



July 8, 2016

California Air Resource Board
1001 I Street
Sacramento, CA 95814

Re: Greenlining Comments to the 2030 Target Scoping Plan Update Concept Paper

California Air Resources Board:

Thank you for the opportunity to submit comments on the 2030 Target Scoping Plan Update – (“2030 Scoping Plan”). The Greenlining Institute is a research and advocacy organization dedicated to advancing economic opportunity and empowerment for people of color. We seek to build a nation in which communities of color thrive and race is never a barrier to opportunity. Issues of economic inequity and environmental justice are central to our work. We offer these comments specifically to help strengthen the equity and environmental justice outcomes of the 2030 Scoping Plan. We look forward to continuing the discourse on this critical topic.

Introduction

We applaud the administration for setting California on a path toward meeting 2030 and 2050 goals. When it comes to fighting climate change, California is looked to as a leader amongst top polluting nations and jurisdictions. The comments below are intended to help California demonstrate to the rest of the United States and to the world that addressing climate change can uplift all communities and does not result in an inequitable distribution of burdens and benefits.

To achieve the goal of an equitable and just transition towards a clean energy future we recommend that the Scoping Plan incorporate the following strategies:

- Ensure that the benefits of greenhouse gas emissions reductions accrue directly within disadvantaged communities.
- Low-income communities and disadvantaged communities must see meaningful investments and beneficial projects in their neighborhoods.
- Low-income communities must have access to the use and ownership of clean energy technologies.
- Climate policies, programs and investments must have safeguards to ensure there are no unintended local negative impacts, particularly in disadvantaged communities, and that identified benefits are truly meeting community needs, per the intent of AB 32.
- Appropriate agencies must prioritize direct public health improvements and climate investments in disadvantaged communities.

Improving Policies and Goals to Reduce Greenhouse Gas Emissions

The Air Resources Board has a powerful opportunity to use this 2030 Scoping Plan to maximize positive health and economic impacts in the communities that have, for decades, been exposed to the worst air pollution and related health impacts. Many of these same communities are now being hit first and worst by climate change impacts. The following comments can help address the needs of these communities and further accelerate California's progress toward meeting 2030 and 2050 climate goals.

- *Staff and Board Members:* The Air Resources Board is making important progress toward integrating environmental justice concerns in the Board's decision making through additional staff and the two new environmental justice seats on the Board. These are important steps in helping to institutionalize the voice of environmental justice communities at the Air Resources Board and we applaud the Board for making this a priority.
- *Environmental Justice Advisory Committee:* The Environmental Justice Advisory Committee ("EJAC") provides a voice for communities impacted by poor air quality and climate change impacts. The EJAC has the capacity and expertise to meaningfully engage community members through workshops, meetings, and effective relationship building. We recommend that the Air Resources Board elevate the contributions and recommendations made by the EJAC. This can be done by committing to at least considering all formal EJAC recommendations and reporting out as to which recommendations the Air Resources Board will accept and which it will not. The report should include a plan for meeting the requirements of the accepted recommendations as well as an explanation as to why other recommendations were not accepted. In addition, the Air Resources Board should support the engagement of the EJAC in the development of future Scoping Plans as well as the continued and consistent involvement of the EJAC in the implementation of state climate policies.
- *Strong Adaptive Management Plan:* The AB 32 Adaptive Management Plan should provide for proactive, science-based, and community-driven solutions when unintended environmental justice impacts and inequities are discovered. The Air Resources Board must be able to act quickly to mitigate or fix the harm, and not take years to process. The Board can strengthen the Adaptive Management Plan by applying it to all major climate and clean energy policies, including the Renewable Portfolio Standard, the Low Carbon Fuel Standard, the Short Lived Climate Pollutant Strategy, and any regional energy market integration efforts.
- *Public Health Assessment and Economic Analysis:* The state should produce a public health assessment that studies the health impacts of the state's climate programs, particularly in disadvantaged communities, on a regularly basis (at a minimum every two years). The upcoming OEHHA Analysis on AB 32 and Environmental Justice is a good start, and the Air Resources Board must allow for ample time for analysis, discussion and integration of recommendations before the 2030 Scoping Plan is approved.
- *Cost and Economic Analyses:* Costs as well as economic and non-economic benefits studied as part of this 2030 Scoping Plan should reflect disadvantaged community priorities and impacts and should be defined in consultation with the EJAC and consistent with SB 535 definitions. There should be more transparency and clarity around where emission

reductions (or increases) are occurring. These updates should happen regularly (at a minimum every two years). Where there is a requirement for AB 32-related policies, programs, investments, and regulations to be cost-effective this definition of cost-effective must include the cost to communities of inaction as well as health and economic benefits to communities - including missed work, school and treatment costs. The definition should not be limited to impacts on industry.

- *Prioritize Loading Order in State Energy Planning:* This 2030 Scoping Plan should call for the prioritization of demand-side and distributed generation solutions in state energy planning, particularly in California Public Utilities Commission (“CPUC”) proceedings, including but not limited to the Long Term Procurement Plan. The CPUC through its proceedings must prioritize distributed resources and demand-side reductions in energy use. Furthermore, there should be an emphasis on advancing clean energy targets within disadvantaged and low-income communities by setting energy efficiency and renewable energy targets that are specific to those communities.

Improving Market-Based Compliance Mechanisms

As the state considers the continuation of market-based compliance mechanisms the following points outline recommendations for creating a system that will help to ensure greater equity for disadvantaged communities:

- The state must develop, in consultation with researchers and community-based organizations, strong and effective regulations that maximize emissions reductions in California hot spot communities. The design of the system must be able to control pollution from facilities in order to prevent pollution increases in environmental justice communities. As discussed above, the state must regularly report back on the efficacy of these regulations in reducing emissions in disadvantaged communities.
- The Air Resources Board must ensure that any price on greenhouse gases is equitable and reflects the true social cost of pollution. It must be a high enough price to incentivize technological advancements and aggressive reductions in greenhouse gas emissions and local co-pollutants.
- If offsets are considered as part of a market-based compliance mechanism, priority should be given to benefitting the most heavily polluted California communities. If international offsets are considered, the concerns outlined in the “No REDD Letter” submitted to Chairman Nichols and Governor Brown in May 2016 must be addressed. Furthermore, priority should be given to projects benefitting border communities in Mexico. Finally, international offsets should be capped at no more than 4% and should not be available to top polluters or facilities operating in hot spot communities.
- The state must commit to stronger mandates to prevent industrial and commercial sectors from passing along costs to consumers, particularly low-income consumers.

Improving Climate Investments

As the 2030 Scoping Plan identifies policies that will effectively transition California from a fossil fuel-based economy to a clean energy economy, it is important that the state prioritize clean energy investments in low-income and disadvantaged communities and ensure a just transition to a clean energy future. The following are specific recommendations on how to help achieve this just transition:

- Climate investments must have the goals of 1) reducing poverty and 2) (a) reducing pollution (without interfering with building resilient communities and adapting to climate change) in disadvantaged communities and/or (b) building climate resilience (without increasing emissions) in disadvantaged communities.
- Climate investments are determined only through a transparent and open process resulting in a funded 3-year investment plan without legislative intervention.

Strengthen Coordination with Other State Energy Agencies

Overall, we see a need for better coordination between state climate policies and planning and state energy policies and planning, particular those proceedings happening at the California Public Utilities Commission. As the California Independent System Operator (“CAISO”) studies the impacts of regionalizing our energy market, precautions must be taken to ensure that we prioritize and protect in-state climate policies and disadvantaged communities. As an example, there is a real chance of California natural gas plant use increasing as a result of a more regionalized grid. Furthermore, there could be an initial increase in greenhouse gas emissions before we see reductions in the future. To prevent these unintended consequences there needs to be strong inter-agency coordination between the Air Resources Board, CPUC, California Energy Commission (CEC), CAISO, and local air quality management districts. Furthermore, the state must have a plan to avoid or at least mitigate against increase emissions that prioritizes disadvantaged communities. We recommend an adaptive management plan for grid regionalization.

Senate Bill 350 Studies

Under Senate Bill 350 the state is required to produce studies on the barriers and opportunities to increasing clean energy and transportation technologies in disadvantaged and low-income communities. This study compliments the Air Resources Board’s mandate to identify the path forward for California to meet state climate goals. We therefore recommend that the final version of this 2030 Scoping Plan reflect or at a minimum reference the findings of the Senate Bill 350 studies.

Expanding Research Initiatives that Prioritize Equity

To reach climate goals while also prioritizing equity and environmental justice concerns, state agencies, including the CEC and the Air Resources Board, should support pre-policy research efforts that help to expose and explore the potential and existing burdens and benefits of climate policies in disadvantaged and low-income communities. This research should be informed by meaningful community input.

Conclusion

Thank you again for the opportunity to comment. We look forward to continuing the discussion and supporting the state in its goal of creating equitable greenhouse reductions strategies that work for all Californians.

Sincerely,
Sekita Grant
Legal Counsel, Environmental Equity
The Greenlining Institute