

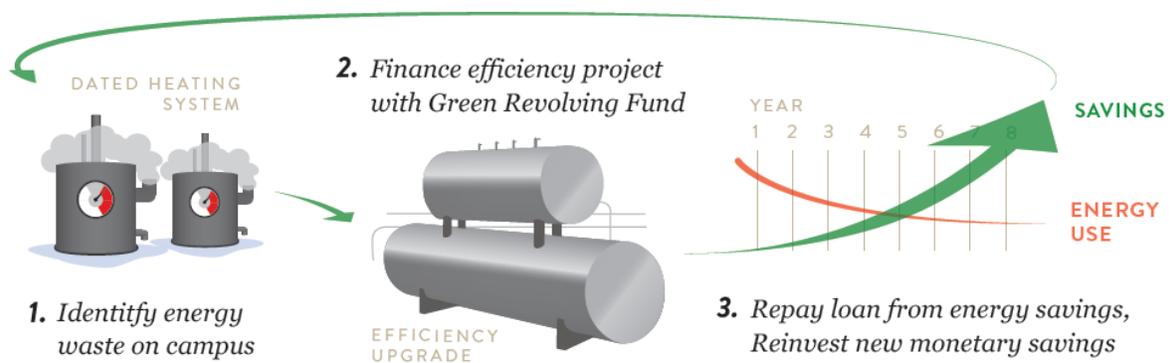
# California State University, Los Angeles Green Revolving Fund Charter

## 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.

## 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 directly or indirectly 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 maintain a \$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, 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 project's selection is based on both quantitative and qualitative criteria.

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

$$\textit{Simple Payback} = (\textit{Initial investment cost} - \textit{Incentive payment}) / \textit{Utility savings per year}$$

The secondary selection criteria is based on the following qualitative considerations:

- 1) Academic integration
- 2) Student involvement
- 3) Innovation
- 4) Social equity
- 5) Community engagement
- 4) Supports CSU Sustainability Policy

## 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 (less any utility incentive payment) by the annual savings from reduced utility costs, which will provide the number of years required to reach the project's breakeven point. The goal of the payback period is to show the annual savings that will be achieved and how long it will take for the project investment to pay for itself.

## Contact

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