

June 26, 2015

Chairman Mary D. Nichols and Executive Officer Richard Corey  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

Dear Chairman Nichols and Executive Officer Corey:

The Alliance of Regional Collaboratives for Climate Adaptation (ARCCA) welcomes the opportunity to provide comments on the current draft ***Auction Proceeds Funding Guidelines***.

ARCCA is a network comprised of existing regional collaboratives from across California. ARCCA's members represent leading regional collaboratives that are already coordinating and supporting climate adaptation efforts in their own regions in order to enhance public health, protect natural systems, build economies, and improve quality of life. Through ARCCA, member regional collaboratives have come together to amplify and solidify their individual efforts, as well as to give a stronger voice to regionalism at the state and federal levels. ARCCA members share information among regions on best practices and lessons learned; identify each region's most innovative and successful strategies; and then determine how these strategies could be adapted to another region's particular needs. As a result, ARCCA bolsters the efforts of member regional collaboratives and empowers those interested in forging new regional partnerships.

California has been tremendously successful in developing and executing mitigation strategies to respond to the challenge of climate change. In recent months, the urgency and opportunity of addressing climate change through accelerated mitigation and adaptation activities have become even more clear, as Governor Brown outlined in his recent Executive Order (B-30-15).

We are grateful to see the administration's key principles and concepts reflected in the current draft, especially those related to climate impacts and resiliency. We are also very appreciative that the guidelines recognize the importance of coordination with local governments. It is clear to us that ARB is listening closely, learning from the experience of the first year of GGRF funding and working to provide guidance that helps the state and local participants realize the full intent of the program. As we look to accelerate our greenhouse gas reductions across the state, we know you are aware that local government has a critical role to play but are challenged to respond. To realize success, we want to see the GGRF program - within the limits allowed - empower local communities to implement investments that strengthen the state's overall economic, environmental, and social resilience. Within this context, we offer a few broad comments that might strengthen the ability of local governments to participate in the program and meet our shared goals.

We are really enthusiastic to see ARB providing guidance on coordination and leveraging of funds across agencies, as this reflects an awareness of the challenges local participants face in responding to complex programs across multiple agencies. If allowable, this guidance could provide additional clarity on ways for agencies to align and coordinate funding so as to streamline the process for participants and enable projects with the most significant greenhouse gas savings to be pursued. Further coordination might be enabled in a number of ways (e.g. a common application, pooled funding, local government input on methods, and processes), and there are a number of sections of the guidelines in addition to the core section on page 21 in which elevated coordination could be considered (e.g. P8 Agency Coordination, P18 Application Support, Method Development Process, and Review and Update of Methods, P22 - Transparency of Application process and outcomes). One approach for your consideration would be to create a performance based local innovation fund that could draw from multiple agency programs, meet shared and statutory goals, but allow local governments to do the innovative, integrated projects that ultimately achieve deeper savings in a more comprehensive, but ultimately easier structure.

Beyond coordination of the funding itself, local technical capacity to participate in the program - especially for the disadvantaged and underserved communities who are a primary target of the program - is an important factor in program participation. As you have heard throughout the past year, and we certainly have heard from our membership - the capacity to participate in the GGRF program is not equally distributed across California's communities. To fully realize the goals of the program in the long-term, we need to close this capacity gap. As a step in this direction, we encourage ARB to consider more substantive guidance on technical assistance processes so that agencies enable a wider population of communities to participate in this important program. For example, ARB could provide more details on outreach approaches that provide more direct support for participants to develop suitable projects. In addition, ARB should require administering agencies to track and report on unsuccessful applications, as well as awarded ones, so the state can identify and respond to regional or programmatic capacity gaps. Such guidance is necessary to create consistent and comparable baseline data across all agencies and programs and might be enhanced in a number of sections of these guidelines (e.g. P18 - Technical Assistance to Applicants, and Application Support, P22 - Accountability to Overall Goals and Equity Concerns, p24 - Outreach and access for disadvantaged communities).

So that agencies and ARB can support and be consistent with the guidance in E-30-15 that "state agencies shall take climate change into account in their planning and investment decisions, and employ full life-cycle cost accounting to evaluate and compare infrastructure investments and alternatives," we want to highlight a couple of questions about how climate impacts are considered through GGRF. First, we request that ARB expedite the development of methodologies for quantifying co-benefits, since such co-benefits will enable the state to achieve multiple goals with these programmatic dollars. Secondly, we want to comment at this stage that consideration of climate impacts may not be strictly a co-benefit (as indicated in this draft), but may relate directly to achievement of GHG reductions because some climate impacts on some projects could

directly impact long-term GHG reductions (e.g. flooding of a housing project). In light of this, we encourage ARB to explore quantification methods for climate impacts where they might directly affect GHG reductions distinctly from quantifications of climate impacts as co-benefits generally. Such an approach would represent a risk management strategy for ensuring funded reductions are realized and would ensure consistency of this statewide program with the Governor’s direction as outlined in his Executive Order.

We hope these comments are helpful to your efforts, and welcome the opportunity to provide additional clarification or support development of specific language as desired.

Sincerely,



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