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AD HOC SUSTAINABILITY COMMITTEE
September 16, 2010**SUBJECT: CALIFORNIA AIR RESOURCES BOARD REPORT ON REGIONAL
GREENHOUSE GAS EMISSION REDUCTION TARGETS PURSUANT
TO SB375****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

Support the California Air Resources Board's (ARB) staff recommended SB 375 final draft greenhouse gas (GHG) emission reduction target of 8% for 2020 and 13% for 2035.

ISSUE

The ARB has released proposed regional greenhouse gas emission reduction targets pursuant to SB 375 for the State of California. In the SCAG region, ARB staff is recommending an 8% reduction by 2020, which has been characterized by SCAG as ambitious but achievable. For the 2035 target year, ARB's proposed target of 13% exceeds the range of reduction that SCAG initially recommended based on scenario modeling work. SCAG staff believes greater investment in transportation demand management, among other strategies, by the County Transportation Commissions could be required to achieve the 2035 target, as proposed.

BACKGROUND

The ARB released a staff report on August 9, 2010 proposing regional greenhouse gas emission reduction targets for automobiles and light trucks pursuant to SB 375. The report takes into consideration land use scenarios that were developed by the four largest MPOs; MTC, SANDAG, SACOG and SCAG. These scenarios were built on and have exceeded previous blueprint practices for each of their respective regions. SCAG modeled scenarios that assumed land use patterns reflecting locally-supported land use policy concepts that were developed through the region's Compass Blueprint efforts. In addition, SCAG incorporated transportation infrastructure improvements as well as new transportation demand, pricing, and system management strategies. The "achievable" range of reduction modeled and presented to the ARB during this first stage of analysis was 7-8% by 2020 and 5-6% by 2035. Based on this analysis and in consideration of

the targets recommended to the ARB by the other large MPOs, the ARB staff report recommends an 8% reduction target for 2020 and a 13% reduction target for 2035, subject to the consideration of SCAG's Regional Council.

Following the release of the ARB draft targets, SCAG staff prepared further scenario analyses that demonstrate that a 13% target, or more, can be attained with significant funding from State, Federal and regional resources assuming certain adjustments to both policy measures and technical assumptions. As noted in the *SB 375 Final Draft Regional Targets* report presented to the Regional Council on September 2, 2010, this scenario incorporated the following transportation assumptions beyond those included in the 2008 RTP and the analysis that was performed earlier this year for the initial SCAG draft targets:

- a) A 1% reduction in home-based work trips, 174% increase in vanpools, 144% increase in carpools, and 20% increase in walk/bike to school (e.g., "safe routes to school"), which is similar to TDM levels assumed by SANDAG in their 2035 scenario;
- b) A 2.5% reduction in VMT associated with non-motorized transportation; and
- c) Additional auto operating cost increase of \$0.02 per mile to a total of \$0.24 per mile (e.g. increases in fuel costs, repairs, maintenance, tires, and accessories).

As compared to the existing 2008 RTP, achieving this increased level of GHG reduction in 2035 would be expected to result in the following estimated outcomes:

- 1.7 million hours reduction in daily vehicle delays, equivalent to \$7.7 billion annual cost saving (in 2009 dollars) due to congestion relief
- 3.4 million gallons daily reduction in light and medium vehicle fuel consumption
- 3.2 tons daily reduction in NOx and 2.9 tons daily reduction in PM 10

Based on this analysis, SCAG staff recommended supporting ARB's draft targets, but acknowledged that these targets will not be easily achieved and cannot be met by adopting a "business as usual" approach. SCAG staff also noted that significant uncertainty remains with regard to the level of effort and cost required to attain higher targets. However, in order to move forward on SB 375 implementation in partnership with the ARB and to demonstrate Southern California's commitment to do the best we can to reduce greenhouse gas emissions, SCAG staff recommended supporting the ARB's draft targets. The Regional Council considered this recommendation on September 2, 2010, and narrowly approved a substitute motion to support a 6% reduction target for 2020 and 8% reduction target for 2035. The Council noted that if

certain conditions are met, including restoration of state transportation and redevelopment budgets, then they would consider supporting higher targets.

The ARB has the sole discretion to adopt regional targets under SB 375. These targets will be revisited and will be readjusted in future target setting cycles to meet the long-term objectives of SB 375.

DISCUSSION

The MTA has taken significant steps to support the implementation of SB 375 and to reduce greenhouse gas emissions from passenger vehicles, including:

- Director Katz and Mr. Leahy participated in the SB 375 Regional Target Advisory Committee to provide feedback to the ARB on the methodology and process for establishing greenhouse gas reduction targets,
- The MTA hosted a Sustainability Summit and a series of roundtable conversations in 2009/2010 to share strategies and develop partnerships to work toward reducing greenhouse gas emissions from transportation,
- Staff has participated in workshops hosted by SCAG and the subregions to provide information on the transportation network and to discuss the MTA's role in developing and implementing Sustainable Communities Strategies,
- The agency is jointly-facilitating an SB 375 Working Group with SCAG to bring together the planning and public works directors from Los Angeles County and the City of Los Angeles, our subregional agency directors, and the South Coast Air Quality Management District to support SCAG in developing and implementing the Sustainable Communities Strategy in Los Angeles County,
- MTA staff led a countywide effort to develop an application for the HUD Sustainable Communities Regional Planning Grant Program to support sustainability planning in transportation corridors, and
- Staff is modifying the Call for Project modal applications to award additional points to projects that are integrated with local land-use plans and transportation policies to reduce greenhouse gas emissions.

In addition to these efforts that specifically support SB 375, the agency's Joint Development Program and implementation of the Measure R program will yield a tremendous greenhouse gas reduction benefit in Los Angeles County and across the Southern California region.

To recognize and acknowledge the agencies commitment to continue working toward the goals of SB 375, staff is recommending support for the ARB's draft greenhouse gas reduction targets. In making this recommendation, staff recognizes that target setting is imprecise and that the tools and strategies for modeling and achieving greenhouse gas reductions are still evolving. We also acknowledge that there are uncertainties and factors beyond the control of our agency and region that will significantly impact the region's ability to achieve these targets. However, target setting is an important first step in implementing SB 375 and the draft targets recommended by ARB are certainly worth

pursuing. In making this recommendation, the MTA expresses its support for the goals of SB 375 and commitment to continue to work with our partners in the region to create a more sustainable transportation system.

Staff considered the option of remaining neutral on the ARB's greenhouse gas reduction target recommendations. Staff is not proposing this option, because we believe it is important to demonstrate support for the SB 375 in Southern California and to acknowledge the agency's efforts, and the significant investments being made by the MTA, to reduce greenhouse gas emissions.

NEXT STEPS

The ARB Board will meet on September 23, 2010 to further consider the proposed greenhouse gas reduction targets. If the recommendation is approved, MTA staff will submit comments to support the ARB recommended targets. Following target adoption, staff will continue to work with the subregional agencies and SCAG to develop Sustainable Communities Strategies that serve to reduce greenhouse gas emissions.

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