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**DRAFT TELECONFERENCE MEETING SUMMARY**  
**TLU Policy Working Group**  
**Meeting #5, May 4, 2007**

**Members Attending:**

Kelli Kammerer  
Mike Whitaker  
Will Toor  
Brian Woodruff

Gregg Thomas  
Penfield Tate  
Don Parsons

**Governmental Agency Liaisons:** Vickie Putsche, NREL

**Rocky Mountain Climate Organization:** Tom Easley

**Center for Climate Strategies:** Jeff Ang-Olson, Tiffany Batac, Lewison Lem

**Agenda Item#1: Introductions and Roll Call.**

CCS took roll call and reviewed the agenda for the meeting. The CAP and PWG processes for Colorado were reviewed and a brief summary of the CAP #4 meeting was also given. One of the concerns expressed at the CAP meeting was the need for a longer term state vision for 2050. The current process, although for year 2020, is intended for the longer process of designing a “blueprint” for Colorado.

The eleven options with a few adjustments will be carried forward for the PWG to further analyze. The goal for today’s meeting is to nail down the policy design section of the templates. On May 22, the CAP will be reviewing the policy designs and straw proposals. The CAP meets again in July to review quantifications before the effort culminates into a final report.

**Agenda Item#2: Review and Approval of Draft Meeting Summary #3.**

Call Summary of Meeting #4 was reviewed and approved. There were no comments or suggestions for revisions.

**Agenda Item#3: Review and Discussion of May 3 CAP meeting and policy priorities for the Transportation and Land Use PWG.**

TLU-4: Heavy-Duty Vehicle Idle Reduction

CAP would like to see that this includes buses not just trucks (i.e. Greyhounds, school buses, etc.). Enforcement of school bus idling, however, may be a challenge.

TLU-5: Renewable Fuel Standard

CAP members would like this policy to consider a broader strategy such as a low carbon fuel standard. California has taken this approach and leaves a lot more flexibility to reach GHG reduction goals rather than promoting one type of fuel over another.

TLU-8: Motor Fuel or CO2 Tax

One of the CAP members expressed the concern that local governments would have reduced retail sales tax revenues. It was recommended that the PWG make it explicit that it will not affect local sales taxes and that it would be revenue neutral.

**Agenda Item#4: Discussion of policy straw proposals.**

The following outlines the discussion and recommendations for revisions by the PWG members:

TLU-1: Smart Growth and Related Planning

This policy option could focus on a VMT reduction by a specific percentage (like in Oregon).

A PWG member noted that an area can get anywhere from a 25% to 40% reduction in VMT if you double the density. One of the concerns that arose was how the policy would target rural, urban and suburban areas, knowing that the implementation mechanisms for each type of land area would be very different. It was suggested that a statewide goal to reduce VMT would be made but implementation targets for both urban and rural environments should be created. A suggestion was made to look into the assumptions made in the DRCOG program to get a better sense of what a statewide VMT reduction goal might look like for Colorado.

TLU-2: Incentives for Purchase and Operation of Low-GHG Vehicles

This policy option will include feebates, tax credits for low-GHG vehicles, and incentives for low-GHG vehicles.

Feebates are described as graduated fees as fuel economy declines to provide rebates for individuals that purchase more fuel efficient vehicles. Feebates only apply to new vehicles. Vickie Putsche would also like to see this policy apply to commercial vehicles. The group also discussed the possibility of implementing feebates as part of the five western regional state program, but agreed that if other states cannot do it, it does not mean that Colorado could not have the program on its own.

Tax credits for low-GHG vehicles in the state of Colorado are expected to expire in 2010. This policy option would extend those past 2010.

As per operational incentives for low-GHG vehicles, access to preferential parking and use of HOV lanes will be continued. The state law allows for the use of HOV lanes for low-GHG vehicles; however, CDOT has not implemented the state law.

Clarifications:

- The language of 1.7, mid paragraph “the calculation will be determined to manage a small income” was clarified to err on gain rather than loss and to make sure that there is funding available to create awareness.
- Definition of alternative fuel: CNG or fully electric. Does not include biodiesel or ethanol.

TLU-3: Improve and Expand Transit Service

It was agreed by the group that TLU-3 Improve and Expand Transit Service and TLU-7 Transit Marketing, Promotion and Pricing Incentives will go hand in hand. TLU-3 will focus on “non-capital investments to expand transit service, bus lines, rapid bus service, frequency, etc.” with particular emphasis on ridership. It was noted that many buses in the region are not operating full, so increasing bus frequency may not always increase bus ridership.

One of the pilot programs discussed was a rider study performed in Australia. The marketing program involved surveys of daily travel needs in both urban and rural areas and gave temporary passes to those populations to test the pilot and show the true costs of driving. As it may relate to Colorado, a geographically targeted ridership program (i.e. I-70 transit services) and providing services that may help Coloradans find a ride, rideshare or how to plan trips were discussed.

A PWG member explained to the group that until several years ago, CDOT did not fund public transit service in the state. CDOT does now. As described by the group, the areas that are probably most in need of transit service expansion are Colorado Springs and Fort Collins.

Will Toor will look at local ridership targets and bring those back to the group by next week to help the group establish an overall ridership goal. The policy goals will be combined for TLU-3 and 7. These policies may also consider other components of transit service that affect GHGs, such as use of alternative fuel buses (hybrid, CNG, etc.).

TLU-4: Heavy-Duty Vehicle Idle Reduction

One of the PWG members expressed the concern that enforcement may be costly and statewide regulation on idling would be difficult to enforce. Another way to approach this, or in combination with enforcement, can be market incentives such as auxiliary power units for trucks. Jeff Ang-Olson also pointed out that the DOE has grant money available for idling reduction.

It was agreed by members to add APU to the implementation of this policy. CCS will get a rough estimate of number of truck stops, average idling per night and how many APUs are currently available to get an estimate for 2020 emissions reductions.

TLU-5: Low Carbon Fuel Standard

With recommendations from the CAP and approval by the PWG, the Renewable Fuel Standard will be renamed to a “Low Carbon Fuel Standard” to address a broader, fuel neutral strategy of reducing GHG emissions. A Renewable Fuel Standard (RFS) would set a target % of fuel sales (e.g. 10% ethanol by 2012) whereas a Low Carbon Fuel Standard (LCFS) mandates the reduction of carbon content in motor fuels by fuel providers by a target % (e.g. 10% carbon

reduction in fuels by 2020). The standard considers well-to-wheels and is a market- and performance-based goal rather than promoting the use of one fuel type over another.

Most PWG members agreed that the LCFS would be a better option than the RFS for Colorado and would prevent lobbying issues. A PWG member shared potential benefits of having a RFS over a LCFS because an RFS would allow for easier tracking of how much biodiesel and ethanol are sold in the state and a low carbon fuel standard may be implemented by 2015 or 2020.

The proposal to revise the current policy is to look at the California language for the low carbon fuel standard but to set an implementation date closer to 2020 rather than in the near term.

#### TLU-6: Clean Car Program

Clarifications:

A PWG member asked if this policy requires legislation and a PWG member explained that under the Clean Air Act processes, states have the option to adopt California standards, which only needs an administrative order.

#### TLU-7: Transit Marketing, Promotion, and Pricing Incentives

Please see TLU-3 discussion

#### TLU-8: CO2 Tax or Fuel Tax

Some of the PWG members expressed concerns that an increase in fuel tax would create proceeds towards highway funds that would defeat the purpose of reducing GHG emissions. Other PWG members, however, made the point that the most important benefit from a fuel tax is the price signal. A PWG member also raised the concern that Option A is more regressive than Option B.

A CO2 tax, on the other hand, might be the most politically feasible, according to one PWG member. The CO2 reductions would be divided by fuel sold that can go towards a specific number of transportation and/or climate related projects.

Another option members are considering is variable priced insurance. “Pay at the pump insurance” could be a \$0.50 - \$1.00 increase in gasoline that may solve multiple problems at one time, i.e. uninsured drivers, price signal, etc. “Pay at the pump insurance” might be more politically acceptable and would not need the TABOR vote. This option would be functionally equivalent to Option B in the existing language but risk in insurance may be an issue because insurance is not just based on number of miles traveled. Zip code also plays a factor in insurance pricing.

A PWG member was concerned with the feasibility of implementing a pay at the pump policy and said that the fuel tax might be more realistic to implement. Other challenges in implementation involve the participation of private insurers.

Another form of variable priced insurance would be “Pay-As-You-Drive (PAYD) Insurance” where drivers would pay the insurance providers directly, not at the pump.

The group decided to revise and move forward with variable priced insurance (PAYD insurance or Pay at the Pump) and a Fuel Tax. The State, however, would have to provide incentives for insurance providers and it would need to be noted that there would be a fiscal impact with PAYD insurance to run a pilot program. Market penetration rates may also have to be considered (e.g. 75% by 2020).

#### TLU-9: Parking Management

Gregg Thomas drafted a version of this policy with 3 components that did not get to the web edition, but will be emailed to the PWG members. The 3 components are as follows:

- Employers offering parking cash out, preferential parking for rideshare, bicycle parking and changing facilities.
- Market based incentives – parking is unbundled from housing units (apartment buildings can separate those)
- Parking tax: Pay \$8.00 for parking transition/per parking space levee/ enforcement and control of those, addressing spillover parking

Other PWG members also added that market based incentives can include eliminating parking minimums/setting parking maximums.

A PWG member also noted that this policy would be difficult to implement if local governments cannot participate. Recommended to not create a mandate, but use voluntary measures.

#### TLU-10: Commuter Choice

Questions from the group that were raised include: what is the state role and how does CDOT spend their money? A member responded that CDOT spends more money in the TMOs and that CDOT could drive decisions at the regional level for this policy and would need to commit funds to these programs to effectively reduce the number of trips on the road.

An idea that a PWG member had for state involvement was to create a cross-cutting program or a “Corporate Climate Change Challenge.” Businesses would have to take GHG inventories and know the type of impact their employees have on GHG emissions. It is estimated that about ½ metric ton of CO<sub>2</sub>e is reduced per employee of the covered workplace (information based on “EPA Best Workplaces”). This could provide recognition for companies promoting climate change and may also receive good press.

It could be mandatory for companies to offer commuter choice, but it will be entirely voluntary for the individual employee to use. National standards would be applied to both smaller and larger companies.

It was suggested that the group may want to start at a mandatory regulation in the near term to perform reporting and inventory. Mandatory regulation would apply to companies 100+ employees (EPA definitions of small versus large company).

TLU-11: Driver and Consumer Education

This policy involves educational measures to include energy saving driving practices and technologies on the state licensing tests. A PWG member noted that this curriculum has already started in Arizona and the State may need to be the authority on this policy measure.

Ideas by the group for implementation include: marketing on billboards, classroom programs, TV ads, and government entities performing training with their employees.

A PWG member responded that this policy may only affect 16-year-olds and should include commercial driver's licenses.

Additional comments:

As part of the Governor's Transportation Taskforce, Will Toor informed the PWG of some of the central ideas forming in the taskforce including transportation pricing, i.e. VMT based fees, or increased toll corridors/congestion pricing.

**Agenda Item#5: Next Steps for Policy Working Group.**

CCS will revise options according to comments and send options back to the PWG via e-mail by mid-week and will need comments/approval by PWG by Friday May 11, 2007.

**Agenda Item#6: Agenda, Time and Date for Next Meeting.**

TBD after the May 22<sup>nd</sup> CAP meeting.

**Agenda Item#7: Public Input and Announcements.**

None.