Program in Placer County on the District's behalf; and (3) authorizing the APCO to negotiate, sign, and amend as needed, any agreements and contracts related to implementation of the Program for Placer County residents.*

Ms. Molly Johnson presented information regarding the District's Wood Stove Replacement Incentive Program and the District's request to continue implementation of the Program County-wide. She provided a history of previous California state funding and implementation of wood stove replacements, which offer a monetary incentive for approved applicants to replace their old, high particulate matter producing, uncertified wood stoves, inserts, or fireplaces with a clean-burning certified stove, insert or heating appliance. She noted that the District is recommending the El Dorado County Air Quality Management District continue to administer the Program in Placer County on behalf of the District, as EDCAQMD has successfully and cost effectively implemented the Program on behalf of Placer County over the last 2 years; 76 changeouts have been approved for Placer County to date, with 36 of those benefitting low income households or communities. She identified the additional funding sources proposed by the District for the Program, due to lack of confirmation of future funds from California Air Resources Board. These funding sources include the U.S. EPA Targeted Airshed Grant, the Tahoe Regional Planning Agency grant, and District settlement funds.

Director Holmes asked how someone from Placer County would apply for these funds. Ms. Johnson responded that they would contact the EDCAQMD. Director Holmes also asked how it is determined if a wood stove qualifies for the replacement Program. Ms. Johnson explained that the wood stoves are required to be labeled as to their U.S. EPA certification. Once the application has been submitted and screened, District staff verify by inspection that the wood stove is eligible for replacement under the Program.

Motion: Holmes/Duncan

Action: Approved Item 5 / Unanimous Vote 8:0

Ayes: Alvord/Berlant/Burruss/Duncan/Holmes/Jones/Silhi/Weygandt

Air Pollution Control Officer Report

General APCO Updates:

- 2021 CAG Program

Mr. Erik White shared the results of the Clean Air Grant solicitation period which closed on June 1, 2021, noting that \$1.4 million in total funding is available, 21 applications were received, and 11 projects were selected for grant funding. District staff will provide a more in-depth update of the CAG program at the October 14, 2021 Board meeting.

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- Community Air Protection Program
Mr. White stated that funding for this incentive program has not yet been appropriated by the State legislature, and it is unclear when that may happen. The District budget anticipates an allocation similar to what we've received in the past, at \$1.1 million. Dependent on funding, the District is planning targeted engagement with the community this fall, and a joint solicitation with Clean Air Grants in Spring 2022.
- Wildfire Response
Mr. White provided an overview of the District's response and activities regarding this year's wildfire season, including air quality advisories issued in close coordination with Placer County Health and Human Services; summary assessments developed by District staff to track trends and current PM 2.5 levels; and coordination with the National Weather Service on smoke forecasts. He encouraged use of the U.S. EPA's AirNow website at <https://fire.airnow.gov> for the latest smoke and air quality conditions. He also noted the significant press interest, locally, regionally and nationally, on wildfires, smoke, and the District's efforts.

Meeting Adjournment: 3:55 pm

Minutes for this meeting will be presented for approval at the next regularly scheduled Board Meeting on October 14, 2021, at 2:30 pm

Attest:



Shannon Harroun, Clerk of the Board



Board Agenda Item 1

Consent

Agenda Date: October 14, 2021

Prepared By: Shannon Harroun, Clerk of the Board

Topic: Designation of Members of the Mountain Counties Basinwide Air Pollution Control Council and the Sacramento Valley Basinwide Air Pollution Control Council for 2022

Action Requested: For the 2022 calendar year, designate Placer County Air Pollution Control District Board (District Board) members to the Basinwide Air Pollution Control Councils as follows:

1. Mountain Counties Basinwide Air Pollution Control Council (Mountain Counties BCC):
 Primary Member: Jim Holmes (or the Board of Supervisors' appointed representative)
 Alternate Member: Trinity Burruss (or the District Board's City of Colfax appointed representative)
2. Sacramento Valley Basinwide Air Pollution Control Council (Sacramento Valley BCC):
 Primary Member: Jeff Duncan (or the District Board's Town of Loomis appointed representative)
 Alternate Member: Scott Alvord (or the District Board's City of Roseville appointed representative)

Background: The Placer County Air Pollution Control District includes portions of three different air basins: The Sacramento Valley Air Basin, which stretches across the Sacramento Valley from a portion of Solano County in the south to Shasta County in the north; The Mountain Counties Air Basin, which is largely comprised of Sierra-Nevada foothills and mountains; and Lake Tahoe Air Basin, which is the California portion of Lake Tahoe, shared between Placer County APCD and El Dorado County Air Quality Management District. Because the Tahoe Air Basin includes a portion of the State of Nevada and only the two California air districts, there is not a "Basinwide Air Pollution Control Council" for that air basin.

The Mountain Counties BCC and the Sacramento Valley BCC are comprised of elected officials representing their respective air districts in the basin. The Air Pollution Control Officers and staff of the air districts also serve these councils in an advisory capacity on a Technical Advisory Committee (TAC). The purpose of the councils is to foster cooperation among the air districts that share an air basin. The Mountain Counties BCC's activities are primarily focused on forest management and prescribed burning issues, and increasingly on air quality attainment plan development and other cooperative efforts. The Sacramento Valley BCC's activities are primarily focused on the rice straw burning smoke management program, Northern Sacramento Valley air quality attainment plans, and other cooperative efforts.

Discussion: Pursuant to California Health and Safety Code Section 40900, the Mountain Counties BCC and the Sacramento Valley BCC require that each of its districts' Board of Directors designate one of its elected members to serve as an active member of their BCC. An alternate member may also be designated. Each active member, or in their absence, the alternate member, has one vote on the BCC.

Recommendation: Based on communications with District Board members, the District recommends designation of Jim Holmes and Trinity Burruss as primary and alternate members, respectively, of the Mountain Counties BCC; and designation of Jeff Duncan and Scott Alvord as primary and alternate members, respectively, of the Sacramento Valley BCC. If any of the jurisdictions appoint new District Board members in 2022, the designated representative from that County, City or Town, will assume the associated role on the BCC's.



Board Agenda Item 2

Information

Agenda Date: October 14, 2021

Prepared By: Yushuo Chang, Planning and Monitoring Section Supervisor

Topic: 2021 Wildfire Smoke Update

Action Requested: No action requested. This is an informational item to provide an update on 2021 wildfire smoke incidents.

Background: Smoke from the 2021 wildfire season began to impact Placer County in early July 2021 due to numerous wildfires in Northern California. Some of these fires were from lightning starts. Various weather systems with strong wind events and extremely dry vegetation caused wildfires to produce tremendous amounts of smoke. According to CAL FIRE statistics through September 28, 2021, more than 7700 wildfires have burned over 2.4 million acres this season. These wildfires not only destroyed California forested lands in many locations, but they have also caused injury and death, displaced many people from their homes, and significantly impacted air quality with tons of particulate emissions.

Discussion: Several major wildfires have occurred with widespread smoke impacts on the County's air quality. Two smaller wildfires occurred in Placer County that affected Placer County residents significantly. The following table summarizes these wildfires as of September 28, 2021.

Name	County	Acres	Start Date	Containment Date
Fawn Fire	Shasta	8,577	September 22	65% contained as of September 28
KNP Complex	Tulare	48,344	September 9	8% contained as of September 28
Windy	Tulare	87,318	September 9	4% contained as of September 28
Bridge	Placer	411	September 5	September 14
French	Kern	26,535	August 18	98% contained as of September 28
Caldor	El Dorado, Alpine, Amador	221,774	August 14	76% contained as of September 28
Antelope	Siskiyou	145,632	August 1	95% contained as of September 28
McCash	Siskiyou	93,244	July 31	48% contained as of September 28
River Complex	Siskiyou, Trinity	198,555	July 30	67% contained as of September 28
Monument	Trinity	224,103	July 30	72% contained as of September 28
River	Nevada, Placer	2,619	July 23	August 27
Dixie	Butte, Plumas, Shasta, Tehama, Lassen	963,309	July 13	94% contained as of September 28
Tamarack Fire	Alpine	68,637	July 4	August 31

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The wildfires listed in the above table have burned over 2 million acres of land in California. Cumulatively, massive amounts of particulate emissions have been emitted into the air resulting in substantially significant air quality impacts throughout the entire western United States, including Placer County, from early July to mid-September. Central California continues to be impacted by smoke, along with some areas in northern California.

During these wildfire incidents, the District fielded public and media (both local and national) calls regarding smoke. In collaboration with Placer County's Public Health and Human Services Department (HHS), eight (8) air quality advisories were issued to Placer County residents covering 24 days, with the last advisory remaining effective until fires were significantly contained. These advisories were based on the District's evaluation of air monitoring data from both our existing fixed monitoring network, as well as the deployment of low-cost sensors throughout the County, along with weather forecasts provided by the National Weather Service (NWS).

In addition, District staff frequently updated information on the District's "Wildfire Smoke" webpage (<https://www.placerair.org/1601/Wildfire-Smoke>). This webpage provides residents with access to real-time air quality measurements within Placer County, useful tips, and strategies to minimize health impacts from smoke, along with fire and smoke information web links. It also includes the Fire and Smoke map updated by the United States Environmental Protection Agency (US EPA), in collaboration with the United States Forest Service (USFS). These resources help individuals make decisions to protect their health from wildfire smoke.

Last year, the US EPA developed a Fire and Smoke map to provide the public real-time air quality information on wildfire smoke. In this July, the US EPA expanded the map to include air quality trend information for air monitors and sensors, along with a dashboard to help residents plan activities. This map continues to provide robust information. District staff, in conjunction with the Placer County Communications and Public Affairs Team, created a video that explains how to navigate the map. This video, which was released on August 31, 2021, can be viewed at <https://vimeo.com/592345480>. With permission, the District included the USFS and the Interagency Wildland Fire Air Quality Response Program logos, and the US EPA AirNow logo at the end of the video to acknowledge their partnership in the development of the map. Staff are also continuing to work with local network health providers in the County to update health-based public information to ensure the District is providing the latest guidance to the public on how to respond to poor air quality due to wildfire smoke.

District staff will continue to work collaboratively with Placer County HHS and Placer County Office of Education (PCOE), sharing with them the most up to date air quality data/information for use by County School District Superintendents in their response to poor air quality conditions caused by wildfires. The PCOE continues to update their protocol, which includes where to find air quality data; how to determine smoke impact levels based on available air quality data; what kind of school outdoor activities should be limited; and the criteria and factors that should be considered for determining school closures.

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Fiscal Impact: The District's ambient air quality monitoring program is a core program, and necessary staff and equipment resources are allocated in the District's budget. There are no plans to increase staff resources beyond those currently allocated in the budget. However, during prolonged periods of unhealthy air due to wildfires, when additional staff resources are diverted to monitoring and public outreach, other work performed by District staff may be delayed.



Board Agenda Item 3

Information

Agenda Date: October 14, 2021

Prepared By: Emmanuel Orozco, Permitting and Engineering Manager

Topic: Update on State Energy Projects and Public Safety Power Shutoff Activity

Action Requested: No action requested. This is an informational item to provide an update on the District's activities related to the State Power Augmentation Project, Public Safety Power Shutoff (PSPS) activities, and other energy demand response programs.

Background: On July 30, 2021, Governor Gavin Newsom signed an Emergency Proclamation (Proclamation) to expedite the deployment of additional electricity generation resources and free up existing electricity supply to meet demand during extreme heat events and/or sudden and severe reductions in transmission capacity due to external forces such as wildfires. In doing so, the Governor also waived, during specified heat events, certain state and local regulatory and permitting requirements, including permit limitations and regulatory limits that would be enforced by local air districts, including the District.

Under the provisions of this Proclamation, and with additional flexibility provided by an emergency order issued by the federal Department of Energy (DOE) pursuant to section 202(c) of the Federal Power Act, the California Department of Water Resources (DWR) was directed to deploy and commission for operation a total of four 30 megawatt (MW) natural gas combustion turbine generators (CTGs) at two existing electricity generating facilities in Northern California, one of which is located in Placer County. Two CTGs were deployed and commissioned at Roseville Energy Park, a power plant located approximately five miles northwest of downtown Roseville. The other two CTGs were deployed and commissioned at Greenleaf I, a power plant located approximately four miles southwest of Yuba City, CA (Sutter County).

Over the past weeks, District staff have worked with staff from the City of Roseville, DWR, and the California Energy Commission (CEC) to bring the two units online at Roseville Energy Park, while maintaining our commitment to regional air quality.

The Proclamation also directed that during specified energy shortage events, owners and operators of emergency backup generators may proactively operate those units without restrictions to relieve electrical load on the statewide energy grid, as long as they are enrolled in an approved electrical demand response program, as specified in the Proclamation. Finally, the Proclamation directed that the California Air Resources Board (CARB) develop and implement a mitigation program for any additional emissions beyond permitted levels that may occur as a result of the Proclamation.

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Separately, with the ongoing potential for wildfires due to the severe drought conditions throughout the State, District staff continue to work with representatives from Pacific Gas & Electric Co. (PG&E), as well as local businesses throughout the county, to prepare for additional PSPS events which may be enacted to reduce wildfire risk in our County.

Discussion:

Roseville Electric Peaker Gas Turbine Project

The deployment and commissioning of two 30 MW General Electric TM2500 CTGs at Roseville Energy Park, referred to by the CEC as the Roseville State Power Augmentation Project, was initiated by DWR and the City of Roseville in August of 2021. Under the provisions of the Proclamation, the project, which would otherwise require a lengthy California Environmental Quality Act (CEQA) review as part of the CECs licensing process, was approved on September 8, 2021, via the issuance of a license by the CEC for a term of five years.

In parallel to the CEC's licensing process, the City of Roseville applied with the District for an Authority to Construct (ATC) permit for each of the two CTGs. The application underwent an expedited review process and the ATCs were issued on September 14, 2021.

In early discussions with the City of Roseville and DWR, District staff were notified that due to the inability to procure "add-on" air pollution emission control equipment on the same expedited timeline as the CTGs, the proposed CTGs would not be initially equipped with the ammonia injection and selective catalytic reduction and oxidation catalyst control systems, which are required for combustion turbines of this size to meet the applicable NOx and CO permit limits, until the 3rd quarter of 2022. Similarly, the continuous emissions monitoring system would not be available at the time of initial installation and commissioning.

While the installation and commissioning of the proposed CTGs without the emissions control and monitoring equipment would normally not be possible without violating the New Source Review provisions of the California and federal Clean Air Acts, which are enforced through conditions in the District's ATC permits, the facility is shielded from enforcement of the applicable ATC permit conditions through a combination of the Governor's Emergency Proclamation and the federal DOE 202(c) waiver, petitioned by the California Independent System Operator (CAISO) on behalf of the Roseville Energy Park. Shielding from the applicable air pollution regulations only applies on days in which CAISO declares an Energy Emergency Alert Level 2, indicating that all other available energy resources throughout the State have been dispatched and a shortage still exists. The District will monitor the operation of these units in order to ensure that any excess emissions that may result from their operation without the required emission control equipment are appropriately quantified.

Electricity Demand Response Programs

In support of these same goals, another provision of the Governor's July 30th Emergency Proclamation established a new electrical demand reduction program to be administered by California utilities. Participants of this program are eligible to receive financial incentives of up to \$2.00 per kilowatt hour to reduce their electrical demand on the grid during CAISO Grid Warnings or Grid Emergencies. Additionally, the Emergency Proclamation expanded on the role of emergency generator engines used for the purpose of load reduction in this program, as well as three similar existing demand reduction programs identified in the proclamation. Previously, an emergency generator engine could only be operated after the loss of utility power, referred to as an "emergency event", or for maintenance and testing purposes; however, the Emergency Proclamation further expanded on the definition of "emergency event" in State regulations to allow for the operation of emergency engines enrolled in load reduction programs during CAISO Grid Warnings or Grid Emergencies. This allows operators of engines enrolled in these programs to proactively run the engines before the loss of utility power and be compensated for the net reduction on the grid. While this is a good solution for the purpose of possibly preventing widespread rolling black outs, the proactive operation of emergency generator engines has the potential for negative air quality impacts in the region. Because of this, the District will be monitoring excess emission from these events closely and has requested permit holders notify the District of planned enrollment in energy demand response programs. Furthermore, the District will include demand response usage data in the annual permit "throughput" information requests.

Climate Heat Impact Response Program (CHIRP)

To mitigate the effects of potential excess emissions authorized by the Proclamation, CARB has established the Climate Heat Impact Response Program (CHIRP) under directive from the same Proclamation. The CHIRP's main focus will be to: 1) quantify emissions from the various electricity generating sources which will operate beyond permitted limits during the declared CAISO Grid Warnings and Grid Emergencies; 2) provide the impacted communities with the opportunity to offer input on potential mitigation projects; and, 3) implement the selected mitigation strategies by either providing support to existing air quality programs or by establishing new programs with priority given to those which can improve grid resiliency and help prevent future energy emergencies. As part of the emissions quantification component of this program, the electricity generating sources will be required to submit to either the CEC, CARB, the local utility, or the District, data which documents the specific operation and activity of the source under the covered provisions of the Proclamation. Once the emissions from the various sources are quantified and a cost-effectiveness value is established, CARB will promptly implement the mitigation strategies selected. While no fixed timeline is established in the Proclamation, it is the intent of the CHIRP program to execute the mitigation projects as expeditiously as possible, recognizing that project funding and feasibility will be directly related to the release of excess emissions during the covered events. While the CHIRP program is primarily led by CARB, District staff have worked closely with CARB through a broader workgroup effort to assist in the development and implementation of the program and represent the District in the mitigation efforts.

Public Safety Power Shutoff Program

As efforts continue to mitigate risks associated with California wildfires, local utilities are expanding and refining their wildfire prevention and risk reduction programs. In Placer County, the Public Safety Power Shutoff (PSPS) program is now in its third season and many steps have been taken by PG&E to both reduce the need for PSPS events to occur, as well as reduce the overall community impacts associated with PSPS events. The District has been actively working with representatives from PG&E, as well as other members of the regulated community, to ensure that PSPS mitigation plans which involve the use of air pollution producing electricity generation equipment are carried out in accordance with local and State requirements.

As of the date of this document, the District has received applications and issued permits for five emergency diesel-fueled electrical generator engines used for supporting PG&E Community Resource Centers (CRCs) across the county, and one application for the permitting of three diesel-fueled generator engines at a microgrid generating facility in Foresthill.

The CRCs are temporary hubs which are established for the duration of PSPS events where affected community members can access restrooms and handwashing stations, device charging, and wireless internet. The permitted generators at these locations vary in size from 25 kW to 50 kW; individual locations are shown in the following table.

The three generator engines (0.2 MW each) used for the microgrid facility in Foresthill (off of Sunset Drive) will support PG&E's existing infrastructure for a smaller "microgrid" which has been isolated from the main grid in order to power essential operations. The microgrid facility will operate for the duration of any PSPS event that affects the Foresthill area.

As is the case for generator engines operating under the demand response programs, the District will request all electrical generator engine permit holders report hourly usage data associated with PSPS events, in an ongoing effort to quantify air quality impacts from these events.

PG&E Community Resource Center Locations with District Permits

Deployment Location	Address	Gen Size
Auburn	209 Fairgate Road, Auburn CA 95603	25 kW
Alta	33950 Alta Bonnybrook Road, Alta, CA 95701	30 kW
Loomis	5945 Horseshoe Bar Road, Loomis, CA 95650	40 kW
Foresthill	24601 Harrison Street, Foresthill, CA 95631	50 kW
Sheridan	6005 Camp Far West Road, Sheridan, CA 5681	50 kW



Board Agenda Item 4

Information

Agenda Date: October 14, 2021

Prepared By: Lauren Moore & Molly Johnson, Grant Program Coordinators

Topic: District's Major Incentive Grant Programs Update

Action Requested: No action requested. This is an informational item to provide an update regarding the current incentive programs managed by the District in Fiscal Year (FY) 2021-22.

Background: On August 12, 2021, your Board approved the District's budget for FY 2021-22. The approved budget includes \$5,565,889 (\$3,652,199 Clean Air Grants, \$1,913,690 Mitigation) available for the incentive programs as follows: the Clean Air Grant Program, the Community Air Protection Incentive Program, Community Based Supplemental Environmental Projects, and Wood Stove Replacement Program. The following discussion will provide your Board an update regarding the current and future actions for each incentive program.

Discussion:

Clean Air Grant Program

The Clean Air Grant Program (CAG) is the District's primary grant program and is implemented on an annual basis. The main purpose of the program is to reduce criteria pollutant emissions (reactive organic gases (ROG), nitrogen oxides (NO_x), and particulate matter (PM)) from heavy-duty diesel mobile sources and to incentivize alternative fuel technologies and infrastructure. The District follows California Air Resources Board's (CARB) Carl Moyer Program (Moyer) Guidelines which outlines how CARB and local funds may be spent. The budget for the District's CAG Program is derived from multiple sources; the primary and most consistent sources of funding are Moyer Program funds and local AB 923 funds (\$2 DMV surcharge for each vehicle registration in Placer County). For FY 2020-21, the District applied for \$637,020.00 for project implementation from the CARB's Year 23 Moyer funds allocation (Year 23 refers to the twenty-third year since the Moyer Program was initiated in 1998). Combined with local AB 923 funds, the total amount of funds awarded to projects was \$1,241,373.44. With these funds, ten (10) projects were awarded funding, and 18.28 tons of criteria pollutant emissions will be reduced over the projects' lives.

The District has nearly completed the process of executing contracts with grant applicants which were awarded funding through the District's 2021 CAG Program. Applicants under contract typically have one year to complete their projects and put them into operation. Therefore, by the end of 2022, the majority of applicants' projects will be in operation. Types of projects which received awards were the replacement and upgrade of off-road diesel equipment and school buses, and the construction of electric vehicle charging stations. For a list of approved projects, including funding amounts and sources, refer to Attachment #1.

On September 21, 2021, CARB notified the District of the tentative Moyer Program fund allocation for Year 24. The tentative funding allocation for the District is \$1,447,769 (including \$180,971 for administrative costs). Staff anticipates opening the project solicitation period early next year after CARB finalizes the funding allocations for each participating air district.

FARMER Grant Program

The Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program is a statewide incentive program to reduce criteria pollutant emissions from the agricultural sector by incentivizing alternative fueling infrastructure and the replacement of heavy-duty vehicles and equipment engaged in agricultural operations. The majority of FARMER funding is appropriated to the air districts which contribute to over one percent of the state's agricultural emissions. In order to ensure districts that contribute to less than one percent of emissions also have an opportunity for projects, these districts were placed in a Shared Allocation Pool (SAP) managed by the District. As SAP Administrator, District staff work directly with the SAP districts to solicit projects, review project eligibility, recommend projects for funding, transfer funding to participating air districts for awarded projects, and coordinate reporting. In order to avoid any potential conflicts of interest, it was decided that the District would forgo FARMER project funding for Placer County applicants and instead route any potential projects to the CAG program.

For the FY 2019-20 FARMER Program, \$1.9 million in projects were awarded to 12 air districts within the SAP. There was no FARMER allocation for FY 2020-21. The SAP's FY 2021-22 FARMER allocation has not yet been determined, but the statewide FARMER allocation for FY 2021-22 is \$212,582,000, about 1.5 times the amount historically allocated. Once the SAP allocation is determined by CARB, District Staff will work with the participating SAP districts to begin the allocation process. Because the FARMER SAP Funds are pass-through funds that are administered by the District on behalf of CARB, the FARMER SAP Funds are not included in the District's fiscal year budget.

FARMER Grant Management Tool

In 2018, CARB requested the District develop a FARMER Reporting Tool (Tool) using cloud-based software for SAP districts, and eventually all districts, to report projects electronically to CARB. CARB agreed to provide up to \$500,000 for development of this tool within the FY 2018-19 grant agreement, and an additional \$100,000 in the FY 2019-20 grant agreement.

The District decided to use grants management software from Salesforce, a pre-authorized government vendor which has successfully implemented software for other state incentive programs. Staff negotiated a contract with Salesforce and Eide Bailly, a third-party implementer, to provide the software and develop the needed reporting tool.

After a beta testing phase where a few select SAP districts had the opportunity to provide feedback, the Tool was opened for use by the SAP to complete their required semi-annual report in April 2021. Additional testing and changes are currently underway to refine the Tool further.

Once CARB approves, the Tool will be expanded to all California air districts reporting their FARMER expenditures to CARB. Additional funding for development and maintenance of the Tool are expected to be allocated to the Tool in the next grant agreement.

Land Use Air Quality Mitigation Funds Program

The District has managed a mitigation program for land use projects since 2001. This program allows applicants, if approved by lead agencies, to pay an in-lieu fee to offset the air pollution emissions from their land use projects. The funds were originally distributed through the District's CAG Program to fund emission reduction projects. In February 2018, your Board approved to implement the Moyer Program as the District's CAG Program. However, some original CAG project categories did not meet the Moyer Guideline's eligibility requirements. In order to continue funding these types of projects, your Board approved the use of land use mitigation funds to fund these non-Moyer projects on a case-by-case basis, outside the CAG program budget.

Since 2018, four (4) non-Moyer projects have been approved by your Board to be awarded land use mitigation funds: Placer County's French Meadows Forest Biomass to Energy Project, the Foresthill Fire Protection District's Fire Engine Replacement Project, the Placer Hills Fire Protection District's Fire Engine Replacement Project, and the Plug In America's Electric Vehicle Dealer Incentive Program. In FY 2021-22, District staff budgeted \$371,590 for the land use mitigation funds program. Staff continue to solicit projects that will provide effective emission reduction benefits to Placer residents, but which are not eligible for Moyer Funds. Any projects proposed for funding under the District's mitigation program will be presented individually by Staff to the Board for approval.

Community Air Protection Incentives Program

To support the requirements of AB 617, the Legislature appropriates funding to the Community Air Protection (CAP) Incentives Program to support actions to address localized air pollution in the most disproportionately impacted communities. Similar to the Moyer Program, the CAP Program offers incentives for businesses and public agencies to replace higher emitting heavy-duty vehicles or equipment with cleaner engines, to fund infrastructure projects that support California's transformation toward zero and near-zero technologies, and other eligible projects that improve air quality and reduce exposure to criteria air pollutants and toxic air contaminants. To be eligible, projects must be located within a low-income community, including portions of Roseville, Rocklin, Lincoln, Auburn, and Kings Beach.

In addition to funding emission reduction projects, community outreach and support are an essential component of implementing the CAP Incentives Program. The District has conducted community workshops in collaboration with our community partner, Invest Health, local government and other community organizations in order to collect community input to identify community priorities for project selection.

The District was awarded \$194,000 in project funds in FY 2017-18, \$980,139.13 in FY 2018-19, and \$771,802.56 in FY 2019-20. With these funds and consistent with community identified priorities, the District funded school bus replacements, electric infrastructure, and a small portion of a locomotive replacement. In the current state budget, \$260 million dollars has been allocated

for CAP Incentives, but it is unknown how much the District will receive at this time. When the allocation is finalized, staff will incorporate it into a budget revision and brief your Board on the timeframe for the project solicitation period and District staff's planned community engagement process.

Community Based Supplemental Environmental Project Program

The Community Based Supplemental Environmental Project (CBSEP) Program was adopted by your Board in October 2017. It was established to receive Supplemental Environmental Project (SEP) funds from CARB. CARB's SEP Policy allows a portion of the penalties received during settlement of enforcement actions to be applied to community-based projects that improve public health, reduce pollution, increase environmental compliance, and bring public awareness to neighborhoods burdened by existing sources of air pollution. The District's Air Filtration Systems in Schools project has been approved by CARB as an eligible project to receive SEP funds.

The Air Filtration Systems in Schools projects provide installation and maintenance of high-performance air filtration systems in schools located in communities that are near major transportation corridors, including rail. These may include low-income communities disproportionately impacted by air pollution such as diesel particulate matter and toxic air contaminants. The high efficiency air filters are capable of filtering ultra-fine particles and are designed to help eliminate bacteria, viruses, and fine particulate matter caused by transportation sources and smoke. An individualized site assessment is conducted for each participating school, and the most appropriate air filtration system is installed and maintained for 10 years, resulting in long-term cleaner classroom air.

In FY 2021-22, the District was awarded funding from two settlements totaling \$1,232,575 dollars in project funds to install air filtration systems in Placer County schools. Working from a prioritized list of schools meeting project criteria, these funds will be used to complete projects at Roseville High School, Adelante High School, and Independence High School in Roseville, and Placer High School, Confluence High School and Maidu Virtual Academy in Auburn. Staff plans to coordinate with CARB to add schools in communities potentially impacted by wildfire smoke to the list of priority schools, with installations to be completed as funds are available in the future.

Wood Stove Replacement Incentive Program

The Wood Stove Replacement Incentive Program, commonly referred to as the wood stove changeout program, is made possible by funds received from multiple funding sources with a goal of reducing particulate matter and greenhouse gas emissions by offering incentives to residents that upgrade noncertified wood burning appliances to cleaner models. The District partners with the El Dorado County Air Quality Management District (EDCAQMD) to administer the program on our behalf along with their program. Our District provides staff support for inspecting stoves for eligibility and coordinating advertising and outreach to Placer County residents. Incentive voucher amounts range from \$500 to \$2,000, depending on household income.

This program is funded by the Environmental Protection Agency Targeted Airshed Grant (EPA TAG) in the Sacramento Non-Attainment Area in the amount of \$923,725.20. A grant of \$86,375 from the Tahoe Resource Planning Agency (TRPA) funds changeouts in the Lake Tahoe air basin. The District budgeted \$79,000 in FY 2021-22 to support components of the program that are not eligible for funding through the EPA TAG and TRPA grant. Currently, the District is working with the EDCAQMD to finalize the memorandum of understanding for implementation of the program. In addition, the state budget bill appropriates \$5 million for the statewide Woodsmoke Reduction Program. Historically the District has received approximately \$125,000 in funding from this program, and staff anticipates that Placer County will receive a similar award in FY 2021-22. If received, these funds may be used in all areas of the county and will be added to the EPA TAG, TRPA and District funds already allocated to offer incentives for wood stove changeouts throughout Placer County.

Fiscal Impact: The above discussion is to provide background and an update of the current incentive programs managed by the District. All related funding and expenditures are included in the FY 2021-22 budget. If there is additional funding received, staff will submit a budget revision for your Board to approve.

Recommendation: This is informational and no action by the Board on this item is required.

Attachment: List of Selected CAG Projects in 2021

ATTACHMENT

SUBJECT:

List of Selected CAG Projects

2021 Tentative Grant Awards

Applicant	Project Description	Amount Funded	Funding Source(s)	Combined NOx, ROG, and PM Emissions Reduced over Project Life (tons)
Strickler Monster Farms	Tractor Replacement	\$ 36,609.75	Moyer, AB 923	3.654
City of Auburn	Magnolia Ave. EV Charging Station Expansion	\$ 89,000.00	Moyer, AB 923	0.000
SPI	Wheel Loader Replacement	\$ 482,593.69	Moyer	9.130
Fowler Nurseries	Tractor Replacement	\$ 41,960.00	Moyer	0.600
Highland Orchard	Tractor Replacement	\$ 21,640.00	Moyer	0.339
Highland Orchard	Tractor Replacement	\$ 22,570.00	AB 923	0.471
Roseville JHSD	School Bus Electric Infrastructure	\$ 200,000.00	AB 923	0.000
Western Placer Unified School District	School Bus Replacement	\$ 165,000.00	Moyer, AB 923	0.660
Ellis Cattle Company	Tractor Replacement	\$ 133,000.00	Moyer	2.586
Rahul Family Farms	Tractor Replacement	\$ 49,000.00	Moyer	0.840
Total		10 \$ 1,241,373.44		18.280