

July 26, 2024

California Climate Investments
California Air Resources Board (CARB)
1001 I Street
Sacramento, CA, 95814



RE: California Climate and Energy Collaborative (CCEC) Comments on the Draft Funding Guidelines for Agencies that Administer California Climate Investment

Dear CARB Leadership and California Climate Initiative Staff,

The California Climate and Energy Collaborative (CCEC) welcomes the opportunity to provide comments in response to the [DRAFT Funding Guidelines for Agencies that Administer California Climate Investment](#) (Funding Guidelines). Our key recommendations encourage California Climate Investment (CCI) administrators to take advantage of its strategic position and these Funding Guidelines to streamline processes for applicants and coordinate among 20+ agencies to reduce excessive engagement and application burden on local and tribal communities. Specific recommendations detailed in this letter fall under three categories:

- ***Encourage Streamlined (Not Necessarily More) Community & Tribal Engagement and Technical Assistance***
- ***Empower Communities by Addressing Application Burden and Processes***
- ***Pilot Approaches to Transform Funding Deployment for CA Communities***

With over 100 programs under its umbrella, CCEC believes the CCI program is the most scalable opportunity to deliver much needed relief to applicants across local and tribal communities.

Introduction

[CCEC](#) is a program of CivicWell that supports California local governments and their partners in their efforts to save energy, reduce greenhouse gas emissions, and accelerate climate action by building knowledge and networks amongst practitioners. The CCEC network consists of thousands of practitioners working to mitigate place-based emissions to help communities avoid the worst impacts of climate change. We believe that cities, counties, special districts, regional municipal organizations, and local energy-focused consortiums like Regional Energy Networks (RENs) and Community Choice Aggregation (CCA) programs - and their community partners - are in a key and irreplaceable position to continue pushing California towards a carbon neutral and climate-stable future.

CCEC recognizes CARB as a global leader in proactive climate mitigation policy and applauds its considerable efforts to update the Funding Guidelines. We also recognize that Californians are exceptionally fortunate to have a sustainably-funded CCI program, which serves as a nation-leading model to meaningfully accelerate California's efforts to mitigate emissions while elevating priorities related to equity, and environmental justice for segments of California communities most in need.

Our network shares the State's desire to foster effective, on-the-ground implementation of equitable climate solutions in coordination with communities throughout California, as demonstrated in our recent [Annual Forum](#) where over 420 attendees gathered around the theme "Collective Innovation: Cultivating Collaboration for Equitable Climate Action."

CCEC is increasingly developing ways to foster better two-way communication between State and local agencies to better reach mutual energy and climate goals, and welcome greater collaboration with the State. In the past year we have operated the [State and Local Energy and Climate Coordination](#) (SLECC) meetings with participation across roughly one hundred local governments and six State agencies, including CARB. We greatly appreciate that CARB solicited public input at the workshop on July 11, where we shared high level remarks. CARB staff subsequently met with SLECC representatives. We follow that meeting by providing this comment letter in response to the public participation solicitation question: "What are the critical missing details, clarifications, or gaps that need to be addressed?" as it relates to the CCI applicant experience.

Recommendations

Funding access has been a top priority of the CCEC network over the last several years. In just the last week, our network has been hit with unfortunate news including rejection of all but one CA application for EPA Climate Pollution Reduction Implementation Grant awards, post-application cancellation of a state Adaptation Grant, and an error which canceled filings for Elective Pay Tax Credits. To our network, these experiences signal a pervasive disregard for massive investment of limited community capacity that goes into the pursuit of funding, and commands urgent attention and relief from public funding agencies.

The recently published [Better Funding](#) report, produced by Prosper Sustainably with support and guidance from several organizations, including CCEC, explores how State and federal agencies can "better" engage and fund CA local and tribal climate needs. It synthesizes and catalogs themes gathered through years of active input generously given by community serving practitioners, including local and tribal governments and those that work with them. Over 70 suggested ideas cover different stages of the grantmaking process and range from basic to bold, such as streamlining program design engagement, simplifying applications, and options for more effective technical assistance. This report was recently cited by the Strategic Growth Council in its recent [Priority 3 on Housing, Climate, and Equity Progress Report](#) related to its interagency goal to decrease burdens on applicants for State funds. It was also submitted in response to CCI's 5th Triennial Investment Plan, which subsequently didn't move forward.

We are pleased to see some consistency with Better Funding in the types of recommendations that are presented in the Funding Guidelines. If implemented by CCI and its participating agencies, these ideas can significantly reduce the crippling burden on communities of accessing dollars, thereby leaving more capacity to accelerate climate action on the ground. Below we provide specific recommendations for ways the CCI Funding Guidelines can take a more actionable approach to addressing engagement and application burden.

Encourage Streamlined (Not Necessarily More) Community & Tribal Engagement and Technical Assistance

We appreciate the attention given to community engagement during funding program design and solicitation, and the more detailed recommendations for Tribes. We caution against assuming more engagement is always better. Given CCI's scale of funding and volume of programs and agencies, there is an opportunity for CCI to provide more leadership in streamlining engagement and technical assistance for local and tribal communities or to use the information generously offered by participants for more than a single solicitation.

The Better Funding report provides a series of ideas for how to improve pre-application engagement (page 11) and solicitation awareness (page 17). In particular we feel that the following improvements to engagement are high priorities for communities:

- More specificity is encouraged for the following recommendations (P. 34-36)
 - "Administering agencies are responsible for engaging with the public on program documents, including guidelines and solicitation materials. At a minimum, administering agencies should post draft program documents for public review and comment with ample time that is reflective of the length of the document(s) or the extent of proposed changes."
 - In Better Funding, we suggest:
 - "Avoid comments periods less than 60 days and holiday deadlines"
 - "If revising a recurring program, seek to get feedback from past applicants or awardees, as well as those that started the process (e.g. Notice of Intent) but didn't ultimately submit an application." This is in line with the process already being led by various state agencies, namely SGC who is leading Catalyst Model: Iterative and Inclusive Program Design through the Catalyst Model as well as CARB which debriefed with applicants to the Sustainable Transportation Equity Program.
 - "Conduct outreach and community engagement that improves accessibility for community members" and "such as "Avoid undue burden to potential applicants by engaging with existing and emerging resources."
 - In Better Funding, we suggest:
 - "Streamline and sustain ongoing (not one-way transactional) engagement relationships with the key organizations across regions and State agencies. Regularly assess, accumulate, and archive needs and knowledge provided, including help to scope out regional "wish list" of projects."
 - "Solicit feedback on eligible activities as well as funding deployment approach and application process."
 - "To the extent possible, provide recurring solicitations on a regular schedule to allow local and tribal governments to predictably manage staff time. Regular, recurring awards are what truly build capacity (otherwise hiring is a liability)."
 - "Provide program-specific technical assistance or partner with a third-party entity that can provide technical assistance to potential applicants, including community

organizations and local governments, to develop projects and provide application assistance.”

- In Better Funding, we suggest:
 - “Direct dollars towards regional technical assistance providers for project scoping, analyses, and grant TA where possible, which already have the proximity, local knowledge, and relationships to best serve local needs and encourage collaboration. TA providers can support multiple applications over multiple years.”
- Many of the recommendations for Tribes on page 49 would be effective for all communities.
- In general, recommendations represent a light touch with little means to actualize or enforce these good intentions. For example, on page 30 it is only strongly recommended that CCI funding agencies “conduct public outreach and encourage community engagement, particularly for priority populations.” We recognize that existing statute drives CCI requirements.
- Outside of changing recommendations to requirements, ways to make these recommendations more actionable include:
 - In the “Initial consultation” add the question: “How the program will seek to streamline outreach/engagement and reduce application burden?”
 - In Better Funding, we suggest:
 - “Convene a cross-agency working group to identify barriers and determine best practices in assistance program design to increase accessibility, equity, and outcomes (e.g. eligibility, cost share, set asides, program periods, recurring funding cycles, standardized application processes, etc). Consider developing a funding best practice protocol or guide.”
 - CCI should consider requiring participation in a working group or interagency education opportunities, and as well as reporting on engagement strategies that encourage accessibility and streamlined participation. As you consider ways to help move CCI funded agencies towards funding accessibility, please reach out if we can assist by either attending your interagency meetings or inviting you to our convenings.
 - Coordination and collaboration with partners. In particular we invite CCI to take advantage of existing channels to engage, such as the SLECC meetings, which we are identifying resources to bring into on-site regional workshops this year on the topic of funding access. The SGC Priority 3 progress report also cited CCEC’s SLECC meetings as a useful vehicle for streamlining state and local meaningful engagement. We’d appreciate your participation in those conversations with key community stakeholders, which are often focused on funding accessibility.

Empower Communities by Addressing Application Burden and Processes

The proliferation of technical assistance is symptomatic of the real problem, which is that most competitive grants are simply far too complex and burdensome, especially for the disadvantaged or underresourced communities CCI aims to serve. CCI administrators, as stewards of billions of dollars a year in cap and trade revenue, are uniquely positioned to more strongly advance reforms in

funding deployment that can offer access and relief to communities. While there are many useful recommendations on engagement in the Funding Guidelines, there are few specific or actionable recommendations related to reducing application burden. Again, these few recommendations represent a light touch with little means to actualize or enforce these good intentions. It is clear that CCI programs are subject to many statutory constraints, and agencies are unlikely to respond well to more requirements. However, the same agencies have been piling on requirements on applicants for decades. A few requirements on agencies using CCI dollars to simplify applications could go a long way in preserving community capacity for climate action rather than competitive applications that often leave communities worse off for having applied.

- In Better Funding, we provide ideas for ways to improve application and administrative requirements (page 24-28). In particular we feel that the following improvements to engagement are high priorities for communities:
 - “Avoid additional requirements for extensive unfunded planning work (e.g. collaborative community governance or community strength plan), and instead require if awarded.”
 - “If a Notice of Intent or Pre-application is requested of applicants, simplify it to request just enough information for agencies to determine whether the applicant should proceed with an application. Don’t hide full application requirements during this stage.”
 - A similar process was previously led by DOE for the GRIP grant which required a short NOI and offered a “encourage” or “discourage” response. A similar process could be useful in identifying the necessary, or relevant, types of targeted technical assistance.
 - “Provide guidance for how to streamline compliance with CEQA, NEPA, Buy American, Davis Bacon, and historic preservation requirements”
 - CCI should reconsider, where possible, increasing application complexity or burden, such as workforce development requirements like prevailing wage which may deter applicants.
 - “Track recent grant applications to identify unfunded, already scoped projects that may make good candidates for other funding sources. Share unfunded projects across agencies to identify possible sources.”
 - CCI administrators could centrally collect and aggregate unawarded applications across all 100+ CCI-funded programs.
 - “Hire a user experience consultant to review, simplify and streamline State or federal application processes from the applicant’s perspective. This may allow fewer dollars to be spent on technical assistance for overly complex processes.”
 - CCI administrators could offer this as a service to CCI funding agencies, rather than a requirement.
 - “Develop a single cross-agency application portal with profiles for local and Tribal governments to standardize and store core application and T&C information across agencies so it doesn’t have to be reevaluated or repeated”
 - “Develop database of all CA applicants and awardees for climate and energy programs (this would be easier if there was a single application portal (Idea 47)). Use database to reach out for application and program feedback”

- “Develop a single, streamlined “common” application process that allows communities to submit a single project to be considered for funding across groupings of multiple applications within an issue area”
- “Track application burden (\$ cost to apply) as a program outcome metric”
- Again: “Convene a cross-agency working group to identify barriers and determine best practices in assistance program design to increase accessibility, equity, and outcomes (e.g. eligibility, cost share, set asides, program periods, recurring funding cycles, standardized application processes, etc). Consider developing a funding best practice protocol or guide.”
 - CCI should consider requiring participation in a working group or interagency education opportunities, and as well as reporting on engagement strategies that encourage accessibility and streamlined participation. As you consider ways to help move CCI funded agencies towards funding accessibility, please reach out if we can assist by either attending your interagency meetings or inviting you to our convenings.
- Again, in the “Initial consultation” add the question: “How the program will seek to streamline outreach/engagement and reduce application burden?”
- The effort to reduce burden associated with reporting is appreciated, and we’d like to see more emphasis on ensuring efficient reporting processes flow down to awardees. The Better Funding report provides a series of ideas for how to improve post-award processes (page 28-29).

Pilot Approaches to Transform Funding Deployment for CA Communities

CARB appears interested in using its strategic position to deploy funding in a more centralized and coordinated way, as demonstrated in the quoted Funding Guideline text below. But the guidelines don’t substantially move the State in that direction as much as they could.

- *“Coordinate investments and leverage funds where possible to provide multiple benefits and to maximize benefits.”*
- *“As administering agencies design programs and select projects to facilitate GHG emissions reductions, they should focus on projects that: Support priority populations in removing barriers and accessing funds to achieve GHG emissions reductions”*
- *“Identifying funding opportunities for outreach, planning and technical assistance that can help communities build their capacity, plan projects, and submit applications.”*
- *“Provide program-specific technical assistance or partner with a third-party entity that can provide technical assistance to potential applicants, including community organizations and local governments, to develop projects and provide application assistance.”*

While there are many ways to improve traditional engagement and funding vehicles, CCEC suggests that State and federal agencies must do more than modify traditional programs. To unlock local and tribal potential at the scale and speed needed, and with minimal burden, the Better Funding report proposes piloting a new, potentially ideal approach to funding deployment. This approach pairs a State-led funding pipeline for local and tribal projects (Investible Climate Communities) with regional-based engagement and project scoping support (California Regional Energy and Climate Hubs (REACH)) (see details on page 30 of Better Funding). A broad interpretation of CCI’s program implementation structure could allow for a “first come, first serve” funding selection process. A

lasting, two-way body like REACH, which would convene the State with key climate stakeholders, would streamline an otherwise chaotic landscape of engagement across multiple agencies and topic areas that absorbs too much limited capacity at the State and local level.

Our strongest recommendation is to identify opportunities to fund pilots that can test and demonstrate a scalable approach to improving engagement and funding accessibility for communities across the state. CCEC and our partners are very happy to work with you to consider possible pathways forward.

In conclusion, local governments and other community-serving organizations can serve as the State's best partners in achieving the climate action and equity goals, *if we can get the right investments to the right places*. Greater collaboration between the State and locals can unlock vast untapped potential to lower emissions and increase climate resilience at the local level.

Thank you for the opportunity to review the Funding Guidelines and relay comments from our statewide network. We greatly appreciate your time in considering our comments and recommendations and welcome further discussion. We also recognize, under current budgetary conditions, there is a great deal of pressure on CCI, and the work to oversee and attempt uniformity in 100+ programs is incredibly difficult. We remain committed to helping our network take advantage of the benefits CCI offers, and look forward to working in partnership with CARB leadership and staff to identify opportunities to deploy climate dollars as effectively and efficiently as possible for both agencies and applicants. Please do not hesitate to reach out to Angie Hacker at ahacker@civicwell.org if you have any questions.

Respectfully submitted by Angie Hacker, CCEC's Statewide Best Practices Coordinator, on behalf of the California Climate and Energy Collaborative (CCEC).