



September 12, 2014

California Environmental Protection Agency (CalEPA)
California Air Resources Board (CARB)
1001 "I" Street
Sacramento, CA 95814

Re: Cap and Trade Auction Proceeds Investments to Benefit Disadvantaged Communities

**Clean Transportation
Technologies and Solutions**

www.calstart.org

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CALSTART

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CALSTART appreciates the opportunity to provide brief comments on AB 32 cap and trade auction proceeds investments to benefit disadvantaged communities. We commend staff for the tremendous amount of work that has gone into this effort to date and for listening to stakeholder concerns at the workshops.

We believe it is important to first note that the overarching goal of cap and trade investments in clean vehicles is to accelerate the development and deployment of these vehicles. Ultimately, broad market success is needed for California to achieve climate and clean air goals, and faster penetration of these vehicles will benefit all Californians. It is important to recognize these needs when implementing SB 535.

We would like to provide brief comments on both (a) defining disadvantaged communities and (b) determining what investments benefit these communities for Low Carbon Transportation investments in particular. In both cases, we recommend a broad and flexible approach that is easy to implement.

Defining Disadvantaged Communities

It is clear that staff has invested considerable time and effort into the CalEnviroScreen methodology and maps. While the various indicators that are included are all important, we believe there is some subjectivity inherent in the weighting and thresholds. In light of this, we recommend consideration of an inclusive approach that overlays the multiple mapping methods and includes any community identified as disadvantaged under any method in this composite map.

Low Carbon Transportation Investments Benefitting Disadvantaged Communities

For defining projects that benefit disadvantaged communities, we recommend a broad interpretation that recognizes the widespread benefits of zero- and near-zero emission cars, trucks, buses, and off-road equipment. Accelerated market penetration of these vehicles benefits all Californians through cleaner air, reduced climate change, and expanded access to clean transportation. A stalled market, on the other hand, hurts disadvantaged communities disproportionately. We therefore recommend an inclusive definition that facilitates the development and deployment of these vehicles.

It is also important to develop a strategy that is easy to implement and does not create unintended consequences. Overly complicated rules or burdensome reporting requirements, for example, could scare fleets away from clean truck and bus purchases.

OFFICES IN :

48 S. Chester Ave PASADENA, CA 91106 • 626.744.5600 • FAX: 626.744.5610 | 14062 Denver West Pkwy Suite 300 LAKEWOOD, CO 80401-3188 • 303.825.7550 • FAX 626.744.5610
501 Canal Blvd., Suite G RICHMOND, CA 94804 • 510.307.8700 • FAX: 510.307.8706 | 68 Jay Street, Suite 201 BROOKLYN, NY 11201 • (860) 729-5700



Complicated procedures could also severely complicate implementation on the agency side. We recommend a strategy that will be simple and streamlined in implementation.

With regard to the specific “Provides Benefits To” criteria in the interim guidance document, we believe staff has developed an approach that is workable. We strongly support the provisions to expand the geographical reach beyond the specific identified census tracts. This recognizes the mobile nature of vehicles and pollution. The zip code approach for physical addresses and freight hubs is a reasonable and simple step for interim guidance. The inclusion of language regarding “operation primarily in ‘impacted corridors’” is important, but success will ultimately depend on implementation details. Again, we recommend an inclusive approach to defining these corridors and, a simple, streamlined mechanism for determining whether or not a project meets the criteria.

We generally support the proposed interim criteria for “located within” and we appreciate the inclusion of a provision on fixed routes and transit stops within disadvantaged communities.

CALSTART appreciates the opportunity to provide this input on cap and trade investments in Low Carbon Transportation. The greenhouse gas and air quality benefits of these investments are substantial, both for disadvantaged communities and for the state more broadly, and the cap and trade proceeds provide an unprecedented opportunity to drive progress. A broad interpretation and streamlined implementation strategy in the first year of investments will increase the chances of successful investments and benefits for all Californians.

Sincerely,

Jamie Hall
Policy Director