

## **POLICY PLATFORM**

### **February 2014**

Local governments are key players in helping California achieve its energy and environment goals. As California has implemented AB 32, the Global Warming Solutions Act of 2006, local governments have been important in developing and implementing local solutions tailored to how communities reduce greenhouse gas emissions, just as they have for years on other resource issues such as solid waste, water, and transportation.

Local governments have authority over development, land use, permitting, and local codes, as well as the ability to lead by example with municipal programs and facilities and to influence constituents through a variety of channels. California's preferred loading order for resources – energy efficiency and demand response, renewables, then clean fossil fuels – is well-suited to the authority and core competencies of local governments. Local governments recognize that regional collaboration can leverage resources and help all communities realize their individually established goals. State policies and programs should prioritize local government involvement and provide funding for local government action.

To promote opportunities for local governments to continue their progress, the LGSEC will focus its policy work for 2014 in the following areas:

- ❖ Climate Change and Adaptation
- ❖ Resource Management
- ❖ Alternative Fueled Vehicles
- ❖ Innovation

### **CLIMATE CHANGE AND ADAPTATION**

- ❖ Planning: Local governments play a critical role in economic development, infrastructure upgrade and maintenance, and community planning. State policies and programs should prioritize local government involvement and provide funding to facilitate that involvement.
- ❖ Funding and financing: These are important tools for implementation of local government climate action and adaptation plans. Revenues from State cap and trade auctions are one source of funding for the mandates under AB32/SB 375 that should be directed to local governments.

### **RESOURCE MANAGEMENT**

- ❖ Water: California should increase water conservation goals, and include programs and funding to consider, establish, and value non-carbon benefits of strategies and measures in both energy efficiency and water conservation. Local governments already have a leading role in this work that can be continued and expanded. Energy efficiency funding priorities should recognize the unique ability of local governments to collaborate with municipal water utilities, which comprise the majority of water utilities in California.



- ❖ Energy Efficiency: California should develop a statewide portfolio for energy efficiency that recognizes local governments as entities that design and implement energy efficiency, sustainability, and climate change programs. California must provide a longer term funding guarantee for energy efficiency, a minimum of five years, to ensure continuity. Because local governments operate under long-term plans and capital outlays, a long-term approach to funding allows maximum ability to leverage funds and program reach.
- ❖ Demand Response: Local governments can design and implement programs tailored to their communities to reduce demand during periods of peak demand. State policy should recognize and encourage local government involvement in demand response.
- ❖ Data: Local governments must have access to energy data, including usage data. Data must be provided timely, in a consistent format that allows it to be manipulated electronically, and that allows local governments to perform the analysis required to implement and evaluate programs and policies.
- ❖ Financing: Local governments should be recognized as entities that design and implement financing programs. Local governments are operating some of the only currently operating financing programs for energy efficiency programs. Their role as partners in finance programs, both regionally and statewide, should increase.
- ❖ Program Delivery: California's energy policy must ensure independent design, administration, and delivery of energy management programs by local government entities, alliances, and networks (including, but not limited to, local government partnerships, Regional Energy Networks, Community Choice Aggregators, and municipalization).
- ❖ Distributed Generation: State policies should promote the deployment of distributed generation by local governments on their own facilities, and in their communities. Solar permitting and inspections must be streamlined, and local governments can encourage building inspectors to provide streamlined service for all distributed generation projects.

## ALTERNATIVE FUELED VEHICLES

- ❖ Local governments will be integral to building out infrastructure to support deployment of electric vehicles. State policies should encourage local governments to play a leadership role through streamlined permitting, training, incentives, resources, and opportunities to pilot new technologies and delivery mechanisms.

## INNOVATION

The LGSEC will identify opportunities to innovate on existing policies such that local governments can tailor energy needs to their communities.

- ❖ Franchise fees: Franchise fees should be fair and equitable. Franchise fees should be eligible for renegotiation at least every ten years. Currently many were agreed upon generations ago, in some cases in perpetuity.
- ❖ Streetlights: All streetlights owned by utilities – located within the boundaries of local government jurisdictions – should be converted to new technologies over the next three



years. The utilities must adopt a new tariff for all the affected local governments that fully pays for the project costs and fully accounts for the benefits of the new technologies. The tariff should be structured so that it does not increase the costs to any affected local government and the costs can be amortized over 10 to 15 years, if necessary, to make sure that the projects can be funded and the local government receives long-term benefits.

- ❖ Tariffs: Rate structures should include tariffs specific to local governments. Tariffs must recognize the critical functions that some local government facilities provide, such as public health (hospitals) and public safety (police, fire, water and wastewater treatment).