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September 9, 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
Appendices

Dear Chairman Nichols:

The City of Los Angeles provides the following technical comments on the "Climate Change Draft Scoping Plan Appendices – June 2008 Discussion Draft". These comments are in addition to the comments previously submitted on the Draft Scoping Plan.

GENERAL COMMENTS

It is important to reward smart growth district practices, rather than limit "land use" to individual buildings. Without the district emphasis, it will be difficult to shift the region to more walkable, livable, compact environments.

Transportation-related measures should not be locked solely into VMT reduction, and should put more emphasis on "sustainable mobility" program implementation. Local governments should receive credit for their early actions in this regard. Established urban areas already operate at more sustainable levels which is best reflected by VMT per capita performance, not merely VMT reduction.

AB32 implementation should include "carbon tax" elements at the outset and be expanded over time, both to achieve the necessary behavior in the market place and to help provide the resources needed to meet emission reduction goals. The revenue from carbon taxes can be directly targeted to effective, long-term strategies that could



improve both livability and sustainability across the board. The potential for disproportionately impacting low-income households can be avoided by offering “life-line” exemptions and low-income household rebates and fostering community cooperatives that can promote sustainability initiatives in low income communities.

SPECIFIC COMMENTS

Pages C-21 (Vehicles), C-25 (Vehicle Efficiency Measures), C-34 (Hybridization & Engine Efficiency). It is important that improvements in efficiency and hybridization for medium and heavy-duty vehicles (engine specifications, oil use, tires, etc.) do not inadvertently affect vehicle performance so that cost-effective, safe and timely delivery of public services can be provided. Niche vehicles, such as refuse and transit, may have varying performance demands depending upon the areas serviced (i.e., steep grade and long haul refuse vehicles, longer route transit buses, etc.). It is recommended that these considerations be included in the discussions referenced.

Pages C-23 to C-25 (Pavley) and C-34 (Med-Heavy Duty Hybridization & Heavy Duty Engine Efficiency): Due to current and pending legislation and the state of medium-heavy duty hybrid development, it is expected that the more efficient vehicles are still three to six years away. Therefore, it is recommended that regulatory requirements for vehicle repowers, retrofits, efficiency improvements, or replacements during that lead time not impede local government’s financial ability to buy the more fuel efficient vehicles when first available.

Page C-26 (Vehicle Efficiency Measures), The City supports the vehicle efficiency measures of the tire inflation program, low friction engine oil requirement, and solar reflective automotive paint and window glazing requirements to be early implementation efforts.

Pages C-27 to C-28, Low Carbon Fuel Standard. It is recommended that carbon/LCFS fee schedules for natural gas providers and producers be developed in a way that does not deter the use of natural gas by local municipalities as a transportation fuel and does not deter development of associated natural gas fueling infrastructure used for City vehicles. The City is examining the feasibility of constructing a natural gas liquefaction production facility, in partnership with others. This is being examined in an effort to stabilize product availability and lower costs. Many local municipalities are on the natural gas pathway due, in part, to the heavy regulations in the South Coast Air Basin, where the purchase of alternative fuel vehicles for certain heavy duty fleets has been a requirement for several years now. It would be unfortunate if the carbon fee/LCFS schedules inadvertently deter municipalities from this path, as millions of dollars have already been invested in this current and transition pathway to cleaner air and greenhouse gas reductions.



Page C-29, Low Carbon Fuel Standard: Please cite or include the study that estimates that there will be no net difference in the costs of producing fuels to meet the LCFS versus the cost of producing gasoline and diesel. The City is specifically interested in comparisons involving natural gas.

Pages C-29-33, Goods Movement: Seven Goods Movement Efficiency Measures are estimated to reduce greenhouse gas (GHG) emissions by 3.5 million metric tons of carbon dioxide equivalent (CO₂e) by 2020. These measures are listed below:

1. Goods Movement System-Wide Efficiency
2. Vessel Speed Reduction (VSR)
3. Clean Ship Technologies
4. Port Drayage Truck Retrofit/Replacement
5. Commercial Harbor Craft Maintenance and Design Efficiency
6. Cargo Handling Equipment Anti-Idling
7. TRU Cold Storage Prohibition and Energy Efficiency

These measures are consistent with and build upon the San Pedro Bay Ports Clean Air Action Plan (CAAP) by reducing criteria pollutant and GHG emissions as well as public health risk in our local communities. The Port of Los Angeles (POLA) supports these measures and would like to continue our active participation in future related rule and program development. Specifically, POLA requests to be a member of the Goods Movement Vision 2050 Taskforce referenced in the appendices under Goods Movement System-Wide Efficiency.

Page C-34 (Med-Heavy Duty Hybridization): It is recommended that hybrid electric technology be applied where the highest emission reductions would occur, as a regulatory priority. In this way, hybridization can be used for both diesel vehicles that do not have an alternative fuel option or for alternative fuel vehicles. This flexibility is necessary, in that in some applications, pilot demonstrations have shown that fuel efficiency is not increased appreciably when alternative fuel vehicles are converted to hybrid. The recommended approach would allow the flexibility necessary to achieve the highest emission reduction.

Page C-35 (Rail): The GHG emissions reduced through rail is restricted to the implementation of High Speed Rail (HSR). However, there is no measurement of reduction that would result from the prioritization of local serving transit, including expanded bus and rail service, in allocations from the State transportation budget. Such measures have a higher potential to reduce greenhouse gases given the greater amount of trips accommodated by these systems.

Page C-36 (Feebates/Rebates): Current proposals for a rebate program exclude local municipalities (i.e., Proposition 10). Since local governments are one of the main channels through which GHG reductions are to be realized, it is recommended that they not be excluded from any rebate programs for purchasing alternative fuel or advanced technology vehicles. On the other hand, it is recommended that the local government not be penalized for purchasing a conventional vehicle to perform a necessary public



service, if a cost-effective alternative fuel or advanced technology is unavailable when the vehicle bid is released.

Page C-41 (Integrated Land Use and Transportation Strategies). The draft CARB Scoping Plan states on p. 41 that “at a minimum, ARB will develop a fee structure to pay for administration of the AB 32 program”. The City requests a “local return” commitment of a portion of any such fee collected to assist local jurisdictions in the funding of enhanced monitoring and reporting functions for GHG emissions.

Page C-43 (Regional Transportation-Related Greenhouse Gas Targets): As written in this section, it is important to balance the resource protection needs of the region when developing regional transportation targets. It is recommended that this balance consider criteria pollutant regulatory and development goals specific and unique to each air district within the region. Each air district has differing air quality challenges and therefore unique perspectives in regard to the alternative technologies and fuels necessary to reach clean air goals within their district. Therefore, please carefully consider how to identify an appropriate region for transportation-related emission reductions.

Page C-43 (Regional Transportation-Related Greenhouse Gas Targets): The Southern California Association of Governments (SCAG), through its RTP planning exercise, works with County Transportation Commissions and local governments to coordinate regional transportation planning with goals which include protection of the environment / improvement of air quality / promotion of energy efficiency. In the development of regional targets, SCAG’s modeling capabilities should be incorporated, even if the region is divided into smaller areas for the purpose of setting targets.

Page C-43 (Regional Transportation-Related Greenhouse Gas Targets): VMT reducing measures have been recognized by air pollution control districts for some time for having great potential in meeting criteria pollutant targets. However, the methodological approach in evaluating effectiveness for site specific and regional VMT is limited in its application and lacks conformity amongst traffic consultant industry, as well as traffic officials. ARB could help centralize and disseminate resources in developing local models and quantification protocol/tools. A quantified toolbox could include a menu of VMT reducing features such as incorporating transportation demand management measures (TDMs) and streetscape improvements at the site level and bike plan implementation, transit expansion projects at the regional level. ARB should work to make modeling tools more widely available in evaluating the efficacy of various land use policies in reducing VMT such as jobs/housing balance, affordable housing, mixed use and transit oriented developments. Directly quantifying the GHG reductions that result from specific policies and mitigation measures will also help local governments leverage private sector resources in implementing climate reduction goals.

Pages C-42-46 (Local Government Actions), pp. C-44 (Pursue Funding Sources and Allocate Effectively), pp. C-44-45 (Improve Measurement through Partnerships): Additional funding from state and federal sources is needed for public works



infrastructure improvement to help achieve significant greenhouse gas emission reductions.

Page C-51 (Subsurface Cleanup Technology): The City supports a State Water Resources Control Board strategy to require the lifecycle of GHG emissions to be calculated for contaminant removal technologies. The City equally supports the (mandated) funding of this task as well as funding for developing scientific lifecycle baseline information, which must be done prior to determination of GHG emission calculations for contaminant removal technologies.

Pages C-83-84 (W-2: Water Recycling): The City recommends that partnerships be developed between ARB and other state and local agencies to address regulatory, legislative, technical, and funding issues as they relate to NPDES permits and any mandatory percentage of recycled water. Funding should also be provided to educate customers on the environmental and economic benefits of utilizing recycled water.

Page C-85 (W-4: Reuse Urban Runoff):

In addition to those mentioned, Low Impact Development (LID) strategies should include direction of runoff into pervious areas.

Pages C-86-87 (W-5: Increase Renewable Energy Production from Water): ARB should work with air quality management districts to determine whether modifications are needed to air quality rules to assist or allow water and wastewater treatment facilities to develop renewable energy from their facilities.

Pages C-87-88 (W-6: Public Goods Charge for Water): Please address how these monies would be spent, including how they would be divided amongst the many federal, state, and local jurisdictions. Please provide additional information in the Economic Analysis.

Page C-97 (Green Buildings): The Title-24 energy requirements are vague as to how much retrofit is needed to bring pre-1978 buildings up to the new standards. The City would also recommend a cap on how much a homeowner must spend on any retrofit requirements at the time of sale.

Pages C-104-108 (Other Measures Under Evaluation, A. Cement): The Appendices suggests that fly ash and slag may be used as “supplementary cementitious materials” or SCMs. However, It should be noted that several existing waste-to-energy plants in California are producing fly ash. The fly ash is currently used as a road base material at landfills. The City of Los Angeles and other municipalities in California are interested in implementing alternative technologies for processing residual municipal solid waste (MSW). In addition to renewable energy, some alternative technologies may produce fly ash and slag as by-products. The feasibility of using the fly ash and slag derived from alternative technology treatment of MSW as SCMs should be evaluated.



Pages C-124-128: The Appendices mentioned several measures that are under evaluation for recycling and waste management. These options should be expanded to include other methods, such as thermal (gasification, advanced thermal recycling, etc.), biological (anaerobic digestion, composting, acid hydrolysis, catalytic cracking, etc.), and physical (refuse-derived fuel, etc). The City of Los Angeles conducted an "Evaluation of Alternative Solid Waste Processing Technologies" and the complete report is available at: <http://www.lacity-alternativetechnology.org>. These technologies will help to reduce GHG emissions by reducing reliance on fossil fuel consumption and reducing the amount of landfilled organic materials. Siting, permitting, and funding for new solid waste facilities such as these will be necessary.

Page C-156: Consider incentives for power production facilities that generate power from biogenic sources, such as biomass or residual municipal solid waste.

Page C-161 (State Government): The City is supportive of the State's efforts to green its facilities and the City's green building and climate action programs can aid to that end. The City would like to be part of the coordination of this effort for the State offices in the Los Angeles area.

Pages C-181-182: Please provide more information on how Carbon Fees would be collected (the mechanism) and how those monies would be used.

Glossary: Please add definitions for "direct GHG emissions" and "indirect GHG emissions" to make these consistent with the Local Government Operations Protocol and other protocols.

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
General Manager

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

