

*Cap-and-Trade Auction Proceeds*

# **Funding Guidelines** **for Agencies that Administer** **California Climate Investments**

***DRAFT for Comment***

**Public Workshop: Los Angeles**  
**July 16, 2015**



California Environmental Protection Agency  
 **Air Resources Board**

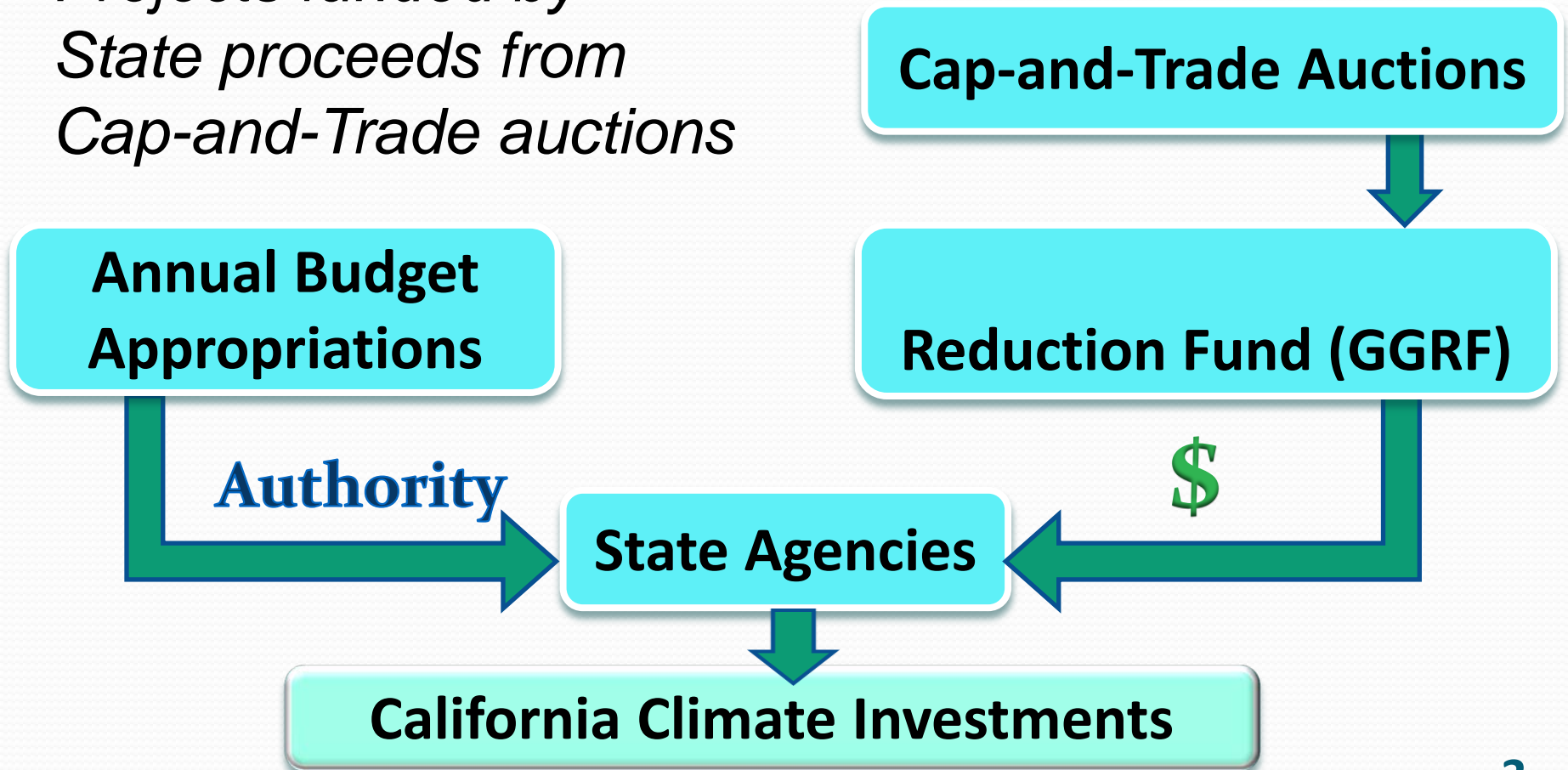
# Agenda

- 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:*

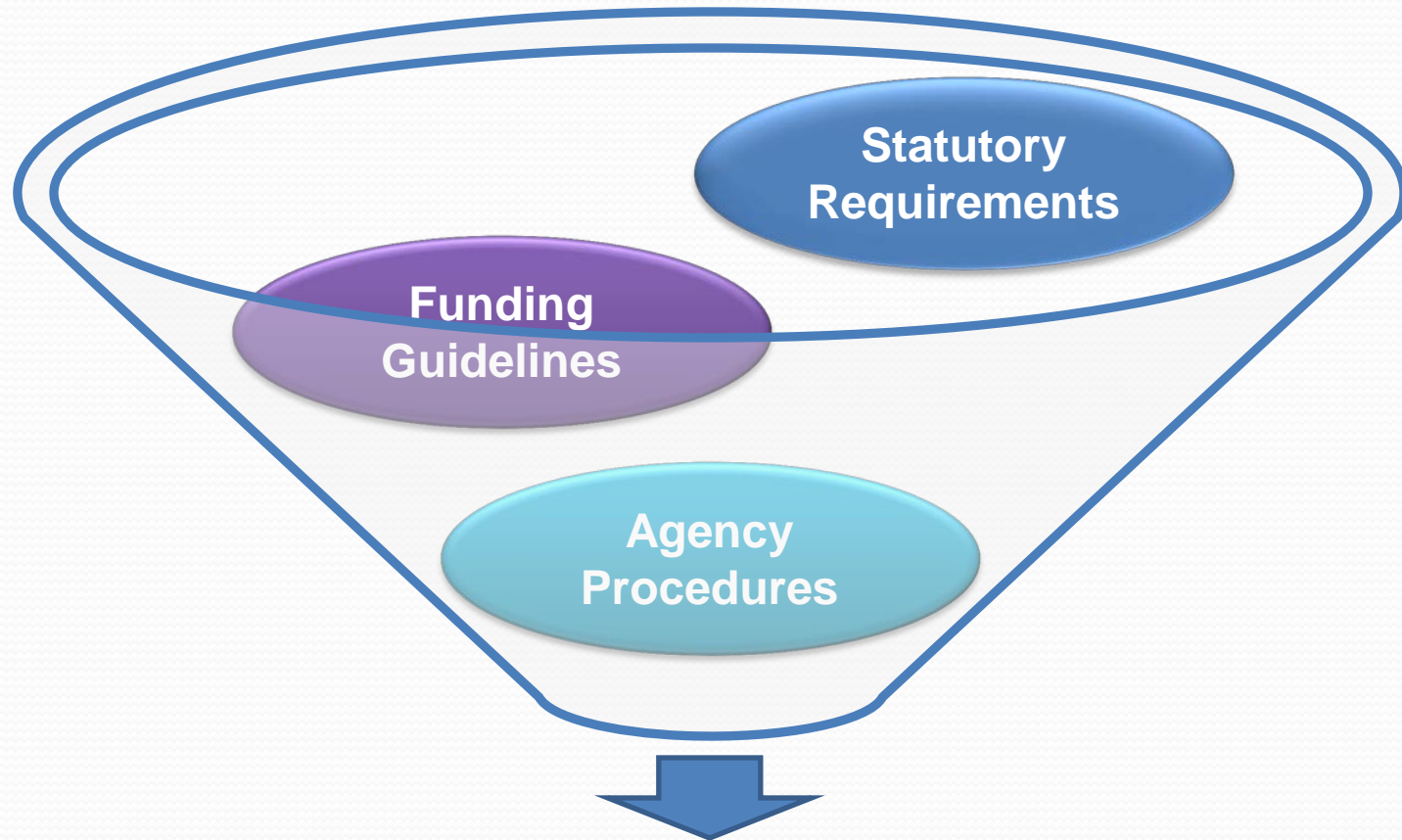
- General Questions
- Statutory Requirements
- Guiding Principles
- Program Design
- Guidelines and Solicitation Materials
- Expenditure Record and Fiscal Procedures  
*(supersedes Interim Guidance from Aug 2014)*

## 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:

Step 1 - Located in and provides direct benefits to a disadvantaged community; or

Step 2 - Is not located in but provides direct benefits to one or more disadvantaged communities

- Based on proximity/access to benefit for residents (e.g., ZIP code or ½ mile walking distance)
- 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 must:*

- 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



# Comment Themes

- More time for public process, more workshops
- More public access to information
- Disadvantaged Communities:
  - Revise list of communities
  - Strengthen guidance on maximizing benefits
  - Revise criteria tables
  - Increase investment percentage for SB 535
- Quantification: GHGs, co-benefits
- Need assistance in accessing funds
- Rural areas: assistance, funding set-aside
- High-Speed Rail

# Supplemental Text for Funding Guidelines

- July 13: ARB released supplemental text in response to comments
- Proposed text addresses two main issues:
  - *Transparency and public access to information*
  - *Maximizing benefits to disadvantaged communities*
- ARB staff are continuing to work with stakeholders and agencies to address comments

# Contact Us

- ARB Staff
  - Monique Davis: 916-322-7304
  - Matthew Botill, Manager: 916-324-2828
  - Email: [GGRFProgram@arb.ca.gov](mailto:GGRFProgram@arb.ca.gov)
- Website: [www.arb.ca.gov/auctionproceeds](http://www.arb.ca.gov/auctionproceeds)
  - Submit comments electronically
  - Subscribe to List Serve
  - See upcoming events
  - See program information
- **Aug 14:** Comments due on public draft



# Additional Opportunities for Public Input

## Workshops: Investment Plan & Funding Guidelines

*(tentative dates)*

- **Aug 3:** Sacramento (*also webcast*)
- **Aug 4:** Fresno
- **Aug 6:** Oroville
- **Aug 10:** Oakland
- **Aug 12:** Fontana (*day*) & Los Angeles (*evening*)
- **Aug 13:** San Diego

## ARB Board Hearing

- **Sep 24-25:** Board to hear testimony and consider ARB Funding Guidelines