

Energy - Docket Optical System

From: Kay McElrath [kmcElrath@hightechhigh.org]
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To: Energy - Docket Optical System
Subject: COMMENT ON PROP 39 GUIDELINES

Categories: Ready to Docket

California Energy Commission

DOCKETED
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TN 72148

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Dear Commissioner McAllister:

In response to the draft guidelines, I have the following recommendation:

Please allow small LEAs to form voluntary consortiums for deploying the Prop 39 funds. A consortium approach will best deliver the greatest ROI for LEA projects consistent with the initiative's intent. This approach could be of great value to both charter schools and small rural districts. Our organization provides an excellent case study of the value of this approach, but our circumstances are by no means unique.

Our organization, High Tech High, manages twelve charter schools, each with its own apportionment under Prop 39. While all of the schools could identify some legitimate use of the funds, by creating a voluntary consortium, we would be able to prioritize the use of the funds in each year based upon the energy savings that each project would create. Within our twelve schools, we have six located in buildings that are more than forty years old and five of these have a myriad of needs that rank very highly on your suggested uses. The sixth of the six schools just undertook three capital projects in the summer of 2013 - replacement of HVAC system with high efficiency equipment, roof surface replacement, and a complete retrofit of its lighting systems with LED fixtures. In the coming six years, we would like to implement the same upgrades to occur at each of the other five schools and the Prop 39 funding would greatly help in fast-tracking those projects.

In addition to these older buildings, we have another six schools that are operating in buildings that we have built since 2007. Two facilities housing three of the schools have been certified LEED for Schools Platinum, One has a new facility under construction that has been designed to the same Platinum level. The remaining two are slightly older and have been certified Gold and Silver respectively. I hope that you can appreciate that because we did not have access to state facility bonds for any of this construction, we received no financial incentive to build green - we did it because we are committed to sustainability and energy efficiency.

Clearly, any energy study that we undertake will conclude that the ROI possible from investing the Prop 39 funding into the structures that were built in the 1940's and 1950's will be far greater than putting those same dollars into the newer LEED certified buildings. A consortium approach would give us greater flexibility in deploying the funding to generate the greatest gains in energy efficiency throughout our schools. Limiting our use of the funding to a school-by-school approach would seriously limit the choice of constructive uses of the funding and result in much lower ROI projects being fast-tracked while others are delayed waiting for the funding to become available.

Over time, all of our schools will have projects that will qualify, but to assure that the work performed is prioritized in a way that maximizes the immediate return on the state's investment, a voluntary consortium approach will be much more effective.

Several federal programs use this approach for small LEAs recognizing that the flexibility provided results in a more effective use of the federal funds. An example is the Title III program for English Language Learners. What these programs have in common is (1) they limit participation in consortiums to LEAs that qualify for

small individual apportionments and (2) the associations are voluntary. I believe that it would be simple to include this in your program and would not only improve the effectiveness of the use of the funds, but would also reduce administrative burden as you might have one expenditure report to process rather than ten or more for the participating LEAs.

Kay McElrath

Chief Financial Officer

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