

### Agenda Sustainability Task Force

A Committee of the Chico City Council

Meeting of Thursday, December 10, 2015 – 5:30 p.m.

Municipal Center - 421 Main Street, Conference Room No. 1 in the Council Chambers

- 1. CALL TO ORDER AND ROLL CALL
- 2. <u>APPROVE OCTOBER 29, 2015 MEETING MINUTES</u>

  Draft 10/29/15 minutes attached.
- 3. <u>DISCUSSION OF CALIFORNIA'S CAP-AND-TRADE FUNDING PRIORITIES (Chair Stemen)</u> The State's Cap-and-Trade auction proceeds provide an opportunity for the State to invest in projects that help California achieve its climate goals. How the proceeds are utilized is directed by a *Cap-and-Trade Auction Proceeds Investment Plan*. Attached are tables from the *FY16/17 through FY18/19 Draft Investment Plan* highlighting GHG reduction fund appropriations. Discussion of the State's funding priorities and grant opportunities will support the STF's discussion of its 2016 Work Plan.
- 4. <u>DEVELOP STF WORK PLAN AND MEETING SCHEDULE FOR CALENDAR YEAR 2016 (Principal Planner Vieg)</u> At its last meeting, the STF requested that staff prepare a draft memo to Council highlighting the STF's achievements, and identifying possible 2016 Work Plan items and a meeting schedule. The STF agreed that the draft memo would serve as a starting place for a discussion of 2016 Work Plan priorities. Attached is the *Draft Memo to Council*. Also attached is a draft Gas Tax Proposal provided by STF member Rubio for consideration as a work plan item.
- 5. <u>BUSINESS FROM THE FLOOR</u> Members of the public may address the Task Force at this time on any matter not already listed on the agenda, with comments being limited to three minutes. The Task Force cannot take any action at this meeting on requests made under this section of the agenda.
- **REPORTS & COMMUNICATIONS** These items are provided for the Task Force's information. Although the Task Force may discuss the items, no action can be taken at the meeting. Should the Task Force determine that action is required, an item may be included on a subsequent agenda.

Announcement Regarding BEC-sponsored Climate Rally in City Plaza on 12/12 @ 12pm

7. ADJOURNMENT - Next meeting will be Thursday, January 28, 2016

**ATTACHMENTS:** 10/29/15 STF Meeting Minutes

Draft Cap-and-Trade Investment Plan Table: GHG Reduction Fund Appropriations

Draft Memo to Council re STF Achievements and 2016 Work Plan

Draft Gas Tax Proposal provided by STF member Rubio

Agenda available from the City's website at www.ci.chico.ca.us.under "Meetings/Agendas"

Prepared: 12/03/15 Community Development Department
Posted: 12/04/15 421 Main Street, 2<sup>nd</sup> Floor, Chico, CA 95928

Prior to: 5:30 p.m. (530) 879-6800



Please contact the City Clerk at 896-7250 should you require an agenda in an alternative format or if you need to request a disability-related modification or accommodation in order to participate in a meeting. This request should be received at least three working days prior to the meeting in order to accommodate your request.

**Sustainability Task Force Members:** 

Cheri Chastain Lucas RossMerz Dave Donnan Mike Rubio, Vice Chair

Ryne Johnson Mark Stemen, Chair William Loker

### CITY OF CHICO SUSTAINABILITY TASK FORCE MINUTES OF THE MEETING OF October 29, 2015

Municipal Center 421 Main Street Council Chambers, Conference Rm. 1

STF Members Present: Mark Stemen, Chair

Mike Rubio, Vice Chair

Cheri Chastain Dave Donnan Lucas RossMerz

STF Members Absent: Ryne Johnson

William Loker

Staff Members Present: Brendan Vieg, Principal Planner

Guests Present: Jill Ortega, Account Manager, Recology

### 1. CALL TO ORDER

Chair Stemen called the meeting to order at 6:31 pm. STF members and City staff were present as noted.

### 2. APPROVE SEPTEMBER 10, 2015 MEETING MINUTES

The 09/10/15 minutes were approved (4-1-2, RossMerz abstained; Johnson & Loker absent).

### 3. STATUS OF STF WORKPLAN

Principal Planner Vieg provided a status of each of the STF's recommendations to Council and 2015 Work Plan items.

The STF requested that the Sustainability website be updated to highlight that the City Council recently approved a reduced Building Fee for single-family solar installations.

The STF requested that staff prepare a "draft" memo to Council updating the status of the STF's efforts, and also including key highlights such as the EV fueling station grant, LED light installation throughout City buildings, and Building fee permit reduction for single-family solar installations. The STF further requested that staff identify approximately eight (8) meeting dates for 2016.

The STF agreed that the draft memo would serve as a starting place for a discussion at its next meeting (12/10/15) on a 2016 Work Plan, that the Chico Chamber of Commerce be invited to participate in that discussion, and that staff also bring forward the draft meeting dates for 2016.

STF Member RossMerz agreed to prepare and submit a proposal to the CSUC Sustainability Conference in March 2016 regarding the STF's efforts.

### 4. <u>UPDATE ON CIVICSPARK PROGRAM</u>

Principal Planner Vieg shared that it is unlikely that Chico will be assigned a CivicSpark member this year, but that the City is well positioned to receive a member next year. He further stated that he would work to identify sufficient funding in next year's budget request and also coordinate with community partners to ensure that next year's CivicSpark request is for a full-time position.

### 5. <u>UDPATE REGARDING STF-SPONSORED SUSTAINABLE BUSINESS SERIES</u>

STF Member Chastain updated the STF on the status of the 2015 Sustainable Business Series, and shared that the STF, City, Chamber, and Sierra Nevada have agreed to run the series again in 2016. The final workshop for 2015 is scheduled for Thursday, November 19<sup>th</sup> and the topic is Recycling and Composting. The RSVP list is large and growing. Jill Ortega with Recology shared that they are sending out mailers and flyers for the workshop. Due to the high number of participants, there was a discussion about changing the workshop to a panel format so that everyone receives the same message regarding the timeframes for implementing important organic waste recycling requirements consistent with state legislation. The dates for the 2016 Sustainable Business Series are February 25<sup>th</sup>, August 11<sup>th</sup>, and November 17<sup>th</sup>.

### 6. COMMUNITY CHOICE AGGREGATION CONCEPT

STF Member Chastain provided the STF with an update regarding Butte County's very early research on establishing a Community Choice Aggregation (CCA). A CCA allows a community to manage purchases of electricity from cleaner sources (solar, wind, etc.) while using the local utility's infrastructure to transmit and distribute. The few CCAs in existence show costs of electricity anywhere from 4-10% lower than from utility provided electricity and are substantially reducing greenhouse gas emissions at the same time. There are two established CCAs in California – Sonoma Clean Power and Marin Clean Energy. Butte County is coordinating with Oroville, Chico, and Paradise, but a CCA can encompass a larger area. Butte County is gauging interest and developing a list of questions.

The STF acknowledged that the CCA concept is consistent with a number of the CAP's Phase II Actions, and directed that a more involved discussion of the CCA be agendized in early 2016 and include knowledgeable Butte County staff.

### 7. BUSINESS FROM THE FLOOR

None.

8. REPO	RTS &	<b>COMMUN</b>	<b>ICATIONS</b>
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Chair Stemen shared that BEC is sponsoring a Climate Rally in City Plaza on  $12/12\ @\ 12pm$ .

9.	<b>ADJ</b>	<b>OUR</b>	NME	CNT
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There being no further b	usiness from the STF, the meeting adjourned at 6:30pm to the meeting of
Thursday, December 10	, 2015.
Date Approved	Brendan Vieg, Principal Planner

### **Greenhouse Gas Reduction Fund Appropriations**

In May 2015, over \$2.2 billion in California Climate Investments were proposed (as shown in Table A-1). As part of the budget process, the Legislature and Governor appropriated \$1.4 billion for Fiscal Year 2015-16. The current California Climate Investment budget appropriations are displayed in Table A-2.

**Table A-1.** 2015-16 Cap-and-Trade Expenditure Plan - May 2015-16 Budget Revision (Dollars in Millions)

	(Bollare III Williams)		Jan 10/		
Invoctment			Accelerated	-May	
Investment Category	Department	Program	Drought	Revision	Total
Category	High-Speed Rail Authority	High-Speed Rail Project	\$250	\$250	\$500
Sustainable	State Transit Assistance	Low Carbon Transit Operations Program	\$50	\$50	\$100
Communities and Clean	California State Transportation Agency	Transit and Intercity Rail Capital Program	\$100	\$165	\$265
Transportation	Strategic Growth Council	Affordable Housing and Sustain- able Communities Program	\$200	\$200	\$400
	Air Resources Board	Low Carbon Transportation	\$200	\$150	\$350
	Department of Community Services and Development	Energy Efficiency Upgrades/Weatherization	\$75	\$65	\$140
	Department of General Services <sup>41</sup>	Energy Efficiency for Public Buildings	\$20	\$20	\$40
Energy	University of California/ California State University	Renewable Energy and Energy Efficiency Projects	\$0	\$60	\$60
Efficiency and Clean Energy	Department of Water Resources/Department of Food and Agriculture	Water and Energy Efficiency	(\$30)	\$60	\$60
•	California Energy	Drought Executive Order - Rebates for Appliances	\$0	\$30	\$30
	Commission/Department of Water Resources	Drought Executive Order - Water and Energy Technology Program	\$0	\$30	\$30
	Department of Food and Agriculture	Agricultural Energy and Operational Efficiency	\$5	\$20	\$25
	Department of Fish and Wildlife	Wetlands and Watershed Restoration	\$25	\$40	\$65
Natural Resources	Department of Forestry and Fire Protection	Forest Health	\$42	\$50	\$92
and Waste Diversion	Department of Food and Agriculture	Healthy Soils	\$0	\$20	\$20
3	Department of Resources Recycling and Recovery	Waste Diversion	\$25	\$35	\$60
Total			\$992	\$1,245	\$2,237

<sup>&</sup>lt;sup>41</sup> Shifts administration of Green Buildings and \$20 million from the current year from CEC to DGS,

Greenhouse Gas Reduction Fund Appropriations for Investment

Table A-2.

		Арр	Appropriations <sup>1</sup>	<u>.</u> 8		Type of
Agency	Program	2013-14 (\$M) <sup>2</sup>	2014-15 (\$M) <sup>2</sup>	2015-16 (\$M) <sup>2</sup>	Project Categories	Award Process
High Speed Rail Authority	High Speed Rail Construction of the initial operating segment		\$59		Planning/design	
	in the Central Valley and further environmental and design work on the statewide system.	0\$	\$191	\$5003	Right-of-way acquisition and construction of Initial Operating Segment	State Implemented
California State Transportation Agency	Transit and Intercity Rail Capital Program Competitive grant program for rail and bus transit operators for capital improvements to integrate State and local rail and other transit systems, and provide connectivity to the high-speed rail system.	09	\$25	\$2003	Connectivity to existing/future rail and transit systems; increased service and reliability of rail and transit, and integration of transit and rail systems	Competitive
Department of Transportation	Low Carbon Transit Operations Program Support new or expanded bus and rail services to increase transit ridership and decrease greenhouse gas emissions.	09	\$25	\$100³	New/expanded bus or rail services or expanded intermodal transit facilities; service or facility improvements	Distribution to local transit agencies based on statutory formula
Strategic Growth Council	Affordable Housing and Sustainable Communities Program Implementation of SB 375 sustainable communities strategies and similar strategies in other areas with greenhouse		\$125		Transit-orientated development and integrated connectivity projects	
	ω _ <b>≡</b>	0\$	<del>\$</del>	\$400³	Agricultural land preservation	Competitive

Table A-2. Greenhouse Gas Reduction Fund Appropriations for Investment (Continued)

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Agency	Program	App	Appropriations <sup>1</sup>	15. <sup>1</sup>		Type of
		2013-14 (\$M) <sup>2</sup>	2014-15 (\$M) <sup>2</sup>	2015-16 (\$M) <sup>2</sup>	Project Categories	Award Process
Air Resources Board	Low Carbon Transportation Accelerate the transition to low carbon	\$20	\$111		Clean vehicle rebates	First-Come
	reignt and passenger transportation. Support the Administration's goal to deploy 1.5 million zero emission vehicles in	\$10	\$5		Heavy duty hybrid/ZEV trucks and buses	First-Served
	California by 2025. Respond to increasing demand for rebates for zero emission cars and vouchers for hybrid and zero emission	×	\$50	400	Freight demonstration projects	
	trucks and buses, as well as provide incentives for the pre-commercial demonstration of advanced freight technology to move cargo in California.	0\$	6\$	O 60 60	Truck and bus pilot projects in disadvantaged communities	Competitive
9			\$25		Light duty pilot projects in disadvantaged communities	
Department of Community Services and Development	Low-Income Weatherization Program/Renewable Energy Installation of energy efficiency and renewable energy projects in single and				Single-family weatherization	Existing Service Providers
	multifamily low-income housing units within disadvantaged communities. Weatherization measures typically include weather-stripping, insulation, caulking, water heater blankets, windows, refrigerators, energy efficient light	0\$	\$75	\$794	Multi-family weatherization	Existing Service Providers / Competitive
	bulbs, electric water heaters and heating and cooling systems. Renewable energy measures include installation of solar water heater systems and photovoltaic systems.				Solar photovoltaic and water heating	Competitive

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## Cap-and-Trade Auction Proceeds Draft Second Investment Plan: Fiscal Years 2016-17 through 2018-19

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Type of	Award	First-Come	First-Served	Competitive		State Implemented	State Implemented	Competitive
	Project Categories	Building retrofits for energy efficiency	Energy generation	Energy and water use efficiency	Dairy digesters	Alternative and renewable fuels	Hydro energy turbine efficiency	Water conservation and energy efficiency
ns¹	2015-16 (\$M) <sup>2</sup>	w.		\$404				\$204
Appropriations <sup>1</sup>	2014-15 (\$M) <sup>2</sup>	0.00		\$10		\$15	\$10	\$10
Api	2013-14 (\$M) <sup>2</sup>			\$10	,		\$10	\$20
	Program	Energy Efficiency in Public Buildings Energy efficiency and energy generation projects in public buildings owned and operated by a State agency or entity, including, without limitation, the University of California and California State University. Examples of fundable projects include, but not limited to, lighting systems, heating,	venulation and air conditioning equipment, interior and exterior lights, energy management systems and equipment controls, pumps and motors, building insulation, renewable energy (e.g., PV) and combined heat and power projects using renewable fuel, and load shifting projects, such as thermal energy storage.	Climate Smart Agriculture Projects that reduce greenhouse gas emissions from the agriculture sector by	capturing greenhouse gases, narnessing greenhouse gases as a renewable bioeneray source, improving agricultural	practices and promoting low carbon fuels, agricultural energy, and operational efficiency.	Water Action Plan - Water-Energy Efficiency Grants to implement residential, commercial, or institutional water efficiency	programs or projects. Support State Water Project facilities.
	Agency	California Energy Commission		Department of Food and Agriculture			Department of Water Resources	

Table A-2. Greenhouse Gas Reduction Fund Appropriations for Investment (Continued)

		App	Appropriations <sup>1</sup>	ns1	Appropriations <sup>1</sup>	Type of
Agency	Frogram	2013-14 (\$M) <sup>2</sup>	2014-15 (\$M) <sup>2</sup>	2015-16 (\$M) <sup>2</sup>	Project Categories	Award
Department of Fish and Wildlife	Water Action Plan - Wetlands and Watershed Restoration Implement projects that provide carbon				Delta and coastal wetlands	
	sequestration benefits, through restoration of wetlands (including those in the Delta),	\$0	\$25	\$24	Mountain meadows habitat	Competitive
	coastal watersheds and mountain meadows.				Water efficiency on Department of Fish and Wildlife lands	,
Department of Forestry and Fire Protection	Healthy Forests Urban forests in disadvantaged communities and forest health restoration and reforestation projects that increase	(	\$24		Forest health restoration, forest legacy, and land conservation	Competitive
	carbon sequestration and reduce wildfire risk. Projects to enhance forest health and reduce fuel loads in light of climate change increasing wildfire intensity and damage.	) A	\$18		Urban forestry	Competitive
Department of Resources	Waste Diversion Financial incentives for capital investments		\$15		Organics composting / anaerobic digestion	
Recovery	in composing/anaerobic digestion infrastructure and recycling manufacturing facilities to divert waste from landfills	\$0	\$5		Increased recycled manufacturing	Competitive
			\$5	\$6 <sup>5</sup>	Organics and recycling project loans	
Total Appropriations for Programs	ns for Programs¹	870	\$862	\$1,443		

# Table A-2. Greenhouse Gas Reduction Fund Appropriations for Investment (Continued)

Appropriation is for State agencies to administer programs and fund projects.

State agency allocations by project type.

For State agencies with continuous appropriations, the Fiscal Year 2015-16 values are based on their assigned percentages applied to a total proceeds amount of \$2.237 billion, as estimated in the May 2015 Revised Budget Summary (http://www.ebudget.ca.gov/2015-16/pdf/Revised/BudgetSummary/FullBudgetSummary.pdf)

For State agencies without continuous appropriations, the Fiscal Year 2015-16 values are based on three 2015 statutes. SB 101, 42 AB 134,43 and SB 97.44

For the Department of Resources Recycling and Recovery, the Fiscal Year 2015-16 amount includes \$5 million appropriated under SB 862.

Senate Bill No. 101, Chapter 321. Budget Act of 2015. Committee on Budget and Fiscal Review. September 22, 2015. http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill id=201520160SB101 42

Weber et. al. Assembly Bill No. 134, Chapter 10. Budget Act of 2015: Committee on Budget. January 9, 2015. 43

Senate Bill No. 97, Chapter 11. Budget Act of 2015: Committee on Budget and Fiscal Review. June 24, 2015. http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill id=201520160AB134 http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\_id=201520160SB97 4



### CITY OF CHICO MEMORANDUM

TO: City Council DATE: January 7, 2016

FROM: Mark Stemen, STF Chair FILE: STF File

SUBJECT: Sustainability Task Force Annual Update

In November 2012, the City Council adopted a Climate Action Plan (CAP), which identifies actions to be taken by the City and the community to reduce greenhouse gas (GHG) emissions to 25% below 2005 levels by 2020. The City's goal is consistent with State and Federal efforts to reduce emissions of greenhouse gases linked to climate change. In November 2013, Council appointed a seven member Sustainability Task Force (STF) to function as a "working committee" to lead the City's implementation of the CAP, and directed staff to work with the ad hoc committee as needed.

The CAP is broken up into Phase I and Phase 2 actions. Phase I actions are to be implemented prior to 2015 and are projected to reduce GHG emissions to 10% below 2005 levels, with the remaining 15% of the 25% goal to be achieved in Phase 2 between the years 2016 and 2020. Many of the CAP's Phase I actions have already been implemented, are underway, or are ongoing.

The STF has been meeting regularly over the past two years at both the full committee and sub-committee level to review the status of the CAP and to prioritize Actions for implementation.

### **2015** Accomplishments

The STF met eight times in 2015. Below are key accomplishments:

- Established 6- and 12-month Work Plan priorities, and developed meeting schedule.
- Launched and updated the City's Sustainability website www.chicosustainability.org
- Partnered with the Chamber, DCBA, Sierra Nevada Brewery, and others to host a year-long Sustainable Business Series that included workshops on the following topics: 1) energy efficiency, 2) alternative transportation, and 3) recycling and composting (see attached flyer). The series engaged and connected area businesses with information (e.g., rebates), inspiration, and motivation to incorporate sustainable business practices. The series was extremely successful and will run again in 2016. The dates for the 2016 Sustainable Business Series are February 25<sup>th</sup>, August 11<sup>th</sup>, and November 17<sup>th</sup>.
- Developed a community-wide greenhouse gas emissions inventory to serve as an annual indicator of the City's progress in reaching its GHG reduction goal. The inventory, which

was provided to Council under a separate memo, is a combination of estimates of GHG emissions associated with activity in three Sectors – Energy, Transportation and Waste. The methodology used in the inventory is transparent, consistent, and easily replicable.

- Submitted a proposal to the Local Government Commission's CivicSpark program for a
  half-year member to assist the STF and other local partners to implement a number of
  community engagement and education efforts identified in the City's CAP. The response
  from CivicSpark was extremely positive, but in order to place a member in Chico, the
  program needs a full-year member commitment. The STF intends to submit a proposal again
  next year.
- Held special meetings with community sustainability partners, including:

<u>PG&E</u>: Discussed PG&E's numerous energy efficiency programs and efforts, and coordinated opportunities to collaborate in implementing the City's CAP.

<u>CalWater</u>: Discussed Cal Water's efforts to promote water conservation and reduce water use, the status of CAP Actions involving Cal Water, and coordinated on the Governor's directive to reduce water use state-wide.

<u>Neal Road Land Fill, local waste haulers, and City Recycling Coordinator</u>: Discussed the following topics: 1) use of metrics for assessing reductions of GHGs, 2) addressing the state's mandates regarding commercial recycling, 3) plans to address state mandated organic waste reductions, and 4) the effect of state mandates on operational costs and cost to clients.

- Consistent with the CAP, supported a comprehensive LED light installation throughout all City government buildings resulting in improved energy efficiency and a reduction of GHG emissions.
- The STF re-confirmed and implemented several of its previous Council recommendations:

### **Energy Sub-Committee**

Increased Building Code Requirements - City should adopt voluntary Green Building Code measures that would further the City's GHG emissions reduction goal during the Building Plan Check process. (**Status**: Recommendation is a Phase 2 Action, which will be brought to Council in 2016)

Incentives for Alternative Energy Installation – City should incentivize Building Fees (e.g., reduce fees) for alternative energy installations. (**Status**: As part of its adoption of revised Building fees in October 2015, Council agreed to reduce the Building fee for single-family residential solar installations from \$164.00 to \$77.00. This approximately 53% fee reduction is intended to serve as an incentive to advance an important City initiative.)

### **Transportation Sub-Committee**

Provision of EV Fueling Stations – City should amend development standards (Title 19) to require EV fueling stations for new parking lots of a certain size, and retrofit strategic Cityowned Downtown parking lots to include EV fueling stations. (**Status**: Recommendation regarding amending development standards will be incorporated into 5-Year General Plan

Update process to proceed in 2015/2016. Meanwhile, the City plans to install an EV fueling station at two of its Downtown parking lots in 2016, and BCAG has submitted a Countywide EV fueling station readiness grant to the State.)

### Solid Waste Sub-Committee

Solid Waste Franchise Agreement – Incorporate the following two recommendations into the underdevelopment Franchise Agreement: 1) ensure that the Solid Waste Franchise Options document includes all relevant actions and concepts from the City's adopted Climate Action Plan, and that any future franchise agreement provide an opportunity to incorporate new technology that would further the Climate Action Plan's goals; and 2) ensure that the Solid Waste Franchise Options document includes a requirement that any future hauler under a new franchise agreement provide quarterly reporting on its education and outreach efforts regarding recycling to multi-family and commercial clients and provide quantitative data regarding meeting state-mandated recycling goals. (Status: Recommendations have been forwarded to the City's consultant, R3, and are consistent with previous direction.)

### 2016 Work Plan

At its last meeting in 2015, the STF developed a Work Plan to focus its 2016 efforts. Below are the key components and proposed timeframes:

- Re-run the Sustainable Business Series (3 workshops over 12 months).
- Continue to meet with key sustainability partners to discuss relevant CAP Actions, including Butte County regarding its PACE program, identify areas of mutual support, and assist the STF in its development of additional recommendations for Council's consideration (6 months).
- Maximize use of the City's Sustainability website as an information hub for how residents and businesses can implement sustainable practices (ongoing).
- Re-submit a proposal to the Local Government Commission for a CivicSpark member to assist the STF and other local partners to implement a number of community engagement and education efforts identified in the City's (12 months).

### **Proposed 2016 Meeting Schedule**

The STF plans to meet eight (8) times in 2016:

Thursday, January 28th @ 5:30pm in CR 1

Thursday, March 10<sup>th</sup> @ 5:30pm in CR 1

Thursday, April 28<sup>th</sup> @ 5:30pm in CR 1

Thursday, June 9<sup>th</sup> @ 5:30pm in CR 1

Thursday, July 28th @ 5:30pm in CR 1

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Thursday, September 8<sup>th</sup> @ 5:30pm in CR 1

Thursday, October 27<sup>th</sup> @ 5:30pm in CR 1

Thursday, December 8<sup>th</sup> @ 5:30pm in CR 1

cc: CM, ACM, CDD, L. Herman, STF members, Chamber of Commerce

### Chico Gas Tax Proposal

### Proposal:

To meet the City of Chico's goal of reducing greenhouse gas (GHG) emissions by 25% from 2005 to 2020, implement a local gas tax following the model of successful Oregon Cities, which will reduce gasoline and diesel consumption, and provide tax funds to apply towards offsetting transportation GHG emissions, expanding public transportation, public education and awareness campaigns, tax administration, etc.

### **Background:**

- a. Transportation is Chico's largest GHG emission problem accounting for 340,000 MtCO2e or over 56% of Chico's total GHG emissions in 2012<sup>1</sup>
- b. Although Chico's transportation GHG emissions show a decreasing trend from 2007 to 2012, it was heavily influenced by the recession and higher gas prices during this timeframe. This illustrates that transportation emissions decrease when gas is perceived as expensive.
- c. Gas prices in 2015 are at historic lows (~\$2.25/gallon in Chico) and auto sales are at all time highs, particularly the least fuel efficient trucks and SUVs. <sup>2,3,4</sup> This suggests that the City of Chico's next GHG inventory report will show a significant increase in transportation GHG emissions, preventing the City from reaching its GHG emission reduction goal by 2020.
- d. The U.S. is the largest consumer of gasoline and has the lowest gas prices in the world supported by oil industry subsides through the United States tax code and aggressive oil fracking in North America. 5,6
- e. The U.S. is now the world's largest oil producer, rising above Saudi Arabia and Russia, which suggests gas prices will remain low or decrease through 2020.<sup>7</sup>
- f. The U.S. has the lowest gas tax rate in the world averaging \$0.50/gallon, while European gas taxes are \$2-\$4/gallon and Turkey is \$5.50/gallon.<sup>8</sup>
- g. A gas tax (or carbon tax) is the leading solution to change consumer behavior and curb transportation GHG emissions.<sup>9</sup>
- h. Local communities are in a better position than Federal and State governments to implement a gas tax because they are less influenced by corporate lobbyists, the oil industry, and climate change denialism propagated by the media.<sup>10</sup>
- 23 Oregon cities have successfully implemented and sustained city gas taxes from 2007 to 2015 ranging from \$0.01-\$0.05/gal gas to support transportation maintenance.
- j. The League of Oregon Cities published <u>Implementing a Local Gas Tax</u> that provides lessons on how to implement a city gas tax by evaluating the community political environment, educating city council, garnering public support, and collecting taxes from gas stations.<sup>12</sup>
- k. CAP phase 1 transportation measures were estimated to reduce emissions by only 22,000 MtCO2e or roughly 5%. CAP phase 2 transportation measures do not currently include any proposed solutions that would significantly reduce transportation GHG emissions.<sup>13</sup>
- I. Example tax rates ranging from \$0.01/gallon to \$3/gallon of gasoline and diesel could generate \$370k to \$100M of tax funds per year based on the last published consumption rate in Chico.<sup>1</sup>

### References:

- <u>City of Chico, CA, Community-Wide Greenhouse Gas Emissions Inventory 2005 2012</u>, Prepared by the Institute for Sustainable Development at California State University, Chico Spring 2015
- 2. Historic gas prices, www.gasbuddy.com/Charts
- Auto Sales Still Booming 'Car' Sales Still Aren't, Forbes Magazine, www.forbes.com/sites/billvisnic/2015/09/01/auto-sales-still-scorching-car-sales-still-arent/.
- Total U.S. Auto Lending Surpasses \$1 Trillion for First Time, Wall Street Journal, www.wsj.com/articles/total-u-s-auto-lendingsurpasses-1-trillion-for-first-time-1439478198
- 5. Gasoline and diesel usage and pricing, https://en.wikipedia.org/wiki/Gasoline\_and\_diesel\_usage\_and\_pricing
- 6. <u>Hydraulic fracturing in the United States</u>, https://en.wikipedia.org/wiki/Hydraulic\_fracturing\_in\_the\_United\_States
- 7. <u>U.S. Ousts Russia as Top World Oil, Gas Producer</u>,www.bloomberg.com/news/articles/2015-06-10/u-s-ousts-russia-as-world-s-top-oil-gas-producer-in-bp-report
- 8. Gas Tax Overview, Los Angeles Dept of Public Works, April 16, 2015
- 9. Carbon tax center, www.carbontax.org
- 10. Climate Change Denialism, https://en.wikipedia.org/wiki/Climate\_change\_denial
- 11. Oregon cities that have implemented gas taxes, League of Oregon Cities, www.orcities.org/MemberServices/AZIndex/tabid/810/itemid/180/
- Implementing a Local Gas Tax A Survey on City Gas Tax Ordinances, League of Oregon Cities, www.ashland.or.us/Files/LOC%20GasTax%20Report.pdf
- 13. City of Chico's 2020 Climate Action Plan, http://chicosustainability.org/resources/reports.php