

Transportation & Climate Initiative 101 Webinar

AUGUST 13, 2019

TCI Overview

- The Transportation and Climate Initiative is a multi-state effort facilitated by the Georgetown Climate Center to reduce greenhouse gas emissions from the transportation sector
- In December 2018, nine Northeast and Mid-Atlantic States and the District of Columbia committed to developing a regional policy for low-carbon transportation
- Over the past several months, Georgetown Climate Center and the participating states have hosted several public workshops and webinars to solicit public feedback on the program

Role of Regional Councils

- COGs, MPOs, and other regional planning agencies can work together to help advance TCI through our role as regional conveners, and by engaging municipal stakeholders
- On July 24th, MAPC brought together 15 fellow COGs and MPOs in Philadelphia to learn more about TCI
- MAPC is eager to continue working with fellow regional councils from across the TCI region as the policy proposal develops over time



Agenda for Webinar

1. What is the Transportation & Climate Initiative? How Cap-and-Invest Works

Franz Litz, Litz Energy Strategies

2. Regulatory Considerations for the Transportation & Climate Initiative

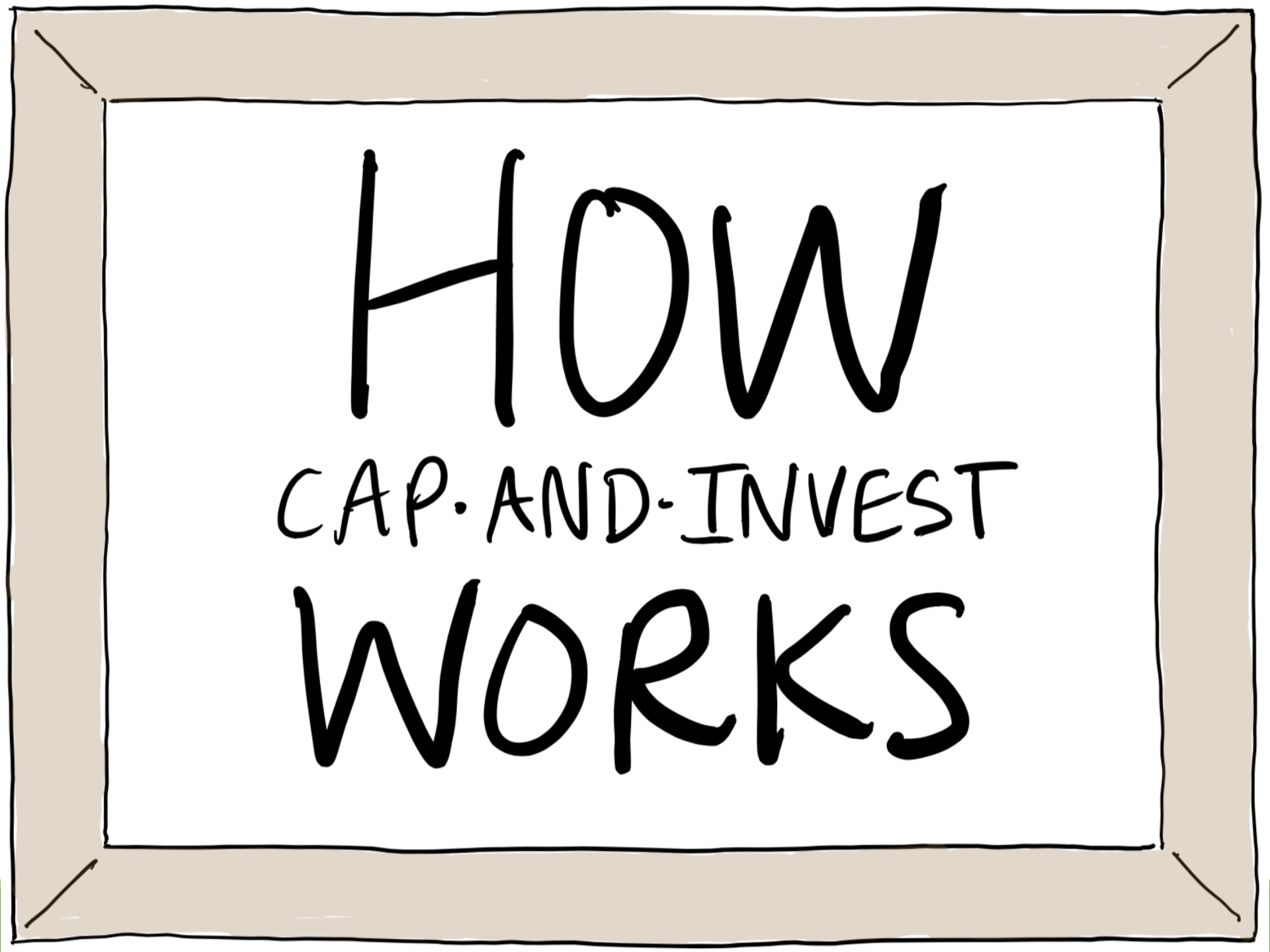
Nancy Seidman, Regulatory Assistance Project

3. Background on TCI State Leadership Team

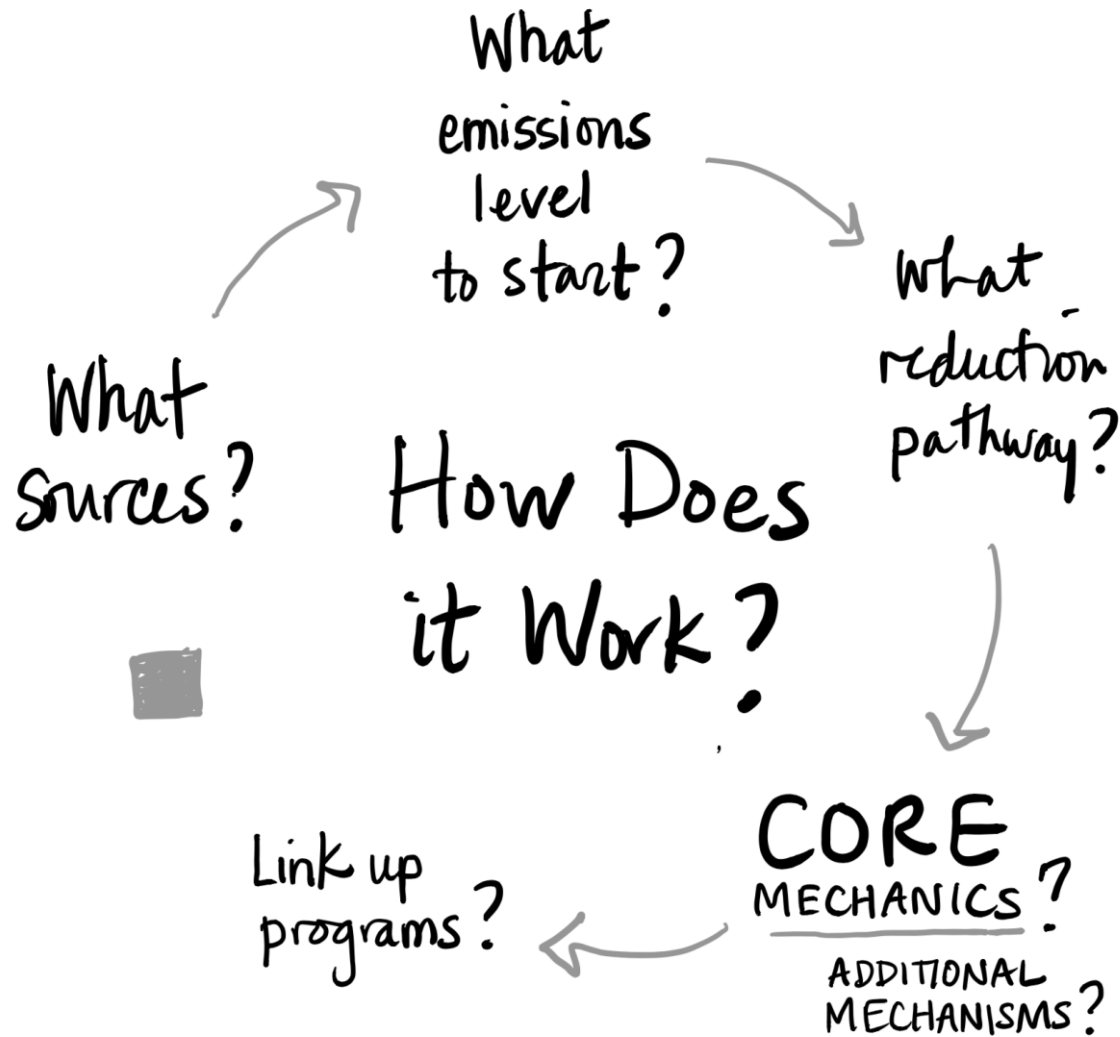
Kate Fichter, Massachusetts Department of Transportation

1. What is TCI? How Cap-and-Invest Works

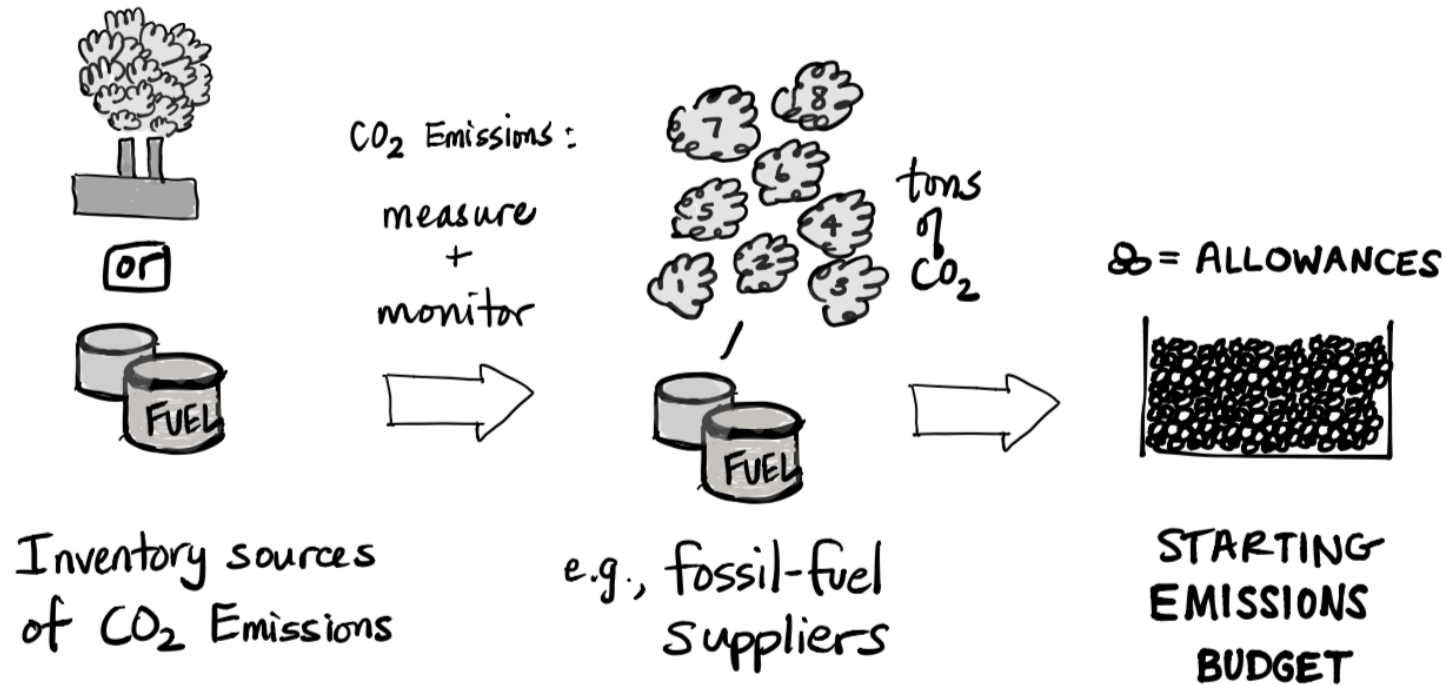
FRANZ LITZ, LITZ ENERGY STRATEGIES



HOW
CAP. AND INVEST
WORKS

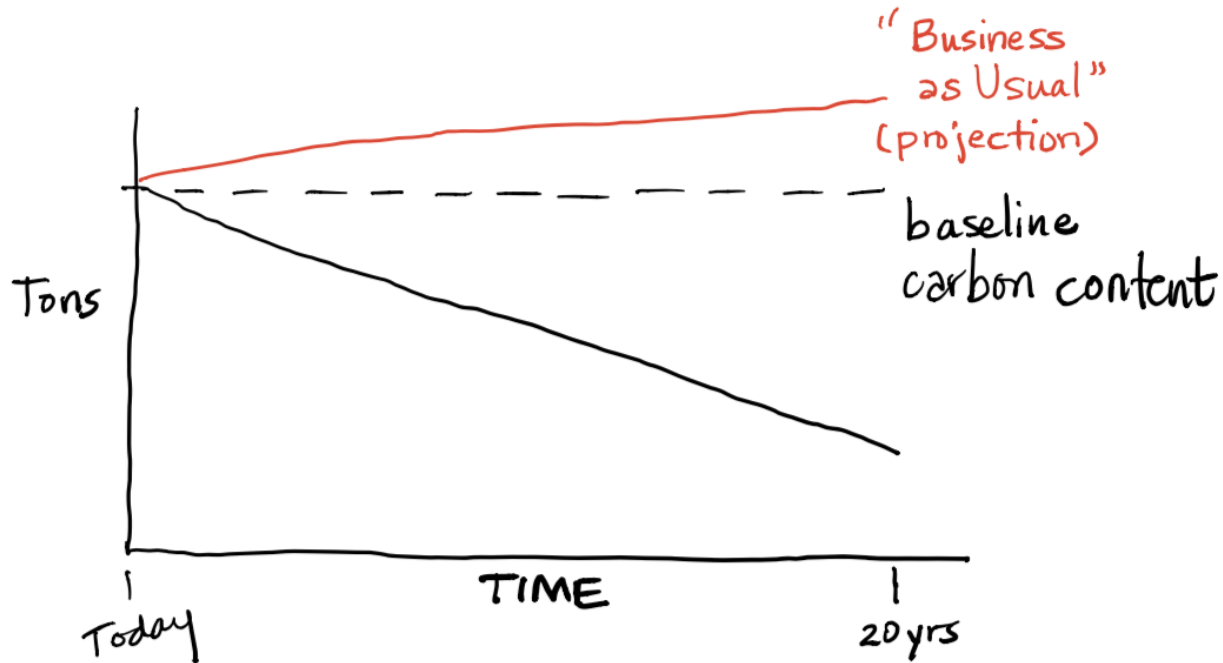


What is the starting point for the cap?



Which sources? What are the current emissions? Where to start?

CAP + RATE OF DECLINE



WHAT WILL THE ALLOWANCE PRICE BE ?

HOW CAP-AND-INVEST WORKS

EMISSIONS BUDGET

The
"Cap"



⊗ = ALLOWANCES



ALLOWANCES ARE DISTRIBUTED
INTO THE MARKETPLACE

ALLOWANCES ARE DISTRIBUTED

AUCTION

DIRECT
ALLOCATION
TO
REGULATED
ENTITIES

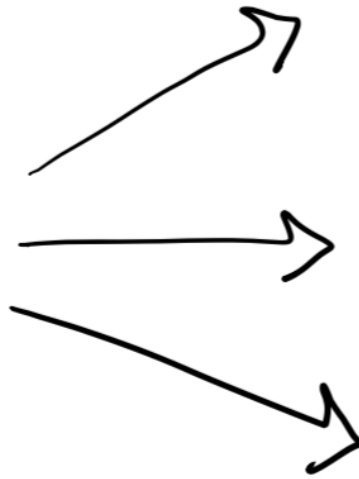


SET ASIDES



ALLOWANCE DISTRIBUTION MATTERS

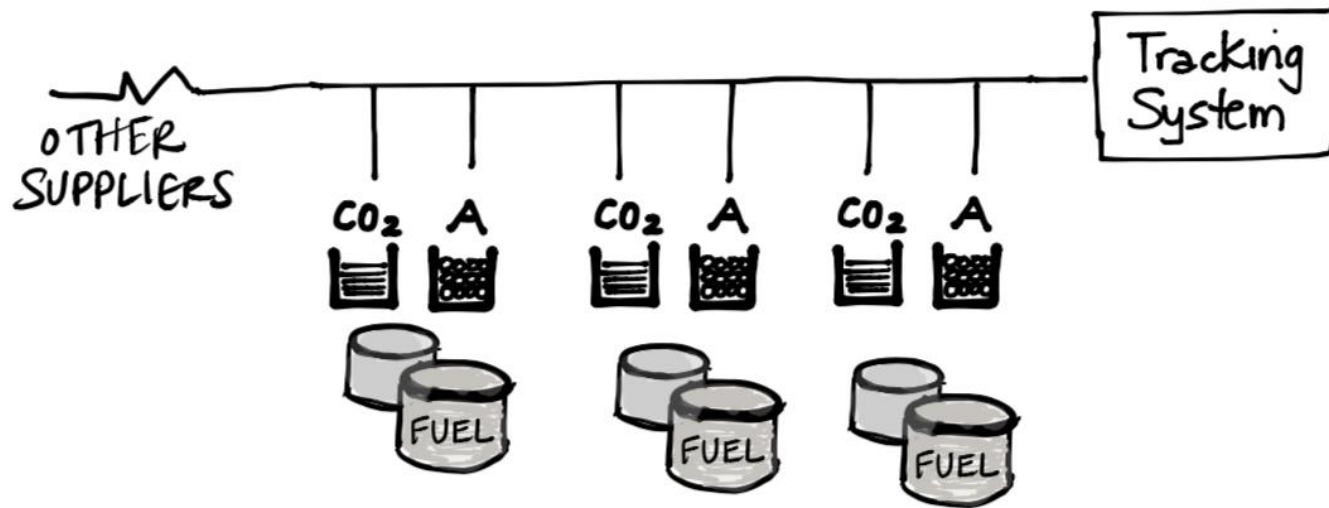
AUCTION



INVEST
IN
LOW-CARBON
TRANSPORTATION
PROGRAMS



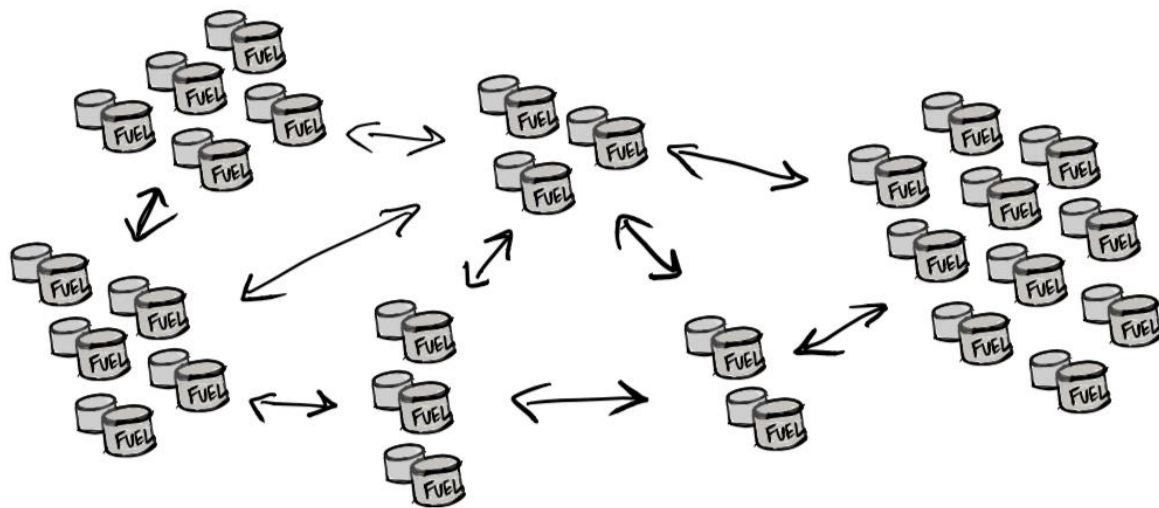
COMPLIANCE: FLEXIBLE and SIMPLE



← COVERED FUEL SUPPLIERS →

THESE SUPPLIERS MEASURE, MONITOR + REPORT CARBON CONTENT
AND "TURN IN" ALLOWANCES TO "COVER" CARBON CONTENT
AT THE END OF EACH COMPLIANCE PERIOD

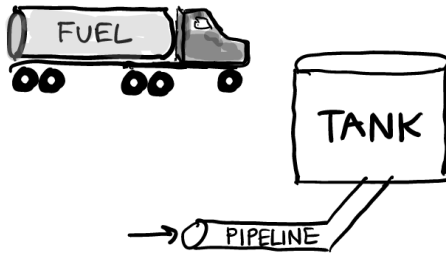
LOCATIONAL ISSUES
DIFFERENT BECAUSE
FUEL SUPPLIERS DON'T EMIT



GOAL IS LOWER CARBON FUELS OVERALL

POINT OF REGULATION

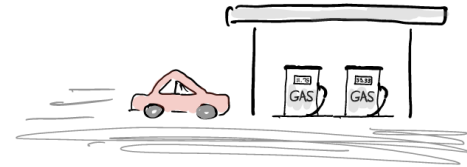
WHOLESALEERS
"PRIME SUPPLIERS"



DISTRIBUTORS

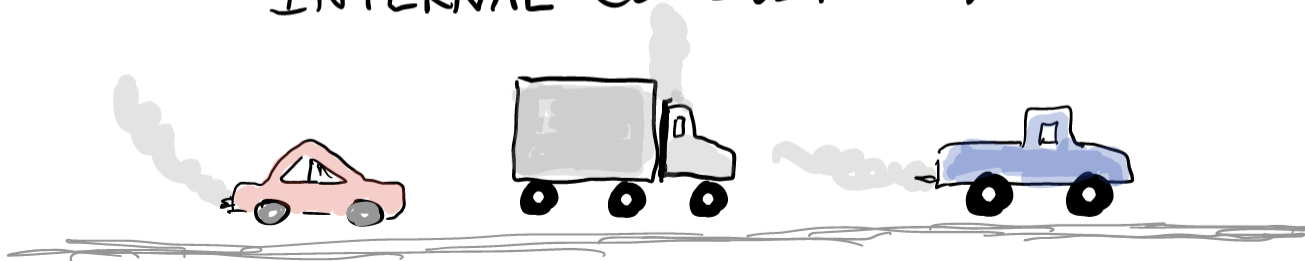


RETAILERS

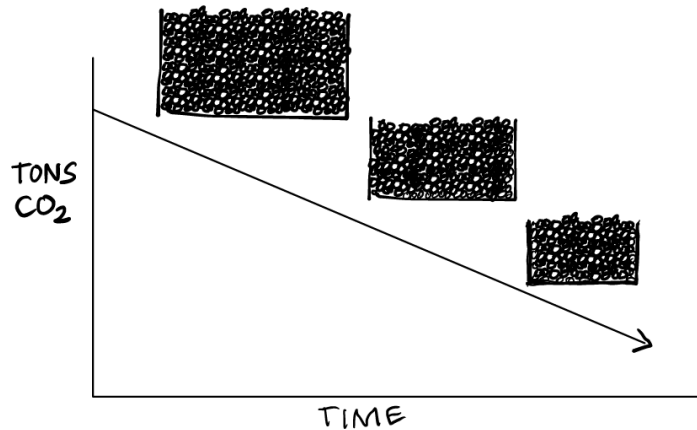


POINT OF POLLUTION

INTERNAL COMBUSTION ENGINES



CAP GETS
SMALLER
OVER TIME

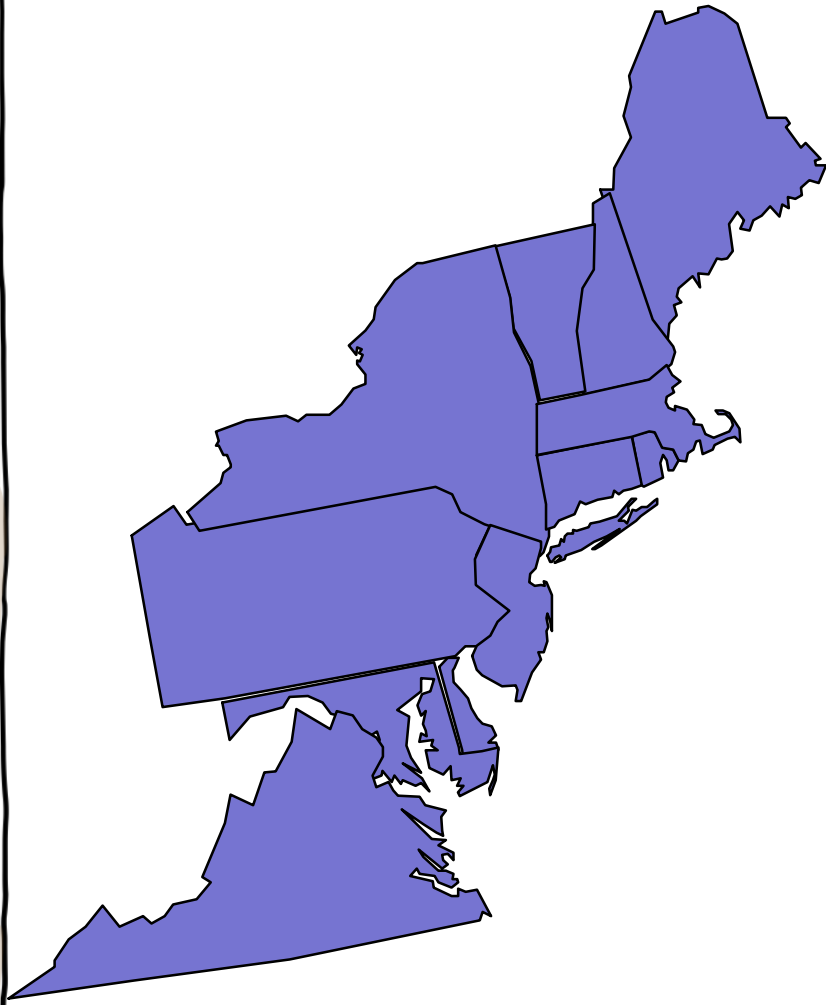


OVERALL EMISSIONS
DECREASE
ACROSS REGION



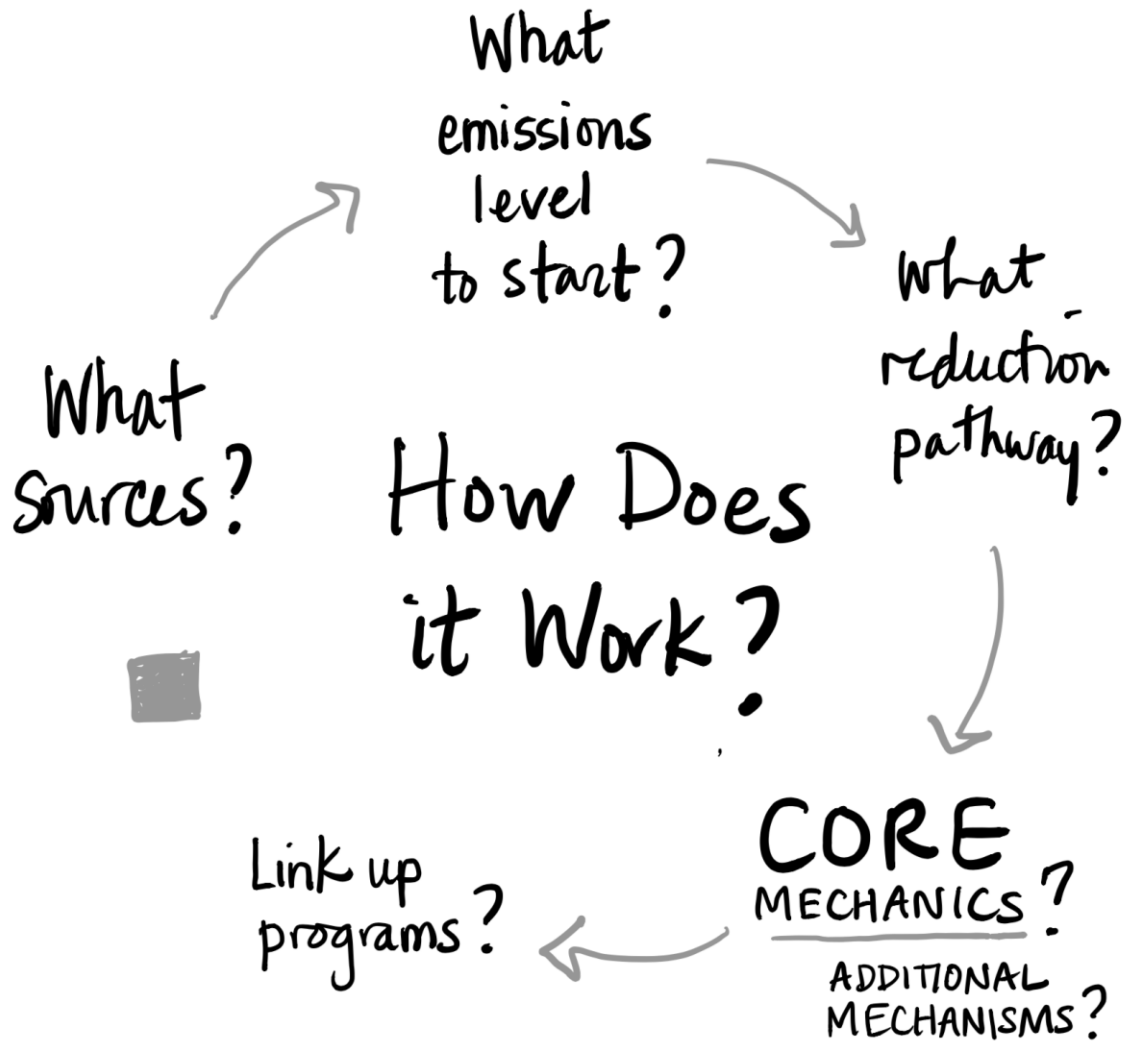
INVESTMENTS
CAN BE TARGETED
TO SPECIFIC LOCATIONS





LINKING CONSIDERATIONS

- A REGIONAL
CAP. AND INVEST
WOULD BE
LINKED
STATE PROGRAMS
- STATES POOL
RESOURCES
- SHARE PLATFORMS



Thank You!



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2. Regulatory Considerations for TCI

NANCY SEIDMAN, REGULATORY ASSISTANCE
PROJECT

August 13, 2019

Key Regulatory Considerations for TCI

Nancy L. Seidman, Senior Advisor
Regulatory Assistance Project

Metropolitan Area Planning Council - TCI 101 Webinar

Building on RGGI's Design

- Innovation
 - Auctions, Program review, Cross agency cooperation
 - What will TCI's innovation be?
- Ongoing improvement
- Timeline

Key Issues (1)

- Fuel sales data
- Which fuels to regulate
- Who is the “regulated entity”



What's a “Prime Supplier”?

The Energy Information Agency (EIA, a part of DOE) defines prime supplier as “suppliers who produce, import or transport product across state boundaries and local marketing areas, and sell to local distributors, local retailers or end users”

Sample form: https://www.eia.gov/survey/form/eia_782c/form.pdf

Key Issues (2)

- Setting the cap
- Developing model rule
- Enacting legislation
- Ongoing procedures
 - Monitoring
 - Tracking
 - Enforcing



Next steps

- When/where to focus your attention
- Which issues

Resources from RAP, Georgetown

- Beneficial Electrification: Ensuring Electrification in the Public Interest
- Beneficial Electrification of Transportation
- Carbon Markets 101: “How to” considerations
- Georgetown – Fuel System Considerations



About RAP

The Regulatory Assistance Project (RAP)[®] is an independent, non-partisan, non-governmental organization dedicated to accelerating the transition to a clean, reliable, and efficient energy future.

Learn more about our work at raponline.org



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3. Role of TCI State Leadership Team

KATE FICHTER, MASSACHUSETTS DEPARTMENT OF
TRANSPORTATION



Commonwealth of Massachusetts

**Kate Fichter, Assistant Secretary for Policy Coordination
Massachusetts Department of Transportation**

Transportation Climate Initiative – TCI 101 Webinar



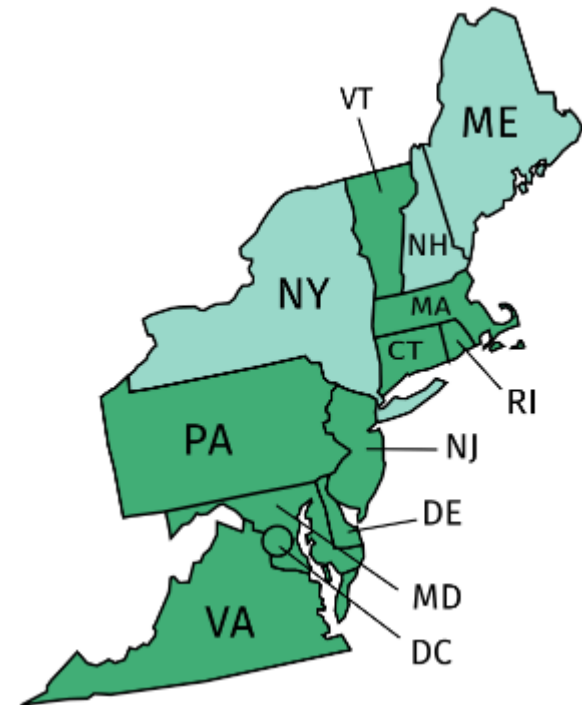
Transportation and Climate Change in Massachusetts

- Per the **Global Warming Solutions Act Massachusetts** has strict emissions limits calling for **25% reductions** from 1990 levels by **2020** and **80% reductions by 2050**.
- Emissions from the **Transportation Sector currently account for 40%** of our total GHG emissions profile.
- Massachusetts held **four statewide listening sessions** between October of 2017 and January of 2018.
 - **Massachusetts should act as leader in New England and the Northeast.**
 - **Equity, Public Health, Zoning, Access, and Resilience were focus of comments.**
- GWSA 10 Year Progress report issued in December of 2019.
 - Continue electrification of passenger vehicles, **and promote electrification/decarbonization of freight and other vehicles.**
 - Continue to provide incentives for in **transit-oriented development areas** and other locations with low car travel.
 - Continue regional collaboration through the Transportation and Climate Initiative to **develop a framework for a regional program that addresses GHG emissions from the transportation sector.**



About the Transportation and Climate Initiative (TCI)

- TCI is a regional **collaboration of 12 Northeast and Mid-Atlantic states and the District of Columbia** that seeks to **improve transportation, develop the clean energy economy and reduce carbon emissions from the transportation sector.**
- Following the lead of Massachusetts, last year, TCI engaged in listening sessions around the region. A total of **six sessions were held** in New York, Connecticut, Delaware, and Maryland focused on the following topics:
 - *How and why **residents and businesses** make the transportation choices they do;*
 - *How to **improve environmental quality and public health benefits** while also increasing mobility and modernizing the transportation system;*
 - *What an innovative, **low-carbon transportation future might look like**; and*
 - ***Policies and programs** that could help achieve this vision.*





Approach to Cap Greenhouse Gas Pollution from Transportation

Statement issued in December of 2018, endorsed by Connecticut, Delaware, Maryland, Massachusetts, New Jersey, Pennsylvania, Rhode Island, Vermont, Virginia, and Washington, D.C..

“Informed by input from hundreds of stakeholders and expert analysis, the participating TCI jurisdictions will design a regional low-carbon transportation policy proposal that would cap and reduce carbon emissions from the combustion of transportation fuels through a cap-and-invest program or other pricing mechanism, and allow each TCI jurisdiction to invest proceeds from the program into low-carbon and more resilient transportation infrastructure. This proposed program, when combined with existing programs and complementary policies, will be designed to achieve substantial reductions in transportation sector emissions and provide net economic and social benefits for participating states.”



Priorities for Program Development

1. **Ensure** that carbon reduction goals are met, while **creating healthier and more livable communities**.
2. **Create** opportunities for **jobs and economic growth** along with new markets for low carbon technologies, including through partnerships between government and private enterprise.
3. **Ensure** that the benefits and burdens of both the pricing mechanism and investments are shared equitably across communities, address the concerns of those with limited alternatives to driving and **improve transportation equity for currently underserved and overburdened populations**.
4. **Enhance the resilience of the transportation system**.
5. **Reflect** input from a **broad spectrum of stakeholders** in the TCI jurisdictions while ensuring that **local communities are involved** in decisions that affect them.
6. **Maximize environmental, economic, social, and public health benefits**.
7. **Be pragmatic, transparent, and as simple as possible to implement**.
8. **Allow** individual TCI jurisdictions to develop and **implement complementary policies** and determine **how proceeds are invested**.



Process and Structure

Proposed Organizational Structure for TCI Regional Policy Work

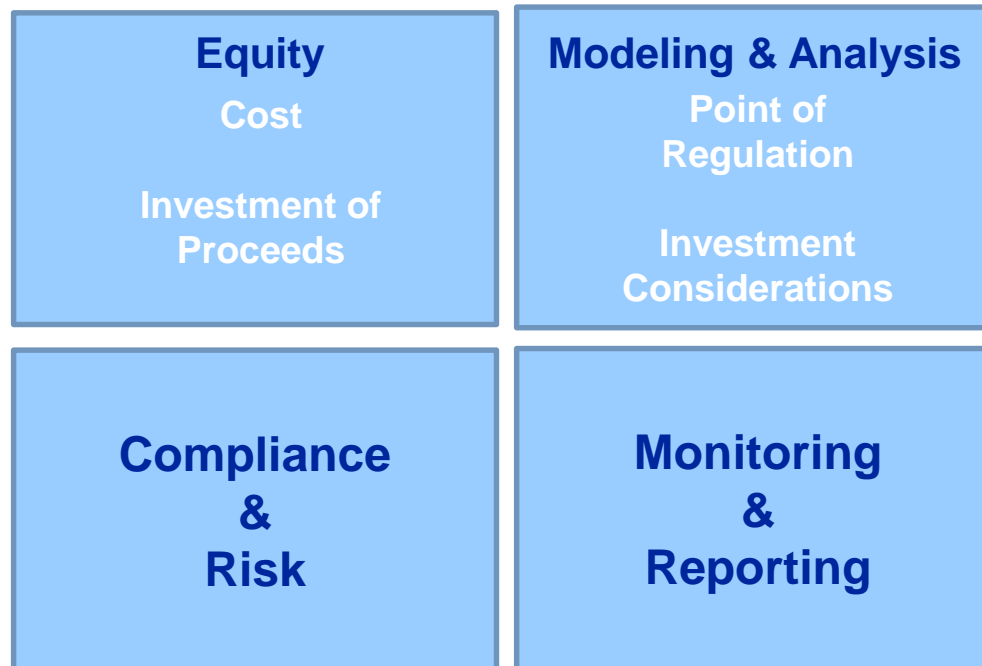




2019 Program Design

Aggressive schedule that will include **design, completion, and implementation by the end of 2019.**

Focus of Work



Stakeholder engagement will play an important role as the process unfolds through the year

Final implementation strategies will be **developed by individual states** looking at legislative and regulatory considerations



Action Steps

- Phase 1 (January-March 2019)
 - Identify milestones and finalize workplan schedule and processes

- Phase 2 (April-July 2019)
 - Conduct modeling and policy analysis
 - Conduct further stakeholder engagement
 - Coordinate activities to inform decision-making

- Phase 3 (August-November 2019)
 - TCI state leadership reviews input from stakeholders and expert analysis to develop specific regional policy options to share with the public, inviting feedback.

- Phase 4 (December 2019)
 - Public release of a finalized regional low-carbon transportation policy proposal.



Public Engagement

- TCI and Massachusetts Websites
 - Website for both TCI contains relevant background including video of workshops and a webinar explaining the fundamentals of a cap and invest program. In addition, there is a portal for submitting public comment and questions
- Regional Workshops
 - Technical and Modeling – April 2019 Boston
 - Equity – May 2019 Newark
 - Investments – July 2019 Baltimore
 - New England Rural Convening – Tentative for September 2019 in Vermont
- In State Engagement
 - Two rounds of public meetings/workshops to be scheduled for late June/July and October.
 - Targeting audiences and partnerships in all parts of the state, especially urban, low income, and rural areas.
 - First round of meetings will review background and basics of a cap and invest program and solicit input from stakeholders on transportation challenges and needs. Second round will discuss draft policy proposals and potential complementary policies to address feedback from first round.



Questions?

Contact Information

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TCI Website: <https://www.transportationandclimate.org/>

Questions?

Thank you!

- To learn more about the Transportation and Climate Initiative, please visit the program's website: <https://www.transportationandclimate.org/>
- To view materials from the Philadelphia COG/MPO TCI convening, please visit MAPC's website here: <https://www.mapc.org/resource-library/transportation-climate-initiative/>