Project Narrative Proposal
ORGANICS PROJECTS

The Project Narrative Proposal for Organics 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 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 material currently being landfilled to a composting facility, anaerobic digestion facility, other related digestion or fermentation facility, or a food waste prevention program. Include tonnage amounts for each component. • Explain how the project would 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. • 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 ORGANIC MATERIAL COMPOSTED, DIGESTED, OR FOOD WASTE PREVENTED 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: o Tons of Newly Diverted Material From Landfills (CalRecycle 834) o Material Flow Charts – Baseline and Projected (CalRecycle 857-GHG) o Feedstock Certification (CalRecycle 859-GHG)
Explain how the proposed project will result in tons of green or food materials being composted, digested, or food waste diverted annually which are currently being generated in California and landfilled or used for alternative daily cover (ADC).

1. What types of materials will be handled? For example, commercial pre-consumer food, residential post-consumer food, source separated green materials, or organic residuals from a material recovery facility (MRF) or transfer station.

2. How many tons of additional material annually will be composted, digested, or prevented from becoming waste (estimate by material type for green material, food material, or alternative daily cover (ADC)? Indicate where these materials are currently being landfilled or used for ADC. 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. Where are the jurisdiction(s) 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.*

4. For a food waste prevention component of a project, include the amount of food rescued and distributed to people that results in tons of food waste avoided from landfilling. Include an estimate of any food waste residuals from the project and explanation on how the residuals will be managed without being sent to landfill when alternative residual management is available within the service area, e.g., composting, anaerobic digestion, or other digestion or fermentation processes. Describe and quantify any other food waste prevention (source reduction) activities associated with the project.

5. Explain in detail how you will verify that the extra tons of greenwaste or food waste were in fact composted or digested once the project is operating. Explain how you will verify the material had previously been destined for a landfill. Explain how you will verify that product from the project is not being landfilled or used for alternative daily cover (ADC).

6. If materials are to be digested, explain how much solid and liquid digestate will result and what will happen to each digestate product (i.e., is it to be landfilled, land applied, sent to sewer or composted), and where that will occur.

7. 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.

8. Preprocessors must provide proof of binding agreement with a California facility that is receiving the pre-processed feedstock to make compost, soil amendments, biofuels, or bioenergy. Attach binding agreements as supporting documentation.

9. 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 feedstock, tonnage in net tons per year (TPY), disposal to landfill, types of materials, and business entities involved in the project. The description here must match the *Baseline* and *Projected Flow Charts* submitted with your application. *Use form Material Flow Charts – Baseline and Projected Organic Material (CalRecycle 857-GHG) to support your response to this section.*

10. 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 in TPY, disposal to landfill, types of materials, and business entities involved in the project. 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 #2a.**
- ✓ 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 practices for the green or food 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 worksheet(s) related to your project, as well as the GHG summary worksheet, 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 the GHG 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 rational.

FOOD WASTE PREVENTION COMPONENT. <u>Label all supporting documents for this section Exhibit #2b.</u>

If applicable, describe the food waste prevention component of your project.

- State the amount of food that will be prevented from becoming waste.
- State the amount of food that will be rescued and distributed to people.
- For food waste prevention, explain how food waste will be measurably prevented, the amount, and the location of the landfill that will receive less food waste because of these food waste prevention activities.
- For food rescue, identify the sources of rescued food and locations where it will be distributed to people.
- Quantify the greenhouse gas (GHG) emission reductions associated with food waste prevention or rescue (refer to guidance in previous section).
    - Include the GHG emission reductions for the food waste prevention component portion of your project in the ARB FY 2015-16 GHG Emission Reduction Calculator.
- Clearly explain what will happen to any rescued food that is not distributed to people. For example, will it be composted, digested, fermented or landfilled?

Food waste prevention projects result in measurable reduction in food waste normally destined for a landfill. These project can prevent food waste through source reduction and/or edible food rescue. Food rescue must result in rescued food being distributed to people in a disadvantaged community with any food waste residuals from the project being sent to a compost, digestion, or fermentation facility when one is available within the food waste prevention project's service area.

Use the space provided to answer this; you may attach up to two additional pages.

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. 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. Disadvantaged community maps are available here. 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) available here, 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 and/or permanent jobs in disadvantaged communities, indicate how many jobs, total project work hours, job classification/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. If applicable, describe the food rescue aspect of your project, which will benefit a disadvantaged community. The food rescue aspect of a project is one that rescues edible food

from becoming waste normally destined for landfill disposal. The food rescue aspect shall result in rescued food being distributed to people in a disadvantaged community; any food waste residuals from the project must be sent to a compost, digestion, or fermentation facility when one is available within the food rescue projects service area. Include an explanation of the project, the amount of food that will be rescued as a result of the project, the associated amount of waste avoided, and greenhouse gas reductions achieved.

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

7. 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 – Organics Projects (CalRecycle 838-GHG).

8. 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, and permits for Air and Water Quality and Conditional Use and for Solid Waste Handling. If you are sending byproducts, such as digestate, 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. <u>Label all supporting documents for this section Exhibit #4</u>

Use worksheet General Checklist of Permits, Licenses, and Filings (CalRecycle 825) to support your response to this section. 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

- ✓ **<u>Label all supporting documents for this section Exhibit #5</u>**
- ✓ This is <u>not</u> 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 Project Narrative Proposal.

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. If renewable power or low-carbon fuels are to be produced, explain the process and how this energy will be utilized, and whether any electricity produced will be sold to the grid or used on site.
- 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, 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.
- 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 loan application.

BUDGET – SOURCES AND USES OF LOAN FUNDS

- ✓ **<u>Label all supporting documents for this section Exhibit #6</u>**
- ✓ This is <u>not</u> 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 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.