



THE CITY OF
BENICIA
CALIFORNIA

April 24, 2014

RE: Comments of the City of Benicia to California Air Resources Board Regarding First Proposed Update to the Climate Change Scoping 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 GHG 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.

The City of Benicia is pleased to provide these comments to the California Air Resources Board (CARB) as it updates the Assembly Bill 32 Scoping Plan. Benicia's recommendations for the Scoping Plan Update include the following:

1. Support Local Leadership

The Scoping Plan rightly recognizes the critical role of local governments in meeting AB 32 goals noting that: "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."

Benicia is currently taking local action to reduce emissions by implementing innovative programs like a comprehensive sustainable business management program (Business Resource Incentives Program) that provides no cost sustainability analyses as well as recommendations for:

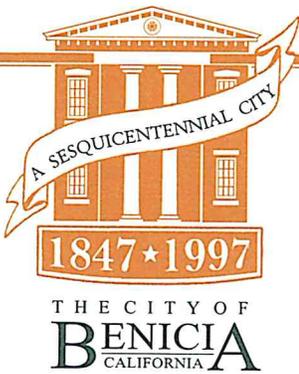
- clean energy upgrades
- energy efficiency retrofits
- water conservation
- waste reduction, and
- clean transportation initiatives.

The City then provides funding to businesses in the City's Industrial Park to implement those upgrades (see p. 31 of the Proposed Update). This is just one of many programs that are currently reducing GHG emissions. The City believes it is essential to provide funds under AB 32 to support these and similar programs.

2. Support Expansion of Regional Collaboration Among Local Governments

ELIZABETH PATTERSON, *Mayor*
Members of the City Council
TOM CAMPBELL, *Vice Mayor* . ALAN M. SCHWARTZMAN . MARK C. HUGHES . CHRISTINA STRAWBRIDGE

BRAD KILGER, *City Manager*
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The Scoping Plan Update 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 Scoping Plan should include an emphasis on continued support for electric vehicle charging infrastructure. 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.

4. Fostering Resilient Economic Growth

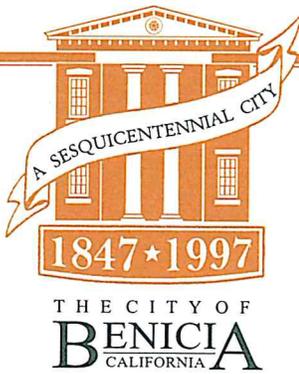
The City of Benicia is committed to resilient economic growth and has ideas and plans that could help create a more sustainable business community in the City. The Business Resource Incentive Program (BRIP) featured on page 31 of the Proposed Update offers no cost sustainable analysis and funding for resource conserving upgrades. Phase II of this program will focus its efforts on water conservation, transit related emissions, and natural gas use. Furthermore, the Industrial Park is home to many businesses that are ideal candidates for Combined Heat and Power (CHP) projects. BRIP funding can be used to fund a portion of technical studies needed before a project can be designed and implemented. Support from the utility company, regulatory support (i.e. assessing existing barriers to expand installation of CHP systems), and funding is critical to getting these projects installed.

5. Smart & Localized Generation

The City of Benicia supports increasing localized generation, demand response techniques, and energy storage. Benicia was able to install a 40kWh battery tower and electric vehicle fast charger with grant funding from the California Energy Commission and the generous support of many other project sponsors. This energy storage demonstration project illustrates the ability of local governments to test emerging technologies. It also illustrates a method to store renewable energy and integrate electric vehicle charging without increasing demand. A sophisticated software platform communicates with the charging station and depending on the time of day directs it to charge from stored solar energy (battery tower) or directly from the solar PV system (75 kW). This may also become a testing site for future aggregation and integration of storage (stand alone and car batteries) into the ancillary services market. In addition, project partners are submitting a 'lessons learned' document to the CEC, which could also help the utility company streamline its interconnection process for other similar distributed generation and storage projects. Continued funding for these types of demonstration projects is critical to meeting the state's GHG reduction goals.

6. Cap & Trade Program

- a. Direct Cap and Trade Revenues toward Local Government Reduction Programs.



Due to the recent economic downturn many local governments' budgets have been tapped, preventing projects from being funded or completed. We believe a program dedicating funds for local governments to implement greenhouse gas reducing projects will best serve the State in its quest to achieve the goals set forth by AB 32. We agree that funding should be used both for innovative projects that create new systems or technologies and implementation of existing projects proven to reduce or sequester GHG emissions.

The City of Benicia also requests that the Proposed Update discuss a mechanism to invest in "existing programs in sectors which have the greatest GHG emissions" and toward the "communities that are most impacted by multiple pollution sources." The mechanism should 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 a Disadvantaged Community in the Cap and Trade Auction Proceeds Investment Plan. Furthermore, directing these funds back to affected communities, Benicia specifically, would go toward many of the programs listed in Table 8 on page 120 such as:

- Local programs that reduce VMT
- Building efficiency upgrades
- Residential solar incentives
- Water efficiency/conservation
- Industrial efficiency
- Recycling Market Development Zones

b. Local Air Quality

The City of Benicia also supports monitoring potential adverse localized air quality impacts caused by Cap and Trade covered entities. It welcomes the opportunity to work closely with covered entities, the air district, and health organizations to develop a plan to monitor these impacts and report regularly to the public.

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 Scoping Plan Update should recognize the important work of local governments and direct funds back to municipalities to allow them to continue this important work.

Respectfully submitted,

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