

## MEMORANDUM

TO: Metropolitan Planning Organizations (MPOs)

FROM: Terry Roberts, Air Resources Board

DATE: September 15, 2015

SUBJECT: ARB Process and Schedule for SB375 Target Update

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Senate Bill (SB) 375 requires the Air Resources Board (ARB or Board) to set passenger vehicle greenhouse gas (GHG) reduction targets (targets) and update them no later than every 8 years. As you know, targets were first set by the Board in 2010, which means updated targets are due in 2018. ARB staff recognizes that Metropolitan Planning Organizations (MPOs) will need sufficient lead time to develop Regional Transportation Plans/Sustainable Communities Strategies (RTP/SCSs) that meet their updated targets. Therefore, ARB staff plans to propose updated targets for the Board's consideration in 2016, with the intent to make them effective in 2018. RTP/SCSs adopted in 2018 would be subject to the updated targets.<sup>1</sup>

ARB staff plans to begin working informally with MPOs in the fall of 2015 to ensure that ARB's target update process and schedule are clear, and to maximize MPO involvement in the formal process, which will begin in 2016.

The first round of RTP/SCS adoptions is complete. All but two of the SCSs have demonstrated they could achieve their current targets, and these two are currently working to develop a revised SCS or Alternative Planning Strategy to comply with SB 375. Most MPOs showed strong performance in meeting and exceeding their current targets.

ARB published a staff report in October 2014 that outlined a plan to update the targets in a phased process during 2015 and 2016. That timeline has shifted due to internal and external factors, and now ARB staff intends to propose to the Board updated targets for all 18 MPOs in one action during 2016.

The ARB Board and staff continue to support a bottom-up process whereby MPOs can recommend their updated targets as long as they are supported by technical information developed by the MPOs. Also, as discussed in the 2014 staff report, ARB staff will take into consideration technical issues such as a new EMFAC model, new regional

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<sup>1</sup> ARB expects MPOs that adopt a second SCS in 2016 and 2017 to maintain good progress by outperforming their current targets, but they will not have official new targets until 2018.

socioeconomic data, and potential new ways of accounting for interregional travel. Furthermore, staff's focus will be on updating the targets for 2035.

The Governor's recent Executive Order B-30-15 established more aggressive statewide GHG reduction goals (40 percent below 1990 levels by 2030) than were in place when the SB 375 targets were first set in 2010. ARB is moving forward with updating the AB 32 Scoping Plan to reflect the new statewide goals. The Scoping Plan Update, which will address emissions reductions from the transportation sector as a whole, will be updated in 2016. It is not clear yet how the Executive Order and Scoping Plan Update will influence the process to update the SB 375 targets, but they raise the possibility that ARB will need to consider a top-down evaluation of what is needed for statewide reductions, in addition to a bottom-up approach based on target recommendations from the MPOs.

ARB staff plans to meet individually or in small groups with MPO staffs during the remainder of 2015 to discuss these issues. These meetings will allow dialogue between ARB and MPO staffs regarding region-specific factors and technical information that may influence their updated targets. MPO boards have the option of making formal target recommendations. Alternatively, MPO staffs can share recommendations with ARB through informal staff-to-staff communication. MPO target recommendations, whether formal or informal, should include a brief description of the scenarios and strategies that they considered, and any GHG emissions reductions from off-model adjustments. ARB staff needs to receive any MPO target recommendations by the spring of 2016 to allow for an adequate public review and vetting process.

We believe this schedule allows for meaningful MPO participation in scenario development and input into target recommendations, and minimizes disruption of MPO workload on RTP/SCSs that are in process.

In spring 2016, the MPO target recommendations will be reviewed and evaluated by ARB staff. ARB staff will then prepare a draft staff proposal identifying proposed targets for each of the 18 MPOs. Staff will also give our Board a progress report on MPO recommendations.

In summer 2016, the draft staff proposal will be vetted through a public process, including the evaluation of potential environmental effects of new targets as required by the California Environmental Quality Act (CEQA). ARB staff anticipates bringing the final staff proposal to our Board for consideration and approval by the end of 2016.

In summary, staff anticipates these key milestones in the target update process:

1. Fall/Winter 2015: ARB-MPO meetings and collaboration.

2. Spring 2016 (April): MPOs provide their recommendations formally or informally so that ARB staff can review and evaluate the recommended targets before incorporating them into an ARB staff proposal.
3. Late Spring 2016 (May): ARB staff provides a progress report to our Board on MPO target recommendations.
4. Summer 2016: ARB staff holds public workshops, develops a staff proposal, and prepares and circulates a draft CEQA document.
5. Fall 2016: ARB staff reviews and responds to public input on the staff proposal, and responds to comments on and finalizes the CEQA document.
6. Late 2016: ARB Board considers approval of updated targets, which would become effective for RTP/SCSs that will be adopted by MPOs after January 1, 2018.

ARB staff will be contacting MPO staffs in the near future to schedule meetings or conference calls to discuss the target update process.

If you have any questions, please contact me or Heather (Phillips) King ([heather.phillips@arb.ca.gov](mailto:heather.phillips@arb.ca.gov); 916-322-0339).