CITY OF ROSEVILLE CALIFORNIA

City Council
311 Vernon Street
Roseville, California 95678

November 18, 2008

Mary Nichols
Chair, California Air Resources Board
1001 I Street
P.O. Box 2815
Sacramento, CA 95814

RE: Comments on Draft Climate Change Scoping Plan

Dear Chair Nichols:

The City of Roseville appreciates the opportunity to submit the following comments on the October 2008 California Air Resources Board (ARB) Draft Climate Change Scoping Plan (Scoping Plan). We are pleased to note that the State recognizes the important role of local governments in meeting the mandates of AB 32.

Voluntary and proactive compliance is underway

The City is already taking steps to comply with the intent of AB 32. We are currently finalizing the City's operational inventory and initiating preparation of a Climate Action Plan. The City has implemented a number of sustainable initiatives and programs, including:

- A Citywide "Green Team" develops innovative programs and policies to address land use and green building, utilities, green energy, transportation, public outreach, and recycling.
- Energy Efficiency Incentive and Rebate Programs (including photovoltaic and efficient appliance rebates)
- Water efficiency incentive and rebate programs (including turf replacement, pool cover, and efficient fixture rebates).
- Innovative recycling programs including the first in the region Styrofoam recycling program.
- General Plan amendments that address Global Climate Change, and identify existing policies to reduce greenhouse gas emissions
- The BEST Homes program utilizes rooftop solar electric generation technology, high energy efficiency, water efficiency and shade trees as a standard feature in homes. Through BEST Homes, Roseville Electric offers developers up to $8,600 in rebates for each participating dwelling unit. In fiscal year 2007/2008 over 20% of new home permits participated in the program.

- Last year, ten percent of the Roseville Electric energy portfolio was from renewable energy sources (31 percent when including large hydroelectric sources), with similar projections for 2008.

The City is also implementing and exploring many other programs to meet the challenge of reducing greenhouse gases, while being fiscally and environmentally responsible.

General Comments

The State should provide incentives, not penalties.

Admirably, the Scoping Plan recognizes that many cities, such as Roseville, are progressive and already working to voluntarily comply with AB 32. The Scoping Plan identifies "Community Design" as an area for which local governments must account for environmental impacts associated with project siting and design.

While local governments can influence development design to a certain extent, the reality is that developers will only build projects that will be purchased by willing customers and that are profitable. In order to effect the desired change, incentives must be provided to the development community. Moreover, it is impractical to suggest that levying fees on new development or utilities will achieve the desired ends, as it would drive up the cost of development, and be a disincentive to investments in innovative design.

Regional targets should be voluntary and flexible.

There are a multitude of forces to which local governments must respond in their own ways. These include the Regional Housing Needs Allocation (RHNA) requirements, the extent of greenfield opportunities in each community, the economic factors influencing the pace of new development, and many other factors. The City of Roseville is not opposed to voluntary regional targets; however we are concerned about the impact if regions are unable to meet mandatory targets. Mandatory targets do not recognize the variability of conditions among local jurisdictions and should not be required as part of the Scoping Plan.

The City's programs illustrate the success of the incentive-based approach. The overwhelming response to the City's recent "Cash for Grass" program, which helps property owners convert from grass to a water-efficient landscape, demonstrated the public demand for these programs. It was necessary to increase the budget to meet the unanticipated high response.

Infrastructure funding must be provided.

The Scoping Plan does not identify a funding source to provide for the recommended "increased emphasis on urban infill development." In light of the high infrastructure costs of redevelopment projects and the recent downturn in the economy, State funding is critical. As shown in the table, below, the City of Roseville has a history of investing significant funds to subsidize redevelopment and infill revitalization projects.

Redevelopment/Infill Revitalization Projects	**City Contribution**
Vernon Streetscape	$3,800,000
Historic District Streetscape	$12,500,000
Riverside Gateway Specific Plan and Streetscape	$4,000,000

For infill revitalization projects, in addition to the CEQA relief in SB 375, there is still opportunity for development-oriented incentives such as relief from CEQA mitigation requirements, exemption from state agency review fees, shortened comment periods, etc.

Local air districts should apply uniform approaches.

As stated in the Scoping Plan, many local air districts are actively seeking ways to address climate change. Coordination between the air districts and ARB is needed to ensure a consistent and equitable approach. The variability between air districts regulation of criteria pollutants, even within the same air basin, demonstrates the potential for discrepancy among air districts in regulating greenhouse gases. For a uniquely global impact such as climate change, it is critical that air districts apply consistent and uniform Statewide approaches, consistent with the ARB guidance.

Retrofits provide opportunities for mitigation.

The Scoping Plan identifies voluntary and mandatory retrofits of existing buildings as a key energy-efficiency strategy. Building retrofits have been shown to be cost-effective in many instances, and a viable opportunity for CEQA mitigation. Although the emphasis in the Plan is on green building standards for new development, we are pleased to see that retrofits to existing buildings are identified as a tool to achieve emission reduction targets, and expect that such retrofits can also be used for CEQA mitigation.

Specific Comments

Utilities

Roseville is a full-service city, providing municipal electric, water, and wastewater utilities. Roseville Electric has submitted comments on the Scoping Plan via the California Municipal

Utilities Association (CMUA) and the Northern California Power Agency (NCPA). However, remaining key concerns are summarized below.

- Implementation of the AB 32 Green House Gas (GHG) standards must not result in cost shifts between utilities or their ratepayers, either from other utilities or from non-electric utility GHG emitters

- Utility resources (funds) should go towards investments in direct emission reductions and not to fund markets.

- California is not a big enough market for a GHG credit trading program. Such markets must be at least regional in nature and preferably implemented on a nationwide basis.

- In the short term until regional or national markets develop, utility specific administrative caps should provide milestones to utilities on the amount of GHG reduction each must achieve to meet the AB 32 requirements without resulting in cost shifts among utilities or consumers or sectors of the GHG sources. Small utilities should be allowed to pool their resources and work collectively to meet their emission reduction goals.

- Section II.B.1: Cap-and-Trade linked to the Western Climate Initiative: The Plan must be expanded to consider the efficacy and economic value of a "mandatory cap – voluntary trade" mechanism.

- Section II.B.13: The Scoping Plan should encourage collaboration on energy-efficiency issues between departments within local governments. The ability to collaborate between city departments could capture synergies in achieving overall local and regional targets. At the same time, to facilitate increased efficiencies through local collaboration, the Plan must also avoid duplicative reduction requirements placed on local governments.

- Section II.B.3: The Plan's scope should specify ARB's direct consultation with local agencies in regard to energy efficiency measures.

- Section II.B. 4: Renewable Portfolio Standards: The Scoping Plan must acknowledge the logistical, legal, and regulatory barriers to renewable resource development and encourage the appropriate State action to remove those barriers.

Tax on Water Use

For energy-related matters, AB 32 requires the Scoping Plan to ensure that emission reduction measures are "complementary, non-duplicative, and [able to be implemented] in an *efficient and cost-effective manner*." (Health & Safety Code Section 38561(a)).

The City supports, and is currently implementing, water conservation programs, including increasingly stringent statewide initiatives directing conservation and accountability. These changes are already increasing the costs of program development and water delivery to consumers. No details have been provided regarding how this proposed water tax would

be collected or distributed. The Scoping Plan needs to clearly define the obligations and credits for GHG emission reductions resulting from water efficiency improvements. Until objectives and outcomes are clarified, the City does not support burdening water utility rate payers with additional fees on water use.

Land Use

Appendix C: Transportation Section (pg. C-84)
This proposed policy would allow an individual with development rights to sell those rights for income gain, and allow the buyer to increase residential density. The stated purpose is to support Blueprint planning. In general, this policy could have major implications to local land use planning, including potential direct conflicts with local General Plans and zoning ordinances. No additional details about the proposed policy are included in the Scoping Plan and *as currently outlined, the City would strongly oppose such a policy*.

The Scoping Plan states that local governments will retain land use authority, and it is the City's expectation that will continue to be the case. As stated in the City's previous comment letter (dated August 4, 2008), local governments know the needs, goals and limitations of their individual jurisdictions and regions, and must retain full authority to implement programs that best meet their unique situations. Diminishing local land use authority would detract from our ability to meet local goals and needs, and would in all likelihood stymie rather than facilitate Blueprint development.

Thank you again for the opportunity to submit these comments for the public record. If you have any questions, or would like additional information about the City's sustainability programs, please contact Terri Shirhall, in the Planning and Redevelopment Department, at (916) 774-5422.

Sincerely,

Jim Gray
Mayor

cc: Roseville City Council
Craig Robinson, City Manager
John Sprague, Assistant City Manager
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