



Air Resources Board



Matthew Rodriguez
Secretary for
Environmental Protection

Mary D. Nichols, Chair
1001 I Street • P.O. Box 2815
Sacramento, California 95812 • www.arb.ca.gov

Edmund G. Brown Jr.
Governor

July 1, 2016

The Honorable Freddie Rodriguez, Chair
Joint Legislative Audit Committee
California State Assembly
State Capitol, Room 6025
Sacramento, California 95814

The Honorable Richard D. Roth
Vice Chair
Joint Legislative Audit Committee
California State Senate
State Capitol, Room 4034
Sacramento, California 95814

The Honorable Adam C. Gray
California State Assembly
State Capitol, Room 4117
Sacramento, California 95814

Dear Assemblymembers Rodriguez and Gray, and Senator Roth:

Thank you for your letter dated June 2, 2016 requesting additional information on the programs and projects that receive funding from the Greenhouse Gas Reduction Fund (GGRF).

In response to your request, included as Enclosure 1, each GGRF administering agency provided the information needed for specific programs and projects. While the Air Resources Board (ARB or Board) has a statutory role to develop overarching guidelines and quantification methodologies, each individual agency is responsible for the design and implementation of its respective programs. ARB staff has compiled the agency responses into the enclosed documents. The data represent investments as of December 2015, consistent with the 2016 Annual Report¹.

¹ The "2016 Annual Report to the Legislature on California Climate Investments Using Cap-and-Trade Auction Proceeds" and a detailed list of projects are available at:
<http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/annualreport.htm>

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.

California Environmental Protection Agency

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Enclosure 2 provides program-level information in response to items 'a' and 'c-g' in your letter, including greenhouse gas emission reductions per dollar and timeframes for achieving those reductions. Enclosure 3 lists each project, including when greenhouse gas reductions are anticipated to begin for that individual project, as requested in item 'g' in the letter. In response to item 'b' in the JLAC letter, Enclosure 4 is a binder containing the quantification methodologies that ARB has developed to provide a consistent, standardized approach for estimating greenhouse gas reductions from GGRF investments.

In response to item 'h', the Administration will include information on program effectiveness in the annual reports to the Legislature. We will also draw on those analyses to develop recommendations for the next investment plan to ensure it reflects the strategic thinking and innovation needed to reach the State's long-term climate goals. The agencies will be considering cost-effectiveness and other quantitative metrics, in addition to greenhouse gas reductions, to help shape the next investment plan as required by Assembly Bill 1532 (Pérez, Chapter 807, Statutes of 2012).

The administering agencies are collecting real-world data on implemented projects, calculating the resulting greenhouse gas emission reductions using scientifically-based quantification methodologies, and evaluating the effectiveness of the existing GGRF programs. As referenced in the 2016 Annual Report, ARB anticipates expanding the quantification methods to include measurement metrics for key co-benefits as well. The ability to consistently quantify co-benefits will inform project selection by individual agencies and allow for a more comprehensive assessment of environmental, economic, and disadvantaged community benefits across all of the programs.

Transparency and accountability for the expenditure of GGRF monies is a top priority. To that end, we welcome opportunities to provide information on the benefits of GGRF investments throughout California and have made also available on our website project-specific data for independent analysis.

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If you have additional questions about this information or would like to discuss further, please do not hesitate to contact me or my Legislative Director, Ms. Jennifer Gress, Ph.D., at (916) 322-8520 or via email at jennifer.gress@arb.ca.gov.

Sincerely,



Mary D. Nichols
Chair

Enclosures (4):

- (1) Enclosure 1: Letter from Joint Legislative Audit Committee to California Air Resources Board, dated June 2, 2016
- (2) Enclosure 2: California Climate Investments – Program-Level Response to Joint Legislative Audit Committee, dated June 30, 2016
- (3) Enclosure 3: California Climate Investments – Project List with Start Dates for Emission Reductions, dated June 30, 2016
- (4) Enclosure 4: California Climate Investments – Quantification Methodologies for Estimating Greenhouse Gas Reductions and Supporting Materials, dated June 30, 2016

cc: See next page.

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cc: The Honorable Jim Beall
California State Senate
State Capitol, Room 5066
Sacramento, California 95814

The Honorable Anthony Cannella
California State Senate
State Capitol, Room 5082
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The Honorable Jean Fuller
California State Senate
State Capitol, Room 305
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The Honorable Cathleen Galgiani
California State Senate
State Capitol, Room 2059
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The Honorable Ricardo Lara
California State Senate
State Capitol, Room 5050
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The Honorable Connie M. Leyva
California State Senate
State Capitol, Room 4061
Sacramento, California 95814

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cc: (continued)

The Honorable Katcho Achadjian
California State Assembly
State Capitol, Room 4098
Sacramento, California 95814

The Honorable Joaquin Arambula
California State Assembly
State Capitol, Room 5164
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The Honorable Catharine B. Baker
California State Assembly
State Capitol, Room 4153
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The Honorable Brian W. Jones
California State Assembly
State Capitol, Room 3141
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The Honorable Adrin Nazarian
California State Assembly
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The Honorable Jim Wood
California State Assembly
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Randy Chinn
Chief Consultant
Senate Transportation and Housing Committee
State Capitol, Room 2209
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Kip Lipper
Chief Energy and Environment Advisor
California State Senate
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Marie Liu
Policy Consultant
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The Honorable Adam C. Gray
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cc: (continued)

(via email)

Diana S. Dooley
Secretary for the California Health and
Human Services Agency

Brian P. Kelly
Secretary for Transportation

John Laird
Secretary for Natural Resources

Matt Rodriguez
Secretary for Environmental Protection

Karen Ross, Secretary
California Department of Food and Agriculture

Brian C. Annis, Undersecretary
California State Transportation Agency

Charlton H. Bonham, Director
California Department of Fish and Wildlife

Michael Cohen, Director
California Department of Finance

Richard W. Corey
Executive Officer
Air Resources Board

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cc: (continued)

Mark W. Cowin, Director
California Department of Water Resources

Malcolm Dougherty, Director
California Department of Transportation

Jeff Morales
Chief Executive Officer
California High-Speed Rail Authority

Ken Pimlott, Director
California Department of Forestry and
Fire Protection

Scott Smithline, Director
California Department of Resources,
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Ms. Jennifer Gress, Ph.D.
Legislative Director
Air Resources Board