



THE CITY OF SAN DIEGO

MEMORANDUM

DATE: December 10, 2015

TO: Honorable Council President Sherri Lightner and Members of the City Council

FROM: Jeff Murphy, Director, Planning Department *[Signature]*
via Stacey LoMedico, Assistant Chief Operating Officer *[Signature]*
FOR STACEY LOMEDICO

SUBJECT: Responses to the City Council Environment Committee Recommended Changes to the Climate Action Plan

On November 30, 2015, staff presented to the Council Committee on the Environment (CCE) the draft Climate Action Plan (CAP). Following public testimony and committee deliberation, the CCE recommended that the City Council approve the CAP with certain recommended changes. Below summarizes each change and other questions raised by CCE followed by staff's response.

1. Committee Request

Bring forward a CAP implementation plan to City Council by April 1, 2016 that includes identification of funding.

Staff Response

Implementation of the CAP will involve efforts already underway and new efforts from many city departments. If the CAP is adopted by City Council, relevant departments will budget appropriately to implement actions identified in the CAP. In addition, staff will prepare an implementation plan that identifies the strategy for implementation of near-term CAP actions. The implementation plan is primarily informed by actions that are currently underway and actions that are identified as Phase 1 in the CAP (to be implemented in 2016-2017) although efforts on Phase 2 actions will also begin in Phase 1 to the extent it is necessary to complete an action by Phase 2. The CAP annual reporting will track progress towards achieving the greenhouse gas reduction goals and may affect future implementation plans if goals are not met. The CAP implementation plan and associated budget will be presented to City Council by April as part of the City budgeting process.

2. Committee Request:

Create a consistency checklist in conjunction with the implementation plan to ensure that each community plan update is consistent with the CAP.

Staff Response:

By April 2016, city staff will develop a mechanism to show how community plan updates will comply with the Climate Action Plan. In the meantime, staff will take interim measures on CAP consistency such as continuing to ensure community plan updates comply with the General Plan, which includes goals and policies related to greenhouse gas emission reduction and increased use of walking, biking, and transit. The City of Villages strategy acknowledges the value of San Diego's distinctive neighborhoods and the role villages play in reducing greenhouse gas emissions. General Plan policy also states that while villages should achieve transit-supportive density and design, population density and building intensity will differ by each community. Therefore, CAP/community plan update compliance should avoid a "one-size-fits-all" approach and provide a path for community plan updates to adhere to General Plan policy while reducing greenhouse gas emissions.

3. Committee Request:

Provide analysis of requests included in Environmental Health Coalition's Nov. 23, 2015 letter and specify implementation priorities in Strategy 3 for disadvantaged communities.

Staff Response:

Staff has reviewed Environmental Health Coalition's (EHC's) letter and also met with their staff to ensure an understanding of their intent. Social equity is a significant component of the CAP and an important issue for the City of San Diego to continue to address in order to ensure benefits to underserved communities are maximized. Based on previous input from EHC, staff added additional language to the final draft of the CAP to strengthen the social equity chapter. Staff is now recommending several additional changes to the CAP to address EHC's recent requests and better identify how social equity will be addressed through implementation of the CAP. See the attached *Proposed Amendments to the Climate Action Plan* document for recommended changes to the CAP.

4. Committee Request:

Provide the Environment Committee with a commercial benchmarking policy in early 2016.

Staff Response:

As this is a new program for which work has not yet begun, staff will provide options for development of a Commercial Benchmarking policy when the CAP implementation plan is brought to Council in April 2016.

5. Committee Request:

Move Action 2.1, City Council consideration of a Community Choice Aggregation (CCA) or another program that increases the renewable energy supply, from Phase 2 into Phase I.

Staff Response:

Staff has already begun working on the CCA feasibility study so that the results can be brought to Council for consideration in Phase 1; however, we recommend leaving Action 2.1 as a Phase 2 action (2018-2020). Described further below, development of a CCA or another program with all of the action actions necessary for it to be fully operational will extend beyond Phase 1. In order to achieve the Phase 2 target, staff need to begin implementation efforts now.

A Community Choice Aggregation program (CCA) allows local governments to pool (or aggregate) their electricity load in order to purchase and/or develop power on behalf of their residents, businesses, and municipal accounts. This structure provides residents and business with a choice of energy providers (the existing utility or the CCA). While a CCA would make decisions about the procurement of power, the local energy utility, San Diego Gas & Electric in this case, would still provide transmission and distribution services. There are several CCAs in operation in California, several more in exploratory phases, and many others around the country. If the City of San Diego pursues implementation of a CCA, it could be the largest in the state in terms of number of customers potentially served. A CCA is a non-profit organization, with all costs after initial start-up costs funded by ratepayer funds and not tax dollars. There are many steps to establish a CCA, both technical and regulatory as established by the California Public Utilities Commission (CPUC). These steps include: conduct a feasibility study; peer/3rd party review of study; results of study and next steps considered by City Council; preparation of an Implementation Plan pursuant to CPUC rules that includes rate setting, identification of energy providers, operational details, rights and responsibilities, termination agreements, etc.; Implementation Plan filing process with CPUC; Council consideration of CCA staffing, funding, bonding, and structure; CPUC registration filing; issuing RFPs for energy providers; contract negotiation; extensive community outreach; potential environmental review under CEQA; and information requests to San Diego Gas & Electric. Other CCAs in the state have been established in a timeline ranging from three to 12 years.

Action 2.1 of the CAP directs staff to “present to City Council for consideration a Community Choice Aggregation (CCA) or another program that increases the renewable energy supply.*” Staff are currently developing a request for proposals (RFP) to be released in early 2016. This would solicit proposals for a consulting firm to conduct a feasibility study, the first step in exploring a CCA. This technical study will provide the city information on the energy load of the city, the feasibility of any scenarios of interest to the city, procurement potential, costs (including setup and costs to ratepayers), benefits (including GHG reduction job creation, and economic benefits), risks, and other relevant analyses. The feasibility study would also include CCA formation activities needed, including potential Council actions, development of a new management structure, and the PUC regulatory filing process.

Given the multiple and sequential steps, analysis, and approvals required to establish a CCA, Phase 2 is appropriate.

6. Committee Request:

City Attorney's Office coordinate with committee consultant to create a stakeholder working group of the Environment Committee to advise the committee on the implementation and adaptation of the Climate Action Plan on a quarterly basis.

Staff Response:

Staff will bring forward a recommendation for this request along with a CAP implementation plan by April 2016.

7. Committee Request:

Provide further explanation of cost-benefit analysis.

Staff Response:

A cost-benefit analysis would generally consist of an evaluation of the cost of proposed actions being brought forward to Council for approval and GHG reduction benefits, as well as additional benefits where applicable. Costs could include more than financial costs, such as potential risks. Additional benefits could range from support of another city plan or goal, benefits to underserved communities, or an increase in jobs, air quality, avoidance of future risks, etc. For example, a cost-benefit analysis for a solar power purchase agreement examines the cost of the agreement vs. the long-term cost-savings (return on investment) and increase in local jobs. Caution will be used to ensure a cost-benefit analysis for CAP actions itself is not excessively costly or protracted relative to other city initiatives or plans of similar size or scope. A preliminary, high-level cost-benefit analysis of the various CAP actions may also be prepared. However, the implementation will proceed on its normal course and will not be impacted by such a study.

8. Committee Request:

What are transit mode shares of other cities?

Staff Response:

City staff has compiled a list of transit mode shares from other cities. The CAP goals for transportation mode share are achievable, as other cities current mode shares across their entire cities already exceed the 2035 transit goals set in the CAP for Transit Priority Areas.

Existing Mode Share Statistics of Various Cities

Transit Mode Share

City	Percent	Year	Source
Washington, D.C.	38.4%	2013	ACS
Boston	33.3%	2013	ACS
San Francisco	32.6%	2013	ACS
Chicago	26.7%	2013	ACS
Philadelphia	26.1%	2013	ACS
Toronto	23.3%	2011	Census
Montreal	22.2%	2011	Census
Vancouver	19.7%	2011	Census
Seattle	19.2%	2013	ACS
Minneapolis	13.4%	2013	ACS
Portland	11.6%	2013	ACS

Bike Mode Share

City	Percent	Year	Source
Davis, CA	20.7%	2013	ACS
Malmö, Sweden	20.0%	2008	PRESTO
Salzburg, Austria	19.0%	2008	PRESTO
Munich, Germany	17.4%	2011	PRESTO
Venice, Italy	17.0%	2008	PRESTO
Tokyo, Japan	14.0%	2008	Census
Boulder, CO	10.6%	2013	ACS
Santa Cruz, CA	9.5%	2013	ACS
Berkeley, CA	8.6%	2013	ACS
Eugene, OR	8.4%	2013	ACS
Portland	6.1%	2013	ACS

Pedestrian Mode Share

City	Percent	Year	Source
Washington, D.C.	12.2%	2013	ACS
San Francisco	10.1%	2013	ACS
Boulder, CO	9.8%	2013	ACS
Seattle	9.0%	2013	ACS
Philadelphia	8.5%	2013	ACS
Chicago	6.6%	2013	ACS
Portland	5.8%	2013	ACS

San Diego Goals:

12%	2020
25%	2035

San Diego Goals:

6%	2020
18%	2035

San Diego Goals:

3%	2020
7%	2035

* PRESTO = Promoting Cycling for Everyone as a Daily Transport Mode (a project of the EU's Intelligent Energy Program)
 * ACS = American Community Survey (U.S. Census Data)

Jeff Murphy
 Planning Director

JM/sl

Attachment: Proposed Amendments to the Climate Action Plan

- cc: Stephen Puetz, Chief of Staff, Office of the Mayor
 Matt Awbrey, Deputy Chief of Communications, Office of the Mayor
 Jaymie Bradford, Deputy Chief of Staff/Chief of Policy, Office of the Mayor
 Scott Chadwick, Chief Operating Officer
 Andrea Tevlin, Independent Budget Analyst
 Mary Lewis, Chief Financial Officer
 Paz Gomez, Deputy Chief Operating Officer, Infrastructure/Public Works
 David Graham, Deputy Chief Operating Officer, Neighborhood Services
 Ron Villa, Deputy Chief Operating Officer, Internal Operations
 Mike Hansen, Policy Advisor for Land Use and Environment, Office of the Mayor
 Brian Pepin, Director of Council Affairs

Proposed Amendments to the Climate Action Plan December 2015 Adoption Draft

Executive Summary - Page 5

Amend the following sentence:

This chapter also illustrates the contents of the Annual Monitoring Report, including the results of the annual GHG inventory.

To say the following:

This chapter also illustrates the contents of the Annual Monitoring Report, including the results of the annual GHG inventory, social equity, and jobs monitoring.

Chapter 3 Implementation and Monitoring – Page 39

Amend the following bullet point:

- *Develop a new priority ranking for infrastructure improvements in Transit Priority Areas that will be integrated into Capital Improvement Priority Matrix, Community Development Block Grant opportunities and Public Facilities Financing Plans. See Ch. 4 Social Equity & Job Creation.*

To say the following:

- *Develop a new priority ranking for ~~infrastructure improvements~~ capital improvement projects in Transit Priority Areas that will be integrated into ~~Capital Improvement Priority Matrix~~ Council Policy 800-14, Community Development Block Grant and other grant opportunities, and Public Facilities Financing Plans. See Ch. 4 Social Equity & Job Creation.*

Add the following **new** bullet:

- *The most recent version of the California Office of Environmental Health Hazard Assessment (OEHHA) CalEnviroScreen tool will be used as one method to identify and help prioritize, when possible, underserved communities in census tracts ranking in the top 30% of CalEnviroScreen scores, which may be locally normalized, for transit-related infrastructure improvements and capital improvements.*

Chapter 3 Implementation and Monitoring – Page 43

Amend the title:

Monitoring & Reporting

Measure 3: Job Monitoring

To the following:

Monitoring & Reporting

Measure 3: Social Equity and Job Monitoring

Add the following new Implementing Mechanism:

3.2 Social Equity Reporting

Description: Monitoring of social equity will also be a component of the CAP annual monitoring report (AMR). This will include, to the extent feasible, accounting for capital improvement and grant fund expenditures in underserved communities. As this is a new area of reporting for most cities in the U.S., staff will develop the methodology for reporting on social equity as related to implementation of climate action plans and refine as needed, with stakeholder input from organizations in the region and others within the U.S with expertise in this area.

Chapter 4 Social Equity and Job Creation – Page 50

Amend the following paragraph:

To implement the General Plan and provide an equitable distribution of public facilities, infrastructure, and services the City developed Council Policy 800-14 which sets the City's priorities for the City's Capital Improvements Program (CIP). The policy prioritizes projects in under-served communities including those with low income households, low community engagement and low mobility or access to transportation systems based on SANDAG census tract. The policy also prioritizes projects located in areas eligible for the Community Development Block Grant funds, and projects located within a half mile of affordable housing.

To say the following:

To implement the General Plan and provide an equitable distribution of public facilities, infrastructure, and services the City developed Council Policy 800-14 which sets the City's priorities for the City's Capital Improvements Program (CIP). The policy prioritizes projects in under-served communities including those with low income households, low community engagement and low mobility or access to transportation systems based on SANDAG census tract. The City interprets the Council Policy to include the use of the California Office of Environmental Health Hazard Assessment (OEHHA) CalEnviroScreen tool to identify under-

served communities and prioritize the CIP in census tracts ranking in the top 30% of CalEnviroScreen scores, which may be locally normalized. The policy also prioritizes projects located in areas eligible for the Community Development Block Grant funds, and projects located within a half mile of affordable housing.

Appendix A.1 Methods for Estimating Greenhouse Gas Reductions - Page A-18

Amend the following footnote:

45 Brown and Caldwell, 2011. Urban Water Management Plan 2010 (Table 3-10). Available at <http://www.sandiego.gov/water/pdf/uwmp2010.pdf>.

To say the following:

45 Brown and Caldwell, 2011. Urban Water Management Plan 2010 (Table 3-10). Available at <http://www.sandiego.gov/water/pdf/uwmp2010.pdf>. San Diego County Water Authority. <http://www.sdcwa.org/water-use>