

BEFORE THE CALIFORNIA ENERGY COMMISSION

California Energy Commission

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**COMMENTS OF THE
AMBAG ENERGY WATCH PROGRAM
ON
THE CALIFORNIA ENERGY COMMISSION'S
COMPREHENSIVE SUBSTANTIVE CHANGES CYCLE
FOR THE PROPOSITION 39: CALIFORNIA CLEAN ENERGY JOBS ACT
–2015 PROGRAM IMPLEMENTATION GUIDELINES**

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I. Introduction

The AMBAG Energy Watch Program is a regional program funded through the California Public Utilities Commission for the purpose of serving the diverse market segments in the AMBAG region to achieve energy efficiency. The AMBAG Energy Watch Program serves school districts in our region and is currently working with twenty school districts on the Prop 39 Energy Expenditure Plans. To date the AMBAG Energy Watch program has conducted energy audits at more than one hundred actual school sites.

It is through this actual work in the field that AMBAG Energy Watch has observed some barriers that exist because of the current status of the Prop 39 Guidelines. AMBAG Energy Watch is pleased to see the California Energy Commission moving to begin a comprehensive substantive changes cycle for the Proposition 39: California Clean Energy Jobs Act – 2015 Program Implementation Guidelines, thereby facilitating the ability of school districts to be able to access the full award potential for their district and thereby maximize energy savings for their district.

II. Recommended Changes

AMBAG Energy Watch first would like to thank the California Energy Commission for the changes that they have already adopted to the Proposition 39 Guidelines. In addition to these changes, AMBAG Energy Watch requests that the following changes be considered:

- 1.) Allow school districts to “buy down” the SIR by allowing them to use 0% On-Bill Financing provided through PG&E and the other IOU’s. This form of financing was developed under the direction of the California Public Utilities Commission for the express purpose of removing a barrier to energy efficiency retrofits. In our AMBAG region twelve of our 21 municipal jurisdictions have used this funding on

comprehensive energy efficiency retrofits. The 0% financing is available for a payback period of ten years. This financing has made energy retrofit projects possible for our jurisdictions that would have otherwise not gotten done. AMBAG Energy Watch respectfully requests that the Commission consider allowing school districts to use 0% On-Bill Financing as well, in combination with their Prop 39 funding award.

Currently a school district cannot maximize use of its award, especially in the area of HVAC energy retrofits. In general a HVAC retrofit will have an SIR in the range of 0.3 to 0.6 (depending on the type of system). If the school district were allowed to use 0% On-Bill Financing, the district could use these funds to “buy down” the SIR so that it could reach the 1.05 requirement. In our work in the field we have seen a majority of HVAC equipment that is over fifty years old. It needs to be replaced. The school district would like to put in energy efficient equipment using the Proposition 39 funding. 0% On-Bill Financing is a responsible way to add to the funding stream, in combination with the Proposition 39 funding award, to achieve a 1.05 SIR requirement.

- 2.) Our second request is a little more of a stretch, but AMBAG Energy Watch requests the Commission consider the concept of prescriptive measures. For example, so many of our school facilities are so old and have single pane windows in very bad repair. If the Commission could set a prescriptive standard describing the minimum standard of equipment that could be used for replacement, and then allow the school districts to replace windows using that prescribed standard of equipment or better. The goal would be to allow a way for schools to replace windows without having to

calculate the energy savings achieved from doing so for the reason that the engineering needed to do this calculation is too expensive and makes the projects impossible for school districts to undertake.

- 3.) Our final request is for the school districts that have been the early adaptors of energy efficiency. These school districts cannot access their potential Proposition 39 funding award because they were early adaptors and have already completed all of the “low hanging fruit” energy efficiency retrofits. As such they do not have the capacity to bundle the lower hanging fruit energy retrofits together with deeper energy retrofits and achieve an SIR of 1.05. They, in essence, will have to leave their Proposition 39 funding on the table unless a path is made for them.

Thank you for your consideration of these requested changes.

Respectfully submitted,

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