

BEFORE THE  
CALIFORNIA ENERGY COMMISSION (CEC)

In the matter of )  
 ) Docket No. 13-CCEJA-1  
Prop 39-California Clean )  
Energy Jobs Act )

CALIFORNIA CLEAN ENERGY JOBS ACT:  
PROPOSITION 39 DRAFT GUIDELINES  
Peralta Community College, District Office  
333 East 8th Street  
Oakland, CA

Thursday, October 10, 2013  
1:00 P.M.

Reported by:  
Tahsha Sanbrailo - #D-482

**APPEARANCES****PRESENT:**

Liz Shirakh, CEC  
Anne Fisher, CEC

**PUBLIC COMMENT**

Nick Kester, San Francisco Unified School District  
Breene Kerr, Free Hot Water  
Dr. Sadiq Ikharo, Vice Chancellor,  
Peralta Community College  
Joey Barr, Pacific Gas & Electric Company  
Alice Sung, Greenbank Associates  
Patrick Couch, California Conservation Corps  
Anna Ferrera, School Energy Coalition  
Daniel Hamilton, San Francisco Bay Area  
Regional Energy Network  
Constantine Baranoff, Sacramento County  
Office of Education  
Carly Zimmerman, Strategic Energy Innovations  
Jonathan Cherry, San Francisco Public  
Utilities Commission  
Jody London, Jody London Consulting,  
Oakland School Board  
Jerry Stratton, Salinas City Elementary  
School District  
Duane Kubischta, kW Engineering, and Lead  
Technical Consultant on BrightSchools Program  
Dan Chia, Solar City  
Lew Jones, Berkeley Unified  
Meredith Owens, Alameda Municipal Power  
Sachu Constantine, California Center for  
Sustainable Energy  
Yvonne Tom, Alameda County Office of Education  
Jim Kelsey, kW Engineering  
Charles Kuhn, Kuhn & Kuhn  
Jo Tiffany, Alliance to Save Energy  
Kyle Manahan, Newcomb, Anderson, McCormick  
Midge Hoffman, Petaluma City Schools K-12  
Charles Neal, Peralta Community College District  
Jordana Cammarata, First Fuel

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1

1 P R O C E E D I N G S

2 OCTOBER 10, 2013 1:06 P.M.

3 MS. SHIRAKH: First, I want to introduce  
4 myself. My name is Liz Shirakh. I'm with the  
5 California Energy Commission. And also with me  
6 today is Anne Fisher. She'll be helping  
7 coordinate the meeting and especially the  
8 question and answer time, bringing the mic  
9 around so we make sure we have your comments and  
10 questions and everyone can hear. And our Court  
11 Reporter will be able to record that, as well,  
12 so this meeting is being recorded.

13 I want to thank you all for coming  
14 today. This is a really exciting time for  
15 California schools and energy efficiency, and  
16 the California Energy Commission is real excited  
17 to be a part of this. We appreciate your input  
18 in formulating these Draft Guidelines for Prop.  
19 39.

20 Just so I have an idea, maybe I can get  
21 a sense of who the folks are in the audience.  
22 How many of you are from schools? Okay. And  
23 how many of you folks are consultants or energy  
24 consultants? Okay. And how about school  
25 organizations -- support school organizations,

1 government organizations? A few, okay. And  
2 utility companies? Okay. And anyone I forgot?  
3 Okay, well -- welcome. Okay, well, thank you  
4 everyone for attending.

5 The purpose of the meeting is really to  
6 go through the Draft Guidelines. For some of  
7 you who have read them, this might provide some  
8 clarity for sections and it will give you an  
9 opportunity for folks who haven't read through  
10 them all before. We'll kind of go section by  
11 section through them and then, at the end, we  
12 will have a questions and comments time. So  
13 let's get rolling.

14 Again, this is welcome, these are the  
15 Draft Guidelines, they came out on September  
16 27th and we have an open period for 30 days to  
17 get public comment. We hope to have the Final  
18 Guidelines posted in mid-November and going to a  
19 business meeting on December 19th. So this is a  
20 very very tight timeframe, a very fast  
21 timeframe, but this is part of the public input  
22 process and, again, we really encourage and  
23 welcome your comments.

24 So again, I briefly touched on this, I'm  
25 going to talk briefly about the summary of the

1 California Clean Energy Jobs Act, a little bit  
2 about the elements of the program, and the  
3 majority of the presentation will be about the  
4 Draft Guidelines and then your time to ask  
5 questions and make comments at the end.

6 I think I would prefer to maybe wait to  
7 have questions at the end just because we want  
8 to make sure these are recorded and we are going  
9 to have a microphone going around, so maybe I  
10 can just ask if you drop down your questions and  
11 then we can try to field them at the end. I  
12 know there were a lot of questions yesterday, we  
13 did a webinar. The presentation is about an  
14 hour and the questions were about two hours.  
15 I'm hoping with the live audience, maybe, you  
16 know, sometimes people have the same question  
17 and the question period might not take as long.  
18 But we do have the room until 5:00, so we're  
19 here to answer your questions until 5:00 if we  
20 have to, not a problem, that's what we're here  
21 for.

22 Okay, so the California Clean Energy Job  
23 Act is really a combination of two recent laws,  
24 it's Proposition 39, which was passed last  
25 November, and then the enabling legislation,

1 Senate Bill 73, which was signed July 1st.  
2 These are really the guiding -- the Public  
3 Resource Code that guides the direction of the  
4 program and the guidelines.

5           The objective is creating good-paying  
6 energy efficiency and clean energy jobs,  
7 leveraging existing energy efficiency programs,  
8 and increasing economic and energy benefits, and  
9 also providing full public accounting for the  
10 money spent. And I'd just like to acknowledge  
11 that the majority of the Guidelines are required  
12 in statute and through Public Resource Code.  
13 And it's really a balancing act to try to find  
14 that right balance between meeting the public  
15 accountability, making sure we document all the  
16 energy savings, and making this fully  
17 transparent to the public, balancing that with  
18 the need of schools and local educational  
19 agencies to follow a program that's simple,  
20 that's not too burdensome, and getting good  
21 energy projects installed because that's what  
22 this is about, creating jobs and getting some  
23 energy efficiency in your schools. So it's  
24 truly a balancing act and we're trying to make  
25 these Guidelines fit that. But it's challenging

1 legislation.

2           So the elements of the program, there are  
3 \$428 million of awards are available for LEAs,  
4 which is Local Educational Agencies and  
5 Community Colleges, for energy retrofits. This  
6 is split by 89 percent to K-12 districts, County  
7 Office of Educations, Charter Schools, and  
8 Special State Schools; those are LEAs or Local  
9 Educational Agencies.

10           For this fiscal year, that's \$381  
11 million, and 11 percent goes to the Community  
12 College Districts, that's \$47 million for this  
13 fiscal year, and for this first year of this  
14 five-year program, they have their own  
15 independent program. So their specifics of  
16 their program are not in these Guidelines.

17           Other program elements of the Prop. 39,  
18 \$28 million went to the Energy Commission for  
19 our ECAA loan Program, which is an Energy  
20 Conservation Assistance Account. This provides  
21 zero interest loans for energy efficiency  
22 projects and also provides technical assistance  
23 in the form of free grants to identify energy  
24 projects through our BrightSchools Program.

1           Another element of the program is \$3  
2 million was appropriated to the California  
3 Workforce Investment Board, and they will be  
4 developing a competitive grant program for  
5 workforce development and disadvantaged youth  
6 for employment. This program is under  
7 development right now.

8           And finally, the California Conservation  
9 Corps through the Governor's Budget Act of 2013-  
10 2014, they were appropriated \$5 million for  
11 energy surveys and energy conservation-related  
12 programs for youth and the Corps members. And  
13 again, that program is also under development.

14           So starting into the Guidelines section  
15 of the presentation, the Guidelines are  
16 structured into three chapters, the background  
17 information, we'll go through that first, that's  
18 kind of general information. The meat of the  
19 Guidelines are in Chapter 2, which is the K-12  
20 Program, or the Local Educational Agency  
21 Program, and the third chapter is the additional  
22 Prop. 39 Resources and those other allocations  
23 that I just mentioned. And finally, the  
24 Appendix has more detailed information that  
25 supports what you see in the Guidelines.

1           So Chapter 1 starts on page 4, it's  
2 really 1 through 4, and this provides some  
3 program description, the funding distributions  
4 that I kind of just went over as far as the  
5 program elements, Guideline Authority, some  
6 legal confidentiality, By way of Background, we  
7 have the Introduction which is Program  
8 Description, Funding Distribution, Guideline  
9 Authority, Confidentiality information,  
10 effective date of the Guidelines, and I just  
11 want to point out that the effective date of the  
12 Guidelines is when it is adopted by the  
13 California Energy Commission at a full Business  
14 Meeting, and right now that's scheduled for  
15 December 19th. And then there's also some  
16 information if there are changes in the  
17 Guidelines in the future, that process. Again,  
18 if there are any changes in the Guidelines, they  
19 will need to go through the public notice  
20 process that would be 30 days notice before  
21 going to a full Business Meeting at the Energy  
22 Commission. So this is a complicated program, I  
23 can't tell you if there will be changes in the  
24 future, but if there are, then that would be the  
25 process that would be followed.

1           So, Chapter 2, let's dive into the K-12  
2 program. Eligible Applicants, again, LEAs are  
3 Local Education Agencies which are the County  
4 Offices of Education, School Districts, Charter  
5 Schools and State Special Schools. If you are  
6 in a public building and pay your own utility  
7 bill based on a meter, you're eligible. And  
8 then I have a few bullets here about leased  
9 facilities because it gets a little bit more  
10 complicated for folks who are in leased  
11 facilities. But you would still be eligible if  
12 you fit these categories. So in privately-owned  
13 leased facilities, to be eligible, the LEA needs  
14 to pay the utility bill, a separate utility  
15 meter for the building and the landlord's  
16 written approval to do the energy work.

17           Continuing with the leased facility  
18 information, so a publicly-owned leased facility  
19 which has separate meters, if they're owned by  
20 another LEA and a lease agreement between the  
21 LEAs; so that is an eligible -- you could still  
22 apply to this program and be eligible for this  
23 funding. And then a third lease facility issue  
24 which is the second arrow here, in publicly-  
25 owned leased facilities without a separate meter

1 and they're owned by another LEA, and the lease  
2 agreement is between the two, then the two LEAs  
3 would submit a joint request for planning  
4 projects or for the energy Expenditure Plan.  
5 And I'll get into more details on both of those  
6 so there's more understanding, but basically you  
7 would have to submit a joint application between  
8 the two.

9           So moving forward on page 7 of the  
10 Guidelines, this is the award allocations, and  
11 the minimum awards. So the legislation outlines  
12 it in a four-tier system. So if you are an LEA  
13 with an ADA of 100 or less, you'll have a  
14 minimum allocation of \$15,000, and plus there's  
15 a free and reduced meal program adder added onto  
16 that, but at a minimum, you would get \$15,000.  
17 In the next tier, 101 to 1,000 ADA -- and ADA is  
18 Average Daily Attendance -- the minimum is  
19 \$50,000 plus the free and reduced meal program  
20 adder. The third tier is 1,000 to 1,999 ADA, a  
21 minimum of \$100,000 plus the free and reduced  
22 meal program adder, (FRPM); and finally Tier 4,  
23 which is an ADA of over 2,000 or more, and this  
24 is all based on the prior ADA year, and it would  
25 be a formula based at that point plus the free

1 and reduced meal adder onto that. So that's  
2 kind of the formula structure of the funding  
3 allocations.

4           So now coming into a little bit more  
5 detail of some of the different ways you can  
6 receive this money now, the first option is on  
7 page 8, is a two-year combined award option, and  
8 this option was offered through the California  
9 Department of Education, CDE, in August. And  
10 what this allows is for LEAs in Tier 1 and 2,  
11 they could request both this fiscal year and  
12 next fiscal year as a combined award this year.  
13 And so that window was in August, I believe  
14 about 860-some LEAs did make that request, and  
15 what that does is it takes the big pot of this  
16 year's funding and it redistributes it a little  
17 bit, so they get that full two years this year,  
18 and then next year they will not be able to  
19 request their award, but they'll have a larger  
20 pot this year. So for example, if you had an  
21 allocation of \$15,000 this year, \$15,000 next  
22 year, this year you would have \$30,000. So that  
23 takes a little bit away from this year's pot, so  
24 LEAs in Tier 3 and Tier 4 would have their first

1 year allocations slightly reduced, but that  
2 would be made up next year.

3 This combination option will be  
4 available next year. I'm not sure if that's  
5 going to be in August or September next year.  
6 And it'll be a continuous option for the LEAs in  
7 Tier 1 and 2.

8 Energy Planning Reservation Option --  
9 and this is probably for a lot of conversation  
10 right now because this will be the first way to  
11 really dive into the program and get your  
12 funding, and start using Prop. 39 funding  
13 towards energy-related work. And we have had a  
14 revision to the Guidelines, so the Guidelines  
15 that we have distributed today have -- it's  
16 version 2, so if you're looking at the original  
17 one that came out the 27th, this is the new  
18 stuff.

19 So basically for LEAs with a first year  
20 award of \$433,000 or less, they may require up  
21 to \$130,000 of their first year award. And LEAs  
22 with greater than \$433,001 or more may request  
23 30 percent of your first year award up to \$1  
24 million. You might be asking, well, why  
25 \$433,000? It's kind of a strange number. But

1 30 percent of that number is \$130,000, and the  
2 tiers, when they actually factor in some of the  
3 free and reduced lunch adder, bumped some of  
4 those Tier 2 and Tier 3s all the way up to  
5 \$130,000, and we wanted to make sure that anyone  
6 in Tier 4 wasn't getting less money than someone  
7 in Tier 1 and 2 for planning activities. So we  
8 had to do some adjustments, and so that's why  
9 you see these kind of strange looking random  
10 numbers, but there is definitely logic behind  
11 that which matches the actual allocations. So I  
12 might as well talk about that now, so CDE  
13 originally was going to have their allocation  
14 announcement about the same time that we'd come  
15 out with the Guidelines, so on page 8, when you  
16 see the planning reservation option in the  
17 second line, it says you can request your  
18 dollars now. Well, as of today you can't, but  
19 very very soon you will be able to. CDE hopes  
20 to have those final allocations posted within  
21 the next week or so, and once those are posted,  
22 at the same time you'll have the option of  
23 requesting your energy planning reservation  
24 dollars. And there's no analysis that you'll  
25 need to justify your request, it'll just be a

1 very simple request that can be made online at  
2 CDE's website, and California Energy  
3 Commission's website will also have on their  
4 Prop. 39 webpage will also have a link to that  
5 CDE application page.

6 I want to talk about what is an  
7 allowable expense in the energy planning  
8 reservation.

9 MR. KESTER: Just a few questions now or  
10 --

11 MS. SHIRAKH: Oh, I'm sorry, I think I'd  
12 like to try to do the questions at the end. We  
13 do have a Court Reporter and it'll make it a  
14 little easier to make sure those are all  
15 recorded. There will be plenty of time at the  
16 end. This is about an hour presentation. And  
17 then we have three hours allocated for  
18 questions. Thank you.

19 So for the energy planning dollars, you  
20 can use these for screening audits or energy  
21 audits, and that's about 85 percent of the  
22 allocation. On page 9, there's a table that  
23 gives details of these -- yeah, it looks like  
24 this table -- it gives details on what those  
25 are. So it's basically an ASHRAE level 2 audit,

1 an energy survey or data analytics would fall  
2 under the category of that 85 percent. And then  
3 the second category is Prop. 39 assistance, 15  
4 percent of your planning funding can be used on  
5 that, and that's basically anything that would  
6 be related to fulfilling the needs of and  
7 requirements of the Prop. 39 Program, and we'll  
8 get into more details of that, but it could be  
9 benchmarking, it could be doing the expenditures  
10 plans, helping with that, project  
11 identification, or -- well, that's probably the  
12 first part -- helping with the data, the utility  
13 release forms, collecting the data, energy  
14 usage, past 12 months for the schools, the  
15 details are there.

16 We do have for the screening and energy  
17 audit section on that table, we do have -- it's  
18 titled under that column "Best Practice Cost  
19 Guidelines," so for an ASHRAE 2 level audit,  
20 it's \$.15 to \$.20 per gross square foot, and for  
21 energy surveys and data analytics, it's \$.02 to  
22 \$.05 per square foot. And the question was  
23 asked yesterday are these guidance, or are these  
24 funding limits. And at this point, these are  
25 funding limits. We want to limit the amount

1 that would be used in these categories. The  
2 \$.15 to \$.20 per square foot is based on our  
3 experience through our BrightSchools Program,  
4 we've run for 30 years, and that's actually  
5 typically our average is about \$.11 per square  
6 foot in that program, so at this point in time  
7 these are our funding limits.

8           Moving on to page 12, we talk about  
9 training and energy managers, so the first part  
10 on the top of page 12, it says "Award Funding  
11 for Training." I guess first I'd like to point  
12 out, in the Guidelines anything that is in a  
13 gray box at the beginning underneath a title is  
14 right out of the Public Resources Code, so it  
15 kind of gives you a real clear idea that this is  
16 a requirement of the program and so that's why  
17 you see that in the guidelines. So it's clear  
18 what is a requirement.

19           We're allowing two percent of the award  
20 or up to \$1,000, whichever is greater, for  
21 training, and this is for classified school  
22 employees. And you would request the training  
23 and the energy manager funding through an  
24 Expenditure Plan, there will be a box on that  
25 request that you would just check that box. On

1 the same page, we have funding for energy  
2 managers, it's up to 10 percent, or \$100,000,  
3 whoever is greater to hire and retain an energy  
4 manager; that can be someone who is hired on as  
5 staff at a school district, or that could be a  
6 private consultant or someone who comes in. The  
7 Guidelines are silent on if that has to be a  
8 school employee or not.

9           We know that 10 percent of many of these  
10 allocations is not going to fund a full time  
11 energy manager, so we encourage LEAs that have a  
12 lower amount they want to pool their energy  
13 management funding with other LEAs to hire  
14 jointly an energy manager and have those  
15 services shared. That would be fully  
16 acceptable.

17           So moving on to page -- the steps of the  
18 program, actually the same page, page 12.  
19 There's eight steps to the program and the first  
20 step is electric gas utility billing data. And  
21 we're requiring -- actually, the statute  
22 requires that the Energy Commission receive 12  
23 months' of past utility data and future utility  
24 data. So we'll be requiring that the utility  
25 release form be signed and be part of your first

1 Expenditure Plan, and that we receive the 12  
2 months of utility data in that first Expenditure  
3 Plan. We'll also be requiring that you identify  
4 all your electric natural gas, propane, fuel oil  
5 accounts, and the locations of those for your  
6 school facilities.

7           Benchmarking is the second step of the  
8 process and benchmarking is basically looking at  
9 your last 12 months of utility data and we're  
10 asking for two indices, one is the total energy  
11 cost per square footage, per gross square  
12 footage, and the second is Btus per gross square  
13 footage. And there are details in the Appendix  
14 D, it has a step-by-step approach; if a school  
15 district or an LEA wants to do their own  
16 benchmarking, it's really not that difficult to  
17 do on your own.

18           Generally, in a perfect world, you would  
19 want to benchmark all your schools and use the  
20 Energy Use Index to compare your schools and to  
21 see which one is the highest energy use, target  
22 -- or at least start your investigation on that.  
23 In this program, we're not requiring that you do  
24 that on all your schools -- it's encouraged  
25 because, like I said, it's a great way to try to

1 determine if you have an energy hog out there.  
2 It is a requirement, though, to have that energy  
3 use index for any school that is receiving Prop.  
4 39 funding because that's going to become very  
5 useful at the end, once your projects are  
6 completed, so that we can compare what your  
7 energy usage was before the projects versus  
8 afterwards.

9           Step 3, and this would be on page 14, is  
10 Energy Project Prioritization Considerations.  
11 That's where it starts and it goes over into  
12 page 15, as well. This is basically 11 points  
13 that need to be considered when you're  
14 identifying projects. Many of these are kind of  
15 built into the program already; for example,  
16 number 5 is Benchmarking, we just talked about  
17 that, and that's a mandatory step in this  
18 process. Items 4, 6, 7 really feed into the  
19 cost-effectiveness criteria, the SIR, which I'll  
20 talk about a little bit later. So some of these  
21 are built in already into the program. And so  
22 we will have on the Expenditure Plan a  
23 certification section where you'll certify that  
24 you have considered these 11 options and that  
25 was part of your thought process.

1           Step 4 is Sequencing of Facility  
2 Improvements and this is kind of a two-step --  
3 or we have two parts to this. So first,  
4 consider maximizing your energy efficiency and  
5 try to see how you can tighten up your  
6 buildings. What types of projects can you do to  
7 facilities to reduce your energy usage? And  
8 next, consider clean onsite energy generation --  
9 or solar. And sometimes I'll say it's kind of  
10 like putting a spoiler on a Pinto, and so I'm  
11 kind of showing my age, but you know, you really  
12 want to have your facilities operating at the  
13 best they can before you put solar installation  
14 on them, just like why would you put a spoiler  
15 on a Pinto?

16           Anyway, next and finally, you want to  
17 consider nonrenewable projects and such as gas-  
18 fueled fuel cells. Then, on Appendix B on page  
19 36 through 42, we have a series of pages that  
20 have typical cost-effective K-12 energy  
21 projects, so we can turn to that and, so, on  
22 page 36, this is a little awkward me being in  
23 the back of the room, but this is the way it was  
24 set up, so it looks like this, and this is  
25 organized by types of technology, so first we

1 have lighting, we have lighting controls, it  
2 continues to HVAC, HVAC controls, and so on.  
3 And then on the far left, it has a priority, so  
4 I'm looking at the lighting, we have three  
5 Priority 1 projects, then we have a Priority 2,  
6 3, and 4. And then it tells you the project  
7 example. Again, these are just typical  
8 projects, but it gives you some direction to  
9 look. Every facility is different, this in no  
10 way replaces doing an energy survey or an energy  
11 audit, but it might give folks a direction to  
12 look. An so when you're going through the  
13 process of identifying which facilities to  
14 install energy efficiency projects, or solar  
15 projects, this is some hopefully useful tool to  
16 go through that process.

17           Now I'd like to mention maybe on the  
18 last column here, which doesn't have a heading,  
19 which needs to have one, you'll see it says  
20 "calculator available or customer audit  
21 required." I'll talk a little bit about that  
22 coming up in the presentation, but the Energy  
23 Commission intends to have some calculators  
24 available so that, if a school district knows,  
25 for example, they really need to retrofit their

1 four-foot T12s to T8s, they can use this  
2 calculator and determine their energy savings.  
3 So it's a way of coming up with some of your own  
4 cost saving estimates without going through an  
5 energy audit process. So I just wanted to point  
6 that out since we were on this page.

7           Step 5 is Energy Project Identification

8  
9       Rating System to determine the energy use  
10 intensity (EUI) of your buildings. You need to  
11 gather energy data and summarize, establish  
12 energy use intensity, create benchmarking  
13 report, and rank your schools, identify your  
14 lowest energy performers.

15           And there are 11 factors in the  
16 Guidelines for prioritizing your projects. And  
17 once again, those will be outlined with the gray  
18 and we'll have all 11 of those factors listed.

19           Step 4 is the sequencing of facility  
20 improvement. You must first consider energy  
21 efficiency, which is installing daylighting,  
22 doing lighting retrofits, usually your low  
23 hanging fruit, and, yes, I understand that  
24 many of you have probably already done the  
25 majority of this.

1           Next, you can consider clean onsite  
2 energy generation such as solar. And finally,  
3 you can consider non-renewable projects such as  
4 fuel cells.

5           We also have listed an Appendix, Exhibit  
6 B, a list of typically cost-effective K-12  
7 energy projects that we've found over the years  
8 to be quite effective.

9           Step 5, Energy Project Identification,  
10 and that is on page 17 and 18. And so the first  
11 is the option -- we're giving you options here  
12 and ways of identifying projects. And the first  
13 one is the Energy Survey, and it's just a walk-  
14 through of your facility and you may know  
15 already, like I just gave the example that, you  
16 know, your T12s need to be replaced. And you  
17 could use the Energy Commission's online  
18 calculators, which will be available in  
19 December, to calculate those energy savings. So  
20 that's really the first and simplest option for  
21 identifying projects.

22           The second option is an ASHRAE 2 level  
23 energy audit. This is for more complex projects  
24 and this you may need a contractor, a  
25 consultant, an energy manager, a utility

1 program; I'd like to also say that the Energy  
2 Commission has their BrightSchools Program that  
3 offers this type of assistance up to \$20,000 to  
4 school districts. And these types of audits  
5 will give you a really comprehensive analysis of  
6 your projects, it'll give you cost estimates,  
7 energy savings, and there's a lot of good  
8 information in these audits.

9           The third option is other tools such as  
10 data analytics, which is what you might have  
11 heard called "no touch," or virtual audits.  
12 This can also be a way of doing benchmarking,  
13 too. But these are a useful tool to prioritize  
14 and focus maybe on what facilities you do need  
15 to do an ASHRAE 2 level audit on. So these are  
16 all acceptable tools or methods to go about  
17 identifying your energy projects.

18           Step 6, which is on page 19, and I'm  
19 going to switch to that page -- I have a new  
20 respect for teachers, I don't think I could get  
21 up and talk all day long. Step 6 is the cost-  
22 effectiveness determination and the legislation  
23 says it needs to be cost-effective over time.  
24 And so the Energy Commission has determined  
25 we'll use the Savings to Investment Ratio (SIR),

1 and we will have some calculators available in  
2 December, as well, that LEAs can use and will  
3 use to help prepare the Expenditure Plans.  
4 Exhibit E in the Appendix, pages 47 through 48,  
5 explain all the details behind the Savings to  
6 Investment Ratio (SIR), but it's basically net  
7 present value over the project cost. And built  
8 into that is non-energy benefits, we have a  
9 three percent adder which is basically taken off  
10 the project cost. In that calculation, we also  
11 take -- so you have your project costs, if you  
12 have utility incentives, or if you have other  
13 grant money built into these projects, that will  
14 come off the project cost, and so that is  
15 basically the main driving criteria for having  
16 an eligible project. And the ratio, which is  
17 not listed on here, is 1.05, so basically for  
18 every dollar that you invest, you should be  
19 getting \$1.05 return on your investment. We'll  
20 be looking at these and I'll be talking about  
21 the Expenditure Plan, Step 7, but these will be  
22 bundled together, so if you have a school that  
23 has 10 projects, not every one of them has to  
24 have an SIR of 1.05 or more, but the bundled  
25 average has to meet that.

1           So moving on to Step 7, there are  
2 currently several different I guess time periods  
3 or ways you could submit your Expenditure Plans.  
4 So for awards that are \$50,000 or less, we have  
5 three options here, so you could submit an  
6 annual plan, or submit an annual Expenditure  
7 Plan, so if you get \$15,000 this year, you  
8 submit a plan that you're going to do X amount  
9 of projects and it uses that full \$15,000. If  
10 you're one of those LEAs that have the two-year  
11 bundled funding, you can put all that in at one  
12 time and request your projects. We're also  
13 allowing a third option for these LEAs that have  
14 a lower funding allocation, they could also  
15 submit a five-year plan, and just estimating  
16 based on this year what they would be getting in  
17 the future. And so we really -- part of the  
18 reason -- and I forgot to mention this when I  
19 was talking about the energy planning dollars,  
20 and it's pretty critical, is the energy planning  
21 dollars are really offered this year with your  
22 first year allocation. And so we're really  
23 trying to encourage people to plan now and, so,  
24 for the smaller LEAs, if they're using those

1 planning dollars now, they can try to put out a  
2 five-year plan.

3 For LEAs that have an award of \$50,001  
4 or greater, they can apply multiple times per  
5 year, so I think the intent here is that it  
6 helps both the LEAs not have to come up with a  
7 grand Expenditure Plan for one year when they  
8 may have, you know, a couple million dollars.  
9 It also will help the workload at the Energy  
10 Commission getting these in over the year and  
11 not having it all come in at one time.

12 So what actually is an Expenditure Plan?  
13 And this is on page 21, I think you want to turn  
14 to that section. We are not going to have the  
15 actual Expenditure Plan in these Final  
16 Guidelines in November when they're posted. We  
17 anticipate having a separate handbook document  
18 that will go along with the Guidelines, that  
19 will have the forms, that will have some  
20 resources available. Some of the information  
21 that you might have seen in the CDE Guidelines  
22 that came out in May, which had a lot of good  
23 information and that really accompanies the  
24 planning part, so we don't have the actual forms  
25 today and we won't by November when this is

1 posted, but the Expenditure Plan will have a  
2 section where, if you have requested your energy  
3 planning funds -- and this first check is  
4 probably more applicable for future years once  
5 you've expended those monies for planning, how  
6 did you spend it? Did you use it all for energy  
7 audits? Did you use it for planning energy or  
8 Prop. 39 activities? The second check,  
9 benchmarking, we'll want to see those EUIs for  
10 the schools that are in your expenditure plan.  
11 The third check, which is really the meat of it,  
12 is the pre-installation verification form, and  
13 that will have the information about your  
14 project. That will have your SIR, it'll have a  
15 description of your project, backup if you had  
16 an audit, we'll have that as backup, your ASHRAE  
17 level 2 audit, and that type of information.

18           Moving on, if you want to request  
19 training, you would do that as a check box, and  
20 how much. Energy managers, same way. The  
21 legislation also requires job creation benefits  
22 to be estimated, and we do have the methodology  
23 to do that highlighted -- I'm not sure in which  
24 Appendix off the top of my head, but that  
25 methodology is in there, and we are also hoping

1 to have a calculator available to help you do  
2 that, so you would just have to put some inputs  
3 in and then that would be generated for you.  
4 Then we'll have the consent from your utility  
5 company, the utility release form, that signed  
6 form will be a part of it, and finally some  
7 Certifications of Compliance with the various  
8 requirements like I had mentioned before. So  
9 that's kind of the heart of what will be in the  
10 Expenditure Plan.

11           The Energy Commission will be reviewing  
12 these. The way it works, as they come to the  
13 Energy Commission, we will review them for  
14 completeness, project eligibility criteria, the  
15 energy savings, the SIR, technical and financial  
16 reasonableness, and once we have approved those,  
17 we will notify the California Department of  
18 Education (CDE) and the LEA that we have  
19 approved your Expenditure Plan. CDE will batch  
20 these Expenditure Plans and process them  
21 quarterly. So you will know in advance that you  
22 have approval. My understanding is that CDE  
23 will then process them quarterly and you can  
24 start working on your project as soon as you get

1 that approval from the Energy Commission, and  
2 that's I guess a common way that CDE operates.

3           And finally in this section, there is  
4 some information on if an Energy Expenditure  
5 Plan was disapproved, or if you have to go  
6 through an appeal process, I have worked on a  
7 lot of programs at the Energy Commission and we  
8 will, I'm sure, do this one the same way, we  
9 really try to work with the LEA or whoever is  
10 submitting the application, and work with you to  
11 try to resolve any issue that we would see. It  
12 wouldn't just be a blanket disapproval letter  
13 sent to you, that we would be doing some one-on-  
14 one work with you. But the process is outlined  
15 in here.

16           Okay, step 8 is really after your  
17 projects are complete, so all these steps are  
18 from the perspective of the interaction with the  
19 Energy Commission and the reporting requirements  
20 of the Public Resource Code. Project Reporting  
21 Requirements, we are requesting a simple  
22 quarterly report that will be online, that just  
23 has some pulse on these projects as you're  
24 moving forward because we know that projects  
25 don't get done in three or four months, you

1 know, they take -- it could be a year before --  
2 we know you have summer months are optimal for  
3 schools, and this is a multiple-year program,  
4 there's not a requirement that you spend the  
5 first fiscal year's dollars in this fiscal year,  
6 you have the program time to spend this. But we  
7 do want to know how you're moving forward with  
8 these projects.

9           Once the projects are done, you do have  
10 final reporting requirements, so for example, if  
11 you have an Expenditure Plan that has two  
12 schools, and let's say five projects at each  
13 school, a final report isn't triggered until  
14 that last project is done, and once that last  
15 project is done at that school, then we have  
16 another 12 months to collect that energy data  
17 because we want to see the 12 months of that  
18 utility data. So it may be a few years before  
19 we see these final reports, that's another  
20 reason we're asking for quarterly reports, but I  
21 just did want to clarify that final report  
22 timeframe and what would trigger a final report.

23           On page 26, you'll be reporting on three  
24 major things, first a Site-level energy usage,  
25 and that's the comparison of the 12 months of

1 utility data we had at the very beginning versus  
2 your 12 months after the projects are complete.  
3 That's kind of your gross over the facility.  
4 Then we want to see project level energy savings  
5 and we have several options to do that on page  
6 27. If you're receiving utility rebates, you  
7 could use through the Utility Incentive  
8 Completion Report, that would be an acceptable  
9 reporting method for Prop. 39.

10 Project level energy savings through the  
11 calculators would also be a method you could  
12 use, so for example, if you use the calculators  
13 that the Energy Commission will be having for  
14 your estimation of your projects before you  
15 start, you could use those same calculators to  
16 estimate your energy savings after, with actual  
17 numbers, you know, the actual number of units  
18 you put in versus what you estimated at the  
19 beginning. Or you could do your own M&V reports  
20 or third-party M&V reports, so there are various  
21 options for how you report that measure by  
22 measure, or that project energy savings. And so  
23 that's the project tracking part of the  
24 reporting.

25 Another level of it is audits. All these

1 projects are subject to audit and CDE will use  
2 their standard process to correct non-compliant  
3 expenditures, so these will be part of the  
4 typical CDE audit process.

5           The final sections of Chapter 2, so we  
6 started on page 27 at the very bottom of the  
7 page, these are if you have changes, if you have  
8 change of scope. What happens if your project  
9 costs increase? How do you report that to us?  
10 So we have some triggers here on the top of page  
11 28, there are five different triggers; for  
12 example, adding a project that was not included  
13 in an expenditure plan, that would trigger you  
14 having to come back and show us that you have a  
15 different project, it's very common that what  
16 you thought you might want to do, it didn't work  
17 out, and so you have another direction, but you  
18 will need to come back through the Energy  
19 Commission and get an approval for that change  
20 in project. So we have five triggers that would  
21 require that.

22           We recognize, too, that DSA, there are  
23 compliance requirements, and so those are  
24 outlined or at least discussed here on page 28.  
25 An area that we are looking into, we know that

1 going through DSA there are triggers that make  
2 compliance with ADA requirements, and add costs  
3 to your projects, and so currently the  
4 Guidelines are silent on how that works. If  
5 Prop. 39 money can be used for those additional  
6 compliance requirements, those will be addressed  
7 in the Final Guidelines, we are looking into  
8 that and working with DSA to refine this  
9 section. So I just wanted to point that out.

10           Contracts, that's another part of this  
11 last section on page 29. The Guidelines do  
12 defer to the LEA's own procurement and  
13 regulations and procedures as long as they  
14 reflected the applicable state and local laws,  
15 and are not in conflict with the minimum  
16 standards of Prop. 39 and the Public Resources  
17 Code. So you can see on page 29, there are  
18 three bullets that have specific requirements  
19 for contracting from the Public Resources Code.  
20 I'd just -- it starts on -- my apologies because  
21 I think I'm working off an older version, so  
22 thank you for telling me that, I won't make the  
23 mistake next time on my presentation -- so the  
24 last bullet on that page has the sole source, so  
25 I just want to make sure it's clear that LEAs

1 shall not use sole source process to award  
2 grants or proceeds. My recommendation is that  
3 you need to consult your counsel to see how your  
4 local procurement regulations work with this  
5 requirement, so I just want to point that out.  
6 And another question that's come up is does that  
7 just apply to energy projects? Does that apply  
8 to energy planning dollars? It applies to all  
9 funding through this program.

10           And finally, retroactive funding. For  
11 project awards, the projects need to happen  
12 after the guidelines are approved. Or  
13 basically, we need to have an approved  
14 expenditure plan and it can be for projects that  
15 happen after the Guidelines are approved, so  
16 December 19th.

17           For energy planning dollars, it's a  
18 little bit more flexible. We're saying July 1st  
19 for planning dollars, so if you submit -- or  
20 through CDE's online process request planning  
21 dollars in the end of October, that could go  
22 back and pay for an audit that you had done in  
23 August this year.

24           So we're getting to the final section of  
25 the Guideline Overview, and this is Chapter 3,

1 which are additional Prop. 39 resources. The  
2 first section is for our ECAA Program, our  
3 Energy Conservation Assistance Act. This  
4 appropriated \$28 million for this program and we  
5 were able to reduce our interest rate to zero.  
6 As I said before, too, it has a technical  
7 assistance component, so we have additional  
8 funding for technical assistance through our  
9 BrightSchools Program, and that would also be  
10 available to Community College Districts.

11 We will be announcing a Program  
12 Opportunity Notice on the ECAA loan program  
13 shortly, we're still trying to refine the  
14 details of charter schools and lease facilities,  
15 and that's been a big issue because typically we  
16 don't loan to charter schools, so we're working  
17 out the bumps of that, but we should have a  
18 Program Opportunity Notice in the next month  
19 coming out for these funds.

20 The California Workforce Investment Board  
21 has a grant program, they're going to have a  
22 competitive grant program for Learn and Earn Job  
23 Training, placement programs, and that will be  
24 targeting disadvantaged job seekers.

25 And the third category is for the

1 California Conservation Corps Energy Corps.  
2 They focus on youth ages 25 through -- I mean 28  
3 -- 18 -- I'm getting tired, I think. I'm really  
4 happy you guys get to start talking and I can  
5 take a break! This program is in development,  
6 as well, and they are planning to have some  
7 resources available to conduct energy surveys  
8 and help with basic energy efficiency  
9 measurement and project identification, so stay  
10 tuned for what comes from the California  
11 Conservation Corps.

12           And finally, we've talked over the  
13 course of this presentation about the Appendix,  
14 there's various hopefully helpful information in  
15 there. And I think the only one I really didn't  
16 talk about maybe was the first one, A, which is  
17 kind of just a visual overview of the funding  
18 allocation. And then H and I are just  
19 definitions and acronyms because there are all  
20 kinds of acronyms in the Energy and Education  
21 world. I think both the CDE and Energy  
22 Commission are learning each other's language  
23 and hopefully that is clear in here.

24           I've mentioned the schedule. We have  
25 this month of we're holding public meetings, we

1 have a few more meetings scheduled, I think we  
2 have one in LA on Monday, we have another  
3 webinar next Wednesday, then we have a final  
4 public meeting on Tuesday, October 22nd at the  
5 Energy Commission, and that's also going to be a  
6 webinar, as well. Then as we get these  
7 comments, we're going to be posting FAQs on our  
8 Prop. 39 webpage, and also I'm going to keep  
9 this up as we go through the question and  
10 answers because there are going to be questions  
11 I can't answer today because this is a  
12 complicated program, there are lots of nuances  
13 here that we haven't totally worked out, or  
14 maybe I'm hearing for the first time today.  
15 Also, if you want your comments considered  
16 through the proper channels, please send it  
17 through our Dockets, so send an email to  
18 [Docket@energy.ca.gov](mailto:Docket@energy.ca.gov). And please title it  
19 Docket No. 13-CCEJA-1, and also please include  
20 "Comments on Prop. 39." So we will be  
21 cataloguing all these comments that come in.

22 We're also looking at and providing FAQs  
23 for the more informal comments we get at these  
24 meetings, that don't come through the Docket  
25 process. Yesterday we had -- there are a lot of

1 patterns to questions, and obviously we'll be  
2 providing answers to those, and those that  
3 cannot be answered through these public  
4 meetings, so stay tuned. Our webpage is  
5 [www.energy.ca.gov](http://www.energy.ca.gov). I don't think it's up there  
6 anywhere, oh, the last part there. And actually  
7 if you go onto our main Energy Commission  
8 webpage on the left-hand side, I think Prop. 39  
9 programs is like four or five bullets down, and  
10 then if you click on -- this is our Prop. 39  
11 webpage, and I'd like to point out that the best  
12 way to stay informed is to sign up for our  
13 Listserv, Prop. 39 Listserv through that  
14 webpage. You'll get all email then, any time  
15 there is a change in the Guidelines, when the  
16 FAQs go up, any time there is new information,  
17 when the allocations are posted, so it's just a  
18 great way to stay connected to what's happening.

19           So with that, we can open up for  
20 questions. We want to make sure, as you're  
21 asking questions, Anne is going to come around  
22 with a microphone, if you could please introduce  
23 yourself before you ask your question, that will  
24 help. Is there anything else we need? Okay.  
25 Thanks.

1           MR. KESTER:  So I was reading something  
2  -- are we giving comments, as well, or just  
3  questions at this point?

4           MS. SHIRAKH:  Comments or questions.

5           MR. KESTER:  Okay.  This is Nick Kester  
6  from San Francisco Unified School District.  One  
7  just quick clarification.  The forms can be used  
8  for offices, childcare facilities and other  
9  buildings -- any building in the LEA's --

10          MS. SHIRACK:  Yes, good question.  Yeah,  
11  it's not restricted to classrooms.  Any  
12  building.

13          MR. KESTER:  All right.  One comment is  
14  it would be great -- and it came up at the very  
15  beginning, I can't remember the exact context,  
16  to know what things are recommended and what are  
17  required items, and I think you mentioned one of  
18  the charts had a best practices -- it used the  
19  words "best practices" which sounds like a non-  
20  required item, but then in your comment on that  
21  particular table, you said actually these are  
22  things we would like to see.  So if you could  
23  just be clear in the wording, when things are  
24  recommendations -- when they're recommendations,  
25  call them recommendations, and if they're

1 required, go ahead and just tell us.

2 MS. SHIRAKH: Good comment.

3 MR. KESTER: Does that make sense?

4 MS. SHIRAKH: Thank you.

5 MR. KESTER: Can I ask a few more, or  
6 should I come back?

7 MS. SHIRAKH: Go ahead. I want to also  
8 -- this records, but it doesn't amplify your  
9 voice, so if you can just talk so I can hear  
10 you. Thank you.

11 MR. KESTER: Okay. I guess I had a quick  
12 question on clarifying what would be involved in  
13 changing an Expenditure Plan in terms of the  
14 amount of work. Is there kind of an amendment  
15 form? Or are we talking resubmitting an entire  
16 Expenditure Plan?

17 MS. SHIRAKH: I don't think we have those  
18 details worked out yet. I would imagine we  
19 would, for your benefit and ours, we would try  
20 to make it the most simplistic way possible.

21 MR. KESTER: Great. Can funding be used  
22 to hire our own staff to do work; for example,  
23 buildings and grounds staff could do some simple  
24 energy retrofits that might not require  
25 contracting?

1 MS. SHIRAKH: I believe so. Again, the  
2 way the language works, you just have to follow  
3 your own program rules and, you know, if typical  
4 standard practice is that you can do your own  
5 work, I would imagine -- that's a good  
6 clarification question and we'll probably have  
7 to have that in the Q&As just because I don't  
8 want to misspeak and mislead people.

9 MR. KESTER: Sure.

10 MS. SHIRAKH: Good question.

11 MR. KESTER: So I have three quick other  
12 things. One is, I would love to see the  
13 training be bumped up a little bit higher than  
14 two percent, maybe up to five percent, and also  
15 to not just have it be training of classified  
16 staff, but all building users because, you know,  
17 secretaries and students also have an impact,  
18 obviously, on the energy use of a site.

19 MS. SHIRAKH: We had that question  
20 yesterday, too, and I think the recommendation  
21 is, if you could send that type of question  
22 definitely through our Docket process because  
23 that would require a change in legislation, and  
24 that would give us some justification and more  
25 material to use to go through that process.

1           MR. HESTER: Okay, will do. And two  
2 final ones; one is, if we want to consider  
3 disadvantaged communities, it wasn't one of the  
4 items -- I think there were like 11 things to  
5 look for in evaluating projects, and I think  
6 Senator De Leon way back in the beginning had  
7 wanted to make sure that a lot of this funding,  
8 or some of the funding, at least, is designated  
9 for disadvantaged communities. How do we take  
10 that into account? Or is that something that  
11 you even want to hear about? Or is it just  
12 something that we might internally take into  
13 account when we're deciding where to do a  
14 particular project?

15           MS. SHIRAKH: You know, I think if you  
16 want to internally use that as a criteria,  
17 that's fine, it's not mandated in the  
18 legislation, and so we're not -- we're really  
19 trying to leave this as flexible as we can for  
20 school districts and not mandating more than we  
21 need to, and more than what's required.

22           MR. KESTER: And the last one is  
23 generally specific to municipal utilities. We  
24 may have an artificially low -- well, not an  
25 artificially low -- but unusually low utility

1 rate, I know that's true for San Francisco,  
2 probably for Palo Alto, Sacramento, etc. It  
3 would be useful for us to be able to use kind of  
4 the cost of providing the power, or even market  
5 rate power, as opposed to the actual cost that  
6 our school district pays because if, for  
7 example, we have a sub-sized utility rate like  
8 we do in San Francisco, or even if your rate is  
9 just eight cents because you're lucky enough to  
10 have a municipal utility, some projects that are  
11 kind of no brainers may look like they're not  
12 cost-effective in comparison --

13 MS. SHIRAKH: They're going to be more  
14 difficult to meet that --

15 MR. KESTER: So if there was something  
16 like, you know, if you have below market rates,  
17 please use either the cost of providing the  
18 power, which your utility should be able to  
19 provide to you, or please use the following  
20 general rate, that would help us --

21 UNIDENTIFIED SPEAKER: (Indiscernible)

22 MS. SHIRAKH: I'm sorry --

23 MR. KESTER: She's just suggesting that  
24 you can modify the calculator, but --

25 MS. SHIRAKH: Yes, by having a standard

1 rate.

2 MR. KESTER: Right.

3 MS. SHIRAKH: Yeah, okay.

4 MR. KESTER: Thank you.

5 MS. SHIRAKH: Note taken.

6 MR. KERR: I'm Breene Kerr. I'm from a  
7 company called Free Hot Water. I'm also an  
8 energy efficiency consultant. So first as a  
9 comment on your Pinto comment, and very good way  
10 of putting it, however, there are other factors,  
11 I know the Energy Commission has traditionally  
12 favored energy efficiency over alternative  
13 sources, and they have good reasons for that;  
14 however, there are some particularly  
15 advantageous solar thermal rebates at the moment  
16 and school districts might be well advised to  
17 take advantage of those, and if they wait a year  
18 or two, those rebates might not be as available  
19 or as large.

20 So I would take some issue with your  
21 prioritization schedule and add that, you know,  
22 there may be unusual circumstances where you'd  
23 want to take advantage of alternative sources  
24 due to these types of programs.

25 MS. SHIRAKH: For the Expenditure Plan,

1 and I didn't bring this up, so more information  
2 comes out as I hear questions; that is a  
3 recommended sequence, but not a mandate. If you  
4 feel like there's a certain situation that makes  
5 it more advantageous to do a renewable project,  
6 or if you're in a situation where you feel like  
7 you have done all the energy efficiency and your  
8 buildings are really ready for considering  
9 solar, as part of the Expenditure Plan we're  
10 going to have a certification page, or box, or  
11 something that says, yes, I'd like to do this,  
12 and then having a narrative section where you  
13 could explain that, not just a black and white  
14 box, but a narrative where it explains your  
15 unique situation -- or your situation.

16 MR. KERR: Okay, so as long as they do a  
17 benchmark or whatever. Okay, I have a couple of  
18 questions, then. On the \$28 million that went  
19 into the zero percent fund --

20 MS. SHIRAKH: Uh-huh.

21 MR. KERR: -- is that a sub fund of the  
22 zero percent revolving loan fund that only  
23 applies to schools? Or did that add additional  
24 \$28 million to your general zero percent  
25 revolving loan fund for public agencies?

1 MS. SHIRAKH: It is going to be a sub  
2 account and --

3 MR. KERR: So it's earmarked for schools?

4 MS. SHIRAKH: LEAs eligible for this  
5 program.

6 MR. KERR: The last question I had was on  
7 the August 8, to take the two-year option, many  
8 school districts have been sort of waiting for  
9 CEC Guidelines, and they've had other things on  
10 their mind. Does that mean that they've now  
11 missed the opportunity to take the two-year  
12 option for the coming year because some  
13 deadlines passed? Or --

14 MS. SHIRAKH: Yeah, it was a really tight  
15 deadline that was part of the legislation, this  
16 August date. And it was just past July 1st, and  
17 then we had all of a sudden this August 1st  
18 date, so it was incredibly fast. Thank  
19 goodness, I mean, we had 866 LEAs out of, I  
20 think it was 1,300 that qualified for that. So  
21 to answer your question, yes, they missed the  
22 boat this year, but it will be available next  
23 year. And hopefully we'll have a little bit  
24 more lead time and it won't be in the middle of  
25 the summer.

1 MR. KERR: Okay, thank you.

2 MS. FISHER: Could you state your name  
3 for the record?

4 MR. KERR: My name is Breene, B-r-e-e-n-  
5 e, Kerr, K-e-r-r, from Free Hot Water.

6 MS. SHIRAKH: Thank you.

7 DR. IKHARO: My name is Dr. Sadiq Ikharo  
8 -- can you hear me?

9 MS. SHIRAKH: No, it does not amplify  
10 your voice, but it will be recording it for the  
11 Court Reporter. So for my benefit --

12 DR. IKHARO: Okay. As I was saying, my  
13 name is Dr. Sadiq Ikharo, I'm the Vice  
14 Chancellor for Peralta Community College. I  
15 have two questions. One has to do with the  
16 workforce development. In our colleges, we do  
17 have existing workforce programs that are  
18 ongoing, that have to do with sustainability,  
19 energy or otherwise. Now, the training, the  
20 workforce training that allows, that are  
21 valuable here in this program, how can we be  
22 able to access that? Will that complement  
23 existing course loads that we have? Or is there  
24 to be a separate amount that can be put aside to  
25 be able to have specific energy training, other

1 than the workforce development training that is  
2 ongoing in the colleges?

3 MS. SHIRAKH: Well, first I want to thank  
4 you for hosting us today --

5 DR. IKHARO: Thank you.

6 MS. SHIRAKH: -- and second, Community  
7 College Districts are really, for this first  
8 year and perhaps for the next year two through  
9 five, are under a different program than most of  
10 the Guidelines that I described today; that's  
11 for K-12. However, I know that the Workforce  
12 Development Board, they are putting together a  
13 competitive program, so this is probably one of  
14 those questions that we're going to have to  
15 clarify through Questions and Answers because I  
16 am not as well versed in what those programs  
17 will look like and how that would dovetail into  
18 what a community college is already doing.

19 DR. IKHARO: The other question that I  
20 have, so on page 29, the third bullet that has  
21 to do with sole source, in the State of  
22 California, there is AB 4217 that colleges have  
23 been using for sole source. And AB 4217 has  
24 provision that if an LEA can be able to  
25 demonstrate that there will be public hearing,

1 and that there is cost benefit analysis that is  
2 acceptable, that you can be able to use sole  
3 source. So that AB 4217 has been codified by  
4 some district to be part of their procurement  
5 policies, so if we now say here that you shall  
6 not use sole source, then there is conflict in  
7 governmental direction as to how we can  
8 implement this. Thank you.

9 MS. SHIRAKH: Thank you for your comment.

10 MR. BARR: Hi. Joey Barr, PG&E. And  
11 thank you all for attending. I was at the  
12 workshop in Fresno and I think this is a great  
13 point, thank you for bringing up that  
14 legislation. And we are going to provide that  
15 feedback and it came up in the Fresno workshop,  
16 as well, and I invite you to share that feedback  
17 because we do need to resolve this  
18 clarification.

19 Another thing that was a recurring theme  
20 in the Fresno workshop -- and I'm glad you  
21 brought this up -- I think, Nick, you brought it  
22 up -- so please clarify if I'm saying something  
23 wrong, but the expenditure plans are really for  
24 you to prioritize your projects. The CEC has  
25 some certain specifications that they're looking

1 for, they want to make sure it's cost-effective,  
2 1.05 SIR, and that the projects are doable. But  
3 they're not really mandating specific projects.  
4 So everything that they're showing you up here  
5 is recommendations, and if you decide that in  
6 your district, or for one specific LEA or school  
7 within an LEA that solar hot water is the best  
8 way to go, they're not mandating that you have  
9 to do a benchmark and an audit. Is that a fair  
10 statement?

11 MS. SHIRAKH: We want you to follow the  
12 sequencing and then the considerations. You  
13 know, we want it to be flexible. We're trying  
14 to make this flexible and, as I said before, if  
15 we have exceptions where you would be bypassing  
16 all energy efficiency and wanting to go with  
17 renewables, then that will also have to meet the  
18 cost-effective criteria and we'll ask for that  
19 certification that cost-effective projects have  
20 been considered and are not viable for whatever  
21 reason in your situation.

22 MR. BARR: Okay, thank you for  
23 clarifying. And by the way, PG&E absolutely  
24 agrees, we want to follow the loading order, and  
25 so for most of your LEAs, that means energy

1 efficiency conservation eventually looking at  
2 controls and DR, and other things, but we  
3 absolutely support that. But I think one of the  
4 things that came up in the Fresno workshop, and  
5 maybe it was said earlier, is that the CEC is  
6 not trying to turn away Expenditure Plans,  
7 they're trying to make this as flexible as  
8 possible, so I know that we hear the word  
9 "Expenditure Plan" and we think, oh, man, we  
10 have to go out and jump through a lot of hoops,  
11 and they're trying not to do that, and make it  
12 as flexible as possible. And then also, we have  
13 a few other PG&E reps here and I'll be here  
14 afterward, so one of the things we're trying to  
15 do is figure out how we can layer on your Prop.  
16 39 funds with utility support, with other  
17 funding, to make sure that you're looking  
18 holistically and at comprehensive projects. So  
19 I'm around afterward if you want to talk. Thank  
20 you.

21 MS. SHIRAKH: Thank you. And as I said  
22 at the beginning of my presentation, it is a  
23 balance trying to meet all of the statute  
24 requirements, all the Public Resources Code  
25 requirements, making this fully accountable to

1 the public where these funds are being used, and  
2 that we have energy savings to report at the end  
3 of the day versus making this a very usable  
4 friendly program, ones that LEAs will  
5 participate in, and do good projects in.

6 MS. SUNG: Hi. I'm Alice Sung, Principal  
7 of Greenbank Associates. I also work with  
8 School Districts and consulting. And thank you  
9 to the Energy Commission for this presentation.  
10 I'm learning more every time I attend one of  
11 these.

12 So my first question is, it's clear that  
13 the planning funding is what you clarified  
14 yesterday on the Webinar, it's clear that the  
15 planning funding is a one-time only funding in  
16 the five-year program. What's not clear is that  
17 the training and the energy management funding  
18 is one-time, or with each year's award. Can you  
19 clarify that that's each year's award?

20 MS. SHIRAKH: Absolutely. So for  
21 training and energy manager, that is something  
22 that's available throughout the five-year  
23 program, it would be available this year, as  
24 well as year 2, 3, 4, and 5. So that is an  
25 option that you could add in with your projects

1 every year. So for example, if you wanted to  
2 fund an energy manager, that might be something  
3 you want funding for for the five years, and so  
4 you have that ability, and hopefully over five  
5 years that becomes a sustainable position that  
6 you'll be able to maintain that through the  
7 energy savings and other cost savings that that  
8 type of position would be identifying.

9 MS. SUNG: Thank you. And the related  
10 question, then, on energy managers, it's  
11 apparent to me that the language, the intent of  
12 the legislation was to support energy management  
13 within districts internal to them; could we have  
14 an editorial correction to the Guidelines, or  
15 consider this, that the word be "Energy  
16 Managers" or "Energy Management Personnel," not  
17 limited to one person? For example, if you had  
18 a district that was of considerable size, you  
19 might actually need two or three managers for  
20 each of your geographic regions.

21 MS. SHIRAKH: Okay, thank you.

22 MS. SUNG: Thank you. Then the next  
23 question is, does the Energy Manager's 10  
24 percent or \$100,000 award include benefits? Or  
25 dose the District have to put up the 25 to 30

1 percent for benefits?

2 MS. SHIRAKH: At this point, it was just  
3 a straight cap how that was --

4 MS. SUNG: So however they can allot that  
5 money, they can utilize it?

6 MS. SHIRAKH: Yes.

7 MS. SUNG: Okay, so they could take  
8 benefits into consideration. Thank you. The  
9 next question is -- and maybe PG&E is here so --  
10 the question is, are you aware of Federal DOE  
11 data analytics or any other local utility,  
12 California utilities, producing a data analytics  
13 program that would be available for use? Joey,  
14 maybe you can --

15 MS. SHIRAKH: Yeah, I don't know. At  
16 this point, this is something that will be  
17 probably more defined in years two through five.  
18 Right now, the way it reads is "data analytics  
19 that has been verified through a utility  
20 program." I know there's been various pilot  
21 projects in different utility companies; whether  
22 those have been deemed valid, I cannot comment  
23 on that.

24 MS. SUNG: So my question would be, would  
25 you take into consideration validation from the

1 Federal DOE or, you know, some entity like an  
2 NREL Lab, or EPA -- EPA is actually working on a  
3 tool?

4 MS. SHIRAKH: Okay. We'll make note.  
5 That comment came up yesterday, as well, as to  
6 putting some criteria around what that  
7 validation means.

8 MS. SUNG: Thank you. I think I had one  
9 other question. Will the California  
10 Conservation Corps members be providing free  
11 services? It's unclear, you know, whether or  
12 not -- you know, because BrightSchools obviously  
13 can perform your energy audits for you and your  
14 surveys, and we're saying California  
15 Conservation Corps members could, as well. Can  
16 we assume that their services will be free?

17 MS. SHIRAKH: Well, their program is  
18 still in development and I don't want to speak  
19 for them. If you want to comment?

20 MR. COUCH: The California Conservation  
21 Corps will be providing free surveys. Patrick  
22 Couch, California Conservation Corps.

23 MS. SUNG: Thank you. And will they be  
24 able to be trained to have the ability to  
25 perform ASHRAE Level 2 audits, as well?

1           MR. COUCH: Initially, we are going to  
2 just offer ASHRAE Level 1, we're calling it 1.5,  
3 but energy survey aspect, but we will develop  
4 capability in about four months to use our -- to  
5 offer an ASHRAE Level 2 equivalent.

6           MS. SUNG: Maybe the following year?

7           MR. COUCH: Yes.

8           MS. SHIRAKH: Again, I'd like to remind  
9 everyone that this mic is recording your voice  
10 for our questions, it doesn't really amplify, so  
11 folks in the back of the room may not hear your  
12 question, so you either -- if you could speak  
13 loudly, or maybe move to a microphone? Thanks.

14          MS. FERRERA: Okay, I can talk loud.  
15 People tell me that, anyway. I'm Anna Ferrera  
16 with the School Energy Coalition. We represent  
17 school districts up and down the state and  
18 County Offices of Ed, and other folks who build  
19 schools. And I have a couple questions and just  
20 some concerns. One, on page 20 where you're  
21 talking about the Energy Expenditure Plan -- and  
22 let me back up -- there's three different  
23 reporting that's required for each -- it's the  
24 Expenditure Plan, it's quarterly reports, and  
25 then final report. Correct?

1 MS. SHIRAKH: That would be correct.

2 MS. FERRERA: Okay. So I'm just curious,  
3 on page 20 when you talk about \$50,000 or less,  
4 you have three options there, yearly award  
5 Energy Expenditure Plan, that's one year, and  
6 then the option 2 is that two-year bundled  
7 award, and then option 3 is the five-year  
8 complete award Energy Expenditure Plan, meaning  
9 like you're planning for the five years. And  
10 then for \$50,000 or greater, it just says up to  
11 four Energy Expenditure plans may be submitted  
12 per fiscal year. Are you not offering those  
13 options to the greater --

14 MS. SHIRAKH: I agree that this part  
15 needs clarification. I really think the intent  
16 here is -- the only difference is that the five-  
17 year option for those getting more than \$50,000  
18 not having that, because it could be just like a  
19 very large Expenditure Plan, then, I mean  
20 extremely large.

21 MS. FERRERA: But you can imagine that  
22 schools might want to do that just because  
23 planning is a good idea, but also that if you're  
24 going to have three levels of reporting going  
25 with each Expenditure Plan being submitted, that

1 you might want to just do one big one so you  
2 don't have all these planning reporting  
3 functions all over the place.

4 MS. SHIRAKH: It's complicated,  
5 definitely. And the more times you submit an  
6 Expenditure Plan, that's more for you to track,  
7 more for us to track, so I appreciate --

8 MS. FERRERA: So do you think -- are they  
9 considering that as something --

10 MS. SHIRAKH: We will be considering all  
11 of these questions and comments. I mean,  
12 especially if we hear patterns, and again, I'd  
13 really like to -- if you have a really strong --  
14 the legal way is putting it through the Docket  
15 process, but we are collecting all of these  
16 comments from the workshops and cataloguing  
17 them, and it will be part of the process. I  
18 lead the team that develops the Guidelines and  
19 we will be meeting and going through these  
20 before the comment period is even over.

21 MS. FERRERA: Okay. Second, on page 22,  
22 when you're talking about the Expenditure Plan  
23 approval process, and this is just about timing,  
24 it says -- and I didn't see it in your  
25 Powerpoint -- but it says CED will process once

1 every quarter the approved plans, and then that  
2 will take a month, and then upon completion, the  
3 apportionment package goes to the State  
4 Controller, which will draw warrants in  
5 approximately three to four weeks. And I guess  
6 what we would be interested in knowing is if  
7 there might be a process or at least articulated  
8 that schools might be able to spend money before  
9 they actually have it in their hands because  
10 this could be another six months added on to the  
11 process --

12 MS. SHIRAKH: Okay, so some clarity on  
13 the once you have that approval from the  
14 Commission, even though you don't have the  
15 check, that gives you the okay to start your  
16 project.

17 MS. FERRERA: Same thing with the DSA,  
18 you know, there's a lot of -- even though DSA is  
19 talking about streamlining, I don't think  
20 there's a lot they can do about access and about  
21 other issues that, you know, schools are going  
22 to have to follow the rules no matter what, so  
23 it would be very interesting, you know, to hear  
24 from them about how that streamlining will take  
25 place.

1 MS. SHIRAKH: Okay.

2 MS. FERRERA: And then the last thing was  
3 just on the benchmarking. My concern is you're  
4 saying that only the project that is going for  
5 funding Proposition 39 funding needs to be  
6 benchmarked; but you're also saying that, you  
7 know, the best way to do it is to measure  
8 everybody and make sure you know like 10 to one  
9 what the most efficient is. And this gentleman  
10 had the other question about renewable, and you  
11 mentioned maybe putting into a box more detailed  
12 information. I guess generally my concern is  
13 just will CEC be able to look at these things  
14 and say, "Gee, you should have picked 10 instead  
15 of 7." And I appreciate, Joey, you saying that  
16 it's just a recommendation, but for us, if you  
17 look at the disapproval process also later on  
18 22, which really wasn't outlined a whole lot in  
19 your Powerpoint either, that's a huge process to  
20 get dumped into if you don't -- if you get, you  
21 know, if someone at CEC decides you didn't pick  
22 the right project.

23 MS. SHIRAKH: Yeah. I don't think it's -  
24 - it's not our responsibility to judge whether  
25 you have chosen the right project. But we do

1 want you to try to follow some methodology and  
2 some sequencing, and that is a requirement of  
3 the legislation that you do follow some  
4 sequencing. But, again, I don't think -- what  
5 we're really looking at is, do those projects  
6 meet the SIR criteria; do they meet the cost-  
7 effective criteria; and are they technically  
8 feasible projects. Or is this some black box  
9 we've never heard of? We don't have any  
10 evidence that this has been an energy efficiency  
11 project; or, is this some, you know, project  
12 that's really not ready for prime time? You  
13 know, something like that.

14 MS. FERRERA: Right.

15 MS. SHIRAKH: Perhaps the feasibility of  
16 it. But it's really we're looking at whether  
17 they're cost-effective.

18 MS. FERRERA: Okay. I think also,  
19 because net energy benefits was something folks  
20 were thinking about, not energy benefits, excuse  
21 me, and that's been kind of reduced to a number  
22 that is kind of an add on?

23 MS. SHIRAKH: It's an add on into the  
24 calculator, so we are trying to make it --

25 MS. FERRERA: Easy.

1 MS. SHIRAKH: Easy for everyone. We  
2 looked at a variety of options to deal with non-  
3 energy benefits because that's part of the  
4 program that we want to recognize that, and  
5 after doing some analysis and some research, we  
6 came up with just doing a flat adder for  
7 everyone.

8 MS. FERRERA: Okay, this is my last one,  
9 honest. Just about the forms and the  
10 calculators. School Districts, you know, some  
11 of these folks are going to be trying to do that  
12 themselves, and those are very important pieces  
13 of information to know what the form is and how  
14 hard it's going to be to fill out, calculators,  
15 how easy they are to use, and as soon as you can  
16 get those out to us, I think then we could  
17 really tell you, gee, can we use this program or  
18 not. So whatever you can do to speed that  
19 process up would be great.

20 MS. SHIRAKH: Okay.

21 MS. FERRERA: Thanks.

22 MS. SHIRAKH: Thank you.

23 MR. HAMILTON: Daniel Hamilton with the  
24 San Francisco Bay Area Regional Energy Network.  
25 Just a couple of quick questions on here. On

1 project eligibility, I don't see any definitions  
2 in here as to what is eligible and what's not,  
3 meaning obviously a new HVAC system would be,  
4 but are individual lights considered part of a  
5 project? How about timers? How about advanced  
6 plug strips? I guess what are the criteria that  
7 schools should be using to know which measures  
8 are eligible and which measures are not?

9 MS. SHIRAKH: Again, it kind of tags onto  
10 the conversation we're having, is mandating  
11 projects or, you know, we're allowing you to  
12 choose these projects and they need to have some  
13 energy savings. They need to meet that cost-  
14 effective ratio.

15 MR. HAMILTON: So absolutely anything is  
16 eligible as long as we can show energy savings  
17 and a five percent return on investment?

18 MS. SHIRAKH: Again, I don't know if I  
19 want to say "everything," that's a pretty big  
20 word.

21 MR. HAMILTON: You're going to make a lot  
22 of people in the room very happy if you say yes.

23 MS. SHIRAKH: You know, I think we've  
24 tried to give you some guidance on typical  
25 energy projects, that's not going to cover

1 everything, that's not, you know, there's some  
2 reasonableness that needs to be considered, and  
3 I think that's the key word, "reasonableness."

4 MR. HAMILTON: The other question I have  
5 is with regards to programmatic projects, and I  
6 don't mean that to be redundant, I mean there  
7 are innovative programs that don't necessarily  
8 have established levelized savings in KW/KWH  
9 therm, that have a lot of success in utility  
10 programs; I'm thinking of things like energy  
11 competitions, I'm thinking of things like  
12 behavioral change programs, plug load controls,  
13 some are listed in here, some are not. These  
14 are a bit outside the box, but they do have  
15 measurable energy savings associated with them,  
16 however, they don't fit under the traditional  
17 model that would be captured in this, so how  
18 would you propose we either include, not  
19 include, or treat those?

20 MS. SHIRAKH: Yeah, this is really more  
21 hardware program -- for hardware, and behavior  
22 programs, although there are huge benefits and a  
23 building could be super LEED Platinum, but if  
24 it's not run properly and the occupants are not  
25 using it properly, you're not seeing all the

1 savings, I totally get that. But this is more  
2 of a hardware program. And I'm not sure if I've  
3 answered your question.

4 MR. HAMILTON: No, that's fine.

5 MR. BARR: Do you mind if I take a stab  
6 at that?

7 MS. SHIRAKH: Sure.

8 MR. BARR: This is a great question,  
9 thank you. Again, Joey Barr from PG&E. I think  
10 if you're thinking about these kinds of things,  
11 we absolutely need to provide feedback because  
12 this is an opportunity with Prop. 39 to do these  
13 kind of programs that are not falling under the  
14 IOU/CPUC mandated paradigm, and I think this is  
15 an opportunity for us to show that they work.  
16 So if you are thinking about some programs, we  
17 should provide that feedback, it's our duty to  
18 provide that feedback. And as an example, and I  
19 don't know if you covered it in the Guidelines,  
20 but with Prop. 39, we are using the baseline at  
21 existing conditions as opposed to code, which we  
22 have to use at PG&E. It's a huge win for the  
23 schools, and I think we all know that, in the  
24 real world, some of these behavioral programs  
25 and competitions do work, and so I respect that

1 we're talking about hardware, but I think it's  
2 our responsibility and opportunity to use Prop.  
3 39 that these work.

4 MS. FERRERA: Joey, can you explain what  
5 that means, as opposed to code?

6 MR. BARR: Yes. So right now, if you  
7 were to go and do a retrofit, we can provide you  
8 an incentive, let's say a lighting project, and  
9 we take the energy savings of that new light  
10 versus some baseline. And we spend a lot of  
11 time arguing about what that baseline is and  
12 it's code in many cases, and starting in January  
13 2014, Title 24 is going to kick in raising the  
14 bar for code, and we have made the argument, and  
15 I think the CEC heard it from a number of  
16 different perspectives, that we don't want  
17 schools to use code as the baseline because the  
18 energy savings is much smaller. We were able to  
19 say the schools wouldn't have done this project  
20 anyway without these funds, so let's use the as  
21 is, the older light that's been there 20 years,  
22 as opposed to the code baseline. And I think  
23 one of the issues -- what's your name again?

24 MR. HAMILTON: Daniel.

25 MR. BARR: What Daniel is bringing up is

1 we're not able to support all the programs out  
2 there, that in the real world might have energy  
3 savings because we live in a regulated  
4 environment. I think Prop. 39 is the perfect  
5 opportunity for us to push these programs. So  
6 we will be providing this feedback and I hope to  
7 see more of you do that.

8 MS. SHIRAKH: Thank you very much.

9 MR. BARANOFF: My name is Constantine  
10 Baranoff and I represent the Sacramento County  
11 Office of Education. There's three questions  
12 that I have and, depending on the answer to the  
13 third question, I may make a suggestion.

14 The first one is very simple. When  
15 you're trying to establish the cost per square  
16 foot of benchmarking --

17 MS. SHIRAKH: Uh-huh.

18 MR. BARANOFF: -- okay, one of the things  
19 that you need to provide in the format is the  
20 opportunity for school districts to determine  
21 that, from year to year, the use of facilities  
22 may have changed and therefore you have to  
23 reflect the circumstances, for example, this  
24 room, with the air-conditioning going on,  
25 depending on how many people are in here, will

1 generate so much versus as compared to  
2 classrooms and utilization from year-round  
3 programs, through after school programs and  
4 whatnot --

5 MS. SHIRAKH: Conditions change --

6 MR. BARANOFF: -- make sure that's  
7 reflected in allowing school districts, so  
8 that's an easy one, I think, okay? The other  
9 one is dealing with the cost overrun, especially  
10 the districts that have been awarded contracts  
11 and then discover, lo and behold, after all due  
12 diligence, nonetheless there's unforeseen  
13 elements, components, whether the infrastructure  
14 is today not adequate and this was not  
15 necessarily evident, and all of a sudden the job  
16 moves from a half a million dollar job to seven  
17 hundred, eight hundred. How would the district  
18 deal with the changes?

19 MS. SHIRAKH: As far as --

20 MR. BARANOFF: Cost.

21 MS. SHIRAKH: -- the cost, like covering  
22 those costs?

23 MR. BARANOFF: Right.

24 MS. SHIRAKH: Well, I'm not quite sure I  
25 can answer that.

1           MR. BARANOFF: My suggestion to that is  
2 take a look at it and allow at least, then, the  
3 districts to perhaps take this as a cost on next  
4 year's money.

5           MS. SHIRAKH: Okay --

6           MR. BARANOFF: Because you can't dry up  
7 the district at that point and say stop the  
8 project, the job is underway and there's a  
9 considerable effort. And then, in the  
10 discussion there was the point about coming back  
11 for re-approvals. The district cannot afford  
12 those delays for a variety of reasons, including  
13 not being able to use the facilities. You have  
14 to realize, a lot of this retrofit work will  
15 occur during the down time of summer or winter  
16 breaks only, and some weekends. Okay?

17          MS. SHIRAKH: Okay, thank you for your  
18 comment.

19          MR. BARANOFF: The third question is in  
20 terms of this process of input, and I heard this  
21 afternoon also from the previous discussion, and  
22 a lot of questions were simply just taken  
23 without responses, and the responses will be  
24 forthcoming, okay? And if the target is to have  
25 a closure of comments by the 25th of October,

1 and then going to the Energy Commission at that  
2 point in time, my concern is that you have to  
3 publicize the comments, or change to this  
4 Guidelines 30 days in advance of the Energy  
5 Commission meeting, right?

6 MS. SHIRAKH: That is correct.

7 MR. BARANOFF: So my question would be,  
8 so theoretically that if you're looking at  
9 December 19, November 19 is the absolute cut-off  
10 for any changes to the Guidelines, when is that  
11 discussion going to occur between the 25th and  
12 the 19th of November?

13 MS. SHIRAKH: Well, we plan to post many  
14 of the questions and answers when we get through  
15 here, before the 25th, or at least in the next  
16 couple weeks. This whole process is on a very  
17 accelerated schedule, and I hope the public  
18 recognizes that, and that's because we really  
19 are trying to get this funding available to  
20 school districts and LEAs as soon as possible.

21 MR. BARANOFF: Well, I have a suggestion  
22 for that and I really truly -- again, I've  
23 talked to a number of school districts in the  
24 Sacramento area, and they're saying, "You know  
25 what? We're rushing too fast, let's have an

1 additional 15 to 30 days in that timeframe so  
2 you clear up all these questions. There's a lot  
3 of good questions that have been posed; they  
4 need answers. You have to close the loop  
5 someplace.

6 MS. SHIRAKH: I would highly recommend  
7 you go through our Docket process --

8 MR. BARANOFF: I will.

9 MS. SHIRAKH: -- and comment. Thank you  
10 so much.

11 MR. BARANOFF: I will, but I want to  
12 publicly state this here, as well, that you have  
13 to close the loop because this is a large  
14 undertaking --

15 MS. SHIRAKH: It is.

16 MR. BARANOFF: -- for many districts,  
17 more importantly, and one thing that the  
18 government doesn't want is a top down type of  
19 approach to this.

20 MS. SHIRAKH: We appreciate your input.

21 MR. BARANOFF: Thank you.

22 MS. FERRERA: Can I elaborate on his  
23 second point?

24 MS. SHIRAKH: Okay. Let's get the  
25 microphone over here.

1 MS. FERRERA: Just on his second point  
2 about square footage, also right now, speaking  
3 of the Governor, we have this LCFF and LCAP  
4 process for schools that's going forward. I  
5 don't even think school districts know what's  
6 going to hit them yet --

7 MS. SHIRAKH: Can you tell us what that  
8 acronym stands for?

9 MS. FERRERA: It's Local Control Funding  
10 Formula. And part of that, the LCAP piece of it  
11 are these plans that need to go forward. Part  
12 of it means that there's going to be reduced  
13 class sizes for many schools. And so what  
14 you're going to be doing is you're going to have  
15 sites that are going to have to build walls and  
16 create classrooms to accommodate smaller class  
17 sizes, and so the timing of this is kind of  
18 weird because what's going to happen is we may  
19 be measuring things based on one piece, but then  
20 have to redo our sites on LCFF. And I know  
21 you're concerned about timing, but schools may  
22 be waiting to find out, you know, to use the  
23 funding once they find out what some of this  
24 might mean for them. And I think that's an  
25 important point that, you know, it's just that

1 language of energy and schools right now, I  
2 think, is a piece that we're waiting to figure  
3 out, as well. Thanks.

4 MS. SHIRAKH: Thank you.

5 MS. ZIMMERMAN: My name is Carly  
6 Zimmerman and I'm with Strategic Energy  
7 Innovations. We're a nonprofit in San Rafael.  
8 And we're working to create resources that we'll  
9 provide to school leaders so that they can  
10 capitalize onto the opportunities provided by  
11 Prop. 39, so I have three main questions.

12 My first is regarding funds for training  
13 which has been capped at a thousand dollars.  
14 And what we've seen to be the proven effective  
15 training method has been the BOC, Building  
16 Operator Certification, which comes in at \$1,400  
17 per person, and for larger LEAs, we'd recommend  
18 that they train up to four personnel. And  
19 people who are certified in the Building  
20 Operator Certification Program see 12 to 20  
21 percent savings typically just through energy  
22 conservation practices, alone. So that leads me  
23 to my second question, which is whether Prop. 39  
24 funds can be used to launch or support energy  
25 conservation measures, or conservation

1 initiatives, as opposed to energy efficiency.

2 So it's more behavioral.

3 MS. SHIRAKH: Behavior ties into the  
4 conversation we had over here, yeah.

5 MS. ZIMMERMAN: Right. And then the LEAs  
6 will be required to submit progress reports and  
7 I'm wondering if there will be any consequences  
8 or else resources if schools or if projects are  
9 underperforming.

10 MS. SHIRAKH: Well, at this point it's a  
11 quarterly report and it would be, the way we see  
12 it, is something very simple that could be  
13 easily filled out, just with minimal  
14 information, especially at first because you  
15 might not have a lot of information to report.  
16 I think it's more of -- it's not structured to  
17 be penalizing, it's structured just to head off  
18 any -- to have some kind of communication  
19 because there aren't a lot of times to check in  
20 to see how the projects are going if you just  
21 have an Expenditure Plan at the beginning and  
22 three years later you have a final report. So  
23 it's just -- it's designed to be a way of having  
24 some feedback through the process so we can  
25 report on that because the California Energy

1 Commission is also required to report to the  
2 Citizens Oversight Board annually, and it will  
3 be critical to know where these projects are  
4 before we get to those final reports.

5 MS. ZIMMERMAN: Right. And if there were  
6 some underperformance in the final reports, or  
7 along the way, that might be a good time to tie  
8 in resources for energy conservation behavioral  
9 efforts, resources. And then just one last  
10 thing, a colleague recommended that MPV might be  
11 more accurate analysis as opposed to ROI.

12 MS. SHIRAKH: Okay. Thank you.

13 MR. CHERRY: Jonathan Cherry from the  
14 City of San Francisco Public Utilities  
15 Commission. Just two things. First, I just  
16 wanted to add on to what Daniel from BAREN and  
17 Strategic Energy Economics were saying about the  
18 value of behavioral programs, and I wonder if  
19 there's a way either within the definition of  
20 training, or some other way within the context  
21 of the Guidelines as they've been written, to  
22 allow that flexibility, and maybe it's something  
23 like, you know, within the bundled projects at a  
24 given school, that if a district could find a  
25 way to work some of these more conservation

1 minded programs, or behavioral programs in a way  
2 that the package of projects still met the  
3 payback, maybe that could be a way to approach  
4 it, or to expand the definition of training like  
5 has been brought up. And we'll submit those  
6 comments, but it's just a suggestion.

7 MS. SHIRAKH: Thank you.

8 MR. CHERRY: The second question is just  
9 to follow up on the topic of planning activities  
10 and particularly energy audits. For a larger  
11 LEA, if I'm understanding correctly, you won't  
12 be able to have a five-year plan, five-year  
13 approvals, but for now the application for  
14 energy audit funds will just be in the first  
15 year? Is that right?

16 MS. SHIRAKH: So the way it's designed  
17 right now is that the energy planning funds that  
18 will be available for that option soon, like  
19 this month, that opportunity will be this first  
20 year, this first fiscal year of the five-year  
21 program. And as it's currently designed, this  
22 would be a one-time opportunity.

23 MR. CHERRY: Okay.

24 MS. SHIRAKH: However, those funds can be  
25 used throughout the five-year program, you could

1 keep those in reserve and use them throughout  
2 the five years. Does that provide some clarity?

3 MR. CHERRY: I think so. Well, I think  
4 that was my question, was the amount of funds  
5 set aside specifically for energy audits, is  
6 that intended to last for five years? Or is  
7 there going to be a decision at a later -- I  
8 just --

9 MS. SHIRAKH: At the time, this is the  
10 way it is designed. And we'd like -- twofold --  
11 we'd like LEAs to start planning and to start  
12 looking at how to use these funds and plan for a  
13 five-year program. Also, we want to have some  
14 method of directing the majority, so it would  
15 be, you know, only 20 percent of the funds will  
16 go through planning and the 80 percent will be  
17 going to energy projects with energy savings.  
18 And so we're trying to keep some balance with  
19 having funds available for planning, but yet  
20 having funds that actually go to energy savings.

21 MR. CHERRY: Thanks, that's helpful. And  
22 I guess just to find a point, I think in that  
23 balance I think we'd recommend also taking into  
24 account that in some cases it might be  
25 beneficial to wait to do an audit so that it's

1 not four years out of date before the work is  
2 done, so --

3 MS. SHIRAKH: Absolutely.

4 MR. CHERRY: -- if there's some way to  
5 encourage not doing all the audits now --

6 MS. SHIRAKH: And that's why that's  
7 allowed to keep in reserve. They can request it  
8 now and keep it in reserve and use it two years  
9 from now.

10 MS. LONDON: Hi. I'm Jody London. I'm  
11 from Jody London Consulting and I also serve on  
12 the Oakland School Board. I'm willing to bet  
13 I'm one of the few elected officials from a  
14 School Board who has been at one of these  
15 workshops.

16 And my question is around the planning  
17 funds, as well. So it says on page 6 that the  
18 funds will be -- that the State Superintendent  
19 will start releasing the funds in November, and  
20 then February, and then an additional request.  
21 But how does that happen if you, the CEC,  
22 haven't approved a plan yet?

23 MS. SHIRAKH: Okay, yeah, thank you for  
24 asking that because obviously it's not clear.  
25 So the energy planning dollars aren't going to

1 be coming through an Energy Expenditure Plan  
2 like a project; so this is going to be a very  
3 simple process for requesting these energy  
4 planning dollars. CDE will be releasing the  
5 total allocation, final allocation amounts in  
6 the next week or so, and at that time on their  
7 website they will have similar to how it was in  
8 August where LEAs could bundle the first year  
9 and year two funding, a simple process where an  
10 LEA would go into their website and could just  
11 request X amount of dollars and there's not an  
12 analysis or even how you're going to -- a  
13 justification for how this is going to be spent,  
14 it's just an upfront advance for the energy  
15 planning dollars. And so that's the methodology  
16 that -- it's not going to be coming through the  
17 Energy Commission, the energy planning dollars,  
18 at all. How that will be tracked is kind of on  
19 the back end. So year 2, or when you -- it will  
20 be tracked on an Expenditure Plan as you submit  
21 those to the Energy Commission, and you have  
22 spent some energy planning dollars, that's where  
23 you report it to us, and so we can track it  
24 because the Energy Commission is tasked with  
25 tracking and publicly having a database that's

1 publicly accessible to have full transparency of  
2 how, who and when these funds were spent.

3 MS. LONDON: Okay, and then I have one  
4 more question. And I'm not trying to be  
5 difficult about the Expenditure Plans, but I'm  
6 not totally getting it. So if I submit an  
7 Expenditure Plan, can I update it? Or like  
8 every time I come up with a different project, I  
9 have to give you another plan? It seems like it  
10 would make more sense to just say, "I'm going to  
11 update my plan, you know, it's year 3 of the  
12 program, I realize I just had three boilers  
13 blow, I need to do these boiler replacements."  
14 Or, I don't know what. I'm just --

15 MS. SHIRAKH: Mine -- the way I guess I  
16 wrap my head around it, it's kind of like an  
17 application. And that's why we had some various  
18 -- so we had these options 1, 2, and 3, and then  
19 we said, well, LEAs like Oakland Unified,  
20 obviously, is going to probably be -- I don't  
21 remember where it falls, but I'm sure it's going  
22 to be over \$50,000, so this is the fourth tier,  
23 and you're going to have a lot of money. And  
24 you -- it gives you the option of submitting --  
25 you could submit one expenditure plan per year,

1 so this first year, Oakland Unified submits one  
2 plan with the total allocation on it, or if it's  
3 more advantageous for you to submit two and have  
4 some money in reserve for these emergencies that  
5 come up, that's okay too. We're trying to build  
6 some flexibility and not mandating a specific  
7 one.

8 MS. LONDON: Okay, that's great. And  
9 thank you for your work on this, I know you're  
10 spending a ton of time on it, so...

11 MS. SHIRAKH: Well, thank you.

12 MR. STRANTA: Good afternoon. I'm Jerry  
13 Stratton from Salinas City Elementary School  
14 District, the Assistant Sup. And first of all,  
15 thank you very much, we know more about this  
16 project than we do about LCFF right now, and  
17 it's really frustrating, I will tell you that.  
18 It's absolutely terrible, you know, if you want  
19 to ask for a year's postponement, that's where  
20 we need to be with that. But that's a whole  
21 different topic.

22 One item about LCFF that was mentioned,  
23 though, is the smaller class sizes, class size  
24 reduction for K through 3. That has the real  
25 potential to skew data in terms of improvements

1 or energy efficiency because, for example, I  
2 have 13 schools, I'll add a teacher in each  
3 school to reduce class size every year, so  
4 potentially that could be a four percent  
5 increase, or three percent maybe increase, after  
6 you take off the central office overhead and the  
7 cafeteria at that site for the next year, that  
8 has to be factored into any improvements that we  
9 make. And my next comment would be, we're  
10 looking for innovations on your Appendix -- or  
11 Exhibit B, beyond those, if you could add more  
12 things? You know, I've just finished now, last  
13 Saturday, hooking up all 13 schools with 90  
14 percent solar, getting off the grid, and so we  
15 want to go beyond that. So if there's more  
16 things, we would like to see that.

17 MS. SHIRAKH: So innovative section.

18 MR. STRATTON: Yes. And then finally, if  
19 you could publish periodically lessons learned  
20 with the reality versus the expectation, I think  
21 we'd all appreciate that. You know, we get  
22 sales pitches from lots of folks about saving  
23 the world and the reality is that the data comes  
24 out a little differently. And some of it comes  
25 out better. And so we'd like to reinforce

1 success and not make the mistakes of the ones  
2 that don't measure up. Thank you very much.

3 MS. SHIRAKH: Well, thank you very much.

4 MR. KUBISCHTA: Yeah, my name is Duane  
5 Kubischta. I'm with kW Engineering. We're an  
6 energy services consultant and we're also the  
7 lead technical consultant for the BrightSchools  
8 Program. So if anybody has any questions for  
9 that, please feel free to come up afterwards.

10 I have what I think is a comment on in  
11 terms of project identification. It says the  
12 LEA shall choose one of the following three  
13 options, that's energy surveys, level 2 audits,  
14 and analytics. I would guess that the intention  
15 is to use all three of those as best as your  
16 funds can, to sort of come up with a portfolio  
17 of what's going to work. And I guess I'm  
18 wondering if you can comment on that, if the  
19 intent there is to have the flexibility to use  
20 all those, to come up with the best plan for the  
21 LEA, or is it -- I mean, it also comes back to  
22 what Nick was saying in terms of the language,  
23 the "shall" seems like it's a requirement.

24 MS. SHIRAKH: The intent is that there  
25 are options and you can choose one or more

1 options, so obviously we need to do some  
2 clarification there. I think what we wanted to  
3 -- we didn't want the intent to be that you had  
4 to do an ASHRAE Level 2 audit for every project.  
5 We wanted to build in some flexibility for more,  
6 you know, just a survey, a walkthrough, maybe a  
7 district is very clear on what they need now,  
8 and they don't need an ASHRAE Level 2 audit.  
9 And so we didn't want to make that a mandated  
10 requirement. So the intent was to have these  
11 options as more of a menu of ways that you could  
12 do project identification. So maybe the  
13 language needs some wordsmithing.

14 MR. KUBISCHTA: Great. Thank you.

15 MR. CHIA: Dan Chia with Solar City.

16 Thanks so much for Energy Commission's hard work  
17 on these Guidelines in such an expeditious way.

18 MS. SHIRAKH: Yeah, I'm sorry, I'm going  
19 to need to remind you it's not an amplifier and  
20 you have a soft voice.

21 MR. CHIA: I have a deep voice. And for  
22 the flexibility that's embedded in these  
23 Guidelines, very much appreciate that. I have a  
24 couple of questions and a comment, first does  
25 the generation portion of the Guidelines

1 contemplate virtual net metering types of  
2 projects? And then, the sort of related  
3 question is, on the Energy Conservation  
4 Assistance Act portion of the Guidelines, are  
5 Power Purchase Agreements permitted? There is  
6 some language that would imply that they are  
7 not. So two questions on that.

8 MS. SHIRAKH: The first question, I think  
9 I'm going to have to default to our questions  
10 and answers that will come out later, and I'm  
11 not sure I feel I could answer that for you.  
12 The second question is on our ECAA loan program,  
13 is that correct, and that you are wondering if  
14 Power Purchase Agreements would be an acceptable  
15 way of meeting that. So I guess I'm a little  
16 confused on how that would work. I'm trying to  
17 wrap my head around that.

18 MR. CHIA: With the ECAA monies, can they  
19 go to finance Power Purchase Agreements?

20 MS. SHIRAKH: My understanding of a Power  
21 Purchase Agreement is a third party would come  
22 in and pay for the system, and it would be  
23 located on a school, and the school would then  
24 be paying a set established rate, and so the  
25 loan would be used for paying that? I'm trying

1 to figure out how this works.

2 MR. CHIA: That's basically right. The  
3 project would be owned and operated by the solar  
4 developer, for example, and the school would be  
5 paying energy payments essentially.

6 MS. SHIRAKH: Okay. Currently -- so now  
7 I'm clear on your question, so now I can answer  
8 it -- and so that is not an eligible project.  
9 We have funded solar through our ECAA program  
10 often, and it is always owned and operated by  
11 the School District.

12 MR. CHIA: So I've been trying to get  
13 clarification from the Energy Commission on this  
14 question, and I guess your response is the most  
15 definitive I've received thus far --

16 MS. SHIRAKH: Maybe I should go back to,  
17 you know, put a disclaimer on that answer and  
18 I'll get back to you and make sure I've not  
19 answered it improperly, but --

20 MR. CHIA: Well, what I've learned thus  
21 far --

22 MS. SHIRAKH: -- that's my feeling, so  
23 I'll come back with an official answer through  
24 the Qs and As.

25 MR. CHIA: Thank you. Depending on the

1 source of funding, say bond funding for example,  
2 PPAs I think were typically not allowed. Now,  
3 Prop. 39 funding is obviously different funding  
4 source, so the preliminary information was that  
5 possibly PPAs could be financed, so...

6 MS. SHIRAKH: So we will provide some  
7 clarification on that. You know, I think it  
8 would be difficult to try and make that work,  
9 but I'll get some clarification.

10 MR. CHIA: Thank you. The last comment  
11 is on the DSA fees. I realize you guys are  
12 still working that out, I would just comment  
13 that in our experience the permit fees,  
14 experience from DSA, are extremely high, they're  
15 on average three times what a typical local  
16 government would charge. For example, a 250 kW  
17 project would cost about \$10,000 in permit fees  
18 from DSA, not including any of the other sort of  
19 requirements on access or disability  
20 requirements, for example. After June of this  
21 year, those fees will go up, well, I'm sorry,  
22 June has already passed, but those fees now  
23 would be \$1,000 higher; just for purposes of  
24 comparison, a local government would typically  
25 charge about \$3,000 for, say, a building permit

1 fee of this sort, so we would highly encourage  
2 you to work with DSA to see if we can sort of  
3 reach parity with those permit fees, so that  
4 taxpayer dollars aren't really spent on -- can  
5 go towards actual projects, and not fees.

6 MS. SHIRAKH: Okay. Thank you so much  
7 for your comment.

8 MR. CHIA: You're welcome.

9 MR. JONES: Hi. Lew Jones, Berkeley  
10 Unified. I have two questions. One question is  
11 about integrating these funds with other parts  
12 of a project, so having a project that is  
13 replacing the boiler, but also doing other  
14 things. How does it work?

15 MS. SHIRAKH: Well, we are -- you will  
16 need to separate the costs because, to do that  
17 cost-effectiveness determination, you'll have to  
18 have those costs split out so you can calculate  
19 your savings to investment ratio. So my advice  
20 would be to have some itemized bid on that so  
21 you could see what those costs are.

22 MR. JONES: But it's really a total  
23 project cost because you have a piece of the  
24 architect, you have a piece of the inspector, a  
25 piece of all those things. So in order to try

1 and have an effective project and, to a certain  
2 extent, this may affect the DSA question about  
3 access because you're doing a larger scale  
4 project. So the question is, is there a way to  
5 do it from, you know, at the end the contractor  
6 gives you a fixed number on it, and then that's  
7 the percentage you use for the purposes of  
8 determining a value.

9 MS. SHIRAKH: Can you repeat Alice's  
10 comments so we can --

11 MR. JONES: The issue is using the  
12 project or the construction value and then using  
13 a percentage of that construction value to  
14 allocate the soft costs on the project, which  
15 are the inspector, and the DSA fees, and  
16 everything else. So is that allowable? Or is  
17 it still murky in there?

18 MS. SHIRAKH: I think it's still murky,  
19 but I appreciate you -- I understand the  
20 complexity and what we're asking just makes it  
21 difficult, it's just that we have to have some  
22 measure of cost-effectiveness and --

23 MR. JONES: I think having the measure is  
24 great, I just think it would be also great if  
25 you put it in what the methodology is allowable

1 to do it, because I think that that will work  
2 fine.

3 MS. SHIRAKH: Thank you so much for your  
4 comment.

5 MR. JONES: So my second question really  
6 is about what the LEA needs to go through in  
7 order to be able to apply for the funds. So is  
8 it really you have to go through the Board to do  
9 this, does it get deferred to a staff member?  
10 What is the process to be able to both  
11 prioritize, as well as submit?

12 MS. SHIRAKH: Well, I think that question  
13 is probably better answered by the protocol of  
14 your school district. There will be  
15 certification and authorizations, you know, at  
16 some level. At this point in time, I have not  
17 heard any discussions of having a governing  
18 board resolution, but obviously the front of the  
19 Expenditure Plan will be an authorized  
20 representative from the district to sign off,  
21 and that's dependent probably on your particular  
22 protocol.

23 MR. JONES: So there's no new things from  
24 you guys, so -- I mean, DSA sometimes says the  
25 Superintendent has to do something, sometimes

1 the Board has to do something, sometimes  
2 everybody else can do things, so there will be  
3 no new regulations as far as you know?

4 MS. SHIRAKH: No. Typically the Energy  
5 Commission either has a governing board  
6 resolution, for example, on our ECAA loan  
7 program, or to apply to our BrightSchools  
8 Program, and then has an authorized school  
9 representative as the signature on the  
10 application.

11 MS. FISHER: I had a reminder from our  
12 Court Reporter that if you could sign in on the  
13 sign-in sheet, or make sure that you do so  
14 before you leave, so that we make sure that we  
15 have the spelling of your name correct.

16 MS. SHIRAKH: Okay, I'm just going to  
17 repeat it. We're asking if you could just make  
18 sure that you have signed in over here and that  
19 way, when the Court Reporter is documenting this  
20 meeting, we have the correct spelling of your  
21 name and we have a record of everyone who was  
22 here. Thanks.

23 MS. OWENS: My name is Meredith Owens.  
24 I'm with Alameda Municipal Power. And we, in  
25 2010, spent a lot of our ARRA funds on a

1 detailed energy audit of our school district, so  
2 the question is can we use that audit in place?  
3 We don't want to do another one.

4 MS. SHIRAKH: Yes, and an easy question,  
5 thank you.

6 MS. OWENS: Okay, one more. And it was  
7 done in 2010. Would you require any updates?  
8 Or I guess that's a question for the  
9 Superintendent's Office, or the California  
10 District --

11 MS. SHIRAKH: You know, we have talked  
12 about we need to -- and sometimes I can't  
13 remember if it's in here or not, but I think we  
14 were talking about putting something like a  
15 three to five-year time period, or a three-year  
16 time period as an audit that was done within  
17 that period of time would still be valid. So I  
18 can't tell you if there would be any -- I think  
19 the one change for sure would be you would need  
20 to use the information from that audit and  
21 calculate your savings to investment ratio, but  
22 all the information you'd need for that would be  
23 in there -- or should be in the audit, I should  
24 say. And so it sounds like you're ahead of the  
25 game.

1 MS. OWENS: Thank you.

2 MR. CONSTANTINE: I'm Sachu Constantine  
3 with California Center for Sustainable Energy.  
4 I also want to thank you for all the work that  
5 CEC staff has done, and we're looking forward to  
6 continuing to work with you on the planning.  
7 The question from Berkeley Unified actually  
8 highlighted one of our deep concerns about the  
9 overall program. It's one thing if you can  
10 figure out how to allocate costs to get to your  
11 savings ratios that you need, the cost benefit  
12 ratios that you need, but there's also benefits  
13 -- and if you take a project in isolation that  
14 will be funded by the Prop. 39 funds, and taken  
15 out of the context of a larger school-wide deep  
16 retrofit, you may lose a lot of the value of  
17 that project in terms of what it means for the  
18 permanency and the long term savings that are  
19 available; for example, there are many many  
20 schools across the state that have temporary  
21 housing for classrooms. You could see a  
22 situation where you could improve the efficiency  
23 of those temporary school units, classroom  
24 units, very easily. You could get your cost  
25 benefit ratios. But is that really permanence

1 for the school district? Is that really what  
2 we're looking for with Prop. 39 funds? So our  
3 concern is that, albeit manageable and workable  
4 way to get to a cost benefit ratio, and we do  
5 have to consider that, is in place, I think it  
6 misses some of the bigger deep retrofit  
7 opportunities that are out there when you  
8 combine these Prop. 39 funds with larger  
9 projects around the school. And so it would be  
10 one thing -- it's very important to get those  
11 costs allocated properly for the Prop. 39  
12 funding, but you also have to figure out how to  
13 properly achieve the maximum benefits, so I  
14 think that's what we would like to work with you  
15 on and it sounds like a lot of folks here are  
16 thinking about those broader opportunities.  
17 Thank you.

18 MS. SHIRAKH: Okay, thank you. I want to  
19 thank all of you for continuing to participate,  
20 I know we're two hours into it and have more  
21 questions, so thank you.

22 MS. TOM: My name is Yvonne Tom. I'm  
23 with Alameda County Office of Ed. And in Center  
24 for De Leon's Walking Tour, he had mentioned,  
25 and so had Alice, about indoor air quality, and

1 I notice it is now dropped out of the Draft, so  
2 that if the indoor air quality is really poor,  
3 can we use Prop. 39 funds to improve it?

4 MS. SHIRAKH: And so, for example --

5 MS. TOM: They happen to be next to BART,  
6 and so all the air is really -- so they actually  
7 have gone out and documented that it's really  
8 very poor quality, and I remember in Senator De  
9 Leon and Alice's presentation as a member of the  
10 Green Building Association, that we are trying  
11 to improve indoor air quality.

12 MS. SHIRAKH: And what is your proposal?

13 MS. TOM: Well, it's not mine, it's with  
14 the school district. So they're proposing to  
15 put in air-conditioning, so actually it would  
16 increase the energy, but it would take care of  
17 the poor air quality. And so that's the  
18 question.

19 MS. SHIRAKH: Yeah, you know, I don't  
20 think I'll be able to -- this forum is --  
21 there's going to be a bazillion unique  
22 situations --

23 MS. TOM: So I should send you a letter?

24 MS. SHIRAKH: Yeah, project specific  
25 questions are really tough to answer right now,

1 but I do appreciate the situation you folks are  
2 in. That's tough.

3 MS. TOM: Okay, thank you.

4 MS. SHIRAKH: Thank you.

5 MR. KELSEY: Hi. I'm Jim Kelsey,  
6 President of kW Engineering. And I guess I have  
7 a few questions and comments. One of them is on  
8 clarity of loading order requirements. I'm  
9 concerned that we need some kind of a bright  
10 line there. I think it's perfectly appropriate  
11 for school districts to be considering renewable  
12 energy options, along with energy efficiency,  
13 but I do have a lot of concern about the -- what  
14 did you call it -- the spoiler on the Pinto.

15 MS. SHIRAKH: Maybe I shouldn't have said  
16 that.

17 MR. KELSEY: No, I like it. The last  
18 time that we saw some kind of vague  
19 interpretation of that policy was during the CSI  
20 program, and what ended up being the way that  
21 the program rolled out was, in order to get an  
22 incentive for your solar system, the minimum  
23 requirement was you did an online audit which  
24 basically most of the solar vendors got very  
25 good at sitting you down in front of the online

1 audit, and going through that as fast as  
2 possible, click, click, click, get to the end,  
3 print out the report, okay, you've met the  
4 loading order requirements. And so I would hate  
5 to see us end up someplace like that. I think  
6 the intent of the CEC is a much more concerted  
7 effort than that. So that's just one comment.

8           Similarly, you mentioned kind of at the  
9 tail end of the reports, some M&V Guidelines,  
10 and there's -- I would like to see more clarity  
11 around that. Personally, we at the Energy  
12 Efficiency Industry Council actually spoke to  
13 not requiring M&V as part of this whole process  
14 because it's potentially expensive, you're  
15 asking districts that don't have experience with  
16 M&V to do it, and I'm concerned about there not  
17 being direct guidelines. So I guess my  
18 recommendation is, if we're going to require  
19 M&V, if we really need that for this program,  
20 that it be super simple and clear.

21           MS. SHIRAKH: I agree that that section  
22 needs to be -- I think the intent is it's more  
23 energy savings reporting, and I think that the  
24 terms M&V can be daunting --

25           MR. KELSEY: Right.

1 MS. SHIRAKH: And obviously expensive,  
2 too. The intent is to have some simple options  
3 to report your energy or estimated energy  
4 savings resulting from these projects, and if a  
5 district wants to go out and do third-party M&V,  
6 that option is available, but not a mandated  
7 option. But I think there needs to be some  
8 wordsmithing there and some clarity on what is  
9 required and what is just an option, you know.

10 MR. KELSEY: Great. That's great news.  
11 Yeah, because I think a lot of districts don't  
12 -- they wouldn't know what they were getting  
13 into in terms of how much potential time and  
14 expense that might be.

15 MS. SHIRAKH: And it can be.

16 MR. KELSEY: Yeah. And then the third  
17 comment, I'm going to follow up on Duane's  
18 comment on the energy analytics. I really see  
19 the data analytics as an appropriate step prior  
20 to an energy audit, not an "or," and I really  
21 take issue with no touch energy audit. I'm the  
22 author of ASHRAE's Guidelines on what the  
23 definitions of level 1 and level 2 audits are,  
24 and in my mind a "no touch" audit is not an  
25 audit.

1 MS. SHIRAKH: The intent of the  
2 Guidelines was not to infer that a no touch  
3 audit is equivalent to an ASHRAE level 2 audit,  
4 it's a survey that would lead you in a direction  
5 where you should have an ASHRAE 2 level audit.  
6 It is written in the legislation that data  
7 analytics can be considered, so we need to honor  
8 that and have it as an option. But it's an  
9 option that should be looked at as more of a  
10 cursory review, and pointing you in potential  
11 directions.

12 MR. KELSEY: Great. Thanks very much.

13 MS. SHIRAKH: Thank you.

14 MR. KELSEY: I don't envy your job today.

15 MS. SUNG: Thanks, just quickly, Alice  
16 Sung again. I echo Jim's comment about the M&V  
17 and one of my questions was that it seemed as  
18 though the energy reporting was not really an  
19 end use energy reporting, but it was actually  
20 reiteration of what the deemed savings, the  
21 calculated deemed savings were. Oh, I'm sorry,  
22 I was just trying to find it on the page,  
23 somebody help me, look for the reporting of it,  
24 it doesn't seem to require real actual tracking  
25 of after construction 12 months period of energy

1 use; it merely asks you to reiterate the  
2 calculated deemed savings. So I question  
3 whether that is even --

4 MS. SHIRAKH: That's an option. If you  
5 want to use, you know, like the calculators, but  
6 --

7 MS. SUNG: Why wouldn't you just use the  
8 --

9 MS. SHIRAKH: It's an option to --

10 MS. SUNG: -- to fulfill your reporting  
11 requirements.

12 MS. SHIRAKH: No. The way I look at it,  
13 and maybe I'm naïve is that I know projects look  
14 one way when they're thought of, and then the  
15 reality is you did something a little different,  
16 not totally different, but maybe you changed the  
17 lighting for 40 classrooms instead of 30, you  
18 know, or something like that. But I think what  
19 I'm hearing you say is we need to have energy  
20 saving measurements that have value, and that  
21 there's meaningfulness behind them, yet not so  
22 onerous that it, you know, requires third party  
23 M&V.

24 MS. SUNG: Yes. And I think the tracking  
25 of the actual energy use data as a metric

1 itself, literally how many kwh and how many  
2 therms the next 12 months is, should be  
3 reported. And you shouldn't allow the loophole  
4 that they can simply choose to report the  
5 calculated deemed savings.

6 MS. SHIRAKH: Okay, so maybe I need to  
7 clarify that -- and I should be, of anyone, to  
8 be able to tell you what page that's one. I  
9 wake up in the middle of the night dreaming  
10 this, so that's not a good thing.

11 MS. SUNG: Anyway, that would be my  
12 suggestion that you --

13 MS. SHIRAKH: The site requirement is a  
14 mandatory requirement, and then the second  
15 bullet on there where we had the four options  
16 was maybe the second layer of reporting.

17 MS. SUNG: And to leave -- and this is  
18 what I think yesterday in the webinar I asked  
19 you, it would be great because we could help you  
20 make the forms more, you know, address  
21 everybody's concerns if we could see the  
22 templates and help you formulate the drafts of  
23 the templates of these forms in the calculators  
24 because then you could, say, leave a line  
25 underneath, say, "If you did not come up with an

1 actual use of 1.05 for SIR, explain why. "It  
2 was a really hard year." "I added a wing." "We  
3 had a huge influx of kids." "A fire burned us  
4 down." You know, there's reasons why, right?

5 MS. SHIRAKH: Absolutely --

6 MS. SUNG: And performance doesn't always  
7 match estimated deemed savings, you know, on a  
8 calculation basis, so if you allowed us the  
9 opportunity to explain that --

10 MS. SHIRAKH: Having a narrative,  
11 absolutely.

12 MS. SUNG: That -- actually that database  
13 in the third year of this program in and of  
14 itself I think would be highly valuable to the  
15 Energy Commission. So, thank you.

16 MS. SHIRAKH: Thank you.

17 MR. BARR: Hi. Joey Barr again and I'm  
18 only talking because I represent PG&E and we  
19 were at the workshop in Fresno, and there were  
20 some recurring themes, and so, Jim, thanks for  
21 that thought, and Alice, we absolutely agree  
22 with you and we're going to provide some  
23 comments and it sounds like you agree with us  
24 that the M&V portion needs some more  
25 clarification. I think at the end of the day

1 the CEC is going to have to show the Citizens  
2 Oversight Board that this was cost-effective and  
3 so getting away with M&V requirements  
4 altogether, I'm not sure will address that, but  
5 I agree with you, we don't want to make it too  
6 onerous and complicated.

7 Alice, one of the things that we are  
8 definitely trying to stress is that billing  
9 analysis on its own is insufficient, so you  
10 can't just look at the bill beforehand and the  
11 bill after because of so many changes that might  
12 happen, and you're not comparing apples to  
13 apples, it's more like apples to broccoli. But  
14 I really do like the Pinto analogy, I'm going to  
15 start using that. So I think --

16 MS. SHIRAKH: There was one takeaway  
17 today.

18 MR. BARR: I think we all need to provide  
19 comments to ask for clarification on the M&V,  
20 and there needs to be something, but not  
21 onerous. And one other thing, it's been a  
22 recurring theme in both these workshops, we  
23 don't want you to think about Prop. 39 funds in  
24 a silo, we want you to think about Prop. 39  
25 funds and the whole reason that we're here today

1 is think about utilizing the utility rebates,  
2 the other funds that you have, and think  
3 holistically, so if a project is appropriated  
4 for Prop. 39, great, and maybe there's a  
5 different project that is appropriate for  
6 utility funds. We want you to layer all of  
7 those on top of each other to think  
8 comprehensively, and I encourage you to reach  
9 out to your PG&E account reps to make sure that  
10 you're thinking about all the incentives that  
11 are available, that might be going away at some  
12 point, and if an incentive isn't available for,  
13 let's say, project X, maybe you can use Prop. 39  
14 funds for that. So think about this not just  
15 Prop. 39 funds in Year One, and then we'll do  
16 other things in the other years, think about  
17 this holistically.

18 MS. SHIRAKH: Thank you.

19 MR. KUHN: I'm Charles Kuhn from Kuhn &  
20 Kuhn, and --

21 MS. SHIRAKH: Okay, we'll have to have  
22 you talk louder, sir, sorry.

23 MR. KUHN: I'm Charles Kuhn from Kuhn and  
24 Kuhn. My question was two-fold. One was about  
25 the competitive bidding process, whether or not

1 you could have 4217 events trip up the process  
2 in the middle, in other words, if the portion of  
3 your project mix was either, oh, an A&E portion  
4 which was not competitively bid, but was  
5 selected on the basis of qualifications, prior  
6 experience, or existing work on a job, and I'm  
7 thinking about contractors who are already  
8 building projects at colleges -- I know colleges  
9 aren't strictly required to follow these  
10 protocols right now, but if they're being asked  
11 under change orders, or other expansions of  
12 scope to do additional work that would qualify  
13 for Prop. 39 funding, whether or not the  
14 original process was adequate, assuming that it  
15 was adequate for the purchasing department for  
16 the educational entity, I'm assuming that it  
17 would continue to be acceptable for you?

18 MS. SHIRAKH: This is hard for me to  
19 speak to. I think it's a legal matter of your  
20 counsel and, at the current -- the way the  
21 legislation reads is that we have that  
22 requirement, but how that fits into your  
23 specific requirements, your legal counsel is  
24 going to have to give you advice on that. But  
25 this is definitely a reoccurring themed

1 question, and we'll have to be providing some  
2 clarification on that, whether it's what I just  
3 said, or you know, something -- but it's  
4 definitely a reoccurring question.

5 MR. KUHN: And I'd like to reinforce  
6 Jim's comment about loading order because I  
7 think that that's something that gets missed  
8 often, that when we have contractors coming in  
9 to talk about selling projects, they will often  
10 walk district staff through a process in which  
11 they're saying, "Yes, check this, check that,  
12 check the other thing." I think it would be  
13 extremely important to have some sort of  
14 educational background or training modules  
15 available for the people who are signing off on  
16 these documents as to what they're signing off  
17 on when they say "we have done the following  
18 things."

19 MS. SHIRAKH: We have talked about having  
20 more of a checklist and not just a narrative,  
21 like many of these things are developing as we  
22 speak, but I appreciate that comment, too.

23 MR. KUHN: Okay.

24 MS. TIFFANY: Hi. This is Jo Tiffany  
25 with the Alliance to Save Energy, and I'd like

1 to -- I don't want to belabor the point about  
2 the importance of behavior change, except to  
3 bring up a slightly different angle than has  
4 been mentioned here.

5 I think there would be a huge missed  
6 opportunity not to bring the very people who the  
7 educational system supports in on the equation  
8 with Prop. 39. And to educate our K-12 and  
9 higher education students through linking them  
10 to the retrofit measures, and in that way  
11 helping to accomplish several things, one is a  
12 culture change, two is basically to maximize the  
13 effectiveness of the retrofits that do take  
14 place, and three is to prepare these young  
15 people for clean green jobs, and energy  
16 efficiency and clean energy. By the time we get  
17 five years out, the high school students and the  
18 college students are the ones who will be  
19 entering the workforce, and we will miss a huge  
20 opportunity by not bringing them in the equation  
21 and including them as a piece of the funding,  
22 probably not the major piece because retrofits  
23 are much more expensive, but as a piece of the  
24 funding that is allowed through Prop. 39 through  
25 the CEC Guidelines.

1 MS. SHIRAKH: Okay, thank you so much for  
2 that. I think it dovetails a lot of the other  
3 comments we've heard on behavior programs. I  
4 just think I'd like to stop for a moment, and I  
5 apologize for probably not making this offer  
6 about a half hour ago, if we have a lot of  
7 questions, I'm more than happy to continue on,  
8 but I wondered if people are interested n taking  
9 a 10-minute break? Like I said, I should have  
10 offered this a long time ago, or would you  
11 prefer, you know, we just keep moving on  
12 through? I'm good either way. Okay, let's take  
13 a 10-minute break and come back at 20 minutes to  
14 four.

15 (Break at 3:31 p.m.)

16 (Reconvene at 3:46 p.m.)

17 MS. SHIRAKH: Okay, I think we have our  
18 first question.

19 MR. MANAHAN: Hi. Sorry to be the first  
20 one to mess up the break. I'm Kyle Manahan.  
21 I'm from Newcomb, Anderson, McCormick, I'm an  
22 Energy Engineer. I have a question about the  
23 energy expenditure plan review process,  
24 specifically the third step, the technical and  
25 financial reasonableness. The Energy Commission

1 reserves the right to review all supporting  
2 engineering analysis. I was wondering, the  
3 review, I'm sure there's quite a bit of  
4 procedural steps that need to happen just in  
5 that review. Have those been thought about and  
6 what are those steps going to be?

7 MS. SHIRAKH: So the question was on the  
8 reasonableness and looking at the backup data,  
9 what would those steps be. You know, we haven't  
10 actually put together a step-by-step process,  
11 but I would imagine it would follow a process  
12 similar to what we currently do in our review of  
13 our ECAA loan applications that we get in for  
14 energy efficiency projects, is that we have that  
15 -- if you have a project summary and estimated  
16 energy savings and costs, that's more in a  
17 summary page which would be more like the  
18 Expenditure Plan. And then we might have an  
19 ASHRAE Level 2 audit supporting those  
20 calculations. And we have a team of engineers,  
21 this program has actually provided us with some  
22 new vacancies that we are filling now, so we  
23 have a team ready to start reviewing expenditure  
24 plans. So going through those and making sure  
25 assumptions are -- that information is accurate.

1 So, for example, we have seen projects come  
2 through our programs before that were claiming  
3 more savings than the school's actual energy  
4 bills were. So, you know, looking for  
5 reasonableness sanity checks like that -- if  
6 that's -- a step-by-step process, I don't have  
7 to give you at this point in time.

8 MS. HOFFMAN: Hi. My name is Midge  
9 Hoffman. I'm from Petaluma City Schools K-12.

10 MS. SHIRAKH: You have a very soft voice  
11 and that doesn't amplify your voice, it just  
12 records your voice, so you can actually step up  
13 here if you'd like and that way --

14 MS. HOFFMAN: No, no, no, I'm really shy.  
15 Okay, I'll talk louder. Okay, one of our issues  
16 is that we have no low hanging energy savings  
17 fruit to pick from. And we've done enormous  
18 efforts to be energy efficient. So when we look  
19 at the type of projects that we might be able to  
20 do, we would be looking at replacing single pane  
21 windows, for example, that have no insulation or  
22 anything, or replacing an EMS system that is  
23 pretty much dead. So my question is two-fold,  
24 1) paying some sort of SCO or somebody to prove  
25 these savings, then detract from what we can

1 spend on these projects, and I'm concerned about  
2 that.

3 MS. SHIRAKH: Okay.

4 MS. HOFFMAN: And then the other thing is  
5 proving, even though these would be energy  
6 savings, you know, I don't know that we could  
7 meet the requirement to prove the level of  
8 savings that you're looking for in order to  
9 spend the dollars. So those are my concerns.

10 MS. SHIRAKH: Okay. Well, we are trying  
11 to build into the program like you've heard the  
12 planning dollars that you do have, you know, up  
13 to 20 percent of your funding potentially for  
14 planning, which would include audits, so windows  
15 are going to be tough to meet cost-effective  
16 criteria on their own. Energy management  
17 system, if you really have an antiquated system  
18 that isn't controlling anything, there actually  
19 might be some really great savings there. So,  
20 you know, controls are definitely an area to  
21 look at. So combining projects will be helpful  
22 if you're concerned about the cost-effectiveness  
23 criteria, but you may have to, you know, to  
24 really understand -- and energy management  
25 systems could be complex, you know, so that

1 there is some value in having that analyzed and  
2 having that information moving forward.

3 MS. HOFFMAN: So, I mean, basically the  
4 system is on its last legs and we can't even get  
5 replacement parts. So is there going to be a  
6 cost-avoidance look at these things? If we  
7 didn't replace this, our costs would go through  
8 the roof. So are you going to consider a cost-  
9 avoidance?

10 MS. SHIRAKH: Well, they sort of talked  
11 about this earlier where you have the baseline,  
12 and I'm just assuming that maybe it's not  
13 working as well right now, so actually if you  
14 were looking at putting in new controls that  
15 were really tightening up your campus, or  
16 multiple campuses, then you're actually at an  
17 advantage that you are going to see some  
18 savings. So I'm not sure if I'm answering your  
19 question, but you might not be as bad as you  
20 think, as far as having projects that would  
21 qualify. But I do also recognize that many  
22 schools have done a lot of lighting projects and  
23 more of those low hanging quick payback  
24 projects, I feel that we ran a lot of projects  
25 through the SIR Calculator looking at projects

1 we've made recommendations for through our  
2 BrightSchools Program -- HVAC projects, lighting  
3 projects, solar projects, and we feel that the  
4 1.05 is pretty generous, and that if you have  
5 just HVAC projects, they will probably meet  
6 this, or we're not weeding out really needed  
7 projects from schools.

8 MS. HOFFMAN: Okay, thank you.

9 MS. SHIRAKH: Okay.

10 MR. NEAL: Good afternoon. I'm Charles  
11 Neal from Peralta Community College District.  
12 And I had to leave the room for a few minutes,  
13 so I didn't hear if anyone asked about water  
14 efficiency.

15 MS. SHIRAKH: No, it hasn't been asked,  
16 so water efficiency.

17 MR. NEAL: Okay, in terms of, for  
18 example, heating water and whatnot, systems that  
19 would -- can we replace or upgrade our systems?  
20 And would it be covered by Prop. 39?

21 MS. SHIRAKH: Yeah, well, so water  
22 heating, water heaters, and even if you have  
23 irrigation, I guess, if you had pump savings,  
24 you know, if there is some kind of energy  
25 savings connection to that, absolutely.

1           MR. NEAL:   What about sub metering for  
2 water usage if there is some estimated deemed  
3 savings there?

4           MS. SHIRAKH:   What is that?   Can you  
5 repeat that, please?

6           MR. NEAL:   So sub metering for water  
7 usage --

8           MS. SHIRAKH:   Okay, so sub metering has  
9 come up in other meetings and would that be --  
10 if the question is would that be a project that  
11 Prop. 39 funding could pay for, I think that's a  
12 clarification that we need to make.   And I also  
13 -- you're from the community college district --  
14 you're from here, right?

15          MR. NEAL:   Yes.

16          MS. SHIRAKH:   So thank you for hosting us  
17 today, again.

18          MR. NEAL:   You bet.

19          MS. SHIRAKH:   And I just wanted to  
20 clarify that the community colleges are  
21 operating on a different program this year, so  
22 much of the information and questions you're  
23 hearing today are really targeted towards K  
24 through 12 --

25          MR. NEAL:   Uh-huh.

1 MS. SHIRAKH: -- and the Community College  
2 Chancellor's Office has a separate program for  
3 Prop. 39 this year, and potentially for years 2  
4 through 5, as well, so I just wanted to make  
5 that clarification.

6 MR. NEAL: All right. Thank you very  
7 much.

8 MS. SHIRAKH: Thank you.

9 The question was where could the  
10 information be found on the Community College  
11 District Program, and we'll have to propose that  
12 for you.

13 Okay, questions? Do I hear -- oh, here  
14 we go.

15 MS. CAMMARATA: Hi, my name is Jordana  
16 Cammarata and actually I work for First Fuel,  
17 and I wanted to make a quick comment about the  
18 no touch audit that was spoken about before.  
19 Basically, I just wanted to say that that can  
20 actually complement -- the data analytics can  
21 actually complement investment grade audits, and  
22 there have been some third party verifications  
23 of them, of a no touch audit that came within a  
24 margin of error for investment grade. So I'm  
25 happy to talk to people after if you have

1 further questions, but I think it could be a  
2 complement, as well.

3 MS. SHIRAKH: Thank you. Other  
4 questions. I thought I saw someone over here,  
5 maybe not. Well, there was a question I got at  
6 the break and my mind is kind of getting mushy,  
7 so I thought I would repeat it in case others  
8 had that question. And I apologize if I said it  
9 and I don't remember, but this was on the  
10 planning dollars that will be available for  
11 requests soon, and is that a one-time  
12 opportunity. But the way I understand it is CDE  
13 will, as soon as the allocations are announced  
14 within the next week or so, the first  
15 opportunity to request those funds will be in  
16 October with the checks being cut in November,  
17 going out to the school districts. They plan to  
18 have a second window to request in January, then  
19 the checks would be coming in February. And  
20 then there's a potential for a third window in  
21 spring of 2014 for a final time where you could  
22 request those funds. So I just wanted to  
23 provide that.

24 MS. LONDON: That's something I think you  
25 should advertise.

1 MS. SHIRAKH: We will make that -- you  
2 will be able to track information -- again, I do  
3 recommend going on the Listserv, the Energy  
4 Commission's Listserv on Prop. 39, we will be  
5 posting lists, the allocation lists and that  
6 information that I just said, so it's real  
7 clear. And CDE will have mirrored information  
8 on their website, so there's two sources and we  
9 would have the link also on our website that  
10 would go directly to where that funding request  
11 is on CDE's website. But this is happening fast  
12 and we wanted to have LEAs to have that  
13 opportunity to request these advance funds  
14 before the Guidelines are done, and so I just  
15 wanted to make sure that people know that this  
16 opportunity will be offered several times in the  
17 next few months.

18 With that, again, I'd just like to thank  
19 everyone for hanging in here. Thank you so much  
20 for your input. Again, please send us your  
21 comments, questions, through our Docket process.  
22 And thank you all very much, Energy Commission  
23 and State of California really appreciates it.

24 (Thereupon, the Workshop was adjourned at

25 3:58 p.m.)