

DOCKETED

Docket Number:	20-RENEW-01
Project Title:	School Energy Efficiency Stimulus Program
TN #:	236442
Document Title:	Presentation - SRVEVR Program Workshop - Session 1
Description:	Presentation slides for the January 22, 2021, staff workshop on the SRVEVR Program
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Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	1/25/2021 12:20:04 PM
Docketed Date:	1/25/2021



School Energy Efficiency Stimulus (SEES) Program Staff Workshop

Session 1 - School Reopening Ventilation and Energy Efficiency Verification and Repair (SRVEVR) Program

California Energy Commission
January 22, 2021



Opening Remarks

- California Energy Commission
Vice Chair Janea A. Scott, J.D.
- California Energy Commission
Commissioner Karen Douglas, J.D.
- California Public Utilities Commission
Commissioner Genevieve Shiroma



Virtual Housekeeping

- Workshop/hearing conducted remotely via Zoom
- 3 ways to comment:
 - Use the “raise hand” feature in Zoom
 - Over the telephone: dial *9 to “raise hand” and *6 to mute/unmute your phone line
 - Type your question in the Q&A window
- Please limit comments to 3 minutes
- Written comments due February 5, 2021
 - Submit through the e-commenting system at:
<https://efiling.energy.ca.gov/EComment/EComment.aspx?docketnumber=20-RENEW-01>



Workshop Agenda

- **General Program Background and Statutory Deadlines**
- **SRVEVR Program Key Topics**
 - General Program Overview
 - Eligible Applicants & Underserved Community Requirements
 - Eligible Projects and Costs
 - Application Process
 - Reporting Requirements
- **Next Steps**
- **Public Comments**



Background: AB 841

- Assembly Bill 841 Signed by Gov. Newsom in September 2020
 - Authorized (in part) the School Energy Efficiency Stimulus (SEES) Program
- SEES Includes 2 New Grant Programs:
 - School Reopening Ventilation and Energy Efficiency Verification and Repair (SRVEVR) Program
 - School Noncompliant Plumbing Fixture and Appliance (SNPFA) Program
- CEC Identified as Program Administrator
 - Coordinating with Large Electric and Gas Utilities Funding the Program and CA Public Utilities Commission



Topic #1:

General Program Overview





SRVEVR Program

- Provides grants to assess, maintain, adjust, repair, or upgrade heating, ventilation, and air conditioning (HVAC) systems in schools.
- Includes continuous CO₂ monitoring to ensure proper ventilation is maintained in classrooms
- CEC shall award a grant if the amount requested in the application is verified by a contractor's estimate and the LEA meets other requirements determined by the CEC to be appropriate to achieve the purposes of this program



Statutory Deadlines

Requirement	Date	Reference
Joint utility advice letter filed with CPUC	Feb. 1, 2021	PU Code §1610
CPUC Approval of advice letter	Mar. 1, 2021	PU Code §1610
Begin to solicit grant applications - SRVEVR	April 1, 2021	PU Code §1611
Adopt program guidelines	No later than May 1, 2021	PU Code §1614(c)
Begin approving grant applications - SRVEVR	May 1, 2021	PU Code §1610
Unspent funds returned to utilities	Dec. 1, 2026	PU Code §1615(e)



Program Budget

Funds derived from IOUs' energy efficiency (EE) rolling portfolio funds

- IOUs will submit Advice Letter by February 1 (2021 – 2023)
- CPUC will approve Advice Letter by March 1 (2021 – 2023)
 - **Estimated** annual budget for 2021 is \$275M
 - SRVEVR – 75% of Funds
 - SNPFA – 25% of Funds
- SRVEVR estimate for 2021 is \$200M
- IOU's will disburse funds on a quarterly basis to the CEC



Program Budget Continued

- Funds must be spent proportionally within the service territories of the utilities from which they were derived
 - Pacific Gas & Electric (PG&E)
 - Southern California Edison (SCE)
 - San Diego Gas & Electric (SDG&E)
 - Southern California Gas (SCG)
- 25% of projects must be in Underserved Communities (as defined in the statute)



Topic #2:

Eligible Applicants and Underserved Community Requirements





Staff Proposed Approach

- **Initial program awards will be limited to:**
 - Assessments, assessment reports, general maintenance, adjustments of ventilation rates, filter replacements, carbon dioxide monitoring, and an additional 20 percent of the requested amount is earmarked for repairs, upgrades, or replacements necessary to make the systems functional or more energy efficient.
 - Projects for schools located in an underserved community.
 - Each LEA may submit only one application per funding round
 - All school sites must meet one of the underserved community criteria
- **The CEC will continually evaluate the effectiveness of the SRVEVR Program Guidelines and publish new editions to update eligibility and prioritization as funding is available.**



Eligible Applicants

Eligible Applicants to be limited to California LEAs

An LEA is defined as either:

- A school district as defined in Section 41302.5 of the Education Code, which includes:
 - county boards of education
 - county superintendents of schools
 - direct elementary and secondary level instructional services provided by the state, including the Diagnostic Schools for Neurologically Handicapped Children as established pursuant to Article 1 (commencing with Section 59200) of Chapter 3 of Part 32 of the Education Code
- A charter school that has been granted a charter pursuant to Part 26.8 (commencing with Section 47600) of Division 4 of Title 2 of the Education Code



Priority Eligibility

Underserved Community Requirements

- **“Underserved community”** means a community that meets one of the following criteria:
 - A “disadvantaged community” as defined by subdivision (g) of Section 75005 of the Public Resources Code.
 - Included within the definition of “low-income communities” as defined by paragraph (2) of subdivision (d) of Section 39713 of Health and Safety Code.
 - CalEnviroScreen score of 75 or higher
 - >75% of students eligible for FRPM under National School Lunch Program.
 - Located on lands belonging to a federally recognized California Indian tribe.



Eligible Sites

- LEAs may apply for grants to conduct activities at schools that the LEA:
 - Owns.
 - Leases from a school district.
 - Has a lease for, with a duration exceeding the projected useful life of SRVEVR project improvements.
 - LEAs must provide proof of ownership or complying leases.



Application Tiers

- Staff have proposed utility service territory funding be divided into 4 tiers based on LEA student enrollment and a maximum funding level established for each Tier for the initial round of awards
- Tiers established based on LEA Size determined by Enrollment Numbers

Table 1: LEA Size by Enrollment Numbers

Tier	Number of Students
1	Less than 1,000
2	Between 1,000 and 2,000
3	Between 2,001 and 10,000
4	More than 10,000

Table 2: Application Tiers

Tier	PG&E	SCE	SDG&E	SCG
1	15.7%	15.7%	15.7%	15.7%
2	21.1%	21.1%	21.1%	21.1%
3	31.6%	31.6%	31.6%	31.6%
4	31.6%	31.6%	31.6%	31.6%



Funding Reallocation

Funds Not Used in an Application Tier:

If an application tier has leftover funds at the end of a funding round, the CEC will evaluate program participation and these funds may be reallocated to other application tiers in the same utility service territory or may be held over for a future round of funding.



Discussion Break

- **Is the phased approach for project eligibility a barrier to retrofit projects?**
- **Could the application tiers discourage large LEAs from including all schools?**

3 ways to comment:

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Topic #3:

Eligible Projects and Costs





HVAC Assessment and Maintenance

Project Technical Requirements:

- HVAC assessment
- General maintenance
- Adjustment of ventilation rates
- Filter replacement
- Carbon dioxide monitor installation
- Completion of an HVAC Assessment Report
- Completion of an HVAC Verification Report

Contingency funding available for repairs, upgrades or replacements necessary to make system functional or improve energy efficiency

The initial grant awards do not include additional funding for repairs, upgrades or replacements above the 20% contingency amount



Skilled and Trained Workforce Requirement

- **Licensed Professional**

- A professional eligible under Division 3 (commencing with Section 5000) of the Business and Professions Code in the applicable classification, to perform system design, construction, or installation of features, materials, components, or manufactured devices for mechanical systems.

- **Qualified adjusting personnel**

- A certified testing, adjusting, and balancing (TAB) technician.
- A skilled and trained workforce under the supervision of a TAB Technician.

- **Qualified testing personnel**

- A certified testing, adjusting and balancing (TAB) technician.
- An HVAC acceptance test technician certified to complete the forms set forth in subparagraph (B) of paragraph (1) of subdivision (b) of Section 10-103.2 of Part 1 of Title 24 of the California Code of Regulations by an Acceptance Test Technician Certification Provider (ATTCP) that is approved by the Energy Commission to provide that certification.



Reimbursement

- Reimbursement of Assessment and Maintenance Projects where the work was **contracted and performed** after August 1, 2020
 - Requires documentation or certification that work was contracted and performed after August 1, 2020
 - If the LEA contracted for the work before August 1, 2020, it is NOT eligible for funding
- Must meet the requirements for initial grant awards in the guidelines



Topic #4:

Application Process





Grant Process Overview

Applications Accepted for Assessment and Maintenance Projects

- Planned Projects with Completed Estimates
- Reimbursement for Work Already Performed
- Will be reviewed at the same priority level
- Initial award sets aside funding
- All awards including those for completed projects will follow the same process for requesting reimbursement and must complete all reporting requirements to receive funds



Grant Participation Process

Steps:

1. SRVEVR staff will issue a Notice of Funding Availability
2. Application package
3. CEC application review
4. Approval, agreement completed, initial funding request (if needed)
5. HVAC Assessment Report
6. HVAC Verification Report
7. Final package



Application Package

The SRVEVR Application Package for an HVAC Assessment and Maintenance Grant will contain the following documents:

- Assessment and Maintenance Grant Application Form with completed information on all schools included in the application
- Verified contractor estimates for each site
- Applicants will submit their application package electronically
 - The electronic document system will be specified prior to the first Notice of Funding Availability
 - Applications will be identified by date and time submitted



Application Review

- Applications will be reviewed in order received
- CEC will determine if the application is complete and meets all requirements
 - Incomplete applications will be rejected
 - Applicant may resubmit during open application period
- Once the application is approved, the project will be placed identified for funding specific to the utility area and Funding Tier



Funding Considerations

Budget for each LEA grant award will equal the sum of individual site budgets for all sites included in the grant application

- LEA grant applications must include contractor estimates
- Each site budget will equal the contractor estimate plus a **20% contingency amount** for repairs and upgrades
- Receiving funding from other programs is permitted
 - LEAs may not seek funds to cover same costs twice

Budgets are site specific and the 20% contingency funds must be spent at the site for which money was assigned



Grant Payment

- Following Notice of Award, Grantee will confirm the award and provide:
 - Additional site-specific technical details and all information needed to complete initial reporting necessary for evaluation of energy savings and GHG emission reduction
 - Payee Data Record (STD-204): Required for Grant Award Payment, all details **MUST** match the applicant information in other documents
 - Final Budget Page Identifying Grant Awards by Site (estimated cost and total per site award calculations)
- Awardees can receive **up to 50% of total amount** up front for projects not yet completed
- Remaining 50% available upon completion



Project Term

- Each project will have **18 months maximum** to complete all assessment and maintenance work
- Awardees will have an additional **3 months** to complete final reporting and invoicing requirements
 - Grant recipients are responsible for monitoring project completion and meeting all required reporting and invoicing deadlines



Discussion Break

Grant Eligibility and Funding Questions:

- What is the estimated cost for the HVAC Assessment and Maintenance required by the SRVEVR program?
- What are methods for verifying contractor estimates?
- Cost vs. benefit analysis of different CO₂ monitoring systems

Application Process Questions:

- Can SRVEVR projects be started/completed in the next 12-18 months?
- How much time will an LEA need to develop an application based on the information needed (contractors estimates, all sites in one application)?

3 ways to comment:

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- Type your question in the Q&A window
- Please limit comments to 3 minutes



Topic #5:

Reporting Requirements





Reporting

- **HVAC Assessment Report**

- Prepared by qualified testing personnel or qualified adjusting personnel for review by a licensed professional
- Licensed professional reviews report and determines necessary repairs, identify cost-effective energy efficiency upgrades, and provide cost estimate

- **HVAC Verification Report**

- LEA must prepare HVAC Verification Report for each school included in grant
- Will form basis for any applications for an HVAC Upgrade and Repairs Grant when funding becomes available



GHG Reduction and Energy Savings Reporting

- Baseline for SRVEVR established in §1618:
"The baseline for determining reductions in emissions of greenhouse gases and energy savings from the SRVEVR Program shall be the energy demand and emissions of greenhouse gases that would have occurred if ventilation and filtration recommendations for reopening schools were met without the assessment, adjustment, maintenance, repairs, and efficiency upgrades funded pursuant to the program."
- Methodology
- Reductions attributed to utility that provided grant funds
- Reports due 3 months after project completion



Discussion Break

Reporting Requirement Questions:

- How should EE savings be tracked and reported?
- How should benchmarks/baselines be calculated?

3 ways to comment:

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- Type your question in the Q&A window
- Please limit comments to 3 minutes



Next Steps





General Program Schedule

Next Steps (subject to change)	Date
Comments Due on Draft Guidelines	February 5, 2021
CPUC finalizes budgets	Feb-Mar 2021
Release Staff Second Draft Guidelines	March 2021
Final Draft Guidelines Posted	April 1, 2021
Anticipated Issuance of Solicitation for Grant Applications	April 1, 2021
CEC Adoption of Guidelines	April 2021
Begin approving grant applications	May-June 2021



Public Comments

- Limited to 3 minutes per comment
- 4 ways to comment:
 - Use the “raise hand” feature in Zoom
 - Type your question in the Q&A window
 - Over the telephone: dial *9 to “raise hand” and *6 to mute/unmute your phone line
 - Submit your comments in writing during the 14-day public comment period



Written Comments

- Written comments due February 5, 2021
- Comments may be submitted directly to SEES docket (20-RENEW-01) through the e-commenting system at:
<https://efiling.energy.ca.gov/EComment/EComment.aspx?docketnumber=20-RENEW-01>



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