

Letter
X21



**The Associated General Contractors of America
San Diego Chapter, Inc.**

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November 3, 2017

Michael De La Rosa
Group program manager
Planning and development services
County of San Diego
5510 Overland Avenue
San Diego, CA 92123

RE: County of San Diego Climate Action Plan

Dear Michael:

On behalf of the 1,100 member firms of the Associated General Contractors of America, San Diego Chapter, Inc. (AGC), I would like to provide comments related to the County of San Diego's Draft Climate Action Plan (CAP). AGC represents many of the firms that build the region's infrastructure, and some of the mandates proposed in the CAP will have significant impacts to contractors, and measurable cost impacts to the County.

X21-1

Strategy T-3 – Decarbonize On-road and Off-road Vehicle Fleet
Measure T-3.1 – Use Alternative Fuels in New Residential and Non-Residential Construction Projects

We understand this will create a new mandate in 2030 for private construction projects in the unincorporated area of San Diego County. It will require that 10% of the vehicle fleets on these projects must use alternative fuels. We believe this mandate requires clarification, and the following points need to be addressed:

X21-2

- "Vehicle fleet" needs to be defined. Is it heavy equipment only or do light duty vehicles (sedans and pickup trucks) of the contractors involved in the project also count towards the goal? We assume the latter, but it needs clarification.
- What constitutes the vehicle fleet on a specific project? Is it the prime contractor's equipment only? It should be noted that, depending on the type and size of the project, there may be a large number of suppliers, vendors, materials haulers, and specialty trade contractors coming and going. Who is counted, how is 10% calculated and how is compliance accomplished?

X21-3

Response to Comment Letter X21

**The Associated General Contractors of America, San Diego
Chapter, Inc.**

**Mike McManus, Director of Engineering Construction and
Industry Relations**

November 3, 2017

- X21-1** The comment provides information about the Associated General Contractors of America and their role in the San Diego Region as a voice of local general contractors responsible for construction efforts in the county. The County appreciates the comments.
- X21-2** The comment provides a summary of GHG Reduction Measure T-3.1 and states that further clarification is required. The response to the commenter's points of clarification are included in X21-3 through X21-7.
- X21-3** The comment requests several points of clarification regarding the definition of and application to the term "vehicle fleet" referenced within GHG Reduction Measure T-3.1. To the commenter's first point, which requests clarification about how "vehicle fleet" is defined, the measure would only affect heavy duty off-road construction equipment, which are currently assumed to be diesel under baseline conditions and business-as-usual projections. On-road vehicles, such as sedans and pickup trucks, are not affected by this measure. Secondly, the commenter requests clarification about what constitutes the vehicle fleet on a specific project and if it is limited to the prime contractor's equipment. As described in the CAP Consistency Review Checklist (1a), this measure would apply to discretionary residential and non-residential projects subject to the CAP Consistency Review Checklist that actively use ten or more pieces of heavy duty construction equipment to construct a given project, whether the vehicles or equipment belong to the prime contractor or not. The commenter also asks how the 10% reduction target of this measure is calculated. Based on

other responses to this measure, the County has increased this reduction target to 25% by 2030. In other words, by 2030, this measure estimates that 25% of the diesel fuel used in private construction equipment would be reduced and replaced by alternative fuels. See the response to comment X21-4 for the definition of alternative fuels. Finally, the commenter requests clarification regarding how compliance with this measure will be accomplished. Compliance with measures, including GHG Reduction Measure T-3.1, are included in Chapter 5 of the CAP, which addresses implementation and monitoring of the CAP measures, and in the CAP Consistency Review Checklist. The County will monitor and track implementation through Conditions of Approval on individual projects.

<ul style="list-style-type: none"> • What is the definition of “alternative fuels”? It appears that retro-fitting of existing engines to meet the mandate would likely be required. However, the mandate is far enough away that local contractors can plan for it, as they manage their fleets over time, and have other emissions standards imposed by the State of California that have some bearing also on fleet management. X21-4 • Fuel availability might be a key problem and will bring with it additional environmental issues. The assumption here is that given the extensive geographic area of the unincorporated county, a private project owner might be forced to pay for a temporary fueling system on site. It should be noted here also, heavy equipment is generally powered by diesel engines, light duty equipment is generally powered by gasoline engines. X21-5 • What constitutes a construction project? We would suggest a threshold so that small projects are not burdened with cost and compliance issues that are outsized compared to their impact. X21-6 • How would the project owner be notified of this requirement and compliance requirements? Would it be in the County Permit? X21-7 <p>Strategy T-3 – Decarbonize On-road and Off-road Vehicle Fleet Construction Projects <i>Measure T-3.2 – Use Alternative Fuels in County Initiated Projects</i></p> <p>We understand there is a proposal to mandate a percentage of contractor fleet vehicles that must use alternative fuels for County initiated projects. We also understand the proposed percentage is being considered from a minimum of 10% and a potential maximum of 25%. Again, the following points need to be addressed: X21-8</p> <ul style="list-style-type: none"> • “Vehicle fleet” needs to be defined. Is it heavy equipment only or do light duty vehicles of the contractors involved in the project also count towards the goal. We assume the latter, but it needs clarification. • What constitutes vehicle fleet on a specific project? Is it the prime contractor’s equipment only? It should be noted that, depending on the project, there may be a large number of suppliers, vendors, materials haulers, and specialty trade contractors coming and going. Who is counted, how is 10% calculated, and how is compliance accomplished? On public works projects, the public contract code requires the prime contractor to list sub-contractors over a defined threshold at the time of bid submittal to the public agency. We would suggest the county tie the mandate to this provision in existing law. X21-9 • What is the definition of “alternative fuels”? It appears that retro-fitting of existing engines to meet the mandate would likely be required. However, the mandate is far X21-10 	<p>X21-4 The comment requests clarification about how the County defines “alternative fuels” that are referenced in GHG Reduction Measure T-3.1. For the purposes of this CAP, “alternative fuel” is defined as a fuel with lower lifecycle GHG emissions than its diesel or gasoline equivalent per unit of energy output for an equivalent application. For example, an electric bulldozer uses electricity as an alternative fuel to gasoline; it also uses less BTUs of electricity compared to the BTUs needed from gasoline because of the higher efficiency of an electric motor compared to an internal combustion engine, even though the output of energy from both lawnmowers are the same. These fuels can include, but are not limited to, renewable gasoline, renewable diesel or biodiesel, hybrid-electric gasoline or diesel, electricity, compressed natural gas, and ethanol. See response to comment O5-20 for additional explanation. The comment also suggests that retrofitting of existing engines would be required to meet this specification. Measure T-3.1 has been revised to clarify that not all alternative fuels require retrofitting for performance. For example, renewable diesel has the same chemical structure as petroleum diesel and can be used in engines that are designed to run on conventional diesel fuel.</p> <p>X21-5 The commenter expresses concern over the availability of the alternative fuels that may result from additional demand if GHG Reduction Measure T-3.1 is implemented, especially in rural parts of the unincorporated county. It is unclear what the commenter means regarding “additional environmental issues,” therefore no further response can be provided. Alternative fuels, such as renewable diesel, are available in San Diego. There is currently a central distribution center for renewable diesel and two renewable diesel retail fueling stations in the county. Project owners may have the alternative fuel delivered to the project site from these facilities. In addition, the State supports the shift to alternative fuels; therefore, the availability and number of fueling stations is likely to increase in the future.</p> <p>X21-6 The commenter asks what constitutes a construction project and expresses concern over the burdens that may be placed</p>
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	<p>on small projects. The CAP Consistency Review Checklist applies to discretionary projects and requires that the measure be applied to projects that propose to use ten or more pieces of heavy duty construction equipment. Therefore, smaller projects that propose fewer pieces of construction equipment would not be required to comply with this specification.</p> <p>X21-7 The commenter asks how the project owner would be notified of the compliance requirements under GHG Reduction Measure T-3.1 and if the requirements would be in the County permit. As described in the GHG Reduction Measure T-3.1, the stated requirement applies to new residential and non-residential projects, which are subject to the CAP Consistency Review Checklist. As described on Page A-2 of the CAP Consistency Review Checklist, the requirements would be required as a condition of project approval. Conditions of project approval are required to be fulfilled prior to issuance of permits required for construction. In addition, Page 5-11 of the CAP states that the County would amend Title 8 of the San Diego County Code of Regulatory Ordinances. This action would serve to further codify the applicable requirements in the County Code of Regulatory Ordinances by 2020.</p> <p>X21-8 The comment provides a summary of GHG Reduction Measure T-3.2 and states that further clarification is required. The response to the commenter's points of clarification are included in X21-9 through X21-12.</p> <p>X21-9 The comment expresses concerns regarding GHG Reduction Measure T-3.2 including the definition of vehicle fleet, the applicability of the measure by type of equipment, how compliance is established, and how 10% alternative fuel is calculated. The County has updated GHG Reduction Measure T-3.2 in the Final CAP to clarify that it is only applicable to the County's construction fleet.</p> <p>X21-10 The comment expresses concerns regarding GHG Reduction Measure T-3.2 and the definition of alternative fuels. Please refer to response X21-9 for clarification regarding applicability of this measure.</p>
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enough away that local contractors can plan for it, as they manage their fleets over time, and have other emissions standards imposed by the State of California that have some bearing also on fleet management.

X21-10
cont.

- Fuel availability might be a problem and will bring with it additional environmental issues. The assumption here is that given the extensive geographic area of the unincorporated county, a county contractor might be forced to provide for a temporary fueling system on site in order to work efficiently. We would suggest the county includes a bid item(s) for developing an alternative fuels, fueling system. This would level the playing field for the competitive bidders. This would also require the county to add additional dollars to their contracts.
- What constitutes a construction project? We would suggest a threshold so that small projects are not burdened with cost and compliance issues that are outsized compared with their impact.

X21-11

X21-12

We also have a general industry-wide concern that we believe should be analyzed for tradeoffs related to greenhouse gas emissions. A significant and growing volume of aggregates used in construction is being imported into San Diego County, which increases traffic congestion and reduces air quality. That situation is only getting worse due to the nearly impossible tasks involved in securing the entitlement and permits to develop and operate an aggregate mining facility. We believe there are significant tradeoffs in GHG's, that should be considered and policy questions about how to make industrial aggregate mining an environmentally viable development project.

X21-13

Thank you for the opportunity to work with the County on this matter. If you have any questions please contact Mike McManus at 858-248-0228 or mmcmanus@agesd.org

Sincerely,

Mike McManus P.E.
Director of Engineering Construction
And Industry Relations
Associated General Contractors
San Diego

X21-11 The comment expresses concerns regarding GHG Reduction Measure T-3.2 and the availability of alternative fuels. Please refer to response X21-9 for clarification regarding applicability of this measure.

X21-12 The comment expresses concerns regarding GHG Reduction Measure T-3.2 and the definition of construction project. Please refer to response X21-9 for clarification regarding applicability of this measure.

X21-13 The commenter states that there has been an increase in the import of aggregates into San Diego County for construction purposes, citing difficulty in securing permits and entitlement to develop and operate a local aggregate mining facility in San Diego County. Please refer to the responses within letter O-8, which comprehensively addresses the general issues raised by this comment. The commenter suggests that the County should consider measures that would curtail this practice to minimize associated GHG emissions. The County appreciates this suggestion and will consider this in future updates to the CAP.