


To: Steven S. Cliff, Ph.D., Executive Officer 

Through: Christopher Grundler, Deputy Executive Officer

From: Lucina Negrete, Assistant Division Chief, Mobile Source Control Division

Date: April 14, 2026

Subject: Grid Alternatives Program Review and Audit Executive Memo

The California Air Resources Board (CARB) has completed the Program Review of Grid Alternatives (GRID) conducted by Crowe LLP (Crowe). The scope of this review included grants implemented for fiscal years 2017-2023. In addition to the Program Review, a fiscal compliance audit was conducted by the California Department of Finance's Office of State Audits and Evaluations (Department of Finance).

Summary of Findings

The Program Review conducted by Crowe found that the non-profit administered the program efficiently and met the goals and objectives of the One-Stop-Shop Pilot Project and Access Clean California. GRID demonstrated substantial compliance with grant requirements, program guidelines, and applicable State policies. Although the Program Review Final Report (dated January 7, 2026) includes several recommendations, CARB is committed to working with GRID to address them.

In contrast, the Department of Finance's Fiscal Compliance Audit identified three findings which GRID agreed to resolve by March 30, 2026:

1. **Reporting and Tracking of In-Kind Services Needs Improvement:** GRID did not report in-kind services provided in the Final Reports for Grant Agreements G17-EZEV-01 and G19-EZEV-01, and could not demonstrate that it provided the required amount of in-kind services.
 - **Response:** GRID has implemented a new process for reporting in-kind services, also known as resource contributions, on their newest grant. They provide substantiation for the expenses, and CARB has been satisfied with the reporting received to date.
2. **Advance Funding for Work Not Completed:** GRID claimed reimbursement for subcontractor work before the work was completed, resulting in GRID receiving advance funding in 36 of 37 expenditures tested. GRID submitted disbursement requests based on executed subcontracts, but did not provide invoices confirming that the work was completed. The Disbursement Schedules for all the Grant Agreements indicate that funds will be disbursed in accordance with Exhibit A, Section H-2. Exhibit A, Section H-2 requires

GRID to provide documentation of work completed by subcontractors to justify the project implementation costs claimed.

- **Response:** As stated in their letter, GRID has adjusted billing practices to only include completed work on disbursement requests. They have been made aware of the process for requesting advance pay, and will work with CARB to document appropriately, should that be needed.
3. **Report Submission Requirements Not Met:** GRID did not submit the required reports in a timely manner. Specifically, the Final Report for Grant Agreement G17-EZEV-01 was submitted on May 11, 2021, ten days after the due date. Additionally, four of the six Status Reports for Grant Agreement G21-EZEV-01 were submitted between 28 and 143 days late. Grant Agreement G17-EZEV-01 Exhibit A, Section C, requires GRID to submit the Final Report no later than May 1, 2021. Grant Agreement G21-EZEV-01 Exhibit A, section I, requires GRID to submit Status Reports at a minimum of three-month intervals.
- **Response:** CARB is in frequent communication with GRID on program activities. Since the audit process began, quarterly reports have been submitted timely. When disbursements are requested on a more frequent basis, status reports on activities that substantiate expenditures are included in the request.

Program Accomplishments

The review of GRID has been successfully completed. It was determined that their oversight of the One-Stop-Shop Pilot Project and Access Clean California grant agreements, as well as their success in creating a network of outreach partners, benefited the disadvantaged and underserved communities they serve.

We extend our sincere thanks to the Grid Alternatives staff for their cooperation with CARB, Crowe LLP, and the Department of Finance throughout the review. Grid Alternatives has contributed vital air quality improvements to California and provided opportunities to numerous grantees to reduce public exposure to harmful emissions.

If you have any questions about the report, please contact Maritess Sicat, Branch Chief, at Maritess.Sicat@arb.ca.gov.

Attachments

cc: Mr. Tim Sears, Chief Operations Officer, GRID Alternatives
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