

Memorandum

To: Robert P. Oglesby
Executive Director

Date: May 29, 2015

Telephone: (916) 654-4550

From: **California Energy Commission**
1516 Ninth Street
Sacramento CA 95814-5512

Subject: STAFF RECOMMENDATION TO APPROVE A \$2,054,469 ZERO PERCENT INTEREST RATE ECAA-Ed LOAN TO THE SALIDA UNION SCHOOL DISTRICT FOR THE INSTALLATION OF PHOTOVOLTAIC SYSTEMS AND ENERGY EFFICIENCY MEASURES; TO BE CONSIDERED AT THE JULY 8, 2015 BUSINESS MEETING

Summary of Item

The Energy Conservation Assistance Act established the State Energy Conservation Assistance Account (ECAA) authorizing the California Energy Commission (Energy Commission) to provide loans to public schools, local governments, and public institutions for energy conservation measures.

Salida Union School District (school district) is requesting an ECAA-Ed loan in the amount of \$2,054,469 for four sites within the school district, to fund the installation of photovoltaic systems and energy efficiency measures as listed in Table 1. Upon completion, these projects will save approximately 657,258 kWh in electricity and 112 therms of natural gas annually. In addition, the completed projects will reduce the greenhouse gas emissions by approximately 227 tons of CO₂ equivalent every year.

This on-site electricity production combined with the energy efficiency measures will save the school district approximately \$104,177 in utility expenses each year, resulting in a payback period of 19.7 years. The Energy Commission loan will be provided at an interest rate of zero percent.

Justification for Action Requested:

Energy Commission staff has determined that the school district loan request is technically feasible and meets the requirements for an ECAA-Ed loan. The program requires repayment of the loan within 20 years. As this loan has an average simple payback of 19.7 years, it meets the requirements of the loan program.

Table 1: List of Energy Measures and Estimated Energy Savings

Measure	Estimated Project Cost	Annual Electric Savings (kWh)	Annual Natural Gas Savings (therms)	Annual Energy Cost Savings	CEC Loan Amount	Simple Payback* (years)
HVAC Replacement at Dena Boer Elementary	\$336,853	39,058		\$6,684		
Cool Roof Installation at Dena Boer Elementary	\$253,240	11,857	112	\$2,007		
Photovoltaic System Installation at Salida Elementary	\$565,600	311,111		\$48,534		
HVAC Replacement at Salida Elementary	\$328,844	71,086		\$11,089		
Photovoltaic System Installation at Mildred Perkins Elementary	\$511,098	213,598		\$34,175		
HVAC Replacement at Sisk Elementary	\$58,834	10,548		\$1,688		
Total	\$2,054,469	657,258	112	\$104,177	\$2,054,469	19.7

*Simple Payback is based on loan amount divided by annual energy cost savings

Project Manager

Jim Holland, Local Assistance & Financing Office

Oral Presentation

Staff will be prepared to discuss this recommendation and to respond to questions regarding the loan.

Business Meeting Participants

Jim Holland, Local Assistance & Financing Office, Energy Efficiency Division

Commission Action Requested

Approve the loan and authorize the Executive Director to execute the loan documents.

DAVE ASHUCKIAN, Deputy Director
Energy Efficiency Division

Salida Union School District

Pros and Cons

The following are the Pros and Cons to the Energy Commission for approving the loan to the Salida Union School District

Pros:

- Consistent with the Energy Commission's *2013 Integrated Energy Policy Report* to reduce energy use, demand, and greenhouse gas emissions through efficiency and renewable energy programs and diversify California's energy sources.
- Meets the objective of the Energy Conservation Assistance Act (Public Resources Code Section 25412 et. seq.) which is to provide loans to schools and public agencies to maximize energy use savings and implementation of cost effective energy efficiency measures.
- Consistent with the office's work plan goals of providing loans to schools for cost-effective energy saving projects.

Cons:

- None known