



Mary Nichols, Chair
California Air Resources Board
1001 "I" Street
Sacramento, CA 95814
cc: Kurt Karperos

March 20, 2018

Dear Chair Nichols,

The ARB updated final staff report "Proposed Update to the SB 375 Greenhouse Gas Emission Reduction Targets" remains vague in its proposal of new SB 375 Target recommendations, and the overall direction for target measurement appears unclear. While the eight San Joaquin Valley MPOs are supportive of SB 375 being refocused on policy implementation and plan-over-plan incremental growth, the staff report does not provide sufficient detail to suggest how this will be achieved. Valley MPOs are concerned about the possibility of overcomplicating the process instead of simplifying it. Following the "SCS Guidelines Development" teleconferences held in March 2018, ARB staff's proposed approach for target measurement appears to be even more reliant on travel demand models, likely requiring additional modeling work from resource limited MPOs such as those in the San Joaquin Valley. We struggle to understand how a model-heavy approach will achieve the paradigm shift described by ARB staff in December 2017.

As part of the process to refresh SB 375 targets, Valley MPOs submitted a joint "SB 375 Target Setting Recommendations" report to ARB staff in December of 2016. In addition to detailing many efforts under way that go beyond the commitments of our previous 2014 RTP/SCS, the report highlighted how socioeconomic factors and the price of fuel / automobile operating costs negatively affected target achievement levels, despite those elements being beyond the influence of an SCS. As such, Valley MPOs were pleased with the proposed shift in SB 375 focus described at ARB's December 2017 meeting: refocus on incremental growth plan-over-plan, and only on those elements an SCS can affect. ARB staff notes the following in the final staff report:

"CARB and MPO staffs have learned about the shortcomings of the current SB 375 target metric and using modeling as the primary means for demonstrating target achievement."

"Under the current approach, target achievement is dependent not only on things MPOs can control (their policies and investments), but things that they do not control (such as changes to forecasted demographics, fuel price, fleet mix, etc.) as well."

"transitioning the current program targets to recognize and isolate the incremental changes the regions are making to their land use and transportation policies and investments from plan-to-plan;"

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Unfortunately, the detail provided in the final staff report on how this refocus will be achieved is insufficient, leaving concern over the possibility of adding analysis methods to the existing process without removing analyses that are not compatible with the refocused approach.

Increment vs. Aggregate.

Despite the stated purpose to isolate the incremental changes to plans and focus only on those elements an SCS can affect, the final staff report continues to recommend targets that include the full range of factors that affect greenhouse gas totals. In the San Joaquin Valley, targets are recommended in the range of a 13% – 16% reduction in GHG per capita by the year 2035 (for the 2022 RTP/SCS), representing 1% – 2% higher targets above current SCS anticipated performance. These “aggregate targets” account for all elements that affect GHG totals, including elements beyond the purview of an SCS.



The Valley MPOs believe the targets recommendations listed in the final staff report leave room for elements outside of the purview of an SCS to have an impact. Instead, it makes more sense for targets for the 2022 RTP/SCS be presented as “1% – 2% above current SCS performance.” Targets established in this manner would:

- demonstrate that SB 375 is being refocused on incremental growth, rather than an aggregate of multiple variables (i.e., an “incremental target” as opposed to an “aggregate target”).
- allow for the establishment of methodologies (i.e., Best Management Practices) to quantify RTP/SCS incremental growth, that should be developed through a collaboration of ARB staff, MPO staff, State staff, and interested advocates.
- simplify the process, and be easier for the public to understand – connecting policies and investments directly to a quantification methodology, rather than the current method that relies heavily on a comprehensive travel demand model computation. This could also make the evaluation process less onerous for ARB and the MPOs, which would be appreciated in resource limited areas such as the San Joaquin Valley.

Methods for Isolating SCS Incremental Growth.

Currently, methods for isolating the incremental changes to land use and transportation policies and investments are a work in progress. However, if the starting point is an aggregate target, then our concern is that any method for isolating SCS elements will begin with the comprehensive travel demand model computation, followed by working backwards to calculate the overall impact of each element accounted for in the travel demand model. Such an approach continues to rely heavily on model calculations, increases the amount of work required by MPOs, and increases the potential for conflicting calculations.

At ARB's December 14, 2017 meeting, ARB staff acknowledged that they see the need for greater focus on implementation and for measuring real progress on the ground and for less of a focus on models. However, the presentation at the "2018 SCS Guidelines Development" teleconferences outlined additional reporting requirements whereby MPOs would be required to provide additional model performance data (e.g. on system wide and facility class RMSE, correlation coefficient, percent of links with volume to count ratios within Caltrans deviation allowance, etc.). The focus of this meeting was primarily on model related inputs/factors, and less on how implementation and plan growth would be measured, and how those calculations would ultimately replace the current model-based approach.

Valley MPOs prefer a "best management practices" approach to quantifying SCS achievement, with separate metrics established for many of the focus areas described by ARB staff during SB 375 workshops in January and February of 2018. We would like to see technical methodologies developed through a collaborative stakeholder process. The hope is to simplify targets analysis, the process should have high level technical participation, such as establishing the equivalent of a new RTAC. We would like to see the new target setting methodologies discussed in terms of the overall goals of SB 375. That means, in part, to take into consideration that the SCS is an integral part of a long-range planning effort, the RTP.

SB-1 Funds Hang in the Balance.

Failure to achieve established targets means an MPO must adopt an Alternative Planning Study. Valley MPOs are concerned about the potential for elements beyond the control of an SCS (but still included within an "aggregate target") to cause an MPO to fail to reach an "aggregate target." Should this happen, the MPO would be precluded from receiving funds through SB-1's competitive programs. There seems to be an implication that when regions do not meet their targets, it is because their SCS does not represent adequate effort as defined under SB 375. Valley MPOs object to this implication, and believe that if a region is struggling to meet its targets, this is all the more reason to support their efforts through SB-1 programs. As such, Valley MPOs strongly urge ARB to eliminate the potential for elements beyond the control of an SCS to influence whether or not targets are met, by adopting targets that more clearly address policy, investment, and plan-over-plan growth (i.e., for the 2022 RTP/SCS, targets established at "1% – 2% above current SCS performance").

March 20, 2018
Chair Nichols
RE: SB 375 Target Setting

Lack of State Strategies.

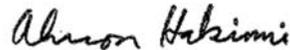
The goals and strategies listed in the “Top-Down Analysis” section of the final staff report continue to be ambiguous, and do not translate directly into clear actions that the State can take toward GHG reductions. Many MPOs provided this comment for the draft staff report as well, and we were disappointed to find that no additional detail has been provided in this regard, outside of a reference to the Scoping Plan Update and SB 150. At this point, it is still unclear how SB 150 will impact the target-setting process, the measurement of SCS achievement, and its effect on staff resources. Valley MPOs are concerned that the lack of a timeline on State strategies, technical justification for their effectiveness, and the commitment required for these efforts puts our SCS’s on shaky foundation, and can cause future SCSs to fall short of intended targets. The state’s ability to deliver on the strategies identified in the staff report inspires little confidence.

Thank you for the continued dialogue, and please continue to include the Valley in the development of SCS Review Guidelines, as the Valley would like to assist in achieving the paradigm shift described for SB 375 target evaluation.

Sincerely,



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