



June 27, 2023

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

**RE: AB 985 (Arambula): San Joaquin Valley Air Pollution Control District: Emission Credits
OPPOSE – As Amended May 18, 2023
Set for Hearing – July 5, 2023 – Senate Environmental Quality Committee**

Dear Senator Allen,

On behalf of the California State Association of Counties (CSAC), the Urban Counties of California (UCC), and the Rural County Representatives of California (RCRC) which collectively represent all 58 counties in the state, we write to respectfully oppose Assembly Bill 985 (Arambula), which would undermine local control by imposing new limitations on the existing emission reductions credit (ERC) program. ERCs play a critical role in the San Joaquin Valley Air Pollution Control District's (District) efforts to reduce emissions and improve air quality.

The San Joaquin Valley faces some of the most significant air quality challenges in the country due to its unique topography, climate, geography, and the presence of two major transportation corridors, creating a significant public health challenge for Valley residents. While the District faces many challenges, it currently works closely with the state, specifically, the California Air Resources Board (CARB). This partnership has led to some of the country's most stringent emissions rules and a 90 percent reduction in stationary source emissions.

We appreciate interest from the Legislature in the improvement of air quality in the Valley, however, we understand there was no engagement with the District or the numerous array of Valley stakeholders impacted by AB 985 to find the best way to support their current efforts. The District already works closely with state and federal partners to robustly address emissions sources under their jurisdiction. The use of ERCs, specifically, has been developed in coordination with, and with oversight by, the CARB and United States Environmental Protection Agency (EPA).

ERCs are not handed out to just anyone. Some businesses decide to institute voluntary policies that control emissions beyond what is required by the District's rigorous air quality regulations. When this occurs, a business' work is reviewed to ensure compliance with local, state, and federal requirements. Every proposed ERC is made available for review and comment by CARB, EPA, and the public prior to being issued. This exhaustive process was designed to ensure that the ERC program is successfully contributing to the District's clean air goals, best serves residents, and will not cause a health risk to surrounding communities. Because the District's air quality regulations are among the most stringent requirements in the nation, it is exceedingly difficult and expensive for businesses to reduce emissions beyond rule requirements to generate ERCs.

The ERC expiration requirement in Assembly Bill 985 would eliminate all but a few ERCs currently contained within the Valley's ERC registry. When taken together with the bill's requirement to value ERCs at the time-of-use for all sources and projects (not just at major federal sources as currently required under the federal Clean Air Act), AB 985 would create an effective moratorium on permitting projects for a wide range of businesses and essential public services.

We share the goal of improving the environment and public health for San Joaquin Valley residents, however, we firmly believe that maintaining local control is the best way to accomplish these goals. The District is in fact making progress – in partnership with state and federal partners – in meeting such goals. It is critical that local agencies and districts have the flexibility to develop regulations that take into account specific local and regional needs. For these reasons, we oppose AB 985.

Sincerely,



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cc: The Honorable Joaquin Arambula, AD 31
Honorable Members and Staff, Senate Environmental Quality Committee
Scott Seekatz, Senate Republican Policy Staff