

California Clean Energy Jobs Act

Citizens Oversight Board Meeting

Art Rosenfeld Hearing Room

Sacramento, California

September 8, 2015

Topics

1. California Clean Energy Jobs Act: Design & Objectives
2. Implementation of the Clean Energy Jobs Act: Agencies' Programs
3. Duties and Rules of the Citizens Oversight Board
4. Updates from the Clean Energy Jobs Act Programs
5. Questions

1. California Clean Energy Jobs Act: Design & Objectives

Clean Energy Jobs Act

- **November 2012:** Proposition 39 approved by voters
 - Modifies income tax calculation for out-of-state corporations
 - Creates Clean Energy Jobs Fund: Up to \$550 million/year for schools and public buildings
- **June 2013:** Senate Bill 73 (De Leon)
 - Defines Fund allocation and programs
 - Requires establishment of a Citizens Oversight Board
- **June 2014:** Senate Bill 852 (Leno)
 - Further defined authority of Community College Chancellor
- **September 2014:** Assembly Bill 2227 (Quirk)
 - Clarifies the roles and processes for the Citizens Oversight Board

State Agency Roles

California Energy Commission

- Develops K-12 Energy Expenditure Plan Guidelines
- Reviews and approves K-12 energy projects
- Maintains publicly available database
- Collects annual school energy data from utilities
- Prepares annual summary of expenditures, energy and cost savings
- Administers 0% energy efficiency loans and technical assistance programs

California Department of Education

- Calculates annual award allocations based on appropriation
- Processes, tracks and posts entitlement grant payments
- Reviews K-12 annual audits; adjusts future program grants, as needed

State Agency Roles

California Workforce Development Board

- Develops Workforce Competitive Grant Program
- Awards Workforce Competitive Grants
- Prepares Summary of Employment Benefits

California Community College Chancellors Office

- Develops Community College program guidelines
- Identifies, prioritizes and installs projects at Community Colleges
- Prepares annual summary of expenditures, energy and cost savings

California Conservation Corps

- Conducts energy surveys and energy conservation related activities
- Installs simple energy measures

Clean Energy Job Creation Fund Distribution

Program	Fiscal Year 2013/14 (in millions)	Fiscal Year 2014/15 (in millions)	Fiscal Year 2015/16 (in millions)
Energy Commission – K-12 Energy Project Program	\$381	\$279	\$313.4
CCCCO – Community College Energy Project Program	\$47	\$39	\$38.7
Energy Commission – ECAA-Ed Programs (loans & technical assistance)	\$28	\$28	\$0
CWDB – Workforce Training Competitive Grant Program	\$3	\$3	\$3
CCC – Energy Corps Program	\$5	\$5	\$5.3
TOTALS	\$464	\$354	\$360.4

Objectives of the California Clean Energy Jobs Act

- Improve energy efficiency in schools
- Create good-paying energy efficiency and clean energy jobs
- Leverage existing energy efficiency and clean energy programs to increase economic and energy benefits



2. Implementation of the Clean Energy Jobs Act: Agencies' Programs



Timeline

- **November 2012:** Voters approve Proposition 39
- **January-April 2013:** Legislature holds implementation hearings
- **June 2013:** SB 73 adopted, implements Proposition 39
- **Mid-2013:** CCC launches Energy Corps program
- **July-September 2013:** Energy Commission
 - Conducts focused discussions with stakeholder for guidelines input
 - Posts draft program guidelines
 - Conducts 5 public meetings and 3 webinars for public input
- **October 2013:** Chancellor's Office issues Community College program guidelines
- **November 2013:** CDE announces availability of K-12 planning funds for energy audits and technical assistance

Timeline (continued)

- **December 2013:** Energy Commission's K-12 program guidelines adopted
- **January 2014:** Treasurer & Controller appoint COB members
- **February 2014:** Energy Commission begins accepting K-12 program applications
- **Early 2014:** CWIB releases solicitation for workforce training grants
- **April 2014:** Energy Commission approves first energy expenditure plans for K-12 program

Timeline (continued)

- **June 2014:**
 - CDE processes first grants for energy projects
 - CWIB announces workforce training grant awards
- **September 2014:** AB 2227 adopted, implements Citizens Oversight Board
- **October 2014:** Energy Commission
 - Posts draft revised guideline
 - Holds webinar and 2 public meetings to receive comments on draft revised guidelines
- **November 2014:** Attorney General appoints COB members
- **December 2014:** Energy Commission adopts 2015 K-12 program guidelines
- **February 2015:** Energy Commission launches K-12 online application system

3. Duties and Rules of the Citizens Oversight Board



Duties of the Board

Annually:

- ✓ Review all Clean Energy Job Creation Fund expenditures
- ✓ Commission independent audit of Fund
- ✓ Assess selected projects for effectiveness
- ✓ Publish complete accounting of expenditures and post on publicly available Web site
- ✓ Submit evaluation to Legislature identifying changes needed to Clean Energy Jobs Act programs



Citizens Oversight Board Rules

- Members serve term of four years
 - Reappointment up to two additional terms
- Majority of Board members constitutes a quorum
- Board's principal office located at Energy Commission
- Requests for reimbursement submitted to Board Chair for approval
 - Paid per State Administrative Manual

Citizens Oversight Board Rules (continued)



- Meets at least four times per year, or as needed to conduct business
- Chair with staff prepares agendas for board meetings
- Board and Committees must comply with:
 - Bagley-Keene Open Meeting Act
 - California Public Records Act
 - California Government Code sections pertaining to Conflicts of Interest

Bagley-Keene Open Meeting Act

Government Code §§ 11120 – 11132

- Applies to all state boards and commissions
- Citizens Oversight Board must:
 - Publicly notice their meetings
 - Prepare agendas
 - Accept public comment
 - Conduct meetings in public
- What is a Citizen's Oversight Board meeting?
 - When 5 or more Board members, or committee members, meet to hear, discuss, deliberate or take action on any item within subject matter jurisdiction of Board
 - When Board or committee members conduct business in person, by email, in writing, by teleconference, or through intermediaries

California Public Records Act

Government Code §§ 6250 et seq.

- Public is entitled to inspect or obtain copies of governmental records to monitor the functioning of government
- A public record is any information, minutes, files, accounts or other records which a governmental body is required to maintain
- Any person can request to view or receive copies of the public records of a governmental body
- Public records must be provided in the time set by law

Conflicts of Interest

1. Political Reform Act (Govt. Code §§ 81000, et seq.)

- Prohibits participation in Board's governmental decision if member has a financial conflict

2. Government Code § 1090

- Board members may not participate in making contract in which they have financial interest
- A conflict of one Board member prevents the entire Board from voting on that item before the Board

3. Government Code § 19990

- Board members shall not engage in any employment, activity or enterprise which is clearly inconsistent, incompatible, in conflict with, or inimical to his or her duties as a Board member

Conflict of interest violations may result in personal liability and voiding of the contract or decision in which the Board member participated

4. Updates from the Clean Energy Jobs Act Programs



Energy Commission's K-12 Programs

- Energy Expenditure Plan Program
- Bright Schools Program
- Energy Conservation and Assistance Act Loan Program (ECAA-Ed)
- Utility Data Project



Energy Expenditure Plan K-12 Program

- K-12 submit proposed Energy Expenditure Plans
- Energy Commission approves K-12 Energy Expenditure Plans, notifies Department of Education, which distributes grant funds quarterly
- Program offers schools flexibility to plan and implement energy projects, and allows:
 - Single or multiyear expenditure plans
 - Retroactive funding of measures (post 12-19-2013)
 - Accumulation of grants over five years



Proposition 39 (K-12) Program Review

Who is Eligible for Funding?

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





Eligible Energy Measures

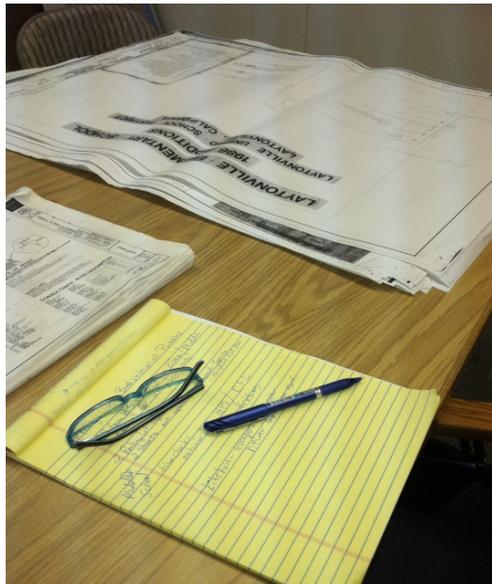
- Lighting Systems
- Heating, Ventilation and Air-Conditioning (*HVAC*)
- Controls/Thermostats
- Pumps and Motors
- Plug Loads
- Building Envelope
- Clean Energy Generation (solar photovoltaic)





Energy Planning Funding

- 1,646 LEAs requested Planning Funding totaling \$154 million dollars.



1. Energy Audits and Energy Surveys
2. Proposition 39 Program Assistance
3. Energy Manager
4. Energy-Related Training





Proposition 39 (K-12) Funding Status

As of August 30, 2015

Applications Received

- 645 Applications
- 2,371 Sites
- Total Funds Requested: \$478 million

Applications Approved

- 536 Applications
- 1,779 Sites
- Total Funds Approved: \$367 million



Approved Energy Measures

Energy Measure Category	Total Number of Measures Approved	Percentage of Total Measures Approved
Lighting	3087	47%
Lighting Controls	687	10%
HVAC	1169	18%
HVAC Controls	669	10%
Plug Loads	420	6%
Pumps, Motors, Drives	166	3%
Generation (PV)	140	2%
Building Envelope	102	2%
Domestic Hot Water	101	2%
Kitchen	25	0%
Electrical	13	0%
Energy Storage	8	0%
Pool	5	0%
Power Purchase Agreements (PPA)	4	0%
Irrigation	3	0%
TOTALS:	6599	100%

as of 08.30.2015



Cost Effectiveness Determination

- Public Resources Code Section 26206(c) states, “All projects shall be cost effective: total benefits shall be greater than project costs over time.”
- An eligible energy project must achieve a minimum savings-to-investment ratio (SIR) of 1.05 to be approved for a Proposition 39 award.

$$\text{SIR} = \frac{\text{Net Present Value of Savings}}{\text{Project Installation Cost}}$$



Estimated Job-Years Formula

1) Energy efficiency measures:

- 5.6 direct job-years per \$1 million invested

2) Clean energy generation and distributed energy measures:

- 4.2 direct job-years per \$1 million invested



Proposition 39 (K-12) Program: Direct Job-Years Projected

Estimated Direct Job-Years

(as of 08.30.2015)

Funding Category	Funding Approved	Est. Direct Job-Years
Energy Project Funds	\$ 367 million	1,800



Outreach and Education

- Statewide training and educational seminars
- Participation in conferences and workshops
- Targeted outreach to specific disadvantaged communities
- Targeted outreach to the smallest and largest LEAs
- Established hotline contact center
- Social media program updates



California Energy Commission

Pleasant Ridge Union Elementary School District *(Nevada County)*

- Received \$500,000 in Proposition 39 funding
- Energy Expenditure Plan included 3 school sites

Energy retrofits completed:

- HVAC systems
- Lighting systems

*Estimated annual energy savings
\$43,000 per year.*





Santa Ana Unified School District *(Orange County)*

- Received \$1.6 million in Proposition 39 funding
- Energy Expenditure Plan included 3 school sites

Energy retrofits completed:

- HVAC systems and controls
- Programmable thermostats



Second Application - Applied for energy measures at 10 schools and received an additional \$2.3 million for fiscal year 2014-15.



Energy Conservation and Assistance Act Loan Program (ECAA-Ed)

- Community Colleges and K-12 Schools
- Funding for energy efficiency and self generation
- Loans up to \$3 million
- Energy savings are used to repay the loan
- 0% interest rate
- Up to \$3 million per application



Energy Conservation and Assistance Act Loan Program (ECAA-Ed) Update

- Number of ECAA-Ed loans – 26
- Total Loan Amount - \$41,491,914
- Total Annual Energy Cost Savings - \$3,286,921
- Total Annual kWh Savings – 19,279,629
- Total Therm Savings – 34,951



Bright Schools Program

- 10% of ECAA-Ed used for technical assistance
- Free technical assistance service (up to \$20,000 worth) to identify energy savings opportunities
- Technical Assistance includes:
 - Energy audits
 - Proposal review assistance
 - Bid specification assistance





Bright School K-12 Program Status

Audit Reports Complete: 61

Audit Reports in Review: 7

Assigned to contractor for audits: 31

On waiting list for audits: 24



Utility Data Project

- Collaboration with publicly- and investor-owned utilities to gather actual energy consumption and cost data from K-12 sites
- In July 2015, Energy Commission received energy use and cost data for 90% of K-12 applicants in investor-owned utility service territories

CCCCO Proposition 39 Update

CCCCO Proposition 39 Update

YEARS 1 & 2

- \$71 M allocated for 525 energy projects
 - 115 projects completed
 - 410 projects under construction
- 146 community college sites
- 54 M kWh electricity annual savings
- 1.2 M gas therms annual savings
- \$10 M annual energy cost savings
- \$12 M one-time energy incentives
- Enough energy to power 10,176 homes per year

CCCCO Proposition 39 Update

- 115 completed projects
 - 142 job years
 - 23 years of construction jobs
- 410 remaining projects
 - 416 job years
 - 80 direct construction job years
- 525 projects
 - 13 apprenticeship job years

CCCCO Proposition 39 Update

- **Proposition 39 Year 3**

- \$38.7 M total allocation
- \$33.7 M for energy projects and planning, \$5 M for workforce
- Support projects and workforce development related to energy sustainability

California Community Colleges Program

- Yearly call for districts to identify projects
- Prioritize projects and develop a priority list
- Projects must meet SB-73 requirements including cost effectiveness
- Projects are reviewed by IOU/NAM
- Projects approved by the CCCCO
- Yearly district allocation based on FTES

CCCCO Prop 39 Year 1 and Year 2

Prop 39 Year 1 Projects

Project Type	Count	Percentage of Total Projects
Lighting	169	57.29%
HVAC	54	18.31%
Controls	44	14.92%
Other	11	3.73%
Retrocommissioning (RCx)	12	4.07%
Tech Assist	3	1.02%
Self-Generation	2	0.68%
Monitoring-based Commissioning (MBCx)	0	0.00%
Total Projects	295	100%

Prop 39 Year 2 Projects (approvals from July 2014-August 2015)

Project Type	Count	Percentage of Total Projects
Lighting	99	43.04%
HVAC	73	31.74%
Controls	33	14.35%
Other	5	2.17%
Retrocommissioning (RCx)	6	2.61%
Tech Assist	0	0.00%
Self-Generation	2	0.87%
Monitoring-based Commissioning (MBCx)	12	5.22%
Total Projects	230	100%

End of CCCCCO presentation

5. Questions