Guidelines for Submitting a Supplemental Environmental Project Proposal

The California Air Resources Board (CARB) Supplemental Environmental Project Policy, consistent with the requirements of Public Resources Code section 71118, allows entities in violation of environmental laws to voluntarily contribute to offset up to 50 percent of a violator's penalties to a Supplemental Environmental Project. A Supplemental Environmental Project (SEP) is an environmentally beneficial project intended to improve public health, reduce pollution, increase environmental compliance, and bring public awareness to neighborhoods most burdened by environmental harm.

Each California Environmental Protection Agency (CalEPA) board or department has its own policy addressing the required elements of a Supplemental Environmental Project. To request a Supplemental Environmental Project proposal form, go to https://calepa.ca.gov/sep-proposal-form/

The CalEPA Supplemental Environmental Project Proposal form will ask for the following general information:

- Organization name and contact information.
- Project name, location, and description.
- Environmental issue to be addressed by the project.
- Environmental benefits.
- Estimated project cost and timeline.

CalEPA will review your project proposal to determine which agency’s Supplemental Environmental Project program is most appropriate for your project and forward the form to that agency for further evaluation. CalEPA proposals sent to CARB will be evaluated by CARB to determine if the project concept fits within CARB’s Supplemental Environmental Policy Selection Criteria. CARB will notify you via email if your initial proposal meets the necessary qualifying criteria.

What are the CARB Supplemental Environmental Project Categories?

1. Pollution Prevention or Reduction
2. Environmental Protection
3. Air Related Education or Compliance Training
4. Community Monitoring
5. Trans-Boundary Provide support for projects that provide a direct benefit to Californians in and around the border environment with other states and Mexico.
6. Other projects that do not fit within the above categories may be considered if they are otherwise fully consistent with the general requirements for SEPs and the CARB SEP Policy.

**What other important information must I include in my proposal to CalEPA for CARB consideration?**

Your project proposal must meet all three CARB Supplemental Environmental Project Qualifying Criteria. In your project summary state how your proposal meets each one of the Qualifying Criteria listed below.

1. The project enhances CARB’s mission of ensuring cleaner air by one or more of the following:
   a. Reducing the risk burden posed to public health.
   b. Preventing emissions beyond current air quality programs.
   c. Improves the environment through education.
2. The project will go beyond federal, State, and local requirements.
3. The project is technically, economically, and legally feasible.

If your project fails to meet one of the above Qualifying Criteria, CARB will notify you and work with you to determine if the project can be redesigned to simultaneously fit your needs and fulfill the requirements laid out in the CARB Supplemental Environmental Project policy.

**What happens once CARB has received my initial proposal submitted to CalEPA?**

CARB will notify you via email that we received your initial proposal and will send you a follow-up form requesting more detailed information about your project, explain the CARB Supplemental Environmental Project technical review and approval process, and the Supplemental Environmental Project agreement outlining the expectations if your project is selected.

**What should I keep in mind when designing a Supplemental Environmental Project for CARB?**

Use the policy as a guide to develop the project concept. Think about the selection criteria. For example:

1. Does my proposal fall into one or more of the CARB Supplemental Environmental Project Categories?
2. Does my proposal meet the Qualifying Criteria?
Build your proposal around answering these questions in the CARB Supplemental Environmental Project proposal. Develop your project proposal to address the Supplemental Environmental Project Selection criteria and include statements that describe how the proposed project meets one or more of the criteria in the project proposal description and/or summary.

What is the process for submitting a Supplemental Environmental Project to CARB?

1. Go to CARB’s Supplemental Environmental Project webpage and complete the Supplemental Environmental Project proposal online here: https://calepa.ca.gov/sep-proposal-form/

2. Proposals are screened by CalEPA and forwarded to CARB for review to ensure it meets CARB’s Supplemental Environmental Project Policy. SEP Policy can be found at https://www.arb.ca.gov/enf/SEP/arbSEPpolicy2016.pdf

What happens once CARB receives my completed follow-up form?

1. CARB staff will send an email notification indicating that the Supplemental Environmental Project Proposal has been received and is under review.

2. During the review process, CARB may follow-up with questions or request additional information to ensure that the proposal is technically and administratively complete.

3. There are three potential outcomes from CARB review:
   a. Your project meets the qualifying criteria is approved and you will be notified that the project has been placed on the CalEPA and CARB Supplemental Environmental Project Eligibility Lists.
   b. Your project tentatively meets the qualifying criteria pending a request for additional information before listing.
   c. Your proposal does not meet the qualifying criteria and you will be notified in writing regarding why the project was not eligible for listing.

Is there additional information that is not required but viewed as preferential to CARB?

Yes, the CARB Supplemental Environmental Project Policy also has Preferential Criteria that favors projects that meet one or more of the following:

1. Project provides direct emission reduction to reduce exposure. The project describes how air emissions or exposure to air pollution is reduced. Be sure to include
the specific compounds or air pollutants targeted by the project (e.g. diesel particulate matter, nitrogen oxide, greenhouse gases, volatile orogenic compounds, etc.).

2. Your project benefits a disadvantaged community. CARB uses the CalEnviroScreen as a benchmark for defining what communities in Californian are located within the boundaries of a disadvantaged community. A community's score of 75 percent or greater is defined as a community disproportionality affected by pollution.

3. Your project provides community benefits that go beyond CARB's mission to clean the air. Your project summarizes how it goes beyond current regulations or uses technologies that reduce emissions beyond the regulations currently in place.

4. Your project addresses multiple environmental concerns. An example would be a multimedia project that goes beyond air related environmental concerns and focuses on another environmental media such as water, soil, recycling, or hazardous waste.

If my Supplemental Environmental Project proposal is not eligible for listing, can I revise my proposal and resubmit it?

1. Yes, you will be notified in writing regarding why the project was not eligible for listing.

2. You can revise and resubmit their proposals based on CARB's feedback.

3. You are encouraged to follow-up with CARB and ask questions.

Can I submit multiple proposals for Supplemental Environmental Projects or submit a proposal for an ongoing Supplemental Environmental Project?

An ongoing SEP is a project that has received funds and is in implementation phase.

1. Yes, you can submit multiple proposals for Supplemental Environmental Projects or submit a proposal for an ongoing SEP project that meets CARB's qualifying criteria.

2. You should clearly describe the ongoing SEP project, the status, milestones achieved, and future milestones that will be funded if approved for eligibility.

Can I submit my proposal at any time during the year?

Yes, the Supplemental Environmental Project proposal process is ongoing and they are reviewed in the order they are received.

What if I have questions in completing my Supplemental Environmental Project Proposal?

CARB recognizes that not all proposals will be fully developed, and provides reasonable assistance to help you satisfy the program requirements.
We encourage you to complete the proposal to the best of your ability to begin the review process. CARB will reach out to you should any additional information be needed.

**How can my proposal be selected for funding by a settling violator?**

When a company or individual has failed to comply with CARB’s rules and/or regulations, many violators agree to settle. CARB has the authority to require the settling party to achieve and maintain compliance with air quality laws and regulations and to pay a monetary civil penalty. During settlement negotiations, violators can voluntarily agree to fund a Supplemental Environmental Projects to offset a portion of their penalty. CARB may allow settling parties to allocate up to 50% of the monetary civil penalty towards funding one or more listed eligible Supplemental Environmental Projects.

**What happens if my proposal is selected for full or partial funding?**

When a violator selects a SEP for full funding, the proposal is removed from the available SEP list. If the proposal is selected for partial funding, the remaining amount is updated on the available SEP list and continues to be available for selection.

You, as the SEP Recipient, will be notified and required to sign a SEP Oversight Agreement. This document is prepared and sent to you by the CARB SEP Team, which contains details on the project, funding, reports and recordkeeping requirements, contact information and additional provisions.

Once the SEP Oversight Agreement is signed by you and returned to the SEP Team, the CARB authorized signee will review, approve and sign this agreement which becomes an agreement between CARB and you (the SEP Recipient).

**What should I do after receiving the funds for my project?**

You, as SEP Recipient, will be required to notify the SEP Team that the funds have been received. You will also be required to provide quarterly expenditure reports for the length of the project. Expenditure reports are expected to match the budget submitted in your SEP Proposal.

**What should I do after my project is completed?**

Upon completion of the project, you will be required to submit a final report to the SEP Team, which must contain an overview of the accomplished objectives, achieved milestones and encountered obstacles during the SEP implementation.

For any additional Supplemental Environmental Project related questions or assistance, please send an email to the CARB Supplemental Environmental Project team at SEP@arb.ca.gov.