

**From:** Evan Edgar [mailto:Evan@edgarinc.org]

**Sent:** Sunday, March 22, 2015 1:55 PM

**To:** GHGReductions; Grants

**Cc:** Neil Edgar

**Subject:** E Edgar -Edgar Assoc - - DAC Allocation - Support SB 535 - Consideration of other non-DCA and non-rural projects

CalRecycle:

As mentioned during the Grant Workshop on Thursday March 19, there is strong support for SB 535 allocation of grant funding using cap-and-trade revenues from all parties. All of my clients support the goals of SB 535.

- 10% direct in the DCA
- 25% that benefit the DCA community.

Reviewing Cycle 1 awards, the projects selected had 100% DCA benefits to the community – far exceeding SB 535. CalRecycle should be lauded to support an aggressive SB 535 implementation with a point system that allows 10 of 100 points for DCA which was the tipping point on awarding projects.

Cycle 2 scoring criteria ups the DCA points from 10/100 to 15/100 after a carve out of \$2 million for rural communities, leaving \$13 million in the new DCA scoring for the non-rural allocation. Using the remaining project applicants and scores from Cycle 1 as a guide, it appears that DCA will get all of the \$13 million with a 87% DCA benefit allocation, where the rurals will get 13% benefit allocation. Once again, DCA benefits for Cycle 2 will far exceed SB 535 allocation.

There are many shovel-ready compost/AD projects ready in the other areas that are not DCA or rural that will not realize CalRecycle grant opportunities with the current scoring criteria. These projects will mostly not re-apply for Cycle 2, choosing not to spend thousands of dollars without the hope of a grant since they are not DCA or rural. However, there remains a demand that may not be demonstrated in Cycle 2 as these project will not re-apply.

If CalRecycle wants to far exceed SB 535 goals with the current and proposed scoring criteria, CalRecycle should realize that valid projects from Cycle 1 and new projects will choose not to re-apply even though the demand remains. There should be a mechanism to capture that demand.

Please consider these our comments by the March 26, 2014 deadline.



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**From:** Evan Edgar [mailto:Evan@edgarinc.org]  
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**To:** GHGReductions; Grants  
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**Subject:** E Edgar -Edgar Assoc - - Limit State Grant Stacking

CalRecycle:

As mentioned during the Grant Workshop on Thursday March 19, CalRecycle should limit “state grant stacking”. CEC has been awarding large state grants of over \$3 million to mostly valid projects where some are operating by now. Some have not been deployed and returned the grant dollars. CalRecycle just awarded \$3 to many valid projects. Reviewing CalRecycle Cycle 1 awards, the number 1 and number 2 awardees already have received large CEC grants. This is considered “state grant stacking”. From the way the CalRecycle scoring is being continued on for Cycle 2, these same projects with future phases would continue to score high on grants and will continue to receive grants for future phases, or bank those grant to fund the project.

Grant money as “seed money” to start a project is important. Many new projects such as Blue Line Biogenic Energy Facility and the City of Napa Anaerobic Digestion Facility would never had occurred without the initial seed grant money from CEC. There are many other shovel-ready compost/AD projects that also need that initial seed money to get started, and future grants should be reserved to new grant application that have not receive past state funding (say over \$2 million from a state agency).

Projects that has received state grant funding have demonstrated high scores based on DCA or other attributes that fund the initial infrastructure such as on-site and off-site improvements for offices, pre-processing equipment, scales, and access. Future phases at the same facility with grant funding can demonstrate even higher financial points since some of the fixed costs have already been discounted with previous state grants. As more state grants are stacked or banked, more points are achieved, and more grants are received for the same facility. There are many shovel-ready valid applicants without previous state grants deserve an opportunity to obtain that initiate seed money and initiate project development.

Eligible projects should be limited to applications that have not receive other state grants of over \$2 million for the initial project or for future phases of a project within the same facility footprint.

Please consider these our comments by the March 26, 2014 deadline.



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