

Cap-and-Trade Auction Proceeds

Funding Guidelines

for Agencies that Administer California Climate Investments

DRAFT for Comment

**Public Workshop: Sacramento
June 22, 2015**



California Environmental Protection Agency
 **Air Resources Board**

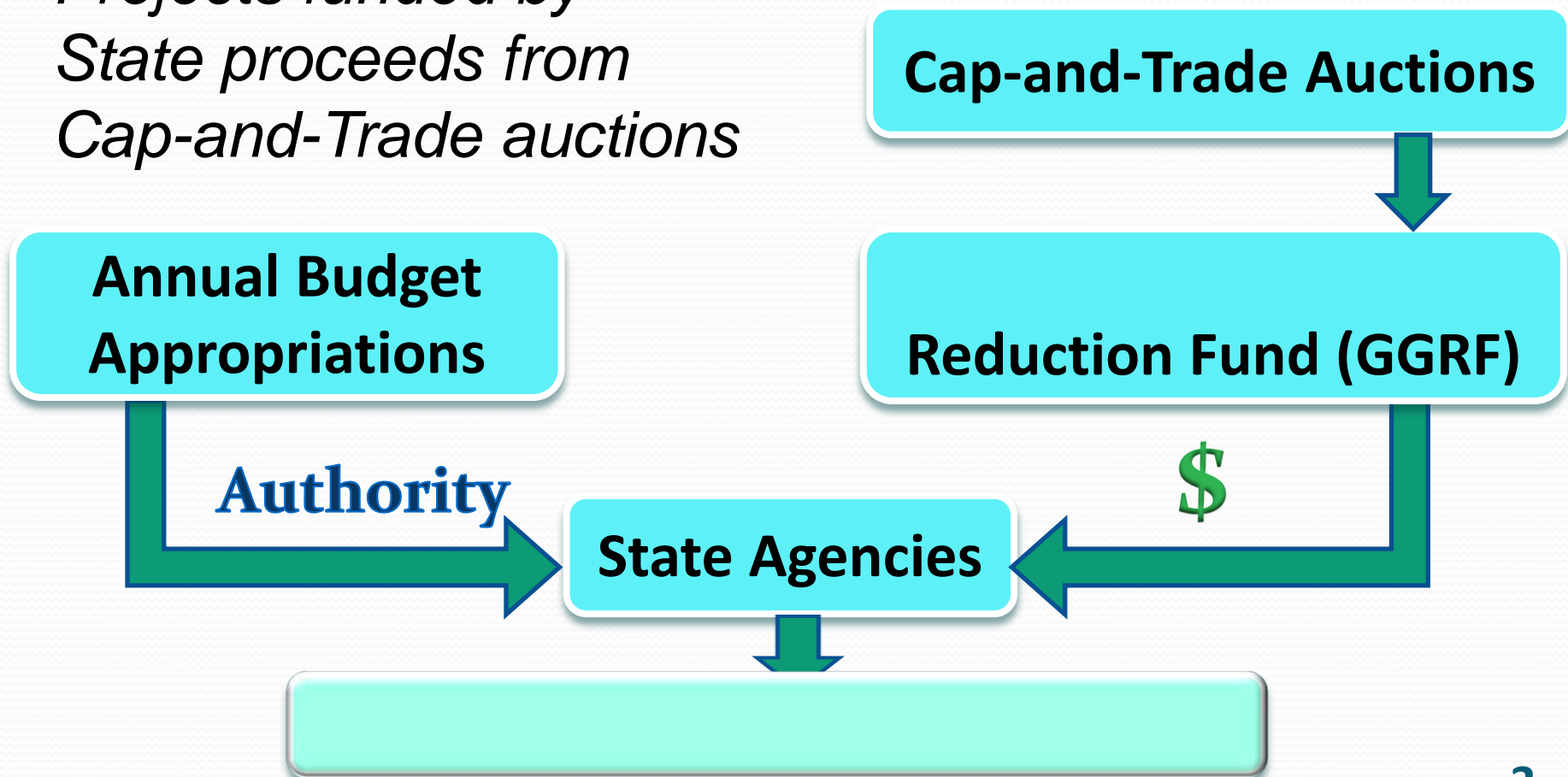
Agenda

- What are “California Climate Investments”
- Why has ARB developed Funding Guidelines?
- Who will be using the Funding Guidelines?
- What is in the Funding Guidelines?
- Next steps
- Public comment



What are “California Climate Investments”?

*Projects funded by
State proceeds from
Cap-and-Trade auctions*



Why has ARB developed Funding Guidelines?

Senate Bill 862 (2014) requires ARB to:

- Develop funding guidelines for agencies administering GGRF appropriations
 - Must include maximizing benefits for disadvantaged communities
- Develop guidance on reporting and quantification methods

Who will be using the Funding Guidelines?

- All agencies that administer GGRF appropriations
 - current and future
- Each agency designs and implements its own program, consistent with statute and Funding Guidelines

California
Strategic Growth Council



CALIFORNIA
High-Speed Rail Authority

California Environmental Protection Agency
Air Resources Board



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE



What is in the Funding Guidelines?

- *Volume 1*: General Guidance
- *Volume 2*: Investments to Benefit Disadvantaged Communities
- *Volume 3*: Reporting Requirements

Volume 1: General Guidance

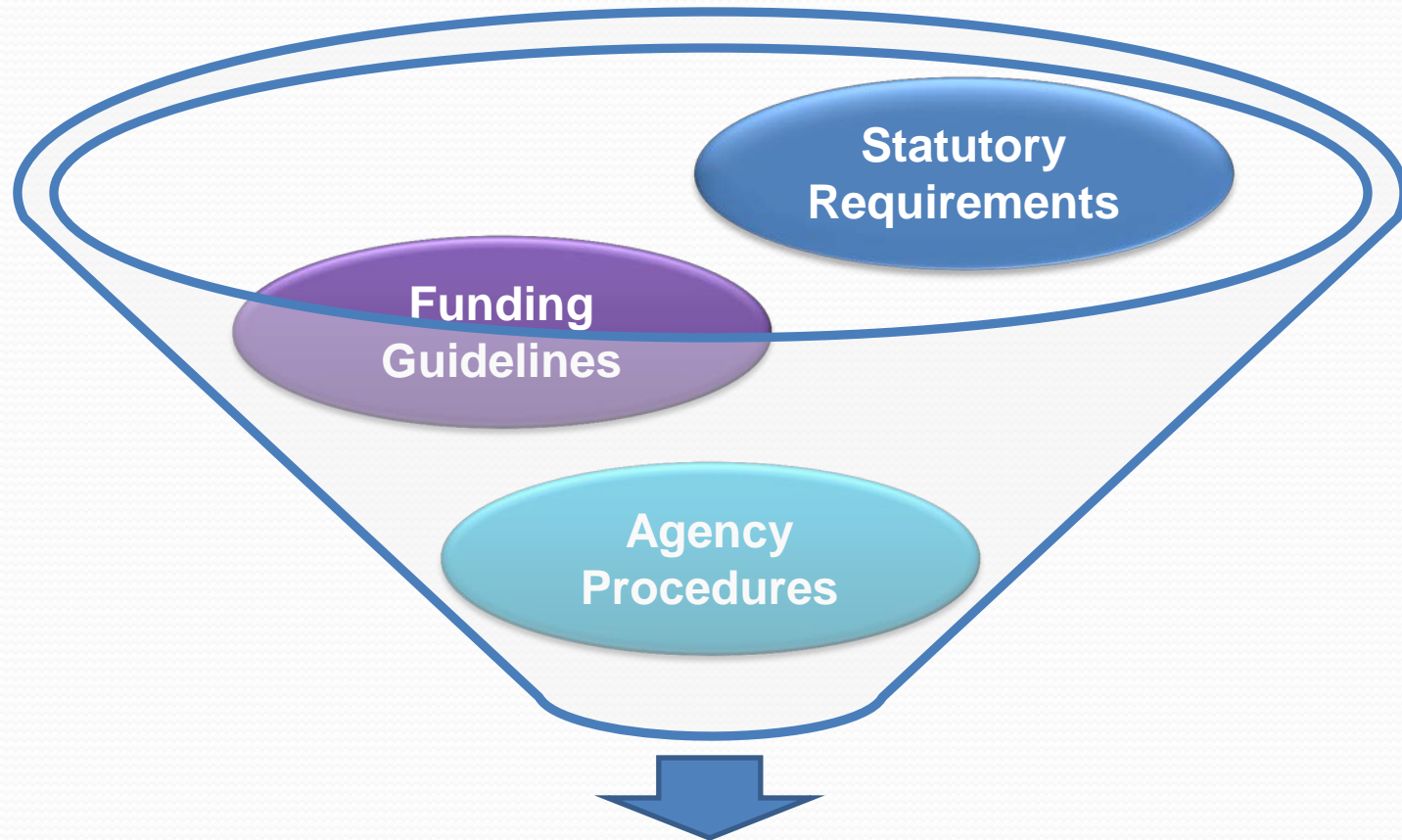
Topics Include:

- General Questions
- Statutory Requirements
- Guiding Principles
- Program Design
- Guidelines and Solicitation Materials
- Expenditure Record and Fiscal Procedures
(supersedes Interim Guidance from Aug 2014)

Goals and Objectives

1. Identify roles, responsibilities, and statutory requirements
2. Provide guidance on requiring and prioritizing GHG reductions
3. Outline a process for designing and implementing GGRF programs
4. Identify elements each agency needs to address when selecting projects for funding
5. Provide a framework for consistent GGRF accountability and transparency

Program Design and Implementation



Program guidelines, solicitations, and implementation

Summary of Key Requirements

When agencies design and implement GGRF programs, they must:

- Make GHG reductions a requirement & top priority
- Meet other GGRF statutory requirements
- Reflect guiding principles
- Incorporate accountability and transparency elements
- Work with ARB on Expenditure Records and GHG quantification early in program design

ARB Guidance on GHG Quantification

- Statute requires ARB to develop guidance on quantifying GHG reductions
- ARB will release a draft quantification workplan for public comment
- ARB process for FY 2015-16 and later:
 - Consult with agencies to discuss planned project types and identify possible quantification approaches
 - Develop draft quantification method and post it on website for public comment
 - Refine quantification method and post final version

Volume 2: Investments to Benefit Disadvantaged Communities

Topics Include:

- Identification of Disadvantaged Communities
- Approach to Evaluate Investments and Meet SB 535 Targets
- Maximizing Benefits to Disadvantaged Communities
- Criteria for Evaluating Benefits
- Volume 2 supersedes Interim Guidance (Nov 2014)

Goals and Objectives

1. Outline roles in implementing SB 535
 - at least 10% of funds for projects “located in”
 - at least 25% of funds for projects “benefiting”
2. Provide guidance on maximizing benefits to disadvantaged communities
3. Identify minimum SB 535 targets for each GGRF appropriation
4. Establish consistent criteria for evaluating whether a project provides a benefit

Key Programs to Benefit Disadvantaged Communities

- Weatherization/renewables
- Urban forestry
- Low-carbon transportation
- Affordable housing and sustainable communities
- Low-carbon transit operations
- Transit & intercity rail capital projects
- Other programs are also benefiting communities



Summary of Key Requirements

Use the “yes/no” criteria in the Funding Guidelines to determine if a project provides a benefit and will be credited toward the SB 535 targets:

- A. Located in and provides direct benefits to a disadvantaged community; or
- B. Is not located in but provides direct benefits to one or more disadvantaged communities
 - 1. Based on proximity/access to benefit for residents (e.g., ZIP code or ½ mile walking distance)
 - 2. Provides jobs/job training, cleaner air, transit, access to green space, waste diversion, etc.

Volume 3: Reporting Requirements

Topics Include:

- Annual Report to the Legislature
- Roles and Responsibilities
- General Reporting Requirements
- Reporting Requirements by Project Type

Goals and Objectives

- Provide consistent tracking and reporting of GGRF investments for:
 - Annual Report to the Legislature
 - Public reporting of GGRF project investments
- Collect data to support quantifying and tracking GHG and other benefits achieved
- Feedback to improve investment decisions and quantification

Public Access to Information

- ARB website is a central portal for all programs
 - Annual Report to the Legislature is available at:
<http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/2015ggrf-annual-report-to-legislature.pdf>
 - Agency websites provide public access to:
 - Funding opportunities
 - Application materials
 - Funding awards
- ARB on-line tracking system is under development to provide project information

Summary of Key Requirements

Administering agencies need to:

- Gather project data from grantees and other funding recipients
- Document GHG reductions and co-benefits
- Document disadvantaged community benefits
- Submit data to ARB on all projects once each year, per the tables in the Funding Guidelines
- Retain project records for three years

Reporting – Based on Project Type

Requirements are tailored to each project type:

- Customized tables to collect data
 - Project Profile
 - End-of-Year Report
 - Project Closeout
 - “Phase 2” Reporting
- One table to gather data on jobs and job training

Contact Us

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 - submit comments electronically
 - subscribe to list serve
 - see upcoming events
 - See program information
- Submit comments during workshop via email: Auditorium@calepa.ca.gov

Next Steps

- **June 29:** Comments due on public draft
- **July 13:** Proposed release of revised Funding Guidelines
- **July 23:** Board to hear testimony and consider ARB Funding Guidelines