



October 7, 2015

Mary D. Nichols, Chair
California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

Subject: AB 32 Scoping Plan Update

Dear Chair Nichols:

On behalf of Sierra Club California and its more than 380,000 members and supporters statewide, I am writing to offer comments and recommendations on the latest draft of the **AB 32 Scoping Plan Update to reflect the State's "40% by 2030" GHG emission reduction target.**

Sierra Club California appreciates the efforts the Board has committed to achieving the goals set by the legislature and the governor to reduce California's greenhouse gas emissions (GHG), including through Assembly Bill 32. These efforts include measures to advance clean cars, increase zero emissions vehicle availability, create a sustainable freight strategy, address and accelerate reduction of short-lived climate pollutants, stimulate low carbon fuel development, among others. These measures will maintain and continue reductions beyond 2020.

Through Executive Order B-30-15, California now has an explicit goal of achieving a 40% reduction of greenhouse gas emissions below 1990 levels by 2030. This builds on Executive Order S-3-05, which set a target for 2050 of an 80% reduction of GHG emissions below 1990 levels by 2050. The Governor and the State Legislature have reasserted their strong commitment to these targets in the 2015 legislative session with the adoption and signing of Senate Bill 350 (De Leon & Leno).

Sierra Club California offers the following recommendations to ensure strong and clear climate actions are reflected on the State's "40% by 2030" GHG emission reduction target in the AB 32 Scoping Plan Update (2014):

- **Short- Lived Climate Pollutants (SLCP):** We appreciate the development of the SLCP reduction strategy. We understand CARB is developing a regulation to reduce methane emission from oil and gas production, processing and storage operations in conjunction with the California Public Utilities Commission (CPUC), in accordance with the requirements of SB 1371 (Leno, Chapter 525, Statutes of 2014). In developing this strategy, CARB and other agencies should strongly

consider fugitive methane emissions in cost/benefit calculations for various state energy and efficiency programs and appropriate methods for potentially doing so¹.

- **Energy Efficiency:** The Scoping Plan should continue to encourage bold and aggressive efforts at the California Energy Commission (CEC) for new appliance efficiency standards and building standards for both new and existing buildings. The CPUC should consider funding replacement appliances and weatherization efforts to increase its valuation of the cost-effectiveness of energy efficiency and to incorporate innovative delivery models so that rebate programs will support achieving the 50% increase in energy efficiency called for by SB 350 (De Leon & Leno), as mentioned earlier. The bill will require that the state double its energy efficiency in existing buildings by 2030. This creates a drive to achieve our energy efficiency goals on every level including in energy consumption data and measurement.
- **Natural and Working Lands:** We are very pleased the Scoping Plan update recognizes the key role that natural and working lands must play in meeting CA's GHG reduction goals, as well as providing key ²co-benefits, such as protecting water and species habitat. The Scoping Plan notes that UC Berkeley research is showing that loss of natural lands due to conversion and other factors causes significant CO₂ release, and may outpace carbon sequestration by substantial amounts.³ Critical to making sure natural and working lands are protected and conserved, is aligning this policy with the other climate change strategies in the scoping plan. Currently, the state's energy and transmission planning processes do not consider protection of natural and working lands. As a result, because neither the CPUC nor the investor-owned utilities consider protection of lands in energy planning and procurement proposals, utilities have entered into energy contracts for projects on lands with vital carbon sequestration, water or wildlife habitat rather than locations more appropriate for conversion. Likewise, because the California Independent System Operator (CAISO) does not consider natural resource protection as a policy, transmission planning has not guided development to areas of low biological or carbon value. Sierra Club recommends for the Scoping Plan to provide a strategy for incorporating protection and management of natural and working lands into the state's energy planning policies so that investments in energy (a key strategy) does not undercut protection of lands (another strategy).
- **Electricity:** As the state moves forward in the discussion of increasing the portion of electricity generated by renewable energy to at least half by 2030, increased coordination between regional grid operators is under consideration to take full advantage of the potential flexibility of the grid to advance renewables. However, part of the challenge will be to ensure that the development of a western regional energy market that CAISO may become part of, due to SB 350 (De Leon & Leno) passage, does not result in new dependency on coal-fire energy into California or the continuation of coal generation in the rest of the west. Sierra Club

¹ Short-Lived Climate Pollutant Reduction Strategy- Concept Paper, pg. 19

² Climate Change Scoping Plan pg.70

³ Climate Change Scoping Plan pg.71

recommends for the Scoping Plan to include proposals for strategies to ensure that a regional market does not inadvertently increase or sustain coal-fire energy. In addition, the Scoping Plan should acknowledge the need to broaden rooftop solar options and availability in disadvantaged communities, including on multi-unit buildings. It needs to propose strategies that agencies regulating electricity providers and solar developers should require be incorporated into their practices to support equitable access to rooftop solar. Some of this is addressed in legislation sitting on the governor's desk AB 693 (Eggman), or is undergoing implementation through previous legislation. However, more is needed.

- **Transportation and Land Use:**

- *Low Carbon Fuel Standards:* We appreciate your work on this mandate and look forward to working with CARB on its enforcement and expansion as compliance is achieved. Additionally, Scoping Plan should outline strategies for reducing dependence on carbon fuels in the hydrogen fueling infrastructure.
- *Zero Emissions Vehicles (ZEV):* Sierra Club has noted the Governor's reassurance in his strong commitment to the ZEV mandate during the SB 350 discussions. Recently, California joined other states, provinces, and countries to commit to increasing ZEVs worldwide. The Board will review the ZEV mandate in late 2016, thus opening up opportunities to strengthen its provisions. That strengthening should be reflected in the scoping plan. Actions at the CPUC and through SB 350 (De Leon & Leno) have opened the way for utility providers to develop and install infrastructure for ZEVs statewide. The Scoping Plan should take this into account and put forth a strategy to ensure that new infrastructure enhances access to ZEVs in all communities, including disadvantaged communities. Most importantly, the Scoping Plan should address ways to ensure a viable secondary market for ZEVs so that used ZEVs are available statewide, in particular in disadvantaged communities. This should go above and beyond existing enhanced fleet modernization programs.
- *Infrastructure/Land Use:* The Scoping Plan needs to be mindful of increasing SB 375 targets for Sustainable Communities Strategies and support new sources of funding for public transit operations, including electrification of transportation fleet through EV charging infrastructure and enhanced ZEV rebates. We appreciate the Scoping Plan Update's reference to investments scale up investments in active transportation, transit and rail services.⁴
- *Sustainable Freight Strategy:* Through the Executive Order B-32-15, the Governor has instructed key agencies including CARB to develop a sustainable freight strategy plan. This presents an important chance to reduce toxic pollutants exposures in communities located near freight movement centers and corridors while also addressing short-lived climate pollutants. Sierra Club recommends for the Scoping Plan to reflect the objectives outlined in the EO and strongly supports reducing dependency on carbon fuels in the freight sector by focusing on electrification of freight movement vehicles and equipment.

⁴ Climate Change Scoping Plan pg. 56

Thank you for considering these recommendations as CARB prepares and reviews all stakeholders' comments. Sierra Club California looks forward to continuing to work with your staff as it develops clear and strong mandates to achieve California's AB 32 goals.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. Vazquez", is positioned above the printed name.

Diana Vazquez
Policy Advocate