



August 28, 2015

RE: City of Benicia's Comments to the California Air Resources Board Regarding Second Investment Plan

The City of Benicia is pleased to provide these comments to the California Air Resources Board as it updates the Investment Plan.

Local governments are instrumental to meeting state climate and energy goals. As the closest level of government to Californians, we are able to make a significant impact by taking action in our communities and promoting public awareness. Local leadership enables cities, counties, and special districts to work together with a number of partners to initiate projects that target the biggest greenhouse gas reduction opportunities, promote energy efficiency and water use efficiency, and create jobs, all of which will spur local economies as well as the state's economy. Local governments are also an essential part of AB 32 implementation and can effectively spend greenhouse gas reduction funds (GGRF).

Benicia's recommendations for the distribution of the GGRF include the following:

1. Support Local Leadership

In the AB 32 Scoping Plan, the critical role of local governments is recognized: "Local governments are essential partners in achieving California's goals to reduce greenhouse gas emissions. They have broad influence and, in some cases, exclusive authority over activities that contribute to significant direct and indirect greenhouse gas emissions through their planning and permitting processes, local ordinances, outreach and education efforts, and municipal operations. Many of the proposed measures to reduce greenhouse gas emissions rely on local government actions."

The City of Benicia is currently taking local action to reduce emissions by implementing innovative programs. The Business Resource Incentive Program (BRIP) is a comprehensive sustainable business management program that provides no-cost sustainability analyses and recommendations to small, medium, and large businesses for clean energy upgrades, energy efficiency retrofits, water conservation, waste reduction, and clean transportation initiatives.

The City then provides funding (grants and no-interest loans) to businesses in the city's industrial park to implement those upgrades. The first phase of BRIP (2013–2014) assisted 15 businesses to save a combined \$75,000 annually on energy bills and reduce 386 metric tons of CO₂. Since the launch of Phase II in August 2014, 10 businesses have completed projects reducing 60 metric tons of CO₂ and saving approximately \$44,000 in annual energy costs. In addition, four other projects are currently in development that will reduce an additional 90 metric tons of CO₂ and save those businesses \$110,700 annually. The City has issued two loans that are paid back with energy cost savings; those dollars are then used to fund additional BRIP projects (revolving loan). The City believes it is essential to provide GGRF to support these and similar programs.

2. Support Expansion of Regional Collaboration Among Local Governments

The Second Investment Plan should include an emphasis on expansion of regional energy programs administered by local governments, which can promote collaboration, efficiency, and cost effectiveness and help municipalities achieve greenhouse gas emissions reductions.

3. Support Expansion of Electric Vehicle Charging Infrastructure

The Second Investment Plan should include an emphasis on continued support for electric vehicle charging infrastructure as a way to reduce passenger vehicle-related emissions. Increased infrastructure encourages widespread adoption of electric vehicles and can help reduce transportation-related emissions locally and statewide. Local governments often have eligible sites for charging stations but cannot cover the costs of equipment and installation. Increased infrastructure may also encourage the development of "clean" car-sharing programs that connect Californians from work and home to public transit options.

4. Direct Cap and Trade Revenues Toward Local Government Reduction Programs

Many local governments have status quo budgets or rely on grant funding to implement sustainability programs and projects; therefore, these types

of project often remain unfunded. We believe that funding should be used for innovative projects that create new systems or technologies; for example, the water recycling project at the Benicia Wastewater Treatment Plant that would send treated water to a nearby refinery (instead of discharging it). Additional review and coordination at the state level is needed to effectively distribute GGRF monies. Multiple state agencies and guidelines can make it difficult for local governments to apply for and receive funds to implement these important programs.

The City of Benicia also requests that the Investment Plan discuss a mechanism to direct a majority of proceeds from covered entities within a local jurisdiction back to the municipality to fund pollution reduction efforts locally. We believe that the addition of a local government-directed return-to-source component will promote statewide sustainability by giving communities most affected by pollution opportunities to implement greenhouse gas-reducing and energy efficiency projects that will create jobs and improve the economy, even if they are not designated as official disadvantaged communities (DAC).

As mentioned in the Investment Plan Concept Paper, the City wants to “support local transformation through climate action in disadvantaged communities [...] through ‘integrated projects’—projects that support energy and transportation solutions, smart growth, urban forestry, and more—all in a single community.” We look forward to working with designated DACs to develop greenhouse gas reduction projects in Benicia, Solano County, and our region.

In closing, local governments continue to be leaders in reducing greenhouse gas emissions and implementing programs that reduce emissions and help California achieve its AB 32 goals. The Second Investment Plan should recognize the important work of local governments and suggest streamlined ways for the distribution of those funds, allowing local governments to continue this important work.

Respectfully submitted,



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