



December 16, 2016

Mary Nichols, Chair
California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

RE: 2030 Target Scoping Plan Update Discussion Draft [submitted via electronic Workshop Comments Log at: **sp2030disc-dec16-ws**]

Dear Chair Nichols:

Please accept this letter with Sierra Business Council's (SBC) comments on the AB 32 2030 Scoping Plan Update Discussion Draft, dated December 2, 2016. SBC is a non-profit network of more than 4,000 business, local government and community partners working to foster vibrant, livable communities in the Sierra Nevada.

As a means of achieving both regional and direct local greenhouse gas (GHG) reduction benefits, ***we support the Draft Scoping Plan Scenario that incorporates existing commitments, a new refinery measure and a post-2020 Cap-and-Trade Program with declining caps.*** We believe this mix of components provides maximum flexibility, guarantees cost-efficient emission reductions over time given the shrinking cap, and allows California to play a leadership role in sub-national/international climate change collaborations that a carbon tax does not allow.

However, we are disappointed that this draft once again fails to meaningfully address key issues, including action in the forest sector and ensuring full engagement and benefit across all of California – including low-income rural communities – not just urban and CalEnviroscreen-identified Disadvantaged Communities.

We offer the following comments, including many that we've made regarding prior versions of the Scoping Plan and other AB 32 documents and plans:

California's Approach to Addressing Climate Change (pp. 23-33)

In anticipation of a post Cap and Trade lawsuit environment, this section on California's overall approach should clearly state that GGRF funds can and should be spent on adaptation activities in addition to mitigation.

Promoting Resilient Economic Growth

The Scoping Plan Draft fails to clearly enumerate a vision for how GHG emission reduction activities can and must be leveraged to create economic opportunity and resilient economic

Sierra Business Council
WEBSITE www.sierrabusiness.org

PHYSICAL ADDRESS 10183 Truckee Airport Rd Truckee, CA 96161
MAILING ADDRESS P.O. Box 2428 Truckee, CA 96160

PHONE 530.582.4800
FAX 530.582.1230

growth across all parts of the state. We ask you to update the draft to include specific recommendations for incorporating full lifecycle accounting in evaluating project benefits, addressing regional, not just statewide, distribution of potential job growth created by GHG emission reduction activities, and establishing priorities linking job growth and environmental performance as co-equal goals. (pp. 23-24) It is important to note that implementation of climate policy to date has been effective at ensuring robust growth in state Gross Domestic Product at the same time we have reduced GHG emissions. To ensure that is true in the future, as reductions become more difficult to achieve, a strategy that establishes regional goals linked to improving economic performance that can be fully supported at the community level is necessary.

Protecting, Enhancing, Innovating, and Increasing Sequestration in the Natural Environment and Working Lands

This Scoping Plan update continues to make reference to other plans that are not complete or, in some cases, have yet to be seen by the public, such as the Short-Lived Climate Pollutants plan or the Forest Carbon Plan. We should not continue to postpone target setting – and, therefore, investment planning – for the natural and working lands sector.

Environmental Justice

This third iteration of the Scoping Plan must address the inequitable distribution of GHG emission reduction, public health, economic development and other benefits associated with statewide climate goals. SB 535 calls for a minimum percentage of GGRF funds to benefit the state's vulnerable communities, including both "disadvantaged," as defined by CalEnviroscreen, and "low-income." To date all programs we are aware of, other than the AHSC program, limit eligibility for these set-aside funds to just CalEnviroscreen-defined DACs. To help address the "low-income" mandate, we again recommend augmenting the urban-focused CalEnviroscreen tool by employing a separate regional approach or approaches for directing resources to rural and hard-to-reach areas. A directed rural or regional fund, similar to the Rural Innovation Project Area (RIPA) program under the Affordable Housing Sustainable Communities program, would serve as a "floor" to ensure a minimum amount of rural/regional investment, with the possibility of additional investment through the competitive process for non-directed funds. Any project under such a directed fund would still have to achieve GHG emission reduction benefits – but having a companion program would help ensure more equitable distribution of funds, GHG reduction benefits, and co-benefits to disadvantaged and *low income* people across the entire state.

The CalEnviroscreen focus is also demonstrated in the makeup of the EJAC committee, which has no members specifically representing low-income communities outside of those most commonly associated with the CalEnviroscreen maps, such as from the North Coast or the Sierra-Cascade.

Transportation Sustainability (pp. 48-53)

Draft goals in this section call for going beyond SB 375 VMT goals. Yet only portions of the state covered by the Sustainable Community Strategies mandate (primarily those with MPO agencies)

are required to meet VMT reduction targets. That leaves out vast rural portions of the state where more than 4 million people live, work and drive long distances – more than their urban neighbors – for daily goods, services, school and jobs. This draft needs to build in local/regional targets and requirements for climate action planning in rural parts of the state to achieve GHG reductions through other mechanisms, such as the General Plan process. In addition, this draft Scoping Plan should support expanding the use of GGRF funds to invest in rural transit projects, including expansion of the RIPA program within the Affordable Housing Sustainable Communities grant program, to ensure that rural projects are able to successfully compete for existing GGRF funds. To date transit funding has largely been directed to locations where transit networks with peak hour headways of 15 minutes already exist; we should begin to focus on places where we can achieve 15-minute headways in the future by encouraging location efficiency.

Natural and Working Lands Including Agricultural Lands (pp. 57-67)

It is difficult to comment on this sector since many key issues are not addressed despite multiple attempts by SBC and others to offer solutions. The inability to target reduction of wildfire risk as a means of reducing black carbon or to set targets for carbon sequestration in our forestlands leaves out two of the Governor's five climate pillars. We urge ARB to establish interim mechanisms that allow forest management and restoration projects to proceed immediately as part of this Scoping Plan update. Any data collected from such projects can then augment the ongoing development of baselines and can improve evaluation of future projects; but we can't wait two more years for an inventory when we're losing our forests to wildfire and tree mortality at an ever-increasing rate. Following are ideas that we've put forward in previous comment letters:

- Since more than 90% of wildfires are human-caused, and the interventions to reduce the risk of large, damaging wildfire are human actions whose benefits can be modeled, this Scoping Plan should require that the Forest Carbon Action Plan and the Short-Lived Climate Pollutants plan categorize wildfire as an anthropogenic source. This could be the start of a "Known Commitments" section, which appears to be wholly missing from this sector.
- In addition to aligning with IPCC protocols, the Governors' Climate & Forests (GCF) Task Force (www.gcftaskforce.org/about), of which California is a founding member, conducted a study of different forest-related protocols (http://www.gcftaskforce.org/documents/GCTF-1000-2009-031_GCF_Protocol_Assessment.pdf). Appendix A of that study includes an extensive set of project criteria and standards that could be applied to forest projects in this sector.
- The GCF report also calls for initiating a pilot project program to choose and review representative pilot projects in GCF states to provide feedback for revisions to the criteria and standards – an approach we believe has great merit for California, as it would allow us to launch projects now to help address dangerous and declining forest health conditions and get work done on the ground that may take longer to achieve GHG benefits, while simultaneously monitoring, groundtruthing and improving modeling and evaluation assumptions as we go.
- We request that non-federal forest management/restoration goals be placed in context with federal goals. As an example, the USDA Forest Service has identified a goal of

treating 500,000 acres of public land a year, presumably in addition to the 60,000 – 175,000 acres/year of non-USFS lands listed in the Scoping Plan low/high scenarios. It would help the reader to better understand the scope of the problem and proposed solution if federal lands were also discussed. To that end, the federal land goals should include a complementary low/high range so that the total area proposed for activity can be understood together, across both scenarios.

- We ask the same for mountain meadow figures. In addition, we request an increase in the Scoping Plan low/high scenario goals for mountain meadow restoration. The low scenario goal of an additional 10,000 acres over the next 14 years (by the year 2030) is too low, given that the California Water Action Plan already sets a goal of restoring 10,000 acres within five years (2014-2018). To provide context, the National Fish & Wildlife Foundation's Sierra Nevada Meadow Restoration Business Plan (2010) states there are approximately 330,000 acres of meadow in the Sierra alone. Of that amount, between 60-70%, or roughly 200,000 acres, is degraded, with approximately half of that on non-Forest Service land. To gain the maximum GHG and carbon benefit, we should increase the low and high scenario goals to better meet the need and opportunity.

In addition, management and restoration activities identified in Table II-2 on page 64 – 60,000 to 175,000 acres per year – while an increase over business as usual, is only a small percentage of the landscape that needs to be treated. While other sector strategies call for structural shifts and investment in technologies and capacity building, the forest sector goals appear limited to what can be accomplished with “resources at hand.” That is unacceptable. We must begin immediately to effectively integrate the use of natural and working lands as carbon sinks by addressing the full scope of need – which forest ecologists and land managers have pegged as many times even this update's “high” management target level of activity. Otherwise our forests will become net carbon emitters and we risk losing the substantial gains already made under our existing urban-focused programs

The language around biomass on page 68 is similarly inadequate. None of the stated goals can be achieved if we don't address the underlying issue that utilities are not purchasing energy produced by biomass. This Scoping Plan update must support a return to pre-1997 subsidies in order to bring the cost of biomass energy production more in line with other subsidized sources, such as wind or solar. We'll never be able to build out to capacities called for by SB 1122 or the Tree Mortality emergency declaration without changes to policy that encourage or mandate biomass utilization. To that end, both of these existing policy declarations should be included in a “Known Commitments” section, which must be added to this sector-specific discussion. We request that the Scoping Plan set a bio-energy production goal in line with previous levels of production, in the 850MW-900 MW range.

Conclusion

All sectors – including natural and working lands – must be engaged immediately if we are to achieve the Scoping Plan's 2030 objectives. This is especially true now, given California's heightened leadership role as a result of anticipated changes to national climate policy and implementation under the incoming federal administration.

As we've stated in previous comments, it will indeed take an “all hands on deck,” regionally-specific approach to meet the extended and more stringent GHG reduction goals for 2030 and

2050; and to do so will require involving and showing benefit to all Californians, including those in rural and hard-to-reach regions that don't have the resources to pursue GHG reduction actions without enhanced incentives and services. It's not enough to "encourage" local policies to meet statewide goals (which can be easily disregarded as yet another unfunded mandate); the state must show value for local action, as provided through more equitable access to funding and benefits resulting from GHG reduction projects.

All best,

A handwritten signature in black ink that reads "Kerri J. Timmer" followed by a horizontal flourish.

Kerri Timmer
Government Affairs Director