

BEFORE THE
CALIFORNIA ENERGY COMMISSION (CEC)

In the matter of)
) Docket No. 13-CCEJA-1
Prop 39-California Clean)
Energy Jobs Act)

California Energy Commission

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CALIFORNIA CLEAN ENERGY JOBS ACT:
PROPOSITION 39 DRAFT GUIDELINES
Peralta Community College, District Office
333 East 8th Street
Oakland, CA

Thursday, October 10, 2013
1:00 P.M.

Reported by:
Tahsha Sanbrailo - #D-482

APPEARANCES**PRESENT:**

Liz Shirakh, CEC
Anne Fisher, CEC

PUBLIC COMMENT

Nick Kester, San Francisco Unified School District
Breene Kerr, Free Hot Water
Dr. Sadiq Ikharo, Vice Chancellor,
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Joey Barr, Pacific Gas & Electric Company
Alice Sung, Greenbank Associates
Patrick Couch, California Conservation Corps
Anna Ferrera, School Energy Coalition
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Jody London, Jody London Consulting,
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Jerry Stratton, Salinas City Elementary
School District
Duane Kubischta, kW Engineering, and Lead
Technical Consultant on BrightSchools Program
Dan Chia, Solar City
Lew Jones, Berkeley Unified
Meredith Owens, Alameda Municipal Power
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Charles Kuhn, Kuhn & Kuhn
Jo Tiffany, Alliance to Save Energy
Kyle Manahan, Newcomb, Anderson, McCormick
Midge Hoffman, Petaluma City Schools K-12
Charles Neal, Peralta Community College District
Jordana Cammarata, First Fuel

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1

1 P R O C E E D I N G S

2 OCTOBER 10, 2013 1:06 P.M.

3 MS. SHIRAKH: First, I want to introduce
4 myself. My name is Liz Shirakh. I'm with the
5 California Energy Commission. And also with me
6 today is Anne Fisher. She'll be helping
7 coordinate the meeting and especially the
8 question and answer time, bringing the mic
9 around so we make sure we have your comments and
10 questions and everyone can hear. And our Court
11 Reporter will be able to record that, as well,
12 so this meeting is being recorded.

13 I want to thank you all for coming
14 today. This is a really exciting time for
15 California schools and energy efficiency, and
16 the California Energy Commission is real excited
17 to be a part of this. We appreciate your input
18 in formulating these Draft Guidelines for Prop.
19 39.

20 Just so I have an idea, maybe I can get
21 a sense of who the folks are in the audience.
22 How many of you are from schools? Okay. And
23 how many of you folks are consultants or energy
24 consultants? Okay. And how about school
25 organizations -- support school organizations,

1 government organizations? A few, okay. And
2 utility companies? Okay. And anyone I forgot?
3 Okay, well -- welcome. Okay, well, thank you
4 everyone for attending.

5 The purpose of the meeting is really to
6 go through the Draft Guidelines. For some of
7 you who have read them, this might provide some
8 clarity for sections and it will give you an
9 opportunity for folks who haven't read through
10 them all before. We'll kind of go section by
11 section through them and then, at the end, we
12 will have a questions and comments time. So
13 let's get rolling.

14 Again, this is welcome, these are the
15 Draft Guidelines, they came out on September
16 27th and we have an open period for 30 days to
17 get public comment. We hope to have the Final
18 Guidelines posted in mid-November and going to a
19 business meeting on December 19th. So this is a
20 very very tight timeframe, a very fast
21 timeframe, but this is part of the public input
22 process and, again, we really encourage and
23 welcome your comments.

24 So again, I briefly touched on this, I'm
25 going to talk briefly about the summary of the

1 California Clean Energy Jobs Act, a little bit
2 about the elements of the program, and the
3 majority of the presentation will be about the
4 Draft Guidelines and then your time to ask
5 questions and make comments at the end.

6 I think I would prefer to maybe wait to
7 have questions at the end just because we want
8 to make sure these are recorded and we are going
9 to have a microphone going around, so maybe I
10 can just ask if you drop down your questions and
11 then we can try to field them at the end. I
12 know there were a lot of questions yesterday, we
13 did a webinar. The presentation is about an
14 hour and the questions were about two hours.
15 I'm hoping with the live audience, maybe, you
16 know, sometimes people have the same question
17 and the question period might not take as long.
18 But we do have the room until 5:00, so we're
19 here to answer your questions until 5:00 if we
20 have to, not a problem, that's what we're here
21 for.

22 Okay, so the California Clean Energy Job
23 Act is really a combination of two recent laws,
24 it's Proposition 39, which was passed last
25 November, and then the enabling legislation,

1 Senate Bill 73, which was signed July 1st.
2 These are really the guiding -- the Public
3 Resource Code that guides the direction of the
4 program and the guidelines.

5 The objective is creating good-paying
6 energy efficiency and clean energy jobs,
7 leveraging existing energy efficiency programs,
8 and increasing economic and energy benefits, and
9 also providing full public accounting for the
10 money spent. And I'd just like to acknowledge
11 that the majority of the Guidelines are required
12 in statute and through Public Resource Code.
13 And it's really a balancing act to try to find
14 that right balance between meeting the public
15 accountability, making sure we document all the
16 energy savings, and making this fully
17 transparent to the public, balancing that with
18 the need of schools and local educational
19 agencies to follow a program that's simple,
20 that's not too burdensome, and getting good
21 energy projects installed because that's what
22 this is about, creating jobs and getting some
23 energy efficiency in your schools. So it's
24 truly a balancing act and we're trying to make
25 these Guidelines fit that. But it's challenging

1 legislation.

2 So the elements of the program, there are
3 \$428 million of awards are available for LEAs,
4 which is Local Educational Agencies and
5 Community Colleges, for energy retrofits. This
6 is split by 89 percent to K-12 districts, County
7 Office of Educations, Charter Schools, and
8 Special State Schools; those are LEAs or Local
9 Educational Agencies.

10 For this fiscal year, that's \$381
11 million, and 11 percent goes to the Community
12 College Districts, that's \$47 million for this
13 fiscal year, and for this first year of this
14 five-year program, they have their own
15 independent program. So their specifics of
16 their program are not in these Guidelines.

17 Other program elements of the Prop. 39,
18 \$28 million went to the Energy Commission for
19 our ECAA loan Program, which is an Energy
20 Conservation Assistance Account. This provides
21 zero interest loans for energy efficiency
22 projects and also provides technical assistance
23 in the form of free grants to identify energy
24 projects through our BrightSchools Program.

1 Another element of the program is \$3
2 million was appropriated to the California
3 Workforce Investment Board, and they will be
4 developing a competitive grant program for
5 workforce development and disadvantaged youth
6 for employment. This program is under
7 development right now.

8 And finally, the California Conservation
9 Corps through the Governor's Budget Act of 2013-
10 2014, they were appropriated \$5 million for
11 energy surveys and energy conservation-related
12 programs for youth and the Corps members. And
13 again, that program is also under development.

14 So starting into the Guidelines section
15 of the presentation, the Guidelines are
16 structured into three chapters, the background
17 information, we'll go through that first, that's
18 kind of general information. The meat of the
19 Guidelines are in Chapter 2, which is the K-12
20 Program, or the Local Educational Agency
21 Program, and the third chapter is the additional
22 Prop. 39 Resources and those other allocations
23 that I just mentioned. And finally, the
24 Appendix has more detailed information that
25 supports what you see in the Guidelines.

1 So Chapter 1 starts on page 4, it's
2 really 1 through 4, and this provides some
3 program description, the funding distributions
4 that I kind of just went over as far as the
5 program elements, Guideline Authority, some
6 legal confidentiality, By way of Background, we
7 have the Introduction which is Program
8 Description, Funding Distribution, Guideline
9 Authority, Confidentiality information,
10 effective date of the Guidelines, and I just
11 want to point out that the effective date of the
12 Guidelines is when it is adopted by the
13 California Energy Commission at a full Business
14 Meeting, and right now that's scheduled for
15 December 19th. And then there's also some
16 information if there are changes in the
17 Guidelines in the future, that process. Again,
18 if there are any changes in the Guidelines, they
19 will need to go through the public notice
20 process that would be 30 days notice before
21 going to a full Business Meeting at the Energy
22 Commission. So this is a complicated program, I
23 can't tell you if there will be changes in the
24 future, but if there are, then that would be the
25 process that would be followed.

1 So, Chapter 2, let's dive into the K-12
2 program. Eligible Applicants, again, LEAs are
3 Local Education Agencies which are the County
4 Offices of Education, School Districts, Charter
5 Schools and State Special Schools. If you are
6 in a public building and pay your own utility
7 bill based on a meter, you're eligible. And
8 then I have a few bullets here about leased
9 facilities because it gets a little bit more
10 complicated for folks who are in leased
11 facilities. But you would still be eligible if
12 you fit these categories. So in privately-owned
13 leased facilities, to be eligible, the LEA needs
14 to pay the utility bill, a separate utility
15 meter for the building and the landlord's
16 written approval to do the energy work.

17 Continuing with the leased facility
18 information, so a publicly-owned leased facility
19 which has separate meters, if they're owned by
20 another LEA and a lease agreement between the
21 LEAs; so that is an eligible -- you could still
22 apply to this program and be eligible for this
23 funding. And then a third lease facility issue
24 which is the second arrow here, in publicly-
25 owned leased facilities without a separate meter

1 and they're owned by another LEA, and the lease
2 agreement is between the two, then the two LEAs
3 would submit a joint request for planning
4 projects or for the energy Expenditure Plan.
5 And I'll get into more details on both of those
6 so there's more understanding, but basically you
7 would have to submit a joint application between
8 the two.

9 So moving forward on page 7 of the
10 Guidelines, this is the award allocations, and
11 the minimum awards. So the legislation outlines
12 it in a four-tier system. So if you are an LEA
13 with an ADA of 100 or less, you'll have a
14 minimum allocation of \$15,000, and plus there's
15 a free and reduced meal program adder added onto
16 that, but at a minimum, you would get \$15,000.
17 In the next tier, 101 to 1,000 ADA -- and ADA is
18 Average Daily Attendance -- the minimum is
19 \$50,000 plus the free and reduced meal program
20 adder. The third tier is 1,000 to 1,999 ADA, a
21 minimum of \$100,000 plus the free and reduced
22 meal program adder, (FRPM); and finally Tier 4,
23 which is an ADA of over 2,000 or more, and this
24 is all based on the prior ADA year, and it would
25 be a formula based at that point plus the free

1 and reduced meal adder onto that. So that's
2 kind of the formula structure of the funding
3 allocations.

4 So now coming into a little bit more
5 detail of some of the different ways you can
6 receive this money now, the first option is on
7 page 8, is a two-year combined award option, and
8 this option was offered through the California
9 Department of Education, CDE, in August. And
10 what this allows is for LEAs in Tier 1 and 2,
11 they could request both this fiscal year and
12 next fiscal year as a combined award this year.
13 And so that window was in August, I believe
14 about 860-some LEAs did make that request, and
15 what that does is it takes the big pot of this
16 year's funding and it redistributes it a little
17 bit, so they get that full two years this year,
18 and then next year they will not be able to
19 request their award, but they'll have a larger
20 pot this year. So for example, if you had an
21 allocation of \$15,000 this year, \$15,000 next
22 year, this year you would have \$30,000. So that
23 takes a little bit away from this year's pot, so
24 LEAs in Tier 3 and Tier 4 would have their first

1 year allocations slightly reduced, but that
2 would be made up next year.

3 This combination option will be
4 available next year. I'm not sure if that's
5 going to be in August or September next year.
6 And it'll be a continuous option for the LEAs in
7 Tier 1 and 2.

8 Energy Planning Reservation Option --
9 and this is probably for a lot of conversation
10 right now because this will be the first way to
11 really dive into the program and get your
12 funding, and start using Prop. 39 funding
13 towards energy-related work. And we have had a
14 revision to the Guidelines, so the Guidelines
15 that we have distributed today have -- it's
16 version 2, so if you're looking at the original
17 one that came out the 27th, this is the new
18 stuff.

19 So basically for LEAs with a first year
20 award of \$433,000 or less, they may require up
21 to \$130,000 of their first year award. And LEAs
22 with greater than \$433,001 or more may request
23 30 percent of your first year award up to \$1
24 million. You might be asking, well, why
25 \$433,000? It's kind of a strange number. But

1 30 percent of that number is \$130,000, and the
2 tiers, when they actually factor in some of the
3 free and reduced lunch adder, bumped some of
4 those Tier 2 and Tier 3s all the way up to
5 \$130,000, and we wanted to make sure that anyone
6 in Tier 4 wasn't getting less money than someone
7 in Tier 1 and 2 for planning activities. So we
8 had to do some adjustments, and so that's why
9 you see these kind of strange looking random
10 numbers, but there is definitely logic behind
11 that which matches the actual allocations. So I
12 might as well talk about that now, so CDE
13 originally was going to have their allocation
14 announcement about the same time that we'd come
15 out with the Guidelines, so on page 8, when you
16 see the planning reservation option in the
17 second line, it says you can request your
18 dollars now. Well, as of today you can't, but
19 very very soon you will be able to. CDE hopes
20 to have those final allocations posted within
21 the next week or so, and once those are posted,
22 at the same time you'll have the option of
23 requesting your energy planning reservation
24 dollars. And there's no analysis that you'll
25 need to justify your request, it'll just be a

1 very simple request that can be made online at
2 CDE's website, and California Energy
3 Commission's website will also have on their
4 Prop. 39 webpage will also have a link to that
5 CDE application page.

6 I want to talk about what is an
7 allowable expense in the energy planning
8 reservation.

9 MR. KESTER: Just a few questions now or
10 --

11 MS. SHIRAKH: Oh, I'm sorry, I think I'd
12 like to try to do the questions at the end. We
13 do have a Court Reporter and it'll make it a
14 little easier to make sure those are all
15 recorded. There will be plenty of time at the
16 end. This is about an hour presentation. And
17 then we have three hours allocated for
18 questions. Thank you.

19 So for the energy planning dollars, you
20 can use these for screening audits or energy
21 audits, and that's about 85 percent of the
22 allocation. On page 9, there's a table that
23 gives details of these -- yeah, it looks like
24 this table -- it gives details on what those
25 are. So it's basically an ASHRAE level 2 audit,

1 an energy survey or data analytics would fall
2 under the category of that 85 percent. And then
3 the second category is Prop. 39 assistance, 15
4 percent of your planning funding can be used on
5 that, and that's basically anything that would
6 be related to fulfilling the needs of and
7 requirements of the Prop. 39 Program, and we'll
8 get into more details of that, but it could be
9 benchmarking, it could be doing the expenditures
10 plans, helping with that, project
11 identification, or -- well, that's probably the
12 first part -- helping with the data, the utility
13 release forms, collecting the data, energy
14 usage, past 12 months for the schools, the
15 details are there.

16 We do have for the screening and energy
17 audit section on that table, we do have -- it's
18 titled under that column "Best Practice Cost
19 Guidelines," so for an ASHRAE 2 level audit,
20 it's \$.15 to \$.20 per gross square foot, and for
21 energy surveys and data analytics, it's \$.02 to
22 \$.05 per square foot. And the question was
23 asked yesterday are these guidance, or are these
24 funding limits. And at this point, these are
25 funding limits. We want to limit the amount

1 that would be used in these categories. The
2 \$.15 to \$.20 per square foot is based on our
3 experience through our BrightSchools Program,
4 we've run for 30 years, and that's actually
5 typically our average is about \$.11 per square
6 foot in that program, so at this point in time
7 these are our funding limits.

8 Moving on to page 12, we talk about
9 training and energy managers, so the first part
10 on the top of page 12, it says "Award Funding
11 for Training." I guess first I'd like to point
12 out, in the Guidelines anything that is in a
13 gray box at the beginning underneath a title is
14 right out of the Public Resources Code, so it
15 kind of gives you a real clear idea that this is
16 a requirement of the program and so that's why
17 you see that in the guidelines. So it's clear
18 what is a requirement.

19 We're allowing two percent of the award
20 or up to \$1,000, whichever is greater, for
21 training, and this is for classified school
22 employees. And you would request the training
23 and the energy manager funding through an
24 Expenditure Plan, there will be a box on that
25 request that you would just check that box. On

1 the same page, we have funding for energy
2 managers, it's up to 10 percent, or \$100,000,
3 whoever is greater to hire and retain an energy
4 manager; that can be someone who is hired on as
5 staff at a school district, or that could be a
6 private consultant or someone who comes in. The
7 Guidelines are silent on if that has to be a
8 school employee or not.

9 We know that 10 percent of many of these
10 allocations is not going to fund a full time
11 energy manager, so we encourage LEAs that have a
12 lower amount they want to pool their energy
13 management funding with other LEAs to hire
14 jointly an energy manager and have those
15 services shared. That would be fully
16 acceptable.

17 So moving on to page -- the steps of the
18 program, actually the same page, page 12.
19 There's eight steps to the program and the first
20 step is electric gas utility billing data. And
21 we're requiring -- actually, the statute
22 requires that the Energy Commission receive 12
23 months' of past utility data and future utility
24 data. So we'll be requiring that the utility
25 release form be signed and be part of your first

1 Expenditure Plan, and that we receive the 12
2 months of utility data in that first Expenditure
3 Plan. We'll also be requiring that you identify
4 all your electric natural gas, propane, fuel oil
5 accounts, and the locations of those for your
6 school facilities.

7 Benchmarking is the second step of the
8 process and benchmarking is basically looking at
9 your last 12 months of utility data and we're
10 asking for two indices, one is the total energy
11 cost per square footage, per gross square
12 footage, and the second is Btus per gross square
13 footage. And there are details in the Appendix
14 D, it has a step-by-step approach; if a school
15 district or an LEA wants to do their own
16 benchmarking, it's really not that difficult to
17 do on your own.

18 Generally, in a perfect world, you would
19 want to benchmark all your schools and use the
20 Energy Use Index to compare your schools and to
21 see which one is the highest energy use, target
22 -- or at least start your investigation on that.
23 In this program, we're not requiring that you do
24 that on all your schools -- it's encouraged
25 because, like I said, it's a great way to try to

1 determine if you have an energy hog out there.
2 It is a requirement, though, to have that energy
3 use index for any school that is receiving Prop.
4 39 funding because that's going to become very
5 useful at the end, once your projects are
6 completed, so that we can compare what your
7 energy usage was before the projects versus
8 afterwards.

9 Step 3, and this would be on page 14, is
10 Energy Project Prioritization Considerations.
11 That's where it starts and it goes over into
12 page 15, as well. This is basically 11 points
13 that need to be considered when you're
14 identifying projects. Many of these are kind of
15 built into the program already; for example,
16 number 5 is Benchmarking, we just talked about
17 that, and that's a mandatory step in this
18 process. Items 4, 6, 7 really feed into the
19 cost-effectiveness criteria, the SIR, which I'll
20 talk about a little bit later. So some of these
21 are built in already into the program. And so
22 we will have on the Expenditure Plan a
23 certification section where you'll certify that
24 you have considered these 11 options and that
25 was part of your thought process.

1 Step 4 is Sequencing of Facility
2 Improvements and this is kind of a two-step --
3 or we have two parts to this. So first,
4 consider maximizing your energy efficiency and
5 try to see how you can tighten up your
6 buildings. What types of projects can you do to
7 facilities to reduce your energy usage? And
8 next, consider clean onsite energy generation --
9 or solar. And sometimes I'll say it's kind of
10 like putting a spoiler on a Pinto, and so I'm
11 kind of showing my age, but you know, you really
12 want to have your facilities operating at the
13 best they can before you put solar installation
14 on them, just like why would you put a spoiler
15 on a Pinto?

16 Anyway, next and finally, you want to
17 consider nonrenewable projects and such as gas-
18 fueled fuel cells. Then, on Appendix B on page
19 36 through 42, we have a series of pages that
20 have typical cost-effective K-12 energy
21 projects, so we can turn to that and, so, on
22 page 36, this is a little awkward me being in
23 the back of the room, but this is the way it was
24 set up, so it looks like this, and this is
25 organized by types of technology, so first we

1 have lighting, we have lighting controls, it
2 continues to HVAC, HVAC controls, and so on.
3 And then on the far left, it has a priority, so
4 I'm looking at the lighting, we have three
5 Priority 1 projects, then we have a Priority 2,
6 3, and 4. And then it tells you the project
7 example. Again, these are just typical
8 projects, but it gives you some direction to
9 look. Every facility is different, this in no
10 way replaces doing an energy survey or an energy
11 audit, but it might give folks a direction to
12 look. An so when you're going through the
13 process of identifying which facilities to
14 install energy efficiency projects, or solar
15 projects, this is some hopefully useful tool to
16 go through that process.

17 Now I'd like to mention maybe on the
18 last column here, which doesn't have a heading,
19 which needs to have one, you'll see it says
20 "calculator available or customer audit
21 required." I'll talk a little bit about that
22 coming up in the presentation, but the Energy
23 Commission intends to have some calculators
24 available so that, if a school district knows,
25 for example, they really need to retrofit their

1 four-foot T12s to T8s, they can use this
2 calculator and determine their energy savings.
3 So it's a way of coming up with some of your own
4 cost saving estimates without going through an
5 energy audit process. So I just wanted to point
6 that out since we were on this page.

7 Step 5 is Energy Project Identification

8
9 Rating System to determine the energy use
10 intensity (EUI) of your buildings. You need to
11 gather energy data and summarize, establish
12 energy use intensity, create benchmarking
13 report, and rank your schools, identify your
14 lowest energy performers.

15 And there are 11 factors in the
16 Guidelines for prioritizing your projects. And
17 once again, those will be outlined with the gray
18 and we'll have all 11 of those factors listed.

19 Step 4 is the sequencing of facility
20 improvement. You must first consider energy
21 efficiency, which is installing daylighting,
22 doing lighting retrofits, usually your low
23 hanging fruit, and, yes, I understand that
24 many of you have probably already done the
25 majority of this.

1 Next, you can consider clean onsite
2 energy generation such as solar. And finally,
3 you can consider non-renewable projects such as
4 fuel cells.

5 We also have listed an Appendix, Exhibit
6 B, a list of typically cost-effective K-12
7 energy projects that we've found over the years
8 to be quite effective.

9 Step 5, Energy Project Identification,
10 and that is on page 17 and 18. And so the first
11 is the option -- we're giving you options here
12 and ways of identifying projects. And the first
13 one is the Energy Survey, and it's just a walk-
14 through of your facility and you may know
15 already, like I just gave the example that, you
16 know, your T12s need to be replaced. And you
17 could use the Energy Commission's online
18 calculators, which will be available in
19 December, to calculate those energy savings. So
20 that's really the first and simplest option for
21 identifying projects.

22 The second option is an ASHRAE 2 level
23 energy audit. This is for more complex projects
24 and this you may need a contractor, a
25 consultant, an energy manager, a utility

1 program; I'd like to also say that the Energy
2 Commission has their BrightSchools Program that
3 offers this type of assistance up to \$20,000 to
4 school districts. And these types of audits
5 will give you a really comprehensive analysis of
6 your projects, it'll give you cost estimates,
7 energy savings, and there's a lot of good
8 information in these audits.

9 The third option is other tools such as
10 data analytics, which is what you might have
11 heard called "no touch," or virtual audits.
12 This can also be a way of doing benchmarking,
13 too. But these are a useful tool to prioritize
14 and focus maybe on what facilities you do need
15 to do an ASHRAE 2 level audit on. So these are
16 all acceptable tools or methods to go about
17 identifying your energy projects.

18 Step 6, which is on page 19, and I'm
19 going to switch to that page -- I have a new
20 respect for teachers, I don't think I could get
21 up and talk all day long. Step 6 is the cost-
22 effectiveness determination and the legislation
23 says it needs to be cost-effective over time.
24 And so the Energy Commission has determined
25 we'll use the Savings to Investment Ratio (SIR),

1 and we will have some calculators available in
2 December, as well, that LEAs can use and will
3 use to help prepare the Expenditure Plans.
4 Exhibit E in the Appendix, pages 47 through 48,
5 explain all the details behind the Savings to
6 Investment Ratio (SIR), but it's basically net
7 present value over the project cost. And built
8 into that is non-energy benefits, we have a
9 three percent adder which is basically taken off
10 the project cost. In that calculation, we also
11 take -- so you have your project costs, if you
12 have utility incentives, or if you have other
13 grant money built into these projects, that will
14 come off the project cost, and so that is
15 basically the main driving criteria for having
16 an eligible project. And the ratio, which is
17 not listed on here, is 1.05, so basically for
18 every dollar that you invest, you should be
19 getting \$1.05 return on your investment. We'll
20 be looking at these and I'll be talking about
21 the Expenditure Plan, Step 7, but these will be
22 bundled together, so if you have a school that
23 has 10 projects, not every one of them has to
24 have an SIR of 1.05 or more, but the bundled
25 average has to meet that.

1 So moving on to Step 7, there are
2 currently several different I guess time periods
3 or ways you could submit your Expenditure Plans.
4 So for awards that are \$50,000 or less, we have
5 three options here, so you could submit an
6 annual plan, or submit an annual Expenditure
7 Plan, so if you get \$15,000 this year, you
8 submit a plan that you're going to do X amount
9 of projects and it uses that full \$15,000. If
10 you're one of those LEAs that have the two-year
11 bundled funding, you can put all that in at one
12 time and request your projects. We're also
13 allowing a third option for these LEAs that have
14 a lower funding allocation, they could also
15 submit a five-year plan, and just estimating
16 based on this year what they would be getting in
17 the future. And so we really -- part of the
18 reason -- and I forgot to mention this when I
19 was talking about the energy planning dollars,
20 and it's pretty critical, is the energy planning
21 dollars are really offered this year with your
22 first year allocation. And so we're really
23 trying to encourage people to plan now and, so,
24 for the smaller LEAs, if they're using those

1 planning dollars now, they can try to put out a
2 five-year plan.

3 For LEAs that have an award of \$50,001
4 or greater, they can apply multiple times per
5 year, so I think the intent here is that it
6 helps both the LEAs not have to come up with a
7 grand Expenditure Plan for one year when they
8 may have, you know, a couple million dollars.
9 It also will help the workload at the Energy
10 Commission getting these in over the year and
11 not having it all come in at one time.

12 So what actually is an Expenditure Plan?
13 And this is on page 21, I think you want to turn
14 to that section. We are not going to have the
15 actual Expenditure Plan in these Final
16 Guidelines in November when they're posted. We
17 anticipate having a separate handbook document
18 that will go along with the Guidelines, that
19 will have the forms, that will have some
20 resources available. Some of the information
21 that you might have seen in the CDE Guidelines
22 that came out in May, which had a lot of good
23 information and that really accompanies the
24 planning part, so we don't have the actual forms
25 today and we won't by November when this is

1 posted, but the Expenditure Plan will have a
2 section where, if you have requested your energy
3 planning funds -- and this first check is
4 probably more applicable for future years once
5 you've expended those monies for planning, how
6 did you spend it? Did you use it all for energy
7 audits? Did you use it for planning energy or
8 Prop. 39 activities? The second check,
9 benchmarking, we'll want to see those EUIs for
10 the schools that are in your expenditure plan.
11 The third check, which is really the meat of it,
12 is the pre-installation verification form, and
13 that will have the information about your
14 project. That will have your SIR, it'll have a
15 description of your project, backup if you had
16 an audit, we'll have that as backup, your ASHRAE
17 level 2 audit, and that type of information.

18 Moving on, if you want to request
19 training, you would do that as a check box, and
20 how much. Energy managers, same way. The
21 legislation also requires job creation benefits
22 to be estimated, and we do have the methodology
23 to do that highlighted -- I'm not sure in which
24 Appendix off the top of my head, but that
25 methodology is in there, and we are also hoping

1 to have a calculator available to help you do
2 that, so you would just have to put some inputs
3 in and then that would be generated for you.
4 Then we'll have the consent from your utility
5 company, the utility release form, that signed
6 form will be a part of it, and finally some
7 Certifications of Compliance with the various
8 requirements like I had mentioned before. So
9 that's kind of the heart of what will be in the
10 Expenditure Plan.

11 The Energy Commission will be reviewing
12 these. The way it works, as they come to the
13 Energy Commission, we will review them for
14 completeness, project eligibility criteria, the
15 energy savings, the SIR, technical and financial
16 reasonableness, and once we have approved those,
17 we will notify the California Department of
18 Education (CDE) and the LEA that we have
19 approved your Expenditure Plan. CDE will batch
20 these Expenditure Plans and process them
21 quarterly. So you will know in advance that you
22 have approval. My understanding is that CDE
23 will then process them quarterly and you can
24 start working on your project as soon as you get

1 that approval from the Energy Commission, and
2 that's I guess a common way that CDE operates.

3 And finally in this section, there is
4 some information on if an Energy Expenditure
5 Plan was disapproved, or if you have to go
6 through an appeal process, I have worked on a
7 lot of programs at the Energy Commission and we
8 will, I'm sure, do this one the same way, we
9 really try to work with the LEA or whoever is
10 submitting the application, and work with you to
11 try to resolve any issue that we would see. It
12 wouldn't just be a blanket disapproval letter
13 sent to you, that we would be doing some one-on-
14 one work with you. But the process is outlined
15 in here.

16 Okay, step 8 is really after your
17 projects are complete, so all these steps are
18 from the perspective of the interaction with the
19 Energy Commission and the reporting requirements
20 of the Public Resource Code. Project Reporting
21 Requirements, we are requesting a simple
22 quarterly report that will be online, that just
23 has some pulse on these projects as you're
24 moving forward because we know that projects
25 don't get done in three or four months, you

1 know, they take -- it could be a year before --
2 we know you have summer months are optimal for
3 schools, and this is a multiple-year program,
4 there's not a requirement that you spend the
5 first fiscal year's dollars in this fiscal year,
6 you have the program time to spend this. But we
7 do want to know how you're moving forward with
8 these projects.

9 Once the projects are done, you do have
10 final reporting requirements, so for example, if
11 you have an Expenditure Plan that has two
12 schools, and let's say five projects at each
13 school, a final report isn't triggered until
14 that last project is done, and once that last
15 project is done at that school, then we have
16 another 12 months to collect that energy data
17 because we want to see the 12 months of that
18 utility data. So it may be a few years before
19 we see these final reports, that's another
20 reason we're asking for quarterly reports, but I
21 just did want to clarify that final report
22 timeframe and what would trigger a final report.

23 On page 26, you'll be reporting on three
24 major things, first a Site-level energy usage,
25 and that's the comparison of the 12 months of

1 utility data we had at the very beginning versus
2 your 12 months after the projects are complete.
3 That's kind of your gross over the facility.
4 Then we want to see project level energy savings
5 and we have several options to do that on page
6 27. If you're receiving utility rebates, you
7 could use through the Utility Incentive
8 Completion Report, that would be an acceptable
9 reporting method for Prop. 39.

10 Project level energy savings through the
11 calculators would also be a method you could
12 use, so for example, if you use the calculators
13 that the Energy Commission will be having for
14 your estimation of your projects before you
15 start, you could use those same calculators to
16 estimate your energy savings after, with actual
17 numbers, you know, the actual number of units
18 you put in versus what you estimated at the
19 beginning. Or you could do your own M&V reports
20 or third-party M&V reports, so there are various
21 options for how you report that measure by
22 measure, or that project energy savings. And so
23 that's the project tracking part of the
24 reporting.

25 Another level of it is audits. All these

1 projects are subject to audit and CDE will use
2 their standard process to correct non-compliant
3 expenditures, so these will be part of the
4 typical CDE audit process.

5 The final sections of Chapter 2, so we
6 started on page 27 at the very bottom of the
7 page, these are if you have changes, if you have
8 change of scope. What happens if your project
9 costs increase? How do you report that to us?
10 So we have some triggers here on the top of page
11 28, there are five different triggers; for
12 example, adding a project that was not included
13 in an expenditure plan, that would trigger you
14 having to come back and show us that you have a
15 different project, it's very common that what
16 you thought you might want to do, it didn't work
17 out, and so you have another direction, but you
18 will need to come back through the Energy
19 Commission and get an approval for that change
20 in project. So we have five triggers that would
21 require that.

22 We recognize, too, that DSA, there are
23 compliance requirements, and so those are
24 outlined or at least discussed here on page 28.
25 An area that we are looking into, we know that

1 going through DSA there are triggers that make
2 compliance with ADA requirements, and add costs
3 to your projects, and so currently the
4 Guidelines are silent on how that works. If
5 Prop. 39 money can be used for those additional
6 compliance requirements, those will be addressed
7 in the Final Guidelines, we are looking into
8 that and working with DSA to refine this
9 section. So I just wanted to point that out.

10 Contracts, that's another part of this
11 last section on page 29. The Guidelines do
12 defer to the LEA's own procurement and
13 regulations and procedures as long as they
14 reflected the applicable state and local laws,
15 and are not in conflict with the minimum
16 standards of Prop. 39 and the Public Resources
17 Code. So you can see on page 29, there are
18 three bullets that have specific requirements
19 for contracting from the Public Resources Code.
20 I'd just -- it starts on -- my apologies because
21 I think I'm working off an older version, so
22 thank you for telling me that, I won't make the
23 mistake next time on my presentation -- so the
24 last bullet on that page has the sole source, so
25 I just want to make sure it's clear that LEAs

1 shall not use sole source process to award
2 grants or proceeds. My recommendation is that
3 you need to consult your counsel to see how your
4 local procurement regulations work with this
5 requirement, so I just want to point that out.
6 And another question that's come up is does that
7 just apply to energy projects? Does that apply
8 to energy planning dollars? It applies to all
9 funding through this program.

10 And finally, retroactive funding. For
11 project awards, the projects need to happen
12 after the guidelines are approved. Or
13 basically, we need to have an approved
14 expenditure plan and it can be for projects that
15 happen after the Guidelines are approved, so
16 December 19th.

17 For energy planning dollars, it's a
18 little bit more flexible. We're saying July 1st
19 for planning dollars, so if you submit -- or
20 through CDE's online process request planning
21 dollars in the end of October, that could go
22 back and pay for an audit that you had done in
23 August this year.

24 So we're getting to the final section of
25 the Guideline Overview, and this is Chapter 3,

1 which are additional Prop. 39 resources. The
2 first section is for our ECAA Program, our
3 Energy Conservation Assistance Act. This
4 appropriated \$28 million for this program and we
5 were able to reduce our interest rate to zero.
6 As I said before, too, it has a technical
7 assistance component, so we have additional
8 funding for technical assistance through our
9 BrightSchools Program, and that would also be
10 available to Community College Districts.

11 We will be announcing a Program
12 Opportunity Notice on the ECAA loan program
13 shortly, we're still trying to refine the
14 details of charter schools and lease facilities,
15 and that's been a big issue because typically we
16 don't loan to charter schools, so we're working
17 out the bumps of that, but we should have a
18 Program Opportunity Notice in the next month
19 coming out for these funds.

20 The California Workforce Investment Board
21 has a grant program, they're going to have a
22 competitive grant program for Learn and Earn Job
23 Training, placement programs, and that will be
24 targeting disadvantaged job seekers.

25 And the third category is for the

1 California Conservation Corps Energy Corps.
2 They focus on youth ages 25 through -- I mean 28
3 -- 18 -- I'm getting tired, I think. I'm really
4 happy you guys get to start talking and I can
5 take a break! This program is in development,
6 as well, and they are planning to have some
7 resources available to conduct energy surveys
8 and help with basic energy efficiency
9 measurement and project identification, so stay
10 tuned for what comes from the California
11 Conservation Corps.

12 And finally, we've talked over the
13 course of this presentation about the Appendix,
14 there's various hopefully helpful information in
15 there. And I think the only one I really didn't
16 talk about maybe was the first one, A, which is
17 kind of just a visual overview of the funding
18 allocation. And then H and I are just
19 definitions and acronyms because there are all
20 kinds of acronyms in the Energy and Education
21 world. I think both the CDE and Energy
22 Commission are learning each other's language
23 and hopefully that is clear in here.

24 I've mentioned the schedule. We have
25 this month of we're holding public meetings, we

1 have a few more meetings scheduled, I think we
2 have one in LA on Monday, we have another
3 webinar next Wednesday, then we have a final
4 public meeting on Tuesday, October 22nd at the
5 Energy Commission, and that's also going to be a
6 webinar, as well. Then as we get these
7 comments, we're going to be posting FAQs on our
8 Prop. 39 webpage, and also I'm going to keep
9 this up as we go through the question and
10 answers because there are going to be questions
11 I can't answer today because this is a
12 complicated program, there are lots of nuances
13 here that we haven't totally worked out, or
14 maybe I'm hearing for the first time today.
15 Also, if you want your comments considered
16 through the proper channels, please send it
17 through our Dockets, so send an email to
18 Docket@energy.ca.gov. And please title it
19 Docket No. 13-CCEJA-1, and also please include
20 "Comments on Prop. 39." So we will be
21 cataloguing all these comments that come in.

22 We're also looking at and providing FAQs
23 for the more informal comments we get at these
24 meetings, that don't come through the Docket
25 process. Yesterday we had -- there are a lot of

1 patterns to questions, and obviously we'll be
2 providing answers to those, and those that
3 cannot be answered through these public
4 meetings, so stay tuned. Our webpage is
5 www.energy.ca.gov. I don't think it's up there
6 anywhere, oh, the last part there. And actually
7 if you go onto our main Energy Commission
8 webpage on the left-hand side, I think Prop. 39
9 programs is like four or five bullets down, and
10 then if you click on -- this is our Prop. 39
11 webpage, and I'd like to point out that the best
12 way to stay informed is to sign up for our
13 Listserv, Prop. 39 Listserv through that
14 webpage. You'll get all email then, any time
15 there is a change in the Guidelines, when the
16 FAQs go up, any time there is new information,
17 when the allocations are posted, so it's just a
18 great way to stay connected to what's happening.

19 So with that, we can open up for
20 questions. We want to make sure, as you're
21 asking questions, Anne is going to come around
22 with a microphone, if you could please introduce
23 yourself before you ask your question, that will
24 help. Is there anything else we need? Okay.
25 Thanks.

1 MR. KESTER: So I was reading something
2 -- are we giving comments, as well, or just
3 questions at this point?

4 MS. SHIRAKH: Comments or questions.

5 MR. KESTER: Okay. This is Nick Kester
6 from San Francisco Unified School District. One
7 just quick clarification. The forms can be used
8 for offices, childcare facilities and other
9 buildings -- any building in the LEA's --

10 MS. SHIRACK: Yes, good question. Yeah,
11 it's not restricted to classrooms. Any
12 building.

13 MR. KESTER: All right. One comment is
14 it would be great -- and it came up at the very
15 beginning, I can't remember the exact context,
16 to know what things are recommended and what are
17 required items, and I think you mentioned one of
18 the charts had a best practices -- it used the
19 words "best practices" which sounds like a non-
20 required item, but then in your comment on that
21 particular table, you said actually these are
22 things we would like to see. So if you could
23 just be clear in the wording, when things are
24 recommendations -- when they're recommendations,
25 call them recommendations, and if they're

1 required, go ahead and just tell us.

2 MS. SHIRAKH: Good comment.

3 MR. KESTER: Does that make sense?

4 MS. SHIRAKH: Thank you.

5 MR. KESTER: Can I ask a few more, or
6 should I come back?

7 MS. SHIRAKH: Go ahead. I want to also
8 -- this records, but it doesn't amplify your
9 voice, so if you can just talk so I can hear
10 you. Thank you.

11 MR. KESTER: Okay. I guess I had a quick
12 question on clarifying what would be involved in
13 changing an Expenditure Plan in terms of the
14 amount of work. Is there kind of an amendment
15 form? Or are we talking resubmitting an entire
16 Expenditure Plan?

17 MS. SHIRAKH: I don't think we have those
18 details worked out yet. I would imagine we
19 would, for your benefit and ours, we would try
20 to make it the most simplistic way possible.

21 MR. KESTER: Great. Can funding be used
22 to hire our own staff to do work; for example,
23 buildings and grounds staff could do some simple
24 energy retrofits that might not require
25 contracting?

1 MS. SHIRAKH: I believe so. Again, the
2 way the language works, you just have to follow
3 your own program rules and, you know, if typical
4 standard practice is that you can do your own
5 work, I would imagine -- that's a good
6 clarification question and we'll probably have
7 to have that in the Q&As just because I don't
8 want to misspeak and mislead people.

9 MR. KESTER: Sure.

10 MS. SHIRAKH: Good question.

11 MR. KESTER: So I have three quick other
12 things. One is, I would love to see the
13 training be bumped up a little bit higher than
14 two percent, maybe up to five percent, and also
15 to not just have it be training of classified
16 staff, but all building users because, you know,
17 secretaries and students also have an impact,
18 obviously, on the energy use of a site.

19 MS. SHIRAKH: We had that question
20 yesterday, too, and I think the recommendation
21 is, if you could send that type of question
22 definitely through our Docket process because
23 that would require a change in legislation, and
24 that would give us some justification and more
25 material to use to go through that process.

1 MR. HESTER: Okay, will do. And two
2 final ones; one is, if we want to consider
3 disadvantaged communities, it wasn't one of the
4 items -- I think there were like 11 things to
5 look for in evaluating projects, and I think
6 Senator De Leon way back in the beginning had
7 wanted to make sure that a lot of this funding,
8 or some of the funding, at least, is designated
9 for disadvantaged communities. How do we take
10 that into account? Or is that something that
11 you even want to hear about? Or is it just
12 something that we might internally take into
13 account when we're deciding where to do a
14 particular project?

15 MS. SHIRAKH: You know, I think if you
16 want to internally use that as a criteria,
17 that's fine, it's not mandated in the
18 legislation, and so we're not -- we're really
19 trying to leave this as flexible as we can for
20 school districts and not mandating more than we
21 need to, and more than what's required.

22 MR. KESTER: And the last one is
23 generally specific to municipal utilities. We
24 may have an artificially low -- well, not an
25 artificially low -- but unusually low utility

1 rate, I know that's true for San Francisco,
2 probably for Palo Alto, Sacramento, etc. It
3 would be useful for us to be able to use kind of
4 the cost of providing the power, or even market
5 rate power, as opposed to the actual cost that
6 our school district pays because if, for
7 example, we have a sub-sized utility rate like
8 we do in San Francisco, or even if your rate is
9 just eight cents because you're lucky enough to
10 have a municipal utility, some projects that are
11 kind of no brainers may look like they're not
12 cost-effective in comparison --

13 MS. SHIRAKH: They're going to be more
14 difficult to meet that --

15 MR. KESTER: So if there was something
16 like, you know, if you have below market rates,
17 please use either the cost of providing the
18 power, which your utility should be able to
19 provide to you, or please use the following
20 general rate, that would help us --

21 UNIDENTIFIED SPEAKER: (Indiscernible)

22 MS. SHIRAKH: I'm sorry --

23 MR. KESTER: She's just suggesting that
24 you can modify the calculator, but --

25 MS. SHIRAKH: Yes, by having a standard

1 rate.

2 MR. KESTER: Right.

3 MS. SHIRAKH: Yeah, okay.

4 MR. KESTER: Thank you.

5 MS. SHIRAKH: Note taken.

6 MR. KERR: I'm Breene Kerr. I'm from a
7 company called Free Hot Water. I'm also an
8 energy efficiency consultant. So first as a
9 comment on your Pinto comment, and very good way
10 of putting it, however, there are other factors,
11 I know the Energy Commission has traditionally
12 favored energy efficiency over alternative
13 sources, and they have good reasons for that;
14 however, there are some particularly
15 advantageous solar thermal rebates at the moment
16 and school districts might be well advised to
17 take advantage of those, and if they wait a year
18 or two, those rebates might not be as available
19 or as large.

20 So I would take some issue with your
21 prioritization schedule and add that, you know,
22 there may be unusual circumstances where you'd
23 want to take advantage of alternative sources
24 due to these types of programs.

25 MS. SHIRAKH: For the Expenditure Plan,

1 and I didn't bring this up, so more information
2 comes out as I hear questions; that is a
3 recommended sequence, but not a mandate. If you
4 feel like there's a certain situation that makes
5 it more advantageous to do a renewable project,
6 or if you're in a situation where you feel like
7 you have done all the energy efficiency and your
8 buildings are really ready for considering
9 solar, as part of the Expenditure Plan we're
10 going to have a certification page, or box, or
11 something that says, yes, I'd like to do this,
12 and then having a narrative section where you
13 could explain that, not just a black and white
14 box, but a narrative where it explains your
15 unique situation -- or your situation.

16 MR. KERR: Okay, so as long as they do a
17 benchmark or whatever. Okay, I have a couple of
18 questions, then. On the \$28 million that went
19 into the zero percent fund --

20 MS. SHIRAKH: Uh-huh.

21 MR. KERR: -- is that a sub fund of the
22 zero percent revolving loan fund that only
23 applies to schools? Or did that add additional
24 \$28 million to your general zero percent
25 revolving loan fund for public agencies?

1 MS. SHIRAKH: It is going to be a sub
2 account and --

3 MR. KERR: So it's earmarked for schools?

4 MS. SHIRAKH: LEAs eligible for this
5 program.

6 MR. KERR: The last question I had was on
7 the August 8, to take the two-year option, many
8 school districts have been sort of waiting for
9 CEC Guidelines, and they've had other things on
10 their mind. Does that mean that they've now
11 missed the opportunity to take the two-year
12 option for the coming year because some
13 deadlines passed? Or --

14 MS. SHIRAKH: Yeah, it was a really tight
15 deadline that was part of the legislation, this
16 August date. And it was just past July 1st, and
17 then we had all of a sudden this August 1st
18 date, so it was incredibly fast. Thank
19 goodness, I mean, we had 866 LEAs out of, I
20 think it was 1,300 that qualified for that. So
21 to answer your question, yes, they missed the
22 boat this year, but it will be available next
23 year. And hopefully we'll have a little bit
24 more lead time and it won't be in the middle of
25 the summer.

1 MR. KERR: Okay, thank you.

2 MS. FISHER: Could you state your name
3 for the record?

4 MR. KERR: My name is Breene, B-r-e-e-n-
5 e, Kerr, K-e-r-r, from Free Hot Water.

6 MS. SHIRAKH: Thank you.

7 DR. IKHARO: My name is Dr. Sadiq Ikharo
8 -- can you hear me?

9 MS. SHIRAKH: No, it does not amplify
10 your voice, but it will be recording it for the
11 Court Reporter. So for my benefit --

12 DR. IKHARO: Okay. As I was saying, my
13 name is Dr. Sadiq Ikharo, I'm the Vice
14 Chancellor for Peralta Community College. I
15 have two questions. One has to do with the
16 workforce development. In our colleges, we do
17 have existing workforce programs that are
18 ongoing, that have to do with sustainability,
19 energy or otherwise. Now, the training, the
20 workforce training that allows, that are
21 valuable here in this program, how can we be
22 able to access that? Will that complement
23 existing course loads that we have? Or is there
24 to be a separate amount that can be put aside to
25 be able to have specific energy training, other

1 than the workforce development training that is
2 ongoing in the colleges?

3 MS. SHIRAKH: Well, first I want to thank
4 you for hosting us today --

5 DR. IKHARO: Thank you.

6 MS. SHIRAKH: -- and second, Community
7 College Districts are really, for this first
8 year and perhaps for the next year two through
9 five, are under a different program than most of
10 the Guidelines that I described today; that's
11 for K-12. However, I know that the Workforce
12 Development Board, they are putting together a
13 competitive program, so this is probably one of
14 those questions that we're going to have to
15 clarify through Questions and Answers because I
16 am not as well versed in what those programs
17 will look like and how that would dovetail into
18 what a community college is already doing.

19 DR. IKHARO: The other question that I
20 have, so on page 29, the third bullet that has
21 to do with sole source, in the State of
22 California, there is AB 4217 that colleges have
23 been using for sole source. And AB 4217 has
24 provision that if an LEA can be able to
25 demonstrate that there will be public hearing,

1 and that there is cost benefit analysis that is
2 acceptable, that you can be able to use sole
3 source. So that AB 4217 has been codified by
4 some district to be part of their procurement
5 policies, so if we now say here that you shall
6 not use sole source, then there is conflict in
7 governmental direction as to how we can
8 implement this. Thank you.

9 MS. SHIRAKH: Thank you for your comment.

10 MR. BARR: Hi. Joey Barr, PG&E. And
11 thank you all for attending. I was at the
12 workshop in Fresno and I think this is a great
13 point, thank you for bringing up that
14 legislation. And we are going to provide that
15 feedback and it came up in the Fresno workshop,
16 as well, and I invite you to share that feedback
17 because we do need to resolve this
18 clarification.

19 Another thing that was a recurring theme
20 in the Fresno workshop -- and I'm glad you
21 brought this up -- I think, Nick, you brought it
22 up -- so please clarify if I'm saying something
23 wrong, but the expenditure plans are really for
24 you to prioritize your projects. The CEC has
25 some certain specifications that they're looking

1 for, they want to make sure it's cost-effective,
2 1.05 SIR, and that the projects are doable. But
3 they're not really mandating specific projects.
4 So everything that they're showing you up here
5 is recommendations, and if you decide that in
6 your district, or for one specific LEA or school
7 within an LEA that solar hot water is the best
8 way to go, they're not mandating that you have
9 to do a benchmark and an audit. Is that a fair
10 statement?

11 MS. SHIRAKH: We want you to follow the
12 sequencing and then the considerations. You
13 know, we want it to be flexible. We're trying
14 to make this flexible and, as I said before, if
15 we have exceptions where you would be bypassing
16 all energy efficiency and wanting to go with
17 renewables, then that will also have to meet the
18 cost-effective criteria and we'll ask for that
19 certification that cost-effective projects have
20 been considered and are not viable for whatever
21 reason in your situation.

22 MR. BARR: Okay, thank you for
23 clarifying. And by the way, PG&E absolutely
24 agrees, we want to follow the loading order, and
25 so for most of your LEAs, that means energy

1 efficiency conservation eventually looking at
2 controls and DR, and other things, but we
3 absolutely support that. But I think one of the
4 things that came up in the Fresno workshop, and
5 maybe it was said earlier, is that the CEC is
6 not trying to turn away Expenditure Plans,
7 they're trying to make this as flexible as
8 possible, so I know that we hear the word
9 "Expenditure Plan" and we think, oh, man, we
10 have to go out and jump through a lot of hoops,
11 and they're trying not to do that, and make it
12 as flexible as possible. And then also, we have
13 a few other PG&E reps here and I'll be here
14 afterward, so one of the things we're trying to
15 do is figure out how we can layer on your Prop.
16 39 funds with utility support, with other
17 funding, to make sure that you're looking
18 holistically and at comprehensive projects. So
19 I'm around afterward if you want to talk. Thank
20 you.

21 MS. SHIRAKH: Thank you. And as I said
22 at the beginning of my presentation, it is a
23 balance trying to meet all of the statute
24 requirements, all the Public Resources Code
25 requirements, making this fully accountable to

1 the public where these funds are being used, and
2 that we have energy savings to report at the end
3 of the day versus making this a very usable
4 friendly program, ones that LEAs will
5 participate in, and do good projects in.

6 MS. SUNG: Hi. I'm Alice Sung, Principal
7 of Greenbank Associates. I also work with
8 School Districts and consulting. And thank you
9 to the Energy Commission for this presentation.
10 I'm learning more every time I attend one of
11 these.

12 So my first question is, it's clear that
13 the planning funding is what you clarified
14 yesterday on the Webinar, it's clear that the
15 planning funding is a one-time only funding in
16 the five-year program. What's not clear is that
17 the training and the energy management funding
18 is one-time, or with each year's award. Can you
19 clarify that that's each year's award?

20 MS. SHIRAKH: Absolutely. So for
21 training and energy manager, that is something
22 that's available throughout the five-year
23 program, it would be available this year, as
24 well as year 2, 3, 4, and 5. So that is an
25 option that you could add in with your projects

1 every year. So for example, if you wanted to
2 fund an energy manager, that might be something
3 you want funding for for the five years, and so
4 you have that ability, and hopefully over five
5 years that becomes a sustainable position that
6 you'll be able to maintain that through the
7 energy savings and other cost savings that that
8 type of position would be identifying.

9 MS. SUNG: Thank you. And the related
10 question, then, on energy managers, it's
11 apparent to me that the language, the intent of
12 the legislation was to support energy management
13 within districts internal to them; could we have
14 an editorial correction to the Guidelines, or
15 consider this, that the word be "Energy
16 Managers" or "Energy Management Personnel," not
17 limited to one person? For example, if you had
18 a district that was of considerable size, you
19 might actually need two or three managers for
20 each of your geographic regions.

21 MS. SHIRAKH: Okay, thank you.

22 MS. SUNG: Thank you. Then the next
23 question is, does the Energy Manager's 10
24 percent or \$100,000 award include benefits? Or
25 dose the District have to put up the 25 to 30

1 percent for benefits?

2 MS. SHIRAKH: At this point, it was just
3 a straight cap how that was --

4 MS. SUNG: So however they can allot that
5 money, they can utilize it?

6 MS. SHIRAKH: Yes.

7 MS. SUNG: Okay, so they could take
8 benefits into consideration. Thank you. The
9 next question is -- and maybe PG&E is here so --
10 the question is, are you aware of Federal DOE
11 data analytics or any other local utility,
12 California utilities, producing a data analytics
13 program that would be available for use? Joey,
14 maybe you can --

15 MS. SHIRAKH: Yeah, I don't know. At
16 this point, this is something that will be
17 probably more defined in years two through five.
18 Right now, the way it reads is "data analytics
19 that has been verified through a utility
20 program." I know there's been various pilot
21 projects in different utility companies; whether
22 those have been deemed valid, I cannot comment
23 on that.

24 MS. SUNG: So my question would be, would
25 you take into consideration validation from the

1 Federal DOE or, you know, some entity like an
2 NREL Lab, or EPA -- EPA is actually working on a
3 tool?

4 MS. SHIRAKH: Okay. We'll make note.
5 That comment came up yesterday, as well, as to
6 putting some criteria around what that
7 validation means.

8 MS. SUNG: Thank you. I think I had one
9 other question. Will the California
10 Conservation Corps members be providing free
11 services? It's unclear, you know, whether or
12 not -- you know, because BrightSchools obviously
13 can perform your energy audits for you and your
14 surveys, and we're saying California
15 Conservation Corps members could, as well. Can
16 we assume that their services will be free?

17 MS. SHIRAKH: Well, their program is
18 still in development and I don't want to speak
19 for them. If you want to comment?

20 MR. COUCH: The California Conservation
21 Corps will be providing free surveys. Patrick
22 Couch, California Conservation Corps.

23 MS. SUNG: Thank you. And will they be
24 able to be trained to have the ability to
25 perform ASHRAE Level 2 audits, as well?

1 MR. COUCH: Initially, we are going to
2 just offer ASHRAE Level 1, we're calling it 1.5,
3 but energy survey aspect, but we will develop
4 capability in about four months to use our -- to
5 offer an ASHRAE Level 2 equivalent.

6 MS. SUNG: Maybe the following year?

7 MR. COUCH: Yes.

8 MS. SHIRAKH: Again, I'd like to remind
9 everyone that this mic is recording your voice
10 for our questions, it doesn't really amplify, so
11 folks in the back of the room may not hear your
12 question, so you either -- if you could speak
13 loudly, or maybe move to a microphone? Thanks.

14 MS. FERRERA: Okay, I can talk loud.
15 People tell me that, anyway. I'm Anna Ferrera
16 with the School Energy Coalition. We represent
17 school districts up and down the state and
18 County Offices of Ed, and other folks who build
19 schools. And I have a couple questions and just
20 some concerns. One, on page 20 where you're
21 talking about the Energy Expenditure Plan -- and
22 let me back up -- there's three different
23 reporting that's required for each -- it's the
24 Expenditure Plan, it's quarterly reports, and
25 then final report. Correct?

1 MS. SHIRAKH: That would be correct.

2 MS. FERRERA: Okay. So I'm just curious,
3 on page 20 when you talk about \$50,000 or less,
4 you have three options there, yearly award
5 Energy Expenditure Plan, that's one year, and
6 then the option 2 is that two-year bundled
7 award, and then option 3 is the five-year
8 complete award Energy Expenditure Plan, meaning
9 like you're planning for the five years. And
10 then for \$50,000 or greater, it just says up to
11 four Energy Expenditure plans may be submitted
12 per fiscal year. Are you not offering those
13 options to the greater --

14 MS. SHIRAKH: I agree that this part
15 needs clarification. I really think the intent
16 here is -- the only difference is that the five-
17 year option for those getting more than \$50,000
18 not having that, because it could be just like a
19 very large Expenditure Plan, then, I mean
20 extremely large.

21 MS. FERRERA: But you can imagine that
22 schools might want to do that just because
23 planning is a good idea, but also that if you're
24 going to have three levels of reporting going
25 with each Expenditure Plan being submitted, that

1 you might want to just do one big one so you
2 don't have all these planning reporting
3 functions all over the place.

4 MS. SHIRAKH: It's complicated,
5 definitely. And the more times you submit an
6 Expenditure Plan, that's more for you to track,
7 more for us to track, so I appreciate --

8 MS. FERRERA: So do you think -- are they
9 considering that as something --

10 MS. SHIRAKH: We will be considering all
11 of these questions and comments. I mean,
12 especially if we hear patterns, and again, I'd
13 really like to -- if you have a really strong --
14 the legal way is putting it through the Docket
15 process, but we are collecting all of these
16 comments from the workshops and cataloguing
17 them, and it will be part of the process. I
18 lead the team that develops the Guidelines and
19 we will be meeting and going through these
20 before the comment period is even over.

21 MS. FERRERA: Okay. Second, on page 22,
22 when you're talking about the Expenditure Plan
23 approval process, and this is just about timing,
24 it says -- and I didn't see it in your
25 Powerpoint -- but it says CED will process once

1 every quarter the approved plans, and then that
2 will take a month, and then upon completion, the
3 apportionment package goes to the State
4 Controller, which will draw warrants in
5 approximately three to four weeks. And I guess
6 what we would be interested in knowing is if
7 there might be a process or at least articulated
8 that schools might be able to spend money before
9 they actually have it in their hands because
10 this could be another six months added on to the
11 process --

12 MS. SHIRAKH: Okay, so some clarity on
13 the once you have that approval from the
14 Commission, even though you don't have the
15 check, that gives you the okay to start your
16 project.

17 MS. FERRERA: Same thing with the DSA,
18 you know, there's a lot of -- even though DSA is
19 talking about streamlining, I don't think
20 there's a lot they can do about access and about
21 other issues that, you know, schools are going
22 to have to follow the rules no matter what, so
23 it would be very interesting, you know, to hear
24 from them about how that streamlining will take
25 place.

1 MS. SHIRAKH: Okay.

2 MS. FERRERA: And then the last thing was
3 just on the benchmarking. My concern is you're
4 saying that only the project that is going for
5 funding Proposition 39 funding needs to be
6 benchmarked; but you're also saying that, you
7 know, the best way to do it is to measure
8 everybody and make sure you know like 10 to one
9 what the most efficient is. And this gentleman
10 had the other question about renewable, and you
11 mentioned maybe putting into a box more detailed
12 information. I guess generally my concern is
13 just will CEC be able to look at these things
14 and say, "Gee, you should have picked 10 instead
15 of 7." And I appreciate, Joey, you saying that
16 it's just a recommendation, but for us, if you
17 look at the disapproval process also later on
18 22, which really wasn't outlined a whole lot in
19 your Powerpoint either, that's a huge process to
20 get dumped into if you don't -- if you get, you
21 know, if someone at CEC decides you didn't pick
22 the right project.

23 MS. SHIRAKH: Yeah. I don't think it's -
24 - it's not our responsibility to judge whether
25 you have chosen the right project. But we do

1 want you to try to follow some methodology and
2 some sequencing, and that is a requirement of
3 the legislation that you do follow some
4 sequencing. But, again, I don't think -- what
5 we're really looking at is, do those projects
6 meet the SIR criteria; do they meet the cost-
7 effective criteria; and are they technically
8 feasible projects. Or is this some black box
9 we've never heard of? We don't have any
10 evidence that this has been an energy efficiency
11 project; or, is this some, you know, project
12 that's really not ready for prime time? You
13 know, something like that.

14 MS. FERRERA: Right.

15 MS. SHIRAKH: Perhaps the feasibility of
16 it. But it's really we're looking at whether
17 they're cost-effective.

18 MS. FERRERA: Okay. I think also,
19 because net energy benefits was something folks
20 were thinking about, not energy benefits, excuse
21 me, and that's been kind of reduced to a number
22 that is kind of an add on?

23 MS. SHIRAKH: It's an add on into the
24 calculator, so we are trying to make it --

25 MS. FERRERA: Easy.

1 MS. SHIRAKH: Easy for everyone. We
2 looked at a variety of options to deal with non-
3 energy benefits because that's part of the
4 program that we want to recognize that, and
5 after doing some analysis and some research, we
6 came up with just doing a flat adder for
7 everyone.

8 MS. FERRERA: Okay, this is my last one,
9 honest. Just about the forms and the
10 calculators. School Districts, you know, some
11 of these folks are going to be trying to do that
12 themselves, and those are very important pieces
13 of information to know what the form is and how
14 hard it's going to be to fill out, calculators,
15 how easy they are to use, and as soon as you can
16 get those out to us, I think then we could
17 really tell you, gee, can we use this program or
18 not. So whatever you can do to speed that
19 process up would be great.

20 MS. SHIRAKH: Okay.

21 MS. FERRERA: Thanks.

22 MS. SHIRAKH: Thank you.

23 MR. HAMILTON: Daniel Hamilton with the
24 San Francisco Bay Area Regional Energy Network.
25 Just a couple of quick questions on here. On

1 project eligibility, I don't see any definitions
2 in here as to what is eligible and what's not,
3 meaning obviously a new HVAC system would be,
4 but are individual lights considered part of a
5 project? How about timers? How about advanced
6 plug strips? I guess what are the criteria that
7 schools should be using to know which measures
8 are eligible and which measures are not?

9 MS. SHIRAKH: Again, it kind of tags onto
10 the conversation we're having, is mandating
11 projects or, you know, we're allowing you to
12 choose these projects and they need to have some
13 energy savings. They need to meet that cost-
14 effective ratio.

15 MR. HAMILTON: So absolutely anything is
16 eligible as long as we can show energy savings
17 and a five percent return on investment?

18 MS. SHIRAKH: Again, I don't know if I
19 want to say "everything," that's a pretty big
20 word.

21 MR. HAMILTON: You're going to make a lot
22 of people in the room very happy if you say yes.

23 MS. SHIRAKH: You know, I think we've
24 tried to give you some guidance on typical
25 energy projects, that's not going to cover

1 everything, that's not, you know, there's some
2 reasonableness that needs to be considered, and
3 I think that's the key word, "reasonableness."

4 MR. HAMILTON: The other question I have
5 is with regards to programmatic projects, and I
6 don't mean that to be redundant, I mean there
7 are innovative programs that don't necessarily
8 have established levelized savings in KW/KWH
9 therm, that have a lot of success in utility
10 programs; I'm thinking of things like energy
11 competitions, I'm thinking of things like
12 behavioral change programs, plug load controls,
13 some are listed in here, some are not. These
14 are a bit outside the box, but they do have
15 measurable energy savings associated with them,
16 however, they don't fit under the traditional
17 model that would be captured in this, so how
18 would you propose we either include, not
19 include, or treat those?

20 MS. SHIRAKH: Yeah, this is really more
21 hardware program -- for hardware, and behavior
22 programs, although there are huge benefits and a
23 building could be super LEED Platinum, but if
24 it's not run properly and the occupants are not
25 using it properly, you're not seeing all the

1 savings, I totally get that. But this is more
2 of a hardware program. And I'm not sure if I've
3 answered your question.

4 MR. HAMILTON: No, that's fine.

5 MR. BARR: Do you mind if I take a stab
6 at that?

7 MS. SHIRAKH: Sure.

8 MR. BARR: This is a great question,
9 thank you. Again, Joey Barr from PG&E. I think
10 if you're thinking about these kinds of things,
11 we absolutely need to provide feedback because
12 this is an opportunity with Prop. 39 to do these
13 kind of programs that are not falling under the
14 IOU/CPUC mandated paradigm, and I think this is
15 an opportunity for us to show that they work.
16 So if you are thinking about some programs, we
17 should provide that feedback, it's our duty to
18 provide that feedback. And as an example, and I
19 don't know if you covered it in the Guidelines,
20 but with Prop. 39, we are using the baseline at
21 existing conditions as opposed to code, which we
22 have to use at PG&E. It's a huge win for the
23 schools, and I think we all know that, in the
24 real world, some of these behavioral programs
25 and competitions do work, and so I respect that

1 we're talking about hardware, but I think it's
2 our responsibility and opportunity to use Prop.
3 39 that these work.

4 MS. FERRERA: Joey, can you explain what
5 that means, as opposed to code?

6 MR. BARR: Yes. So right now, if you
7 were to go and do a retrofit, we can provide you
8 an incentive, let's say a lighting project, and
9 we take the energy savings of that new light
10 versus some baseline. And we spend a lot of
11 time arguing about what that baseline is and
12 it's code in many cases, and starting in January
13 2014, Title 24 is going to kick in raising the
14 bar for code, and we have made the argument, and
15 I think the CEC heard it from a number of
16 different perspectives, that we don't want
17 schools to use code as the baseline because the
18 energy savings is much smaller. We were able to
19 say the schools wouldn't have done this project
20 anyway without these funds, so let's use the as
21 is, the older light that's been there 20 years,
22 as opposed to the code baseline. And I think
23 one of the issues -- what's your name again?

24 MR. HAMILTON: Daniel.

25 MR. BARR: What Daniel is bringing up is

1 we're not able to support all the programs out
2 there, that in the real world might have energy
3 savings because we live in a regulated
4 environment. I think Prop. 39 is the perfect
5 opportunity for us to push these programs. So
6 we will be providing this feedback and I hope to
7 see more of you do that.

8 MS. SHIRAKH: Thank you very much.

9 MR. BARANOFF: My name is Constantine
10 Baranoff and I represent the Sacramento County
11 Office of Education. There's three questions
12 that I have and, depending on the answer to the
13 third question, I may make a suggestion.

14 The first one is very simple. When
15 you're trying to establish the cost per square
16 foot of benchmarking --

17 MS. SHIRAKH: Uh-huh.

18 MR. BARANOFF: -- okay, one of the things
19 that you need to provide in the format is the
20 opportunity for school districts to determine
21 that, from year to year, the use of facilities
22 may have changed and therefore you have to
23 reflect the circumstances, for example, this
24 room, with the air-conditioning going on,
25 depending on how many people are in here, will

1 generate so much versus as compared to
2 classrooms and utilization from year-round
3 programs, through after school programs and
4 whatnot --

5 MS. SHIRAKH: Conditions change --

6 MR. BARANOFF: -- make sure that's
7 reflected in allowing school districts, so
8 that's an easy one, I think, okay? The other
9 one is dealing with the cost overrun, especially
10 the districts that have been awarded contracts
11 and then discover, lo and behold, after all due
12 diligence, nonetheless there's unforeseen
13 elements, components, whether the infrastructure
14 is today not adequate and this was not
15 necessarily evident, and all of a sudden the job
16 moves from a half a million dollar job to seven
17 hundred, eight hundred. How would the district
18 deal with the changes?

19 MS. SHIRAKH: As far as --

20 MR. BARANOFF: Cost.

21 MS. SHIRAKH: -- the cost, like covering
22 those costs?

23 MR. BARANOFF: Right.

24 MS. SHIRAKH: Well, I'm not quite sure I
25 can answer that.

1 MR. BARANOFF: My suggestion to that is
2 take a look at it and allow at least, then, the
3 districts to perhaps take this as a cost on next
4 year's money.

5 MS. SHIRAKH: Okay --

6 MR. BARANOFF: Because you can't dry up
7 the district at that point and say stop the
8 project, the job is underway and there's a
9 considerable effort. And then, in the
10 discussion there was the point about coming back
11 for re-approvals. The district cannot afford
12 those delays for a variety of reasons, including
13 not being able to use the facilities. You have
14 to realize, a lot of this retrofit work will
15 occur during the down time of summer or winter
16 breaks only, and some weekends. Okay?

17 MS. SHIRAKH: Okay, thank you for your
18 comment.

19 MR. BARANOFF: The third question is in
20 terms of this process of input, and I heard this
21 afternoon also from the previous discussion, and
22 a lot of questions were simply just taken
23 without responses, and the responses will be
24 forthcoming, okay? And if the target is to have
25 a closure of comments by the 25th of October,

1 and then going to the Energy Commission at that
2 point in time, my concern is that you have to
3 publicize the comments, or change to this
4 Guidelines 30 days in advance of the Energy
5 Commission meeting, right?

6 MS. SHIRAKH: That is correct.

7 MR. BARANOFF: So my question would be,
8 so theoretically that if you're looking at
9 December 19, November 19 is the absolute cut-off
10 for any changes to the Guidelines, when is that
11 discussion going to occur between the 25th and
12 the 19th of November?

13 MS. SHIRAKH: Well, we plan to post many
14 of the questions and answers when we get through
15 here, before the 25th, or at least in the next
16 couple weeks. This whole process is on a very
17 accelerated schedule, and I hope the public
18 recognizes that, and that's because we really
19 are trying to get this funding available to
20 school districts and LEAs as soon as possible.

21 MR. BARANOFF: Well, I have a suggestion
22 for that and I really truly -- again, I've
23 talked to a number of school districts in the
24 Sacramento area, and they're saying, "You know
25 what? We're rushing too fast, let's have an

1 additional 15 to 30 days in that timeframe so
2 you clear up all these questions. There's a lot
3 of good questions that have been posed; they
4 need answers. You have to close the loop
5 someplace.

6 MS. SHIRAKH: I would highly recommend
7 you go through our Docket process --

8 MR. BARANOFF: I will.

9 MS. SHIRAKH: -- and comment. Thank you
10 so much.

11 MR. BARANOFF: I will, but I want to
12 publicly state this here, as well, that you have
13 to close the loop because this is a large
14 undertaking --

15 MS. SHIRAKH: It is.

16 MR. BARANOFF: -- for many districts,
17 more importantly, and one thing that the
18 government doesn't want is a top down type of
19 approach to this.

20 MS. SHIRAKH: We appreciate your input.

21 MR. BARANOFF: Thank you.

22 MS. FERRERA: Can I elaborate on his
23 second point?

24 MS. SHIRAKH: Okay. Let's get the
25 microphone over here.

1 MS. FERRERA: Just on his second point
2 about square footage, also right now, speaking
3 of the Governor, we have this LCFF and LCAP
4 process for schools that's going forward. I
5 don't even think school districts know what's
6 going to hit them yet --

7 MS. SHIRAKH: Can you tell us what that
8 acronym stands for?

9 MS. FERRERA: It's Local Control Funding
10 Formula. And part of that, the LCAP piece of it
11 are these plans that need to go forward. Part
12 of it means that there's going to be reduced
13 class sizes for many schools. And so what
14 you're going to be doing is you're going to have
15 sites that are going to have to build walls and
16 create classrooms to accommodate smaller class
17 sizes, and so the timing of this is kind of
18 weird because what's going to happen is we may
19 be measuring things based on one piece, but then
20 have to redo our sites on LCFF. And I know
21 you're concerned about timing, but schools may
22 be waiting to find out, you know, to use the
23 funding once they find out what some of this
24 might mean for them. And I think that's an
25 important point that, you know, it's just that

1 language of energy and schools right now, I
2 think, is a piece that we're waiting to figure
3 out, as well. Thanks.

4 MS. SHIRAKH: Thank you.

5 MS. ZIMMERMAN: My name is Carly
6 Zimmerman and I'm with Strategic Energy
7 Innovations. We're a nonprofit in San Rafael.
8 And we're working to create resources that we'll
9 provide to school leaders so that they can
10 capitalize onto the opportunities provided by
11 Prop. 39, so I have three main questions.

12 My first is regarding funds for training
13 which has been capped at a thousand dollars.
14 And what we've seen to be the proven effective
15 training method has been the BOC, Building
16 Operator Certification, which comes in at \$1,400
17 per person, and for larger LEAs, we'd recommend
18 that they train up to four personnel. And
19 people who are certified in the Building
20 Operator Certification Program see 12 to 20
21 percent savings typically just through energy
22 conservation practices, alone. So that leads me
23 to my second question, which is whether Prop. 39
24 funds can be used to launch or support energy
25 conservation measures, or conservation

1 initiatives, as opposed to energy efficiency.
2 So it's more behavioral.

3 MS. SHIRAKH: Behavior ties into the
4 conversation we had over here, yeah.

5 MS. ZIMMERMAN: Right. And then the LEAs
6 will be required to submit progress reports and
7 I'm wondering if there will be any consequences
8 or else resources if schools or if projects are
9 underperforming.

10 MS. SHIRAKH: Well, at this point it's a
11 quarterly report and it would be, the way we see
12 it, is something very simple that could be
13 easily filled out, just with minimal
14 information, especially at first because you
15 might not have a lot of information to report.
16 I think it's more of -- it's not structured to
17 be penalizing, it's structured just to head off
18 any -- to have some kind of communication
19 because there aren't a lot of times to check in
20 to see how the projects are going if you just
21 have an Expenditure Plan at the beginning and
22 three years later you have a final report. So
23 it's just -- it's designed to be a way of having
24 some feedback through the process so we can
25 report on that because the California Energy

1 Commission is also required to report to the
2 Citizens Oversight Board annually, and it will
3 be critical to know where these projects are
4 before we get to those final reports.

5 MS. ZIMMERMAN: Right. And if there were
6 some underperformance in the final reports, or
7 along the way, that might be a good time to tie
8 in resources for energy conservation behavioral
9 efforts, resources. And then just one last
10 thing, a colleague recommended that MPV might be
11 more accurate analysis as opposed to ROI.

12 MS. SHIRAKH: Okay. Thank you.

13 MR. CHERRY: Jonathan Cherry from the
14 City of San Francisco Public Utilities
15 Commission. Just two things. First, I just
16 wanted to add on to what Daniel from BAREN and
17 Strategic Energy Economics were saying about the
18 value of behavioral programs, and I wonder if
19 there's a way either within the definition of
20 training, or some other way within the context
21 of the Guidelines as they've been written, to
22 allow that flexibility, and maybe it's something
23 like, you know, within the bundled projects at a
24 given school, that if a district could find a
25 way to work some of these more conservation

1 minded programs, or behavioral programs in a way
2 that the package of projects still met the
3 payback, maybe that could be a way to approach
4 it, or to expand the definition of training like
5 has been brought up. And we'll submit those
6 comments, but it's just a suggestion.

7 MS. SHIRAKH: Thank you.

8 MR. CHERRY: The second question is just
9 to follow up on the topic of planning activities
10 and particularly energy audits. For a larger
11 LEA, if I'm understanding correctly, you won't
12 be able to have a five-year plan, five-year
13 approvals, but for now the application for
14 energy audit funds will just be in the first
15 year? Is that right?

16 MS. SHIRAKH: So the way it's designed
17 right now is that the energy planning funds that
18 will be available for that option soon, like
19 this month, that opportunity will be this first
20 year, this first fiscal year of the five-year
21 program. And as it's currently designed, this
22 would be a one-time opportunity.

23 MR. CHERRY: Okay.

24 MS. SHIRAKH: However, those funds can be
25 used throughout the five-year program, you could

1 keep those in reserve and use them throughout
2 the five years. Does that provide some clarity?

3 MR. CHERRY: I think so. Well, I think
4 that was my question, was the amount of funds
5 set aside specifically for energy audits, is
6 that intended to last for five years? Or is
7 there going to be a decision at a later -- I
8 just --

9 MS. SHIRAKH: At the time, this is the
10 way it is designed. And we'd like -- twofold --
11 we'd like LEAs to start planning and to start
12 looking at how to use these funds and plan for a
13 five-year program. Also, we want to have some
14 method of directing the majority, so it would
15 be, you know, only 20 percent of the funds will
16 go through planning and the 80 percent will be
17 going to energy projects with energy savings.
18 And so we're trying to keep some balance with
19 having funds available for planning, but yet
20 having funds that actually go to energy savings.

21 MR. CHERRY: Thanks, that's helpful. And
22 I guess just to find a point, I think in that
23 balance I think we'd recommend also taking into
24 account that in some cases it might be
25 beneficial to wait to do an audit so that it's

1 not four years out of date before the work is
2 done, so --

3 MS. SHIRAKH: Absolutely.

4 MR. CHERRY: -- if there's some way to
5 encourage not doing all the audits now --

6 MS. SHIRAKH: And that's why that's
7 allowed to keep in reserve. They can request it
8 now and keep it in reserve and use it two years
9 from now.

10 MS. LONDON: Hi. I'm Jody London. I'm
11 from Jody London Consulting and I also serve on
12 the Oakland School Board. I'm willing to bet
13 I'm one of the few elected officials from a
14 School Board who has been at one of these
15 workshops.

16 And my question is around the planning
17 funds, as well. So it says on page 6 that the
18 funds will be -- that the State Superintendent
19 will start releasing the funds in November, and
20 then February, and then an additional request.
21 But how does that happen if you, the CEC,
22 haven't approved a plan yet?

23 MS. SHIRAKH: Okay, yeah, thank you for
24 asking that because obviously it's not clear.
25 So the energy planning dollars aren't going to

1 be coming through an Energy Expenditure Plan
2 like a project; so this is going to be a very
3 simple process for requesting these energy
4 planning dollars. CDE will be releasing the
5 total allocation, final allocation amounts in
6 the next week or so, and at that time on their
7 website they will have similar to how it was in
8 August where LEAs could bundle the first year
9 and year two funding, a simple process where an
10 LEA would go into their website and could just
11 request X amount of dollars and there's not an
12 analysis or even how you're going to -- a
13 justification for how this is going to be spent,
14 it's just an upfront advance for the energy
15 planning dollars. And so that's the methodology
16 that -- it's not going to be coming through the
17 Energy Commission, the energy planning dollars,
18 at all. How that will be tracked is kind of on
19 the back end. So year 2, or when you -- it will
20 be tracked on an Expenditure Plan as you submit
21 those to the Energy Commission, and you have
22 spent some energy planning dollars, that's where
23 you report it to us, and so we can track it
24 because the Energy Commission is tasked with
25 tracking and publicly having a database that's

1 publicly accessible to have full transparency of
2 how, who and when these funds were spent.

3 MS. LONDON: Okay, and then I have one
4 more question. And I'm not trying to be
5 difficult about the Expenditure Plans, but I'm
6 not totally getting it. So if I submit an
7 Expenditure Plan, can I update it? Or like
8 every time I come up with a different project, I
9 have to give you another plan? It seems like it
10 would make more sense to just say, "I'm going to
11 update my plan, you know, it's year 3 of the
12 program, I realize I just had three boilers
13 blow, I need to do these boiler replacements."
14 Or, I don't know what. I'm just --

15 MS. SHIRAKH: Mine -- the way I guess I
16 wrap my head around it, it's kind of like an
17 application. And that's why we had some various
18 -- so we had these options 1, 2, and 3, and then
19 we said, well, LEAs like Oakland Unified,
20 obviously, is going to probably be -- I don't
21 remember where it falls, but I'm sure it's going
22 to be over \$50,000, so this is the fourth tier,
23 and you're going to have a lot of money. And
24 you -- it gives you the option of submitting --
25 you could submit one expenditure plan per year,

1 so this first year, Oakland Unified submits one
2 plan with the total allocation on it, or if it's
3 more advantageous for you to submit two and have
4 some money in reserve for these emergencies that
5 come up, that's okay too. We're trying to build
6 some flexibility and not mandating a specific
7 one.

8 MS. LONDON: Okay, that's great. And
9 thank you for your work on this, I know you're
10 spending a ton of time on it, so...

11 MS. SHIRAKH: Well, thank you.

12 MR. STRANTA: Good afternoon. I'm Jerry
13 Stratton from Salinas City Elementary School
14 District, the Assistant Sup. And first of all,
15 thank you very much, we know more about this
16 project than we do about LCFF right now, and
17 it's really frustrating, I will tell you that.
18 It's absolutely terrible, you know, if you want
19 to ask for a year's postponement, that's where
20 we need to be with that. But that's a whole
21 different topic.

22 One item about LCFF that was mentioned,
23 though, is the smaller class sizes, class size
24 reduction for K through 3. That has the real
25 potential to skew data in terms of improvements

1 or energy efficiency because, for example, I
2 have 13 schools, I'll add a teacher in each
3 school to reduce class size every year, so
4 potentially that could be a four percent
5 increase, or three percent maybe increase, after
6 you take off the central office overhead and the
7 cafeteria at that site for the next year, that
8 has to be factored into any improvements that we
9 make. And my next comment would be, we're
10 looking for innovations on your Appendix -- or
11 Exhibit B, beyond those, if you could add more
12 things? You know, I've just finished now, last
13 Saturday, hooking up all 13 schools with 90
14 percent solar, getting off the grid, and so we
15 want to go beyond that. So if there's more
16 things, we would like to see that.

17 MS. SHIRAKH: So innovative section.

18 MR. STRATTON: Yes. And then finally, if
19 you could publish periodically lessons learned
20 with the reality versus the expectation, I think
21 we'd all appreciate that. You know, we get
22 sales pitches from lots of folks about saving
23 the world and the reality is that the data comes
24 out a little differently. And some of it comes
25 out better. And so we'd like to reinforce

1 success and not make the mistakes of the ones
2 that don't measure up. Thank you very much.

3 MS. SHIRAKH: Well, thank you very much.

4 MR. KUBISCHTA: Yeah, my name is Duane
5 Kubischta. I'm with kW Engineering. We're an
6 energy services consultant and we're also the
7 lead technical consultant for the BrightSchools
8 Program. So if anybody has any questions for
9 that, please feel free to come up afterwards.

10 I have what I think is a comment on in
11 terms of project identification. It says the
12 LEA shall choose one of the following three
13 options, that's energy surveys, level 2 audits,
14 and analytics. I would guess that the intention
15 is to use all three of those as best as your
16 funds can, to sort of come up with a portfolio
17 of what's going to work. And I guess I'm
18 wondering if you can comment on that, if the
19 intent there is to have the flexibility to use
20 all those, to come up with the best plan for the
21 LEA, or is it -- I mean, it also comes back to
22 what Nick was saying in terms of the language,
23 the "shall" seems like it's a requirement.

24 MS. SHIRAKH: The intent is that there
25 are options and you can choose one or more

1 options, so obviously we need to do some
2 clarification there. I think what we wanted to
3 -- we didn't want the intent to be that you had
4 to do an ASHRAE Level 2 audit for every project.
5 We wanted to build in some flexibility for more,
6 you know, just a survey, a walkthrough, maybe a
7 district is very clear on what they need now,
8 and they don't need an ASHRAE Level 2 audit.
9 And so we didn't want to make that a mandated
10 requirement. So the intent was to have these
11 options as more of a menu of ways that you could
12 do project identification. So maybe the
13 language needs some wordsmithing.

14 MR. KUBISCHTA: Great. Thank you.

15 MR. CHIA: Dan Chia with Solar City.

16 Thanks so much for Energy Commission's hard work
17 on these Guidelines in such an expeditious way.

18 MS. SHIRAKH: Yeah, I'm sorry, I'm going
19 to need to remind you it's not an amplifier and
20 you have a soft voice.

21 MR. CHIA: I have a deep voice. And for
22 the flexibility that's embedded in these
23 Guidelines, very much appreciate that. I have a
24 couple of questions and a comment, first does
25 the generation portion of the Guidelines

1 contemplate virtual net metering types of
2 projects? And then, the sort of related
3 question is, on the Energy Conservation
4 Assistance Act portion of the Guidelines, are
5 Power Purchase Agreements permitted? There is
6 some language that would imply that they are
7 not. So two questions on that.

8 MS. SHIRAKH: The first question, I think
9 I'm going to have to default to our questions
10 and answers that will come out later, and I'm
11 not sure I feel I could answer that for you.
12 The second question is on our ECAA loan program,
13 is that correct, and that you are wondering if
14 Power Purchase Agreements would be an acceptable
15 way of meeting that. So I guess I'm a little
16 confused on how that would work. I'm trying to
17 wrap my head around that.

18 MR. CHIA: With the ECAA monies, can they
19 go to finance Power Purchase Agreements?

20 MS. SHIRAKH: My understanding of a Power
21 Purchase Agreement is a third party would come
22 in and pay for the system, and it would be
23 located on a school, and the school would then
24 be paying a set established rate, and so the
25 loan would be used for paying that? I'm trying

1 to figure out how this works.

2 MR. CHIA: That's basically right. The
3 project would be owned and operated by the solar
4 developer, for example, and the school would be
5 paying energy payments essentially.

6 MS. SHIRAKH: Okay. Currently -- so now
7 I'm clear on your question, so now I can answer
8 it -- and so that is not an eligible project.
9 We have funded solar through our ECAA program
10 often, and it is always owned and operated by
11 the School District.

12 MR. CHIA: So I've been trying to get
13 clarification from the Energy Commission on this
14 question, and I guess your response is the most
15 definitive I've received thus far --

16 MS. SHIRAKH: Maybe I should go back to,
17 you know, put a disclaimer on that answer and
18 I'll get back to you and make sure I've not
19 answered it improperly, but --

20 MR. CHIA: Well, what I've learned thus
21 far --

22 MS. SHIRAKH: -- that's my feeling, so
23 I'll come back with an official answer through
24 the Qs and As.

25 MR. CHIA: Thank you. Depending on the

1 source of funding, say bond funding for example,
2 PPAs I think were typically not allowed. Now,
3 Prop. 39 funding is obviously different funding
4 source, so the preliminary information was that
5 possibly PPAs could be financed, so...

6 MS. SHIRAKH: So we will provide some
7 clarification on that. You know, I think it
8 would be difficult to try and make that work,
9 but I'll get some clarification.

10 MR. CHIA: Thank you. The last comment
11 is on the DSA fees. I realize you guys are
12 still working that out, I would just comment
13 that in our experience the permit fees,
14 experience from DSA, are extremely high, they're
15 on average three times what a typical local
16 government would charge. For example, a 250 kW
17 project would cost about \$10,000 in permit fees
18 from DSA, not including any of the other sort of
19 requirements on access or disability
20 requirements, for example. After June of this
21 year, those fees will go up, well, I'm sorry,
22 June has already passed, but those fees now
23 would be \$1,000 higher; just for purposes of
24 comparison, a local government would typically
25 charge about \$3,000 for, say, a building permit

1 fee of this sort, so we would highly encourage
2 you to work with DSA to see if we can sort of
3 reach parity with those permit fees, so that
4 taxpayer dollars aren't really spent on -- can
5 go towards actual projects, and not fees.

6 MS. SHIRAKH: Okay. Thank you so much
7 for your comment.

8 MR. CHIA: You're welcome.

9 MR. JONES: Hi. Lew Jones, Berkeley
10 Unified. I have two questions. One question is
11 about integrating these funds with other parts
12 of a project, so having a project that is
13 replacing the boiler, but also doing other
14 things. How does it work?

15 MS. SHIRAKH: Well, we are -- you will
16 need to separate the costs because, to do that
17 cost-effectiveness determination, you'll have to
18 have those costs split out so you can calculate
19 your savings to investment ratio. So my advice
20 would be to have some itemized bid on that so
21 you could see what those costs are.

22 MR. JONES: But it's really a total
23 project cost because you have a piece of the
24 architect, you have a piece of the inspector, a
25 piece of all those things. So in order to try

1 and have an effective project and, to a certain
2 extent, this may affect the DSA question about
3 access because you're doing a larger scale
4 project. So the question is, is there a way to
5 do it from, you know, at the end the contractor
6 gives you a fixed number on it, and then that's
7 the percentage you use for the purposes of
8 determining a value.

9 MS. SHIRAKH: Can you repeat Alice's
10 comments so we can --

11 MR. JONES: The issue is using the
12 project or the construction value and then using
13 a percentage of that construction value to
14 allocate the soft costs on the project, which
15 are the inspector, and the DSA fees, and
16 everything else. So is that allowable? Or is
17 it still murky in there?

18 MS. SHIRAKH: I think it's still murky,
19 but I appreciate you -- I understand the
20 complexity and what we're asking just makes it
21 difficult, it's just that we have to have some
22 measure of cost-effectiveness and --

23 MR. JONES: I think having the measure is
24 great, I just think it would be also great if
25 you put it in what the methodology is allowable

1 to do it, because I think that that will work
2 fine.

3 MS. SHIRAKH: Thank you so much for your
4 comment.

5 MR. JONES: So my second question really
6 is about what the LEA needs to go through in
7 order to be able to apply for the funds. So is
8 it really you have to go through the Board to do
9 this, does it get deferred to a staff member?
10 What is the process to be able to both
11 prioritize, as well as submit?

12 MS. SHIRAKH: Well, I think that question
13 is probably better answered by the protocol of
14 your school district. There will be
15 certification and authorizations, you know, at
16 some level. At this point in time, I have not
17 heard any discussions of having a governing
18 board resolution, but obviously the front of the
19 Expenditure Plan will be an authorized
20 representative from the district to sign off,
21 and that's dependent probably on your particular
22 protocol.

23 MR. JONES: So there's no new things from
24 you guys, so -- I mean, DSA sometimes says the
25 Superintendent has to do something, sometimes

1 the Board has to do something, sometimes
2 everybody else can do things, so there will be
3 no new regulations as far as you know?

4 MS. SHIRAKH: No. Typically the Energy
5 Commission either has a governing board
6 resolution, for example, on our ECAA loan
7 program, or to apply to our BrightSchools
8 Program, and then has an authorized school
9 representative as the signature on the
10 application.

11 MS. FISHER: I had a reminder from our
12 Court Reporter that if you could sign in on the
13 sign-in sheet, or make sure that you do so
14 before you leave, so that we make sure that we
15 have the spelling of your name correct.

16 MS. SHIRAKH: Okay, I'm just going to
17 repeat it. We're asking if you could just make
18 sure that you have signed in over here and that
19 way, when the Court Reporter is documenting this
20 meeting, we have the correct spelling of your
21 name and we have a record of everyone who was
22 here. Thanks.

23 MS. OWENS: My name is Meredith Owens.
24 I'm with Alameda Municipal Power. And we, in
25 2010, spent a lot of our ARRA funds on a

1 detailed energy audit of our school district, so
2 the question is can we use that audit in place?
3 We don't want to do another one.

4 MS. SHIRAKH: Yes, and an easy question,
5 thank you.

6 MS. OWENS: Okay, one more. And it was
7 done in 2010. Would you require any updates?
8 Or I guess that's a question for the
9 Superintendent's Office, or the California
10 District --

11 MS. SHIRAKH: You know, we have talked
12 about we need to -- and sometimes I can't
13 remember if it's in here or not, but I think we
14 were talking about putting something like a
15 three to five-year time period, or a three-year
16 time period as an audit that was done within
17 that period of time would still be valid. So I
18 can't tell you if there would be any -- I think
19 the one change for sure would be you would need
20 to use the information from that audit and
21 calculate your savings to investment ratio, but
22 all the information you'd need for that would be
23 in there -- or should be in the audit, I should
24 say. And so it sounds like you're ahead of the
25 game.

1 MS. OWENS: Thank you.

2 MR. CONSTANTINE: I'm Sachu Constantine
3 with California Center for Sustainable Energy.
4 I also want to thank you for all the work that
5 CEC staff has done, and we're looking forward to
6 continuing to work with you on the planning.
7 The question from Berkeley Unified actually
8 highlighted one of our deep concerns about the
9 overall program. It's one thing if you can
10 figure out how to allocate costs to get to your
11 savings ratios that you need, the cost benefit
12 ratios that you need, but there's also benefits
13 -- and if you take a project in isolation that
14 will be funded by the Prop. 39 funds, and taken
15 out of the context of a larger school-wide deep
16 retrofit, you may lose a lot of the value of
17 that project in terms of what it means for the
18 permanency and the long term savings that are
19 available; for example, there are many many
20 schools across the state that have temporary
21 housing for classrooms. You could see a
22 situation where you could improve the efficiency
23 of those temporary school units, classroom
24 units, very easily. You could get your cost
25 benefit ratios. But is that really permanence

1 for the school district? Is that really what
2 we're looking for with Prop. 39 funds? So our
3 concern is that, albeit manageable and workable
4 way to get to a cost benefit ratio, and we do
5 have to consider that, is in place, I think it
6 misses some of the bigger deep retrofit
7 opportunities that are out there when you
8 combine these Prop. 39 funds with larger
9 projects around the school. And so it would be
10 one thing -- it's very important to get those
11 costs allocated properly for the Prop. 39
12 funding, but you also have to figure out how to
13 properly achieve the maximum benefits, so I
14 think that's what we would like to work with you
15 on and it sounds like a lot of folks here are
16 thinking about those broader opportunities.
17 Thank you.

18 MS. SHIRAKH: Okay, thank you. I want to
19 thank all of you for continuing to participate,
20 I know we're two hours into it and have more
21 questions, so thank you.

22 MS. TOM: My name is Yvonne Tom. I'm
23 with Alameda County Office of Ed. And in Center
24 for De Leon's Walking Tour, he had mentioned,
25 and so had Alice, about indoor air quality, and

1 I notice it is now dropped out of the Draft, so
2 that if the indoor air quality is really poor,
3 can we use Prop. 39 funds to improve it?

4 MS. SHIRAKH: And so, for example --

5 MS. TOM: They happen to be next to BART,
6 and so all the air is really -- so they actually
7 have gone out and documented that it's really
8 very poor quality, and I remember in Senator De
9 Leon and Alice's presentation as a member of the
10 Green Building Association, that we are trying
11 to improve indoor air quality.

12 MS. SHIRAKH: And what is your proposal?

13 MS. TOM: Well, it's not mine, it's with
14 the school district. So they're proposing to
15 put in air-conditioning, so actually it would
16 increase the energy, but it would take care of
17 the poor air quality. And so that's the
18 question.

19 MS. SHIRAKH: Yeah, you know, I don't
20 think I'll be able to -- this forum is --
21 there's going to be a bazillion unique
22 situations --

23 MS. TOM: So I should send you a letter?

24 MS. SHIRAKH: Yeah, project specific
25 questions are really tough to answer right now,

1 but I do appreciate the situation you folks are
2 in. That's tough.

3 MS. TOM: Okay, thank you.

4 MS. SHIRAKH: Thank you.

5 MR. KELSEY: Hi. I'm Jim Kelsey,
6 President of kW Engineering. And I guess I have
7 a few questions and comments. One of them is on
8 clarity of loading order requirements. I'm
9 concerned that we need some kind of a bright
10 line there. I think it's perfectly appropriate
11 for school districts to be considering renewable
12 energy options, along with energy efficiency,
13 but I do have a lot of concern about the -- what
14 did you call it -- the spoiler on the Pinto.

15 MS. SHIRAKH: Maybe I shouldn't have said
16 that.

17 MR. KELSEY: No, I like it. The last
18 time that we saw some kind of vague
19 interpretation of that policy was during the CSI
20 program, and what ended up being the way that
21 the program rolled out was, in order to get an
22 incentive for your solar system, the minimum
23 requirement was you did an online audit which
24 basically most of the solar vendors got very
25 good at sitting you down in front of the online

1 audit, and going through that as fast as
2 possible, click, click, click, get to the end,
3 print out the report, okay, you've met the
4 loading order requirements. And so I would hate
5 to see us end up someplace like that. I think
6 the intent of the CEC is a much more concerted
7 effort than that. So that's just one comment.

8 Similarly, you mentioned kind of at the
9 tail end of the reports, some M&V Guidelines,
10 and there's -- I would like to see more clarity
11 around that. Personally, we at the Energy
12 Efficiency Industry Council actually spoke to
13 not requiring M&V as part of this whole process
14 because it's potentially expensive, you're
15 asking districts that don't have experience with
16 M&V to do it, and I'm concerned about there not
17 being direct guidelines. So I guess my
18 recommendation is, if we're going to require
19 M&V, if we really need that for this program,
20 that it be super simple and clear.

21 MS. SHIRAKH: I agree that that section
22 needs to be -- I think the intent is it's more
23 energy savings reporting, and I think that the
24 terms M&V can be daunting --

25 MR. KELSEY: Right.

1 MS. SHIRAKH: And obviously expensive,
2 too. The intent is to have some simple options
3 to report your energy or estimated energy
4 savings resulting from these projects, and if a
5 district wants to go out and do third-party M&V,
6 that option is available, but not a mandated
7 option. But I think there needs to be some
8 wordsmithing there and some clarity on what is
9 required and what is just an option, you know.

10 MR. KELSEY: Great. That's great news.
11 Yeah, because I think a lot of districts don't
12 -- they wouldn't know what they were getting
13 into in terms of how much potential time and
14 expense that might be.

15 MS. SHIRAKH: And it can be.

16 MR. KELSEY: Yeah. And then the third
17 comment, I'm going to follow up on Duane's
18 comment on the energy analytics. I really see
19 the data analytics as an appropriate step prior
20 to an energy audit, not an "or," and I really
21 take issue with no touch energy audit. I'm the
22 author of ASHRAE's Guidelines on what the
23 definitions of level 1 and level 2 audits are,
24 and in my mind a "no touch" audit is not an
25 audit.

1 MS. SHIRAKH: The intent of the
2 Guidelines was not to infer that a no touch
3 audit is equivalent to an ASHRAE level 2 audit,
4 it's a survey that would lead you in a direction
5 where you should have an ASHRAE 2 level audit.
6 It is written in the legislation that data
7 analytics can be considered, so we need to honor
8 that and have it as an option. But it's an
9 option that should be looked at as more of a
10 cursory review, and pointing you in potential
11 directions.

12 MR. KELSEY: Great. Thanks very much.

13 MS. SHIRAKH: Thank you.

14 MR. KELSEY: I don't envy your job today.

15 MS. SUNG: Thanks, just quickly, Alice
16 Sung again. I echo Jim's comment about the M&V
17 and one of my questions was that it seemed as
18 though the energy reporting was not really an
19 end use energy reporting, but it was actually
20 reiteration of what the deemed savings, the
21 calculated deemed savings were. Oh, I'm sorry,
22 I was just trying to find it on the page,
23 somebody help me, look for the reporting of it,
24 it doesn't seem to require real actual tracking
25 of after construction 12 months period of energy

1 use; it merely asks you to reiterate the
2 calculated deemed savings. So I question
3 whether that is even --

4 MS. SHIRAKH: That's an option. If you
5 want to use, you know, like the calculators, but
6 --

7 MS. SUNG: Why wouldn't you just use the
8 --

9 MS. SHIRAKH: It's an option to --

10 MS. SUNG: -- to fulfill your reporting
11 requirements.

12 MS. SHIRAKH: No. The way I look at it,
13 and maybe I'm naïve is that I know projects look
14 one way when they're thought of, and then the
15 reality is you did something a little different,
16 not totally different, but maybe you changed the
17 lighting for 40 classrooms instead of 30, you
18 know, or something like that. But I think what
19 I'm hearing you say is we need to have energy
20 saving measurements that have value, and that
21 there's meaningfulness behind them, yet not so
22 onerous that it, you know, requires third party
23 M&V.

24 MS. SUNG: Yes. And I think the tracking
25 of the actual energy use data as a metric

1 itself, literally how many kwh and how many
2 therms the next 12 months is, should be
3 reported. And you shouldn't allow the loophole
4 that they can simply choose to report the
5 calculated deemed savings.

6 MS. SHIRAKH: Okay, so maybe I need to
7 clarify that -- and I should be, of anyone, to
8 be able to tell you what page that's one. I
9 wake up in the middle of the night dreaming
10 this, so that's not a good thing.

11 MS. SUNG: Anyway, that would be my
12 suggestion that you --

13 MS. SHIRAKH: The site requirement is a
14 mandatory requirement, and then the second
15 bullet on there where we had the four options
16 was maybe the second layer of reporting.

17 MS. SUNG: And to leave -- and this is
18 what I think yesterday in the webinar I asked
19 you, it would be great because we could help you
20 make the forms more, you know, address
21 everybody's concerns if we could see the
22 templates and help you formulate the drafts of
23 the templates of these forms in the calculators
24 because then you could, say, leave a line
25 underneath, say, "If you did not come up with an

1 actual use of 1.05 for SIR, explain why. "It
2 was a really hard year." "I added a wing." "We
3 had a huge influx of kids." "A fire burned us
4 down." You know, there's reasons why, right?

5 MS. SHIRAKH: Absolutely --

6 MS. SUNG: And performance doesn't always
7 match estimated deemed savings, you know, on a
8 calculation basis, so if you allowed us the
9 opportunity to explain that --

10 MS. SHIRAKH: Having a narrative,
11 absolutely.

12 MS. SUNG: That -- actually that database
13 in the third year of this program in and of
14 itself I think would be highly valuable to the
15 Energy Commission. So, thank you.

16 MS. SHIRAKH: Thank you.

17 MR. BARR: Hi. Joey Barr again and I'm
18 only talking because I represent PG&E and we
19 were at the workshop in Fresno, and there were
20 some recurring themes, and so, Jim, thanks for
21 that thought, and Alice, we absolutely agree
22 with you and we're going to provide some
23 comments and it sounds like you agree with us
24 that the M&V portion needs some more
25 clarification. I think at the end of the day

1 the CEC is going to have to show the Citizens
2 Oversight Board that this was cost-effective and
3 so getting away with M&V requirements
4 altogether, I'm not sure will address that, but
5 I agree with you, we don't want to make it too
6 onerous and complicated.

7 Alice, one of the things that we are
8 definitely trying to stress is that billing
9 analysis on its own is insufficient, so you
10 can't just look at the bill beforehand and the
11 bill after because of so many changes that might
12 happen, and you're not comparing apples to
13 apples, it's more like apples to broccoli. But
14 I really do like the Pinto analogy, I'm going to
15 start using that. So I think --

16 MS. SHIRAKH: There was one takeaway
17 today.

18 MR. BARR: I think we all need to provide
19 comments to ask for clarification on the M&V,
20 and there needs to be something, but not
21 onerous. And one other thing, it's been a
22 recurring theme in both these workshops, we
23 don't want you to think about Prop. 39 funds in
24 a silo, we want you to think about Prop. 39
25 funds and the whole reason that we're here today

1 is think about utilizing the utility rebates,
2 the other funds that you have, and think
3 holistically, so if a project is appropriated
4 for Prop. 39, great, and maybe there's a
5 different project that is appropriate for
6 utility funds. We want you to layer all of
7 those on top of each other to think
8 comprehensively, and I encourage you to reach
9 out to your PG&E account reps to make sure that
10 you're thinking about all the incentives that
11 are available, that might be going away at some
12 point, and if an incentive isn't available for,
13 let's say, project X, maybe you can use Prop. 39
14 funds for that. So think about this not just
15 Prop. 39 funds in Year One, and then we'll do
16 other things in the other years, think about
17 this holistically.

18 MS. SHIRAKH: Thank you.

19 MR. KUHN: I'm Charles Kuhn from Kuhn &
20 Kuhn, and --

21 MS. SHIRAKH: Okay, we'll have to have
22 you talk louder, sir, sorry.

23 MR. KUHN: I'm Charles Kuhn from Kuhn and
24 Kuhn. My question was two-fold. One was about
25 the competitive bidding process, whether or not

1 you could have 4217 events trip up the process
2 in the middle, in other words, if the portion of
3 your project mix was either, oh, an A&E portion
4 which was not competitively bid, but was
5 selected on the basis of qualifications, prior
6 experience, or existing work on a job, and I'm
7 thinking about contractors who are already
8 building projects at colleges -- I know colleges
9 aren't strictly required to follow these
10 protocols right now, but if they're being asked
11 under change orders, or other expansions of
12 scope to do additional work that would qualify
13 for Prop. 39 funding, whether or not the
14 original process was adequate, assuming that it
15 was adequate for the purchasing department for
16 the educational entity, I'm assuming that it
17 would continue to be acceptable for you?

18 MS. SHIRAKH: This is hard for me to
19 speak to. I think it's a legal matter of your
20 counsel and, at the current -- the way the
21 legislation reads is that we have that
22 requirement, but how that fits into your
23 specific requirements, your legal counsel is
24 going to have to give you advice on that. But
25 this is definitely a reoccurring themed

1 question, and we'll have to be providing some
2 clarification on that, whether it's what I just
3 said, or you know, something -- but it's
4 definitely a reoccurring question.

5 MR. KUHN: And I'd like to reinforce
6 Jim's comment about loading order because I
7 think that that's something that gets missed
8 often, that when we have contractors coming in
9 to talk about selling projects, they will often
10 walk district staff through a process in which
11 they're saying, "Yes, check this, check that,
12 check the other thing." I think it would be
13 extremely important to have some sort of
14 educational background or training modules
15 available for the people who are signing off on
16 these documents as to what they're signing off
17 on when they say "we have done the following
18 things."

19 MS. SHIRAKH: We have talked about having
20 more of a checklist and not just a narrative,
21 like many of these things are developing as we
22 speak, but I appreciate that comment, too.

23 MR. KUHN: Okay.

24 MS. TIFFANY: Hi. This is Jo Tiffany
25 with the Alliance to Save Energy, and I'd like

1 to -- I don't want to belabor the point about
2 the importance of behavior change, except to
3 bring up a slightly different angle than has
4 been mentioned here.

5 I think there would be a huge missed
6 opportunity not to bring the very people who the
7 educational system supports in on the equation
8 with Prop. 39. And to educate our K-12 and
9 higher education students through linking them
10 to the retrofit measures, and in that way
11 helping to accomplish several things, one is a
12 culture change, two is basically to maximize the
13 effectiveness of the retrofits that do take
14 place, and three is to prepare these young
15 people for clean green jobs, and energy
16 efficiency and clean energy. By the time we get
17 five years out, the high school students and the
18 college students are the ones who will be
19 entering the workforce, and we will miss a huge
20 opportunity by not bringing them in the equation
21 and including them as a piece of the funding,
22 probably not the major piece because retrofits
23 are much more expensive, but as a piece of the
24 funding that is allowed through Prop. 39 through
25 the CEC Guidelines.

1 MS. SHIRAKH: Okay, thank you so much for
2 that. I think it dovetails a lot of the other
3 comments we've heard on behavior programs. I
4 just think I'd like to stop for a moment, and I
5 apologize for probably not making this offer
6 about a half hour ago, if we have a lot of
7 questions, I'm more than happy to continue on,
8 but I wondered if people are interested n taking
9 a 10-minute break? Like I said, I should have
10 offered this a long time ago, or would you
11 prefer, you know, we just keep moving on
12 through? I'm good either way. Okay, let's take
13 a 10-minute break and come back at 20 minutes to
14 four.

15 (Break at 3:31 p.m.)

16 (Reconvene at 3:46 p.m.)

17 MS. SHIRAKH: Okay, I think we have our
18 first question.

19 MR. MANAHAN: Hi. Sorry to be the first
20 one to mess up the break. I'm Kyle Manahan.
21 I'm from Newcomb, Anderson, McCormick, I'm an
22 Energy Engineer. I have a question about the
23 energy expenditure plan review process,
24 specifically the third step, the technical and
25 financial reasonableness. The Energy Commission

1 reserves the right to review all supporting
2 engineering analysis. I was wondering, the
3 review, I'm sure there's quite a bit of
4 procedural steps that need to happen just in
5 that review. Have those been thought about and
6 what are those steps going to be?

7 MS. SHIRAKH: So the question was on the
8 reasonableness and looking at the backup data,
9 what would those steps be. You know, we haven't
10 actually put together a step-by-step process,
11 but I would imagine it would follow a process
12 similar to what we currently do in our review of
13 our ECAA loan applications that we get in for
14 energy efficiency projects, is that we have that
15 -- if you have a project summary and estimated
16 energy savings and costs, that's more in a
17 summary page which would be more like the
18 Expenditure Plan. And then we might have an
19 ASHRAE Level 2 audit supporting those
20 calculations. And we have a team of engineers,
21 this program has actually provided us with some
22 new vacancies that we are filling now, so we
23 have a team ready to start reviewing expenditure
24 plans. So going through those and making sure
25 assumptions are -- that information is accurate.

1 So, for example, we have seen projects come
2 through our programs before that were claiming
3 more savings than the school's actual energy
4 bills were. So, you know, looking for
5 reasonableness sanity checks like that -- if
6 that's -- a step-by-step process, I don't have
7 to give you at this point in time.

8 MS. HOFFMAN: Hi. My name is Midge
9 Hoffman. I'm from Petaluma City Schools K-12.

10 MS. SHIRAKH: You have a very soft voice
11 and that doesn't amplify your voice, it just
12 records your voice, so you can actually step up
13 here if you'd like and that way --

14 MS. HOFFMAN: No, no, no, I'm really shy.
15 Okay, I'll talk louder. Okay, one of our issues
16 is that we have no low hanging energy savings
17 fruit to pick from. And we've done enormous
18 efforts to be energy efficient. So when we look
19 at the type of projects that we might be able to
20 do, we would be looking at replacing single pane
21 windows, for example, that have no insulation or
22 anything, or replacing an EMS system that is
23 pretty much dead. So my question is two-fold,
24 1) paying some sort of SCO or somebody to prove
25 these savings, then detract from what we can

1 spend on these projects, and I'm concerned about
2 that.

3 MS. SHIRAKH: Okay.

4 MS. HOFFMAN: And then the other thing is
5 proving, even though these would be energy
6 savings, you know, I don't know that we could
7 meet the requirement to prove the level of
8 savings that you're looking for in order to
9 spend the dollars. So those are my concerns.

10 MS. SHIRAKH: Okay. Well, we are trying
11 to build into the program like you've heard the
12 planning dollars that you do have, you know, up
13 to 20 percent of your funding potentially for
14 planning, which would include audits, so windows
15 are going to be tough to meet cost-effective
16 criteria on their own. Energy management
17 system, if you really have an antiquated system
18 that isn't controlling anything, there actually
19 might be some really great savings there. So,
20 you know, controls are definitely an area to
21 look at. So combining projects will be helpful
22 if you're concerned about the cost-effectiveness
23 criteria, but you may have to, you know, to
24 really understand -- and energy management
25 systems could be complex, you know, so that

1 there is some value in having that analyzed and
2 having that information moving forward.

3 MS. HOFFMAN: So, I mean, basically the
4 system is on its last legs and we can't even get
5 replacement parts. So is there going to be a
6 cost-avoidance look at these things? If we
7 didn't replace this, our costs would go through
8 the roof. So are you going to consider a cost-
9 avoidance?

10 MS. SHIRAKH: Well, they sort of talked
11 about this earlier where you have the baseline,
12 and I'm just assuming that maybe it's not
13 working as well right now, so actually if you
14 were looking at putting in new controls that
15 were really tightening up your campus, or
16 multiple campuses, then you're actually at an
17 advantage that you are going to see some
18 savings. So I'm not sure if I'm answering your
19 question, but you might not be as bad as you
20 think, as far as having projects that would
21 qualify. But I do also recognize that many
22 schools have done a lot of lighting projects and
23 more of those low hanging quick payback
24 projects, I feel that we ran a lot of projects
25 through the SIR Calculator looking at projects

1 we've made recommendations for through our
2 BrightSchools Program -- HVAC projects, lighting
3 projects, solar projects, and we feel that the
4 1.05 is pretty generous, and that if you have
5 just HVAC projects, they will probably meet
6 this, or we're not weeding out really needed
7 projects from schools.

8 MS. HOFFMAN: Okay, thank you.

9 MS. SHIRAKH: Okay.

10 MR. NEAL: Good afternoon. I'm Charles
11 Neal from Peralta Community College District.
12 And I had to leave the room for a few minutes,
13 so I didn't hear if anyone asked about water
14 efficiency.

15 MS. SHIRAKH: No, it hasn't been asked,
16 so water efficiency.

17 MR. NEAL: Okay, in terms of, for
18 example, heating water and whatnot, systems that
19 would -- can we replace or upgrade our systems?
20 And would it be covered by Prop. 39?

21 MS. SHIRAKH: Yeah, well, so water
22 heating, water heaters, and even if you have
23 irrigation, I guess, if you had pump savings,
24 you know, if there is some kind of energy
25 savings connection to that, absolutely.

1 MR. NEAL: What about sub metering for
2 water usage if there is some estimated deemed
3 savings there?

4 MS. SHIRAKH: What is that? Can you
5 repeat that, please?

6 MR. NEAL: So sub metering for water
7 usage --

8 MS. SHIRAKH: Okay, so sub metering has
9 come up in other meetings and would that be --
10 if the question is would that be a project that
11 Prop. 39 funding could pay for, I think that's a
12 clarification that we need to make. And I also
13 -- you're from the community college district --
14 you're from here, right?

15 MR. NEAL: Yes.

16 MS. SHIRAKH: So thank you for hosting us
17 today, again.

18 MR. NEAL: You bet.

19 MS. SHIRAKH: And I just wanted to
20 clarify that the community colleges are
21 operating on a different program this year, so
22 much of the information and questions you're
23 hearing today are really targeted towards K
24 through 12 --

25 MR. NEAL: Uh-huh.

1 MS. SHIRAKH: -- and the Community College
2 Chancellor's Office has a separate program for
3 Prop. 39 this year, and potentially for years 2
4 through 5, as well, so I just wanted to make
5 that clarification.

6 MR. NEAL: All right. Thank you very
7 much.

8 MS. SHIRAKH: Thank you.

9 The question was where could the
10 information be found on the Community College
11 District Program, and we'll have to propose that
12 for you.

13 Okay, questions? Do I hear -- oh, here
14 we go.

15 MS. CAMMARATA: Hi, my name is Jordana
16 Cammarata and actually I work for First Fuel,
17 and I wanted to make a quick comment about the
18 no touch audit that was spoken about before.
19 Basically, I just wanted to say that that can
20 actually complement -- the data analytics can
21 actually complement investment grade audits, and
22 there have been some third party verifications
23 of them, of a no touch audit that came within a
24 margin of error for investment grade. So I'm
25 happy to talk to people after if you have

1 further questions, but I think it could be a
2 complement, as well.

3 MS. SHIRAKH: Thank you. Other
4 questions. I thought I saw someone over here,
5 maybe not. Well, there was a question I got at
6 the break and my mind is kind of getting mushy,
7 so I thought I would repeat it in case others
8 had that question. And I apologize if I said it
9 and I don't remember, but this was on the
10 planning dollars that will be available for
11 requests soon, and is that a one-time
12 opportunity. But the way I understand it is CDE
13 will, as soon as the allocations are announced
14 within the next week or so, the first
15 opportunity to request those funds will be in
16 October with the checks being cut in November,
17 going out to the school districts. They plan to
18 have a second window to request in January, then
19 the checks would be coming in February. And
20 then there's a potential for a third window in
21 spring of 2014 for a final time where you could
22 request those funds. So I just wanted to
23 provide that.

24 MS. LONDON: That's something I think you
25 should advertise.

1 MS. SHIRAKH: We will make that -- you
2 will be able to track information -- again, I do
3 recommend going on the Listserv, the Energy
4 Commission's Listserv on Prop. 39, we will be
5 posting lists, the allocation lists and that
6 information that I just said, so it's real
7 clear. And CDE will have mirrored information
8 on their website, so there's two sources and we
9 would have the link also on our website that
10 would go directly to where that funding request
11 is on CDE's website. But this is happening fast
12 and we wanted to have LEAs to have that
13 opportunity to request these advance funds
14 before the Guidelines are done, and so I just
15 wanted to make sure that people know that this
16 opportunity will be offered several times in the
17 next few months.

18 With that, again, I'd just like to thank
19 everyone for hanging in here. Thank you so much
20 for your input. Again, please send us your
21 comments, questions, through our Docket process.
22 And thank you all very much, Energy Commission
23 and State of California really appreciates it.

24 (Thereupon, the Workshop was adjourned at

25 3:58 p.m.)