

## DOCKETED

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



## California Energy Commission



# Proposition 39 Program Concept Workshop

February 14, 2018



# Welcome

- **Welcome and Introductions**
- **Housekeeping Items**
  - Bathrooms
  - 2<sup>nd</sup> 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

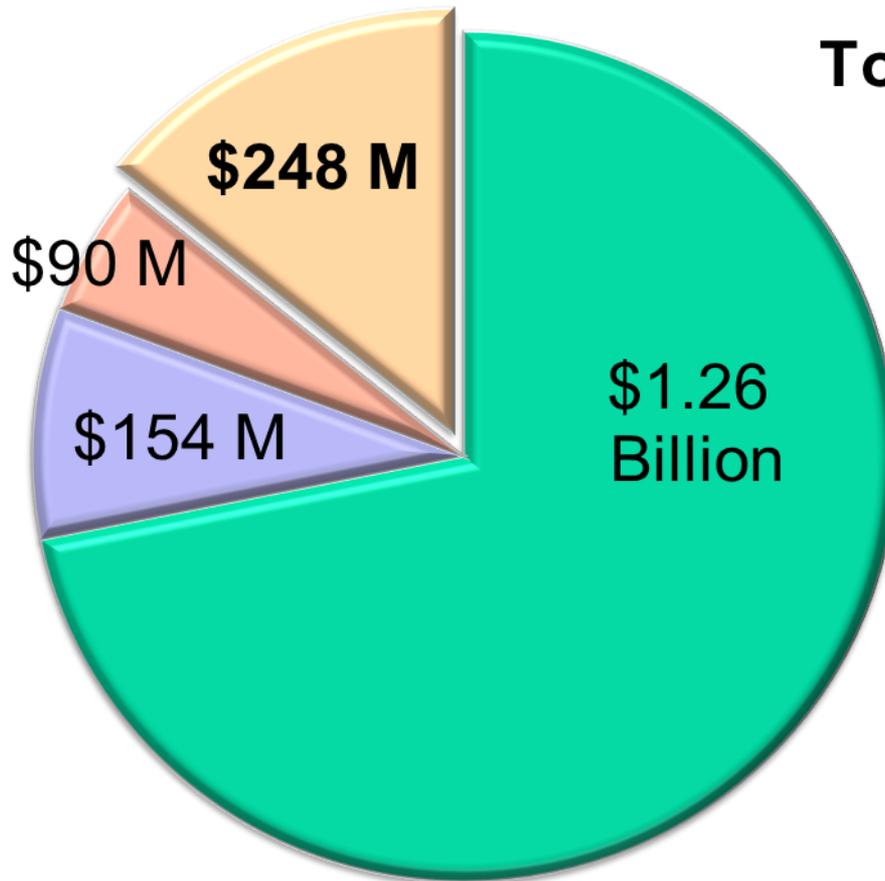
Fiscal Year 2013/14	Fiscal Year 2014/15	Fiscal Year 2015/16	Fiscal Year 2016/17	Fiscal Year 2017/18	Five Year TOTAL
\$381	\$279	\$313.4	\$398.8	\$376.2	<b>\$1.748</b> <i>(in billions)</i>



# Estimated Remaining \$248 M

**Total 5-Year Appropriation:**

**\$1.748 Billion**



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

*(as of February 9, 2018)*



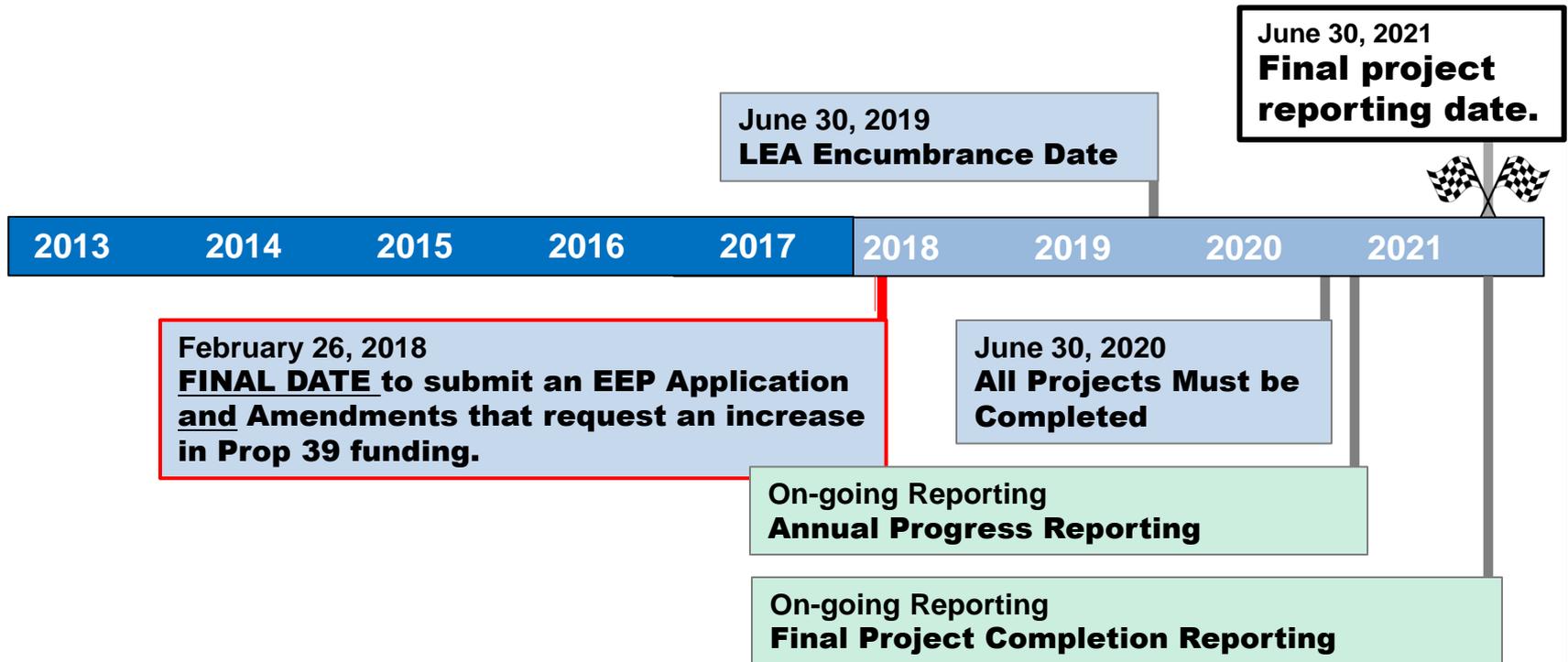
# EEP Final Deadline

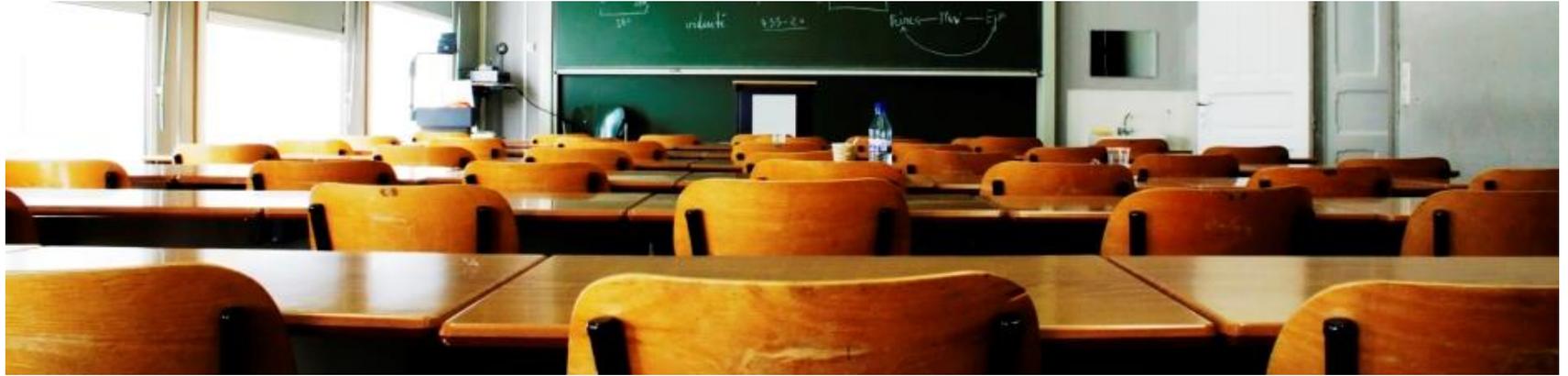
**February 26, 2018** is the last date to submit energy expenditure plans to the Energy Commission!





# Current Program Timeline





## Senate Bill 110 Overview



## Background Information

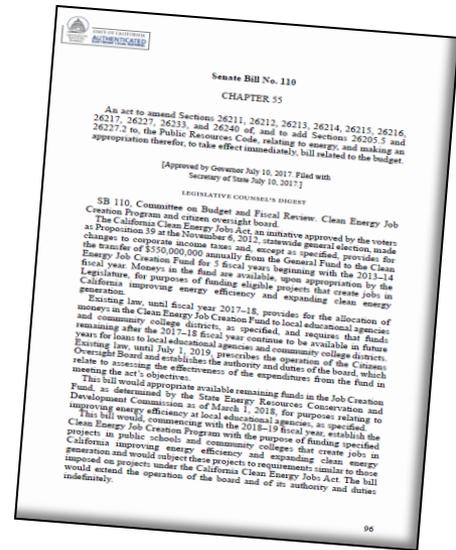
- **Legislative Authority**

- ✓ 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?



## **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)





# 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		
Tier	Max Loan Amount	Total Funding
1	\$3,000,000	\$3,000,000
2	\$3,000,000	\$3,000,000
3	\$3,000,000	\$6,000,000
	<b>TOTAL</b>	<b>\$12,000,000</b>

Central		
Tier	Max Loan Amount	Total Funding
1	\$3,000,000	\$3,000,000
2	\$3,000,000	\$3,000,000
3	\$3,000,000	\$6,000,000
	<b>TOTAL</b>	<b>\$12,000,000</b>

South		
Tier	Max Loan Amount	Total Funding
1	\$3,000,000	\$3,000,000
2	\$3,000,000	\$3,000,000
3	\$3,000,000	\$6,000,000
	<b>TOTAL</b>	<b>\$12,000,000</b>

Los Angeles County		
Tier	Max Loan Amount	Total Funding
1	\$3,000,000	\$3,000,000
2	\$3,000,000	\$3,000,000
3	\$3,000,000	\$6,000,000
	<b>TOTAL</b>	<b>\$12,000,000</b>



# 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%

$$\frac{\text{Number of students eligible for FRPM}}{\text{Total Enrollment}} \times 100\% \times 15\%$$



## 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

Applicant	FRPM			ENERGY SAVINGS			Total Score	Rank
	FRPM %	Weight	Score	% of Baseline	Weight	Score		
1	40%	15%	6.00%	50%	85%	42.50%	48.50%	2
2	50%	15%	7.50%	60%	85%	51.00%	58.50%	1
3	60%	15%	9.00%	40%	85%	34.00%	43.00%	3



# 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



# Geographic Distribution



## Four Regions:

**Green** = Northern CA

**Purple** = Central CA

**Yellow** = Los Angeles Co.

**Pink** = Southern CA



# Funding Distribution Example: \$ 50 Million

North Region			
Tier	Max Award Amount	# of Awards	Total Funding
1	\$250,000	5	\$1,250,000
2	\$250,000	5	\$1,250,000
3	\$2,000,000	5	\$10,000,000
<b>TOTALS</b>		<b>15</b>	<b>\$12,500,000</b>

Los Angeles County			
Tier	Max Award Amount	# of Awards	Total Funding
1	\$250,000	5	\$1,250,000
2	\$250,000	5	\$1,250,000
3	\$2,000,000	5	\$10,000,000
<b>TOTALS</b>		<b>15</b>	<b>\$12,500,000</b>

Central Region			
Tier	Max Award Amount	# of Awards	Total Funding
1	\$250,000	5	\$1,250,000
2	\$250,000	5	\$1,250,000
3	\$2,000,000	5	\$10,000,000
<b>TOTALS</b>		<b>15</b>	<b>\$12,500,000</b>

South Region			
Tier	Max Award Amount	# of Awards	Total Funding
1	\$250,000	5	\$1,250,000
2	\$250,000	5	\$1,250,000
3	\$2,000,000	5	\$10,000,000
<b>TOTALS</b>		<b>15</b>	<b>\$12,500,000</b>



# 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](mailto: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

CA.GOV CALIFORNIA ENERGY COMMISSION

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### Add Comment

Docket #: 18-MISC-02 Project Title: Program Concept Workshop for Bus Replacement, ECAA-ED & Prop 39

Fields denoted by an asterisk (\*) are required.

#### Contact Information

Full Name \*

Email Address \*

Role in this Proceeding

Contact Address

Address 2

City  State   Zip

#### Comment

Comment Title \*

Subject(s)

Comment Text not required if you include a document attachment

**Docket #**  
**18-MISC-02**

**Subject(s):**

- Bus Program
- ECAA Loan Program
- Prop 39 Competitive

<https://efiling.energy.ca.gov/Ecomment/Ecomment.aspx?docketnumber=18-MISC-02>



## Public Comment

CA.GOV CALIFORNIA ENERGY COMMISSION

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### 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, 2018.**

#### Important Messages

January 2, 2018  
REMINDER: Energy Expenditure Plan Due Date is February 26, 2018

**Reminder:** February 26, 2018, is the final opportunity to request Proposition 39 funding. If a local educational agency (LEA) has award allocation remaining, now is the time to apply by submitting an energy expenditure plan (EEP) to the Energy Commission.

All amendments requesting additional Proposition 39 K-12 grant funding are also due by February 26, 2018.

After February 26, 2018, 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 request additional funding will continue to be accepted after February 26, 2018. Public hearing amendments that do not request EEP changes are still in...

#### Approved Energy Expenditure Plans

- Expenditure Plans Listing (EEP) (Updated: January 17, 2018)
- Amended Expenditure Plans Listing (Updated: January 17, 2018)
- Proposition 39 K-12 Snapshot (Updated: January 17, 2018)

#### E-Commenting Proposition 39 Programs

- Program Concept Workshop for Bus Replacement, ECAA-ED & Prop 39 (18-MISC-02)**
  - Submit Comment
  - View Comments and Documents
- Prop 39 - California Clean Energy Jobs Act (13-CCEJA-01)
  - Submit Comment
  - View Comments and Documents

**Docket #**  
**18-MISC-02**



<http://www.energy.ca.gov/efficiency/proposition39/>



# California Energy Commission



## Thank You

Proposition 39 Concept  
Workshop Team