



June 27, 2023

The Honorable Benjamin Allen
Chair, Senate Environmental Quality Committee
1021 O Street, Suite 3230
Sacramento, California 95814

RE: AB 985 (Arambula) – San Joaquin Valley Unified Air Pollution Control District: emission reduction credit system – Oppose

Dear Chair Allen:

On behalf of the San Joaquin Valley Regional Policy Council (Policy Council), I am writing to express our **strong opposition to AB 985 (Arambula)**, which would make significant costly, and unsustainable changes to the San Joaquin Valley Air Pollution Control District’s (District) offsets program and require an extremely resource-intensive review of emission reduction credits (ERCs) held by facilities in the District.

AB 985 would require the California Air Resources Board (CARB) to conduct an extensive analysis of the Valley’s ERC banks for particulate matter below 10 microns (PM10), carbon monoxide (CO), and oxides of sulfur (SOx). This requirement does not recognize that ERCs are publicly noticed and that CARB and US EPA review and approve every ERC before issuance. Repeating work that has already taken place will not improve air quality but only substantially increase costs.

AB 985 also requires CARB to analyze all permits in the District that use ERCs for oxides of nitrogen (NOx) or volatile organic compounds (VOCs). This review must identify emission reduction opportunities at each source, including the availability of the Best Available Retrofit Control Technology (BARCT). Consistent with existing state and federal regulations, the District must constantly re-evaluate emission reduction opportunities to satisfy BARCT, Best Available Control Measures (BACM), and Most Stringent Measures (MSM). As a result of these efforts, CARB and US EPA have repeatedly found that the District’s rules and regulations meet these stringent requirements.

CARB estimates the cost to implement this bill is approximately \$6 million annually and ongoing. The District’s cost would also be \$6 million to implement. Additionally, while the District has fee authority for the issuance of permits, this activity does not appear to be covered by the bill, which results in an unfunded state mandate. The significant resources in time, staffing, and costs required to meet these new provisions will not provide improved air quality. It could instead be better invested in other activities like providing incentives for much-needed reductions in mobile source emissions, which make up most emissions in the San Joaquin Valley and other parts of California.

☎ (559) 266-6222

🏠 (559) 314-6015

📍 555 E. Weber Avenue
Stockton, CA 95202

🌐 <http://sjvcogs.org/>

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San Joaquin Valley
Air Pollution
Control District

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Joint Powers
Authority

In addition to being costly to implement, this bill will not assist in meeting air quality and public health protection goals. For these reasons, we will oppose AB 985 when it is heard in the Senate Committee on Environmental Quality.

Should you have any questions, please do not hesitate to contact our legislative advocate, Gus Khouri, at gus@khouriconsult.com or 916-605-8975. I appreciate your consideration.

Sincerely,

A handwritten signature in blue ink that reads "Robert Poythress". The signature is written in a cursive style.

Robert Poythress

Chair of the San Joaquin Valley Regional Planning Agencies Policy Council
Madera County Supervisor

cc: The Honorable Joaquin Arambula, Assembly Member, 31st District
Members of the Senate Environmental Quality Committee