

DRAFT - TCI-P Model Implementation Plan (MIP) for Low-Carbon Transportation

Presented by the current TCI-P Jurisdictions, in consultation with the other TCI collaborating jurisdictions

June 10, 2021

Each TCI-P jurisdiction will develop an Implementation Plan that describes the various steps and processes it will pursue to put the necessary regulations and other legal mechanisms into place, and the other steps it will take to advance the goals of the program. Each jurisdiction's implementation plan will include a timeline and address the topics outlined below, in a manner that reflect the laws, regulations and other specific circumstances and priorities of that jurisdiction. This Model Implementation Plan provides a common framework for jurisdictions to follow in developing their own Implementation Plans.

TCI-P Model Implementation Plan Outline:

- 1) Introduction and Program Goals
- 2) Establish or designate Equity Advisory Body
- 3) Defining "Underserved and Overburdened Communities" for the purposes of this program
- 4) Working with stakeholders to develop a public engagement plan with special emphasis on equity considerations for underserved and overburdened communities
- 5) Adopting jurisdiction-specific rules based on the Model Rule
- 6) Ensuring transparency and accountability regarding TCI-P implementation and progress toward achieving program goals
- 7) Investing proceeds and creating high-quality jobs through transparent processes
- 8) Collaborating with other TCI-P jurisdictions to administer TCI-P
- 9) Advancing additional policies to help achieve the goals of TCI-P

1) Introduction and Program Goals

This implementation plan describes the [jurisdiction] plan for implementing the goals stated in the [December 2020 TCI-P Memorandum of Understanding](#):

- *Reducing carbon dioxide (CO₂) emissions from the transportation sector;*
- *Improving air quality and public health, increasing resilience to the impacts of climate change, and providing more affordable access to clean transportation choices;*
- *Promoting local economic opportunity and creating high quality jobs;*
- *Maximizing the efficiency of the multijurisdictional program to ensure greater benefits; and*
- *Advancing equity for communities overburdened by pollution and underserved by the transportation system, including expanding low-carbon and clean mobility options in*

urban, suburban, and rural communities, particularly for populations and communities that are disproportionately adversely affected by climate change and transportation pollution and currently underserved by the transportation system.

2) Establish or designate Equity Advisory Body

As stated in the [Model Rule](#):

[Each TCI-P jurisdiction] shall establish and support an Equity Advisory Body (or bodies) composed of diverse stakeholder groups, with a majority of members being representatives of overburdened and underserved communities or populations, or designate an existing body that meets this description, to advise on decision-making and equitable outcomes for the TCI-P, including:

- (1) Developing criteria for defining overburdened and underserved communities, building on existing criteria and definitions, where applicable;*
- (2) Providing recommendations for equitable investments of program proceeds and complementary policies that would achieve the requisite benefits for overburdened and underserved communities; and*
- (3) Developing metrics for evaluating how investments of program proceeds demonstrably provide direct and meaningful benefits for overburdened and underserved communities.*
- (4) Make recommendations on program improvements to ensure jurisdictions are making significant progress with respect to equity metrics and that overburdened and underserved communities receive direct and meaningful benefits; and*
- (5) Make recommendations regarding the development and implementation of air quality monitoring to inform TCI-P.*

EAB Membership and Representation

[Jurisdiction] will describe here the parameters for determining the membership of the EAB, or specify how an existing equity advisory body will serve as the EAB for TCI-P.

EAB Roles, Responsibilities and Capacity Building

[Jurisdiction] will describe here the roles and responsibilities of the EAB and how the jurisdiction will support and facilitate participation by EAB members (e.g., training, facilitation, technical support, reimbursement or compensation).

EAB Accessibility and Transparency

[Jurisdiction] will describe here how EAB activities will be accessible and transparent to the public, consistent with existing laws.

Anticipated Timeline for Implementation of this section:

- EABs will be established early in the process, as jurisdictions begin rulemaking and other initial program development steps.

3) Defining “Underserved and Overburdened Communities” for the purposes of this program

[Jurisdiction] will describe here the process by which it will determine which communities are identified as “Underserved and Overburdened” for the purposes of administering TCI-P.

4) Working with stakeholders to develop a public engagement plan

[Jurisdiction] will describe here its plans for ensuring that the public, including residents of overburdened and underserved communities, are able to provide meaningful input into decision-making processes during all phases of the program. These plans will build on a [TCI-P Framework for Public Engagement](#).

5) Adopting jurisdiction-specific rules based on the Model Rule

The [Model Rule](#) serves as a common framework that each TCI-P jurisdiction will use to develop regulations within their respective jurisdictions. The Model Rule is designed to ensure that participating jurisdictions use consistent approaches to regulating and enforcing a declining cap on carbon dioxide emissions from transportation fuel providers that will have compliance requirements under the multijurisdictional TCI Program.

[Jurisdiction] will propose regulations consistent with the Model Rule, with opportunity for public input.

[Jurisdiction] will describe here whether offsets will be issued or accepted for compliance [after the first program review].

6) Ensuring transparency and accountability regarding TCI-P implementation and progress toward achieving program goals, including through:

- a. Air quality monitoring**
- b. Annual reporting on investments and equity**

As described in the [Model Rule](#): jurisdiction and/or the regulatory agency will annually review and report the impacts of the TCI-P, including with respect to equity. JURISDICTION and/or the REGULATORY AGENCY will work with communities, its Equity Advisory Body and relevant technical experts to assess the equity impacts of the program on an ongoing basis, including by monitoring air quality in communities overburdened by air pollution to ensure the effectiveness

of policies and investments. Results of air quality monitoring from participating jurisdictions will be considered during TCI-P program reviews. Annual reports will specify how TCI-P proceeds are spent and include lists of projects and programs supported by TCI-P proceeds and the levels of investment received by each.

[Jurisdiction] is taking the following steps to implement this commitment:

7) Investing proceeds and creating high-quality jobs through transparent processes

As described in the [MOU](#): each TCI-P jurisdiction is committed to working collaboratively within its jurisdiction to invest, in a manner that reflects the population of overburdened and underserved communities, no less than 35 percent of the proceeds from the auction of allowances to ensure that overburdened and underserved communities benefit equitably from clean transportation projects and programs.

Furthermore, the [MOU](#) committed TCI-P jurisdictions to “promoting local economic opportunity and creating high quality jobs.”

Through a variety of processes, public input will help to inform how program proceeds are invested and high-quality jobs will be promoted. As described in section 2, above, Equity Advisory Bodies will provide recommendations regarding investments to ensure that overburdened and underserved communities benefit equitably from clean transportation projects and programs.

Level of proceeds invested for the benefit of Overburdened and Underserved Communities

[Jurisdiction] will describe here the legislative and/or decision-making processes through which investments levels will be determined.

Project Selection Criteria

[Jurisdiction] will describe here the policy and programmatic decision-making processes through which projects will be selected for funding, including any conditions to ensure high-quality domestic jobs.

Workforce development programs

[Jurisdiction] will describe here plans for identifying new jobs and new skills that may be required for TCI-P funded projects and developing programs to train workers for these jobs.

8) Collaborating with other TCI-P jurisdictions to administer TCI-P, including through:

- a. Administering the Transportation Registration, Emissions, and Allowance Tracking System (TREATS)**
- b. Allowance auctions and market monitoring**
- c. Regular program review**
- d. Issue Progress Reports**

As noted in the [MOU](#): *TCI-P jurisdictions will establish an Administrative Organization to provide administrative support and technical assistance to TCI-P jurisdictions. The Administrative Organization shall have no authority to adopt, implement, or enforce the requirements of any TCI-P jurisdiction's individual program. The Administrative Organization will be funded by TCI-P jurisdictions proportionally to their TCI-P allowance budgets subject to applicable appropriations processes.*

TCI-P jurisdictions will establish a board to oversee the activities of the Administrative Organization, which will manage allowance auctions, emissions reporting, and contract with a professional independent market monitor. The market monitor will monitor each auction and develop and apply data collection methods, metrics, and analytic techniques, and thresholds for identifying any bidding behavior or activity that may have a significant impact on the efficiency and performance of such auctions, including, but not limited to, collusion, market power, or, price manipulation.

A professional independent market monitor will also monitor allowance market data and information known to each jurisdiction's regulatory agencies, including allowance transactions and associated pricing reported in the Transportation Registration, Emissions, and Allowance Tracking System, and other relevant data and information to ensure fair competition, efficient pricing, and protection against collusive or manipulative behavior in the allowance auctions and in the TCI-P.

Regular Program Reviews. To ensure that TCI-P is achieving program goals within three years after program launch and regularly thereafter, the TCI-P jurisdictions will collaboratively conduct regular comprehensive program reviews of TCI-P. Program reviews will involve public engagement and may result in revisions to the Model Rule and the corresponding regulations of TCI-P jurisdictions including additional reductions before or after 2032.

TCI-P jurisdictions are taking the following steps to implement this commitment:

- In June 2021, the TCI-P jurisdictions will formally establish Transportation and Climate Initiative, Inc, or TCI, Inc, a non-profit organization to assist with the administrative functions implementing of TCI-P. This organization is modeled after a similar administrative organization created to help administer the multistate Regional Greenhouse Gas Initiative (RGGI Program). TCI, Inc. Is expected to carry out the emissions and allowance tracking, quarterly auctions, and engagement of a regional

market monitor, all on behalf of the TCI-P jurisdictions under contract. In June, the TCI-P jurisdictions will establish the board to oversee the activities of this organization.

- TCI-P jurisdictions are committed to thoughtful public engagement to inform periodic program reviews, including seeking input from each jurisdiction’s Equity Advisory Body.
- TCI, Inc. will produce annual reports with data and analysis on multiple parameters of TCI-P program performance.
- Markets will be monitored closely through the TCI, Inc. market monitor program for any market irregularities that may indicate unfair or deceptive practices.

[Jurisdiction] will describe here individual jurisdiction plans for enforcing anti-competitive market behavior identified by the TCI, Inc. independent market monitor.

9) Advancing additional policies to help achieve the goals of TCI-P.

As noted in the MOU: TCI-P jurisdictions recognize that achieving long-term reductions in pollution from transportation will require a combination of policy approaches. Each TCI-P Jurisdiction will consider a range of complementary policies to achieve additional emissions reductions, particularly in overburdened and underserved communities.

Examples of additional policies that TCI-P Jurisdictions will be pursuing collaboratively are in the [“Proposed Strategies for Regional Collaboration”](#)

[Jurisdiction] will describe here any additional policies that are being pursued.