**Comment on Advance Payment Regulation Proposed Order**

From: Beneficial State Foundation

October 17, 2019

Beneficial State Foundation (BSF) strongly urges the California Air Resources Board (CARB) to reconsider and revise the Advance Payment Criteria that requires “all other entities… agree to not provide advance payment to any other entity” (section 91043, B, 4,). As a nonprofit that has qualified for Advance Payment from CARB for administration of the statewide Financing Assistance Pilot Project, we can attest to both the importance of Advance Payment for nonprofit grantees and the significant barrier that requirement 91043, B, 4 poses for successful project implementation.

First, we thank CARB for making nonprofit grantees eligible for Advance Payment, under the proposed regulation. Without Advance Payment, BSF would not be able to administer the statewide Financing Assistance Pilot Project. BSF is a small nonprofit with a large network of strategically aligned partners that have enabled us to successfully launch the Clean Vehicle Assistance Program, which offers grants at the point of purchase for clean vehicles, low-interest loans and grants for charging stations. This program has the potential to help thousands of lower-income Californians access affordable clean vehicles, which will not only help the state reach the goal of 5 million clean vehicles on the road by 2030, but will also help lower-income families save money and improve air quality in their community. After an extremely successful launch, BSF is poised to grow the program substantially, but like many nonprofits, our relatively small operating budget will not be able to sustain the program’s growth without Advance Payment.

Nonprofits are an important subset of CARB’s grantees and it is key that Advance Payment regulation supports the financial health of nonprofits so that we can continue scaling the impact of CARB programs. For BSF, Advance Payment is absolutely necessary because we rely on very few funding sources to support and resource this program. What a nonprofit like ours needs is an Advance Payment system that does not require onerous, complex, or redundant paperwork and reporting that prolongs the time in which we receive funds. The Advance Payment process should take into consideration the negative impact and financial instability caused by gaps in reimbursements and funding. A simplified, straight-forward and reliable Advance Payment process will allow this program and others to scale in service of low-income Californians and the goals of the state.

BSF has submitted a more detailed proposal of the Advance Pay process that could work for Beneficial State Foundation and we appreciate the CARB team’s consideration of our organization’s needs. We look forward to continuing to work with the team to establish an Advance Pay process that will support nonprofits.

Secondly, we strongly urge CARB to give nonprofit grantees who have qualified for Advance Payment the ability to provide advance payment to other entities. The proposed regulation in consideration explicitly prohibits this, and by passing this regulation CARB would severely limit the ability for nonprofit grantees to establish partnerships that can enhance and scale the impact of a CARB program. For example, a key reason for BSF’s success with the Financing Assistance Pilot Project was our ability to establish strategic partnerships with other nonprofit entities, such as GRID Alternatives (GRID). Acting as a subgrantee, GRID has implemented the charging station grant portion of the statewide Financing Assistance Pilot Project. Advance payments are standard and necessary for subcontractors to begin work on a new project that requires startup costs. In the case of GRID and BSF’s partnership, an advance payment was critical to establishing the charging station grant offering, which has made clean vehicles more accessible and affordable for lower-income households.

We cannot reach our ambitious and urgent climate goals in silos; we must unite in partnerships to succeed. Section 91043, B, 4 of the Advance Payment Regulation Proposed Order stifles the ability to form partnerships for nonprofits and other entities. Therefore, BSF strongly urges CARB to reconsider and revise the regulation in order to allow “all other entities” to provide advance payment to other entities.

We look forward to sharing this comment in person at the board hearing October 24th, 2019. Representatives of Beneficial State Foundation and the Clean Vehicle Assistance Program will be in attendance to comment.

Thank you for your consideration,

Beneficial State Foundation