



California Energy Commission

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SEP 22 2014

September 19, 2014

The Honorable Andrew McAllister
Commissioner
California Energy Commission
1516 Ninth Street, MS-29
Sacramento, CA 95814

Dear Commissioner McAllister:

On behalf of the School Energy Coalition (SEC), an organization made up of K-12 schools, community colleges, school construction and energy consultants focused on energy efficiency and renewable generation projects for California's students, I am writing to share our support for the Proposition 39 Program and some suggestions as you begin the process of revising the program's Guidelines over the next few weeks.

Since the California Energy Commission's (CEC) Proposition 39 Guidelines were approved in December 2013, SEC has worked to assist school districts, county offices of education and charter schools to stay up-to-date on the information changes and meeting the requirements for Energy Expenditure Plan (EEP) approval.

SEC has held over nine workshops and two webinars addressing energy issues of importance to schools, most with a Proposition 39 focus. We have also surveyed our schools specifically regarding the Proposition 39 program and the challenges schools are facing in meeting the requirements for approval.

Overall, schools appreciate the flexibility in the energy project funding program and appreciate that the Commission has listened to Local Education Agencies (LEA) concerns, making adjustments where needed and warranted over the past year as individual schools have moved through the approval process.

As the Commission is contemplating a more whole scale review of the guidelines, we would like to offer the following input and comments to identify areas that remain of concern for your further consideration:

Definition of Cost Effectiveness

After gathering data and benchmarking their sites, the required Savings-to-Investment-Ratio (SIR) of 1.05 is the most challenging part of the approval process for schools. We would suggest the following:

- In order to allow for the most flexibility in reaching this number, we suggest that each *individual school site*, be changed to LEA.
- That schools may apply the SIR over multiple years if they have a multi-year plan.
- Please clarify how planning funds that rollover to the actual project are accounted for in the SIR.



Credit for Recent Efficiency Installations

- Many schools have already been proactive on energy efficiency and have installed new lighting and sensors over the past few years. We would suggest some consideration for energy installations and savings that have occurred within the past three years prior to Guideline Approval.
- In some cases LEA's have completed extensive energy efficiency and renewable energy projects to the degree that they do not have any upgrades left to complete that would meet the SIR requirements. We suggest that there be a process identified for allowing LEA's in this situation to fund projects of a lesser SIR than 1.05.

Solar

- Schools would support more options to do solar projects with Proposition 39 funding should they choose to do this, especially when efficiency measures have been already installed.
- SEC supports the solar industries' suggestions to change the way the SIR is calculated for Power Purchase Agreements (PPAs) to allow these projects to better go forward under the Proposition 39 Program.
- SEC supports revisions to the solar calculator that better match industry standards for such variables as solar panel life span, inverter life span and solar panel degradation.
- SEC would like the CEC to make the details of their solar SIR calculation available to LEA's so that it can be compared to calculations completed by solar companies and consultants.

Proposition Funding Relationships between LEAs

- Clarify how LEAs may show that funding has been pooled for the purposes of the Program, for example an energy manager or other planning fund uses. Is a Memorandum of Understanding (MOU) or other type of documentation required?
- Existing relationships between LEAs. How might Charter Schools document compensation to school districts, or vice versa, with Prop 39 funding for energy assistance to meet program requirements?
- Please clarify whether sole source language applies to work provided between COEs or Districts and charters.
- There are some charter schools which do not have school facilities, but operate on-line. How are these funds to be allocated? May they be accessed by the chartering LEA?

Correlating with Other Energy Programs

- Schools have other state energy programs and regulations they must comply with. It would be useful to have guidance on how schools may integrate the changes to the state's Green Codes and Title 24 requirements for schools with Proposition 39 projects.
- Due to the recent 2013 CA Energy Code incentive programs across the state are in the process of being re-calculated to align with the new code requirements. In some cases these changes in incentive calculations may have a significant impact on SIR calculations. However, the updated incentive calculations are not expected to be available until early in 2015. What will be the requirements for LEA's to update incentive calculations in their SIR once the programs are updated?



Disapproval Process

- SEC appreciates that CEC staff has stated in outreach meetings that the goal is not to disapprove proposals, but to work with LEAs to move toward approval. However, the specificity of the “Disapproval Process” has raised some concerns with our members. It appears that once you move to this correction and resubmission docket it is a very formal and bureaucratic process. Given that a plan can be returned and for resubmission, is a disapproval process even necessary?

We appreciate the ability to share our concerns with you. Please do not hesitate to contact me (916.441.3300 or aferrera@m-w-h.com) with any questions regarding the information contained in this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Anna Ferrera".

Anna Ferrera
Executive Director

AF:ad

c: Robert B. Weisenmiller, Ph.D., Commissioner
Karen Douglas, J.D., Commissioner
David Hochschild, Commissioner
Janea A. Scott, Commissioner
Hazel Miranda
Elizabeth Shirakh
Marcia Smith
Rob Oglesby
Grant Mack