



Local
Government
SUSTAINABLE ENERGY
Coalition

Minutes
Greenhouse Gas/Cap and Trade Subcommittee
February 25, 2014

Attendees

Tim Anderson; Cal Broomhead; Jessica Cohen; Mike Foster; Miya Kitahara; Jody London; Matthew Marshall; Jenny Woods

1. CARB Updated AB 32 Scoping Plan

What works. The group noted that overall, the latest version of the Plan is tremendously improved. For instance, one of last chapters waxes euphoric about local governments (“LGs”) and states that there are many options to explore. Given these strong verbal endorsements for LGs, there is a lot to like in the Plan.

Areas for improvement. The group also identified several areas for improvement as follows. Despite strong statements supporting local and regional governments, the Plan only discusses funding existing State grant programs. The LGSEC should point out the disconnect between the broad language favoring LGs and the lack of funding supporting them. The group also noted that funding should cover programs (not just existing State ones), capacity building, and networking activities for LGs. The group also discussed recommending a Climate Coordinator in each county, flexibility built into the Plan to enable LGs to utilize resources in ways that meet local priorities. Lastly, participants noted that when presented with goals that cross industry segments, LGs may go for the “low hanging fruit.”

Next steps. Sonoma County will follow up with CARB to determine how and by when the LGs may respond. The LGSEC will follow-up accordingly.

2. AB 1970 (Gordon)

Background. AB 1970 replaces last year’s AB 416, which was doing well and then died in Appropriations when the Governor borrowed the Cap and Trade revenues for the General Fund. AB 1970 solely creates the Community Investment and Innovation Program. Separately, the Legislature would then have to appropriate funding for this Program. Per the group, it is most realistic to strive to pass AB 1970 this year, and then seek to get funding appropriated for it next year. Money from the Greenhouse Gas (“GHG”) Reduction Fund will be available when the Legislature appropriates it.

AB 1970 calls for the Strategic Growth Council to administer funds through grants and other forms of financial assistance. Cities, counties, cities and counties, RENs, environmental justice

communities, special districts, JPAs, regional collaboratives, non-profits, etc. would all be eligible to apply for funding. Applicants would be able propose any projects that document GHG reductions, but ideally each project would offer co-benefits such as reducing GHGs while also reducing pollution, conserving natural resources, etc. [see bill for list of envisioned co-benefits].

Next steps. At present, the LGSEC and other interested stakeholders are trying to determine how to get AB 1970 enacted (it will be introduced first in the Assembly). The group agreed that it needs legislative-savvy supporters who can write letters, testify at hearings, etc. The group also agreed that the ad hoc climate group members will need to work with their colleagues who handle legislative matters to accomplish these tasks. Lastly, the group agreed to draft AB 1970 talking points, because as presently drafted, the bill is quite broad.

The group discussed options that legislation could take for allocating funds to local governments. Some group members prefer a bill that allocates funds based on county and/or population rather than through a competitive application process. Many members would prefer block grants, which would promote consistency across the state. However, other members noted that at least initially the amount of funding available would likely not be sufficient for a block grant formula.

3. Other / Discussion

The Legislative Analyst's Office ("LAO") has issued a report on the Governor's budget proposal, including the proposed allocation of cap and trade revenues. The LAO is critical of the proposal because it is too qualitative; lacks goals, metrics, and oversight; and does not focus on the amount of reductions per funds used. The LAO report is especially critical of using cap and trade revenues for the State Water Project.

4. Next Meeting

Tuesday, March 25, 2014 from 3:30 – 4:30 p.m.