

August 13, 2024

Robert Spiegel, Vice President, Government Relations
California Manufacturers Technology Association
1121 L Street, Suite 700
Sacramento, California 95814

Dear Mr. Spiegel:

Thank you for your comments dated June 18, and July 15, 2024, regarding the implementation of Blueprint 2.0 and CARB's July 25 Community Air Protection Program Annual Progress Update. This letter and its Enclosure respond to questions from both your June 18, 2024, letter and your July 15, 2024, letter posted to CARB's docket for the July 25 CARB Board meeting item *24-4-4: Public Meeting to Hear Community Air Protection Program Annual Progress Update*.

As an initial matter, it is important to respond to the suggested deficiency described in your comments that CARB should "provide more transparency to the Board and to the public regarding how OCAP intends to implement the program vision described in Blueprint 2.0." First, CARB has been consistently transparent to the Board and the public about implementing the Program and Blueprint 2.0. CARB engaged in a multi-year transparent process directly engaging with stakeholders, including the AB 617 Consultation Group, to develop Blueprint 2.0, updated the Board on this progress in a February 23, 2023, item, presented to the Board prior to the Board's adoption of Blueprint 2.0 in the October 23, 2023, board item, and just recently presented an implementation update to the Board on July 25, 2024.

Second, Blueprint 2.0 serves as the overarching guidance document that outlines goals and actions that will be accomplished over five years. It is not the implementation plan for all the goals and commitments included in the Blueprint. In the nine months since the adoption of the Blueprint, CARB has revised and released the updated incentives guidelines, made awards to Cycle 4 Community Air Grant recipients, including 8 L-CERP projects, released the draft Request for Applications for Cycle 5 Community Air Grants, launched the third-party evaluation of the Community Air Protection Program (Program), facilitated the Executive Officer's approval of the CERP for the International Border Community, transitioned the South Sacramento Florin community to develop a CERP, and provided the first update to the Board under the framework of Blueprint 2.0. As these and other goals and actions are implemented, public engagement has and will continue to inform our work.

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We remain committed to continue working towards the goals laid out in Blueprint 2.0 while also engaging in the collaborative decision-making that is central to community air protection. To that end, we welcome an opportunity to discuss the many concerns you outline in your letters. I may be reached via email at deldi.reyes@arb.ca.gov or at (279) 203-7477.

Sincerely,

A handwritten signature in black ink that reads "Deldi Reyes". The signature is written in a cursive style with a prominent loop on the "R".

Deldi Reyes, Director, Office of Community Air Protection

Enclosure

Enclosure

The following summarizes similar CMTA comments included in the June 18 and July 15, 2024, letters and CARB's response.

1. *CARB should provide a detailed analysis of the grant amounts CARB intends to issue in the current fiscal cycle, including:*

a. *How much of the funding will be dedicated to both existing communities and Consistently Nominated Communities (CNCs)?*

Communities impacted by cumulative emissions burdens deserve support to address their harmful air quality and public health impacts. Consistent with AB 617 and Blueprint 2.0, CARB is concurrently designing and implementing more efficient approaches to maximize similar air quality benefits for Consistently Nominated Communities and completing implementation of CERPs in existing communities. CARB staff maintains an [AB617 Funding FAQ](#) that highlights the funds the Community Air Protection program has been allocated by the Legislature from program inception to date. Table 3 CAP Incentives shows how much each air district receives. CARB and the California Air Pollution Control Officers Association work together to allocate funds to air districts every year to ensure that the funding targets at least 70% disadvantaged communities and 80% low-income communities, including selected and consistently nominated communities. For FY 2023-24, the total amount is \$234 million. To see details on how the funding from past fiscal years has been used, see [CommunityHub2.0](#), Funding Tab.

b. *How CARB will accommodate increasing demands to fund multi-year L-CERP projects.*

Community Air Grants (CAG) awards are made on a competitive basis. AB 617 requires CARB to administer Community Air Grants using funds annually appropriated by the Legislature. CARB's Cycle 5 [Draft Request for Applications](#), released on July 19, 2024, notes that CARB plans to award almost \$16M dollars (combined funding from two fiscal years) in CAG funding across a variety of project types. The most competitive L-CERP proposals will most likely reflect progress to implement foundational capacity-building and/or technical projects to conduct air monitoring, supported through previous grants.

- c. *An estimate of the number of Community Air Grants (CAGs) CARB intends to issue on an annual basis over the course of the next five-year phase of the program.*

The amount of funding for CAGs depends on the amount allocated by the Legislature and the number of competitive applications that are received and awarded in a grant cycle. The amounts appropriated have varied from \$0-10 million dollars in a grant cycle. The 2024-2025 fiscal year (Cycle 6) commitment is anticipated at a total of \$5 million for CAGs, however, this is subject to future appropriations by the Legislature as part of the budget process.

CommunityHub2.0 maps CAG projects that have been funded throughout the state. A CAG award snapshot is shown in Table 1 below.

Table 1: CAG Award Snapshot

CAG Cycle	CAGs Awarded	Amount Funded
1	27 projects	\$10M
2	29 projects	\$5M
3	39 projects	\$10M
4	42 projects	\$10M
Totals	137 grants awarded	\$35M awarded

- d. *The specific criteria CARB will use to prioritize project applications in various Consistently Nominated Communities (CNCs).*

The [draft Community Air Grant RFA](#) contains proposed criteria that, when finalized, will be used to score all applications, without regard to CNC status. In the RFA, Table O on page 21 describes the minimum requirements against which all applications will be screened.

Applications that pass this threshold review will then be scored using the criteria described in Table 1, Section S, page 26. CARB will consider all comments and feedback received on the draft RFA before finalizing these criteria. CARB cannot limit competition to only those communities that appear in the CNC list.

- e. *How CARB will avoid making new open-ended resource commitments to CNCs.*

CARB expends public funds consistent with legislative appropriations and state law and has made no open-ended resources commitments to CNCs. As outlined in Blueprint 2.0, over the next five years, CARB staff plans to engage with representatives of the CNCs to better understand air quality needs and apply new pathways of support. These new pathways are not exclusive to funding. These pathways include actions such as community-focused enforcement, increased flexibility for incentives (the [Community Air Protection 2024 Guidelines](#)), and opportunities to compete for Community Air Grants. Community air grants are awarded on a one-time basis and do not come with a guarantee of continued funding.

2. *A program implementation budget that is based on authoritative revenue forecasts for the Greenhouse Gas Reduction Fund and other specified funding sources.*

As described in [AB617 Funding FAQ](#), the Legislature provides funding appropriations to CARB and Air Districts to implement AB 617 (Garcia, Stats. of 2017, ch. 136) through the State's annual budget process. Revenues from the Greenhouse Gas Reduction Fund vary annually; however, Program funding remains generally consistent with the prior year. As air districts complete CERPs for the communities that were selected in the first year of the program, resources allocated to air districts can be redirected to support their work with new communities. CARB is required to implement legislative appropriations as directed by the Legislature for specific purposes and cannot shift Program funding across categories.

3. *A comprehensive revision and expansion of the current Request for Applications (RFA) document before OCAP issues the next round of CAGs, addressing the factors listed on page 2 of this letter. Release a discussion draft of the RFA guidance for an initial 45-day public comment period before issuing a proposed RFA. First time grants will not be sufficient to support development, much less implementation, of L-CERPs and will likely be followed by requests for supplemental funding in future grant cycles.*

On July 19, 2024, CARB released the [draft RFA](#) for comment. The comment period closes on August 25. CARB intends to move ahead with the solicitation

after finalizing the RFA. CARB's engagement plan, posted on August 5, 2024, includes two public workshops as also described at our [Community Air Grant webpage](#) to solicit input on the draft RFA. All comments received during the workshops and during the public comment period will be considered and incorporated, as appropriate, in the final RFA.

All Community Air Grants are awarded as one-time funding expenditures. It is likely that CAG grantees working on L-CERP projects may require more than a two-year project period and such grantees may choose to compete for future funding cycles. Supplemental funding without competition is not an option for CAGs.

4. *Periodic project-specific audits to evaluate whether CAG expenditures are consistent with the terms of approved applications.*

As part of executing a final grant agreement, CARB programmatic, legal and administrative staff conduct comprehensive reviews of the work plan, timeline and budget provided by the applicant to ensure the grant package aligns with CARB's grant regulations and the RFA. CAG agreements include terms and conditions that, among other things, require applicants to provide progress reports consistent with California Climate Investments guidance. In addition, selected projects will be required to submit project-level data to CARB. If a funding recipient does not perform in accordance with the program guidelines, the recipient will be subject to remedies for non-performance, as identified in program guidelines.

The purpose of the Community Air Grants as required by AB 617 is to provide technical assistance and support community participation in the implementation of the community air protection process. It is important to emphasize that, under AB 617, the primary responsibility to achieve emissions reductions rests with CARB and air districts. CARB has structured the CAG RFA to include project types ranging from education and capacity building to air quality monitoring and the development of Local CERPs.

5. *Establish criteria to inform corrective actions if the CAG recipient fails to satisfy project performance or accountability metrics.*

See [2022 CARB Request for Applications Sample Grant Provisions, section F - Fiscal Administration and H. Terms and Conditions](#) included in executed Community Air Grants. Also see response to Item 4.

6. *A detailed schedule for completing CAG-related work streams, noting opportunities for stakeholder engagement, and clarifying whether the RFA, or another yet-to-be developed guidance document, will be the primary mechanism for providing L-CERP guidance. This includes completing the San Joaquin Valley L-CERP case study.*

As part of the competitive review of project proposals, applications include work plans and timelines that must be completed as part of the project. The funds that support the Cycle 4 CAGs, which include project-specific workplans, must be liquidated by June 30, 2026.

As a regular element of managing Community Air Grants, CARB staff are conducting kick-off meetings and orientation sessions for Cycle 4 grantees. As part of this orientation, grantees are made aware of the multitude of resources generated by CARB and air districts to enhance participation in the community air protection process. Together with information in the final RFA about L-CERPs, this constitutes guidance for recipients. A full plan for engaging with the consistently nominated communities over the five years is in development.

The case study on the San Joaquin Valley L-CERP project is underway.

7. *The Draft Report provides a high-level discussion of CARB's vision for L-CERPs, along with a short list of activities OCAP defines as being eligible for L-CERPs (page 14). This list includes actions that are required for formally designated CERP communities, such as developing a charter to support governance and decision-making, setting community boundaries, and developing measures to address priority air quality issues. Given these features, it remains unclear how OCAP has determined that L-CERPs are not required to be adopted and approved by an air district board or the CARB Board.*

An L-CERP is distinguished from a CERP in that the L-CERP is developed and implemented by community-based organizations or California Native American Tribes, ideally with air district participation, and is financially supported through the Community Air Grants (CAGs). An L-CERP is a set of priority actions to improve local air quality developed and implemented by a Community Air Grantee and represents a key deliverable under the grant. As such, the L-CERP is not required to be adopted and approved by an air district board or the CARB Board. In contrast, AB 617 requires that CERPs resulting from the formal community selection process be approved by the air district

board and the CARB Board. Grantees working on L-CERP projects are strongly encouraged to partner or coordinate with the local air district to support implementation and to evaluate the feasibility of proposed actions in their L-CERP projects.

8. *Rebalance Consultation Group (CG) membership to allow for more meaningful representation of business and industry perspectives. Allow reappointment of prior CG members who have proven their commitment to the AB 617 program, their CG colleagues, and the implementation process. CARB should hold a series of meet-and-greets and collaborative discussions in advance of CG charter development efforts to foster communication and encourage good-faith engagement.*

The AB 617 Consultation Group (CG) was established in 2018 by CARB to provide advice to the Community Air Protection Program and the development and update to the Statewide Strategy. The initial 17-member CG Consultation Group included representatives of environmental justice organizations, air districts, industry, academia, public health organizations, and local and tribal government. In March 2024, after several members resigned from the CG to comply with statutory conflict of interest provisions that apply to members of advisory boards, CARB dissolved the CG. CARB committed in Blueprint 2.0 to reinvigorate the Consultation Group by, in part, expanding the membership to include representation of consistently nominated communities. CARB intends to retain the stakeholder category of business and industry, as required by AB 617. Previous members are welcome to apply to the CG and CARB welcomes discussion with any potential applicants.

9. *Identify which AB 617 communities will be included in CARB's Mobile Monitoring Initiative (MMI), how OCAP intends to use the data, and how it will validate the data for those purposes.*

The goal of the Statewide Mobile Monitoring Initiative is to collect a dataset of criteria pollutants, toxic air contaminants, and greenhouse gases in communities across the state to help identify and address issues related to air quality. At least 60% of the monitoring must be conducted to benefit California Climate Investments priority populations. Specific monitoring areas will be determined through a community engagement process and documented in community air monitoring plans. Please see <https://ww2.arb.ca.gov/statewide-mobile-monitoring-initiative> for more details on SMMI

10. Identify specific elements of Blueprint 2.0 CARB plans to change, for what purpose, in what timeframe, and how it will accommodate public engagement in that process.

Blueprint 2.0 was adopted by the CARB Board in October 2023. CARB is currently focused on implementing Blueprint 2.0 to meet both the commitments in CERPs for the 19 communities formally selected for the program, as well as expand program benefits to CNCs. At the same time, CARB has committed to activities to continue to surface lessons learned and best practices. Some of those activities include the launch of a third-party programmatic evaluation, participation in the ongoing evaluation led by UC Davis (privately funded) and the future launch of a peer-to-peer learning series to bring together the 19 Community Steering Committees.

11. Because OCAP is proposing to subsidize L-CERPs with public funding, grant recipients should not have the authority to dictate who can and cannot participate in the L-CERP process.

The use of public funds does not necessarily preclude grantees from determining, based on the scope of their project, who they will engage with in the implementation of their projects.

12. Most of the information about the Technology Clearinghouse and the "online prototype" appears to date back to 2020 and 2021, and it is unclear what new information is being developed or updated ahead of CARB's release of the final version, or whether additional prototype work products will be made available for public review and comment between now and then.

The updated version of the Technology Clearinghouse (TCH) is now scheduled to be released publicly in Spring, 2025. The TCH BARCT (Rules) prototype was updated December of 2023, and the BACT prototype was last updated in spring of 2022, and we expect both to be updated before TCH launch. At this time, we are not planning on additional prototypes before the final release.