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GAVIN NEWSOM
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DATE: January 10, 2019

FROM: Michael Wilkening
Secretary
California Health and Human Services Agency

Linné Stout
Director
Department of Community Services and Development

SUBJECT: GREENHOUSE GAS REDUCTION FUND: Department of Community Services and Development

REVISED EXPENDITURE RECORD FOR FISCAL YEAR 2017-18:
Low-Income Weatherization Program: Community Solar Pilot Program

This Attestation Memorandum documents that the Department of Community Services and Development completed the attached Revised Expenditure Record on January 7, 2019, for the Low-Income Weatherization Program: Community Solar Pilot Program. The Expenditure Record is consistent with the statutory requirements of Government Code Section 16428.9 to support expenditures from the Greenhouse Gas Reduction Fund. This Attestation Memorandum and Expenditure Record will be submitted to the California Air Resources Board (CARB) for public posting on the CARB website at:
<https://ww2.arb.ca.gov/resources/documents/cci-attestation-memorandums-and-expenditure-records>.

Questions on this Attestation Memorandum or Expenditure Record may be directed to Glen Baird, at glen.baird@csd.ca.gov, or 916-576-5294.

Signed:

for
Michael Wilkening
Secretary
California Health and Human
Services Agency

Linné Stout
Director
Department of Community Services and
Development

Attachment: Revised Expenditure Record

Greenhouse Gas Reduction Fund: Expenditure Record

**Department of Community Services and Development
Low-Income Weatherization Program**

Authorizing legislation: Assembly Bill (AB) 109 (Chapter 249, Statutes of 2017), amended the Fiscal Year (FY) 2017-18 Budget Act to appropriate \$18 million for the continuation of the Low-Income Weatherization Program (LIWP).

This Expenditure Record is revised to reflect a reduction in the allocation to the Community Solar Pilot Program component, since funding awards were less than the funding initially allocated.

Element (1) A description of each expenditure proposed to be made by the administering agency pursuant to the appropriation.

<input type="checkbox"/> Agency that will administer funding	<ul style="list-style-type: none">▪ Department of Community Services and Development (CSD)
<input type="checkbox"/> Amount of proposed expenditure and appropriation reference	<p>AB 109 amended the FY 2017-18 Budget Act to appropriate \$18 million for the continuation of LIWP. The total Local Assistance funds allocation (\$17.1 million) from this FY 2017-18 appropriation is to be distributed among new and existing LIWP program components. This expenditure record reflects the FY 2017-18 funds to be made available to a new program component as follows:</p> <p>a) Community Solar Pilot Program:</p> <ul style="list-style-type: none">▪ \$4,432,060: To be awarded to new, competitively-procured community solar projects that provide benefits for low-income households and reduce energy costs. <p>New Program Guidelines were developed to reflect program requirements that the awardees will be required to follow (e.g. provisions of the California Air Resources Board's [CARB] Cap-and-Trade Auction Proceeds: Funding Guidelines for Agencies that Administer California Climate Investments [Funding Guidelines], and expenditure of funds for projects benefiting priority populations).</p> <p>CSD will evaluate resulting expenditures and programmatic achievements from this allocation on an annual basis or more frequently to determine if performance objectives are being met and if there is need for allocation adjustment between program components to best meet LIWP's goals.</p>

<input type="checkbox"/> Estimated amount of expenditures for administering agency administrative costs	<ul style="list-style-type: none"> ▪ Per AB 109, not more than five percent of CSD’s total FY 2017-18 appropriation (\$900,000) may be used for CSD’s administrative costs for LIWP, including the Community Solar Pilot Program. In addition to CSD’s administrative costs, Greenhouse Gas Reduction Fund (GGRF) expenditures will include administrative costs for the funding recipients. Limits on administrative costs are specified in contract language.
<input type="checkbox"/> If applicable, identify laws or regulations that govern how funds will be used	<ul style="list-style-type: none"> ▪ In addition to the laws governing GGRF generally, Government Code Section 12087.5 provides direction on how CSD shall administer LIWP.
<input type="checkbox"/> Continuation of existing Expenditure Record	<ul style="list-style-type: none"> ▪ Yes, revision of Expenditure Record (initial Attestation Memorandum dated June 18, 2018).
<input type="checkbox"/> Project type(s)	<ul style="list-style-type: none"> ▪ Renewable energy
<input type="checkbox"/> Describe the projects and/or measures that will be eligible for funding	<ul style="list-style-type: none"> ▪ Community solar projects that benefit low-income households and allow customers to reduce their utility bills without the challenges of installing and owning rooftop solar. Solar arrays may be installed in open spaces, commercial rooftops, or on parking or other structures to benefit a specified group of homes – whether those homes are rentals or owner-occupied.
<input type="checkbox"/> Intended recipients	<ul style="list-style-type: none"> ▪ Awardees will be limited to non-profit, local government and tribal entities. ▪ Community solar pilot projects will provide benefits to eligible low-income household participants.
<input type="checkbox"/> Process for selecting projects for funding	<ul style="list-style-type: none"> ▪ Funding will be allocated to awardees based on a competitive solicitation, evaluation and selection of funding recipients, in accordance with new Program Guidelines. ▪ Awardees will lead outreach efforts to promote awareness of the availability of program offerings to low-income households and enroll participants.

Element (2) A description of how a proposed expenditure will further the regulatory purposes of Division 25.5 (commencing with Section 38500) of the Health and Safety Code, including, but not limited to, the limit established under Part 3 (commencing with Section 38550) and other applicable requirements of law.

<input type="checkbox"/> How the expenditure is reflected in the Investment Plan	<ul style="list-style-type: none"> ▪ AB 1532 (Chapter 807, Statutes of 2012) requires that monies from the Fund be appropriated in a manner that is consistent with the three-year Investment Plan. The <i>Cap-and-Trade Auction Proceeds Second Investment Plan: Fiscal Years 2016-17 through 2018-19</i> notes that California’s
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and the Scoping Plan

energy sector accounts for about half of the State's near-term greenhouse gas (GHG) emissions, and wholesale changes are required including better integrating renewables and increasing energy efficiency. The Plan outlines investment concepts for renewable energy projects. Therefore, the expenditures covered by this record are consistent with the Investment Plan and align with the priorities expressed in the Plan. CSD's clean energy investments will reduce GHG emissions and lower energy bills for low-income households.

- *California's 2017 Climate Change Scoping Plan* identified key strategies and recommendations to continue reducing GHG emissions and achieve the goals and purposes of AB 32 and related statutes. The recommended actions for the energy sector include continuing to enhance energy efficiency, increasing distributed generation, and implementing smart-grid technologies. The renewable energy expenditures in this program component will help implement these Scoping Plan recommendations and goals.

Element (3) A description of how a proposed expenditure will contribute to achieving and maintaining greenhouse gas emission reductions pursuant to Division 25.5 (commencing with Section 38500) of the Health and Safety Code.

Describe how expenditures will facilitate the achievement of GHG emission reductions in the State

- These expenditures will provide both immediate and long term GHG emission reductions by generating clean, renewable energy to benefit low-income households.

Explain when GHG emission reductions and/or co-benefits are expected to occur and how they will be maintained

- Community solar installations are expected to begin to yield GHG emission reductions by 2021 and will continue to provide clean energy and long term GHG emission reductions for a quantification period of 30 years.

Element (4) A description of how the administering agency considered the applicability and feasibility of other non-greenhouse gas reduction objectives of Division 25.5 (commencing with Section 38500) of the Health and Safety Code.

<p><input type="checkbox"/> Expected co-benefits, particularly environmental, economic, public health and safety, and climate resiliency</p>	<p>▪ Renewable energy yields environmental, public health, and economic co-benefits. Installing community solar projects will improve air quality by reducing air pollutant emissions from energy production in California. Asthma and respiratory disease incidence may also be impacted from emission reductions. These projects provide energy cost savings for households, and contribute to climate adaptation and resilience. Projects can also provide California jobs and job training for priority populations through targeted recruitment and training programs, and stimulate local spending.</p>
<p><input type="checkbox"/> How the project will support other objectives of AB 32 and related amendments</p>	<p>▪ Development of solar installations generates clean energy. These developments also support other AB 32 objectives by:</p> <ul style="list-style-type: none"> - Providing additional environmental and economic co-benefits - Directing investment towards priority populations in California <p>▪ This program component also supports other priorities identified in AB 398, including reducing air toxic and criteria air pollutants from stationary sources, and improving climate adaptation and resiliency.</p>
<p><input type="checkbox"/> Percentage of total funding that will be expended for projects that benefit disadvantaged or low-income communities and low-income households per CARB guidance</p>	<p>▪ CSD has a target to expend at least 75 percent of the total funds received under the FY 2017-18 appropriation (\$18 million) on projects that benefit AB 1550 priority populations. Of the \$4.43 million allocated in this Expenditure Record to the Community Solar Pilot Program component, 100 percent will support projects benefiting disadvantaged and/or low-income communities and/or low-income households. Direct project investments will fund solar projects that provide energy savings and economic and other co-benefits to these priority populations. Non-direct project dollars will be used to support local and state administration functions necessary for program implementation.</p>
<p><input type="checkbox"/> Describe the benefits to disadvantaged or low-income communities and low-income households per CARB guidance</p>	<p>▪ Direct project expenditures will include support for projects that provide benefits for low-income households. Potential benefits to households and communities include but are not limited to reducing energy costs for these households, and fostering job creation and other economic benefits for communities.</p>
<p><input type="checkbox"/> Explain strategies the administering agency will use to maximize benefits to</p>	<p>▪ Direct project expenditures will support projects that provide benefits for low-income households. CSD allocations fund projects that meet the common economic need in CARB's Funding Guidelines, as identified by community advocates, of "reducing energy costs."</p>

disadvantaged
communities

Element (5) A description of how the administering agency will document the result achieved from the expenditure to comply with Division 25.5 (commencing with Section 35800) of the Health and Safety Code.

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| <p><input type="checkbox"/> How the administering agency will track / report progress to make sure projects are implemented per requirements in statute and CARB guidance</p> | <ul style="list-style-type: none"> ▪ CSD will require awardees to maintain records and submit monthly production and expenditure reports, and quarterly cumulative production status and/or workforce development reports. In addition, CSD conducts periodic reviews of funding recipients and selected projects. This includes desk reviews of submitted reports; on-site follow-up and monitoring, including annual visits to access and review records; quality assurance inspections; and audits. If the service provider does not perform in accordance with program requirements, the service provider will be subject to the remedies for non-performance, as identified in Program Guidelines and/or service provider contracts. |
| <p><input type="checkbox"/> Describe the approach that will be used to document GHG emission reductions and/or other benefits before and after project completion. Include citations for references that support methodology</p> | <ul style="list-style-type: none"> ▪ CSD coordinates with CARB to estimate GHG emission reductions and co benefits (e.g., energy savings), using CARB standardized methodologies. CSD will review calculations prepared by awardees to ensure consistency with approved methodologies. ▪ CSD will calculate the GHG emission reductions expected and achieved from projects using a new CARB quantification methodology developed with new Program Guidelines. |
| <p><input type="checkbox"/> Type of information that will be collected to document results, consistent with CARB guidance</p> | <ul style="list-style-type: none"> ▪ To determine the job creation benefits, CSD will compile data from awardees, including: number of job-years provided, average wages and benefits, the number of people who completed job training or received industry-recognized certifications, and residence location of job / training recipients. ▪ CSD will collect data on project location, energy generation, and other data as specified in CARB's Funding Guidelines. ▪ CSD will collect information on project outcomes consistent with CARB's Funding Guidelines. |
| <p><input type="checkbox"/> How the administering</p> | <ul style="list-style-type: none"> ▪ CSD will provide regular updates on expenditures, project status, and benefits in reports prepared according to CARB's |
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agency will report on program status	Funding Guidelines. At a minimum, the reports will include expenditure amounts, current estimates of GHG emission reductions, quantification of other applicable co-benefits (e.g., jobs created). Reports will also include information on project outcomes for at least 25 percent of projects over 3 years.
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