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DRAFT TELECONFERENCE MEETING SUMMARY
TLU Policy Working Group
Call #7, July 12, 2007

Members Attending:

Kelli Kammerer
Tim Gagen
Penfield Tate
Scott McCarey

Brian Woodruff
Nancy Sharpe
Jennifer Schaufele

Governmental Agency Liaisons: None

Rocky Mountain Climate Organization: Tom Easley

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

Agenda Item#1: Introductions and Roll Call. CCS took roll call and reviewed the agenda for the meeting.

Agenda Item#2: Review and Approval of Draft Meeting Summary #6. Call Summary of Meeting #6 was reviewed and approved. There were no comments or suggestions for revisions.

Agenda Item#3: Review of Process and Objectives for Today's Meeting.

CCS reviewed the process. Earlier this year the PWG started with over 40 policy options for TLU and ended up with 11 high priority options recommended for further analysis and development. Once those options were approved by the CAP, the PWG drafted the policy description and design sections. Those sections were brought back to the CAP and were approved. The sections of the policy templates that will be most important to focus on today are the implementation mechanisms, quantifications of GHG reductions, and costs for the 11 options.

Next CAP meeting is scheduled for Aug 1, 2007. Updated policy options will move forward to the CAP for approval. At that time there may be recommendations for changes to quantification approach, language, or design. The PWG will have the chance to discuss and make the necessary changes in the PWG meetings that will follow.

The final CAP meeting is scheduled for September 12, 2007. At this meeting the CAP will complete the review and approval of all policy options, including the GHG reductions and adjustments for overlaps. The last step of the process involves compiling all options together into a final report.

Agenda Item#4: Discussion of Preliminary Quantification of Impacts, Implementation Mechanisms, and Other Portions of the Policy Option Template.

In reviewing the cover table for the policy options, a member of the PWG asked when the columns for the cost analysis will be completed. CCS clarified that an initial estimate will be completed and sent back to the group for feedback by mid next week. These costs estimates are intended to show decision makers what provides the “biggest bang for the buck.” It was recommended to mention at the CAP meeting that it is the net costs to society that are quantified for some options, not just cost to agencies.

CCS reviewed the following policies and quantification methodologies before discussion. The following outlines comments and questions by the PWG for each policy option:

TLU-1: Smart Growth and Related Planning

A PWG member asked for the MPO perspective, if this would be possible to do by 2010 and what it might mean in terms of modeling. Jennifer Schaufele responded that it might be possible for larger MPOs but funding and staff resources may be an issue for smaller MPOs. A potential example to look at is the New York State DOT’s new requirement that MPOs quantify the energy impacts of project plans.

A member of the PWG requested to change the text under Quantification Methods from “DRCOG Metro Vision 2035” to “DRCOG Metro Vision 2035 Land Use Scenarios” for consistency in citation.

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

CCS discussed two quantification options for Feebates:

1. A Feebate program has the same effect as the Clean Car Program standards, in which regulation affects new vehicles after a certain year. If the Clean Car Standards are adopted in addition to Feebates, the risk is double counting the GHG emission savings. In some other state climate plan processes, there was a desire to include the Feebates option because there was a lot more uncertainty about the adoption of the Clean Car Standards, but at the same time did not want to double count them.
2. Recent studies indicate that the real change in the result of purchasing patterns only happens if you change the mix of cars offered to consumers. Where states get the most benefit is if they can change the fleet mix offered by manufacturers. For this to happen, a multi-state program, consistent in its schedule and fees, would need to be implemented to gain leverage and a large enough share of the market.

If the Clean Car Standards are not adopted, Feebates work as a backstop. A member of the PWG mentioned that even if a multi-state program were not implemented, Feebates may at least have an effect on the mix of vehicles entering the Colorado market. It was also mentioned that the Western states along with two provinces in Canada and Mexico are increasingly cooperating on this issue through the Western Climate Initiative.

The group agreed to move forward with the first quantification option. There will not be a number to avoid double counting but will clearly state that the Feebates policy is a backstop for TLU-6 (Clean Car Program). Language for quantification will read “Included in TLU-6.”

TLU-3: Improve and Expand Transit Service

John Tayer and Will Toor are currently working synthesizing inputs and developing implementation mechanisms for TLU-3 and 7. Drafts will be circulated back to the group by next week.

TLU-4: Heavy-Duty Idle Reduction

Quantification of this option involves two elements:

- 1) *Electrifying truck stops to reduce idling overnight.* CCS collected data on the number of truck stops in the state and idling. Based on existing technologies, the impact of reduction is 0.035.
- 2) *Regulation that would affect idling in addition to overnight idling.* CCS needs more data on truck population in state and truck trips (includes delivery trucks and buses). CCS is currently gathering data from other MPOs and the State. This option should be ready to quantify in the next few days and the emissions reductions should increase.

A member of the PWG asked why buses would idle for half an hour or longer. CCS responded that a combination of issues may include comfort, habits, and lack of incentives if the driver is not paying for fuel. For trucks or buses running on diesel, it may be harder to start up in cold weather so they will idle. A PWG member also noted that DOE grant funding to put idling reduction educational material is already available in addition to curriculums for HDV idle reduction.

TLU-5: Low Carbon Fuel Standard

For TLU-5, a 10% reduction in carbon intensity was applied to the emissions inventory, applicable to light duty vehicles. The performance goal allows for several different scenarios and possibilities of reaching this reduction level. Feasibility studies are currently being performed at UC Davis and UC Berkeley.

A member of the PWG asked if the high carbon fuel tax was a necessary part of the option. CCS responded that a high carbon fuel tax may help the policy but is not required by any means. Language was offered by a member of the Montana climate group and does not have to be used for Colorado. Economic analyses are also performed for who pays for these options. In this example, the fuel providers are expected to pay for a large part of that.

A PWG member commented that the TABOR changes the dynamic dramatically when talking about a tax change. Any tax policy change will require a vote from the people of the State. Additionally, alternative funding mechanisms should be researched as some of the tax/funding proposals can have more or less regressive effects than others.

The group agreed to move forward with this policy contingent upon discussion of a high carbon fuel tax which at the next CAP meeting.

TLU-6: Clean Car Program (Pavley GHG Standards for Autos)

A member of the PWG expressed the concern that following certain California practices could potentially make Colorado less competitive. Another member mentioned that what is special about California in this case is that they have an exemption from EPA regulations and have their own emissions standards. Colorado should at least observe what they are doing in regards to this policy. It was also mentioned that there is some debate about whether the costs to society are a net cost or net benefit.

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

Please see discussion on TLU-3.

TLU-8a: Fuel tax

Quantification of this policy involves raising the fuel price by 5% and applying an elasticity value to estimate the consumer response in reduction of VMT. CCS used figures from a recent 2005 study illustrating different consumer responses, whether short- or long-term. In the short-term, a 9% reduction in the short term, equates to a 2.1% reduction in VMT. A long-term elasticity of -43% (with buying more fuel efficient vehicles), equals a 4.3% reduction in VMT.

TLU-8b: Variable-Priced Insurance

The current PAYD has two goal options. The question here is whether the group wants to quantify this as a mandatory or a voluntary program. Many of the members agreed that PAYD should not be required. A PWG member suggested that the State observe the results of the pilot programs conducted in other states before making a decision on this.

The question was asked if premiums would drop if you spread it across a larger population. Lewison Lem of CCS responded that by linking the chances of an accident with how much you drive, you are then improving the area of coverage and improving the system to more accurately describe this relationship.

A PWG member noted that the mandate is already there for insurance, but the option is the type of insurance and adding PAYD to insurance options may not change the system as dramatically as one might think. Many consumers would probably like to pay by the mile than a fixed rate per year and suggests that a penetration rate of 50% by 2020 would be reasonable. There were no objections to changing the goal to 50% by 2020. CCS will quantify this option and circulate it back to the group.

TLU-9: Parking Management

Parking Cash Out: This quantification assumes that large employers in downtown Denver who lease parking and provide it free to employees would offer cash value in exchange for the free parking. To model the impacts for downtown Denver, CCS used EPA's COMMUTER

spreadsheet model. CCS asked the group if other metro areas (i.e., Boulder, Fort Collins, and Colorado Springs) should be added to this option. A PWG member replied that it might not make sense to analyze for Fort Collins because of the low percentage of leased parking spaces in the area. Only 12% are leased in Denver, and the percentage is much smaller for Fort Collins and Colorado Springs.

TLU-10: Commuter Benefits Programs

There are four goals listed on page 31 where all employers offer some type of commuter benefits program. There is also some overlap with TLU-7 that will be sorted out in the net benefits. The cost of employers participating in TLU-10 would not be as high as offering an Eco Pass. One cost to businesses is \$32.50 in transit subsidies. More research will be conducted on the costs to employers and those numbers will be included in the next draft to be circulated back to the PWG.

Tom Easley mentioned that Michael Sheer, CEO of “Pockets”, is promoting the idea of “distributed workforce employment.” These are regional centers for large companies that send employees somewhere closer to their home. A member mentioned that there was some progress on this concept in Texas.

TLU-11: Driver and Consumer Education

CCS described that this is not quantified.

Agenda Item#5: Agenda, time and date for next call.

CCS will send out an updated version mid next week. Drafts will need to be posted one week prior to the next CAP meeting on August 1st. The final PWG meeting will be scheduled the 2nd or 3rd week of August, at which time the group will address any issues from the CAP meeting and clean up any remaining items.

Agenda Item#6: Public Input and Announcements. None.