



Local  
Government  
**SUSTAINABLE ENERGY**  
Coalition

P.O. Box 3629 • Oakland • California • 94609  
510/459-0667 • www.lgsec.org

April 17, 2014

Michael Tollstrup  
California Air Resources Board  
1001 I Street  
Sacramento, California 95814

Subject: Revised Draft AB 32 Scoping Plan Update

Dear Mr. Tollstrup:

The Local Government Sustainable Energy Coalition (“LGSEC”) is pleased to provide these comments to the California Air Resources Board (“ARB”) on the February 10<sup>th</sup> version of the AB 32 Scoping Plan Update (“Draft Update”). The LGSEC commends the ARB for its leadership in climate protection. The revised Draft Update demonstrates an understanding of the long-term, complex challenges California faces and represents a significant improvement over the prior version.

## **Mobilizing the Local Government Enterprise**

The LGSEC particularly appreciates the recognition of the importance of integrated planning and enabling local and regional leadership in section five, pages 111 to 24.

*“A number of potential uses of allowances and revenue were identified, including achieving environmental co-benefits, funding energy efficiency and renewable resource development, providing incentives to local government, delivering rebates to consumers, and funding research, development, and deployment.” Section V, Achieving Success, Page 117.*

The text goes on to identify a list of existing state grant programs that are available to local governments under existing law for various beneficial purposes. In our opinion this approach misses an opportunity to mobilize the local government enterprise to go beyond business-as-usual approaches to climate mitigation. Achieving AB-32’s ambitious goals will require more innovation and ideas that go beyond what has been done in the past.

The LGSEC strongly believes that funding for current projects and programs does not match the potential that exists at the local level. There are shovel-ready projects in local government that if provided adequate funding, could help the state to reduce greenhouse gas (“GHG”) emissions and create jobs across the State. The final Update must include explicit language that recognizes that funding must be provided for innovative local government projects and programs that go beyond the status quo, if California is going to achieve GHG emissions reductions that have been attained to date under the status quo.

## Local Government Innovation

Local entities across California have indicated a commitment to reducing greenhouse gas emissions. As noted in the Draft Update:

*“90 local governments have adopted policies and/or programs to address climate change, often in the form of Climate Action Plans. Moreover, over 270 local governments reported they were making progress towards adopting climate change policies. As of October, 2013, 135 California mayors have voluntarily signed the U.S.” Section V, Achieving Success, Page 113.*

Local entities are also acting on these commitments by developing new, innovative and transformative programs that can accelerate AB-32 goals. For example:

**1. Regional Energy Networks:** Southern California and the San Francisco Bay regions have formed regional energy networks intended to integrate residential and commercial energy efficiency programs for the built infrastructure. The networks have the potential to achieve widespread reductions in energy use.

**2. Efficiency PAYS®:** Several communities are now implementing an innovative energy/water efficiency program known as Efficiency Pay As You Save (“PAYS®”). The program provides improvements such as high efficiency fixtures, front loading washing machines, and drought resistant landscaping at no cost to ratepayers. The utility is reimbursed over time by a surcharge on the water bill. There is a guarantee to the customer that their total energy, water and wastewater savings will equal or exceed the surcharge. The Town of Windsor’s program retrofitted over 36 percent of its eligible multi-family accounts in the first year of the Efficiency PAYS® program and produced an average bi-monthly savings of \$30 on participant utility bills.

**3. Community Choice Aggregation:** Local communities are forming their own community choice power authorities (“CCAs”) to provide green power to residents and businesses. Sonoma County’s CCA is projected to cut greenhouse gas emissions by 3 million tons over the next twenty years, the equivalent of planting 80 million trees.

**4. Financing Programs.** Local governments have been facilitating financing for residential water and energy upgrades through Property Assessed Clean Energy programs for several years. The HERO program since 2011 has grown from 18 communities to over 100 communities in California, funding over \$100 million in projects.<sup>1</sup> With the recent announcement from Governor Brown of actions to revive and expand the Property Assessed Clean Energy program (“PACE”), local governments expect to be even more actively engaged in programs that reduce greenhouse gas emissions.

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<sup>1</sup> Data taken from [www.heroprogram.com](http://www.heroprogram.com)

**5. Streetlight Retrofits.** Local governments can change streetlights to operate on LED technology, reducing dramatically emissions of both stationary and mobile GHG pollutants, and improving lighting.

**6. Bike master plans.** The climate action plans adopted by many local governments include upgrades to the bicycle infrastructure through bicycle master plans and upgrading streets. Increasing cycling has a direct impact on reducing mobile source pollution.

**7. Resilience/Hardening/Micro grid** of key assets under Local energy Assurance Plans (“LEAP”).

**8. Advanced Meter infrastructure for water utilities.** Using state-of-the-art meters for municipal water utilities reduces VMT and increases water savings.

**9. Diesel vehicle fleet retirements.** Local governments operate vehicle fleets that can be upgraded to cleaner technology.

**10. Soft costs for Solar.** Local governments often fund soft costs associated with siting solar technology, for example preparation of environmental documents, project development costs, and CSI replacement incentives.

There is an opportunity for ARB to multiply transformative programs like these across California by providing incentives for integrated, multi-benefit greenhouse gas mitigation programs at the local and regional level. These programs would make a significant contribution to state goals beyond the reach of existing state programs.

## Recommendation

The LGSEC urge the Air Resources Board to include in the text of the Scoping Plan a clear commitment to support integrated, multi-benefit greenhouse gas mitigation programs at the local and regional level using future revenues from greenhouse gas allowance sales. This must include opportunities beyond the status quo. We understand that this effort may be difficult to initiate in the near-term but believe this should be an action supported by the Scoping Plan and targeted for implementation in the two to three year timeframe.

Sincerely,



Jody S. London

for the LOCAL GOVERNMENT SUSTAINABLE  
ENERGY COALITION