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November 19, 2008

File Number 3003000

Mary D. Nichols, Chairman California Air Resources Board 1001 "I" Street P.O. Box 2815 Sacramento, CA 95812

Dear Chair Nichols:

SUBJECT: SANDAG Comments on Proposed AB 32 Scoping Plan

Thank you for the opportunity to provide comments on the California Air Resources Board (CARB) Proposed Scoping Plan (Scoping Plan) for implementing AB 32. The following draft comments are being presented to SANDAG's Board of Directors, but due to time constraints will not receive their input prior to the November 20 CARB hearing on the Scoping Plan. SANDAG intends to submit supplemental comments if the Board of Directors identifies additional issues after they have discussed the Scoping Plan.

SANDAG submitted comments on the June draft Scoping Plan and will build on its earlier submittal. As a regional transportation planning agency, metropolitan planning organization (MPO), and council of governments, SANDAG is particularly interested in the regional transportation targets and the effect of AB 32-associated plans and regulations on local and regional agencies.

Development of Regional Transportation Targets

1. SANDAG looks forward to working with CARB and its Regional Targets Advisory Committee (RTAC) to develop meaningful regional greenhouse gas (GHG) emission reduction targets pursuant to SB 375. The Scoping Plan recognizes that targets will be set through the RTAC so we recommend that the 5MMT reduction target referenced in the proposed Scoping Plan not be raised. 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.

2. The Scoping Plan should clarify whether it or SB 375 implementation will include performance measures and indicators for monitoring GHG reductions for the regional transportation target. CARB's Preliminary Draft Proposal for Recommended Approaches for Setting Interim Significance Thresholds for Greenhouse Gases under the California Environmental Quality Act was released on October 24, 2008. The document recognizes that under CEQA guidelines thresholds of significance can be qualitative, quantitative, or in the form of performance standards. SANDAG believes that when setting the

regional targets under SB 375 CARB will be basing those targets of GHG reductions that can be achieved via performance standards. Regardless of method, SANDAG also recommends that CARB compile each regional target into one established model or calculator to validate GHG reductions and maintain consistent reporting across regions.

Importance of Public Transit

3. Public transit is critical for meeting any regional transportation target. To reduce automobile use, there must be viable alternative transportation methods available. Therefore, the state must protect existing public transit funding sources. In recent years, the state has redirected transit funding resulting in service cuts in our region. The state must make a commitment to fund and support the continued use and expansion of public transit in order for any region to achieve GHG reductions from regional transportation activities. Although the Governor's most recently announced plans for the state budget are intended to create jobs by providing funding for transit capital projects, significant reductions in transit operations funding are proposed. Reduced funding for transit services will reduce routes and lead to increased vehicle miles traveled (VMT). The Scoping Plan should discuss the importance of continued and increased funding for transit in order to reduce VMT. Additionally, the state should include public transit in its list of recipients for allowance set-asides under the cap and trade program.

Extend EMFAC Horizon Year

4. SANDAG requests that CARB consider extending the horizon year for EMFAC model from 2040 to 2050 to aid in longer-term GHG emission reduction planning for mobile sources.

Recognition of Early Action by Local and Regional Governments

5. It is important to recognize early actions on the part of local and regional governments. The Scoping Plan should detail further a framework to provide some level of credit or incentive to governments for GHG reduction measures that they expedite and/or facilitate. For example, it is unclear how local or regional governments will be credited for enacting ordinances that go beyond the current Title 24 energy standards or enacting energy efficiency building retrofit programs. Will the local or regional government be credited some portion of GHG reductions generated if it implements programs above and beyond existing code requirements? Will CARB include local and regional governments as recipients of allowance set-asides under the state's cap and trade program for early actions that further state goals but are not required? As a program delivery mechanism, will CARB consider providing funds directly to local or regional governments to retrofit existing commercial and residential buildings at the local level?

Allowance Set-Asides in Cap and Trade Program

6. Under the proposed cap and trade program, regional governments and transit agencies, in addition to local governments, should be included as potential recipients of allowance set-asides. For example, CARB could provide funds to regional or local governments to assist in implementing various Transportation Demand Management (TDM) measures that would reduce VMT and related GHG emissions. The concept of offsets or saleable credits by public agencies that implement projects that avoid the use of emissions-producing fuels also should be discussed.

Consideration of Activities of Other Public Agencies

7. The Scoping Plan should recommend specific mechanisms by which public agencies that develop and operate facilities within the geographic boundaries of a regional government will be held responsible for ensuring that their projects are consistent with regional and local land use and transportation plans that are designed to reduce GHG emissions These agencies include public universities, community colleges, hospitals, school districts, correctional facilities, and airports, each of which currently has independent authority over many of its land use and transportation decisions. Development decisions made by these entities can have significant impact on whether a region will meet a GHG reduction target.

Consideration of Tribal Nations

8. SANDAG would like to know how the state will incorporate tribal land use into the scoping plan. The 17 tribal nations in the San Diego region collectively represent 4 percent of our land base and are a major source of employment with 14,000 employees, generating significant number of trips. Does CARB envision tribal lands being considered independently or through regional transportation targets?

In conclusion, SANDAG appreciates the opportunity to provide comment on the Proposed Scoping Plan and looks forward to working with CARB on its Regional Targets Advisory Committee to develop meaningful regional transportation targets pursuant to SB 375. We look forward to addressing any questions you may have.

Sincerely,

BOB LEITER Director, Transportation and Land Use Planning

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