

TO: Joint Policy Committee
FROM: Bruce Riordan, JPC Climate Consultant
SUBJECT: Regional Agency Climate Priorities for 2009-10
DATE: March 12, 2009

Based on your direction at the January 16th JPC meeting, we have developed two complementary proposals for your review and comment. On March 20th, we seek your approval to move forward to further develop and implement both strategies.

A. Building on core competencies and current priorities, we propose a set of 6 joint actions that the regional agencies— BAAQMD, MTC, ABAG and BCDC—will take in 2009-10 to provide climate leadership for the Bay Area. While each action will be led by one agency, successful implementation will require assistance and support from the other partners. This approach will allow the agencies to take bold actions that can only be effectively implemented at the regional level. Working together, the regional agencies will:

1. Begin developing the Sustainable Community Strategy (SB 375). (ABAG/MTC)
2. Design and adopt an Indirect Source Rule. (BAAQMD)
3. Develop and advance climate-friendly regional parking policies. (MTC)
4. Provide support for a coordinated public/private regional plan for electric vehicles. (BAAQMD/MTC)
5. Design and implement a regional solar installation/energy efficiency financing program for existing residential/commercial buildings. (ABAG)
6. Coordinate a regional/local approach to climate adaptation. (BCDC/ABAG)

This proposal is outlined in more detail on Pages 2-5.

B. To provide alignment and coordination for 25+ climate plans/initiatives (Climate Compact, Climate Prosperity Project, Climate Protection Campaign, ICLEI, Contra Costa Climate Leaders, Business Council on Climate Change, etc.) and hundreds of Bay Area climate projects, we propose *Climate Bay Area (working title)*. This coordinating group—consisting of staff from key public, private and community stakeholders—will provide a unifying “meeting place” for the region, ensure complementary action, reduce duplication, and bring resources to the common problems confronting all Bay Area climate efforts.

This proposal is being developed through JPC discussions with our key public and private partners in the region. The collaboration meets the 3 criteria set by the JPC in November 2008 for climate protection partnerships.

- Pursuing measurable results that are congruent with regional agency objectives and clearly facilitated by cross-sector cooperation
- Broadly inclusive of entities across the nine counties and from the three E’s —economy, environment and equity.
- Only likely to succeed with the resources, authorities, perspectives and core competencies of the regional agencies.

This proposal is outlined in more detail on Pages 6-7.

Regional Agency Joint Climate Agenda for 2009-10 (Proposal A)

Task	Lead	Milestones (FY 2009-10)
<p>1. Begin development of the Sustainable Communities Strategy (SB 375).</p> <p>SB 375 mandates an integrated regional land-use-and-transportation-planning approach to GHGs from automobiles and light trucks, principally by reducing vehicle miles traveled (VMT). The key tasks include setting regional GHG reduction targets for 2020 and 2035, and creating the Sustainable Communities Strategy (SCS) to reach the targets. The legislation assigns ABAG and MTC as the Bay Area lead agencies.</p> <p>The development of the SCS will build directly upon the regional agencies’ joint actions in recent years—including FOCUS, the performance-based Projections 2009, the Transportation 2035 plan, the Transportation for Livable Communities Program, and the Resolution 3434 transit expansion program. These programs have united the efforts of the four agencies to link land use and transportation by encouraging the development of a more compact land use pattern, supporting complete, livable communities in areas served by transit, and promoting conservation of the region’s most significant resource lands.</p> <p>The Joint Policy Committee has already signaled its intention to make the Sustainable Communities Strategy a key tool for climate protection. “The Bay Area’s regional agencies have clearly recognized the primacy of the climate-change challenge as a driver of public transportation and land-use policy, and we have embraced the urgency of GHG reduction. The momentum established by our policies and actions to date will carry over into our implementation of SB 375. We do not regard SB 375 as a vexatious new requirement, but rather as an instrument to assist us in continuing and accelerating the climate protection journey upon which we have already embarked. We are genuinely concerned with making real and measurable progress in reducing the impact which motor-vehicle travel has on the global warming problem. That concern will be paramount in our approach to SB 375.”</p>	<p>ABAG and MTC</p>	<p>Regional GHG target set by September 2010</p> <p>Integrated modeling system developed by June 2010.</p> <p>Regional partnership to prepare the SCS formed by December 2009.</p>

<p>2. Design and adopt an Indirect Source Rule.</p> <p>The Air District has begun work to develop an Indirect Source Rule for the Bay Area. ISRs commonly require new developments to either implement mitigation strategies to reduce vehicle trips or pay into a fund for emissions reduction. The Air District has the authority to develop an ISR based on criteria pollutants to achieve ambient air quality standards. GHG reductions would be a co-benefit.</p> <p>ISRs can employ a wide range of approaches. San Joaquin and Imperial County have adopted ISRs that include quantitative emission reduction targets and offsite mitigation fees. The targets and fees are structured to encourage lower polluting development, focusing on emissions from transportation sources. South Coast AQMD is also developing an ISR; they are currently proposing qualitative targets, without mitigation fees. Sacramento AQMD is developing an ISR for construction emissions; they propose to develop an ISR for emissions from project operations in the future.</p>	BAAQMD	Indirect Source Rule adopted by the Air District in 2010.
<p>3. Develop and advance climate-friendly regional parking policies.</p> <p>MTC, which has undertaken considerable work in recent years on parking strategies, is currently working with a consultant team on “smart parking management” options for climate change. At the same time, state legislation will be introduced in early 2009 on new parking approaches to support AB 32 and SB 375. Research over the last 20 years has established parking pricing strategies as having a major influence on travel mode choice. Today, parking management is technically one of most powerful tools available to the Bay Area that could reduce transportation GHGs in the <u>near-term</u>. Parking management can also provide cities with significant revenue for local climate-friendly transportation projects. This strategy would include technical, political and outreach elements.</p>	MTC	TBD
<p>4. Provide support for a coordinated public/private regional plan for electric vehicles.</p> <p>The Air District has already provided initial help for Bay Area EV efforts, including supporting Plug In Hybrids (PHEVs). Now, significant momentum is building for EVs in the Bay Area. Local governments in San Francisco, San Jose,</p>	BAAQMD/ MTC	<p>Coordinated regional EV plan. Date: TBD</p> <p>Regional/state agreement on EV infrastructure standards. Date TBD</p>

Vacaville and Sonoma County are developing EV programs. Private entrepreneurs like Better Place are raising millions of dollars for EV infrastructure. Manufacturers like GM and Toyota are building PHEVs and other new generation vehicles. At the same time, the federal stimulus package contains significant new consumer incentives for 500,000 PHEVs.

Electric vehicles can slash GHGs/mile dramatically. PHEVs in California today can cut GHGs/mile by at least 50% over the average gasoline-powered automobile. Neighborhood Electric Vehicles (NEVs) in California have been shown to produce just 15 percent of the GHGs per mile of the average gas vehicle. And, as the Bay Area’s power mix becomes greener (as required by AB 32), the GHG savings from electric cars will grow even more.

One of the important roles that could be played by the regional agencies is to ensure that a standardized EV infrastructure is developed for the region, not a patchwork effort that confuses and discourages consumers and businesses. By working closely with state, local and private sector stakeholders, the regional agencies can lend strategic support to this and other critical EV efforts.

5. Design and implement a regional solar installation/energy efficiency financing program for existing residential and commercial buildings.

ABAG—through Energy Watch, Green Business and other programs—has been leading the regional agency effort on energy efficiency/conservation for a number of years. Now, with great new interest in residential and commercial energy/GHG reduction and the AB 32 requirements for much greater energy efficiency, ABAG and its partners will play a major role in this arena. In fact, this could be the most important regional agency strategy for addressing both AB 32’s 2020 GHG targets and the current economic/jobs crisis. There a number of entities—including the CPUC, PG&E, cities, counties and businesses—who are moving forward and are potential partners for a larger ABAG-led effort. Finally, the federal stimulus package contains funding for energy efficiency and conservation programs that will create green jobs.

The dominance of the built environment in the slow-growing Bay Area would suggest a focus on existing residential and commercial buildings. These can be

ABAG

Solar/Energy Efficiency District Program Design and Implementation Date: TBD

Coordination plan for promoting solar and energy efficiency permitting and building standards and green jobs training and placement programs Date: TBD

<p>retrofitted (windows, heaters, insulation, etc.) relatively easily and can provide immediate energy bill savings to owners and renters. Financing these improvements is often the stumbling block. While there are existing incentive programs through PG&E, larger scale financing approaches like City FIRST (Berkeley FIRST) will be required on a regional scale. In addition, retrofit triggers (home sales, major remodeling, time deadlines) need to be established, regional standards developed, and enforcement/education programs expanded. ABAG can provide the regional leadership for this work.</p>		
<p>6. Coordinate a regional/local approach to climate adaptation.</p> <p>BCDC has pioneered climate adaptation/preparation work in the Bay Area, focusing primarily on the impacts of sea level rise. Through a number of projects, it is now involved in detailed studies of climate impacts on San Francisco Bay. (One of these is participation in developing the ocean/coastal section of the state’s Climate Adaptation Strategy.) At the same time, BCDC’s work over the past 40+ years has built relationships with local governments as well as with numerous water and development entities. BCDC staff is currently sketching a possible Adaptation Assistance Program (AAP) to help local governments plan for and adapt to climate impacts.</p> <p>ABAG, as the primary regional link to local governments and the leader of the region’s disaster preparedness work, is well positioned to play a key role in coordinating climate adaptation among cities and counties. Linked with BCDC’s bay-oriented strategies, ABAG could lead the efforts to address heat waves, extreme rainfall events, disease vectors, and other impacts on public health, infrastructure and the Bay Area economy.</p> <p>Most cities and counties will not be able to address these climate issues on their own. A coordinated approach through ABAG and BCDC would be highly valued and far more cost-effective. In particular, the two regional agencies can jointly provide a much-needed link between the state’s climate adaptation planning and the Bay Area’s 110 cities and counties.</p>	<p>BCDC and ABAG</p>	<p>Coordinated Adaptation Assistance Program designed (State, regional, local) Date: TBD</p>

Climate Bay Area (Proposal B)

The Need for Regional Climate Coordination

Hundreds of Bay Area businesses, government agencies and non-profits are now actively engaged in climate protection and adaptation work. These organizations are setting targets, developing plans, conducting workshops and conferences, and calling for action. However, the next giant step—the implementation of strategies that will significantly reduce emissions and prepare our cities for climate impacts—is not occurring at the scale and speed required by our changing climate. For this to happen, we need stronger regional collaboration focused on the following problems and opportunities:

1. There are now 25+ separate plans—created by business organizations and governments—trying to direct Bay Area climate action, and more are on the way. By engaging in so many parallel public and private pursuits we are (a) risking a loss of focus on the strategies that will really “move the needle,” and (b) blunting our chances for a unified Bay Area advocacy agenda in Sacramento and D.C. A more aligned and complementary approach will greatly increase the number of successful outcomes throughout the region.
2. While local governments and businesses are ready and willing to take action, most of them do not have sufficient resources—funding and/or staff—to implement the high impact strategies in their climate plans. In a recent survey of local governments conducted by the Public Policy Institute of California (PPIC), resource constraints were listed as the #1 barrier to action. These problems will generally increase during the next few years of the financial meltdown. Financing mechanisms and systems to pool limited resources are both lacking.
3. While there is a much higher level of awareness of climate issues now in the Bay Area, there is still insufficient agreement on *how much* we have to do and *how fast*. At an even more basic level, we don't know *if we are making progress or not*. This is true for both emissions reduction and adaptation.
4. A near-blizzard of climate programs, reports, workshops, conferences, etc. has made it nearly impossible for staff at governments, businesses and other organizations to stay informed, analyze opportunities and form an effective response.
5. While the push for climate action in the U.S. in the last five years has come primarily from local governments and businesses, there are a number of important strategies that can only be effectively implemented at the regional level.

Proposal

Climate Bay Area (working title), consisting of principals and staff from the key climate stakeholders, will directly address the problems and opportunities outlined above. By providing alignment for many currently separate initiatives and encouraging complementary rather than duplicative efforts, we can create a great movement for climate action. By combining public and private resources, we can accelerate bold action, make AB 32 a resounding success, and become a national model for climate management and clean tech development.

We will start with the most critical tasks for 2009-10, demonstrate near-term tangible progress, and expand our focus as needed.

Specifically, *Climate Bay Area* will oversee the following:

1. Identification of the top barriers and opportunities for Bay Area climate action.
2. Mapping of the groups (if any) who are working to address each barrier/opportunity.
3. Creation of a unified coordinated “work plan” for each barrier/opportunity.
4. Monitoring and guidance for work groups, academic experts, and consultants who will contribute to the needed work products.
5. Bringing together all reports and recommendations for regional review, distribution and action.

The following are **examples** of 2009-2010 actions that could be taken:

- Example 1: Development of options for **financing mechanisms**—carbon tax, energy assessment districts, Berkeley FIRST-type energy efficiency programs, etc.— that are essential to turning climate *plans* into significant emissions reduction.
- Example 2: Creation of a clear and compelling **Bay Area climate “story”**—vision, action goals, benefits, etc.—and a **regional public information campaign**—that will unify our many voices and create a movement for change. This would include a **“dashboard” feedback system** to track and report on regional/local progress towards key indicators.
- Example 3: Blending of various information sources into a **high-tech information system** for Bay Area climate stakeholders on state and federal legislation, regulations, funding, best practices and other topics.
- Example 4: Development, by multi-sector working groups, of **action plans** to fill current gaps in both broad strategies (e.g., Bay Area clean tech economy) and specific actions (e.g., regional Sacramento advocacy agenda). These plans would include actionable goals that would provide clear targets and focus our work on results.

Structure:

Climate Bay Area will be a multi-sector partnership including government, business, environmental and community organizations. It will be formed by joint action of the Joint Policy Committee and the Bay Area Council Economic Institute, and will be fully linked with the Bay Area Climate Change Collaborative, the Greenprint Climate Prosperity Project, the Climate Protection Campaign, ICLEI, BC3, Contra Costa Climate Leaders, Sustainable Silicon Valley, California Climate Action Network, and other key Bay Area initiatives. Initial funding and in-kind resources for *Climate Bay Area* would come from current Bay Area climate stakeholders and foundations. Long-term funding would be included in the financing mechanisms described above.

RECOMMENDATION

THE REGIONAL PLANNING PROGRAM DIRECTOR RECOMMENDS:

- A. THAT the Joint Policy Committee adopt the attached proposals (A & B), and direct the staff to further develop and implement them with our regional partners.