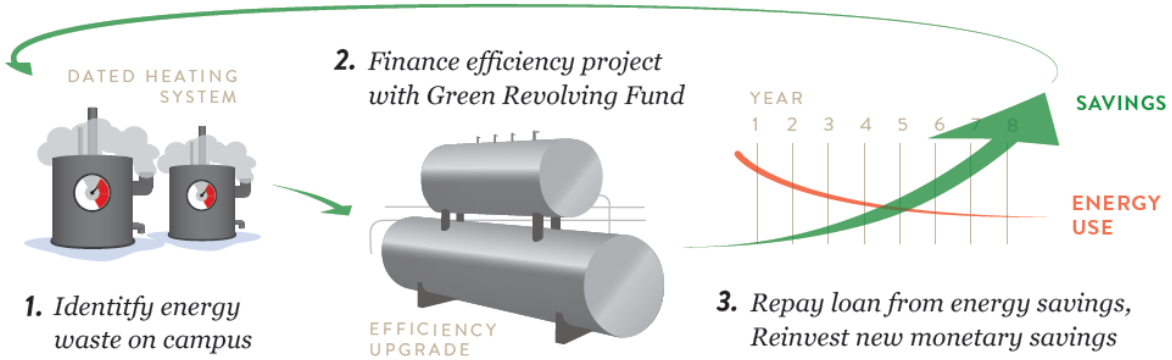
California State University, Los Angeles
Green Revolving Fund Charter

Mission

The Cal State LA Green Revolving Fund (GRF) is to financially support projects that promote energy efficiency, renewable energy, water conservation, waste reduction and other sustainability initiatives with a demonstrated return on investment.

Purpose

The Green Revolving Fund (GRF) is intended to empower all members of the Cal State LA community to contribute their ideas in a shared effort to create a more sustainable world. The process of project creation and implementation is further intended to provide valuable educational opportunities for students, in line with the educational mission of Cal State LA. The GRF will achieve these objectives by providing seed capital to invest in energy and sustainability projects that reduce utilities consumption and generate cost savings.



Source: Green Revolving Funds: A Guide to Implementation & Management, http://greenbillion.org/resources/

The seven goals of the Green Revolving Fund are to:

1) Empower students, faculty and staff by inviting project proposals from the entire campus community
2) Enable ongoing investments in renewable energy, alternative fuels, and energy efficiency that reduce the University's greenhouse gas (GHG) emissions

3) Prove the functionality and cost-effectiveness of sustainability measures that could then be implemented on a wider scale
4) Demonstrate and promote both the business and institutional value of sustainability with replicable sustainability projects
5) Serve as a leader for other institutions of higher education, community groups, non-profit organizations, businesses and governmental bodies
6) Exceed local, state and federal environmental regulation standards through funding innovative techniques and best-in-class sustainable practices.
7) Facilitate educational opportunities by using the campus as a living lab for projects related to sustainability

While the GRF is able to provide financial support for many types of projects, funding will typically target energy, water and waste reduction efforts due to their potential cost savings. Funding for projects may be used for any combination of the following:

1) Materials or products that constitute a utility conservation project
2) Professional work, installation, or design to improve facility operations
3) Research and testing or monitoring of campus equipment
4) Community education, outreach, and publicity

Cal State LA is committed to pushing boundaries by promoting sustainability ideals in campus operations and the daily life of members of the East Los Angeles community. The GRF will engage students, faculty, staff, and community members to bring about reductions in greenhouse gas (GHG) emissions and other sustainability initiatives in coordination with the greater academic mission of the University.

Fund Administration

The GRF was created through a $1 million allocation from the University's utilities budget and is administered by the Campus Sustainability Committee (CSC). The cost savings from sustainability projects will be returned to the University's utilities budget, allowing the University to maintain its commitment to a consistent $1 million GRF for future projects. Repayments to the GRF are made through transfer of funds from the University's utilities budget where the savings will be realized by reductions in utilities expenses.

Cal State LA's Campus Sustainability Committee (CSC), which includes students, faculty and staff, will be responsible for administering the Green Revolving Fund with a threefold purpose:

1) to advertise the Green Revolving Fund to the broader Cal State LA community
2) to assist applicants through the Proposed Project Plan process, and
3) to recommend projects for approval by the Vice President for Administration and CFO

The GRF approval process has five stages:

1) Applicants are to complete and submit the Green Revolving Fund (GRF) Application, along with any addendums, to the designated contact listed therein.
2) All completed proposals will be reviewed by the Campus Sustainability Committee during their regularly scheduled meetings as outlined in AP 428.
3) In evaluating proposals, the CSC may modify these proposals either by scale, implementation plan, or financial parameters before submitting their evaluation scores on the proposal.
4) Consensus should be achieved where possible, but decisions will otherwise be made by majority rule among CSC members.
5) The approved projects will come before the Vice President of Administration and CFO who will act as the final arbiter of which projects receives GRF funding.

Once the proposals have been reviewed and approved, funds are transferred to Facilities, Planning, Design and Construction's sustainability department for project implementation. Facilities, Planning, Design and Construction will request fund codes and project IDs to be assigned to each approved proposal for program management, performance measurement, and record keeping purposes.

The Sustainability Manager, with support of the project applicant, will have overall administration of the approved project. The Sustainability Manager will oversee project development and monitoring for the project life-cycle, and will develop progress reports to gauge performance measurement and cost savings. Any unused funds will be returned to the Revolving Fund.

Project Selection

A Green Revolving Fund Administration will be a subcommittee of the Campus Sustainability Committee (CSC) and will be responisble for the initial selection of GRF projects to implement. The GRF Administartion will score individual projects based on their potential to support the Green Revolving Fund's mission. The formula used to prioritize a project's selection is based on both quantitative and qualitative criteria.

The primary selection criteria is based on a simple payback formula:

Initial investment cost / Utility savings per year

Payback periods within the following ranges will receive the associated point values:

Simple Payback	**Points**
Less than 1 year	5
1-2 years	4
2-5 years	3
5-10 years	2
10-15 years	1

The secondary selection criteria is based on three qualitative considerations:

1) Academic integration/student involvement
2) Innovation
3) Social equity/community engagement

Each of the above qualitative considerations will be assigned a value between 1-10 from each member of the GRF Administration. The sum value for each qualitative consideration will then averaged among the GRF administartion, divided by 10 and added to the primary selection criteria, or simple payback formula.

Primary selection criteria	Secondary selection criteria		
Quantitative consideration	Qualitative considerations		
Simple Payback	Academic integration / Student involvement	Innovation	Social equity / Community engagement
= Initial investment cost / Utility savings per year	Average assigned value from GRF Administration		
6.8 years	4.4	1.4	5.4
Points			
2	**0.44**	**0.14**	**0.54**

In the example above the total points allocated to the project is the sum of the bottom row, or 3.12 points.

The Campus Sustainability Committee has fiscal responsibility and oversight over the Green Revolving Fund. No single project is to exceed $200,000, and should target a simple payback of 5 years or less.

Measuring Savings

All applications must include a business case which clearly outlines the objectives, costs, timeframes and deliverables for the proposed project. Estimates for upfront capital costs and ongoing utility cost savings can be estimated by the applicant, but need to be supported by evidence based metrics. Students are encouraged to consult with faculty and Facilities, Planning, Design and Construction staff, if appropriate, for suggestions regarding the design, implementation, cost and savings associated with their project proposal.



View of Cal State LA's solar installation on the Engineering & Technology building

Any applications which involve the services of a consultant must factor the cost of the consultant fees into the total project cost estimate. All project proposals should also include available local, state, or federal incentives in their total project cost estimate.

Proposed utility savings are to be compared to a current baseline, including both utility units and dollars for performance measurement purposes. The payback period is calculated by dividing the initial investment cost by the annual savings from reduced utility costs, which will provide the number of years required to reach its breakeven point. The goal of the payback period is to show the savings that will be achieved and how long it will take for the project investment to pay for itself.

Project Reporting

Within 90 days of a project's completion, a GRF Project Closeout Form shall be submitted by the project applicant to the Campus Sustainability Committee that includes the following:

1) A brief review of project success or challenges
2) Details on changes from the original application

3) Updated estimates of current and future savings

If the GRF Project Closeout Form demonstrates that the performance measurements are significantly off target, the project proposer is to work with to Facilities, Planning, Design and Construction staff to ensure project goals are able to be achieved and, if necessary, to immediately seek outside consultation. A final report should thereafter be submitted to the CSC confirming the success or failure of the final project.

Contact

Questions regarding GRF funding should be directed to Cal State LA's Energy and Sustainability Manager, Brad Haydel, at bhaydel@calstatela.edu.