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VIA E-MAIL

November 14, 2008

Mary Nichols  
Chair, California Air Resources Board  
1001 I Street  
P.O. Box 2815  
Sacramento, CA 95814

**RE: League of California Cities Comments on Air Resources Board Proposed Scoping Plan**

Dear Chair Nichols:

On behalf of the League of California Cities (League), thank you for the opportunity to comment on the California Air Resources Board's (CARB) Proposed Scoping Plan (Scoping Plan). We have appreciated the opportunity to work with CARB staff in the last year through the various public workshops related to climate change.

General Comments

California's 480 cities are very proud of what they have accomplished to help reduce greenhouse gas (GHG) emissions. Cities across the state are finding cost efficient, innovative solutions to accommodate the unique characteristics of their communities. Many have already completed GHG inventories, created climate change action plans, and implemented programs that are already resulting in the reduction of GHG emissions. These cities are leaders and innovators that are setting an example for the state, nation, and the world. In short, California's cities are finding an impressive array of cost efficient, innovative ways to address climate change and at the same time accommodate the unique characteristics of their communities.

The League adopted climate change policies in April 2008 to address 10 areas of concern: action plans, smart growth, green technology investment assistance, energy and water conservation and efficiency, clean alternative energy, vehicle emission reduction, planning, water supply and recycling. Recognizing the need for immediate actions to mitigate the sources of GHG emissions, the League is also cognizant of the cost and work it will take to achieve these reductions. It will be necessary to identify additional funding sources if more communities are to follow with additional planning and implementation activities.

The League and the California State Association of Counties (CSAC) supports the Institute for Local Government's California Climate Action Network (CCAN). The Institute is the non-profit research arm of the League and CSAC. CCAN is building on the close ties with the League and CSAC and cities and counties throughout California, has developed a series of best management practices in 10 Climate Leadership Opportunity Areas. In addition, CCAN is developing a recognition program to incentivize cities and counties to take measurable steps to reduce GHG emissions. The recognition program will be launched when CCAN has secured long term, stable funding to support the effort. CCAN is designed to help California communities play a leadership role both to reduce GHG emissions and to prepare for the consequences of climate change. We know that CCAN has and will continue to be a great resource for cities and counties interested in taking meaningful action to reduce GHG emissions in the future.

### Voluntary Local Government 15% GHG Reduction

Many of our 480 cities in California are already taking actions to achieve reductions in GHG emissions. Over one hundred mayors have signed on to the US Conference of Mayor's Climate Change Agreement to reduce GHG emissions in their own communities. In addition, a significant number of our communities are already working with our own CCAN, have joined climate protection networks, climate emission trading systems and are making plans to reduce their GHG emissions within their city. While the League does not inherently disagree with the suggested voluntary 15 percent reduction in GHG emissions outlined in the Scoping Plan, we remain extremely concerned about the funding sources for local actions to achieve these reductions. With the state's "take" of \$350 million in local redevelopment dollars in the most recent budget, along with the decline in local property tax, sales tax and overall revenue to local governments, we worry about the ability of local government to finance the upfront costs of achieving GHG emissions on their own.

### Energy Efficiency

The League has long history of supporting energy efficiency and promoting city facilities that maximize energy efficiency and conservation. To that end, we are supportive of the Scoping Plan goal to maximize energy efficiency building and appliance standards and pursue additional energy efficiency efforts. We are also supportive of the concept of "Zero Net Energy" homes, to the extent they can be done within the state's current financial picture.

### Green Building

The League is supportive of green and sustainable building practices in new and existing public, residential, and commercial buildings. We supported the State Building Standards Commission new voluntary green building standards as a key component in the state achieving sustainable communities in the future. The League is also supportive of the ability for local governments to voluntarily go above and beyond any existing state green building standards. AB 2939 (Hancock, 2008), which was vetoed by the Governor, would make such local actions less cumbersome. The ability for local governments to

voluntarily go beyond the state green building standards is one more way for cities to lead in GHG reduction in the future. In addition, we are also supportive of the notion that cities that enact stronger local green building standards should be able to count the green building measures as additional GHG reductions.

### Heavy/Medium-Duty Vehicles

The League is supportive of the reduction of vehicle emissions through increased fuel efficiency, use of appropriate alternative fuel vehicles, and/or low emission vehicles in public agency fleets. We would be interested in regulations addressing the fuel efficiency and hybridization of heavy and medium-duty trucks that improve fuel efficiency and reduce aerodynamic drag and rolling resistance, provided the regulations are cost effective and are phased in over time.

As you are probably aware, the cost of procurement of retrofitting existing fleets or purchasing alternative fueled vehicles for local governments is very expensive. However, unlike the business community that can pass on the cost to consumers, local governments cannot. The League asks that cost and funding considerations for fleet overhauls be considered in the future, especially given the financial strain on the national and local economy.

### Maintaining the 5 MMT Regional Transportation-Related GHG Target

Although the Scoping Plan acknowledges that the actual regional transportation-related GHG targets will be set through the regional process developed in SB 375, the League is aware that many are advocating that this number be raised. Given the deference the Scoping Plan gives to the SB 375 process, perhaps such an increase would largely be symbolic. However, since CARB has ultimate responsibility for setting the targets, a higher number would create pressure for setting a higher target, regardless of the findings of the Regional Targets Advisory Committee.

There are also a number of additional reasons that setting of a higher target is unnecessary and would not be helpful to the state or local government:

- ***Not needed to Achieve the 2020 Goal.*** The Scoping Plan lays out a plan to meet the statutory goal in AB 32. Increasing this number goes beyond the clear direction in AB 32.
- ***Proportional Reduction From Cars & Light Trucks Already Established.*** Cars and light trucks account for approximately 31 percent of all GHG emissions in California. When you account for the reductions from light-duty vehicle standards (31.7 MMT), low carbon fuel standards (15 MMT), vehicle efficiency measures (4.5 MMT) and regional transportation related GHG targets (5 MMT), emissions from cars and light trucks will be proportionately reduced by 33 percent (56.2 out of the total 169 MMT reduction).

- ***Modeling Uncertainties Still Abound.*** To be sure, a great deal of data suggests that certain land use patterns correlate with smaller emission reductions. There is little to no experience in modeling these decisions on as broad a scale as will need to be implemented on the current Scoping Plan. The professional and technical expertise should be allowed to develop before making local and regional accountable for targets that will be difficult to quantify.
- ***Acknowledging Current Economic Uncertainties.*** Increasing the target will put pressure on CARB to adopt higher targets at the regional level. As a result, it will be more difficult to achieve the California Environmental Quality Act (CEQA) streamlining contained in SB 375. As demonstrated by the Governor's proposed budget recommendations, such streamlining can have an important economic effect and help stimulate the economy.
- ***SB 375 Targets Can Be Modified.*** SB 375 allows CARB to readjust the regional targets every four years if necessary. As a result, these targets can be revisited if circumstances require.
- ***Setting the Stage for 2050.*** There is a general acknowledgement that reductions from cars and light trucks will need to be proportionately greater to meet the 2050 goal. This is because the changes related to land use will be incremental: if California builds 200,000 new housing units each year, it will take more than 60 years to match the number of current residences (over 13 million). The residences and jobs located within the existing built environment will have the same or similar traffic patterns well past 2020 regardless of the success any new development enjoys in reducing emissions. Although it is going to take time to steer the ship, the Scoping Plan lays a foundation for more substantial gains between 2021 and 2050.
- ***Better Model for Other States to Follow.*** In supporting SB 375, cities and counties are accepting their responsibility. The best thing that could happen for all is for local governments to achieve, and even greatly exceed, the established targets. AB 32 needs this kind of success rates to show the rest of the country—and the world—that such reductions are possible without a lot of pain. Set this target too high, and CARB risks changing the story; hitting such targets will seem less easy and other states are less likely to follow our lead.

The League is generally supportive of the model proposed in the Scoping Plan that recognizes that regional transportation related GHG targets will be set through the process outlined in SB 375. But CARB should retain the 5 MMT figure (which has been increased from 2 MMT) for regional transportation-related GHG targets in the Scoping Plan and let the regional target process set out in SB 375 operate as it was intended.

#### Failure to Address Infrastructure Needs Related to Transportation Related Targets

The transportation related GHG target will not be achieved by better planning alone. The “land use patterns that support these low-carbon modes of travel” (p 48) will require additional revenue sources to fund the necessary infrastructure -such as sewer pipes, new

fire rescue equipment, schools, park, and other public facilities. The Scoping Plan does not specify how local agencies will raise the funding necessary to provide these facilities. This will be a challenge for local governments, given the constitutional limits (for example, Propositions 13 and 218 and the two-thirds vote requirement) placed on the ability of local government to raise new revenues.

Similarly, if reduced emission reductions will come from increased transit use and more compact infill development in urban centers, then the state itself must lead by example not only by making sure its buildings are green, but by also adopting a budget that does not raid redevelopment funds or other moneys set aside for local transportation projects to fund shortfalls in the state's general fund.

Finally, the League encourages CARB to consider what can be done to provide incentive for the type of planning and decision-making that will reduce greenhouse gas reductions. Such incentives need not always include new funding, but may also include relief from the CEQA. While we recognize that such incentives may be beyond the scope of CARB's direct authority, the board has an important voice within state government. Although it is often easier to invent penalties that will catch a few bad actors, it's more effective to design incentives that can really help the majority of good actors achieve real carbon reductions.

### Recycling and Waste

The League has long supported efforts of local agencies to meet and exceed the 50 percent solid waste diversion provisions of the Integrated Waste Management Act, strongly believing that decisions on how to achieve those requirements are best determined at the local level, rather than by state agencies. While a number of California cities have already met and exceeded the 50 percent requirement in law, including looking at zero waste policies, a number are still working diligently to meet the existing state mandate. The League is also supportive of waste-to-energy technologies that can assist in the reduction of GHG emissions as well as extended producer responsibility policies. Extended producer responsibility policies both divert waste away from landfills and drive manufacturers to create more recyclable products in the future. Finally, the CCAN program has just started work on a contract with the California Integrated Waste Management Board (CIWMB) to enhance the waste reduction and recycling component of the CCAN Best Practices Framework, with an emphasis on increasing commercial recycling. We believe the work of CCAN and the CIWMB will be a valuable resource in the near future as cities address climate change.

### Carbon Fees

The League generally supports tax credits, grants, loans and other incentives to assist the public, businesses, and local agencies that invest in energy efficient equipment and technology, and fuel efficient, low emission vehicles. Any fees must maximize economic benefits and minimize economic harm. Local governments enact fees to cover the costs associated with enacting and operating local programs with the understanding of the impact of that fee on the community.

Although a carbon fee could provide a significant source of funding for local governments for well-designed land-use planning and infrastructure projects, this type of a fee can not be done at the cost of the community and local businesses that allow the community to thrive.

Finally, while the League is generally supportive of a number of programs and policies outlined in the Scoping Plan, it is crucial for state policymakers take account for the means that will be needed to achieve the goals. AB 32 requires that reductions in GHG emissions must achieve the maximum technologically feasible and cost effective reductions and for CARB to “consider the cost-effectiveness of these regulations.” (HSC §38560).

As both the state and local governments are faced with critical budget shortages, additional costs to heavily invest in GHG emission technologies in the next two to three years will become more burdensome for local governments. While local governments can influence development design to a certain extent, the reality is that developers will only build projects that will be purchased by willing customers and that are profitable. In order to effect the desired change, incentives must be provided to the development community and local agencies in order to encourage more development in areas where the reductions in GHG emissions will be the greatest. The League strongly encourages CARB to consider these limitations as it moves forward with the Scoping Plan

Finally, it is worth acknowledging that all Californians have a vested interest in the success of AB 32 and this Scoping Plan. Our global warming objectives depend on the efficient implementation of this law. California cannot solve the global warming crisis on its own. Instead, we must implement the law in a way in which Texas, Mississippi, Florida, Ohio, and eventually India and China will want to follow. As such, CARB must balance the seeming paradox that it might actually achieve greater reductions on the global stage by being more moderate in the implementation of the state program. A program that is too top-down in structure may get more actual GHG reductions in California, but not in a way the rest of the world may want to follow.

Thank you again for the opportunity to comment. The League looks forward to working with CARB in the future. If you have any questions or would like copies of our Climate Change Policies, please do not hesitate to contact the League at (916) 658-8200.

Sincerely,



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Legislative Representative  
League of California Cities



Bill Higgins  
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League of California Cities