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Interim Executive Director Dennis R. Wilberg 949 / 470 - 3051 dwilberg@cityofmissionviejo.org

200 Civic Center Mission Viejo, California 92691 December 1, 2008

Ms. Mary Nichols Chair California Air Resources Board 1001 I Street Sacramento, CA 95812

ORIGINAL: Copies:

Board Clerk Executive Officer

RE: Proposed Scoping Plan for AB 32 Implementation

Dear Ms. Nichols:

The Orange County Council of Governments (OCCOG) includes representation from all local governments in Orange County as well as eight special districts. We thank you for the opportunity to comment on the California Air Resources Board's (ARB) Proposed Scoping Plan.

The Proposed Scoping Plan identifies a variety of measures intended to outline the actions necessary for the State of California to achieve the significant reductions in greenhouse gas (GHG) emissions called for by AB 32, the Global Warming Solutions Act of 2006. These measures, some mandatory and some voluntary, have the potential to affect our member agencies in a variety of direct and indirect ways. Because of this, the OCCOG has been actively reviewing the Proposed Scoping Plan relative to these potential affects.

On November 20, 2008 several individual members of the OCCOG Board of Directors discussed the Proposed Scoping Plan. Pursuant to the discussion, we offer the following comments for consideration by the California Air Resources Board at its upcoming public hearing on the Proposed Scoping Plan. These comments are as follows:

The AB 32 Scoping Plan should:

Include a strong commitment to financial incentives as well as include a variety of elective and voluntary opportunities for local governments and other entities to identify and develop those programs that would be affordable, effective and efficient within their individual jurisdictions.

- 2. Recognize that if local governments are assigned GHG emissions reduction targets, some, if not all programs and actions will require stable funding sources. The Plan should not mandate actions or assign emission reduction targets to local government activities that are unfunded.
- 3. Ensure that local governments and other OCCOG member agencies have the ability to actively participate in the development of regional targets as well as the development of other assumptions that will be used to determine the success of local government and other OCCOG member agency actions related to implementation of AB 32.
- 4. Along with any subsequent rule development process, continue to recognize the importance of involving local governments and other OCCOG member agencies, and, as such, provide ample opportunities for local governments and other agencies to be involved in the development of the methodology and tools that will implement the Plan.
- 5. Recognize non-transportation/land use action taken by local governments and focus recommended actions for local governments on those for which a local agency has the most control and ability to implement, such as, but not limited to, implementation of public education programs, distribution of materials, or implementation of other GHG emissions reduction programs.
- 6. Consider other related programs, such as SB 375, air district rules, and stormwater management requirements, such that the Scoping Plan complements and is not contradictory or duplicative of other programs, regulations and legislation.
- 7. Fully define "business as usual" such that local and regional agencies can determine a baseline as well as the effectiveness of strategies that are implemented and to ensure consistent measurements of GHG emissions throughout the State.
- 8. Clearly indicate the GHG emissions reduction target that is sought to be achieved by the implementation of the Plan and identify if there may be flexibility in the application of emission reduction targets to specific measures that may result from the development of the required subsequent rules and regulations.
- 9. Recognize the role of transportation infrastructure in reducing GHG emissions and recognize the following:
 - a. Any emissions target assigned to transportation measures must be able to be adjusted to reflect new and refined base data as it comes available and is validated through any subsequent rule development process.
 - b. All potential sources for reducing GHG emissions from transportation infrastructure projects should be considered, including, but not limited to, reductions of vehicle miles traveled, vehicle travel time, and vehicle idling time.

- c. Incentives that will promote and expedite transportation projects that reduce GHG emissions should be identified and should recognize the regional benefits that may result from a project as opposed to focusing on the individual project level impacts.
- d. Stable and long-term funding sources must be identified to support transportation infrastructure projects that reduce overall GHG emissions.
- 10. Recognize the wide variety of issues, such as sewer and water infrastructure capacity, capacity of public transit, construction timing, and human behavior, that are likely to impact the effectiveness of land use decisions on efforts to reduce vehicle miles traveled and thus GHG emissions, particularly as Measure T-3, Regional Transportation-Related Greenhouse Gas Targets is implemented.
- 11. Commit to a statewide effort on the development of the technical tools necessary to implement and measure the success of the Plan. Further, the tools that are developed should offer the flexibility necessary to account for the variety of factors influencing GHG emissions in the various regions and localities of the State.
- 12. Promote and develop consistent analytical methods that are flexible enough to account for regional and local variability, and be able to adjust for changes over time, such that local efforts may be equitably measured.
- 13. Promote data sharing among the various entities, including various state agencies, utilities, transportation agencies, private industry and local governments that are involved in the implementation of measures to reduce of GHG emissions.

Attached to this letter is the OCCOG Board of Director's staff report. The staff report provides additional background and explanatory information pertinent to each of the comments listed above.

Thank you again for the opportunity to comment on the Proposed Scoping Plan. The OCCOG looks forward to working with the California Air Resources Board to present the perspective, comments and recommendations of local government and special districts relating to the State's implementation of greenhouse gas emissions reductions strategies.

Respectfully,

Chery Gothers

Cheryl Brothers, OCCOG Chair and District 15 Alternate representative, on behalf of:

Mark Waldman, OCCOG Vice-Chair, County Sanitation Districts of Orange County Representative

Richard Dixon, OCCOG District 13 Representative

Lou Bone, OCCOG District 17 Representative

Christine Barnes, OCCOG District 18 Representative

John Beauman, OCCOG District 22 Representative

Milt Robbins, OCCOG Cities At-Large Alternate Representative

Janet Nguyen, OCCOG County At-Large Representative Phil Anthony, OCCOG Independent Special Districts of Orange County Representative Peter Herzog, OCCOG Orange County Division, League of Calif. Cities Representative Bert Hack, OCCOG TCA Representative Kristine Thalman, OCCOG Private Sector Representative

Attachment

cc: OCCOG Board of Directors
Dennis Wilberg, OCCOG Interim Executive Director
Karen Hamman, OCCOG Interim Clerk of the Board



ORANGE COUNTY

COUNCIL OF GOVERNMENTS

ITEM 5 November 20, 2008

STAFF REPORT

Subject:

AB 32 Proposed Scoping Plan

Summary:

As discussed at previous meetings of the OCCOG Board, the State of California, in 2006, enacted Assembly Bill 32, titled the Global Warming Solutions Act of 2006. The bill is considered a sweeping bill addressing climate change and specifically global warming resulting from the release of greenhouse gas (GHG) emissions into the atmosphere due to human activities. The California Air Resources Board (CARB) is the designated lead agency for the implementation of AB 32, for which the key goal of the bill is a reduction of the state's GHG emissions to 1990 levels by 2020. A primary task assigned to CARB per the bill is the preparation of a Scoping Plan that is mandated to be adopted by January 2009. This staff report serves to provide an overview of the Proposed Scoping Plan and to summarize comments offered by the OCCOG TAC for the consideration of the Board to submit to the CARB prior to its consideration of its adoption of the Plan.

Please note that full documentation, including the language of AB 32, the Proposed Scoping Plan, technical tools and other information and resources can be found at: http://www.arb.ca.gov.

Background of the Proposed Scoping Plan

The CARB released the Proposed AB 32 Scoping Plan, including a notice of public hearing on October 15, 2008. A public hearing to consider CARB's adoption of the Plan will be held on December 11 and 12, 2008. The purpose of the Scoping Plan is to outline the primary strategies or measures necessary for the State to achieve the 2020 emission reduction target – which translates into approximately a 30% reduction of greenhouse gas (GHG) emissions from projected "business as usual" 2020 projections.

It is important to note, the draft Scoping Plan states that the AB 32 Scoping Plan will remain a plan, even after CARB Board adoption. Once the CARB Board adopts the Scoping Plan, the State has two years (until 2012) to then develop and adopt regulations to implement the Scoping Plan measures. The measures included in the Proposed Scoping Plan are a mix of existing laws, regulations, policies, and programs; measures which strengthen and expand existing policies and programs; discrete actions (targeted actions already in place under AB32); and measures which will require new rule making.

Review of the Proposed Scoping Plan

As presented at the last OCCOG Board meeting, the OCCOG TAC, at its October 7, 2008 meeting, formed an Ad Hoc Subcommittee to review the Proposed Scoping Plan with the express purpose of identifying observations and

comments that could be submitted to the CARB upon the consideration of the OCCOG Board.

Subsequent to the release of the Proposed Scoping Plan on October 15, 2008, the Ad Hoc Subcommittee held one meeting on October 27, 2008 to discuss potential comments. Draft findings and comments were presented and discussed by the full OCCOG TAC at its November 4, 2008 meeting. Action by the TAC forwarded the Subcommittee's comments with amendments per the discussion of the TAC for consideration by the OCCOG Board of Directors at its November 20, 2008 meeting, for the Board's transmittal to the California Air Resources Board by December 10, 2008. Attached is the Amended Supplemental Report from the TAC's Agenda Item pertaining to the Proposed Scoping Plan.

The following highlights key observations from and identifies several comments on the Proposed Scoping Plan.

OCCOG TAC and Subcommittee Observations

Emissions Reduction Targets

The measures include specific actions, regulations and targets for the various specific sectors that contribute to GHG emissions. In December 2007, ARB approved the 2020 emission limit (based on 1990 levels) of 427 million metric tons of carbon dioxide equivalent (MMTCO₂E) which equates to a reduction of approximately 169 MMTCO₂E. In order to meet this target ARB, through the Proposed Scoping Plan, has identified measures by sector that will slightly exceed this adopted emissions reduction (Table 1).

Table 1: Emissions Reductions by Sector

	Reductions Counted Toward 2020 Target
Recommended Emissions Reduction Measures	(MMTCO ₂ E)
CA Light-Duty Vehicle GHG Standards	31.7
Energy Efficiency Measures	26.3
Renewables Portfolio Standard (33% by 2020)	21.3
Low Carbon Fuel Standard	15.0
Regional Transportation –Related GHG Targets*	5.0
Vehicle Efficiency Measures	4.5
Goods Movement	3.7
Million Solar Roofs	2.1
Medium/Heavy Duty Vehicles	1.4
High Speed Rail	1.0
Industrial Measures (for sources under the Cap-and-Trade Program)	0.3
Additional Reductions Necessary to Achieve reductions through the Cap-and-Trad	e 34.4
Program	
High Global Warming Potential Gas Measures	20.2
Sustainable Forests	5.0
Industrial Measures (not included in the Cap-and-Trade Program)	1.1
Recycling and Waste (landfill methane capture)	1.0
Total Reductions Counted Towards 2020 Target	174

^{*} The emissions reductions associated with the Regional Transportation Related GHG Targets represent an estimate of what may be achieved from local land use changes. It is not the SB 375 regional target which will be established per the procedures outlined in SB 375.

(Source: ARB, Proposed Scoping Plan, October 15, 2008. Pg. 17, Table 2: Recommended Greenhouse Gas Reduction Measures.)

Relationship of Local Governments to Measures in the Scoping Plan

In addition to identifying the measures that will be more mandatory in nature, the Scoping Plan includes a number of recommended voluntary measures that are simply highly encouraged. These include actions that may be carried out for State and Local Government Operations and as well as additional measures for green building, recycling and waste sectors, water sectors, and methane capture at large dairies.

Of specific interest, measures and programs directed to local government operations are currently identified as voluntary though, as stated above, the Proposed Scoping Plan indicates that they are strongly encouraged. Although specific reductions are not proposed for Local Government Operations, the CARB acknowledges that local governments are essential partners in achieving California's greenhouse gas reduction goals and encourages cities and counties to develop a collaborative, comprehensive approach to reducing GHG emissions and address climate change within their own communities. In order to encourage the efforts of local governments to reduce GHG emissions, the Institute for Local Governments is developing a program to recognize local governments that take progressive action to reduce GHG emissions and achieve certain performance standards. Other programs to encourage local government action are also considered.

It is important to note, that while actions specifically directed to local governments are voluntary, local governments and OCCOG member agencies are likely to be indirectly affected by measures in the Scoping Plan. Measures that affect vehicle efficiency, power generation, and others may indirectly impact costs for local government – both in the direct cost of purchasing items, such as vehicles or power as well as indirectly in training that may be necessary to maintain alternative fuel vehicles. Local agencies may also realize benefits such as lower fuel and power costs, decreased operating costs if vehicles are driven less, and more.

Regional Transportation-Related GHG Targets

The Scoping Plan includes within Measure T-3, Regional Transportation-Related GHG Targets, a reduction target of 5 MMTCO₂E which represents an estimate of the emissions reductions that may be achieved through implementation of SB 375 through local land use and transportation measures. However, it is only considered an estimate of what may be achieved from local land use changes and does not necessarily reflect the emissions reduction target that ARB may establish pursuant to implementation of SB 375 which was recently signed and goes into effect January 1, 2009. An emissions target established per the processes established by SB 375 may be higher or lower.

Further, the Scoping Plan identifies supporting policies, programs, incentives, guidance, and funding that are needed to help ensure regional targets are set. It acknowledges that modeling typically indicates that land use and transit strategies on their own do not achieve as significant reductions in emissions as are needed to meet the State's goal; more robust benefits result when land use and transit/transportation strategies are employed in combination with each other and other pricing policies. To this end, it considers the reduction in barriers to more efficient land use and transit strategies as well as supporting measures such as congestion pricing, indirect source rules for new development, and programs

to reduce vehicle trips like employee transit incentives as necessary. As such, this sector is identified as one of the measures requiring rule making and specifies that it is not simply implementation of SB 375.

OCCOG TAC Comments on the AB 32 Scoping Plan

At its November 4, 2008 meeting, the OCCOG TAC recommended that the following comments and the attached amended supplemental staff report (Attachment 1) providing background on said comments be forwarded to the OCCOG Board of Directors for consideration to submit to the CARB prior to its December 10, 2008 close of the public comment period. As identified in the attached supplemental TAC staff report, due to the limited time available for the review of the Plan, the Subcommittee, and thus the TAC, used the guiding comments identified by SCAG staff and approved by the SCAG Regional Council on October 2, 2008 as the framework for their review of the Proposed Scoping Plan. The Subcommittee then tailored the comments to address issues and concerns of the OCCOG's member agencies. As such, the following comments are offered:

The AB 32 Scoping Plan should:

- 1. Include a strong commitment to financial incentives as well as include a variety of elective and voluntary opportunities for local governments and other entities to identify and develop those programs that would be affordable, effective and efficient within their individual jurisdictions.
- 2. Recognize that if local governments are assigned GHG emissions reduction targets, some, if not all programs and actions will require stable funding sources. The Plan should not mandate actions or assign emission reduction targets to local government activities that are unfunded.
- 3. Ensure that local governments and other OCCOG member agencies have the ability to actively participate in the development of regional targets as well as the development of other assumptions that will be used to determine the success of local government and other OCCOG member agency actions related to implementation of AB 32.
- 4. Along with any subsequent rule development process, continue to recognize the importance of involving local governments and other OCCOG member agencies, and, as such, provide ample opportunities for local governments and other agencies to be involved in the development of the methodology and tools that will implement the Plan.
- 5. Recognize non-transportation/land use action taken by local governments and focus recommended actions for local governments on those for which a local agency has the most control and ability to implement, such as, but not limited to, implementation of public education programs, distribution of materials, or implementation of other GHG emissions reduction programs.
- 6. Consider other related programs, such as SB 375, air district rules, and stormwater management requirements, such that the Scoping Plan

- complements and is not contradictory or duplicative of other programs, regulations and legislation.
- 7. Fully define "business as usual" such that local and regional agencies can determine a baseline as well as the effectiveness of strategies that are implemented and to ensure consistent measurements of GHG emissions throughout the State.
- 8. Clearly indicate the GHG emissions reduction target that is sought to be achieved by the implementation of the Plan and identify if there may be flexibility in the application of emission reduction targets to specific measures that may result from the development of the required subsequent rules and regulations.
- 9. Recognize the role of transportation infrastructure in reducing GHG emissions and recognize the following:
 - a. Any emissions target assigned to transportation measures must be able to be adjusted to reflect new and refined base data as it comes available and is validated through any subsequent rule development process.
 - b. All potential sources for reducing GHG emissions from transportation infrastructure projects should be considered, including, but not limited to, reductions of vehicle miles traveled, vehicle travel time, and vehicle idling time.
 - c. Incentives that will promote and expedite transportation projects that reduce GHG emissions should be identified and should recognize the regional benefits that may result from a project as opposed to focusing on the individual project level impacts.
 - d. Stable and long-term funding sources must be identified to support transportation infrastructure projects that reduce overall GHG emissions.
- 10. Recognize the wide variety of issues, such as sewer and water infrastructure capacity, capacity of public transit, construction timing, and human behavior, that are likely to impact the effectiveness of land use decisions on efforts to reduce vehicle miles traveled and thus GHG emissions, particularly as Measure T-3, Regional Transportation-Related Greenhouse Gas Targets is implemented.
- 11. Commit to a statewide effort on the development of the technical tools necessary to implement and measure the success of the Plan. Further, the tools that are developed should offer the flexibility necessary to account for the variety of factors influencing GHG emissions in the various regions and localities of the State.
- 12. Promote and develop consistent analytical methods that are flexible enough to account for regional and local variability, and be able to adjust for changes over time, such that local efforts may be equitably measured.
- 13. Promote data sharing among the various entities, including various state agencies, utilities, transportation agencies, private industry and local

governments that are involved in the implementation of measures to reduce of GHG emissions.

Recommendations:

- 1. Receive staff report.
- 2. Receive OCCOG TAC recommended comments on the California Air Resources Board's Proposed AB 32 Scoping Plan.
- 3. Authorize staff to transmit the OCCOG Board of Directors' comments on the Proposed AB 32 Scoping Plan, as presented or amended, to the California Air Resources Board prior to the December 10, 2008 close of public comment period.

Attachments:

1. OCCOG TAC Supplemental Staff Report: Comments on the AB 32 Proposed Scoping Plan, as amended by action of the OCCOG TAC on November 4, 2008.

Staff Contacts:

Tracy Sato, OCCOG TAC Chair (City of Anaheim)

714/765-4942 tsato@anaheim.net Supplemental Staff Report Amended Per Action of the OCCOG TAC on November 4, 2008

For Item 5:

AB 32 Proposed Scoping Plan DRAFT Observations and Comments for OCCOG TAC Consideration

Report

Background

As presented in the staff report for Agenda Item 5 of the OCCOG TAC meeting of November 4, 2008, the TAC formed an Ad Hoc Subcommittee (Subcommittee) to review the AB 32 Proposed Scoping Plan (Plan). The Subcommittee, upon its review, was tasked to prepare and offer comments for the OCCOG Board's consideration to submit to the California Air Resources Board (CARB) prior to the December 10, 2008 close of the public comment period. With the release of the Proposed Scoping Plan on October, 15, 2008, the Subcommittee convened a meeting on October 27, 2008 at which the Plan was discussed. Due to the limited time available for the review of the Plan, the group used the guiding comments identified by SCAG staff and approved by the SCAG Regional Council on October 2, 2008 as the framework for their discussion. Please note that SCAG's Regional Council approved these comments prior to the release of the Proposed Scoping Plan and thus, some of SCAG's comments are reflected in the Proposed Scoping Plan and may be unnecessary.

SCAG Guiding Comments Approved October 2, 2008

In anticipation of the short timeline that would be available to provide comments to CARB on the anticipated revision of the Draft AB 32 Scoping Plan, SCAG staff sought approval of general comments that would then guide the development of more formal comments on the Plan. The process allows SCAG staff to efficiently prepare comments that align with direction from the SCAG Regional Council on the Plan for submission to CARB during the allotted public review period. The general comments on the AB 32 Scoping Plan, as approved by the SCAG Regional Council were as follows:

The Scoping Plan should:

- 1. Provide a strong commitment to financial incentives
- 2. Commit to a Statewide effort on the development of technical tools
- 3. Fully integrate details of SB 375 (Steinberg) such that regions and local governments are not subject to duplicative or contradictory requirements (e.g. "business as usual" definition)
- 4. Promote and develop consistent analytical methods, such that the regions can equitably measure local efforts
- 5. Assure that SCAG has a key role in the development of regional targets, including a seat on the Regional Targets Advisory Committee (RTAC)
- 6. Recognize the role of transportation infrastructure, especially public transit paired with land use planning, in achieving reductions
- 7. Refine the definition of land use strategies to include related measures such as transportation demand management and pricing
- 8. Recognize non-transportation/land use action taken by local governments.



Subcommittee Consideration of SCAG Comments

The Subcommittee's discussion relative to each of the above comments is summarized below. Overall, the Subcommittee offers that these comments do provide good general comments regarding the plan but observes that the comments tended to be, as was appropriate from SCAG, from a more regional governance point-of-view. As such, the discussion and summary below represents a perspective from the point-of-view of the OCCOG membership - primarily local governments and special districts (including the transportation agencies).

1. The Scoping Plan should provide a strong commitment to financial incentives.

The Subcommittee fully concurs with this comment. While local Discussion: governments are not mandated to undertake sweeping actions under the Plan, local governments will be impacted by the Plan indirectly. For example, the changeover in vehicles using technology such as alternative fuels will likely change the types of vehicles available for purchase by local agencies for the various fleets they maintain. While not a direct impact, a change in the types of vehicles used may affect not only the cost of the vehicle, but also training requirements for fleet maintenance staff, the need for alternative fuel stations, and more.

Additionally, local governments are strongly encouraged to implement many actions identified in the plan, including actions related to local government operations as well as to address building and redevelopment within each community. While local government operations in most jurisdictions will account for a very small proportion (potentially <1%) of the total emissions of greenhouse gasses (GHG) from the jurisdiction in whole, local governments are identified in the Plan as potentially playing is significant role in outreaching and educating the community. However, each local agency will be different, reflective of the significant diversity in local governments throughout the state, a onesize-fits-all approach is inefficient and, in some cases, may be ineffective.

Therefore, in order to accomplish changes both operationally and within the community, a wide variety of resources and financial resources is recommended by the Subcommittee. Keeping the requirements that will specifically impact local agencies incentive based and voluntary will help to encourage local governments to identify those measures believed to be the most effective in each unique jurisdiction. Upon these considerations, the Subcommittee offers the following comment:

The Scoping Plan should include a strong commitment to financial incentives as well as include a variety of elective and voluntary opportunities for local governments and other entities to identify and develop those programs that would be affordable, effective and efficient within their individual jurisdictions.

ATTACHMENT 1



OCCOG Technical Advisory Committee

November 4, 2008 AMENDED Per OCCOG TAC Discussion

2. The Scoping Plan should commit to a Statewide effort on the development of technical tools. Further, the Scoping Plan should promote and develop consistent analytical methods, such that the regions can equitably measure local efforts.

<u>Discussion:</u> The Subcommittee fully concurs with these comments. The tools necessary to identify and then evaluate and measure the effectiveness of various actions that could reduce GHG emissions are not fully developed. Those that are developed are extremely complex and rely on significant amounts of regional data and information. As discussed in the Plan, models are necessary to evaluate the interactions between regional transportation systems and land uses are not yet fully developed and often lack the ability to address and account for small-area land use changes when evaluating the potential reductions in GHG emissions. The Plan recognizes that in these models, it is difficult to measure how many trips and for what distances people will opt for alternative means of transportations, including opting to choose to walk to a destination as opposed to driving there. Additionally, the energy savings that may result from more efficient buildings and other factors are not assessed.

Due to the complexity of the modeling that is necessary to effectively and, and more importantly, efficiently measure GHG emissions, the Subcommittee also concurs that regional measures are the most appropriate. In expanding on this consideration, the Subcommittee offers that the analytical methods must recognize the inherent differences between the sources of GHG emissions, how they are reflected in individual localities and apply appropriate conversion factors.

Additionally, GHG emissions will change over time dependent on actions of a variety of entities. For example, each power utility and water agency will have different coefficients for GHG emissions dependent upon their sources of energy or water. Further, these coefficients will change over time as these industries implement measures to reduce their GHG emissions. Therefore, measuring reductions of GHG emissions due to local efforts is likely to change over time and be easier to measure at a regional level. It will be important for the Plan and subsequent rules and regulations developed to implement the Plan to recognize these issues in order to measure the success and efficiency of various programs as they are implemented.

Efforts to promote and development the analytical methods should also be expanded to incorporate support for regional data sharing opportunities, such as between utilities and local agencies. The Subcommittee recommends that the Plan support these data sharing opportunities and promote their development throughout the state.

Finally, the development of these complex tools is beyond the resources and possibly expertise of many local governments and special districts. Therefore, it is necessary for the tools that local and regional agencies will need to be developed throughout the State and with State support. Further, as noted in the previous comment discussion, each local agency is unique with differing weather, geography, existing land use patterns, access to transit, and more. All of these factors must be considered when developing these tools. As such, the Subcommittee recommends that the technical tools, when developed, allow



for varying inputs and be able to account for the unique nature of many local agencies. Relative to these observations, the following comments are offered:

The Scoping Plan should commit to a statewide effort on the development of the technical tools necessary to implement and measure the success of the Further, the tools that are developed should offer the flexibility necessary to account for the variety of factors influencing GHG emissions in the various regions and localities of the State.

The Scoping Plan should promote and develop consistent analytical methods that are flexible enough to account for regional and local variability, and be able to adjust for changes over time, such that local efforts may be equitably measured.

The Scoping Plan should promote data sharing among the various entities, including various state agencies, utilities, transportation agencies, private industry and local governments involved in the reduction of GHG emissions.

3. The Scoping Plan should fully integrate details of SB 375 (Steinberg) such that regions and local governments are not subject to duplicative or contradictory requirements (e.g. "business as usual" definition).

<u>Discussion</u>: While the Subcommittee agrees that regions and local governments should not be subject to duplicative or contradictory requirements, the members note that SB 375 is only one of the many regulations that local agencies implement. Further, the above comment addresses multiple issues including not only requirements but a noticeable lack of a baseline from which each region will measure from (the "business as usual" scenario).

First, SB 375 is only one of many regulations that may result in duplicative or contradictory requirements being placed on local governments. Regulations for stormwater runoff, open space and habitat preservation, and regulations from local air districts, other state agencies and federal agencies may also result in conflicts faced by local agencies. Further, as discussed in the staff report for Agenda Item 5, SB 375 is integrated into Measure T-3, Regional Transportation-related Greenhouse Gas Targets. Measure T-3 anticipates that it will include the emissions reductions that may be realized by the implementation of SB 375. As such, the Subcommittee recommends that these regulations also be recognized by CARB when implementing the Plan and efforts at the State should be made to minimize these potential conflicts.

Secondly, what constitutes or defines "business as usual," (BAU) in the Plan is not clearly identified. Because the BAU scenario is the measure upon which success will be determined, it is necessary to understand the factors that lead to the emissions identified as BAU. The Subcommittee observes that a full discussion of the methodology and the assumptions in the Plan would be helpful and would help to ensure that regions

ATTACHMENT 1 OCCOG Technical Advisory Committee November 4, 2008 AMENDED Per OCCOG TAC Discussion

throughout the State are able to measure their success in implementing the measures included in the Plan.

Therefore, the Subcommittee offers the following recommended comments:

The Scoping Plan should consider other related programs, such as SB 375, air district rules, and stormwater management requirements, to result in a Plan that complements and is not contradictory or duplicative of other programs, regulations and legislation.

The Scoping Plan should fully define "business as usual" such that local and regional agencies can determine a baseline and also determine the effectiveness of strategies that are implemented and to ensure consistent measurements of GHG emissions throughout the State.

- 4. Please see discussion and recommendations under Item #2 above.
- 5. The Scoping Plan should assure that SCAG has a key role in the development of regional targets, including a seat on the Regional Targets Advisory Committee (RTAC).

<u>Discussion:</u> The Subcommittee indicated that this is important for SCAG as a recognized metropolitan planning organization (MPO) within the State. Relative to the OCCOG, the ability for local agencies to be involved in and provide input into the process of developing regional targets and other methodologies related to the programs targeting the reduction of GHG emissions is important. Under SB 375, local agencies will be represented by various regional organizations such as MPO's, county transportation commissions and local air districts. For Orange County and OCCOG, these agencies include SCAG, the Orange County Transportation Authority (OCTA), and the South Coast Air Quality Management District (SCAQMD). Additionally, local agencies may participate in the process of developing regional targets for GHG emissions through the League of California Cities, at both the County and State levels, and for the County, through the California State Association of Counties (CSAC).

Because of the significant importance that is placed on the technical methodology and assumptions that will measure any success for AB 32, including the implementation of SB 375, it will be critical for local governments to have the opportunity through these organizations to participate in the process at a technical as well as policy level. In order for local agencies to provide input on these important processes, vetting technical issues through appropriate working groups will be necessary before recommendations are taken to policy bodies. The Subcommittee reconfirms the importance of the OCCOG's actions to encourage SCAG to re-form and engage the Plans and Programs Technical Advisory Committee (P&P TAC) as the regional forum to vet these technical issues related to the implementation of AB 32 as soon as possible. The Subcommittee observes that the OCCOG could also be the "point of contact" to relay information from these various regional organizations to local governments in Orange County should the Board choose to take on that role.

To address this comment from the perspective of the OCCOG, the Subcommittee offers the following language:

The Scoping Plan should ensure that local governments and other OCCOG member agencies have the ability to actively participate in the development of regional targets as well as the development of other assumptions that will be used to determine the success of local government and other OCCOG member agency actions related to implementation of AB 32.

6. The Scoping Plan should recognize the role of transportation infrastructure, especially public transit paired with land use planning, in achieving reductions.

Discussion: While the Subcommittee agrees that the role of transportation infrastructure should be considered in the Scoping Plan, members expressed concern that, as worded, this comment is limited and potentially misleading due to its focus on the linkage between transportation infrastructure itself (specifically public transit) and land use and its implied intent of reducing vehicle miles traveled (VMT). As previously discussed, the Proposed Scoping Plan includes Measure T-3, Regional Transportation Related GHG Targets that recognizes the potential for transportation infrastructure to achieve reductions in GHG emissions. A target reduction of 5 MMTCO₂E is identified. However, the Plan does not present a clear picture of the basic underlying growth and VMT assumptions that CARB based the target on. Because of this, the final Scoping Plan must be flexible enough to adjust the targets of this measure (as well as all other measures) as the base data and assumptions are refined and validated. In that sense, the Scoping Plan should allow for adjustments over time as each sector, and specifically the transportation sector, produces new data, develops new technology, or simply better validates the assumptions based on experience. The Subcommittee recommends that the process for developing the regulation for Measure T-3 should begin with a validation process.

A second concern noted by the Subcommittee and TAC members is that transportation improvements that result in increased GHG emissions at the project level but can result in GHG reductions in a regionwide context. For example, a project to eliminate a bottleneck may increase the number of miles traveled by allowing additional trips to occur, however, overall reduce GHG emissions because of the reduction in the time each of those trips take and the reduction in the time vehicles spend idling in congestion. Therefore, reduction of VMT should not be the sole measure for transportation infrastructure; the reduction of both trip time and reduction of idling time should also be considered.

To provide incentives that will support the development of transportation infrastructure that will reduce GHG emissions, the Scoping Plan should also identify a goal to expedite transportation projects that contribute to a regionwide system that reduces GHG emissions, even if the individual projects would be considered to have significant impacts at the project level. Further, because mitigation is often solely based on the impacts of the



individual project, mitigation requirements on these projects should not be so great as to delay or price them out of existence.

As with actions that are directed specifically to local governments, actions regarding transportation infrastructure must include consideration of long-term and stable funding sources. Transportation infrastructure not only requires up-front design and construction costs but also long-term maintenance and operation costs. All of these costs should be considered in the development of the required actions for all agencies involved in the planning, development and maintenance of transportation infrastructure.

The Subcommittee offers the following comments:

The Scoping Plan should recognize the role of transportation infrastructure in reducing GHG emissions and recognize the following:

- Any emissions target assigned to transportation measures must be able to be adjusted to reflect new and refined base data as it comes available and is validated through any subsequent rule development process.
- All potential sources for reducing GHG emissions from transportation infrastructure projects should be considered, including, but not limited to, reductions of vehicle miles traveled, vehicle travel time, and vehicle idling time.
- Incentives that will promote and expedite transportation projects that reduce GHG emissions should be identified and should recognize the regional benefits that may result from a project as opposed to focusing on the individual project level impacts.
- Stable and long-term funding sources must be identified to support transportation infrastructure projects that reduce overall GHG emissions.
- 7. The Scoping Plan should refine the definition of land use strategies to include related measures such as transportation demand management and pricing.

Discussion: The Subcommittee agrees that such strategies should be incorporated into the regional modeling and considered as policy options for implementation of the Plan. However, the Subcommittee observes that these strategies are not necessary land use strategies and may more appropriately be considered transportation strategies that will likely influence land uses by changing the markets demand for uses in various locations in the region. For example, congestion pricing can influence not only the location of housing, but the location of employment - people demanding housing near to destinations and employers locating their places of business near to their employees. It can also influence individual's choices for schools, entertainment, and shopping. Because these options are included in Measure T-3, and transportation measure, the Subcommittee offers that it is not necessary to include this comment on Plan.



8. The Scoping Plan should recognize non-transportation/land use action taken by local governments.

Discussion: As discussed in the staff report, actions by local agencies are not mandated and are only strongly encouraged. While some or all recommended actions may become mandatory at some point in the future, the Subcommittee believes that the Plan does recognize that there are a number of ways that local governments may implement programs outside of land use and transportation strategies that will reduce GHG emissions. Recognizing and measuring the success of such programs, however will be difficult. Because of the inherent complexity of measuring GHG emissions reductions at a local level, the Subcommittee offers that it may not be effective or efficient to measure reductions at a local level but rather it may be most effective to focus on those actions that a local entity does have control over when identifying how local government efforts are measured.

For example, identification of a VMT reduction may not be effective at a local level because some agencies that are increasing density near transit stations may effectively realize an increase in overall VMT though it supports regional objectives for infill development. How VMT is affected by regional actions, including investment in public transportation, are not within the control of local agencies. However, monitoring the number of permits reviewed by a local government for which green building information was provided may be a more effective measure for local agencies.

Focusing on those actions for which a local government has the most control may be the most efficient and best measure that could be applied to local agencies. Underscoring the implementation of these measures however, is the requirement of a stable funding source to implement the variety of actions identified in the plan – from updating codes and other regulations, to reporting, to simply implementing and training staff - as was addressed in previous comments.

As such, the following comment is offered:

The Scoping Plan should recognize non-transportation/land use action taken by local governments and focus recommended actions for local governments on those for which a local agency has the most control and ability to implement, such as, but not limited to, implementation of public education programs, distribution of materials, or implementation of other GHG emissions reduction programs.

The Scoping Plan should recognize that if local governments are assigned GHG emissions reduction targets, some, if not all programs and actions will require stable funding sources. The Plan should not mandate actions or assign emission reduction targets to local government activities that are unfunded.

Additional Comments

The Subcommittee offers the following additional observations and comments.



1. The Scoping Plan should clearly indicate the GHG emissions reduction target that is sought to be achieved by the implementation of the Plan and identify if there may be flexibility in the application of emission reduction targets to specific measures that may result from the development of the required subsequent rules and regulations.

Discussion: The Subcommittee noted that it appears that the Proposed Scoping Plan maintains the 169 MMTCO₂E total GHG emissions reductions adopted by the CARB in December 2007. However, in a summary of the emissions reduction that may be achieved by the various measures in the Plan (Table 2), a total of 174 MMTCO₂E total GHG emissions reductions may be realized. It is not clear if the goal remains in the Plan to achieve the 169 MMTCO₂E emissions reductions or if a new goal of 174 MMTCO₂E is being established. Further, it is not clear if the 169 MMTCO₂E remains the goal and therefore, there is now some flexibility in the totals to be achieved by each of the measures.

2. The Scoping Plan and any subsequent rule development should continue to recognize the importance of involving local governments and other OCCOG member agencies, and, as such, provide ample opportunities for local governments and other agencies to be involved in the development of the methodology and tools that will implement the Plan.

Discussion: The Scoping Plan recognizes throughout that local governments are essential players in the implementation of the Plan. There ability to comment on and be involved in the development of the methodologies and tools used to implement the various measures of the Plan will be critical to ensure that the implementation at a local level is efficient, effective, and fair.

3. Specifically addressing Measure T-3, Regional Transportation-Related Greenhouse Gas Targets, the Scoping Plan should recognize the wide variety of issues, such as sewer and water infrastructure capacity, capacity of public transit, construction timing, and human behavior, that are likely to impact the effectiveness of land use decisions on efforts to reduce vehicle miles traveled and thus GHG emissions.

Discussion: The Subcommittee observes that a number of factors will influence the success of land use strategies in reducing overall GHG emissions in the time-frames established in the Plan. These factors, include, but are not limited to:

- Availability of public transit at the time the land use changes are constructed.
- The time a land use change is initiated through to the time the actual building are constructed.
- How much individual human behavior related to traveling is influenced by the land use changes.
- Influences on emissions and the number of vehicle miles traveled due to the mix of low emissions or zero-emissions vehicles in the future.



These factors, and others, can significantly influence both the effectiveness and the timing of when the emissions reductions may be achieved. For example, land use changes that are initiated in early 2009 are not likely to be realized with one-the-ground development for about 5 to 7 years under a typical process that allows adequate time for public input, environmental review, project approval, building plan approval, and construction. This timeline will place development completion in approximately 2014 to 2016 – a mere 4 to 6 years prior to the 2020 timeline for accomplishing the regional reduction in VMT and its associated GHG emissions.

Problematically, unless a robust public transit or other alternative means of transportation are available between not only housing and employment, but entertainment, shopping, school, etc..., it is possible that the development will not significantly reduce overall VMT because the development may not provide the opportunities necessary for individuals to alter their travel behavior. When evaluating the emissions reductions that may be achieved by changes in land use, the Subcommittee notes that it is important that these factors be taken into consideration. However, it is not clear in the Proposed Scoping Plan or its appendices and associated reports that these factors were fully evaluated and accurately represented.

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