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File Number 3102000

Clerk of the Board
 Air Resources Board
 Attention: Lezlie Kimura Szeto
 1001 I Street
 Sacramento, CA 95814

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Dear Ms. Kimura Szeto:

SUBJECT: Proposed Update to the Senate Bill 375 Greenhouse Gas Emissions Reduction Targets

The San Diego Association of Governments (SANDAG) appreciates the opportunity to comment on the staff report for the Proposed Update to the Senate Bill 375 (SB 375) Greenhouse Gas (GHG) Emissions Reduction Targets. SANDAG appreciates the time and effort that staff from the Air Resources Board (ARB) has taken to conduct outreach regarding the updated targets. Based on the SANDAG comments outlined below, SANDAG requests additional coordination with ARB, as ARB staff revises the draft target proposal.

Concerns about ARB Staff Use of Qualitative Information to Make Their Target Recommendations

SANDAG is concerned that the proposed targets heavily rely on anecdotal or qualitative information to quantify the targets. This is in stark contrast to the "bottom up" approach that was rigorously developed by the large Metropolitan Planning Organizations (MPOs) in California, including SANDAG. SANDAG respectfully requests a return to the "bottom up" approach and the target of 18 percent per capita GHG reduction recommended by the SANDAG Board of Directors, given that it is supported by quantifiable information.

SANDAG performed a rigorous computer modeling analysis using a state of the art activity-based regional transportation model that estimated marginal reductions in per capita GHG from aggressive land use strategies (2 percent reduction) and fiscally unconstrained transit investments (1 percent reduction), as shown on Table 2 of the ARB staff report. On the other hand, ARB's staff analysis estimated that "most" MPOs "may" be able to achieve "on the order of 1 to 5 percent" additional reductions beyond their current plans. ARB staff then assumed that MPOs like SANDAG could achieve the midpoint of that range (3 percent) and applied it to the reductions achieved by the SANDAG currently adopted plan. The ARB staff report includes no documentation on how it was determined that SANDAG could achieve that additional 3 percent reduction. However, SANDAG documentation did explain that the stress tests "evaluated strategies that are aspirational and fiscally unconstrained, and may not be feasible under existing circumstances."

Additional Funding Resources and Tools

ARB staff's proposed targets consider what MPOs could achieve with additional state policy and funding tools recommended as part of the proposed Scoping Plan Update and implementation of new transportation spending provisions, including Senate Bill 1 (SB 1). SB 1 will provide much needed funding toward fixing existing road infrastructure and maintaining transit assets in state of good repair. An estimated 19 percent of the funding or \$9.85 billion over the next ten years may be available to support SB 375 goals. However, there is uncertainty regarding flexible funding that MPOs would be able to tap to invest in Sustainable Communities Strategy (SCS) strategies since competitive programs would be administered by diverse agencies under diverse program guidelines.

In addition, the staff report references recommended new state commitments for resource and regulatory support related to SCS areas and states that the full anticipated benefits of these statewide strategies cannot be counted toward meeting the SB 375 targets. SANDAG seeks clarification as to the types of measures (fuels, vehicle technology, pricing, etc.) that MPOs can include in their plans to demonstrate compliance with SB 375 targets.

Ambitiousness of San Diego Forward: The Regional Plan

ARB asserts that MPOs and local agencies have identified challenges to implementing their current plans, principally tied to the need for additional and more flexible revenue sources to incentivize further positive planning and action toward sustainable communities. It appears that this has been overlooked in the development of the ARB proposed targets. SANDAG's San Diego Forward: The Regional Plan (Regional Plan) already includes reasonable revenue assumptions that go beyond existing funding sources to implement projects and programs included in the Regional Plan.

The current Regional Plan includes substantial investments in strategies supportive of GHG reductions, as shown below in year of expenditure dollars (in billions).

- Public transit: \$101.02 billion (Capital projects and operations)
- Managed Lanes and connectors, including those that support public transit: \$31.1 billion
- Projects that promote walking and biking, as well as smart growth: \$5.9 billion
- Transportation systems and demand management: \$2.8 billion

In addition, the Regional Plan includes approximately \$30 million (about \$1 million annually from 2020 to 2050) to fund a regional network of publicly-available electric vehicle charging stations, and it called for completion of the San Diego Regional Alternative Fuel Readiness Plan, which was accepted by the Board of Directors in February 2016.

The Regional Plan includes future local revenues that would fund transit operations starting in 2020. However, the local funding measure placed on the ballot for the November 8, 2016, election did not reach the required two-thirds threshold despite garnering the support of 58 percent of the voters in San Diego County. Additional financial resources are needed to push beyond the performance of the SCS.

As stated above, SANDAG is concerned that only marginal gains in terms of per capita GHG reductions from cars and light duty trucks could be obtained through drastic land use changes and tens of billions of dollars of additional transit investments (in addition to the sustainable land use pattern and significant transit investment already included in the adopted plan). Not only do they achieve marginal gains, but SANDAG does not have the authority to implement the land use changes or the funding to implement the additional transit investments. This is clear from the analysis of the land use and transportation investment testing done as part of the “bottom up” approach where only marginal gains were associated with these changes.

Updates to EMFAC Emissions Model

The proposed updated targets do not include a discussion of potential changes in EMFAC2017 assumptions and outputs. SANDAG is concerned that this and future EMFAC updates will make it more challenging to meet new targets. Updates to the fleet mix (e.g. with additional share of light-duty trucks relative to passenger cars) would make it harder for MPOs to meet their targets. Information provided at the June 2017 ARB webinar indicated higher population of light- and heavy-duty vehicles than projected by EMFAC2014 for 2013 through 2016, and higher light truck (Crossovers and SUVs) sales in 2015 as compared to prior years. SANDAG would like to coordinate with ARB staff to understand how potential changes in the assumptions and outputs of EMFAC2017 (and future versions) were considered by staff in its SB 375 target recommendations.

Demographics

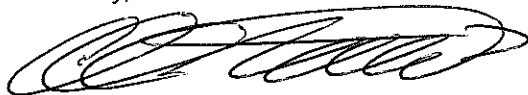
The staff report asserts that millennials are postponing the time at which they obtain a driver’s license and prefer to live in urban settings, and it appears this assertion is in part supporting the proposed targets. Please provide relevant references and sources that back up the assumption that SB 375 emission reductions would be greater than estimated currently because of changes in millennial vehicle ownership rates and driving patterns.

Regulatory Changes to Support Infill and Transit Oriented Development

The staff report assumes the existence of final SB 743 guidance where none currently exist. SANDAG is concerned that reliance on such assumptions places too much weight on the accomplishment of this legislation, where the timing and scope of SB 743 implementation is still uncertain.

Thank you for the opportunity to comment on the staff report for the Proposed Update to the SB 375 Greenhouse Gas Emissions Reduction Targets. If you have any questions or comments, please contact me at (619) 699-6945 or via email at muggs.stoll@sandag.org.

Sincerely,



CHARLES “MUGGS” STOLL
Director of Land Use and Transportation Planning

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