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on the CalSHAPE Workshop

Additional submitted attachment is included below.

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Submitted via Electronic Docket

Docket No. 20-RENEW-01
California Energy Commission
Docket Office MS-4 1516
1516 Ninth Street
Sacramento, CA 95814-5512
School Energy Efficiency Stimulus Program

Re: **JCEEP, WSC-SMART, and CAL SMACNA's Joint Comments on the CalSHAPE Workshop**

Dear Commissioners and Staff:

We are writing on behalf of the Joint Committee on Energy and Environmental Policy (JCEEP), the Western States Council of Sheet Metal, Air, Rail and Transportation Workers (WSC-SMART), and the California Association of Sheet Metal and Air Conditioning Contractors, National Association (CAL SMACNA) to comment on the California Schools Health Air, Plumbing, and Efficiency (CalSHAPE) Program workshop held on February 15, 2022.

I. INTRODUCTION

We commend the Commission and its staff for a successful roll out of the CalSHAPE Program. It is clear from the number of applications submitted and the amount of funding requested that there is a compelling need and interest in these critical programs. Looking towards the next round of funding, we recommend that the Commission open the programs to all eligible local educational agencies (LEAs) to maximize the reach of the programs, but also provide a priority period for certain LEAs. In addition, we recommend that the Commission continue to receive applications for all funding categories but direct its limited resources to processing only applications for categories where funding is available. We also hope to work collaboratively with the Commission to identify any support additional sources of

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funding for this program that will allow it to expand its geographical reach to all schools in California.

Now that grant applications have begun to be approved, the next step is to make sure that LEAs clearly understand and comply with the statutory requirements of the program to maximize energy saving outcomes and to avoid potential clawbacks of grant funds where program requirements have not been met. Without proper education and enforcement, the program's goals will not be achieved. We propose a few modest steps for the Commission to take to ensure LEAs clearly understand their responsibilities and comply with requirements to document their compliance.

II. DISCUSSION

A. The Commission Should Take Additional Steps to Ensure Grant Awardees Comply with the Workforce Requirements

AB 841 and the Commission's implementation guidelines set clear standards for the CalSHAPE programs. These standards include requirements to use a properly trained workforce, requirements to document compliance with all statutory requirements, and a requirement that AB 841 funds be used for program implementation, not on consultants. These requirements are intended to maximize the energy efficiency savings and health benefits achieved under this program.

We recommend that the Commission undertake three separate actions to safeguard against noncompliance with these requirements. These additional steps will not only help ensure LEAs fully understand and comply with program requirements, but it will also address concerns that many applications appear to have been prepared by consultants that are neither certified acceptance test technician employees, nor employers of graduates of state-approved apprenticeship programs.

First, the Commission should issue a letter to all awardees reiterating the program's workforce requirements, compliance documentation requirements, and prohibition on the use of AB 841 funds on consultants. The letter should also remind the LEAs of the potential consequences for noncompliance set forth in the CalSHAPE program guidelines. While this step may seem redundant given that the program guidelines address these issues, it is likely that some LEAs that have relied on consultants to prepare their applications may not have closely reviewed

the guidelines. This is reflected in the fact that project management and training and development costs appear to have been commonly included in funding applications. LEAs must clearly understand the program requirements, including its requirements to perform work using an appropriately trained workforce **before** they begin program activities.

Second, we recommend that the Commission spot check applications that rely on consultants that are not acceptance test technician employers by reaching out to the LEA to confirm how specified workforce training or certification requirements will be met.

Third, when projects are completed, the Commission should prioritize review of project verification reports to confirm that LEAs have complied with all the program requirements, including each of the required assessment steps and the trained workforce requirements. Projects that provide inconsistent or inadequate information should be audited.

B. The Commission Should Allow All Eligible LEAs to Apply for Funding in Round 2, But Provide an Initial Priority Period for Certain LEAs

Under the current guidelines, only eligible LEAs with schools in underserved communities can apply for CalSHAPE funding. The Commission should allow all eligible LEAs to apply for funding in the next round to maximize the reach of the program and provide the Commission with a complete picture of LEAs' interest in the program and funding needs.

Despite the current eligibility limitations, LEAs showed significant interest in the Ventilation Program with over 320 applications submitted requesting over \$150 million. Given the substantial number of applications under consideration for funding in the first round, the Commission will certainly be able to meet the requirement that at least 25% of funds be directed to underserved communities even if it opens the next round of funding to all eligible schools.

While we support allowing all schools to apply for funding in the next round, schools in underserved communities should continue to be given priority. We recommend doing this by offering an initial priority period during the second round of funding.

Schools in underserved communities are not the only schools that must be prioritized for Ventilation Program funding. AB 841 also requires that the Commission “prioritize schools with a boundary that is within 500 feet of the edge of the closest traffic lane of a freeway or other busy corridor or within 1,000 feet of a facility holding a permit pursuant to Title V of the Clean Air Act.”¹ To meet this obligation, the Commission should allow LEAs which meet these requirements to also participate in the initial priority period during the second round of funding.

If the Commission opens the next round of funding to all eligible LEAs, the Commission should track and publish data on the number of sites that apply for and receive grant funding in each category. This information is critical because AB 841 requires that at least “25 percent of projects” funded by the Ventilation Program be in underserved communities. Therefore, compliance with the 25% requirement must be measured by the percentage of projects funded, not the number of applications or percentage of funding approved.

This information is not currently available because the Ventilation Program Guidelines do not restrict how many sites a LEA can include in a single application. As a result, the 320 applications submitted for the Ventilation Program likely underestimates the actual number of schools which could receive funding through the Ventilation Program. To accurately measure compliance, the Commission should track and publish data on the number of individual school sites that apply for and receive grant funding.

C. The Commission Should Create an Application Queue for Funding Categories with Exhausted Funds

Under the current guidelines, applications seeking grants from categories with exhausted funds undergo the same process as all other applications. Given the Commission’s limited resources, it should not process applications for sites in funding categories with exhausted funds. The Commission’s time is better spent reviewing applications for categories where funding is available.

However, the Commission should create an application queue for categories with exhausted funds for three reasons. First, it would incentive LEAs to secure their place in line should additional funding become available. Second, it would provide critical information regarding the program’s interest and need, which could

¹ Public Utilities Code § 1612.
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support requests for additional funding. Finally, it will allow the Commission to quickly process applications if additional funding becomes available for that category.

If the Commission adopts an application queue, the Commission should clearly articulate how the application queue functions on the CalSHAPE website and in the notice of funding availability. The Commission should highlight the amount of funding available in each category and explain that if a LEA applies to a category with exhausted funds, the LEAs place in line will be reserved and their application would be processed in the order received should additional funding become available.

III. CONCLUSION

We applaud the Commission and its staff for the excellent job they have done in getting this program off the ground in a short period of time. As we enter the implementation phase for the CalSHAPE programs, it is crucial that the grant awardees clearly understand their obligations and the potential consequences for noncompliance. Without strict adherence to the statutory mandated assessment and workforce standards, the Commission cannot ensure the intended energy efficiency and public health outcomes are achieved.

For the next round of funding, the Commission should allow all eligible LEAs to apply for funding but hold an initial priority period for LEAs with schools in underserved communities, near freeways or busy traffic corridors, or near facilities holding Title V permits. The Commission should also continue to allow LEAs to submit applications for categories with exhausted funds to reserve their place; however, the Commission should direct its limited resources to processing applications for categories with available funds.

We greatly appreciate your consideration of these comments and look forward to assisting the Commission and LEAs as program activities get underway.

Sincerely,



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