

TRANSPORTATION AND CLIMATE INITIATIVE (TCI)

Collaboration of Northeast and Mid-Atlantic States

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Presentation Outline

- What is TCI?
- What is cap-and-invest?
- What do the modeling results show?
- What is being done to ensure equity in the program?
- What are TPB staff doing?

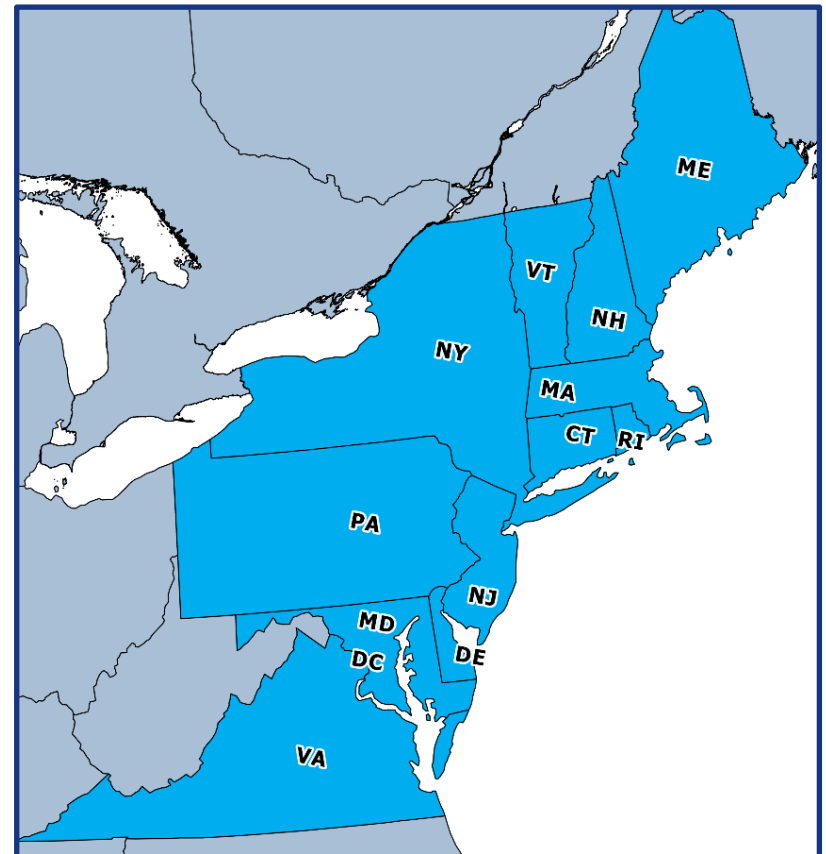
What Is TCI?

- Regional collaboration of 12 Northeast & Mid-Atlantic states (including Maryland and Virginia) and the District of Columbia to reduce carbon emissions from the transportation sector
- TCI region consists of 72 million people, \$5.3 trillion gross domestic product (GDP), and 52 million registered vehicles



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Of the Northeast and Mid-Atlantic States



TCI Work Plan

- June 2010: Declaration of Intent released
 - Develop GHG reduction strategies in topic areas including clean vehicles, freight analysis, and sustainable communities policies
 - Supported by the Georgetown Climate Center
- March - August 2018: Six public listening sessions conducted
- December 2018: Announced intention to **design a regional cap-and-invest program** or other pricing mechanism
- October 2019: Released draft policy framework for cap-and-invest program
- December 2019: Released Draft Memorandum of Understanding (MOU) outlining a proposal for a regional cap-and-invest program
- September 2020: Released additional-modeling results and proposed equity measures

What is Cap-and-Invest?

- Proposed multi-state, regional program to regulate motor vehicle gasoline and on-road diesel fuel destined for final sale or consumption in participating jurisdictions
- Cap CO₂ emissions from the above types of motor fuel
- Initial emissions cap declines every year at a rate chosen by TCI jurisdictions
- State fuel suppliers would be required to purchase allowances for CO₂ emissions
- Proceeds from sale of allowances invested into projects, programs, and policies that further reduce vehicular CO₂ emissions
- TCI jurisdictions independently decide on investments to achieve carbon emission reductions and other policy goals
- TCI jurisdictions would be committed to equity and meaningful community engagement when making new investment decisions
- Program would include reporting, monitoring, verification components together with cap flexibility and cost containment mechanisms



What Do the Modeling Results Show?

- Preliminary modeling analysis showed potential emissions reductions benefits in 2022-2032 for three different cap scenarios

Model Run	Projected Emissions*
Reference Case (No TCI Policy)	19% CO ₂ reductions from 2022 to 2032
<i>Policy Cases with multiple investment portfolios</i>	
Policy: 20% Cap Reduction	20% CO ₂ reductions from 2022 to 2032
Policy: 22% Cap Reduction	22% CO ₂ reductions from 2022 to 2032
Policy: 25% Cap Reduction	25% CO ₂ reductions from 2022 to 2032

* Unadjusted totals

Anticipated Benefits from Cap-and-Invest

- Estimated Benefits of TCI Program in 2032

Macroeconomic	Public Health	Avoided Climate Damages
<p>↑ GDP ~ \$0.7 B to \$3 B</p> <p>↑ Income ~ \$0.5 B to \$2 B</p> <p>↑ Jobs ~ 2 K to 9 K</p> 	<p>\$3 - \$10 B (preliminary*)</p> <p>↓ Premature deaths</p> <p>↓ Asthma symptoms</p> <p>↓ Traffic-related injuries</p> 	<p>\$249 M – \$892 M</p> 

* Research update with more sophisticated, county-scale analysis was published by the Harvard-led TRECH research team on October 6



Equity Considerations

TCI held a webinar on September 29, 2020 in which it put forth four proposed measures “intended to ensure the program fosters equity for overburdened and underserved communities.”

- **Dedicated Investments:** establish a minimum requirement of 35% of investments to go towards serving overburdened and underserved communities
- **Equitable Processes:** each participating jurisdiction would establish an equity advisory body comprised of diverse stakeholder groups to advise on decision-making and equitable outcomes for the TCI program
- **Transparency:** annually review and report on program progress, including expenditures of proceeds with respect to equity
- **Complementary policies:** invest in complimentary policies that advance goals of equity and environmental justice



Next Steps for Cap-and-Invest Program

- Final MOU to be released in late fall 2020
 - Establish a regional carbon dioxide emissions cap that will decline over time
 - Establish a methodology to apportion proceeds to each Participating Jurisdiction to invest at each jurisdiction's discretion to support the goals of the program
- Jurisdictions will decide whether to sign the final MOU and participate
 - Jurisdictions would then take any necessary legislative & executive steps to implement the program
- Cap-and-invest program could begin as early as January 2022



COG Board Resolution R10-2020

- COG Board passed a resolution regarding TCI in February
 - Applauds leadership of Governors and Mayor
 - Endorses TCI as positive path forward to reduce transportation-related GHG emissions
 - Encourages continued participation by the states and the District in developing the TCI cap-and-invest program
 - Directs transmittal to the Governors and Mayor



TPB/COG Staff Engagement

- Attending TCI's technical and public informational meetings
- Briefings from TCI to CEEPC; informational memos to TPB
- Participating in a group of Councils of Governments and Metropolitan Planning Organizations in the TCI states, led by the Metropolitan Area Planning Council (MAPC), the regional planning agency for metropolitan Boston
 - Convenings to learn more about TCI's objectives and the policy development process
 - Discuss the proposal and accompanying analysis
 - Consider how COGs and MPOs can offer a thoughtful response to the proposal and encourage a robust and equitable program design
 - A comment letter based on a group discussion was sent to TCI



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