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August 6, 2008

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

Subject: City of Los Angeles Comments on the Draft AB32 Scoping Plan

Dear Chairman Nichols:

Thank you for the opportunity to review and submit comments on the draft document "Climate Change Draft Scoping Plan" that was released for public review on June 26, 2008. The draft Scoping Plan covers many areas of interest to the City of Los Angeles, and we are pleased to provide you with our comments and recommendations. We appreciate the work of ARB staff in preparing this draft document, and hope to work more closely with your staff as they revise and strengthen the Scoping Plan.

Accomplishments to Date

The City of Los Angeles has already taken several strong actions in response to climate change and has set goals for the reduction of greenhouse gases (GHG) in our community. In May 2007, the Mayor and City Council released *GreenLA: An Action Plan to Lead the Nation in Fighting Global Warming*. The GreenLA Plan established the City's goal to reduce GHG emissions to 35 percent below 1990 levels by 2030, the most aggressive reduction goal of any large city in the United States. As of 2004, the City had already achieved a reduction of 4 percent below 1990 levels, and our preliminary inventory for 2007 indicates additional progress has been made.

The City is also preparing a municipal climate action program that will implement each of the 50-plus measures in the GreenLA Plan. This plan will be ready for public release in the coming weeks, and will describe these actions, identify the associated opportunities and challenges, and set out a milestone schedule to accomplish each action. An annual monitoring program will be developed to ensure that City

departments stay on track, and to allow the introduction of new measures into the program as they become feasible.

To provide a basis for action and to help identify large emission sources, the City prepared a CO2 emissions inventory for municipal facilities and operations for 2004, which was filed with the California Climate Action Registry and is awaiting third-party verification. In addition, the municipal inventory for calendar year 2007 is nearly complete and will be filed with CCAR later this month.

Other voluntary actions the city has taken include: actions to implement renewable energy goals; recent approval of a Green Building Ordinance for private development; green building standards for all new City buildings; energy audits of existing City buildings and recommendations to improve energy efficiency; operation of the largest municipal natural gas refuse collection fleet in the country, and the third-largest natural gas street sweeper fleet; current landfill diversion rate of 62 percent; replacement of gasoline-fueled sedans with electric hybrids; and many more programs and policies to support emission reductions in criteria and greenhouse gas pollutants.

The City of Los Angeles is ready to do more to assist with this critical issue. Our comments below reflect the City's commitment to further action to reduce GHG emissions in Los Angeles.

GENERAL COMMENTS

- As noted in the draft Scoping Plan, local governments will play a critical role in reducing greenhouse gas (GHG) emissions in our communities. Through land use authority, jurisdiction over local roadways, and transit programs, local governments have the ability to influence local travel behavior. We encourage ARB to place greater emphasis on the role of local governments in the implementation of AB32. The regional reduction target of 2 million metric tons per year can be increased post-2020 by putting greater emphasis on local government policies and programs, and providing assistance and support for these programs. Potential local government actions include encouraging transit-oriented development and other land use patterns that assist transit, bicycle and pedestrian movement, and providing additional public transit options.

- Local governments maintain a unique role in our communities. In reducing GHG emissions, we provide services to the residents and businesses in our jurisdictions. As the City of Los Angeles continues to take a greater role in reducing emissions in the city as a whole, we may continue to expand local recycling programs, provide additional shuttle or commuter bus routes, demonstrate new routing options on arterials for transit vehicles, place more government services in local areas to reduce trips to City Hall, etc. As the City's population grows and as we offer more services to the community, it is possible that the GHG emissions from specific municipal facilities or operations might increase while emissions in the larger community decrease to a greater degree.

We are working hard to reduce the emissions per square foot of City buildings and emissions per vehicle in our fleets, but we stress that, depending on the City's climate and other policy goals, some City programs may expand in the coming years.

As you consider the topic of emission reduction targets or caps on local communities, we caution that the imposition of a cap on emissions from municipal operations may discourage local governments from taking on new projects and programs to reduce emissions in their communities. As municipal governments introduce programs and expand transit options to reduce personal vehicles miles traveled, our emissions may increase, while regional levels decrease. The City of Los Angeles is working to reduce emissions from municipal operations and the community as a whole, but we propose that setting reduction targets on a community or region, rather than on local government operations, will result in greater emission reductions overall.

- The City encourages the ARB to consider the relationship between municipal operations and communities in the consideration of GHG emission inventories. The City of Los Angeles participated in the working group that helped developed the draft Local Government Operations Protocol, and while we fully support the preparation of voluntary emission reduction inventories at the municipal operations level, we again point out that local government actions are integral to the reduction of emissions at the community level, and that the community level may be a more appropriate way to track progress in reducing emissions. We encourage the ARB to move quickly with CCAR and other appropriate entities in the development of a protocol for community-level emission inventories.

- As we develop these emission inventories, local governments will need financial and technical assistance. The emission inventory protocols require a certain level of technical expertise that may not be available to all local governments. In addition, we would appreciate assistance from ARB or other state agencies in obtaining information for our community profiles, including from local utilities (non-City utilities) and transportation agencies.

- Local governments have played a big role in demonstrating the feasibility of clean fuel vehicles, as government fleets were the first to be regulated by both our regional air quality agency, the South Coast Air Quality Management District, and the state. The City of Los Angeles and other local governments are ready to continue to move forward with new technologies and cleaner fuels. We note that, as public agencies, we are not able to pass the costs of new programs on to our residents and businesses, so the financial investments needed to implement new technologies must be reasonable. Financial incentives to accelerate these transitions are necessary and appreciated. ARB must ensure that public agency fleets remain eligible for financial incentives even while we are subject to regulation.

- As you know, the South Coast Air Basin still records the highest levels of ozone in the country, despite the tremendous progress made in recent years and the extensive set of regulations we support. As we incorporate climate change into our public policy goals, we must not lose sight of the critical public health goals of reducing criteria and toxic air pollutants. As ARB and others have shown, criteria and toxic pollutant levels in this area can result in acute and long-term negative health impacts. We strongly encourage ARB to place a greater emphasis on achieving co-benefits of criteria and air toxic pollutant reductions when developing GHG reduction programs.

  The City requests that the ARB coordinate closely with individual regions during the development of regional emission reduction targets. We feel that the appropriate level of identifying and tracking emissions and their reduction may vary in different parts of the state. The Southern California Association of Governments, our Metropolitan Planning Organization, has too large an area to consider for an effective regional target; more urbanized and less urbanized areas within the SCAG area have different concerns and levels of progress in transit and housing options. There are four different air basins in the SCAG area as well. We acknowledge, however, that SCAG has developed the best regional transportation models and should be involved in a regional target. Therefore, we request that ARB allow interested local governments to participate in identifying an appropriate area and to work with ARB in determining an effective and realistic target.

  The City would like to see a discussion of the role of public transit in reducing GHG emissions. Although local and regional public agencies provide transit services, strong support is needed from the state to make these projects possible. Access to transit, clean transit vehicles, and good outreach and education programs will help make transit a real alternative in many communities.

- The City encourages ARB to place a special focus on mitigating pollution in low-income, heavily-impacted areas of California. These communities are likely to feel the effects of climate change sooner and more intensely than other communities, including weather-related power outages, the need for community cooling centers, an increase in vector-borne diseases, and other impacts.

  Please consider a method of allowing entities, including public agencies, to reconcile their past GHG emissions inventories with current methods. We are interested in a method of converting these earlier accounts so that past progress in reducing emissions can be counted, and possibly qualify for voluntary early action "credit."

SPECIFIC COMMENTS

Section 2, California Light-Duty Vehicle GHG Standards. The implementation of vehicle standards as directed by AB1493 (Pavley) would require vehicle manufacturers to meet tight GHG emission requirements as a condition of selling their vehicles in California. In the upcoming Economic Analysis, please address the concern that certain types of vehicles or fleet equipment might not be available for purchase if manufacturers cannot meet the standards or choose not to sell their vehicles in California.

Section 3, Energy Efficiency. As building owners, including the City of Los Angeles, work to modernize our existing buildings, we face higher initial costs to upgrade and replace equipment. Please address the initial costs of more efficient equipment in the Economic Analysis.

Section 5, Low Carbon Fuel Standard. In the existing proposed Low Carbon Fuel Standard Regulation, LCFS includes "neat biodiesel/biomass-based diesel and blends containing up to 20 percent by volume biodiesel/biomass-based diesel including B5 and B20." While there is a consensus that carbon intensity of biodiesel is less than petroleum-based diesel, it is important to note that several studies have reported that the use of this biofuel may generate higher oxides of nitrogen (NOx) emissions. As is well understood, NOx is a precursor for ground-level ozone formation. This issue needs further consideration, as many regions in the state, especially the South Coast Air Basin, have been identified as non-attainment areas under the federal ozone standards. Please address this in the revised Scoping Plan and appendices.

Section 5, Low Carbon Fuel Standard. Liquefied natural gas (LNG) is a low carbon fuel, reducing GHG emissions and criteria air pollutants. The City of Los Angeles currently operates over 300 heavy-duty solid waste collection vehicles fueled by LNG, and the remaining 450 will be replaced with LNG models as the diesel models are retired. Other heavy-duty vehicles in the City and in surrounding communities are moving to LNG fuels as well. The LNG supply to fuel these vehicles currently comes from out of state sources. There are a limited number of in-state projects to produce LNG via liquefaction of pipeline natural gas, landfill gas, or from biomass. To meet the growing LNG demand, the California Energy Commission should develop strategies to increase in-state LNG supply and/or production.

Section 6, High GWP Gases. The City staff handles several gases with high global warming potential. Additional technical resources and sharing of best management practices will assist public agencies and others with reducing the release of these gases.

Section 7, Sustainable Forests. The City of Los Angeles is aggressively planting trees to expand our urban forest. While it is difficult to monitor the growth of this "forest" as compared to a traditional forest or tree farm, we are anxious to participate at some level in monitoring the sequestration of carbon from existing and newly planted trees. Please consider how urban forests can play a role in sequestration in the revised Scoping Plan.

Section 13, Local Government Actions and Regional Targets. As noted above, the City of Los Angeles has set a GHG reduction goal and is implementing actions to reduce emissions generated by municipal operations and public service programs. We look forward to working with ARB and other entities on the development of a community level emissions inventory protocol that will link with our municipal emissions inventory to provide a comprehensive view of GHG emissions in the City as a whole. As noted above, local governments and public agencies institute programs that benefit local residents and businesses by reducing emissions from the community.

Section 13, Local Government Actions and Regional Targets. We strongly support ARB establishing priorities for and directing resources to help local and regional governments meet regional GHG reduction targets. We would also appreciate funding to help us develop local area mapping and other tools to accelerate the update of local land use plans. We would also note that land use strategies may take time to show results, and agree that those emission reductions should be timed to be implemented and matured enough to primarily meet post-2020 reduction goals. The City is working to incorporate climate change into our local CEQA process, and will work with OPR and ARB on a method of recognizing projects and programs that are consistent with the City's GHG reduction goals and regional reduction targets. As also noted above, we caution against a cap on emissions from municipal operations, as some local government programs will need to expand to assist the community as a whole in reducing emissions.

Section 15, Recycling and Waste. The current rate of diversion of municipal solid waste (MSW) from landfill disposal in the City of Los Angeles is 62 percent, significantly higher than the current statewide diversion rate of 54 percent. The City has set new goals to achieve 70 percent diversion by 2015 and 90 percent diversion by 2025. To meet the new goals, the City has launched several programs promoting waste reduction, reuse, and recycling. The City is also evaluating Alternative Technologies that can be used to process post-source separated MSW for green power generation instead of landfilling. The Alternative Technologies, including thermal (gasification, advanced thermal recycling, etc.), biological (anaerobic digestion, composting), and physical (refuse-derived fuel), will help to reduce GHG emissions by reducing reliance on fossil fuel consumption and reduction of landfilled organic materials. The City is developing a Solid Waste Integrated Resources Plan for solid waste management through 2030 with emphasis on elimination of the City's use of landfills, increase of recycling and resource recovery, and conversion of collection vehicles to clean, low carbon fuel. It is likely that siting, permitting and funding of new solid waste or conversion facilities will be necessary. To accomplish this, the City of Los Angeles and other local governments need assistance from state agencies, such as the California Integrated Waste Management Board, Air Resources Board, Public Utilities Commission, Energy Commission, and local authorities in our efforts toward meeting a zero waste goal.

Offsets. Much more discussion is needed regarding the role of local governments in generating and/or using offsets. Please provide additional discussion of the relationship

between the capped sectors and the generation and use of offsets in the revised draft Scoping Plan.

Revenues. The City supports the state allocating a portion of revenues from the program to local governments and public agencies for the implementation of emission reduction programs (i.e., a "local return" program). The local government can help focus these resources on lower-income and highly impacted portions of our communities that would be difficult for a state agency or other larger jurisdiction. Perhaps the AB2766 method of distributing a portion of fees collected for motor vehicle emission reduction programs to local governments (in the South Coast Air District) can be considered as a model.

We appreciate the opportunity to provide these comments. If you have any questions, we would be happy to address them. I can be reached at (213) 978-0840 or you may contact Beth Jines, Assistant General Manager of EAD, at (213) 978-0850.

Sincerely,

Detrich B. Allen

Detrich B. Allen
General Manager

Attachment

cc: Honorable Jan Perry, Councilmember and Chair of Energy and Environment Committee
Nancy Sutley, Deputy Mayor for Energy and Environment