<table>
<thead>
<tr>
<th><strong>Docket Number:</strong></th>
<th>18-MISC-02</th>
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<tr>
<td><strong>Project Title:</strong></td>
<td>Program Concept Workshop for Bus Replacement, ECAA-ED &amp; Prop 39</td>
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<tr>
<td><strong>TN #:</strong></td>
<td>222571</td>
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<tr>
<td><strong>Document Title:</strong></td>
<td>Presentation - Proposition 39 Program Concept Workshop</td>
</tr>
<tr>
<td><strong>Description:</strong></td>
<td>SB 110 - Concept Workshop Presentation, February 14, 2018</td>
</tr>
<tr>
<td><strong>Filer:</strong></td>
<td>Cathy Hickman</td>
</tr>
<tr>
<td><strong>Organization:</strong></td>
<td>California Energy Commission</td>
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<tr>
<td><strong>Submitter Role:</strong></td>
<td>Commission Staff</td>
</tr>
<tr>
<td><strong>Submission Date:</strong></td>
<td>2/15/2018 3:59:07 PM</td>
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<td><strong>Docketed Date:</strong></td>
<td>2/15/2018</td>
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Welcome

• Welcome and Introductions
• Housekeeping Items
  – Bathrooms
  – 2nd Floor Snack Shop
  – In case of emergency
• WebEx Participants
  – Please mute
  – Use “raise-hand” feature for Q&A
Agenda

1) Prop 39 K-12 Background
2) SB110 Overview
3) School Bus Replacement Program
4) ECAA-Ed Competitive Loan Program
5) Prop 39 K-12 Competitive Grant Program
6) Wrap-up
## Prop 39 K-12 Appropriations

<table>
<thead>
<tr>
<th>Fiscal Year 2013/14</th>
<th>Fiscal Year 2014/15</th>
<th>Fiscal Year 2015/16</th>
<th>Fiscal Year 2016/17</th>
<th>Fiscal Year 2017/18</th>
<th>Five Year TOTAL</th>
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<tbody>
<tr>
<td>$381</td>
<td>$279</td>
<td>$313.4</td>
<td>$398.8</td>
<td>$376.2</td>
<td>$1.748 (in billions)</td>
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</tbody>
</table>
Estimated Remaining $248 M

Total 5-Year Appropriation: $1.748 Billion

- $248 M
- $90 M
- $154 M

EEP Approved Funds
Planning Funds Disbursed by CDE
EEPs currently in Review (Inventory)*
Estimated Remaining Appropriation

(as of February 9, 2018)
EEP Final Deadline

February 26, 2018 is the last date to submit energy expenditure plans to the Energy Commission!
## Current Program Timeline

### Key Dates:

- **February 26, 2018**: Final date to submit an EEP Application and Amendments that request an increase in Prop 39 funding.
- **June 30, 2019**: LEA Encumbrance Date
- **June 30, 2020**: All Projects Must be Completed
- **June 30, 2021**: Final project reporting date.

### Timeline:

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tr>
<td>2020</td>
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<tr>
<td>2021</td>
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</table>

**Annual Reporting**:

- **Ongoing Reporting**
  - Annual Progress Reporting
  - Final Project Completion Reporting
Senate Bill 110
Overview
Background Information

- **Legislative Authority**
  - Senate Bill 110
    - *(Chapter 55, Statutes of 2017)*

- **Objective**
  - Create energy efficiency and clean energy jobs
  - Three new programs start fiscal year 2018/19
Funding Details

• Funds remaining after 2017-18 fiscal year shall be appropriated as follows:
  • First $75 million, School Bus Program
  • Next $100 million, ECAA-Ed Competitive loan Program
  • Remaining Money (if any), Proposition 39 K-12 Competitive Grant Program
Questions?
California Energy Commission

New
ECAA-Ed Competitive Loan Program
Agenda

1. Eligibility
2. Preliminary Program Design
3. Schedule
4. Questions and Answers
Who is Eligible for a Loan?

Local Education Agencies (LEAs)

– Public School Districts (K-12)
– County Offices of Education
– Charter Schools
Eligibility Administrative Screening Criteria

Applications must be received by due date in solicitation – no exceptions

Applications include:

• Eligible energy measures
• Required authorizations and certifications
• Required back-up documentation
Eligible Energy Measures

- Lighting Systems
- Heating, Ventilation and Air-Conditioning (HVAC)
- Controls/Thermostats
- Pumps and Motors
- Plug Loads
- Building Envelope
- Clean Energy Generation (solar photovoltaic)
California Energy Commission

Preliminary Program Design

Legislative Direction

Competitive priority based on:

1. Geographic diversity
2. Diversity in size of LEAs student population
3. Percentage of students eligible for free or reduced-price meals (FRPM) in prior year
4. Energy savings
Geographic Diversity

Green = North
Purple = Central
Pink = South
Yellow = Los Angeles Co
Diversity of size of LEA student population

- Tier 1 - Up to 1,000 students
- Tier 2 - >1,000 to <2,000 students
- Tier 3 - >2,000 students
## Funding by Tier and Region

### North

<table>
<thead>
<tr>
<th>Tier</th>
<th>Max Loan Amount</th>
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</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$3,000,000</td>
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### Central

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### South

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### Los Angeles County

<table>
<thead>
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<td>$6,000,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$12,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>
Funding Amount

Maximum Loan $3,000,000

No more than:

- Total Energy Costs Savings over the Estimated Useful Life (EUL) of Measures
- Actual Project Cost
Percentage of students eligible for FRPM in the prior year

FRPM participation provided by the California Department of Education

FRPM multiplied by weighing factor of 15%

\[
\text{Number of students eligible for FRPM} \times 100\% \times 15\% \times \frac{1}{\text{Total Enrollment}}
\]
Energy Savings

Baseline energy consumption before implementing energy project

Energy savings multiplied by weighing factor of 85%

\[
\frac{\text{Energy Savings}}{\text{Baseline Energy Use}} \times 100\% \times 85\%
\]
Energy Savings Calculations

**Step 1 – Energy Benchmarking**

- 12 Consecutive Months Energy Consumption Data
- Convert Electricity, Natural Gas, Propane, and Fuel Oil Consumption into MMBtu
- Conversion Factors:
  - Electricity: 10,716 Btu/kWh
  - Natural Gas: 100,000 Btu/therm
  - Propane: 92,500 Btu/gal
  - Fuel Oil: 138,500 Btu/gal
Energy Savings Calculations

Step 2a – Energy Savings

• Estimate Annual Energy Savings from EACH Measure
  – Energy Saving Method Must be Articulated
  – Calculations and Assumptions (if any) must be provided in Audit Report
  – If software is used, the output must be provided with assumptions (if any)

• Convert Each Measure’s Annual Energy Savings into MMBtu using Conversion Factors in Step 1
Energy Savings Calculations

Step 2a – Energy Savings

• Multiply Each Measure’s Annual Energy Savings (MMBtu) with its Respective EUL to get Total Energy Savings Over Measure’s Life Span
  (EUL for ECAA-Ed Loans will be the Lesser of Actual EUL of the EEM or 20 Years)

• Add Individual Energy Savings (MMBtu) for All Measures to Estimate Total Energy Savings From the Project
Energy Savings Calculations

Step 2a – % of Energy Savings

• Convert Energy Savings into Million Btu

• Divide Energy Savings (MMBtu) by the Energy Benchmarking (MMBtu) to get the % of Energy Savings
Energy Savings Calculations

Step 2b – Total Cost Savings from Measures

• Multiply Annual Energy Cost Savings from Each Measure with Respective EUL to get Total Cost Savings from the Measure over its EUL

• Add Total Cost Savings from All Measures to get Total Savings from the Project
Energy Savings Calculations

Step 2c – Role of Simple Payback Period

• Add First Year’s Cost Savings from each Measure to get **Total First Year Cost Savings**

• Divide Project Cost by Total First Year Cost Savings to get **Simple Payback** period

• If the Final Score of Two Applications is the Same, the Application with the Shorter Simple Payback will be Ranked Higher
### Example of FRPM and Energy Savings Calculation/Total Score/Ranking

<table>
<thead>
<tr>
<th>Applicant</th>
<th>FRPM %</th>
<th>Weight</th>
<th>Score</th>
<th>% of Baseline</th>
<th>Weight</th>
<th>Score</th>
<th>Total Score</th>
<th>Rank</th>
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<tbody>
<tr>
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<td>15%</td>
<td>6.00%</td>
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<td>85%</td>
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<td>50%</td>
<td>15%</td>
<td>7.50%</td>
<td>60%</td>
<td>85%</td>
<td>51.00%</td>
<td>58.50%</td>
<td>1</td>
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<tr>
<td>3</td>
<td>60%</td>
<td>15%</td>
<td>9.00%</td>
<td>40%</td>
<td>85%</td>
<td>34.00%</td>
<td>43.00%</td>
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</table>
Program Implementation

Funding Awarded by Competitive Solicitation

• Limited time period to apply
• Application subject to evaluation criteria
• Energy Commission reviews and scores
• Applications based on final overall score
• Competitive loans approved at CEC Business Meeting
Tentative Schedule

• July 2018 - Final funding known
• August 2018 - ADA and FRPM figures from CDE
• Summer/Fall 2018 - Solicitation Released
• Winter/Spring 2019 – Loan Awards
Bright School Program
(Technical Assistance)

Apply, Apply, Apply!!

Technical Assistance can be used for an Energy Audit to help identify eligible projects and energy cost savings.

A simple application is all that’s needed to get started.
Questions and Answers

Thank You!
Proposition 39 K-12 Competitive Grant Program
Agenda

1) Eligibility
2) Legislative Direction (SB110)
3) Program Implementation
4) Schedule
5) Questions and Answers
Who is Eligible for Funding?

- Local Education Agencies (LEAs)
  - Public School Districts (K-12)
  - County Offices of Education
  - Charter Schools
  - State Special Schools
Eligible Energy Measures

- Lighting Systems
- Heating, Ventilation and Air-Conditioning (HVAC)
- Controls/Thermostats
- Pumps and Motors
- Plug Loads
- Building Envelope
- Clean Energy Generation (solar photovoltaic)
Legislative Direction

- Three Tier Funding Targets:
  - **TIER 1**: (10%) LEAs with ADA of 1 to 1000
  - **TIER 2**: (10%) LEAs with ADA of 1,001 to 2,000
  - **TIER 3**: (80%) LEAs with ADA greater than 2,000
Legislative Direction

1) LEAs % of students eligible for FRPM

2) Geographic Diversity
   a. All regions of the state
   b. Urban, suburban and rural

3) Workforce Needs of the LEA areas.
Legislative Direction

Most requirements continue, such as…

1) Cost effective projects with total benefits greater than cost over time
   (Savings to Investment Ratio: SIR)

2) All projects require contracts that identify project specs, cost and energy savings
Legislative Direction

3) No Sole Source contracts

4) Energy Commission requires LEA to collect gas/electric information from utilities

5) Final Reporting required 12-15 months after project completion
Program Implementation

- New Guidelines
- Funding Awarded by Competitive Solicitation
  - Limited time period to apply
  - Application subject to evaluation criteria
  - Energy Commission reviews and scores
  - Applications recommended for funding according to final overall score
  - Energy Commission notifies CDE of awards
  - California Department of Education distributes award funding
Administrative Screening Criteria

Applications must be received by due date/time in solicitation – no exceptions

Applications include:

• Required authorizations and certifications
• Eligible energy measures
• Required back-up documentation
Technical Screening Criteria

**Competitive priority based on:**

- LEAs % of students eligible for FRPM
- Workforce Needs of the LEA areas

- Energy Savings
- Quality of Application
  - Energy Audit
  - Savings calculations methodology
  - Supporting Backup documents
Four Regions:
Green = Northern CA
Purple = Central CA
Yellow = Los Angeles Co.
Pink = Southern CA
## Funding Distribution Example: $50 Million

### North Region

<table>
<thead>
<tr>
<th>Tier</th>
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<th>Total Funding</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>$250,000</td>
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<td>$1,250,000</td>
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Tentative Timetable

- 2018 - New Guidelines (Public Process)
- March 2018 - Estimated Funding Level for Competitive Program Known
- Summer/Fall 2018 - Solicitation Released
- Winter/Spring 2019 - Grant Awards
Questions?

Energy Commission’s Prop 39 web page:
http://www.energy.ca.gov/efficiency/proposition39/index.html

Contact our Prop 39 Hotline:
(855) 380-8722 (Toll-free in-state)
(916) 653-0392 (Toll-line out-of-state)

Contact us by email:
Prop39@energy.ca.gov
Wrap-up

• Public Comment

Written comments should be submitted to the Dockets Unit by 5:00 p.m. by February 28, 2018
Public Comment

Docket #
18-MISC-02

Subject(s):
• Bus Program
• ECAA Loan Program
• Prop 39 Competitive

https://efiling.energy.ca.gov/Ecomment/Ecomment.aspx?docket number=18-MISC-02
The California Clean Energy Jobs Act (Proposition 39 K-12 Program)

Alert

The last date to submit energy expenditure plans to the Energy Commission is February 26, 2010.

Important Messages

January 2, 2010
REMINDER: Energy Expenditure Plan Due Date is February 26, 2010.

Notice: February 26, 2010, is the final opportunity to request Proposition 39 funding. If a local educational agency (LEA) has award options remaining, now is the time to apply by submitting an energy expenditure plan (EEP) to the Energy Commission.

All amendments requiring additional Proposition 39 K-12 grant funding are due by February 26, 2010.

After February 26, 2010, the Energy Expenditure Plan Online System will not accept new energy expenditure plans or amendments requesting additional Proposition 39 funding. However, amendments for adjustments to approved EEPs that do not increase additional funding will continue to be accepted after that date.

Approved Energy Expenditure Plans

- Expenditure Plans Listing (EEP) (Updated: January 17, 2010)
- Amended Expenditure Plans Listing (Updated: January 10, 2010)
- Proposition 39 K-12 Snapshot (Updated: January 16, 2010)

E-Commenting Proposition 39 Programs

- Program Concept Workshop for Bus Replacement, ECAK-ED & Prop 39 11-08-09-10
- View Comments and Documents
- Prop 39 - California Clean Energy Jobs Act 10-05-09
- View Comments and Documents

Docket # 18-MISC-02

http://www.energy.ca.gov/efficiency/proposition39/
Thank You

Proposition 39 Concept
Workshop Team