

DOCKETED

Docket Number:	20-RENEW-01
Project Title:	California Schools Healthy Air, Plumbing, and Efficiency
TN #:	243242
Document Title:	Notice of Consideration to Adopt Revised Second Edition Guidelines for CalSHAPE Plumbing Program
Description:	Notice of Consideration to Adopt Revised Second Edition Guidelines for California Schools Healthy Air, Plumbing, and Efficiency (CalSHAPE) Plumbing Program
Filer:	Theresa Daniels
Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	5/24/2022 12:57:55 PM
Docketed Date:	5/24/2022

CALIFORNIA ENERGY COMMISSION

715 P Street
Sacramento, California 95814

energy.ca.gov

CEC-70 (Revised 11/2021)



IN THE MATTER OF:

California Schools Healthy Air, Plumbing, and Efficiency Program

Docket No. 20- RENEW-01

NOTICE TO CONSIDER ADOPTION

RE: California Schools Healthy Air,
Plumbing, and Efficiency Program

Notice of Consideration to Adopt Revised Second Edition Guidelines for California Schools Healthy Air, Plumbing, and Efficiency Plumbing Program

As part of the California Energy Commission's (CEC) June 8, 2022, business meeting, the CEC will consider adoption of the *California Schools Healthy Air, Plumbing, and Efficiency (CalSHAPE) Plumbing Program Revised Draft Commission Guidelines, Second Edition* (Revised Second Edition Draft Guidelines).

For details on how to participate in the business meeting, go to the CEC's business meeting [web page](https://www.energy.ca.gov/proceedings/business-meetings) at <https://www.energy.ca.gov/proceedings/business-meetings>.

Background

Assembly Bill 841 (Ting, Chapter 372, Statutes of 2020) enacted the School Energy Efficiency Stimulus Program, which is referred to as the CalSHAPE Program, and includes two grant programs: the CalSHAPE Ventilation Program and the CalSHAPE Plumbing Program. The CalSHAPE Ventilation Program provides funding to California schools to assess, maintain, and repair ventilation systems. The CalSHAPE Plumbing Program provides funding to California schools and state agencies to replace aging and inefficient plumbing fixtures and appliances with water-conserving plumbing fixtures and appliances. The current edition of the CalSHAPE Plumbing Program Guidelines were approved by the CEC on August 11, 2021, and both CalSHAPE Programs launched in fall 2021.

The *CalSHAPE Plumbing Program Draft Commission Guidelines, Second Edition* (Second Edition Draft Guidelines) were posted for review and comment on April 15, 2022. The changes to the Second Edition Draft Guidelines for the CalSHAPE Plumbing Program are described in the Notice of Availability and Request for Comment on Second Edition Draft Guidelines for CalSHAPE Ventilation and Plumbing Programs, which can be found on the [CalSHAPE program page](#), at

<https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program>.

Revised Second Edition Draft Guidelines

CEC staff has made additional modifications to the Second Edition Draft Guidelines for the CalSHAPE Plumbing Program. Both a clean and an underline/strikethrough version of the Revised Second Edition Draft Guidelines are available for review and comment on the [CalSHAPE program page](https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program), at <https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program>, or the [20-RENEW-01 docket](https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=20-RENEW-01), at <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=20-RENEW-01>.

The modifications shown in the Revised Second Edition Draft Guidelines were made to clarify the requirements for the reimbursement of incurred costs and to add information on the process for grantees to request reimbursements. The Revised Second Edition Draft Guidelines (Revised Draft) language modifications, additions, and deletions as compared to the *CalSHAPE Plumbing Program Revised Commission Guidelines (Adopted August 2021)* and the Second Edition Draft Guidelines (Draft) are described below.¹ Additional non-substantive grammatical and formatting modifications are reflected directly in the text.

Chapter 3, Section A: Application Process

Modified Language:

- **Adopted August 2021:** CEC will also provide an option for the local educational agency (LEA) to receive reimbursement of eligible incurred costs pursuant to program requirements.
- **Draft:** CEC will also provide an option for the LEA to receive a portion of funds after execution of the grant agreement following program requirements.
- **Revised Draft:** CEC will also provide an option for the LEA to receive reimbursement of incurred costs up to 50 percent of the total grant award after CEC has accepted the LEA's application, countersigned the grant agreement, and reserved funds for use based on the costs in the submitted contractor estimate.

Modified Language:

- **Adopted August 2021:** Section A. 6. CEC will issue a notice of proposed award to an LEA with a complete application. The LEA will be required to submit the additional required documents and complete a grant agreement to reserve the grant award funding.
- **Draft:** Section A. 6. The CEC will issue a notice of proposed award to an LEA with a complete application. The LEA will be required to submit the additional required documents and complete a grant agreement to reserve the grant award funding.

¹ The *CalSHAPE Plumbing Program Revised Commission Guidelines* and the Second Edition Draft Guidelines for the CalSHAPE Plumbing Program can be found on the [CalSHAPE program page](https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program), at <https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program>.

- **Revised Draft:** Section A. 6. The CEC will issue a notice of proposed award to an LEA with a complete application. The LEA will be required to submit the additional required documents and complete and sign a grant agreement to reserve the grant award funding.

Modified Language:

- **Adopted August 2021:** Section A. 7. The LEA will automatically receive reimbursement for incurred costs of 50 percent of the overall grant award after completion of the grant agreement. Any eligible incurred costs greater than 50 percent of the overall grant award will be included in the final invoice. For these guidelines, the term “incurred costs” is defined as an expense for which the recipient has become liable (legally obligated) to pay.
- **Draft:** Section A.7. The LEA will receive 50 percent of the overall grant award after execution of the grant agreement. Any costs incurred greater than 50 percent of the overall grant award will be included in the final invoice.
- **Revised Draft:** Section A.7. Once the CEC accepts the LEA’s final application documents, it will countersign the grant agreement and reserve funds for the LEA based on the costs in the submitted contractor estimate.

Section A.8. The LEA may thereafter request reimbursement for incurred costs of up to 50 percent of the total grant award. Any incurred costs greater than 50 percent of the total grant award will be included in the final invoice. For these guidelines, the term “incurred costs” is defined as an eligible expense for which the recipient has become liable (legally obligated) to pay.

Chapter 3, Section E: Notice of Proposed Award and Completion of Grant Agreement

Modified Language:

- **Adopted August 2021:** Section header: Notice of Proposed Award and Completion of Grant Agreement
- **Draft:** Section header: Notice of Proposed Award and Completion of Grant Agreement
- **Revised Draft:** Section header: Notice of Proposed Award and Execution of Grant Agreement

Removed Language:

- **Adopted August 2021:** Grantees will receive reimbursement of eligible incurred costs of 50 percent of the total grant award after notification of the funding reservation. Eligible incurred costs are those costs incurred to achieve the purpose of the program. Additional information on project reporting and invoicing is provided in these guidelines and further guidance consistent with these guidelines will be made available to grantees.
- **Draft:** Grantees will receive 50 percent of the total grant award after notification of the funding reservation. Additional information on project reporting and invoicing is provided in

these guidelines, and further guidance consistent with these guidelines will be made available to grantees.

- **Revised Draft:** (Language Removed)

Chapter 3, Section G: Timing of Payment

Modified Language:

- **Adopted August 2021:** The CEC will issue a portion of funds to cover eligible incurred costs, as defined in Sections A and D above, equal to 50 percent of the overall grant award. Upon approval of an award, the grantee will receive a notice of proposed award from the CEC and a grant agreement will be executed. After grant agreement execution, the CEC will approve payment of incurred cost funds equal to 50 percent of the overall award for all sites represented in the grant agreement to be issued by the State Controller's Office (SCO). SCO expects to be able to issue incurred cost payments within four weeks once the LEA completes the grant agreement and all required documentation is reviewed and approved by CEC.
- **Draft:** The CEC will issue a portion of funds equal to 50 percent of the overall grant award. Upon approval of an award, the grantee will receive a notice of proposed award from the CEC, and a grant agreement will be executed. After grant agreement execution, the CEC will approve payment of 50 percent of the overall award for all sites represented in the grant agreement to be issued by the State Controller's Office (SCO). SCO expects to be able to issue payments within four weeks once the LEA completes the grant agreement and all required documentation is reviewed and approved by the CEC.
- **Revised Draft:** After the grant agreement is fully executed and the CEC has reserved funds for the project, the LEA may request, and the CEC may approve payment of, reimbursement of the LEA's incurred costs of up to 50 percent of the total grant award for all sites included in the grant agreement. Payment will be issued by the State Controller's Office (SCO). SCO expects to be able to issue payments within four weeks once all required documentation is reviewed and approved by the CEC.

Added Language:

- **Adopted August 2021:** (No corresponding language)
- **Draft:** (No corresponding language)
- **Revised Draft:** An LEA may submit up to four requests for reimbursement of incurred costs for each grant agreement at any time during the project term. An LEA may only submit one request per month and that request may include any number of sites. The aggregate amount of all requests for reimbursement of incurred costs may not exceed 50 percent of the total grant award, which may be identified as the "initial payment" amount in Exhibit B of grant agreements.

Modified Language:

- **Adopted August 2021:** The remaining grant funds will be provided upon receipt and review of all final required reporting. The LEA shall provide the CEC with additional documentation, as specified in Chapter 4. If the LEA received receive reimbursement of eligible incurred costs and does not complete all the project requirements, any grant award funding shall be promptly returned to the CEC.
- **Draft:** The remaining grant funds will be provided upon receipt and review of all final required reporting. The LEA shall provide the CEC with additional documentation, as specified in Chapter 4. If the LEA does not complete all the project requirements, any grant award funding shall be promptly returned to the CEC.
- **Revised Draft:** The remaining grant funds will be provided upon receipt and review of all final required documentation. If the LEA does not complete all the project requirements, all grant award funding shall be promptly returned to the CEC.

New Section - Chapter 3, Section H: Reimbursement of Incurred Costs

Added Language:

- **Adopted August 2021:** (No corresponding language)
- **Draft:** (No corresponding language)
- **Revised Draft:** Incurred costs eligible for reimbursement are costs for which the recipient has become legally obligated to pay and that comply with the terms of an executed grant agreement for a School Plumbing Fixture and Appliance Replacement Grant. Grantees will receive a notification after the execution of the grant agreement with specific information on the process to request reimbursement of incurred costs.

Grantees are required to provide proof of incurred costs with any request for reimbursement. The documentation must demonstrate that the costs are eligible for reimbursement, as described in these guidelines, are consistent with the grant agreement and terms and conditions, and qualify as incurred costs, as defined in Section A.

Documentation of incurred costs must provide site-specific information and be itemized to show both the material and labor costs for each plumbing fixture and appliance replacement listed in the grant agreement for which costs have been incurred. In addition, documentation of incurred costs must establish that all work performed complies with any applicable skilled and trained workforce and other labor requirements.

Chapter 5, Section B: Effective Date of Guidelines

Removed Language:

- **Adopted August 2021:** (No corresponding language)
- **Draft:** Once effective, these guidelines will apply to all CalSHAPE Plumbing Program applicants, projects, and grantees.

- **Revised Draft:** (Language Removed)

Chapter 5, Section G: Substantive Changes in Guidelines

Modified Language:

- **Adopted August 2021:** Unless stated otherwise in the resolution approving substantive changes, such changes shall take effect upon adoption by the CEC.
- **Draft:** Unless stated otherwise in the resolution approving substantive changes, such changes shall take effect upon adoption by the CEC.
- **Revised Draft:** Unless stated otherwise in the resolution approving substantive changes, such changes shall take effect upon adoption by the CEC and shall apply to all CalSHAPE Plumbing Program applicants and applications, and existing grant agreements and projects.

Written Comments

The public and stakeholders are encouraged to review and comment on the Revised Second Edition Draft Guidelines. **Written comments must be submitted to the Docket Unit no later than 5:00 p.m. on May 31, 2022.** Written comments, attachments, and associated contact information, such as address, phone number and email address, become part of the viewable public record. This information may also become available via any Internet search engine.

The CEC encourages use of its electronic commenting system. Visit the [e-commenting page](https://efiling.energy.ca.gov/Ecomment/Ecomment.aspx?docketnumber=20-RENEW-01) at <https://efiling.energy.ca.gov/Ecomment/Ecomment.aspx?docketnumber=20-RENEW-01>, which links to the comment page for this docket. Enter your contact information and a comment title describing the subject of your comment(s). Comments may be included in the "Comment Text" box or attached as a downloadable, searchable document in Microsoft® Word or Adobe® Acrobat®. The maximum file size allowed is 10 MB.

Written comments may be submitted by email. Include docket number 20-RENEW-01 and "CalSHAPE Program" in the subject line and send to docket@energy.ca.gov.

Public Advisor and Other CEC Contacts

The CEC's Public Advisor assists the public with participating in CEC proceedings. To request interpreting services or other reasonable accommodations, and modifications, reach out via email publicadvisor@energy.ca.gov or by phone at (916) 957-7910. Requests should be made for interpreting services, reasonable accommodations, and modifications as soon as possible but at least five days in advance. However, the CEC will work diligently to meet all requests based on the availability of service or resource needed.

Direct media inquiries to mediaoffice@energy.ca.gov or (916) 654-4989.

Direct general inquiries regarding the CalSHAPE Program to CalSHAPE@energy.ca.gov.

Availability of Documents

Documents and public comments submitted for the CalSHAPE Programs are available on the [CalSHAPE Program page](https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program), at <https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program>, or at [20-RENEW-01 docket](https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=20-RENEW-01), <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=20-RENEW-01>.

When new information is posted, an email will be sent to those subscribed to the CalSHAPE subscription topic. To receive these notices, or sign up for other email subscription topics, visit [Subscriptions](https://www.energy.ca.gov/subscriptions), at <https://www.energy.ca.gov/subscriptions>.

Dated: May 24, 2022, at Sacramento, California

Deana Carrillo

Deana Carrillo
Deputy Director

List Subscription: CalSHAPE