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August 8, 2008

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

RE: League of California Cities Comments on Climate Change Draft Scoping Plan

Dear Chair Nichols:

On behalf of the League of California Cities (League), thank you for the opportunity to comment on the California Air Resources Board's (ARB) Draft Scoping Plan (Draft Plan). We have appreciated the opportunity to work with ARB staff in the past months through the various public workshops related to climate change.

General Comments

California's 479 cities are very proud of what they have accomplished to help reduce greenhouse gas (GHG) emissions. Cities across the State are finding cost efficient, innovative solutions to accommodate the unique characteristics of their communities. Many have already completed GHG inventories, created climate change action plans, and implemented programs that are already resulting in the reduction of GHG emissions. These cities are leaders and innovators that are setting an example for the state, nation, and the world. In short, California's cities are finding an impressive array of cost efficient, innovative ways to address climate change and at the same time accommodate the unique characteristics of their communities.

The League adopted climate change policies in April 2008 to address 10 areas of concern: action plans, smart growth, green technology investment assistance, energy and water conservation and efficiency, clean alternative energy, vehicle emission reduction, planning, water supply and recycling. Recognizing the need for immediate actions to mitigate the sources of GHG emissions, the League is also cognizant of the cost and work it will take to achieve these reductions. We believe that for more communities to follow with their own planning and implementation activities, it will be necessary to identify funding sources to support such activities.

In addition, the League and the California State Association of Counties (CSAC) supports the Institute for Local Government's California Climate Action Network (CCAN). The Institute is the non-profit research arm of the League and CSAC. CCAN, building on the close ties with the League, CSAC, cities and counties throughout California, has developed a series of best management practices in 10 Climate Leadership Opportunity Areas. This effort is designed to help California communities play a leadership role both to reduce GHG emissions and to prepare for the consequences of climate change. We are extremely pleased that the ARB in the Draft Plan has referenced the work of CCAN (page 31, Local Government Actions and Regional Targets) and know that CCAN has and will continue to be a great resource for cities and counties interested in taking meaningful action to reduce GHG emissions in the future.

Interaction of Various Laws and Regulations

The League is concerned that the vast magnitude of the Draft Plan does not fully take into account the potential unintended interactions of sectors and industries. For example, in the land use and transportation arena, local governments implementing regional GHG emission reduction targets may run up against industries or individual businesses that cannot comply with local ordinances because they are attempting to meet additional requirements under the State's proposed Cap and Trade program. A full understanding of how each of the sectors interrelates with each other will be imperative as the Draft Plan moves forward.

Energy Efficiency

The League has long history of supporting energy efficiency and promoted city facilities that maximize energy efficiency and conservation. To that end, we are supportive of the Draft Plan goal to maximize energy efficiency building and appliance standards and pursue additional energy efficiency efforts.

Green Buildings

The League is supportive of green and sustainable building practices in new and existing public, residential, and commercial buildings. We supported the State Building Standards Commission new voluntary green building standards as a key component in the state achieving sustainable communities in the future. The League is also supportive of the ability for local governments to voluntarily go above and beyond any existing state green building standards. AB 2939 (Hancock, 2008), would make such local actions less cumbersome. The ability for local governments to voluntarily go beyond the state green building standards is one more way for cities to lead in GHG reduction in the future. In addition, cities that enact stronger local green building standards should be able to count the green building measures as additional GHG reductions.

Heavy/Medium-Duty Vehicles

The League is supportive of the reduction of vehicle emissions through increased fuel efficiency, use of appropriate alternative fuel vehicles, and/or low emission vehicles in

public agency fleets. We would be interested in regulations addressing the fuel efficiency and hybridization of heavy and medium-duty trucks that improve fuel efficiency and reduce aerodynamic drag and rolling resistance, provided the regulations are cost effective and are phased in over time.

As you are probably aware, the cost of procurement of retrofitting existing fleets or purchasing alternative fueled vehicles for local governments will be very costly. However, unlike the business community that can pass on the cost to consumers, local governments cannot. The League asks that cost and funding considerations for fleet overhauls be considered in the final scoping plan.

Local Government Actions and Regional Targets

The League is supportive of the model proposed in the Draft Plan insofar as it calls for the development of regional targets. We also believe it is appropriate to recognize that emission reductions related to transportation planning are likely to play a larger role in achieving the 2050 goal than the 2020 goal. This is because the changes related to land use will be incremental: if California builds 200,000 new housing units each year, it will take more than 60 years to match the number of current residences (over 13 million). The residences and jobs located within the existing built environment will have the same or similar traffic patterns well past 2020 regardless of the success any new development enjoys in reducing emissions. Although it is going to take time to steer the ship, the Draft Plan lays a foundation for more substantial gains between 2021 and 2050.

Nevertheless, a number of significant challenges remain. First among these is to recognize that the “increased emphasis on urban infill development” needed to reduce emissions will require additional revenue sources to fund the necessary infrastructure - such as sewer pipes, new fire rescue equipment, schools, park, and other public facilities. The draft plan does not specify how local agencies will raise the funding necessary to provide these facilities. This will be a challenge for local governments, given the constitutional limits placed on the ability of local government to raise new revenues.

Similarly, if reduced emission reductions will come from increased transit use, then the State itself must lead by example not only by making sure its buildings are green, but by also adopting a budget that does not raid moneys set aside for local transportation projects to fund shortfalls in the state’s general fund.

Finally, the League encourages ARB to consider what can be done to provide incentive for the type of planning and decision-making that will reduce greenhouse gas reductions. Such incentives need not always include new funding, but may also include relief from the California Environmental Quality Act. While we recognize that such incentives may be beyond the scope of ARB’s direct authority, the board has an important voice within state government. Although it is often easier to invent penalties that will catch a few bad actors, it’s more effective to design incentives that can really help the majority of good actors achieve real carbon reductions.

Local Government Must Retain Clear Land Use Authority

The League is concerned that ARB has received numerous comments, both written and verbal, from environmental interests and other parties requesting more emphasis on land use control in the Draft Plan. We urge you to equally consider the input of local governments, as the entities that actually process development projects from start to finish, and negotiate all of the associated complexities, on a daily basis. Local governments know the needs, goals and limitations of their individual jurisdictions and regions, and must remain empowered to implement programs that best meet their unique situations. Diminishing land use authority would detract from the ability of local governments to meet those local goals and needs, and would in all likelihood stymie rather than facilitate Blueprint development.

Retirement of GHG Emissions

The Draft Plan explains that “the State will retain ownership of and subsequently retire GHG reductions generated as a result of projects funded with State bond funds”, (see page 13). This should be reworded to say that the state may retain ownership of its proportional share of GHG emissions. Local governments must retain their proportional ownership in the reductions as well. The ownership of such credits—and the potential that cities may participate in a cap and trade credit system to the extent they are eligible—is likely to encourage local governments to support projects that will generate greater reductions in GHG emissions.

Recycling and Waste

The League has long supported efforts of local agencies to meet and exceed the 50 percent solid waste diversion provisions of the Integrated Waste Management Act, strongly believing that decisions on how to achieve those requirements are best determined at the local level, rather than by state agencies. While a number of California cities have already met and exceeded the 50 percent requirement in law, including looking at zero waste policies, a number are still working diligently to meet the existing state mandate. The League is also supportive of waste-to-energy technologies that can assist in the reduction of GHG emissions as well as extended producer responsibility policies. Extended producer responsibility policies both divert waste away from landfills and drive manufacturers to create more recyclable products in the future. Finally, the CCAN program has just started work on a contract with the California Integrated Waste Management Board to enhance the waste reduction and recycling component of the CCAN Best Practices Framework, with an emphasis on increasing commercial recycling.

Carbon Fees

The League generally supports tax credits, grants, loans and other incentives to assist the public, businesses, and local agencies that invest in energy efficient equipment and technology, and fuel efficient, low emission vehicles. Any fees must maximize economic benefits and minimize economic harm. Local governments enact fees to cover the costs

associated with enacting and operating local programs with the understanding of the impact of that fee on the community.

Although a carbon fee could provide a significant source of funding for local governments for well-designed land-use planning and infrastructure projects, this type of a fee should not be done at the cost of the community and local businesses that allow the community to thrive.

Finally, while the League is generally supportive of a number of programs and policies outlined in the Draft Plan, it is crucial for state policymakers to account for the means that will be needed to achieve the goals. AB 32 requires that reductions in GHG emissions must achieve the maximum technologically feasible and cost effective reductions and for the ARB to “consider the cost-effectiveness of these regulations.” (HSC §38560)

As both the state and local governments are faced with critical budget shortages, additional costs to heavily invest in GHG emission technologies will become more burdensome for local governments. 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 and local agencies in order to encourage more development in areas where the reductions in GHG emissions will be the greatest. The League strongly encourages the ARB to consider these limitations as it moves forward with the Draft Plan

Thank you again for the opportunity to comment. The League looks forward to working with the ARB in the future. If you have any questions or would like copies of our Climate Change Policies, please do not hesitate to contact the League at (916) 658-8200.

Sincerely,

A handwritten signature in black ink that reads "Kyra Emanuel Ross". The signature is written in a cursive, flowing style.

Kyra Ross
Legislative Representative
League of California Cities