



September 14, 2018

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

Submitted via Comment Portal and email to: GGRFProgram@arb.ca.gov

**RE: Cap-and-Trade Auction Proceeds Third Investment Plan – Revised Draft
(Released August 21, 2018)**

Dear Chairwoman Nichols, Board Members, and Staff:

On behalf of Sierra Business Council (SBC) – 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 – we appreciate the opportunity to weigh in on the Third Investment Plan draft currently under development.

As has been the case in the prior two investment plans, there is much to commend in this draft, and we appreciate your addressing a number of our prior concerns, including the increased focus on technical assistance and capacity-building in under-resourced, rural, and priority population communities; the goal of investing to create more resilient communities throughout the entire state, including workforce education and training; the ongoing efforts to better address emission reductions and carbon sequestration benefits in the natural and working lands sector; and the recognition that CCI programs need to integrate more effectively with other State regulations, policies, and programs.

There are a couple of areas in the new draft plan where we feel we must reiterate previous recommendations in order for this plan to generate widespread support over time, lead to deeper emission reductions, and provide benefit to all California residents:

- 1) **A separate tool or overlay with additional criteria for identifying disadvantaged communities in rural areas of the state.** Rural areas of California are still underrepresented in CCI funding. One potential reason for this is the undercounting of disadvantaged communities in rural regions. The CalEnviroScreen (CES) tool appears to work well for identifying disadvantaged areas in the urban setting; but it is not as effective in rural communities, where income, opioid use, suicide rates, education levels, rent burden, wildfire impacts and other criteria are more impactful than cumulative pollution levels. We strongly recommend that instead of applying a one-size-fits-all tool like CES, you consider establishing small, rural community set-asides in each applicable program area – or some other framework – to mitigate the fact that rural communities for the most part do not show up in the CES analysis and are therefore deemed ineligible to access support in certain DAC-specific CCI programs.

- 2) **Increased focus on compact growth and transportation-related improvements in rural areas.** Studies such as the 2015 Boston University “Cities, traffic, and CO₂: A multidecadal assessment of trends, drivers, and scaling relationships” [Conor K. Gately, Lucy R. Hutyra, and Ian Sue Wing], indicate that rural investment in transportation yields even more benefit than urban given the long distances rural residents typically travel to access basic services and destinations. To address this concern we recommend development of a companion rural mechanism to achieve vehicle miles traveled (VMT) reduction goals and co-benefits in rural communities. More than 4 million people live in rural areas of the state that are not covered by MPOs and, therefore, are not required to develop Sustainable Communities Strategies for transportation and housing. This investment plan needs to create better options for more transportation-efficient rural communities across the state, including those not located within MPO areas.
- 3) **Inclusion of wildfire considerations in strategies to reduce SLCPs.** Since short-lived climate pollutants (SLCPs) have an “outsized impact” on climate compared to GHGs, and black carbon is one of the major SLCPs, and since wildfire is the single largest source of black carbon, and most wildfires are human-caused (therefore arguably anthropogenic), we believe actions to reduce wildfire should be prioritized in the section addressing SLCPs.

SBC appreciates the opportunity to work with you to ensure the Third Cap-and-Trade Auction Proceeds Investment Plan is meaningful to all Californians and is designed to achieve the state’s post- 2020 climate goals.

All best,



Kerri L. Timmer
Vice President, Climate & Energy