November 1, 2013

Chairman Mary Nichols
California Air Resources Board
1001 I Street
Sacramento, CA 95812

Re: Discussion Draft – Climate Change Scoping Plan First Update

Dear Chairman Nichols:

The Orange County Transportation Authority (OCTA) appreciates the opportunity to comment on the Discussion Draft of the Climate Change Scoping Plan First Update (Scoping Plan Update), as released on October 1, 2013. OCTA looks forward to working closely with the California Air Resources Board (ARB) to meet the greenhouse gas emission reduction requirements under AB 32 (Chapter 488, Statutes of 2006), leveraging available funding to not only reduce emissions, stimulate the economy and meet statewide infrastructure needs, while maintaining regional flexibility to allow consistency with local priorities and demographic demands.

Transportation Measures

The Scoping Plan Update places heavy emphasis on implementation of SB 375 (Chapter 728, Statutes of 2008), as a primary means for achieving greenhouse gas (GHG) emission reduction goals. OCTA has worked closely with the Orange County Council of Governments and Southern California Association of Governments (SCAG) to create a subregional sustainable communities strategy (SCS), pursuant to SB 375, which served as Orange County's input into SCAG's 2012 regional SCS. A common theme within each strategy is the need to identify a sustainable, long-term source of funding to implement each SCS. OCTA therefore is fully supportive of recommendations within the Scoping Plan Update for the state to provide access to financial resources and incentives necessary to achieve the regional GHG emission reduction targets established under SB 375.

OCTA would encourage future iterations of the Scoping Plan Update to go further, with specific recommendations related to funding a sustainable source of public transportation funding, for both capital and operations requirements, that will allow for the type of expanded service to support the demand envisioned under SB 375. Repeatedly within the Scoping Plan Update, references are made to the need to provide low-cost transit service to vulnerable communities, to site land use around transit service, and to reduce vehicle demand. However, nowhere within the Scoping Plan Update are funding sources mentioned that will allow support of the type of public transportation service that would be needed to support such recommendations.

Finally, any recommendations related to implementing and funding SCS strategies, should recognize the regional framework and flexibility allowed for under SB 375. Each region within the state has different economic, population, and housing needs. In order to ensure each SCS can be implemented, funding associated with implementation should be disbursed at the regional level, thereby allowing local agencies to prioritize the most immediate, cost-effective needs of their region. Otherwise, SCS implementation and the corresponding achievement of GHG emission reductions will only be hampered. Specifically within the SCAG region, the subregional planning role under SB 375 should be recognized, along with the traditional role of county transportation commissions in planning, programming, and directing funds to transportation projects.

Transportation Fuel

Much of the Scoping Plan Update is focused on the transition to a transportation sector dominated by vehicles powered by electricity or hydrogen. The Scoping Plan Update states that while natural gas has an important "niche role" to play in meeting environmental standards, natural gas will have to be mostly phased out to meet 2050 climate targets. However, there is a lack of explanation of why the use of natural gas does not support statewide environmental goals.

Large scale investments have already been made in transitioning transit vehicle fleets to natural gas, and similar efforts are underway with other types of vehicles, all with the goal of improving air quality and meeting environmental standards. Before requiring an additional transition to electricity and hydrogen, further evidence should be made available to demonstrate why natural gas is not competitive as a future fuel use. Furthermore, while the Scoping Plan Update states that in transitioning to electric fleets, the state should incentivize off-peak charging, decrease peak demand, and streamline utility infrastructure, the Scoping Plan Update does not discuss how the state will ensure low-cost electricity for use in operating public transportation. This will need to be a priority before any transition takes place to prevent fuel cost increases due to the heavy demand placed on the grid.

The desire to increase the use of public transportation must also be weighed against concurrent efforts to transition vehicle technology. Any recommendations to transition existing transit bus and rail fleets to electricity or hydrogen, must first consider the current state of technology, as well as the associated costs of not only the vehicles, but also infrastructure. In some circumstances, funding can be more effective when invested in expanding service, or incentivizing the use of transit, rather than investing in new technology.

Incentives

OCTA supports efforts to create incentive based programs to meet any GHG emission targets, believing an incentive based approach is the best way to meet the goals of AB 32. The Scoping Plan Update does not currently reference specific incentives for transportation agencies to meet GHG emission reduction goals beyond some small existing pots of funding that are directed to vehicle technology changes. Going forward, the ARB should consider recommending other types of incentives, in addition to funding, such as California Environmental Quality Act streamlining for environmentally beneficial projects, or improved efficiencies in calculating transit fare box recovery requirements.

Future Year Emission Targets

The Scoping Plan Update recommends that the state establish a 2030 GHG emission reduction target that is consistent with targets adopted elsewhere in the world. Although it is suggested that such a target may be similar to that recommended by the European Commission (40 percent below 1990 levels by 2030), no clear target is recommended or established within the Scoping Plan Update. Future revisions should clarify the process for adopting an interim year target, and the reasoning for recommending a 2030 target in favor of other years (such as 2035, which is consistent with the targets in SB 375).

Moreover, it is unclear if the ARB has existing statutory authority to unilaterally establish such a target. If legislation is needed, the Scoping Plan Update should be clarified to detail that plan. If it is assumed that ARB has existing statutory authority to go forward in establishing such a target, the Scoping Plan Update should reference that authority. In no case should a target be established without a complete environmental and economic review being conducted, subject to thorough public review.

Process Going Forward

In materials released in coordination with the Scoping Plan Update there are inconsistencies in the timeline for adoption, with some materials referencing a December 2013 adoption date, and others stating that adoption will occur in 2014. Future materials should clearly set forth a timeline, and any future opportunities for public comment. Furthermore, during public workshops on the Scoping Plan Update, references have been made to the need for future legislation and/or regulations to implement some of the recommendations. It would be helpful in future updates to include references to what recommendations will require future legislation, which can be done through regulation, the timeline for such, and estimated emission reductions associated with each measure.

OCTA looks forward to continued collaboration with the ARB to promote strategies that allow us to provide cost-effective, reliable, and safe transportation to our customers while doing our part to improve California's air quality. If you have any questions please contact Kristin Essner, Principal Government Relations Representative, at (714) 560-5754.

Sincerely,

Darrell Johnson
Chief Executive Officer

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c: Sloat Higgins Jensen & Associates