

Woodsmoke Reduction Program



ALAN ABBS, EXECUTIVE DIRECTOR
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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 Buss 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

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

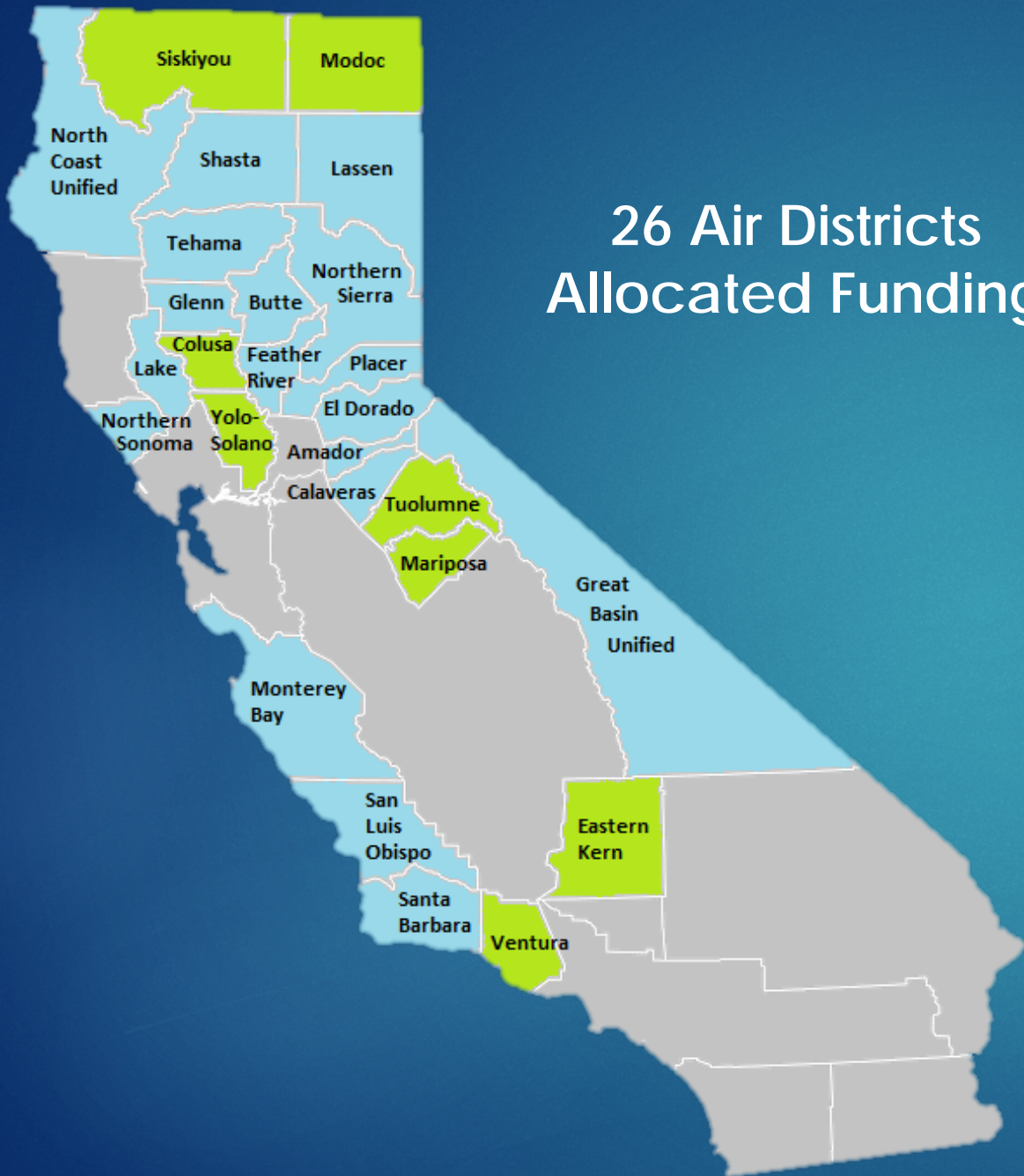
- Required evidence of CO₂, and Methane benefit at each changeout
 - Eventually added Wood to Gas, Electric, and Wood to Wood changeouts
 - Could not qualify pellet stoves changeouts
- The real benefit comes from significant reductions in Black Carbon which is not an AB-32 pollutant

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?

Alan Abbs, Executive Director

Email: alan@capcoa.org

Office Phone: (916) 441-5700

