

**Motion by Supervisor Mark Ridley-Thomas  
Metro Executive Management Committee  
February 20, 2014**

**Sustainability-Related Infrastructure, Operations and Maintenance**

The California Low Carbon Fuel Standard (LCFS) requires a 10% reduction in the carbon intensity of all fuels used in on-road transportation applications by 2020 using diesel as a baseline. Regulated parties earn credits or deficits based on the relative carbon intensity of their fuel. Metro opted into the LCFS program in 2012. As a regulated entity, Metro earns credits by dispensing compressed natural gas (CNG) as fuel for our buses.

Metro currently has approximately 240,000 LCFS credits with a potential to generate an additional 650,000 credits between now and 2020. The value of these LCFS credits has ranged from \$47 to \$85 per credit since September 2013.

The Metro Board also recently adopted a plan to explore biomethane use at Metro's facilities without any operational or CNG infrastructural changes. A shift to biomethane would result in an even greater generation of LCFS credits since biomethane has a much lower carbon intensity compared to fossil natural gas.

Moreover, Metro's comprehensive Energy, Sustainability, and Environmental Program (sustainability program) has resulted in the construction of energy efficient buildings, generation of approximately 2.5 megawatts of renewable energy, and incorporation of sustainable principles into our construction and operations. These efforts have reduced energy and resource use, generated operational cost savings, created productive work spaces, and reduced the environmental impacts of Metro's construction and operations. Metro continues to explore new and innovative technologies to improve the agency's environmental performance and reduce costs.

However, Metro needs to properly maintain and operate our sustainability-related projects to maximize the derived benefits and return on investment and ensure the fulfillment of sustainability and environmental goals associated with each project. Selling Metro's credits from the Low Carbon Fuel Standards Program creates a financial resource for this purpose.

**I, Therefore, Move that the MTA Board of Directors direct the CEO to:**

- 1) Report back at the May 2014 Executive Management Committee with the following:
  - a) A determination of the optimum amount of revenue and most cost-effective strategy to execute the sale of Low Carbon Fuel credits generated from Metro's participation in the Low Carbon Fuel Standards Program; and
  - b) An implementation strategy to incorporate biomethane into Metro's fleet.
  
- 2) Report back at the August 2014 Executive Management Committee with the following:
  - a) Assessment of how the current sustainability-related infrastructure (including renewable energy projects, green buildings and related assets) are operated and maintained; and
  - b) A long-term financial and operational plan to maintain their optimum performance which includes a plan to use the Low Carbon Fuel Credits, along with any cost-savings generated from current and future sustainability-related infrastructure to specifically continue the implementation, operations, and maintenance of Metro's sustainability-related infrastructure; and a comprehensive implementation plan to ensure that financial, infrastructural, and operational elements of sustainability-related infrastructure are incorporated in all of Metro's activities.