

Almost every major industrial and power facility in California needs an air permit when it's built or renovated. That's a huge opportunity to rapidly advance the zero and near-zero technologies that Congress invested in in the Inflation Reduction Act, and that we urgently need to meet ever-more-pressing air quality challenges, especially as attacks from the Trump administration mount. But our tools are rusty: Unfortunately, the core of the laws governing permit review is decades out of date - so much so that air permitters generally don't even consider these more recently-developed technologies. A bill proposed by Senator Josh Becker, SB 318, the "California Clean Air Permitting Modernization Act" - which passed its first committee hearing on April 23 - seeks to pull permitting practices into this century.

The current permitting system has three much remarked-upon flaws that collectively have significantly slowed progress on cleaning up factories, power plants, and other big industrial sources:

First, because air permitting is generally triggered upon construction, older sources which have not gone through the system recently (or at all), often have out-dated air pollution controls, leading to significant unnecessary emissions. One study put the public costs of excess emissions of *just one* pollutant from boilers grandfathered in this way at up to \$65 **billion** nationally.

Second, the system's general failure to consider cumulative impacts, combined with redlining practices, has concentrated industrial facilities, and air pollution, substantially in Black and brown neighborhoods - persistently, given the general lack of facility upgrades over time. These pollution hot spots, in California, have provoked ongoing policy debates over whether California's Cap-and-Trade program should directly address them (evidence suggests the program lowers exposures over time, but indirectly), or if specific policies are the best primary approach.

Third, even new sources are more polluting than necessary. A decades-old agency-created doctrine cautions against considering whether cleaner fuels or practices can be used than proposed. This "redefining the source" doctrine is on shaky ground - the federal Clean Air Act mandates consideration of "clean fuels" (such as electricity) in air permitting and federal courts have recently expressed deep skepticism with failures to do so - but permitters still generally follow it, foreclosing use of cleaner options where available.

To be clear: None of this is the fault of permit-writing agencies like California's air districts. They work hard, daily, to implement the system as it stands as well as they can. They've made some real progress. But without reforming the system itself to ensure clean technologies can actually be deployed, we're all getting stuck. Modernizing the system would help permitting agencies get the results they need.

Advocates and scholars have been calling for reforms for decades (including in a recent report I co-authored). Some leading states, including New Jersey, have begun to test state level reforms. But, so far, California has not been in the lead. Its marguee community air reduction effort, the Community Air Protection Program created by 2017's AB 617, has made some progress, but has also been sharply criticized as lacking key regulatory tools needed to actually drive upgrades at key facilities.

SB 318, if passed, would change all that. As the Senate Environmental Quality Committee <u>analysis</u> describes, it directly addresses all three major flaws in the current system. It makes clear statutorily that the "redefining the source" doctrine is not to be used in California air permitting, finally opening the door to clean technologies to be required and scale up, permit-by-permit. It creates a process to periodically review and upgrade the pollution control technologies at older facilities. And it adds oversight and permit transparency tools including, for the first time, authority within CARB to block an inappropriate permit issued at the local level - along with an accelerated upgrade schedule for overburdened communities.

Now, my views are clear - I <u>testified in favor</u> of the bill as it passed its first committee 5-3. In my view, it very effectively addresses core flaws in the system, including gaps that I repeatedly saw from my former perch as an executive at CARB. California, its industries,

and its communities have long needed the air permitting system to directly drive forward the clean technologies so urgently needed to clean the air.

What's more, as the Trump administration attacks federal progress and state climate programs, these updates to our programs will best position California's economies to generate the clean technologies that the world economy, and our climate system, need. Senator Becker's efforts are urgently needed.

This is also a way to expand our statewide conversation on stationary sources and pollution hot spots beyond debates over Cap-and-Trade reauthorization—important though those conversations are—to the permitting systems that far more directly drive industrial policy and air quality results.

In sum: This bill is aiming at foundational problems and making the moves needed to finally take them on directly.

The road to passage is long. On the one hand, the bill's first committee hearing met with a strong show of support from environmental and environmental justice groups - and a guick vote for passage. On the other, representatives of the California air districts have, thus far, opposed the bill unless amended but with, I trust, far more technical objections than those of industry (oil interests, of course, oppose too). District concerns, based on their filings, largely appear to center on further tuning up the bill's oversight and permit review provisions to ensure district permitting goes smoothly even as these updates are made. It will be crucially important to work through these issues as we all move forward.

Reform is hard. There's a reason why our air permitting systems are decades old with so few updates. But as we all stare down a comprehensive attack on clean technologies and climate progress from the federal administration, Californians have a chance to come together for a nation-leading reform. If we can all find common ground, it can be an example of when decisions in Sacramento helped create models to move the country, and the world, forward.

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