



City of Sunnyvale

Agenda Item-No Attachments (PDF)

File #: 16-0258, Version: 1

REPORT TO COUNCIL

SUBJECT

Accept the Climate Action Plan Biennial Progress Report 2016 and Find that the Action is Exempt from Environmental Review under CEQA Guidelines Section 15378(b)(5)

BACKGROUND

In May 2014, the Sunnyvale City Council adopted the Climate Action Plan (CAP), which outlines the City's path toward mitigating climate change, while fostering a sustainable, healthy, and livable community. The CAP summarizes sources of greenhouse gas (GHG) emissions in Sunnyvale as of 2008 (baseline year) and identifies mitigation strategies and their corresponding emissions reductions. The CAP identifies a collection of strategies and actions that, if implemented, would exceed the state-recommended GHG emissions reduction target of 15 percent below 2008 levels by the year 2020 (equivalent to 1990 emissions) and demonstrate progress towards the target of 80 percent below 1990 levels by the year 2050.

In November 2014, the City Council adopted the CAP Work Plan 2020 (Work Plan 2020), which identifies a timeline for implementation of the CAP measures in the "near" and "mid" terms, in an effort to reach the 2020 emissions reduction target. Work Plan 2020 also describes ongoing monitoring and reporting of CAP progress. The CAP Biennial Progress Report 2016 (Report) summarizes the progress made on implementation of CAP measures, reassesses the City's emissions inventories, and updates the outlook for CAP measures to be implemented through 2020 with an emphasis on the upcoming two-year period.

EXISTING POLICY

The Climate Action Plan was adopted by Council on May 20, 2014 and the CAP Work Plan 2020 was approved by the City Council on November 25, 2014. This first biennial monitoring report is scheduled for April 2016 in the CAP Work Plan 2020.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

DISCUSSION

This Report is the first monitoring report since the adoption of the CAP in 2014. Due to the availability of the data from external sources (such as PG&E, Metropolitan Transportation Commission, and other agencies) used to develop the community and municipal GHG emissions inventories, the Report inventories GHG emissions for calendar year 2014. Progress reporting on Sunnyvale implementation of the CAP actions reflects 2014 and 2015 data where available. The full Report is

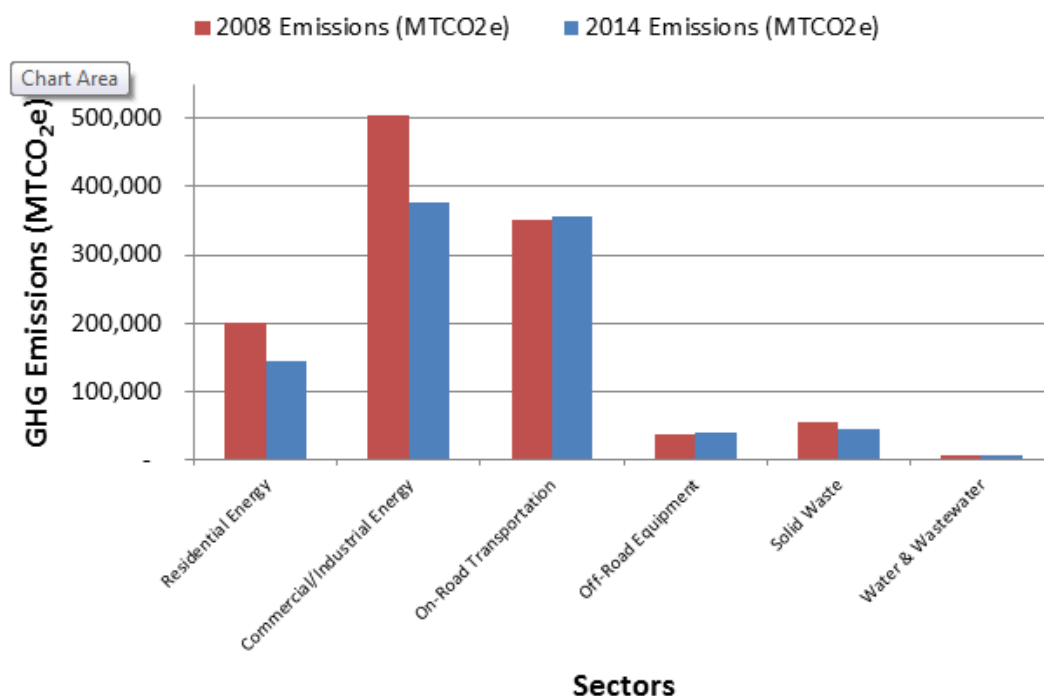
included as Attachment 1.

Community GHG Inventory

Sunnyvale's initial community inventory utilized a baseline year of 2008 to inventory carbon dioxide, nitrous oxide, and methane generated from activities undertaken by the Sunnyvale community. Since the 2008 baseline community-wide inventory, Sunnyvale has rebounded from the economic recession and experienced significant growth and commercial development, including a 10 percent growth in its residential population and an 8 percent growth in jobs.

The 2008 baseline inventory was updated with this report to reflect current best practices for conducting GHG inventories and to allow for better comparability of the reporting year to the baseline year. The revised estimated GHG emissions in 2008 were 1,153,970 MTCO₂e, 9.1 percent lower than was adopted with the CAP.

Figure 1. GHG Inventory by Sector - 2008-2014



Sunnyvale's community-wide GHG emissions in 2014 are estimated to be 971,140 MTCO₂e, 15.8 percent lower than 2008 emissions. This represents an estimated reduction in emissions that is in line with the state-recommended target of reducing emissions by 15 percent by 2020, per Assembly Bill 32 (AB 32). Figure 1 shows how the GHG emissions of various sectors have changed between 2008 and 2014.

A large contributor to the reduction in GHG emissions is a 31 percent decrease in the emissions factor for the electricity provided by PG&E. This reflects PG&E's increasing use of renewable sources for generating electricity (consistent with state requirements for renewable energy), which reached 27 percent in 2014.

In addition to the change in the electricity emissions factor, several noteworthy trends since 2008 include:

- Overall residential electricity and natural gas provided by PG&E decreased by 8 and 20 percent, respectively, although Sunnyvale's population increased 10 percent.
- Commercial/Industrial energy use remained flat while office and industrial floor area increased by 1.7 million square feet.
- Total Vehicle Miles Travelled (VMT) increased by 7 percent; however, related GHG emissions increased by only 2 percent because cars are more fuel-efficient.

CAP Implementation Results

The CAP identifies a collection of 129 actions under 11 key goal categories. The City has made noteworthy progress in CAP implementation given the short implementation timeframe since adoption of the CAP and this inaugural report. Of the 129 actions, 74 are completed or in on-going implementation and 20 are in progress (programs still under development). CAP implementation status is summarized below:

Implementation Status	Percent	Number of Actions
Ongoing or completed	57%	74
In progress	16%	20
Scheduled for 2014-2015 (not yet begun)	6%	8
Scheduled to begin later 2016-2020	20%	25

The actions identified by the CAP range both in scope and resources required. Some actions were relatively straightforward and have been completed, such as actions that were implemented through changes to conditions of approval related to new development. Other actions represent new programs that require significant resources to develop and implement. Three categories were identified to generally describe the level of effort of an action: baseline, expanded, and new.

A baseline effort represents actions that are continuations of existing efforts (e.g., continued implementation of Tree Preservation requirements). An expanded effort represents actions that are based on existing programs but may require additional staff effort to advance the program to meet the expectations described in the CAP (e.g., continuing to provide incentives for new construction to adhere to higher green building standards). New efforts include actions that represent a new commitment of resources to carry out, such as Community Choice Energy (CCE) or securing funding to install electric vehicle (EV) charging stations. The table below provides a simple overview of the resource impact associated with CAP implementation.

Action Status	Baseline Effort	Expanded Effort	New Effort
Ongoing and completed	40	34	-
In progress	5	5	10

While Work Plan 2020 was approved by City Council in November 2014, implementation of many actions was already underway and driven by other City policies (such as the Zero Waste Strategy, Urban Forestry Management Plan, and others). Additionally, as shown above, a significant number of the actions require an expanded or new level of resources to implement.

Key accomplishments achieved through local implementation include:

- 64 percent solid waste diversion rate

- Commercial energy use remained flat while commercial floor area increased
- 25 percent reduction in water use
- 41 percent of students using non-motorized transport to school (up from 14 percent)
- Caltrain ridership up by 45 percent

In addition to the work invested in actions that have been reported as “completed” or “ongoing,” significant resources have also been directed at several actions that are still in progress (under development). GHG reductions associated with these actions will be reported once these actions are completed. These include:

- Community Choice Energy
- Energize Sunnyvale (residential energy conservation efforts associated with participation in the Georgetown University Energy Prize)
- Conversion of remaining City-owned streetlights to LED
- Transportation Demand Management program improvements, including initial efforts to establish the Peery Park Rides Pilot

Updates to CAP Work Plan 2020

With the development of the Report, staff has reviewed the implementation status and provided an implementation outlook emphasizing the next two-year implementation cycle (2016 and 2017). Additionally, staff has updated the CAP Work Plan 2020 and included the updated implementation matrix with Chapter 4 of the Report.

There are several priorities emerging during the next two-year implementation period that will involve considerable resources from implementing departments. These priority areas include:

- Update to the City’s Green Building policies (several CAP actions will be evaluated with this update)
- Commercial energy conservation
- Adaptation planning and preparation
- Additional study items

Proposed Changes to the CAP

This reporting cycle includes an opportunity to update the CAP actions based on operational experience, changes or advances in technology, and changes in regulatory climate. Staff is not recommending substantive changes to the CAP at this time due to the limited implementation period since the adoption of the CAP and in recognition of the fact that the GHG emissions impact of many CAP actions that are in progress are not reflected in the inventory or in local implementation tracking.

During the course of this implementation review, staff has identified several actions and performance indicators to be considered for deletion or modification. The proposed changes are minimal and intended to facilitate implementation and data collection. These changes are discussed in Chapter 4 of the Report and are itemized in Attachment 2.

FISCAL IMPACT

This action relates to acceptance of the inaugural monitoring and tracking report for the CAP. There is no fiscal impact associated with this report. Additional funding recommendations will be brought to the City Council for consideration during appropriate budget cycles and with the completion of action-specific studies.

PUBLIC CONTACT

The draft Report was presented to the City's Sustainability Commission at its meeting on March 21, 2016. The draft Report was also provided to the City's Horizon 2035 Committee.

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

ALTERNATIVES

1. Find that the action is exempt from environmental review under CEQA Guidelines Section 15378(b)(5) and accept the Climate Action Plan Biennial Progress Report 2016.
2. Approve the recommended changes to the CAP reduction measures and performance indicators as shown in Attachment 2.
3. Approve the Sustainability Commission's recommendation to approve the staff proposed changes to the CAP with a modification to reject the proposed changes to CAP measures EC-2.3 and OVT-1.8.
4. Other changes directed by the City Council.

STAFF RECOMMENDATION

Alternatives 1 and 2: 1) Find that the action is exempt from environmental review under CEQA Guidelines Section 15378(b)(5) and accept the Climate Action Plan Biennial Progress Report 2016; and 2) Approve the recommended changes to the CAP reduction measures and performance indicators as shown in Attachment 2

SUSTAINABILITY COMMISSION RECOMMENDATIONS

On March 21, the Commission reviewed the draft Report and considered draft staff recommendations (which reflect Alternatives 1 and 2 of this report). The draft minutes of the Commission meeting are included as Attachment 3. The Commission provided feedback and suggested clarifications to the body of the draft Report that have been incorporated. Additionally, the Commission provided feedback on several of the staff recommended changes to the CAP actions (EC-4.1, EC-2.3, and OVT-1.8). The feedback from the Commission has been considered and staff has revised the recommendation to delete EC-4.1 to a language change as a result. Specifically for EC-4.1, the Commission recommended that the action be retained with the language updated to replace AB 1103 with AB 802. AB 1103 was passed in 2007 and included requirements for mandatory energy benchmarking and disclosure for non-residential buildings at time of sale or lease. AB 802 was passed in 2015 repealing AB 1103 and addressing key implementation problems with AB 1103 including expanding the buildings covered and changing the disclosure requirements from transaction based to annual public disclosures. Staff has incorporated this in the proposed changes and broadened the language to be consistent with AB 802.

For EC-2.3, the Commission recommended rejecting the proposed revision to remove remodels from the action. The Commission believed that the staff rationale for removing remodels was inconsistent with the action and that the City should provide green building incentives for remodels. Staff have revisited this action and clarified the rationale for deleting remodels from the action.

Additionally, the Commission recommended rejecting the change to OVT 1.8, whereby staff recommended that the emphasis on “neighborhood electric vehicles” be broadened to be more generally inclusive of “alternatively fueled vehicles.” The Commission believes that the staff proposed change is contrary to the CAP’s intent to drive long-term community infrastructure conversion to encourage the use of smaller, more-efficient, and safer neighborhood electric vehicles.

The Commission passed a motion(6-0 with 1 Commissioner abstaining) to recommend that the City Council: (1) accept the CAP Biennial Progress Report 2016, subject to the comments provided during the meeting; (2) accept the proposed changes to the CAP, subject to the following modifications: (a) reject the proposed changes to CAP measures EC-2.3 and OVT-1.8; (b) amend (rather than delete) CAP measure EC-4.1 to reflect Assembly Bill 802 (AB 802) as the replacement for AB 1103; and (3) recommend that subsequent CAP biennial reports include additional analysis on what efforts are working versus those that are not working.

Prepared by: Melody Tovar, Regulatory Programs Division Manager

Reviewed by: John Stufflebean, Director, Environmental Services

Reviewed by: Trudi Ryan, Director, Community Development

Reviewed by: Manuel Pineda, Director, Public Works

Reviewed by: Kent Steffens, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Climate Action Plan Biennial Progress Report - 2016
2. Summary of Proposed Changes to CAP Actions
3. Draft Minutes of the Sustainability Commission Meeting of March 21, 2016