California Senate Bill 375
Greenhouse Gas Reduction
Target Setting Process

California Air Resources Board
June 24, 2010

Presentation Outline

- SB 375 basics
- Improved planning process
- Proposed targets
Senate Bill 375 Basics

- Regions begin designing Sustainable Communities Strategies as part of their planning process
- To help guide regional efforts, ARB sets targets
- Targets will be revised over time

Regional Targets Advisory Committee

- Tasked to recommend factors and methodologies for setting targets
- Final report to ARB last September
- Target metric
  - Percent reduction in GHG/capita from 2005 levels
  - Easy to understand, focuses on change
- Collaborative, bottom-up process moving forward
Builds on Positive Actions

- Virtually all the MPO regions have participated in blueprint growth scenario planning
  - Continue work as conveners at the local level
- Cities are updating General Plans and developing Climate Action Plans for sustainability
  - Many excellent examples already on the ground

Improved Planning Process
Recent Activities to Incentivize Better Planning Statewide

- Strategic Growth Council
  - Allocated $12M Proposition 84 funds
  - Additional incentives coming for local and regional efforts
- CTC approved RTP guidelines last April
- U.C. work on policies and practices
  - Provide easily understandable summaries of key policies that have empirical support

SB 375 Promotes a More Integrated Regional Planning Process

- A common vision for the future
- Integrates land use and transportation system to meet GHG reduction targets
- Regions prepare a Sustainable Communities Strategy (SCS) as new element of their Regional Transportation Plan
  - Develop through enhanced public process
  - Identify general location of different land use types, areas to house the region’s population, etc.
Benefits of Better Planning

- Positive effects on mobility, air quality, public health, natural resources
- Vision CA estimates
  - $6,400/yr household savings on auto-related costs and utility bills
  - $4.3 billion/yr city and county savings on infrastructure costs
- ULI Report: SB 375 helps communities meet changing market demand for housing

Current Household Types
2009 U.S. household demographics

[Bar chart showing household types: Singles Living Alone (33%), Married Couples without Children (29%), Married Couples with Children (21%), Single Parent and Other Family Households (17%), Other (1%)]

A Changing Rule of Thumb

- The rule of thumb in the 1980s and 1990s was that VMT grew at about twice the rate as population.
- Over the past decade VMT growth did not exceed population growth.

Proposed Draft Targets
Metropolitan Planning Organizations

Percent of Statewide Population and Passenger Vehicle GHG Emissions

- 83%
- 10%
- 5%
- 2%

4 largest MPOs
8 SJV MPOs
6 other MPOs
Non-MPOs

MPO and ARB Collaboration and Scenario Development

- MPO staff initiated a coordinated effort for data exchange and regional scenario development
- Discussions focused on:
  - Policy descriptions and deployment levels (e.g. transit, land use, system/demand management, pricing)
  - Travel cost and RTP revenue assumptions
  - Regional similarities and differences across MPOs
MPO Alternative Scenario Data

- 10 MPOs submitted quantitative data
- Looked at impacts of individual strategies and combined strategies
- Examples of strategies tested:
  - Increased compact development
  - Expansion of transit network
  - Jobs-housing balance
  - Pricing

Approach for 2020 Targets

- Recognize factors such as:
  - Time needed to change land use form and transportation infrastructure
  - Economic recovery
  - Improvements in transportation efficiency
  - Near-term forecasts
Four Large MPOs - 2020 Targets

Percent Reduction in Per Capita Emissions from 2005 to Target Year

<table>
<thead>
<tr>
<th>REGION</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bay Area Region</td>
<td></td>
</tr>
<tr>
<td>Sacramento Region</td>
<td></td>
</tr>
<tr>
<td>San Diego Region</td>
<td>5-10%</td>
</tr>
<tr>
<td>Southern California Region</td>
<td></td>
</tr>
</tbody>
</table>

* Percent reduction numbers do not include emission reductions expected from Pavley and LCFS measures.

Challenge of 2035 Targets

- Forecasting challenges
  - Regional development of long-term vision takes time, resources, and commitment
  - Modeling issues
- Near-term additional work underway
  - Placeholder ranges for July workshops
  - MPOs work continues
- Long-term effort needed for target revision in 4 years
Four Large MPOs - 2035 Scenario Results
Percent Reduction in Per Capita Emissions from 2005 to 2035

<table>
<thead>
<tr>
<th>REGION</th>
<th>2035</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bay Area Region:</td>
<td>3 - 12%</td>
</tr>
<tr>
<td>Sacramento Area Region:</td>
<td>13 - 17%</td>
</tr>
<tr>
<td>San Diego Region:</td>
<td>5 - 19%</td>
</tr>
<tr>
<td>Southern California Region:</td>
<td>3 - 12%</td>
</tr>
</tbody>
</table>

Percent reduction numbers do not include emission reductions expected from Pavley and LCFS measures.

San Joaquin Valley

- Eight individual MPOs
  - MPO Directors currently coordinate on regional transportation issues
  - SB 375 allows MPOs to develop multi-county strategies
- Key valleywide issues
  - Impact of interregional travel
  - Limited resources
  - Population growth
San Joaquin Valley
Target Setting Approaches

- Coordinated baseline data submittal
- Fresno - Enhanced transit strategies, increased densities, smart-growth in “Southeast Growth Area”
- Kern - Baseline with exceptions for large “strategic employment resources”
- Kings - Baseline including Blueprint policies
- Scenarios span a range of 7 percent reduction to 12 percent increase

San Joaquin Valley
Placeholder Target Considerations

- Very limited technical data
- Targets should reflect a reduction not an increase
- Based on submitted data, initial placeholder range is 1 to 7 percent reduction for both 2020 and 2035
Remaining 6 MPO Regions

- Butte, Monterey Bay Area, San Luis Obispo, Santa Barbara, Shasta, Tahoe
- Targets set at each MPOs most current projected emissions for 2020 and 2035

Next Steps

- Continued collaboration with MPO staff on technical work
- Workshops in July
- Release of staff proposal in August
- Board consideration in September