

January 22, 2014

Chairman Mary Nichols and Members California Air Resources Board 1001 I Street Sacramento, CA 95814

RE: SB 375 Implementation Priorities for 2014

Dear Chairman Nichols and Members of the Board,

On behalf of the 22 undersigned organizations, all members of ClimatePlan, we thank you for your continuing leadership in the implementation of SB 375. ClimatePlan is a network of organizations working to advance sustainable and equitable communities across California, with a particular focus on full implementation of SB 375. As the Board prepares for an update on this landmark policy, we offer the following recommendations to consider in the coming year, in order to achieve the maximum benefits associated with sustainable communities planning. Our key recommendations include:

1. We urge ARB to review progress and consider updating the regional GHG targets for the second round of Sustainable Communities Strategies.

- Evaluate progress towards meeting the SB 375 targets and consider updating some targets.
- Address statewide technical issues that have arisen, e.g., interregional trips.
- Consider reconvening the Regional Targets Advisory Committee (RTAC) to update its original guidance.

2. In the San Joaquin Valley, encourage every county to take ambitious action to meet the targets.

- Encourage all counties to meet their targets via ambitious action, especially counties that are at risk of not meeting them.
- Carefully review the GHG calculations to understand where the reductions are coming from, and avoid the models becoming a 'black box.'

Evaluate progress toward meeting the SB 375 targets and consider updating some targets.

The SB 375 Sustainable Community Strategies (SCSes) adopted to date have uniformly met or exceeded the regional targets established by ARB in 2010, indicating that more ambitious targets

would remain achievable (see attachment). As noted in the AB 32 Scoping Plan Update draft, California is on track to meet its 2020 GHG reduction target, but the 2050 target of 80% below 1990 levels will be a challenge that requires more ambitious action. We must leave no feasible possible GHG reduction strategies on the table, if we are to meet our 2050 goals and stave off the worst effects of a changing climate.

Land use and transportation patterns do not change overnight; but smart, equitable growth strategies, and investments in transit and active transportation, can result in substantial GHG reductions over the long term. The first round of Sustainable Communities Strategies have generated a tremendous amount of learning and demonstrated broad support for strategies that reduce GHG emissions, improve public health, expand access to economic opportunity and protect important landscapes and promote thriving, equitable communities. These plans have laid the foundation for further progress, particularly in the 2035-2050 timeframe.

As California prepares to allocate AB 32 auction proceeds for the first time, it will be important to review the progress made in the first round of SCSes. These provide more information than ARB had when setting targets in 2010, and reveal that in some regions, the achievable reductions may be greater. Updating the GHG reduction targets from land use and transportation work can ensure that the state directs these revenues toward strategies that maximize GHG impacts and co-benefits.

We look forward to the release of the next iteration of the AB 32 Scoping Plan Update draft for further discussion of how SB 375 can further advance progress toward California's longer-term climate policy goals.

Reconvene RTAC to elevate best practices and address technical issues

Four years in, we have learned much from the first round of SCSes. Various regions have pioneered recommendations from the Regional Targets Advisory Committee (RTAC), such as actively engaging stakeholders and evaluating the impact of plans on health, equity, economic, and environmental indicators. The first round has also revealed important technical challenges that remain, such as the difficulty of accurately modeling interregional travel.

As part of a review of the GHG targets, ARB should examine lessons learned, highlight best practices, and make needed course corrections prior to the next round of SCSes. To support this review, ARB may wish to reconvene the RTAC to update its original guidance. This broad-based committee of MPOs, local government, non-profit organizations, builders and technical experts developed consensus recommendations that helped set SB 375 onto the right path. Reconvening the RTAC to update its original guidance would provide a wealth of valuable analysis to sharpen the program as we enter the second round of SCS development. In particular, RTAC can help the Board identify priorities for ensuring that the next round of Sustainable Communities Strategies promote strategies and investments that more effectively reduce GHG emissions by improving co-benefits to public health, jobs, disadvantaged communities and natural resources.

Encourage all San Joaquin Valley counties to meet their targets via ambitious action

The Valley has been making good progress toward implementing SB 375. All eight counties are working

to implement the law, and the Regional Policy Council voted to support the targets of 5% and 10%. There are some great highlights from the process to date, including increased public participation in several counties, and better coordination on regional strategies such as Amtrak San Joaquin service.

However, at least one county is at risk of failure. Merced may be the first regional agency in California to not meet its targets. Merced CAG selected the lowest-achieving scenario for their SCS, one that is a step *backward* from previous planning efforts. The preferred scenario's *farmland* consumption is larger than the *total* land consumption of any scenario even considered in their 2011 RTP. The preferred scenario's average density of new development is significantly lower than in the 2009 Blueprint process (5.4 vs. 8.6 du/ac). Other scenarios considered for this SCS would have achieved 30-50% higher GHG reductions.

ARB should continue to hold every Valley county accountable for developing an SCS (and if necessary an APS) that meets the targets, as the law requires. Clearly Merced could be doing more. We hope that Merced will incorporate policies and investments that allow their SCS to meet the targets, because every county's residents deserve the health and economic benefits of good growth. If Merced cannot reach this goal, it should develop an Alternative Planning Strategy through a process with strong public engagement, as required under SB 375.

Carefully review San Joaquin Valley GHG calculations to understand where the reductions are coming from, and avoid the models becoming a 'black box.'

Several San Joaquin Valley counties are poised to significantly exceed their 2035 GHG targets of 10% per capita – even under baseline scenarios. For example, San Joaquin COG's base case achieves a 22.6 percent per capita reduction in 2035 while Kern COG's base case achieves a 14.3 percent reduction in 2035. If these numbers are accurate, San Joaquin COG will be the highest-performing region in California, even with a business-as-usual scenario! As in many regions, San Joaquin Valley COGs have had to quickly deploy new transportation models.

The COGs are currently working to understand these surprising results. ARB has a legal obligation to review how each region calculates its greenhouse gas reductions, and should actively support COG staff in understanding these results. ARB and the COGs should share their conclusions before the Valley SCS plans are approved. ARB staff should carefully evaluate the greenhouse gas calculation modeling and assumptions, ensure their accuracy, explain any unexpected results, and develop guidance for COGs to clearly differentiate modeling and geographic artifacts from the ambitious local actions planned to cut emissions. Otherwise, the travel models used to evaluate SB 375 performance could become a "black box" that cannot be trusted to provide accurate forecasts. The greenhouse gas reductions and associated health, economic and environmental co-benefits of ambitious SB 375 implementation will only happen if the projected reductions stem from ambitious policy action, not the modeling itself.

Thank you for your consideration of our perspectives on priorities for SB 375 in 2014. We look forward to working with you throughout the year to create more sustainable, equitable and healthy communities.

Sincerely,

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Approved and Projected Regional Greenhouse Gas Emission Reduction Targets

	Regional GHG Reduction Targets					
MPO Region	2020	2020 SCS		2035	2035 SCS	SCS Exceeded
	Assigned	Achievement		Assigned	Achievement	Target?
4 Large MPOs						
SCAG	-8%	-14%		-13%	-13%	2020
MTC (Bay Area)	-7%	-10%		-15%	-16%	2020, 2035
SANDAG	-7%	-14%		-13%	-13%	2020
SACOG	-7%	-10%		-16%	-16%	2020
SJV COGS	2020	2020 SCS		2035	2035 SCS	SCS Exceeded
(2035 ranges for SCS Scenarios)	Assigned	Achievement		Assigned	Achievement	Target?
San Joaquin	-5%	tbd		-10%	(-22.6 – 25.8%)	
Stanislaus	-5%	tbd		-10%		
Merced	-5%	tbd		-10%	(-4 – 6%)	
Madera	-5%	tbd		-10%	tbd	
Fresno	-5%	tbd		-10%	(-11.3 – 12.4%)	
Kings	-5%	tbd		-10%	tbd	
Tulare	-5%	tbd		-10%	(approx -16-18%)	
Kern	-5%	tbd		-10%	(-14.3 - 18.7%)	
6 Other MPOs	2020	2020 SCS		2035	2035 SCS	SCS Exceeded
	Assigned	Achievement		Assigned	Achievement	Target?
Tahoe	-7%	-12.1%		-5%	-7.2%	2020, 2035
Shasta	0	tbd		0	tbd	
Butte	+1%	-2%		+1%	-2%	2020, 2035
San Luis Obispo	-8%	tbd		-8%	tbd	
Santa Barbara	0	-10.5%		0	-15.4%	
Monterey Bay	0	tbd		-5%	tbd	2020, 2035

Notes:

- All Major MPOs exceeded 2020 targets
 - o MTC exceeded 2035 target
- All Small MPO SCS plans to date exceed both 2020 and 2035 targets
 - o Tahoe was approved with a lower target for 2035 than for 2020
 - o Butte was approved with a target to *increase* GHG in both 2020 and 2035
- <u>San Joaquin Valley</u> plans have not yet been released in draft form by any of the eight individual Councils of Governments, though scenario development and review is well underway
 - o All but one county are projected to meet or exceed the targets
 - o Several counties could exceed the targets, even with baseline planning scenarios