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CALIFORNIA ENERGY COMMISSION

CALIFORNIA NATURAL RESOURCES AGENCY

California Energy Commission

STAFF REPORT

California Schools Healthy Air, Plumbing, and Efficiency Program Activities and Expenditures

Annual Report on Program Year 2022

March 2023 | CEC-300-2023-001

California Energy Commission

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ABSTRACT

The School Energy Efficiency Stimulus Program was established by Assembly Bill 841 (Ting, Chapter 372, Statutes of 2020) and is referred to as the California Schools Healthy Air, Plumbing, and Efficiency Program for program administration purposes. The California Schools Healthy Air, Plumbing, and Efficiency Program consists of two grant programs, the Ventilation Program and Plumbing Program. The programs provide funding to local educational agencies for assessing, maintaining, and repairing ventilation systems in California schools and funding to local educational agencies and state agencies for replacing aging and water inefficient plumbing fixtures and appliances with water-conserving plumbing fixtures and appliances.

This report is prepared as directed and in compliance with Section 25208 of the Public Resources Code to include: "*The commission shall submit a report to the relevant policy committees of the Legislature and the Joint Legislative Budget Committee describing programmatic activities and spending pursuant to the School Energy Efficiency Stimulus Program.*

(b) The report shall include both of the following:

(1) A description of any changes to guidelines and budget.

(2) A summary of past spending, activities funded, and expected changes in funding and activities for the next year.

(c) As part of the report, the commission may include information that is already provided in reports submitted to and approved by the Public Utilities Commission, as applicable."

This report describes program activities in Calendar Year 2022 — including the budget, expansion of eligibility, development of the HVAC Assessment Report, and grants awarded.

Keywords: CalSHAPE, School Energy Efficiency Stimulus, SEES, School Reopening Ventilation and Energy Efficiency Verification and Repair Program, School Noncompliant Plumbing Fixture and Appliance Program, ventilation, plumbing, grant, energy efficiency, school, local educational agency, state agency, underserved community, HVAC, assessment, ENERGY STAR®, fixture, appliance

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EXECUTIVE SUMMARY

Assembly Bill (AB) 841 (Ting, Chapter 372, Statutes of 2020) established the School Energy Efficiency Stimulus (SEES) Program and directed the California Energy Commission (CEC), as the program administrator, to design, administer, and implement the program in collaboration with the utilities that fund the program. The SEES Program is referred to as the California Schools Healthy Air, Plumbing, and Efficiency (CalSHAPE) Program.

The CalSHAPE Program includes two grant programs, the CalSHAPE Ventilation Program and CalSHAPE Plumbing Program. The CalSHAPE Ventilation Program provides funding for local educational agencies to assess, maintain, and repair ventilation systems in schools. The CalSHAPE Plumbing Program provides funding for local educational agencies and state agencies to replace aging and water inefficient plumbing fixtures and appliances with water-conserving plumbing fixtures and appliances.

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This report describes program activities in Calendar Year 2022 — including the budget, expansion of eligibility, development of the HVAC Assessment Report, and grants awarded.

AB 841 was enacted in September 2020 as an urgency measure to help schools improve air quality and reduce energy use while meeting current classroom ventilation requirements. The implementation timeline established in the bill required the CEC to develop the program and begin awarding grants as quickly as possible. The CEC adopted program guidelines and began accepting applications in the fall of 2021. Since then, the CEC has held four funding rounds in which applications were submitted for both programs.

The funds provided by these grant programs assist local educational agencies in making much needed repairs and upgrades to the school infrastructure in the state. The CalSHAPE Program is also creating work opportunities for a skilled and trained workforce and prioritizing awards to schools in underserved communities, consistent with the goals of the program, which are to:

- Save energy.
- Create jobs.
- Provide direct support to schools in underserved communities.

In 2022, the eligibility for grant awards was expanded from only schools in underserved communities to all schools throughout the state in both programs and then expanded further to state agencies in the CalSHAPE Plumbing Program. CEC staff also began the development of the second phase of grant awards for the CalSHAPE Ventilation Program, which will be for grants that are referred to as Upgrade and Repair Grants. Upgrade and Repair Grants will provide funding to local educational agencies (LEAs) that complete the first phase of program awards, the Assessment and Maintenance Grants, to repair, upgrade, or replace HVAC systems in schools. The CEC expects to begin offering Upgrade and Repair Grants in the third quarter of 2023.

The CEC has received 620 applications for the CalSHAPE Ventilation Program and 175 applications for the CalSHAPE Plumbing Program as of the end of 2022. Awards are issued to eligible applicants with complete applications on a first come, first served basis when sufficient funds are available for the requested award amount. By the end of 2022, the CEC has awarded:

- 340 grants totaling $183 million in funding for the CalSHAPE Ventilation Program.
- 61 grants totaling $16 million in funding for the CalSHAPE Plumbing Program.

LEAs receive up to 50 percent of the grant award upon execution of the grant agreement. More than $90 million in program funds were paid to local educational agencies in 2022 to begin work on CalSHAPE Ventilation and Plumbing Program projects.

CHAPTER 1: Introduction

The School Energy Efficiency Stimulus (SEES) Program was established by Assembly Bill (AB) 841 (Ting, Chapter 372, Statutes of 2020). AB 841 directed the California Energy Commission (CEC), as program administrator, to design, administer, and implement the program. For administration purposes, the SEES Program is referred to as the California Schools Healthy Air, Plumbing, and Efficiency (CalSHAPE) Program. The CalSHAPE Program consists of two grant programs: the CalSHAPE Ventilation Program and CalSHAPE Plumbing Program.

The CalSHAPE Ventilation Program provides funding to local educational agencies (LEA) to assess, maintain, and repair heating, ventilation, and air-conditioning (HVAC) systems in schools. (The glossary on pages 24–27 defines "local educational agencies" and other terms in this report.) The program requires filter replacement, installation of carbon dioxide monitors in each classroom, testing of HVAC systems, and a verification report upon completion of the work. Any deficiencies in the HVAC system or ventilation rates of occupied areas found during the assessment must be documented in an assessment report. The assessment report is reviewed by a licensed professional for recommendations on repairs or upgrades that can be made to correct the deficiencies and meet the minimum ventilation and filtration rate requirements.

The CalSHAPE Plumbing Program provides funding to LEAs and state agencies to replace aging and water-inefficient plumbing fixtures and appliances with water-conserving plumbing fixtures and appliances. The noncompliant plumbing fixtures eligible for replacement are toilets, urinals, showerheads, and interior faucets that fail to meet current water usage requirements. The noncompliant appliances eligible for replacement are commercial dishwashers, automatic commercial ice makers, and commercial clothes washers that do not meet ENERGY STAR® Product Specifications.

The CalSHAPE Program was created as an urgent energy-efficiency measure and intended to save energy, create jobs, and provide direct support to schools in underserved communities, as defined by statute. Both the CalSHAPE Ventilation and Plumbing Programs require that a skilled and trained workforce perform the work so that grant funds go toward supporting and promoting high-quality jobs. Both programs also limited eligibility of program awards to schools in underserved communities until August 2022 when eligibility was expanded to schools statewide. By the end of 2022, 73 percent of the grant funds awarded were to schools in underserved communities. Information on the skilled and trained workforce and the energy and water savings of the projects is beginning to be collected in the progress and final reports submitted by LEAs and state agencies.

The CEC accepted applications during three funding rounds in 2022 and issued notices of proposed award (NOPA) to eligible applicants with complete applications throughout the year. This annual report describes CalSHAPE Program activities and spending in 2022 and summarizes expected program activities and changes to the guidelines and budget in 2023.

CHAPTER 2:
Budget

CalSHAPE Program funding comes from the energy efficiency budgets of California's large electric and gas investor-owned utilities, specifically Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), and Southern California Gas Company (SoCalGas). The California Public Utilities Commission (CPUC) approves the utilities' energy efficiency budgets and authorizes the utilities to transfer funding to the CEC for the CalSHAPE Program. The program accumulates funding in 2021, 2022, and 2023 and runs until December 1, 2026, when all unused funds must be returned to the utilities.

In addition to the funds transferred by the utilities, the CalSHAPE Ventilation Program was allocated $20 million from the greenhouse gas reduction fund (GGRF) in the Budget Act of 2022.[1] These funds must be used only for the replacement of HVAC systems in schools, which is a part of the second phase of CalSHAPE Ventilation Program grant awards. CEC staff is developing the requirements for the second phase of grant awards, which is referred to as the Upgrade and Repair Grants, and expects to begin accepting applications for HVAC system replacement projects in the third quarter of 2023. Additional information on the Upgrade and Repair Grants is provided in Chapter 6. The GGRF funding must be encumbered by June 30, 2026, and liquidated by June 30, 2029.

2022 Program Funding

The CPUC calculated the 2022 annual program budget to be $318.3 million as described in CPUC Decision (D.) 21-01-004 and subsequent filings by the investor-owned utilities specifying 2020 and 2021 unspent and uncommitted funds. [2] While this funding is under the CPUC authorized energy efficiency budget cap for the IOUs, the program resulted in new rates collection as this budget would not have been put into rates but for AB 841. The total program budget is allocated to the two programs with 75 percent to the CalSHAPE Ventilation Program and 25 percent to the CalSHAPE Plumbing Program. The total funding amounts transferred by each utility in 2021 and 2022 are provided in Table 1.

1 AB 179 added Items 3360-001-3228 and 3360-101-3228 to Section 2 of the Budget Act of 2022, appropriating a total of $20 million in funding from the GGRF to the CalSHAPE Ventilation Program.

2 The total program budget also includes 2021 unspent and uncommitted funds and a true-up of 2020 unspent and uncommitted funds related to a CPUC audit of the investor-owned utilities. For additional information, see CPUC D. 21-01-004 and CPUC R.13-11-005 E-mail Ruling dated Dec. 17, 2021.

Table 1: CalSHAPE Program Funding for 2021 and 2022*

	PG&E	SCE	SDG&E	SoCalGas	Total
2021 Program Funding	$102,466,340	$116,488,293	$52,976,495	$2,500,000	$274,431,128
2022 Program Funding	$122,744,916	$121,914,182	$73,439,162	$202,247	$318,300,507
Accumulated Funding	$225,211,256	$238,402,475	$126,415,657	$2,702,247	$592,731,635

***The 2021 program funding reported for SoCalGas in the *CalSHAPE Program Activities and Expenditures, Annual Report on Program Year 2021* included an estimate of the 2020 unspent and uncommitted funds amount. During 2021, the *Energy Efficiency Program Performance Audit for Southern California Gas Company, January 1, 2020 Through December 31, 2020*, (https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/utility-audits--risk--and-compliance-division/reports/energy/2021/energy_2021-09-27_scg_ee.pdf) found that the actual amount of 2020 unspent and uncommitted funds for SoCalGas was less than the estimate. As a result, the 2021 program funding transferred by SoCalGas was reduced to account for the difference in estimated and actual amounts.**

Source: CPUC D. 21-01-004

Distribution of Funding

The CEC created funding categories to track the amount of funding received from each utility and ensure that funds are awarded only to sites in the service territory of the utility that contributed the funds.[3] The program has five funding categories: one for each of the four utilities plus a second funding category for PG&E. The funds provided by PG&E electric and PG&E gas service territories are tracked separately to ensure the ratepayer moneys collected in the separate electric and gas service territories go toward projects in the specific service territory areas. The funds provided by SDG&E are not tracked separately for the electric and gas service territories due to the minimal number of schools in the SDG&E gas-only service territory.

In addition to the funding categories, CalSHAPE Program funding is also distributed to applicants by application tiers. LEAs are awarded funding from one of the three tiers based on the LEA's student enrollment as follows:

- Tier 1 – fewer than 1,000 students enrolled
- Tier 2 – between 1,000 and 5,000 students enrolled
- Tier 3 – over 5,000 students enrolled

State agencies are awarded funding from tier three. The available funding in each funding category is allocated to the application tiers based on the percentages shown in Table 2. The CalSHAPE Program awards grants on a first-come, first-served basis, and the application tiers were created to encourage equity in the distribution of program funds. The application tiers are based on an approach used for the CEC's Energy Conservation Assistance Act — Education

3 Public Utilities Code (PUC) Section 1615(c) requires that each utility's funds are used for projects in the service territory of utility from which the funds are received.

Subaccount Competitive Loan Program. This approach allows program funding to be available to a range of LEAs during each funding round.

Table 2: Percentage of Funding Allocated to the Application Tiers

Tier	1	2	3
Allocation Percentages	10%	10%	80%

Source: California Energy Commission

Available Funding

"Funding Rounds" is the mechanism used to distribute program funding to eligible entities by employing a grant application process for a certain time period with specified eligibility requirements and available funding amounts in each funding category. Beginning in the fall of 2021, the CEC has accepted applications for the CalSHAPE Programs during four funding rounds, which are listed below.

- Funding Round One
    - CalSHAPE Ventilation Program – September 28, 2021, to January 31, 2022.
    - CalSHAPE Plumbing Program – August 31, 2021, to December 31, 2021.
- Funding Round Two – March 28, 2022, to May 31, 2022, for both programs.
- Funding Round Three – June 21, 2022, to October 31, 2022, for both programs.
- Funding Round Four – December 20, 2022, to March 31, 2023, for both programs.

The CalSHAPE Program has received considerable interest throughout each funding round, and the amount of funding requested in applications has remained high, especially for the CalSHAPE Ventilation Program. Table 3 provides the amount of funding accumulated by the program, the amount of funding requested in applications, and the amount of funding that was remaining in the program for each utility by the end of 2022.

Table 3: CalSHAPE Program Funds Remaining by Utility

	PG&E	SCE	SDG&E	SoCalGas	Total
Accumulated Funding	$225,211,256	$238,402,475	$126,415,657	$2,702,247	$592,731,635
Requested Funding	$167,825,500	$230,675,092	$40,060,289	$19,374,075	$457,934,955
Remaining Funding	$57,385,756	$7,727,383	$86,355,368	$0	$151,468,507

Source: CPUC D. 21-01-004 and California Energy Commission

As shown in Table 3, the amount of funding requested in applications in the SoCalGas funding category exceeds the accumulated funding. The SoCalGas funding category has no remaining funding, and SoCalGas is not expected to transfer any additional funding in 2023, which is the

last year that funds are accumulated for the CalSHAPE Program.[4] CEC staff released all of SoCalGas' funding for grant awards in 2022. Even though no funding is available for SoCalGas, grant applications for schools in the SoCalGas funding category continue to be collected for the CalSHAPE Ventilation and CalSHAPE Plumbing Programs.

4 Utility program funding amounts for 2023, not including prior years' unspent and uncommitted funds, are provided in Table 3 in CPUC D. 21-01-004. Per CPUC R.13-11-005 E-mail Ruling dated Dec. 17, 2021, the utilities will submit a Tier 2 advice letter for CPUC review no later than April 1, 2023 specifying an amount of program year 2022 unspent and uncommitted funds, if any.

CHAPTER 3:
Program Activities

CalSHAPE Program implementation activities in 2022 consisted of expanding eligibility for the grant awards of both programs, conducting outreach to potential applicants, coordinating with other agencies, accepting HVAC Assessment Reports, and continuing to accept applications and issue NOPAs to successful LEAs. Each of these program activities is described in this chapter.

Eligibility Expansion

One of the goals of the CalSHAPE Program is to provide direct support to schools in underserved communities. To ensure this goal is met, the CEC initially focused eligibility for CalSHAPE Ventilation and CalSHAPE Plumbing Program by limiting grant awards to schools in underserved communities. This eligibility limit was in effect during the first two funding rounds and during a six-week priority period at the beginning of the third funding round. Eligibility was limited at the start of the program to provide the opportunity for LEAs to receive funding for projects at schools in underserved communities before other schools. The limited eligibility for the program spanned a total of seven months during which 31 percent of the expected total program funding was requested for projects at schools in underserved communities.[5]

The CEC expanded eligibility for the CalSHAPE Ventilation and CalSHAPE Plumbing Programs to all schools in the service territory of one of the four utilities in June 2022 with the adoption of second edition guidelines. The third funding round began after the adoption of the second edition guidelines and included a six-week priority period at the start of the funding round, in which eligibility was limited to schools in underserved communities as well as schools near high traffic corridors and Title V facilities.[6] LEAs were able to include all their schools in applications for grant awards beginning in August 2022 in the third funding round.

The CEC further expanded eligibility for CalSHAPE Plumbing Program grant awards to include state agencies in December 2022 with the adoption of the third edition of the guidelines.[7] State agencies were eligible to begin applying for the CalSHAPE Plumbing Program with the start of the fourth funding round in December 2022. Figure 1 provides a timeline of the expansion of eligibility in 2022 and shows the number of applications, the percentage of schools in underserved communities, and the percentage of the total program budget requested in the applications submitted during each period.

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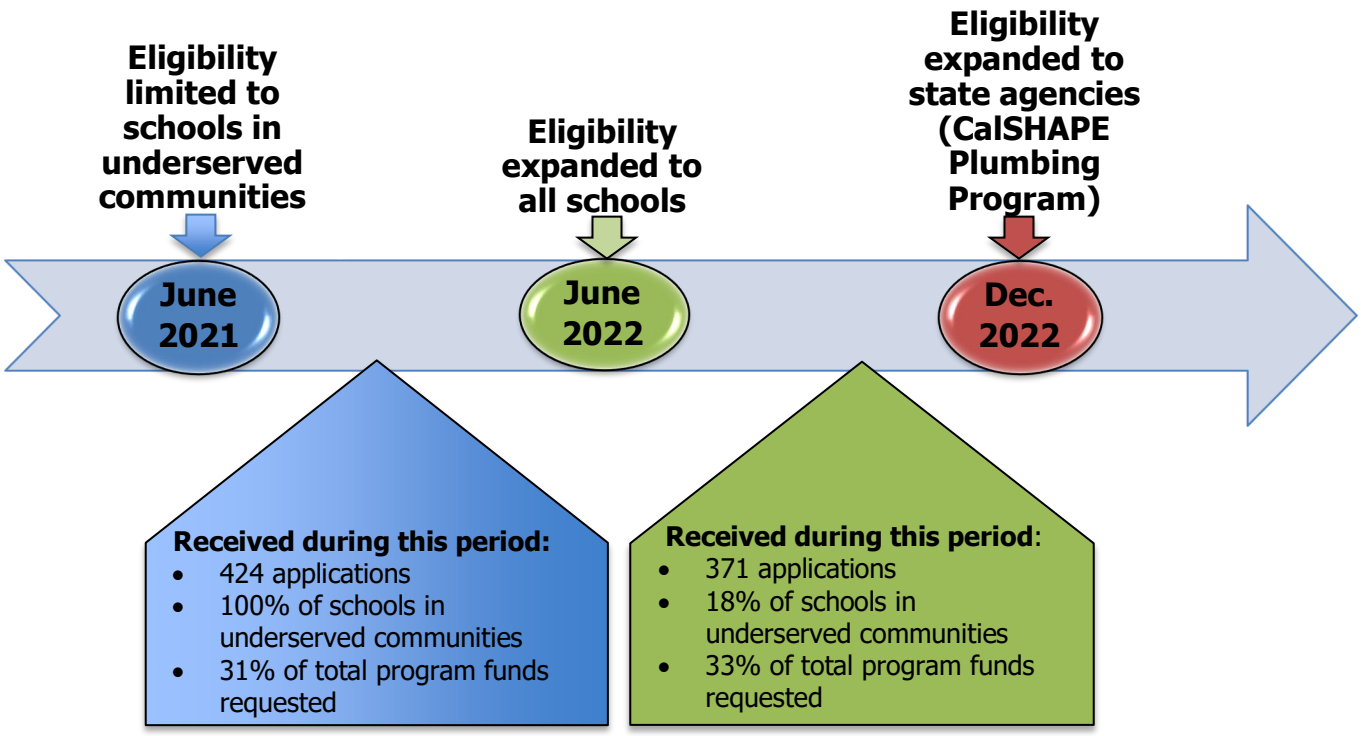
5 PUC Section 1612 requires that a least 25 percent of the projects funded by the CalSHAPE Program are in underserved communities.

6 PUC Section 1612 requires that the CalSHAPE Ventilation Program prioritize schools with a boundary that is within 500 feet of the edge of the closest traffic lane of a freeway or other busy traffic corridor or within 1,000 feet of a facility holding a permit pursuant to Title V of the Clean Air Act (42 U.S.C. Section 7661 et seq.)

7 PUC Section 1631 states that the CEC shall provide CalSHAPE Plumbing Program grants to state agencies and local educational agencies.

Figure 1: CalSHAPE Program Eligibility Timeline



Source: California Energy Commission

Workshop and Outreach

A public workshop was held via the Zoom online platform before the expansion of eligibility for grant awards to all LEAs statewide. The feedback and information provided in the workshop comments were considered in developing the second edition of the guidelines for each program. CEC staff also employed extensive direct outreach activities to LEAs to inform them of the expansion of eligibility for grant awards to all LEAs statewide. CEC staff called and sent emails to all school districts, charter schools, and regional occupational centers in the state with information on the grants offered by the programs and the process to apply.

Additional outreach to state agencies was performed before the expansion of eligibility for CalSHAPE Plumbing Program grant awards. CEC staff conducted outreach activities to state agencies, including the University of California, California State Universities, and California Community Colleges, in the fall of 2022 to inform them of the CalSHAPE Plumbing Program grant opportunity and the application process.

CEC staff collaborated with many program participants in 2022, including LEAs, contractors, and trade representatives. Most of these meetings were to provide assistance with completing the application and grant agreement process. CEC staff also collaborated with program participants to hear their experiences with the program and discuss any challenges faced with participation in the program and future opportunities. These meetings provided staff with insight on the needs of LEAs and their schools and ideas for continued program improvement.

CEC staff also attended and operated a booth at the California Schools Board Association Annual Conference and Trade Show. This event provided time for staff to promote CalSHAPE Program grants to potential applicants as well as answer questions and provide assistance with the application process to trade show attendees.

Coordination and Collaboration With Other Agencies

CEC staff coordinated and collaborated with the CPUC, Department of General Services (DGS), and California Air Resources Board (CARB) on different aspects of the program during 2022. CEC staff has continuously worked with the CPUC on the CalSHAPE Program since program development began in 2020. In 2022, coordination and collaboration with the CPUC mainly involved the sharing of information on the budget, expansion of eligibility, and program data.

CEC staff began collaborating with DGS' Office of Sustainability during the expansion of CalSHAPE Plumbing Program eligibility to state agencies. The Office of Sustainability runs a program similar to the CalSHAPE Plumbing Program that provides funding to state agencies for the replacement of plumbing fixtures. Office of Sustainability staff contributed valuable information to CEC staff on processes for providing grants to state agencies while the program guidelines and application were being updated. This information allowed state agencies to be seamlessly incorporated into the application and award processes of the CalSHAPE Plumbing Program. CEC staff and Office of Sustainability staff continue to work together to ensure that state agency applicants for plumbing fixture replacements are able to receive funding for their projects from one of the programs.

As mentioned in Chapter 2, the CalSHAPE Ventilation Program was allocated $20 million from the GGRF. The GGRF funds are provided as part of the California Climate Initiative and are administered by CARB. CEC staff began to work with CARB in 2022 to ensure the program development for the use of the funds meets the California Climate Initiative requirements. CEC staff will continue working with CARB on CalSHAPE Ventilation Program implementation into 2023 and beyond as projects are funded with GGRF funding.

HVAC Assessment Report

The CalSHAPE Ventilation Program requires that all schools receiving a grant award, produce and submit an HVAC Assessment Report. The information in the HVAC Assessment Report is gathered by qualified testing or adjusting personnel during the assessment and provides information on each HVAC system located at a site. The information provided in the HVAC Assessment Report includes:

- HVAC system equipment specifications.
- Filtration information.
- Ventilation rate verification.
- Exhaust rate verification.
- System deficiencies documentation.

The HVAC Assessment Report is submitted to the CEC as part of the final reporting for the grant. CEC staff completed development of the HVAC Assessment Report in 2022 and designed the report as data entry fields in the CalSHAPE Online System, which is the online

application and reporting system for the CalSHAPE Program. With the report information being entered directly into the CalSHAPE Online System, the report data for each project are stored in the system and can be easily accessed and queried for program reporting. CalSHAPE Ventilation Program grantees began completing their HVAC Assessment Reports in the CalSHAPE Online System in September 2022. The collected information stored from the initial HVAC Assessment Reports is provided in Chapter 4.

Applications and Awards

AB 841 required the CEC to solicit applications for grants by April 1, 2021, and begin approving applications by May 1, 2021. The CalSHAPE Program began accepting applications for the CalSHAPE Plumbing Program and CalSHAPE Ventilation Program in the fall of 2021. Since then, three subsequent funding rounds have been administered for the CalSHAPE Ventilation and Plumbing programs. During the funding rounds, applicants submit applications for grant awards in the CalSHAPE Online System. CEC staff reviews each application in the CalSHAPE Online System and works closely with applicants to correct any errors or inconsistencies found in the information provided in the applications.

CEC staff began issuing notices of proposed award (NOPA) to qualified applicants on November 30, 2021, for the CalSHAPE Ventilation and CalSHAPE Plumbing Programs. CEC staff continuously issues NOPAs to qualified applicants throughout the year as applications are determined to be complete. Information on the number of applications received, notices of proposed award issued, and amount of funding requested for both programs in 2022 is provided in Chapter 4.

CHAPTER 4:
Program Statistics

In 2022, the CalSHAPE Ventilation and Plumbing Programs continued to accept applications and issue NOPAs to qualified applicants. The CalSHAPE Ventilation Program also began accepting HVAC Assessment Reports. This chapter provides data, statistics, and information regarding the applications received, NOPAs issued, requested funding for program projects, and the initial report information collected.

Applications and Awards

Applications for the CalSHAPE Ventilation and CalSHAPE Plumbing Programs were accepted beginning in the fall of 2021. As described in Chapter 3, a member of CEC staff reviews each application, works with applicants to correct any errors or inconsistencies found in an application, and then issues a NOPA once an application is determined to be complete. CEC staff began issuing NOPAs to applicants with complete applications in November 2021. As of the end of 2022, the CalSHAPE Program has administered three complete funding rounds for a time period of between two and four months for each funding round. The fourth funding round started in December 2022 and ends in March 2023. Applications are accepted only during a specified funding round, and NOPAs are issued continuously throughout the year.

Table 5 provides the number of applications submitted, the amount of funding requested in applications, and the number of NOPAs issued in each program as of the end of 2022.

Table 5: Applications Submitted and Funding Requested in CalSHAPE Program

	Applications	Requested Funding Amount	NOPAs Issued
Plumbing Program	175	$66,812,942	141
Ventilation Program	620	$391,122,014	564
Total	795	$457,934,956	705

Source: California Energy Commission

After a NOPA is issued, an applicant must return a signed grant agreement and supporting documentation for a grant to be awarded. As of the end of 2022, 401 grants have been awarded in the CalSHAPE Program for a total of $198,788,474 in grant funds awarded. This amount represents 27 percent of the expected total program budget.[8] Table 6 provides the number of grants awarded and the amount of grant funding awarded along with the expected total budget and the percentage of the total budget awarded for each program as of the end of 2022.

8 Total program budget is estimated to be around $757 million. The CEC may use up to $30 million of the program budget for administering the programs as provided by PUC Section 1615(d). It is expected that around $727 million will be available for grant awards.

Table 6: Grants Awarded in CalSHAPE Program

	Grants Awarded	Award Amount	Total Budget*	Percentage of Total Budget
Plumbing Program	61	$16,194,423	$181,934,433	9%
Ventilation Program	340	$182,594,051	$545,803,298	33%
Total	401	$198,788,474	$727,737,731	27%

***The total budget for each program is currently an estimate. The amounts are comprised of the utility funding amounts for 2021, 2022, and 2023 with the $30 million that is reserved for the program administration budget deducted. The total budget will be known after the 2022 unspent and uncommitted fund amounts are determined by the CPUC as explained in Chapter 2.**

Source: California Energy Commission

Schools in Underserved Communities

Eligibility for funding during the first three funding rounds was limited to schools located in underserved communities in order to meet the CalSHAPE Program requirements to prioritize these schools.[9] This program funding eligibility focus at the start of the program resulted in 18 percent of the expected total program budget being awarded to LEAs for projects at schools in underserved communities.

LEAs applied for CalSHAPE Ventilation and Plumbing Program grant funding for schools located in underserved communities throughout the state. The number of LEAs and schools in underserved communities that applied for one or both programs, as of the end of 2022, are provided in Table 7. As shown in Table 7, 25 percent of eligible LEAs submitted grant applications, which included 41 percent of the state's schools located in underserved communities.

Table 7: Schools in Underserved Communities in CalSHAPE Program

	LEAs	Schools
CalSHAPE Program Applications	411	2,571
Total Number of Eligible LEAs/Schools	1,662	6,204
Percentage of Eligible LEAs/Schools with Applications	25%	41%

Source: California Energy Commission

CEC staff has awarded CalSHAPE Ventilation and Plumbing Program grant funding to more than 13 percent of the schools in underserved communities throughout the state. The numbers of grants awarded to LEAs for projects at schools in underserved communities in

9 PUC Section 1612 requires that that at least 25 percent of all CalSHAPE Program funds be awarded to schools in underserved communities, as defined by PUC Section 1601(e), and that these schools are offered the chance to apply for a grant before other schools.

each program are provided in Table 8. Table 8 also provides the amount of grant funding awarded to LEAs for projects located at schools in underserved communities along with the expected total budget and percentage of the expected total budget awarded for each program as of the end of 2022. As shown in Table 8, the total grant funding awarded to LEAs for projects at schools located in underserved communities was $137,269,696.

Table 8: Applications From Schools in Underserved Communities

	Grants Awarded	Award Amount	Total Budget*	Percentage of Total Budget
Plumbing Program	57	$16,112,438	$181,934,433	9%
Ventilation Program	242	$121,157,258	$545,803,298	22%
Total	300	$137,269,696	$727,737,731	19%

***The total budget for each program is currently an estimate. The amounts are comprised of the utility funding amounts for 2021, 2022, and 2023 with the $30 million that is reserved for the program administration budget deducted. The total budget will be known after the 2022 unspent and uncommitted fund amounts are determined by the CPUC as explained in Chapter 2.**

Source: California Energy Commission

Distribution of Funds

CalSHAPE Program funding is distributed to LEAs based on the funding category of the school and the application tier of the LEA. There are five funding categories, one for each utility service area that contributes funding to the program. A school is awarded a grant from the funding category corresponding to the utility service territory in which it's located. CalSHAPE Program funding is reserved for LEAs based on student enrollment in three application tiers. A more detailed description of the funding categories and applications tiers is provided in Chapter 2.

The distribution of the grant award amounts, as of the end of 2022, and the total budget by funding category and application tier are shown in Tables 9 and 10, respectively. As discussed in Chapter 2, the current amount of requested funding in applications for the SoCalGas funding category already exceeds the expected total program funding. CEC staff will continue to award grants from the SoCalGas funding category as applications are determined to be complete and the grant agreement documents are provided until the total budget amount is awarded.

Table 9: Distribution of Funds by Funding Category

Funding Category	Award Amount	Total Budget*	Percentage of Total Budget
PGE Electric	$75,873,287	$233,831,497	32%
PGE Gas	$13,243,375	$47,893,198	28%
SCE	$94,189,496	$299,796,500	31%
SoCalGas	$156,751	$2,702,247	6%
SDGE	$15,325,565	$143,514,289	11%
Total	$198,788,474	$727,737,731	27%

***The total budget for each funding category is currently an estimate. The amounts are comprised of the utility funding amounts for 2021, 2022, and 2023 with the $30 million that is reserved for the program administration budget deducted. The total budget will be known after the 2022 unspent and uncommitted fund amounts are determined by the CPUC as explained in Chapter 2.**

Source: California Energy Commission

Table 10: Distribution of Funds by Application Tier

Tiers	Award Amount	Total Budget*	Percentage of Total Budget
Tier 1	$11,401,008	$72,773,773	16%
Tier 2	$33,304,423	$72,773,773	46%
Tier 3	$154,083,043	$582,190,185	26%
Total	$198,788,474	$727,737,731	27%

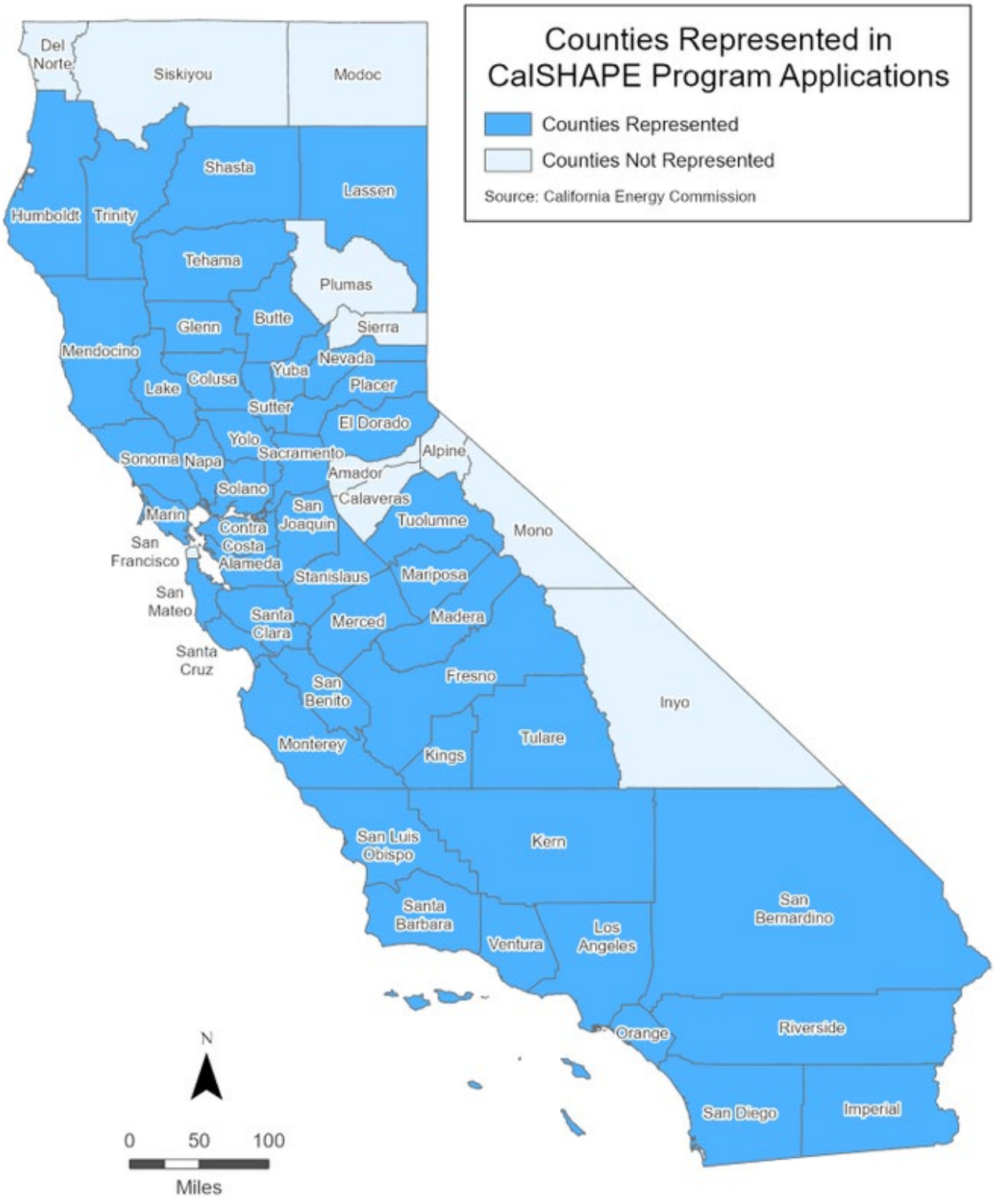
***The total budget for each tier is currently an estimate. The amounts are comprised of the utility funding amounts for 2021, 2022, and 2023 with the $30 million that is reserved for the program administration budget deducted. The total budget will be known after the 2022 unspent and uncommitted fund amounts are determined by the CPUC as explained in Chapter 2.**

Source: California Energy Commission

Statewide Impact

The CalSHAPE Program received applications for either the CalSHAPE Ventilation or CalSHAPE Plumbing Program from LEAs located in 47 of the state's 58 counties, which is 81 percent of the counties in the state. A map displaying the counties represented in the applications are shown in blue in Figure 2.

Figure 2: Map of Counties Represented in CalSHAPE Program Applications



Source: California Energy Commission

Ventilation Program

The CalSHAPE Ventilation Program funds various measures to improve indoor air quality in schools, including filter replacement; installation of carbon dioxide monitors in each classroom; assessment, maintenance, and repair of HVAC systems; and an HVAC Assessment Report.

To fulfill the project requirements of the assessment and maintenance portion of the grant, the CalSHAPE Program offers three grant pathways: HVAC Assessment and Maintenance Pathway, Scheduled for Replacement Pathway, and Limited or No Mechanical Ventilation Pathway.[10] The HVAC Assessment and Maintenance Pathway provides the full assessment and maintenance of the HVAC systems. The Scheduled for Replacement Pathway and Limited or No Mechanical Ventilation Pathway were developed to provide additional opportunities for schools to participate in the program that do not have an HVAC system or are in the process of replacing the HVAC system, which would not need a full assessment and maintenance. Table 11 provides the number of LEAs and schools that are following each of the grant pathways. Notably, most schools applied to follow the HVAC Assessment and Maintenance Pathway. Only 74 schools, out of the total 3,666 schools that have been included in CalSHAPE Ventilation Program applications, applied to follow the Scheduled for Replacement Pathway, and no LEAs have applied for a grant award for a school to follow the Limited or No Mechanical Ventilation Pathway.

Table 11: LEAs and Schools Following Each Ventilation Pathway

Grant Pathways	Number of LEAs	Number of Schools
HVAC Assessment and Maintenance	610	3,592
Scheduled for Replacement	13	74
Limited or No Mechanical Ventilation	0	0

Source: California Energy Commission

As aforementioned, the CalSHAPE Ventilation Program funds HVAC system assessment and maintenance, air filter replacement, and carbon dioxide monitor installation in the three grant pathways. Table 12 provides the number of the HVAC system assessments and filter and carbon dioxide monitor installations requested in the applications received in the program as of the end of 2022.

10 The HVAC Assessment and Maintenance Pathway is used by schools that have at least one HVAC system that is not scheduled for replacement within two years of the application submittal date. The Scheduled for Replacement Pathway is used by schools in which all HVAC systems at the school are scheduled for replacement within two years of the application submittal date. The Limited or No Mechanical Ventilation Pathway is used by schools that do not have an HVAC system. The project requirements for each grant pathway can be found in Chapter 2 of the *CalSHAPE Ventilation Program Guidelines, Second Edition* at https://www.energy.ca.gov/publications/2022/california-schools-healthy-air-plumbing-and-efficiency-ventilation-program.

Table 12: Requested Items in Ventilation Program

Item	Number of Units
Assessment of HVAC Systems	187,277
Filters	379,503
Carbon Dioxide Monitor	146,701

Source: California Energy Commission

As noted in Chapter 3, LEAs began entering the HVAC Assessment Reports for their projects into the CalSHAPE Online System. Table 13 provides the number of HVAC Assessment Reports entered into the CalSHAPE Online System for each of the grant pathways along with the number of HVAC systems that were assessed and described in the reports.

Table 13: HVAC Assessment Reports by Ventilation Pathway

Grant Pathways	HVAC Assessment Reports	HVAC Systems Assessed
HVAC Assessment and Maintenance	8	99
Scheduled for Replacement	0	0
Limited or No Mechanical Ventilation	0	0

Source: California Energy Commission

Plumbing Program

The CalSHAPE Plumbing Program funds the replacement of noncompliant plumbing fixtures and appliances with water-conserving plumbing fixtures and appliances. The noncompliant plumbing fixtures eligible for replacement are toilets, urinals, showerheads, and interior faucets. The noncompliant appliances eligible for replacement are commercial dishwashers, automatic commercial ice makers, and commercial clothes washers. Table 14 provides the number of the noncompliant plumbing fixture and appliance replacements that were requested in the applications in the CalSHAPE Plumbing Program as of the end of 2022.

Table 14: Fixture and Appliance Replacements in Plumbing Program

Plumbing Fixture or Appliance	Number of Requested Units
Automatic Ice Maker	89
Clothes Washer	65
Commercial Dishwasher	98
Interior Faucet	12,238
Showerhead	1,297
Toilet	14,452
Urinal	3,786
Total	32,025

Source: California Energy Commission

CHAPTER 5:
Challenges and Opportunities

CEC staff continuously evaluates the feedback received from applicants and data collected during the application, review, and award issuance processes to identify areas that may benefit from changes. This chapter summarizes areas of the program that have presented challenges and opportunities for improvement.

Funding for Ventilation Program

Since the CalSHAPE Ventilation Program began accepting applications, approximately 72 percent of the total expected program budget, which is estimated to be $545 million, has been requested for awards in grant applications. However, as of the end of 2022, only 34 percent of the schools in the state have been included in an application for a CalSHAPE Ventilation Program grant. Additionally, the CalSHAPE Ventilation Program continues to grow. The CEC expanded eligibility, as discussed in Chapter 2, and will begin to offer the second phase of grant awards in 2023, which is further explained in Chapter 6. With the expanded eligibility, it is possible that all program funding could be reserved for grant awards by the end of 2023.

The CalSHAPE Ventilation Program provides funding for essential indoor air quality services in schools, which are the assessment and maintenance of HVAC systems, the installation of new filters and carbon dioxide monitors, and the preparation of an HVAC Assessment Report. The HVAC Assessment Report is reviewed by a licensed professional for recommendations on additional work that is needed to correct any HVAC system deficiencies and meet ventilation and filtration rate requirements. The program will then offer an additional grant to schools to perform the work recommended by the licensed professional, which includes the replacement of the current HVAC systems with all electric HVAC systems. These grants are a part of the second phase of program awards, which is further described in Chapter 6.

As described in Chapter 2, the CalSHAPE Program is funded by California's large investor-owned utilities (namely, PG&E, SCE, SDG&E, and SoCalGas) and the amount of funding provided by each utility is calculated based on each utility's 2020 energy efficiency budget.[11] This funding resulted in new collections from ratepayers, increasing overall rates for IOU customers. In addition, the funding provided by each utility can be awarded only to projects in the utility's service territory.[12] Table 15 provides the number of remaining schools that have not yet received a grant for the initial phase of program awards, or the assessment and maintenance work, and total remaining budget in each utility service territory. The program grants continue to be in high demand as the number of applications received has increased with each funding round. With program funds close to being entirely reserved for grant

11 See PUC Section 1615(a) or CPUC D. 21-01-004 for additional information on the CalSHAPE Program budget.

12 PUC Section 1615(c) requires that each utility's funds are used for projects located in the service territory of utility from which the funds are received.

awards, many schools across the state may not have the opportunity to participate in the CalSHAPE Ventilation Program.

The amounts in Table 15 do not include the $20 million in GGRF funding that was allocated to the CalSHAPE Ventilation Program in 2022.[13] These funds can be used only for the replacement of HVAC systems in schools, which, as mentioned, is part of the second phase of program awards. LEAs must complete an assessment and maintenance project at a school in the initial phase of CalSHAPE Ventilation Program awards for the school to be eligible for a grant in the second phase of awards. As such, the ability for a school to receive an award is limited by the amount of utility funding available.

Table 15: Remaining Funding in CalSHAPE Ventilation Program

	PG&E	SCE	SDG&E	SoCalGas	Total
Remaining Eligible Schools	3,111	1,557	530	1,100	6,298
Total Remaining Budget	$67,248,757	$30,980,422	$73,309,338	$0	$171,538,517

Source: CalSHAPE GIS Web Map and CPUC D. 21-01-004

Additional Time to Expend Funds

As discussed above, the CalSHAPE Program has continued to expand and develop throughout 2022. The CEC expanded the eligibility of grant awards to all schools in the CalSHAPE Ventilation and Plumbing Programs and then further expanding eligibility to state agencies in the CalSHAPE Plumbing Program. The CEC also began developing the second phase of CalSHAPE Ventilation Program grant awards, which will provide additional funding to LEAs to repair, upgrade, or replace HVAC systems in schools. The CEC will begin offering these grants in 2023, as discussed in Chapter 6.

The continued growth of the CalSHAPE Program is limited by the amount of time remaining in the program to expend funds. All funds that are not used by LEAs or state agencies must be returned to the utilities by December 1, 2026.[14] CEC staff has determined that to meet this deadline, all projects must be completed and have final reports and invoices submitted by June 30, 2026. This deadline has the largest effect on the HVAC system repair, upgrade, and replacement projects that will begin next year as part of the second phase of the CalSHAPE Ventilation Program grant awards. To meet the deadline of returning funds by December 1, 2026, HVAC system repair, upgrade, and replacement projects will need to be completed within two years of the grant award.

During development of the second phase of the CalSHAPE Ventilation Program grant awards, CEC staff collaborated with program participants, including LEAs, contractors, and engineers, to gather information on HVAC system repair, upgrade, and replacement projects. These participants emphasized that the availability of materials and labor adds a significant amount

13 AB 179 added Items 3360-001-3228 and 3360-101-3228 to Section 2 of the Budget Act of 2022, appropriating a total of $20 million in funding from the GGRF to the CalSHAPE Ventilation Program.

14 PUC Section 1615(f) requires that funds be spent or returned to each utility by December 1, 2026.

of time to the overall time it takes to complete a project, and that it could take more than a year to receive the equipment ordered for a project. Most program participants have agreed that it will be difficult to complete an HVAC system repair, upgrade, and replacement project within two years.

CHAPTER 6:
2023 Outlook and Conclusion

Program Budget

As described in Chapter 2, CalSHAPE Program funding comes from the four large utilities. The CPUC follows the direction in statute and calculates the amount contributed by each utility for each of the three program years. CPUC D. 21-01-004 provides the 2023 program funding amounts for each utility, which are provided in Table 16. As shown, the estimated total 2023 program funding amount is $165,006,096.[15]

Table 16: Estimated CalSHAPE Program Funding for 2023*

	PG&E	SCE	SDG&E	SoCalGas	Total
2023 Program Funding	$69,349,755	$74,673,970	$20,982,371	$0	$165,006,096

***Program funding amounts do not include the prior year's unspent and uncommitted funds. The utilities will submit a Tier 2 advice letter for CPUC review no later than April 1, 2023, specifying an amount of program year 2022 unspent and uncommitted funds, if any.**

Source: CPUC D. 21-01-004, CPUC R.13-11-005 E-mail Ruling "E-MAIL RULING PROVIDING NOTICE AND OPPORTUNITY REGARDING AUDIT OF UNSPENT AND UNCOMMITTED FUNDS" dated Dec. 17, 2021.

The program funding collected in 2022 and not reserved for grant awards will be carried over and added to the 2023 program budget. The CEC will make the program funding available for grant awards in one or more funding rounds during 2023.

Guidelines Changes

CEC staff proposes to revise the CalSHAPE Ventilation Program Guidelines in 2023 to add requirements for the second phase of CalSHAPE Ventilation Program grant awards, which is referred to as the Upgrade and Repair Grants.

The Upgrade and Repair Grants will provide additional funding to LEAs that complete the initial phase of CalSHAPE Ventilation Program grant awards, which is referred to as Assessment and Maintenance Grants. As described in previous chapters, the funding provided as part of the Assessment and Maintenance Grant is for the assessment, maintenance, and repair of HVAC systems in schools. As part of the grant, an HVAC Assessment Report is produced to document the results of the assessment and any deficiencies found in the HVAC system. The report is reviewed by a licensed professional for recommendations on additional repairs, upgrades, or replacements needed to correct deficiencies and meet the minimum ventilation and filtration

15 The 2023 program budget does not include the prior year's unspent and uncommitted funds, which will be finalized by the utilities and submitted for CPUC review in April 2023.

rate requirements. The Upgrade and Repair Grant will provide additional funding to LEAs to make these recommended repairs, upgrades, or replacements.

CEC staff began developing the Upgrade and Repair Grants in 2022. As part of this process, the CalSHAPE Ventilation Program Guidelines should be revised to add the grant requirements and the application and award processes. The third edition of the CalSHAPE Ventilation Program Guidelines is expected to be adopted by the CEC in the second quarter of 2023. CEC staff anticipates beginning to accept applications for Upgrade and Repair Grants in the third quarter of 2023.

Conclusion

CEC staff continued to expand and develop the CalSHAPE Program throughout 2022. The eligibility for both programs was expanded, and the CalSHAPE Online System continued to be developed and began to accept final reports. CEC staff also began developing the second phase of grant awards for the CalSHAPE Ventilation Program, which will largely fund the replacement of HVAC systems in schools with all electric HVAC systems with a projected deployment in 2023. The CalSHAPE Ventilation and Plumbing Programs have awarded almost $162 million, which is approximately 22 percent of the total expected program budget. CEC staff continuously evaluates program guidelines and analyzes project data and program metrics with a lens to identify program improvement opportunities to ensure ongoing success of the program in 2023.

GLOSSARY

Term	Definition
Assembly Bill (AB)	Legislation originating in the California State Assembly.
Assessment and Maintenance	An assessment of and adjustments to an HVAC system as described in Chapter 2, Section B of the *CalSHAPE Ventilation Program Revised Commission Guidelines*. These include, as applicable, filtration, economizer dampers, ventilation, coil condition, and other requirements.
CalSHAPE Plumbing Program	The CalSHAPE Plumbing Program administers the requirements of the School Noncompliant Plumbing Fixture and Appliance Program as specified in Article 4 of Chapter 8.7 (commencing with Section 1630) of Part 1 of Division 1 of the PUC.
CalSHAPE Plumbing Program Revised Commission Guidelines	Guidelines that describe the program design, application process, and reporting requirements for the CalSHAPE Plumbing Program. The *CalSHAPE Plumbing Program Revised Commission Guidelines* are available at https://www.energy.ca.gov/publications/2021/california-schools-healthy-air-plumbing-and-efficiency-plumbing-program.
CalSHAPE Program	California Schools Healthy Air, Plumbing, and Efficiency Program, which includes two grant programs: CalSHAPE Ventilation Program and CalSHAPE Plumbing Program.
CalSHAPE Ventilation Program	The CalSHAPE Ventilation Program administers the requirements of the School Reopening Ventilation and Energy Efficiency Verification and Repair Program as specified in Article 3 of Chapter 8.7 (commencing with Section 1620) of Part 1 of Division 1 of the PUC.
CalSHAPE Ventilation Program Revised Commission Guidelines	Guidelines that that describe the program design, application process, and reporting requirements for the CalSHAPE Ventilation Program. The *CalSHAPE Ventilation Program Revised Commission Guidelines* are available at https://www.energy.ca.gov/publications/2021/california-schools-healthy-air-plumbing-and-efficiency-ventilation-program.
California Energy Commission (CEC)	State Energy Resources Conservation and Development Commission, commonly called the California Energy Commission, the Energy Commission, or the CEC.
CPUC	California Public Utilities Commission.

Term	Definition
Funding Round One	The first funding round of the CalSHAPE Program. Funding Round One of the CalSHAPE Plumbing Program ran from August 31, 2021, to December 31, 2021. Funding Round One of the CalSHAPE Ventilation Program ran from September 28, 2021, to January 31, 2022.
GIS web map	A web map developed by a geographic information system which displays the more than 10,000 schools in California and provides information to identify schools that are eligible to apply for a CalSHAPE Ventilation or Plumbing program grant.
Heating, ventilation, and air conditioning (HVAC)	Any air-handling units, rooftop units, and unitary and single-zone equipment in the HVAC system or systems of a site, as described in PUC Section 1622.
HVAC Assessment and Maintenance Pathway	One of the three grant pathways for sites receiving an Assessment and Maintenance Grant. This pathway requires an HVAC assessment and maintenance, completion of an HVAC Assessment Report, carbon dioxide monitor installation, and completion of an HVAC Verification Report. The grant pathway includes an additional 20 percent of the requested amount as a contingency fund for repairs, upgrades, or replacements necessary to make the system functional or more energy-efficient.
Local educational agency (LEA)	A school district as defined in Section 41302.5 of the Education Code, a charter school that has been granted a charter under Part 26.8 (commencing with Section 47600) of Division 4 of Title 2 of the Education Code, or a regional occupational center established pursuant to Section 52301 of the Education Code that is operated by a joint powers authority and that has an active career technical education advisory committee pursuant to Section 8070 of the Education Code.
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.

Term	Definition
Limited or No Mechanical Ventilation Pathway	One of the three grant pathways for sites receiving an Assessment and Maintenance Grant. This pathway requires a modified assessment, completion of a modified HVAC Assessment Report, installation of carbon dioxide monitors in each classroom, and completion of an HVAC Verification Report.
Noncompliant Appliance	Means all the following: (1) Any commercial dishwasher that was manufactured prior to January 1, 2010, that does not meet the efficiency requirement of the ENERGY STAR® Product Specification for Commercial Dishwashers, Version 1.1. (2) Any automatic commercial ice maker that was manufactured prior to January 1, 2010, that does not meet the efficiency requirement of the ENERGY STAR Product Specification for Automatic Commercial Ice Makers, Version 1.0. (3) Any commercial clothes washer that was manufactured prior to January 1, 2010, that does not meet the efficiency requirement of the ENERGY STAR Product Specification for Clothes Washers, Version 5.0.
Noncompliant Plumbing Fixtures	Has the same meanings as set forth in Section 1101.3 of the Civil Code, which is any of the following: (1) Any toilet manufactured to use more than 1.6 gallons of water per flush. (2) Any urinal manufactured to use more than one gallon of water per flush. (3) Any showerhead manufactured to have a flow capacity of more than 2.5 gallons of water per minute. (4) Any interior faucet that emits more than 2.2 gallons of water per minute.
Notice of proposed award (NOPA)	CEC notification to the LEA following approval of a grant application.

Term	Definition
Project	"Project" refers to school sites that receive a CalSHAPE Ventilation Program grant to fund HVAC assessments, HVAC general maintenance, adjustments of ventilation rates, filter replacements, and carbon dioxide monitor installations or a CalSHAPE Plumbing Program grant to fund the replacement of Noncompliant Plumbing Fixtures and Appliances.
PUC	Public Utilities Code
Scheduled for Replacement Pathway	One of the three grant pathways for sites receiving an Assessment and Maintenance Grant. This pathway allows for filter replacement and requires the installation of carbon dioxide monitors, completion of a modified HVAC Assessment Report, and completion of an HVAC Verification Report.
School Energy Efficiency Stimulus (SEES) Program	School Energy Efficiency Stimulus Program established in Chapter 8.7 Article 1 of the PUC. For program administration purposes, the SEES Program will be referred to as the CalSHAPE Program.
Site	School where CalSHAPE Ventilation Program or CalSHAPE Plumbing Program work will be performed.
Skilled and Trained Workforce	Has the same meaning as set forth in Section 2601 of the Public Contract Code.
State agency	Any agency, board, bureau, commission, department, office, or other division of the State of California, including the University of California, California State University, and California Community Colleges and the affiliated foundations acting on their behalf.

Term	Definition
Underserved Community	A community that meets one of the following criteria: (1) Is a "disadvantaged community" as defined by subdivision (g) of Section 75005 of the Public Resources Code. (2) Is included within the definition of "low-income communities" as defined by paragraph (2) of subdivision (d) of Section 39713 of the Health and Safety Code. (3) Is within an area identified as among the most disadvantaged 25 percent in the state according to the California Environmental Protection Agency and based on the most recent California Communities Environmental Health Screening Tool, also known as CalEnviroScreen. (4) Is a community in which at least 75 percent of public school students in the project area are eligible to receive free or reduced-price meals under the National School Lunch Program. (5) Is a community located on lands belonging to a federally recognized California Indian tribe.
Utility or utilities	Means both of the following: (1) An electrical corporation with 250,000 or more customer accounts within the state. (2) A gas corporation with 400,000 or more customer accounts within the state. This definition currently includes Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), and Southern California Gas Company (SoCalGas).

Term	Definition
Water-Conserving Appliance	Means any of the following: (1) A commercial dishwasher that meets the criteria of the ENERGY STAR Product Specification for Commercial Dishwashers, Version 2.0, or any revision to those criteria published by the United States Environmental Protection Agency that is adopted by the CEC for the program. (2) An automatic commercial ice maker that meets the criteria of the ENERGY STAR Product Specification for Automatic Commercial Ice Makers, Version 3.0, or any revision to those criteria published by the United States Environmental Protection Agency that is adopted by the Energy Commission for the program. (3) Any commercial clothes washer that meets the criteria of the ENERGY STAR Product Specification for Clothes Washers, Version 8.0, or any revision to those criteria published by the United States Environmental Protection Agency that is adopted by the Energy Commission for the program.
Water-Conserving Plumbing Fixtures	Has the same meanings as set forth in Section 1101.3 of the Civil Code, which is any fixture that complies with current building standards applicable to a newly constructed real property of the same type.