



California Energy Commission

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California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

**Docket #13-CCEJA-1
Comments on Proposition 39**

To Whom It May Concern:

On behalf of our county office of education and school district clients, Capitol Advisors Group appreciates this opportunity to submit comments on the California Energy Commission (CEC) draft Prop 39 regulations. Because each of our comments have been comprehensively discussed at the CEC public hearings on the draft Prop 39 regulations, we are simply listing our main issues and recommendations without repeating all of the rationales for these positions.

1. All LEAs (not just those with annual awards of \$50,000 or less) should have the option to submit a “five year complete award energy expenditure plan.” (page 21, Option 3.) This option would allow all LEAs to estimate yearly Prop 39 awards for the full five-year period and develop complete five-year energy expenditure plans. By allowing LEAs to do a five year plan and execute projects that have a multi-year time horizon, LEAs can also more effectively leverage third-party funding sources to multiply the benefits of the Prop 39 resources.
2. Because each LEAs Prop 39 allocation is determined by the CDE in advance of the CEC plan approval process, once the CEC approves an Energy Plan the funds should be released by the CDE as soon as possible (perhaps monthly distributions) rather than requiring LEAs to wait for quarterly distributions. Waiting for quarterly distributions could lead to LEAs missing critical retrofit/installation opportunities (for example, getting a project completed during the summer break) and unnecessarily delay the benefits of the energy efficiency and job creation program.
3. The draft regulations appear to prohibit the use of Prop 39 funding for energy efficiency projects that are implemented *after* the regulations are finalized but *before* CEC approval of the Energy Plan. The CEC should allow LEAs to meet the efficiency and job creation intent of Prop 39 by starting on projects as soon as possible after the regulations are finalized – the risk falls solely on the LEA if the CEC subsequently determines that the Plan should not be approved.
4. The energy cost escalation assumption of 2.1% is unrealistically low and should be revised upwards. A low cost escalator will limit the size and scope of energy projects funded by Prop 39.

5. Energy Expenditure Plans should be valid for 5 years so that a plan developed after July 1, 2013 is valid for the current length of the Prop 39 Energy Efficiency and Job Creation Program.
6. It should be clear that an LEA can either individually, or jointly with other LEAs, hire or contract with a third party Energy Manager.
7. The prohibition on “sole-sourcing” should not apply to the use of planning funds – the prohibition should not, for example, apply to an LEA that chooses the California Conservation Corps for planning purposes.

Thank you for your consideration of these comments.



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