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December 7, 2022

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, 9th Floor
Sacramento, CA 95814

Re: 2023-24 Funding Priorities – Air Quality, Climate, and Public Health

Dear Governor Newsom:

On behalf of the California Air Pollution Control Officers Association (CAPCOA), representing the Executive Officers from all 35 local air districts, I am writing to request that as the state budget is being developed for its January release, programs that cost-effectively address our air quality, public health and climate challenges be kept a high priority for funding. We are appreciative of the investments you and the Legislature have provided for programs that provide significant air quality and climate benefits, especially in disproportionately affected communities. Increasing investment in key cost-effective air district implemented programs is essential to ensuring California continues making progress toward its air quality and climate goals. As the state anticipates a significant reduction in revenues this coming budget year, it is even more critical investments are made in programs that yield maximum benefits for limited dollars.

As noted by the Legislative Analyst's Office¹ in its review of the 2022-23 proposed Zero-Emission Vehicle Package, three air district-implemented programs rank at the top of mobile source incentive programs for cost-effectively reducing **both** criteria air pollutants and Greenhouse Gases (GHGs)—the Carl Moyer Memorial Air Quality Standards Attainment program (Carl Moyer program), the Funding Agricultural Replacement Measures for Emission Reductions (FARMER) program, and the AB 617 Community Air Protection program (AB 617 program). Further, the historically cost-effective Woodsmoke Reduction Program and the Local Air District Prescribed Fire Grant Program are providing significant air

¹ <https://lao.ca.gov/reports/2022/4561/Zero-Emission-Vehicle-Package-022322.pdf>

quality and climate benefits. Increasing California's commitment to proven, fiscally sound programs will provide a multiplicity of benefits; we can cost-effectively improve public health in disadvantaged communities by reducing air pollution and toxics while also making significant progress in reducing GHGs and meeting our climate goals.

Assembly Bill 617 Community Air Protection Program Funding

The air districts have been and continue to work diligently with communities to implement this worthy community-focused program that is improving the lives of people disproportionately impacted by the effects of air pollution and toxic air contaminants. As noted above, the AB 617 program is not only at the top of the mobile incentive program list for cost-effectively reducing air pollution, it is also one of the most cost-effective for reducing GHGs. However, to continue this successful trajectory, funding for all aspects of the program must be made available especially as CARB works to expand the program to include additional communities. CAPCOA is grateful for the \$50 - \$60M in implementation and \$240 - \$250M in incentive funding that was provided in the 2022-23 budget year, but we continue to note that these amounts have historically been insufficient to ensure timely program implementation. Slowed progress in the AB 617 program means that our most vulnerable communities are being left even further behind. With the addition of more communities into the program, more funding is critical to ensure the program progresses. In fact, without sufficient funding, the addition of new AB 617 communities may not be possible.

AB 617 embodies environmental justice and prioritizes disadvantaged communities throughout the state. AB 617 uniquely connects community representatives with regulators to identify and implement community driven air quality programs. Sufficient, continuous implementation and incentive funding are critical to ensuring program success. Without sufficient funding, we will not have the necessary resources to implement community emission reduction programs, which will ultimately result in failure to meet the emission reduction goals of this program. Air districts will not be able to provide staff resources to perform functions that are critical to the success of the program. These functions include community outreach, monitoring, engineering, modeling, emissions inventory, analysis, developing community emission reduction plans and other activities that support AB 617 implementation. All AB 617 program funding must be viewed under the same lens: every dollar spent, regardless of whether it is for implementation, monitoring, or emission reduction programs will result in benefits to California's overburdened disadvantaged communities. Without sufficient resources, the work being done by communities and air districts to clean up air pollution in communities will be compromised.

In addition to the work associated with the implementation and ongoing support for the currently identified seventeen communities, there is also a significant amount of work that is required under AB 617 that falls on the shoulders of all air districts across California. This includes the expedited development and implementation of Best Available Retrofit Control Technology rules and regulations, extensive expansion of the Criteria and Toxic Contaminant emission inventory, and far-reaching community engagement to disadvantaged communities. Many of the air districts who implement this effort experienced significant cuts in the amount of funding available to support this endeavor – thus highlighting the need to provide additional funding to support district efforts for all regions of the state.

For the reasons outlined above, CAPCOA advocates for \$100M per year to be invested into this program for implementation, with sufficient additional funding provided in future years when new communities are added. Additionally, CAPCOA advocates for \$400M in incentive funding for the program to implement CERP measures and help achieve critical and highly cost-effective emission reductions. Finally, it is imperative to identify a continuous stream of funding to sustain these efforts in future years to ensure community driven actions can be implemented. Each of the community air monitoring and emission reduction plans contain commitments lasting several years. Securing funding for future years helps plan for resources and staff for these actions.

Local Air District Prescribed Fire Grant Program; Wildfire Response and Mitigation

According to CARB's 2021 emission inventory, wildfires contributed an average of 22 million metric tons of CO₂ emissions *per year* between 2000 – 2021. As climate change causes drought conditions to worsen and extreme heat events become more common, wildfires will increasingly be a significant threat. Through implementation of SB 1260 (Jackson; Chapter 624, Statutes of 2018), the air districts and their state and federal partners have demonstrated that prescribed fire is a highly effective tool in reducing the duration and intensity of wildfires, which in turn reduces the amount of CO₂ emissions and mitigates climate impacts. The program, which has been funded at \$2M per year, is implemented jointly between air districts, CAPCOA, CARB, CalFire and our other partners is providing critical statewide benefit, including helping meet the goal of treating one million acres of vegetation annually beginning 2025 as identified in the signed U.S. Forest Service and California Memorandum of Understanding. Since SB 1260 program implementation began in 2019, nearly 400,000 acres of land have been treated, which has significantly reduced woody waste fuel, lowering the risk of wildfire. Additionally, nearly 1,000 prescribed fires were monitored with E-BAMs or stationary monitors using the protocol developed by CARB and CAPCOA. Monitoring helps to reduce the potential for smoke from prescribed fires potentially affecting downwind populations.

CAPCOA strongly supports continuance of this program, and advocates for its expansion as the air districts can play a significant role in many of the actions identified in the Legislative Analyst's Office report, *Living Under Smoky Skies—Understanding the Challenges Posed by Wildfire Smoke in California*². Additional funding would provide for work to include, among other activities, increased smoke monitoring for prescribed fire and wildfire events, training for Smoke Outreach Coordinators to coordinate smoke activities with our state and federal partners during active wildfire events, better coordination and activity tracking across agencies that regulate prescribed burning, and increased public outreach for prescribed fire and during wildfire events. While the initial investment has been modest, the funding has been providing significant and highly cost-effective public health and safety benefits. We anticipate that additional investment will go a long way to preventing future devastating wildfires and better protecting public health when wildfires do occur. We ask that \$10M in funding for this program be prioritized so we can increase our support of the state's goals in wildfire response and mitigation and would welcome the opportunity to work with the Administration and Legislature on this important issue.

² <https://lao.ca.gov/reports/2022/4644/Understanding-the-Challenges-of-CA-Wildfire-Smoke-111422.pdf>

Funding Agricultural Diesel Replacement and Upgrades (FARMER) Program

Similar to the public health and climate benefits associated with the Carl Moyer program, the FARMER program provides funding through local air districts to reduce emissions from agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors and other equipment used in agricultural and forestry operations. Like the Carl Moyer and AB 617 programs, the FARMER program is a potent, highly cost-effective mobile source incentive program for reducing air pollution and GHGs. Incentives for purchasing the cleanest available vehicles and equipment are crucial to achieving emission reductions of criteria air pollutants, toxic air contaminants and GHGs from the agricultural and forestry sectors necessary to meet health based federal and state air quality standards in nonattainment areas and California's climate goals. We are very appreciative of the \$150M the FARMER program received in the 2022-23 budget; we respectfully request that you continue prioritizing funding for the program and increase funding to \$200M, which will enable us to significantly reduce harmful air pollutant emissions from the agricultural sector and at the same time expeditiously reduce CO₂ emissions.

Woodsmoke Reduction Program

Short Lived Climate Pollutants (SLCP) like black carbon have an outsized effect on global warming due to their extremely high potency. CARB data shows that black carbon emissions from residential wood combustion is forecast to be the largest individual human made source of this SLCP in 2030, accounting for a quarter of anthropogenic black carbon emissions. Additionally, wood stove combustion results in PM_{2.5} emissions which due to their small size can lodge deeply in individuals' lungs, exacerbating health conditions like asthma, emphysema, and cancer. Unfortunately, for many parts of California, wood heating devices continue to be relied on as either a primary source of home heating or are used to supplement other types of home heating. Based on 2013 census data, there are approximately 217,000 residences in California that use wood heating as their primary source of heat, and an estimated additional 3.6 million residences that use wood heating to supplement other sources of heat. Residents throughout California will benefit from the replacement of inefficient and uncertified wood heating devices with cleaner certified heating devices. Replacing uncertified devices can cost-effectively provide quantifiable reductions of greenhouse gases, short-lived climate pollutants, and criteria pollutants including PM_{2.5}.

CARB's SLCP Strategy has set a reduction goal for black carbon from wood heating that will require change-out or removal of over 300,000 uncertified wood heating devices. We are pleased the 2022-23 budget includes \$5M for the Woodsmoke Reduction Program. However, these programs are typically oversubscribed, and demand far exceeds available funds. Providing incentives for woodsmoke reduction is a wise investment that will help California meet its climate and public health goals, therefore we ask that this program be prioritized for funding and request that \$5M per year be made continuously available to fund wood stove replacements.

We respectfully urge you to consider prioritizing funding for these air quality programs which cost effectively protect public health and provide climate benefits. CAPCOA welcomes the opportunity to discuss our suggestions further. Should you or your staff have any questions, please do not hesitate to contact me at (530) 745-2330, or our Legislative Advocate, Brendan Twohig at (916) 492-9363.

Sincerely,



Erik C. White
President

Cc: The Honorable Toni Atkins, President Pro Tempore, California State Senate
The Honorable Anthony Rendon, Speaker of the California State Assembly
The Honorable Nancy Skinner, Chair, Senate Committee on Budget and Fiscal Review
The Honorable Phil Ting, Chair Assembly Committee on Budget
Yana Garcia, Secretary for Environmental Protection
Liane M. Randolph, Chair, California Air Resources Board
Christine Hironaka, Deputy Cabinet Secretary, Office of Governor Newsom
Hazel Miranda, Deputy Legislative Secretary, Office of Governor Newsom
Lauren Sanchez, Senior Climate Advisor, Office of Governor Newsom
Joe Stephenshaw, Director, Department of Finance
Matt Almy, Program Budget Manager, Natural Resources, Environment and Capital Outlay