

Transportation and Climate Initiative

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Issue

Provide the following:

1. the purpose of the Transportation and Climate Initiative (TCI),
2. how and when Connecticut joined TCI, and
3. a brief summary of the December 17, 2019, Draft Memorandum of Understanding from certain TCI states.

Summary

TCI is a regional collaborative of 12 mid-Atlantic and northeastern states and the District of Columbia. Its purpose is to improve transportation, develop the clean energy economy, and reduce carbon emissions from transportation. TCI is directed by state and district agencies from the participating jurisdictions. Connecticut is a participating state, along with Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, and Virginia.

Connecticut, through its energy, environment, and transportation agencies, joined TCI in 2010 by signing a [Declaration of Intent](#) with other jurisdictions' officials. The declaration specifically affirmed the intent to collaboratively work to reduce greenhouse gas (GHG) emissions from transportation. The declaration also stated that the collaboration would help, among other things, (1) reduce traffic congestion and improve transportation systems' performance, (2) encourage job growth and accommodate the flow of goods and services, (3) meet state-based GHG reduction targets, and (4) develop land use strategies that encourage increased housing density and transit-friendly design.

In December 2018, nine TCI jurisdictions, including Connecticut, [agreed](#) to design and implement a regional low-carbon transportation policy proposal to cap and reduce carbon emissions from transportation. (The decision followed regional “listening sessions” with stakeholders to discuss low-carbon transportation goals, needs, and policy.) The agreement stated that the designed policy would (1) use a cap-and-invest program or other pricing mechanism and (2) allow each participating TCI jurisdiction to use program proceeds for low-carbon and more resilient transportation infrastructure.

The participating TCI jurisdictions released their [draft Memorandum of Understanding](#) (MOU) for the regional low-carbon transportation policy on December 17, 2019. The MOU provides that participating jurisdictions will implement a regional cap-and-invest program to reduce emissions and help residents transition to affordable, low-carbon transportation options. Public comment on the draft is due by February 28, 2020. A final MOU is expected later in 2020.

Additional information about TCI and its efforts is available on TCI’s [website](#).

Memorandum of Understanding

The draft MOU provides that participating jurisdictions (i.e., those that choose to sign on to the final MOU) will work to establish a regional cap-and-invest program implementing individual programs within their own jurisdictions. It states that the final MOU must include (1) a regional carbon dioxide emissions cap on on-road diesel and finish motor gasoline and (2) an objective methodology for apportioning proceeds from the program to the participating jurisdictions.

It also states that participating jurisdictions will jointly develop a model rule to do the following:

1. implement the regional cap described above;
2. develop a process to auction emission allowances;
3. require regulated fuel suppliers to hold allowances to cover emissions from regulated fuels; and
4. include ways to stabilize the market and provide flexibility (e.g., through three-year compliance periods, alternative compliance means, allowance banking).

The draft MOU states that participating jurisdictions will work with communities to ensure that program benefits are equitably distributed to communities that are underserved by clean transportation alternatives, disproportionately shoulder the current transportation system’s costs, or are disproportionately affected by motor vehicle pollution and climate change.

As provided in the draft MOU, participating jurisdictions must follow the required legal processes in their respective jurisdictions to implement the program based on the MOU and the adopted model rule.

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