

Southern California Association of Governments

California Gold:

Bringing Cap and Trade Dollars to Southern California

Los Angeles

August 6, 2015



Overview & Transportation



CALIFORNIA CLIMATE STRATEGY

An Integrated Plan for Addressing Climate Change



VISION

Reducing Greenhouse Gas Emissions to 40% Below 1990 Levels by 2030

GOALS

**50%
reduction
in petroleum
use in vehicles**



**50%
renewable
electricity**



**Double energy
efficiency savings
at existing buildings**

**Carbon
sequestration
in the land base**



**Reduce
short-lived
climate pollutants**

**Safeguard
California**



State Proceeds from Cap-and-Trade Auctions



- ▶ Invest in projects that reduce greenhouse gases and achieve co-benefits
- ▶ Maximize benefits to disadvantaged communities
 - 10%+ of funds within
 - 25%+ of funds benefitting
- ▶ Triennial investment plan, then Legislature & Governor allocate funds in annual State Budgets
- ▶ Air Board to adopt funding guidelines for agencies

California
Strategic Growth Council



CALIFORNIA
High-Speed Rail Authority



California Environmental Protection Agency
Air Resources Board



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Sustainable Communities and Clean Transportation



Prior

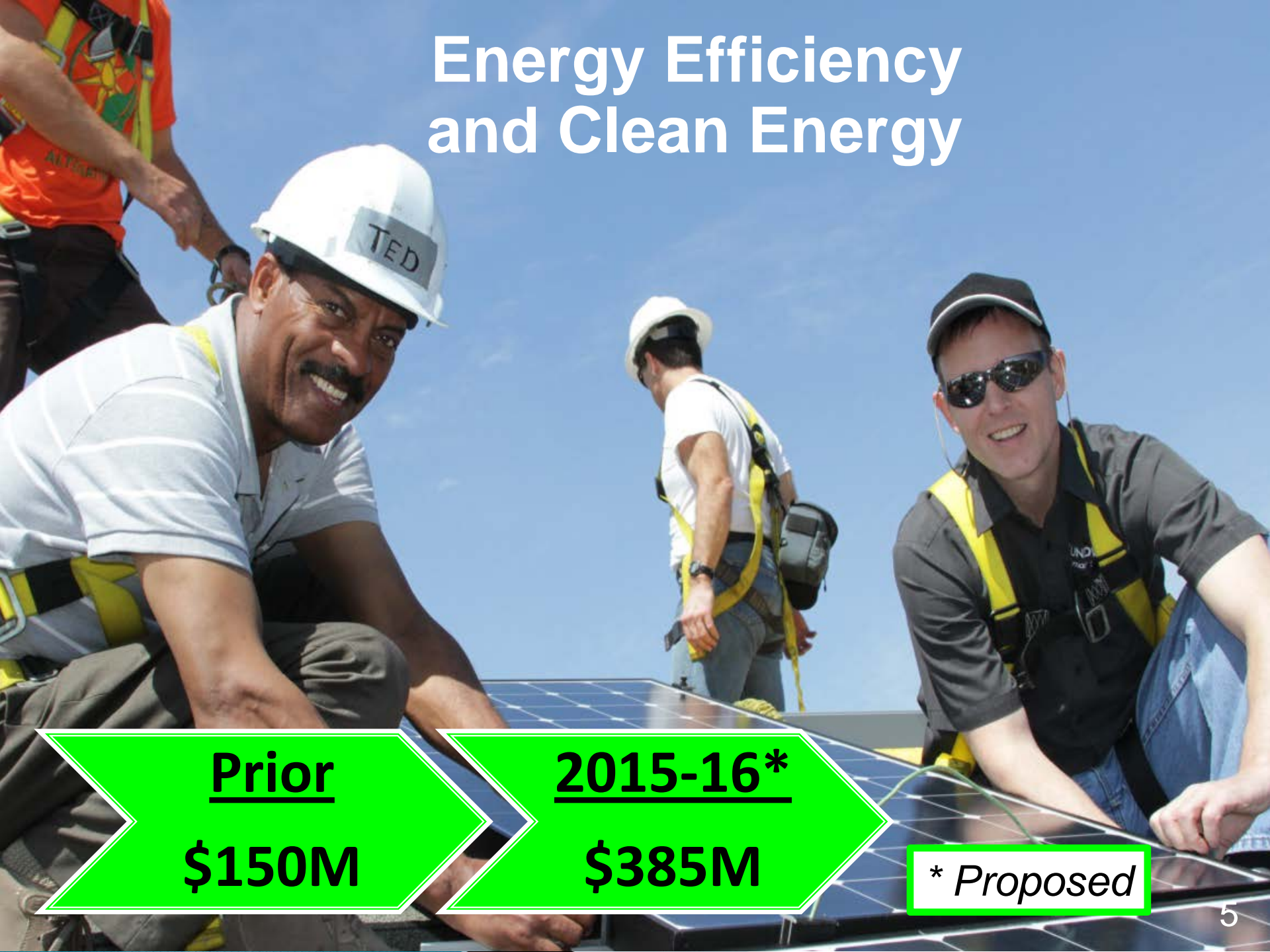
\$660M

2015-16*

\$1.6B

** Proposed*

Energy Efficiency and Clean Energy



Prior

\$150M

2015-16*

\$385M

** Proposed*

Natural Resources and Waste Diversion


Prior
\$92M

2015-16*
\$237M


* *Proposed*

Draft ARB Guidelines

DRAFT FOR PUBLIC DISCUSSION



**Cap-and-Trade Auction Proceeds
Funding Guidelines for Agencies that Administer
California Climate Investments**




Volume 1: General Guidance
DRAFT FOR PUBLIC COMMENT
Release Date: June 16, 2015

California Environmental Protection Agency
Air Resources Board

Next Steps

Investment Concepts



**Cap-and-Trade Auction Proceeds
Second Investment Plan**
DRAFT CONCEPTS FOR PUBLIC DISCUSSION

This Concept Paper for the Cap-and-Trade Auction Proceeds Second Investment Plan (Fiscal Years 2016-17 through 2018-19) (Concept Paper) presents preliminary, high level ideas for public discussion and comment. It does not propose any specific funding levels or percentage allocations – those decisions are made by the Legislature in the annual State Budget process to appropriate moneys from the Greenhouse Gas Reduction Fund (GGRF).

State law requires the Department of Finance (Finance), in consultation with the Air Resources Board (ARB or Board) and other State agencies, to develop and submit to the Legislature a three-year investment plan for auction proceeds. Statute also directs ARB to hold public workshops in different regions of the State and a public hearing on the investment plan prior to submittal to the Legislature. The Second Investment Plan is due to the Legislature in January 2016 to serve as a resource for investment decisions as part of the 2016-17 and later State Budgets. It does not affect the Legislature's consideration of 2015-16 GGRF appropriations.

This Concept Paper and the seven workshops scheduled in August 2015 provide an opportunity for early public input to help shape the draft Second Investment Plan. That draft will be released for public review and comment, followed by another round of workshops. This robust public process concludes with a formal public hearing and testimony to the Board in late 2015. Table 1 provides a timeline for the public process on development of the Second Investment Plan. For more information or to submit written comments, please visit: <http://www.arb.ca.gov/investmentplan>.

Table 1. Public Process Milestones for the Second Investment Plan

Timeframe	Milestone
July-August 2015	Release Concept Paper for the Second Investment Plan and hold public workshops
Fall 2015	Release Preliminary Draft Second Investment Plan and hold public workshops
Late Fall 2015	Release Revised Draft Second Investment Plan and hold public Board hearing
January 2016	Submit Final Second Investment Plan to the Legislature

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- ▶ **Aug 12:** Fontana & Los Angeles public workshops
- ▶ **Sep 24-25:** Hearing-ARB Funding Guidelines
- ▶ **Late Fall:** Hearing-Administration Investment Plan
- ▶ **Jan 2016:** Second Investment Plan to Legislature

Contact the Agencies

- ▶ Visit: www.arb.ca.gov/auctionproceeds
 - Central portal to connect to all agencies' programs
 - Submit comments electronically
 - Subscribe to listserv and see upcoming events
- ▶ Email: GGRFPProgram@arb.ca.gov

Sustainable Communities and Clean Transportation Programs

**Transit and Intercity
Rail Capital**

**Low Carbon Transit
Operations**

**Affordable Housing and
Sustainable Communities**

High Speed Rail

**Low Carbon
Transportation**

Transit and Intercity Rail Capital Program

(California State Transportation Agency)

- ▶ **What:** rail and bus capital projects, and operational improvements that result in increased ridership and reduced greenhouse gas emissions
- ▶ **Who:** public agencies that operate intercity or commuter passenger rail or urban rail transit service
- ▶ **How:** competitive grants
- ▶ **When:** most 1st & 2nd year projects already selected
- ▶ **Next:** \$265M proposed for 2015-16 (*10% continuous*)
- ▶ <http://www.dot.ca.gov/hq/MassTrans/tircp.html>

Low Carbon Transit Operations Program

(California Department of Transportation)

- ▶ **What:** new or expanded bus or rail services, expanded intermodal transit facilities (equipment acquisition, fueling, maintenance and related operating costs) to reduce greenhouse gases and improve mobility
- ▶ **Who:** 200+ transit agencies across California
- ▶ **How:** distributed by statutory formula; agencies choose from project list and submit proposals
- ▶ **When:** transit agency proposals due 11/1/15
- ▶ **Next:** \$100M proposed for 2015-16 (*5% continuous*)
- ▶ <http://www.dot.ca.gov/hq/MassTrans/lctop.html>

Low Carbon Transportation Program

(Air Resources Board)

▶ **When, what & how:**

Continuous: ZE car rebates, truck/bus vouchers

Open to 9/24: ZE drayage trucks or freight facility grants

Next cycle: ZE truck/bus, freight + low NOx truck grants

ZE car share, retire/replace, finance, public fleets pilots in disadvantaged communities

▶ **Who:** residents, businesses, organizations, agencies (>50% to benefit disadvantaged communities)

▶ **Next:** \$350M proposed for 2015-16

▶ <http://www.arb.ca.gov/msprog/aqip/aqip.htm>