



# Air Resources Board

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**Matthew Rodriguez**  
Secretary for  
Environmental Protection

**Mary D. Nichols, Chair**  
1001 I Street • P.O. Box 2815  
Sacramento, California 95812 • [www.arb.ca.gov](http://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 Report<sup>1</sup>.

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<sup>1</sup> 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](mailto: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  
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The Honorable Anthony Cannella  
California State Senate  
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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  
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The Honorable Ricardo Lara  
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The Honorable Connie M. Leyva  
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cc: (continued)

The Honorable Katcho Achadjian  
California State Assembly  
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The Honorable Joaquin Arambula  
California State Assembly  
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The Honorable Catharine B. Baker  
California State Assembly  
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The Honorable Brian W. Jones  
California State Assembly  
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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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The Honorable Adam C. Gray  
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cc: (continued)

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Chief Consultant  
Senate Transportation and Housing Committee  
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Office of Assembly Speaker Anthony Rendon  
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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

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California Department of Forestry and  
Fire Protection

Scott Smithline, Director  
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Ms. Jennifer Gress, Ph.D.  
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