

COUNCIL OF INDUSTRIES
GENERAL MEETING
JANUARY 18, 2012

I. Executive Director Report – Katrinka Ruk

- Board Election Results - As of January 1, 2012 the COI Board had five (5) Board position openings. The General Membership voted in the following incumbents: Stan Teaderman (Allied Propane), Bob Connolly (Mechanics Bank), Greg Chan (EBMUD) and Fred Glueck (Plant Reclamation). In addition, the remaining position was filled by new Board Member Bielle Moore from Richmond Sanitary Services. Mark Shreve will serve as President, Fred Glueck- Vice President, and, Bob Connolly – Treasurer. The members serve a two-year term. An additional Board position currently held by Steve Gloeckner of ConocoPhillips will be vacated on February 1, 2012 when Steve retires. The position will be filled by Richard Poe of Virtual Development.
- Weiss Associates – New Associate Member will be represented by Ellis Wallenberg, III. Welcome Weiss!
- Nigel Hearn, Manager of Chevron Richmond Refinery was welcomed to the meeting.
- Marin Energy Authority (MEA) - The City of Richmond is considering offering the MEA as an alternative energy supplier to the City. PG&E will remain an alternative, but you will automatically receive MEA energy unless you opt out. A meeting was held on January 17th with the MEA. Representing MEA was Dawn Weisz, Executive Director of MEA and John Dulesi from Dulesi Management Consultants. Also in attendance were Councilmembers Butt and Ritterman, and Shasa Curl from the City of Richmond.

According to MEA: they are offering a green local alternative to “dirty fossil fuels.” Their mix of energy sources are 27% renewable and 78% carbon free compared to PG&E which is 14% renewable and 41% carbon free. They will also offer a “Deep Green” alternative that would be 100% renewable at additional costs of approximately \$5-7/month. The Energy source for MEA is Shell Energy, Enesco/Solar, G2Energy/landfill methane, N.American Power Group, 2/Degrees. Mr. Dulesi reviewed the rates which were similar to PG&E for residential and commercial; however, their rates were quite a bit higher than PG&E for industrial users.

There will be four notices over a five month period. Individuals can opt out at any time. Opt out will be free during the initial five months; after that there will be a \$5 fee for residential or \$25 for commercial. If you opt out, you need to remain with PG&E for twelve months. You can review their rate structure at their website: MarinCleanEnergy.com. They did note that the 2013 rates will be different than those currently posted.

Richmond would be the first non-Marin City. The MEA is a nonprofit. There are twelve jurisdictions, one representative from each on the Board. Voting

shares are based on the size of the City. PG&E would deliver the energy and maintain the transmission lines, etc.; they would also continue to do the billing.

For more information:

Marin Energy Authority

(888)632-3674

Email: info@marinenergyauthority.org

Address: 781 Lincoln Ave., Suite 320, San Rafael, CA 94901

Website: www.MarinCleanEnergy.com

II. Richmond Northshoreline Land Use – Josh Genser

- 100 acres of developable land located in North Richmond along the shoreline
- Originally zoned light industrial; in draft General Plan it is changed to open space
- The Planning Commission was given three options to review and recommend best use to the City Council: open space, light industrial as designated in new/draft General Plan or light industrial as designated in current General Plan which has a lower density. The Planning Commission could not agree on a recommendation.
- The City Council heard this on January 10, 2012 and they could not agree on one of the three designations. The Council requested that staff develop an alternative option to include concerns that Vice Mayor Rogers had regarding various limitations (intensity, density and % open space per developable area). This is being sent back to the Planning Commission – February 16th at 6:30pm.
- The General Plan cannot be heard by the Council until this issue is agreed to by the Council. Councilmember Butt has to recuse himself from discussions and cannot vote on this as he is a business partner of one of the developers. This has to be decided first by the remaining Council as it will then role into the General Plan and Councilmember Butt will be able to vote on the General Plan as this landuse issue would already be finalized.

III. Planning Commission Recommendations on the General Plan /

Resolution 11-20 - David Farabee, Partner (Pillsbury Law Firm)

- The language in Resolution 11-20 suggests that the City of Richmond create its own regulatory agencies.

A. Current Regulations / Legislation

- There are a number of regulations and regulatory agencies in place: 1970 Clean Air Act w/ 1990 updates; EPA oversees ambient air quality standards (NSPS & MAT standards) but, there are no GHG specific language in it.
- State implemented plans: Air Resources Board state standards are more stringent than federal. California Air Resources Board (CARB) controls mobile sources. BAAQMD covers nine counties.

- Federal Clean Air Act provides for emissions offsets. Can lower or use banked emissions offsets.
- AB32 Global Warming Protection Act directs BAAQMD to identify 1990 GHG sources and establish goals for 2020. (1) direct measures – identify specific emitter and control the source, (2) industrial users – cap and trade program eff. 01/01/12; cap level of GHG and identify sources.
- MTC is in process of establishing a plan regarding Sustainable Community Strategies to decrease vehicle traffic and discourage urban sprawl.
- New CEQA guidelines
- Where a conflict of regulations exists, must look at the most stringent of the regulations.
- No indirect source rule in the Bay Area yet

B. Resolution 11-20

- Richmond is a charter city and in California, these do have broad police powers for public good. The State language is silent regarding whether a City can regulate air emissions. Only the Air Resources Board can regulate vehicles.
- However, “field preemption” notes that current regulations are so comprehensive that there is no room for additional restrictions.
- Re. cap and trade restrictions in a city – there is no precedent for this, no other cities who came up with their own scheme and courts have not answered this.
- Given the changes being suggested in the Resolution, may result in new impacts, there may need to be new CEQA/EIR review.

C. Specific Language

- (pg4; par.5) “...support efforts by to require existing industries to decrease harmful emissions and impacts;” *Comments: “support efforts” - unclear as to whether the city is recommending incentives or encouraging the regulatory agency BAAQMD to do this; “decrease harmful emissions”- not clearly defined.*
- (pg8; par6) “work with truck, maritime shipping, and rail operators to develop strategies, with benchmarks and timetables that will reduce diesel emissions. *Comments: Congress established that EPA has authority over off-road vehicles; re. “maritime shipping” federal law preempts; re. “rail operators” there are rail operation standards in place.*
- (pg 9; par 6, 7,; pg 10 par1, 2) General Plan Policy EC1.1 Leadership, Action and Advocacy. *Comments: industrial businesses are subject to AB32 – is City referring to these regulations? Is it suggesting no offsets or cap and trades which federal law allows? Commercial includes everyone who has a business, e.g. dry cleaners, bakeries. This language would create an economic disadvantage for those businesses located in Richmond. Language goes beyond the state requirements by adding commercial.*

- (pg12, par2-8) *Comments: A General Plan should provide general land use language – it is a plan. This language goes into detail/ specifics that are beyond what a General Plan should include. Re. “energy efficiently” – there are local and state building standards for commercial and industrial uses already in place. “Emissions” can also apply to any feed stock that includes e.g. adhesives, solvents which are used in manufacturing, assembly and dry cleaning as well as bakeries. “Emission credit / offsets” legislation does not restrict where these can be used. By restricting offsets, the City will create competitive disadvantages for those businesses located in Richmond.*
- (pg 14; par5, 6) General Plan Policies EC5.3,CN4.1, HW9.1 and ED1.4 (Air Quality), “Fully utilize Richmond’s police power to regulate industrial and commercial emissions.” *Comments: This would setup regulatory agency(ies) within the City. Does the City have the budget and trained staff to do this? Any business that has an emission source – direct or indirect – would be under this jurisdiction.*
- (pg19; par6,7) “Establish thresholds of significance for airborne emissions, noise, hazardous materials, water contamination, and degradation of biological resources. Existing baseline conditions must be part of the plan to reduce negative impacts and improve health outcomes.” *Comments: This ignores the regulatory agencies authority and establishment of current thresholds; No other city or county has implemented such a plan.*