



Sustainable  
NAPA COUNTY

March 8, 2013

Ms. Mary Nichols  
Chair, California Air Resources Board  
1001 I Street  
Sacramento CA 95814

Re: Cap-and-Trade Auction Proceeds Investment Plan

Dear Chair Nichols,

Sustainable Napa County (SNC) appreciates the opportunity to provide comments and suggestions for the Cap-and-Trade Auction Proceeds Investment Plan. We attended the public workshop in Sacramento on February 25 and were impressed by the variety of good ideas that were advanced.

Our comments are intended to focus on those we believe will have greatest benefit and also enable small rural counties to participate effectively. Because rural counties are smaller in population or representative influence, access to opportunities are often minimized or limited yet we are convinced that smaller, more rural counties are ideal for demonstrating successful programs and serving as models for broader implementation.

As demonstrated at the public workshops, there are a multitude of practical and effective projects ready to go in communities throughout the state that simply lack the necessary full or partial funding to make them a reality.

SNC supports the strategy outlined in the Draft Concept Paper that focuses early investments on existing programs that can be quickly expanded to support additional GHG reduction projects.

We strongly urge requiring quantified measurements and deliverable goals for chosen projects and investments as this will help insure effectiveness, benefit and lead to easy replication.

In addition to this general recommendation about how we believe funding can best be allocated, we have organized our specific recommendations into three categories: Transportation; Energy Efficiency and Renewable Energy; and GHG Reduction Policies.

## Transportation

- Support the Transportation Coalition for Livable Communities proposal, which outlines an array of strategies and recommendations for Cap-and-Trade auction proceeds investment. SNC has added our name to the Coalition's comment letter.
- Encourage and accelerate the transition from fossil fuel powered vehicles to renewable and clean powered vehicles – like electric vehicle (EV) and compressed natural gas (CNG). It is imperative that funding first be directed to development of infrastructure to aid in the deployment of these vehicles. Building this infrastructure and a network between communities within a county and between regions is especially critical. Connecting rural counties and tourism-based economies like Napa County to existing transportation hubs and airports will be a highly effective way to multiply use and awareness about clean powered vehicles.
- Invest in pedestrian and bicycle networks that connect cities and towns. The Napa Valley Vine Trail, a multi-use countywide Class I trail from Calistoga to American Canyon, is an example of such a network. Eventually the hope is to connect this trail to the regional transportation system - including the ferry from nearby Vallejo to San Francisco helping get both visitors and commuters to and from our county with ease and reducing traffic related GHGs.
- Support roundabouts and traffic-calming measures that reduce GHG emissions, increase safety, and disburse vehicles through communities to alleviate congestion.
- Fund additional public transportation vehicles – clean powered and of varying capacity so services and schedules can be enhanced and expanded.
- Provide funding for school buses or public buses for schools to use. This investment could also include a fund for bus drivers so that this service is available to more school kids who live too far away to walk but not far enough to take available transportation. We cannot be the only community who experiences near gridlock around schools in the mornings and afternoons when the number of single cars with one driver and one child is extremely high. This one step alone will go a long way in reducing both daily traffic congestion and ongoing GHG emissions.
- Support expanded employee transportation programs - like vanpools and commuter connections – based on community employment patterns.
- Leverage investments in programs like Napa County's Workforce Proximity Housing fund, which integrates the principles SB 375 and can serve as a statewide housing-transportation model. Napa County established their Workforce Proximity Housing program to provide down payment assistance of up to 10% in the form of a homebuyers' assistance loan for qualified buyers toward an eligible property. Applicants must be purchasing a home within 15 miles of their workplace. The purpose of the program is to promote affordable workforce housing, while reducing greenhouse gasses and commutes for people who work in Napa County.

Support for innovative transportation and transit projects is particularly important to tourism-based economies and rural regions like Napa County so that alternative travel via walking,

biking and clean power vehicles is made easier and more appealing. We recognize that it will be a comprehensive long-term effort to change behaviors, travel patterns, and get people out of their cars. However, in the meantime it IS possible to reduce vehicle related GHG emissions while the benefits of building new walkable, less car-centric communities are fully realized.

### **Energy Efficiency and Renewable Energy**

- Support innovative waste to energy projects that not only reduce GHGs by reducing and diverting waste, but that use remaining and available waste to generate power on site and for communities. For example, the City of Napa is considering the Napa Renewable Resource Project (NRRP) at its Materials Diversion Facility. The project includes upgrades to its stormwater system; covered composting; anaerobic digestion; a biomass plant; and solar panels. If funding is available, the NRRP has the capability to create a closed energy system with 20% excess that could offset other City energy demands. And once completed the NRRP will reduce GHGs by 93% compared to today's operations. However, the full cost of such a project can be prohibitive and a piecemeal approach to implementation reduces the benefits and extends the time it takes to realize these benefits.
- Direct funds to leverage incentives and rebates available through investor and publicly owned utilities to help bridge the gap between cost of upgrades and rebates for certain customer groups. As an example, SNC works with PG&E to provide energy and water efficiency upgrades for local nonprofits. The cost gap between the rebates and the upgrades is covered by SNC through a grant so the nonprofit has no out-of-pocket expense and begins to see a positive cash flow on their next utility bill. This model program has multiple benefits – economic, environmental and social justice: it helps increase the efficiency of existing building stock; it re-directs scarce financial resources from utility bills to clients and services; it improves indoor environments and air quality; and it offers a teaching opportunity for employees, clients, donors and the community at large as nonprofits have a high rate of personal contact.
- Invest in water conservation and efficiency, including informational programs and projects related to the water-energy nexus. Use successful energy efficiency program models to translate to water conservation and efficiency, such as on-bill financing.
- Continue support for Property Assessed Clean Energy (PACE) for both commercial and residential programs. We support using a portion of proceeds for residential PACE loan insurance so this program can be implemented as intended statewide. Despite the derailing of this innovative program by the FHFA, when implemented in the few communities that have worked around the federal issues, the benefits of energy and water efficiency, installation of renewable energy, and job creation have been measureable.

### **GHG Reduction Policies**

SNC supports directing a large majority of funds to and through local governments and locally based non-governmental/nonprofit organizations so that the money is put to work in communities quickly, efficiently, and so projects can be leveraged with existing efforts and are based on local knowledge of needs, opportunities, and constraints to be overcome.

- Support project specific and policy coordination at the local level. An example of how this strategy will be effective is the comprehensive Napa Countywide Community Climate Action Framework developed with input and support of all six jurisdictions in Napa County in 2009. The Framework includes six broad goals and 53 actions that,

when translated into locally specific programs and projects countywide, will help meet climate protection targets. Each action met four criteria prior to inclusion: 1) it is under local control; 2) it will result in significant GHG emission reductions; 3) it is cost-effective; and 4) it is politically feasible. Despite clearing these four key hurdles many of these 53 actions have yet to move from plan to action simply because of the missing element - available resources. A significant number of these actions are included in individual jurisdiction climate action or energy plans, however no formal coordination mechanism exists. Funding for this coordinated implementation would make it possible to move these action ready ideas forward quickly and assure consistency in a region by prompting jurisdictions to coordinate. The cumulative result of coordinated policies at the local level being implemented throughout California will be a significant contributor to achieving our AB 32 goals.

- Support for local, voluntary GHG emission reduction exchanges and carbon offset banks. Creating a program for activities and projects not subject to CEQA will open up the opportunity for accelerated GHG emission reductions and all the associated co-benefits. Such a program will be localized, relevant, easily measurable, and highly visible and will build goodwill and awareness about climate action. Activities that drive participation to a local voluntary carbon bank could include offsetting the impact of special events; employee commutes; and smaller scale projects. Funds can be put back into the community for projects like energy efficiency upgrades for low income neighborhoods; waste to energy project support; habitat restoration; urban tree planting; and electric vehicle infrastructure – to name a few. And, a voluntary, locally driven program will be a complement to the GHG Exchange for projects subject to CEQA currently being developed by Air Districts within the California Air Pollution Control Officers Association (CAPCOA).

Sustainable Napa County believes that a great amount of ingenuity and innovation exists within California and that aligning our resources with our priorities is a winning strategy. Smart and practical investment of Cap-and-Trade auction proceeds will put the money to work for us quickly and effectively. The priority targets should be transportation, energy efficiency, and support for existing programs and policies already gaining traction. These investments will help strengthen communities and meet our environmental and economic goals.

Sincerely,

Jeri Gill  
CEO