

Project Narrative Proposal

RECYCLED FIBER, PLASTIC, AND GLASS PROJECTS

The Project Narrative Proposal for Recycled Fiber, Plastic, and Glass Projects document is used to describe the details of your proposed project. The response size for each section is limited to 4,000 characters and cannot be expanded.

Each section of this form must have a response. Ensure your narrative responses are concise, detailed, and most importantly, address each of the criteria below. Make sure information presented in your narrative responses is consistent with work activities in your Work Plan and line items in your Budget.

APPLICANT NAME:

PROJECT SUMMARY

Provide a brief summary of the proposed project, including the following:

- Your company or entity and its role in the solid waste diversion efforts of your community.
- Identify collection programs and facilities integral to the project and their role in diverting currently landfilled material to a manufacturing facility. Account for yield losses in processing and manufacturing by specifying the number of diverted tons entering and exiting each facility.
- Explain how the project will reduce Greenhouse Gas (GHG) emissions and further the purposes of the California Global Warming Solutions Act (AB 32).
- Explain the major steps and equipment in your project.
- Describe the intermediate product (for processors) or finished product (for manufacturers) that will be produced from diverted feedstock.
- Identify all parties involved and their relationship to the project.
- Identify if the project meets the criteria for providing direct, meaningful, and assured benefits to one or more disadvantaged communities. (See DAC section below and the *Application Guidelines and Instructions* (CalRecycle 839-GHG).)

NET TONS OF NEWLY DIVERTED MATERIAL FROM LANDFILLS

- ✓ **Label all supporting documents for this section Exhibit #1**
- ✓ This is part of the loan Scoring Criteria (CalRecycle 831-GHG).
- ✓ Complete the following forms to support your response:
 - Tons of Newly Diverted Material From Landfills (CalRecycle 834)
 - Material Flow Charts – Baseline and Projected (CalRecycle 857-GHG)
 - Feedstock Certification (CalRecycle 859-GHG)

Explain how the proposed project will use California-generated, *newly diverted* fiber, plastic, or glass to manufacture new products or packaging in California. For purposes of this program, “Newly diverted” means the tons of materials that are currently being landfilled that will instead be diverted as a result of this project. It does not include tons of material already being collected for recycling, or potential diversion accomplished by substituting a frequently recycled material (such as PET) for one that is seldom recycled (such as PVC).

1. What types of materials will be handled? Explain the specific type(s) of recycled fiber, plastic or glass that will be diverted from a landfill and used as manufacturing feedstock. For example, polypropylene (PP) containers, mixed plastics, glass wine bottles, nylon-based carpet, fiber recovered from material recovery facility (MRF) residuals, etc. State whether the materials will be source-separated or sorted at a MRF or transfer station.
2. How many tons of newly diverted fiber, plastic or glass material will be processed or used annually in manufacturing at full capacity? Indicate the landfills where these materials are currently being disposed. What is the projected timeline for the project to be operating at full capacity, as shown in the Work Plan (CalRecycle 835) section below? Calculate the tons per loan dollar spent. For example, a \$120,000 loan award diverting 10,000 tons over the life of the project would have a cost of \$12 per ton.
3. Calculate the percentage of yield loss (the difference between tons of recycled feedstock purchased versus tons actually processed and used to make new products) and describe what happens to the yield loss material (e.g., landfilled, sold, returned to system, etc.). Note: projects must result in *new* diversion from landfills, beyond that which the processor was already diverting.
4. Where are the jurisdictions of origin for the materials? Name the jurisdictions, haulers and type of collection program. Is a contract for collection or delivery of these materials in place? Provide documentation from your waste generator or hauler that guarantees an adequate amount of feedstock will be provided by the time the project is operational to achieve the tonnages stated for your project. This may include a signed supply contract, letter of intent, or other document indicating the amount and date of availability. *Use Feedstock Certification form (CalRecycle 859-GHG) to support your response.*
5. Explain in detail how you will verify that the extra tons of recycled feedstock were in fact manufactured into new products in California once the project is operating. Explain how you will verify that the recycled feedstock had previously been destined for a landfill.
6. Explain how the proposed project will address any feedstock contamination and product quality issues to ensure the product meets market quality standards. Explain how you will manage residual contaminants that are either removed in a pre-processing step or remain after processing is completed. Note, projects must result in new diversion from landfills, i.e., beyond that which the pre-processor was already diverting.
7. Provide supporting details to help explain the Material Flow Charts (Baseline) for the project. Document where all feedstock originate and the fate of all final products or byproducts. This includes documenting and quantifying material tonnage in net tons per year (TPY), disposal

to landfill, types of materials, and business entities involved in the project. Specifically include all phases of the project's material flow process, such as washing, shredding, extrusion, etc. The description here must match the *Baseline and Projected Flow Charts* submitted with your application. Use form *Material Flow Charts – Baseline and Projected Recycled Fiber, Plastic, and Glass Material (CalRecycle 857-GHG)* to support your response to this section.

8. Provide supporting details to help explain the Material Flow Charts (Projected) for the project. Document where all feedstock originate and the fate of all final products or byproducts. This includes documenting and quantifying material tonnage TPY, disposal to landfill, types of materials, and business entities involved in the project. Specifically include all phases of the project's material flow process, such as washing, shredding, extrusion, etc. The description here must match the *Baseline and Projected Flow Charts* submitted with your application (see the instructions and template examples contained in the *Material Flow Charts – Baseline and Projected (CalRecycle 857-GHG)* to support your response to this section.

GREENHOUSE GAS EMISSION REDUCTIONS

- ✓ **Label all supporting documents for this section Exhibit #2**
- ✓ This is part of the loan Scoring Criteria (CalRecycle 831-GHG).
- ✓ Complete and submit the following GHG calculator to support your response:
 - ARB FY 2015-16 Greenhouse Gas Emission Reduction [Calculator Tool](#).

Explain how the proposed project will result in a reduction of Greenhouse Gas (GHG) emissions compared to existing disposal of the materials at a landfill(s).

Use the following guidelines:

- You must calculate the projected net GHG emission reductions from your project in metric tons of CO₂ equivalents (MTCO₂e) using the Air Resources Board's (ARB) FY 2015-16 Draft Greenhouse Gas Quantification Methodology (QM) and accompanying [calculator tool](#).
- Using this calculator tool, complete the Recycling Manufacturing and GHG Summary Worksheets to calculate the GHG emissions reductions in MTCO₂e that will occur from your project: i) annually, ii) over the "project life" (as defined in the QM as 10 years), and iii) per loan dollars requested. Include those figures in the space below and attach the worksheets as supporting documentation.
- Specify how GHG emission reductions will continue to occur over the life of the project and beyond.
- This FY 2015-16 Draft QM and accompanying calculator will be used until ARB approves its final QM, at which time your GHG emission reduction calculations will be modified by CalRecycle in consultation with ARB, if necessary. CalRecycle will work closely with ARB staff to refine GHG emission reduction quantification methodologies and estimates to ensure that only projects with net GHG reductions are funded. If your project is incorporating technologies not represented in the QM then provide detailed GHG calculations and documentation.

You may attach additional pages to support this section.

Applicants that propose eligible projects that cannot be calculated using the calculator tool (e.g., manufacturing projects from a recycle material not included in the calculator), may propose the use of alternative GHG quantification methods. Applicants who intend to use alternative quantification methods must contact CalRecycle prior to submitting an application. CalRecycle, in consultation with ARB, will evaluate the proposed alternative method to ensure that 1) the proposed project is substantially outside of the scope of the calculator tool and warrants project-specific calculations; and 2) the proposed alternative method is appropriate and of sufficient quality. Enter the CalRecycle staff name in the box below that this was discussed with and attach your alternative methodology, calculations, and rationale.

BENEFITS TO DISADVANTAGED COMMUNITIES

- ✓ **Label all supporting documents for this section Exhibit #3**
- ✓ This is part of the loan Scoring Criteria (CalRecycle 831-GHG).
- ✓ Complete the following forms to support your response:
 - Benefits to Disadvantaged Communities (CalRecycle 826-GHG)

Disadvantaged communities are identified by CalEPA based on CalEnviroScreen 2.0 (October 31, 2014). Additional information on CalEnviroScreen and the identification of disadvantaged communities is available at: [CalEpa](#). Projects claiming to benefit one or more disadvantaged communities must meet the criteria developed by the Air Resources Board (ARB) for providing direct, meaningful, and assured benefits to a disadvantaged community AND demonstrate that the project meaningfully addresses an important community need.

First, determine if the project is located within a [disadvantaged community](#) census tract. Next, use the following criteria from Appendix 2.A of ARB's [Funding Guidelines](#) for Agencies that Administer California Climate Investments (December 21, 2016) (Funding Guidelines), to evaluate the project for providing direct, meaningful, and assured benefits to a disadvantaged community. Each criterion is independent; a project need only meet one criterion to qualify as providing benefits to one or more disadvantaged communities.

If the project is located within a disadvantaged community census tract, determine if the project meets one of the following criteria:

- A. Project provides incentives for a facility in a disadvantaged community and the project results in direct air or water quality benefits in the disadvantaged community; or
- B. Project provides incentives for an anaerobic digestion system (e.g., organic waste digester) that is located in a disadvantaged community; or
- C. Food rescue project is located in a disadvantaged community.

If the project is not located within a disadvantaged community census tract, identify whether the project meets one of the following criteria:

- A. The majority of waste processed in a digester/composting facility or diverted to a food rescue project is diverted from landfills located in a disadvantaged community; or
- B. Food rescue projects increase food access to disadvantaged community residents; or
- C. Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 25% of project work hours performed by residents of a disadvantaged community; or

- D. Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 10% of project work hours performed by residents of disadvantaged community participating in job training programs which lead to industry-recognized credentials or certifications

Projects that meet one of the above criteria must also meaningfully address an important community need. Community needs can be determined using a variety of approaches such as: looking at the factors in CalEnviroScreen that caused an area to be defined as a disadvantaged community; hosting community meetings to get local input; referring to the list of common needs in Table 2-2 of ARB's Funding Guidelines; or receiving documentation of community support (e.g. letters or emails).

Projects claiming to provide a benefit to a disadvantaged community will need to provide supporting documentation demonstrating how the project meets the above criteria. Borrowers will need to report on how the project benefits have addressed the identified community need.

1. Explain how your project will benefit disadvantaged communities. See above

2. Which disadvantaged communities will benefit?

You can answer this question in:

- Benefits to Disadvantaged Communities (CalRecycle 826-GHG)*

3. Explain economic and social benefits that will be provided to these communities. If your project will create construction or permanent jobs in disadvantaged communities, indicate how many jobs, total project work hours, job classifications/trade, approximate salaries and benefits for each job classification and trade, and how long these jobs will last. Indicate which jobs will be performed by residents of a disadvantaged community and associated jobs classification/trade. Provide information on job training programs for disadvantaged community residents which lead to industry-recognized credentials or certifications, and the census tract where these job training recipients are located. Identify the job training programs and credentials or certifications. Add all relevant information that was used to determine the created job projection for this project.

4. Explain how your project will provide direct air and water quality benefits in the disadvantaged community. Where possible, quantify these air and water quality benefits (i.e. reductions in criteria air pollutants or water constituents of concern). Do not describe greenhouse gas reductions. If you are claiming reductions in Clean Air Act criteria air pollutants, indicate which pollutants, estimate or specify the amount of reductions, and explain how these reductions were estimated or quantified.

5. Explain any other benefits of the project that will accrue to the community, such as reduced heavy duty diesel truck traffic in the community.

6. Describe how the project will meet community needs. Community needs can be determined using a variety of approaches such as: looking at the factors in CalEnviroScreen that caused an area to be defined as a disadvantaged community; hosting community meetings to get local input; referring to the list of common needs in Table 2-2 of ARB's Funding Guidelines; or providing documentation of community support (e.g. letters or emails)..

Letter(s) of Support are attached to this Project Narrative Proposal – Recycled Fiber, Plastic, and Glass Project (CalRecycle 827-GHG).

7. Document the public engagement process that has taken place, or will take place, as a result of this project. Include supporting information such as specific public outreach, public meetings and dates, canvassing efforts, and ways the public was informed about the impacts and benefits of the proposed project. Summarize the feedback received by the community and how concerns, if any, are being addressed.

PROJECT READINESS AND PERMITS

- ✓ **Label all supporting documents for this section Exhibit #4**
- ✓ This is not part of the loan Scoring Criteria (CalRecycle 831-GHG).
- ✓ Complete the following forms to support your response:
 - Project Readiness and Permits (CalRecycle 829)
 - General Checklist of Permits, Licenses, and Filings (CalRecycle 825)

CalRecycle 829 is attached to this Narrative.

Use the Project Readiness and Permits (CalRecycle 829) document to clearly and accurately describe the level of California Environmental Quality Act (CEQA) review required, the status of that review, as well as the status of all necessary permits, including the Conditional Use Permit, Air Permit, Water Permit and Solid Waste Facility Permit. If you are sending residuals or byproducts to (a) separate site(s), you must show that each of these sites may legally accept that material in those quantities. If your project requires expansion or amendment of existing permits, follow the same procedures.

General Checklist of Permits, Licenses and Filings (CalRecycle 825)

CalRecycle 825 is a required application document. CalRecycle staff will use this information to determine your permitting, construction, and start-up status.

General Checklist of Permits, Licenses and Filings (CalRecycle 825) is attached to this Project Narrative Proposal.

WORK PLAN

- ✓ **Label all supporting documents for this section Exhibit #5**
- ✓ This is not part of the loan Scoring Criteria (CalRecycle 831-GHG).
- ✓ Complete the following form to support your response:
 - *Work Plan (CalRecycle 835).*

Work Plan (CalRecycle 835) is attached to this Narrative.

Describe the Work Plan for your proposed project. Consider the guidelines below:

- Include a detailed Work Plan that clearly and concisely describes the tasks and activities required to achieve the goals/objectives in the proposed project narrative.
- Include major work items (e.g., permitting, site planning, engineering, construction, equipment, field supervision, health and safety requirements, testing, bonds, etc.).
- Demonstrate that all tasks are logical and achievable with available resources.
- Identify measurable targets that must be met to accomplish your project within the loan timeline, with specific dates for each target. Include a schedule that details the quantity of additional material processed until the project is operating at full capacity.
- The major tasks in your work plan should correlate with the major items in your budget.
- Demonstrate that the applicant (including its contractors) and cooperating organizations have sufficient staff resources, technical expertise, and experience to successfully complete the proposed project. Provide the resumes of key project personnel and contractors.

Use the space provided to answer this and summarize your major tasks in the required Work Plan (CalRecycle 835).

Resumes of key project personnel and contractors who will be executing tasks in the Work Plan must be attached to the application.

BUDGET

- ✓ **Label all supporting documents for this section Exhibit #6**
- ✓ This is not part of the loan Scoring Criteria (CalRecycle 831-GHG).
- ✓ Complete the following forms to support your response:
 - Budget Sources and Uses of Loan Funds (CalRecycle 824)
 - Collateral Description and Valuation (CalRecycle 836)

Provide a clear accounting of all sources that will fund the project and what the funds will be used for. Loan funds will be disbursed into an escrow account. The escrow company will direct pay the eligible loan expenses. Indicate all funding sources.

- Costs shall be itemized into categories as identified in the form.

- Attach all budget backup documentation including quotes, estimates, and equipment details.
- The major costs in the budget should correlate with the major tasks in your work plan.
- Major pieces of equipment in your budget should be discussed in your Work Plan and/or in the project narrative.

Budget Sources and Uses of Loan Funds (CalRecycle 824) is attached to this Project Narrative Proposal.

Collateral Description and Valuation (CalRecycle 836) is attached to this Project Narrative Proposal.

Is applicant also intending to apply for a CalRecycle grant for the same project?

Yes or No

1. Describe and quantify the source and amount of local, state, and federal funds, grants, other loans, and all other funding necessary to complete the proposed project (if applicable). Describe which activities these monies will fund.

2. Describe and quantify expenditures already incurred to initiate work on project, such as engineering, site preparation, infrastructure, utility hookups, permitting and environmental review.

3. If applicant is also applying for a grant, funding from the grant program must be used for separate project components than funding from the loan program and applicant must explain how funding from the two programs will work together, to ensure the project is not paid twice for the same expense or equipment.

AIR AND WATER QUALITY BENEFITS

✓ **Label all supporting documents for this section Exhibit #7**

✓ This is not part of the loan Scoring Criteria (CalRecycle 831-GHG).

1. If your project results in air (non-greenhouse gas (GHG)) and water quality benefits, please describe. Do not include GHG emission reductions in the explanation.

2. If the benefits are reduced emissions of air (non-greenhouse gas (GHG)) pollutants, their precursors or odors, provide an explanation of how the reductions will occur, and include a quantification or an estimate of emissions reductions for each criteria pollutant or precursor. Do not include GHG emission reductions in quantification.

3. If the benefits are long-term protection of ground or surface water quality, please explain how the waters will be protected and quantify or estimate the constituents of concern that will be reduced.