

BEFORE THE
CALIFORNIA ENERGY COMMISSION

In the Matter of:)
) Docket No. 09-IEP-IN
Preparation of the 2009)
Integrated Energy Policy Report)
(2009 IEPR))

STAFF WORKSHOP ON ENERGY AND LOCAL ASSISTANCE:
ISSUES AND OPPORTUNITIES

CALIFORNIA ENERGY COMMISSION
HEARING ROOM A
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Peter Petty CER**D-493

COMMISSIONERS PRESENT

Jeffrey D. Byron, Presiding Member, IEPR Committee

Laurie ten Hope, His Advisor

STAFF PRESENT

Bill Pfanner

Suzanne Korosec, IEPR Lead

Jacob Orenberg

Serena Fong

ALSO PRESENT

Presenters

Steve Winkelman, Center for Clean Air Policy (CCAP)

Panelists

Bill Higgins, League of California Cities

Cara Martinson, California State Association of Counties
(CSAC)

Jim Andrew, Urban Land Institute San Francisco (ELI)

Gordon Garry, SACOG

Steve Sanders, Institute for Local Government

Steve Frisch, Sierra Business Council

Paul Johnson, San Joaquin Valley Clean Energy Organization
(SJVCEO)

Judy Robinson, Sacramento County Redevelopment

Michele Rodriguez, American Planning Association (APA)

Doug Newman, National Energy Center for Sustainable
Communities

Julia Lave Johnson, OPR

Linda Wheaton, Department of Housing Community Development
(HCD)

Doug Ito, California Air Resources Board (CARB)

Joan Sollenberger, CalTrans

Luree Stetson, Department of Conservation

Susan Durbin, Attorney General's Office

Via WebEx

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P R O C E E D I N G S

AUGUST 11, 2009

9:02 a.m.

MR. PFANNER: I think we will begin. Welcome, everyone, to the Integrated Energy Policy Report Workshop on Energy and Local Assistance: Issues and Opportunities. My name is Bill Pfanner and I am a Supervisor with the Fuels and Transportation Division, Special Projects Unit. I would like to cover some basic housekeeping details, first of all. The restrooms are immediately outside of Hearing Room A. Snack bar, coffee, lunch on the second floor under the white awning, in the event of any kind of issue, if the alarm goes off, please follow Energy Commission staff out of the building. We congregate across the street. I doubt that is going to happen, but I have been at workshops where that does happen, so it is a good thing to know. If the fire alarms go, just follow me outside the building.

In terms of our workshop today, this is a staff workshop, which means that it is more informal. We have formal Energy Commission workshops and I guess I would like to introduce our Commissioner, Jeff Byron, who is here today just as a listening participant in the workshop. We may have other people jumping in throughout the day, but the purpose of a staff workshop is for staff to ask questions in terms of formulating policies for the IEPR, as opposed to a committee workshop, which is more giving answers. So the

1 purpose today is to ask questions. I do not see that there
2 is anything that we cannot discuss.

3 I have created a structure to try to get us
4 through a lot of information in a short period of time, and
5 the structure that we are following today is, I will make a
6 brief 15-minute presentation, and then we have kind of a
7 keynote presentation by Steve Winkelman with the Center for
8 Clean Air Policy. At 9:30, we will have a policy panel on
9 regional and local perspective. Then we will have a break
10 and, at 11:00, we will have a private sector perspective
11 panel followed by a lunch break between 12:15 and 1:30, and
12 at 1:30 we will start up again with the state panel which
13 deals with climate change and sustainability policies, and
14 at 3:00 we hope to have a combined panel looking at the
15 interrelationships of private sector, local and regional
16 governments, and state entities.

17 Just for more housekeeping, this is being WebEx
18 broadcast, and for those that are on WebEx, we ask that if
19 you have comments that you text messages sent to the host
20 via the chat platform. And we will have public comment
21 sessions after each panel, and if you are on the WebEx and
22 you send your message in, we will try to get them. Any
23 messages that are texted in that are not answered live, we
24 will do a formal response after the workshop to those. Any
25 written comments that anyone may desire to submit after this

1 workshop, or if you discuss this with other entities, we
2 would like to get those written comments back to us by
3 August 18th. And that is a quick turnaround, but we do have
4 a short process here. What we are looking at is the Draft
5 IEPR will be prepared at the end of September, and October
6 14th, we are looking at a hearing on the Draft IEPR, and then
7 February 2nd, we would be having the full committee hearing
8 on the Final IEPR.

9 MS. KOROSSEC: Excuse me, Bill. That is December
10 2nd.

11 MR. PFANNER: What did I say?

12 MS. KOROSSEC: February.

13 MR. PFANNER: Sorry, you are right. December 2nd.
14 A quick introduction, Laurie ten Hope, Advisor to
15 Commissioner Jeff Bryon, is here.

16 Okay, for those of you who are not familiar with
17 the Integrated Energy Policy Report, affectionately known as
18 the IEPR, it is prepared by the Energy Commission in
19 response to Senate Bill 1389 of 2002, and it requires that
20 the Energy Commission prepare a biennial Integrated Energy
21 Policy Report that contains an integrated assessment of
22 major energy transit issues facing the state's electricity,
23 natural gas, and transportation fuel sectors, and provides
24 policy recommendations to conserve resources, protect the
25 environment, ensure reliable, secure, and diverse energy

1 supplies, enhance the state's economy, and protect public
2 health and safety. So it is kind of a broad task that the
3 Energy Commission does. And on alternating years, we kind
4 of do a IEPR Light, which focuses in on issues that may have
5 been addressed on the previous year that need further
6 analysis, and this is the main year right now. And just as
7 a little bit of background, if we look back into the 2006,
8 2007 and 2008 IEPR, first slide, please, the IEPR's have
9 been building on each other. And in 2006, if I were to
10 condense down how the Energy Commission addressed those
11 issues related to land use, it said, "The single largest
12 opportunity to help California meet its statewide energy and
13 climate change goals reside with Smart Growth. Smart Growth
14 refers to application of specific development principals to
15 make prudent use of resources and create genial, low-impact
16 communities through enlightened design and lay-out."

17 Now, that is quite a condensation of about a
18 thousand pages of information that gets condensed down to
19 200 pages in the IEPR, and the Energy Commission in 2006
20 took a strong direction for looking at the state to play
21 more of an integrated role in issues related to the physical
22 environment and the use of energy in that process.

23 In 2007, it got more specific and we started
24 seeing some themes here, getting into some details, and when
25 I look at the 2007 IEPR, I really see that it starts looking

1 more at local and regional approaches, you know, where are
2 the energy policies that the IEPR is preparing being
3 implemented, or at a local and regional level? In 2008, it
4 got into some specifics regarding things that the Energy
5 Commission should be doing and that is establishing a
6 priority for reactivating the Energy Commission's Local
7 Agency Siting and Permit Assistance Program in order to
8 assist local governments with the development of a General
9 Plan, transmission and energy elements, and recognizing the
10 importance of statewide renewable greenhouse gas reduction
11 requirements and goals.

12 So as we face the 2009 IEPR and staff was
13 developing an agenda, and we are doing it with the IEPR
14 Committee, and the Commissioners and the Advisors, and the
15 various staff members, the common theme that came out was we
16 need to look at where the policies are being implemented,
17 what is the private sector, what are the local and regional
18 governments doing, how can the state integrate and
19 facilitate better communication and implementations of the
20 state policies at the local level. So we tried to craft an
21 agenda that would put at the forefront the voice of those
22 people that are at the ground level doing projects, and how
23 can, at the state level, where we are looking at a higher
24 policy level of direction, how can we work together.

25 In a short summary, the scoping order of what we

1 hope to achieve today, four major tasks: evaluate impacts of
2 state level policy and legislative changes on local decision
3 making related to land use, energy consumption and climate
4 change; examine how state policies, programs and actions can
5 assist local decision making in implementing and promoting
6 energy and greenhouse gas emission efficient developments,
7 examine how local governments can contribute to energy
8 efficient land use planning and energy water resource
9 efficiency, and identify the need for research activities to
10 support implementation of SB 375 and other state policies.

11 So within the Energy Commission, there are a lot
12 of silos doing a variety of projects. And for those not
13 familiar with the Energy Commission or this process, we here
14 today are just one little piece of the Energy Commission
15 pie, and this is how I see our unit, Energy Planning and
16 Local Government Assistance, trying to pull in a variety of
17 components that are tangentially or directly involved in the
18 types of programs that work with local governments, work
19 with the physical environment. We have the Public Interest
20 Energy Research Program, PIER, which many of you know is the
21 research branch of the Energy Commission, and they are
22 involved with the Sustainable Communities Program. We have
23 Fuels and Transportation, which I am a part of, and AB 118
24 and Forecasting, Efficiency and Renewables with building
25 standards, appliances, renewables and energy, and the Siting

1 Unit with facilities siting, transmission corridor,
2 greenhouse gas and power plants, and within that realm, we
3 kind of are a catalyst to pull together many pieces of the
4 Energy Commission.

5 We prepared a hand-out and this will be something
6 that we will be developing in more detail at the Energy
7 Commission. What are the programs that we currently have or
8 are working on that help local governments? Just as a big
9 picture -- and we definitely do not want this to become the
10 era workshop -- nor is this going to be the Energy
11 Commission workshop, but just briefly, the Energy Commission
12 is working on allocating funding through the American
13 Recovery Reinvestment Act and we are looking at ways of
14 potentially using that money for local governments beyond
15 just the shovel-ready, possibly looking at ways it can be
16 used for more programmatic-type policies. But that is an
17 evolving process and a workshop unto itself. One Eighteen
18 is a program the Energy Commission has going, with \$118
19 million over seven years to look at eligible entities for
20 innovative fuel and vehicle research and development
21 projects. Within our programs, we have the Bright Schools
22 Program, Energy Efficiency Financing Program, State Energy
23 Partnerships, all very successful programs that we have up
24 and running that are having a significant benefit in helping
25 schools and local governments on individual buildings to

1 reduce energy and to be more efficient.

2 Within PIER, a number of research projects, and we
3 hope that, from events like this, we can initiate PIER
4 research projects and get them into the PIER process,
5 projects regarding agriculture, water use, energy
6 efficiency, and PIER people will be involved in the
7 presentation today. SANDAG contract that we are currently
8 working on, the Energy Commission and the SANDAG
9 Partnership, looking at developing tool kits for local
10 governments, what has been successful in San Diego, what
11 might be available to other local governments in terms of
12 reducing greenhouse gas, energy conservation, and meeting
13 state goals. And we are also in the process of updating the
14 Energy Ware Planning Guide, which the Energy Commission
15 originally prepared 15 years ago and, at the end of this
16 year, we will be completing the update, which will bring a
17 lot of new information in to assist local governments with
18 their General Plan development and opportunities, and such.
19 And just as a side note to this, when the Energy Aware
20 Planning Guide was prepared 15 years ago, there was a
21 companion document for facility siting which we are also
22 looking at our unit working with the Transmission Corridor
23 Unit to do an update to the Energy Aware Facility Siting
24 Guide. So that, hopefully, over the next year will be
25 another tool that we will be completing and making available

1 to local governments.

2 Within the PIER process, they are doing studies
3 that will be completed in the very near future, Land
4 Entitlement Process and Incentives for Sustainable
5 Communities, a lot of good information for local
6 governments. This information will be on the Web, made
7 available to people. PIER will also work on the Energy
8 Efficient Community Development and Research Project,
9 creating planning models and tools to help develop
10 sustainable communities. And PIER in the past year has
11 completed the Energy Module of the I-Places tool, which
12 estimates and analyzes overall energy consumption and
13 emissions of building types generation technologies and
14 such, which we think will be a useful tool in terms of local
15 governments trying to quantify energy use.

16 With that said, I am very happy to welcome to our
17 panel as kind of a keynote speaker today, Mr. Steve
18 Winkelman. He is a friend of the Energy Commission and has
19 worked on projects with us; in fact, when we were developing
20 the agenda, one of the Commissioners specifically asked if
21 we could invite Mr. Winkelman to participate, and he
22 graciously did agree. I believe he is on vacation right now
23 and doing this from a cabin somewhere. But Steve has been
24 involved with the Center for Clean Air Policy and has
25 published recently, in June, *Cost-Effective Greenhouse Gas*

1 *Reductions through Smart Growth and Improved Transportation*
2 *Choices, an Economic Case for Investment of Cap-and-trade*
3 *Revenues.* Steve, are you with us?

4 MR. WINKELMAN: I am here. Can you hear me okay?

5 MR. PFANNER: The magic of technology. I am very
6 happy to have you and welcome you to present to the IEPR
7 Workshop.

8 MR. WINKELMAN: Great. Well, thank you very much,
9 Bill, and for accommodating me remotely. I am indeed on the
10 shores of Lake Michigan where last night I carefully updated
11 my slides and then sent you the wrong version. So I will go
12 from the version you have there and proceed.

13 I appreciate the opportunity to address this group
14 and, again, I do not know if we have time for Q&A here, but
15 will make myself available if there are follow-ups on
16 questions. And I will send you the updated version.

17 Real briefly, and just to double-check, you can
18 hear me okay?

19 MR. PFANNER: Great, okay. The Center for Clean
20 Air Policy, for those of you do not know, we do a couple of
21 different things, but two of the key things that we do is
22 work with government, helping them design and implement
23 climate policy solutions, and then facilitate stakeholder
24 dialogue internationally, for example, we work with the
25 climate negotiators, in the U.S. with industry, and for

1 multiple sectors, government, environmental groups, trying
2 to come up with policy solutions that really work for a
3 broad set of stakeholders. We have done a lot of work on
4 Smart Growth, vehicle and amount of travel to climate change
5 for national dialogue there, and work with a number of state
6 teams, including California.

7 Interestingly, our work on Smart Growth, where we
8 like to say what you build, where and how, has a big impact
9 on emissions, whether it is how much people drive, or how
10 buildings are designed, we also realized, in working with
11 King County in Washington, that what you build, where and
12 how, has a big impact on your vulnerability to the impacts
13 of climate change -- are you building in a flood plain that
14 is actually expected to grow? Or are you taking concerns
15 into account in creating the structure and design, for
16 example. So we say ask the climate questions when you are
17 doing things. When you are making infrastructure decisions,
18 realize that applies to both mitigation, reducing emissions,
19 as well as adaptation, response to the impacts.

20 So we have ten partners around the U.S., including
21 New York City, Chicago, Toronto, as well as L.A. and San
22 Francisco. What I am going to focus on today, as you go to
23 the next slide, are some highlights from our report on Cost-
24 effective Greenhouse Gas Reductions through Smart Growth and
25 Improved Transportation Choices, which we sometimes also

1 call Travel Efficiency. The next slide lists some of the
2 other folks who worked with us, providing input on the
3 paper, and the next slide, Slide 4, I have a lovely graph of
4 this that I will share in my other version. What is going
5 on with VMT, let's understand what is the problem we are
6 trying to address, and we have seen in the last few years
7 VMT actually flatten and start to decline in 2008, and so
8 what is going on there? Well, certainly the demographic
9 changes are part of it, the high price signals -- the high
10 price of fuel, you know, more than doubling in about a five-
11 year period had a big impact, obviously, both on people's
12 behavior and their expectation of increased fuel prices and
13 VMT function, and then, of course, the economy. So now we
14 are at a point where, well, what is going to happen? You
15 know, is VMT going to continue to grow or not? And, you
16 know, our conclusion is that unchecked VMT growth, the rapid
17 growth in VMT is really not a foregone conclusion, and that
18 policy is going to play a big role. And if you go to the
19 next slide, you can see the graph there? The graph is up?

20 MR. PFANNER: Yeah.

21 MS. KOROSSEC: Yes.

22 MR. WINKELMAN: Great. I have a California
23 version of this that I will, again, that I will send along.
24 But basically the red curve is vehicle miles of travel. I
25 am not going to go over this in great depth, but with a

1 forecast of increasing VMT at a rate similar to what
2 national and California projections show, we see that, even
3 with 55 mile per gallon Café standard, 15 percent reduction
4 in fuel greenhouse gases, that blue curve, that CO₂ curve, is
5 well above the CO₂ target. My estimate for California is
6 about 50 percent below 2005 by 2030, about where the next
7 is, so for 2035. And so, clearly, we are going to need
8 progress on all three-legged stools, like I like to say, in
9 vehicles, fuels, and travel demand. So if you go to the
10 next slide, the question is, well, will cap-and-trade -- how
11 big a role will that play? And if you look at the modeling
12 of last year's national climate build, or this year's, we
13 can see actually only a few percent impact from say, \$50 per
14 ton would top VMT only by four percent. So we are going to
15 need complimentary policies, but I am reminded, I guess if
16 we go to the next slide, of the story about the economist
17 whose daughter sees a \$20 bill on the sidewalk and he says,
18 "Honey, don't pick it up. If it were real, someone else
19 would have already picked it up." And the climate models
20 tend to assume that travel efficiency measures, Smart
21 Growth, transit oriented development, pedestrian biking,
22 travel demand management, not all of that stuff is really
23 expensive on a dollar per ton basis, and so the models
24 really do not pick it up, they do not get picked in terms of
25 reduction choices, yet empirical and model research shows

1 that the models are meant for two things, first of all,
2 real world experience in places that have actually reduced
3 VMT while growing both in population and economy, and I will
4 share some of those examples. They miss major greenhouse
5 gas benefits because, typically, this sort of analysis tends
6 to look just at transit ridership. But if you have transit
7 oriented development, that compact development around that
8 transit corridor can actually lead to shorter drive trips,
9 even for people who never get on the trains to their
10 destinations, as well as walk and bike trips, and that can
11 be two to four times the benefit. So the missing greenhouse
12 gas benefits, and then they are missing major economic
13 benefits, which I will be talking about now, if you go to
14 the next slide.

15 We are going to be going into more detail in a
16 report that is going to peer review this month, called
17 *Growing Wealthier*, a book we did last year, *Growing Cooler*:
18 -- where I was co-author -- *the Evidence of Urban*
19 *Development and Climate Change*. *Growing Wealthier* is on the
20 economic benefits of Smart Growth, and we are going to go
21 into some of those things like green infrastructure costs,
22 reduced household costs, increased local tax revenues,
23 reduced energy and water consumption, and I will share with
24 you some of those highlights today if you go to Slide 9.

25 So one of the first economic benefits is something

1 that the railroads would do, you know, in the 1850s, as
2 developers know now, is that transportation, improved
3 transportation accessibility increased land value and,
4 therefore, can attract private development. So there are a
5 few examples; in Portland, Oregon, where they spent some \$70
6 million of public money on streetcars, that helped attract
7 more than \$2 billion within two blocks of that in private
8 investment for the two blocks of that corridor; a similar
9 story in Little Rock and Tampa. And we have to be careful,
10 we cannot say this is causal, but it is setting the right
11 condition that, when you do transit-oriented development
12 well, that can lead to economic development. The next few
13 examples are on the next slide, Atlantic Station. This is
14 an infill project in Atlanta, Georgia that actually is now
15 filled out, occupied, and the initial estimates were
16 something like 30 percent reduction in VMT from the modeling
17 that EPA did, very careful detailed modeling. The initial
18 surveys show VMT reduction greater than that, if you look at
19 residents on that slide compared to the regional average.
20 And they took out about a \$200 million loan to fund the
21 project, yet expect increased local tax revenues of \$30
22 million per year, and so that is going to be more than
23 enough to pay back the initial loan, and depending on how it
24 is used, I call that a zero cost per ton, or net savings as
25 they spend that money to reinvest in transit site

1 improvements, etc.

2 The other example, local for you all, is
3 Sacramento. You are all aware, I am sure, the SACOG Blue
4 Print process. They spent, you know, some \$4 or \$5 million
5 on the scenario planning, models through public engagement,
6 and the planning models that the Commission had worked so
7 much on, three, I think, is the latest incarnation. Their
8 modeling shows that not only do they expect to save 7
9 million metric tons of CO₂ through 2050, but infrastructure
10 costs will be reduced by \$9 billion -- \$9 billion less that
11 they have to spend on infrastructure. Those avoided costs
12 more than swap the \$100 plus million increase in transit
13 operating costs, and are complimented by re-used fuel costs.
14 The punch-line for us, when you look at these broader
15 economic benefits, and especially the infrastructure costs,
16 that is savings of almost \$200 per ton CO₂. If you would go
17 to the next slide.

18 Georgia -- *McKinsey* did some analysis looking at a
19 comprehensive set of transportation policies, they show
20 economic benefits of \$400 billion over 30 years, while VMT
21 per capita would be reduced by seven percent, with
22 significant CO₂ savings that, if you run a map, comes
23 actually to \$-22,000 per ton CO₂. Clearly, what we are
24 talking about is not marginal abatement costs, but taking a
25 broader look at the economic issues that actually people and

1 policy-makers actually care about, so it makes a lot of
2 sense to consider these.

3 Portland, Oregon, I am not going to go into detail
4 here on the next slide, if you are caught up with me, 13,
5 the bicycle example? Its rail system calculation showing
6 savings of more than \$1,000 per ton of CO₂ saved, and they
7 are looking at healthcare costs which, again, a broader
8 view, but certainly an important one. And moving along to
9 Slide 14 here, paid to drive insurance, working system
10 analysis nationally, as well as for California, I think you
11 get about 8 percent of AB 32 goals from paid to drive
12 insurance, where two-thirds of households are saving an
13 average \$276.00 per year with this mileage-based insurance.
14 Next slide, 15.

15 The International Energy Agency with OECD did a
16 study that the U.S. could cut CO₂ emissions, the oil use, by
17 14 percent in the short-term, like in a year or so, and that
18 we calculated at less than \$3.00 per ton of CO₂, divided
19 measures like carpooling, telecommuting, driving if they
20 went through 55 mph speed limits, that would cost \$4 per ton
21 getting you up to two percent. If you would go to the next
22 slide, it is sort of the summary here. So we see, on the
23 high end, we are talking maybe \$40.00 per ton, which is what
24 people talk about for, you know, the low end of carbon
25 capture storage, low cost strategy, maybe \$3.00 per ton, and

1 then a whole number of strategies with net benefits. Next
2 slide. We can skip this one. If you look at -- I am on
3 Slide 18, titled "Best Practices, Measure B and C
4 Reductions." Are you there?

5 MR. PFANNER: Yeah.

6 MR. WINKELMAN: Great. Here, we see some examples
7 of real places that through -- they pull in through decades
8 of integrated transportation and land use policies, transit-
9 oriented development, that have seen VMT per capita fall
10 eight to 10 percent, well, actually in the U.S., it grew,
11 Arlington, Virginia, similar story, greater reduction borne
12 out also in their latest travel survey for the region, were
13 60 percent less than the regional average, again, focused on
14 transit-oriented development over decades. Atlantic
15 Station, I already mentioned. New York City, in recent
16 years, has the grow to population and economy through 2007,
17 when major increase in bike use, transit use, and traffic
18 falling a little bit. So, when this stuff is done well, it
19 can work. And the next slide, the modeling results, I am
20 going to skip over those, but quickly, I already mentioned
21 Sacramento, Bob Johnson's work, the new Moving Cooler Report
22 showed 20 percent reduction of VMT from a comprehensive set
23 of policies, so both measured and modeled experiences. I am
24 going to skip the slide about national reduction and go to
25 the two graphs where you see -- these are national numbers,

1 but on slide 21, here is a graphic I showed before, with
2 VMT growing at 1.4 percent for about 15 percent increase per
3 capita. The next slide, if you show a 10 percent reduction
4 per capita, you are on a path for greenhouse gas reduction.
5 So, again, I will share California versions of that slide.
6 And if you could actually cut to the slide that says slide
7 25, I will make closing comments.

8 Basically the -- we can see that travel
9 efficiency, integrated transportation and land use policies
10 can yield many economic benefits. CCAP's approach is really
11 to take what we call a "Do Measure Learned Approach." We
12 have enough evidence now to know that policies like transit-
13 oriented development can improve transportation choices, can
14 reduce greenhouse gas emissions. So the point is, now,
15 let's start to implement things that are directionally
16 correct, and let's actually measure and see what happens to
17 VMT, with fuel cells, with traffic flow, and those work, "Do
18 Measure Work", let's see where those changes happen,
19 understand why they happen, and apply those policy designs.
20 We think it is critical and a strong case we made for it, we
21 are going to need better data to actually measure these
22 impacts through our national dialogue and VMT Climate
23 policy, a set of travel recommendations that are on our
24 website, we can share with you. In the short-term, we see
25 two opportunities and actually the Energy Commission is on

1 top of one of them already, looking at retail fuel cells.
2 We think there is a real opportunity to map that down to the
3 Zip Code level, or something like that, to understand where
4 both challenges are, as well as opportunities for reduced
5 VMT, understanding which places have better travel choices,
6 and therefore reduced greenhouse gases, and the odometer
7 data that Representative -- it did not go through, but CARB
8 is now looking at odometer data from the Bureau of
9 Automotive Reclamation to see how that could be plotted out
10 again to help folks with establishing greenhouse gas
11 baselines, as well as understanding where problems and
12 opportunities are. There are federal opportunities through
13 the climate bill to get some money to support implementation
14 here right now, less than one percent, hopefully, that will
15 be increased as the Senate deliberates right now, preparing
16 their draft of the Bill, the Transportation Bill also, we
17 say, you know, ask the climate questions. We are going to
18 spend \$500 billion on transportation infrastructure, is that
19 going to help or hurt with greenhouse gas emissions, that we
20 propose on how technically in March, to take one percent of
21 that money for measurement, evaluation, research and
22 planning. We are right now in a position where it is really
23 difficult to raise money for infrastructure. Let's put even
24 greater emphasis on demand-side measures that can reduce the
25 need for more infrastructure, while saving money, if not

1 overall. So, you know, we like to say that you cannot
2 manage what you do not measure. And I also like to say you
3 do not get what you do not ask for, so there is an important
4 policy case to be made for that money to support
5 implementation and measurement, and the improved data that
6 will be necessary to make that happen, and transition to
7 doing performance-based transportation policy. Thanks for
8 your attention and for accommodating me remotely. And I
9 will turn it back to Bill.

10 MR. PFANNER: Steve, thank you so much. This was
11 an excellent overview for today's workshop. I am just going
12 to make this short here because we have to move along
13 quickly, but is there anyone that has a question for Steve
14 at this time and/or you can wait and give it to me in
15 writing and we can deal with him offline and get it
16 responded to in writing. So anyone right now? Again, I can
17 take it in writing. Why don't we get the next panel coming
18 up and, again, I will note, Steve, thank you so much, Center
19 for Clean Air Policy. The Report is *Cost-Effective*
20 *Greenhouse Gas Reduction through Smart Growth and Improved*
21 *Transportation Choices*. That is available on the Web.
22 Steve, beyond the call of duty. We really appreciate your
23 coming and joining us today, and if we do get any questions,
24 I will send them to you as e-mail and we will get that
25 responded to and published on the Web. Thank you so much.

1 MR. WINKELMAN: Thanks much, Bill.

2 MR. PFANNER: Okay, as the next panel is coming up
3 on Regional and Local Perspective, just a couple of things
4 to note. There are handouts of the agenda and we are making
5 handouts of all the PowerPoint presentations that are being
6 done today, and if they are not ready right now, they will
7 be ready later in the day. We will also make available for
8 those interested a CD of a recording of today's workshop,
9 and we will also have a transcript prepared. The transcript
10 is primarily for staff's use in trying to synthesize the
11 workshop, but it will be available for anyone who cares to
12 see it also.

13 So our panel that is joining us is the Panel on
14 Regional and Local Perspective. We have with the League of
15 California Cities, Bill Higgins, with the California State
16 Association of Counties, Cara Martinson, with the Urban Land
17 Institute, San Francisco Chapter, Jim Andrew, with SACOG,
18 Gordon Garry, and with the Institute for Local Government,
19 Steve Sanders. So the picture that I gave to this panel and
20 hope to direct them, was looking at, given new state
21 policies and directives to reduce greenhouse gas and all the
22 things that are going on in the state, what assistance do
23 local entities need and expect from the state? Now, that is
24 the framework. We are open to dialogue here. Again, I will
25 state that the direction that the IEPR's have been going is

1 looking at the local and regional, the on-the-ground hands-
2 on implementation level, what can the state's policy
3 document do to implement and facilitate that? So we will
4 start this panel with Bill Higgins, with the League of
5 California Cities.

6 MR. HIGGINS: Am I on now?

7 MR. PFANNER: Yes.

8 MR. HIGGINS: Good morning. Thank you. I am
9 trying to figure out where to start and I think where I am
10 going to start is with how everything is being framed,
11 because here is the view from the local government
12 viewpoint. Land use is our authority, not yours, as state
13 implementers, and I have not seen anything in your mission
14 statements acknowledging that point blank. What I am
15 hearing and what I have heard from people that what this
16 document wants to achieve is something really good. It is
17 something you want to give information and assistance to
18 achieve the right policy results that are consistent with
19 state goals, and you want to do that within the local
20 framework. And when I hear the people who are involved with
21 this project and this planning talk about that, and when you
22 are in one-on-one conversations, it is right. When you put
23 it into words, you do not say it in a way that local
24 officials want to hear you. You are saying it in a way
25 that, "We want to tell you how to do it." And I have not

1 seen anything in here -- it would be really great if the
2 document said, "We recognize that local agencies are the
3 decision-makers, and we will live with whatever decisions
4 that they make. What we are trying to do here is provide
5 local decision-makers with different types of information,
6 data, and policy options that they can weigh when they are
7 making that choice." I have not seen that.

8 The other thing I have not seen is a recognition
9 of the actual circumstances that local agencies find
10 themselves in right now. I think we are working with --
11 well, let me actually take a step back on that first
12 statement because Bill and I did a back and forth on this,
13 and you will find the afternoon -- I will give you an
14 example of what I mean about how the language that you use
15 is interpreted by local agencies. And it was not meant to
16 be on the final draft of today's agenda, but a preliminary
17 draft of today's agenda, entitled, "The Afternoon Session:
18 State Land Use Policy." And it remained there. It was
19 supposed to be stricken, but the fact that you folks are
20 thinking about state land use policy scares local officials
21 to death. It is not your job. And the fact that it is
22 written that way is just making sure that this document,
23 that you are going to put lots and lots of effort into, and
24 be really helpful, is going to fall on deaf ears because
25 they are not going to want a state involvement in local

1 decision-making, particularly when the state has made
2 recent budget decisions that are going to make that job much
3 more difficult. So I think you need to revisit the frame of
4 what you are trying to do and think about it in terms of how
5 local -- if what you want to do is really help local
6 officials make different decisions, then reach out to local
7 officials. I kind of object to this whole panel structure
8 because this panel should not be people from interest groups
9 here in Sacramento, you should have the Public Works
10 Director here from San Bernardino County, and somebody from
11 the City of Fresno, and somebody from the Bay Area, and say,
12 "What do you need from us to achieve these policy results?
13 What are the barriers?" I do not see that kind of outreach.
14 This one recommendation that I have made for this policy
15 process, you guys should -- if this is about helping local
16 officials, you should have a local official steering group
17 ad hoc advisory committee, let them review your drafts, let
18 them tell you what you need, but how many folks here have
19 picked up the phone and talked to a local official, saying,
20 "You know, we're doing this thing that is going to help you,
21 what do you need? What's going on there on the ground?" I
22 have not processed a project, I am not qualified here to
23 tell you what barriers they are really involved in. So I
24 think that structurally, if the IEPR is going to be
25 something that goes on and on and on, that you need to have

1 City and County officials on an ad hoc advisory committee
2 that you can interact with, get the local perspective, and
3 let this document start reflecting that relationship.
4 Sorry, but I just think that is the structure that needs to
5 happen.

6 MR. PFANNER: No apologies necessary.

7 MR. HIGGINS: So, second thing. Let's talk about
8 what some of the barriers are. And let me respond to the
9 keynote response because I think that there is a lot of
10 evidence out there that says, "If we grow a certain way, we
11 will save a lot of energy." I do not question that. But
12 let's take the Portland example that was up there. What was
13 that he referenced, 73 million got \$243 billion, whatever,
14 you know, in infrastructure cost. That is really good,
15 except that California's fiscal system is so segmented that
16 we cannot take a savings here to get gains over there. If
17 Prop. 13 and everything has to be nexus oriented, I may make
18 an investment here, but I am not going to be able to use the
19 savings I get over there to repay it, right? And so, until
20 we fix that fiscal, you know, the separation in our fiscal
21 system, that is just fiction. I cannot get that. The one
22 -- and, just while we are really on the subject -- the one
23 area of funding that local agencies have to actually do that
24 type of infill infrastructure is Redevelopment. And we just
25 took a \$2 billion hit from the state on that. We will

1 challenge it, it is illegal, but I do not know how a state
2 agency can be saying right now, "We want you to do more
3 infill," at the same time the state is taking away the major
4 tool, making insolvent many of our redevelopment agencies.
5 I mean, if you are doing the 2009 IEPR, I think that you
6 have to realize these fiscal realities. There is a property
7 tax borrow. We are making -- I know that you are a very
8 well-funded state agency, and so a lot of the budget impacts
9 are not hitting you, but our revenues are down, we are about
10 to give up more revenues this year to the state to borrow,
11 that is Constitutional, we are fine with that. Our
12 redevelopment agencies are going to take a hit, we are not
13 okay with that. We almost lost gas tax, which has all sorts
14 of issues, and we may be back to revisit that because I
15 think we will be back at more budget problems later. I do
16 not mean to be singing to you the budget woes, but if a
17 local agency is making the decision about how many police
18 officers they have to cut, or what library hours they have
19 to cut, they are not going to be so interested in doing the
20 cutting edge energy efficiency program this year. They are
21 not.

22 I do think that the infrastructure funding,
23 getting back to that issue, and this whole Portland
24 redevelopment issue, is so critical to what you want to
25 achieve. I agree that compact growth patterns, you know,

1 all the data is there, but when you look at the Portland
2 situation again, that is also infill infrastructure that has
3 what I call wrap-around infrastructure with it, right? I
4 mean, the story I like to tell is the story that I got from
5 Lynn Jacobs, the Housing Director. When she was a Planning
6 Commissioner in Ventura, they wanted to do one of those
7 Smart Growth developments on Main Street, you know, a mixed
8 use, retail ground floor, 28 affordable units on Main
9 Street, in historic Ventura, great development, revitalize
10 downtown, reduces what -- it is walkable, all that stuff.
11 Public Works Director says, "You know, this is a great idea,
12 but our sewer line was built on that and Main Street was
13 built in 1878, and it is wooden." And it won't handle the
14 flow. So let's take a look at the problem that solves. How
15 do we do that? We do Greenfield development really well
16 because, to put out that sewer line, we just charge the
17 developer an impact fee, it is all in that proportional,
18 Constitutional, and it all flows out. What happens to that
19 infill development? Well, I need to replace the entire
20 sewer line down Main Street. I cannot charge the developer
21 for that because he can only pay for his proportional share.
22 So what options do I have now? Well, I have Assessment
23 Districts, so now I need to go to the neighbor and say, "I
24 know you can flush your toilet just fine today, but we need
25 to put a bigger sewer pipe and so I can put more density

1 next to you." That is a political non-winner for us. That
2 is an example of why the fiscal structure does not work.
3 And it is not just sewer pipes. You want sidewalks for
4 people to be able to walk on, that takes money. It is about
5 having fire equipment that can make a 7th story rescue
6 instead of a second story rescue. I have a slide where I
7 have four -- a PowerPoint slide, and I do not have it with
8 me today, where I have four beautiful school girls crossing
9 the street on their way to school in an urban environment.
10 And it says, "We will solve the infill issue when families
11 are willing to locate to urban neighborhoods and let their
12 kids walk instead of being driven to a quality infill
13 school." That is wrap-around infrastructure that is feeling
14 safe in a neighborhood, and that is what we have to get to.
15 It is not just about looking at this from your energy silo
16 because the other thing that we notice at the local
17 official, we will deal, when we are talking with our energy
18 folks, and they will talk to us about the energy silo, and
19 then later this afternoon, you will hear from Linda Wheaton
20 from HCD, and when we are talking to them, they are talking
21 to us about housing and the housing silo, and those two
22 things -- sometimes what they want is not what you want.
23 And we are left to reconcile that.

24 So I have only a few minutes and I want to leave
25 some time for some of the other folks, but when we are

1 talking about what you want to do, and what I have heard in
2 talking with Bill and everything else, is you really want to
3 help local officials maybe do some different things. And I
4 think that is great. I think you need to do better
5 outreach. I think you need to incorporate with them. I
6 think you need to understand -- and through that process,
7 you know, I can tell you a couple good anecdotes today and I
8 do not think it is going to change what is in the next IEPR.
9 I think the thing that will make that document more relevant
10 is if this group figures out a way to institutionalize the
11 input of local government officials in those parts of the
12 document that are going to affect local government. It will
13 help you use the right language that will be listened to, it
14 will help you give more relevant information, and it will
15 help the document reflect the realities that the local
16 government officials are actually in, which will make the
17 document very very useful. I will give you one last
18 anecdote to leave, and that was I used to have Steve
19 Sanders' position once upon a time, before they demoted me
20 to Lobbyist, and when I was in Steve's position, I was
21 charged with -- an actually interesting twist, Steve helped
22 fund a project where I was to write the Planning
23 Commissioner Handbook, and we wrote the Planning
24 Commissioner Handbook, and if you look at our Planning
25 Commissioner Handbook, it has a bunch of what you would call

1 Smart Growth ideas in it, like it says, when you are
2 looking at a project, here are questions to ask, and the
3 questions are, you know, "Where will people walk to get to
4 the closest transit station? Where is this? Where is
5 that?" And there are a bunch of really helpful questions in
6 there. The two words that you do not find in that entire
7 document, actually they are once, and I will explain where
8 that is, are the words "Smart Growth." Smart Growth, I
9 wrote down the words "enlightened design," or subjective
10 laden words like that are words that we look for, that our
11 local officials look for, that say, "You are telling me a
12 point of view." Focus on the data. And the data points,
13 you should not be afraid of. What you guys are doing can
14 influence a lot of things. The reports that you put out are
15 going to be issues that are eventually going to find their
16 way into CEQA documents for developments, and, I mean, the
17 process of making the decision on the development project,
18 there are a lot of places for input of work data and
19 information that can influence the outcome. If you look at
20 it from that bottoms up approach, instead of thinking top
21 down, which I think the language -- I do not think you mean,
22 but sometimes the language that you use, implies, is really
23 inhibiting your ability to be effective. I will stop there.

24 MR. PFANNER: Alright, Bill. Thank you very much.
25 Excellent insight. Second panelist is Cara Martinson with

1 California State Association of Counties.

2 MS. MARTINSON: I am just trying to cool Bill off
3 here with some water. Good morning. I am Cara Martinson
4 and I am a Legislative Analyst for the California State
5 Association of Counties. And I am just going to take a step
6 back briefly and give you a little bit of background about
7 the activities that CSAC has been up to, a few things
8 counties are doing, and then some areas we see for
9 collaboration and coordination, and then touch on a few
10 points that Bill made about areas of concern.

11 CSAC has been actively engaged in climate change
12 implementation and the AB 32, SB 375 process. Back in 2007,
13 we, as an Association, adopted a very comprehensive policy
14 on climate change, and I encourage you to check out our
15 website, it is posted on there, and we also have all of our
16 letters and other correspondence as far as climate change is
17 concerned posted. In addition to this really comprehensive
18 policy, it is about 15 pages long, and we really tried to
19 mirror the sectors that are affected by climate change in
20 the Scoping Plan, to be fluid in that document. We also
21 established a climate change task force within CSAC that
22 meets on a regular basis. And it is a good group to
23 communicate with; if the Energy Commissioner or others here
24 are interested engaging, like Bill said, with local
25 officials on a one-on-one level, we definitely encourage you

1 to contact us and make an appointment to present to this
2 group.

3 I will not speak too much about SB 375 activities,
4 although we were very engaged in the negotiations and
5 crafting of this Bill, because I am a Legislative Analyst
6 for the Resources and Agriculture sector, and my counterpart
7 for Land Use was not able to be here today, but I will talk
8 a little bit about what counties are doing in the face of
9 climate change. Even before AB 32 and SB 375 were around,
10 counties were actively engaged in reducing greenhouse gases
11 and combating climate change, but under the auspices of
12 sustainability. Departments were focused on saving energy
13 and saving resources, and growing smarter, and living
14 better, and when AB 32 came around, it was a no-brainer
15 because a lot of counties had already developed whole
16 departments dedicated to sustainability issues and resource
17 conservation issues. And this has only grown with you as
18 the awareness of climate change has grown, as well. At last
19 count, I believe it was 30 and, admittedly, this was a while
20 ago. Counties have openly committed to reducing their
21 greenhouse gas emissions through an inventory and a
22 reduction goal process. We have been seeing counties
23 coordinate with ICLEE, the local governments for
24 sustainability group, CCAR, the Climate Change Action
25 Registry Group, and Steve Sanders' group, the Institute for

1 Local Government, which he will talk about their program in
2 just a minute. So counties and cities are doing great
3 things across the state, but one of the issues, and I will
4 jump forward quickly, that we see an area of concern that we
5 see with this regard is funding. As Bill mentioned, local
6 governments have taken quite a hit in this state budget and
7 we have seen in some counties planning departments and
8 public works departments facing near shutdown because of
9 these budget impacts, and this really has a dramatic effect
10 on counties and local governments' ability to be effective
11 in this area. If money and assistance is not available for
12 planning purposes, it is just not going to happen. We do
13 applaud the Energy Commission for working very closely with
14 us for laying out the guidelines for the energy efficiency
15 and conservation block grant program with the influx of ARRA
16 funding, and being open to including some language for
17 climate change planning in that pot, that is one area of
18 progress that we see. But one of the other areas of concern
19 that we have noted is that there is some conflicting
20 directives from the state level. We see a willingness to
21 work with local governments and to partner with us, but then
22 we see a lack of funding and, for example, the Williamson
23 Act Program, a prevention program which was reduced in the
24 last round of budget negotiations down to \$28 million, but
25 this has a significant impact on some of the smaller county

1 budgets, and this program is an incredible tool to provide
2 conservation and land use planning, specifically in rural
3 areas, but with the Governor's blue penciling of this
4 program, it leaves us in a hard spot. Counties would
5 wholeheartedly fund this program if they had the resources
6 available, and in a lot of instances, that is just not the
7 case. And so counties are starting to non-renew contracts,
8 and landowners will not get that tax credit, and we will see
9 where it leaves us in the next 10 years. But these are some
10 of the conflicting directives that we see at the state
11 level. We see the policy and the goals in place, but within
12 the assistance and the funding, and it leaves local
13 officials in a really difficult position. But we do see
14 some areas for communication, collaboration, and
15 coordination. As I mentioned, with the Energy Efficiency
16 and Conservation Block Grant Programs, and other technical
17 assistance and planning, funds that do become available
18 through ARRA, we see this as encouraging in these difficult
19 budget times. And as the SB 375 and the RTAC process rolls
20 out, we definitely see a tremendous need for technical
21 assistance and planning grants through that program, as
22 well.

23 I will not beat the budget drum too much more, but
24 that is definitely an area that is at the forefront of both
25 our associations, mine right now. But I think the most

1 effective thing that we see the Energy Commission doing is
2 really reaching out at the local level, and meeting with
3 folks in different localities across the state, and just
4 coming to some of our meetings, and meeting face-to-face,
5 and potentially getting together on an ad hoc advisory
6 committee, because there are a lot of willing and active
7 officials and staff people out there that would be more than
8 happy to contribute to edit some revisions. And I will
9 leave it at that.

10 MR. PFANNER: Cara, thank you so much. The next
11 panelist is Jim Andrew with the Urban Land Institute, San
12 Francisco Branch.

13 MR. ANDREW: Thanks very much, Bill, for inviting
14 me. Before I -- I have a few prepared slides, but before I
15 get into that, I want to follow up on some of the comments
16 previously made and to agree with them. I am a private land
17 use attorney, a member and volunteer with ELI on the side,
18 but do most of my work as a land use attorney for private
19 clients. And to follow on Bill's point, I think the most
20 important thing you could do and to come out of this is come
21 down and actually spend some time with local government
22 folks who actually get these projects done, and developers.
23 At the end of the day, it is local government and City
24 Council Chamber, and working up to that, and the developers
25 which have to sit down and figure out how to get infill

1 development done. That is where the rubber meets the road,
2 and unless you understand exactly what the issues are, and
3 the barriers are, and the difficulties are of doing that,
4 and all the different inputs and issues that the local
5 government has to deal with in terms of infrastructure,
6 which Bill mentioned, and in the long laundry list of
7 regulatory approvals that developers have to get to do their
8 projects, and the complications that that entails, the risks
9 that that entails, the cost that that entails, until you
10 understand all of those inputs, you -- and because the
11 rubber meets the road there, you do not really understand
12 how all the other state policies that influence all those
13 decisions actually will or will not allow infill development
14 to happen in a way that actually will attract people and
15 lower greenhouse gas emissions. So I think that is the most
16 important thing, is to understand that, as well, because
17 without that, you really are sort of operating in a vacuum
18 as to how these policies eventually have any impact. They
19 sound good when there are lots of statistics and the like,
20 but you actually, I think, filter it down to, you know,
21 folks actually sitting in front of a big spreadsheet trying
22 to figure out if a project pencils and what the government
23 is doing in negotiations, and deals with how you are going
24 to partner with them to actually get something done. So I
25 cannot emphasize that enough and I agree with Bill on that

1 point.

2 And to be a little bit flip for a minute, you
3 know, and to follow-up on Cara's point, the City of Petaluma
4 actually recently just laid off its entire planning
5 department, and you cannot plan for infill development and
6 go over greenhouse gas emissions with no planners. So, you
7 know, come and spend some time at the local level and with
8 development folks like myself and my clients. So like I
9 said, I am here as a volunteer. I am a member of ELI, am
10 co-chair of their Sustainability Committee and the ELI
11 District Council, next slide. Just a quick little bit about
12 the Land Institute. It is a worldwide organization, it has
13 been around some 70 years with 34,000 members across the
14 globe, 2,100 in the Bay Area. Our mission is to -- you can
15 see there -- provide leadership and responsible use of land
16 in creating sustaining, thriving communities worldwide. You
17 know, in the Bay Area, we are about trying to figure out how
18 to get infill development done. We see ourselves as a
19 convener of all of the different disciplines, both private
20 and public, that actually have to come together to make
21 development work, and we do it on a basis of information and
22 convening, rather than lobbying and advocacy, and we are a
23 501(c)(3) that really sees our job as trying to get
24 everybody together to figure out how to get this done well.

25 Okay, I am going to focus in the five or ten

1 minutes that I have on infill development. This is the
2 focus of this panel today, and this whole workshop today,
3 Steve Winkelman's comments touched on, that it is becoming
4 pretty obvious that that is part of the solution to combat
5 climate change, more of it is likely to be called for in all
6 of the sustainable community strategies that are developed,
7 certainly the one in the Bay Area will call for more infill
8 development. But infill development, as we sort of touched
9 on, and I may go into a little bit more depth, is very very
10 hard and it is very costly. Next slide.

11 So, help! How do we do it? I am going to focus
12 on three things, and some of these have already been said,
13 money for planning, tax increment financing, expansion, and
14 easing of the entitlement risk. Next slide. So money for
15 planning. One of the difficulties of doing infill
16 development, and I do not think Steve Winkelman's slides
17 touch on, is that it is not as difficult to do broad areas,
18 you know, station area transit oriented development type
19 planning where, you know, all the parcels are in one
20 ownership, either it is a former military base, or the City
21 somehow has acquired the land to be developed, and the like,
22 and so you can plan it as one big master plan, you know, if
23 it developer owned, the City can say, "Hey, cough up the
24 money to do all the planning," which can be a couple million
25 bucks to do a large plan. But in a lot of infill

1 development areas, most of them, in fact, where the SB 375
2 and a lot of places are calling for more development, it is
3 a whole bunch of different property owners. And getting
4 them at the front end, when you go to them and you say,
5 "Well, you know, can you give me fifty thousand bucks, you
6 know, you are one of 50 property owners, can you give me
7 fifty thousand bucks to fund some planning?" And they say,
8 "Well, am I going to get some density out of this at the end
9 of the day?" "Well, I'm not really sure. Your neighbor
10 across the street may get it, but you're just going to have
11 to trust us that you might get something." I mean, it just
12 does not work. I mean, there is a situation going on in
13 downtown San Francisco that is exactly that situation, and
14 it is just not happening. And so the solution is that the
15 government has to do it, but they do not have money. The
16 local government does not have money and it is the local
17 government that has to do it. So it cannot be emphasized
18 enough that it is good advance planning that really can only
19 be done by the government, is the key to this. And the key
20 to that is money. And I think Steve Winkelman touched on
21 it, I think it is more likely to come out of the Federal
22 Government, but that is really not what we are doing here
23 today. But that needs to happen. You know, and just a
24 couple of options or ideas, at least, maybe a revolving loan
25 fund, you know, Steve Winkelman's slides touched on that,

1 when you do infill development, you do the plan, and you
2 spend the money up front, it results in increased property
3 tax values at the back end, you take a tax increment,
4 financing of tax increments from that, and you pay back the
5 fund. So that is one way to do it so that it is not just
6 continual money going out the door, that sometimes you are
7 getting the money coming back in.

8 You know, an idea I have is tying that money, or
9 the idea of tying that money to what I call, you know,
10 really deep planning, meaning doing stationary plans,
11 specific plans, community plans that are really detailed,
12 that have really tight implementation procedures, so that
13 once the government and local government does that planning,
14 and a property owner or developer comes in the door and
15 says, "Alright, hey, I want to do exactly what you call for
16 in your plan, exactly what you call for, I want to do it,"
17 they should be able to just come in and pull a permit and
18 go. And a lot of plans that spend a lot of money doing
19 these broad specific plans and the like that do not go far
20 enough and so a developer comes in the door and wants to do
21 largely what the plan calls for, and they still have to go
22 through a CEQA EIR, and they have to face referendum
23 challenges, and all sorts of things, and so the planning
24 document really did very little, where, as of the front end,
25 they had to take another 20 percent and really nail down

1 exactly what it takes when you walk in the door to get your
2 permit, it would have saved a lot and will much more likely
3 lead to the actual development of what the plan calls for.

4 Next slide.

5 So the second tool is, you know, expand tax
6 increment financing, and the sewer example is -- I could not
7 have said it better, the wooden sewer, it is a perfect
8 example. This infill development is hard. And one thing
9 that Bill did not touch on is, "Oh, by the way, that pipe is
10 actually under a street that has people driving on it every
11 day," you know, that is complicated too. How do you
12 actually do that? Where do you route the traffic? It is
13 just difficult. It is expensive. The tax increment and
14 financing is really limited to redevelopment now, you know,
15 but the ability to actually find blight is a tougher thing
16 to find, maybe you can challenge it in court. We just need
17 to have tax increment financing for infill, period. You
18 know, with few limitations on it. You are basically just
19 creating value and you take that value that you have created
20 and you fund the infill infrastructure. And again, the
21 other point that Bill made is, to do this well, I mean,
22 Bill's point was perfect, it is like until a family can move
23 in downtown, let their kid walk across the street, and be
24 able to walk to the park and let their kid play there, this
25 is not going to happen. And so it is not only just building

1 new sewers, it is doing broad area planning that says,
2 "Hey, look, you know, we need an actual playground over
3 there so people can actually go over there and feel
4 comfortable with their kids." You know, that is expensive,
5 too. But it takes broad area planning to figure out where
6 is the park going to go, and where is the new four-story
7 great little housing going to go, and where is the small
8 grocery store going to go. I mean, you have to do that and
9 the only people that can do that is the local government
10 because, like I said before, there are too many different
11 parcel owners. Next.

12 Easing entitlement risk. You know, I am a land
13 use lawyer and my clients have to face this issue of
14 entitlement risk, which is, you know, by coming to the door
15 after a plan, I can still get held up in court for two and a
16 half years, and CEQA, you know, because of some claim that
17 it is a historic building, that it was already dealt with in
18 a specific plan before me. You know, that is a problem.
19 And as I say, I heard once somebody say, the only profession
20 riskier than a professional Las Vegas gambler is a
21 developer, and it is true. And for them, the longer they
22 have to plan for an entitlement risk, and going through the
23 court process, the more expensive they are going to have to
24 charge at the end of the day for their house that they
25 built, or the condos that they build, to compensate for the

1 time and the risk that they had to take, so faster is
2 better. I like to say you do all the great planning up
3 front with government planning money, you know, have all the
4 local neighborhood input, and have them drawn out, war, and
5 sue, and do all the stuff that you need to do at the front
6 end, but once it is over, and once either a court, or
7 through negotiations, the local government and the community
8 decides what they want, you know, game over. Now it is time
9 to actually do it. Next slide. Oh, that is it.

10 MR. PFANNER: Great, excellent. Thank you so
11 much, Jim. Next, we have with SACOG, Gordon Garry.

12 MR. GARRY: Thanks, Bill. I am not quite sure
13 where to start anymore. So let me back up a little bit and
14 first agree with the previous speakers. I mean, the crisis
15 that local government -- and not only local government, but
16 the state population is in is very dramatic. And I think it
17 is a game changer. I mean, one of the things that we all
18 need to get used to is looking at the past to make the best
19 guess on the future is probably less of a good idea now than
20 it ever has been in our lifetime. So we have to think about
21 how to move ahead, not just depend on the past actions and
22 past habits. And so that is what -- it is sort of one of
23 the things that we have been trying to do at SACOG is think
24 about how we want to build our regional community, and a
25 blueprint based around what do we want, not what are we

1 trending towards. And in doing that, you know, you start
2 to ask more questions and have fewer assumptions, all of
3 which leads to you need more information, you need better
4 partnership, you need better analysis, and so let me just
5 focus the rest of my few minutes here on the Energy
6 Commission and its mission because, while I agree with a lot
7 of the prior analysis of the issue, a lot of the state
8 actions that we referred to are really outside of the Energy
9 Commission's purview, and talk about CEQA relief, and I do
10 not -- unless things changed this morning, I do not think
11 CEQA is part of the Energy Commission. And just recognizing
12 that state government is not a monolith, and probably has
13 not been since, I don't know, the Magna Carta? That there
14 are not only interest groups in private sectors, in public
15 sectors there are interest groups across state agencies.
16 And so, you know, each agency has its mission, and it has
17 its actions, which leads to kind of one of my -- really my
18 bottom line recommendation, which is partnership. And
19 partnership across state agencies. And partnerships between
20 state agencies. And partnerships from state agencies to
21 both up to federal and down to local agencies. And also
22 partnerships to people you otherwise deal with, like the
23 utility industry. That is really important both for
24 decision making, as well as the means to get to decision
25 making, which is one of the things that has been mentioned

1 several times, which is you need good information. You
2 need good data about what is actually going on, you need to
3 have as good of a way to look into the future as you can,
4 whether that is forecasting models, or whether that is
5 informed expert panels, or Delphi groups, or whatever
6 mechanism is appropriate, or whatever combination of
7 mechanisms is appropriate. For example, right now there are
8 multiple ways in which different agencies and different
9 groups come to how much travel is actually going on, how
10 many vehicle miles traveled, or going on, in any geography,
11 say in the state of California, over any time period, and
12 that involves forecasting that is different, there are just
13 different ways that all is done. And the numbers are pretty
14 wide ranging because they are developed by, you know, for a
15 particular purpose, for a particular mission by a
16 particular agency. That is one of the partnerships that I
17 think the Energy Commission really could focus on is more
18 cooperation in those kind of basic metrics on both
19 monitoring, as well as looking into the future. And I know
20 that is already going on to some degree, and not only will
21 it help if there is a consistent sort of picture broadly
22 about where we think we are going and where the main
23 determinants of it, but also lessons, some kind of
24 disagreement about, "Well, my numbers are better than your
25 numbers." And the other part is, all of this is really

1 expensive. I mean, if we can figure out a way to not only
2 cooperate, but cooperate in a cost-effective manner, then
3 the individual costs go down and the quality goes up. But
4 that requires sort of the other piece of the thing that is
5 most -- the thing that is often in short supply and is also
6 very expensive, which is cooperation. People not only need
7 to get out of their silos, they need to not start from the
8 assumption that their agenda is the only agenda there is,
9 that partnerships are about partnerships, are about
10 sometimes compromise, and they are thinking about, "How do
11 you think about your mission in the context of other
12 things," and like about Bill Higgins' comments, is the
13 examples he provided about people thinking outside the
14 silos, and you need to think about that because you do not
15 actually make ever one decision, you make a decision that
16 has consequences across a range of things, like all of his
17 examples actually are pretty good cases for why Steve
18 Winkelman's proposal about use of the cap-and-trade is
19 actually a damned good investment, is that if that would
20 actually happen, those cap-and-trade revenues do come to
21 this kind of integrated approach, there are multiple
22 benefits to it across not only energy, but all kinds of
23 sectors of city, and county, both government as well as in
24 county life for our residents, and for our population, and
25 for our economy. So I think that Steve Winkelman's analysis

1 actually makes a pretty good case and can be shown that it
2 is a very good investment, apart even beyond the examples
3 that he sited. I think there is a range of co-benefits that
4 do occur. But, again, you have to do the work as
5 efficiently as possible in order to get to that framework in
6 the first place.

7 Let me just talk about two more little things, one
8 is SB 375. SACOG is in the midst of that whole discussion
9 with the regional targets. The advisory committee, my boss
10 is the chair of that committee, they are moving forward.
11 They have got now about six weeks left to finish their
12 methodology report, but the Air Resources Board is being
13 very cooperative in sort of a continuing role for at least
14 that set of actors and the discussion that goes along with
15 it, as the targets, and move from a draft methodology, which
16 is what our tech is doing to a final methodology to targets,
17 to testing those targets, and all the MPOs and all the
18 regions have the opportunity to propose their own targets,
19 so the discussion is going to continue. And then the other
20 part that -- one thing that has come out of that is we have
21 done some surveying across the MPOs about what are their
22 analytical capabilities now, what information do they have,
23 what do they make decisions with now, which we show a range
24 of capabilities. We hope there is some relief to that. I
25 think maybe with some of this property forum coming around,

1 there is a chance for that actually to happen, so there is
2 an opportunity to do some joint work and some cooperative
3 work that really makes an overall benefit. And so that
4 greenhouse gas targets plays out into regional
5 transportation plans and the land use plans that underpin
6 those regional transportation plans that come from the
7 cities and counties. I think there is some momentum that is
8 going on in that venue, and I think the discussion is really
9 going very well, despite some of the hiccups that
10 occasionally happen in those negotiations. The other piece
11 that SACOG as a council of government, as opposed to a
12 transportation agency, is involved with, is working with our
13 cities and counties on climate action plans, and it is not
14 just the cities and counties, but we are trying to also
15 engage all the climate and ultimately energy sectors of our
16 regional economy, primarily the utilities, but others, as
17 well, about climate action plans that are both individually
18 designed and implemented, but cooperatively designed and
19 implemented, so we can take advantages of scale across
20 cities and counties, from the biggest City of Sacramento
21 down to the City of Isleton which has 880 people or so, so
22 that everybody can make some use of that overall initiative,
23 and everybody can make good decisions by sharing
24 information, by sharing methodology, and in a lot of cases
25 by agencies like SACOG, willing to work as conveners and to

1 work as technical staff, and to help facilitate those sort
2 of individual decisions which, again, is one of the
3 foundations of what the blueprint planning is really all
4 about, is local decisions, but within a regional
5 communications and a regional dialogue. Anyway, with that,
6 I think I will stop.

7 MR. PFANNER: Thank you very much. And our final
8 panelist is Steve Sanders with the Institute for Local
9 Government.

10 MR. SANDERS: Thanks. So I noticed that it is
11 10:20. This goes until 11:00?

12 MR. PFANNER: Quarter until 11.

13 MR. SANDERS: Okay. So I will try to do this in
14 10 minutes so we have some time for questions.

15 MR. PFANNER: That would be wonderful. Thank you.

16 MR. SANDERS: Or I could take the whole half hour.
17 So as Bill mentioned, I am with the Institute for Local
18 Government. If you would go to the next slide? So ILG, we
19 have been around for a long time, but I would say in the
20 last 10 years, the Institute has become more of an active
21 presence, and essentially what we are is a research and
22 education arm of the cities and counties, through
23 associations. And so what we try to do is reflect and
24 understand the education and research needs of those, as our
25 clients, and then try to be a little ahead of the curve so

1 that we are actually prepared to provide information when
2 people start asking questions about, "Gee, what do I do
3 about this problem, or this issue?" Next slide.

4 We have six major program areas. You see them
5 here. Three of those are highlighted, and the reason they
6 are is that these three areas are working together on the
7 broad set of issues related to climate change. So we have a
8 California Climate Act Network, we have a Collaborative
9 Governance Initiative, which deals essentially with other
10 participation, and civic engagement, and then the Land Use
11 and Environment Program, which I direct. And so my
12 counterparts that direct those two other programs and I work
13 together in trying to address the issues that are sort of
14 the focal point of what your workshop is about today. Next
15 slide.

16 In the climate area, we would see what you are
17 talking about today as sort of the subset of this broad
18 topic. We have a climate program. We have identified 10
19 sort of areas where local government, cities, and counties
20 can exercise leadership, and have been exercising
21 leadership. As Cara mentioned, counties are doing a lot,
22 cities are doing a lot, as well. And so when we set out
23 about three years ago to try to figure out, "Gee, what is it
24 that local governments can or might want to be doing," we
25 kind of looked at the field and figured out these are kind

1 of the areas where policies, programs, activities are
2 underway. And with respect to the general topic you are
3 talking about today, if you see there is land use and
4 community design, efficient transportation, and promoting
5 community and individual action. Those are probably the
6 most relevant for the very specific set of issues around SB
7 375, for example. Next slide.

8 Why should local governments care about this?

9 Well, obviously local officials, whether they are elected,
10 or appointed, want to solve problems for their communities,
11 but they are also trying to be reflective of what their
12 residents want, and so here are some survey results from
13 last year. And as you can see, half the California adult
14 population thinks local government is not doing enough, or
15 at least a year ago was not doing enough to deal with global
16 warming, and that is across the board, and it does not vary
17 a whole lot by region. It is 49 percent in the Central
18 Valley, it is 58 percent in Los Angeles, but a significant
19 part of the public wants local government to play a
20 leadership role, which is why our program exists. And local
21 officials are the folks who, you know, show up at our
22 supermarket, or whatever, and so they hear this stuff very
23 directly. Next slide.

24 The state would like the local governments to be
25 involved in climate change, as well. There is a voluntary

1 50 percent greenhouse gas reduction goal in the Scoping
2 Plan, and we are trying to provide assistance for local
3 officials as they make a series of decisions to support
4 achieving that goal. We offer best practices, we do
5 information sharing and peer networking because we are very
6 closely aligned, we believe, in CSAC, and we have their
7 networks available to us, and we are developing a
8 recognition program so that there are some kudos for doing
9 the right thing because, in some cases, you may not have the
10 money or the resources to do as much as you would like, and
11 so it is nice to get at least some recognition for it. The
12 very important word that is on here is the second word,
13 which is "voluntary." And I think I do not need to repeat
14 what Bill had to say, but the fact of the matter is that
15 there is a limited capability on the part of the state as a
16 governmental set of institutions to mandate local actions
17 when local officials are acting in their capacity as local
18 decision-makers. Now, there are certain capacities where
19 you can -- recycling programs and goals, or if you have got
20 a landfill and you operate it as a local government. There
21 are obviously areas where there are very direct sorts of
22 areas where state mandatory goals or programs would apply to
23 local government like they would apply to others, but this
24 intergovernmental relationship, I think, is an important one
25 to understand. Next slide.

1 So our best practices, we sell them in a number
2 of ways. And I learned from Bill's example after he left
3 ILG and went upstairs, even though he thought it was a
4 demotion, he has a window in that office, so... So we sell
5 it as waste to produce energy, save money, it is good
6 government, it is good planning, it saves resources and, oh,
7 by the way, next slide, it also reduces greenhouse gas
8 emissions both in your own facilities and in your community,
9 and it demonstrates that cities and counties can lead by
10 example. Next slide.

11 So we have sort of three principals that we apply
12 to our best practices. They need to be flexible, to fit the
13 local circumstances. Some cities have large fleets, some do
14 not. Some counties have tremendous opportunities for
15 biomass conversions, others do not. And so the specific
16 best practices that apply to them need to be flexible, and
17 we need to sort of cover the gamut and allow local officials
18 to tailor it to their circumstances. In that case, one size
19 does not fit all. And third, what we are really trying to
20 do is encourage local creativity and action. We do not want
21 local officials to feel like they need to fold their arms
22 and wait for the state or the federal government to say,
23 "Please get active in this area." And, as a matter of fact,
24 cities and counties have been leading both in California and
25 nationwide, and actually worldwide, in terms of governmental

1 action related to climate change.

2 And in this last point under there, local decision
3 makers play a key role. Next slide. And that is one of the
4 reasons we are doing partnerships with other state agencies,
5 because there is a recognition on the part of the state that
6 you can work collaboratively, and then there are some areas
7 where local officials have independent authority that can be
8 informed by what the state does, but cannot be directed by
9 what the state does. And so, for example, we are working
10 with the Air Resources Board and, I guess, the soon to be
11 dismantled and remantled Integrated Waste Management Board
12 on expanding our best practices in these five areas here,
13 civic engagement, land use, transportation, green building,
14 waste reduction, and recycling. Three of those five are
15 directly related to SB 375, as I mentioned before. Next
16 slide.

17 So we sort of three years ago said, "Gee, this is
18 something that people are going to be interested in, it
19 would be kind of neat to get prepared, and then, last year,
20 following the successful efforts to pass SB 375, we do not
21 do policy, but we do do implementation. And so, with both
22 the League and CSAC supporting the passage and signing of SB
23 375, we are now in the role of assisting local officials in
24 implementation of that. And so these are the activities
25 that we have underway. We are doing publications and tools,

1 we are doing a Web portal, added resources on the Web, we
2 are developing and educating local leadership on
3 implementation, and we will be talking for just a second
4 about that. A lot of the process under SB 375 is very much
5 focused and frontloaded on what the state itself is going to
6 do and require, and its relationship with the regional
7 agencies. And so if you look at the RTAC, it is about what
8 methodology is going to be used to set regional greenhouse
9 emissions goals. And there is a lot going on back and forth
10 about what kind of regional models work best, and how does
11 that work and how do we standardize that. And then there is
12 ARB as the first among equals -- all are equal, but some are
13 more equal than others in terms of state agencies --
14 working with the other state agencies to figure out through
15 the state's climate interagency working group and also the
16 strategic growth council efforts, what should the state be
17 doing to sort of harmonize its own efforts to foster
18 implementation. And we are trying to be ahead of that by
19 realizing that is all very fine and important, and that
20 needs to be done, but at the end of the day, the actual
21 people making decisions that will determine whether SB 375
22 actually achieves its goals are local officials, and they
23 will be doing that in two capacities. They will be doing
24 that as the governing bodies of regional agencies, who
25 determine what that sustainable community strategy is, and

1 vote it up or down, and determine what work plans the staff
2 works on and what role the MPO is going to play vis a vis
3 the localities at the state and other MPOs; and, even more
4 fundamentally important over time since we are looking at
5 land use and community design, and transportation, which
6 have enormous impacts on greenhouse gas, but long lead time,
7 that a series of thousands and thousands of decisions that
8 get made on a daily, weekly, and annual basis, that will be
9 in some sense aligned with whatever that regional vision is,
10 and so there is not a lot of place right now for educating
11 and developing leadership amongst that group of folks, but
12 they are the fundamental decision makers, and so we are
13 trying to focus on that lead, Bill, and others to sort of
14 argue about what the RTAC should be doing, but recognize
15 that at some point there will be a goal, there will be a
16 process, there will be a way that regions go about doing
17 this, and that local officials need to be able to be
18 constructively engaged in that. Next slide.

19 So the question that was asked here was, "Given a
20 new state policy to reduce greenhouse gases, what assistance
21 do local entities need and expect from the state?" And so I
22 tried to anticipate recognizing that we are in an
23 extraordinarily fiscally constrained environment, and one in
24 which the potential for great strains between local and
25 state decision makers is high, that there might be -- what

1 are some near term things that the state could do that
2 would be supportive of our implementation curves? Well,
3 there is planning, technical assistance, and grants. There
4 is a Strategic Growth Council, at least there will be in
5 December, there is the House of Planning and Research, and
6 there are significant state funds available for planning for
7 implementation, for either local or regional agencies
8 through Prop. 84, and no criteria right now as to how those
9 will be developed. And so, in the short term, having that
10 process that the state uses to figure out with this limited
11 assistance how best to create the environment that leads to
12 constructive local engagement is important. Secondly,
13 strategic investments that are aligned with SB 375 and with
14 the AB 857 priorities and state law, and that essentially is
15 a big task for the Strategic Growth Council, for the
16 Governor's Office, for individual state agencies, because
17 the history of consistent and harmonious state planning and
18 investment is probably remarkable by the absence of a number
19 of examples that you can point to, so I think there are
20 opportunities with SB 375, and with the Strategic Growth
21 Council to do a better job of aligning state investments so
22 that they lead toward more sustainable communities. So that
23 is a big task on the part of state government, which would
24 assist local agencies in doing things like alleviating
25 inadequate infrastructure for infill development, for

1 example. And then, more specifically, in the very near
2 term, and a lower price tag, research and education. And
3 these are the things that, as we scan the environment, are
4 areas where we ourselves believe local officials could use
5 some information and we are trying to figure out how best to
6 learn and provide it. One is there has been a tremendous
7 experiment in blueprint planning over the last five years,
8 you know, the folks at the state know it and they talk about
9 it, but it is not necessarily widely known or shared, it has
10 not been assessed and analyzed to the degree it could, and
11 it certainly has not been translated for local officials so
12 that they understand, "Gee, what are the best ways to go
13 about doing this? What is the importance of a vision? How
14 do you do it? What tools are available? How do you
15 actually get the public engaged constructively? What are
16 the best mechanisms to do that?" We would like to be able
17 to provide that, but right now there is not a lot of
18 research that has been done so we could draw those lessons
19 out. Second is, what are the best practices for public
20 participation? And one of the things that I think makes the
21 blueprint strong, or useful, is that they had such extensive
22 public participation compared to most regional planning
23 exercises. What worked, what did not? That is going to be
24 really important if you are a local official and you are
25 sitting on a regional agency board, and your staff is coming

1 and saying, "Here's our plan for public participation."
2 That should be an informed decision the part of the local
3 official, who assessed, you know, "They tried this here,
4 they tried that there, what about those ideas? Why wouldn't
5 that work here, as well?" And the third thing is
6 documenting and sharing what the actual effective local
7 strategies are that lead to greenhouse gas reductions. So
8 with that, I think -- is there one more slide? Yes, there
9 is our website. I invite you to come look at the material
10 we have on climate change. And we are hoping that the
11 Energy Commission would be another potential partner that we
12 could work with to provide the kind of information that I
13 think local officials will need and want as they implement
14 AB 32 and SB 375. Thanks.

15 MR. PFANNER: Great, Steve. Thank you so much.
16 We have got about 10 minutes here for any questions or
17 comments. If anyone in the audience would like to come up
18 to the microphone here, please state your name and spell it
19 for the record, and Kevin can check and see if we have any
20 text messages coming in.

21 COMMISSIONER BYRON: Mr. Pfanner, if it is alright
22 with you, Commissioners are relegated to the audience at
23 staff workshops, I would like to just make a short
24 acknowledgement of what I heard here this morning because I
25 think it is very valuable.

1 MR. PFANNER: Excellent.

2 COMMISSIONER BYRON: And I would like to thank the
3 panel for your comments, and I am sorry about my back being
4 towards the rest of you, but my comments are to everyone,
5 the gentlemen and Ms. Martinson, and Ms. Martinson, the
6 water issue, I did that the first time, all over computer
7 screens and.... You know, the IEPR, I chaired the Integrated
8 Energy Policy Report this year and the last year and, as you
9 know, we take on an awful lot of issues in that document.
10 And I would say, although we do try and write it for
11 everyone, it really is not written for you. To a great
12 extent, it is written for the Legislature and the Governor's
13 Office, trying to indicate to them the important priorities
14 around energy that we need to address. It is not written
15 for you, you understand these key issues with regard to
16 climate change and the effects on your cities and counties.
17 You know, I come from a small city in the Bay Area, and I
18 have not been there for two or three weeks, but I hope to
19 get back most weekends, and you know, my wife was on the
20 local school board, and my dad ran the building department
21 in my home town, so I understand the importance of small
22 cities and towns, and I understand your anger directed
23 towards, shall we say, Sacramento right now. And it is not
24 misplaced, I have a great deal of anger, as well. My agency
25 has been greatly affected as a result of this,

1 unnecessarily, by the way, as Mr. Higgins indicated, we are
2 well funded because we are not funded through the budget,
3 the General Fund. Nevertheless, the Legislature and the
4 Governor have looked for funds wherever they can find them,
5 and the employees of this agency have been significantly
6 affected, personally, as well as the funding. So I share
7 your angst. The Legislature continues to write laws that
8 require us to do certain things and they do not give us
9 necessarily the resources to do the job, either. So our
10 staff is stressed, significantly, and stretched
11 significantly -- stressed and stretched significantly. And
12 so I share your concern about that and I do not think we
13 really acknowledge how much this budget process that we have
14 just been through, and perhaps will go through again here in
15 the not too distant future, affects our locals -- let's say
16 our cities and counties -- throughout the state. So I just
17 want to acknowledge that, first of all. And we certainly
18 share your concern. But what we are most interested in, and
19 the reason that we actually delayed this workshop, is to try
20 and get more closely coordinated with the local agencies and
21 organizations. And I do appreciate your comments. We do
22 need to work more closely with you, to the extent that we
23 have the staff and the ability to do so. There was one
24 slide Mr. Pfanner put up, I am not sure you understood the
25 significance of it, land use does not have its own place

1 here at the Commission, he cuts across many different
2 aspects because energy itself really does not have any --
3 how can I say this -- it touches land in everything, but it
4 does not have its own -- I am reluctant to say this -- silo
5 here at the Energy Commission. So we definitely need your
6 input and cooperation and coordination. And I got the
7 message, we need to walk a mile in your shoes, but your
8 shoes hurt. And I certainly am getting that message today,
9 as well. Ours are not feeling too good right now either.
10 Enough about that. As I said, you are experts and so we
11 need your help, we cannot even think about beginning to
12 implement these policies that we are trying to indicate to
13 the Legislature and the Governor without your involvement
14 and participation. We do not have control over land, and we
15 need to acknowledge that right up front. But I hope that we
16 can agree, we are trying to address some really big issues
17 here, mainly climate change. And that is the predominant
18 lens by which we look at energy now on everything that we do
19 here at the Energy Commission. We still try to keep the
20 lights on, we are still trying to maintain a level of
21 reliability that is acceptable to a first world country, but
22 in order to address climate change, there are going to be a
23 number of significant impacts throughout the state. And
24 that is the job that we are charged with here at the Energy
25 Commission. And we need your help to address this issue at

1 the local level. We cannot fix it at the local level, we
2 are counting on you to do so. So it is not a great time, I
3 think, in government, in general, in the state. And I do
4 not have any great solution for that, except that I can tell
5 you that, having been here about three years now, we have an
6 extremely dedicated staff, except to the extent that many of
7 them now are working less, getting paid less, and some of
8 them will no doubt be taking early retirement and we will be
9 working hard to fill those positions, as well. We will
10 continue to reach out and work closely with you. I do want
11 to solicit your input, but we also have a schedule that we
12 have to meet to get this document done. And I apologize,
13 this is an important workshop, one of I think about 40 that
14 we are doing between around May of this year through the end
15 of this month. So I will stop there. I do welcome
16 additional thoughts and input and we should open it up to
17 more questions, Mr. Pfanner.

18 MR. PFANNER: Thank you, Commissioner Byron. Is
19 there anyone in the audience that would like to ask a
20 question or would like to make a comment at this time? We
21 will look to the WebEx? Okay, well, if that is -- this
22 panel was not meant to be a love fest, and it was not, but I
23 will comment what an outstanding panel we had, and how much
24 I appreciate the time that you took to participate in this
25 today, and just so you know what happens, this information,

1 staff will incorporate into a White Paper, responding to
2 the Scoping Order comments made here, and it will then be
3 into the draft document which will be sent out to everyone.
4 So let's take a 15-minute break, there is coffee on the
5 second floor, restrooms over here, and we will start up at
6 11:00 with the private perspective panel. Thank you very
7 much.

8 [Off the record at 10:45 a.m.]

9 [Back on the record at 11:05 a.m.]

10 MR. PFANNER: We will convene. The 11:00 panel is
11 a private sector perspective. What opportunities and
12 constraints does the private sector face in planning and
13 implementation of projects that use less energy and reduce
14 vehicle miles traveled? And we are very excited to have
15 this panel because, not only does the Energy Commission and
16 state agencies not have that much interface with local and
17 regional governments, but we would say the same thing about
18 the private sector. And the Committee identified this as an
19 area that we wanted to include in the dialogue, and we have
20 developed a panel today, Steve Frisch, with the Sierra
21 Business Council, Paul Johnson with the San Joaquin Valley
22 Clean Energy Organization, Judy Robinson with Sacramento
23 County Redevelopment, Michelle Rodriguez, American Planning
24 Association, California Board, and Doug Newman online with
25 the National Energy Center for Sustainable Communities. So

1 why don't we start with Steve.

2 MR. FRISCH: Great. Well, thank you for this
3 opportunity to talk about this issue. It is something that
4 our organization has been watching for a long time and we
5 are really very interested in. My name is Steve Frisch, I
6 am the President of the Sierra Business Council. We are a
7 regional 501(c)(3) business-based organization. We are
8 based in Truckee, California, and we have about 800 members.
9 Probably 80-90 percent of our membership are private
10 businesses working to implement sustainability within the
11 Sierra Nevada. We are a different sort of business
12 organization in that sense that the founding mission of our
13 organization originally was to kind of collect together
14 businesses that were interested in long-term sustainability
15 of the region, and we started that effort in 1994. We cover
16 the entire Sierra Nevada range, which is roughly portions of
17 20 counties in California, but the core Sierra Nevada region
18 that we work in is about 15 counties at the Sierra Nevada,
19 ranging from Kern County in the South, to Lassen County in
20 the North. And we work in four primary areas: Leadership
21 Development, we very early recognized that leadership within
22 the business community around these issues was particularly
23 important, and we have trained leaders in collaborative
24 process management for the last 15 years, and graduated
25 about 350 business leaders from a collaborative process

1 training school over that period of time. We also work on
2 environmental initiatives, and we have been very active in
3 ranch land, farm land, working landscape preservation within
4 the Sierra Nevada, recognizing the link between rural
5 economies and the resource base. We work extensively on
6 community planning issues, including General Plan updates,
7 specific plans, policy initiatives within the Sierra Nevada,
8 and we have definitely done quite a bit of work around the
9 kind of development of new General Plan policies within the
10 region to try to deal with some of these sustainability
11 issues. And then we also work very closely with sustainable
12 business practices within the region, and that includes
13 green building, energy efficiency, and a number of other
14 initiatives within the Sierra Nevada.

15 I think one of the critical things to remember
16 about rural regions and relative to this discussion is that
17 they face some real challenges in California today. I mean,
18 they face challenges all over the country, but in
19 California, they face some significant challenges with
20 capacity, with barriers to implementing policy that is aimed
21 to kind of deal with sustainability issues. Local
22 governments in rural areas, I think, really want to be a
23 part of the solution on the statewide level, they recognize
24 the need to change land use transportation planning, long-
25 term energy efficiency planning, and waste water reduction,

1 to really implement some new practices. But really often
2 they are stuck in a situation where they do not have the
3 capacity to really plan in the long run, and to plan across
4 boundaries to reach these objectives. They do not have a
5 very strong history of regional collaborative planning, and
6 the ability to plan across boundaries is inhibited by the
7 point that they are often in competition for resources or
8 for development within the region. They definitely have
9 been, I think, part of that fiscalization of land use that
10 we have seen in California where local jurisdictions compete
11 against each other for sales tax revenue, and because of
12 that, it makes regional planning much more difficult to do,
13 so the inability to get regional tax share agreements in
14 place and to really have them work effectively has been a
15 barrier, I think, to regional planning.

16 They are in many ways open to and working hard to
17 implement new building practices and building codes, and
18 many of them are shifting to really accommodate the whys of
19 green building, but once again, they face this capacity
20 limitation in that they really do not have adequate funding
21 in their planning staff and their building departments, and
22 their facility service staff to really deal with new policy
23 as it is coming forward. So, you know, I think that there
24 are some real constraints in rural regions of California,
25 and it is a little bit different than the more urbanized

1 centers where there is more of a history of collaborative
2 planning, there is a better history of working together,
3 there are resources. And, frankly, solutions to the
4 problems that we have created have a tendency to be urban
5 centered first, and then move into the rural regions of the
6 state of California, so what we see in the rural regions are
7 a lot of urban solutions and people are trying to adapt the
8 urban solution to a rural environment, as opposed to looking
9 at the rural environment and trying to find solutions that
10 are really specific to that environment, and it leads to a
11 lot of, I would say, misunderstanding about what the
12 application of new energy policy could be in the Sierra
13 Nevada region. With that said, I think there really are
14 tremendous opportunities. One of the things that we are
15 seeing emerging in the region now, especially with the
16 change in the economy is that local governments have come to
17 the realization, and the private sector, many of our members
18 that are builders, developers, people that service the
19 building community, have really come to the recognition that
20 community centered mixed use denser development is
21 definitely more affordable within the Sierra Nevada region,
22 and many of the communities are looking at that as a long-
23 term solution to the cost of providing infrastructure and
24 services in the region. I think that, in many cases, the
25 rural communities could really -- could benefit greatly from

1 some more voluntary implementation strategies. I think
2 many of the rural communities want to do energy efficiency
3 planning, they want to do greenhouse gas emission reduction
4 planning, and often what they need is the technical
5 assistance from either organizations like ours, that really
6 work on these issues on a regional basis, or from state
7 agencies that can support them, they need training to really
8 understand how to implement new policy initiatives. Many of
9 their staffs really do not have the time to keep up on
10 everything that is happening across the state. They need
11 some support, some public outreach, and media support, as
12 far as creating support in the local communities for what
13 they are doing. It definitely would help if they could
14 point to the economic benefits of what they are doing in
15 rural communities, and if they could have examples from
16 rural communities so that you can see kind of a place
17 specific example of the economic benefits. I think they
18 could benefit from demonstration projects that were
19 patterned to demonstrate specific values that could be
20 implemented in the rural communities, that they would then
21 be able to use as kind of a public outreach and support
22 tool.

23 And I also think that, of course, everyone in the
24 state is dealing with this issue of diminishing resources,
25 cutting services at the local government level. They really

1 could stand for a little bit of long-term stability, which
2 I think every Californian is kind of looking for right now.
3 To that end, our organization has been working on a number
4 of projects. We are a local government partnership through
5 the Sierra Nevada Energy Watch, which is an extension of a
6 previous existing local government partnership, the Mother
7 Lode Energy Watch. And that partnership is with Pacific Gas
8 and Electric Company to implement energy efficiency direct
9 install projects. And that, I think, has been quite
10 effective in the region. Many of the municipalities have
11 done energy audits and have a pretty good backload of
12 projects that they are reading to move forward on.

13 I think one of the things that the Energy
14 Commission has done that I think is particularly important
15 is opening up the Energy Efficiency Conservation Block Grant
16 Program to this concept of aggregation of projects. I think
17 in rural regions, where it would be difficult to access that
18 funding, if there was not some mechanism for aggregation,
19 that is particularly important. And I can just give you a
20 quick example of that. We talked to a jurisdiction, a town
21 in the Sierra Nevada of 2,000 people, they were eligible for
22 about \$30,000 in Conservation Block Grant funding, and they
23 frankly were not going to even submit an application for it
24 because of the administrative burden of submitting the
25 application and tracking the project was too great. Without

1 that ability to aggregate, they probably would not have
2 received that funding, used it in the community, and we
3 would not have seen those energy benefits.

4 We are also working with Work Force Investment
5 Boards in trying to implement the Green Job Corps Programs
6 in the Sierra Nevada. We have our first partnership
7 officially with the Golden Sierra Job Training Program to
8 implement the Work Force Investment Board Programs in the
9 region. And we as an organization have also been looking at
10 doing carbon sequestration projects in the Sierra Nevada in
11 an effort to kind of reduce the risk of wild fire and
12 promote the Sierra Nevada region as a place to sync carbon
13 in California, which if anyone is wondering where the
14 appropriate place for a project is, probably our own
15 backyard is one of the best places that we could pick. So
16 we are trying to put these demonstration projects out on the
17 ground to demonstrate to local government and to the price
18 sector building a development community that these things
19 are doable.

20 But there are significant barriers. And I will
21 just finish with one really quick story about a project in
22 the Sierra Nevada that is somewhat near and dear to my
23 heart. There is a project outside Grass Valley, which is
24 actually surrounded on four sides by rural, residential,
25 industrial or commercial development, and the project

1 developer came forward with a project that was green built,
2 20 percent affordable housing, on a transit line, walking
3 distance to community services, and the key argument in the
4 community was whether or not density was appropriate in a
5 rural environment. It seems to me that what we need more
6 than anything else is the tools to get beyond that
7 discussion that we can see that in urban environments, and
8 we understand the value and the benefit of transit oriented
9 development, denser development in the city centers. We
10 need the tools for rural regions of the State of California
11 to understand those values, as well. And the tools have a
12 tendency to be urban focused, rather than rural focused.
13 And I think if we really want the rural regions of the state
14 to participate in the meaningful way they can and they want
15 to, we need to help provide them with those tools. That is
16 my story and I will be glad take some questions at the end.

17 MR. PFANNER: Great, we will take questions at the
18 very end. Thank you, Steve. Our next panelist is Paul
19 Johnson of San Joaquin Valley Clean Energy Organization.

20 MR. JOHNSON: Thank you very much. It is amazing
21 just sitting here and listening to Steve's presentation. I
22 think there are a lot of similarities between his
23 organization and my organization. I have got a PowerPoint I
24 wanted to walk you folks through. I am the Executive
25 Director of the San Joaquin Valley Clean Energy Organization

1 which, like Steve's organization, is a 501(c)(3) regional
2 energy office organization, covering the eight counties of
3 the San Joaquin Valley. Next slide, please.

4 Just kind of a thumbnail sketch of our region, the
5 San Joaquin Valley runs from San Joaquin County through Kern
6 County, eight-county region, roughly 3.5 million people, 62
7 cities of 17 large cities getting direct block grants from
8 the Department of Energy, and 45 smaller jurisdictions. I
9 have been asked to address Ag opportunities in the Ag
10 sector, and I think that is based on the fact that our
11 region, the San Joaquin Valley, heads a very very strong
12 agricultural base, and when you think about the valley,
13 there is the challenges and the opportunity, and I would
14 like to try to go back and forth between the two because I
15 think the opportunities are the way that we are dealing with
16 the challenges, and I think very successfully. The huge
17 economic challenges in terms of highest unemployment rate by
18 many standards in the entire country, environmental
19 challenges, in terms of air quality that are getting better,
20 a little bit better in some regards this year. But if you
21 look at it in terms of our energy assets, I think they are
22 huge, and I will get into that in a minute.

23 I think one thing that is really key to understand
24 the San Joaquin Valley and our organization, and how we are
25 tackling energy, is the framework, kind of the partnership

1 framework that we are operating under. We have in the
2 valley something called The California Partnership for San
3 Joaquin Valley, it is an infrastructure set up by Governor
4 Schwarzenegger about three years ago, consisting of eight
5 private sector representatives from the valley, eight
6 elected local regional political officials, and eight
7 members out of the Governor's cabinet that are looking at
8 very comprehensive ways that the quality of life in the
9 valley can be improved and enhanced. Of 10 areas of focus,
10 clean energy is one of them, and there is a tremendous
11 recognition that clean energy is part of the solution to
12 some of the challenges the valley is facing. Next, please.

13 If you look at the energy assets in the valley,
14 clearly something that comes to mind is solar and the
15 tremendous potential for solar and pv up and down the
16 valley. When you think of the valley, you think of biomass
17 and bioenergy, you think of wind, particularly along the
18 Tehachapi. And last, but not least, in fact where I should
19 have begun, is the energy efficiency investments which are,
20 of course, the base where we begin at looking at clean
21 energy development. We have, I think, clearly a growing
22 investment from utilities through local government
23 partnerships and their existing programs into the valley.
24 The U.S. Department of Energy, through its Block Grant
25 Program, through its initial investments, will be putting in

1 close to \$30 million into larger jurisdictions in the
2 valley, through state administered programs for the Block
3 Grant and the SEP, I think we can conservatively bring in
4 another \$10 to \$15 million worth of Department of Energy
5 investments into the valley through the California Energy
6 Commission. Next, please.

7 I love some of these statistics because, to the
8 valley, it is all about statistics and it is clearly in the
9 context, if you put a prism on of the Ag sector, it is one
10 of the, and in some regards, the top Ag producing center in
11 the country. Seven of the 10 top Ag counties in the U.S.
12 are in the valley. Fresno is ranked 1, Tulare County 2. If
13 the valley were a state -- and that is a great way to begin
14 any discussion -- it would lead the nation in farm
15 production; it produced \$20 billion in sales, Ag sales. And
16 another one of my favorite numbers, the valley accounts for
17 34 percent of the nation's fruit and nut production, a
18 lesser amount of melon and potato production, but put it
19 altogether from fruits and veggies, roughly 25 percent of
20 sales nationwide. Next, please.

21 And last but not least, in terms of numbers, my
22 favorite is the cows. If you think of the valley, you think
23 of the dairies and the cow production. You know, the valley
24 has close to 2 million cows in dairies throughout the
25 valley. Each cow produces in the neighborhood of 150 pounds

1 of solid waste a day, so that clearly leads to a tremendous
2 environmental challenge, but doing the math of two million
3 cows times 150 pounds a day, it builds up very fast. But
4 that presents us an opportunity on the renewable energy
5 side. Next, please.

6 How we have kind of tackled this. First and
7 foremost, the California Partnership recognized kind of the
8 role that clean energy could play and created, or authorized
9 the establishment of the San Joaquin Valley Clean Energy
10 Organization. It is an independent 501(c)(3) to be kind of
11 the regional infrastructure for clean energy in the San
12 Joaquin Valley. One of the things that is absolutely key to
13 our success, and I think -- I am very proud of the successes
14 we have had -- is we have partnered across the board to make
15 it happen with the Air District, with the utilities, with
16 federal agencies, the USDA, the Department of Energy, as
17 well as the California Energy Commission and the California
18 Department of Food and Ag. One thing we did to kind of tie
19 it altogether in terms of the renewable production in the
20 valley, with particular focus in the Ag sector, is we joined
21 The National 25 By '25 Initiative, it is a national network
22 of states and jurisdictions committed to a 25 percent
23 reliance on renewable energy for our fuel and power needs by
24 the year 2025, and we as the valley were established as a
25 regional demonstration region, to show what could happen

1 through a regional commitment to renewables. Next, please.

2 I do not want to spend a whole lot of time on the
3 accomplishments, but our focus areas, as Steve mentioned
4 his, we are focusing on greening the 62 cities in the
5 valley, increasing our use of renewables, particularly for
6 fuel and power production, with a particular emphasis on the
7 Ag sector, and also developing a strong and viable green
8 work force in the valley. And I think, with a focus on kind
9 of three different funding strengths, the state has clearly
10 been a major source of support of us through the California
11 Partnership, through work in leveraging utility investments
12 and its help to get the organization, I think, on a good
13 financial footing, and one area in particular that we are
14 focusing on now is the Energy Block Grant Program. And
15 Steve mentioned the opportunities presented through
16 aggregation of smaller jurisdictions; we, too, have a number
17 of very small jurisdictions -- I am trying to think of the
18 numbers right now, but well over half the cities in our
19 valley have a Block Grant allocation well under a hundred
20 thousand dollars. Individually, it does not make sense for
21 them to go it alone because of the burden, but we are
22 looking to aggregate services to bring this resource into
23 the valley, into the smaller jurisdictions. Next slide,
24 please.

25 Over the past couple years, we developed kind of a

1 base deliverer of the first project, the View Partnership,
2 as a deliverer of a local government partnership, and as I
3 mentioned on the bottom, we have joined the National 25 by
4 '25 Initiative to kind of fully develop and taut what
5 renewable energies can do, increase the investments in
6 renewables, can do for the valley, and what can happen.
7 Next slide, please.

8 One thing we did to kind of capture and to kind of
9 key up some of the opportunity areas in the Ag sector, last
10 fall we kicked off a series, which we hope to be national
11 events, called "A Farming Clean Energy Conference," which
12 was held in Tulare County at the Ag Tech Center there, to
13 look at clean energy opportunities, barriers and
14 opportunities in the Ag sector. We looked at it in the
15 context of California, but honed in particularly in the
16 valley. We had roughly 250 people at this event last year
17 and they provided a wealth of ideas that we are starting to
18 follow-up on, as far as specific actions that are needed to
19 develop the renewable energy and clean energy potential in
20 the Ag sector. And what I would like to do, we are starting
21 to work in a number of these areas right now and I think a
22 lot of these need areas can inform the Commission as far as
23 the opportunities to present itself for support. Next,
24 please.

25 You know, one area that was recommended clearly is

1 that the potential in the valley in the Ag sector could be
2 certainly expedited through conducting research, more
3 specific research on statewide debt, on Ag, energy use by
4 sector, looking at how more research to identify, you know,
5 how specific actions in the Ag sector could contribute to
6 the state goals. Carbon markets for Ag, in the Ag sector.
7 A number of specific research needs were identified.

8 The second area is developing an infrastructure
9 and, again, our organization would like to play a role, and
10 I think clearly the need in other locations is to establish
11 a regional infrastructure to support Ag interests and a
12 number of actions were recommended to us, how we could
13 develop this regional infrastructure to support, provide
14 information on both the supply and the demand side, and
15 provide a role in stimulating project development in the
16 region. Next, please.

17 There are a few very specific things, once you
18 kind of wrap yourselves around the idea of a regional
19 infrastructure, an information hub on clean energy
20 opportunities and solutions, you know, including best
21 practices and basically what can be done, is one further
22 area of support. Technical assistance, in particular, a
23 role working to help develop project proposals and ideas, to
24 get them ready to a point that it would be viable for
25 funding from USDA, or any number of sources. There is a lot

1 of technical expertise required to get a project to the
2 point of being fundable, and it was very strongly
3 recommended by participants that third-party organizations
4 be able to provide technical assistance to those projects to
5 a point of being fundable. Clearly, an opportunity area,
6 and the question is where to begin is in the area of
7 streamlining regulatory permitting. And there was a number
8 of specific ideas suggested on how that might be
9 accomplished. In the context of our region, it was
10 recommended that we start in one region and build a good
11 base of understanding how the process works, what
12 technologies are most promising for an expedited processing,
13 and then, if we work through the California Partnership and
14 the various state agencies involved in that, to pursue that
15 expedited permitting process. And the final area that was
16 recommended to us in terms of areas to explore is fully
17 pursuing green work force development opportunities as a way
18 of driving interest in renewable project development in the
19 valley. That is a nutshell of kind of what we heard and
20 what we have started to work on. I will be happy to answer
21 any questions during the question period. Thank you.

22 MR. PFANNER: Excellent. Thank you very much,
23 Paul. Our next panelist is Judy Robinson with the
24 Sacramento County Redevelopment.

25 MS. ROBINSON: Good morning. I am not only the

1 Info Coordinator for Sacramento County, I am also
2 coordinating the Recovery Act Stimulus funds for the county,
3 as well, so I have had an opportunity to work with our Block
4 Grant funds and other energy projects to actually try to
5 move it all forward, especially with infill, they really
6 compliment each other.

7 I appreciate being invited to participate today.
8 Prior to Bill contacting me, I had never heard of IEPR, not
9 that I know everything, but you know, it just kind of goes
10 to that there is a disconnect, and having reviewed some of
11 the documents, I found it very insightful, and actually some
12 of the comments I want to share with you today are things
13 that we are doing at local government levels that are
14 complimentary, and hopefully this is the beginning of
15 advancing a closer relationship with local government and
16 the state.

17 I have got to say, I loved the local government
18 panel earlier this morning. I sat in the audience nodding
19 my head a whole lot, so I will try not to be too repetitive,
20 mostly insightful. But it is kind of -- so I think local
21 government maybe got two opportunities today to speak on its
22 behalf, however, the nexus here is that, if we cannot get
23 the infrastructure in place, we cannot help private
24 development build and create industry where it is already
25 hard to get into. And so, the other "I" word that goes with

1 infill is incentives because it is hard. You know, you
2 heard a lot about it this morning. But it is easier to
3 develop in Greenfield areas, and as we are trying to go
4 forward with SB 375, and greenhouse gases, and VMT's, and
5 all those things, you know, infill is perfect for that, but
6 it is difficult to do. And so we are doing all that we can
7 to do the advanced planning, getting desirable land use
8 zoning and regulations in place, and trying to push some of
9 those barriers out of the way to the extent of even
10 including the infrastructure and trying to minimize the cost
11 of development in the fees and those types of things, that
12 really do incentivize businesses to locate there, because
13 there are a whole lot of other regulations that they still
14 have to comply with, and it is still really costly. So I am
15 going to share more of that with you. I want to begin by
16 talking about what Sacramento County in our current General
17 Plan update is doing to try to plan and develop sustainable
18 communities, and in support of our regional blueprint, which
19 kind of is what got us here in the first place, and to share
20 some of the constraints that we are experiencing in trying
21 to get projects built.

22 Sacramento County is a typical post-World War II
23 community. We are a very traditional auto suburban county,
24 but we are also very urban with over one million residents.
25 So where we have many of the rural problems and challenges

1 that Steve and Paul both spoke to, we also have urban
2 constraints and urban issues that are also faced by cities.
3 Doing business as usual is not working and we really do need
4 to reinvent our communities and that is where I am going to
5 share with you some -- next slide, please.

6 Just a little bit of background. The Blue Print
7 did change our General Plan focus and our scope. It caused
8 us to start re-thinking our growth management strategies,
9 looking closer at land use and transportation, quite a
10 number of things that actually your 2007 IEPR policies and
11 recommendations spoke to. The Blue Print caused us to look
12 at land use differently. And SACOG has been very helpful,
13 they bend over backwards to help us as much as they can, but
14 SACOG only provides recommendations. They have no authority
15 over our electeds and they have no authority over land use.
16 And so where we talk about incentives, there are a lot of
17 different incentives, one of the most important is
18 incentives for our electeds to make the right decisions in
19 the face of adversity, and a lot of opposition, and a lot of
20 other development in Greenfield areas. SACOG has been
21 helpful in ways and we have been fortunate in being able to
22 get some grants for some community design projects for
23 facilitating some of the planning that needed to go into
24 ultimately what has led to some infrastructure projects, and
25 I will share a project specific with you, but we need

1 assistance beyond just transportation. We need it in all
2 levels of infrastructure and I will kind of be beating that
3 drum, as well, for sewer and water and transit, and it is
4 more than just roadways and places to walk. While those are
5 important, there is a much larger infrastructure at play.
6 We need more financial resources and incentives that do
7 include the planning and the development of infrastructure,
8 like I said, the sewer, drainage. And looking at projects,
9 certainly, that are blue print consistent, but it is not all
10 about blue print -- and blue print might change, blue
11 print's number has changed just because of some of the
12 economy and things slowing down. What really is the key
13 word is Smart Growth and sustainability. The blue print is
14 a piece of it, but it is not the whole piece. It is not
15 just about being able to locate density in walkable areas
16 that have got transit access. It is about the other
17 facilities and amenities that are located there. I will
18 speak to -- you have to have places to walk to, you know, it
19 is not just about building something.

20 There was some discussion this morning about tax
21 increment financing. One of the few projects we have been
22 able to get going has been in the redevelopment area, and it
23 is only because a redevelopment and tax increments comes
24 from that redevelopment area that doing these projects has
25 been possible, removing the blight from that and going

1 forward with a type of tax increment program that would
2 reward and benefit infrastructure and infill areas would be
3 enormous. Next slide, please.

4 MS. KOROSEC: We are having a little technical
5 difficulty here, I apologize.

6 MS. ROBINSON: That is alright. I can just keep
7 talking.

8 MS. KOROSEC: Yeah, keep going.

9 MS. ROBINSON: We do need the balance between
10 development and preservation, and some of the goals and
11 background, management strategies, is just that. When we
12 preserve our open space and agricultural lands, where we try
13 to rein in regional sprawl, and where we focus on
14 revitalizing our neighborhoods and creating a sense of
15 place, we are calling that balanced communities. Built into
16 that is instituting some self-mitigating design that will go
17 towards reducing greenhouse gas on impacts. And it is about
18 creating a more sustainable built environment and it is not
19 just about being dense, it is not just about being walkable,
20 but to have the right amenities clustered where you have
21 parks, and schools, and grocery stores, and quasi-public
22 spaces, and services where there are things for you to walk
23 to, and that is how you get your errands taken care of. You
24 know, in the IEPR, there was talking about vehicle miles
25 traveled and talking about the relationship of work to your

1 home, and how many miles do you travel, the commute miles
2 from your own policies talked about really the miles
3 traveled to and from work represent the least amount of
4 trips that are made by a typical family. You know, when you
5 take a look at your own personal life, how many trips cause
6 you to get into your car to drive to the grocery store, or
7 go to the cleaners, or drop your kids off at one of their
8 playmate's house, or do any number of other errands, given
9 the choice that you would either walk your child to their
10 playmate's house, or to their school, or to the park, or
11 ride your bikes to the grocery store, but those choices are
12 not available because of the land use decisions that were
13 made quite a number of years ago. And so when we start
14 talking about vehicle miles traveled and some of these
15 reductions, it really is about having things located
16 proximate to each other so that people can walk. And I talk
17 about all the different personal healthy benefits that folks
18 get as a result of that. In addressing our -- you can stay
19 on that slide, I will catch up -- the General Plan is
20 focusing on some of our growth areas and some of our growth
21 management, to be focused on infill in our commercial
22 corridors, commercial corridors because we have got a lot of
23 under-utilized and vacant shopping centers. We are way
24 over-parked, parking comes up, you know, a lot. So by our
25 infill corridors being on typically larger roadways, they

1 can support additional traffic, at least what transit is
2 there is accessible. Impacts to some of the communities and
3 neighborhoods are left alone. Again, we are trying to keep
4 a lot of those impacts out on the arterials. With that, we
5 have been doing a lot of planning and there are plans
6 underway where we are going in and actually changing and
7 rezoning land, enormous outreach effort, and planning and
8 working with the local communities to make sure that we do
9 not lose sight of what the community is made of, and what
10 they really view themselves as, so that community identity
11 is not lost, but at the same time being able to have
12 successful infill development in these places and what types
13 of uses do the residents want to have, what is desirable,
14 what is not. And being able to go in with vertical and
15 horizontal mixed use projects where we currently only had,
16 say, either specifically residential, or specifically just
17 commercial. But in going in and redeveloping these areas,
18 and intensifying the uses, while infrastructure is present
19 and while it is in an urban area, the sizing of that
20 infrastructure in many cases is inadequate to support the
21 more intense use. So, you know, that is the Portland
22 discussion that was brought up earlier about there may be a
23 sewer line there, but it is too small to support the more
24 intense development. So how do we get a new sewer line
25 there? And, you know, Sacramento has been very creative in

1 how we are looking at things. We have got some sewer
2 interceptors that are at capacity. And we have got areas of
3 -- those of you that live in Sacramento, on Watt Avenue up
4 by McClellan Air Force Base, there is no sewer on the west
5 side of Watt Avenue. I mean, that is shocking. I mean,
6 there are shopping centers, the community has been built
7 since the '50s, and there is no sewer on the west side of
8 Watt Avenue. And it was agriculture, and it had to do with
9 the use of the Airport, or the Air Force Base, and it was
10 safety in over-flight zones. Well, now, with the closure of
11 those bases, it opens up a whole lot more land use because
12 the safety and noise impact areas have been reduced. So now
13 property owners have been looking to expand and enhance the
14 development on those sites, and not only is the
15 infrastructure undersized, in some places it is not even
16 present. You know, those folks are on septic tanks. So how
17 do we -- we have these wonderful opportunities to do infill
18 development, and how do we service them with infrastructure?
19 And some of the stuff that we are coming up with is that we
20 are looking at plans of shifting existing sewer from one
21 interceptor into a new one just to free capacity, to allow
22 advanced development in some of these areas that can benefit
23 from it. And part of what I am referring to is up here with
24 the North Highlands Town Center. For those of you familiar
25 with Sacramento, North Watt Avenue, and that is right above

1 and adjacent to the former McClellan Air Force Base. And
2 so a plan that was done and approved by our Board of
3 Supervisors for a development plan, higher density North
4 Highlands Town Center, again, it is similar to what Steve
5 was talking about, that you go into some communities and
6 create districts, and do some higher density development,
7 and create place making and opportunities to locate services
8 and facilities that people can walk to, and they can live,
9 and the relationship to McClellan Business Park now is a
10 major job center for Sacramento. It makes this area just
11 ripe for this type of infill development. But in some
12 parts, there is no sewer in that area, and undersized water
13 lines that are unable to serve the density that the land use
14 has been rezoned for. So we are going in and, with our
15 redevelopment dollars, going in and putting in a brand new
16 sewer line, putting in a new water line, and putting in a
17 new roadway that is pedestrian friendly and will support the
18 whole district and the whole town center that is trying to
19 be created there. But that started back in 2005, and we
20 still have not built anything yet. Next slide, please.

21 In dealing with infill and really trying to create
22 the opportunity for businesses to locate, we are having to
23 put together key pieces of property. You heard this morning
24 about if you have different individual property owners, so
25 they are trying to amass properties to be able to do

1 something, and it becomes very challenging. So we need to
2 go in and identify where some of the opportunity sites are,
3 look at what the infrastructure is, what are those
4 constraints and barriers, and then start taking steps to
5 address how we are going to deliver the infrastructure. And
6 we are also looking at how can some of those solutions for
7 infrastructure also be sustainable; you now, how can we use
8 some of our green building, how can we use some of our other
9 -- some of the newer green energy efficient technologies, as
10 we are going in and putting in this infrastructure, so that
11 we are where we need to be when private business comes in,
12 and make it easy for them to connect. Next slide, please.

13 These are all the pieces that have to go together
14 into being able to make a Smart Growth, walkable,
15 sustainable community. And I just again wanted to reiterate
16 that, while Blue Print is important, and projects really do
17 need to be Blue Print consistent, Smart Growth is another
18 key word, and sustainable, as well. It takes those three
19 pieces all pulled together in order to be able to create a
20 place where people really want to be. And I know you have
21 all likely walked and been in some of those communities
22 where, you know, you are a quarter mile walk to every place,
23 and that is what makes it work. Next slide, please.

24 So back to Freedom Park Drive and the North
25 Highlands Town Center area, the project that we are working

1 on now and trying to create this and make this area shovel
2 ready, that is what it looks like today. Well, that is what
3 it looked like a couple of months ago after a rain, but --
4 you know, we are building the first green street, the first
5 sustainable street in Sacramento County. Now, the stretch
6 of the street is only about a mile long. The project is
7 \$9.2 million, and most of it is redevelopment funds. We
8 have also gotten about \$2.5 million, possibly a little bit
9 more from SACOG, community design grants to be able to go in
10 and put these improvements in. That is a lot of money for a
11 stretch of roadway. But it is also going to be the catalyst
12 because it is going to deliver utilities and it is going to
13 be able to make it much more affordable for businesses to
14 locate. The types of businesses that we want to locate, the
15 higher density residential, the mixed-uses, retail, various
16 commercial, that is what is going to make it possible and
17 affordable to bring developers in. But that \$9.2 is -- that
18 is not the whole ticket price. You know, we are taking
19 steps to try to minimize development fees where possible,
20 and we are working with our local utilities to bury those
21 overhead power lines. That is about a million dollar price
22 tag right now, and any additional incentives that you all
23 can give our utilities to assist in the walkability of our
24 communities by funding those types of relocation of
25 utilities would be very helpful. Next slide, please.

1 If you are not familiar with green streets, I
2 will not get into too many of the details, but it is really
3 where we are doing a water quality treatment in the
4 landscaping before it goes into the drain and down to our
5 creeks and rivers. And Freedom Park Drive is going to be
6 the first green street that is created. Our Water Resources
7 Department and Transportation Department have been working
8 together, and it is one of the ways that we are trying to
9 address our infrastructure issues with sustainable
10 solutions, as opposed to putting hard pipes in for drainage,
11 let's put in some green streets, let's start requiring for
12 part of the development in some of those areas, do a flush
13 toilet that is green and energy efficient building
14 construction. We are currently working with the City of
15 Sacramento to jointly develop the green building standards,
16 and with that, that will be shared with some other cities
17 within the county area, but the consistent standards, it
18 will make it much easier for private business, again, to be
19 able to go in and understand what the building requirements
20 are. And then, also, we can capture some of that in some
21 regional greenhouse gas benefits. Next slide, please.

22 I am going to take you quickly through just some
23 of the transformation things that we do, and there is some
24 I-Places modeling that was done with the community on,
25 "Okay, you have got this roadway, how would you like to see

1 it evolve?" And then they get a chance to kind of say,
2 "Well, I want like a coffee shop here," or, "I would like a
3 movie theatre here," or, I would like whatever retail or
4 other types of housing. But this is pretty much how Watt
5 Avenue looks today. Next slide, please.

6 Here is some minor improvements, but they are
7 pretty significant when you start adding some crosswalks,
8 some landscaping, more designated biplanes, areas for
9 transit to start appearing. Just even with some minor
10 modifications, we have already started doing some
11 streetscape improvements, again, through SACOG grants for
12 some transportation pedestrian facility projects. But more
13 people start walking when they feel the environment is
14 safer, and putting people a little bit further away from the
15 streets, that are better marking, having some shade so that
16 it is not so hot to walk into. Next slide, please.

17 And I know this is a leap, you know, I get that.
18 It is probably a little overstated for what Watt Avenue
19 would look like, but it is not unrealistic, you know, that
20 we can re-build our infill, our existing communities with
21 successful infill, with creating thriving communities, that
22 our residents are happy to live in. Next slide, please --
23 and also energy conserving and sustainable.

24 I had to throw this slide in just because it is
25 kind of an oxymoron of, you know, when you think about where

1 counties receive the largest part of their sales tax money.
2 For Sacramento County, based on 2007, 22 percent of our
3 sales tax came from vehicle sales and repair, 19 percent
4 from building materials, and 10 percent from fuels. You
5 know, if we are looking to put more money in our pocket, you
6 know, infill development and reducing people's reliance on
7 automobiles, and buying gasoline, you know, they are kind of
8 going in two different directions. So I kind of got a smirk
9 on my face, too; on the other hand, I was just like, "Okay,
10 how do we fix this?" So that is just kind of for discussion
11 later. Next slide, please.

12 After taking a look at the panel that a lot of us
13 are going to be on later this afternoon, and listening
14 especially to Bill Higgins this morning, who was terrific, I
15 came to realize I probably would not have a lot of time this
16 afternoon to kind of weigh in and come up with a lot of
17 recommendations, so I put it in the PowerPoint so that you
18 will have it for future reference. But what again, kind of
19 capturing some of the things that I had talked about a
20 little bit earlier, but we do need more financial assistance
21 in being able to deliver infrastructure in these infill
22 areas so that private businesses can either make the
23 improvements and expand in their own projects, or come in
24 and do some of those larger projects, you know, like that
25 last slide on Watt Avenue showed on how do you finally build

1 something up and create it. It is just still too easy to
2 do green fill development.

3 I know that the CEC is not CEQA, but as soon as
4 you start talking about land use, you figure CEQA, and I
5 beat the drum that cities have a categorical exemption for
6 certain infill projects that is not extended to urbanized
7 counties. So if there is anything that you would like to do
8 to change that little -- modify that piece of language in
9 the CEQA guidelines so that that could be appropriate for
10 urbanized counties, as well, we would greatly appreciate
11 that. Next slide, please.

12 There needs to be incentives built into the
13 regulations and whether that is CEQA, whether those are
14 energy regulations, whether it is Fish & Game and Army Corps
15 of Engineers, there just has to be a lot easier and that is
16 streamlining, that is less regulation, it is more certainty,
17 it is just -- it has got to be more forgiving than what it
18 currently is. And next slide, please.

19 A few other things on some traffic models are
20 outdated, I noticed some work that is being done as far as
21 some of the VMT's are concerned, but as we are looking at
22 some of the modeling, and we are looking at how some of the
23 numbers are counted, if you take the high density project
24 and you are putting it out in a Greenfield area, you know,
25 what is around it has to be taken -- and I know this kind of

1 also relates to CEQA -- but VMT's are different, depending
2 upon where the same project can be located, you know, a high
3 density project in an infill area has a whole different set
4 of impacts than that same high density project out in a
5 Greenfield area, and there needs to be some offsets and some
6 realizations that sometimes you just have to kind of bite
7 the bullet to get some of those projects in and, in highly
8 urbanized cities, you know, sometimes it is a little bit
9 easier than it is in some of our other suburban areas. But
10 if you are trying to really look at especially counties, and
11 even some cities that have gotten more urban and suburban
12 kind of areas, we need to take a look at where some of those
13 fringe areas are and try to have a couple of different
14 models that would make it a little bit easier to be able to
15 locate some of those projects that reduce the vehicle miles.

16 Some other suggestions have to do with some more
17 tax incentives that perhaps facilitate the development of
18 local regional energy systems on residences and businesses,
19 as a way of capturing some savings. Potentially these
20 businesses or residential property owners would be able to
21 get paid for excess power production. Incentives for green
22 product manufacturing, maybe there could be a rebate on the
23 number of watts that are produced and sold. Incentivizing,
24 telecommuting with employers. You know, again, people -- I
25 know in Sacramento people live and they want to be able to

1 live in a lot of the urbanized areas, but they have got
2 children and they are not crazy about the schools. So they
3 are putting their kids in cars and they are driving their
4 kids to and from the different schools because the school
5 system that would sometimes exist, and it is not just in the
6 City of Sacramento, it is in a lot of urbanized areas, you
7 know, you do not have the perfect picture and that was
8 alluded to a little bit this morning, as well, you know,
9 really being able to have healthy schools in all of our
10 communities, but typically that is a little bit of a problem
11 with some of our urbanized areas that lack some of the --
12 well, different things that some of the newer schools have.
13 So it is about how people make choices where they live and
14 -- you can hit the last slide, and it is thank you, and I
15 will take questions afterwards. Thank you.

16 MR. PFANNER: Excellent. Thank you so much, Judy.
17 Next panelist is Michelle Rodriguez, American Planning
18 Association.

19 MS. RODRIGUEZ: Okay, Bill, so you have got Doug
20 and I left. What do we have, three minutes each?

21 MR. PFANNER: No, actually this was supposed to go
22 until 12:15, so we are actually only 15 minutes behind
23 schedule. So we will go to 12:30 and everyone will still
24 have an hour for lunch.

25 MS. RODRIGUEZ: Very good, thank you very much.

1 So I have been asked to speak on behalf of the American
2 Planning Association, specifically the California chapter,
3 but I will give you some overview of the American Planning
4 Association. We are a 43,000 member organization, we are
5 non-profit, and we are an independent educational
6 organization. We are comprised of public, private, and non-
7 profit professional planners and some of us are specialists,
8 others are generalists. And what we essentially do is
9 provide leadership and expertise related to community
10 planning in terms of policy and program development,
11 education and citizen involvement. And what we typically do
12 is work with government officials in building business
13 leaders and citizens to develop policies such as General
14 Plans, or Regional Blueprints, or Climate Action Plans, or
15 the new ones coming out, the Sustainable Community
16 Strategies, specific plans, as well as implementation tools
17 such as green building programs, green business, energy
18 efficiency programs, renewable energy programs, and so on.
19 We also do the CEQA and NEPA documents as necessary. So
20 they are all connected to energy and I think that is the
21 most important point. Next slide.

22 So the American Planning Association recognizes
23 that climate change is a defining issue of our time and the
24 challenge is really daunting because it is global in nature,
25 but we realize that it is very heavily weighted towards

1 local and regional response, and planners are uniquely
2 positioned to lead individual communities in finding new
3 ways of both meeting the energy demand, but also cutting
4 greenhouse gases. But we are up against significant
5 challenges in terms of natural systems built environment and
6 socioeconomic impacts. And what we are finding is there is
7 a huge movement right now towards completing Climate Action
8 Plans, and part of that work is completing the assessment
9 and setting your targets, and then doing your reduction
10 measures. And I think this is one area where the California
11 Energy Commission can help us, and that is in terms of
12 getting data information, energy information from public
13 utilities and other sources, but clearing that way.
14 Sometimes it is a significant effort just to get the
15 information. But also, I think in developing reduction
16 measures, helping us to understand which measures can create
17 the greatest reduction, at what cost, and what is the
18 payback. I also think that helping us with understanding
19 local context is really important; every community is
20 different and I think we heard that earlier in terms of the
21 rural demand versus the urban demand, understanding that, if
22 you can help us to understand, if we have 95 percent
23 residential land use, we are probably going to want to do an
24 energy efficiency program set towards residential properties
25 where we are tightening up our buildings, first. And we

1 understand that certain measures, in terms of lighting, or
2 insulation, or weatherization, or appliance replacement, how
3 much is it going to cost, where are rebates, and how can you
4 facilitate us in understanding the cost benefit of that
5 work? And I also think that really understanding that
6 energy is one aspect of what we are dealing with here in
7 climate change, there are so many anticipated impacts at the
8 local community level that we are grappling with, trying to
9 understand in terms of water availability, natural
10 disasters, Ag and food security, public health changes and
11 demand, infrastructure, one aspect of that being energy, and
12 natural systems and the economy. And so I think we are
13 really motivated to begin addressing these issues in terms
14 of community form and pattern changes, and looking at the
15 development of more compact communities that would result in
16 the reduction of vehicle miles traveled, and really, at that
17 time, taking the opportunity to assess what is the existing
18 energy use, where are the opportunities for reduction, and
19 what are we looking at there.

20 I think another opportunity that the CEC can help
21 with is with the financial aspect of it, working with
22 communicating to the Strategic Growth Council and through
23 other state departments, on how align both the financing,
24 but also support systems down to the local level, and really
25 acting in a way of bridging the gap between state

1 information and knowledge that you all have, and creating
2 consistency between the departments, and leveraging that
3 knowledge back down to the community level so that we can
4 really rely on you as the experts that you are. Next slide.

5 So, one of the things that the American Planning
6 Association has taken on is a new partnership with the
7 Environmental and Energy Study Institute. It is a three-
8 year partnership where we are looking at research and
9 education projects to integrate climate change and energy
10 issues in the planning practice. And most planners
11 recognize that the issues of energy and greenhouse gas
12 emissions are very connected to planning, but I think we are
13 really struggling with how do we translate that into plans
14 and actions and regulations, now. And so here are some of
15 the things that they are focused on in this three-year
16 study, a database, case studies, reports, resources, and a
17 reader, and some energy surveys. So the database is set to
18 have a compendium of information, Climate Action Plans,
19 Federal and State resources, organizations that we can
20 contact, model programs and tools that we can use, and data.
21 Taking a quick look at what is up there right now, it would
22 really behoove us, it would help us greatly, if the CEC
23 would work with the American Planning Association to both
24 provide more information in all of these categories, but
25 also to help us to understand which Climate Action Plans

1 have the best practices in terms of energy, or which
2 resources can provide the best information. I love the
3 Energy Star website, it would be wonderful to hear from you
4 that these are excellent organizations or tools that we
5 should use, and why. The database is pretty interesting
6 because you can search and sort the information in a whole
7 host of areas, but interestingly enough, the tool did not
8 have an energy category, and so what I had to do was try to
9 figure out where was the energy information in there, and I
10 did find information under a category called "Environment,"
11 and then a separate category called "Green Communities
12 Category," but both of those categories did not have the
13 same information, and in my expertise and background of
14 energy, there was a whole lot more information that we could
15 have provided. So I am saying the CEC can work with APA to
16 have a category entitled "Energy," and help us to prioritize
17 the information and make sure it has maximum content in
18 there for planners.

19 So they have got a call right now, the APA, for
20 case studies. They are looking for information on visioning
21 documents, local energy plans, management tools, investment
22 tools, and energy projects. And so I think that the CEC
23 can, again, help us with what these are, and why they are
24 important, and how can we apply them locally, not
25 necessarily -- and we will do it for you -- but "this is the

1 information you need in order to make a decision, but
2 based upon local conditions and needs, how you can orient
3 your own plans and programs."

4 I also think that the CEC can provide us a variety
5 of information on, if we implement a particular energy
6 program, what is going to be the cost benefit to us, what is
7 our return of investment, how much carbon is going to be
8 reduced, how many jobs are going to be created, and what is
9 the payback period, because I think that is the bottom line
10 for jurisdictions, as they really need to know that.

11 I think there is also a whole bunch of education
12 that needs to occur in terms of the energy strategy area.
13 When we have choices about how to apply funding, do we
14 choose the LED traffic signal route, or do we do clean fleet
15 changes? I knew I was going to say that -- clean feet --
16 clean fleet or energy efficiency lighting, you know, what do
17 we need to know about it to make the decision.

18 I know that the CEC is updating their energy
19 guide, thank you for doing that, and I think the OPR has a
20 list of state and county planning jurisdictions throughout
21 the state. We know who the planning directors are. It
22 would be good for you to send the energy guide to them with
23 a cover letter asking something, either, you know, you could
24 start doing webinars towards educating planners around
25 alternative technologies, around some of these issues, and

1 that would be a real supportive way to go. I also think
2 you could be speaking a lot more at APA conferences and at
3 local workshops.

4 The other thing that we did, here on the right, is
5 the Climate Change Reader. We also have an Energy Reader.
6 And this is a policy guide for professional planners to
7 define the role of planning to reduce, mitigate, and adapt
8 climate change. It does have a water and energy system
9 section, but in my mind, it was somewhat vague. Ideas
10 around energy, do energy efficiency, do renewable energy,
11 that is not enough data to be able to make a decision about
12 the biggest bang for your buck.

13 The Policy Guide on Energy does have policy
14 statements and initiatives, and opportunities, but it was
15 very minor information about there are opportunities
16 available for residential, commercial, industrial,
17 agriculture, and transportation, but it did not get into the
18 nitty gritty and I think that is what we need, is more
19 details on what and why opportunities.

20 We have also done two energy surveys, one in 2005,
21 and one in 2007, and so these were national surveys. And
22 the one in 2005 was to try to assess our membership's
23 capacity, knowledge, and educational needs concerning the
24 integration of energy issues and community planning. And
25 what we found is that community planners understood the

1 connection, but only to energy and transportation, Smart
2 Growth, and environmental protection, and economic
3 development. They did not make the connection between land
4 use and water at that time. And then we lacked information
5 or understanding about distributed energy and alternative
6 technologies like anaerobic digestion and hydropower and
7 solar thermal heat and water. So I think that CEC can play
8 a part in energy education. The 2007 survey was to assess
9 the integration of climate change and energy issues, and to
10 community planning. And so the findings from this was that
11 community planners are the ones who are writing the energy
12 plans, and that a number of jurisdictions are about to
13 embark on energy policy and energy plans, and the reason why
14 is because climate change in AB 32 is a major factor behind
15 that, but they need more information and support in order to
16 do a good job.

17 The other finding was that most communities have
18 yet to integrate those policies into programs or into zoning
19 and review processes, so this is an opportunity to support
20 them in understanding how to do that. And so CEC can also
21 perhaps work with APA on doing the next round of surveys.
22 What would the topics be? What do we want to know? And
23 what is the outcome that we seek and what kind of support
24 can we provide? So that is another opportunity.
25 Surprisingly, in this 2007 survey, three-fourths of the

1 respondents did not know about incentives offered on
2 energy such as local utility incentives, or the efficient
3 mortgages, and so on, so that is another opportunity for
4 you. I think most urban planners see energy as a very
5 complex issue, and it is really almost seen as an obstacle
6 to planning right now. We are being bombarded by so many
7 new issues and topics. Historically, when we look to doing
8 planning, and we looked at infrastructure, it was simply
9 looking to the water agency or the energy agency, "Can you
10 meet the demand?" "Well, of course we can built to meet the
11 demand." Now, all of a sudden, we are realizing that we
12 have some control over the percent of renewables, how it is
13 done in the community, and so we are in that transition
14 right now between control and implementation. Next slide.

15 Just one other service that we provide to our
16 members, a planning advisory service, this is essentially
17 our librarians do a survey of what is in the APA library and
18 the librarians do research in response to questions from
19 planners, and there was a request about what kind of energy
20 information do we have available, so the report included
21 articles and energy plans, model ordinances, incentives, and
22 other online resources, but it only addressed wind, solar
23 and renewable, so there was no information on energy
24 efficiency. So clearly, one of the things that CEC could
25 not do is provide more information to the librarian about

1 energy efficiency and its connection to land use.

2 So, the next steps. I think that it is critical
3 for CEC to clarify the IEPR importance. Why is it important
4 to communities? What is in there? If it is not important,
5 what can CEC -- what is the importance of CEC and its
6 relationship as a partnership, as the knowledge base to the
7 local community by providing potentially technical support,
8 helping contribute to the development of model ordinances,
9 and helping us with all these new funding mechanisms, the AB
10 811, potential of SB 279, everybody is looking to try to
11 leverage regional approaches -- and also SB 375 -- how do we
12 address regional approaches to doing mass scale energy
13 efficiency and renewable energy and understanding the
14 significant financial implications of the reduction to our
15 budgets to alleviate the budget crisis that we are dealing
16 with? And I think maybe the final one I wanted to mention
17 was the GIS mapping opportunity. I think that now that you
18 have the state GIS Manager, this is a great opportunity to
19 do large scale, statewide maps about opportunities for
20 renewables, who has already got energy efficiency online,
21 and there is a whole bunch of GIS work that we could do that
22 would be very exciting. Thank you very much.

23 MR. PFANNER: Great, Michelle. Thank you so much.
24 And we have Doug Newman with the National Energy Center for
25 Sustainable Communities. And Doug has worked with the PIER

1 Program, I believe, on the Land Entitlement Process:
2 Incentives for Sustainable Communities. Doug, are you with
3 us?

4 MR. NEWMAN: Can you hear me?

5 MR. PFANNER: Yeah, Doug.

6 MR. NEWMAN: Okay, great. Okay, folks. In the
7 remaining 10 minutes or so here, I will run through a
8 presentation that will highlight private sector perspectives
9 on what we term the "Energy Efficient Community," and I will
10 define that in a second, derived from about a 24-month
11 research project, and very intimate viewings with large-
12 scale developers, looking at the potential development of
13 their projects, utilizing advanced energy efficient
14 technologies, renewables, and what we termed performance
15 enhancing land use transportation and urban design elements,
16 that actually optimize the performance of those
17 technologies, and reduce overall aggregate energy
18 consumption and related emissions. So with that, Bill, or
19 Kevin, as I go through here, I will just let you know when
20 the slides are to be advanced.

21 MR. PFANNER: That is great.

22 MR. NEWMAN: On the title slide, you see the
23 QuickBooks outline that I will run through here. First, I
24 would like to set the context for this research in a global
25 perspective because there is a lot going on around the world

1 in this specific regard. Then, I will talk about the
2 research project itself, and then slide right into the
3 perspectives that we have been able to glean from that
4 research, from the development community, with regard to
5 energy efficient community development. And before I go on
6 to slide 2, let me just define that again. We termed
7 "energy efficiency community development" to be development
8 that strategically integrates the advanced energy efficient
9 fossil technologies and renewable technologies with, again,
10 performance enhancing community designed elements that
11 ultimately result in lower impact, lower carbon community
12 development projects. Next slide, please.

13 Fortunately, there is quite a bit of activity
14 worldwide on these very subject areas. We are very pleased
15 to be the U.S. -- being known as the global energy network
16 versus the sustainable community. Currently there are nine
17 emerging and existing affiliates to the network, you see
18 them listed up there. All have a common mission and a set
19 of research focus areas that we exchange information on.
20 And ultimately, all of this is designed to increase or build
21 the capacity of both public and private development
22 professionals to build more sustainable communities. You
23 see the three focus areas that we share, technology
24 optimization and integration, a real focus on community
25 planning and public policy, but as importantly, the

1 economic, the hard cold bottom line, that Michelle just
2 referenced. The economic market and behavioral aspects of
3 adoption of these technologies, and this newer form of
4 development. As I said, our center is the official U.S.
5 affiliate global network. We were founded through seed
6 funding, funding from the U.S. Department of Energy's Office
7 of Energy Efficiency and Renewable Energy, the City of Chula
8 Vista, California, south of San Diego, the San Diego State
9 University Research Foundation and the Technology Institute
10 of Chicago. Our research and promotional partners have
11 primarily been the Commission and its PIER Program, the
12 USDOE, the City of Chula Vista, Sempra Energy and Utilities,
13 and the developers themselves, who are very interested in
14 seeing additional information produced, that they can make
15 some business decisions on, that will move them in this
16 direction, more on that shortly. Next slide, please.

17 Our focus in the U.S. Center is distinctly
18 practical, as are most of the other nine centers, worldwide.
19 We have three channels of research ongoing -- urban infill,
20 Greenfield and Brownfield development research, we currently
21 have two studies available in the first category, one on the
22 net zero energy and portable housing project, another on a
23 mixed use residential development project, both in the City
24 of Chula Vista. The second category there is a category
25 that focuses on new Greenfield development, and this fall we

1 will have a technical reference guide for building and
2 site design coming out, along with a policy reference and
3 resource guide for publication, that actually address all
4 four of the IEPR scoping areas in the announcement for this
5 workshop. So we will submit that one in a draft form to you
6 by August 18th, just know that it gets in as a form of
7 comments on your call for comments. And then the Brownfield
8 developments area, and here we have a case study that will
9 be available in the next month or two, an integrated large-
10 scale district energy system, thermal and power, so it is
11 about a 500-acre redevelopment Brownfield site. In the
12 future, we are going to be moving into alternative fuels and
13 transportation, as well. Next slide, please.

14 The Chula Vista research project, as it is known,
15 this is the Greenfield development theory source. What we
16 did here is worked with DOE and the Commission to fund a 24-
17 month research project to look at how effectively to achieve
18 to model and then to provide a path forward for the
19 developer and the City of Chula Vista, to create an energy
20 efficient community development project on two different
21 sites, one a phenomenally, commercially urban site down in
22 Site A, and the other a residential and an institutional
23 site, one that would house a shared university campus, as
24 well as a commercial and residential development, that is
25 Site B. You can see them on the lower aerial photographs,

1 below the locator from Chula Vista relative to San Diego.

2 Next slide, please.

3 You see them on the aggregate building level
4 modeling, looking at all of the potential, HVAC illumination
5 enhancements, on-site power, renewable solar, thermal, and
6 pv, and a district cooling system for Site A, and of course,
7 demand control strategies for both sites. On the site-level
8 modeling, we looked at alternative densities, mixed use,
9 transit oriented development, all of the urban heat island
10 reduction strategies, and a number of storm water runoff
11 mitigation strategies and measures, as well. Next slide,
12 please.

13 To get at the developer's perspective on this form
14 of development, once we had some baseline on what the
15 performance of these technologies would be on these two
16 large scale sites, we sponsored a number of stakeholder
17 workshops and industry surveys. The two primary objectives
18 of the workshop and surveys, as stated there, first off, to
19 understand what the maximum incremental cost of this form of
20 development would be, and what would be acceptable to the
21 industry and the consumers, and then, secondly, to determine
22 what sort of financial and business models and public
23 policies would be needed to accelerate deployment of these
24 technologies and development practices throughout the state.
25 Workshop participants, which there were about 200, listed

1 essentially all of the representative entities within the
2 development transaction chain, from investors right through
3 to brokers, appraisers, and alternately buyers that are
4 listed there. Environmental organizations, as well as the
5 local regional and state government agencies were also
6 involved in this. Next slide, please.

7 Online surveys were conducted both in the capital
8 market industry and the development industry. You see more
9 detail on it there. We did, in fact, get a rather
10 significant response from the capital market industry, some
11 120 respondents over a 15-day period, and also with the
12 smaller, more targeted survey, we got a very respectable
13 response from the development community both nationally and
14 in California, so we had the National Associations involved
15 and, in the case of California, the development industry,
16 the California Building Industry Association was an
17 absolutely vital partner in getting the perspectives I am
18 about to share with you. We also ran through a number of
19 telephonic interviews to follow-up on issues raised. If I
20 can have the next slide, please.

21 So here are their perspectives, in a nutshell, and
22 I will do this very quickly, given the time. First, the
23 industries that I have just spoken about clearly see a
24 competitive market advantage to building energy efficient
25 community development projects, both from a green marketing

1 perspective, and the opportunity to ultimately offer the
2 products to the market that have lower long-term operating
3 cost. They also see a value in anticipating and being able
4 to be in compliance with future state and local regulatory
5 requirement for lower carbon development in that, as well,
6 they see there being an opportunity to reduce the first cost
7 of installing these systems in their projects through the
8 availability of actually sufficient financial and procedural
9 incentives by the state, regional, local government
10 agencies, as well. And then, finally, they are all quite
11 interested in responding to shareholder interests in
12 sustainable, as well as those corporate policies in that
13 regard.

14 The top six constraints that they see in getting
15 to the place where there is some market transformation, that
16 is, market mechanisms operating without the need of state --
17 the financial state incentives, or the following. First,
18 the split incentive decision dilemma has got to be
19 addressed, that is the misalignment between who pays the
20 first cost of installing more energy efficient features in
21 these development projects, and who ultimately benefits, and
22 where third parties might come into play to address that
23 dilemma in terms of the financing. Second, and directly
24 related, the lack of consumer willingness necessarily to
25 seek energy efficient features, quite a bit of debate on

1 this in the research communities that I circulate in
2 lately, but I will tell you, there is virtually no debate
3 among the development community we have spoken with, with
4 regard to their concern that there is really truly a lack of
5 consumer willingness to pay. Insufficient knowledge among
6 municipal officials about the value of these features, ergo
7 they are unable to rapidly review, evaluate, and approve
8 projects with these features. The fourth lack is municipal
9 procedures and incentives for these projects, fifth, the
10 lack of municipal investments in supporting green
11 infrastructure, and finally, investment risk that actually
12 inhibit the capital markets from engaging in these projects.
13 Next slide, please.

14 The key issue in the last one really has to do
15 with the perceived additional cost and insufficient demand
16 that we are already talked about. Now, beyond the cost of
17 green buildings, green development for a large-scale project
18 like those that we have been looking at and larger ones,
19 many energy efficient features can cost as much as 20 to 35
20 percent more than a conventional development of a site. You
21 see they are rank ordered, the factors that they, the
22 industry, perceives to be causing these greater additional,
23 or these incremental costs over conventional development. I
24 will go on to the next slide, given the time.

25 Here is what the development community essentially

1 is looking for to really move towards fully engaging this
2 form of development -- direct and indirect financial support
3 for builders and buyers, and specifically on the municipal
4 level, the innovation in things like development impact
5 deferral program, the community of Ontario has done quite a
6 bit of work in that area. State level, allowances -- I
7 should say sustainable building tax credit, development
8 project tax credit; the utilities, they would like to see
9 more creative financial incentives for green building and
10 green build program participation, and they would like to
11 see lender organizations providing consumer loan products
12 that are actually geared for energy efficient community
13 development districts. They would also like to see
14 collaboration to establish a uniform set of standards. We
15 have heard a number of people talk about this today, and the
16 collaboration really needs to be between all levels of
17 government, the utilities, and all of the allied real estate
18 development industries. What is interesting is they are not
19 interested in seeing this being based on [inaudible], as it
20 turns out. They would like to see a California specific
21 project rating and labeling system, and ultimately they
22 would like to see this system with a set of guidance and
23 tools that enable them and us to resolve existing regulatory
24 and procedural barriers.

25 That would then actually lead in to logical

1 information measures for the buying public, consumer
2 product labeling, education programs. There is clearly a
3 need for tools, techniques and trainings for municipal
4 practitioners. In particular, once there is an established
5 standard, once there is the quantification of carbon
6 reduction potential, various urban design features that
7 could be included in a project, there needs to be a set of
8 decision support tools that will enable them to quickly look
9 at a project, calculate the overall benefits and costs, and
10 to be able to translate that into planned review, guidance
11 and approval for the developers. And then, finally, they
12 are looking for there to be additional procedural incentives
13 for developers, more specially at the municipal level,
14 having to do with flexibility in meeting various zoning
15 requirements, certainly across departmental expedited plan
16 check and review is a huge incentive, we found, and one that
17 does not appear to be too terribly costly. And finally,
18 priority inspections and Gold Star treatment of developers
19 that are going the EECD route. Final slide here, folks.

20 You have got a number of resources available. The
21 first three come out of the Greenfield Development Series
22 Project we are completing now, and the fourth one also picks
23 up on that, but more directly addresses all four of the IEPR
24 scoping areas, and specifically AB 32, 375, 811, and really
25 goes to what I understand this workshop to be about. Next

1 slide, please.

2 And I will leave that up for a few seconds if you
3 would like to learn more, you can visit our website, The
4 Global Energy Network's website is there at the bottom, as
5 well. Thanks so much, and sorry for keeping you from lunch
6 here.

7 MR. PFANNER: Doug, thank you so much. And
8 unfortunately, we are not going to have time for questions
9 today. If you want to submit questions in writing, as I
10 said earlier, we can respond, but I think we need to take a
11 lunch break. We are going to have 55 minutes before we come
12 back here. Panelists, you have been excellent, you have
13 provided so much information, and we really appreciate your
14 impact. And we will reconvene here at 1:30.

15 [Off the record at 12:36 p.m.]

16 [Back on the record at 1:36 p.m.]

17 MR. PFANNER: We will start up again with the 2009
18 Integrated Energy Policy Report, Staff Workshop on Energy
19 and Local Assistance: Issues and Opportunities. Most of you
20 in the audience, I see, were here from earlier, but for
21 everyone's benefit, I will just go over some quick kind of
22 procedural details on housekeeping, restrooms are outside
23 the door here, there is a cafeteria on the second floor
24 where you can get coffee. In the event of a fire alarm,
25 follow me, we go out the door here and go across the street,

1 unlikely event, but I have had it happen. So we are
2 required to notify you on that.

3 In terms of this afternoon's workshop structure,
4 just reiterating that, this morning, we had two excellent
5 panels, the first one was perspective from the local and
6 regional governments, and we then had a panel of private
7 sector perspective. This afternoon at 1:30, we are going to
8 go into a state panel perspective, and then at 3:00, we are
9 going to mix it all up and have a dialogue with some
10 questions on it.

11 In terms of general housekeeping information here,
12 if there is anyone on the WebEx that wishes to make a public
13 comment, you should only text messages sent to the host via
14 chat, and any questions that come in, if we have time, we
15 are going to try to answer them here, if not, then we will
16 answer them in writing and get them back to people if they
17 have texted in their messages.

18 In terms of the overall process, the IEPR
19 integrates many many different components and we are just a
20 small piece of it, and this panel, we are hoping to get any
21 written comments back to us by August 18th, and those can be
22 directed to me, directly. In the IEPR process, the draft is
23 scheduled to be done by the end of September with an October
24 14th hearing date. So we will get that draft out for people
25 to review and the final hearing is scheduled before the full

1 Commission on December 2nd. So that is the schedule that
2 we are working with right now, so we are in a pretty short
3 turnaround on our piece of this.

4 In terms of the IEPR process, I know that state
5 agencies are familiar with it, so I will not go into kind of
6 the purpose, other than the past two, three years, the
7 IEPR's have kind of been focusing down on what energy
8 components of actions that the state take tie into various
9 actions related to the fiscal environment, whether it is
10 planning, or better efficiency in buildings, vehicle miles
11 traveled, energy being the key component, and integrating a
12 variety of state, local, and private actions. With the
13 formulation of the agenda for this workshop, the committee
14 really wanted us to look at more of the local and regional
15 perspective and what the state can be doing to help
16 facilitate less greenhouse gas, energy efficiency, smarter
17 growth, all of those terms that we use, and how can the
18 local government benefit from our input. So the purpose of
19 this panel today, which is comprised of Julia Lave Johnson,
20 from OPR, Linda Wheaton, Department of Housing Community
21 Development, Doug Ito, with the Air Resources Board, Joan
22 Sollenberger, with CalTrans, Luree Stetson, with Department
23 of Conservation, and Susan Durbin, with the Attorney
24 General's Office. And the big picture question that I put
25 out for the panel is: What implications do AB 32, SB 732,

1 and SB 375 have on local and regional entities' planning
2 requirements relating to sustainability and reducing energy
3 and statewide greenhouse gas emissions? And what is the
4 role of each agency? So we are going to start with that as
5 being our big picture kind of question, and then we will
6 deal with any questions on that, and at 3:00 go into an
7 integrative panel looking at more interrelatedness with the
8 private sector and local and regional governments. So with
9 that, I, first of all, want to thank everyone for
10 participating. I realize that we are all just swamped with
11 work right now and have a lot less time to do the work we
12 are required to do, so the Energy Commission greatly
13 appreciates your input and participation on this. And we
14 will start off our panel today with Julia Lave Johnson with
15 OPR.

16 MS. LAVE JOHNSTON: Hello. Thank you, Bill, for
17 having me here today. You know, first of all, I will start
18 out talking a little bit about what the Governor's Office of
19 Planning and Research is doing, some of the things that we
20 are involved with and that you all might be interested in.
21 The first is that OPR has been working on CEQA guidance for
22 greenhouse gas emission reduction; we are required to do
23 that by SB 97. We have finished our work on that and turned
24 it over to the Resources Agency. They are currently taking
25 public comment on that document and we will be holding

1 workshops on August 18th and 20th, with the closing date
2 for comments being August 20th, so you might be interested in
3 looking at those. And there has been a lot of talk about
4 what the impact of CEQA will be on climate change, in
5 addressing climate change, and I am still unsure about what
6 that will be. I do think that the Attorney General has used
7 CEQA in a very effective way to have local governments look
8 at climate change, and the question now is how the changes
9 in the guidelines will impact how local government goes
10 about addressing CEQA and greenhouse gas emission
11 reductions. I do think one of the things that OPR tried
12 very hard to recommend in the guidelines is that greenhouse
13 gas emissions should be looked at on a project by project
14 basis. We have really emphasized that you should be looking
15 at it on a higher level, a regional level, or a General Plan
16 level, and then tiering off of that, but certainly looking
17 at greenhouse gas on a project by project level is not as
18 effective, not only for local government cost-wise, but I
19 think also in the broad picture of how you address climate
20 change.

21 Something else that we are working on are our
22 General Plan Guidelines for Climate Change, and that
23 includes an adaptation. There is an Executive Order that
24 requires us to provide guidance on adaptation, sea level
25 rise and adaptation. We have been working with Resources

1 Agency on their State Adaptation Plan to address land use
2 issues on that and, in addition, we will address adaptation
3 in these guidelines. And I wish I could tell you when they
4 are coming out, but I do not have a date. I do not want to
5 promise a date and then not be able to deliver, so let's
6 just say that before December, when OPR is scheduled to be
7 dissolved, we hope to have that information updated.

8 The other thing that I want to talk to you about
9 is the Strategic Growth Council. Are you all familiar with
10 the Strategic Growth Council? I will just briefly give you
11 some background. The Strategic Growth Council was formed by
12 SB 732, Senator Steinberg's Bill. It consists of several of
13 the State Secretary's, BT&H, Resources Agency -- Natural
14 Resources Agency, excuse me -- Health and Human Services,
15 the Director of OPR, a public member, and I am forgetting
16 some-- oh, CalEPA, sorry about that. The Strategic Growth
17 Council is charged with coordinating state activities to
18 better support sustainable communities. We are supposed to
19 look at how the state funds infrastructure, how the state
20 funds programs, and also how we provide guidance and develop
21 our programs. We do have a website if you are interested,
22 it is www.sgc.ca.gov, and if you cannot find it, you can
23 certainly go to the OPR website and link into it. One of
24 the things that we are working on right now, currently, is
25 the Legislature has given us the authority to spend \$12

1 million of Prop. 84 money on modeling to address SB 375
2 implementation, and we are supposed to have the money
3 allocated by October 1st, which is somewhat of a super human
4 date, but we are definitely going to try our best. We will
5 be holding a meeting, the Strategic Growth Council will be
6 holding a meeting to discuss the draft guidelines on August
7 26th in Sacramento, and there will be information on our
8 website about that, and there will be more information this
9 Thursday, there will be an agenda and so on. I do not know
10 if the draft guidelines will be posted this Thursday, but if
11 not, they should be up by Monday or Tuesday of the following
12 week.

13 So, I think that all of the tools we are working
14 on are valuable, I think they will help local government and
15 regional government, but I want to talk a little bit about
16 something else with that. I have to say, sometimes I feel a
17 little bit like a used car salesman, "Let me tell you what
18 we can do for you," you know? And so I had a really
19 interesting conversation with my five-year-old last week. I
20 was on vacation, so I actually had time to have long
21 conversations with my five-year-old, and I was trying to
22 explain to her that different people did different jobs, and
23 we all had our jobs to do, and how important it was that we
24 all did those, because if we did not all do our jobs, things
25 just did not work out, whether it was a family, or a city,

1 or a government. And I said, "You know, we all have
2 different jobs." And she looked at me and she said, "Oh,
3 no, mommy, we all have the same job." So I said, "Well,
4 what do you mean?" She says, "We all need to take care of
5 the planet." And I was like, "Well, you know, okay." What
6 can I say to that? It just went right to my handwringing,
7 knee jerking, bleeding heart when she said that. And
8 actually, she is right. So sometimes when we talk about
9 what local government should do, and what states should do,
10 and this is my job, and that is your job, and what are you
11 going to do for me, and how are we going to work this out, I
12 think that we forget that we really have the same goals, and
13 still are trying to accomplish the same things. And that is
14 one of the things that Strategic Growth Council has really
15 been wrestling with, is our system is not set up to really
16 help us cooperate, it is not set up so that we have these
17 common missions and goals, or those easy to work together to
18 achieve them; we have separate missions, we are a little bit
19 silo'd, you know, so, how do we create a system and
20 processes that allow us to work together and rewards people
21 for working together, and redirects resources so that we can
22 collaborate in effective ways? And then, how do we measure
23 success? Because when we are doing collaboration, at least
24 what we found, those of us who are involved in the Strategic
25 Growth Council, it is a lot of talking. And there is not a

1 lot of outcome in the beginning, and so it is hard to say
2 that you are doing something productive when most of what
3 you are doing is talking, and feeling really good about
4 getting to know each other, and starting to work together,
5 but it is hard to measure your progress in the beginning, I
6 think. And so that is something that I think we are
7 struggling with.

8 The other thing that I think we struggle with, and
9 I think this is something not just the Strategic Growth
10 Council is struggling with, but all of the agencies you see
11 up here now, is we all have realized how important land use
12 is, that it is a key issue in all of the challenges that we
13 are trying to address. And while I think that this
14 Administration recognizes that land use planning, or
15 regulating land use, is a local issue and is something that
16 should happen at the local level, we really need to talk
17 about what the state's role is in that process. And I have
18 been doing a lot of presentations, I have been doing some of
19 the SB 375 workshops, and Doug has been privileged to talk
20 with several of those, but I have been doing a little kind
21 of background of the state, state planning and where we have
22 come from, and some of the things that have happened in the
23 last couple decades. And I want to go back to 1972 when
24 Ronald Reagan put out the first Environmental Goals and
25 Policy Report. And there is a section in there about the

1 role of government, of state government. And he says that
2 there are two clear roles, there are actually three clear
3 roles, but two of them are old, they have been around for a
4 long time. The first one, and these are talking about
5 environmental quality, the first is to protect the public's
6 right to clean air and water, and we can pretty much agree
7 that that is a role of state government, as well as federal
8 government. The second one is that government has an
9 educational responsibility; we need to learn from our
10 mistakes of the past, and assist those who are unaware of
11 unsafe building techniques or land use practices to do a
12 better job. So basically we need to regulate, based on our
13 experience. But the third, and they say this is an emerging
14 role of government -- now this is 1972, remember -- says
15 that the emerging third role of government is an overview
16 responsibility to monitor accumulating effects of actions by
17 local government and private citizens. It says [quote], "As
18 individuals and individual units of government, alike,
19 satisfy their individual needs, the total state either
20 benefits or suffers the accumulated effects." Now,
21 remember, too, that Ronald Reagan passed CEQA, and you can
22 see that kind of idea of accumulated effects, and how you
23 deal with accumulated effects that are starting to develop.

24 Now, the other thing that this EGPR talked about
25 was SEE, which was Social Economic and Natural Environmental

1 Impacts and how we go about evaluating those, so I see
2 those as kind of like sustainability, SEE instead of the
3 three "Es", we have just changed one "S" to an "E" and now
4 we have the three E's. So basically, when you see in this
5 1972 document the foundation for not only the state being
6 involved and kind of this idea of providing a framework
7 where we try to balance how we grow and develop on the
8 natural environment, but also this idea of the three E's,
9 that we need to balance economic, environmental, and equity
10 issues, that the state needs to play a role in this. Now,
11 this was expanded in 1978 by Jerry Brown when he did his
12 Environmental Goals and Policy Report, and he said there
13 needs to be a partnership between state, regional and local
14 government, that local government needed to take the lead,
15 but they also needed to work together in the context of
16 their regional council of governments, and the state needed
17 to provide leadership and be a catalyst, working with local
18 government and regional organizations and private enterprise
19 to give direction to California's urban growth and
20 development. So, again, this idea that somehow the state
21 needs to provide a framework that these activities take
22 place in, so that we can do balanced development and growth,
23 and balance environmental needs, and social needs, and
24 development needs.

25 So I guess what I am trying to say is that we need

1 to work together because land use transcends just local
2 boundaries, it transcends regional boundaries, that we have
3 some common goals that we all need to accomplish for what is
4 best for the entire state, that we can agree on. And if we
5 can find a way to work together to identify those needs, and
6 work together, I think we are going to be able to address
7 some of these large challenges that we face in the future.
8 OPR has been very committed to the State Blue Print Program.
9 We have been calling it the Regional Table where local
10 government, regional government, and the state can come
11 together to discuss what their needs are, and try to work
12 out some of these issues. Our hope is that SB 375 expands
13 on that regional table and it adds to the Blue Print, and
14 that it does not narrow down this idea, this broader idea
15 that the Blue Print has brought, their interconnection
16 between transportation and land use and health issues.

17 So we are really excited about the possibility of
18 working together under the guise of the Strategic Growth
19 Council. We are looking at doing some outreach with
20 Institute for Local Government, to talk to local governments
21 about, you know, I know the earlier -- it was several folks
22 said, "Oh, we need more tools, we need more money, we need
23 this, we need that," and I understand that. But the
24 challenge is, well, what are those tools? And how do we
25 take the limited resources that the state has, invest them

1 in a way that actually supports the right kinds of tools,
2 so the right kinds of activity. How can the Strategic
3 Growth Council take the small pot of Proposition 84 money
4 that we have for local planning incentives and invest it in
5 a way that leverages, so that we can really make a
6 difference? So I am hoping that you will think about
7 participating in some of those listening sessions that ILG
8 is putting together and I am looking forward to working
9 together so that we can all help the planet. Thank you.

10 MR. PFANNER: Thank you, Julia. Our next
11 presenter, Linda Wheaton, Department of Housing and
12 Community Development.

13 MS. WHEATON: Thank you. I am Linda, Assistant
14 Deputy Director in HD's Policy Division. I am happy to be
15 with you today and to focus, in particular, on what is also
16 one of the state's oldest intergovernmental processes for
17 planning of the state, its regional governments, and its
18 local governments for housing development. And as you are
19 well aware, residential land uses comprise the largest land
20 use category and play a very critical role in a wide variety
21 of aspects. And we are dealing with housing in terms of the
22 housing element, not only as an issue of shelter. The state
23 goal asks us to plan for housing for all Californians,
24 including farm workers, in particular. But, of course,
25 housing also involves issues of financial markets and real

1 estate issues, and a very poignant issue in our current
2 climate. About the same time that CEQA was evolving in
3 California, we also enacted our current framework for
4 housing planning. The state's Regional Housing Needs
5 Allocation Process was one of the first fair share equity
6 plans adopted in the country, and is one of the few that
7 evolved to maintain a role for the state, regional and local
8 government in an iterative process that we have today.

9 So currently we have statewide, all cities and
10 counties in the state are involved in updating their housing
11 elements for planning periods that extend either into 2013
12 or 2014, with exception of SANDAG, whose current planning
13 period only extends through 2010. So this means that, in
14 fact, by August 31st of this year, on the basis of the
15 staggered schedule, all cities and counties should have
16 completed the fourth cycle statewide of periodic updates to
17 their housing elements. So it is these current updates that
18 have potential to impact other state recently enacted state
19 objectives, including that of AB 32 and the regional
20 targets, for example, that are currently under consideration
21 for recommendation and methodology factors by the Regional
22 Targets Advisory Committee and subsequent implementation of
23 SB 375.

24 So the key elements of the housing elements, it is
25 a strategic planning vehicle of the General Plan. It

1 includes extensive public participation requirements in
2 both the regional housing needs process, as well as the
3 housing elements, itself. It deals with all aspects of all
4 economic segments, all aspects of the housing supply. In
5 that process, it requires an inventory of resources
6 addressing constraints, policies, goals and implementation
7 actions that are quite discrete by the local government, and
8 it also includes a review of that by the state, by HCD, our
9 department, and certification, and that certification is an
10 element in eligibility for state allocated resources in many
11 of our housing assistance programs.

12 So HCD is very active in making resources
13 available and aiding in local governments in updates of the
14 housing elements. The online tool that we have for doing so
15 are the building blocks here, shown in this portion of our
16 website. So it is intended to be at a level and degree that
17 takes local governments through the process in a way to
18 enable them to update themselves, or with targeted
19 assistance. One of the important components, increasingly
20 important components of housing element updates,
21 specifically includes energy conservation. So we have a
22 renewed emphasis and focus on energy conservation measures
23 that can vary from siting issues to specific kinds of more
24 building related criteria. So things like green roofs, that
25 have gained kind of a renewed sense of popularity, are

1 something, just one of the kinds of examples that people
2 are discussing more. We also have on our website, kind of
3 since energy efficiency and efforts to reduce greenhouse
4 gases are a crosscutting issue, not specific to any
5 individual element of a General Plan, or zoning, we have on
6 our website examples of policies enacted by local
7 governments that have co-benefits across different
8 functional planning areas. And, brand new, hot off the
9 press, our new statewide gray water standards that also, not
10 only deal with -- they have the potential to also have
11 positive impacts for energy efficiency. So the department
12 developed the recommendations for the Gray Water Standards
13 through a very extensive stakeholder process, and they were
14 just adopted by the State Building Standards Commission.

15 Something else that the State of California
16 innovated on was adoption of State Green Building Standards,
17 adopted last year, also developed by HCD, and adopted by the
18 State Building Standards Commission, they have just become
19 effective and we are in the process of developing updates to
20 those, that would be progressive. So on the actual -- on
21 the land use process per se, for both the current process
22 that we are engaged in, all of these housing elements were
23 preceded by the Regional Housing Need Allocation Process.
24 The objectives of the Regional Housing Need Allocation
25 Process incorporate the State Planning Objectives that were

1 officially adopted by the State by AB 857 in 2003, and
2 when the Housing Element law was amended in 2004, the
3 Regional Housing Needs Law, these were incorporated along
4 with what had been the longstanding issues of considering
5 jobs, housing relationships, and addressing income over
6 concentration. So that means that, in the process, COGs are
7 used to, and have been increasingly considering in our
8 experience with regional blue print planning, which was
9 preceded by the Integrated Regional Partnership Program --
10 that was really the funding source for the first regional
11 blue prints such as those in SACOG -- regional governments
12 have gained more experience in getting information from, and
13 modeling, local land use via this kind of information. But
14 local land use is, in the housing element, fundamentally an
15 issue of local decision-making. So while we have an
16 iterative process involving the state and regional
17 governments on determining total projected regional planning
18 needs for an identified short term planning period, it is
19 still the local government's decision as to how that
20 proposed housing development is to be accommodated -- where
21 and at what development standards.

22 We are seeing a lot of overlap in some of the
23 objectives that we have, and it has been asserted by some
24 that our issues of housing affordability and increasing
25 transportation costs, and the solutions to those, are common

1 to the issues that we need to address for greenhouse gas
2 reductions to meet the objectives of AB 32. Essentially, we
3 need to find ways to enable a growing population to drive
4 less; we need to be able to have greater integration that
5 enables more walking, more efficient development patterns.
6 So we have seen the factors that are related to this reduced
7 travel, which kind of started out being identified as the
8 so-called Four D's, density, diversity of land use and a mix
9 of land uses, and design, being extended to a number of the
10 other factors that are certainly inherent in land use
11 planning and not exclusive to housing planning. But many of
12 these, dealing with compact development, higher density
13 development, walkable communities, are issues that we deal
14 with in affordable housing finance all the time, and they
15 are very fundamental to these kind of desired development
16 patterns, something that we have been working toward doing
17 an increased proportion of, for some time. So the resources
18 to enable that include generally multiple subsidies from
19 federal and state sources. In recent years, we have used
20 Prop. 46 and Prop. 1C funds, enacted by the voters of
21 California, along with some of the federal funds that have
22 traditionally been available, but we are always talking
23 about resources in short supply relative to the demand, and
24 in areas where we have some of the greatest need for this
25 kind of housing development, particularly strong competition

1 for those resources.

2 So the next cycle of housing element updates is
3 going to be the one where we will focus on the
4 implementation of SB 375 and the specific required
5 integration with regional transportation planning beyond
6 what we have already been doing for the current cycle. The
7 integration with RTP updates has been occurring for some
8 time; this takes it to a greater degree of specificity. So
9 in this context, we are basically looking at some of the
10 impacts as they will affect housing planning, entail longer
11 planning periods, as I say, more specifically looking at
12 integrating the land use allocation patterns of regional
13 transportation plans of the MPOs with those of the Regional
14 Housing Need Allocations made by the Department, and in
15 taking some of the rezoning requirements for implementing
16 those land use allocations, and giving them some statutory
17 due dates, a maximum of three years, and along with that,
18 the kind of desired outcome of projects are to be subject to
19 streamlined environmental review.

20 So we are basically talking, in the cases of MPOs,
21 being eligible for updates for housing elements every eight
22 years, and non-MPOs every five years with an option to elect
23 to go to eight years. And those are going to be subject, of
24 course, to review for the role of those development patterns
25 in meeting the -- or how they relate to the regional targets

1 that are adopted by the ARB for reduction of greenhouse
2 gases.

3 The SCS, then, is required to incorporate the
4 statewide housing goals, such as are typically set forth and
5 implemented in the Regional Housing Needs and Housing
6 Element Process, required to address all segments of the
7 population, and to also address feasible jobs-housing
8 relationships. This includes not just quantitative matches,
9 of course, but jobs-housing fits because, if the population
10 cannot afford the housing, then we cannot get reduced
11 transportation, or reduced commuting. So the kind of
12 development pattern that is desired, that is set forth and
13 described to benefit from reduced environmental processing
14 in SB 375, transit priority projects, are the kinds of
15 projects that we have been funding for some time in
16 affordable housing, that would require in many cases deep
17 subsidies to get to mixed income projects at these income
18 levels. So we are going to need resources, that is one of
19 the reasons we need a permanent source of affordable housing
20 to succeed the Prop. 1C funds that we have been
21 administered.

22 So while we have short-term and long-term targets
23 to meet, and objectives, we do have an increasing array of
24 tools and processes that can be integrated to get us
25 development that goes from here, to developments scenarios

1 more like those in our urbanized areas, with development
2 patterns that are much more energy efficient. And the
3 department is actively involved in these intergovernmental
4 processes, be they ranging from update of the Regional
5 Transportation Guidelines, the General Plan Guidelines
6 update that Julia referred to, the Regional Targets Advisory
7 Committee, and ARB Target Setting Process, and we are eager
8 to work with the parties involved.

9 MR. PFANNER: Linda, thank you very much. Our
10 next panelist is Doug Ito with the Air Resources Board.

11 MR. ITO: Thank you, Bill. I appreciate the
12 opportunity to be here today. The first several slides are
13 a lot of background information that most of you know, but I
14 will just run through them for context. As you know, AB 32,
15 the Global Warming Solutions Act, was signed into law in
16 2006 and it promoted California's leadership in responding
17 to global climate change. AB 32 set the 2020 greenhouse gas
18 emission goal, but it also recognized that this is a long-
19 term issue. Next slide.

20 In December of last year, ARB adopted the Climate
21 Change Scoping Plan as directed by AB 32. This plan
22 articulates the path to reduce greenhouse gas emissions to
23 1990 levels by 2020, and it would put California on the
24 track to reduce emissions by 80 percent below 1990 levels by
25 2050, so it articulates that longer term objective.

1 The next slide highlights some of the key
2 elements that are identified in the Scoping Plan, and one
3 thing to note, throughout the plan there is a clear
4 recognition that effectively addressing greenhouse gases is
5 really dependent on a collaborative process across all kinds
6 of stakeholders, regional, local and state level.

7 The next slide identifies the goal of 15 percent
8 reduction as identified for communities. We have talked
9 about this goal in the context of taking the sector emission
10 reduction from across the Scoping Plan, one goal that a
11 community could look at achieving is a 15 percent reduction,
12 so it is not necessarily the sole responsibility of any
13 particular jurisdiction, or those that are within its realm
14 of responsibility, but when you look at the community as a
15 whole, that is the goal that we have articulated.

16 The next couple of slides deal with a couple of
17 the tools that we have been developing to help local
18 jurisdictions and areas take action on reducing climate
19 change emissions, and a lot of this is voluntary action that
20 can be taken immediately, resources that are available to
21 help folks that want to see what they can do now. This
22 website is the CoolCalifornia.org and is intended to provide
23 a one-stop shop, or just a single point of resource for
24 different components for different stakeholders to get
25 resources. And as you can see along the side, there is a

1 focus on small business, local government, and then
2 individual actions. With respect to the local government,
3 this is a continually evolving website. We are getting a
4 lot of comments about how to improve it and make it easier
5 to use, access a wider range of resources, but as it stands,
6 there is a lot of stuff in there that are general
7 information, specific ways to target kind of the messaging
8 at the local level about how some of these strategies will
9 actually help the region save money, in addition to reducing
10 greenhouse gases. So, as you take a look at those
11 resources, go ahead and feed your comments back to us, and
12 it will help to improve that resource.

13 My role at the Air Resources Board has focused
14 over the last several months, particularly on Senate Bill
15 375, which is one component of the implementation of the
16 overall AB 32 and Scoping Plan. So, this is the quote that
17 we have been using from the Governor's Office Fact Sheet way
18 back from last year, just a reminder that the goal really in
19 375 is taking a look at our communities and re-thinking
20 about how we grow and what we want to accomplish.

21 The next slide should be familiar to those of you
22 involved in our process. It articulates in the Scoping Plan
23 the view of transportation emissions, broken down into three
24 particular components, or the three-legged stool -- vehicle
25 technology, fuels, and vehicle use. And SB 375 focuses in

1 on the vehicle use piece of it. The next slide just
2 provides some general basics, and Linda had actually
3 mentioned a few of them. It is a Bill that is implemented
4 in stages, the first one between now and the end of
5 September of this year is the establishment of a Regional
6 Targets Advisory Committee, which we appointed back in
7 January, our first meeting was in February. They are to
8 provide recommendations to ARB in the methods and the
9 factors that we would use to establish regional targets to
10 reduce greenhouse gas emissions from passenger vehicles.
11 Those targets would then be used by the Metropolitan
12 Planning Organizations in California to develop plans on how
13 the region, each region, would go about meeting those
14 targets through both land use and transportation strategies.
15 So the Sustainable Community Strategy and the Alternative
16 Planning Strategy are both documents that enable the region
17 to articulate its plan. One of them is embedded in
18 currently required state and federal planning documents, the
19 Regional Transportation Plan. And then the alternative
20 planning strategy is, if they cannot meet the target within
21 the context of their required plan, then they have the
22 option of using this alternative planning document to
23 demonstrate how the region would meet its target, using
24 other methods. And then, finally, the implementation of the
25 plan takes place and one of the incentives embedded within

1 the Bill, and Linda's slides had a little bit more detail,
2 are the CEQA streamlining benefits that occur if a
3 development project is consistent with a plan, either the
4 SCS or an EPS, that meets the greenhouse gas reduction
5 target.

6 The next slide is the overall statutory timeframe.
7 Again, January was when we appointed the committee, they are
8 due to have the recommendations to us by the end of
9 September. We would be issuing draft targets by June of
10 next year, and then the final targets come out in September
11 of 2010. I am going to pause on this slide for a little bit
12 to talk about the current activities that have been
13 occurring on the Regional Targets Advisory Committee. This
14 committee is a 21-member committee, composed of a wide
15 variety of representatives, both from local government and
16 regional government. We have some experts on the technical
17 sides of the issue, as well as City Managers, etc. So we
18 designed it to provide the widest range of expertise, we
19 have very technical folks such as Jerry Walters, to very
20 politically positioned people like Linda Parks, who is on
21 the Regional -- the Southern California Association of
22 Governments Regional Council. They have been debating and
23 discussing the methods and factors that they would recommend
24 to ARB, and the conversations of late have really focused on
25 two primary pieces. It is the recommendation to set

1 targets, should the framework for setting targets revolve
2 around a modeling basis, so travel demand models and end use
3 models, these models that take inputs from real world data,
4 kind of put it altogether within the region, and produce a
5 target; or, should they be based on a policy context, so one
6 of the options discussed was kind of points for policy
7 framework where you have a list of action items that a
8 particular local or regional agency can implement, and those
9 have points associated with them, and then the target would
10 be the achievement of the points, the implementation of the
11 policies that add up to an appropriate number of points.
12 And I think, you know, behind that discussion, the
13 implication really was focused on what, in part, it is,
14 "What communicates best?" "The ability of a local
15 government to take action to reduce emissions." So those
16 are TAC members that supported a more policy-based approach,
17 had in mind the idea that, really, what they needed was what
18 action should they be able to take, what is going to be able
19 to communicate to the local jurisdiction within a region
20 most effectively the kinds of things that can reduce
21 greenhouse gas emissions.

22 On the modeling side, the discussion was focused
23 on, well, the regional governments currently are required to
24 do modeling, it is part of how they view how the region
25 grows, so for those areas that are implemented in blue

1 prints, or more visionary exercises. Here in the
2 Sacramento region, there has been a very successful effort.
3 It relies on modeling, the ability to take policies, combine
4 them in a particular context, look at it to the future, and
5 see what the implication of implementing a land use policy
6 or transportation policy would be. And so it has been a
7 very interesting and dynamic conversation. At the last
8 meeting, last week, they kind of resolved on a combination
9 approach where there was recognition that the regional
10 governments were not going to escape from modeling, it is
11 embedded in what they do, and they have to do the modeling
12 component of it. But that modeling can be informed by an
13 articulation of the kinds of policies, or with what RTAC has
14 articulated as best management practices, you know, this
15 list of things and actions that a region or local government
16 can do. That could inform the scenarios that the region
17 produces, it also could be used as a communication tool when
18 the region talks about its plan for the future, it is not
19 just a series of model outputs or maps, but it could also be
20 a list of specific items that they feel are important for
21 the region to move forward and implement in order to achieve
22 the greenhouse gas reductions.

23 So, the RTAC Committee has a couple of additional
24 meetings left before their due date of September 30th, and we
25 have been pleased with the discussions. It has been a very

1 rapidly paced process, but we are looking forward to their
2 recommendations in September.

3 Okay, so final slide -- second to last slide --
4 just a reminder, kind of the emphasis of 375 is regional
5 scale planning, but there is a high recognition that local
6 government, with the land use authority that they have, play
7 a key -- and I would say a central part -- in how a region
8 would move forward. My last slide here is just a couple of
9 contact information. We have a Senate Bill 375 website
10 where we have got all of the materials and presentations
11 that have gone in front of the RTAC, and then we have a
12 climate change website which will give you the portal for
13 some other resources that I talked about earlier. Thank
14 you.

15 MR. PFANNER: Great, Doug. Thank you very much.
16 Our next panelist is Joan Sollenberger, with CalTrans.

17 MS. SOLLENBERGER: Thank you, Bill. Okay, I will
18 bring up my PowerPoint here. I am going to, of course,
19 focus on the transportation aspect of all of this, but I
20 think the previous speakers have all said and explained some
21 concepts that I am going to cover, but maybe I am going to
22 drill in a little bit further from a transportation
23 standpoint how we are viewing this, and how we are
24 implementing this on behalf of transportation for the state,
25 and with our partners. One thing I did want to mention is

1 we do have a couple folks here from CalTrans if you get a
2 chance to talk to them, we have our Regional Blue Print
3 staff here, Marilee Mortenson, and Alana Hitchcock, and
4 Martha Martinez are here, and from our Mass Trans Area, Jila
5 Priebe, the one shot bus traffic transit, or all that other
6 good stuff, they are all here, and so I wanted to thank them
7 for being here. They are the ones that really carry out
8 these things, and so it is important to recognize them.

9 What I wanted to cover, I am going to go briefly
10 over what we are doing on the climate change side because I
11 think some of this is embedded in what has already been
12 discussed, but there are some things emerging like
13 adaptation. So what I wanted to just cover on this is that,
14 of course, we have the AB 32 requirements for mitigation for
15 climate change and transportation is, in California, a
16 particularly large percentage of the greenhouse gas
17 emissions that need to be reduced, and so a lot of the
18 concepts you have already heard are all aimed at trying to
19 do this mitigation, including the Bills that were passed
20 like SB 375. But we had already, through a series of
21 supporting the vehicle technologies and the fuel technology
22 changes, for our own fleets and things, we had implemented
23 those. And also, when the Governor's Strategic Growth Bond
24 passed, we had a number of measures in there that we have
25 implemented, that were really designed to reduce congestion

1 in the system by smoothing it out, which has a greenhouse
2 gas emission benefit, and then what you have to do, then, is
3 manage that through-put so that it does not congest again
4 and cause the same problem because ultimately transportation
5 moves the economy and so we are trying to do a balancing act
6 of trying to reduce greenhouse gas emissions from the
7 transportation sector, at the same time supporting the
8 economy and equity across the state, the three E's.

9 So our investment, the \$20 billion in bonds, a lot
10 of those investments are really designed at -- we will have
11 some greenhouse gas benefits from those in the near term,
12 but in the long term, we absolutely have to employ all the
13 other tools in the toolbox, including land use changes
14 because, by the time we are getting land use changes, which
15 are five to 20 years out now, you will start to see how
16 those are going to benefit us, as we reach the 2050 target.
17 So that is what a lot of these policies, I think, are
18 designed to support.

19 We are doing also some research on this, on tools
20 to perform comparative investments for our energy pathways,
21 and different things like hydrogen biofuels, electricity,
22 and fossil fuels. But system efficiency is a key piece of
23 what we are trying to do because people are not leaving
24 California, there are just more and more people. They still
25 want their cars. We are trying to, as everybody has stated

1 here, trying to reduce the need for vehicle trips and
2 particularly single occupant vehicle trips, and allow people
3 other transportation choices. So I think those are really
4 key and I will cover those in some of the other areas that
5 we have. We also are looking at conservation and greening
6 efforts, as well.

7 On the adaptation side, just because I am going to
8 jump back into the other parts later when I talk about our
9 regional planning context, as Julia mentioned, there was the
10 Governor's Executive Order on Adaptation, and the report is
11 out for draft comment from the Resources Agency on what the
12 state agency has proposed needs to be looked at in the areas
13 of adapting to when we do have climate change, we are going
14 to have sea level rise, temperature changes, and
15 precipitation variability. And this is just an illustration
16 of two major transportation facilities called San Francisco
17 International and Oakland International, and because they
18 are on fill, if the sea rises, as predicted, within the next
19 100 years, they will be under water if nothing is done
20 because we have already seen almost eight inches of rise
21 just in San Francisco Bay in the last 100 years. That is
22 now accelerating. So we are starting to take a look at very
23 long range planning to try to anticipate all of these
24 things, and then you can see that this does not just impact
25 transportation. A thousand miles of California's coastline

1 is in San Francisco Bay, and there are a lot of
2 communities around there, so this immediately goes into not
3 just transportation, but all land uses, and where people
4 live, and where they work, and all resources around those
5 facilities. The other thousand miles of coastline is the
6 rest of the California coast, which is very impacted by sea
7 level rise. So we are really trying to start to implement
8 things that will help us look at this very long range, so
9 that we can start anticipating avoidance planning where it
10 is pretty obvious something is going to happen, and look at
11 the vulnerabilities of systems out there because, right now,
12 we need safety projects, that are killing people, but -- and
13 so those projects need to go forward, but they may be in the
14 Delta, which is going to start rising and someday those
15 facilities will be at risk. So huge huge impacts to
16 communities across California, and we are just going to
17 begin our dialogue with regional and local government about
18 how do we plan for this together. So we just kind of put a
19 very high level framework together and we need everyone's
20 help and input to start to inform, what do we do about this.
21 So I think we have got a good start, but it is going to take
22 some work.

23 The other part on greening is a couple things that
24 we have implemented, is I had quite an education about
25 cement, that it is one of the biggest greenhouse gas

1 emitters out there because of the limestone, and we have
2 been doing some research and worked with the Air Resources
3 Board, and we were able to come up with a different mix that
4 actually is a -- we are a huge user of cement in the state,
5 and just the process of making concrete creates a lot of
6 greenhouse gas emissions. So since the state is the biggest
7 user of cement, what changes we are making will be
8 implemented by others, that the mix plants and others will
9 be implementing those. Our highway light and green building
10 landscaping, all of those things we are looking at to do our
11 part on trying to respond to climate change.

12 I am going to jump now to how we relate -- at the
13 CalTrans level, we mostly relate to the 43 regional planning
14 agencies of the state, the Regional Transportation Planning
15 Agencies. The historical piece to that is that they were
16 also started, the earliest ones were in the 1970s, the
17 Metropolitan Transportation Commission Area was put into
18 statute and the Southern California Association of
19 Governments were two statutory ones, for example, with the
20 idea that the growth in population and the issues they were
21 dealing with was more on a regional basis, and multi-county.
22 So we for years have been dealing at that level, but there
23 is also -- all of those planning efforts are informed by the
24 local General Plan level. And so what we have been focusing
25 on is if we can be involved in this collaborative planning

1 at the local level to integrate transportation with other
2 land use decision making and not have it as, "Well, we are
3 going to do these buildings; uh oh, what do we do about the
4 transportation?" To have it as part of the thinking, that
5 if we can get good solid General Plans, then that makes
6 regional transportation planning much more effective, to
7 pull it together, to say how does the transportation system
8 support the land uses that are proposed. So we are out
9 there in 12 districts, ready to -- and trying to do this
10 more proactive work versus reacting to a General Plan that
11 has already been put in place where we might have been able
12 to provide some information to help inform the decision-
13 making even some more. And I know those are -- and we are
14 not able to do that all across the state, so we are trying
15 to pick where that is, but I think it is important to get
16 ahead of the individual projects, as Julia mentioned,
17 because at a plan level, you have a better ability to be
18 able to look at a different mix of transportation solutions.

19 Jumping, then, to what was already discussed about
20 the kinds of tools and funding that we have, we -- the
21 modeling improvements that Doug already touched on from SB
22 375 are a piece of something we have been doing for a while,
23 you heard about the Regional Blue Print Grants and the
24 Regional Blue Print planning going across the state, that is
25 with the idea that we are looking at alternative scenarios

1 of land use that are more compact, at least in places like
2 along transportation corridors, that preserve the
3 environment, that help us achieve goals of being more
4 walkable, and bikeable, and transit oriented, and have to
5 look at the trade-offs before actual General Plans are
6 adopted, to look at the trade-offs on a larger regional
7 basis. We support those with some of the grants, and I
8 brought some of these for our next session, it is called
9 "Show me the Money," it is a bunch of grant programs we
10 have, which are all listed here in the list. And so I will
11 be able to hand those out to you later. And I am going to
12 -- the idea between Regional Blue Print planning, or for it
13 is that you are able to take a number of issues of interest
14 to local agencies and the citizens and the regional level,
15 and look at all of the topics, and be able to look at the
16 trade-offs, so I put energy at the top here because that is
17 an important one, then you can actually look at the energy
18 efficiency of a certain kind of land use, you could look at
19 how you are protecting your environment, you can look at the
20 health of the community on this regional basis. You can
21 look at how the transportation serves you and how it reduces
22 greenhouse gases, get to your water goals, your economic
23 goals, and I am going to give you an economic example at the
24 end here that I think is important to illustrate why looking
25 at a regional basis sometimes, the regional scale is there

1 for a reason at times, that a local jurisdiction would
2 want to be a part of a larger regional economic discussion,
3 and I will give you an example of that. Housing and, of
4 course, reduced emissions.

5 And the scenario planning is you are able to take
6 these layers and visualize all of these things that you are
7 trying to achieve as a community and see what happens. What
8 would happen if you develop that way? What kind of outcomes
9 do you get from the standpoint of the kind of goals that you
10 want to achieve? And then, ultimately, it is really to
11 inform decision-making, and it is in the control of local
12 and regional agencies to adopt these and, in SB 375, we
13 really believe that this type of planning is what is called
14 for in the sustainable community strategies, which are
15 focused -- in the law, they are focused on land use and
16 transportation, light duty cars and trucks, but ultimately
17 we have already got this more comprehensive planning
18 framework in place that we believe really fits the bill, and
19 what we are doing right now is improving the modeling
20 guidelines for the Regional Transportation Planning
21 Agencies, through the California Transportation Commission,
22 to account for the greenhouse gas emission reductions that
23 Doug addressed earlier. And so, yet that is another outcome
24 that you can measure, is your greenhouse gas emission
25 reduction, and in this comprehensive blue print planning,

1 you could do it for all of your sectors in the region, not
2 just the transportation and land use sectors.

3 I am going to give you the very -- I have several
4 slides here, but they are rapid fire, so I am going to run
5 through that and wrap up because I think this is important.
6 This is where I was talking about that regional context.
7 There is some work that is being done for us by UC Davis, so
8 I credit them with this, and also with the understanding,
9 this was a prototype, and it is not necessarily calibrated
10 at 100 percent, but it gives you an idea of how important
11 economic drivers are to where development goes. So you can
12 put out a great plan, but there are certain drivers that are
13 going to cause other things to happen from an economic
14 standpoint. So here you have five different Bay Area
15 counties, we will go ahead to the next slide here, and then
16 the PECAS Zones, these are some integrated modeling efforts
17 of the production and exchange in consumption zones in the
18 regions, and so we are getting those to a finer and finer
19 level so that there are products being exchanged between
20 these regions. And, of course, you have got the counties
21 overlaid with that. Next one. And then you put the
22 transportation system in there, go ahead, and then you say,
23 "What if you wanted to put this major East-West corridor
24 that a certain Legislator that is not in office anymore
25 wanted, because it was in their district, and what would

1 that do?" Because we all want -- if you can see the Bay
2 Area off to the left there -- everybody wants better
3 connections to the Bay Area, and it has got a big economic
4 engine in the Bay Area, but a lot of the housing is in the
5 Central Valley, so what would happen economically if you put
6 this road in? Next one. It is a little hard to read, but
7 the economic activity actually, even with that road, still
8 drives to the Bay Area because that is where the economic
9 production was before, and it drives more of that. Go on to
10 the next one. Excuse me, that was before the road, now with
11 the road, it shows going to the -- what happens is the
12 economic space ends up -- the productivity in the Bay Area
13 increases, but what happens is then the housing, because the
14 land is still cheaper, it is still driven to the Central
15 Valley. And the whole point of some of the planning we are
16 doing was to try to have a better proximity of the housing
17 and the jobs in the Central Valley, and the housing and the
18 jobs in the Bay Area. But a corridor like that does not
19 necessarily drive that kind of outcome. So it is kind of
20 those "what ifs" that can be looked at on this larger
21 economic grand scale to inform local and regional decision-
22 making, and even inter-regional decision making. So I am
23 going to stop there because we are running out of time. So
24 I think this is just an important concept about why this
25 regional context has found its way into several laws.

1 MR. PFANNER: Excellent. Thank you, Joan. Our
2 next presenter is Luree Stetson with the Department of
3 Conservation.

4 MS. STETSON: Thanks, Bill. Thanks everybody for
5 being here. The Department of Conservation works a lot with
6 the entities that are up here, not only with Regional Blue
7 Print Plans, but also with the Strategic Growth Council,
8 with California Transportation Plan, and so forth. And what
9 we have done is something a little bit different. We have a
10 pilot program called Emerald Cities that, if expanded, could
11 become Emerald, California. And what we are trying to do is
12 connect the state agency activities with the regional and
13 local government actions.

14 So what is Emerald, California? It is really a
15 partnership between state and local entities, it is
16 voluntary on behalf of the cities or counties, it is a
17 collaborative process to identify common environmental
18 priorities, and it provides technical services to the cities
19 and counties for targeted education to increase
20 sustainability at the local level, and to help them reach
21 goals that will target certain sustainable practices. And
22 it is also to help them establish a process, an internal
23 process, to keep the activities going.

24 There are three elements, one is a local
25 government commitment, the other is state leadership and

1 resources, and then the third is private resources and
2 innovation. We at the state level have commitments from
3 numerous state agencies and there is a handout in the outer
4 room that has a list of all the state member agencies that
5 have agreed to coordinate with us, as we provide services to
6 the local level. And the locals, those state agencies
7 include the ARB, the Energy Commission, Department of Water
8 Resources, Cal Fire, Parks, Fish & Game, OPR, and others.

9 It is a voluntary process and we are focused right
10 now on two pilot cities, Tracy and Riverside. And what they
11 had to do was commit first, and adopt a resolution that said
12 that they would attempt and try to help meet the state
13 environmental targets. Next slide. The second and third
14 step was that they had to agree to develop a greenhouse gas
15 baseline for municipal facilities and communities, again,
16 trying to connect the three major programs at the state
17 level, AB 32, and the Energy Commission issues, and also
18 CalTrans Regional Blue Print Plans because the third step is
19 that they must support a Regional Blue Print Plan if one is
20 adopted in their region and has been funded by CalTrans.
21 Once they do that, we go in with a consultant and we
22 actually do an assessment. We look at their General Plan,
23 we look at their zoning ordinances, we look at their
24 practices, their administrative practices, and see how
25 sustainable they are. We help set up environmental

1 priorities, we sit down, we roll up our sleeves, we are at
2 the table with the local team, which is generally people
3 from each of the departments within the city. And we
4 actually develop sustainable actions that tie to state
5 priorities. Next slide, please.

6 We have 10 key environmental goals. These are the
7 things that we at Conservation thought would be worthwhile
8 to put down in a slide because there are so many programs
9 and so many requirements, what are the priorities? So we
10 went out and we actually worked with Steve at ILG and found
11 out what ILG CCAN had, what the U.S. Mayors' Environmental
12 Accords required, what the Propositions required, some of
13 the Bond Propositions dealing with some of our Bond monies,
14 what the Regional Blue Print Plans require, what SB 97
15 required, what AB 32 required, and developed a chart that
16 came up with these categories. Then, we identified targets
17 that we thought the state agencies would support by going out
18 and talking to the different department heads. Now, these
19 targets are illustrative and this is sort of -- it is
20 flexible, so when we go into a local community, for example,
21 Riverside, if you look at some of the goals that they had in
22 their action plan, and they were pretty progressive, we
23 would look at their energy use and say how could they
24 improve some of their energy conservation. And actually, we
25 asked them to come up with higher standards than we had. So

1 they came up with energy targets not only for municipal
2 facilities and community energy projects, they also came up
3 with things for energy efficiency, demand response, and
4 renewable energy that were consistent with the Joint
5 Agencies Action Plan and also consistent with the CPUC's
6 Energy Efficiency Strategic Plan. Again, we are there
7 around the table bringing in a lot of the state agencies'
8 priorities, to help the locals direct their actions and
9 support those.

10 So, next slide, please. This is just a
11 continuation of some of the categories that we again took
12 out of some of the environmental activities that are
13 currently going on, or are required at the state and local
14 level. Again, they are flexible and yet there are minimums,
15 and we work with the cities and counties. Next slide,
16 please.

17 We also, when we sit around the table, ask the
18 local government what their challenges are, and try to
19 identify and overcome barriers to any activity that they
20 might have in their Action Plan. And obviously they are
21 going to have the typical categories such as lack of
22 resources, access to technical information grants, and
23 education of their staff, decision-makers, and the public.
24 So what we have done is we have brought in experts or best
25 practices and shared that with the staffs, so they could

1 find something easily and be able to promote it. We also
2 brought in some experts dealing in certain areas that were
3 specific to Riverside, and specific to Tracy. And I would
4 say that the other thing that we are also doing, and that is
5 through the Strategic Growth Council, is trying to identify
6 grants and link the grant funds to the actions and their
7 activity plan, or in their Action Plan. So we have that, we
8 are able to provide that information to the cities and
9 counties, and also we are working with the State CIO office
10 to come up with an enhanced grant website in conjunction
11 with the ARB and the Resources Agency, so that we can direct
12 people to a one-stop shop on any grant that is being offered
13 by the state. And we are partnering and talking to the
14 Federal Government to see if we can partner with them. Next
15 slide, please.

16 So these are the challenges, identifying the
17 potential funding sources, linking the local actions to
18 state targets, having centralized or streamlined easy access
19 to state information, and coordination among state agencies,
20 and then sharing lessons learned. We are compiling lessons
21 learned at the local level, so we can bring that back to our
22 state member agencies that we are partnering with, and also
23 to the Strategic Growth Council, so that we can eliminate
24 some of those barriers. And an example is a very simple
25 thing such as communication with the District Office. For

1 example, in Riverside, they wanted to talk to the local
2 CalTrans folks to partner on some smart irrigation systems
3 in the CalTrans right of way throughout the city. So that
4 is just one example that you can do administratively and
5 very easily. Another more challenging one are state
6 regulations that may not be consistent, and so it is
7 difficult to go out and put in purple pipes, for example,
8 with some of the rules and regulations from the State Water
9 Board. So those are the things that we are bringing back
10 and trying to work out at the state level so we can promote
11 these things more easily. Next slide, please.

12 I would like to spend some time on this slide.
13 This has been sort of interesting for me, being a state
14 employee and bureaucrat, if I might say, for 25-30 years,
15 and actually going down and actually sitting at the table
16 with the locals, and they have the same problems that we do
17 at the state level, with lack of resources, multiple
18 programs, juggling a lot of things. And with Riverside and
19 Tracy, we picked those two cities because the Department of
20 Conservation was already working with them on improving
21 their recycling and waste recycling in those cities. And so
22 we picked Tracy because they were just barely starting on a
23 sustainable plan, and we picked Riverside because they had
24 been implementing a plan for over four years and are very
25 progressive on what they are doing. So when we sat around

1 the table the first time and talked, what we found out was
2 that, on Riverside's Action Plan, they had a stretch goal of
3 installing 3 Megawatts of pv by 2020, but bringing some
4 expertise to the table and talking to them, and doing more
5 research, we encouraged them to have a higher goal of 20
6 Megawatts by 2020, and we told them we will help you find
7 funding for that, or expertise. So they agreed to do that,
8 and I must say, as experienced as they were, when we came in
9 from the state, they said, "Well, those are your targets,
10 they're not our targets." And I said, well, as we have all
11 sat around the table, "We need to work together on this, so
12 you are right, they are our targets, but we want you to help
13 us reach those because you, at the local level, make a lot
14 of decisions that can help us get there faster." And after
15 several meetings and so forth, they felt comfortable and
16 they actually integrated the targets into their Action Plan.
17 And originally they were going to have their Action Plan and
18 then the state target at the bottom because they did not
19 think they could meet them. So, again, the collaboration
20 actually stretched them and they are now being -- will
21 probably reach and exceed the goals that they had originally
22 established. At the same time, we looked at their Action
23 Plan and what steps they were taking to implement some of
24 these goals, and so, for example, on their recycling goal of
25 reducing waste by 75 percent by 2020, they came up with very

1 specific steps such as increasing the recycling rate by 15
2 percent by 2012, increasing their construction site
3 recycling to 90 percent by 2015, encouraging the reduction
4 of disposable toxic and non-renewable products by five
5 percent by 2010, and this is an Action Plan that is looked
6 at and monitored quarterly, and updated at least probably
7 ever year, year and a half. So that was pretty impressive
8 to us. In Tracy, as they begin, they do not even have an
9 Action Plan, they do not have an internal team, we are
10 helping them set that up, they have that set up now. We
11 have identified the targets that they should be doing and we
12 also have encouraged them and gotten them to agree to
13 implement more of the environmental targets. Now, when you
14 walk into a local community, they understandably are focused
15 on what the state mandates are, so that is what they want to
16 focus on, but it does not take much more effort to look at
17 the other sustainable elements and environmental priorities.
18 So they always want to start with AB 32 because that is on
19 the top of the agenda for the last couple years. Now 375.
20 There is a lot of concern out there about 375, "What do you
21 want us to do? How are we supposed to do that?" And so
22 what we have encouraged them to do because we are in
23 communication with the ARB, is, "Start your baseline now,
24 you will be in a better place as 375 roles out." So that
25 has been helpful for them and Tracy actually added more

1 environmental targets and more environmental categories.

2 And so the thing that you have here is a listing
3 of the types of services that we are providing now to these
4 two cities. Analyses, we review the plans for their goals
5 and targets, we identify resources, assets, and
6 characteristics in that jurisdiction. As I said, we tailor
7 -- reach goals, we provide strategic planning assistance,
8 identify barriers, we develop an Action Plan or a pathway to
9 ensure implementation, and we give them assistance on
10 benchmarking, monitoring, tracking and reporting. And we
11 are helping them develop methods from the emerging practices
12 here at the state, and also the evolving ARRA requirements.
13 And then we also offer technical and resource assistance.
14 So we want to bring in not only the state grants that could
15 fund the actions in the Action Plan, but also look at other
16 partners that are out there, such as investor-owned
17 utilities, NGOs, and private stakeholders. Examples of that
18 include bringing in one of the investor-owned utilities to
19 partner with Riverside on some of their outreach, so they
20 are starting with that; another is a land trust in the Tracy
21 area wants to get involved. And if this project was
22 expanded, more cities and counties could receive these
23 services. Next slide, please.

24 So, again, the benefits are that it is increasing
25 collaboration, Emerald Cities or Emerald, California, is

1 increasing collaboration not only between state agencies,
2 but with local governments. It is linking state funds and
3 technical resources to local needs. And it is helping to
4 achieve our state environmental goals and targets and it is
5 resulting in faster and more effective implementation of
6 sustainable practices. So with that, I am happy to answer
7 any questions.

8 MR. PFANNER: Okay, we will take questions at the
9 end. Our final panelist is Susan Durbin with the Attorney
10 General's Office.

11 MS. DURBIN: Thank you. Good afternoon, everyone.
12 I hope you are all still awake. I am with the Attorney
13 General's Office and I am afraid I do not have a PowerPoint.
14 I am a recovering Luddite, but not recovered enough to know
15 how to use PowerPoint. I want to tell you an anecdote first
16 to emphasize how important future planning is. When I
17 started with the Federal Environmental Protection Agency in
18 the early '70s, I remember an environmental engineer telling
19 me with stars in his eyes that, in 20 years, controlled
20 automobiles would be so effective and so efficient that the
21 only thing coming out of tailpipes would be water, vapor and
22 CO₂, it was amazing. You never know what is going to be your
23 problems in the future, which is why you really need to
24 think way in advance.

25 Now, at the Attorney General's Office, we do not

1 have the same kind of responsibilities as the other
2 agencies here at the table deal with. We are the muscle.
3 We are the people who actually enforce the laws that are on
4 the books. And the main way that we do this with global
5 warming is with the California Environmental Quality Act,
6 CEQA. CEQA is the bedrock, the most broadly reaching, and
7 the most flexible environmental statute in California, and
8 it is the one that automatically updates what every change
9 in other laws, or every advance that science makes, what
10 every new technology that is developed, CEQA changes, and
11 requirements of CEQA change with them. The Attorney
12 General's Office is the Chief Enforcer of CEQA and that is
13 how we got involved in global warming, to start with. I
14 would also add that the normal set-up in state government is
15 that the Governor appoints the Attorney General; California
16 is one of the few states where the Attorney General is a
17 separately elected official, and has separate discretion
18 apart from the rest of the state government to take
19 independent actions. The current Attorney General, Jerry
20 Brown, is very passionate about controlling global warming
21 and preventing climate change, and has made greenhouse gas
22 reduction one of his top priorities, so we have been very
23 active in this field.

24 As we are looking at the statewide efforts to
25 fight global warming, we have gone out and tried to enforce

1 when asked to, those projects that may have the most
2 effect on global warming, we have gone to look at the CEQA
3 documents, not the plans themselves, the CEQA documents, for
4 General Plans, by cities, counties, for regional
5 transportation plans, very large stationary sources that
6 emit greenhouse gases, and some individual projects that
7 are, again, very large sources. We have only gone after
8 those areas that we think emit the most greenhouse gases, so
9 we try to ensure that they have met the mandates of CEQA.

10 When the Legislature declared through AB 32 that
11 global warming was a threat to California, that
12 automatically made it subject to CEQA, and when the
13 Legislature set specific targets for reduction, and then the
14 Air Resources Board came out with the Scoping Plan that set
15 targets for communities to get reductions in greenhouse
16 gases, that allowed communities and CEQA to determine what
17 was a significant effect from an individual project. So, as
18 we see it, the CEQA documents on any city General Plan,
19 having a General Plan, regional transportation plan,
20 anything like that, should have an area that addresses AB 32
21 and targets in AB 32 in a Scoping Plan.

22 We are extremely concerned now that local
23 governments are making decisions now in their plans that may
24 make it impossible to meet the AB 32 goals, and we are using
25 CEQA to ensure that local governments understand all of the

1 implications and decisions that they are making, and that
2 they follow CEQA substantive mandates and adopt all feasible
3 mitigation measures. We are not planners, we do not know
4 planning directly, we have a planning consultant that helps
5 us with our work, but we are not engineers, we are not
6 planners, we do not tell local governments what they must
7 do, we simply see whether the CEQA documents accurately
8 present the implications of what the local governments are
9 doing and they have adopted all feasible mitigation
10 measures. So we have filed exactly one case against one
11 local government for failure to adopt the Climate Action
12 Plan and for failure to address global warming in its
13 General Plan, and that was the County of San Bernardino, and
14 I know it is only one case because I was on the case.
15 However, people seem to be very aware of our efforts in that
16 area because we did sue one local government. We have gone
17 to many local governments in which [inaudible] that is
18 mostly what we do now, is that we go to local governments,
19 we look at their documents, and we help them come up with
20 CEQA documents that do address global warming, both from an
21 information standpoint and from an actual mitigation
22 standpoint.

23 So, as we look at the documents, what are we
24 looking for? First, as you have seen from all of the
25 presenters here, information is the bedrock principal of

1 CEQA, full environmental disclosure. That translates into
2 a current inventory, both for municipal operations and for
3 community operations, what are the greenhouse gas emissions
4 now? You cannot plan for the future without knowing what
5 the present is. There are many tools and you can all look
6 at our website, we have a lot of information on our website.
7 So when we look for determination on whether the projected
8 increase that would come from the General Plan of the
9 project involved, greenhouse gas emissions, are they a
10 significant increase in greenhouse gas emissions? A lot of
11 tools exist, again, to localities to determine whether their
12 greenhouse gas emissions will or will not be significant.
13 Very important in this is the CAPCOA document, California
14 Air Pollution Control Officers Association, on their website
15 is a really really groundbreaking document that helps local
16 governments set levels of significance so they can tell when
17 they are causing greenhouse gas emissions that will need to
18 be mitigated, but they will need to take responsibility for.
19 Also, the Draft OPR Guidelines are very very helpful. So
20 both of those will help make that determination.

21 Very few EIRs that we have seen to this point
22 actually impress that, as they were originally written,
23 although in the last, say, three or four months, the
24 documents that were seen are vastly better. People are
25 getting much more sophisticated and they are doing a much

1 better job of determining the current inventory. The
2 first EIR just sort of dismissed the whole subject as either
3 speculative, or beyond any possible effect, "Our project
4 could not affect the global climate, therefore we don't have
5 to deal with it." We have gotten past that stage, by and
6 large. Since there are AB 32 goals, there is a Scoping Plan
7 with goals for the whole government, those are the levels of
8 significance against which global projects have to be
9 compared, not whether the arctic ice cap is melting and we
10 can prove it is because we approved this housing
11 development. I might note that the same arguments were made
12 20 or 30 years ago about ozone, that "our individual project
13 couldn't possibly have an effect on institutional ozone."
14 We have gotten past that and we are going to deal with
15 ozone, and we are going to deal with it now in the context
16 of greenhouse gas emissions, and in a few years this will be
17 very very standard procedure. I will note also that, in the
18 Scoping Plan, the 15 percent reduction that ARB looks for
19 from localities is from current levels of greenhouse gas
20 emissions and current levels of the inventory, not business
21 as usual in the future. We have seen a number of documents
22 that say, because there are going to be 15 percent less in
23 2020 than they would, again, if they have modified their
24 projects, that that is an adequate reduction. That is not
25 the case. It has to be a 15 percent reduction over current

1 levels. This is not controllers spending at the Pentagon
2 where a slowing and a rise in increase is counted as a
3 decrease, it has to be a real decrease.

4 In addition, as you have heard here also, CEQA
5 requires localities to look at the effects of global warming
6 on their jurisdictions and what is going to happen in terms
7 of sea level rise, decreased water availability. In
8 Southern California, it means fire, are you approving
9 projects that are going to be very close to fire areas,
10 where people will be affected when there are more wildfires,
11 they are more intense, they last longer. After there has
12 been a determination of significance, we are looking for
13 mitigation measures. All feasible mitigation measures have
14 to be adopted under CEQA, and that is where we really run
15 into problems with the localities. Where mitigation is not
16 feasible, a project can still be approved, but there has to
17 be a determination that there are overriding considerations,
18 and that has to be supported by substantial evidence in the
19 record. Again, the documents that we have seen often say
20 that they have adopted all feasible mitigation, but the
21 evidence is not in the record to support that they have
22 really done that, that they have made a finding of
23 infeasibility that there is some kind of economic, or
24 engineering, or practical data that support that. And when
25 a locality does that, it makes them extremely vulnerable.

1 We try to emphasize to them that, for their own
2 protection, they need to have, for example, a Climate Action
3 Plan and a General Plan, that they need to discuss and
4 carefully adopt everything in their EIR in order to protect
5 the integrity of their projects and make sure that they do
6 not run into long delays with court battles.

7 The documents that we are seeing now usually do a
8 decent job of the inventory, and they are doing a much
9 better job of finding impacts to these significant -- where
10 they really fall down is on mitigation and it is because of
11 unfamiliarity with the concepts, and limited willingness to
12 apply the same tools to greenhouse gas emission reduction,
13 that they have learned to apply, for example, traffic
14 mitigation. For example, a General Plan will show -- there
15 is one in Southern California we are looking at now where a
16 particular city is showing for its proposed General Plan
17 Amendment, that there will be 146 percent increase in VMT by
18 2030, and a very carefully adopted mitigation for the
19 effects on the city streets. Now, they are planning for
20 left turn lane pockets for expanding certain boulevards for
21 various ways to fight congestion, but they have not looked
22 at what can they do to reduce VMT and greenhouse gas
23 emissions by reducing demand overall. We are trying to
24 introduce them to that concept, that there are feasible
25 mitigation measures for those, too, and that they need to be

1 in the environmental documents. They also need to be
2 enforceable. It is not enough simply to say that we will
3 promote this, or we will encourage that, they have to be
4 enforceable mitigation measures. For example, it is very
5 standard practice to say that new developments have to have
6 bus turnouts; well, we are looking at having the local
7 jurisdictions put mitigation into their plans that say new
8 projects have to provide funds for actual buses, it is not
9 that far of a leap. And in our settlement with the City of
10 Stockton, they are looking at that now, we are urging local
11 jurisdictions to do the nexus studies now that will allow
12 the imposition of fees of that kind, and the nexus will
13 exist and will be proven so that they will have the
14 substantial information and evidence in their records to be
15 able to support adopting those mitigation measures and to
16 have their documents stand up in court. Since about 40
17 percent of California's GHG emissions come from
18 transportation, local jurisdictions really do have to have
19 mitigation measures to reduce that demand.

20 We are also hoping that the local jurisdictions
21 will reexamine their development patterns, will adopt
22 transit oriented development, mixed use development, and
23 what the Attorney General calls "Elegant Density" based on
24 his experiences as Mayor of Oakland, rather than continue in
25 a pattern of low density sprawl that has led to the huge

1 number of vehicle miles traveled in California, and the
2 related greenhouse gas emissions. We also ask the entities
3 with whom we talk to adopt green building ordinances that
4 apply community-wide and not just municipal buildings.
5 Recently, Federal Energy Secretary Chu was on The Daily Show
6 and convinced John Stewart that cool roofs and cool
7 pavements were a great idea, so we are going to try and get
8 him to come out and talk to the individual cities and
9 counties out here and see if he can convince them, too.

10 We also point out to local jurisdictions that, as
11 you have heard discussed here, a whole lot of problems that
12 plague cities in California have common solutions. For
13 example, there is still a hideous ozone problem in
14 California with huge health impacts. Every study that we
15 see shows that ozone in the air, and especially fine
16 particulate matter in the air, is impairing the health of
17 Californians and of California children, their lung capacity
18 is being diminished, even their IQ's are being diminished,
19 and it generally comes from transportation, from vehicle
20 emissions, and can be reduced, and public health hazards
21 reduced by strategies local governments can take that reduce
22 driving.

23 Now, again, our agency is not like any of the
24 other agencies who are here today. We only enforce the laws
25 that are on the books and the regulations of all the other

1 agencies. We do not have a separate capacity to require
2 things on our own. What we do is simply try to enforce
3 CEQA, and thus far we are getting a lot of attention from
4 local governments, perhaps more than we even want. People
5 are actually coming to us and asking us to review their
6 Climate Action Plans very proudly, saying how good they are,
7 and they are not. We have a great deal of education still
8 ahead of us, which we are trying to do. I might also, in
9 closing, note that we are an equal opportunity bully and
10 harasser. We have filed petitions with the USEPA asking
11 them to regulate greenhouse gas emissions from ocean-going
12 vessels -- 90,000 ocean-going vessels contribute about three
13 percent of the world's greenhouse gas emissions. The
14 potential for cost-effective emissions reduction there is
15 just overpowering. And also to adopt greenhouse gas
16 emissions for aircraft and for off-road vehicles and
17 equipment. We are still working on those, but we are very
18 hopeful that the new EPA will be able to do those things.
19 Go to our website, it is crammed with information. With the
20 comment letters that we filed on various General Plans, so
21 that you know what to expect from us, with tools to do
22 modeling, with potential mitigation measures that can be
23 adopted, with funding sources to help pay for them. And you
24 can call any one of us at any time, we are glad to give any
25 assistance that we possibly can.

1 MR. PFANNER: Wow, Susan. Thank you so much.

2 Panel, excellent panel. This has been great. Let's take a
3 15-minute break. We are kind of behind schedule. But we
4 will come back and have a discussion, mixing it up with
5 private, local, regional, and state. Thanks.

6 [Off the record at 3:10 p.m.]

7 [Back on the record at 3:25 p.m.]

8 MR. PFANNER: I would first like to reintroduce to
9 the afternoon session Commissioner Jeff Byron, who is also
10 on the IEPR Steering Committee for the Energy Commission,
11 and was here for the morning session, but had to miss the
12 first part of the afternoon. So he is a critical part of
13 the IEPR process and was a very good voice to us in terms of
14 scoping the agenda, directing it towards the local
15 perspective, and to develop the panel that we have here
16 today.

17 COMMISSIONER BYRON: Mr. Pfanner, if I may? Just
18 to panelists and for those who I have my back to, I
19 apologize. I wished I could be here for the entire day, but
20 I could not. Of course, we are very interested in the input
21 from this, and in fact I have to depart again at 4:00 for
22 another meeting. But I look forward to this discussion and
23 all the information that we gathered today, and I would like
24 to thank you ahead of time, very much, for being here, for
25 the information that you are providing us. We will do our

1 best to make sense out of it. Right, Mr. Pfanner?

2 MR. PFANNER: Correct.

3 COMMISSIONER BYRON: Yes. Thank you.

4 MR. PFANNER: Okay, I would like to start this
5 panel with a summary of what we heard this morning with the
6 local and regional government panel perspective and the
7 private sector perspective. And we have asked our Energy
8 Commission staff, Jacob Orenberg, and Serena Fong to just do
9 kind of a quick summary of what we heard this morning.

10 MR. ORENBERG: One of the overriding themes of the
11 regional and local perspectives is that land use is the
12 domain of local and regional governments, and not that of
13 the State of California. While local jurisdictions may be
14 able to benefit from our assistance, this may fall upon deaf
15 ears if the Energy Commission does not word its intentions
16 properly. Specifically, the Energy Commission should
17 emphasize that local governments have authority over land
18 use. There is also a need for an ad hoc local government
19 advisory committee to give recommendations to the Energy
20 Commission regarding policy that may affect local and
21 regional governments. Fiscal realities also should be
22 addressed in the IEPR. In these difficult financial times,
23 funding is being cut across local, regional, and state
24 agencies, and many may not have the ability to plan. In
25 addition, fiscal barriers and conflicting directives should

1 be addressed. Many opportunities exist for communication,
2 collaboration, and coordination. The Energy Commission
3 should continue reaching out to local governments and
4 developers, as well as spend more time with the entities to
5 better understand the problems they face. Planning for
6 infill development is very difficult with many different
7 stakeholders, and is perhaps more effective if undertaken by
8 local agencies. However, as previously stated, at this
9 time, local agencies may not have the resources to do so.
10 Incentives would be very helpful in these scenarios.
11 Finally, all stakeholders should be willing to compromise
12 and think outside of the respective silos.

13 MR. PFANNER: Thank you, Jacob. And Serena Fong
14 with the private sector perspective.

15 MS. FONG: In the 11:00 session where the private
16 sector perspective was presented, we had Steve Frisch from
17 the Sierra Business Council, Paul Johnson from the San
18 Joaquin Valley Clean Energy Organization, Judy Robinson from
19 the Sacramento County Redevelopment, Michelle Rodriguez from
20 the American Planning Association, and Doug Newman from the
21 National Energy Center for Sustainable Communities. To
22 briefly go over what each presenter discussed, Steve Frisch
23 discussed that Sierra Business Council works in four primary
24 areas, leadership development, environmental initiatives,
25 community planning issues, and sustainable business

1 practices. One of the main problems that rural regions
2 face in implementing policies that deal with sustainable
3 issues are challenges in adapting to solutions and tools
4 that were made for an urban environment. Paul Johnson
5 emphasized economic and environmental challenges such as
6 clean energy and noted the clean energy needs in the San
7 Joaquin Valley agricultural sector. Judy Robinson spoke
8 about how the Sacramento County Blue Print changed the
9 General Plan focus and scope which resulted in new growth
10 management strategies, the importance of sustainable infill
11 projects, as well as the assistance needed on all levels of
12 infrastructure were also emphasized. Michelle Rodriguez
13 discussed the Energy and Climate Database and Resources, the
14 Policy Guide on Energy, the Energy Survey, and how the
15 Energy Commission can assist in the process with the
16 American Planning Association. Doug Newman discussed
17 ongoing research initiatives globally and in the U.S., such
18 as the Global Energy Network for Sustainable Communities.
19 The National Energy Center for Sustainable Communities has
20 three types of research, urban infill development,
21 Greenfield development, Brownfield Development, and a
22 proposed alternative fuels and transportation series. The
23 top industry constraints that needed to be addressed were
24 also discussed. Overall, the constraints in the private
25 sector led to needs including providing technical and

1 financial assistance from organizations and state
2 agencies, conducting more research, providing energy
3 education and training, providing more information through
4 increased collaboration and information hubs, creating
5 balanced communities, and having public outreach.

6 MR. PFANNER: Thank you, Serena. Now, most of you
7 have seen the 2009 IEPR Scoping Order, so I will not re-read
8 the four main items that this section of the IEPR is going
9 to be addressing, but we thought it might be interesting at
10 this point to open a dialogue and throw out some questions
11 and see what kind of input we got. This can be responding
12 individually, you can add on to someone else's comment if
13 you want, I am only sorry that Bill Higgins is not here to
14 add some excitement to the afternoon. But feel free to
15 improvise, tell us how you really feel. And the panel topic
16 that we are looking at that I will throw out is, how can
17 state, local, and regional governments, and the private
18 sector, work better to integrate efforts to implement energy
19 and climate change goals? So, how can we work more
20 efficiently? And I will throw this out to anyone who wants
21 to start.

22 MS. ROBINSON: Okay, I will jump in.

23 MR. PFANNER: Good.

24 MS. ROBINSON: This is, I mean, it was not a
25 conference. I mean, it is like a staff gathering where you

1 shared some information. You know, people pay hundreds of
2 dollars to be able to be in the room for things like this.
3 I know for our jurisdiction, I mean, I am taking all kinds
4 of notes. There was some incredible information shared
5 today, things that I had no idea was going on and I know
6 that we would love to be able to take advantage of this, you
7 know, as we struggle with, you know, how do we do this? And
8 having a forum like this where you can, I mean, just start
9 with inviting cities and counties in, and saying, okay,
10 these are some of the things that we are doing. How can we
11 collaborate? Let's exchange business cards. Let's have
12 some breakout sessions where we can have some dialogue, get
13 engaged, and then things can start filtering down. But
14 today was incredibly valuable.

15 MR. PFANNER: Well, and I will just add, in
16 developing the panel, one phone call would lead to another,
17 it would lead to another, which led me to you, which led me
18 to Susan, which are the people that are not normally at the
19 table when the state gets together and starts discussing.
20 And that was the idea that we really wanted to focus on is
21 breaking outside of those normal boxes that we are in, where
22 do we go next in terms of integrating our actions here? So
23 if we were looking at some kind of policy recommendations in
24 the IEPR, in terms of better integration, speaking for Bill
25 Higgins, he made it very clear that he thought it would be

1 very important to have an ad hoc local and regional
2 government group that would be directly involved in the
3 review of things like the IEPR policies, and have more
4 interaction when the state is making decisions, to be
5 reviewing and having input into the process. So that is
6 something that I have taken away from this, that we will be
7 seriously looking at as a policy recommendation in the 2009
8 IEPR.

9 MS. STETSON: I think I will jump in. This is
10 Luree Stetson with Conservation. I think somebody mentioned
11 20 years ago that some scientist told them something, and
12 Julia, you mentioned that in '72, Reagan had a report. I am
13 sorry, I have been in State Government too long to step back
14 and do more reports. I would really like us to talk about
15 how we can implement something in collaboration at the local
16 level, to help locals actually succeed in what they need to
17 do to help the state meet their environmental goals. And I
18 do not know the best way of doing that. I am finding that
19 there are a lot of needs at the local level, not even
20 talking to the different trade associations or planning
21 associations, whatever, that I think would be very helpful
22 for state agencies to know as we craft and provide
23 resources, which we are all doing. I heard that AG has
24 tools, ARB has tools, and others have tools. ILG has tools.
25 So I would like us to actually try to figure out how we can

1 help locals take action. So I am just throwing that out
2 there for everyone to sort of chew on.

3 MS. DURBIN: There used to be citizen --

4 MR. PFANNER: Identify yourself for the WebEx
5 process.

6 MS. DURBIN: Sorry, Susan Durbin with the Attorney
7 General's Office. There used to be federal publications and
8 sometimes state publications, a Citizen's Guide to Blank.
9 There was a Citizen's Guide to the Clean Air Act, one to the
10 Clean Water Act, in California there was a Citizen's CEQA
11 Guide that set out the various parts of the statute involved
12 and offered localities and groups ways that they could
13 become involved either in planning, or enforcement, or
14 whatever. So what you are talking about, Luree, is a
15 Citizen's Guide to Climate Action, which would set out the
16 various places you can go for information, and it would have
17 to be online so that it could be continuously updated. I
18 know we are updating our website literally every week.

19 MS. RODRIGUEZ: This is Michelle Rodriguez from
20 American Planning Association. I think, adding on that, I
21 think what would be really helpful is if the CEC helped us
22 to identify the most effective reduction measures for our
23 Climate Action Plans, but broken out, maybe the Smart
24 Mobility framework under rural, suburban and urban. It
25 seems like we have the framework and the templates for

1 conducting the assessments, and the new CAPCOA Report does
2 refer to a variety of general plans that do have successful
3 policies and programs, but I think when you quantify a
4 number assigned to those, that not only quantification, but
5 cost benefit and payback, so that local jurisdictions can
6 pick and choose the most effective so that they do not get
7 an A.B. letter.

8 MS. SOLLENBERGER: Well --

9 MR. PFANNER: Just identify yourself.

10 MS. LAVE JOHNSTON: Well, I was just going to
11 follow-up. Julia Lave Johnson, Governor's Office of
12 Planning and Research. And I was going to follow-up on what
13 Michelle said because one of the things that Strategic
14 Growth Council has been doing is looking at software, and we
15 have applied for a USEPA technical assistance grant to do
16 some of those things that were mentioned, looking at which
17 tools might work best for which types of localities, how
18 they might best work together, what outcomes would be, where
19 investment would be most successful for reductions, how you
20 can -- and then Luree mentioned briefly the website that
21 they are looking at, the Finance Wizard, the Grant Wizard?
22 And we actually saw a really interesting presentation about
23 potential software that could expand beyond state programs
24 and help local government identify not only local monies,
25 but federal monies, as well as non-profit monies. So we are

1 investigating those things. Again, I think it is hard
2 because these are not things that the state is used to
3 spending money on, and so it is not -- it is hard to
4 justify. And so I think that we need to collaborate with
5 local government and regional government, just to help
6 support these types of innovative solutions.

7 MS. SOLLENBERGER: Okay, and I am Joan
8 Sollenberger with CalTrans. I was also going to build a
9 little bit on what Michelle's thing -- I think earlier in my
10 presentation, I flinched one too many times and one slide
11 went by really fast, and that one was the one that I think
12 is key here, that Michelle brought up, and that is that we
13 are working on something at the state to put Smart Mobility
14 into transportation terms so that we can deal with it there,
15 but what was really neat about that whole process was this
16 idea that is different for local, you know, rural, suburban,
17 and urban areas. So I would like to echo that, but also
18 this idea of a regional collaboration like what San Diego
19 did for energy. I think there needs to be a local and
20 regional dialogue on, you know, that is the way I think
21 better to measure how you are doing on a regional basis
22 towards energy conservation and things like that through the
23 scenario planning. But the strategies -- you can test the
24 strategies at that level, and then the tools that are coming
25 online for data and for scenario planning can help you

1 measure whether you are actually achieving any targets.

2 So I think there is kind of this rural/suburban/urban thing,
3 but there is also this regional dialogue that probably needs
4 to happen to leverage resources and be efficient.

5 MS. WHEATON: This is Linda Wheaton from HCD. I
6 think one of the things that was impressive to watch is kind
7 of the competitive nature of local governments in the green
8 building movement, in the green movement. And I think that
9 we could perhaps aid and abet some of that more effectively
10 by -- we need to cultivate local leadership, so it is not
11 perceived so much as top down. So I think there are efforts
12 at the local level that deserve more -- we could shine more
13 light on and help to foster local leaders throughout the
14 state.

15 MS. ROBINSON: Judy Robinson, Sacramento County.
16 I would love face time with almost half the people in this
17 room, and we have all said in meetings, "Oh, yeah, we're
18 collaborating with them, and we're collaborating with the
19 others," and, you know, it goes in one ear and out the
20 other, and the information is not shared, and so I have
21 learned you really have to have the right people at the
22 table in order to be able to get the information, and have
23 it be valuable. Our Department of Environmental Review and
24 Assessment, "So can you come and talk to us about, you know,
25 we want to do some SB 375 training," and it is, "Oh, yeah,

1 great." And they go, "Well, can you do it?" And I'm
2 going, "I was thinking that I would join you." And to have
3 one of you come and talk to them, where we could have face
4 to face and talk about specific questions and some clarity,
5 and there are -- tools are really really beneficial, but
6 they only get you so far. You know, it is the relationship
7 building, it is the interpretation, it is you understanding
8 what our problems are, we understand what you are facing,
9 and it is about connecting the right people. And one thing
10 that I do well is connect the right people to the right
11 people, so I will be passing out business cards and I expect
12 to collect some so that I can be networking and plugging in.
13 You know, the other is, Sacramento and Metropolitan Chamber
14 of Commerce, you know, huge business community, and I know
15 that we overlook them frequently as an asset, as well as
16 leadership within engaging our business folks. And I think
17 they also need to be invited to the table.

18 MR. PFANNER: Okay, if you --

19 MR. SANDERS: Steve Sanders with the Institute for
20 Local Government. A couple of thoughts as I was listening
21 to you folks. This point of cultivating local leadership, I
22 think that is kind of what we see as the crux of the issue.
23 I used to work for a state agency, so I know you always feel
24 under-funded, overworked, and it is true. But there is a
25 real virtue to having a clear mission, having resources,

1 being able to pull everything together for the things that
2 you are trying to accomplish. And many state agencies
3 operate that way, and so there is an IEPR, there is
4 occasionally, every decade or two, Environmental Bills and
5 Policy Report, there are a number of different things that
6 state agencies do, all of which are very worthwhile. But
7 part of what makes them possible is the fact that you have
8 the luxury -- state agencies have the luxury of really
9 focusing their attention. It is much more difficult for
10 local governments because they are general purpose. And to
11 be able to, as you were talking about, to be able to get the
12 face time with somebody about a particular issue becomes
13 more difficult when there are so many competing things that
14 need to be focused on, which is why there is a lot of
15 emphasis, I noticed, in what the Energy Commission does, and
16 some other state agencies, as well, on really refining the
17 technical tools that are available, to do forecasting, to do
18 planning, to do analysis, to do assessment, and they become
19 better and better and better and better. And they become
20 better tools that decision-makers can use. But it is a
21 limited universe, and it is well understood by only a few
22 people. And so it helps your decisions as Commissioners and
23 as top staff at the Energy Commission, it helps you advise
24 the Governor because you have really gone through and
25 thought about this, it helps with folks in the Legislature

1 because they have dedicated staff in committees who
2 actually understand the whole complex of issues in a way
3 that is more difficult at the local level. But what is
4 missing in a lot of cases is the more basic educational and
5 leadership development tools that can then take all that
6 learning that is held by a few, and spread it out more
7 widely amongst decision makers. And so there is a real
8 difference between convincing the Governor, or five
9 Commissioners, or a majority of two houses in the
10 Legislature, versus hundreds and hundreds and hundreds of
11 local officials. And so what we would be looking for in the
12 IEPR, or any other activity that the state does, is how do
13 we translate and provide the tools and educational resources
14 in a format and in a language and in a timely manner, and
15 through the mechanisms that can actually be accessed by
16 local decision-makers. And so we can put stuff up on a
17 website, which we do, but it means somebody has to know that
18 the website is there, and they have to have the time to go
19 look for it. So I am not sure what the answer is, but I
20 think that if you look at what state agencies can do, I
21 think there are some opportunities. I think the biggest
22 opportunity is the possibility through the Strategic Growth
23 Council to actually get all state agencies looking more
24 holistically as a standard ability of the large issue, and
25 then being able to focus your resources in a way that can

1 help locals solve multiple problems within that framework
2 of sustainability, as opposed to hoping or expecting that
3 local governments will have one-on-one relationships with
4 conservation, or with the ARB, or with CalTrans, or with the
5 Energy Commission, or with the Waste Board, which is the way
6 it is kind of structured now. And so there needs to be a
7 way to put not only a policy and resources together, but
8 that support for local government so that there is that
9 guide and there are those guides that the City Council
10 Member who runs a small business can actually grapple with
11 and make decisions based on.

12 MS. LAVE JOHNSTON: I would like -- may I ask a
13 question?

14 MR. PFANNER: Sure.

15 MS. LAVE JOHNSTON: I would like to ask Steve a
16 question because I really enjoyed your comment and it is
17 something that the Strategic Growth Council is trying to do.
18 It seems to me, and I am biased because I do have a planning
19 background, and I am a member of the American Planning
20 Association, and it seems to me that, at the local level,
21 all of these wonderful plans that we have had so much time
22 to think about at the state level, and focus on particular
23 issue areas, all need to be balanced, or brought together.
24 I think the real integration has to happen at the local
25 level. And I imagine that is incredibly challenging, so --

1 I know that is incredibly challenging. And so how do we
2 as the state come up with guidance that allows for that kind
3 of flexibility, or allows for -- because I imagine it all
4 comes down in straight lines from the state, and then you
5 have kind of got to blur it at the local level to make it
6 work -- how do we allow for that kind of flexibility? How
7 do we build that into our plans and our programs? Do you
8 have any ideas on that, Steve?

9 MR. SANDERS: It is never going to be perfect, but
10 I think part of it is taking advantage of the institutional
11 policy tools that are available at the time. So CEQA, in
12 the early '70s, became a way of integrating environmental
13 concerns and issues, and really advancing environmental
14 analysis tremendously. I mean, early CEQA documents are
15 kind of funny, and I actually wrote some. And we did not
16 know what we were doing in a lot of cases because we did not
17 have information, there were not standard methodologies and
18 that sort of thing. And so -- but CEQA became a way that
19 the environmental issues got integrated into decision making
20 at every level, which is good. I think the opportunities
21 that are available right now to the state to sort of provide
22 a lens and a focal point, there is a great need for state
23 policy itself to be consistent, and the only mechanism that
24 I am aware of that currently could serve that purpose is the
25 Strategic Growth Council, which is why I brought it up.

1 Right now, it has been talked about for 20 or 30 years
2 that there needs to be a way of pulling state policy
3 together, and state actions, and have them be policy driven
4 and consistent, and so that is the mechanism that is there.
5 So a lot of attention on that would make a lot of sense.
6 That sends clear signals to local governments and the
7 regional agencies about what the state really intends when
8 it is investing in water facilities, or it is investing in
9 transportation, or it is investing in housing. And I think
10 it is not a huge stretch because, you know, HCD does
11 fantastic projects, and CalTrans does fantastic projects,
12 and so there are the opportunities, I think, to pull this
13 together in a strategic way. The other tool that is
14 available is SB 375 because it actually has clearly defined
15 roles for everybody in the system -- state, regional and
16 local. And what needs to happen, I think, over the next
17 year is sorting out those roles, which I think is what Bill
18 was so colorful in his comments, in terms of helping to sort
19 those roles out. But if we can get agreement on what those
20 roles are, and the division of responsibilities, SB 375 and
21 the Blue Print process that precedes it, provides a
22 tremendous opportunity to integrate a lot of policy,
23 regional, state and local together, in a single framework.
24 So my worry is that it either becomes very technocratic and
25 the public does not get engaged in it, or we try to rely too

1 much on transportation as the one real lever, and that is
2 not enough to hold up everything you need to do to create a
3 sustainable community. But the Strategic Growth Council is
4 a way around that, which is, "Oh, yeah, it's not just about
5 transportation investments, it's [inaudible] as well.

6 MR. PFANNER: Well, I like what just happened here
7 because Steve started and Julia followed with, starting to
8 develop policies, which is what I am going to have to do
9 after this is all over. So what will happen is we will take
10 the input that we have heard here, look at the Scoping
11 Order, and develop a White Paper with policies that will be
12 submitted to the IEPR Committee for their consideration.
13 But if each one of you had a chance to write a policy for
14 the IEPR, I am just curious, if we had the topic of energy
15 and local assistance, what policies would you recommend
16 should be in this document? And I throw that out onto the
17 panel.

18 MS. SOLLENBERGER: Okay, again, Joan Sollenberger
19 with CalTrans. I think Steve just did a great job, you
20 know, plugging the Blue Print side, so thank you. And that,
21 yeah, at the state agency level, I think we are really
22 focused with supporting the Strategic Growth Council, making
23 sure that the integrated planning is the important part here
24 because everything is a series of trade-offs and you need to
25 put those different decisions in front of everybody. But I

1 think a specific policy that is part and parcel to
2 effective regional Blue Print planning, and has been tried
3 and true is one of the most important aspects, and I think
4 Judy touched on it, and others have, and I think Steve said
5 his worry is engaging with the public, that largely a third
6 of our Regional Blue Print Grants were focused on public
7 engagement, going out and reaching out, not just having
8 hearings, building partnerships, talking to folks you had
9 not talked to before, learning how things need to be -- it
10 is kind of that education component of raising everybody's
11 awareness, and then empowering them with better information
12 so that the community is vesting in whatever the decisions
13 are. And so I am not an expert on how energy works out
14 there, but I would say that it is critical that you marry
15 the local and enhance public engagement in this to be
16 successful. So that, to me, would be a very important
17 policy.

18 MR. PFANNER: Excellent.

19 MS. WHEATON: This is Linda Wheaton. I concur. I
20 think that you have an energy field to identify the kind of
21 touch points that the public has related to before, I mean,
22 you have significant presence here, I mean, I am just
23 looking at the light bulb hearing issue because I think, in
24 one of the big challenges for the integration of our
25 functional areas, especially when each of us are dealing in

1 very detailed regulatory or technical fields, and then we
2 are saying all of these are the same and integrated for our
3 constituencies that are used to dealing with them
4 individually, it gets very complicated. So I think to bring
5 the public along and to engage them, in the energy field, in
6 particular, you need to identify whether it is appliance
7 savings, is I think a broad crosscutting one, for example.
8 And you know better than I what they are, and help reinforce
9 those with the kind of public messaging that I think has
10 been a factor in the past.

11 MS. RODRIGUEZ: This is Michele Rodriguez, the
12 American Planning Association. So I would recommend that
13 the CEC facilitate providing or facilitate getting energy
14 data for local Climate Action Plans, the assessment portion.
15 I would have CEC work with CARB on developing energy
16 reduction measures. And I would have them provide
17 information to jurisdictions to help them make a decision
18 about priorities related to energy efficiency and renewable
19 energy, such as cost-benefit information on HVAC or
20 lighting, insulation, weatherization, appliances, to try to
21 decide what to focus their priorities on.

22 COMMISSIONER BYRON: If I may, Mr. Pfanner, just
23 -- I apologize, I need to leave, but this is extremely
24 helpful information and I just wanted to give you a short
25 recap of some of the things that I have heard. I mean,

1 first of all, the clear message is that we need to
2 maximize public engagement, and it is kind of interesting,
3 as you all know, it is a very challenging time, even travel,
4 given the budget situation in the state. And we are doing
5 that already, we do it -- and I think we do it really well
6 at this Commission with regard to the siting of our power
7 plant, we are a CEQA equivalent organization for power plant
8 siting, and we are doing it more so in my tenure. You know,
9 we have created the Renewable Energy Transmission Initiative
10 where we have 30 stakeholders engaged in this process of
11 trying to figure out the preferred locations to build
12 transmission necessary to get renewables and, of course, we
13 have a corridor designation process which I will not bore
14 you with, but it is a legislative authority that we have
15 been given. We are working on a government Executive Order
16 on developing a desert Renewable Energy Conservation Plan to
17 mitigate the land that will be used for large solar and wind
18 projects. And, of course, our energy efficiency efforts
19 and, now, greenhouse gas reduction, all of these things are
20 additional workloads that have been added, but that does not
21 negate what I am hearing here today and, in fact,
22 reinforcing the importance of this Commission in reaching
23 out and working with local communities and organizations.
24 But you sure got me on all the acronyms. I have learned
25 more acronyms today, and I thought the Energy business had

1 the market on all that stuff. And the Blue Print and the
2 Strategic Growth Council, these are things I was not even
3 aware of, so I would like to thank you very much. I
4 apologize for departing, but, please, carry on. Mr. Pfanner
5 has his work cut out for him.

6 MR. PFANNER: Thank you, Commissioner Byron.
7 Julia Johnson.

8 MS. LAVE JOHNSTON: I wanted to -- I have your
9 Chapter 8 from the 2007 IEPR, which I think is -- I really
10 enjoyed. I wanted to comment just in thinking how to expand
11 it, because I think obviously you will include more climate
12 change information and so on, and so forth. And I think
13 along that line, the discussion of the urban forest and how
14 it both conserves energy and is good for greenhouse gas
15 emission reduction, and the Health Code benefits. Trees are
16 one of those things that kind of links all of those issues,
17 and so I think that it is hard to find things that are
18 missing in this document, and that might be the one area
19 that kind of ties all those issues together and might be of
20 interest. And I think, too, this is interesting because the
21 Strategic Growth Council has urban greening money, and I
22 know there are trees also that play into energy efficiency
23 and there might be an opportunity there to find some common
24 programs.

25 MR. PFANNER: Excellent.

1 MS. STETSON: This is Luree Stetson at
2 Conservation again. I am not sure how broad your policies
3 can be in your report, but one of the things that might be
4 helpful is to encourage other state agencies and encourage
5 the Commission grant process to support or give additional
6 consideration to those entities that are actually supporting
7 other state programs. For example, if they are adhering to
8 the Regional Blue Prints, and they are adopting and
9 approving projects that are in a Regional Blue Print, then
10 any applicant for grants and so forth might be able to get
11 additional consideration. That is just one example of
12 another state program, but I do not know if you get into
13 that local a detail across state agencies. And that gets to
14 Steve's point about bringing monies together and focusing
15 and looking at all sustainable activities because, in
16 talking about energy, as Julia said, you know, all of these
17 things are interrelated, all of these programs will help
18 with -- not all, but a lot of them help with energy
19 reduction and conservation.

20 MR. SANDERS: If I could just add one potential
21 policy recommendation, and it builds on what I was talking
22 about before, I do not know if you are thinking about this
23 in the IEPR, and I am not sure exactly when it goes to the
24 Governor and the Legislature, but there is going to be a
25 large void for local governments when the Office of Planning

1 and Research disappears, it is not clear where those
2 statutory functions are going to end up, and it is not clear
3 whether the non-statutory functions that are also useful are
4 going to even continue to be done. And so there is a
5 function related to CEQA, there is a function related to
6 General Plans, there is a function related to inter-
7 governmental cooperation and coordination, and there is also
8 a function related to interagency coordination. And if
9 those things disappear, you know, as imperfect as our
10 relationship -- the relationship between local governments
11 and the state has been -- at least through the Office of
12 Planning and Research, we know that there is a point of
13 contact to get information regarding planning and
14 development, and research, and demographics, and other sorts
15 of information. And that is going to be disappearing, so
16 maybe it is appropriate for the IEPR, or maybe it is not,
17 but that it seems there is an opportunity to look at
18 everything that is related to state energy policy, how it
19 touches so much on land use and transportation, to recognize
20 that there is going to be this void in the OPR disappearing,
21 and perhaps to develop some options, if not recommendations
22 for what the state's role should be in continuing and
23 actually strengthening that role.

24 MS. DURBIN: Susan Durbin with the Attorney
25 General's Office. As we look at various General Plans and

1 the EIRs on those plans, we are really struck by how
2 important is the role of consultants and planning companies.
3 I am glad to see Michele is here from the APA. One of the
4 policies you might pursue is a closer relationship with the
5 consultants. It has been a principal of American Government
6 for the last 100 years that you ensure the integrity of
7 government by promoting the integrity of the individual
8 professionals within it, as whatever kind of professionals
9 they are, lawyers, or planners, or accountants, or whatever.
10 And we found, by meeting with a number of consultants, that
11 they can use education, too. And since many local
12 governments are really kind of at the mercy of the
13 information their consultants give them, because they do not
14 have enough staff to do it for themselves, ensuring the
15 integrity of those planners that go into those professions
16 is really important.

17 MR. PFANNER: Excellent point.

18 MS. ROBINSON: Judy Robinson, Sacramento County.
19 Expanding on the engaging with local governments, I mean,
20 after a Planning Commission meeting last night, we will be
21 contacting either you or your office, Susan, to have
22 somebody come and talk to our Planning Commission as we are
23 doing our General Plan Update, and how we are --

24 MS. DURBIN: We have been talking to the County
25 for some time.

1 MS. ROBINSON: You have, right, but --

2 MS. DURBIN: We are delighted to continue.

3 MS. ROBINSON: Exactly, but the face time with the
4 Planning Commissioners, you know, with the folks that are
5 having to make some of the decisions, somehow there is a
6 disconnect, you know, and we tell them, you know, we share
7 your letters with them, but there is a disconnect. And
8 whether it is with the Attorney General's Office, or if it
9 is any other different department that has different
10 regulations that local government is trying to implement,
11 you know, these huge chasms exist, and to try to bring those
12 together, and it becomes real somehow, you know, if you are
13 there to answer questions; it is not so easy to point
14 fingers and say "those are the bad guys over there, they are
15 forcing us to do this, and that is why you have to approve
16 this." I think it allows better information sharing, better
17 opportunity for our electeds -- and the point is that those
18 are that making the decision to better understand what some
19 of those issues are, but I think part of that is that,
20 instead of you going out and doing some of your own separate
21 outreach for what is going on, we are in the community a
22 lot, we have a ton of meetings, whether it is a
23 transportation issue, or whether it is our General Plan, or
24 whether it is some other community plan, or something else
25 going on, we need to let you know when those are going on,

1 or you need to have your contacts just say, "We have this
2 outreach that we need to do, do you have a venue?" Or, "Do
3 you have a forum that would be a good place to present
4 this?" And, you know, we have many different -- whether it
5 is the Planning Commission, or other community advisory
6 councils, that plug you into -- it gives you the face time
7 with the public, but it is also the same people that we talk
8 to and we work with all the time, as well, so I think there
9 can be a better, more holistic education of our citizenry
10 and especially the ones that are making the decision over
11 local land use and development types of projects, that there
12 is just so much information that is out there, and those
13 folks that have to make those decisions are really
14 struggling in making those. And we cannot educate them
15 enough.

16 MS. LAVE JOHNSTON: Julia Lave Johnson, Governor's
17 Office of Planning and Research. You know, the Sacramento
18 Valley Section of PA has been doing a lot of workshops on
19 these topics. We have a sustainable region speaker series
20 and then our section, along with SACOG is about to do a
21 series of workshops for Planning Commissioners. So I think
22 the resources are out there, I think the challenge is
23 hooking people up with those resources. And in some
24 situations, whether during the day, or they have a small
25 cost, that we need to somehow work to get the support of the

1 local agencies to let their people come, or to send their
2 people. The APA is having their annual conference in
3 September. AEP, which is the Association of Environmental
4 Professionals, which is all those who work on CEQA, they
5 have an annual conference, they do a lot of CEQA workshops
6 in the communities. There are a lot of low cost resources
7 out there. And I think that maybe we just need more help
8 making those resources available to the people who need
9 them. So maybe we should talk later about how we can do a
10 better job of that.

11 MS. WHEATON: This is Linda Wheaton from HCD. I
12 think one of the things that we state agencies ought to do
13 is cross-train our staff in their respective functional
14 activities. We have perhaps a level of awareness at certain
15 levels, but it does not extend to the line levels in many
16 cases, and I think that is one of the sources of frustration
17 for local governments who have to deal with us, because you
18 are talking with someone with housing and their local
19 government person is trying to get you to understand what
20 they have to deal with Water, and you know, I have
21 experienced frustration myself in not being able to connect
22 to the corresponding people in other functional agencies.
23 So I think it deserves a concerted effort on our part.

24 MR. PFANNER: Good point. Any other comments from
25 the panel? It has been a long day, I know. I did want to

1 turn to the public and see if there was anyone in the
2 audience that had any comments, questions, or wanted to add
3 to our discussion in any way.

4 Okay, well, if that is the case, again, it is so
5 appreciated by the Commissioners and staff here at the
6 Energy Commission for the incredible amount of time and
7 input that we got from our panelists here. I did want to
8 thank a few people here. In terms of our staff, Monica
9 Rudman and Rob Schlichting, and Jacob Orenberg, and Serena
10 Fong are going to be the ones that get to take this
11 information and put it into the IEPR, and they have been
12 very instrumental in getting us to this point, so I thank
13 them. Our IEPR staff that do this 40 times and have to pull
14 together every WebEx and all the packaging, Suzanne and
15 Lynette and Kevin, my hat goes off to them for the
16 outstanding job that they do. And I would just close in
17 saying that I think Julia's five-year-old daughter stole my
18 closing statement because I was going to say I thought about
19 the profession that we are in, and we are all related to
20 some type of planet, and I thought, why do people go into
21 Planning? It certainly is not for fame or fortune, we know
22 that. It is a profession that does a pretty good job of
23 grinding it down pretty quickly because every time you stick
24 your head up, it gets hammered down again because of the
25 controversies, when you start dealing with land use, there

1 are always issues involved. And I really did think the
2 common theme that Julia's daughter has hit on, that we are
3 all here because we think our job is to make the planet a
4 better place, and that is kind of our life's job, and that
5 is why we do it. So, again, thank you to everyone. Watch
6 for the Draft IEPR when it comes out because we will be
7 asking for your comments at that point, and then ultimately
8 at the end of the year it will go to the full Committee for
9 a hearing. So great appreciation to everyone, thank you
10 very much.

11 (Whereupon, at 4:09 p.m., the workshop was adjourned.)

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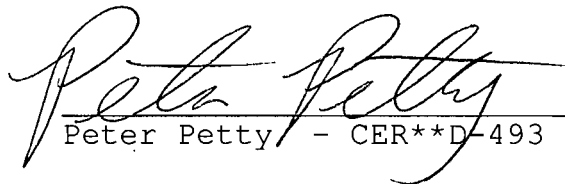
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I, PETER PETTY, a Certified Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Business Meeting; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said meeting, nor in any way interested in outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of August, 2009.


Peter Petty - CER**D-493