June 10, 2020

MEMORANDUM

TO	Janine Benner, ODOE Director Robert Van Brocklin, OTC Chair Kris Strickler, ODOT Director and Amanda Pietz, ODOT Carbon Office Director Robin McArthur, LCDC Chair Jim Rue, DLCD Director, and Kirstin Greene, Deputy Director Kathleen George, EQC Chair Richard Whitman, ODEQ Director and Colin McConnaha, Carbon Office Director Cathy Macdonald, Chair Oregon Global Warming Commission Kristen Sheeran, Governor's Energy and Climate Advisor
FROM	Angus Duncan, Natural Resources Defense Council (consultant)
SUBJECT	Questions/Comments re STS Agencies May 15 EO 20-04 submission

Any discussion of seriously addressing climate change has to start with two concepts.

First, while all emissions reductions are important, they are not all created equal; near-term reductions are more important, ton for ton, than reductions realized ten years down the road.

Second, business-as-usual has to give way to a real across-the-board send of urgency. We've already wasted the climate equivalent of the first three months of the coronavirus gathering momentum.

So how should those two concepts affect our belated rediscovery of Oregon's Statewide Transportation Strategy (STS)?

The STS was developed, with technical and policy-level stakeholder[1] input, and submitted to the Oregon Transportation Commission in 2013. It was not "adopted" by the OTC until 2018. Between 2013 and 2016, statewide transportation greenhouse gas (GHG) emissions grew 14%; and 2017-2019 numbers are expected to show no abatement from this trend[2]. As the Global Warming Commission's (OGWC) 2018

[1] Disclosure: I served on the STS Policy Committee, which was chaired – heroically – by Oregon Transportation Commission Chair Gail Achterman.

[2] 2016 numbers are shown in the Global Warming Commission's 2018 Report; the 2020 Report should update transportation emissions numbers to the end of calendar year 2019.

Report warned, Oregon – and the responsible agencies – were doing far too little to arrest this growth[3]. Even after the OTC belatedly adopted the STS as policy, it remained advisory and voluntary. A single progress report, provided by ODOT in 2018, acknowledged the lack of overall progress, notwithstanding electric vehicle (EV) technology and industry gains (which Oregon does little to influence), ongoing reductions in electricity GHG intensities (driven by larger technology gains, but leveraged materially by redirected Oregon utility policies), and transportation agency successes in some areas (traffic flow management; urban growth boundary maintenance).

The STS contains six categories of strategies and 133 specific recommendations, but these can be sorted into four broad areas:

- vehicle -and-fuels carbon efficiency,
- transit/bike/pedestrian measures,
- land use and transportation infrastructure policies that complement and amplify the first two,
- and pricing.

A revived STS should meaningfully address all four.

Governor Brown's Executive Order directs four cooperating agencies[4] to act conjointly on the recommendations of the STS. "Every Mile Counts" (EMC) is the 2020 four-agency re-commitment to implementing the STS. Generally the plan draws significantly and successfully on the STS model. There are some unfortunate omissions, raised as questions below. Beyond these, circumstances have changed in the intervening seven years; most importantly, (a) transportation emissions have continued to rise in Oregon and nationally, and (b) technologies to arrest these emissions have progressed but Oregon's leveraging of these technologies has not kept pace with emissions growth (see figures in Attachment A).

Acknowledging the apparent new energy and commitment of the four agencies that is reflected in the EMC draft document, there are useful questions to be raised that can help measure the sufficiency of scope and timing, and the systematic accountability of the agencies to success in moving the transportation GHG needle finally downwards.

In particular, does the EMC strike the right balance between addressing urgent needs with immediate actions, and undertaking planning and proceedings that may result in further progress but also further down the road? While it is important for actions to be strategic and reductions durable, there is an equal or greater need for the State's efforts to be infused with a sense of urgency. A ton of CO2 displaced today is worth multiple tons down the road. Better to capture opportunities before they are lost, and to risk some actions misfiring than to wait for perfect confidence in the plan.

Delay is not our friend.

The questions below reflect in part draft recommendations under OGWC consideration for ramping up levels of State and local government GHG abatement efforts in all emissions categories.

QUESTIONS

1. Transit: ***Why does transit barely rate a mention in the EMC ("free transit passes" on page 7)?*** We note there are no proposals to increase transit vehicle/infrastructure funding, increase service levels / frequency, reduce local air pollution especially in low income neighborhoods, or

[3] We should also acknowledge that efforts to reduce these emissions were hampered by (a) declines in real oil prices, reflected in gasoline pump prices; and (b) a President and Administration, especially an EPA, actively hostile to emissions reduction policies.

[4] ODOT; ODEQ; ODOE; DLCD

offer meaningful incentives to shift to transit (e.g., free transit). Nor is there any discussion of needed changes in transportation funding (e.g., mode-blind planning and funding), whether possible administratively or legislatively, that would support transit at levels merited by both carbon and equity considerations. Even given limitations on use of transportation-derived revenues, ODOT could include a reference-case mode-blind scenario in any area or corridor planning exercise (see also 7c below).

2. Bus Electrification: ***Why is there no discussion of State support for bus electrification for transit and for school buses, including both vehicles and infrastructure needs?***

3. Lost Opportunity Code Changes Supporting EV Charging: ***While the EMC proposes a charging infrastructure "needs assessment", why is there no discussion of requiring new garages to at least pre-plumb conduit that will enable more cost-effective home-and-business-and shopping charging?*** Failure to require this in code will result in a lost opportunity that can only be made up by retrofitting these structures/spaces at higher costs down the road. The needs assessment should also target opportunities to retrofit existing structures and permanent lots with incentives and code requirements.

4. EV Incentives: ***What are the proposed expanded "EV incentive programs"*** (page 6)?

5. EV Incentives for Low Income Households: ***Do the agencies contemplate any special focus on enabling low-income households, especially those with commuting needs not well-served by transit, to access EV technologies in ways that would be cost-effective to the households (e.g., subsidies and/or subsidized vehicle-secured loans)?***

6. EV Incentives for Rural Areas: ***Do the agencies contemplate any special focus on deploying EV charging infrastructure into rural areas that are often charging "deserts?"*** Where longer distances can often obtain between trip beginnings and endings, access to pre-reserved charging status and shorter charging times (e.g., Level 3 charging) may be necessary for consumer confidence to be attained[5].

7. Carbon Screening: ***Agencies are directed by the EO to integrate GHG reduction goals into their activities, and to prioritize decarbonizing outcomes[6]. How are the STS agencies proposing to accomplish this?*** Consider these options:
    a. Integrate a Social Cost of Carbon analysis into planning, rulemaking and investment decisions as other states have done in some policy areas. Such an analysis might be binding in some instances, and in others might provide an analytic reference point (e.g., comparing a BAU alternative against a low-carbon option).
    b. Prioritize carbon reduction in selection criteria for programs like ODOT's STIP (State Transportation Improvement Program); and require the approved projects to *collectively* meet a minimum GHG reduction target (recognizing that for individual projects other considerations -- safety, infrastructure maintenance -- might outweigh carbon outcomes).

[5] See "Chargers Are the Final Roadblock to America's Electric Car Future" Stock, Bloomberg NEF June 1, 2020, here

[6] EO 20-04, General Directives to State Agencies, paragraph C3.

c. Employ ODOT's MOSAIC planning tool to compare low and higher carbon outcomes of different corridor planning scenarios, preferably systematically and in advance of making major capital investments.
d. The EMC discusses supporting MPO carbon planning and apparently would ***require*** MPO's to undertake the planning and meet the goals, but it remains unclear what incentives or sanctions are proposed for MPO failure to reduce transportation emissions. For signals to be clear, the STS agencies should clarify consequences for an MPO making or missing its mark.

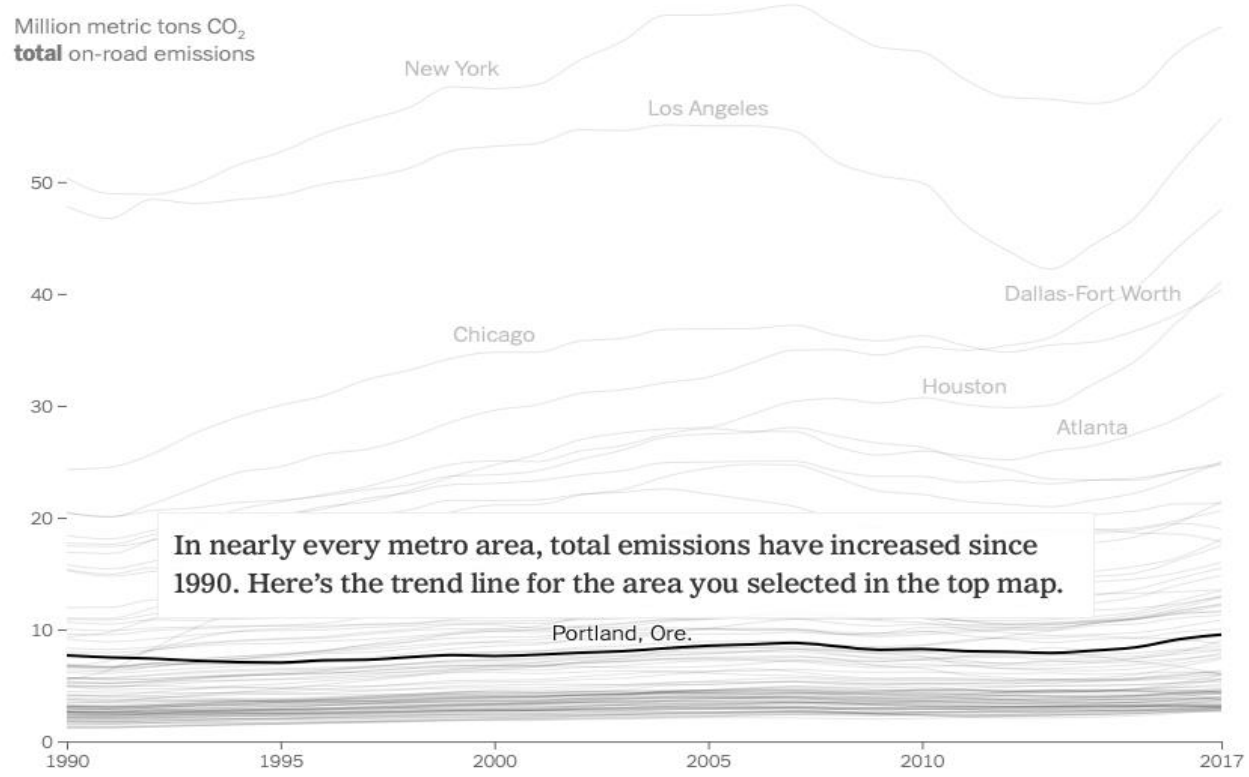
8. Pricing: ***Will the agencies specify how pricing parking will figure in MPO and other planning, and provide some specific models that MPO's could adopt to meet carbon planning expectations? Also, how could other transportation and land use policies be modified to enable parking/congestion and other pricing strategies to proceed in a non-regressive manner?*** The STS and the agencies' EO response identify pricing strategies for shifting commuting and other driving choices (oddly, the EO response doesn't appear to address congestion pricing). Pricing strategies are advocated by economists as the efficient tool of choice to modify behavior. But such strategies can weigh disproportionately on low-income households, especially where alternate choices may not be available: where to live; where work can be found; whether alternatives to driving a car are accessible and convenient; whether a low-carbon vehicle, such as an EV with home/workplace charging, is an affordable option? Ideally using pricing tools to manage transportation choices would be preceded by accommodations to low-income households, such as increased access to and frequency of low (zero?) cost transit, and/or land use practices that made more available affordable housing in frequent service transit corridors. These fixes should at least accompany pricing tools, while real-time income-based rebates, perhaps in the form of discounted transit passes, could be used to defease the current cost impacts of pricing tools.

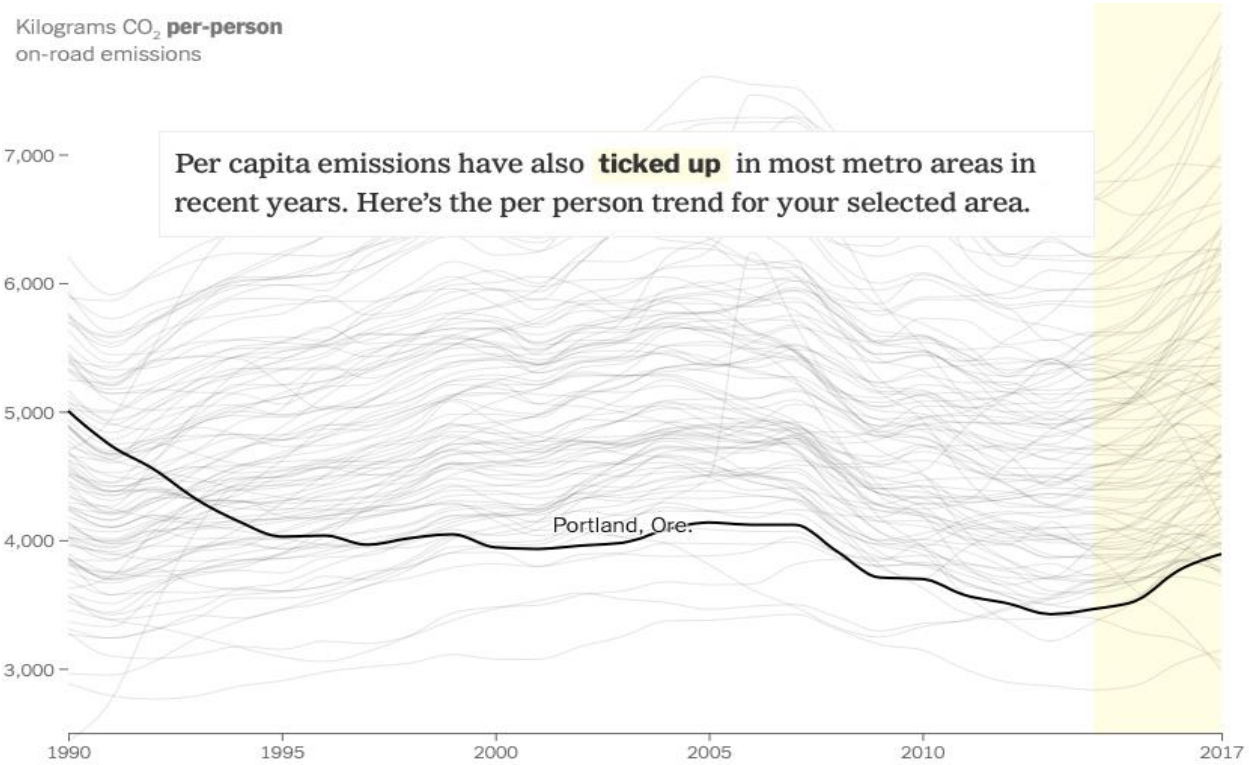
9. Transportation Revenues and Carbon: ***Why doesn't the EMC discuss alternative revenue models that could incorporate carbon outcomes into meeting transportation funding needs?*** It is generally understood that the current transportation funding model – fuel taxes – is an insufficient and declining source of revenues to the State as inflation, vehicle fuel efficiencies and ultimately fleet conversion to electricity (or other low carbon fuels like hydrogen) reduce revenues. State response thus far has largely focused on obliging EV's to pay a mileage charge, thus penalizing one of the low-carbon technologies the State should seek to promote, not discourage. A "vehicle miles traveled" charge has been explored, but this would not differentiate carbon efficient vehicles from fuel guzzlers[7]. Other options that incorporate an implicit carbon emissions marker, such as simply indexing the gas tax to fuel consumption and inflation, are available.

10. Accountability: ***Why doesn't the EMC include a frequent, systematic reporting protocol based on program goals (including but not limited to emissions outcomes) and annual or otherwise periodic benchmarks?*** The history of the STS is by itself a sufficient argument for more systematic accountability (one report in seven years, documenting limited program progress while transportation emissions were rising every year).

[7] Alternately a "VMT X vehicle efficiency" option with an inflation adjustor could simultaneously reflect (a) roadway wear-and-tear, (b) airshed pollution, and (c) carbon emissions.

From New York Times "The Most Detailed Map of Auto Emissions in America" October 10, 2019 (here)





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