Thanks to the Mayors Innovation Project for inviting me to come and talk a bit about our work on local global warming policy. It’s especially nice being here in California because I often see this state and its cities leading the way on environmental issues.
Let me give you 15 seconds on the Institute for Local Self-Reliance. ILSR is a 33 year-old nonprofit providing research and technical assistance on policy and economic development that maximizes the efficient use of local resources. Our New Rules Project, a program that I am part of, engages a wide range of issues but targets agriculture, energy, publicly owned information networks and independently owned business development. Track me down or check out our websites for more.
Slide 3:
Back in 2005 I started focusing some of my time on local climate change initiatives and their impacts. Seattle had just spearheaded and launched the very welcome US Mayor's Climate Protection Agreement. We immediately thought that there would certainly be a boatload of innovative policy ideas being implemented in order to meet GHG reduction goals and that fit nicely into our New Rules Project's focus on spreading around easily replicated policy ideas.

By the Fall there were nearly two hundred cities signed on to the Mayor's Agreement so I started calling around to see what these cities were planning on doing in order to meet their Kyoto goals. Out of the 3-dozen or so I contacted, most hadn't yet done a GHG inventory and were clearly in the pre-planning stages. One city in Wisconsin responded to my question about what they were doing saying, "We signed on to what?"

In an effort to provide these cities with something concrete that they could get started on immediately, ILSR prepared a brief on a policy that we termed Climate Neutral Bonding [online at http://www.newrules.org/de/climateneutralbonding.html]. It would require that any bond funded building projects would give a zero net increase in GHG emissions in the community once the project was constructed. The idea was that new or significantly renovated buildings would be designed to maximize efficiency and use of on-site renewable energy. For the emissions associated with the remaining energy use of the building, there would have to be additional GHG reduction projects completed within the community so that the new project would be considered carbon neutral.
We focused our proposed climate neutral bonding policy on new buildings funded with municipal bonds but the policy could be extended into other city funded projects.

We see climate neutral bonding as a "first-step" policy that makes a statement to the community that "This is our ante, we’re in the game, we’re committed and we’re serious about tackling global warming by not allowing our own emissions to continue growing."

A similar approach for buildings is found in the American Institute of Architect's Architecture 2030 Initiative – calling for climate neutral buildings by 2030 - which I would urge you to look into as well.

I don’t have the time to tell the complete story now but if you’re interested I can tell you about nearly enacting a climate neutral bonding policy at the state level in Minnesota.

**Slide 4:**
In late 2006, we decided to take another look at how local climate change programs were doing. This was catalyzed by the revelation that a statement by the Mayor of Minneapolis that our city had met the goals of the Kyoto Protocol was unfounded. We found out the city didn't have the data to support the claim.

In an effort to try to inform ourselves and to help our hometown of Minneapolis and other cities that may have also been struggling, we decided to survey the climate change activities in 10 cities to find out what strategies and methodologies these “Kyoto cities” were using and how they were evaluating their success or failures. In our report, *Lessons from the Pioneers* [online at http://www.newrules.org/de/pioneers.html], the
overriding conclusion was that, despite their commitment and their elaboration of significant programs, reducing GHG emissions below 1990 levels would be a major challenge.

**The Not So Good News**

- Funding of GHG reductions is too limited
- GHG reporting and tracking not integrated into operations
- GHG emissions continue to rise in most cities despite their efforts
- Many cities are relying heavily on State and Federal policy for GHG reductions

*Slide 5:*
Some things that we found concerned us.

We found that cities were not spending as much of their own money as we thought they would need to on GHG reduction projects. There seems to be a trend of waiting for incentives or grants before energy efficiency projects will begin despite those projects often having payback periods of less than 10 years.

Many cities have mentioned that the initial process of gathering data for their GHG inventories was difficult and labor intensive. And some cities did not put into place a system to make the data gathering easier the next time around. One of the key things that we’ve learned is how very important it is to establish a system for tracking emissions moving forward. I think that ideally it should be possible to generate a GHG inventory on an annual basis so that progress can be continually measured.

Some cities complained that their electric and gas utilities were not very cooperative in delivering the data needed to complete an inventory. Boulder, CO managed to negotiate an agreement with their utility so that each year they get a spreadsheet sent to them with the entire communities electric and natural gas consumption figures.
One more thing that concerned us was that many of the cities we looked at are relying heavily on State and Federal policy for GHG reductions. Certainly it makes sense for cities to be aggressively and actively seeking enactment of state policies like Renewable Portfolio Standards or increased Federal fuel economy standards since those will help you reach your targets.

However, when as much as 75 percent of CO2 reductions in a local action plan are projected to come as a result of State or Federal actions, that seems a bit unbalanced.

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**Impact of Minnesota State Policy**

**Renewable Portfolio Standard + Annual Energy Savings Targets**

*Source: Clean Energy Minnesota*

**Slide 6:**
This is just a quick example of the how two new policies in Minnesota will impact GHG emissions in the electricity sector. The effective 27.5 percent renewable energy standard by 2025 along with a goal to decrease energy consumption by 1.5 percent a year from utility energy efficiency programs will get Minnesota to about 7 percent below 2005 levels by 2025. Every city in Minnesota will benefit from those two policies as they work to reach their own GHG targets.
Slide 7:
Chart on GHG emission levels rising. This shows the trend in national GHG emission levels but I believe that many cities find themselves in this kind of GHG emission profile as well. We'll hear from the folks in Portland in a bit on how they've managed to take this slope and flatten it. There are some valuable lessons to look at in that city.
First, most cities have a great deal of authority to implement and fund GHG reduction activities. It is just a matter of exercising it. And although I have fully digested this, there was a very recent California Supreme Court Decision with a great deal of discussion of the extent of municipal authority to use zoning rules to control and regulate economic competition. This was related to retail developments but could tie into climate change policies. [see http://www.newrules.org/retail/news_slug.php?slugid=359 ]

Second, there's certainly no shortage of information on what actions could be options for GHG reductions. Just for kicks, I did a Google search the other day for the phrase "climate change action plan" and was given 166,000 results. But I would caution cities to not get lost in the planning process. Implement specific programs, evaluate their effectiveness and share that information widely. The sheer number of Kyoto cities promises a wealth of examples of what works. And presumably, Seattle or ICLEI has established a robust communications system to allow quick and efficient knowledge transfer between the cities.

And lastly, in poll after poll, citizens today want governments at all levels to take strong actions on renewable energy and energy efficiency. And if you're a politician, you're in luck, because citizens have also expressed willingness to pay now to save later. Take them at their word. Not to dote on Boulder, but the fact that their citizens voted to increase their electricity bills to fund GHG reduction efforts speaks volumes to me. As the city of Boulder has demonstrated, you can engage your community on the issue and
make global warming a conversation involving your citizens so that they can take ownership of the solutions.

Slide 9:
I'd like to think that we could all agree that energy conservation should play the most important role in reducing GHG. Generally considered the most economic way to reduce emissions, many conservation projects can save your community an enormous amount of money over the long term.

To this end, we think that cities should be dedicating funding to establish substantial community-wide energy conservation programs. We refer to it as an energy bank. And thinking small will not cut it. Think big. Think long term. We believe that municipal bonds could be an excellent revenue source to get these energy banks started. Cities are fully capable of justifying to their communities and issuing millions of dollars in bonding for economic development projects. Why not bonds for energy conservation?

We have seen San Franciscans vote for bond money for renewables and bonding was considered in Boulder as an option to implement their climate plan but they opted for their now famous climate action plan tax.

Another action I would suggest is for a city to talk to a significant number of Energy Service Companies (ESCOs) and see what they might propose in terms of a joint, public/private energy conservation effort. There was a nice summary report on the state of ESCOs released recently by the folks at Lawrence Berkeley Laboratory. [online at http://eetd.lbl.gov/ea/EMS/reports/62679.pdf]
Demand a Change

Use the collective political force of the signatories of the U.S. Mayor’s Climate Protection Agreement

Join the Plug-in Partners Campaign
www.pluginpartners.org

Get your local higher education institutions to join the College & University Presidents Climate Commitment Initiative
www.presidentsclimatecommitment.org

Slide 10:
Demand a change
I know that we’re here primarily to talk about options for local actions on climate change but clearly one of the most important actions that cities must take is to strongly influence state and federal energy policy so that GHG reductions in your community don't become even more difficult.

Here are three options, I’m perhaps speaking to the choir in this room.

I’d recommend getting involved in the Mayors Council on Climate Protection under the auspices of ICLEI and the U.S. Conference of Mayors.

I'd suggest that cities join the Plug-in Partners Campaign that is spearheaded by the city of Austin, TX, to make plug-in vehicles the future of transportation.

And I'd suggest getting your local university to make a commitment to reach carbon neutrality by joining the University & College Presidents Climate Commitment Initiative www.presidentsclimatecommitment.org
So in conclusion, my two local policy suggestions are that you enact a climate neutral bonding policy, and set up a community wide energy bank to undertake a massive investment in energy savings and efficiency in your cities.

Thank you very much for your time, I look forward to the discussions.