

DOCKETED

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Dear Commissioner Andrew McAllister,

I am writing on behalf of the National Association of Energy Service Companies (NAESCO) to express significant concerns regarding the CalSHAPE Program.

NAESCO¹ is the leading trade association for the energy services industry, dedicated to advocating, promoting, and refining energy savings performance contracts (ESPC) and fostering industry-standard best practices. Our collective efforts have facilitated energy savings projects exceeding \$7 billion annually, \$2 billion annually implemented in public schools.

The California Schools Healthy Air, Plumbing, and Efficiency (CalSHAPE) Program, established in 2020, has been a crucial initiative for improving the health, safety, and efficiency of California's public schools. The program specifically addresses infrastructure upgrades in underserved communities, significantly improving indoor air quality and leading to better student health and academic performance. Additionally, it enhances much-needed energy efficiency upgrades.

Our industry plays a pivotal role in assisting schools with critical capital improvements beyond their budgetary constraints. By modernizing infrastructure and utilizing energy and operational savings to fund such initiatives, we not only advance local communities but positively impact the wellness and safety for our children.

Many disadvantaged schools have submitted their applications for approval in the CalSHAPE program, but the program was closed earlier than expected. We have identified several critical issues:

- A. **Delays in the Program Process:** Frequent changes to submission methods and technical errors have caused significant slowdowns throughout the program from its inception. Chronic delays and prohibitive processing timelines have plagued the program.
- B. **Misleading Deadlines and Expectations:** The original deadline for application submission was set for July 31st. However, subsequent announcements created confusion and disruption by abruptly moving the deadline to July 1st, making it impossible for applicants to comply. Many of our members were in the process of collaborating with districts to submit applications by the initial July 31st deadline. The unexpected change to July 1st led to dozens of districts being "locked out" from the funding intended to improve indoor air quality. As a result, thousands of California students will miss out on the healthier learning environments that would have been possible had the original deadline been maintained.

¹ ABM Industries, AECOM, Allied Facilities Partners, AMERESCO, Ascendant Facility Partners, Bostonia Partners, Brewer-Garrett, Budderfly, CEG Solutions, Centrica Business Solutions, Climatec, CM3 Building Solutions, CMTA, Constellation, CTI Energy Services, DCO Energy, E3 Integral Solutions, Energy Solutions Professionals, Energy Systems Group, ENGIE, Entegriy, FPL Energy Services, Georgia Power, GRP Wegman, HASI, Honeywell, Johnson Controls, McClure Company, McKinstry, METCO Engineering, Navitas, NORESKO, PacificWest, PATH, Perfection Group, Performance Services, RWE, Schneider Electric, Siemens, SitolgiQ, Southland, SYSERCO, The Efficiency Network, Trane Technologies, Veregy, Wendel, Willdan, and Yearout.

- C. **Leveraging Effect:** For every dollar invested in ESPC projects, schools benefit by receiving returns of \$2-4 in energy savings and improvements.
- D. **Financial Impact:** The long-term costs to our schools far outweigh any short-term savings, emphasizing the importance of continued support for these upgrades.

We urge you to carefully consider the ramifications of closing the CalSHAPE program and to allow these much-needed public school upgrades to improve California's infrastructure, economy, and communities.

Thank you for your attention to this matter.

Respectfully,



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