Cap-and-Trade Auction Proceeds
Funding Guidelines for Agencies that Administer California Climate Investments

Volume 1: General Guidance

Volume 2: Investments to Benefit Disadvantaged Communities

Volume 3: Reporting Requirements

PROPOSED

Release Date: September 4, 2015
Comments Due: September 21, 2015
Board Consideration: September 24-25, 2015

California Environmental Protection Agency

Air Resources Board

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California Air Resources Board
Cap-and-Trade Auction Proceeds
Funding Guidelines for Agencies that Administer California Climate Investments

PROGRAM WEBPAGE

For more information on this topic and upcoming meetings, please see the program website for Administration activities at: http://www.arb.ca.gov/auctionproceeds.

DOCUMENT AVAILABILITY

Electronic copies of this document and related materials can be found at: http://www.arb.ca.gov/auctionproceeds. Alternatively, paper copies may be obtained from the Air Resources Board's Public Information Office, 1001 I Street, 1st Floor, Visitors and Environmental Services Center, Sacramento, California, 95814, (916) 322-2990.

For individuals with sensory disabilities, this document is available in Braille, large print, audiocassette or computer disk. Please contact the Air Resources Board's Disability Coordinator at (916) 323-4916 by voice or through the California Relay Services at 711, to place your request for disability services. If you are a person with limited English and would like to request interpreter services, please contact the Air Resources Board's Bilingual Manager at (916) 323-7053.

QUESTIONS

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DISCLAIMER

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PUBLIC INPUT

ARB is seeking your input on these Funding Guidelines for agencies that administer California Climate Investments.

WORKSHOPS

June 22, 2015 (Sacramento with webcast)
July 16, 2015 (Los Angeles)
August 3, 2015 (Sacramento with webcast)
August 4, 2015 (Fresno with live video feeds to Modesto and Bakersfield)
August 6, 2015 (Oroville)
August 10, 2015 (Oakland)
August 12, 2015 (morning - Fontana)
August 12, 2015 (evening – Los Angeles)
August 13, 2015 (San Diego)

Meeting information is available at: www.arb.ca.gov/auctionproceeds.

WRITTEN COMMENTS

ARB will make the Board item comment log available prior to the September 24, 2015 Board meeting. Please electronically submit any written comments on this draft document and the material discussed at the workshops by **September 21, 2015**. The Board item comment log will be available at: http://www.arb.ca.gov/lispub/comm/bclist.php

AIR RESOURCES BOARD CONSIDERATION

September 24-25, 2015 (Sacramento)

Please see: http://www.arb.ca.gov/board/meetings.htm#future for Board agenda ten (10) days prior to meeting date.

Table of Contents

Executive Summary

VOLUME 1: General Guidance

- **I. Introduction**
- **II. General Questions**
- **III. Statutory Requirements that Apply to the GGRF**
- **IV. Guiding Principles for GGRF Program Design**
- **V. Program Design**
- **VI. Guidelines and Solicitation Materials**

Appendix 1.A Expenditure Record and Fiscal Procedures

Appendix 1.B Summary Documents to Assist Agencies

VOLUME 2: Investments to Benefit Disadvantaged Communities

- **I. Purpose**
- **II. Background**
- **III. Identification of Disadvantaged Communities**
- **IV. Approach to Evaluate Investments and Meet SB 535 Targets for Disadvantaged Communities**
- **V. Guidance on Maximizing Benefits to Disadvantaged Communities**

Appendix 2.A Criteria for Evaluating Benefits to Disadvantaged Communities by Project Type

Appendix 2.B Map of Disadvantaged Communities for the Purposes of Investment

VOLUME 3: Reporting Requirements

- **I. Purpose**
- **II. Background**
- **III. Roles and Responsibilities**
- **IV. General Reporting Requirements**

Appendix 3.A Reporting Requirements by Project Type

Executive Summary

California Climate Investments are funded by the State proceeds from Cap-and-Trade auctions. These funds provide an opportunity for the State to invest in projects that help us achieve our climate goals and provide benefits to disadvantaged communities. The State's portion of the proceeds is deposited in the Greenhouse Gas Reduction Fund (GGRF) and appropriated by the Governor and the Legislature in the annual budget. Agencies with GGRF appropriations must use the money to invest in projects that reduce greenhouse gases and further the purposes of Assembly Bill 32 (AB 32) (Chapter 488, Statutes of 2006).

Per statute, the Air Resources Board has developed these Funding Guidelines to provide guidance for the State agencies, local transit agencies, and academic institutions charged with investing auction proceeds from the GGRF.

The Guidelines include the following three volumes:

- **Volume 1: General Guidance**. Contains guidance on how agencies design and implement their programs to meet statutory requirements, ensure accountability, and provide public transparency for projects funded by GGRF dollars. Also includes guidance on Expenditure Records and fiscal procedures.
- **Volume 2: Investments to Benefit Disadvantaged Communities**. Contains approaches that agencies can use to maximize benefits to disadvantaged communities. Also provides direction on how agencies determine whether investments are located within, or provide benefits to, disadvantaged communities.
- **Volume 3: Reporting Requirements**. Contains requirements for agencies to submit data that documents GHG reductions, co-benefits, and other project outcomes.

It is important to recognize that each agency with a GGRF appropriation is responsible for administering its own program(s), consistent with statutory direction and ARB guidance. The decisions about how to design programs, select projects for funding, and implement projects rest with each agency.

These Funding Guidelines supersede the two interim guidance documents that the Air Resources Board previously released, regarding Expenditure Records and Fiscal Procedures (August 2014) and Investments to Benefit Disadvantaged Communities (November 2014). The development of the interim guidance and Funding Guidelines involved an extensive public process, summarized below in Figure ES-1. These Guidelines are based on the current programs and agencies that have received GGRF appropriations. If the Governor and Legislature appropriate GGRF dollars to new agencies or programs, ARB will provide supplemental guidance or update the Guidelines, if needed to accommodate new programs.

Executive Summary

Figure ES-1 Public Process for Funding Guidelines

2014
Interim Guidance

- Aug: Three workshops (Fresno, Los Angeles, Oakland)
- Sep: Public briefing (Mecca / Coachella Valley)

2015
Funding Guidelines

- Jun: Workshop (Sacramento with webcast)
- Jul: Workshop (Los Angeles)
- Aug: Seven workshops (Sacramento with webcast, Fresno with live video feeds to Modesto and Bakersfield, Oroville, Oakland, Fontana, Los Angeles, San Diego)

Executive Summary

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Table of Contents

VOLUME 1: General Guidance

I. Introduction 1-1

II. General Questions 1-2

II.A. What is the Greenhouse Gas Reduction Fund (GGRF)? 1-2
II.B. Why is ARB developing Funding Guidelines? 1-4
II.C. Who needs to incorporate the provisions of the Funding Guidelines into their GGRF programs? 1-5
II.D. What are the roles and responsibilities for agencies administering the GGRF? 1-7
II.E. How are agencies and funding recipients being held accountable for their GGRF investments? 1-8
II.F. When should administering agencies coordinate with ARB while developing their GGRF programs? 1-10
II.G. Are the Funding Guidelines retroactive? 1-11
II.H. What was the public process for developing the Funding Guidelines? 1-11
II.I. How did existing administering agencies participate in developing the Funding Guidelines? 1-12

III. Statutory Requirements that Apply to the GGRF 1-13

III.A. What is AB 32? 1-13
III.B. What is the “Investment Plan”? 1-13
III.C. What are the statutory requirements for all programs funded by the GGRF? 1-14
III.D. Why do all the GGRF investments need to reduce GHGs and further the purposes of AB 32? 1-15
III.E. What are the statutory responsibilities of ARB? 1-15
III.F. How is ARB providing guidance on quantification methods? 1-16

IV. Guiding Principles for GGRF Program Design 1-21

IV.A. What are the guiding *investment* principles for programs funded by the GGRF? 1-21
IV.B. What are the guiding *implementation* principles for programs funded by the GGRF? 1-25
IV.C. How do agencies incorporate provisions of these guiding principles into their GGRF programs? 1-27

V. Program Design 1-28

V.A. What are the key items agencies need to address when they design GGRF programs? 1-28

VI. Guidelines and Solicitation Materials 1-34

VI.A. What common elements do administering agencies need to include in their guidelines and solicitation materials? 1-34
VI.B. How do administering agencies address these common elements in their guidelines and solicitation materials? 1-35

Table of Contents (continued)

APPENDIX 1.A: Expenditure Record and Fiscal Procedures 1.A-1

APPENDIX 1.B: Summary Documents to Assist Agencies 1.B-1

List of Figures

Figure 1-1 Typical Flow of GGRF Dollars 1-4
Figure 1-2 How Will Administering Agencies Use the Funding Guidelines? 1-6
Figure 1-3 Key Roles and Responsibilities for GGRF Administering Agencies.... 1-7
Figure 1-4 Public Process for Funding Guidelines 1-12
Figure 1-5 Process for Reviewing and Updated Quantification Methods 1-20
Figure 1-6 How Guiding Principles are Incorporated Into GGRF Programs..... 1-21
Figure 1-7 Summary of Key Items That Agencies Address in Program Design . 1-28
Figure 1-8 Summary of Common Elements to Include in Guidelines and Solicitation of Materials 1-34

List of Tables

Table 1-1 Agencies and programs that are funded by the GGRF 1-2

VOLUME 2: Investments to Benefit Disadvantaged Communities

VOLUME 3: Reporting Requirements

I. Introduction

State agencies in the transportation, energy, natural resources, and waste sectors are administering California Climate Investments that provide greenhouse gas (GHG) reductions and other important co-benefits for California, including benefits to disadvantaged communities.

This document is Volume 1 of the Air Resources Board (ARB) Funding Guidelines for agencies that administer Greenhouse Gas Reduction Fund (GGRF) appropriations. The full Funding Guidelines include the following volumes:

- Volume 1: General Guidance
- Volume 2: Investments to Benefit Disadvantaged Communities
- Volume 3: Reporting Requirements

Specifically, Volume 1 provides guidance on the following topics:

- How agencies design and implement their programs to meet GGRF statutory requirements, ensure accountability, and provide public transparency;
- How agencies prepare and submit an annual Expenditure Record to document the proposed use of their GGRF appropriations; and
- Fiscal procedures for State agencies that request GGRF withdrawals.

This Volume also describes how ARB staff is developing the quantification methodologies for agencies that receive GGRF appropriations.

Volume 1 is structured in a “question-and-answer” format, beginning with *General Questions* that provide GGRF background. This is followed by *Statutory Requirements* and *Guiding Principles*, which are the provisions that need to be incorporated into each agency’s *Program Designs* and *Guidelines and Solicitation Materials*. Appendix A.1 provides guidance for completing Expenditure Records, required by statute, and GGRF fiscal procedures.

II. General Questions

II.A. What is the Greenhouse Gas Reduction Fund (GGRF)?

California's Cap-and-Trade Program includes an auction system where tradable permits (called *allowances*) can be purchased from the State at quarterly auctions. The State's portion of the proceeds from Cap-and-Trade auctions are deposited in the GGRF, which was established by Senate Bill (SB) 1018 (Budget and Fiscal Review Committee, Chapter 39, Statutes of 2012). SB 1018 and other statutes require that the GGRF be used to facilitate the achievement of GHG emission reductions and further the purposes of Assembly Bill (AB) 32 (Chapter 488, Statutes of 2006). The Governor and Legislature enact GGRF budget appropriations for State agencies to implement a variety of programs throughout California, as shown in Table 1-1.

Table 1-1 Agencies and programs that are funded by the GGRF

	Agency	Program
Sustainable Communities and Clean Transportation		
	High-Speed Rail Authority (HSRA)	High-Speed Rail Project
	California State Transportation Agency (CalSTA) / California Transportation Commission (CTC)	Transit and Intercity Rail Capital Program
	California Department of Transportation (Caltrans) and Local Transit Agencies	Low Carbon Transit Operations Program
	Strategic Growth Council (SGC)	Affordable Housing and Sustainable Communities
	Air Resources Board (ARB)	Low Carbon Transportation
Energy Efficiency and Clean Energy		
	Department of Community Services and Development (CSD)	Low-Income Weatherization / Renewable Energy
	California Energy Commission (CEC)	Energy Efficiency for Public Buildings
	California Department of Food and Agriculture (CDFA)	Agricultural Energy and Operational Efficiency
	California Department of Water Resources (DWR)	Water Action Plan: Water-Energy Efficiency
Natural Resources and Waste Diversion		
	Department of Fish and Wildlife (DFW)	Water Action Plan: Wetlands and Watershed Restoration
	Department of Forestry and Fire Protection (CAL FIRE)	Forest Health
	Department of Resources Recycling and Recovery (CalRecycle)	Waste Diversion

General Questions

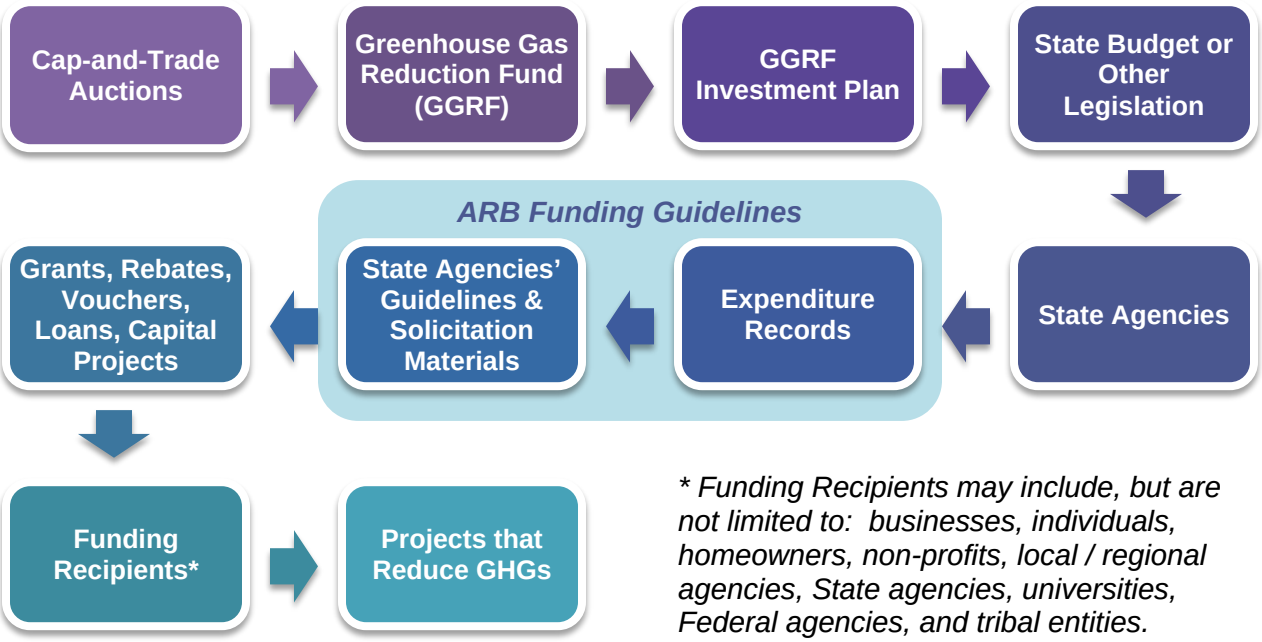
In addition to the agencies and programs shown in Table 1-1, the Governor's May 2015 budget proposal includes the following new agencies and programs:

- California Energy Commission (CEC): Rebates for Appliances and Water and Energy Technology;
- University of California (UC) / California State University (CSU): Renewable Energy and Energy Efficiency;
- California Department of Food and Agriculture (CDFA): Healthy Soils; and
- Department of General Services (DGS): Energy Efficiency for Public Buildings. (*This program is currently being administered by CEC and would transfer to DGS under the proposed Fiscal Year (FY) 2015-16 budget.*)

The list of agencies and programs shown in Table 1-1 reflects appropriations up to FY 2014-15 [To be updated when the FY 2015-16 budget appropriations are finalized]. If future budgets include GGRF appropriations for new agencies or programs, those new programs will need to be administered consistent with these Funding Guidelines.

Figure 1-1 illustrates the typical flow of dollars from Cap-and-Trade auctions into the GGRF and through the budgeting and implementation process. To provide guidance on how GGRF dollars are used, statute requires that a three-year Investment Plan be developed by the Department of Finance (Finance), in consultation with ARB and other State agencies. The Investment Plan identifies priority GGRF investments that further the purposes of AB 32. Finance submitted the first Plan to the Legislature in May 2013. Appropriations from the GGRF must be consistent with the Investment Plan and must be used for projects that reduce greenhouse gases.

Figure 1-1 Typical Flow of GGRF Dollars



II.B. Why is ARB developing Funding Guidelines?

In 2014, SB 862 amended the Health and Safety Code to require that ARB do the following:

- Develop funding guidelines for agencies administering GGRF appropriations to ensure the requirements of the chapter (Health and Safety Code, Sections 39710-39723) are met (Chapter 836, Statutes of 2014, Health and Safety Code, Section 39715). These guidelines must include a component for how administering agencies should maximize benefits for disadvantaged communities.
- Develop guidance on reporting and quantification methods for all State agencies that receive appropriations from the GGRF (Government Code, Section 16428.9(b)).

General Questions

The purpose of these Funding Guidelines is to provide direction for agencies that administer GGRF appropriations, so they design and implement their programs in a way that:

- Reduces GHGs and furthers the purposes of AB 32;
- Meets GGRF statutory requirements;
- Maximizes benefits to disadvantaged communities;
- Provides accountability and transparency; and
- Supports consistency among agencies administering GGRF.

The goal is to align investments with the environmental, economic, public health and other public policy goals of the GGRF, while providing consistent and transparent implementation of all GGRF programs.

This document is the third installment of guidance that ARB staff is developing for agencies that administer GGRF appropriations. In 2014, ARB developed two interim guidance documents focused on Expenditure Records[1] and benefits to disadvantaged communities.[2] These Funding Guidelines incorporate and supersede both of the interim guidance documents. ARB plans to periodically update the Funding Guidelines, if needed, to incorporate new programs or accommodate changes to existing programs.

II.C. Who needs to incorporate the provisions of the Funding Guidelines into their GGRF programs?

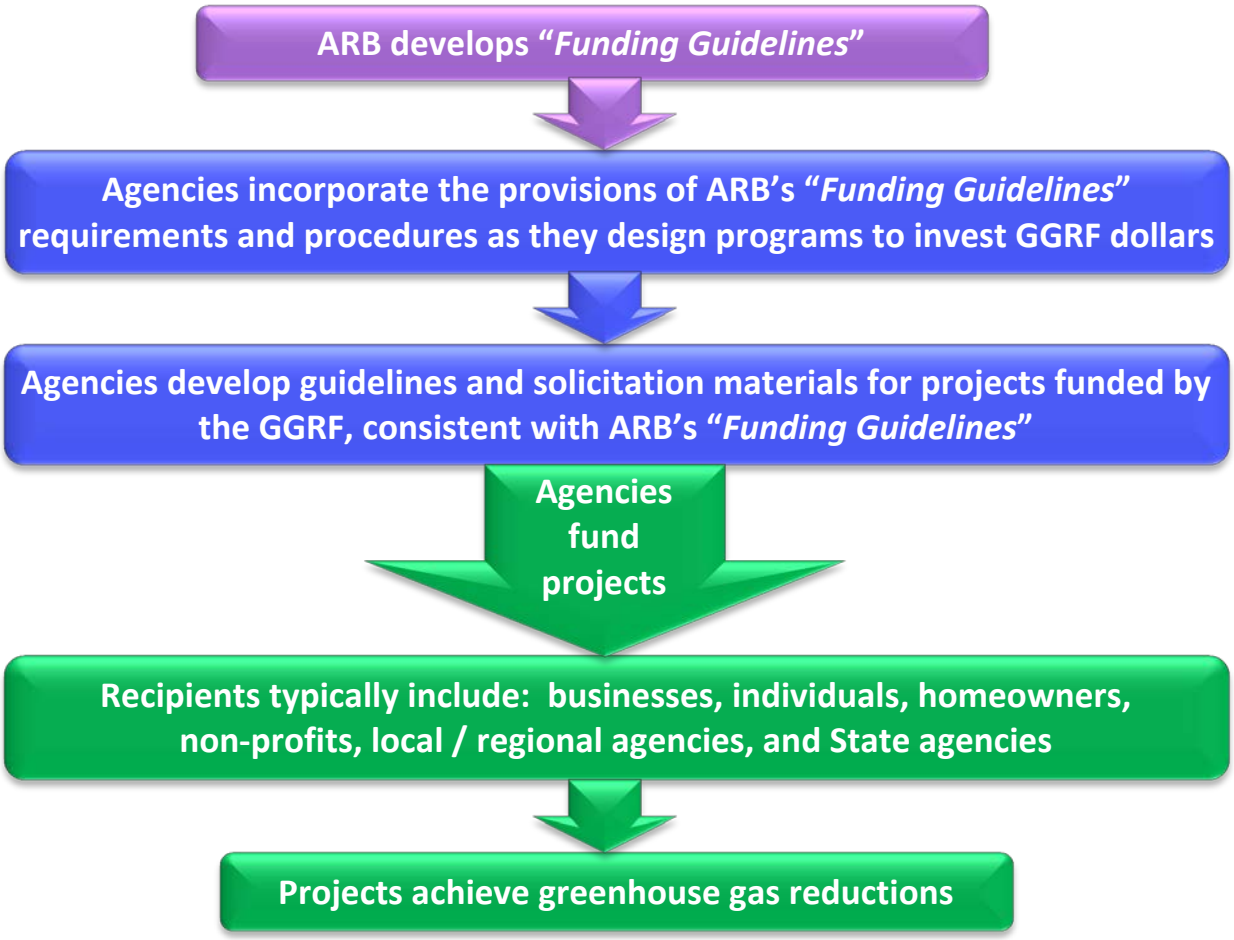
All administering agencies need to incorporate the provisions of the Funding Guidelines into their GGRF programs. For the purposes of this document, “administering agencies” means all agencies that receive GGRF appropriations from the Legislature. As shown in Table 1-1, numerous agencies are using their GGRF appropriations to support a wide variety of programs and project types, and each agency is responsible for implementing their own programs and selecting projects for funding in accordance with these Funding Guidelines. In this document, “agency” is used as a general term to refer to an agency, authority, board, commission, department, office, or other unit of State government, as well as a local transit agency or academic institution.

[1] Cap-and-Trade Auction Proceeds, Interim Guidance to Agencies Administering Greenhouse Gas Reduction Fund Monies: Expenditure Record and Fiscal Procedures (August 6, 2014).
[2] Cap-and-Trade Auction Proceeds, Interim Guidance to Agencies Administering Greenhouse Gas Reduction Fund Monies: Investments to Benefit Disadvantaged Communities (November 3, 2014).

General Questions

Administering agencies need to review their GGRF programs to incorporate the provisions in these Funding Guidelines or verify that the existing program structures already reflect these provisions. In doing so, agencies may use whatever approach is best suited to their individual program needs. Agencies with existing programs may only need to make minor modifications, such as updating administrative procedures or revising program documents (e.g., solicitation materials, contract templates, grant agreements, outreach materials). Other agencies may incorporate the Funding Guidelines provisions as they build new programs. In some cases, agencies are directly funding ongoing capital projects and certain provisions of the Funding Guidelines may not be applicable, such as those that focus on developing solicitation materials to select new projects. Agencies have the flexibility to use different approaches as they work through program details and create their own internal procedures, consistent with the applicable provisions in these Funding Guidelines. Figure 1-2 illustrates how agencies use the Funding Guidelines as they implement their programs.

Figure 1-2 How Will Administering Agencies Use the Funding Guidelines?



II.D. What are the roles and responsibilities for agencies administering the GGRF?

Figure 1-3 illustrates the key roles and responsibilities for agencies associated with implementing programs funded by the GGRF.

Figure 1-3 Key Roles and Responsibilities for GGRF Administering Agencies

CalEPA

- Identifies disadvantaged communities, per SB 535, in coordination with the Office of Environmental Health Hazard Assessment (OEHHA).
- Consults on the Investment Plan and ARB's Funding Guidelines.
- Coordinates with the Climate Action Team.

AIR RESOURCES BOARD

- Administers the Cap-and-Trade Program, which generates auction proceeds.
- GGRF Administrator (accountant).
- Develops Funding Guidelines and quantification methodologies for administering agencies.
- Provides consultation with other agencies on GGRF programs, per statute.
- Hosts workshops and a public hearing for a three year Investment Plan (to be updated in 2015).

STATE AGENCIES

- Develop and implement GGRF programs in accordance with ARB Funding Guidelines and statutory requirements.
- Submit Expenditure Records for each appropriation to document how expenditures will further the purposes of AB 32 and obtain ARB concurrence prior to issuing final guidelines or final solicitation materials.
- Use money to fund projects that help achieve GHG reduction goals and further the other purposes of AB 32.
- Ensure that a portion of the GGRF projects are located in and provide benefits to disadvantaged communities (see Volume 2 for guidance).
- Coordinate with other organizations to leverage funds and provide local / regional incentives.
- Quantify GHG reductions and document co-benefits, per ARB guidance.
- Maintain records and submit reports on expenditures, investment benefits, and project outcomes (see Volume 3 for guidance).

II.E. How are agencies and funding recipients being held accountable for their GGRF investments?

1. Expenditure Records

Prior to expending their GGRF appropriations to fund projects, all administering agencies must complete an Expenditure Record, as required by SB 1018 (Chapter 39, Statutes of 2012). Agencies need ARB concurrence on the required Expenditure Record *prior* to the public release of final program materials, such as final guidelines or project solicitations. An Expenditure Record is usually prepared for a program, not for individual projects implemented under the program or individual invoices for payment. Appendix 1.A includes guidance for how agencies need to prepare and submit Expenditure Records.

The Expenditure Record is a critical first step in ensuring that agency solicitations will result in projects that reduce GHGs, further the purposes of AB 32, and meet other statutory requirements. Each Expenditure Record supports accountability and transparency by providing a public document where agencies describe how their programs will fund projects that achieve and maintain GHG reductions, and how the agency will document those reductions and submit reports. Agencies also explain the link between their proposed projects and the Investment Plan, as well as links to the AB 32 Scoping Plan. Completed Expenditure Records are posted on the ARB website, where they can be accessed by oversight agencies and the public (http://www.arb.ca.gov/auctionproceeds). The reporting process identified in Volume 3 collects information to demonstrate that agencies are using their GGRF appropriations consistent with their Expenditure Records.

2. Annual Reports

During program implementation, all agencies must submit project data annually to ARB, including information on project descriptions, timelines, budgets, GHG reductions, co-benefits, and project status (see Volume 3). Agencies also submit program-level data annually, to summarize the number of projects selected for funding, the amount of funding awarded, administrative costs, and other information. ARB compiles project data and program-level data from all agencies, and works with the Department of Finance to prepare the "Annual Report to the Legislature," which is due in March every year. This report is a public document that is posted on ARB's website at: http://www.arb.ca.gov/auctionproceeds.

General Questions

3. Fiscal Audits and Program Reviews

All administering agencies are subject to Legislative and Administration oversight, including audits by the Bureau of State Audits, Department of Finance, other State oversight agencies, or a third-party auditor.

4. Accountability tools for administering agencies

After agencies administering GGRF appropriations select projects via solicitation or other application process, the agency and funding recipient execute a grant agreement or other legally binding document that includes requirements for the use of GGRF funds. These grant agreements contain terms and conditions that cover accountability, controls, and oversight provisions. Examples of accountability tools that an agency may include in project agreements are shown below:

- Monitoring and reporting requirements that provide for periodic reporting of project status;
- Recordkeeping provisions, which requires grantees to maintain records for a set period of time relating to the award;
- Auditing language, which allows the State or its designated representative to review and copy any records and supporting documentation pertaining to an agreement;
- Dispute resolution language that provides a process for resolution of disagreements between the State and the grantee;
- Stop work language that gives the State the right to issue a stop work in the event that a dispute should arise;
- Termination language, which allows the State to terminate an agreement at its sole discretion;
- Recovery language in grants and other materials (guidelines, etc.) that allows recovery of funds if grantees fail to meet the requirements of the grant;
- Withholding of funds from payment; and
- Administrative or civil actions.

II.F. When should administering agencies coordinate with ARB while developing their GGRF programs?

1. When identifying project types

Before agencies administering GGRF appropriations identify the specific project types that they will be funding, they must coordinate with ARB beginning with an initial consultation. The purpose of this initial consultation is to discuss the types of projects that the agency plans to fund, confirm that GHG reductions can be achieved and quantified for those projects, and help expedite the Expenditure Record process by resolving issues early.

All projects funded by the GGRF must reduce GHGs and State agencies must use a GHG quantification methodology that has been developed or approved by ARB. Statute requires ARB to develop guidance on quantification methodologies for estimating GHG reductions from all GGRF projects.

2. When drafting Expenditure Records for each fiscal year

SB 1018 requires all agencies administering GGRF appropriations to submit an Expenditure Record prior to expending project funds. These Funding Guidelines require agencies to submit an Expenditure Record and get ARB concurrence prior to the public release of final program materials, such as final guidelines or final solicitation materials. Development and ARB concurrence of the Expenditure Record prior to drafting program materials will help minimize the modifications needed to program guidance or solicitations prior to finalization. Since Expenditure Records need ARB concurrence before agencies release their final guidelines or solicitation materials, agencies should start coordinating with ARB staff soon after appropriation. Appendix 1.A includes guidance for how agencies need to prepare and submit Expenditure Records

3. Prior to issuing guidelines and solicitation materials

While each agency is responsible for developing its own guidelines and solicitation materials, ARB can work with agencies in developing those materials so they are consistent with Expenditure Records and these Funding Guidelines. Engaging in this coordination during program development minimizes the need for significant changes before guidelines and solicitation materials are finalized.

II.G. Are the Funding Guidelines retroactive?

Agencies administering GGRF appropriations will need to design their GGRF programs consistent with Volume 1 of these Funding Guidelines for FY 2015-16 and later appropriations. The guidance for maximizing disadvantaged community benefits (Volume 2) and reporting requirements (Volume 3) apply to GGRF programs funded with FY 2013-14 and later appropriations.

II.H. What was the public process for developing the Funding Guidelines?

During 2012 and 2013, there was an extensive public process to gather input on the investment of auction proceeds and the development of the first three-year Investment Plan. While these public meetings occurred prior to the first GGRF appropriations, they provided valuable feedback which has informed the content of the Funding Guidelines. Information on this public process and links to written comments can be found in the Investment Plan:
http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/final_investment_plan.pdf.
In March 2014, ARB participated in the workshop "*Investment Justice Through the Greenhouse Gas Reduction Fund*" at the UCLA Luskin School of Public Affairs. This workshop brought together 150 attendees from environmental justice organizations, government agencies, academia, and the private sector to inform the auction proceeds implementation process and maximize benefits for disadvantaged communities.

During 2014 and 2015, ARB hosted a dozen public workshops during the development of the Funding Guidelines, as summarized in Figure 1-4. In Summer 2014, CalEPA and ARB held joint workshops to obtain public input on potential methods for identifying disadvantaged communities and maximizing benefits to those communities. During late August and early September 2014, CalEPA and ARB hosted workshops in Fresno, Los Angeles, and Oakland, along with a public briefing in Coachella / Mecca, California. These workshops informed the development of the *"Interim Guidance to Agencies Administering Greenhouse Gas Reduction Fund Monies"* (Interim SB 535 Guidance) which has been incorporated as Volume 2 of these Funding Guidelines.

ARB also held a public hearing on September 18, 2014, to obtain additional public input on the draft version of the Interim SB 535 Guidance. After CalEPA finalized the disadvantaged community designations, ARB released the Interim SB 535 Guidance on November 3, 2014. Written comments associated with the workshops and the public hearing for the Interim SB 535 Guidance can be viewed at:
http://www.arb.ca.gov/lispub/comm2/bccommlog.php?listname=sb-535-guidance-ws.

Since Fall 2014, ARB has coordinated with agencies and met with stakeholders to gather input on the implementation of GGRF programs and the development of these

Funding Guidelines. In 2015, ARB hosted nine workshops throughout the State and we plan to present the Funding Guidelines to the Board for its consideration and approval in September 2015. For the seven workshops conducted during August 2015, ARB coordinated with Administration representatives from several agencies to hear public comments on both the Funding Guidelines and the upcoming Investment Plan which will cover future GGRF appropriations from FY 2016-17 to FY 2018-19.

Figure 1-4 Public Process for Funding Guidelines

2014 ***Interim Guidance***	•Aug: Three workshops (Fresno, Los Angeles, Oakland) •Sep: Public briefing (Mecca / Coachella Valley)
2015 ***Funding Guidelines***	•Jun: Workshop (Sacramento with webcast) •Jul: Workshop (Los Angeles) •Aug: Seven workshops (Sacramento with webcast, Fresno with live video feeds to Modesto and Bakersfield, Oroville, Oakland, Fontana, Los Angeles, San Diego)

II.I. How did existing administering agencies participate in developing the Funding Guidelines?

Since passage of the FY 2014-15 State Budget, ARB (in consultation with CalEPA) has been working with agencies administering GGRF appropriations to develop the concepts presented in these Funding Guidelines. In addition, representatives for administering agencies participated in the public workshops that ARB hosted during August 2015.

III. Statutory Requirements that Apply to the GGRF

III.A. What is AB 32?

AB 32 is California's Global Warming Solutions Act, which created a comprehensive, multi-year program to reduce GHG emissions in California (Chapter 488, Statutes of 2006). AB 32 requires California to reduce GHGs to 1990 levels by 2020, and to maintain and continue reductions beyond 2020. The programs and projects funded by the GGRF must further the purposes of AB 32.

The Cap-and-Trade Program is a key strategy for reaching the State's GHG reduction goals. It creates a limit on the emissions from sources responsible for 85 percent of California's GHG emissions, establishes the price signal needed to drive long-term investment in cleaner fuels and more efficient use of energy, and gives sources of GHG emissions the flexibility to implement the lowest-cost options to reduce emissions. In the Cap-and-Trade Program, ARB places a limit, or cap, on GHG emissions by issuing a limited number of tradable permits (called *allowances*) equal to the cap. Over time, the cap steadily declines.

Since the beginning of the Cap-and-Trade Program, most allowances have been distributed for free. For most other allowances, the program includes an auction system where allowances can be purchased from the State. The State's portion of the proceeds from these auctions are deposited in the GGRF. The first Cap-and-Trade auction was held on November 14, 2012, and subsequent auctions have been conducted quarterly. Additional information on the Cap-and-Trade Program, including up-to-date auction results, can be found at: http://www.arb.ca.gov/cc/capandtrade/capandtrade.htm.

III.B. What is the "Investment Plan"?

Statute requires the development of a three-year Investment Plan to identify funding priorities for investing auction proceeds (AB 1532, Chapter 807, Statutes of 2012). The Administration (led by the Department of Finance, in consultation with ARB and other State agencies) develops and submits this Investment Plan to the Legislature. Finance submitted the first Plan to the Legislature in May 2013.[3] The Investment Plan is updated every three years and must be submitted prior to the release of the Governor's January budget proposal, which means the next Plan is due in January 2016. Each Investment Plan must identify GHG reduction goals and targets, analyze gaps in current State strategies for meeting GHG reduction goals, and identify priority investments that facilitate feasible and cost-effective GHG reductions.

[3] The 2013 Investment Plan is available at: http://www.arb.ca.gov/auctionproceeds.

III.C. What are the statutory requirements for all programs funded by the GGRF?

In 2012, the Legislature passed and Governor Brown signed into law three bills – AB 1532 (Pérez, Chapter 807, Statutes of 2012), SB 535 (De León, Chapter 830, Statutes of 2012), and SB 1018 (Budget and Fiscal Review Committee, Chapter 39, Statutes of 2012) – that provide the framework for how the GGRF funds will be appropriated and expended.

These statutes require that the GGRF allocations be used to facilitate the achievement of GHG emission reductions and, where applicable and to the extent feasible, to further additional goals of AB 32 and the Legislature. In addition, statute requires investments to benefit disadvantaged communities and expenditures must comply with SB 862 (Chapter 836, Statutes of 2014), the budget trailer bill which establishes additional requirements.

Provided below are the goals that AB 1532 established for the investment of auction proceeds, combined with the SB 535 requirements for allocating funds to benefit disadvantaged communities:

- Reduce GHG emissions;
- Maximize economic, environmental, and public health benefits to the State;
- Foster job creation by promoting in-State GHG emission reduction projects carried out by California workers and businesses;
- Complement efforts to improve air quality;
- Direct investment toward the most disadvantaged communities and households in the State;
- Provide opportunities for businesses, public agencies, nonprofits, and other community institutions to participate in and benefit from statewide efforts to reduce GHG emissions;
- Lessen the impacts and effects of climate change on the State's communities, economy, and environment;
- Allocate at least 25 percent of the available proceeds to projects that provide benefits to disadvantaged communities; and
- Allocate at least 10 percent of the available proceeds to projects located within disadvantaged communities.

III.D. Why do all the GGRF investments need to reduce GHGs and further the purposes of AB 32?

GGRF investments need to reduce GHGs based on statutory requirements, including but not limited to:

- **AB 1532**. "The state shall not approve allocations for a measure or program using moneys appropriated from the fund except after determining. . .that the **use of those moneys furthers the regulatory purposes of Division 25.5** (commencing with Section 38500) [AB 32] and is consistent with law."
  (see Health and Safety Code, Section 39712 (a)(2)); and
  "[GGRF] moneys shall be used to **facilitate the achievement of reductions of greenhouse gas emissions** ..."
  (see Health and Safety Code, Section 39712(b)).
- **SB 862**. "The Legislature shall appropriate the annual proceeds of the [GGRF] **for the purpose of reducing greenhouse gas emissions** ..."
  (see Health and Safety Code, Section 39719 (a)).
- **SB 1018**. "Prior to expending any moneys appropriated to it by the Legislature from the [GGRF], a state agency shall prepare a record consisting of all of the following: ... (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 [AB 32], including, but not limited to, the limit established under Part 3 (commencing with Section 38550) and other applicable requirements of law.(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."
  (see Government Code Section 16428.9(a)(2)-(3)).

To support continued success of the GGRF program with significant investments and benefits throughout California, all agencies must invest in projects that meet the GGRF requirements, reduce GHGs, and further the purposes of AB 32.

III.E. What are the statutory responsibilities of ARB?

- Develop Funding Guidelines for agencies that administer GGRF appropriations, including guidance on reporting, quantification methods, and maximizing disadvantaged community benefits, in accordance with SB 862 (Chapter 836, Statutes of 2014);
- Administer the GGRF as the fund "accountant;"

- Provide consultation to the Strategic Growth Council on development of the Affordable Housing and Sustainable Communities Program;
- Provide consultation to Department of Transportation on the Low Carbon Transit Operations Program; and
- Hold a public hearing on the triennial Investment Plan.

III.F. How is ARB providing guidance on quantification methods?

Statute directs ARB to develop methods to quantify the GHG reductions and co-benefits from project investments. This work relies on our review of the available science, in close coordination with the administering agencies, as well as academic consultants and other experts as needed. As ARB develops quantification methods, we post them at: http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/quantification.htm.

By FY 2014-2015, 12 agencies had received appropriations from the GGRF, funding more than 40 types of programs, with hundreds of project types. These numbers will grow as the State Budget adds appropriations for new programs in FY 2015-16 and beyond, and agencies expand the scope of eligible project types (consistent with their Expenditure Records). Quantification methods are typically specific to each program type and/or project type. These methods are not static. ARB works with agencies to establish quantification methods that provide initial estimates of GHG reductions for application and project selection purposes, before projects become operational (i.e., "Phase 1"). ARB continues working with agencies to develop methods for quantifying net GHG benefits[4] achieved after projects become operational (i.e., "Phase 2").[5] ARB staff will periodically review the quantification methods to evaluate their effectiveness and develop updates that reflect new science and changes to the available analytical tools, as well as to improve ease of use and tailor the methods to the types of projects being submitted.

Because of the continually growing body of quantification methods and the dynamic nature of those methods, ARB staff is not including them in these Funding Guidelines. Instead, we are preparing a draft quantification work plan to seek public input and establish a process for development of new and updated methods.

[4] Net GHG benefit is the sum of the GHG emission reductions and sequestration less any GHG emissions resulting from project implementation.
[5] Volume 3 of these Funding Guidelines describes reporting requirements for the different GGRF project types, and some initial ideas on "Phase 2" data needs.

Statutory Requirements

Initial process. In the first year of program implementation, due to schedule needs and resource constraints, ARB and the administering agencies are using multiple approaches to define the quantification methods for evaluation and selection of projects to be funded:

- ARB staff developed interim GHG quantification methods for several programs and project types, prioritizing programs utilizing GHG emission reductions as part of the criteria to score projects in a competitive process. The agencies' public process on the program included discussion of draft quantification methods.
- Some administering agencies developed in-house methods to evaluate competing projects and ARB staff provided review and input.
- Other administering agencies instructed applicants to develop their own methods as part of the project proposal.
- For one major capital project, there was an extensive agency effort to quantify project construction and operation emissions as part of the completed environmental analysis.
- For another program with a small volume of competitive proposals, ARB staff did project-specific quantification of the benefits and provided those to the administering agency.

The methods that result from the above approaches are focused on project selection. ARB, in consultation with administering agencies, may develop different methods to quantify the benefits from "Phase 2" – the period after projects become operational.

It is helpful to consider one example from the first year as it applies to a major investment area with a high level of public interest and project competition. The Strategic Growth Council's (SGC) Affordable Housing and Sustainable Communities (AHSC) Program Guidelines, including the eligible projects and selection and scoring criteria, are structured around the ability to quantify different components of a proposed housing or infrastructure project. ARB developed the GHG emissions reduction quantification method in consultation with SGC to help ensure the quantification methodology and AHSC program guidelines supported one another. The draft quantification method was available for public input before it was finalized. To provide technical assistance to applicants on the quantification methods, ARB created and maintains a program email account to which applicants may submit quantification questions. ARB posted responses to Frequently Asked Questions on quantification after working with SGC to ensure consistency with its program guidelines.

Statutory Requirements

Proposed process. For FY 2015-16 and later appropriations, ARB staff plans to use the following process to develop quantification methods for new programs and project types and to update existing methodologies as needed.

1. Consult with administering agency on planned project types.
2. Review Expenditure Record to determine if a new or modified method is needed.
3. Evaluate available science and tools, including ARB offset protocols and other published methodologies, for applicability to project type.
4. Consult with the administering agencies, and external experts as needed, on the science, tools, and potential approaches.
5. In consultation with administering agencies, develop draft quantification methods that include the following elements for both "Phase 1" and "Phase 2" GHG reduction estimates:
   - Introduction summarizing the project type and method.
   - Information on how the method was developed.
   - The tools and data required as part of the method.
   - Detailed description of the method and analyses needed to estimate GHG reductions.
   - Project life or useful life.
   - Documentation requirements, including data that needs to be tracked and reported during "Phase 1" and "Phase 2".
   - Approaches for determining which subset of projects[6] will require "Phase 2" reporting to document GHG reductions after projects become operational.
   - ARB contact information for additional assistance.
6. Post draft method for public comment on ARB website. At this stage, the method may be included or referenced in agency draft program guidelines and discussed at public meetings on those guidelines.
7. Refine method in consultation with administering agency.
8. Post final quantification method on ARB website and provide to administering agency.

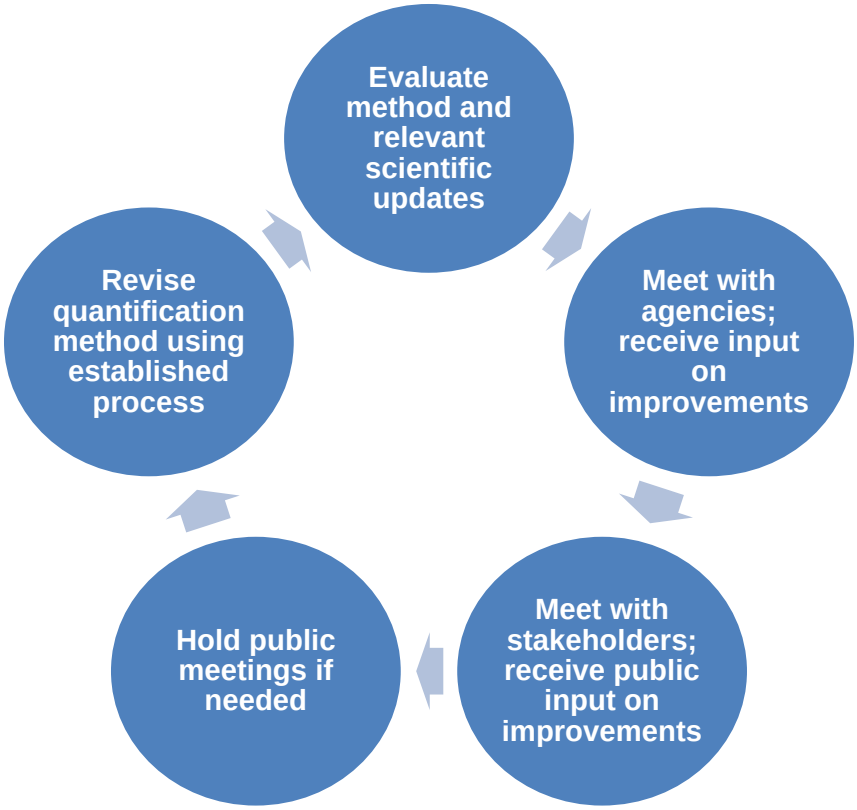
In addition to working with agencies, ARB staff are preparing to work with external contractors to leverage academic and external expertise, and provide independent review in the development and update of quantification methods. Staff are currently developing two contracts, totaling about $1 million, that will begin in FY 2015-16. Under the contracts, experts will assist ARB in developing GHG quantification methodologies that are supported by published and peer-reviewed research and empirical data.

[6] The Funding Guidelines do not require "Phase 2" reporting for all projects – only a subset. Volume 3 of these Funding Guidelines describes reporting requirements for the different GGRF project types.

Additionally, contracting efforts will provide project-specific GHG quantification tools and calculators, with automated features, error identification features, and standardized reporting templates, to assist applicants and administering agencies quantify the benefits of funded projects. Evaluation of co-benefits may vary by project type and be quantitative or qualitative. ARB staff anticipate integrating co-benefits first at a qualitative level and migrating to quantitative approach as feasible.

Periodic review and update of methods. As described above, ARB staff will periodically review and update each method as needed to ensure it remains robust and useful. The figure below generally describes this iterative process.

Figure 1-5 Process for Reviewing and Updating Quantification Methods



As our resource capacity increases with additional staff and expert contractors, we will also look to:

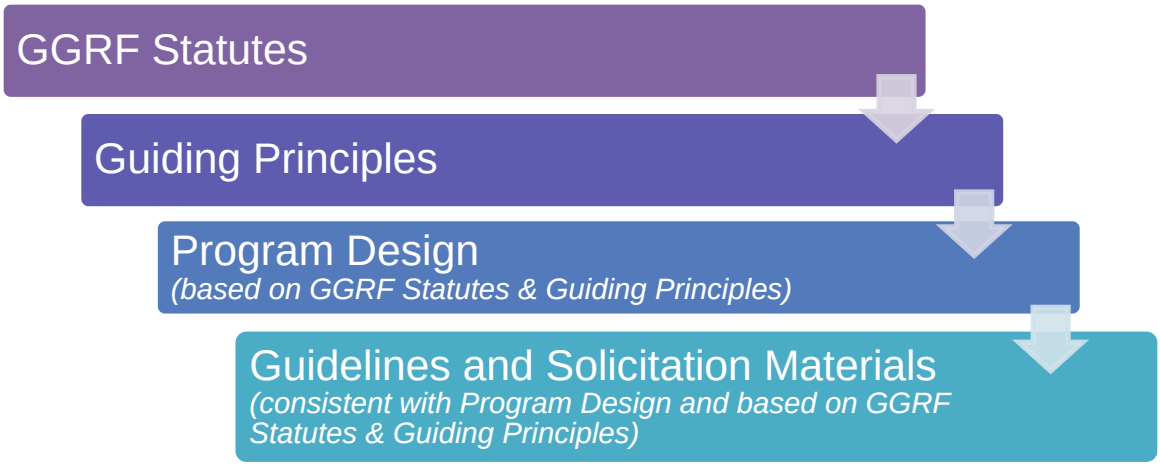
- Improve guidance in methodology documents.
- Implement consistency across sectors.
- Update emission factors and Global Warming Potential factors.
- Introduce co-benefit quantification methods.
- Migrate methods to new tools and tool versions.
- Include tracking and reporting metric(s) for both “Phase 1” and “Phase 2”.
- Automate methods, where possible, to improve ease of use.

IV. Guiding Principles for GGRF Program Design

Agencies administering GGRF appropriations need to expend auction proceeds in an effective, accountable, and legal manner, consistent with AB 32, the implementing GGRF statutes, and these Funding Guidelines. This section presents guiding principles, based on statutory requirements and climate change policies. Critical provisions for agencies are typically identified by the use of the word "must" to indicate a requirement. Not all principles are mandatory requirements; rather, they provide direction to help agencies design their programs and select projects in a way that maximizes the environmental, economic, and public health benefits of GGRF investments, maximizes disadvantaged community benefits, and provides fiscal and program accountability.

As administering agencies design and implement their programs, they should incorporate the provisions of the guiding principles, as illustrated in Figure 1-6.

Figure 1-6 How Guiding Principles are Incorporated Into GGRF Programs



Provided below are guiding principles for the *investment* of GGRF appropriations, followed by guiding principles for the *implementation* of GGRF programs.

IV.A. What are the guiding *investment* principles for programs funded by the GGRF?

1. <u>GHG reductions</u>

- All GGRF funded programs must **further the purposes of AB 32 as the primary program goal**. The upfront work agencies do on program design, development of guidelines, and project selection must **make GHG reductions a threshold requirement and a priority**. "GHG reductions" refer to net decreases in GHG emissions attributable to the funded project, or for projects involving sequestration, the net GHG benefit attributable to the funded project.

- Each project supported with GGRF funds must provide real and quantifiable GHG emission reductions and should focus on the following broad project types:
  - Projects that achieve near-term GHG emissions reductions or net long-term GHG benefits, and maximize co-benefits.
  - Projects that support development of the transformative technologies / approaches that achieve GHG reductions and are needed to achieve the State's long-term GHG emissions reduction goals and maximize co-benefits.
- When designing GGRF programs including which project types to fund, agencies should focus funding on the types of projects that achieve the highest GHG reductions and are needed to meet climate goals. This decision should be made early in the process when an agency is identifying funding priorities and preparing a draft Expenditure Record. For example, if an agency has a choice between a technology that achieves minimal GHG reductions and an alternative technology that yields significant GHG reductions and supports long-term climate goals, the agency should focus funding on the alternative technology.
- Stand-alone activities, such as research, planning, job training and program development cannot be funded by GGRF dollars, However, these activities can be included as a component of a larger project that results in quantifiable GHG reductions and furthers the purposes of AB 32.

2. <u>Benefits to disadvantaged communities</u>

- Agencies must seek to maximize investments in and benefits to disadvantaged communities, wherever possible. For additional information on maximizing these benefits, see Volume 2 of these Funding Guidelines, "Investments to Benefit Disadvantaged Communities."

3. <u>Economic, public health, and environmental co-benefits</u>

- Investments must be consistent with the implementing legislation, including AB 1532 (Chapter 807, Statutes of 2012) which states that GGRF dollars "…shall be used to facilitate the achievement of reductions of GHG emissions in this state consistent with this division and, where applicable and to the extent feasible:
  - Maximize economic, environmental, and public health benefits to the State.
  - Foster job creation by promoting in-State GHG emission reduction projects carried out by California workers and businesses.
  - Complement efforts to improve air quality.
  - Direct investment toward the most disadvantaged communities and households in the State.

- Provide opportunities for businesses, public agencies, nonprofits, and other community institutions to participate in and benefit from statewide efforts to reduce GHG emissions.
- Lessen the impacts and effects of climate change on the State's communities, economy, and environment…"

4. <u>Job creation</u>

- To maximize economic benefits, investments should result in jobs and job training as a component of funded GHG-reducing projects, wherever possible. These benefits should be tracked and reported to document the number of job recipients or job trainees, if applicable, as well as information on the quality of jobs and job training outcomes for funded projects.

  [If possible, administering agencies should leverage the resources of existing State and local employment programs. Additional information may be obtained through the California Labor and Workforce Development Agency (labor.ca.gov) which includes the Employment Development Department (edd.ca.gov), the California Workforce Development Board (cwdb.ca.gov) and the Green Collar Jobs Council, the Employment Training Panel (etp.cahwnet.gov), and the Department of Industrial Relations (dir.ca.gov).

5. <u>Consistency with State's climate goals</u>

- Investments should encourage projects that support California's climate change goals, including but not limited to the following:
  - March 2012: Governor Brown signed Executive Order B-16-2012, affirming a long-range climate goal for California to reduce GHG emissions from the transportation sector to 80 percent below 1990 levels by 2050.
  - April 2012: The Governor's Executive Order B-18-2012 addressed green building practices and included a goal for State agencies to reduce their GHG emissions 20 percent below 2010 levels by 2020. In addition, all new State buildings and major renovations beginning design after 2025 are to be constructed as Zero Net Energy facilities.
  - January 2015: Governor Brown presented his 2030 climate and energy goals during the January 2015 Inaugural Address. By 2030, California aims to:
    - Reduce petroleum use in cars and trucks by up to 50 percent;
    - Increase renewable electricity generation to 50 percent;
    - Double the energy efficiency of existing buildings and make heating fuels cleaner.

  - Reduce emissions of methane, black carbon, and other potent short-lived climate pollutants; and
  - Manage farm and rangelands, forests, and wetlands so they can store carbon.

- July 2014: The "Safeguarding California: Reducing Climate Risk" plan is one of many climate resiliency plans that provide policy guidance for state decision makers, and is part of continuing efforts to reduce impacts and prepare for climate risks.
- April 2015: The Governor's Executive Order B-30-15 established an interim target to reduce GHG emissions 40 percent below 1990 levels by 2030 and it affirmed the goal to reduce GHGs 80 percent below 1990 levels by 2050. The Order also requires State agencies to take climate change into account in their investment decisions and contains guiding principles for those investments. These principles focus on investments that both prepare for climate impacts and reduce GHG emissions.

- Investments should consider the State's planning principles as set forth in AB 857 (Government Code, Section 65041.1) to promote infill development and equity; to protect environmental and agricultural resources; and to encourage efficient development patterns.
- Investments should encourage projects that support sustainable community goals, including projects that implement local plans which are consistent with sustainable communities strategies and regional transportation plans.
- Investments may generate new environmental credits (e.g., renewable energy credits (RECs), renewable identification numbers (RINs), low carbon fuel standard credits, carbon offsets), if the investments achieve GHG reductions and meet the other GGRF statutory requirements.

  However, for existing environmental credit projects (e.g., offset or renewable energy projects), GGRF dollars cannot be used to supplement the ongoing operations of an existing project. In limited cases where a project is generating environmental credits and expansion of that project will result in additional GHG reductions beyond what would otherwise occur, GGRF investments may fund the incremental costs for the expansion or change.

6. <u>Coordinating investments and leveraging funds</u>

- To the maximum extent feasible, administering agencies should seek opportunities to work together to provide multiple benefits. Several agencies could coordinate and leverage their resources to combine GGRF funding for a project or to fund multiple related projects in the same geographic area. This coordination may involve sharing information with applicants about other

GGRF programs that offer funding for complementary projects. Potential funding recipients could then submit applications to multiple GGRF programs. For example, in the same neighborhood there may be funding opportunities that combine transit improvement projects with other projects (e.g., zero-emission buses, transit-oriented affordable housing, urban forestry, active transportation, etc.).

- Investments should be coordinated with local, State, and federal funding programs to avoid duplicative programs.
- Funding should leverage private and other government investment to the maximum extent possible.

IV.B. What are the guiding *implementation* principles for programs funded by the GGRF?

Complementing the investment principles are implementation principles that guide how agencies administer their programs.

1. Transparency

Agencies should maximize transparency in program implementation and GHG quantification, as described below:

- Information on funding opportunities and GHG quantification should be easily accessible to potential applicants, including those in disadvantaged communities.
- Guidelines and solicitation materials should provide a clear description of project requirements, timelines, deliverables, and the criteria that the State agency will use to evaluate proposals and select projects for funding.
- For programs with solicitations (i.e., not “first come, first served” incentives), agencies must post basic information about project applications on their program website before the agency makes a decision on funding awards. After projects are selected and all funds are encumbered, agencies must post an updated list within 90 days that identifies the status for all project applications (see Chapter V. “Program Design”, section 7. for additional information.)
- Information about expenditures should be readily accessible to the public. This may involve creation of a website to track agency / department expenditures of auction proceeds prior to the completion of the comprehensive online project tracking system for GGRF programs.
- Information on both program and project-level status and outcomes should be easily accessible to the public and must be submitted to ARB for the Annual

Report to the Legislature. For additional information on what needs to be reported, see Volume 3 of these Funding Guidelines, "Reporting Requirements."

2. Accountability

Agencies should maximize accountability in program implementation, as described below:

- Before expending GGRF funds, establish internal policies and procedures that ensure efficient and timely implementation in accordance with statutory requirements. These should include procedures for monitoring and evaluating projects following project selection and ensuring the availability of a trained workforce to implement programs.
- Include the necessary components for program accountability (e.g., measurable objectives, recordkeeping provisions, access to documents for program reviews and audits, and consequences for non-performance) in grant agreements, loans, funding awards, or disbursements.
- Different programs will have different levels of administrative costs. It is acceptable to use GGRF appropriations for administration of grant programs, but all agencies will need to ensure that GGRF funds spent on administration are reasonable and directly tied to the implementation of GGRF projects and the achievement of GHG reductions. As part of program reporting, State agencies should specify the agency's costs for administering projects, as well as the administrative or overhead costs for funding recipients, as appropriate, to provide the full accounting of administrative costs.

3. Outreach and access for disadvantaged communities

Agencies administering GGRF programs should conduct or participate in outreach to disadvantaged communities to help potential applicants in these communities access funding opportunities. These efforts are needed to maximize benefits in disadvantaged communities and meet the statutory investment requirements. See Volume 2 for additional information on conducting outreach and maximizing benefits to disadvantaged communities.

IV.C. How do agencies incorporate provisions of these guiding principles into their GGRF programs?

Each agency will need to review its GGRF program to determine whether it has already incorporated provisions of the investment and implementation principles into program procedures and documents (e.g., guidelines, solicitation materials, etc.). In some cases, existing program structures may need to be modified to incorporate the provisions of the guiding principles. For new programs, agencies can incorporate the guiding principles as they build the program.

V. Program Design

V.A. What are the key items agencies need to address when they design GGRF programs?

Figure 1-7 summarizes some key items that agencies need to address when they design GGRF programs:

Figure 1-7 Summary of Key Items That Agencies Address in Program Design

Key Items in GGRF Program Design

- Initial consultation with ARB.
- Identify program-specific statutory requirements.
- Prepare an Expenditure Record and get ARB concurrence.
- Begin working with ARB on quantification methodologies.
- Begin public outreach and establish a website.
- Work with Finance and ARB to establish fiscal procedures.
  Per the provisions in these Funding Guidelines, Volume 1, Appendix 1.A.
- Establish administrative policies and procedures.

1. Initial consultation

Agencies must have an initial consultation with ARB to discuss the types of projects that the agency plans to fund, confirm that GHG reductions can be achieved and quantified for those projects, and help expedite the Expenditure Record process by resolving issues early. For agencies with new programs, this consultation can also provide valuable background on the GGRF program and the associated requirements. The initial consultation should occur prior to the public release of draft guidelines or solicitation materials.

2. Identify any program-specific requirements that apply to the GGRF appropriation

While general statutory requirements were summarized in Section III.B, some requirements may vary by fiscal year, by agency, and by program. These Funding Guidelines are based on statutory requirements, but do not contain all program-specific details mandated by legislation. Therefore, it is critical that each administering agency identify all of the requirements that are applicable to that agency's program(s). These include program-specific requirements contained in budget bills (e.g., SB 852, SB 862) or other legislative documents. Identifying all applicable requirements upfront will help the agency develop and implement its GGRF program(s) in a way that is consistent with statute.

Agencies' programs also need to be consistent with their Expenditure Records, the "Cap-and-Trade Auction Proceeds Investment Plan," and any other applicable documents that are required by statute. For example, if an agency wanted to use its GGRF appropriation on a program that is not included in its Expenditure Record, the agency would need to update its Expenditure Record prior to funding projects with GGRF dollars. Appendix 1.A contains guidance on how agencies must prepare Expenditure Records.

3. Prepare and submit an Expenditure Record

Each fiscal year, all administering agencies must complete an Expenditure Record prior to expending funds appropriated from the GGRF (SB 1018, Chapter 39, Statutes of 2012). Agencies need ARB concurrence on the required Expenditure Record *prior* to the public release of final program materials, such as final guidelines or final project solicitations. If an agency has a continuing program that is not changing, it should only need to make minor revisions to its existing Expenditure Record, such as updating its appropriation amounts and budget citations. Appendix 1.A includes guidance for how agencies need to prepare and submit Expenditure Records.

4. Work with ARB on quantification methodologies

ARB has a statutory role to develop guidance on quantification methodologies for agencies that receive GGRF appropriations. Before selecting the type of projects that will be funded, agencies should consult with ARB on quantification methodologies.

ARB will work with agencies to develop quantification methodologies for their project types that do the following:

- Support calculating the estimated GHG reductions and applicable co-benefits for individual projects;
- Apply to the project types proposed for funding;
- Provide uniform methods that can be applied Statewide and are accessible by all applicants;
- Use existing and proven tools or methodologies, where available;
- Include the expected time frame for when GHG reductions and co-benefits will be achieved; and
- Identify the appropriate data needed to calculate net GHG benefits.

5. Begin public outreach and establish a website

Outreach to stakeholders and the public is an important component of the GGRF program, particularly for programs with investments targeted to benefit disadvantaged communities. After the budget is finalized, agencies administering GGRF appropriations can begin outreach efforts by establishing websites that publicize the amount of GGRF funding available, a general schedule for program development, links to List Serves that allow interested parties to obtain updates as the program develops, and program contact information, such as an email address where stakeholders can submit questions or comments. Agencies are encouraged to send this information to ARB for posting on ARB's auction proceeds website, which is a central portal with information on all GGRF program activities and materials.

There is a great deal of public interest in learning about opportunities to fund projects with the GGRF. The earlier the information is made publicly available, the easier it is for people to get involved and prepare funding proposals or submit applications. Therefore, agencies should have public involvement early on while agencies develop guidelines, solicitation materials, and other program documents.

6. Work with Finance and ARB to establish GGRF fiscal procedures

Agencies that administer GGRF appropriations need to coordinate with Finance and ARB (the GGRF "accountant") to establish fiscal procedures for managing their appropriation. ARB and Finance work with agencies to manage the GGRF cash flow and ensure that GGRF funds will be available to satisfy appropriations and transaction requests. Agencies are responsible for encumbering and expending funds consistent with federal and State law, and ensuring that their GGRF appropriation is utilized consistent with the final Expenditure Record and cash flow estimates.

For projects that leverage funds from multiple sources, agencies need a mechanism to track the specific GGRF expenditures and identify the amount of GGRF funds being spent on administrative costs. Different programs will have different levels of administrative costs. It is acceptable to use GGRF appropriations for the administration of grant programs, but all agencies will need to ensure that GGRF funds spent on administration are reasonable and directly tied to the implementation of GGRF projects and the achievement of GHG reductions. If State agencies distribute GGRF funds to local agencies or other entities, the funding recipients will also need to track GGRF project funds and the associated administrative costs, so they can provide this information to the State agency. Additional information on fiscal procedures is contained in Appendix 1.A.

7. Establish GGRF administrative policies and procedures

- **Project monitoring and audits:** All administering agencies are subject to Legislative and Administration oversight, including audits by the Bureau of State Audits, Department of Finance, other State oversight agencies, or a third-party auditor. Agencies must have clear policies in place that allow for audits conducted by State oversight agencies. Agencies also need procedures to monitor projects funded by the GGRF and to conduct their own audits or program reviews of funding recipients, either during or after project implementation. Both administering agencies and funding recipients must make records available, if requested, to support program reviews or audits.
- **Public access and transparency:** All administering agencies must provide public access to information on programs and projects funded by the GGRF. Each agency should maintain a website that provides up-to-date program information (e.g., guidelines, workshops, solicitations, application procedures, funding awards). The website also needs to provide access to information about proposed projects and locations.

  Prior to Funding Decisions: For programs that will fund projects with competitive grant, loan, or contract solicitations (i.e., not "first come, first served" vouchers or rebates), agencies must post basic information about all of the applications or proposals that are submitted for consideration. Agencies must post this information on their program websites at least ten days before the agency makes a decision on funding awards. Agencies can provide this information on their website using the format that works best for their program (e.g., a list of all applications; brief narrative summaries of each application; concept proposals, etc.). Since each agency is responsible for its own project selection criteria and process, the type of information that is posted may vary by program. The minimum items that must be posted include:

  For each project application or proposal
  - Name of applicant.
  - Brief description of proposed project, including location (excluding personally identifiable information for any private individuals).
  - Amount of GGRF funding requested.
  - Whether the project is expected to be located within or provide benefits to a disadvantaged community.

  For each solicitation
  - A reference or website link to the project evaluation and selection criteria that are contained in the agency's guidelines and solicitation materials, to inform the public about the factors that will influence the agency's decision making.

In addition to the items shown above, agencies could choose to list or describe other key data (qualitative or quantitative) for each project that is being considered in project selection according to the program guidelines or solicitation materials.

After Funding Decisions: After projects are selected and all funds are encumbered, agencies must post an updated list within 90 days that identifies the status for all project applications. At a minimum, the status must identify the projects funded and the amount of funding awarded. Agencies may choose to provide additional or updated information if they determine such information would be useful to promote transparency.

- Agencies also need to work with their funding recipients to obtain project locations, status updates, and other information. After agencies submit project information and program-level data to ARB, it is compiled for the Annual Report to the Legislature, which is a public document. See Volume 3 of these Funding Guidelines for information on reporting requirements. ARB is also developing an online tool that will allow the public to see which individual projects are being funded, the location, and the associated benefits.
- **Program acknowledgement / recognition:** When implementing GGRF projects, agencies must have uniform procedures to acknowledge the GGRF as a funding source. However, the name Greenhouse Gas Reduction Fund or its acronym GGRF may not be commonly used by the general public. Starting in FY 2015-16, for purposes of communications with the recipients and the general public, any program that is paid for in part or in whole by the GGRF must be called, identified, and considered under the umbrella of the more accessibly named and easily identifiable "California Climate Investments" program.

  The "California Climate Investments" logo and name serve to bring under a single brand the many investments with funding from the GGRF. This will help unify for Californians the many separate programs overseen by different agencies. It will present a consolidated and coordinated initiative by the State to address climate change by reducing GHGs while also improving air quality, creating new jobs and supporting more sustainable communities.

  The name and logo are designed to reflect this unified effort and identify California as a leader in the world of innovation and sustainability. Guidelines for the usage of the "California Climate Investments" logo will be posted on ARB's Auction Proceeds website at: http://www.arb.ca.gov/auctionproceeds.

Program Design

Where there is an existing name or acronym recognized by the **public and media** for an existing program, the agency may use that name in conjunction with "California Climate Investments," with the understanding that the program's primary connection is to California's efforts to fight climate change.

Recognition of funding under the "California Climate Investments" program will extend to publications, websites, signage, invitations and other media-related and public-outreach products. Required shared language for press releases, signage and outreach materials is currently in development and will be distributed to administering agencies as a supplement to these Funding Guidelines. This supplement will also provide detailed guidance for size and placement of exterior signage, use of agency logos, and related details. This guidance will be similar to that offered for other large-scale multi-agency statewide programs and investments (e.g., Proposition 12, the 2000 Parks Bond).

VI. Guidelines and Solicitation Materials

VI.A. What common elements do administering agencies need to include in their guidelines and solicitation materials?

The GGRF is funding a broad spectrum of projects, but there are common elements that each administering agency needs to address when developing guidelines and solicitation materials for project selection. These common elements, summarized in Figure 1-8, are based on the guiding principles presented in Section IV.

Figure 1-8 Summary of Common Elements to Include in Guidelines and Solicitation Materials

Greenhouse Gas Reductions

- *Clearly state the requirement that all projects must reduce greenhouse gas emissions and further the purposes of AB 32.*

Maximizing Benefits to Disadvantaged Communities

- *Describe how the agency will evaluate projects for potential benefits and structure the program to maximize benefits to disadvantaged communities.*

Quantification Methods

- *Explain how greenhouse gas reductions must be quantified, using ARB quantification methodologies.*

Application Process and Project Selection Requirements

- *Clearly describe the application process, and how projects will be evaluated and selected.*

Project Tracking and Metrics

- *Describe how the agency and funding recipients will track and document greenhouse gas reductions and co-benefits.*

Reporting

- *Explain the reporting requirements that will be applicable to funding recipients.*

VI.B. How do administering agencies address these common elements in their guidelines and solicitation materials?

Each administering agency is responsible for implementing its programs in a way that meets statutory requirements and is consistent with these Funding Guidelines. Agencies can decide the format and approach that works best for them as they develop guidelines and solicitation materials. Additional details on the common elements are provided below.

1. Greenhouse gas reductions

Guidelines and solicitation materials must clearly state the requirement that all projects must reduce greenhouse gas emissions and further the purposes of AB 32.

In addition to guidelines and solicitation materials, clearly state the GHG reduction requirement in the following areas:

- In program administration documents (e.g., internal administrative procedures);
- On the agency's website; and
- During public outreach events (e.g., workshops, public meetings) and in other communications with the public.

2. Maximizing benefits to disadvantaged communities

In guidelines and solicitation materials, describe how the agency will evaluate projects for potential benefits and structure the program to maximize benefits to disadvantaged communities. (See Volume 2 of these Funding Guidelines for guidance on disadvantaged communities.)

- Describe any applicable targets or statutory requirements for investments in disadvantaged communities.
- Include the applicable disadvantaged community identification version that will be used for program implementation (e.g., FY 2014-15 and FY 2015-16 funding will use CalEPA's disadvantaged community identifications dated October 31, 2014, based on CalEnviroScreen version 2.0).
- Include approaches for maximizing benefits, in accordance with the guidance contained in Volume 2, for investments in disadvantaged communities. Examples of potential approaches include anti-displacement policies, targeted funding, outreach to engage community residents and representatives, and eligibility requirements or scoring criteria that encourage projects to benefit disadvantaged communities.

- Include the appropriate ARB criteria and approaches to determine whether investments benefit disadvantaged communities:
  - Copy the full criteria tables or include a reference to the criteria tables that are applicable to the program, as contained in the Appendix of Volume 2, guidance for investments in disadvantaged communities.
  - Copy the applicable disadvantaged community maps or include a reference to the maps (disadvantaged community census tracts, ZIP codes with disadvantaged communities, or ½-mile zone around disadvantaged communities). These maps and an interactive mapping tool are available on ARB's Auction Proceeds website at: http://www.arb.ca.gov/auctionproceeds.
  - Use the criteria tables and maps that are applicable to your agency's project types – do not use criteria and maps for other project types. For example, *only* "Low Carbon Transportation" and "Transit Projects" currently have criteria based on ZIP codes that contain disadvantaged community census tracts. The ZIP code criteria can only be used for project types where it is specifically listed on the criteria table.
- Describe efforts to address common needs in disadvantaged communities or specific needs identified by community residents or representatives. To determine these needs, agencies can use a variety of approaches such as: requiring project applicants to: assess the factors in CalEnviroScreen that caused an area to be defined as a disadvantaged community; host a community meeting to get input; or refer to the list of common needs in Volume 2, Table 2-2.
- Clearly explain how the agency plans to meet targets for investments benefiting disadvantaged communities. Some agencies may use a broad, program-wide approach to allocate expenditures for disadvantaged community projects. Others may require that individual funding recipients expend a designated percentage of their awarded funds for disadvantaged community projects. The approaches will vary among the different programs, and each agency needs to document its chosen approach.

  If an agency's plans for meeting disadvantaged community targets allow flexibility in where projects are located, the agency needs to establish policies which ensure that disadvantaged community investment targets are still being met. For example, if a local transit operator is allowed to transfer GGRF funds to their regional transit agency to help fund a project, both the local transit operator and the regional transit agency need to be aware of the applicable disadvantaged community requirements and must use the funds accordingly. In addition, the regional transit agency would need to document the disadvantaged community benefits and provide the data needed to satisfy reporting requirements.

3. Quantification methods

In guidelines and solicitation materials, explain how GHG reductions and co-benefits will be quantified, using ARB quantification methodologies.

- For GHG reductions, describe the quantification methodology that has been developed by ARB including links to methodology documents or estimation tools. ARB has a statutory role to develop guidance on quantification methodologies for agencies that receive GGRF appropriations. If ARB has not yet finalized a methodology, state that GHG reductions will be quantified using a methodology approved by ARB.
- For co-benefits, describe how the agency will evaluate co-benefits during the selection process, either using a qualitative assessment or using a methodology that has been developed or approved by ARB.

4. Project selection requirements

In guidelines and solicitation materials, clearly describe the application process and how projects will be selected.

- **Program objectives:** Describe overall program objectives, statutory requirements, and other guiding policies/plans. Also provide information on the amount of funding that is potentially available.
- **Eligibility requirements:** Describe eligibility requirements, including GHG emissions reductions, in sufficient detail for potential applicants to determine if their project would be eligible for funding. Specify any ineligible costs that do not qualify for funding.
- **Match funding:** Explain whether match funding or other leveraging is required, or if it will help an applicant rank higher during the project selection process.
- **Application procedures:** Describe how potential applicants can apply for funding and clearly list any forms or other materials that applicants must submit. Describe how applicants will be notified if they have or have not been selected to receive funding. Note that applications will be treated in accordance with Public Records Act requirements and that certain information, subject to those requirements, may be publicly disclosed.
- **Key dates and deadlines:** Specify key dates and deadlines that apply to projects under the solicitation including, but not limited to: deadline for submittal of concept proposals or full applications; timeframe for project evaluation and selection; deadlines for funding obligation or liquidation; time allowed for project implementation; and dates when project reports must be submitted to the agency.

- **Project selection criteria:** Define the criteria by which projects will be evaluated and selected. Explain whether the agency will use a "first come-first served" approach or a competitive process. Describe how the agency will handle solicitations that do not meet minimum requirements (e.g., the agency will issue a new solicitation if none of the applicants meet a specified minimum score). Examples of potential selection criteria include, but are not limited to: GHG emission reductions; disadvantaged community benefits; documented support from disadvantaged community residents or representatives; ability to promote the use of clean alternative fuels and advanced technologies; and applicant's ability or readiness to successfully implement the project.
- **Project implementation requirements:** Describe the project implementation requirements that will apply to applicants selected to receive funding. Include key milestone dates and requirements for maintaining eligibility prior to project completion, if applicable. Also, note any laws, policies, plans or other relevant documents that will guide project implementation.
- **Review / audit procedures:** Describe the review and audit procedures that administering agencies will use for oversight of funding recipients and project implementation. Explain that the State of California has the right to review project documents and conduct audits during project implementation and over the project life.
- **Remedies for non-performance:** Define remedies that administering agencies may use if they determine that funding recipients have not performed in accordance with program requirements, grants, or other legally binding agreements. Examples of non-performance include, but are not limited to: misuse of the GGRF to fund ineligible expenses; failure to comply with program guidelines or requirements; inability to meet performance requirements or schedule milestones; and failure to comply with the terms and conditions identified in legal agreements.

5. <u>Project tracking and metrics</u>

In guidelines and solicitation materials, describe how the agency and funding recipients will track and document GHG reductions and co-benefits by including the items listed below. (See Volume 3 of these Funding Guidelines for guidance on what needs to be tracked and reported.)

- List the metrics that will be tracked or state that the agency/funding recipient will track metrics in accordance with ARB's Funding Guidelines.
- Describe who will be responsible for tracking metrics, how often metrics will be tracked (e.g., quarterly), how long metrics will be tracked (e.g., over the life of the project), and the retention period for records after tracking ends.

6. Reporting

In guidelines and solicitation materials, explain the reporting requirements that will be applicable to funding recipients. (See Volume 3 of these Funding Guidelines for guidance on reporting.)

Reporting requirements in guidelines and solicitation materials should include the following items:

- General reporting requirements:
  - Who is required to report?
  - How often is reporting required?
  - How should reports be submitted?
- Project profile information that funding recipients need to report to the administering agency (e.g., project description, project location, schedule, GGRF dollars allocated, leveraged funds).
- Benefits information that funding recipients need to report (e.g., GHG reductions, disadvantaged community benefits, energy/water savings, other co-benefits).
- If a funding recipient has stated that their project will address a community need, the reported information needs to include an assessment of how the project benefits have addressed the identified need.
- If available, jobs or job training information that funding recipients can report (e.g., number of job recipients or job trainees, census tract numbers where job recipients/trainees reside, entry-level and median wages, credentials earned by trainees).
- Additional information that funding recipients must provide so the administering agency can compile summary data for the Annual Report to the Legislature.
- Explain that some reported project information will be publicly available on the ARB website, including the amount of funding that is being spent on projects that benefit disadvantaged communities and maps that show the locations of these communities. ARB will be developing an online tracking system where agencies can submit project information and the public can obtain information on investments in their geographic area.

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APPENDIX 1.A

Expenditure Record and Fiscal Procedures

Appendix 1.A

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Appendix 1.A

Table of Contents

I. Purpose 1.A-1
II. Implementing Legislation 1.A-1
III. What is an SB 1018 Expenditure Record? 1.A-2
IV. Who is required to prepare an SB 1018 Expenditure Record? 1.A-3
V. What is the process for submitting and finalizing an Expenditure Record? 1.A-3
VI. When do State agencies need to finalize an Expenditure Record? 1.A-4
VII. How often must an Expenditure Record be prepared? 1.A-5
VIII. What are the required elements of an Expenditure Record? 1.A-7
IX. How do we manage encumbrances and expenditures? 1.A-14
X. What is the cash administrative process for the Greenhouse Gas Reduction Fund? 1.A-15

List of Figures

Figure 1.A-1 Overall Expenditure Record and Fiscal Process for the Greenhouse Gas Reduction Fund 1.A-6

List of Tables

Table 1.A-1 Activities that Require an Expenditure Record Prior to Action 1.A-4

Appendix 1.A

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Appendix 1.A

I. Purpose

The purpose of this Appendix is to provide the following guidance to State agencies:

- Guidance on the scope, preparation, and submittal of an annual SB 1018 Expenditure Record to document the proposed use of their GGRF appropriation.
- Guidance on fiscal procedures for State agencies that need to request withdrawals from the GGRF.

II. Implementing Legislation

In 2012, the Legislature passed SB 1018 to assist agencies with GGRF expenditures to achieve GHG reductions and further the additional regulatory purposes of AB 32 (Government Code §16428.9). The Legislature amended this section in 2014 with SB 862 as shown below:

Government Code, Greenhouse Gas Reduction Fund, Section 16428.9.

(a) Prior to expending any funds appropriated to it by the Legislature from the fund, a state agency shall prepare a record consisting of all of the following:

(1) A description of each expenditure proposed to be made by the state agency pursuant to the appropriation.
(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.
(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.
(4) A description of how the state agency considered the applicability and feasibility of other nongreenhouse gas reduction objectives of Division 25.5 (commencing with Section 38500) of the Health and Safety Code.
(5) A description of how the state agency will document the result achieved from the expenditure to comply with Division 25.5 (commencing with Section 38500) of the Health and Safety Code.

(b) The State Air Resources Board shall develop guidance on reporting and quantification methods for all state agencies that receive appropriations from the fund to ensure the requirements of this section are met. Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 does not apply to the procedures developed pursuant to this subdivision.

[Full Citation as of May 13, 2015: Government Code, Title 2, Division 4, Part 2, Chapter 2, Article 9.7, Greenhouse Gas Reduction Fund and Cost of Implementation Account, Sections 16428.8 - 16428.95]

III. What is an SB 1018 Expenditure Record?

SB 1018 requires State agencies that have been appropriated funds from the GGRF to prepare an Expenditure Record. Every programmatic appropriation for investment of auction proceeds requires preparation of an Expenditure Record. An Expenditure Record is a document that provides five elements or pieces of information describing the proposed use of the funds:

- A description of the proposed use;
- A description of how a proposed expenditure will further the regulatory purposes of AB 32;
- A description of how a proposed expenditure will contribute to achieving and maintaining GHG emission reductions;
- A description of how the State agency considered the applicability and feasibility of other non-GHG reduction objectives; and
- A description of how the State agency will document the result achieved from the expenditure.

The Expenditure Record is a critical first step in the tracking and reporting process to ensure that all GGRF expenditures further the purposes of AB 32 and meet other statutory requirements. Expenditure Records will also be a valuable tool for maintaining accountability throughout the life of the program.

An Expenditure Record is usually prepared for a program, not for individual projects implemented under the program or individual invoices for payment. For the purposes of completing an Expenditure Record, a program is defined as related projects or activities to be implemented to achieve a common goal(s). A program brings together similar projects and provides coordinated implementation and funding to achieve the goals. If an agency will use its appropriation for more than one program, an Expenditure Record is required for each program.

For example, the Strategic Growth Council (SGC) prepared two Expenditure Records for its FY 2014-15 appropriation; one for the Affordable Housing and Sustainable Communities Program and another for the Sustainable Agriculture Land Conservation Program. Similarly, the California Department of Forestry and Fire Protection (CAL FIRE) prepared multiple Expenditure Records for each of its programs (reforestation, forest management, fuels reduction, urban forestry, etc.).

In cases where more than one Record is submitted, the agency should include a short text summary under element 1 of each Expenditure Record that describes the portion of the agency's appropriation that is assigned to each program (e.g., SGC might indicate that "x" percent of its appropriation will be used for its Affordable Housing and Sustainable Communities Program and "y" percent for its Sustainable Agriculture Land Conservation Program).

The Expenditure Record is a qualitative description of how the program will achieve and maintain GHG emission reductions and co-benefits. Prospective quantification of benefits is not necessary in the Expenditure Record, but a description of the approach and methodology that will be used to quantify the GHG reductions is required in the Expenditure Record. Specific quantification and reporting approaches are likely to change as ARB develops guidance materials and the agencies develop their programs. If necessary, an agency may prepare a supplemental or amended Expenditure Record in the future as the quantification methodologies are updated.

IV. Who is required to prepare an SB 1018 Expenditure Record?

Any agency that has any GGRF project funds appropriated to it by the Legislature for investment in projects must prepare and finalize an Expenditure Record according to the procedures in this guidance. In this Appendix, "agency" is used as a general term to refer to an agency, authority, board, commission, department, office, academic institution, or other unit of State government.

V. What is the process for submitting and finalizing an Expenditure Record?

Prior to submitting a draft Expenditure Record or releasing draft solicitation materials, agencies should have an initial consultation with ARB to discuss the types of projects that the agency plans to fund and confirm that GHG reductions can be achieved and quantified for those projects. This initial consultation should help expedite the Expenditure Record process by identifying and resolving issues early.

Agencies should submit draft Expenditure Records consistent with the guidance in this document, in Microsoft® Word format, to ARB at: GGRFProgram@arb.ca.gov. ARB will assign each Expenditure Record a unique identification number to provide a clear link with future reporting and fiscal tracking systems.

Agencies will need ARB concurrence on their Expenditure Record prior to the release of final guidelines or solicitation materials, so they should submit the first draft early in the program development process. If an agency has a continuing program that is not changing, it should only need to make minor revisions to its existing Expenditure Record, such as updating its appropriation amounts and budget citations. For continuing programs, ARB can work with agencies early to provide preliminary Expenditure Record concurrence, contingent on budget approval.

After an agency submits a first draft, ARB staff will work with the agency, as needed, to ensure that each Expenditure Record meets statutory requirements and addresses all required items. Depending on the level of detail and revisions necessary, ARB expects it will take approximately two weeks after submittal of the first draft for ARB staff to provide its comments to the agency.

Once ARB and an agency reach concurrence on a final Expenditure Record, ARB will document its concurrence with a memorandum to the agency. The final Expenditure Record and memorandum are public documents and will be posted on the ARB auction proceeds website, allowing the agency to submit transaction requests consistent with the Expenditure Record and cash flow estimates.

VI. When do State agencies need to receive Expenditure Record concurrence?

State agencies that receive appropriations from the GGRF must receive ARB concurrence on an Expenditure Record for those fiscal year funds prior to releasing final program materials and prior to expending any funds on projects. In most cases, agencies that receive appropriations from the GGRF will prepare and submit a draft Expenditure Record prior to or early in the fiscal year. In all cases, the Expenditure Record for each fiscal year appropriation must be submitted prior to the end of that fiscal year.

Agencies must receive ARB concurrence on an Expenditure Record for each program according to the procedures in this guidance *prior to* engaging in any the activities listed in Table 1.A-1. Development and ARB concurrence of the required Expenditure Record *prior* to drafting program materials provides a well-structured process and will help minimize the modifications needed to future program guidance or solicitations.

Table 1.A-1 Activities that Require an Expenditure Record Prior to Action

• Public release of final guidelines or solicitation materials.
• Executing contracts, loans, grant agreements, or other agreements that obligate funds from the GGRF.
• Financially committing to programs that are directly funded by the GGRF (e.g., capital outlay projects, state operations expenditures for direct project costs).
• Requesting the withdrawal of funds from the GGRF, excluding initial staffing expenses.
• Transferring funds out of the GGRF, excluding initial staffing expenses.
• Securing leveraged funds or match funds by withdrawing funds from the GGRF.
• Submitting documentation to reimburse grantees for project expenditures.

Agencies do not need to submit an Expenditure Record prior to staffing up to perform the administrative functions associated with the internal management of their GGRF appropriation. However, when agencies submit Expenditure Records for program implementation, the amount of funding shown will need to reflect both anticipated administrative and program expenditures.

VII. How often must an Expenditure Record be prepared?

An Expenditure Record is not required for each transaction request or payment. An agency will typically prepare and submit an Expenditure Record for each program funded by an appropriation in that fiscal year. The final Expenditure Record is tied to the proposed use of those fiscal year funds, which may occur over several years as allowed by State law. Agencies that have a continuous appropriation must submit a new or updated Expenditure Record for ARB concurrence annually with a focus on planned expenditures of the funds associated with each fiscal year's appropriation. For continuous appropriations that are based on a percentage of the auction proceeds, the actual dollar amount appropriated will not be known until after the fourth auction of the fiscal year. Therefore, these agencies can list the estimated appropriation from the Governor's proposed budget when they prepare an Expenditure Record and submit an amended Expenditure Record after the fourth auction.

Once an Expenditure Record has been finalized for a specific fiscal year appropriation, if an agency subsequently needs to change the focus or priority for use of GGRF funds – and such change remains consistent with State law and the purposes of the GGRF – the agency must submit an amended Expenditure Record for ARB concurrence according to the procedures in this guidance before expending funds for the new use(s).

Figure 1.A-1 illustrates the overall Expenditure Record and fiscal process, from budget appropriation through Expenditure Record submittal, GGRF withdrawals, and fiscal reporting.

Appendix 1.A

Figure 1.A-1 Overall Expenditure Record and Fiscal Process for the Greenhouse Gas Reduction Fund

1. Enacted Budget appropriates GGRF funds to agency for specific program(s).
2. Agency has an initial consultation with ARB.
3. Agency prepares a draft expenditure record and submits it to ARB, prior to releasing the agency's final guidelines or final solicitation materials.
4. ARB reviews the expenditure record to ensure it meets statutory requirements and relevant guidance. ARB works with agencies to reach concurrence on the record.
5. Agency finalizes expenditure record and ARB provides memorandum to agency documenting concurrence.
6. ARB posts the final expenditure record and concurrence memorandum on auction proceeds website.
7. Agency releases final guidelines and solicitation materials.
8. Agency submits monthly cash projections to ARB; ARB monitors GGRF cash balance daily. (see Section XII)
9. Agency can begin expending/withdrawing/transferring funds from the agency's internal clearing account or GGRF. Multiple withdrawals can occur for each expenditure record.
10. Agency provides monthly accounting reports on expenditures to ARB. (Section X)
11. Agency submits project-level data and program-level summaries to ARB. (See Volume 3: Reporting Requirements)
12. ARB drafts a combined annual program and fiscal report for the Department of Finance to submit to the Legislature each March.

Appendix 1.A

VIII. What are the required elements of an Expenditure Record?

The required elements of an Expenditure Record are presented below, with examples of potential descriptions in response:

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

The description must include:	***Examples** include, but are not limited to:*
❑ Agency that will administer funding	▪ Strategic Growth Council, in coordination with Housing and Community Development and the Department of Conservation. ▪ Department of Water Resources, directly and through local water agencies.
❑ Amount of proposed expenditure and appropriation reference	▪ The total expenditure is $35 million ($10 million for grants; $20 million for rebates; $5 million for vouchers), per Section XXXX-XXX-XXXX of the Budget Act of 2014 (Chapter X, Statutes of 2014). ▪ Per Senate Bill 862 (Chapter 836, Statutes of 2014), ten percent of the annual proceeds in the GGRF are continuously appropriated to the Transportation Agency for the Transit and Intercity Rail Capital Program, beginning in FY 2015-16. Based on the Governor's proposed budget, it is estimated that the available funding for FY 2015-16 would be approximately $265 million. The actual funding level will not be determined until after the fourth auction for that fiscal year and the Expenditure Record will be amended accordingly.
❑ Estimated amount of expenditures for State agency administrative costs	▪ The total expenditure includes $[XX] million for State Operations costs. ▪ State agency administrative costs are estimated to be approximately [$XX] million, but these costs will depend on the actual amount of the continuous appropriation as determined after the fourth auction of the fiscal year,
❑ If applicable, identify laws or regulations that govern how GGRF funds will be used	▪ AB [XX] established the program and provides direction on how the funds will be allocated to recipients, including requirements for project eligibility and program implementation. All GGRF funds will be allocated and managed in accordance with this law.
❑ Continuation of existing Expenditure Record	▪ This fiscal year's appropriation will fund a continuing capital project that has been funded by the State agency and has an existing Expenditure Record(s); or ▪ This fiscal year's appropriation will support a continuing program that will fund the same types of projects that have been previously funded under an existing Expenditure Record.

Continued on next page

Appendix 1.A

Element (1), continued	
The description must include:	***Examples** include, but are not limited to:*
❑ Project category [TO BE UPDATED AFTER THE FY 2015-16 BUDGET IS FINAL]	▪ High-speed rail ▪ Low-carbon transit operations ▪ Transit and intercity rail capital program ▪ Affordable housing and sustainable communities ▪ Low-carbon transportation ▪ Energy efficiency upgrades / weatherization ▪ Energy efficiency upgrades for public buildings ▪ Water-energy efficiency ▪ Agricultural energy and operational efficiency ▪ Wetlands and watershed restoration ▪ Forest health and urban forestry ▪ Waste diversion
❑ Type of projects that will be eligible for funding	▪ Weatherization of low-income residences to improve energy efficiency in disadvantaged communities. ▪ Construction of affordable housing readily accessible to transit that reduces vehicle miles travelled. ▪ Purchase of qualifying zero-emission vehicles to cut vehicle emissions.
❑ Intended recipients	▪ Local transit agencies ▪ Non-profit organizations ▪ Businesses ▪ Consumers
❑ Process for selecting projects for funding	▪ Competitive solicitation, evaluation and selection of projects according to program guidelines. ▪ Allocation to contractors (other agencies, private, or non-profits) based on award or formula by governing body. ▪ Direct funding of defined State capital improvements. ▪ First-come first-served rebates for consumers with qualifying purchases.

Appendix 1.A

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.**

The description must include:	***Examples** include, but are not limited to:*
❑ How the expenditure is reflected in the three-year Investment Plan and the Scoping Plan	▪ AB 1532 requires that GGRF funds be appropriated in a manner that is consistent with the three-year Investment Plan. The 2013 "Cap-and-Trade Auction Proceeds Investment Plan" recommends that sustainable communities and clean transportation receive the largest allocation of auction proceeds investments because the transportation sector is the largest contributor of both GHGs and criteria pollutants. In addition, Appendix B of the Investment Plan specifically describes and recommends the types of projects that will be funded by expenditures under the Program (e.g., implementation of Sustainable Communities Strategies, transit-oriented development, active transportation, etc.). Therefore, the expenditures covered by this record are consistent with the Investment Plan and align with the priorities expressed in the Plan. ▪ The First Update to the Climate Change Scoping Plan identified key strategies and recommendations to continue reducing GHG emissions and achieve the goals and purposes of AB 32. The recommended actions for the energy sector include continuing to enhance energy efficiency, increasing localized generation, and implementing smart-grid technologies.

Appendix 1.A

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.**

The description must include:	***Examples** include, but are not limited to:*
❑ Describe how expenditures will achieve GHG reductions or net GHG benefits	▪ Expenditures will achieve GHG reductions by funding the purchase of zero or near-zero emission vehicles or equipment which emit less GHG emissions than comparable conventionally fueled vehicles or equipment. ▪ Expenditures will achieve net GHG benefits by funding forest management projects that enhance carbon sequestration and avoid GHG emissions through: preventing spread of disease to healthy forests by selectively removing infected trees; restoring impacted landscapes through reforestation; and utilizing removed trees for wood products or biomass energy. A net GHG benefit occurs as a result of reduced tree mortality, biomass utilization, and improved tree growth.
❑ Expected time frame when reductions will be achieved and how expenditure will maintain GHG reductions or net GHG benefits	▪ Solar retrofits will begin to yield net GHG reductions in [year] and will continue to provide clean energy and long-term net GHG reductions for an expected project life of [?] years based on warranty life. ▪ Weatherization projects will reduce energy consumption and reduce energy use GHG emissions starting in [year]. It is expected that these systems will maintain net GHG reductions for a period of [?] years. ▪ Planting trees will sequester carbon over a period of about [?] years, with sequestration starting in [year] and net GHG reductions expected to begin in [year]. All tree planting projects will include establishment care and maintenance and be assessed and inspected to ensure best management practices are followed to ensure long term survival.. ▪ The time required to achieve a net GHG benefit will vary depending on the site preparation activities and the species planted, but a net benefit is expected to be achieved within [?] years of planting. Projects that do not immediately result in a GHG benefit must be sustained at least until a net GHG benefit is realized and maintained for ten years.

Appendix 1.A

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

The description must include:	***Examples** include, but are not limited to:*
❑ Expected co-benefits, particularly environmental, economic, public health and safety, and climate resiliency	▪ Weatherization and energy upgrades will yield economic, environmental, and public health co-benefits. These projects will provide California jobs and job training for disadvantaged community residents through targeted recruitment and training programs. They will also cut energy costs for low-income residents and improve building comfort. Installing renewable energy and increasing household energy efficiency will improve air quality by reducing criteria pollutants and GHG emissions from energy production in California. Replacing older HVAC systems with newer, cleaner models will benefit public health by reducing exposure to indoor air pollutants, such as carbon monoxide, associated with very old or poorly maintained heating units. ▪ Providing more bike and pedestrian paths will improve public health by encouraging active transportation. Providing these paths will also make it easier for people to bike or walk to work, school, local businesses or transit connections, thereby reducing vehicle miles travelled, as well as the criteria air pollutants associated with automobile travel.
❑ How the project will support other AB 32 objectives (see below)	▪ This project will demonstrate how warehouses and distribution centers can transform freight operations to low emissions by installing centralized charging/fueling stations that use low-carbon fuels. This reduces toxic air pollutants and helps modernize California's energy infrastructure.

Other AB 32 objectives may be applicable for qualitative discussion in Expenditure Records, including reduction of GHGs in a manner that:

- Improves and modernizes California's energy infrastructure;
- Maintains electric system reliability;
- Maximizes additional environmental and economic co-benefits for California;
- Complements the State's efforts to improve air quality;
- Directs public and private investment toward the most disadvantaged communities in California; or
- Provides an opportunity for small businesses, schools, affordable housing associations, and other community institutions to participate in and benefit from statewide efforts to reduce GHG emissions.

Continued on next page

Appendix 1.A

Element (4), continued	
The description must include:	***Examples** include, but are not limited to:*
❑ Percentage of total funding that will be expended for projects that are "located within" and "provide benefits to" disadvantaged communities, per the criteria in Volume 2 of ARB's Funding Guidelines.	▪ Per the requirements contained in SB 862, 50 percent of the GGRF appropriation for the Program will be expended on projects that benefit disadvantaged communities. The agency has an initial goal of expending at least 10 percent of funds on projects located within disadvantaged communities and a goal of at least 40 percent for projects that are not located within, but provide benefits to disadvantaged communities, based on the criteria in ARB's Funding Guidelines. ▪ The agency has established a target to expend at least 25 percent of the total GGRF project funds received under this fiscal year appropriation to fund projects that provide benefits to disadvantaged communities. We expect this amount to include ten percent of total project funds for investments that meet the "located within" criteria in ARB's Funding Guidelines.
❑ Describe the disadvantaged community benefits and explain strategies the agency will use to maximize benefits.	▪ These expenditures will support projects that provide benefits for low-income households in disadvantaged communities as identified by CalEPA. The agency will prioritize projects that meet at least one of the disadvantaged community criteria and demonstrate that the project will address a community need. This will help maximize benefits and support agency efforts to meet, or exceed statutory requirements for expenditures that benefit disadvantaged communities. ▪ Investments to expand transit service in disadvantaged communities (as identified by CalEPA) will improve access to jobs, schools, and businesses. To help maximize benefits, the State agency will coordinate with local and regional entities to host workshops that allow the public to provide input on the types of projects that would be funded.

Appendix 1.A

Element (5) **A description of how the State 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.**

The description must include:	***Examples** include, but are not limited to:*
❑ How the agency will track and report progress to make sure projects are implemented per GGRF requirements.	▪ The agency will require funding recipients to maintain records and submit quarterly status reports. In addition, the agency will conduct periodic reviews of selected projects. If a funding recipient does not perform in accordance with program requirements, the recipient will be subject to the remedies for non-performance, as identified in the agency's guidelines.
❑ Approach that will be used to document net GHG reductions before and after project completion. Include citations for references that support methodology.	▪ The agency will calculate the net GHG reductions expected and achieved from projects using an ARB approved quantification methodology. ▪ The agency will coordinate with ARB to estimate net GHG reductions and co-benefits (e.g., energy savings), using standardized methodologies with ARB's concurrence. Agency staff will review calculations prepared by project proponents to ensure consistency with approved methods. ▪ The agency will work closely with ARB to refine GHG reduction methodologies and estimates for wetlands projects to ensure that only projects with net GHG reductions and/or sequestration are funded by the GGRF.
❑ Type of information that will be collected to document project results, as described in ARB guidelines	▪ To determine the job creation benefits, the agency will compile data from funding recipients, 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. ▪ The agency will collect data on project location, baseline and estimated energy usage, energy costs, type of upgrade that was installed, expected project life, and other data as specified in ARB's Funding Guidelines.
❑ How the agency will report on program status	▪ The agency will provide regular updates on expenditures, project status, and benefits in reports prepared according to ARB's Funding Guidelines. At a minimum, the reports will include expenditure amounts, current estimates of GHG emission reductions, and quantification of other applicable co-benefits (e.g., jobs created, vouchers issued, units retrofitted, etc.).

IX. How do we manage encumbrances and expenditures?

Appropriations are based on budget assumptions. The amount of auction proceeds available to the GGRF throughout the fiscal year is dependent on the results of each quarterly auction and reserve sale.

If State agencies with GGRF appropriations request to withdraw sizeable portions of their appropriation early in the fiscal year, there may not be a sufficient balance available in the GGRF to fulfill all requests at that time. ARB and the Department of Finance will work with agencies to ensure that GGRF funds will be available to satisfy appropriations and transaction requests.

Agencies need to encumber and expend funds consistent with State law, and ensure that their GGRF appropriations are utilized consistent with the final Expenditure Record and cash flow estimates.

The next section describes the administrative process for agencies to report cash flow needs, and submit monthly reports to ARB that document the expenditures drawn on the GGRF.

Appendix 1.A

X. What is the cash administrative process for the Greenhouse Gas Reduction Fund?

Background

Realizing that cash deposited into the GGRF is cyclical in nature, ARB actively monitors the cash in the GGRF and tracks actual and budgetary expenditures. Additionally, Assembly Bill 1532 (Pérez, Chapter 807, Statutes of 2012) requires the Department of Finance (Finance) to submit an Annual Report to the Legislature on the status and outcomes of projects funded from the GGRF. The report provides complied program accomplishments and fiscal data. ARB provides this guidance for agencies that have received appropriations from the GGRF.

Allocations of Authority

Because ARB is responsible for assisting Finance in the preparation of the Annual Report to the Legislature, the agency must track funding and proceeds at the "program" level. To track authority at this level, ARB requests agencies provide the following, at a minimum, annually:

- A breakdown of each program by funding source (e.g., how much from their budget will be used for local assistance).

  Example:

Local Assistance (reference 101)	FY 2014-15
Passenger ZEV rebates	$109,483,000
Heavy duty hybrid/ZEV trucks and buses	$4,931,000
Freight demonstration projects	$49,317,000
Light duty pilot projects in disadvantaged communities	$8,877,000
Truck and bus pilot projects in disadvantaged communities	$24,658,000
Total Local Assistance (reference 101)	$197,266,000

- A breakdown of administrative costs used beyond state operations (in other words, how much of the state operations budget was used to fund programs versus oversight of GGRF funded programs).

  Example:

Administration (reference 001)	FY 2014-15
State Operations	$2,360,000
Grants: Passenger ZEV rebates	$1,000,000
Grants: Freight demonstration projects	$3,000,000
Total State Operations (reference 001)	$6,360,000

Appendix 1.A

Monthly Reporting Requirements

To comply with Fund Administrator responsibilities per Budget Letter (BL) 14-04[8], ARB requests that agencies submit the reports listed below on a monthly basis.

Agencies should submit the following reports, CALSTARS or equivalent, to ARB's GGRF Accounting unit at: GGRFFiscal@arb.ca.gov:

- The first of each month:
  - Updated cash projections will be requested.

- The middle of each month:
  - G01 (trial balance);
  - Q22 (Plan of Financial Adjustment (PFA) by Program, fiscal year, and appropriation);
  - D07 or D16 (document report by gl 6150, encumbrance balances);
  - B06 (budget report);
  - H00 (history transaction register); and
  - Additional Reports as needed per BL 14-04.

ARB tracks expenditures at the "program function" level; therefore, ARB needs agencies to identify the program function for expenditures incurred. ARB would like to work with each agency to understand how it tracks authority and expenditures in its System of Record (e.g., CALSTARS, SAP, FI$CAL), so ARB can clearly see the breakdown on the agency's reports.

Process for Monitoring Cash in the GGRF

ARB monitors daily transaction activity. Therefore, ARB has developed the following process in accordance with the State Administrative Manual (SAM) 8452, 8715, 8452.1, 8452.2, and Government Code Section 11251:

- ARB shall consider the following when analyzing the impact of proposed expenditures on the cash balance in the GGRF:
  - Adequate cash is available to support the proposed expenditures; and
  - The actual cash flow for expenditures is reasonably close to the estimates previously submitted by each agency to ARB and Finance.

Based on the projected cash flows of the GGRF for the month, ARB will promptly notify Finance of any potential overdrafts.

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[8] California Department of Finance, Budget Letter 14-04, "Budgeting and Accounting Relationship, Coordination and Fund Reconciliation," dated April 3, 2014, http://www.dof.ca.gov/budgeting/budget_letters/documents/BL14-04.pdf.

APPENDIX 1.B

Summary Documents to Assist Agencies

Appendix 1.B

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Appendix 1.B

List of Tables

Table 1.B-1 Glossary of Terms for GGRF Program.....1.B-1
Table 1.B-2 Summary of Requirements and Recommendations.....1.B-6

Appendix 1.B

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Appendix 1.B

Table 1.B-1 Glossary of Terms for Funding Guidelines

This Glossary is intended to clarify the terms used in these Funding Guidelines; it does not contain official definitions to be used for other purposes.

Acronym or Term	Description
AB 32 (Assembly Bill 32)	Assembly Bill 32, the California Global Warming Solutions Act, created a comprehensive multi-year program to reduce greenhouse gas emissions. (Chapter 488, Statutes of 2006; Health and Safety Code Sections 38500-38599)
AB 1532 (Assembly Bill 1532)	Assembly Bill 1532, the Greenhouse Gas Reduction Fund Investment Plan and Communities Revitalization Act, established requirements and goals for the investment of monies from the Greenhouse Gas Reduction Fund. (Chapter 807, Statutes of 2012, codified with SB 535 under Health and Safety Code Sections 39711-39723)
Administering agency	A State agency that has been appropriated monies from the Greenhouse Gas Reduction Fund. The term "agency" may refer to an agency, authority, board, commission, department, office, university, or other unit of State government.
Appropriation	Authorization for an administering agency to make expenditures or create obligations from a specific fund for a specific purpose.
ARB	ARB refers to the California Air Resources Board, the lead agency implementing AB 32, including the Cap-and-Trade Program. ARB also administers the Greenhouse Gas Reduction Fund (GGRF); develops funding guidelines and quantification methodologies; and is a GGRF administering agency that funds low carbon transportation projects.
CalEnviroScreen	CalEnviroScreen is a tool that can be used to assess areas that are disproportionately affected by multiple types of pollution and areas with vulnerable populations. Per Senate Bill 535, CalEPA has used this tool to identify disadvantaged communities for the purpose of GGRF investments.
California Climate Investments	An umbrella term and associated logo developed for the purpose of communication with funding recipients and the general public to identify programs or projects funded in whole or in part by the GGRF.
Co-benefit	Benefit, other than GHG emission reductions, that results from GGRF investments. Co-benefits may be environmental, social, or economic.

Appendix 1.B

Table 1.B-1 Glossary of Terms for Funding Guidelines (continued)

This Glossary is intended to clarify the terms used in these Funding Guidelines; it does not contain official definitions to be used for other purposes.

Concurrence Memorandum	After an administering agency finalizes an Expenditure Record, ARB issues a concurrence memorandum. The final Expenditure Record and Concurrence Memorandum are posted on the ARB auction proceeds website.
Disadvantaged communities	Areas that are disproportionately affected by multiple types of pollution and areas with vulnerable populations. Per Senate Bill 535, the Secretary for Environmental Protection at CalEPA is responsible for identifying disadvantaged communities for the purpose of GGRF investments. For additional information, please refer to: http://www.calepa.ca.gov/EnvJustice/GHGInvest/.
Encumbrance	The commitment of all or part of a budget appropriation. Encumbrances represent valid obligations related to unfilled purchase orders or unfulfilled contracts.
Expenditure Record	A document that details how projects funded by GGRF monies will reduce greenhouse gas emissions and further the purposes of AB 32. Senate Bill 1018 requires all administering agencies to prepare an Expenditure Record, prior to expending those monies. These Funding Guidelines require agencies to get ARB concurrence on their Expenditure Records prior to the public release of final program materials, such as final guidelines or final solicitation materials.
FY (Fiscal Year)	A 12-month period during which revenue is earned and received, obligations are incurred, encumbrances are made, appropriations are expended, and for which other fiscal transactions are recognized. In California state government, the fiscal year begins July 1 and ends the following June 30. *(GC 13290.)*
GGRF (Greenhouse Gas Reduction Fund)	The Greenhouse Gas Reduction Fund was established by Senate Bill 1018 to receive the State's portion of proceeds from the quarterly Cap-and-Trade auctions (Government Code, Section 16428.8).
GHG (Greenhouse Gas)	A gas that absorbs infrared radiation, including but not limited to: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF_6). The GHGs quantified for each GGRF project or investment will be specified in the relevant quantification methodology.

Appendix 1.B

Table 1.B-1 Glossary of Terms for Funding Guidelines (continued)

This Glossary is intended to clarify the terms used in these Funding Guidelines; it does not contain official definitions to be used for other purposes.

GHG reductions or Net GHG benefit	The sum of the GHG emission reductions and sequestration, less any GHG emissions resulting from project implementation. GHG emission reductions and net benefits are determined in accordance with ARB's quantification methodologies.
Investment Plan	AB 1532 requires the Department of Finance, in conjunction with ARB and other relevant State entities, to develop and submit to the Legislature a three-year Investment Plan for the investment of GGRF funds. The Plan must identify GHG emission reduction goals, identify gaps in current State strategies to meeting the emission reduction goals of AB 32, and identify priority programmatic investments that facilitate achievement of the goals.
Leverage	Use of one source of funds to obtain a commitment from another funding source. Leveraging may involve cash commitments or non-cash commitments, such as volunteer labor or in-kind goods and services.
Obligation	Amounts of money that a governmental unit may legally be required to pay out of its appropriations.
PFA (Plan of Financial Adjustment)	A plan whereby any State agency, which is supported by more than one fund or appropriation, may make financial adjustments between funding sources for services rendered, supplies used, or for a proper proportion of other expenses. (*State Administrative Manual Sec.8452*)
"Phase 1" Reporting	"Phase 1" covers the period from the beginning of a project until it becomes operational or the initial implementation is completed. This time period varies by program and project type, as shown in Volume 3, Appendix 3.A. For each project, "Phase 1" reporting includes basic project information, expected benefits, and project status. See Volume 3 for additional information on reporting requirements for each project type.
"Phase 2" Reporting	After "Phase 1" is complete and a project becomes operational, "Phase 2" data collection and reporting may be needed to demonstrate the net GHG benefits achieved. The objective of "Phase 2" reporting is to demonstrate that GHG reductions have been achieved by documenting the actual emission reductions or validating the initial estimation assumptions from "Phase 1". See Volume 3 for additional information on "Phase 2" reporting.

Appendix 1.B

Table 1.B-1 Glossary of Terms for Funding Guidelines (continued)

This Glossary is intended to clarify the terms used in these Funding Guidelines; it does not contain official definitions to be used for other purposes.

Program	Related projects or activities that an administering agency funds and implements. A program brings together similar projects and provides coordinated implementation and funding to achieve to achieve a common goal(s). For GGRF administering agencies, a program typically provides funding for multiple projects or project types that are consistent with the categories authorized by the State budget and other legislation.
Project	The definition of project varies for the different agencies and programs that are funded by GGRF monies. For GGRF agencies, a project typically includes activities that are funded, in whole or in part, by the GGRF and achieve GHG reductions. Examples of a project include, but are not limited to: • A grant, loan, or direct funding of construction activities, equipment upgrades, or equipment purchases. • A grant for an incentive program (rebates, vouchers, financing, etc.). • Transit improvements implemented by a transit agency. • A grant that funds pilot/demonstration activities focused on advanced technology, advanced mobility options, or other innovative efforts. • A grant to fund activities that sequester carbon and achieve net GHG benefits. • A large-scale investment that includes planning, construction, equipment, and operations (e.g., the High-Speed Rail project). (Note: This does not include "stand-alone" planning activities that do not achieve GHG reductions.)
Project Life	The definition of project life varies for the different agencies and programs that are funded by GGRF monies, so it is defined in each of ARB's quantification methodologies for estimating GHG reductions. For GGRF projects, the project life typically covers the timeframe during which GHG reductions are reasonably expected to occur, or the timeframe during which GHG reductions can be calculated and validated. Examples of project life include, but are not limited to: • The length of time that a project is expected to yield GHG reductions. • The term for a grant agreement, contract, loan, or other legal commitment between administering agency and

Table 1.B-1 Glossary of Terms for Funding Guidelines (continued)

This Glossary is intended to clarify the terms used in these Funding Guidelines; it does not contain official definitions to be used for other purposes.

	funding recipient. • The time during which a demonstration project or pilot project will be conducted.
Project Type or Project Category	A general description of the kinds of projects being funded by the GGRF. Examples include, but are not limited to: Affordable Housing and Sustainable Communities; Energy Efficiency and Renewable Energy; Land Preservation or Restoration; Low Carbon Transportation; Transit; Urban Forestry and Urban Greening; Waste Diversion and Utilization; Water Use and Energy Efficiency. Both the disadvantaged community benefits criteria in Volume 2 and the reporting requirements in Volume 3 are organized according to these general project types.
Quantification methodology	For GGRF programs, a quantification methodology describes the methods and approaches that agencies, funding recipients, or other entities must use to calculate estimated and achieved GHG reductions. These methodologies may also provide guidance on documenting co-benefits that result from GGRF investments.
SB 535 (Senate Bill 535)	Senate Bill 535 required the allocation of monies from the Greenhouse Gas Reduction Fund to benefit disadvantaged communities. (Chapter 830, Statutes of 2012; codified with AB 1532 under Health and Safety Code Sections 39711-39723)
SB 852 (Senate Bill 852)	Senate Bill 852 enacted the Fiscal Year 2014-15 State Budget, including appropriations from the Greenhouse Gas Reduction Fund. (Chapter 25, Statutes of 2014)
SB 862 (Senate Bill 862)	Senate Bill 862 enacted the budget trailer bill for Fiscal Year 2014-15, including requirements for agencies that were appropriated monies from the Greenhouse Gas Reduction Fund. (Chapter 36, Statutes of 2014)
SB 1018 (Senate Bill 1018)	Senate Bill 1018 established the Greenhouse Gas Reduction Fund and requires each agency to prepare an Expenditure Record, prior to expending monies from the Fund. (Chapter 39, Statutes of 2012; Government Code Sections 16428.8-16428.95)

Appendix 1.B

Table 1.B-2 Summary of Requirements and Recommendations

	GGRF Funding Guidelines - Volume 1	Page	Required	*Recom-mended*
	General Questions/Overview			
1	**How agencies use Funding Guidelines**: a. Incorporate provisions in the Funding Guidelines or verify that program structures reflect these provisions.	1-6, 1-27	☐	
2	**Accountability**: a. Expenditure Records: For each fiscal year, complete an Expenditure Record and receive ARB concurrence prior to release of final program materials (see Appendix 1.A for guidance).	1-8, 1-10, 1-28	☐	
	b. Reporting: Submit project data and program summaries to ARB annually.	1-8	☐	
	c. Include accountability tools in project agreements (see examples listed in Section II.E.4).	*1-9*		☐
3	**Coordination with ARB**: a. Consult with ARB to discuss quantification methods before identifying the specific project types to fund.	1-10, 1-28	☐	
	b. *Coordinate with ARB when developing guidelines and solicitations for consistency with Funding Guidelines.*	*1-10*		☐
	Guiding Principles for GGRF Program Design			
4	**Investment of GGRF Dollars**: a. Make furthering the purposes of AB 32 the primary Program goal.	1-21	☐	
	b. Only fund projects with real and quantifiable GHG emission reductions.	1-22	☐	
	c. Research, planning, and job training projects must be directly tied to a project that results in GHG reductions.	1-22	☐	
	d. Maximize investments in and benefits to disadvantaged communities wherever possible.	1-22	☐	
	e. *Fund projects that achieve economic, public health, and environmental co-benefits.*	*1-22*		☐
	f. *Provide jobs and job training as part of GHG reduction projects, if applicable.*	*1-23*		☐
	g. *Encourage projects that are consistent with the State's climate goals.*	*1-23*		☐
	h. *Consider the State's planning principles.*	*1-24*		☐
	i. *Fund projects that support sustainable community goals.*	*1-24*		☐
	j. GGRF dollars cannot be used to supplement the ongoing operations for an existing environmental credit project.	1-24	☐	
	k. *Seek opportunities to work with other administering agencies to provide multiple benefits.*	*1-24*		☐

Appendix 1.B

Table 1.B-2 Summary of Requirements and Recommendations (continued)

	GGRF Funding Guidelines - Volume 1	**Page**	**Required**	***Recom-mended***
	l. *Coordinate with local, state, and federal funding programs to avoid duplicative efforts.*	*1-25*		☐
	m. *Leverage private funds and other government investment.*	*1-25*		☐
5	**Implementation of GGRF Programs**:			
	a. Agencies must provide <u>transparency</u> by: • Making information accessible to applicants including those in disadvantaged communities. • Providing a clear description of project requirements, timelines, deliverables, and the criteria for evaluating proposals and selecting projects. • Making information accessible to the public (e.g., a website with project status, expenditures, and other information.)	1-25	☐	
	b. *Agencies should maximize <u>accountability</u> by:* • *Establishing policies / procedures for implementation, including procedures to monitor projects and conduct audits or program reviews of funding recipients.*	*1-26, 1-28*		☐
	c. Admin costs must be reasonable and directly tied to the implementation of projects and resulting GHG reductions.	1-26	☐	
	d. Conduct or participate in outreach to disadvantaged communities to help these communities access funding.	1-26	☐	
	Program Design			
6	Identify applicable program-specific requirements, such as budget bills or other GGRF legislation.	1-28	☐	
7	Work with ARB on quantification methodologies.	1-29	☐	
8	**Fiscal Procedures**:			
	a. Coordinate with Finance and ARB to establish fiscal procedures for managing the agency's appropriation.	1-30	☐	
	b. For projects that leverage funds from multiple sources, track the specific GGRF project and admin expenditures.	1-30	☐	
	c. For funds provided to local agencies or other recipients, the recipients must track GGRF project and admin funds and provide this information to the granting State agency.	1-30	☐	
9	**Administrative Policies and Procedures**:			
	a. <u>Project monitoring and audits</u>: Have policies in place for State oversight agency audits. Have procedures to monitor projects and to conduct audits or reviews of funding recipients. Make agency and funding recipient records available, if requested, for program reviews or audits.	1-9, 1-26, 1-31	☐	

Table 1.B-2 Summary of Requirements and Recommendations (continued)

	GGRF Funding Guidelines - Volume 1	**Page**	**Required**	***Recom-mended***
	b. Public access and transparency: Provide public access to information on programs and projects funded by GGRF. - ***Prior to funding decisions***: For programs that will fund projects with competitive grant, loan, or contract solicitations (i.e., not "first come, first served" vouchers or rebates), agencies must post basic information about all of the applications or proposals that are submitted for consideration, at least ten days before the agency makes a decision on funding awards. The minimum items that must be posted are listed in Section V.A.7. - ***After funding decisions***: After projects are selected and all funds are encumbered, agencies must post an updated list within 90 days that identifies the status for all project applications. At a minimum, the status must identify the projects funded and the amount of funding awarded. - ***Once each year***: Submit project data (e.g., locations, status, etc.) obtained from funding recipients and program-level data.	1-25, 1-31, 1-32	☐	
10	c. Program acknowledgement/recognition: Use the "California Climate Investments" logo and name on publications, websites, signage, invitations, and other media-related to public outreach for GGRF projects.	1-32	☐	
11	**Public outreach during program design** Begin public outreach early, particularly for disadvantaged communities (e.g., websites that publicize the amount of funding available, a schedule for program development, and links to List Serves)	1-30	☐	
	Guidelines and Solicitation Materials When conducting solicitations or an application process to select projects:			
12	**Greenhouse Gas Reductions**: a. Guidelines, solicitation materials, and other agency documents must include the requirement that all projects reduce GHGs and further the purposes AB 32.	1-35	☐	

Table 1.B-2 Summary of Requirements and Recommendations (continued)

	GGRF Funding Guidelines - Volume 1	Page	Required	*Recom-mended*
13	**Maximizing Benefits to Disadvantaged Communities**:			
	If applicable, guidelines and solicitation materials must describe:			
	a. How the agency maximizes disadvantaged community benefits	1-35	☐	
	b. Investment targets for disadvantaged communities or other statutory requirements.	1-35, 1-36	☐	
	c. The disadvantaged community identification that will be used for implementation, (e.g., CalEPA's 10/31/2014 identification based on CalEnviroScreen 2.0).	1-35	☐	
	d. How the agency will evaluate projects for benefits, consistent with Volume 2, Appendix 2.A.	1-35	☐	
	e. A copy of the full criteria table(s) or a reference to the tables the agency will use to evaluate projects for disadvantaged community benefits.	1-36	☐	
	f. Disadvantaged community maps or a reference to the maps[9].	1-36	☐	
	g. *Describe efforts to address disadvantaged community needs.*	*1-36*		☐
14	**Quantification Methods**:			
	Guidelines and solicitation materials must describe:			
	a. How GHG reductions will be quantified and the ARB quantification methodology that will be used.	1-37	☐	
	b. How the agency will evaluate co-benefits during the selection process, either qualitatively or quantitatively.	1-37	☐	
15	**Project Selection Requirements**:			
	Guidelines and solicitation materials must describe:			
	a. Overall program objectives, statutory or policy guidance, and amount of funding available.	1-37	☐	
	b. Eligibility requirements, which must include GHG reductions as a threshold requirement.	1-37	☐	
	c. Match funding or other leveraging required, if applicable.	1-37	☐	
	d. How applicants can apply and the required materials.	1-37	☐	
	e. Key dates for project application and implementation.	1-37	☐	
	f. Evaluation and project selection criteria.	1-38	☐	
	g. Project implementation requirements.	1-38	☐	
	h. Review / audit procedures, including the State of California right to review project documents and conduct audits during project implementation and over the project life.	1-38	☐	
	i. Remedies for non-performance.	1-38	☐	

[9] A mapping tool is available at www.arb.ca.gov/auctionproceeds

Table 1.B-2 Summary of Requirements and Recommendations (continued)

	GGRF Funding Guidelines - Volume 1	**Page**	**Required**	***Recom-mended***
16	**Project Tracking and Metrics**: Guidelines and solicitation materials must describe how the agency and funding recipients will track and document GHG reductions and co-benefits	1-38	☐	
17	**Reporting**: Guidelines and solicitation materials must explain reporting requirements that will be applicable to funding recipients, including:			
	a. Who is required to report, how frequently, and how reports are to be submitted.	1-39	☐	
	b. Specific information recipients need to report, including benefits to disadvantaged communities, information necessary for the Annual Report to the Legislature, and an explanation that reported information will be publically available	1-39	☐	

Cap-and-Trade Auction Proceeds
Funding Guidelines for Agencies that Administer California Climate Investments

Volume 2: Investments to Benefit Disadvantaged Communities

PROPOSED

Release Date: September 4, 2015
Comments Due: September 21, 2015
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California Environmental Protection Agency
Air Resources Board

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Table of Contents

VOLUME 1: General Guidance

VOLUME 2: Investments to Benefit Disadvantaged Communities

I. Purpose 2-1

II. Background 2-3

III. Identification of Disadvantaged Communities 2-4

IV. Approach to Evaluate Investments and Meet SB 535 Targets for Disadvantaged Communities 2-6

IV.A. General Approach 2-6
IV.B. SB 535 Investment Targets 2-6

V. Guidance on Maximizing Benefits to Disadvantaged Communities 2-9

V.A. Process for Implementing SB 535 2-9
V.B. Requirements for Administering Agencies to Maximize Funding to Benefit Disadvantaged Communities 2-11
V.C. Recommendations for Administering Agencies to Maximize Benefits to Disadvantaged Communities 2-15
V.D. Required Criteria for Administering Agencies to Evaluate Projects for Benefits to Disadvantaged Communities 2-17

APPENDIX 2.A: Criteria for Evaluating Benefits to Disadvantaged Communities by Project Type 2.A-1

APPENDIX 2.B: Map of Disadvantaged Communities for the Purposes of Investment 2.B-1

List of Figures

Figure 2-1 Process to Implement SB 535 for FY 2013-14 to FY 2015-16 Appropriations 2-10
Figure 2-2 Examples of Strategies for Maximizing Benefits 2-15
Figure 2-3 Summary of Process for Administering Agencies to Identify Funds that Benefit Disadvantaged Communities 2-19

List of Tables

Table 2-1 Estimated Minimums to Benefit Disadvantaged Communities (FY 2014-15; Proposed FY 2015-16) 2-8
Table 2-2 Illustrative Examples of Common Needs of Disadvantaged Communities (as Identified by Community Advocates) 2-14

VOLUME 3: Reporting Requirements

I. Purpose

The purpose of this document is to provide guidance on maximizing benefits to disadvantaged communities for investments funded by the Greenhouse Gas Reduction Fund (GGRF). This guidance is intended for State agencies that are administering investments funded by GGRF appropriations from Fiscal Year (FY) 2013-14, FY 2014-15, and FY 2015-16.

This document is Volume 2 of the full Funding Guidelines, which includes the following:

- Volume 1: General Guidance
- Volume 2: Investments to Benefit Disadvantaged Communities
- Volume 3: Reporting Requirements

The quantification methodologies that agencies use to estimate benefits from GGRF investments are available on the program website at: http://www.arb.ca.gov/auctionproceeds.

Senate Bill (SB) 535 (De León, Chapter 830, Statutes of 2012) contains the statutory requirements for GGRF allocations to benefit disadvantaged communities. In 2014, ARB released an interim guidance document focused on benefits to disadvantaged communities.[1] This volume of the Funding Guidelines incorporates the interim guidance with some minor updates, and it supersedes the earlier interim guidance.

Volume 2 covers the following topics:

- Guidance on approaches that agencies can use to maximize the benefits of investments to disadvantaged communities.
- Guidance to agencies on how to determine whether their GGRF investments are located within or provide benefits to disadvantaged communities.

Please note that agencies can use their GGRF appropriations to fund projects that otherwise meet the statutory requirements for investments, but do not meet the criteria in this guidance. However, only the subset of investments in projects that meet the criteria in this guidance will be credited toward achieving the statutory targets in SB 535 for disadvantaged communities.

State agencies implementing GGRF investment programs should incorporate this guidance and the other provisions in the Funding Guidelines, when designing their GGRF programs, developing guidelines and solicitation materials, and implementing projects.

[1] Cap-and-Trade Auction Proceeds, Interim Guidance to Agencies Administering Greenhouse Gas Reduction Fund Monies: Investments to Benefit Disadvantaged Communities (November 3, 2014).

The criteria for determining whether a project provides direct, meaningful, and assured benefits to one or more disadvantaged communities are specific to each general project type. This volume of the Funding Guidelines includes tables defining the criteria for project types being funded with FY 2013-14 and 2014-15 appropriations.

As the State Budget adds appropriations for new programs and agencies expand the scope of project types, ARB staff will develop supplemental tables with the criteria to determine benefits to disadvantaged communities for those new programs and project types. Draft versions of the supplemental tables will be posted on ARB's program website for public comment, then staff will finalize and post them for use by administering agencies. The tables will be reflected in future updates to these Funding Guidelines.

II. Background

The availability of auction proceeds provides a unique opportunity to make investments that both further the purposes of AB 32 and yield significant benefits for disadvantaged communities. In 2012, the Legislature passed and Governor Brown signed into law AB 1532 (Pérez, Chapter 807, Statutes of 2012) and SB 535 (De León, Chapter 830, Statutes of 2012), which provide strong direction for how auction proceeds must be invested to benefit disadvantaged communities.

The implementing legislation provides the framework for investments that can meet multiple policy objectives by requiring funds be both invested in disadvantaged communities and for the benefit of those communities. For example, an affordable housing project located in a disadvantaged community and near transit can be complemented with a clean car sharing program that improves mobility and air quality for disadvantaged community residents. This type of complementary investment approach enhances the economic, environmental, and public health benefits to a disadvantaged community.

Provided below are SB 535 requirements for allocating funds to benefit disadvantaged communities:

- Allocate at least 25 percent of the available proceeds to projects that provide benefits to disadvantaged communities.
- Allocate at least 10 percent of the available proceeds to projects located within disadvantaged communities.

III. Identification of Disadvantaged Communities

SB 535 directs the Secretary for Environmental Protection at CalEPA to identify disadvantaged communities. Identification must be based on geographic, socioeconomic, public health, and environmental hazard criteria (Health and Safety Code Section 37911). The criteria may include, but are not limited to:

- Areas disproportionately affected by environmental pollution and other hazards that can lead to negative public health effects, exposure, or environmental degradation.
- Areas with concentrations of people that are of low income, high unemployment, low levels of homeownership, high rent burden, sensitive populations, or low levels of educational attainment.

To meet the SB 535 mandate, CalEPA used a tool called CalEnviroScreen to identify disadvantaged communities for investment. The Office of Environmental Health Hazard Assessment developed this tool under CalEPA's guidance to assess areas that are disproportionately affected by multiple types of pollution and areas with vulnerable populations.

CalEnviroScreen includes numerous indicators in two broad categories: "burden of pollution," which includes exposures and environmental effects; and "population characteristics," which includes sensitive populations and socioeconomic factors. For the 2013 Investment Plan, CalEnviroScreen version 1.0 used 18 indicators. Each ZIP code in the State was assigned a value for each indicator relative to all other ZIP codes in California. The indicator scores were combined to determine an overall CalEnviroScreen score. The higher the score, the greater the impact.

In August 2014, CalEPA released CalEnviroScreen version 2.0, based on 19 indicators that are evaluated at the census tract scale, rather than the ZIP code scale. The use of census tracts as the geographic scale was intended to provide a more precise screening of pollution burdens and vulnerabilities in communities. In October 2014, CalEPA released its list of disadvantaged community census tracts for the purpose of SB 535 investments, based on the results from CalEnviroScreen 2.0. Additional information on the identification of disadvantaged communities is available at: http://www.calepa.ca.gov/EnvJustice/GHGInvest/, including an interactive mapping tool that shows census tract locations and the associated rankings for each indicator.

Please note that CalEnviroScreen is a screening tool that informs the identification of disadvantaged communities based on currently available data. As the tool evolves and community characteristics change over time, CalEPA will periodically review and update the maps of disadvantaged communities.

Identification of Disadvantaged Communities

For effective administration of programs supported by the GGRF, it is essential that the list of disadvantaged communities remains stable during each project funding cycle. The process of establishing agency program guidelines, project solicitation and evaluation, award of funds, and full implementation of projects receiving funds from a single appropriation may span several years.

The list of census tracts identified as disadvantaged communities that agencies use for each fiscal year appropriation will need to remain fixed for projects being funded under that appropriation, regardless of when the funds are actually expended. If CalEPA updates the list of census tracts defined as disadvantaged communities, the new list of communities will apply to projects funded with subsequent fiscal year appropriations.

IV. Approach to Evaluate Investments and Meet SB 535 Targets for Disadvantaged Communities

IV.A. General Approach

To help agencies determine which investments can be counted toward the SB 535 investment targets, we provided tables for each project type in Appendix 2.A with evaluation criteria that are objective and consistent across programs.

To provide transparency on how administering agencies[2] determine which potential projects qualify as providing benefits to a disadvantaged community, ARB staff applied a standard that such benefits must be "direct, meaningful, and assured." The tables in Appendix 2.A identify the qualities that ARB staff considers sufficient to meet this standard. Each criterion on the tables is independent; a project only needs to meet one criterion to qualify as located within or providing benefits to one or more disadvantaged communities.

The following paragraphs seek to provide clarity on how the SB 535 requirements will be implemented for FY 2013-14, FY 2014-15, and FY 2015-16 appropriations.

IV.B. SB 535 Investment Targets

These Funding Guidelines establish two types of screening criteria to determine whether a specific project qualifies to be counted towards the SB 535 requirements because it either:

- Is located within a census tract identified as a disadvantaged community <u>and</u> provides direct, meaningful, and assured benefits to one or more disadvantaged communities; or
- Provides direct, meaningful, and assured benefits to one or more disadvantaged communities.

Both of these approaches require that the project provide direct, meaningful, and assured benefits to a disadvantaged community, regardless of location. Because of this approach, these Funding Guidelines establish that GGRF investments in all projects that meet criterion 1 count towards the SB 535 requirements for both investments "within" disadvantaged communities and investments "benefiting" disadvantaged communities. The result is that the investments in all projects credited under criterion 1 are a subset of criterion 2.

[2] For the purposes of this document, "administering agencies" means all agencies that receive GGRF appropriations from the Legislature.

Approach to Evaluate Investments and Meet SB 535 Targets

Each agency will use its GGRF appropriation for both project costs and the associated administrative expenses to implement the program. The investments in projects located within and benefiting disadvantaged communities will reflect both project funding and the necessary administrative funding to accomplish those projects and run the overall program.

For the purpose of tracking and determining progress in complying with SB 535, the percentage requirements apply to the overall appropriation from the GGRF, rather than to each agency appropriation.

While statute encourages all agencies to maximize benefits for disadvantaged communities wherever possible, there are certain programs that are better-suited for being located within disadvantaged communities (e.g., urban forestry, weatherization, etc.) and some well-suited to provide benefits to those communities even if they are located outside the boundaries of those census tracts (e.g., low carbon transportation).

The State Budget Expenditure Plans anticipated that some agencies would expend more than 25 percent to benefit disadvantaged communities, while others would expend less based on the nature of the programs and likely project locations. In addition, SB 862 requires higher percentages for investments benefiting disadvantaged communities in the following programs for FY 2014-15:

- *Transit and Intercity Rail Capital Program*: Allocate at least 25 percent of $25 million to benefit disadvantaged communities.
- *Affordable Housing and Sustainable Communities Program:* Allocate at least 50 percent of $130 million to benefit disadvantaged communities.
- *Low Carbon Transit Operations Program*: This program uses an established formula for distribution of funds to transit operators. For those operators with disadvantaged communities in their service areas, the operators must direct at least 50 percent of funding to benefit disadvantaged communities. The requirement does not apply to transit operators that do not have disadvantaged communities in their service areas. Pending the identification of transit service areas, we assumed that roughly two-thirds of the total funds would go to transit operators with disadvantaged communities in their service area.

Based on the statutory requirements in SB 862 and estimates provided during the budget process, it is expected that roughly 30 percent of the overall FY 2014-15 appropriations will support projects that benefit disadvantaged communities. Table 2-1 illustrates the primary programs likely to provide these benefits for both FY 2014-15 and the Governor's proposed budget for FY 2015-16 (as of May 2015). Please note that the potential FY 2015-16 funds to benefit disadvantaged communities shown in Table 2-1 are initial estimates included for discussion purposes and are subject to change.

Approach to Evaluate Investments and Meet SB 535 Targets

Table 2-1 Estimated Minimums to Benefit Disadvantaged Communities (FY 2014-15; Proposed FY 2015-16) * subject to change ***

Program (Agency)	FY 2014-15 Appropriation ($M)	Potential Funds to Benefit Disadvantaged Communities[1]				*Governor's Proposed* FY 2015-16 Appropriation ($M)	*Initial Proposal* – Potential Funds to Benefit Disadvantaged Communities[1]			
		Benefiting		*Subtotal Located In*[2]			*Benefiting*		*Subtotal Located In*[2]	
		%	($M)	%	($M)		%	($M)	%	($M)
High Speed Rail (HSRA)[3]	$250	---	---	---	---	$500	---	---	---	---
Transit and Intercity Rail Capital Program (CalSTA / CTC)	$25	25%	$6	TBD	TBD	$265	*25%*	*$66*	*10%*	*$27*
Low Carbon Transit Operations (Caltrans)	$25	32%	$8	TBD	TBD	$100	*32%*	*$32*	*10%*	*$10*
Affordable Housing and Sustainable Communities (SGC)	$130	50%	$65	TBD	TBD	$400	*50%*	*$200*	*10%*	*$40*
Low Carbon Transportation (ARB)	$200	50%	$100	TBD	TBD	$350	*50%*	*$175*	*10%*	*$35*
Low-Income Weatherization / Renewable Energy (CSD)	$75	100%	$75	100%	$75	$140	*100%*	*$140*	*100%*	*$140*
Energy Efficiency: Public Buildings (DGS)	$20	TBD	TBD	TBD	TBD	$40	*10%*	*$4*	*10%*	*$4*
Renewable Energy and Energy Efficiency (UC and CSU)	-	-	-	-	-	$60	*TBD*	*TBD*	*TBD*	*TBD*
Water Action Plan: Water-Energy Efficiency (DWR)	$30 (AB 91 increase)	TBD	TBD	TBD	TBD	$60	*10%*	*$6*	*10%*	*$6*
Rebates for Appliances (CEC)	-	-	-	-	-	$30	*25%*	*$8*	*25%*	*$8*
Water and Energy Technology (CEC)	-	-	-	-	-	$30	*10%*	*$3*	*10%*	*$3*
Agricultural Energy and Operational Efficiency (CDFA)	$25 (AB 91 increase)	TBD	TBD	TBD	TBD	$25	*25%*	*$6*	*25%*	*$6*
Water Action Plan: Wetlands and Watershed Restoration (DFW)	$25	TBD	TBD	TBD	TBD	$65	*10%*	*$7*	*10%*	*$7*
Urban Forestry (CAL FIRE)	$18	100%	$18	55%	$10	$92	*30%*	*$28*	*25%*	*$23*
Forest Health (CAL FIRE)	$24	TBD	TBD	TBD	TBD					
Healthy Soils (CDFA)	-	-	-	-	-	$20	*10%*	*$2*	*10%*	*$2*
Waste Diversion (CalRecycle)	$25	10%	$3	TBD	TBD	$60	*10%*	*$6*	*10%*	*$6*
TOTAL	**$872**		**$275**		**$85**	**$2,237**		***$682***		***$316***
			32%		**10%**			***30%***		***14%***

Dollars and percentages rounded up to the nearest whole number.

[1] TBD indicates that the likely investments within or benefiting disadvantaged communities are "to be determined" in the program development and project selection process.

[2] Projects that are located in and provide a benefit to disadvantaged communities are a subtotal of, and are included in, the total percent benefiting disadvantaged communities.

[3] The minimum SB 535 targets can be met without including the High-Speed Rail project, but the project is expected to provide additional benefits for disadvantaged communities beyond those quantified in this table.

V. Guidance on Maximizing Benefits to Disadvantaged Communities

V.A. Process for Implementing SB 535

The concepts presented here will help agencies maximize benefits to disadvantaged communities and identify whether specific projects benefit those communities. Both of the following objectives apply to "maximizing benefits":

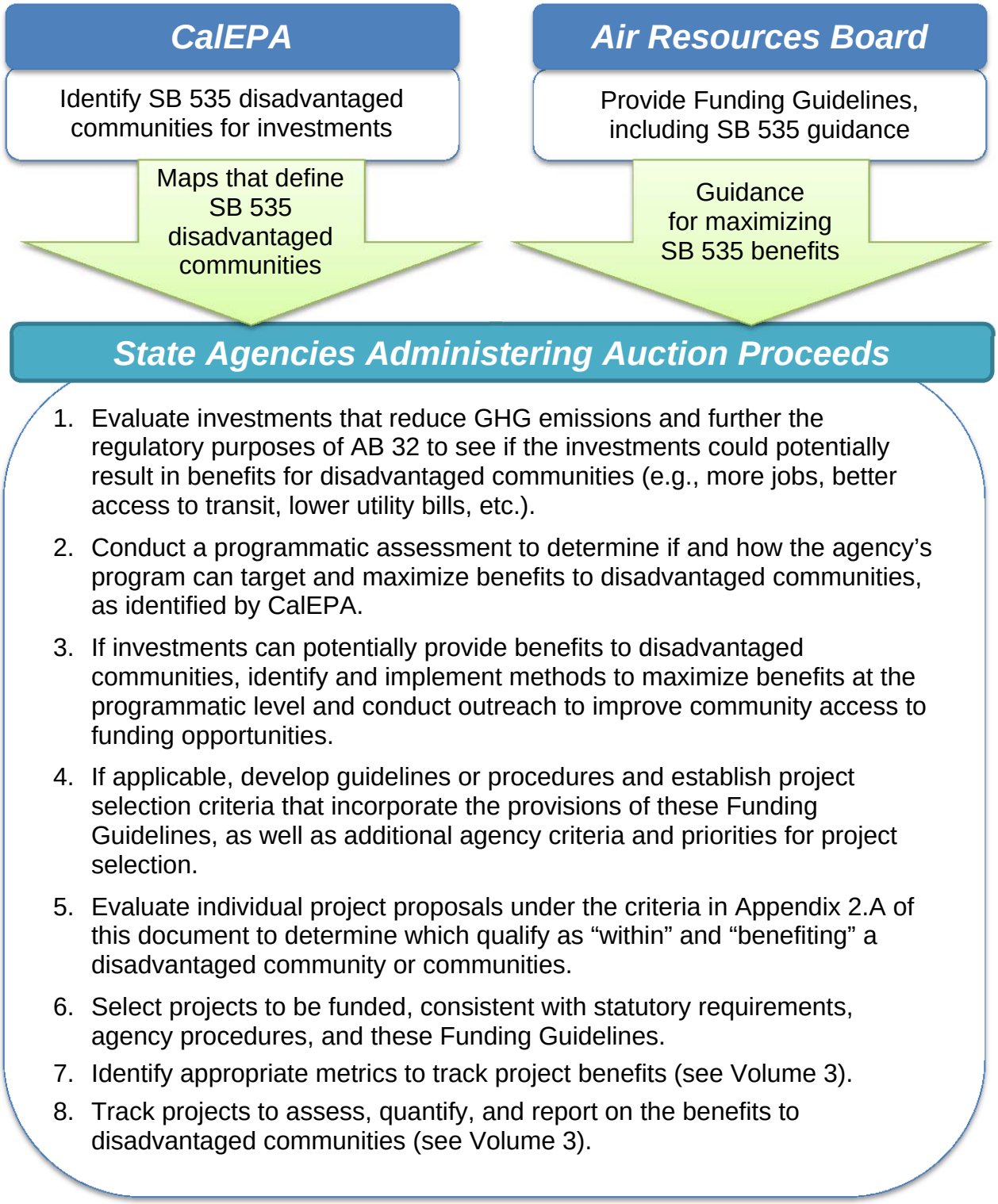
- Maximize the percentage of GGRF allocations for projects that benefit disadvantaged communities, preferably in a way that exceeds the minimum 10 percent and 25 percent investment targets; and
- When selecting projects for a given investment, give priority to those that maximize benefits to disadvantaged communities (e.g., use scoring criteria that favors projects which provide multiple benefits or the most significant benefits, as defined by the administering agency).

This document focuses on the first example, pending ARB development of methodologies for quantifying or evaluating co-benefits. However, agencies may choose to implement the second example as well if they have the means to provide consistent calculation protocols to project applicants for current fiscal year funds.

We summarize the overall process that CalEPA, ARB, and other administering agencies will typically use to implement the provisions of SB 535 in Figure 2-1. This volume of the Funding Guidelines is focused on the first six steps for administering agencies. The remaining two steps are addressed in Volume 3.

Guidance on Maximizing Benefits to Disadvantaged Communities

Figure 2-1 Process to Implement SB 535 for FY 2013-14 to FY 2015-16 Appropriations



The next sections provide guidance on how agencies can design their programs and implement procedures that will maximize benefits to disadvantaged communities, as well as criteria for evaluating individual projects to determine whether projects provide significant benefits to disadvantaged communities.

V.B. Requirements for Administering Agencies to Maximize Funding to Benefit Disadvantaged Communities

The following approach includes some initial requirements that apply to all State agencies that use their GGRF appropriations for investment in projects. This is followed by requirements that only apply to those agencies with investments in projects that will be located within or provide benefits to disadvantaged communities. Finally, there are some guiding principles that agencies should consider if they have investments benefiting disadvantaged communities.

1. Requirements for all agencies with GGRF appropriations

a) Evaluate investments that reduce GHG emissions and further the regulatory purposes of AB 32 to see if the investments could potentially result in benefits for disadvantaged communities, using the criteria contained in Appendix 2.A.

b) Target funding, to the extent feasible, for projects that benefit disadvantaged communities and where possible, target projects physically located within disadvantaged community census tracts. This approach can work well for investments involving fixed locations (e.g., weatherization, renewable energy, urban forests, etc.).

2. Requirements for agencies having investments that may be located within or provide benefits to disadvantaged communities (see Appendix 2.A)

a) Implement outreach efforts that seek to engage and involve disadvantaged community members or their representatives. If possible, these actions should begin in the early stages (e.g., during development of guidelines and solicitation materials). See Section V.C. for other examples of related outreach.

b) Coordinate with ARB to provide information for outreach efforts and assign an agency point of contact to provide agency-specific information. ARB plans to hire a contractor(s), likely a university or non-profit entity(ies), to conduct outreach to disadvantaged communities and improve the availability of assistance. ARB's staff or contractors would act as the first point of contact for community representatives to help them determine which GGRF programs may be most responsive to needs identified by the community, and connect those representatives with the appropriate liaison(s) at the agencies administering

those programs. Administering agency staff could then provide general assistance related to their GGRF program(s). Based on the level of resources available and concerns regarding potential conflicts of interest, we do not expect that this assistance will include State agency preparation of proposals or completion of applications on behalf of disadvantaged community applicants. ARB staff will coordinate with the liaisons at each administering agency to prioritize the work of the contractor(s), develop outreach strategies to maximize the effectiveness of the contractor(s), and facilitate information sharing to keep the contractor(s) up to date on program opportunities. In addition, ARB staff will analyze the effectiveness of the disadvantaged community assistance and outreach efforts and implement improvements as necessary.

c) Provide outreach to groups of potential project applicants in disadvantaged communities to increase awareness of funding opportunities and the ability of disadvantaged community applicants to seek funding for eligible projects. If possible, conduct outreach in or near disadvantaged communities to provide greater accessibility. Please note that this provision for outreach does not suggest that any agency has the capacity to meet in every one of the hundreds of census tracts identified as disadvantaged communities. Rather, the administering agency should define a subset of locations that offer reasonable access to participants from the disadvantaged communities likely to have eligible projects. See Section V.C. for other examples of related outreach.

d) Ascertain the physical location(s) of projects that may be located within or provide benefits to disadvantaged communities.

e) Identify a quantifiable metric or administrative approach to track and report on the benefits of each investment that will be counted toward meeting SB 535 requirements (see Volume 3 for reporting guidance.)

f) Implement a process that enables the agency to determine SB 535 benefits that are a direct result of the auction proceeds investment funding and associated leveraged funds.

g) For State agencies with statutory percentages for disadvantaged community benefits, create or modify guidelines or procedures to meet or exceed the minimum statutory requirements.

3. Guiding principles for agencies with investments benefiting disadvantaged communities:

a) To the maximum extent possible, investments should result in benefits that either address an important need commonly identified by disadvantaged community residents or address a key factor that caused the area(s) to be identified as a disadvantaged community (e.g., unemployment levels). Ideally, the important needs will be identified during the outreach process, but agencies can also: refer to documents that indicate community support (e.g., letters or emails submitted with funding applications); look at the factors in CalEnviroScreen that caused an area to be identified as a disadvantaged community; or refer to Table 2-2 for examples of commonly identified needs of disadvantaged communities.

b) To the maximum extent feasible, agencies should seek opportunities to work together to provide multiple benefits in disadvantaged communities. Several agencies could coordinate and leverage their resources to combine GGRF funding for a project or to fund multiple related projects in a particular area. This coordination may involve sharing information with applicants about other GGRF programs that offer funding for complementary projects. Potential funding recipients could then submit applications to multiple GGRF programs. For example, there may be funding opportunities that combine transit improvement projects with other projects in the same neighborhood, (e.g., zero-emission buses, transit-oriented affordable housing, urban forestry, active transportation, etc.).

Guidance on Maximizing Benefits to Disadvantaged Communities

Table 2-2 lists some common needs of disadvantaged communities, as identified by community advocates[3] in discussions with ARB staff and during a day-long workshop convened in Spring 2014 by the University of California Los Angeles Luskin Center for Innovation. Table 2-2 is not intended to reflect a definitive list of all potential benefits to disadvantaged communities. Rather, it is provided for illustrative purposes to help agencies assess whether their projects might address some common needs and offer specific benefits to disadvantaged communities.

Table 2-2 Illustrative Examples of Common Needs of Disadvantaged Communities (as Identified by Community Advocates)

Public Health and Safety
1. Reduce health harms (e.g., asthma) suffered disproportionately by low-income residents / communities due to air pollutants. 2. Reduce health harms (e.g., obesity) suffered disproportionately by low-income residents / communities due to the built environment (e.g., by providing active transportation opportunities, parks). 3. Increase community safety. 4. Reduce heat-related illnesses and increase thermal comfort (e.g., weatherization and solar energy can provide more efficient and affordable air conditioning; urban forestry can reduce heat-island effect). 5. Increase access to parks, greenways, open space, recreation, and other community assets.
Economic
1. Create quality jobs and increase family income (e.g., targeted hiring for living wage jobs that provide access to health insurance and retirement benefits with long-term job retention, using project labor agreements with targeted hire commitments, community benefit agreements, community workforce agreements, partnerships with community-based workforce development and job training entities, state-certified community conservation corps, etc.). 2. Increase job readiness and career opportunities (e.g., workforce development programs, on-the-job training, industry-recognized certifications). 3. Revitalize local economies (e.g., increased use of local businesses) and support California-based small businesses. 4. Reduce housing costs (e.g., affordable housing). 5. Reduce transportation costs (e.g., free or reduced cost transit passes) and improve access to public transportation (e.g., new services in under-served urban and rural communities). 6. Reduce energy costs (e.g., weatherization, solar, etc.). 7. Improve transit service levels and reliability on systems/routes that have high use by low-income riders. 8. Bring jobs and housing closer together (e.g., affordable housing in transit-oriented development and in healthy, high-opportunity neighborhoods). 9. Preserve community stability and maintain housing affordability for low-income households (e.g., prioritize projects in jurisdictions with anti-displacement policies in place.)

Continued on next page.

[3] Community advocates representing the SB 535 Coalition, which participated in development of the 2013 Investment Plan for Cap-and-Trade Auction Proceeds.

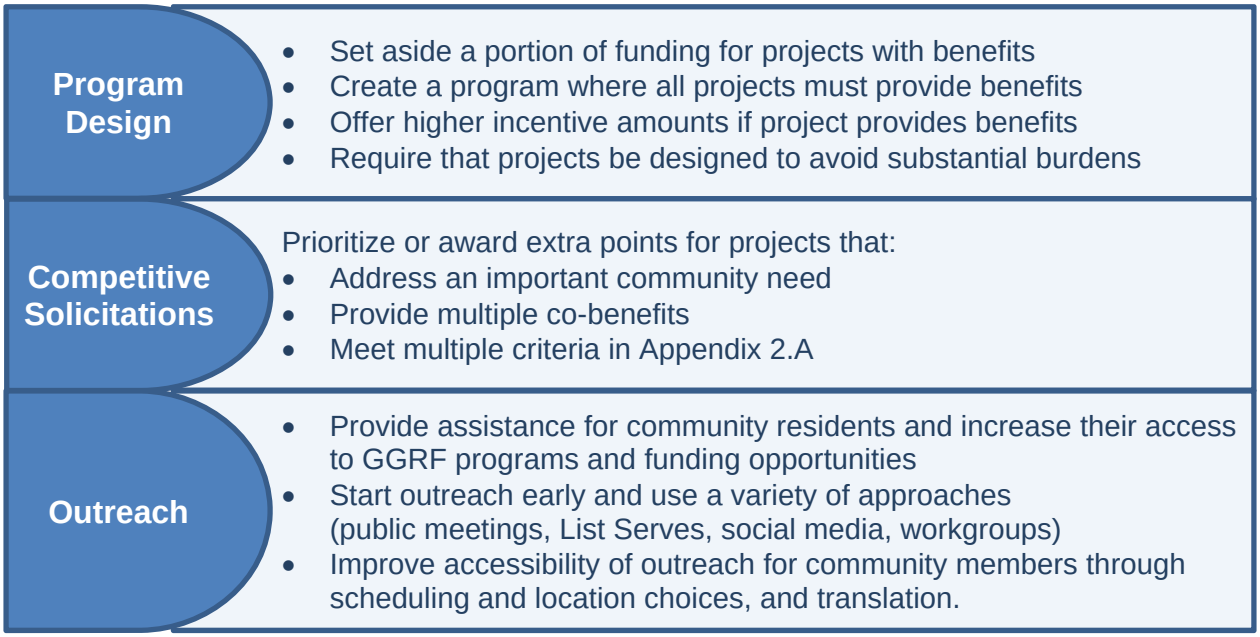
Table 2-2 Illustrative Examples of Common Needs of Disadvantaged Communities (as Identified by Community Advocates) *(continued)*

Environmental
1. Reduce exposure to local environmental contaminants, such as toxic air contaminants, criteria air pollutants, and drinking water contaminants (e.g., provide a buffer between bike/walk paths and corridors with high levels of transportation-related air pollution). 2. Prioritize zero-emission vehicle projects for areas with high diesel air pollution. 3. Reduce exposure to pesticides in communities near agricultural operations.

V.C. Recommendations for Administering Agencies to Maximize Benefits to Disadvantaged Communities

Due to the wide variety of programs and projects, we have compiled a number of possible strategies that administering agencies could use to design their programs in ways that help maximize benefits to disadvantaged communities. Figure 2-2 highlights some of these strategies, followed by a more comprehensive list.

Figure 2-2 Examples of Strategies for Maximizing Benefits



These are recommendations, not requirements, based on strategies that agencies have used previously to successfully target funds in a particular area.

Guidance on Maximizing Benefits to Disadvantaged Communities

- Set aside a percentage of funding or a dollar amount that will be used only for projects that are located within or provide benefits to disadvantaged communities, consistent with the criteria in Appendix 2.A.
- Offer higher incentive amounts for projects located within or providing benefits to disadvantaged communities, consistent with the criteria in Appendix 2.A.
- Hold competitive solicitations that prioritize or award extra points to projects that will provide benefits to disadvantaged communities, consistent with the criteria in Appendix 2.A. Solicitation materials should require applicants to provide a clear description of the expected benefits and proposed metrics for tracking and reporting on those benefits.
- Hold competitive solicitations that prioritize or award extra points to projects that meet the criteria in Appendix 2.A and include additional elements to help maximize benefits to disadvantaged communities. Types of projects might include:
    - Projects that address an important need in a disadvantaged community. Applicants should describe the link between the needs of the community and the benefits that their project will provide to that community, consistent with the criteria in Appendix 2.A. To determine community needs, applicants can use a variety of approaches such as: looking at the factors in CalEnviroScreen that caused an area to be defined as a disadvantaged community; hosting community meetings to get local input; referring to the list of common needs in Table 2-2; or receiving documentation of community support (e.g., letters or emails). If the administering agency has held community meetings or workshops, applicants can refer to the community needs discussed during those events.
    - Projects that provide multiple co-benefits, as listed on the common needs Table 2-2. Applicants should describe the co-benefits that will result from the project.
    - Projects that meet multiple criteria on the tables in Appendix 2.A. Applicants should describe all of the criteria from Appendix 2.A that the project will meet.
- When developing eligibility requirements in program guidelines and solicitation materials, establish targets or minimum thresholds that will help maximize benefits. For example, an agency could identify a certain percentage of total jobs for a project to be held by residents of disadvantaged communities in order to receive a higher priority for funding.
- Require that projects be designed to avoid substantial burdens, such as displacement of disadvantaged community residents and businesses or increased exposure to toxics or other health risks.

- Make assistance available to respond to questions from likely project applicants in a disadvantaged community to increase their ability to seek funding. While ARB will be providing centralized technical assistance for disadvantaged communities, agencies should also provide assistance for applicants in those communities. Consider partnering with a third-party entity that has experience with community outreach and could provide technical assistance to potential applicants, especially for competitive funding programs where the agency evaluators must review applications objectively.
- Use a variety of outreach efforts to reach a broader audience, such as: public workshops, List-Serves, social media, or hosting regular workgroup meetings with community organizations.
- Conduct outreach in ways that improve accessibility for community members. Approaches may include: coordinating with community leaders to determine the appropriate place and time for meetings; hosting events in places where communities normally gather (e.g., schools, community centers); holding meetings during evenings or other times that are convenient to community members; providing materials in other languages or language translation services; designating a staff member who can serve as a primary contact for answering questions or attending meetings in disadvantaged communities.

V.D. Required Criteria for Administering Agencies to Evaluate Projects for Benefits to Disadvantaged Communities

This section addresses the project-level evaluation that must be completed to determine whether projects benefit disadvantaged communities. While all GGRF projects must further the purposes of AB 32, this section of the document is focused on the non-GHG co-benefits that may be realized in disadvantaged communities. Due to the wide variety of agencies and programs, there are numerous methods that agencies might use to conclude that a particular project benefits a disadvantaged community.

These Funding Guidelines provide consistent criteria for all agencies to use to determine whether their GGRF investments would provide direct, meaningful, and assured benefits to disadvantaged communities and qualify towards the overall SB 535 targets. This approach is expected to help agencies develop guidelines and solicitation materials that enable a more streamlined approach for reviewing project proposals.

Appendix 2.A contains a table for each major project type that defines criteria for agencies to use to determine whether their projects are located within disadvantaged community census tracts <u>and</u> provide direct benefits to disadvantaged communities. If a project does not meet the criteria for being “located in” a disadvantaged community census tract, agencies need to evaluate whether the project still “benefits” a community.

Guidance on Maximizing Benefits to Disadvantaged Communities

Both of these approaches require that the project provide direct, meaningful, and assured benefits to a disadvantaged community, regardless of location.

For certain project types that are in a fixed location (e.g., weatherization of buildings, urban forestry, etc.) it is relatively straightforward to evaluate whether the project's physical location is within the census tract boundaries. However, the evaluation is more complicated for projects in multiple locations (e.g., rail lines and transit bus routes) and for mobile sources (e.g., zero or near-zero emission cars and trucks).

For example, a project might not be located within the boundaries of a disadvantaged community census tract, but the project could be nearby and provide substantial jobs for residents of that census tract, thereby resulting in benefits to that community. Agencies can use the tables in Appendix 2.A to determine whether projects provide benefits to disadvantaged communities, even if they are not located in those communities.

For projects that involve multiple locations or mobile sources, the criteria in Appendix 2.A are based on the concept that disadvantaged communities realize benefits from projects like increased transit service with access nearby. They also identify cleaner air as an important need – if the project funds zero-emission vehicles or equipment that routinely travel in, through, or nearby those communities, there is a benefit to the adjacent disadvantaged community. For example, if a diesel truck or bus has a regular route that travels through a community and it is replaced by a zero or near-zero emission vehicle, the reduced air pollution can be considered as a benefit for that community. Similarly, implementing projects that reduce pollution on impacted truck travel corridors can also provide benefits to communities located along those corridors.

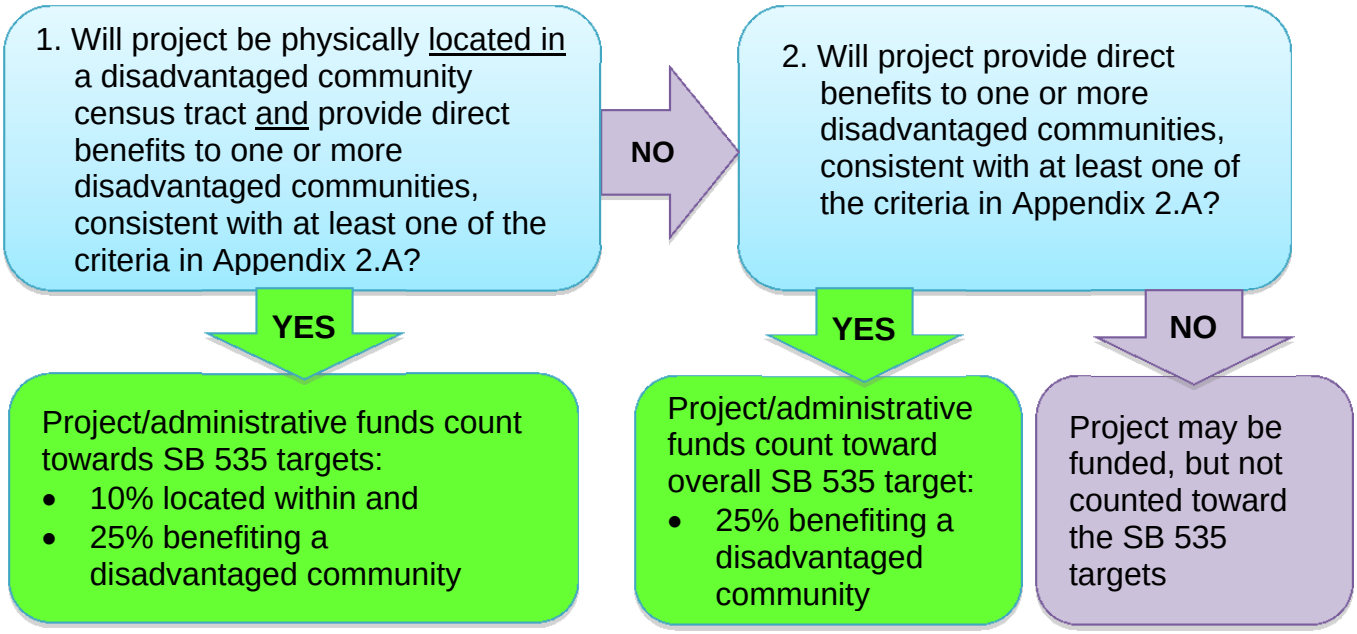
The criteria in Appendix 2.A recognize that specific types of projects based in ZIP codes containing a census tract identified as a disadvantaged community provide direct benefits to that disadvantaged community.

We designed the criteria provided in Appendix 2.A to enable agencies to readily make an objective "yes" or "no" decision about whether a particular project qualifies as providing a benefit to a disadvantaged community. ARB is continuing to work with agencies to quantify or evaluate co-benefits, with the goal of building on these criteria to help agencies select projects that maximize benefits.

Guidance on Maximizing Benefits to Disadvantaged Communities

Figure 2-3 illustrates the process that agencies will follow to evaluate projects against the criteria in Appendix 2.A and determine if funds can be counted towards SB 535 targets.

Figure 2-3 Summary of Process for Administering Agencies to Identify Funds that Benefit Disadvantaged Communities



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APPENDIX 2.A

Criteria for Evaluating Benefits to Disadvantaged Communities by Project Type

Appendix 2.A

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Appendix 2.A

Table of Contents

I. Introduction 2.A-1
II. Frequently Asked Questions 2.A-3
III. Criteria for Evaluating Benefits for Disadvantaged Communities 2.A-4

List of Figures

Figure 2.A-1 Summary of Process for Administering Agencies to Design and Implement Programs Funded by Auction Proceeds 2.A-2

List of Tables

Table 2.A-1 Low Carbon Transportation 2.A-6
Table 2.A-2 Transit 2.A-9
Table 2.A-3 Affordable Housing and Sustainable Communities 2.A-11
Table 2.A-4 Energy Efficiency and Renewable Energy 2.A-12
Table 2.A-5 Water Use and Energy Efficiency 2.A-13
Table 2.A-6 Land Preservation or Restoration and Forest Health 2.A-14
Table 2.A-7 Urban Forestry and Urban Greening 2.A-15
Table 2.A-8 Waste Diversion and Utilization 2.A-16

Appendix 2.A

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Appendix 2.A

I. Introduction

This Appendix contains criteria that agencies will use to determine whether a project is located within or provides direct, meaningful, and assured benefits to a disadvantaged community.

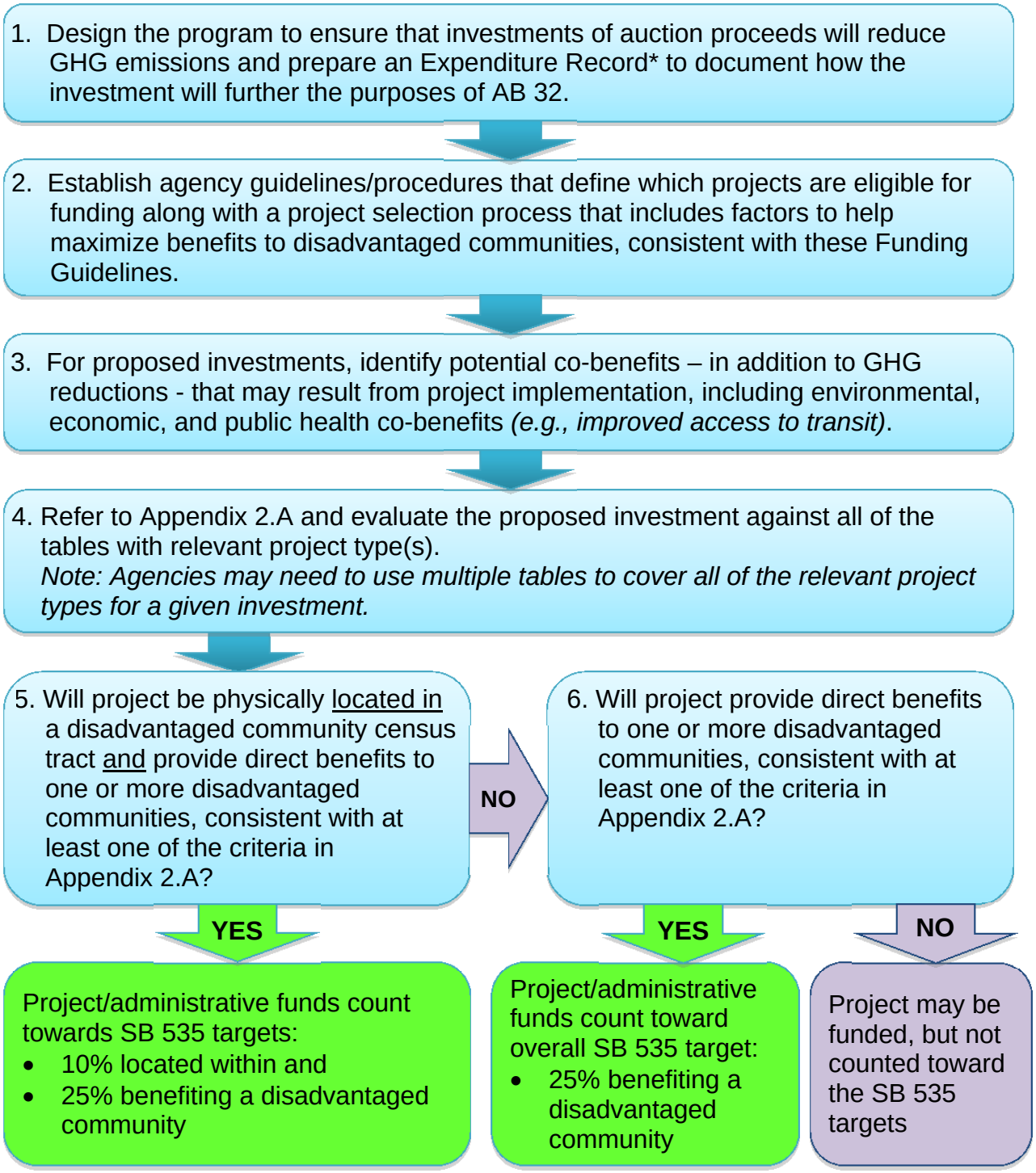
Much of the criteria in this Appendix are based on a project being located within the boundaries of a disadvantaged community or a specified distance from the boundary of a disadvantaged community. Maps that identify the census tract boundaries of disadvantaged communities are available on the CalEPA website at: http://www.calepa.ca.gov/EnvJustice/GHGInvest/.

ARB has developed supplemental maps that show: the disadvantaged community census tracts, those tracts with a ½ mile extended zone around the tract boundary, and ZIP codes containing one or more census tracts identified as a disadvantaged community. These maps are available on the program website at: http://www.arb.ca.gov/auctionproceeds.

Figure 2.A-1. summarizes the overall process for administering agencies, from designing programs to ensure investments further the purposes of AB 32, to evaluating projects for disadvantaged community benefits.

Appendix 2.A

Figure 2.A-1 Summary of Process for Administering Agencies to Design and Implement Programs Funded by Auction Proceeds



* Prepare Expenditure Records in accordance with the guidance in Volume 1, Appendix 1.A.

II. Frequently Asked Questions

Provided below are some "Frequently Asked Questions" related to disadvantaged community benefits:

1. **Q**: *Is there a single criteria table in this Appendix for each administering agency? Is each agency limited to using only one table in this Appendix?*
   A: No. To reduce redundancy, the project categories and criteria are deliberately designed to be broad enough to cover similar projects being implemented by different agencies and programs. Therefore, multiple agencies and programs may share a common criteria table.
2. **Q**: *Do all projects located in a ZIP code with a disadvantaged community census tract count as benefiting a disadvantaged community?*
   A: No. Currently, *only* "Low Carbon Transportation" and "Transit Projects" have criteria based on ZIP codes that contain disadvantaged community census tracts. The ZIP code criteria cannot be used for all project types – only those where it is specifically listed on the criteria table that is applicable to that project.
3. **Q**: *Can agencies use a criteria table for a different project type?*
   A: No. Agencies can only use the criteria in the table that is applicable to the specific project type being funded by GGRF appropriations. However, for complex projects, there may be more than one applicable criteria table.
4. **Q**: *Do all projects located within disadvantaged community census tracts automatically count as benefiting those communities?*
   A: No. Simply being located within a census tract may not be sufficient to be considered a benefit. However, a project will count as being located within and benefiting a disadvantaged community if it meets at least one of the "located within" criteria in the applicable table. The "located within" criteria are designed to make sure that projects meeting one of those criteria provide direct, meaningful, and assured benefits to a disadvantaged community.
5. **Q**: *Will agencies be doing case-by-case analyses for projects that don't meet any of the listed criteria provided in this document?*
   A: No. The listed criteria provide a standardized, consistent method for all agencies to determine whether projects benefit disadvantaged communities. Therefore, agencies will not be doing case-by-case analyses for projects that do not meet at least one of the listed criteria in this document.
6. **Q**: *Can projects be funded if they are not located in disadvantaged communities and don't meet any of the SB 535 criteria in this document?*
   A: Yes. Agencies can fund projects that are not located in disadvantaged communities and do not meet the SB 535 criteria in this document, if those projects meet the other program requirements. However, those projects will not be considered as benefiting or being located within disadvantaged communities for the purposes of SB 535.

III. Criteria for Evaluating Benefits for Disadvantaged Communities

The criteria in this Appendix are to be used in a two-step process to evaluate each project for direct, meaningful, and assured benefits to one or more disadvantaged communities.

> ***Step 1 – Located Within:*** First, agencies should find the appropriate table for their project type and evaluate the project to see if it meets the criteria for being located within a disadvantaged community. If the project meets the located within criteria, which also requires the project to provide benefits to a disadvantaged community, the funding can be counted toward the SB 535 targets and no further evaluation is needed.
>
> ***Step 2 – Provides Benefits To:*** If the project does not meet the criteria for "located within," agencies should move to this second step and evaluate whether the project meets the criteria for providing benefits to one or more disadvantaged communities.

To facilitate public input and provide transparency, the criteria in the following tables identify the project qualities that ARB staff considers sufficient to meet the "direct, meaningful, and assured" standard as used in this document. Each criterion is independent; a project need only meet one criterion to qualify as eligible to considered as located within or providing benefits to one or more disadvantaged communities.

If a project qualifies, all of the GGRF funding needed to implement that project will be considered part of the investment that benefits disadvantaged communities. This means that the total investment dollars include both the state operations overhead to administer the project (prorated based on that agency's GGRF-funded program costs) and any local administrative expenses such as staffing, outreach, equipment, etc.

Please note that agencies can use their GGRF appropriations to fund projects that do not meet the criteria in this Appendix; however, only the subset of projects that meet the criteria in this Appendix will be credited toward achieving the SB 535 targets for investments in disadvantaged communities. It is the administering agencies' responsibility to implement projects that meet these criteria, in accordance with federal and State law.

Appendix 2.A

This section contains criteria tables for the project types listed below:

- Sustainable Communities and Clean Transportation
  - Table 2.A-1 Low Carbon Transportation
  - Table 2.A-2 Transit Projects
  - Table 2.A-3 Affordable Housing and Sustainable Communities
- Energy Efficiency and Clean Energy
  - Table 2.A-4 Energy Efficiency and Renewable Energy
  - Table 2.A-5 Water Use and Energy Efficiency
- Natural Resources and Waste Diversion
  - Table 2.A-6 Land Preservation or Restoration and Forest Health
  - Table 2.A-7 Urban Forestry and Urban Greening
  - Table 2.A-8 Waste Diversion and Utilization

Appendix 2.A

Table 2.A-1 Low Carbon Transportation
Projects will achieve GHG reductions through the use of zero and near zero-emission passenger vehicles, buses, trucks, and freight technology. Potential administering agencies: ARB, CalSTA/CTC, Caltrans / Local Transit Agencies
CRITERIA TO EVALUATE PROJECTS *Agencies can also use criteria in other applicable tables.* When selecting projects for a given investment, give priority to those that maximize benefits to disadvantaged communities (e.g., use scoring criteria that favor projects which provide multiple benefits or the most significant benefits).
Step 1 – Located Within: *Evaluate the project to see if it meets at least one of the following criteria for being located in a disadvantaged community census tract* and provides direct, meaningful, and assured benefits to a disadvantaged community.*
Project must meet at least one of the following criteria focused on reducing air pollution for disadvantaged community residents: A. Project provides incentives for vehicles or equipment to those with a physical address in a disadvantaged community**; or B. Project provides incentives for vehicles or equipment that will be domiciled in a disadvantaged community; or C. Project provides incentives for vehicles or equipment that reduce air pollution on fixed routes that are primarily within a disadvantaged community (e.g., freight locomotives) or vehicles that serve transit stations or stops in a disadvantaged community (e.g., zero-emission buses); or D. Project provides greater mobility and increased access to clean transportation for disadvantaged community residents by placing services in a disadvantaged community, including ride-sharing, car-sharing, or other advanced technology mobility options (e.g., neighborhood electric vehicles, vanpooling, shuttles, smartphone application-based ride-sharing services, bikesharing services).

** For maps of disadvantaged community census tracts, refer to: http://www.calepa.ca.gov/EnvJustice/GHGInvest/.*

*** "Those with a physical address in a disadvantaged community" may include individuals as well as businesses, public agencies, nonprofits, and other community institutions.*

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Table 2.A-1 Low Carbon Transportation *(continued)*

Projects will achieve GHG reductions through the use of zero and near zero-emission passenger vehicles, buses, trucks, and freight technology.

Potential administering agencies: ARB, CalSTA / CTC, Caltrans / Local Transit Agencies

Step 2 – Provides Benefits To: *If the project does not meet the above criteria for "located within," evaluate the project to see if it meets at least one of the following criteria for providing direct, meaningful, and assured benefits to a disadvantaged community.*

Project must meet at least one of the following criteria focused on reducing air pollution for disadvantaged community residents:

A. Project provides incentives for vehicles or equipment to those with a physical address in a ZIP code that contains a disadvantaged community census tract*; or

B. Project provides incentives for vehicles or equipment that primarily serve freight hubs** located in a ZIP code that contains a disadvantaged community census tract, as identified in the list provided below; or

C. Project provides greater mobility and increased access to clean transportation for disadvantaged community residents by placing services that are accessible by walking within ½ mile of a disadvantaged community, including ride-sharing, car-sharing, or other advanced technology mobility options (e.g., neighborhood electric vehicles, vanpooling, shuttles, bikesharing services).

** "Those with a physical address in a disadvantaged community" may include individuals as well as businesses, public agencies, nonprofits, and other community institutions. For maps of disadvantaged community census tracts, refer to: http://www.calepa.ca.gov/EnvJustice/GHGInvest/.*

*** For the purposes of #2.B. above:*

"Freight Hubs" located in a ZIP code that contains a disadvantaged community census tract			
Seaports:			
• Benicia • Long Beach • Los Angeles	• Oakland • Hueneme • Richmond	• San Diego • San Francisco	• Stockton • West Sacramento
Rail Yards - BNSF Railway:			
• Barstow • Commerce/Eastern • Fresno • Hobart	• Richmond • San Bernardino • San Diego	• Sheila • Stockton/Mariposa • Watson	• Oakland International Gateway (OIG)
Rail Yards - Union Pacific Railroad:			
• Colton • Commerce • City of Industry • East Los Angeles	• Lathrop • Mira Loma • Oakland • Railport-Oakland	• Intermodal Container Transfer Facility (ICTF)/Dolores	• Los Angeles Transportation Center (LATC)

Continued on next page

Appendix 2.A

"Freight Hubs" located in a ZIP code that contains a disadvantaged community census tract (continued)			
Air Cargo Airports:			
• Burbank (BUR) • Fresno (FAT) • Orange County (SNA)	• Long Beach (LGB) • Los Angeles (LAX) • Ontario (ONT)	• San Jose (SJC) • Oakland (OAK) • Sacramento (SMF)	• Sacramento Mather (MHR) • San Diego (SAN)
Ports of Entry:			
• Calexico	• Otay Mesa		
Distribution Centers and Warehouses:			
A facility that is located in a ZIP code containing a disadvantaged community and that averages more than 100 heavy-duty truck trips per day or is serviced by a direct rail line, which receives, sorts, processes, temporarily stores, and redistributes inventory (products, goods) to retailers, wholesalers, or consumers. This does not include "big box" discount or warehouse retail stores, or storage facilities offered for rent or lease to the public.			

Table 2.A-2 Transit

Projects will achieve GHG reductions by reducing passenger vehicle miles travelled through incentives, infrastructure, or operational improvements (e.g., providing better bus connections to intercity rail, encouraging people to shift from cars to transit).

Potential administering agencies: CalSTA / CTC, Caltrans / Local Transit Agencies, SGC

CRITERIA TO EVALUATE PROJECTS

Agencies can also use criteria in other applicable tables.

When selecting projects for a given investment, give priority to those that maximize benefits to disadvantaged communities (e.g., use scoring criteria that favor projects which provide multiple benefits or the most significant benefits).

Step 1 – Located Within: *Evaluate the project to see if it meets at least one of the following criteria for being located in a disadvantaged community census tract* and provides direct, meaningful, and assured benefits to a disadvantaged community.*

Project must meet at least one of the following criteria focused on increasing transit service along transit lines or corridors that have stations or stops in a disadvantaged community, or improving transit access for disadvantaged community residents, or reducing air pollution in a disadvantaged community:

A. Project provides improved transit or intercity rail service for stations or stops in a disadvantaged community (e.g., new transit lines, more frequent service, greater capacity on existing lines that are nearing capacity, improved reliability, bus rapid transit service for disadvantaged community residents); or

B. Project provides transit incentives to residents with a physical address in a disadvantaged community (e.g. vouchers, reduced fares, transit passes); or

C. Project improves transit connectivity at stations or stops in a disadvantaged community (e.g. network/fare integration, better links between transit and active transportation); or

D. Project improves connectivity between travel modes for vehicles or equipment that service stations or stops in a disadvantaged community (e.g., bicycle racks on transit vehicles); or

E. Project creates or improves infrastructure or equipment that reduces air pollution at a station, stop or transit facility in a disadvantaged community (e.g., auxiliary power, charging stations); or

F. Project creates or improves infrastructure or equipment that reduces air pollution on regular routes that are primarily within a disadvantaged community (e.g., rail electrification, zero-emission bus); or

G. Project provides greater mobility and increased access to clean transportation for disadvantaged community residents by placing services in a disadvantaged community, including ride-sharing, car-sharing, or other advanced technology mobility options associated with transit (e.g., neighborhood electric vehicles, vanpooling, shuttles, smartphone application-based ride-sharing services, bikesharing services); or

H. Project improves transit stations or stops in a disadvantaged community to increase safety and comfort (e.g., lights, shelters, benches).

** For maps of disadvantaged community census tracts, refer to: http://www.calepa.ca.gov/EnvJustice/GHGInvest/.*

Continued on next page.

***Table 2.A-2 Transit** (continued)*

Projects will achieve GHG reductions by reducing passenger vehicle miles travelled through incentives, infrastructure, or operational improvements (e.g., providing better bus connections to intercity rail, encouraging people to shift from cars to transit).

Potential administering agencies: CalSTA / CTC, Caltrans / Local Transit Agencies, SGC

Step 2 – Provides Benefits To: *If the project does not meet the above criteria for "located within," evaluate the project to see if it meets at least one of the following criteria for providing direct, meaningful, and assured benefits to a disadvantaged community.*

Project must meet at least one of the following criteria focused on increasing transit service along transit lines or corridors that are accessible to disadvantaged community residents, or improving transit access for disadvantaged community residents, or reducing air pollution in a disadvantaged community:

A. Project provides improved local bus transit service for riders using stations or stops that are accessible by walking within ½ mile of a disadvantaged community (e.g., more frequent service, greater capacity on existing lines that are nearing capacity, improved reliability, bus rapid transit service); or
B. Project improves local bus transit connectivity for riders using stations or stops that are accessible by walking within ½ mile of a disadvantaged community (e.g., better links to active transportation, bicycle racks on local bus); or
C. Project provides improved intercity rail (and related feeder bus service), commuter bus or rail transit service for riders using stations or stops in a ZIP code that contains a disadvantaged community census tract or within ½ mile of a disadvantaged community (e.g., new lines, express bus service); or
D. Project provides improved intercity rail (and related feeder bus service), commuter bus or rail transit connectivity for riders using stations or stops in a ZIP code that contains a disadvantaged community census tract or within ½ mile of a disadvantaged community (e.g., network/fare integration, better links between local bus and intercity rail, bicycle racks on rail); or
E. Project will increase intercity rail (and related feeder bus service), commuter bus or rail transit ridership, with at least 25% of new riders from disadvantaged communities; or
F. Project provides greater mobility and increased access to clean transportation for disadvantaged community residents by placing services that are accessible by walking within ½ mile of a disadvantaged community, including ride-sharing, car-sharing, or other advanced technology mobility options associated with transit (e.g., neighborhood electric vehicles, vanpooling, shuttles, bikesharing services); or
G. Project improves transit stations or stops that are accessible by walking within ½ mile of a disadvantaged community, to increase safety and comfort (e.g., lights, shelters, benches); or
H. Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 25% of project work hours performed by residents of a disadvantaged community; or
I. Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 10% of project work hours performed by residents of a disadvantaged community participating in job training programs which lead to industry-recognized credentials or certifications.

** For maps of disadvantaged community census tracts, refer to: http://www.calepa.ca.gov/EnvJustice/GHGInvest/.*

Table 2.A-3 Affordable Housing and Sustainable Communities
Projects will achieve GHG reductions by reducing vehicle miles travelled (e.g., increasing accessibility of housing, employment centers, and key destinations via complete streets and/or low carbon transportation options such as walking, biking, and transit). Potential administering agencies: SGC
CRITERIA TO EVALUATE PROJECTS *Agencies can also use criteria in other applicable tables.* When selecting projects for a given investment, give priority to those that maximize benefits to disadvantaged communities (e.g., use scoring criteria that favor projects which provide multiple benefits or the most significant benefits).
Step 1 – Located Within: *Evaluate the project to see if it meets at least one of the following criteria for being located in a disadvantaged community census tract* and provides direct, meaningful, and assured benefits to a disadvantaged community.*
Project must meet the following criteria focused on reducing passenger vehicle miles travelled by disadvantaged community residents or in a disadvantaged community: A. A majority (50%+) of the project is within one or more disadvantaged communities and reduces vehicle miles travelled, and the project is designed to avoid displacement of disadvantaged community residents and businesses.
Step 2 – Provides Benefits To: *If the project does not meet the above criteria for "located within," evaluate the project to see if it meets at least one of the following criteria for providing direct, meaningful, and assured benefits to a disadvantaged community.*
Project must meet at least one of the following criteria focused on reducing passenger vehicle miles travelled by disadvantaged community residents or in a disadvantaged community: A. Project is accessible by walking within ½ mile of a disadvantaged community and reduces vehicles miles travelled, and is designed to avoid displacement of disadvantaged community residents and businesses; or B. Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 25% of project work hours performed by residents of a disadvantaged community; or C. Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 10% of project work hours performed by residents of a disadvantaged community participating in job training programs which lead to industry-recognized credentials or certifications.

** For maps of disadvantaged community census tracts, refer to: http://www.calepa.ca.gov/EnvJustice/GHGInvest/.*

Table 2.A-4 Energy Efficiency and Renewable Energy
Projects will achieve GHG reductions by increasing energy efficiency or renewable energy generation (e.g., more efficient heating, ventilation and air conditioning equipment, installation of solar water heaters and photovoltaic systems, irrigation pumps, upgraded lighting systems, better building envelopes such as insulation and window shading devices, energy management systems, more efficient fans, motors, pumps and variable speed controls). Potential administering agencies: CSD, CEC, CDFA, DGS, UC, CSU
CRITERIA TO EVALUATE PROJECTS *Agencies can also use criteria in other applicable tables.* When selecting projects for a given investment, give priority to those that maximize benefits to disadvantaged communities (e.g., use scoring criteria that favor projects which provide multiple benefits or the most significant benefits).
Step 1 – Located Within: *Evaluate the project to see if it meets at least one of the following criteria for being located in a disadvantaged community census tract* and provides direct, meaningful, and assured benefits to a disadvantaged community.*
Project must meet the following criteria focused on energy efficiency improvements and renewable energy for disadvantaged community residents: A. The project provides upgrades that are located within a disadvantaged community (e.g., public buildings in a disadvantaged community, single- or multi-family housing units in a disadvantaged community).
Step 2 – Provides Benefits To: *If the project does not meet the above criteria for "located within," evaluate the project to see if it meets at least one of the following criteria for providing direct, meaningful, and assured benefits to a disadvantaged community.*
Project must meet at least one of the following criteria focused on economic opportunities for disadvantaged community residents: A. Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 25% of project work hours performed by residents of a disadvantaged community; or B. Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 10% of project work hours performed by residents of a disadvantaged community participating in job training programs which lead to industry-recognized credentials or certifications.

** For maps of disadvantaged community census tracts, refer to: http://www.calepa.ca.gov/EnvJustice/GHGInvest/.*

Table 2.A-5 Water Use and Energy Efficiency
Projects will achieve GHG reductions through projects that reduce both water and energy use (e.g., improving the energy and water efficiency of water supply; installing water and energy saving appliances; increasing water and energy efficiency of agricultural irrigation systems). Potential administering agencies: DWR, CDFA, CEC
CRITERIA TO EVALUATE PROJECTS *Agencies can also use criteria in other applicable tables.* When selecting projects for a given investment, give priority to those that maximize benefits to disadvantaged communities (e.g., use scoring criteria that favor projects which provide multiple benefits or the most significant benefits).
Step 1 – Located Within: *Evaluate the project to see if it meets at least one of the following criteria for being located in a disadvantaged community census tract* and provides direct, meaningful, and assured benefits to a disadvantaged community.* Project must meet at least one of the following criteria focused on water use efficiency: A. The project provides water and energy use efficiency incentives or other services that reduce energy use to water users (e.g., residential, commercial, agricultural) with a physical address in a disadvantaged community; or B. The project improves, repairs, or replaces water system infrastructure for water and energy savings within a disadvantaged community.
Step 2 – Provides Benefits To: *If the project does not meet the above criteria for "located within," evaluate the project to see if it meets at least one of the following criteria for providing direct, meaningful, and assured benefits to a disadvantaged community.* Project must meet at least one of the following criteria focused on water and energy improvements, or economic opportunities for disadvantaged community residents: A. The project reduces both energy and water use through improvements to the water conveyance or distribution systems that directly serve a disadvantaged community; or B. Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 25% of project work hours performed by residents of a disadvantaged community; or C. Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 10% of project work hours performed by residents of a disadvantaged community participating in job training programs which lead to industry-recognized credentials or certifications.

** For maps of disadvantaged community census tracts, refer to: http://www.calepa.ca.gov/EnvJustice/GHGInvest/.*

Table 2.A-6 Land Preservation or Restoration and Forest Health
Projects will achieve net GHG reductions through sequestration or by protecting natural lands from GHG-intensive development (e.g., agricultural land conservation easements, wetland restoration, forest conservation easements). Forest health projects will achieve net GHG reductions through sequestration and utilization of biomass or solid wood materials. Potential administering agencies: CAL FIRE, SGC, DFW, CDFA
CRITERIA TO EVALUATE PROJECTS *Agencies can also use criteria in other applicable tables.* When selecting projects for a given investment, give priority to those that maximize benefits to disadvantaged communities (e.g., use scoring criteria that favor projects which provide multiple benefits or the most significant benefits).
Step 1 – Located Within: *Evaluate the project to see if it meets at least one of the following criteria for being located in a disadvantaged community census tract* and provides direct, meaningful, and assured benefits to a disadvantaged community.*
Project must meet the following criteria focused on maintaining or providing green space or open space: A. Project preserves or restores a site where the majority of the land area is located within a disadvantaged community.
Step 2 – Provides Benefits To: *If the project does not meet the above criteria for "located within," evaluate the project to see if it meets at least one of the following criteria for providing direct, meaningful, and assured benefits to a disadvantaged community.*
Project must meet at least one of the following criteria focused on economic opportunities or providing environmental improvements for disadvantaged community residents: A. Project preserves or restores a site that allows public access and is accessible by walking within ½ mile of a disadvantaged community; or B. Project significantly reduces flood risk to one or more adjacent disadvantaged communities; or C. Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 25% of project work hours performed by residents of a disadvantaged community; or D. Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 10% of project work hours performed by residents of a disadvantaged community participating in job training programs which lead to industry-recognized credentials or certifications.

** For maps of disadvantaged community census tracts, refer to: http://www.calepa.ca.gov/EnvJustice/GHGInvest/.*

Table 2.A-7 Urban Forestry and Urban Greening
Projects will achieve GHG reductions through net increases in carbon sequestration as a result of planting, cultivating, and maintaining trees and related vegetation in urban areas. Projects may also reduce energy usage by improving the green canopy and providing shade. Potential administering agencies: CAL FIRE, SGC
CRITERIA TO EVALUATE PROJECTS *Agencies can also use criteria in other applicable tables.* When selecting projects for a given investment, give priority to those that maximize benefits to disadvantaged communities (e.g., use scoring criteria that favor projects which provide multiple benefits or the most significant benefits).
Step 1 – Located Within: *Evaluate the project to see if it meets at least one of the following criteria for being located in a disadvantaged community census tract* and provides direct, meaningful, and assured benefits to a disadvantaged community.* Project must meet the following criteria focused on environmental improvements for disadvantaged community residents: A. The majority of the project is in a publically accessible area within a disadvantaged community and the project terms provide for maintenance of the trees and related vegetation.
Step 2 – Provides Benefits To: *If the project does not meet the above criteria for "located within," evaluate the project to see if it meets at least one of the following criteria for providing direct, meaningful, and assured benefits to a disadvantaged community.* Project must meet at least one of the following criteria focused on economic opportunities, or providing green space or open space, for disadvantaged community residents: A. The majority of trees planted by the project are accessible by walking within ½ mile of a disadvantaged community and the project terms provide for maintenance of the trees and related vegetation; or B. Project significantly reduces flood risk to one or more adjacent disadvantaged communities; or C. Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 25% of project work hours performed by residents of a disadvantaged community; or D. Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 10% of project work hours performed by residents of a disadvantaged community participating in job training programs which lead to industry-recognized credentials or certifications.

** For maps of disadvantaged community census tracts, refer to: http://www.calepa.ca.gov/EnvJustice/GHGInvest/.*

Table 2.A-8 Waste Diversion and Utilization
Projects will achieve GHG reductions by reducing or diverting waste from landfills or agricultural operations (e.g., composting operations, dairy digesters, conversion from lagoon to dry scrape manure management, biomass, anaerobic digestion, and recycling). Potential administering agencies: CalRecycle, CDFA, CAL FIRE
CRITERIA TO EVALUATE PROJECTS *Agencies can also use criteria in other applicable tables.* When selecting projects for a given investment, give priority to those that maximize benefits to disadvantaged communities (e.g., use scoring criteria that favor projects which provide multiple benefits or the most significant benefits).
Step 1 – Located Within: *Evaluate the project to see if it meets at least one of the following criteria for being located in a disadvantaged community census tract* and provides direct, meaningful, and assured benefits to a disadvantaged community.*
Project must meet at least one of the following criteria focused on environmental improvements for disadvantaged community residents: A. Project provides incentives for a facility in a disadvantaged community and the project results in direct air or water quality benefits in the disadvantaged community; or B. Project provides incentives for an anaerobic digestion system (e.g., organic waste digester or dairy digester) that is located in a disadvantaged community; or C. Food rescue project is located in a disadvantaged community.
Step 2 – Provides Benefits To: *If the project does not meet the above criteria for "located within," evaluate the project to see if it meets at least one of the following criteria for providing direct, meaningful, and assured benefits to a disadvantaged community.*
Project must meet at least one of the following criteria focused on environmental improvements and economic opportunities for disadvantaged community residents: A. The majority of waste processed in a digester/composting facility or diverted to a food rescue project is diverted from landfills located in a disadvantaged community or is generated by agricultural operations in a disadvantaged community; or B. Food rescue projects increase food access to disadvantaged community residents; or C. Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 25% of project work hours performed by residents of a disadvantaged community; or D. Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 10% of project work hours performed by residents of a disadvantaged community participating in job training programs which lead to industry-recognized credentials or certifications.

** For maps of disadvantaged community census tracts, refer to: http://www.calepa.ca.gov/EnvJustice/GHGInvest/.*

APPENDIX 2.B

Map of Disadvantaged Communities for the Purposes of Investment

Appendix 2.B

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Appendix 2.B

Table of Contents

I. Introduction 2.B-1

List of Figures

Figure 2.B-1 Statewide Map of Disadvantaged Communities 2.B-3

List of Tables

Table 2.B-1 Half Mile Zones 2.B-1
Table 2.B-2 ZIP Code Zones 2.B-2

Appendix 2.B

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Appendix 2.B

I. Introduction

This Appendix contains information on maps that graphically represent the geographic criteria identified in Appendix 2.A. These maps are based on the decision made by the Secretary for Environmental Protection to identify the top 25 percent of CalEnviroScreen 2.0 census tracts as disadvantaged communities for the purposes of implementing SB 535. Detailed maps for all regions of California and an interactive mapping tool are available at: http://www.arb.ca.gov/auctionproceeds.

The Office of Environmental Health Hazard Assessment developed the CalEnviroScreen tool under CalEPA's guidance to assess areas that are disproportionately affected by multiple types of pollution and areas with vulnerable populations. Additional information on CalEnviroScreen and the identification of disadvantaged communities is available at: http://www.calepa.ca.gov/EnvJustice/GHGInvest/.

The ARB website contains maps that can be used to evaluate whether projects meet the criteria in Appendix 2.A for being located within or benefiting disadvantaged communities (http://www.arb.ca.gov/auctionproceeds). The website also contains an interactive mapping tool that allows users to zoom in on a specific location. Provided below is Figure 2.B-1, a statewide map that illustrates the information available on the website, including the following:

- Census tracts that have been identified as disadvantaged communities;
- Half-mile zones around disadvantaged community census tracts; and
- ZIP codes containing disadvantaged community census tracts.

Table 2.B-1 shows the project types have criteria based on half-mile zones:

Table 2.B-1 Half Mile Zones

Project Type	**References for Criteria Based on Half-Mile** (*see Appendix 2.A for full criteria*)
Low Carbon Transportation	Table 2.A-1: Step 2.D.
Transit Projects	Table 2.A-2: Steps 2.A., 2.B., 2.C., 2.D., 2.F., 2.G.
Affordable Housing and Sustainable Communities	Table 2.A-3: Step 2.A.
Land Preservation or Restoration	Table 2.A-6: Step 2.A.
Urban Forestry and Urban Greening	Table 2.A-7: Step 2.A.

For these project types only, a project may be considered to "*provide benefit to*" disadvantaged communities if –

- The project is located in the half-mile zone around a census tract and it meets at least one of the criteria provided in Appendix 2.A for "Step 2-"Provides Benefits To."

Appendix 2.B

Table 2.B-2 shows the project types that have criteria based on ZIP codes containing disadvantaged communities:

Table 2.B-2 ZIP Code Zones

Project Type	**References for Criteria Based on ZIP Codes** (*see Appendix 2.A for full criteria*)
Low Carbon Transportation	Table 2.A-1: Steps 2.A., 2.C.
Transit Projects	Table 2.A-2: Steps 2.C., 2.D.

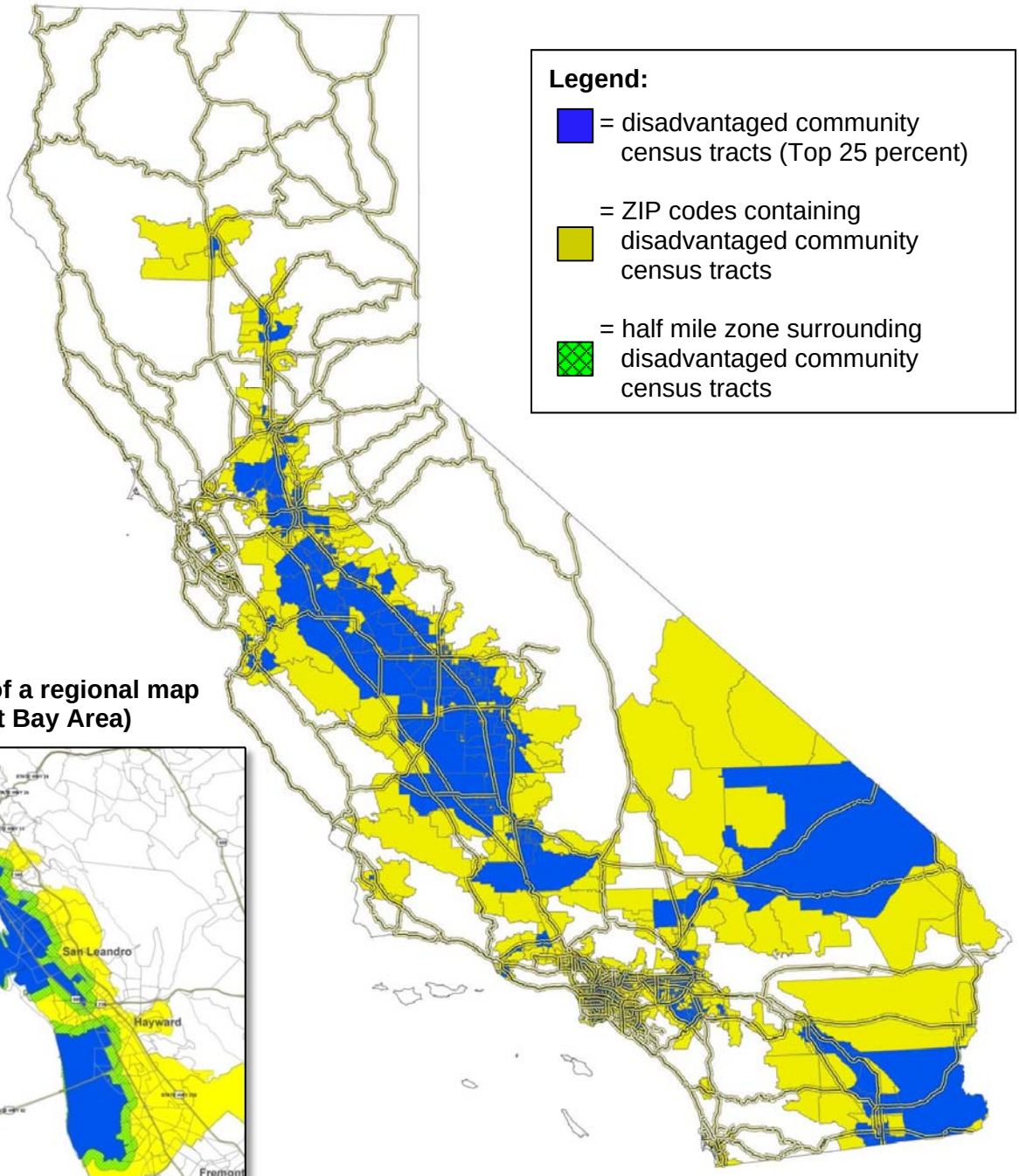
For these project types <u>only</u>, a project may be considered to "*provide benefit to*" disadvantaged communities if –

- The project is located in a ZIP code that contains a census tract and it meets at least one of the criteria provided in Appendix 2.A for "Step 2-"Provides Benefits To."

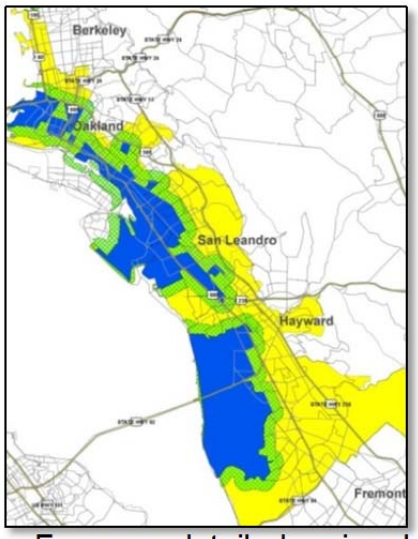
Appendix 2.B

Figure 2.B-1 Statewide Map of Disadvantaged Communities

CalEnviroScreen Version 2.0 (October 31, 2014)
Top 25 Percent Highest Scoring Census Tracts



Example of a regional map (East Bay Area)



For more detailed regional maps that allow users to zoom in, refer to: http://www.arb.ca.gov/auctionproceeds.

Appendix 2.B

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Cap-and-Trade Auction Proceeds
Funding Guidelines for Agencies that Administer California Climate Investments

Volume 3: Reporting Requirements

PROPOSED

Release Date: September 4, 2015
Comments Due: September 21, 2015
Board Consideration: September 24-25, 2015

California Environmental Protection Agency

Air Resources Board

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Table of Contents

VOLUME 1: General Guidance

VOLUME 2: Investments to Benefit Disadvantaged Communities

VOLUME 3: Reporting Requirements

I. Purpose 3-1
II. Background 3-2
II.A. Requirement for Annual Report to the Legislature 3-2
II.B. Additional Reporting Requirements 3-3
III. Roles and Responsibilities 3-4
IV. General Reporting Requirements 3-6
IV.A. Submit Project Profiles with Estimated Benefits (Phase 1) 3-8
IV.B. Submit End-of-Year Reports (Phase 1) 3-9
IV.C. Submit Project Closeout Reports (Phase 1) 3-10
IV.D. Follow-Up Reports (Phase 2, if needed) 3-10
IV.E. Submit Fiscal Reports 3-14
IV.F. Provide Information for Oversight and Audits 3-15
IV.G. Future Reporting Through Online System 3-16

APPENDIX 3.A: Reporting Requirements by Project Type

List of Figures

Figure 3-1 Roles and Responsibilities for Meeting GGRF Reporting Requirements 3-4
Figure 3-2 Summary of General GGRF Reporting Requirements 3-6
Figure 3-3 Flow Chart for GGRF Tracking and Reporting to the Legislature 3-7
Figure 3-4 Phase 2 Data Collection – Illustration of a Potential Timeline 3-13

List of Tables

Table 3.A-1 Summary of General GGRF Reporting Requirements 3.A-1
Table 3.A-2 Summary of General GGRF Reporting Requirements (data by project type) 3.A-4
Table 3.A-3.1 Low Carbon Transportation Incentives 3.A-7
Table 3.A-3.2 Low Carbon Transportation – Car Sharing 3.A-9

Table 3.A-3.3 Low Carbon Transportation – Heavy Duty Pilot Projects 3.A-11
Table 3.A-3.4 Low Carbon Transportation – Heavy Duty Demonstration Projects.....3.A-13
Table 3.4-4 Transit Projects.....3.A-15
Table 3.A-5 Affordable Housing and Sustainable Communities 3.A-17
Table 3.A-6 High Speed Rail 3.A-19
Table 3.A-7 Energy Efficiency and Renewable Energy.....3.A-21
Table 3.A-8 Energy Efficiency and Renewable Energy in Public Buildings.....3.A-23
Table 3.A-9 Water Use Efficiency / Energy Efficiency 3.A-25
Table 3.A-10 Land Conservation Easements.....3.A-27
Table 3.A-11 Wetlands Restoration 3.A-29
Table 3.A-12 Urban Forestry.....3.A-31
Table 3.A-13 Forest Health 3.A-33
Table 3.A-14 Waste Diversion.....3.A-35
Table 3.A-15 Digester Projects 3.A-37
Table 3.A-16 Jobs and Job Training 3.A-39

I. Purpose

All administering agencies must track projects and document investment benefits, including benefits to disadvantaged communities. The purpose of this document is to define reporting requirements for investments of Greenhouse Gas Reduction Fund (GGRF) appropriations, to accomplish the following:

- Meet GGRF statutory requirements;
- Document benefits to disadvantaged communities;
- Document greenhouse gas (GHG) reductions and co-benefits;
- Support fiscal accountability for the GGRF;
- Provide transparency so the public can see how agencies are using their GGRF appropriations and the status of projects in their local areas; and
- Supply the data needed for responding to information requests from the Governor's Office, Legislature, and the public.

This document is intended for State agencies that are administering investments in projects funded by GGRF appropriations. The detailed reporting requirements are specific to each general project type. This volume of the Funding Guidelines includes tables defining all phases of reporting. These tables are based on the project types being funded with Fiscal Year (FY) 2013-14 and 2014-15 appropriations, but they also apply to FY 2015-16 and later years.

As the State Budget adds appropriations for new programs and agencies expand the scope of project types, ARB staff will develop supplemental tables with the specific reporting requirements for those new programs and project types. Draft versions of the supplemental tables will be posted on ARB's program website for public comment, then staff will finalize and post them for use by administering agencies. The tables will be reflected in future updates to these Funding Guidelines.

The Air Resources Board (ARB) is also working with agencies to develop quantification methodologies to estimate benefits from GGRF investments. The completed methodologies are available on the program website at: http://www.arb.ca.gov/auctionproceeds.

This document is Volume 3 of the full Funding Guidelines, which include the following:

- Volume 1: General Guidance
- Volume 2: Investments to Benefit Disadvantaged Communities
- Volume 3: Reporting Requirements

II. Background

Accountability and transparency are essential elements for all programs funded by the GGRF. The public needs to know how agencies are investing their GGRF appropriations and the benefits of those investments. All agencies administering GGRF programs are required to closely track the implementation of their projects and report on the benefits of their GGRF investments, including benefits to disadvantaged communities. This information will be used to demonstrate how the Administration is achieving or exceeding the statutory objectives for investing GGRF funds. As described below, the implementing legislation requires an Annual Report to the Legislature and specific reporting requirements for certain agencies and programs. The reporting requirements included in this document will facilitate the collection of information necessary to meet these accountability, public transparency, and statutory requirements. Since GGRF appropriations are funding a wide variety of projects, the type of information reported will vary greatly so this document contains reporting requirements that match the different project types.

ARB is required to develop guidance on reporting and quantification methods for all State agencies that receive appropriations from the GGRF (Senate Bill 862, Chapter 836, Statutes of 2014, Government Code Section 16428.9(b)). Statute requires this guidance to ensure that the provisions of Health and Safety Code Sections 39710-39723 are met. These provisions require an Annual Report to the Legislature, Senate Bill (SB) 535 investments to benefit disadvantaged community, and additional requirements under Assembly Bill (AB) 1532. Provided below are additional details on the statutory reporting requirements for agencies that administer GGRF appropriations, followed by guidance on what agencies need to submit to meet those requirements.

II.A. Requirement for Annual Report to the Legislature

The Department of Finance is required to submit an Annual Report to the Legislature by March 1 each year (California Health and Safety Code, Sections 39720 – 39721). This report needs to provide the status of projects funded by the GGRF, and the outcomes of those projects. In addition, the Annual Report describes how administering agencies have met the requirements for investing in projects that benefit disadvantaged communities.

II.B. Additional Reporting Requirements

In addition to the Annual Report described above, Senate Bill (SB) 862 includes reporting requirements for the following programs funded by the GGRF (Chapter 836, Statutes of 2014).

1. SGC Affordable Housing and Sustainable Communities Program

SB 862 requires the Executive Director of the Strategic Growth Council (SGC) to report on the implementation of the Affordable Housing and Sustainable Communities (AHSC) program in its annual report (Public Resources Code Section 75217, pursuant to Section 75125(e)). It is expected that SGC will satisfy this reporting requirement by using data consistent with its submittal for the Annual Report to the Legislature. Also, SB 862 establishes a goal for at least 50 percent of the AHSC appropriation to be expended on projects that benefit disadvantaged communities. Therefore, the reports provided by SGC need to document how the AHSC program is meeting or exceeding the requirements for investments benefiting those communities.

2. CaltransLow Carbon Transit Operations Program

The Low Carbon Transit Operations Program (LCTOP) allocates GGRF funds to a large number of transit agencies, according to the formula established for the Public Transportation Account. All recipient transit agencies are required to provide annual reports to the California Department of Transportation (Caltrans), in the format and manner prescribed by Caltrans, consistent with the internal administrative procedures for use of fund proceeds developed by ARB (Public Resources Code Section 75230(k)). Also, for transit agencies whose service areas include disadvantaged communities, at least 50 percent of the total moneys received must be expended on projects or services that benefit disadvantaged communities. Therefore, the reports provided by transit agencies need to document how transit agencies are meeting or exceeding the requirements for investments benefiting those communities.

3. CalRecycle Greenhouse Gas Reduction Revolving Loan Program

The California Department of Resources Recycling and Recovery (CalRecycle) administers a revolving loan program that reduces greenhouse gas emissions by promoting in-state development of infrastructure to process organics and other recyclable materials into new value-added products. When CalRecycle approves a loan, the terms and conditions of the loan must include reporting requirements that include, but are not limited to, reporting the information specified for Expenditure Records (Government Code Section 16428.9).

III. Roles and Responsibilities

Figure 3-1 illustrates the roles and responsibilities related to meeting GGRF tracking and reporting requirements.

Figure 3-1 Roles and Responsibilities for Meeting GGRF Reporting Requirements

DEPARTMENT OF FINANCE

- Submits an Annual Report to the Legislature, in coordination with ARB and agencies that administer GGRF appropriations.
- Coordinates with ARB and agencies to obtain fiscal reports needed to manage the GGRF.

AIR RESOURCES BOARD

- Compiles data from State agencies and coordinates with Finance to prepare the Annual Report to the Legislature, including program status, estimated GHG reductions, and total expenditures benefiting disadvantaged communities.
- Maintains a public website that provides a central portal for project data reported by all GGRF agencies.
- Develops Funding Guidelines that contain guidance on tracking and reporting project status and benefits.
- Works with agencies as they develop guidelines and solicitation materials to include tracking and reporting requirements for funding recipients.
- As the GGRF Administrator (accountant), obtains fiscal reports from State agencies to manage GGRF cash flow.

STATE AGENCIES

- Develop guidelines, solicitation materials, and grant agreements that contain tracking and reporting requirements for funding recipients, in accordance with ARB's Funding Guidelines.
- Collect and compile project data from funding recipients, including estimated GHG reductions and information on benefits to disadvantaged communities.
- Maintain records and submit reports to ARB on expenditures and investment benefits, per ARB's Funding Guidelines.
- Provide records and reports, as requested, to support audits and program reviews conducted by State agencies.

Roles and Responsibilities

The Department of Finance is responsible for submitting an Annual Report to the Legislature. ARB's role is to support this effort by working with the State agencies to compile the necessary data for the report. ARB also consolidates the data from all agencies to assess progress in meeting or exceeding the SB 535 targets for investments that provide benefits to disadvantaged communities (25 percent of the total GGRF expenditures) and the subset that is located within those communities (10 percent of the total GGRF expenditures).

To provide public access to reported information, ARB maintains a website that functions as a central portal with information on all of the agencies that administer GGRF appropriations. ARB is also developing an online project tracking system, where agencies can enter project information and the public can see funded projects in their region along with the estimated benefits.

ARB and Finance are responsible for coordinating on the management of the GGRF, to make sure there is adequate cash flow to reimburse agency expenditures as needed. This involves working with agencies to get regular reports on cash flow projections, expenditures, and other fiscal information.

State administering agencies are responsible for clearly describing tracking and reporting requirements when they develop program documents (e.g., guidelines, solicitation materials, grant agreements, etc.), consistent with the requirements in these Funding Guidelines. As projects are being implemented, agencies are responsible for collecting project information from funding recipients and submitting reports to ARB. It is important to note that the term "funding recipients" covers a broad group. State administering agencies will need to obtain reporting information from a variety of funding recipients, including but not limited to, the following:

- Other State agencies that receive GGRF funds or loans from the administering agency or that are directly implementing projects;
- Those selected through a competitive solicitation or first-come/first-served process (e.g., businesses, contractors, public agencies, non-profits, colleges/universities, research organizations, individuals);
- Transit agencies that receive GGRF allocations, based on the State Transit Assistance formula; or
- Local administrators that provide weatherization / renewable energy services to low-income households.

The specific information that must be tracked and reported is detailed in Appendix 3A, along with information on how long records must be retained. During audits or program reviews, administering agencies are responsible for supplying the requested information to State oversight agencies and addressing findings that may result from an audit.

IV. General Reporting Requirements

This section describes the general reporting requirements which apply to all agencies that administer GGRF appropriations. Agencies need to submit the GGRF reports shown in Figure 3-2, including information that documents GHG reductions and benefits to disadvantaged communities, for each project funded by the GGRF.
Annually ARB will begin compiling data from agencies in early December and will complete data collection by mid-January. The goal is to provide data that reflects programs as of December, and using an extended data collection period provides the flexibility for ARB to work with agencies on the submittal process.

Figure 3-2 Summary of General GGRF Reporting Requirements*

After projects are selected, agencies submit:

Project Profile with Estimated Benefits *(Phase 1)***

- Project description and location.
- Project budget and schedule.
- Estimated project benefits (GHG reductions and co-benefits).
- Agencies only submit once unless updates are needed.

End-of-Year Report *(Phase 1)*****

- Brief update of project data (e.g., incentives issued during reporting period).
- Updates to original project profile and estimated benefits, if needed.
- Program-level summaries (e.g., total expenditures, benefits).
- Agencies submit reports to ARB by January and ARB compiles data for the March Annual Report to the Legislature.

After projects are completed, agencies submit:

Project Closeout with Final Benefits *(Phase 1)*****

- Project accomplishments, including benefits to disadvantaged communities.
- Project benefits achieved (GHG reductions and co-benefits).

Some **projects may also include:**

Follow-up Reporting *(Phase 2, following project closeout)*****

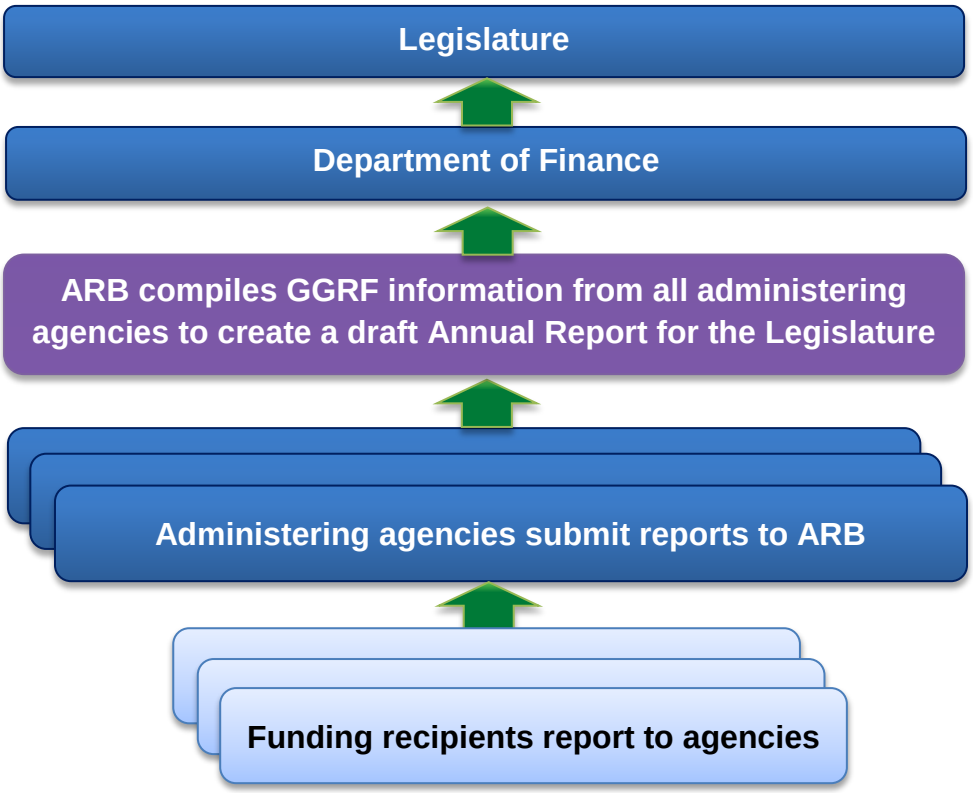
- Data to support GHG quantification for a subset of projects.
- Actual project benefits achieved, results of project monitoring.
- Timeframes differ depending on project type.

** ARB will begin compiling data from agencies in early December and will complete data collection by mid-January.*
*** Phase 1 reporting is for all projects, from the project start to the project completion date (e.g., date when construction is complete, trees are planted, equipment is installed.) Phase 2 reporting may be needed for a subset of projects to support GHG quantification after the project completion date.*

General Reporting Requirements

While the reporting requirements in this document are intended for State administering agencies, those agencies will need to work with their funding recipients to obtain project-level data. Figure 3-3 illustrates the flow of reported data, with funding recipients submitting project-level information to administering agencies and those agencies transmitting data to ARB for consolidation and the Annual Report to the Legislature.

Figure 3-3 Flow Chart for GGRF Tracking and Reporting to the Legislature



After the Annual Report is submitted to the Legislature, ARB posts it on the website at: http://www.arb.ca.gov/auctionproceeds.

IV.A. Submit Project Profiles with Estimated Benefits (Phase 1)

Agencies will need to submit reports to ARB that include project profiles and estimated benefits. These reports will be submitted after project selection, by the annual reporting deadline (January 15). The information that agencies need to report will vary for the different project types, so the Appendix contains reporting tables that are tailored to match the different project types. For example, a large infrastructure project may need to report the physical address of the project and the estimated benefits at that location. Alternatively, a project that involves distributing vouchers for zero-emission vehicles or transit passes would need to report the total number of passes or vouchers that are distributed in a given census tract and the cumulative benefits from those incentives.

For projects that benefit disadvantaged communities, administering agencies must submit information to document those benefits. ARB will compile this information and determine the total percentage of GGRF dollars that were expended on projects located within and providing benefit to disadvantaged communities, as required by SB 535. In general, administering agencies need to do the following:

- **Describe how a project benefits a disadvantaged community, if applicable:** Agencies need to determine whether their project meets at least one of the Funding Guidelines criteria for benefiting a disadvantaged community (these criteria are provided in the Appendix of Volume 2, "*Investments to Benefit Disadvantaged Communities*"). The project needs to meet the criteria for being "***located within***" a disadvantaged community or - if it doesn't qualify as being "located within" – the project needs to meet the criteria for "***provides benefits to.***" For the purposes of SB 535, if a project does not meet any of the criteria for the applicable project type, it would not be considered as benefiting a disadvantaged community.

  If applicable, document how a project addresses a community need. Agencies or funding recipients can use a variety of approaches to determine community needs, such as: looking at the factors in CalEnviroScreen that caused an area to be defined as a disadvantaged community; hosting community meetings to get local input; referring to the list of common needs in Volume 2, Table 2-2; or receiving documentation of community support (e.g., letters or emails).

- **Identify the appropriate SB 535 criteria that was used to determine benefits to a disadvantaged community**: Agencies need to identify the appropriate criteria table and the specific item in that table that the agency used to determine whether a project was "located within" or "provides benefit to" a disadvantaged community (these criteria tables are provided in the Appendix of Volume 2, "*Investments to Benefit Disadvantaged Communities*").

The project profiles and estimated benefits only need to be reported once, unless the information has changed and needs to be updated. In that event, agencies would submit the updates as needed.

IV.B. Submit End-of-Year Reports (Phase 1)

The End-of-Year reports are due by January 15, reflecting data as of December, and they will be used to support the Annual Report to the Legislature that is due March 1. For these reports, agencies will need to provide both project-level data updates and program-level information that summarizes the overall implementation status for their GGRF appropriations. The project-level data updates will describe the progress made during the reporting period (e.g., status of construction activities, number of vouchers issued, equipment purchased, etc.) along with the benefits achieved to date. For investments that provide jobs or job training, agencies should also report information on employment benefits, if available and consistent with confidentiality protections (e.g., number of job recipients/trainees, census tract numbers where job recipients/trainees reside, entry-level and median wages, credentials earned by trainees). This type of information may be readily available for projects where funding recipients are already tracking and reporting employment data, such as large-scale construction activities.

To determine what type of project-level data needs to be reported, agencies can refer to Appendix 3.A which contains reporting requirements by project type. In some cases, an agency's program may cover multiple project types (e.g., affordable housing and transit) and there may be more than one table in Appendix 3.A that includes applicable reporting requirements. For the annual report submittal, ARB will work with these agencies to combine the appropriate data elements from each project type to streamline the data transmittal.

For the program-level information, ARB will provide a reporting template each year to collect and compile information from all agencies. This information may include, but is not limited to, the following items:

- Agency and Program Description
- Program Schedule
- Public Meetings
- Solicitation Process
- Program Financial Status
- Disadvantaged Community Benefits
- How the Agency Maximized Disadvantaged Community Benefits
- GHG Reductions and Co-Benefits
- Actual Project Locations
- Jobs and Job Training Benefits

ARB will design the reporting template to reflect the types of projects being funded and the stage of implementation. For example, during the first two years of the GGRF program, the Annual Reports were relatively brief since agencies were still in the early stages of program implementation and project selection[1]. As more projects are implemented, ARB will expand the reporting template to compile a more comprehensive description of the benefits achieved.

If agencies need to update information on project profiles or estimated benefits, they can also submit those revisions with the End-of-Year Reports.

IV.C. Submit Project Closeout Reports (Phase 1)

After a project is complete, agencies need to submit a closeout report that summarizes the project accomplishments, including a final estimate of project benefits, and provides updates of profile information if needed. Each template in the Appendix identifies activities that indicate when a project is complete for the various programs, such as the end of a grant agreement or completion of construction. Agencies will submit project closeout reports once, by the annual reporting deadline (January 15), reflecting data as of December. To determine what type of information needs to be reported at closeout, agencies can refer to the Appendix which contains reporting requirements by project type.

IV.D. Follow-Up Reports (Phase 2, if needed)

1. <u>What is "Phase 2" data collection and why is it needed?</u>

Each project funded by the GGRF is expected to provide real and quantifiable GHG emission reductions. The GHG quantification methodologies provide the tools to develop an initial GHG reduction estimate, based on assumptions for the expected conditions and activity levels. For some projects, there may be a need for follow-up "Phase 2" data collection after a project becomes operational, to support the quantification of GHG reductions.

The objective is to demonstrate that GHG reductions have been achieved by documenting the actual emission reductions or validating the initial estimation assumptions. Conducting follow-up monitoring and reporting is standard practice for GHG emission reduction programs and it is essential for documenting the environmental benefits of GGRF investments. In addition to supporting quantification, "Phase 2" data collection could also be used to improve methodologies and inform the future design of agency programs.

[1] Copies of Annual Reports to the Legislature are available on ARB's Auction Proceeds website at: http://www.arb.ca.gov/auctionproceeds.

2. What projects require "Phase 2" data collection?

"Phase 2" data collection could be limited to a subset of funded projects with less frequent reporting (e.g., once every two years.) The type of data collected and the length of "Phase 2" reporting would vary by project type and be specified in the appropriate quantification methodology. ARB will work with agencies to incorporate "Phase 2" procedures into the quantification methodology, including approaches for determining which projects would require "Phase 2" data collection.

3. How would "Phase 2" data be collected?

Due to the wide variety of programs and projects, there are several different methods for collecting "Phase 2" data. ARB will work with agencies to determine the appropriate methods as part of the quantification methodology. Provided below are some examples of potential data collection methods:

- ***Include in Grant Agreement:*** Funding recipients could provide "Phase 2" data during the term of their grant agreements or loan agreements. For example, waste diversion projects could include a five-year grant agreement. During the first two years (i.e., "Phase 1"), the project would be constructed, become operational and reach full capacity. During the final three years of the grant term (i.e., "Phase 2"), the funding recipient would collect data on the project's operation and report that to the agency to support quantification of net GHG benefits.
- ***Conduct Survey:*** After projects become operational, agencies could use survey data from a representative sample of their projects. For example, after a housing development is constructed (i.e., "Phase 1"), a survey could compile data after occupants move into the building to determine transit ridership rates and other information that is needed to quantify VMT reductions.
- ***On-Site Monitoring:*** Funding recipients could consist of a team that includes a partner that implements the project and a researcher that conducts monitoring to gather project data. For example, funding recipients for wetlands restoration projects could be a team that includes an agency which establishes the wetland (i.e., "Phase 1") and a university that collects on-site monitoring data after the wetland is established (i.e., "Phase 2") to support quantification of net GHG benefits.

4. How could agencies implement "Phase 2" requirements in their administrative procedures?

The administrative details of implementing "Phase 2" will vary by agency and program, but provided below are potential options that agencies can use for "Phase 2" data collection and reporting:

- Include "Phase 2" requirements as a requirement in grant agreements or loan agreements. All agreements could contain standard language requiring that the grantee provide access to the project site for "Phase 2" data collection, both during the term of the agreement and for a time period after the agreement. The subset of projects that would be included in the "Phase 2" effort could be determined at a later date or specified in the agreement.

- For projects where "Phase 2" data collection can be done within the timeframe covered by the grant or loan, the terms of the agreement can require the grantee to submit "Phase 2" data to the agency until the agreement ends. For projects where long-term "Phase 2" data collection needs to occur after the grant or loan ends, the terms of the agreement could require that the grantee provide access to the project site for "Phase 2" data collection for a specified time period after the agreement ends.

- Structure grants to include a monitoring, research, or data collection component that would require the grantee to partner with an entity that would compile data and submit "Phase 2" data to the administering agency.

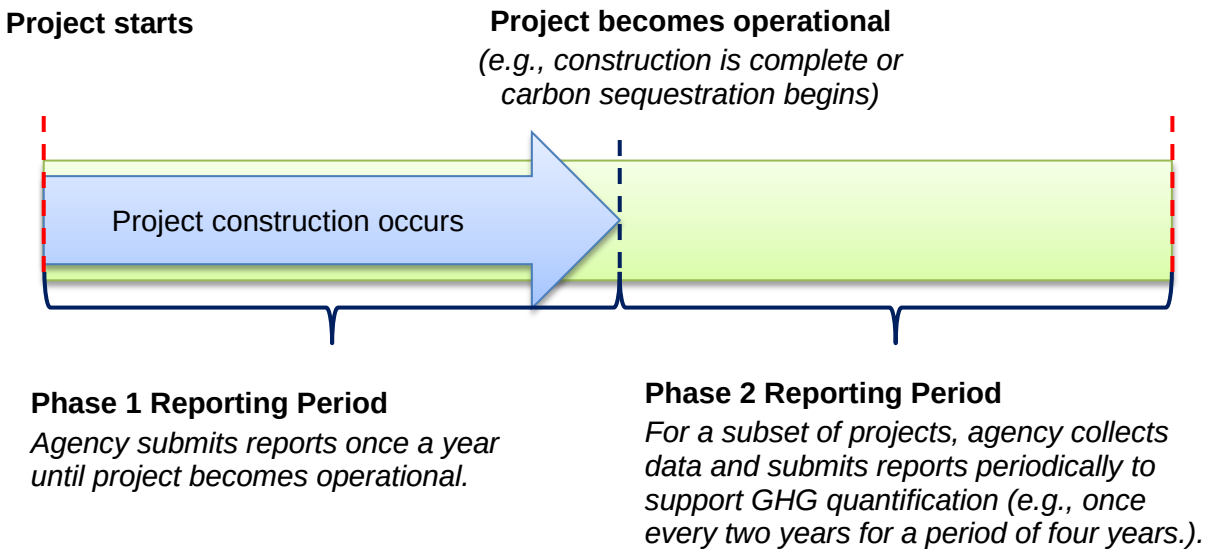
- Issue an administrative contract, using state operations funding, that is directly linked to the GHG reduction projects and funds a third-party researcher to gather data from all project grantees. The researcher would then submit "Phase 2" data to the administering agency.

- Use administering agency staff to compile project information and submit "Phase 2" data to ARB. Volume 1 (General Guidance, Section V.B.) contains direction on administrative costs to support GGRF investments.

General Reporting Requirements

The tables in the Appendix show the types of information that could potentially be gathered during Phase 2 data collection, to support GHG quantification. Provided below is a general illustration of a potential timeline for Phase 2 data collection and reporting.

Figure 3-4 Phase 2 Data Collection - Illustration of a Potential Timeline



IV.E. Submit Fiscal Reports

As the administrator of the GGRF, ARB actively monitors the cash in the fund and tracks actual and budgetary expenditures.

1. Fiscal Reporting Requirements - Annual

Because ARB is responsible for assisting Finance in the preparation of the Annual Report to the Legislature, the agency must track funding and proceeds at the "program" level. To track authority at this level, ARB requests agencies provide the following, at a minimum, annually:

- A breakdown of each program by funding source (e.g., how much from their budget will be used for local assistance).

  Example:

Local Assistance (reference 101)	FY 2014-15
Passenger ZEV rebates	$109,483,000
Heavy duty hybrid/ZEV trucks and buses	$4,931,000
Freight demonstration projects	$49,317,000
Light duty pilot projects in disadvantaged communities	$8,877,000
Truck and bus pilot projects in disadvantaged communities	$24,658,000
Total Local Assistance (reference 101)	$197,266,000

- A breakdown of administrative costs used beyond state operations (in other words, how much of the state operations budget was used to fund programs versus oversight of GGRF funded programs).

  Example:

Administration (reference 001)	FY 2014-15
State Operations	$2,360,000
Grants: Passenger ZEV rebates	$1,000,000
Grants: Freight demonstration projects	$3,000,000
Total State Operations (reference 001)	$6,360,000

2. Fiscal Reporting Requirements - Monthly

To comply with Fund Administrator responsibilities per Budget Letter (BL) 14-04[2], ARB requests that agencies submit the reports listed below on a monthly basis.

Agencies should submit the following reports, Cal STARS or equivalent, to ARB's GGRF Accounting unit at: GGRFFiscal@arb.ca.gov:

- The first of each month:
  - Updated cash projections will be requested.

- The middle of each month:
  - G01 (trial balance);
  - Q22 (Plan of Financial Adjustment (PFA) by Program, fiscal year, and appropriation);
  - D07 or D16 (document report by gl 6150, encumbrance balances);
  - B06 (budget report);
  - H00 (history transaction register); and
  - Additional Reports as needed per BL 14-04.

ARB tracks expenditures at the "program function" level; therefore, ARB needs agencies to identify the program function for expenditures incurred. ARB would like to work with each agency to understand how it tracks authority and expenditures in its System of Record (e.g., CALSTARS, SAP, FI$CAL) so ARB can clearly see the breakdown on the agency's reports.

IV.F. Provide Information for Oversight and Audits

Administering agencies must provide information as requested by the Bureau of State Audits, Department of Finance, and other oversight agencies. If detailed project information is requested, agencies will need to coordinate with the appropriate funding recipient(s) to deliver the requested data in a timely fashion. Audits or program reviews may occur at any time during program implementation or after projects are completed. Therefore, it is essential that administering agencies inform their funding recipients of their responsibilities for maintaining project documents. Appendix 3.A contains information on the retention period for project records and reports.

[2] California Department of Finance, Budget Letter 14-04, "Budgeting and Accounting Relationship, Coordination and Fund Reconciliation", dated April 3, 2014, http://www.dof.ca.gov/budgeting/budget_letters/documents/BL14-04.pdf.

IV.G. Future Reporting Through Online System

For the reporting requirements contained in Appendix 3.A, ARB will be working with each administering agency to determine the appropriate format and submittal method. In the future, agencies will be able to submit their project information through an online reporting and tracking system that ARB is currently developing. After this system is operational, the reporting requirements and the frequency of reporting may be updated to reflect the system's design and capabilities.

APPENDIX 3.A

Reporting Requirements by Project Type

Appendix 3.A

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Appendix 3.A

Table of Contents

I. General Reporting Requirements 3.A-1

List of Tables

Table 3.A-1 Summary of General GGRF Reporting Requirements.....3.A-1
Table 3.A-2 Summary of General GGRF Reporting Requirements (data by project type) 3.A-4
Table 3.A-3.1 Low Carbon Transportation - Incentives 3.A-7
Table 3.A-3.2 Low Carbon Transportation - Car Sharing 3.A-9
Table 3.A-3.3 Low Carbon Transportation - Heavy Duty Pilot Projects.....3.A-11
Table 3.A-3.4 Low Carbon Transportation - Heavy Duty Demonstration Projects3.A-13
Table 3.A-4 Transit Projects.....3.A-15
Table 3.A-5 Affordable Housing and Sustainable Communities.....3.A-17
Table 3.A-6 High Speed Rail.....3.A-19
Table 3.A-7 Energy Efficiency and Renewable Energy 3.A-21
Table 3.A-8 Energy Efficiency and Renewable Energy in Public Buildings.....3.A-23
Table 3.A-9 Water Use Efficiency / Energy Efficiency.....3.A-25
Table 3.A-10 Land Conservation Easements.....3.A-27
Table 3.A-11 Wetlands Restoration 3.A-29
Table 3.A-12 Urban Forestry.....3.A-31
Table 3.A-13 Forest Health 3.A-33
Table 3.A-14 Waste Diversion.....3.A-35
Table 3.A-15 Digester Projects 3.A-37
Table 3.A-16 Jobs and Job Training 3.A-39

Appendix 3.A

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Appendix 3.A

I. General Reporting Requirements

This Appendix contains a list of the items that administering agencies need to report for compilation by ARB. It also provides information on how long tracking and reporting is required and how long records need to be retained after project completion. ARB will work with agencies to determine the appropriate format for submitting reports.

Table 3.A-1 summarizes the general requirements for submitting reports to ARB and the remainder of this Appendix contains detailed information on what items need to be reported, by program and project type.

Table 3.A-1 Summary of General GGRF Reporting Requirements

General Requirements for All Reports			
Who is required to report to ARB?	Administering Agency		
What level of information needs to be reported to ARB?	Varies by project type (e.g., by individual grant; by group of incentives; by total capital investment). See the Appendix for the level of detail that needs to be reported, by project type.		
What project information needs to be reported?	Varies by project type. See the Appendix for the project information that needs to be reported, by project type.		
*How should reports be submitted to ARB?**	Submit to ARB via email to GGRFProgram@arb.ca.gov.*		
How long must records be retained by agency?	Three (3) years after agency submits "Project Closeout" report or 3 years after the final "Phase 2" report.		
Reporting Frequency and Due Dates			
	Project Profile & Estimated Benefits	**End of Year Report**	**Project Closeout & Benefits**
How often is reporting required?	Once (only update if needed)	Annually	Once
When will agencies submit data to ARB?	December 1 to January 15 (ARB will begin compiling data from agencies in early December and will complete data collection by mid-January.)		

** ARB is developing an online reporting and tracking system. After this system is operational, administering agencies will be able to submit reports online.*

Appendix 3.A

Additional information is provided below on the general reporting requirements:

What reports do agencies need to submit?

Agencies need to submit the reports listed below and this Appendix contains customized tables by project type for each of the following reports.

- **Project Profile and Estimated Benefits**: Administering agencies need to report information that describes the project, including funding details, estimated greenhouse gas reductions, co-benefits, etc. This project profile only needs to be submitted once to ARB, unless updates are needed before project completion.
- **End-of-Year Report**: Administering agencies submit an End-of-Year Report to briefly describe their progress in implementing projects. (Note: If a project is complete, the agency would only need to submit the project closeout described below.) In addition, agencies would also provide Program-Level Status Information for the Annual Report to the Legislature.
- **Project Closeout**: After the project is completed, administering agencies submit project closeout information. Agencies would also submit updates to their project profile and estimated benefits, if needed.
- **Follow-Up Activities (Phase 2, if needed)**: For some projects, there may be a need for follow-up "Phase 2" data collection after a project becomes operational, to support the quantification of GHG reductions. The type of data collected and the length of "Phase 2" reporting would be specified in the appropriate quantification methodology. (See Section IV.D. for additional information.)

Note: *If an agency's program covers multiple project types (e.g., affordable housing and transit), there may be more than one table in this Appendix that includes applicable reporting requirements. In those cases, ARB will work with agencies to combine the appropriate data elements from each project type.*

When do agencies have to submit reports to ARB?

ARB will begin compiling reported data from agencies in early December and will complete data collection by mid-January (**December 1 to January 15**).

Do agencies have to use the reporting formats shown in this Appendix?

No, administering agencies are not required to use the reporting formats in this Appendix. For each project type, this Appendix contains tables that list the items which need to be reported, but agencies may use a different format to provide the data. Since agencies have their own tracking systems for monitoring projects, ARB will coordinate with each agency to determine the appropriate format for submitting reports. However,

once the comprehensive online project tracking system is operational, agencies must input project data in the required format.

What level of data needs to be reported to ARB?

For the purposes of the Funding Guidelines, the level of data that needs to be reported varies by agency and program. Projects may involve an individual grant or incentive (e.g., an affordable housing development grant, a zero-emission vehicle voucher, a weatherized home, etc.). In some cases, agencies need to submit data for each grant that funds a project at a single location. In other cases, agencies need to submit summarized data for projects that occur at multiple locations. Table 3.A-2 summarizes the level of data that needs to be submitted for the various reporting templates.
The tables in this Appendix are organized by project type, to reflect the specific reporting needs of the different agencies, programs, and projects. Table 3.A-2 summarizes the level of data that needs to be reported, followed by several reporting requirements tables for each of the project types listed below:

Sustainable Communities and Clean Transportation

- Table 3.A-3 Low Carbon Transportation
- Table 3.A-4 Transit Projects
- Table 3.A-5 Affordable Housing and Sustainable Communities
- Table 3.A-6 High Speed Rail

Energy Efficiency and Clean Energy

- Table 3.A-7 Energy Efficiency and Renewable Energy
- Table 3.A-8 Energy Efficiency and Renewable Energy in Public Buildings
- Table 3.A-9 Water Use Efficiency

Natural Resources and Waste Diversion

- Table 3.A-10 Land Conservation Easements
- Table 3.A-11 Wetlands Restoration
- Table 3.A-12 Urban Forestry
- Table 3.A-13 Forest Health
- Table 3.A-14 Waste Diversion and Utilization
- Table 3.A-15 Dairy Digesters and Anaerobic Digesters

All Project Types

- Table 3.A-16 Jobs and Job Training

Appendix 3.A

Table 3.A-2 Summary of General GGRF Reporting Requirements (data by project type)

Table	Reporting Template	What level of data needs to be reported to ARB?
Sustainable Communities and Clean Transportation		
3.A-3.1	Low Carbon Transportation – Incentives *(CVRP, HVIP, EFMP Plus-Up, Public Fleet incentives, Financing)*	For each grant to an administrator or air district that implements an incentive program, submit data with: - A summary of each grantee's incentives program, by census tract, ZIP code, and legislative district.*
3.A-3.2	Low Carbon Transportation – Car Sharing	For each grant to an entity that is implementing a car sharing pilot project, submit data on: - Each grantee's pilot project.
3.A-3.3	Low Carbon Transportation – Heavy Duty Pilot Projects *(Zero-Emission Truck and Bus Pilots)*	For each grant to an entity that is implementing a heavy duty pilot project, submit data on: - Each grantee's pilot project.
3.A-3.4	Low Carbon Transportation – Heavy Duty Demonstration Projects *(Zero-Emission Drayage Trucks and Multi-Source Facility Demonstrations)*	For each grant to an entity that is implementing a heavy duty demonstration project, submit data on: - Each grantee's demonstration project.
3.A-4	Transit Projects	For each transit agency or public agency grantee, submit data on: - Each project to expand transit service; - Each low carbon transportation project; - Each active transportation project; - Each enhancement project; and - Each intercity or commuter rail project.
3.A-5	Affordable Housing and Sustainable Communities (AHSC)	For each project, submit data on: - Each housing or housing related infrastructure component; - Each transportation or transit-related infrastructure component (if transit, see above); and - Each planning or program component.
3.A-6	High Speed Rail	For each fiscal year appropriation, submit data consistent with the items identified in the Expenditure Record.
Energy Efficiency and Clean Energy		
3.A-7	Energy Efficiency and Renewable Energy *(Low-Income Weatherization Program or LIWP)*	For each grant to a LIWP Provider, submit data with: - A summary of each LIWP Provider's weatherization program, by census tract, ZIP code, and legislative district;* and - A summary of each LIWP Provider's renewable energy program, by census tract, ZIP code, and legislative district.*

Appendix 3.A

Table 3.A-2 Summary of General GGRF Reporting Requirements (data by project type) (continued)

Table	Reporting Template	What level of data needs to be reported to ARB?
3.A-8	Energy Efficiency and Renewable Energy in Public Buildings	For each loan to a public agency, submit data on: - Each energy efficiency measure that the agency installs/upgrades.
3.A-9	Water Use Efficiency / Energy Efficiency	For each grant to a water agency or other entity, submit data on: - Each infrastructure project; - Each capital project/equipment upgrade; and - A summary of each water efficiency/rebate program, by census tract, ZIP code, and legislative district.*
Natural Resources and Waste Diversion		
3.A-10	Land Conservation Easements	For each grant, submit data on: - Each forest conservation easement; and - Each agricultural conservation easement.
3.A-11	Wetlands Restoration	For each grant, submit data on: - Each coastal wetland; - Each delta wetland; and - Each mountain meadows wetland.
3.A-12	Urban Forestry	For each grant, submit data on: - Each urban tree/vegetation planting site; and - Each urban forest management project.
3.A-13	Forest Health	For each grant, submit data on: - Each tree/vegetation removal area; - Each pest control area; - Each reforestation area; and - Each forest research project.
3.A-14	Waste Diversion	For each grant, submit data on: - Each recycling facility; - Each composting facility; - Each facility using recycled materials as feedstock; and - Each food reclamation project.
3.A-15	Digesters	For each grant, submit data on: - Each dairy digester; - Each anaerobic digester; - Each digester research project.
All Project Types		
3.A-16	Jobs and Job Training	For each grant, loan or other expenditure shown above, submit data on: - Total jobs or job training benefits funded by the GGRF.

** The grantee will need to compile data from individual incentive recipients or individual households and provide that compiled data to the administering agency. The administering agency will then summarize data from all grantees and submit it to ARB.*

Appendix 3.A

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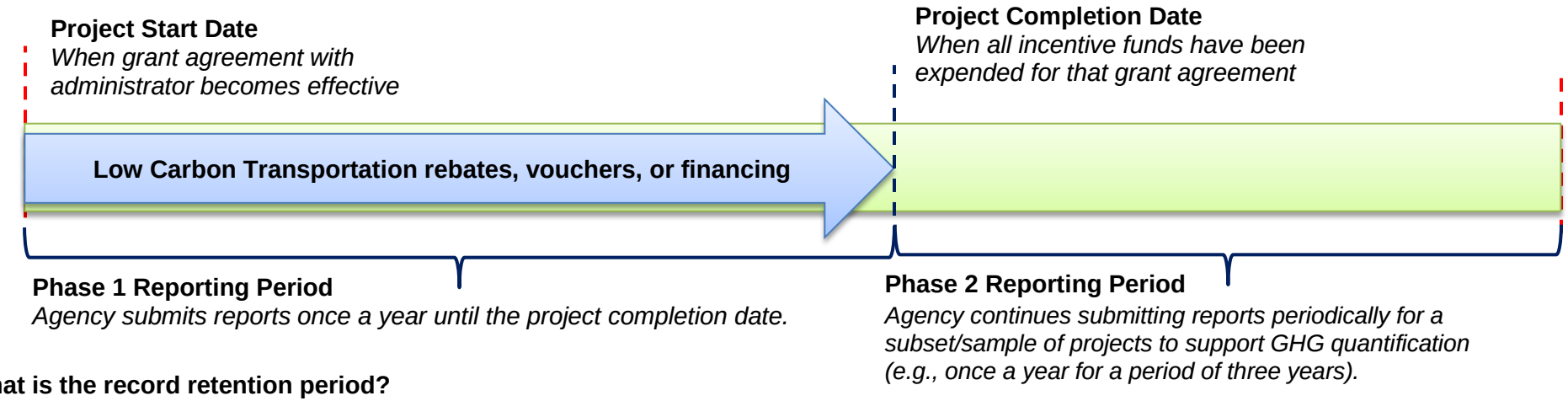
Appendix 3.A

TABLE 3.A-3.1 LOW CARBON TRANSPORTATION - INCENTIVES *(ARB: CVRP, HVIP, EFMP Plus-Up, Public Fleet Incentives, and Financing)* ARB will begin compiling data from agencies in early December and will complete data collection by mid-January.	
Project Profile	**End of Year Report**
Submit once for each grant (*only submit updates if needed*) (submit between **December 1** – **January 15**)	Submit once a year (between **December 1** – **January 15**)
Provide the following for each grant to an administrator or air district that is implementing an incentive program: 1. Project Identification Number *[assigned by administering agency]* 2. Project Type *[CVRP, HVIP, EFMP plus-ups, Public fleet incentives, or Financing assistance]* 3. Total Amount of GGRF Dollars Allocated, per Project Type 4. Anticipated Project Start Date *[e.g., date the grant agreement with project administrator becomes effective]* 5. Estimated GHG reductions *[provide total MTCO2e over the useful life of the vehicle; can be initial estimates used for project selection]* 6. Estimated Co-benefits *[if applicable, provide totals over the useful life of the vehicle or a qualitative description, e.g., criteria air pollutant reductions, fuel use reductions, fuel cost savings]* 7. Total GGRF dollars allocated to benefit disadvantaged communities 8. Describe how the project benefits a disadvantaged community 9. Identify the specific criteria in ARB's Funding Guidelines, Volume 2, Appendix 2.A that the project meets *[e.g., list "Table 2.A-1, Step 1.B." for vehicles or equipment that will be domiciled in a disadvantaged community]*	Provide the following summaries for each administrator/air district grantee: *[Note: If project is complete, only submit the "Project Closeout" report and the Program-level status described below]* 1. Number of incentives issued *[summarized by census tract, ZIP code, and legislative district]* 2. Dollar amount of incentives issued *[summarized by census tract, ZIP code, and legislative district]* 3. Type of vehicles that received incentives *[e.g., conventional hybrids, plug-in hybrids, battery electric vehicles]* *AND* Program-level status for Annual Report to Legislature (due March 1) *[ARB will provide a template]*

Appendix 3.A

TABLE 3.A-3.1 (continued) LOW CARBON TRANSPORTATION - INCENTIVES *(ARB: CVRP, HVIP, EFMP Plus-Up, Public Fleet Incentives, and Financing)*	
Project Closeout	**Phase 2 Reporting** *(for a subset of projects only)*
Submit once, after the project completion date (submit between **December 1** – **January 15**)	Submit periodically (e.g., once a year for five years). (The first Phase 2 report would be submitted the year after project completion between December 1 – January 15)
Provide the following summaries for each administrator/air district grantee: *[e.g., when all incentive funds have been expended]* 1. Summarize project accomplishments, including benefits to disadvantaged communities 2. Total GGRF dollars allocated to benefit disadvantaged communities 3. Estimated GHG reductions for entire project *[provide total MTCO2e over the useful life of the vehicle]* 4. Summarize co-benefits for entire project *[if applicable. e.g., criteria air pollutant reductions, fuel use reductions, fuel cost savings.]*	Phase 2 data collection and reporting may include, but not be limited to: 1. Updated fuel use reduction estimates 2. Updated vehicle miles travelled estimates

How long is reporting required? The reporting timeline is shown below.



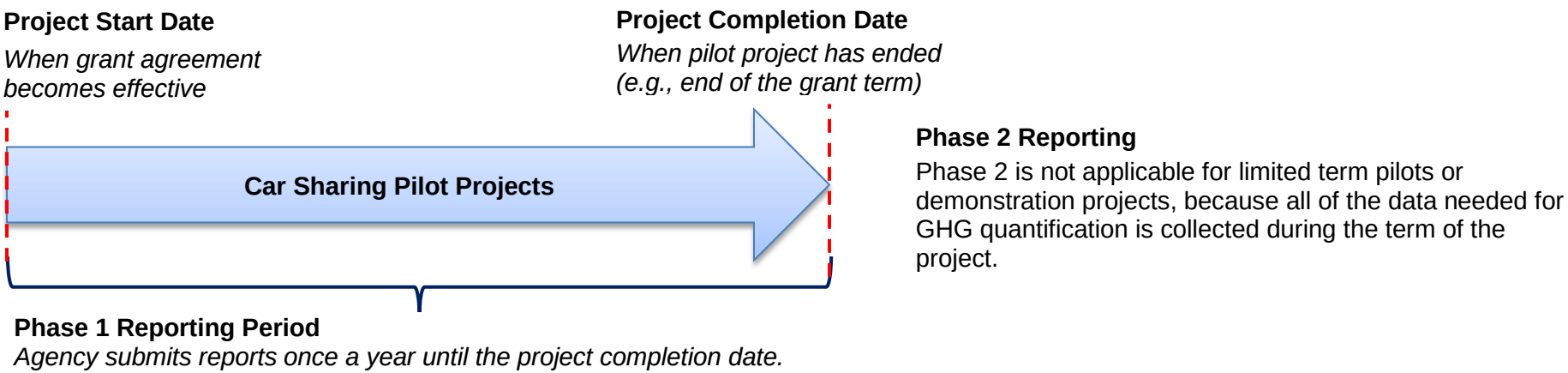
What is the record retention period?
Agencies need to maintain copies of project records for three (3) years after the "Project Closeout" report or final Phase 2 report is submitted.

Appendix 3.A

TABLE 3.A-3.2 LOW CARBON TRANSPORTATION – CAR SHARING *(ARB: Car Sharing and Mobility Options in Disadvantaged Communities)* ARB will begin compiling data from agencies in early December and will complete data collection by mid-January.	
Project Profile	**End of Year Report**
Submit once for each grant (*only submit updates if needed*) (submit between **December 1** – **January 15**)	Submit once a year (between **December 1** – **January 15**)
Provide the following for each grant to an entity that is implementing a car sharing pilot project: 1. Project Identification Number *[assigned by administering agency]* 2. Project Type *[car sharing, van pool, other describe other mobility options]* 3. Project Description *[provide full description of project]* 4. Project Location *[provide a shape file, census tract number(s), address, or geographic coordinates where pilot vehicles are domiciled]* 5. Total Amount of GGRF Dollars Allocated, per Project Type 6. Total Project Cost (including non-GGRF funds) 7. Anticipated Project Start Date *[e.g., date the grant agreement becomes effective]* 8. Estimated GHG reductions *[provide total MTCO2e over the project life for the pilot; can be initial estimates used for project selection]* 9. Estimated Co-benefits *[if applicable, provide totals over the project life of the pilot or a qualitative description, e.g., criteria air pollutant reductions, fuel use reductions, fuel cost savings]* 10. Total GGRF dollars allocated to benefit disadvantaged communities 11. Describe how the project benefits a disadvantaged community 12. Identify the specific criteria in ARB's Funding Guidelines, Volume 2, Appendix 2.A that the project meets *[e.g., list "Table 2.A-1, Step 1.D." greater mobility and increased access to clean transportation for disadvantaged community residents by placing services in a disadvantaged community, including ride-sharing, car-sharing, or other advanced technology mobility options]*	Provide the following summaries for each grantee implementing a car sharing pilot: *[Note: If project is complete, only submit the "Project Closeout" report and the Program-level status described below]* 1. Number of users for service *[summarized by census tract, ZIP code, and legislative district]* 2. Usage indicator *[e.g., total number of trips; total mileage; average trip length]* 3. Other co-benefits *[e.g., improved accessibility to jobs, shopping, medical facilities]* *AND* Program-level status for Annual Report to Legislature (due March 1) *[ARB will provide a template]*

TABLE 3.A-3.2 (continued) LOW CARBON TRANSPORTATION – CAR SHARING *(ARB: Car Sharing and Mobility Options in Disadvantaged Communities)*
Project Closeout
Submit once, after the project completion date (submit between **December 1** – **January 15**)
Provide the following summaries for each grantee implementing a car sharing pilot, after the project completion date: *[e.g., when the pilot project has ended]* 1. Summarize project accomplishments, including benefits to disadvantaged communities 2. Total GGRF dollars allocated to benefit disadvantaged communities 3. Estimated GHG reductions for entire project *[provide total MTCO2e over the project life of the pilot]* 4. Summarize co-benefits for entire project *[if applicable, e.g., criteria air pollutant reductions, fuel use reductions, fuel cost savings.]*

How long is reporting required? The reporting timeline is shown below.



What is the record retention period?
Agencies need to maintain copies of project records for three (3) years after the "Project Closeout" report is submitted.

Appendix 3.A

TABLE 3.A-3.3 LOW CARBON TRANSPORTATION – HEAVY DUTY PILOT PROJECTS *(ARB: Zero-Emission Truck and Bus Pilots)* ARB will begin compiling data from agencies in early December and will complete data collection by mid-January.	
Project Profile	**End of Year Report**
Submit once for each grant (*only submit updates if needed*) (submit between **December 1** – **January 15**)	Submit once a year (between **December 1** – **January 15**)
Provide the following for each grant to an entity that is implementing a heavy duty pilot project: 1. Project Identification Number *[assigned by administering agency]* 2. Project Type *[zero-emission truck and bus pilot, Other (describe)]* 3. Project Description *[provide full description of project]* 4. Project Location *[provide a shape file, census tract number(s), address, or geographic coordinates where pilot vehicles are domiciled]* 5. Total Amount of GGRF Dollars Allocated, per Project Type 6. Total Project Cost (including non-GGRF funds) 7. Anticipated Project Start Date *[e.g., date the grant agreement becomes effective]* 8. Estimated GHG reductions *[provide total MTCO2e over the project life for the pilot; can be initial estimates used for project selection]* 9. Estimated Co-benefits *[if applicable, provide totals over the project life of the pilot or a qualitative description, e.g., criteria air pollutant reductions, fuel cost savings]* 10. Describe how the project benefits a disadvantaged community 11. Identify the specific criteria in ARB's Funding Guidelines, Volume 2, Appendix 2.A that the project meets *[e.g., list "Table 2.A-1, Step 1.C." for vehicles or equipment that reduce air pollution on fixed routes that are primarily within a disadvantaged community]*	Provide the following summaries for each grantee implementing a heavy duty pilot: *[Note: If project is complete, only submit the "Project Closeout" report and the Program-level status described below]* 1. Number and type of vehicles deployed *AND* Program-level status for Annual Report to Legislature (due March 1) *[ARB will provide a template]*

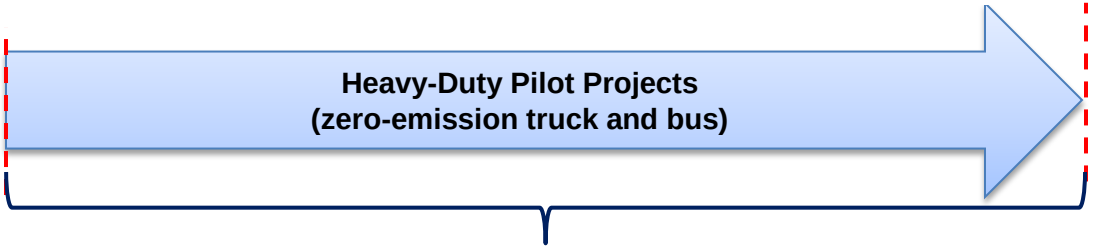
Appendix 3.A

TABLE 3.A-3.3 (continued) LOW CARBON TRANSPORTATION – HEAVY DUTY PILOT PROJECTS *(ARB: Zero-Emission Truck and Bus Pilots)*
Project Closeout
Submit once, after the project completion date (submit between **December 1** – **January 15**)
Provide the following summaries for each grantee implementing a heavy duty pilot, after the project completion date: *[e.g., when the pilot project has ended]* 1. Summarize project accomplishments, including benefits to disadvantaged communities 2. Total GGRF dollars allocated to benefit disadvantaged communities 3. Estimated GHG reductions for entire project *[provide total MTCO2e over the project life of the pilot]* 4. Summarize co-benefits for entire project *[if applicable, e.g., criteria air pollutant reductions, fuel cost savings.]*

How long is reporting required? The reporting timeline is shown below.

Project Start Date
When grant agreement becomes effective

Project Completion Date
When the pilot project has ended (e.g., end of the grant term)



Phase 2 Reporting
Phase 2 is not applicable for limited term pilots or demonstration projects, because all of the data needed for GHG quantification is collected during the term of the project.

Phase 1 Reporting Period
Agency submits reports once a year until the project completion date.

What is the record retention period?
Agencies need to maintain copies of project records for three (3) years after the "Project Closeout" report is submitted.

Appendix 3.A

TABLE 3.A-3.4 LOW CARBON TRANSPORTATION – HEAVY DUTY DEMONSTRATION PROJECTS
(ARB: Zero-Emission Drayage Trucks and Multi-Source Facility Demonstrations)
ARB will begin compiling data from agencies in early December and will complete data collection by mid-January.

Project Profile	End of Year Report
Submit once for each grant (*only submit updates if needed*) (submit between **December 1** – **January 15**)	Submit once a year (between **December 1** – **January 15**)
Provide the following for each grant to an entity that is implementing a heavy duty demonstration project: 1. Project Identification Number *[assigned by administering agency]* 2. Project Type *[zero-emission drayage trucks or Multi-source facility demonstration]* 3. Project Description *[provide full description of project]* 4. Project Location *[provide a shape file, census tract number(s), address, or geographic coordinates where pilot vehicles are domiciled]* 5. Total Amount of GGRF Dollars Allocated, per Project Type 6. Total Project Cost (including non-GGRF funds) 7. Anticipated Project Start Date *[e.g., date the grant agreement becomes effective]* 8. Estimated GHG reductions *[provide total MTCO2e over the project life for the demonstration; can be initial estimates used for project selection]* 9. Estimated Co-benefits *[if applicable, provide totals over the project life of the demonstration or a qualitative description, e.g., criteria air pollutant reductions, fuel cost savings]* 10. Describe how the project benefits a disadvantaged community 11. Identify the specific criteria in ARB's Funding Guidelines, Volume 2, Appendix 2.A that the project meets *[e.g., list "Table 2.A-1, Step 1.C." for vehicles or equipment that reduce air pollution on fixed routes that are primarily within a disadvantaged community]*	Provide the following summaries for each grantee implementing a heavy duty demonstration project: *[Note: If project is complete, only submit the "Project Closeout" report and the Program-level status described below]* 1. Number and type of vehicles deployed 2. Progress status *[e.g., is project meeting timeline deliverables?]* *AND* Program-level status for Annual Report to Legislature (due March 1) *[ARB will provide a template]*

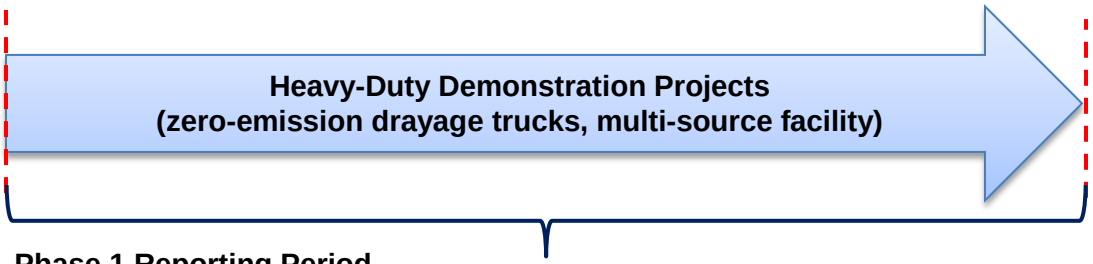
Appendix 3.A

TABLE 3.A-3.4 (continued) LOW CARBON TRANSPORTATION – HEAVY DUTY DEMONSTRATION PROJECTS *(ARB: Zero-Emission Drayage Trucks and Multi-Source Facility Demonstrations)*
Project Closeout
Submit once, after the project completion date (submit between **December 1** – **January 15**)
Provide the following summaries for each grantee implementing a heavy duty demonstration project, after the project completion date: *[e.g., when the demonstration project has ended]* 1. Summarize project accomplishments, including benefits to disadvantaged communities 2. Total GGRF dollars allocated to benefit disadvantaged communities 3. Estimated GHG reductions for entire project *[provide total MTCO2e over the project life of the demonstration]* 4. Summarize co-benefits for entire project *[if applicable, e.g., criteria air pollutant reductions, fuel cost savings.]*

How long is reporting required? The reporting timeline is shown below.

Project Start Date
When grant agreement becomes effective

Project Completion Date
When the demonstration project has ended (e.g., end of the grant term)



Phase 2 Reporting
Phase 2 is not applicable for limited term pilots or demonstration projects, because all of the data needed for GHG quantification is collected during the term of the project.

Phase 1 Reporting Period
Agency submits reports once a year until the project completion date.

What is the record retention period?
Agencies need to maintain copies of project records for three (3) years after the "Project Closeout" report is submitted.

Appendix 3.A

Table 3.A-4 TRANSIT PROJECTS
(CalTrans "Low Carbon Transit Operations Program", CalSTA "Transit and Intercity Rail Capital Program", and SGC "Affordable Housing and Sustainable Communities" program)
ARB will begin compiling data from agencies in early December and will complete data collection by mid-January.

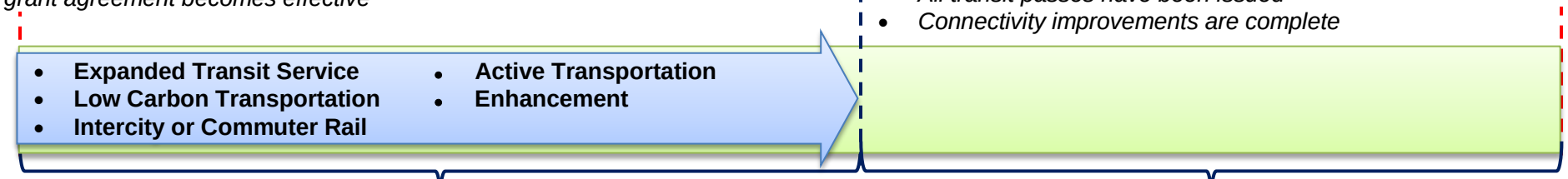
Project Profile	End of Year Report
Submit once for each agency (*only submit updates if needed*) (submit between **December 1** – **January 15**)	Submit once a year (between **December 1** – **January 15**)
Provide the following for each transit agency or public agency grantee: 1. Project Identification Number *[assigned by administering agency]* 2. Project Type *[Expand transit service; Low carbon transportation projects that support new/expanded transit services; Active transportation projects that support new/expanded transit services; Enhancement projects; Intercity or Commuter Rail projects]* 3. Project Description *[provide full description of project; for SGC projects, include description of housing development, if applicable]* 4. Project Location *[provide a shape file, census tract number(s); address; or geographic coordinates]* 5. Total Amount of GGRF Dollars Allocated, per Project Type 6. Total Project Cost (including non-GGRF funds), per Project Type 7. Anticipated Project Start Date *[e.g., when construction begins]* 8. Anticipated Project Completion Date *[e.g., when all transit passes have been issued; when construction is complete; when vehicle becomes operational; when time period ends for new/expanded transit service that is funded by the GGRF]* 9. Estimated GHG reductions *[provide total MTCO2e over the project life; can be initial estimates used for project selection]* 10. Estimated Co-benefits *[if applicable, provide totals over the project life or a qualitative description, e.g., criteria air pollutant reductions; VMT reductions; ridership increases; fuel use reductions; energy use reductions]* 11. Total GGRF dollars allocated to benefit disadvantaged communities 12. Describe how the project benefits a disadvantaged community *[if applicable]* 13. Identify the specific criteria in ARB's Funding Guidelines, Volume 2, Appendix 2.A that the project meets *[If applicable, e.g., list "Table 2.A-2, Step 1.E." for a new charging station that supports zero-emission buses at a transit station in a disadvantaged community]*	Provide the following for each transit agency or public agency grantee: *[Note: If project is complete, only submit the "Project Closeout" reports and the Program-level status described below]* 1. Project Status *[Provide one of the following:* *-Started during reporting period; OR* *-In progress.]* 2. Project Updates: *[If applicable, provide updates on:* *-transit routes where route improvements are in operation;* *-new/improved stops or stations where construction/upgrades are complete;* *-number of trips for alternative transportation (bicycle sharing, vanpools, shuttles), cumulative to date;* *-the number and type of transit vehicles or equipment purchased to date that use cleaner technology;* *-transit vehicles that were converted/retrofitted with cleaner technology;* *-transit vehicles that were upgraded to support active transportation;* *-new infrastructure to support renewable energy or low carbon renewable alternative fuels for transit vehicles;* *-the number and dollar amount of transit passes issued to date; and census tract number(s) where transit passes were issued;* *-results of rail integration projects]* 3. Project Benefits and Results: *[If applicable. Provide estimated totals, if available, or qualitative descriptions: Ridership increases; VMT reductions; Energy use reductions]* *AND* Program-level status for Annual Report to Legislature (due March 1) *[ARB will provide a template]*

Table 3.A-4 (continued) **TRANSIT PROJECTS** *(CalTrans "Low Carbon Transit Operations Program", CalSTA "Transit and Intercity Rail Capital Program", and SGC "Affordable Housing and Sustainable Communities" program)*	
Project Closeout	**Phase 2 Reporting** *(for a subset of projects only)*
Submit once, after the project completion date (submit between **December 1 – January 15**)	Submit periodically (e.g., once a year for five years). (The first Phase 2 report would be submitted the year after project completion between December 1 – January 15)
Provide the following for each transit agency or public agency grantee, after the project completion date: *[e.g., when all transit passes have been issued; when construction is complete; when vehicle becomes operational; when time period ends for new/expanded transit service that is funded by the GGRF]* 1. Summarize project accomplishments, including benefits to disadvantaged communities 2. Total GGRF dollars allocated to benefit disadvantaged communities 3. Estimated GHG reductions for entire project *[provide total MTCO2e over the project life]* 4. Summarize co-benefits for entire project *[If applicable. E.g., criteria air pollutant reductions; VMT reductions; ridership increases; fuel use reductions; energy use reductions.]*	Phase 2 data collection and reporting may include, but not be limited to: 1. Updated transit ridership estimates 2. Fuel use reductions 3. Energy use reductions

How long is reporting required? The reporting timeline is shown below.

Project Start Date
When transit agency expenditures are approved or grant agreement becomes effective

Project Completion Dates
- *Time period has ended for new/expanded service*
- *Vehicle/equipment is operational or construction is complete*
- *All transit passes have been issued*
- *Connectivity improvements are complete*



Phase 1 Reporting Period
Agency submits reports once a year until the project completion date.

Phase 2 Reporting Period
Agency continues submitting reports periodically for a subset/sample of projects to support GHG quantification (e.g., once a year for a period of five years).

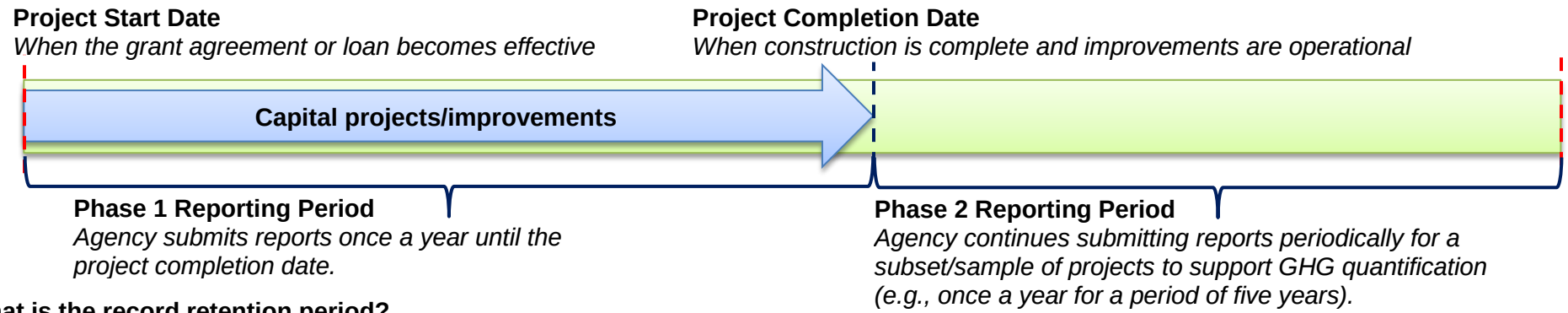
What is the record retention period?
Agencies need to maintain copies of project records for three (3) years after the "Project Closeout" report or final Phase 2 report is submitted.

Appendix 3.A

TABLE 3.A-5 AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES *(Strategic Growth Council)* ARB will begin compiling data from agencies in early December and will complete data collection by mid-January.	
Project Profile	**End of Year Report**
Submit once for each project (*only submit updates if needed*) (submit between **December 1 – January 15**)	Submit once a year (between **December 1 – January 15**)
Provide the following for each project after the project has been selected for funding: 1. Project Identification Number *[assigned by administering agency]* 2. Project Type *[Transit-Oriented Development (TOD); Integrated Connectivity Project (ICP)]* 3. Project Components *[Affordable housing development; Housing-related infrastructure; Transportation-related infrastructure (includes active transportation and transit-related infrastructure); Planning related to project implementation; Programs (active transportation, transit ridership, criteria air pollutant reduction)]* 4. Project Description *[provide full description of project, including number of affordable dwelling units and number of market rate dwelling units]* 5. Project Location *[provide an address, shape file, geographic coordinates, or census tract number(s)]* 6. Total Amount of GGRF Dollars Allocated, per Project Type *[TOD or ICP]* 7. Amount of GGRF Dollars Allocated for each Project Component 8. Total Project Cost (including non-GGRF funds), per Project Type 9. Type of Funding *[e.g., grant; operational funding; loan]* 10. Anticipated Project Start Date *[e.g., date grant agreement becomes effective]* 11. Anticipated Project Completion Date *[e.g., when construction is complete and transit service is operational]* 12. Estimated GHG reductions *[provide total MTCO2e over the project life; can be initial estimates used for project selection]* 13. Estimated Co-benefits *[If applicable, provide totals over the project life or a qualitative description, e.g., criteria air pollutant reductions, VMT reductions]* 14. Total GGRF dollars allocated to benefit disadvantaged communities *[If applicable]* 15. Describe how the project benefits a disadvantaged community *[If applicable]* 16. Identify the specific criteria in ARB's Funding Guidelines, Volume 2, Appendix 2.A that the project meets *[if applicable, e.g., list "Table 2.A-3, Step 1.A." for a project that builds affordable housing in a disadvantaged community census tract; list "Table A-2, Step 2.A" for a new bus rapid transit service that is accessible by walking within ½-mile of a disadvantaged community census tract]*	Provide the following summaries for each project: *[Note: If project is complete, only submit the "Project Closeout" report and the Program-level status described below]* 1. Project Status *[Provide one of the following:* *-Started during reporting period; OR* *-In progress.]* 2. Describe project activities completed *[e.g., milestones achieved; programs implemented; new transit routes in operation]* *AND* Program-level status for Annual Report to Legislature (due March 1) *[ARB will provide a template]*

TABLE 3.A-5 (continued) *(Strategic Growth Council)* **AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES**	
Project Closeout	**Phase 2 Reporting** *(for a subset of projects only)*
Submit once, after the project completion date (submit between **December 1** – **January 15**)	Submit periodically (e.g., once a year for five years). (The first Phase 2 report would be submitted the year after project completion between December 1 – January 15)
Provide the following summaries for each project, after the project completion date: *[e.g., when construction is complete and transit improvements are operational]* 1. Summarize project accomplishments, including benefits to disadvantaged communities 2. Total number of affordable dwelling units completed and total number of market rate dwelling units completed. 3. Total GGRF dollars allocated to benefit disadvantaged communities 4. Estimated GHG reductions for entire project *[provide total MTCO2e over the project life]* 5. Estimated criteria air pollutant reductions *[if available, provide totals over the project life]* 6. Summarize co-benefits for entire project *[if applicable]*	Phase 2 data collection and reporting may include, but not be limited to: 1. Occupancy rates for affordable units by level of affordability 2. Occupancy rates for market rate units 3. Updated transit ridership estimates

How long is reporting required? The reporting timeline is shown below.

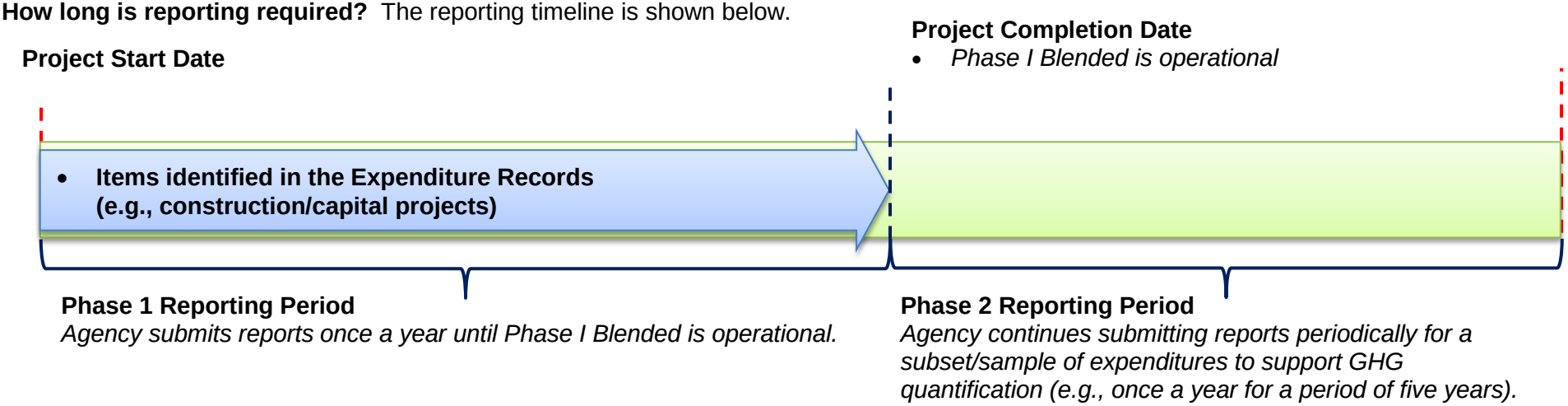


What is the record retention period?
Agencies need to maintain copies of project records for three (3) years after the "Project Closeout" report or final Phase 2 report is submitted.

TABLE 3.A-6 HIGH SPEED RAIL ARB will begin compiling data from agencies in early December and will complete data collection by mid-January.	
Project Profile	**End of Year Report**
Submit once for each fiscal year appropriation (*only submit updates if needed*) (submit between **December 1 – January 15**)	Submit once a year (between **December 1 – January 15**)
Provide the following for each fiscal year appropriation: 1. HSR Identification Number *[e.g., as identified in Expenditure Record]* 2. Expenditure Type *[Consistent with the items identified in the Expenditure Record; e.g., Project planning, design, or environmental review; Right-of-way acquisition; Construction or other capital costs; Environmental mitigation; Other (describe)]* 3. HSR System Description *[provide description consistent with Expenditure Record]* 4. HSR System Map *[provide current map consistent with Expenditure Record]* 5. Total Amount of GGRF Dollars Allocated, per Expenditure Type 6. Total HSR Cost (including non-GGRF funds), from most recent HSRA Business Plan 7. Anticipated Start Date 8. Anticipated Initial Operating Segment Opening Date 9. Estimated GHG reductions *[provide total MTCO2e over the project life; can be initial estimates used for project selection]* 10. Estimated Co-benefits *[if applicable, provide totals over the project life or a qualitative description. E.g., criteria air pollutant reductions; VMT reductions; fuel use reductions; energy use reductions; trees planted]* 11. Describe how the project benefits a disadvantaged community *[If applicable]* 12. Identify the specific criteria in ARB's Funding Guidelines, Volume 2, Appendix 2.A that the HSR project meets *[if applicable, e.g., list "Table 2.A-2, Step 2.C." if the project provides improved intercity rail for riders using stations or stops in a ZIP code that contains a disadvantaged community]*	Provide the following summary for each fiscal year appropriation: 1. HSR Project Status 2. Describe HSR project milestones achieved 3. Project Benefits and Results (if different than Project Profile) *[If applicable. Provide estimated totals if available, or qualitative descriptions: Energy use reductions; Trees planted]* *AND* Program-level status for Annual Report to Legislature (due March 1) *[ARB will provide a template]*

TABLE 3.A-6 (continued) HIGH SPEED RAIL	
Project Closeout	**Phase 2 Reporting** *(for a subset of projects only)*
Submit once, after Phase I Blended is completely operational (submit between **December 1** – **January 15**)	Submit periodically (e.g., once a year for five years). (The first Phase 2 report would be submitted the year after project completion between December 1 – January 15)
Provide the following summary: 1. Summarize project accomplishments, including benefits to disadvantaged communities 2. Estimated GHG reductions for entire project *[provide total MTCO2e over the project life]* 3. Summarize co-benefits for entire project *[if applicable, e.g., criteria air pollutant reductions; VMT reductions; fuel use reductions; energy use reductions; trees planted]*	Phase 2 data collection and reporting may include, but not be limited to: 1. Energy use reductions 2. Trees planted

How long is reporting required? The reporting timeline is shown below.



What is the record retention period?
Agencies need to maintain copies of project records for three (3) years after the "Project Closeout" report or final Phase 2 report is submitted.

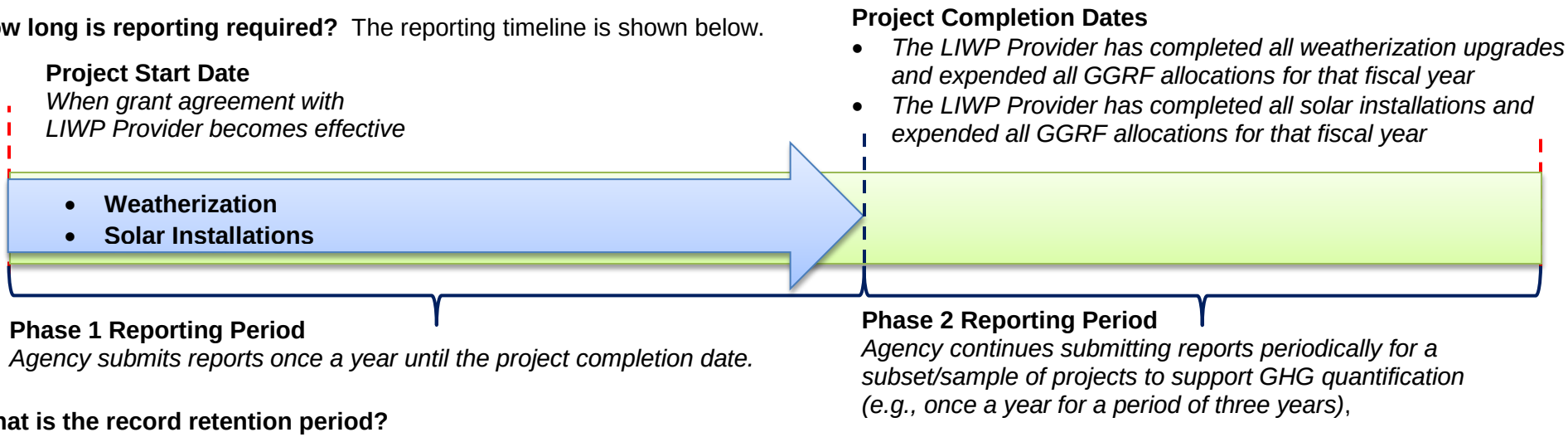
Appendix 3.A

TABLE 3.A-7 ENERGY EFFICIENCY AND RENEWABLE ENERGY
(CSD Low Income Weatherization Program)
ARB will begin compiling data from agencies in early December and will complete data collection by mid-January.

Project Profile	End of Year Report
Submit once for each grant (*only submit updates if needed*) (submit between **December 1** – **January 15**)	Submit once a year (between **December 1** – **January 15**)
Provide the following for each grant to a LIWP Provider: 1. Project Identification Number *[assigned by administering agency]* 2. Project Type *[Weatherization, Solar water heating, Solar PV]* 3. Project Description *[provide full description of project]* 4. Project Location *[provide a shape file, census tract number(s), place of service address, or geographic coordinates]* 5. Total Amount of GGRF Dollars Allocated, per Project Type 6. Total Project Cost (including non-GGRF funds) 7. Anticipated Project Start Date *[e.g., contract effective date for LIWP Provider]* 8. Anticipated Project Completion Date *[e.g., contract end date for LIWP Provider]* 9. Estimated GHG reductions *[provide total MTCO2e over the project life; can be initial estimates used for project selection]* 10. Estimated Co-benefits *[If applicable, provide totals over the project life or a qualitative description. E.g., cost savings; energy use reductions]* 11. Total GGRF dollars allocated to benefit disadvantaged communities 12. Describe how the project benefits a disadvantaged community 13. Identify the specific criteria in ARB's Funding Guidelines, Volume 2, Appendix 2.A that the project meets *[e.g., list "Table 2.A-4, Step 1.A." for a project that upgrades buildings that are located within a disadvantaged community]*	For each grant to a LIWP Provider, provide the following summaries: *[Note: If LIWP Provider has completed all projects, only submit the "Project Closeout" report and the Program-level status described below]* 1. Overall Project Status *[Provide one of the following:* *-Started during reporting period; OR* *-In progress.]* 2. Number and type of dwellings that received upgrades *[summarized by census tract, ZIP code, and legislative district]* 3. Amount of GGRF dollars expended by fiscal year (FY) *[summarized by census tract, ZIP code, and legislative district]* 4. Total cost for projects (including non-GGRF funds) *[summarized by census tract, ZIP code, and legislative district]* 5. Total energy savings for projects *[summarized by census tract, ZIP code, and legislative district]* 6. Total GHG reductions for projects *[summarized by census tract, ZIP code, and legislative district]* 7. ***Alternatively***, have each LIWP Provider provide the following data: - Address of each dwelling that received upgrades; - Dwelling type *[single-family, multi-family, small, large];* - Amount of GGRF dollars expended by fiscal year (FY) for each address; - Total project cost (including non-GGRF funds) for each address - Total energy savings by project type *[weatherization, solar water heating, solar PV]* - GHG reductions for each address *AND* Program-level status for Annual Report to Legislature (due March 1) *[ARB will provide a template]*

TABLE 3.A-7 (continued) **ENERGY EFFICIENCY AND RENEWABLE ENERGY** *(CSD Low Income Weatherization Program)*	
Project Closeout	**Phase 2 Reporting** *(for a subset of projects only)*
Submit once, after the project completion date (submit between **December 1** – **January 15**)	Submit periodically (e.g., once a year for three years). (The first Phase 2 report would be submitted the year after project completion between December 1 – January 15)
Provide the following summaries for each grant to a LIWP Provider, after the project completion date: *[e.g., when all funds have been expended]* 1. Summarize project accomplishments, including benefits to disadvantaged communities 2. Total GGRF dollars allocated to benefit disadvantaged communities 3. Estimated GHG reductions for entire project *[provide total MTCO2e over the project life]* 4. Summarize co-benefits for entire project *[if applicable, e.g., cost savings; energy savings]*	Phase 2 data collection and reporting may include, but not be limited to: 1. Energy savings 2. Energy generated by solar PV

How long is reporting required? The reporting timeline is shown below.



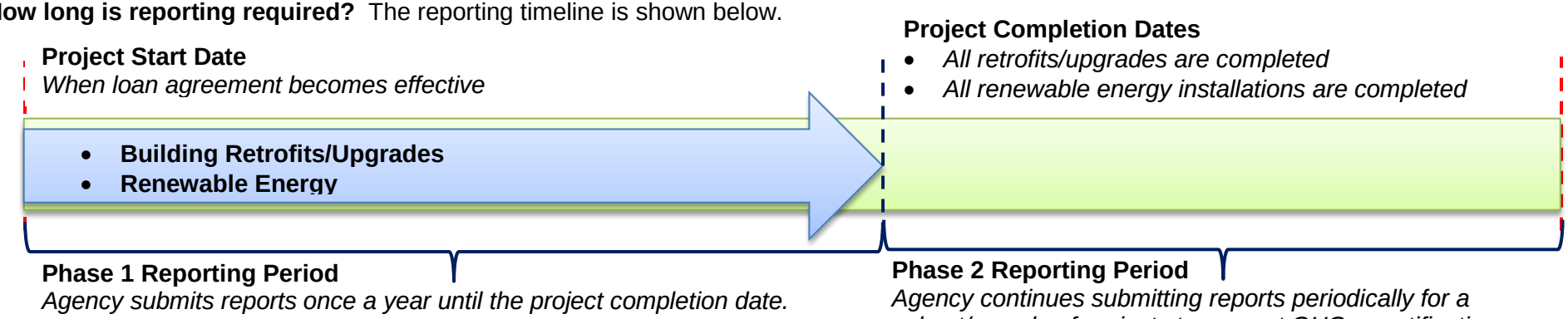
What is the record retention period?
Agencies need to maintain copies of project records for three (3) years after the "Project Closeout" report or final Phase 2 report is submitted.

Appendix 3.A

TABLE 3.A-8 ENERGY EFFICIENCY AND RENEWABLE ENERGY IN PUBLIC BUILDINGS *(CEC Energy Efficiency Financing)* ARB will begin compiling data from agencies in early December and will complete data collection by mid-January.	
Project Profile	**End of Year Report**
Submit once for each loan (*only submit updates if needed*) (submit between **December 1** – **January 15**)	Submit once a year (between **December 1** – **January 15**)
Provide the following for each loan to a public agency after a project has been selected for funding: 1. Project Identification Number *[assigned by administering agency]* 2. Project Description *[provide full description of project, including loan recipient and payback period]* 3. Project Location *[provide a shape file, address, or geographic coordinates]* 4. Total Project Cost (including non-GGRF funds) 5. Measure Type *[Lighting systems; Heating, ventilation and air conditioning equipment; Energy management systems and equipment controls; Pumps and motors; Building insulation; Renewable energy generation including combined heat and power projects using renewable fuel; Load shifting projects, such as thermal energy storage]* 6. Total Amount of GGRF Dollars Allocated, per Measure Type 7. Anticipated Project Start Date *[e.g., date the loan agreement becomes effective]* 8. Anticipated Project Completion Date *[e.g., date when systems are installed/upgraded; date when construction is complete; date when systems become operational]* 9. Estimated GHG reductions *[provide total MTCO2e over the project life; can be initial estimates used for project selection]* 10. Estimated Co-benefits *[if applicable, provide totals over the project life or a qualitative description. E.g., cost savings; energy use reductions]* 11. Total GGRF dollars allocated to benefit disadvantaged communities *[if applicable]* 12. Describe how the project benefits a disadvantaged community *[if applicable]* 13. Identify the specific criteria in ARB's Funding Guidelines, Volume 2, Appendix 2.A that the project meets *[if applicable, e.g., list "Table 2.A-4, Step 1.A." for a project that upgrades buildings that are located within a disadvantaged community]*	Provide the following for each loan to a public agency: *[Note: If project is complete, only submit the "Project Closeout" report and the Program-level status described below]* 1. Project Status *[Provide one of the following:* *-Started during reporting period; OR* *-In progress.]* 2. Describe project activities completed *[e.g., percentage of work that has been completed; milestones achieved; equipment purchased]* *AND* Program-level status for Annual Report to Legislature (due March 1) *[ARB will provide a template]*

TABLE 3.A-8 (continued) **ENERGY EFFICIENCY AND RENEWABLE ENERGY IN PUBLIC BUILDINGS** *(CEC Energy Efficiency Financing)*	
Project Closeout	**Phase 2 Reporting** *(for a subset of projects only)*
Submit once, after the project completion date (submit between **December 1** – **January 15**)	Submit periodically (e.g., once a year for three years). (The first Phase 2 report would be submitted the year after project completion between December 1 – January 15)
Provide the following summaries for each loan to a public agency, after the project completion date: *[e.g., date when all retrofits are completed; date when all renewable energy installations are complete]* 1. Summarize project accomplishments, including benefits to disadvantaged communities 2. Total GGRF dollars allocated to benefit disadvantaged communities 3. Estimated GHG reductions for entire project *[provide total MTCO2e over the project life]* 4. Summarize co-benefits for entire project *[if applicable, provide totals over the project life or a qualitative description, e.g., Energy savings (kWh); Energy cost savings ($)]*	Phase 2 data collection and reporting may include, but not be limited to: 1. Energy savings 2. Energy generated by solar PV

How long is reporting required? The reporting timeline is shown below.



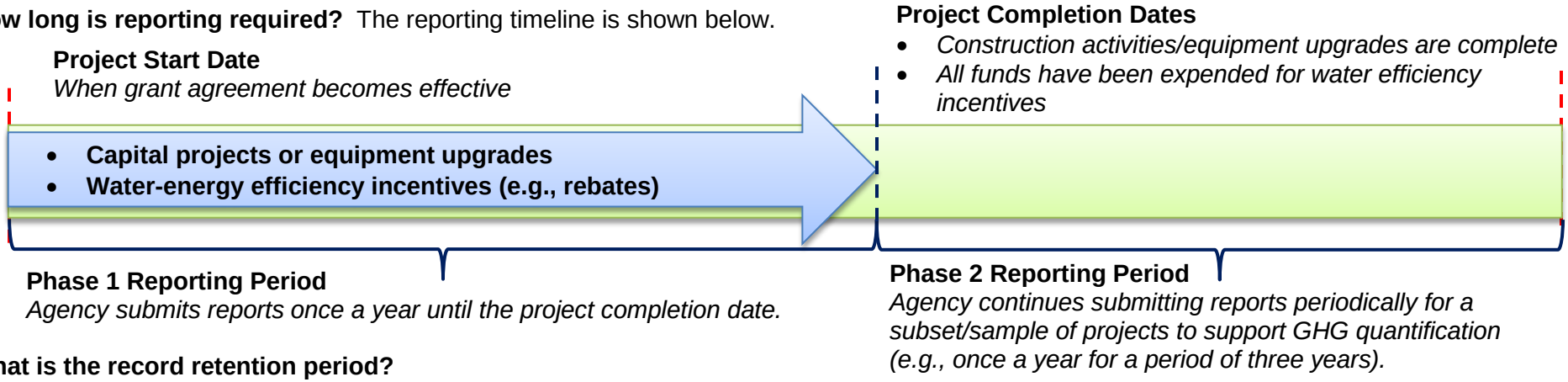
What is the record retention period?
Agencies need to maintain copies of project records for three (3) years after the "Project Closeout" report or final Phase 2 report is submitted.

Appendix 3.A

Table 3.A-9 WATER USE EFFICIENCY / ENERGY EFFICIENCY *(CDFA State Water Efficiency and Enhancement Program; DWR Water-Energy Grant Program)* ARB will begin compiling data from agencies in early December and will complete data collection by mid-January.	
Project Profile	**End of Year Report**
Submit once for each grant (*only submit updates if needed*) (submit between **December 1 – January 15**)	Submit once a year (between **December 1 – January 15**)
Provide the following for each grant to a water agency or other entity, after a project has been selected for funding: 1. Project Identification Number *[assigned by administering agency]* 2. Project Type(s) *[Include all applicable types: Soil moisture sensors; Micro irrigation; Irrigation scheduling; Pump efficiency; Water efficiency programs (residential, commercial, or institutional); Improve efficiency of hydroelectric generation turbines; Other (describe)]* 3. Project Description *[provide full description of project]* 4. Project Location *[provide a shape file, address, or geographic coordinates]* 5. Total Amount of GGRF Dollars Allocated, per Project Type 6. Total Project Cost (including non-GGRF funds) 7. Anticipated Project Start Date *[e.g., date the grant agreement becomes effective]* 8. Anticipated Project Completion Date *[e.g., grant deadline; date when equipment is installed/upgraded]* 9. Estimated GHG reductions *[provide total MTCO2e over the project life; can be initial estimates used for project selection]* 10. Estimated Co-benefits *[if applicable, provide totals over the project life or a qualitative description, e.g., water savings; energy savings]* 11. Total GGRF dollars allocated to benefit disadvantaged communities *[if applicable]* 12. Describe how the project benefits a disadvantaged community *[if applicable]* 13. Identify the specific criteria in ARB's Funding Guidelines, Volume 2, Appendix 2.A that the project meets *[if applicable, e.g., list "Table 2.A-5, Step 1.A." for a project that provides appliance rebates for water users located within a disadvantaged community]*	Provide the following summaries for each grant to a water agency or other entity: *[Note: If project is complete, only submit the "Project Closeout" report and the Program-level status described below]* 1. Project Status *[Provide one of the following:* *-Started during reporting period; OR* *-In progress.]* 2. Describe project activities completed *[e.g., milestones achieved; equipment purchased]* 3. For residential incentive/upgrade programs (rebates, water fixture upgrades, etc.), provide the following data summaries for each grantee: - Number of dwellings that received an incentive/upgrade and type of incentive/upgrade *[summarized by census tract, ZIP code, and legislative district]*; - Dollar amount of incentives/upgrades provided *[summarized by Census tract, ZIP code, and Legislative district]*; and - Estimated benefits *[e.g., water savings, energy savings; summarized by Census tract, ZIP code, and Legislative district]* 4. For other projects (capital projects, agricultural projects, commercial/institutional projects), summarize co-benefits for each grantee's project: *[If applicable. Provide estimated totals, if available, or qualitative descriptions:* *-Water savings;* *-Net energy savings;* *-Acres of wildlife habitat added]* *AND* Program-level status for Annual Report to Legislature (due March 1) *[ARB will provide a template]*

Table 3.A-9 (continued) **WATER USE EFFICIENCY / ENERGY EFFICIENCY** *(CDFA State Water Efficiency and Enhancement Program; DWR Water-Energy Grant Program)*	
Project Closeout	**Phase 2 Reporting** *(for a subset of projects only)*
Submit once, after the project completion date (submit between **December 1 – January 15**)	Submit periodically (e.g., once a year for three years). (The first Phase 2 report would be submitted the year after project completion between December 1 – January 15)
Provide the following summaries for each grant to a water agency or other entity, after the project completion date: *[e.g., date when systems are installed/upgraded; date when construction is complete]* 1. Summarize project accomplishments, including benefits to disadvantaged communities 2. Total GGRF dollars allocated to benefit disadvantaged communities *[If applicable]* 3. Estimated GHG reductions for entire project *[provide total MTCO2e over the project life]* 4. Summarize co-benefits for entire project *[if applicable, e.g., water savings; energy savings.]*	Phase 2 data collection and reporting may include, but not be limited to: 1. Water savings 2. Energy savings

How long is reporting required? The reporting timeline is shown below.



What is the record retention period?
Agencies need to maintain copies of project records for three (3) years after the "Project Closeout" report or final Phase 2 report is submitted.

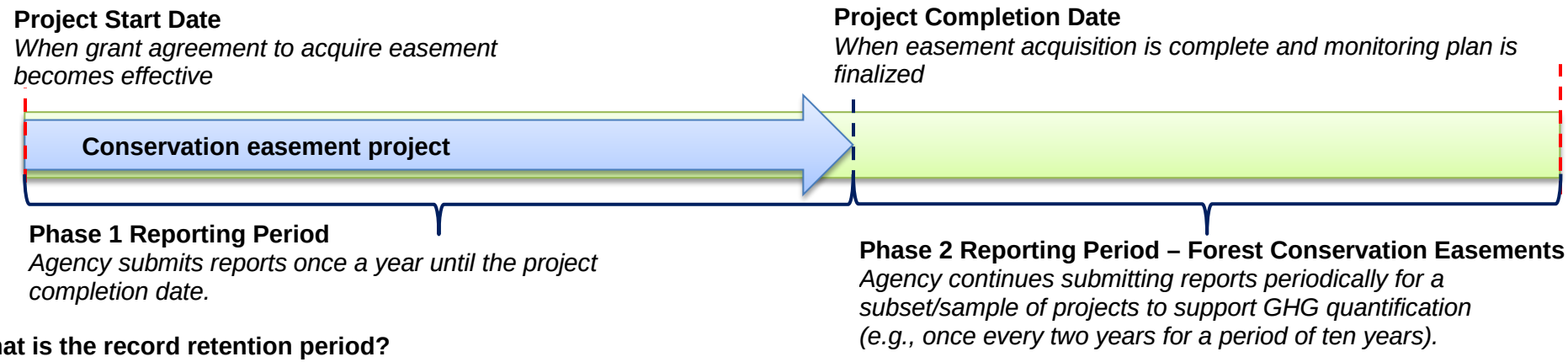
TABLE 3.A-10 LAND CONSERVATION EASEMENTS
(SGC Sustainable Agricultural Land Conservation Program; CALFIRE Forest Legacy Program)
ARB will begin compiling data from agencies in early December and will complete data collection by mid-January.

Project Profile	End of Year Report
Submit once for each grant (*only submit updates if needed*) (submit between **December 1 – January 15**)	Submit once a year (between **December 1 – January 15**)
Provide the following for each grant after a project has been selected for funding: 1. Project Identification Number *[assigned by administering agency]* 2. Project Type *[Sustainable Agricultural Land Strategy Plans; Agricultural conservation easements; Forest conservation easements]* 3. Project Description *[provide full description of project]* 4. Project Location *[provide a shape file, census tract number(s), address, or geographic coordinates; may provide after field work begins and project area is defined]* 5. Total Amount of GGRF Dollars Allocated, per Project Type 6. Total Project Cost (including non-GGRF funds), per Project Type 7. Anticipated Project Start Date *[e.g., date grant agreement becomes effective]* 8. Anticipated Project Completion Date *[e.g., date when grant agreement ends; date when land strategy plan is finalized; date when easement acquisition is completed]* 9. Estimated net GHG benefit *[provide total MTCO2e over the project life; can be initial estimates used for project selection]* 10. Estimated Co-benefits *[if applicable, provide totals over the project life or a qualitative description, e.g., VMT reductions; open space; wildlife habitat improvements]* 11. Total GGRF dollars allocated to benefit disadvantaged communities *[If applicable]* 12. Describe how the project benefits a disadvantaged community *[If applicable]* 13. Identify the specific criteria in ARB's Funding Guidelines, Volume 2, Appendix 2.A that the project meets *[if applicable, e.g., list "Table 2.A-6, Step 1.A." for a project that preserves or restores a site where the majority of the land area is located within a disadvantaged community]*	Provide the following summaries for each grant: *[Note: If project is complete, only submit the "Project Closeout" report and the Program-level status described below]* 1. Project Status *[Provide one of the following:* *-Started during reporting period; OR* *-In progress.]* 2. Describe project activities completed *[e.g., milestones achieved]* 3. Project Benefits and Results *[If applicable. Provide estimated totals, if available, or qualitative descriptions:* *-VMT reductions;* *-Open space/greenbelt; Wildlife habitat preservation;* *-Tons of biomass generated from forest easements and delivered to a renewable energy facility* *-Tons of harvested wood generated from forest easements and delivered to a mill]* *AND* Program-level status for Annual Report to Legislature (due March 1) *[ARB will provide a template]*

Appendix 3.A

TABLE 3.A-10 (continued) LAND CONSERVATION EASEMENTS *(SGC Sustainable Agricultural Land Conservation Program; CALFIRE Forest Legacy Program)*	
Project Closeout	**Phase 2 Reporting – Forest Conservation Easements** *(for a subset of projects only)*
Submit once, after the project completion date (submit between **December 1** – **January 15**)	Submit periodically (e.g., once every two years for ten years.) (The first Phase 2 report would be submitted the year after project completion between **December 1** – **January 15**)
Provide the following summaries for each grant, after the project completion date: *[e.g., date when grant agreement ends; date when land strategy plans are finalized; date when conservation easement acquisition is completed]* 1. Summarize project accomplishments, including benefits to disadvantaged communities 2. Total GGRF dollars allocated to benefit disadvantaged communities 3. Estimated net GHG benefit achieved to date *[MTCO2e]* 4. Estimated net GHG benefit for entire project *[provide total MTCO2e over the project life]* 5. Summarize co-benefits for entire project *[if applicable, e.g., VMT reductions; open space; wildlife habitat preservation.]*	Phase 2 data collection and reporting may include, but not be limited to: 1. Verification that the land is still being managed in accordance with the terms of the forest conservation easement 2. Tons of biomass generated and delivered to a renewable energy facility 3. Tons of harvested wood generated and delivered to a mill

How long is reporting required? The reporting timeline is shown below.



What is the record retention period?
Agencies need to maintain copies of project records for three (3) years after the "Project Closeout" report or final Phase 2 report is submitted.

TABLE 3.A-11 WETLANDS RESTORATION
(DFW Wetlands Restoration for Greenhouse Gas Reduction Grant Program)
ARB will begin compiling data from agencies in early December and will complete data collection by mid-January.

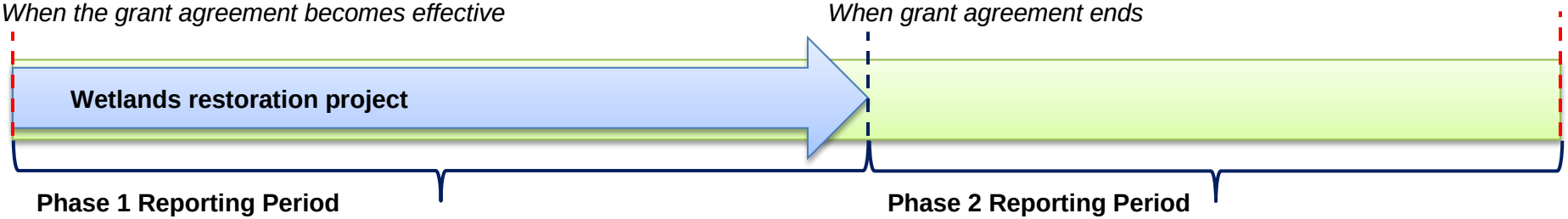
Project Profile	End of Year Report
Submit once for each grant (*only submit updates if needed*) (submit between **December 1** – **January 15**)	Submit once a year (between **December 1** – **January 15**)
Provide the following for each grant after a project has been selected for funding: 1. Project Identification Number *[assigned by administering agency]* 2. Project Type *[Coastal wetland; Sacramento - San Joaquin Delta wetland; Mountain meadows]* 3. Project Description *[provide full description of project including Conceptual Model]* 4. Project Location *[provide a shape file, census tract number(s), address, or geographic coordinates]* 5. Total Amount of GGRF Dollars Allocated to the project 6. Total Project Cost (including non-GGRF funds) 7. Anticipated Project Start Date *[e.g., date grant agreement becomes effective]* 8. Anticipated Project Completion Date *[e.g., date construction activities are complete; date sequestration has achieved steady-state; date on-site activities are completed]* 9. Estimated net GHG benefit *[provide total MTCO2e over the project life; can be initial estimates used for project selection]* 10. Estimated Co-benefits *[if applicable, provide totals over the project life or a qualitative description, e.g., water quality; water storage; sediment flux; wildlife impact]* 11. Total GGRF dollars allocated to benefit disadvantaged communities *[if applicable]* 12. Describe how the project benefits a disadvantaged community *[if applicable]* 13. Identify the specific criteria in ARB's Funding Guidelines, Volume 2, Appendix 2.A that the project meets *[if applicable, e.g., list "Table 2.A-6, Step 1.A." for a project that preserves or restores a site where the majority of the land area is located within a disadvantaged community]*	Provide the following summaries for each grant: *[Note: If project is complete, only submit the "Project Closeout" report and the Program-level status described below]* 1. Project Status *[Provide one of the following: -Started during reporting period; OR -In progress.]* 2. Describe project activities completed *[e.g., milestones achieved; equipment purchased]* 3. Project Benefits and Results *[If applicable. Provide estimated totals, if available, or qualitative descriptions: Carbon sequestration rate; Water quality improvements; Water storage; Sediment flux; Wildlife impacts]* *AND* Program-level status for Annual Report to Legislature (due March 1) *[ARB will provide a template]*

TABLE 3.A-11 (continued) WETLANDS RESTORATION *(DFW Wetlands Restoration for Greenhouse Gas Reduction Grant Program)*	
Project Closeout	**Phase 2 Reporting** *(for a subset of projects only)*
Submit once, after the project completion date (submit between **December 1** – **January 15**)	Submit periodically (e.g., once every two years for ten years). (The first Phase 2 report would be submitted the year after project completion between **December 1** – **January 15**)
Provide the following summaries for each grant, after the project completion date: *[e.g., date construction activities are complete; date sequestration has achieved steady-state; date on-site activities are completed]* 1. Summarize project accomplishments, including benefits to disadvantaged communities 2. Total GGRF dollars allocated to benefit disadvantaged communities 3. Estimated net GHG benefit achieved to date *[MTCO2e]* 4. Estimated net GHG benefit for entire project *[provide total MTCO2e over the project life]* 5. Summarize co-benefits for entire project *[if applicable, e.g., water quality; water storage; sediment flux; wildlife impact.]*	Phase 2 data collection and reporting may include, but not be limited to: 1. Carbon sequestration rate (based on monitored data) 2. GHG emission rates (based on monitored data)

How long is reporting required? The reporting timeline is shown below.

Project Start Date
When the grant agreement becomes effective

Project Completion Date
When grant agreement ends



Phase 1 Reporting Period
Agency submits reports once a year until the project completion date.

Phase 2 Reporting Period
Agency continues submitting reports periodically for a subset/sample of projects to support GHG quantification (e.g., once every two years for a period of ten years).

What is the record retention period?
Agencies need to maintain copies of project records for three (3) years after the "Project Closeout" report or final Phase 2 report is submitted.

Appendix 3.A

Table 3.A-12 URBAN FORESTRY
(CALFIRE "Green Trees for the Golden State", Urban Forest Management, Urban Wood and Biomass Utilization, "Woods in the Neighborhood", and "Green Innovations")
ARB will begin compiling data from agencies in early December and will complete data collection by mid-January.

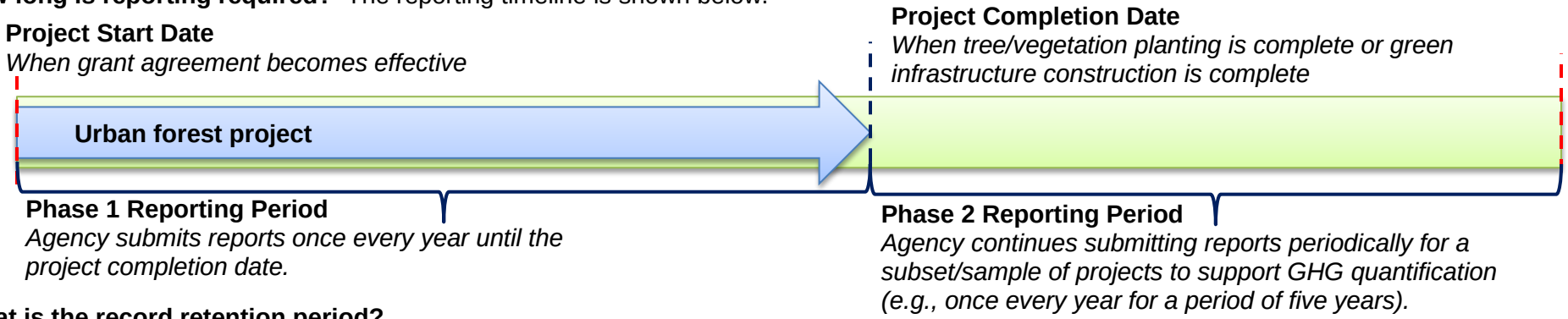
Project Profile	End of Year Report
Submit once for each grant (*only submit updates if needed*) (submit between **December 1 – January 15**)	Submit once a year (between **December 1 – January 15**)
Provide the following for each grant after a project has been selected for funding: 1. Project Identification Number *[assigned by administering agency]* 2. Project Type *[Urban tree/vegetation planting; Green infrastructure (e.g., bioswales); Urban biomass removal and utilization for renewable energy; Urban forest management]* 3. Project Description *[provide full description of project]* 4. Project Location *[provide a shape file, census tract number(s), address, or geographic coordinates; may provide after field work begins and project area is defined]* 5. Total Amount of GGRF Dollars Allocated, per Project Type 6. Total Project Cost (including non-GGRF funds), per Project Type 7. Anticipated Project Start Date *[e.g., date grant agreement becomes effective]* 8. Anticipated Project Completion Date *[e.g., when tree/vegetation planting is complete; when green infrastructure construction is complete; when all biomass has been delivered to a renewable energy facility]* 9. Estimated net GHG benefit *[provide total MTCO2e over the project life; can be initial estimates used for project selection]* 10. Estimated Co-benefits *[if applicable, provide totals over the project life or a qualitative description, e.g., reduced flood risk; storm water runoff reduction; water quality; water storage; sediment flux; wildlife impact; amount of renewable energy generated]* 11. Total GGRF dollars allocated to benefit disadvantaged communities *[if applicable]* 12. Describe how the project benefits a disadvantaged community *[if applicable]* 13. Identify the specific criteria in ARB's Funding Guidelines, Volume 2, Appendix 2.A that the project meets *[if applicable, e.g., list "Table 2.A-7, Step 1.A." for a project that plants trees entirely within a disadvantaged community census tract]*	Provide the following summaries for each grant: *[Note: If project is complete, only submit the "Project Closeout" report and the Program-level status described below]* 1. Project Status *[Provide one of the following:* *-Started during reporting period; OR* *-In progress.]* 2. Describe project activities completed *[e.g., milestones achieved]* 3. Number of trees planted and location 4. Vegetation planted and location 5. Maintenance activities conducted 6. Project Benefits and Results *[If applicable. Provide estimated totals, if available, or qualitative descriptions:* *-Tons of biomass generated and delivered to a renewable energy facility;* *- Property acquired to be repurposed as an urban forestry project site]* *AND* Program-level status for Annual Report to Legislature (due March 1) *[ARB will provide a template]*

Appendix 3.A

Table 3.A-12 (continued) **URBAN FORESTRY**
(CALFIRE "Green Trees for the Golden State", Urban Forest Management, Urban Wood and Biomass Utilization, "Woods in the Neighborhood", and "Green Innovations")

Project Closeout	**Phase 2 Reporting** *(for a subset of projects only)*
Submit once, after the project completion date (submit between **December 1** – **January 15**)	Submit periodically (e.g., once every year for five years). (The first Phase 2 report would be submitted the year after project completion between **December 1** – **January 15**)
Provide the following summaries for each grant, after the project completion date: *[e.g., date when tree/vegetation planting is complete; date when green infrastructure construction is complete]* 1. Summarize project accomplishments, including benefits to disadvantaged communities 2. Total GGRF dollars allocated to benefit disadvantaged communities 3. Estimated net GHG benefit achieved to date *[MTCO2e]* 4. Estimated net GHG benefit for entire project *[provide total MTCO2e over the project life]* 5. Summarize co-benefits for entire project *[if applicable, e.g., reduced flood risk; storm water runoff reduction; water quality; water storage; sediment flux; wildlife impact; amount of renewable energy generated.]*	Phase 2 data collection and reporting may include, but not be limited to: 1. Verification that the site is still being maintained in accordance with the terms of the grant agreement 2. Tons of biomass generated and delivered to a renewable energy facility

How long is reporting required? The reporting timeline is shown below.



What is the record retention period?
Agencies need to maintain copies of project records for three (3) years after the "Project Closeout" report or final Phase 2 report is submitted.

Appendix 3.A

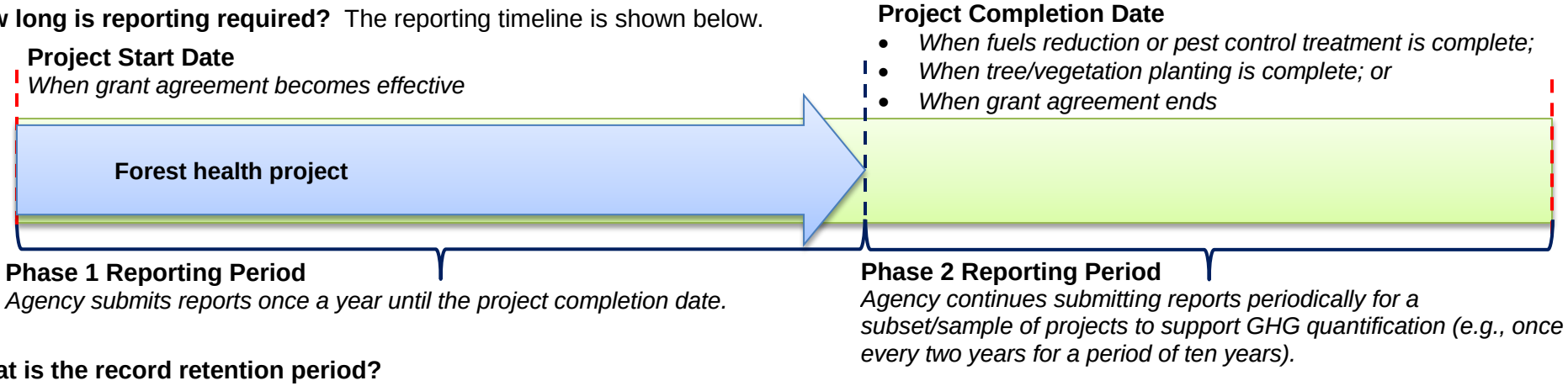
Table 3.A-13 FOREST HEALTH
ARB will begin compiling data from agencies in early December and will complete data collection by mid-January.

Project Profile	End of Year Report
Submit once for each grant (*only submit updates if needed*) (submit between **December 1** – **January 15**)	Submit once a year (between **December 1** – **January 15**)
Provide the following for each grant after a project has been selected for funding: 1. Project Identification Number *[assigned by administering agency]* 2. Project Type *[Fuels reduction; Biomass removal and utilization for renewable energy; Use of harvested wood materials to offset emissions from vegetation removal; Forest pest control; Reforestation; Research project located on a demonstration State forest; Other forest research projects (not located on a demonstration State forest); Programmatic Timber Environmental Impact Reports (PTEIRs)]* 3. Project Description *[provide full description of project]* 4. Project Location *[provide a shape file, census tract number(s), address, or geographic coordinates; may provide after field work begins and project area is defined]* 5. Total Amount of GGRF Dollars Allocated, per Project Type 6. Total Project Cost (including non-GGRF funds), per Project Type 7. Anticipated Project Start Date *[e.g., date grant agreement becomes effective]* 8. Anticipated Project Completion Date *[e.g., date when grant agreement ends; date when tree/vegetation removal is complete; date when all biomass has been delivered to a renewable energy facility; date when all harvested wood has been delivered to a mill; date when tree planting is complete in reforested areas]* 9. Estimated net GHG benefit *[provide total MTCO2e over the project life; can be initial estimates used for project selection]* 10. Estimated Co-benefits *[if applicable, provide totals over the project life or a qualitative description, e.g., improved forest health; increased carbon sequestration rates; amount of renewable energy generated; improved wildlife habitat]* 11. Total GGRF dollars allocated to benefit disadvantaged communities *[if applicable]* 12. Describe how the project benefits a disadvantaged community *[if applicable]* 13. Identify the specific criteria in ARB's Funding Guidelines, Volume 2, Appendix 2.A that the project meets *[if applicable, e.g., list "Table 2.A-6, Step 2.C." for a project where at least 25% of the work hours are performed by disadvantaged community residents]*	Provide the following summaries for each grant: *[Note: If project is complete, only submit the "Project Closeout" report and the Program-level status described below]* 1. Project Status *[Provide one of the following: -Started during reporting period; OR -In progress.]* 2. Describe project activities completed *[e.g., milestones achieved; research results]* 3. Project Benefits and Results *[If applicable. Provide estimated totals, if available, or qualitative descriptions: - Acres of land treated for fuels reduction and location; -Acres of land treated for pest control and location; -Tons of biomass generated and delivered to a renewable energy facility; -Tons of harvested wood generated and delivered to a mill]* *AND* Program-level status for Annual Report to Legislature (due March 1) *[ARB will provide a template]*

Appendix 3.A

Table 3.A-13 (continued) **FOREST HEALTH**	
Project Closeout	**Phase 2 Reporting** *(for a subset of projects only)*
Submit once, after the project completion date (submit between **December 1** – **January 15**)	Submit periodically (e.g., once every two years for ten years). (The first Phase 2 report would be submitted the year after project completion between **December 1** – **January 15**)
Provide the following summaries for each grant, after the project completion date: *[e.g., date when grant agreement ends; date when tree/vegetation removal is complete; date when all biomass has been delivered to a renewable energy facility; date when all harvested wood has been delivered to a mill; date when tree planting is complete in reforested areas]* 1. Summarize project accomplishments, including benefits to disadvantaged communities 2. Total GGRF dollars allocated to benefit disadvantaged communities 3. Estimated net GHG benefit achieved to date *[MTCO2e]* 4. Estimated net GHG benefit for entire project *[provide total MTCO2e over the project life]* 5. Summarize co-benefits for entire project *[If applicable. E.g., improved forest health; increased carbon sequestration rates; amount of renewable energy generated; improved wildlife habitat.]*	Phase 2 data collection and reporting may include, but not be limited to: 1. Verification that no wildfires have occurred or a description of wildfire impacts and remaining carbon stock; 2. Updated results on pest control efforts 3. Updated results from research efforts 4. Tons of biomass generated and delivered to a renewable energy facility 5. Tons of harvested wood generated and delivered to a mill

How long is reporting required? The reporting timeline is shown below.



What is the record retention period?
Agencies need to maintain copies of project records for three (3) years after the "Project Closeout" report or final Phase 2 report is submitted.

Appendix 3.A

Table 3.A-14 WASTE DIVERSION

(CalRecycle Organics Grant Program, Organics Loan Program, or Recycled Fiber, Plastic and Glass Grant Program)

ARB will begin compiling data from agencies in early December and will complete data collection by mid-January.

Project Profile	End of Year Report
Submit once for each grant or loan (*only submit updates if needed*) (submit between **December 1** – **January 15**)	Submit once a year (between **December 1** – **January 15**)
Provide the following for each grant or loan after a project has been selected for funding: 1. Project Identification Number *[assigned by administering agency]* 2. Project Type *[New or improved recycling facility ; New or improved composting facility; New or expanded facilities that use recycled materials as feedstock; Food Reclamation Project partnered with a composting or digestion facility; Other (describe)]* 3. Project Description *[provide full description of project]* 4. Project Location *[provide a shape file, census tract number(s), address, or geographic coordinates]* 5. Total Amount of GGRF Dollars Allocated, per Project Type 6. Total Project Cost (including non-GGRF funds), per Project Type 7. Type of Funding *[e.g., grant or loan]* 8. Anticipated Project Start Date *[e.g., date grant agreement becomes effective]* 9. Anticipated Project Completion Date *[e.g., date when new or improved facility will be completed and operational]* 10. Estimated GHG reductions *[provide total MTCO2e over the project life; can be initial estimates used for project selection]* 11. Estimated Co-benefits *[if applicable, provide totals over the project life or a qualitative description, e.g., amount of waste diverted, natural gas captured, power generated, or power produced; products produced with reclaimed material; energy and GHG savings from use of recycled materials; criteria air pollutant reductions; water quality improvements; amount of reclaimed food]* 12. Total GGRF dollars allocated to benefit disadvantaged communities *[if applicable]* 13. Describe how the project benefits a disadvantaged community *[if applicable]* 14. Identify the specific criteria in ARB's Funding Guidelines, Volume 2, Appendix 2.A that the project meets *[if applicable, e.g., list "Table 2.A-8, Step 1.B." for a project providing incentives for an anaerobic digestion system located in a disadvantaged community]*	Provide the following summaries for each grant or loan: *[Note: If project is complete, only submit the "Project Closeout" report and the Program-level status described below]* 1. Project Status *[Provide one of the following:* *-Started during reporting period; OR* *-In progress.]* 2. Describe project activities completed *[e.g., milestones achieved; equipment purchased]* 3. Tons of material diverted from a landfill *[if applicable]* 4. Tons of food rescued to feed people and census tract numbers for food rescued to feed people in disadvantaged communities *[if applicable]* *AND* Program-level status for Annual Report to Legislature (due March 1) *[ARB will provide a template]*

Appendix 3.A

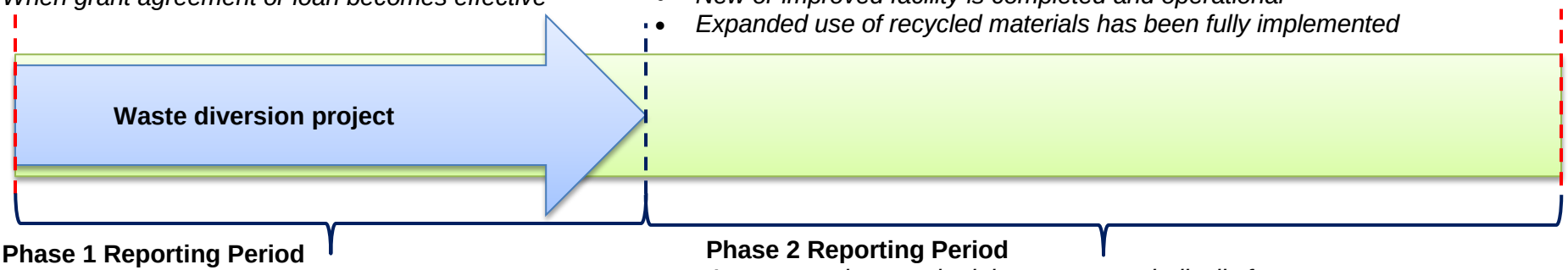
Table 3.A-14 (continued) WASTE DIVERSION
(CalRecycle Organics Grant Program, Organics Loan Program, or Recycled Fiber, Plastic and Glass Grant Program)

Project Closeout	**Phase 2 Reporting** *(for a subset of projects only)*
Submit once, after the project completion date (submit between **December 1** – **January 15**)	Submit periodically (e.g., once every year for three years). (The first Phase 2 report would be submitted the year after project completion, between **December 1** – **January 15**)
Provide the following summaries for each grant or loan, after the project completion date: *[e.g., date when new or improved facility will be completed and operational]* 1. Summarize project accomplishments, including benefits to disadvantaged communities 2. Total GGRF dollars allocated to benefit disadvantaged communities 3. Estimated GHG reductions for entire project *[provide total MTCO2e over the project life]* 4. Summarize co-benefits for entire project *[if applicable.]*	Phase 2 data collection and reporting may include, but not be limited to: 1. Tons of waste diverted 2. Criteria air pollutant reductions achieved to date 3. Amount of natural gas captured 4. Amount of power generated 5. Amount of reclaimed food 6. Description and amount of product produced with reclaimed material 7. Water quality improvements

How long is reporting required? The reporting timeline is shown below.

Project Start Date
When grant agreement or loan becomes effective

Project Completion Date
- *New or improved facility is completed and operational*
- *Expanded use of recycled materials has been fully implemented*



Phase 1 Reporting Period
Agency submits reports once a year until the project completion date.

Phase 2 Reporting Period
Agency continues submitting reports periodically for a subset/sample of projects to support GHG quantification (e.g., once a year for a period of three years).

What is the record retention period?
Agencies need to maintain copies of project records for three (3) years after the "Project Closeout" report or final Phase 2 report is submitted.

Appendix 3.A

TABLE 3.A-15 DIGESTER PROJECTS
(CDFA Dairy Digester Research and Development Program; CalRecycle Organics Grant Program)
ARB will begin compiling data from agencies in early December and will complete data collection by mid-January.

Project Profile	End of Year Report
Submit once for each grant (*only submit updates if needed*)r (submit between **December 1 – January 15**)	Submit once a year (between **December 1 – January 15**)
Provide the following for each grant after a project has been selected for funding: 1. Project Identification Number *[assigned by administering agency]* 2. Project Type *[New dairy digester facility; New or improved dairy digester equipment; Restoration of defunct dairy digester; Dairy digester research and implementation project; Organics anaerobic digestion facility-new construction; Organics anaerobic digestion facility-renovation or expansion]* 3. Project Location *[provide an address, shape file, geographic coordinates, or census tract number(s)]* 4. Total Amount of GGRF Dollars Allocated, per Project Type 5. Total Project Cost (including non-GGRF funds), per Project Type 6. Anticipated Project Start Date *[e.g., date grant agreement becomes effective]* 7. Anticipated Project Completion Date *[e.g., date when new or improved facility will be completed and operational]* 8. Estimated GHG reductions *[provide total MTCO2e over the project life; can be initial estimates used for project selection]* 9. Estimated Co-benefits *[if applicable, provide totals over the project life or a qualitative description, e.g., tons of waste digested; amount of biogas generated; amount of power generated; energy and GHG savings from use of recycled materials; criteria air pollutant reductions; water quality improvements]* 10. Total GGRF dollars allocated to benefit disadvantaged communities *[if applicable]* 11. Describe how the project benefits a disadvantaged community *[if applicable]* 12. Identify the specific criteria in ARB's Funding Guidelines, Volume 2, Appendix 2.A that the project meets *[if applicable, e.g., list "Table 2.A-8, Step 1.B." for a project providing incentives for a dairy digester located in a disadvantaged community]* 13. Please provide pictures of the project site (before and after, if possible)	Provide the following summaries for each grant: *[Note: If project is complete, only submit the "Project Closeout" report and the Program-level status described below]* 1. Project Status *[Provide one of the following:* *-Started during reporting period; OR* *-In progress.]* 2. Describe project activities completed *[e.g., milestones achieved; equipment purchased/installed]* 3. Tons of waste digested and type of waste *[e.g., dairy waste, green waste, food waste]* 4. Other Project Benefits and Results *[if applicable, e.g., water quality improvements]* *AND* Program-level status for Annual Report to Legislature (due March 1) *[ARB will provide a template]*

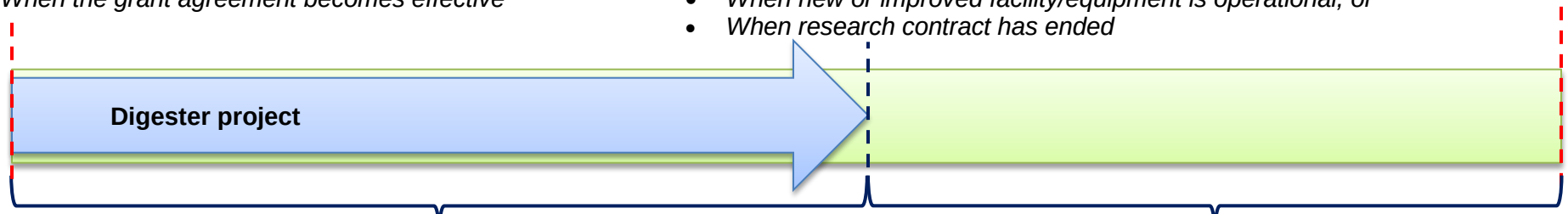
Appendix 3.A

TABLE 3.A-15 (continued) DIGESTER PROJECTS *(CDFA Dairy Digester Research and Development Program; CalRecycle Organics Grant Program)*	
Project Closeout	**Phase 2 Reporting** *(for a subset of projects only)*
Submit once, after the project completion date (submit between **December 1** – **January 15**)	Submit periodically (e.g., once every year for five years). (The first Phase 2 report would be submitted the year after project completion between December 1 – January 15)
Provide the following summaries for each grant, after the project completion date: *[e.g., when new or improved facility is completed and operational]* 1. Summarize project accomplishments, including benefits to disadvantaged communities 2. Total GGRF dollars allocated to benefit disadvantaged communities 3. Estimated GHG reductions for entire project *[provide total MTCO2e over the project life]* 4. Summarize co-benefits for entire project *[if applicable, e.g., water quality improvements]*	Phase 2 data collection and reporting may include, but not be limited to: 1. Tons of waste digested and type of waste 2. Amount of biogas generated 3. Amount of power generated

How long is reporting required? The reporting timeline is shown below.

Project Start Date
When the grant agreement becomes effective

Project Completion Date
- *When new or improved facility/equipment is operational; or*
- *When research contract has ended*



Phase 1 Reporting Period
Agency submits reports once a year until the project completion date.

Phase 2 Reporting Period
Agency continues submitting reports periodically for a subset/sample of projects to support GHG quantification (e.g., once a year for a period of five years).

What is the record retention period?
Agencies need to maintain copies of project records for three (3) years after the "Project Closeout" report or final Phase 2 report is submitted.

Appendix 3.A

Table 3.A-16 JOBS AND JOB TRAINING

(submit this data if your GGRF program resulted in jobs or job training as a component of funded projects)

ARB will begin compiling data from agencies in early December and will complete data collection by mid-January.

End of Year Report – Jobs Component Only

Submit once a year, if applicable
(between **December 1** – **January 15**)

Provide the following summaries for jobs or job training that resulted from a ***project funded by the GGRF***:
[Note: Don't include jobs held by State administering agency staff. If project is complete, submit the following information with the "Project Closeout" report]

1. Project Identification Number *[assigned by administering agency]*
2. Description of jobs/job training component *[if applicable, describe how the project has provided jobs and/or job training, including the use of Project Labor Agreements, Community Workforce Agreements, etc.]*
3. Total project work hours
4. Number of project work hours for jobs provided to disadvantaged community residents and the associated census tract numbers* *[if applicable]*
5. Total number of jobs and the associated jobs classification/trade
   [e.g., # of electricians; # of carpenters; # of weatherization energy auditors; # of landscape architects; # of arborists; # of construction laborers; # of plumber helpers, etc.]
6. Number of jobs that were provided to disadvantaged community residents and the associated jobs classification/trade *[If applicable]*
7. Entry-level and median hourly wage or entry-level and median total compensation (hourly wage plus benefits) for each job classification/trade
8. For all job training:
   - Total number of people that completed job training and the associated job training classification/trade; and
   - The type of credentials earned *[e.g., certifications, licenses, degrees]*
9. For job training provided to disadvantaged community residents *[if applicable]*:
   - Number of disadvantaged community residents that completed job training and the associated job training classification/trade; and
   - The type of credentials earned *[e.g., certifications, licenses, degrees]*
10. GGRF dollars expended for projects that resulted in jobs or job training, cumulative to date

* *To find census tract numbers, zoom in and click on the maps provided by the "SB 535 Online Mapping Application of Disadvantaged Communities", available at http://www.calepa.ca.gov/EnvJustice/GHGInvest/*