Woodsmoke Reduction Program

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FY 2016 - 2017
GHG Cap and Trade Budget

• $5 Million allocated to change out older wood heating devices

• How did we get GHG mitigation money for this?

• What did we learn in the process?
Cap and Trade

• Assembly Bill 32 – Also known as The Global Warming Solutions Act of 2006 or AB 32, established the Cap and Trade Program

• The Cap and Trade Program began in 2012

• Action proceeds from the sale of Program Credits are placed in the Greenhouse Gas Reduction Fund (GGRF)

• The Governor and the Legislature began allocating funds from the GGRF in support of the goals of AB 32 in 2012
Example Projects

California Air Resources Board
- Hybrid and Zero Emissions Truck and Bus Voucher Incentive Program

Department of Fish and Wildlife
- Mountain Meadow Ecosystem Restoration

Department of Food and Agriculture
- Dairy Digester Research and Development Program

Department of Forestry and Fire Protection
- Urban and Community Forestry

Natural Resources Agency
- Urban Greening Program
Air Districts Started Effort in 2014

Rural Air Districts began submitting letters, focusing on 2 main points:

- Rural areas will contribute to Cap & Trade through higher energy prices
- Rural areas have potential mitigation projects that the state has yet to consider, including wood heating

Approximately 75% of Rural Districts submitted letters
CAPCOA officially picked up the cause in the winter of 2014/2015

- Outreach Began
  - California Air Resources Board
  - Governor’s Office
  - Legislature
- Continuous effort through 2015
- Involved collection of wood use data to estimate potential reductions of CO₂, PM, NO₂, and Methane
Budget Issues

- Wood Heating received a line item in the Governor’s Budget in early 2016 for $40 million
- Senate budget zeroed it
- Assembly budget allocated $5 million
- Final adopted budget – $5 million

We needed to gather a large group of stakeholders
Development of Program Guidelines

• Required evidence of CO$_2$, and Methane benefit at each changeout
  • Eventually added Wood to Gas, Electric, and Wood to Wood changeouts
  • Could not qualify pellet stoves changeouts
• The real benefit comes from significant reductions in Black Carbon which is not an AB-32 pollutant.
Program Guidelines Also Addressed

- Goal for 75% of funding to go to economically disadvantaged areas
- Contracts and insurance requirements
- Project tracking and reporting
- Designation of CAPCOA as Grant Administrator
Allocations

- CAPCOA staff proposed several allocation scenarios.
- Proposals attempted to balance the need in rural areas with the desire to expend funds quickly to establish the need for continued funding necessity.
- The approved allocation distributes funding to 26 Air Districts:
  - 8 Districts have never run a program.
26 Air Districts Allocated Funding

Woodsmoke Reduction Program

**Green:** Currently not running a Program

**Blue:** Have previously run a Program
Where Are We Now?

- CAPCOA signed the grant agreement with CARB in February 2018
- Sub-Agreements between CAPCOA and Air Districts are being signed now
- CAPCOA will provide assistance and oversight and may reallocate funds, if necessary
- Administrative funding is capped at 10%
  - CAPCOA will take a small fraction
Lessons Learned

• Lengthy process

• Required a diverse stakeholder base

• Necessary to have legislative champions across political/regional spectrum

• Must back up requests with facts and anecdotes to make the case
Questions?

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