Cap-and-Trade Auction Proceeds

Second Investment Plan (2016-17+)

Draft Concepts

and

Funding Guidelines for Agencies

Public Workshop
Sacramento
August 3, 2015

California’s Climate Strategy

An Integrated Plan for Addressing Climate Change

VISION

Reducing Greenhouse Gas Emissions to 40% Below 1990 Levels by 2030

GOALS

- 50% renewable electricity
- 50% reduction in petroleum use in vehicles
- Double energy efficiency savings at existing buildings
- Carbon sequestration in the land base
- Reduce short-lived climate pollutants
- Safeguard California
California’s Climate Strategy

IMPLEMENTATION

SCOPING PLAN
- Climate Action Plans
- SLCP Plan
- Forest Carbon Plan
- 2040 CA Transportation Plan

LEGISLATION
- AB 766 Energy Efficiency Plan
- Investment Plan

Other plans/regulations for renewables, efficiency, transportation, fuels

BUILDING BLOCKS
- Partnerships
- Incentives
- Voluntary Action
- Local Action
- Grants

State Proceeds from Cap-and-Trade

- Proceeds go in Greenhouse Gas Reduction Fund (GGRF)
- State law sets framework
- Invest in projects that reduce greenhouse gases and achieve co-benefits
- Maximize benefits to disadvantaged communities
  - 10%+ of $ within
  - 25%+ of $ to benefit
Second Investment Plan

- Due to Legislature in January
- Covers 2016-2019
- Qualitative assessment of needs and priorities
- Focuses on 40% of discretionary funding
  - 60% is continuously appropriated to affordable housing & sustainable communities, transit and High Speed Rail
- Legislature and Governor determine funding allocations in the annual State Budget

Agency Representatives - Sacramento

- Brian Annis
- Allison Joe
- Ashley Conrad-Saydah
- Claire Jahns
- Jenny Lester-Moffitt
- Jason Wimbley
- Howard Levenson
- Erik White
Draft Concept Paper – Overarching Themes

- **Beyond 2020**
- **Benefits for all Californians**
- **Innovative Technologies**
- **Systems Approach**

**Integrated Projects for Local Climate Action**

- Sustainable Communities & Clean Transportation
- Energy Efficiency & Clean Energy
- Natural Resources & Waste Diversion

**Effective Financing**

- **Efficient Financing**
- **Short Lived Climate Pollutants**
- **Small Businesses**
- **Rural Communities**

**Innovative Technologies Beyond 2020**

- Electric charging and hydrogen/renewable fuel infrastructure
- In-state production of low carbon fuels
- Additional Investment Concepts*
  - Zero-emission cars and transit buses
  - Zero/near zero emission trucks and freight equipment
  - Passenger efficiency (IT solutions, etc)
  - Freight efficiency (connected vehicles, collaborative logistics, etc)

* Beyond continuous appropriations
Investment Concepts

Energy efficiency

Low carbon water system

Residential woodsmoke reduction

Renewable energy generation

Low-global warming potential refrigerants

Carbon capture and sequestration

Energy Efficiency and Clean Energy

Natural Resources and Waste Diversion

Waste Diversion

Land management and restoration to sequester carbon

Anaerobic digestion and composting

Conservation easements on natural and working lands

Urban forestry

Healthy soils practices

Waste-to-fuel (from dairies, biomass, landfills)
ARB Funding Guidelines

Statutory requirements for greenhouse gas reductions, co-benefits, disadvantaged communities, and reporting

Funding guidelines – principles, disadvantaged community investments, quantification, transparency, accountability

Administering agency program guidelines & procedures, solicitations, and implementation

Next Steps

Deadlines to Submit Public Comments

- **Aug 14:** ARB Funding Guidelines
- **Sep 1:** Second Investment Plan Concept Paper

Upcoming Milestones

- **Aug 3-13:** Public Workshops
- **Sep 24-25:** Hearing-ARB Funding Guidelines
- **Late Fall:** Hearing-Administration Investment Plan
- **Jan 2016:** Investment Plan to Legislature
Contact the Agencies

- Visit: [www.arb.ca.gov/auctionproceeds](http://www.arb.ca.gov/auctionproceeds)
  - Central portal to connect to all agencies’ programs
  - Submit comments electronically
  - Subscribe to listserv and see upcoming events
- Email: GGRFPProgram@arb.ca.gov
- Questions:
  - Investment Plan: Shelby Livingston, 916-324-0934
  - Funding Guidelines: Matthew Botill, 916-324-2828