

Pacific Coast Collaborative 2014 Annual Progress Summary



On October 28, 2013, the Governors of California, Oregon, and Washington and the Premier of British Columbia announced the *Pacific Coast Action Plan on Climate and Energy* (Action Plan), which outlined a set of shared goals for reducing carbon emissions and building a clean energy economy on the West Coast.¹ This effort was a landmark initiative of the Pacific Coast Collaborative (PCC), which launched in 2008 to set a cooperative direction in key policy areas of mutual interest among North America’s West Coast jurisdictions. With a population of 54 million people and an economy that is the 5th largest in the world, the West Coast jurisdictions that compose the PCC are demonstrating that transitioning to a low-carbon economy can create jobs and support robust economic growth.

2014 has been a critical year for the PCC as it launched work on the Action Plan. The Governors of California, Oregon, and Washington and the Premier of British Columbia are all actively pursuing ambitious climate and clean economy policies through a collaborative regional approach to accelerate political and policy momentum. This 2014 Annual Progress Summary describes actions undertaken over the past year to achieve the commitments outlined in the Action Plan (Action Plan text in italics).

Lead national and international policy on climate change

Commitment: *Account for the costs of carbon pollution in each jurisdiction.*

Status update: Oregon is building on existing programs to set a price on carbon emissions. Washington is actively developing a carbon market program, including consultations with stakeholders. British Columbia’s revenue-neutral carbon tax program, implemented in 2008, is in place and currently set at \$30 per ton, among the highest carbon tax-rates in the world, while the province’s GDP has remained at or above the Canadian average. California is implementing its cap-and-trade program, including issuing a new AB 32 Scoping Plan in 2014 and linking with Quebec through the Western Climate Initiative. The PCC is continuing to identify key areas for alignment and linkage of carbon pricing programs on the West Coast.

Commitment: *Harmonize 2050 targets for greenhouse gas reductions and develop mid-term targets needed to support long-term reduction goals.*

Status update: In Washington, Governor Inslee issued an Executive Order on climate that calls for reviewing and updating as necessary the state’s statutory emissions limits for 2020, 2035 and 2050. Oregon has already legislated greenhouse gas reduction goals for 2020 and 2050 and is considering

¹ See: <http://www.pacificcoastcollaborative.org/Documents/Pacific%20Coast%20Climate%20Action%20Plan.pdf>

establishing interim targets. California's newly issued AB 32 Scoping Plan update describes setting a 2030 target and analysis is underway. British Columbia has already legislated 2020 and 2050 targets; exploration of whether additional interim targets are needed in British Columbia is ongoing and will be completed before 2020. The province announced in July 2014 that it met the first interim target in its action plan of 6 percent emissions reduction below 2007 levels by 2012.

Commitment: *Affirm the need to inform policy with findings from climate science.*

Status update: As a component of the Action Plan, the PCC leaders made a joint statement affirming the scientific consensus on the human causes of climate change. All actions of the PCC to implement the Action Plan are informed by science.

Commitment: *Cooperate with national and sub-national governments around the world to press for an international agreement on climate change in 2015.*

Status update: PCC Jurisdictions are actively working with national and sub-national governments bilaterally and multi-laterally to build support and momentum for sub-national, national and international climate policy. Jurisdictions are participating in the United Nations Framework Convention on Climate Change process to highlight the role and accomplishments of regional collaborative efforts to tackle climate change. For example, the PCC hosted a panel on regional policy implementation at the UN meetings in New York in September 2014. Prior to the New York meeting, leaders from each PCC jurisdiction publicly expressed strong support for a UN statement on carbon pricing that recognized "climate change poses one of the greatest global challenges and threatens to roll back decades of development and prosperity."

Bilaterally, Washington and the United Kingdom renewed a joint declaration on climate change and participated in related technical and trade exchanges. California is leading an effort to engage with Governors in China. In July, California signed a memorandum of understanding with Mexico to enhance cooperation on efforts to address climate change.

In the U.S., PCC jurisdictions have been exploring interests and options for aligning efforts with other states taking a leadership role on climate policy. In Canada, Premier Clark of British Columbia engaged with the Premier of Quebec on the PCC Action Plan in August 2014, and both British Columbia and Quebec have now joined in the Canadian Energy Strategy initiative that aims to express the kind of energy future that Canadian provinces and territories aspire to achieve, including mitigating climate change.²

Commitment: *Enlist support for research on ocean acidification and take action to combat it.*

² For more information on the Canadian Energy Strategy Initiative, see: <http://www.canadaspremiers.ca/en/latest-news/74-2014/398-canadian-energy-strategy>.

Status update: PCC leaders recognize that ocean acidification is occurring and impacting marine resources on the West Coast. The three PCC Governors and Premier wrote a letter to President Obama and Prime Minister Harper in December 2013 calling on U.S. and Canadian federal governments to bolster ongoing regional and cross-border scientific efforts on ocean acidification with enhanced federal research support, monitoring, and coordination. The PCC jurisdictions are now working with federal partners to plan a joint federal-state-provincial meeting on ocean acidification to be held in late 2014 or early 2015. The jurisdictions are keenly aware of the impacts on ocean acidification on industry. They are actively engaged with fisheries and other marine resource industries to highlight the impacts of ocean acidification.

Transition the West Coast to clean modes of transportation and reduce the large share of greenhouse gas emissions from this sector

Commitment: Adopt and maintain low-carbon fuel standards in each jurisdiction.

Status update: Oregon has released its proposed rules for public comment and will consider all comments before preparing a final rule proposal for consideration by the Oregon Environmental Quality Commission in January 2015. In the 2015 Regular Legislative Session, a key priority for Governor Kitzhaber is lifting the sunset on the Oregon Clean Fuels Program. In Washington, Governor Inslee issued an Executive Order calling for a clean fuel standard feasibility study and a cost-benefit analysis to be completed prior to decisions on rulemaking. California continues implementing its program and will adopt a set of amendments in 2015 to strengthen the program further. British Columbia is continuing to implement its LCFS legislation to achieve a 10 percent reduction in provincial carbon intensity by 2020. The emphasis in 2014 and 2015 is on implementing a compliance inspection program and finalizing an online reporting and credit trading tool based on California's LCFS Reporting Tool. British Columbia's stakeholder consultations to confirm compliance pathways are complete, and a report is being finalized.

To support jurisdiction efforts on low carbon fuels and inform the development of regional markets, the PCC jurisdictions are working together to undertake an analysis of regional low carbon fuel supply. The PCC jurisdictions have identified shared principles and key opportunities for policy alignment and potential harmonization, and they continue to assist each other with technical and policy analysis.

Commitment: Take actions to expand the use of zero-emission vehicles, aiming for 10 percent of new fleet vehicle purchases by 2016.

Status update: The PCC launched its zero-emission vehicle (ZEV) initiative with a well-attended workshop for fleet managers and owners in Portland in July 2014. The workshop showcased an initial draft ZEV toolkit for fleet managers developed by PCC jurisdictions and partners and the concept of a PCC pledge to align fleets' efforts with the PCC goal. With foundation support and key outreach partnerships with the Clean Cities Coalitions in the U.S. and the Fraser Basin Council and Clean Energy Canada in British Columbia, the PCC is focused on securing pledges from federal, state, municipal, and

private fleets to commit to the PCC goal and helping fleet managers identify opportunities for ZEV procurement.

The PCC's collaborative efforts on ZEVs are complemented by jurisdiction-specific initiatives on vehicle market development and infrastructure. In June, California announced new incentive programs to help people in disadvantaged communities access ZEVs as part of a series of efforts to meet the target set by Executive Order in 2012 to have 1.5 million ZEVs on the state's roadways by 2025. In July, the California Energy Commission announced it would invest \$50 million in new hydrogen refueling infrastructure for fuel cell vehicles. Oregon is implementing a ZEV program based on that of California and joined California and six other states in issuing the *Multi-State ZEV Action Plan* in May 2014. The plan sets a target to put 3.3 million ZEVs on the road in these states by 2025. Washington State is reviewing the state's primary clean car law to identify and recommend needed updates, including the use of zero emission vehicles. Several local governments in British Columbia are committed to adopting ZEVs in their fleets. The province hosted a workshop in October 2014 to engage fleet managers and others in the PCC pledge. ZEVs will play a major role in helping British Columbia reach its 2050 greenhouse gas (GHG) emission reduction target.

Commitment: *Continue deployment of high-speed rail across the region.*

Status update: PCC jurisdictions previously expressed support for West Coast high speed rail and released the report *High Speed Rail on the Pacific Coast* in 2010. The PCC leaders reconfirmed this commitment in the *West Coast Climate and Energy Action Plan*. Jurisdictions recognized that it would likely be a two-segment system due to the barrier created by mountains in Southern Oregon. California has since moved ahead with development of high speed rail in the state. Other PCC jurisdictions have been supportive of California's work and are also continuing to consider and pursue options, investments and/or initiatives for improving or expanding passenger rail along the Pacific Northwest Rail Corridor within their jurisdictions. While the jurisdictions are at different stages in planning and execution, all are undertaking work to build on the commitment for high speed rail along the Pacific Coast.

Commitment: *Support emerging markets and innovation for alternative fuels in commercial trucks, buses, rail, ports and marine transportation.*

Status update: The PCC's development of low carbon fuel programs and regional low carbon fuel markets will accelerate the deployment of alternative fuels for commercial trucks, buses, and other transportation modes. At the same time, each jurisdiction is advancing alternative fuels for these sectors through initiatives focused on vehicles, infrastructure, and fuel supplies that make the West Coast a center for alternative fuels innovation and best practices:

- British Columbia is providing a time-limited, utility-based incentive for the acquisition of liquefied natural gas and compressed natural gas vehicles for heavy duty fleets and building out associated fueling infrastructure. BC Ferries has announced that three new ferries will be dual-fueled with liquefied natural gas (LNG) and diesel; the two largest ferries in its fleet will also be

converted to LNG by 2017 as part of their mid-life retrofit, resulting in significant GHG reductions and cost savings. In addition, British Columbia has placed a GHG emissions cap on LNG production facilities in the province, which will make these facilities the cleanest in the world.

- Washington enacted tax equity legislation to support deployment of natural gas transportation fuels, including liquefied natural gas for ships and compressed natural gas for garbage haulers, delivery trucks, and other commercial vehicles.
- In 2014, Oregon established incentive programs for fleet operators to convert to alternative fuel vehicles. These programs, coupled with incentives for infrastructure, will accelerate the pace at which Oregon can use alternative fuels to cut carbon emissions.
- California is developing a Sustainable Freight Initiative that will tie together a number of efforts in the state to cut greenhouse gas emissions and air pollution from the goods movement sector, including heavy-duty vehicle emissions standards, investments in cleaner fuels and infrastructure at ports and major transportation hubs, and zero and near-zero emission freight corridors.

Invest in clean energy and climate-resilient infrastructure

Commitment: *Transform the market for energy efficiency and lead the way to “net-zero” buildings.*

Status update: PCC jurisdictions came together and submitted a successful, coordinated proposal to the U.S. Department of Energy for a joint initiative to design harmonized programs for commercial building energy benchmarking and disclosure on the West Coast. In October, U.S. DOE announced it would fund the proposal at over \$500,000. This work will provide a foundation of data and partnerships for additional policies and programs to reduce building energy use. The jurisdictions are also actively engaged in an exchange of lessons and best practices to strengthen public building energy efficiency programs in each jurisdiction. As the jurisdictions work together on these topics, they are also moving forward individually in several complementary areas. Highlights include:

- British Columbia has updated building codes for large residential, industrial, commercial and institutional buildings. In addition, as part of Carbon Neutral Government commitments, all new public sector buildings or major renovations must target LEED Gold certification at minimum. Twenty-three percent of LEED Gold building projects registered in Canada since 2007 have been from British Columbia.
- In Washington, Governor Inslee has called for a new statewide program on energy efficiency in buildings, including disclosure, financing, weatherization assistance, energy-neutral new buildings, and inclusion of the costs of carbon in cost-effectiveness tests.
- Oregon is working to strengthen its public buildings program and researching strategies for commercial building energy efficiency.
- California continues to lead the country in appliance standards with a proposal of a portfolio of new appliance standards. This effort provides a roadmap for new appliance standards in the other PCC jurisdictions.

Commitment: *Support strong federal policy on greenhouse gas emissions from power plants.*

Status update: PCC leaders have expressed joint public support for EPA's regulation of GHG emissions from existing power plants through the agency's Clean Power Plan (implementing the Clean Air Act's Section 111(d)). The Governors of California, Oregon, and Washington signed on to a Governor's letter in December 2013 supporting EPA's efforts, and all four PCC jurisdictions issued a joint public statement applauding EPA's draft Clean Power Plan proposal when it was issued in June 2014. The three U.S. jurisdictions are currently providing EPA with state input on the rules and developing strategies for Clean Power Plan compliance.

Commitment: *Make infrastructure climate-smart and investment-ready.*

Status update: The West Coast Infrastructure Exchange (WCX) held an Infrastructure Investment Summit with the Clinton Global Initiative in April 2014 on improving the planning, financing, and resilience of the nation's public infrastructure. WCX adopted project standards for private investment in public infrastructure that address issues such as resilience, sustainability, labor, and allocation of risk between the public and private sectors; these standards are based on experience and best practices in other jurisdictions. WCX is currently working on a water infrastructure climate risk technical assistance package in parallel with jurisdiction-specific efforts.

As part of the PCC agreement, the governments of California, Oregon and Washington agreed to sponsor pilot projects with local governments, state agencies, and the WCX. WCX also works closely with Partnerships BC, a center of infrastructure financing expertise established by the government of British Columbia. Jurisdiction-specific highlights on infrastructure include:

- British Columbia, through Partnerships BC, has helped to secure financing for over 40 infrastructure projects worth more than C\$17 billion. The province also updated its Capital Asset Management Framework for public sector buildings to integrate climate change and climate resilience in environmental assessment processes.
- Washington is focusing on four potential WCX pilot infrastructure projects in the Yakima River Basin amounting to over \$500 million, including investments in fish passage, reservoirs, and pipelines. An exploration of opportunities and steps to create numerous funding mechanisms for the Yakima River Basin Integrated Water Resources Management Plan is underway to enact the Yakima Plan's primary goals to enhance habitat, manage in-stream flows to meet ecological objectives; and improve the reliability of water supply. Half of the Yakima Plan's costs will be paid with sources other than Washington State funds such as federal and/or private funds.
- To develop its long-term portfolio of climate smart infrastructure projects, Oregon has passed a bill (HB 4111) authorizing state participation in the WCX and creating a project screening requirement administered by the Oregon Treasurer to review major state investments for life-cycle factors such as climate and seismic risk and for their potential for innovative procurement methods. Through an intergovernmental agreement between Oregon and Partnerships BC,

over 30 projects received some form of initial screening in 2013–2014 for innovative procurement. The Governor’s office is currently developing its 2015–2017 capital facilities infrastructure project program proposal for the legislature to authorize additional work with the WCX. Oregon is also working currently with WCX in developing its regional water storage and water project aggregation initiative, including pre-development strategies for the \$450 million WISE water project in Southern Oregon.

- California, through the California Infrastructure and Economic Development Bank and the Water Resources Control Board, is working with WCX to meet water infrastructure needs in the face of unprecedented drought, consistent with the state’s Water Action Plan adopted in January 2014. It is assessing the feasibility of aggregating water infrastructure projects in multiple nearby jurisdictions to reach the scale necessary to attract private sector investment. As aggregation opportunities are identified, the WCX will work closely with participating local jurisdictions and relevant state agencies to assess the most efficient means of meeting their water infrastructure needs in a climate-resilient fashion. In addition, WCX is working with the University of California-Merced on best practices related to the university’s Project 2020, which seeks to double the size of the campus by 2020.

Commitment: *Streamline permitting of renewable energy infrastructure.*

Status update: The PCC is determining next steps for collaborative efforts to implement this commitment, which applies to the three West Coast U.S. states. Oregon will have two legislative concepts for consideration by the 2015 State Legislature that seek to streamline the permitting of renewable energy projects. For example, the state would like to allow for full cost-recovery to state agencies that provide staff support for the Energy Facility Siting Council permitting process. Washington recently adopted an expedited permitting process for residential solar projects to avoid delays and reduce permitting costs for permit applicants and jurisdictions that review permits.

Commitment: *Support integration of the region’s electricity grids.*

Status update: The PCC is determining next steps for collaborative efforts to implement this commitment.

In the year since the signing of the *Pacific Coast Action Plan on Climate and Energy*, California, Oregon, Washington, and British Columbia have made substantial joint progress toward implementing the commitments in the plan. 2015 is shaping up to be an equally productive year of activity and accomplishments to create robust climate policy and a low carbon-economy on the West Coast.