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TRANSPORTATION
COMMISSION

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Memorandum

TO: Commission

DATE: July 21, 2010

FR: Executive Director

RE: Resolution No. 3970 - Bay Area Greenhouse Gas Target Principles.

Background

Over the last several months, MTC staff and staff from other major metropolitan planning organizations (MPOs) have been conducting ongoing data-exchange activities with the Air Resources Board (ARB) related to potential strategies to reduce greenhouse gas (GHG) emissions. By law, ARB is required to release draft 2020 and 2035 GHG reduction targets for the State's 18 regions by June 30, 2010 and final targets by September 30, 2010. ARB staff released draft targets on June 30, which are based on ranges previously provided by the MPOs and discussed with MTC's Planning Committee, ABAG's Administrative Committee and the Joint Policy Committee (JPC).

Several of the regions have completed, or are completing, a number of new scenario assessments that are intended to narrow the target-setting process to an achievable range of GHG emission reductions (measured in % reduction of weekday pounds per capita in 2020 and 2035 compared to a 2005 base year). As you know, for our target-setting scenario assessments, MTC has for the most part relied on recent analyses done for the Transportation 2035 Plan, which was adopted by the Commission in April 2009. However, at the request of partner agencies and stakeholder, we have conducted several land use and pricing sensitivity analyses that were reviewed with the Planning Committee earlier this month.

Bay Area GHG Target Principles

The July 9, 2010 Planning Committee meeting, held jointly with the ABAG Administrative Committee and other JPC members, included a lively discussion on the attached set of "Bay Area Principles for Establishing Regional Greenhouse Gas Reduction Targets" (see Attachment A). The principles are intended to help further inform ARB in its GHG target-setting deliberations between now and September 30, 2010, when it adopts final statewide targets. You'll note that the principles acknowledge the ongoing work of MTC and ABAG that support SB 375, including Transportation 2035, ABAG infill/transit oriented Projections, FOCUS/Priority Development Areas (PDAs), and the Resolution 3434 TOD Policy.

Most of July's committee discussion centered around:

- Principle #6 - ARB should adopt single statewide targets for 2020 and 2035
- Principle #7 - ARB should not establish a GHG target for the Bay Area that exceeds a 7% per capita reduction for 2020 or a 10% per capita reduction for 2035.

In regard to Principle #6, most joint committee attendees thought that it was more equitable to the MPOs to adopt a single statewide target for each horizon year; however if this is not achievable, most indicated support for different targets for different regions only if they are based on meaningful differences. Principle #7 was the subject of the lion's share of the committee meeting discussion and public testimony.

There was general committee support for the 2020 target. However, some members were inclined to support a more aggressive target in 2035, but believed that there was not enough information to draw meaningful comparisons of the impacts and co-benefits provided by the proposed scenarios. Similarly, your new Policy Advisory Committee, after hearing the staff presentation, passed a motion to encourage the Commission "to set higher GHG targets" than proposed by staff.

Commission Action
The Planning Committee moved to refer the principles to the Commission for approval, but asked staff to show impact comparisons for 2035 at 10%, 12% and 15% per capita reduction targets. The attached powerpoint presentation (Attachment B), which I will discuss in more detail at your meeting, provides land use, mobility and other co-benefit comparisons among the three GHG emission reduction scenarios.

Next Steps
Staff will continue to make any necessary refinements to our target setting analysis to assist ARB in its target-setting process. Several "bites at the apple" still exist to provide additional input on proposed GHG targets:

- August 9, 2010: ARB staff releases proposed final targets
- September 10, 2010: MTC Planning Committee, with ABAG's Administrative Committee and Joint Policy Committee members
- September 22, 2010: MTC meeting
- September 30, 2010: ARB adopts final targets

Recommendation
Staff recommends that the Commission approve Resolution No. 3970, which sets forth "Bay Area Principles for Establishing Regional Greenhouse Gas Reduction Targets" to inform and guide ARB in setting these targets for the Bay Area.

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Steve Heminger

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Attachment A

BAY AREA PRINCIPLES FOR ESTABLISHING REGIONAL GREENHOUSE GAS REDUCTION TARGETS – JULY 2010

1. The Bay Area's adopted long-range transportation plan (Transportation 2035) is extremely climate friendly by devoting over 80% of all available resources to operation and maintenance of the existing transportation network which will support the region's in-fill development strategy; 14% of remaining resources to a public transit expansion program subject to a transit-oriented development policy; and only 3% to road expansion featuring congestion pricing for single occupant auto access to almost all new highway capacity that will be constructed.

2. The Transportation 2035 Plan is expected to achieve a 3% per capita greenhouse gas (GHG) emission reduction by 2020 and a 2% per capita GHG reduction by 2035. The lower per capita reduction in 2035 likely is due to the forecast growth in vehicle travel and its impact in worsening congested highway speeds and their associated GHG emissions.

3. The strategies that the Bay Area is pursuing to reduce GHG emissions have significant co-benefits in improving mobility and access to vital destinations, reducing emissions of criteria pollutants, and creating more livable communities throughout the nine-county region.

4. The Metropolitan Transportation Commission (MTC) is nearing completion of an upgrade of its travel demand models from a trip-based to activity-based orientation. While this is expected to improve the accuracy of our models in predicting future travel behavior by all modes, it is unlikely to produce dramatic changes in the scenario planning results that MTC already has submitted to ARB.

5. Repeated MTC analyses dating back to our 1994 Regional Transportation Plan have consistently shown that the two most powerful strategies for altering travel behavior are changes in land development patterns and the price of auto travel. Implementing these strategies at a systematic scale will require significant local consensus-building and, in many cases, authorization by the State Legislature and United States Congress.

6. The Regional Targets Advisory Committee recommended that the California Air Resources Board (ARB) adopt a single statewide target for per capita GHG emission reductions in the state's metropolitan areas. If this is not achievable, ARB should only adopt different targets for different metropolitan areas based on sound planning practice and meaningful demographic differences, not arbitrary geographical classifications.

7. Based on the scenario planning conducted by MTC and federal requirements that regional transportation plans be grounded in realistic forecasts for available revenue and future growth, ARB should not establish a GHG target for the Bay Area that exceeds a 7% per capita reduction for 2020 or a 10% per capita reduction for 2035.

8. ARB should work with other executive agencies and the State Legislature to identify financial, regulatory, and other incentives that could be provided to help regions achieve and, if possible, exceed their per capita GHG reduction targets.

9. As required by Senate Bill 375, ARB should regularly review the GHG targets established in 2010 and consider revisions based on changing economic and demographic conditions as well as the actual results achieved in the implementation of the Sustainable Communities Strategies.

Attachment B

Powerpoint Presentation

Resolution 3970