

BEFORE THE
CALIFORNIA ENERGY COMMISSION (CEC)

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

CALIFORNIA CLEAN ENERGY JOBS ACT:
PROPOSITION 39 DRAFT GUIDELINES

California Energy Commission
Hearing Room A
1516 9th Street
Sacramento, California

Tuesday, October 22, 2013
1:00 P.M.

Reported by:
Kent Odell

APPEARANCES**PRESENT:**

Marcia Smith, CEC
Liz Shirakh, CEC
Haile Bucaneg, CEC
Dave Ashuckian, CEC

PUBLIC COMMENT

Marie Brougham, Sacramento Municipal
Utilities District
Greg Wickler, InerNoc
Tony Andreoni, California Municipal
Utilities Association
Martha Alvarez, San Diego Unified School District
Rob Lechner, City of Lodi
Anna Ferrera, School Energy Coalition
Rick Brown, Terra Verde
Donna Brownsey, representing Solar Energy
Industry Association
Patty Herrera, Riverside County Schools
Martha Diepenbrock, California Conservation Corps
Cindy Blain, Sacramento Tree Foundation
Bill Orr, Collaborative for High Performance
Schools (CHPS)
Sara Bachez, CASBO, representing 3,000 CBOs
and School Districts
Robert Pierce, Elk Grove Unified School District
Lisette Aguilar, Gustine Unified School District

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

2 OCTOBER 22, 2013 12:59 A.M.

3 MS. SMITH: My name is Martha Smith. I'm
4 the Program Manager responsible for the
5 implementation of Proposition 39. Can everybody
6 hear me okay in the room? I've got my mic on
7 for the folks on our Webinar. So this is a
8 simultaneous meeting and Webinar that we're
9 doing this afternoon.

10 So let me start with some in-house
11 housekeeping items before we get going. For
12 those of you who are not familiar with the
13 building here, the closest restroom is located
14 just kind of out the door and to the right,
15 there's both a men's and a women's; there's a
16 snack bar on the second floor. We may take a
17 little break part-way through the questions,
18 depending on how much activity we have and how
19 tired my voice gets. And if there is an
20 emergency, there are actually two exits, the one
21 that is closest is out here to the right, my
22 right, your left, I guess, and we will meet in
23 Roosevelt Park which is kind of kitty corner
24 from us here. So hopefully none of that will
25 occur and we can move forward to the meeting.

1 For those of you who have not attended
2 any of these public meetings, this is a meeting
3 to walk through the Draft Guidelines for
4 Proposition 39. So, those of you who have read
5 them thoroughly or attended other meetings will
6 get some sort of a repeat here, but the purpose
7 is for us to receive comments on the Guidelines.
8 And our Public Comment Period goes through this
9 Friday, October 25th.

10 So we welcome you. We are open and
11 interested in your suggestions, your questions,
12 your comments. This presentation will probably
13 take -- there's a couple seats up here. The
14 close of Public Comment Period is this Friday,
15 October 25th. Our plan is to take public
16 comments obviously through that date, we'll be
17 looking at them, incorporating those that we
18 feel are appropriate, and we also plan to post
19 Q&As, we've had quite a bit of Q&A coming in,
20 and so we owe you all some answers other than
21 just what you're seeing at the meeting.

22 Sorry, people on the line, we're filling
23 up seats here in-house, and so we're going to
24 look and see if we can get some more chairs.
25 Okay, I'm going to go ahead.

1 Our agenda today is that I'm going to do
2 a very quick overview of the Clean Energy Jobs
3 Act. We'll look at the elements of the Prop. 39
4 Program, give you an overview of the Draft
5 Guidelines, then we will open the comment period
6 and wrap up. My presentation will be probably
7 45 minutes to an hour. I would prefer just to
8 go through the presentation and then we'll get
9 into questions and comments, and I think
10 particularly with the folks on the line, it will
11 be easier that way.

12 Okay, the California Clean Energy Jobs
13 Act is actually two recent laws, one was
14 Proposition 39, which was passed by the voters
15 in November of last year, and then Senate Bill
16 73 is the enabling legislation, which actually
17 implements and funds Prop. 39.

18 The objectives of the Act are to create
19 good-paying energy efficiency and clean energy
20 jobs in California to leverage existing energy
21 efficiency and clean energy programs, to
22 increase the economic and energy benefits, and
23 to provide full public accounting for the money
24 that is spent.

25 I must say that, in preparing the Draft

1 Guidelines, it's been a bit of a balancing act
2 for us. The Code, Senate Bill 73, and Prop. 39
3 have some very specific requirements, and so it
4 was necessary to build our program around that,
5 and then at the same time keeping in mind that
6 this is a program being structured primarily for
7 Local Educational Agencies and that we have LEAs
8 that are anywhere from maybe a very tiny School
9 District or charter school to San Diego and LA
10 Unified School Districts. So that's something
11 we've really kept in mind as we've gone through
12 the whole process, and it's been a juggling act.

13 The actual elements of the program, it's
14 a \$428 million program with awards going
15 primarily to Local Educational Agencies and
16 Community Colleges for energy retrofit projects,
17 and for energy savings and job creation.

18 Eighty-nine percent or \$381 million in
19 year one, which is Fiscal Year 2013-2014, have
20 gone to K-12 Districts -- or will go to K-12
21 Districts, County Offices of Education, Charter
22 Schools, and the State's Special Schools; 11
23 percent, or \$47 million, have been allocated to
24 Community College Districts. The Community
25 Colleges are actually on a separate process from

1 the LEAs, and they were I guess ahead of where
2 most of the schools were, the K-12 programs, and
3 so they were given the opportunity at least for
4 year one to move forward with their own
5 guidelines and that's what they're doing.

6 The additional elements of the program
7 include \$28 million that came here to the Energy
8 Commission and that's for Zero Rate Loans for
9 Clean Energy Retrofits and for technical
10 assistance grants; \$3 million went to the
11 California Workforce Investment Board for
12 competitive grants, for community-based
13 organizations, and workforce organizations to
14 prepare veterans and disadvantaged youth for
15 employment. All of those elements just covered
16 were covered in the allocations under Senate
17 Bill 73, directly allocated from the Governor's
18 Budget, and also funded through Prop. 39, is \$5
19 million to the California Conservation Corps,
20 and that is for energy surveys and conservation-
21 related activities.

22 So how are the Draft Guidelines
23 organized? Chapter 1 is basically the
24 background information; Chapter 2 is really the
25 heart of the program, and that's the Local

1 Educational Agency Proposition 39 Award Program;
2 Chapter 3 describes the additional State
3 resources that I just went through briefly in
4 terms of the allocations, and the Appendix in
5 the back.

6 So background on Chapter 1, this is on
7 pages 1 through 4 of the Guidelines, and it
8 includes a program description, the funding
9 distribution that we just went through, the
10 authority, the explanation of confidentiality,
11 and how to request confidentiality if that is
12 what you're asking, the actual effective dates
13 of the Guidelines, and that we are anticipating
14 to be December 19th. The Final Guidelines will
15 be presented to the Commission at a Business
16 Meeting on December 19th where they will vote on
17 it. It covers changes to the Guidelines and
18 describes the differences between substantive
19 and non-substantive changes.

20 So, as I said, Chapter 2 is the heart of
21 the program. It defines the eligible
22 applicants, which as I stated before are the
23 County Offices of Education, K-12 School
24 Districts, Charter Schools, and State Special
25 Schools.

1 And then there are some additional
2 clarifying points. The applicants are eligible
3 -- LEAs are eligible if they are in public
4 buildings and pay their own utility bills based
5 on a meter. If they are in privately owned
6 leased facilities and the LEA pays the utility
7 bill, there's a separate utility meter for the
8 building and the LEA has the landlord's written
9 approval to do energy work; if the LEA is in a
10 publicly-owned leased facility with a separate
11 meter, owned by another LEA, and there is a
12 lease agreement between the two LEAs, if the LEA
13 is in a publicly-owned leased facility without a
14 separate meter and it's owned by another LEA,
15 and there is a lease agreement between the two
16 LEAs, and the two LEAs submit joint requests for
17 planning projects or energy Expenditure Plans.

18 As I stated earlier, it's been a
19 challenge developing the Guidelines. We've
20 learned a lot about the educational world,
21 particularly learning about Charter Schools and
22 how everybody is housed, it really has been a
23 very eye-opening challenge for us to be flexible
24 and also learning to speak a whole new language
25 of education. So we have to comply with the

1 statutory language, which we're trying to do,
2 and at the same time be as flexible as we can to
3 ensure that we provide opportunities for as many
4 LEAs as possible.

5 So award allocations: the actual
6 allocations, you probably are all aware of now,
7 were posted on the 14th by Department of
8 Education, and they were also kind enough to do
9 calculations for planning awards, as well as
10 total awards. The whole program was based under
11 statute on four-tier program, and those with 100
12 ADA or less were allocated \$15,000, as well as a
13 free and reduced price meal adder that goes into
14 the calculation. And this is all based on the
15 prior school year. Tier 2 was 101 to 1,000 ADA
16 which was set at \$50,000 plus the FRPM; Tier 3
17 is 1,000 to 1,999 ADA, which resulted in
18 \$100,000 plus the free and reduced meal program
19 adder, (FRPM). And Tier 4, 2,000 ADA or more,
20 based on the prior year ADA for all of these, as
21 I stated.

22 In addition, Tiers 1 and 2 have the
23 option each year of requesting a two-year
24 combined award to bundle two years' worth of
25 funding to receive in one year. Over 800 LEAs

1 made that request for year one. That also
2 impacted the allocations that other LEAs
3 received in year one. Eventually, that will all
4 even out and everybody will get what they were
5 entitled to, but if your award has ended up
6 being a little less than what you thought it
7 might be, it may be related to the bundling of
8 the two years. When a school or an LEA requests
9 the two-year bundle in year one, that means they
10 will not get an award in year two. If they
11 request their two-year bundle in year two
12 instead of year one, that means they will not
13 get a year three award because they will have
14 already received it, so that's kind of how that
15 works.

16 The Energy Planning Reservation Option.
17 This was also posted on the 14th of October at
18 the same time the award allocations were posted.
19 This is an option for LEAs to request money
20 upfront to begin work on their planning
21 activities. So LEAs with a first year award of
22 \$433,000 or less may request up to \$130,000 of
23 their first year award. LEAs with first year
24 awards of \$433,001 and more may request 30
25 percent of their first year award up to \$1

1 million. These funds can be used for screening
2 and energy audits, up to 85 percent of the
3 Planning Award, and what we're calling
4 Proposition 39 Program Assistance, you can use
5 15 percent for that purpose. A more detailed
6 description of the planning option is on pages 8
7 to 10 of the Guidelines.

8 Additional special uses for funds
9 include expenditures for training, and that's
10 for classified employees, and each fiscal year
11 an LEA may utilize two percent of its award, or
12 \$1,000, whichever is greater, for training
13 purposes. Each fiscal year the LEAs also have
14 an option of requesting up to 10 percent, or
15 \$100,000, whichever is greater, to hire or
16 retain an Energy Manager. And that can be
17 either on staff or as a consultant.

18 In addition, LEAs, we particularly had
19 smaller LEAs in mind with this, but any LEA may
20 pool their Energy Manager funding within a
21 county and share services of an Energy Manager.

22 Okay, moving into the actual Energy
23 Project Award Funding Program, there are eight
24 steps and, as I know you're all finding out, if
25 you don't know already, the energy management

1 process is the technical scientific field and
2 there is some complexity to it. We've tried to
3 break it down as simply as we can into steps,
4 and, as I said, with everything else, we are
5 open to comments and suggestions that you all
6 may have from your perspective. So step 1
7 requires signing a utility data release form for
8 12 months of past and future utility data, and
9 that is required in the statute and will be
10 required of every LEA in order to have their
11 Expenditure Plan approved for funding.

12 Step 2 is Benchmarking, or the energy
13 rating system. And to determine energy use
14 intensity of your buildings, you need to gather
15 energy information and summarize it, establish
16 energy use intensity, create a benchmarking
17 report, rank your schools based on where you
18 have the most opportunity for energy savings,
19 and identify your lowest energy performers,
20 which would be where you'd have your most
21 opportunity. The benchmarking helps an LEA to
22 understand its actual energy usage and to make
23 better decisions as far as investment of funds.
24 And Appendix D gives complete instructions on
25 completing the benchmarking process.

1 Another opportunity particularly for
2 School Districts is, by benchmarking, you can
3 compare similar schools that are structured the
4 same way in order to obtain better savings.

5 So Step 3 are your Energy Project
6 Prioritization Considerations, and there are 11
7 factors that the schools should consider as
8 they're going through the analysis of their
9 energy usage, and those are on pages 14 and 15
10 in the Guidelines. Some of the factors, we have
11 automatically built into the process for you,
12 others are ones that you will need to consider
13 yourself in your decision making.

14 Step 4 is the Sequencing of your
15 Facility Improvements, so by sequencing we mean
16 that you should first consider maximizing your
17 energy efficiency, for example, installing
18 daylighting. Next, to consider clean onsite
19 energy generation such as solar, and finally to
20 consider non-renewable projects such as
21 efficient natural gas-fueled fuel cells.

22 Appendix B on pages 36 through 42 lists
23 some typical cost-effective K-12 energy
24 projects. It is not mandatory that you use
25 those, we list those because, in the decades of

1 experience we have doing energy efficiency loans
2 and working with public facilities and schools,
3 our experience has showed us that these are ones
4 that have paid off for the folks we work with.

5 Step 5 is the actual Energy Project
6 Identification. You'll find this on pages 17
7 through 19 in the Draft Guidelines. You have
8 several options of how to approach this, number
9 one is an energy survey, you can use this for
10 simple projects, and we will be providing an
11 online calculator to help with some of these
12 energy measures, and that will be available once
13 the Guidelines are final and we will be posting
14 that and making it available along with the
15 instructions for Expenditures Plans in more
16 detail.

17 Option two is an ASHRAE level 2 energy
18 audit. We tend to use this for more complex
19 projects; you may need a contractor or a utility
20 program audit, or an Energy Manager to help you
21 with this.

22 Option 3 would be other tools such as
23 data analytics, these are "no touch," or virtual
24 audits where you don't actually have somebody
25 onsite, they're based on using GIS information

1 and other analytical tools. It's a useful tool
2 for prioritizing or helping to focus your ASHRAE
3 level 2 work.

4 Next is the Cost-Effectiveness
5 Determination, Step 6. This is discussed on
6 page 19 of the Guidelines, it uses a Savings to
7 Investment Ratio (SIR). We will an online
8 calculator to assist you with this, as well.
9 And in the Appendix, Exhibit E, pages 47 through
10 48 explains the process probably much better
11 than I can. This allows the LEAs to invest
12 their money now to identify the savings from the
13 installed energy projects.

14 What you may find, too, is that
15 individual projects maybe don't meet the Savings
16 to Investment Ratio, which is set right now at
17 1.05, but you can sometimes blend different
18 types of projects in order to achieve the ratio
19 and the savings.

20 So Step 7 is actually completing and
21 submitting the Expenditure Plan. For LEAs with
22 awards less than \$50,000 -- \$50,00 or less --
23 they have three options, one, they can submit a
24 yearly Expenditure Plan; option 2 would be to
25 submit a two-year Expenditure Plan for the

1 smaller LEAs who have bundled two years; option
2 3 is to submit a five-year Expenditure Plan. In
3 the case of LEAs who choose to do a five-year
4 Expenditure Plan, our plan would be to revisit
5 that with you each year to make sure you're
6 still on track to complete the same projects,
7 see if there's any changes that would require
8 recalculation of energy savings. For awards of
9 \$50,001 or greater, these LEAs may submit up to
10 four Energy Plans per year.

11 So what is involved in submitting the
12 Energy Expenditure Plan? You will be describing
13 the use of your energy planning funds, so if
14 you've elected to ask for planning funds
15 upfront, you do that directly with the
16 Department of Education, you don't have to
17 submit anything to the Energy Commission at the
18 time you request those funds. However, when you
19 submit your first Expenditure Plan, you will
20 need to explain how those funds have been spent,
21 or how you are planning to spend them if you
22 haven't spent them already. You will include
23 your benchmarking, which was step 2, your energy
24 project upgrades, including a Pre-Installation
25 Verification Form. If you've elected to do

1 energy training, you would include that request.
2 If you've elected to hire an Energy Manager,
3 that would be included in your Expenditure Plan,
4 as well. You'll be required to project your job
5 creation benefits from the work that you will be
6 doing and a calculator will also be provided for
7 that purpose, to help you to do that.

8 You have to sign a consent or provide us
9 with a signed consent for the LEAs that you have
10 signed for your utilities to release data to us,
11 and there will be signing Certifications of
12 Compliance for various different requirements.

13 Okay, the Energy Expenditure Plan review
14 process, so when you submit your Energy
15 Expenditure Plan to the Energy Commission, we
16 anticipate that that will be an electronic
17 submittal. We will first review it for
18 completeness, so that if there's any of the
19 required elements that are not included, we will
20 notify you immediately so that we can ensure
21 that you have a complete application. We will
22 review it for the project eligibility criteria
23 that you are projecting the energy savings that
24 are required, and then we will review it for the
25 technical and financial reasonableness; all of

1 this is in relation to what the statutory
2 requirements are.

3 Once we have approved your Expenditure
4 Plan, the Commission will notify both the
5 California Department of Education (CDE) and the
6 LEA of the approved plan. This enables the LEA
7 to continue with whatever work they need to move
8 forward with. The Department of Education is
9 planning to batch and process awards quarterly
10 through the State Controller's Office, so there
11 will be some lag time between the time you hear
12 that you are getting an award to when you
13 actually receive the funding. In Step 7 in the
14 Guidelines, there's also information on what
15 happens if an Expenditure Plan is disapproved
16 and what the appeal process is.

17 In terms of general, our goal is to help
18 get you through the process. If we find there
19 is something in our review, like in the
20 Technical and Financial Reasonableness, that we
21 feel would result in disapproval, rather than
22 just send it back to you, our intent is to get
23 in touch with you to discuss with you where we
24 see some changes need to be made and try to work
25 with you to make the corrections moving forward,

1 rather than just send it back and say try again.
2 So that's our goal. Also in this phase, I'm
3 sure those of you who have done other
4 construction projects are aware that the
5 Division of State Architect has compliance
6 requirements. Page 28 of the Guidelines gives
7 some basic information from DSA. They will be
8 providing a list of what's exempt from their
9 approval. There will be some explanation with
10 regard to accessibility and what triggers
11 accessibility improvements, and we are working
12 with them right now, looking at portions of
13 Prop. 39 funds that could be utilized for at
14 least part of accessibility projects if they
15 relate to energy projects. So, just so you are
16 aware, there's some discussion going on. We
17 have a work group of a number of State agencies
18 that are involved in the implementation of Prop.
19 39, so as issues come up and as we've been
20 working through these Guidelines, we've been
21 trying to identify either bureaucratic kinds of
22 issues, or differences in programs or
23 departments that might cause issues that we can
24 work with upfront to try and resolve those for
25 you before you start dealing with the process.

1 Also, page 29 addresses contracting and
2 we defer to the local rules for contracting that
3 you currently work under. The statute, Senate
4 Bill 73, is very clear about no sole sourcing,
5 but that you may use best value criteria. So if
6 you're not familiar with that, I think DSA
7 probably knows a lot more about that than we do
8 at the Energy Commission.

9 Finally, I just wanted to note that
10 there is no retroactive funding for Energy
11 Expenditure Plans. So if you file an Energy
12 Expenditure Plan with work to do in the future,
13 you're fine; if you've already started some
14 implementation work on a project onsite that
15 begins before the date that your Energy
16 Expenditure Plan is approved, we cannot pay for
17 that -- or you cannot use the funds for that
18 purpose. The one exception is for energy
19 planning dollars, that money was not available
20 to you until just recently. You can back date
21 and use it for energy planning activities that
22 have occurred from July 1st of 2013, forward.

23 Okay, Project Tracking and Reporting.
24 These are described on pages 25 through 27 of
25 the Guidelines. Basically what we are going to

1 require are simple quarterly online reports.
2 What we envision there is, if you haven't been
3 doing anything because your project hasn't
4 started yet, it's going to be a pretty simple
5 push the button "no activity yet." And it will
6 be simple descriptions from thereon of how
7 you're progressing. We're hoping to do it with
8 a dropdown screen to make it pretty easy for
9 you. But just to give us an opportunity to keep
10 tabs on making sure everything is moving
11 forward.

12 You will be required to submit a final
13 report and that is due, I believe it's 12-15
14 months after completion of your first project.
15 And then subsequently for each Expenditure Plan
16 after that, there are seven elements required by
17 statute, and the Site Level Energy Savings Tools
18 are described on page 26 of the Guidelines.
19 Project Level Energy Saving Options are listed
20 on page 27 of the Guidelines. You will again be
21 given instruction on the job creation benefits,
22 and by the end of the project, you're going to
23 know your actuals and so there will be some
24 specific information related to how to pull that
25 out and report it. And you'll be showing your

1 Technical and Financial Reasonableness and how
2 you've accomplished that.

3 Audits -- all projects are subject to the
4 standard CDE financial audit, not that CDE does,
5 but that all schools are required to comply
6 with, with an outside auditor.

7 Okay, the final sections of Chapter 2 are
8 any time you are beginning a construction
9 project, it is not unusual for there to be
10 changes that occur as you get in and start doing
11 work, so we have defined what would be
12 considered substantial changes where you would
13 need to come back to us and supplement your
14 Expenditure Plan and possibly have to do some
15 recalculations in terms of your energy savings.
16 The DSA's Energy Project Construction Compliance
17 that I just mentioned are included at the end of
18 Chapter 2, as well as the information on
19 contracting, and I've already covered the no
20 retroactive funding of your projects.

21 Okay, Chapter 3 are the additional Prop.
22 39 resources available through State Agencies.
23 The one is the Energy Commission's Conservation
24 Assistance Act Program, and that has two
25 elements to it, zero interest rate loans for

1 energy efficiency projects, up to \$3 million a
2 year, it's a fairly simple program with a simple
3 payback, We also offer technical assistance,
4 it's a grant program for energy planning, energy
5 audits, and project recommendations. By
6 "grant," I mean it's a grant of service, we have
7 a contractor in place who will provide at no
8 cost to you energy auditing support and
9 technical assistance, and those are our grants
10 up to \$20,000 for each application. The
11 California Workforce Investment Board has \$3
12 million for the Learn and Earn Job Training and
13 Placement Programs, which will be targeting
14 disadvantaged job seekers. And there should be
15 some more information out and available on that
16 program later this fall.

17 And then we also have the California
18 Conservation Corps' Energy Corps Program. As
19 you probably are aware, the Energy Corps is a
20 program for young adults ages 18 through 25,
21 providing training and work on natural resources
22 projects; in this case, the Corps has developed
23 a program specific to providing energy surveys
24 for schools, particularly focused on smaller
25 schools, and also implementing basic energy

1 efficiency measures, so it's an exciting new
2 program that they're doing with schools and
3 there will be more information on that, too, as
4 we move forward.

5 Finally, we have the Appendix. So
6 Exhibit A is the Implementation Program, the
7 funding allocations for energy projects.
8 Exhibit B are the typical cost-effective school
9 energy efficiency projects, and you'll see as
10 you look at those that next to some of them it
11 says "calculator provided," or something like
12 that, those will have calculators for
13 determining the energy savings once we go online
14 with that.

15 Exhibit C is a sample pathway, kind of
16 the steps through the Prop. 39 process, just to
17 help articulate what there is in each step.
18 Exhibit D explains the benchmarking process.
19 Exhibit E, the Savings to Investment Ratio
20 calculation and how that works. Exhibit F is
21 the Effective Useful Life Measures and how that
22 process works. Exhibit G, the Job Creation, is
23 the job creation benefits calculation that will
24 be provided. Exhibit H are the definitions that
25 we found -- and I, the List of Acronyms, which

1 we ended up creating ourselves to begin with
2 because we were trying to blend the worlds of
3 energy and education.

4 So the Schedule for Implementation, we're
5 in the middle of it right now. The Draft
6 Guidelines were posted on September 7th. We're
7 in the process, in fact, this is the last public
8 meeting and Webinar that we're doing, we've done
9 a total of five public meetings and three
10 webinars. In addition, we've done some outreach
11 in some of the more remote areas with small
12 School Districts.

13 The final date for public comments is
14 Friday, November 25th. In November, we will
15 post a 30-day public notice of the December
16 Energy Commission Business Meeting, so the
17 Revised Guidelines will be posted mid-November,
18 I would anticipate around the 15th of November.
19 And they will also be available online so that
20 you can download those. December 19th will be
21 the Business Meeting held here at the Energy
22 Commission, and those meetings are always
23 available also via webinar.

24 And December 2013, or if you all want to
25 wait until after the holidays, that's when we

1 begin program implementation.

2 Our plan also is to do another round of
3 public meetings after the first of the year, to
4 really try and get out either through webinars
5 some personal meetings to provide you with as
6 much information as we can, and answer questions
7 in terms of, okay, so now that we have the
8 Guidelines, what do we really do? And what are
9 the steps? And how can we make this happen for
10 our schools?

11 So I think now it's time for comments and
12 questions. So how do you want to do this, Anne?
13 What works best? Okay, I think what we'll do
14 because we have folks online, what we'll be
15 doing is going back and forth with questions,
16 we'll start with a few here in the room, and
17 then we'll go to the questions that we have from
18 the folks who are listening in. And we have
19 roving microphones so that we can hear you. I
20 just wanted to let you know, because we are kind
21 of crowded in here and it's a little stuffy,
22 we've opened an overflow room, which is just
23 around the corner here, if people want to go in
24 there, you can hear in there, but you'll have to
25 come back in here if you want to ask your

1 question, but it will at least give you a place
2 to get some air probably. Okay, we have a
3 question back here.

4 MS. BROUGHAM: Thank you. Marie Brougham
5 from SMUD. I have a request. The current
6 project definition is site-specific, for a
7 request to consider making it non-site-specific
8 for both your large expenditure projects, which
9 are those over \$250,000, as well as the other
10 projects. I think each has unique requirements
11 and unique issues, so maybe consider both for at
12 least non-large expenditure projects.

13 The concern is that in our area we have,
14 for example, equity issues. You have a School
15 District that is receiving \$2 million, has 80
16 schools, will have to be putting 50 percent of
17 their funds into 25 percent of their schools if
18 they can actually do all of them at exactly
19 \$250,000. So it's more likely that it will be a
20 smaller percentage. So that's one issue.

21 And the other one is from the cost-
22 effectiveness calculation. It would be -- I
23 think there are measures that would benefit from
24 being able to use energy efficiency measures
25 across sites to meet the cost-effectiveness

1 threshold. For example, if you had an energy
2 measure that you wanted to implement across the
3 district, where in most sites, because of the
4 State schedule or a facility type, it meets or
5 maybe even exceeds the cost-effectiveness
6 measure, on the particular site it may not.
7 That one site should not be left out. So that's
8 my comment on that.

9 MS. SMITH: Okay, just so you're aware we
10 have received a number of comments on that and
11 are you submitting your comments through the
12 Docket, as well?

13 MS. BROUGHAM: Yes.

14 MS. SMITH: Okay, good. I would
15 encourage that. It's easier for us to track in
16 that way. But that comment has come up and we
17 appreciate that, so thank you very much for
18 bringing that up again.

19 MR. WICKLER: Greg Wickler with InerNoc.
20 A couple of clarifying questions. First, at the
21 Oakland workshop there was a question about
22 whether behavior programs, behavior measures,
23 qualified. I think the response was that this
24 is a hardware only program. So my question
25 relates to in Appendix B -- or Exhibit B, there

1 is the table identifies conduct commissioning.
2 Commissioning projects would be eligible, would
3 be an example of an eligible measure. And a
4 question to ask is, would commissioning extend
5 to retro commissioning, as well as monitoring-
6 based retro commissioning types of measures? So
7 that's a question, I don't know if you can
8 answer that, or we should submit that in our
9 comments.

10 MS. SMITH: I would ask that you submit
11 it and -- both comments. And there is
12 recognition of non-energy benefits in the
13 language in the statute, so I think it's
14 important for you to include that in your
15 comments on the Docket.

16 MR. WICKLER: Okay, I wouldn't
17 characterize those measures as non-energy, but
18 anyway, I'll clarify in my comments. The second
19 question, my last question, is related to the
20 M&V requirements, page 27 of the Guidelines.
21 And I just wanted to clarify whether LEAs could
22 use Prop. 39 funds for -- I think for some of
23 the M&V, fulfilling the M&V requirements in Step
24 8, and I think it's on page 27 of the
25 Guidelines.

1 MS. SMITH: Right.

2 MR. WICKLER: Particularly the third
3 party M&V report, if LEAs can use Prop. 39 funds
4 to essentially fund those activities.

5 MS. SMITH: I think that's something we
6 need to take a look at. Liz, or somebody, can
7 you?

8 MS. SHIRAKH: Yeah, I think I would
9 encourage you to send that through the Docket,
10 as well. It might be interpreted that that
11 would be considered, you know, energy planning
12 and if you held some of your energy planning
13 dollars towards the end, maybe that would be a
14 way of using Prop. 39 money for that, but I
15 think I'd like to see that come through the
16 Dockets and we could have a formal response to
17 that and clarify it in the Guidelines.

18 MR. BAKKE: Eric Bakke with Los Angeles
19 Unified School District. The first question
20 that was asked is one I already had, but I have
21 just a couple quick ones. On, let's see, page 4
22 where you talked about the planning reservation
23 option for \$433,000, above or below?

24 MS. SMITH: Uh-huh.

25 MR. BAKKE: One of the concerns our

1 District has is that we're capped at a million
2 dollars. We are -- San Diego Unified, let's
3 say, for example, they would be capped at a
4 million dollars. But I've got five times as
5 many school sites as they do, so I would not,
6 for a school site, be able to properly plan or
7 identify what school sites would be the best to
8 spend our Prop. 39. So we'd like to see some
9 flexibility in that if there's an opportunity to
10 discuss that a little bit more. And as you
11 mentioned, this will also be in our documents,
12 as well.

13 MS. SMITH: Okay, good.

14 MR. BAKKE: And the second one, we've
15 actually received a number of requests from our
16 Charter Schools in our community to help them
17 manage both in terms of energy and filling out
18 the applications, and if there would be any
19 restriction on the District acting as the
20 consultant, so to speak, for the charter schools
21 as an eligible expenditure for Prop. 39, so that
22 our costs could be claimed under their
23 applications?

24 MS. SMITH: You know, I wouldn't think
25 there would be a restriction, I think that's

1 something I'd like you to submit through the
2 Docket, too. We can take a look at the legality
3 of it, as well as whether it's a legal issue or
4 if it's policy call. We want to be flexible,
5 so...

6 MR. BAKKE: I appreciate that. And one
7 last one, again that has something to do with
8 Charters. There's a focus on the Charter
9 occupying a District-owned property and having
10 the requirements of the Charter work with the
11 LEA or the School District in filling out that
12 application. If I wanted to utilize my Prop. 39
13 funds on that Charter School, would I need to
14 then jointly file an application with them? Or
15 can I just as the LEA file that application?

16 MS. SMITH: I think we're getting down to
17 individual type situations. Yeah, I think I'd
18 rather work with you off line on what would be
19 the best way to do that because I think, I mean,
20 I think with the way it's worded, you have
21 flexibility, but that wasn't a situation
22 specifically considered.

23 MR. BAKKE: Yeah, we'll be putting all of
24 these in our document, we have a number of these
25 types of specific individual situations.

1 MS. SMITH: Okay. Yeah, and we did a
2 webinar on the 16th and we had a lot of Charter-
3 specific questions at that webinar, so we know
4 it's opening up more information to us to
5 better, I think, answer those questions.

6 Why don't we take one more from the room
7 and then we'll switch to the folks who are
8 listening, and then we'll come back to the room
9 for more questions.

10 MR. ANDREONI: Thank you. Tony Andreoni
11 with California Municipal Utilities Association.
12 I appreciate all the outreach the CEC has done
13 on this particular activity. I think I do have
14 a few questions, but I think the first thing I
15 wanted to know, and maybe you mentioned this in
16 the presentation, is when are the responses to
17 the questions that have been asked going to be
18 posted?

19 MS. SMITH: We have posted some from the
20 actual webinars, we have posted some of those.
21 And then our intent is to start posting some
22 FAQs which will include some of these questions
23 and also questions we've been getting online
24 since we posted the planning instructions. We
25 will be doing a summary of the comments that

1 we've gotten in the Docket and we will be
2 indicating if changes were incorporated in the
3 Guidelines as a result of those. Am I
4 describing this accurately, Liz? Okay. So
5 they'll kind of be coming out in phases. I
6 think the key is to watch our website and then
7 we'll also be doing outreach to the Listserv
8 itself.

9 MR. ANDREONI: Okay, and you may have
10 mentioned this in the presentation, if LEAs do
11 not use all the funding in Year One, does it
12 roll over?

13 MS. SMITH: Uh-huh.

14 MR. ANDREONI: Okay.

15 MS. SMITH: Absolutely.

16 MR. ANDREONI: The last question I have,
17 you mentioned the calculator not being
18 available, the cost-effectiveness calculator not
19 being available until December.

20 MS. SMITH: Uh-huh.

21 MR. ANDREONI: Is there a draft of any
22 sort that the utilities can look at? Or do you
23 expect that once it's released we'll have an
24 opportunity to use and see how it functions?

25 MS. SMITH: We actually have had a

1 request from the IOUs to take -- or at least the
2 CPUC -- to take a look at it. So let me get
3 back to you on that, okay? We're still kind of
4 working on that process. We've got to brief the
5 folks internally first. Okay, Anne.

6 MS. FISHER: First question from the web.
7 "The Guidelines call for lease of historic and
8 future billing data for LEAs. To what level of
9 detail is the Energy Commission expecting to get
10 data? Is the monthly energy and peak demand
11 when available enough? Or does the Energy
12 Commission expect utilities to provide 15-minute
13 interval time of use, or real time meter read
14 data if that level of detail was used to create
15 the monthly bill?

16 MS. SMITH: We've been looking at a lot
17 of different -- looking at that differently, and
18 part of the challenge is we have utilities that
19 are able to provide detail differently. In
20 terms of -- and I've got my folks here looking
21 at me, so if I'm jumping out of order here,
22 please correct me -- in terms of submitting an
23 expenditure plan, we will be asking for the 12-
24 month historical data actually for the LEA to
25 give us a summary of what that is -- okay,

1 they're nodding at me, I got that one right. In
2 terms of what we will be getting from the
3 utilities, we're still working on details in
4 terms of what we will be requesting from the
5 utilities. Is that accurate? Okay.

6 MS. FISHER: Next question: "Within the
7 rules for Districts doing large projects, can a
8 District apply just once and not every year for
9 the duration of the project?"

10 MS. SMITH: Yes, absolutely. We will --
11 if it's for a very complex LEA, obviously it
12 will take longer for us to review a five-year
13 project and a one-year project, but we do
14 encourage that and are willing to work with the
15 LEAs in the various manners that they want to
16 submit their plans.

17 MS. FISHER: "Will there be a
18 downloadable copy of the Powerpoint?"

19 MS. SMITH: I think it's already posted.
20 I think it's posted on the Energy Commission
21 website if you go to the main page of the Energy
22 Commission, I think the second little new flag
23 down is for Prop. 39, you click on that and it
24 will take you to the Prop. 39 webpage, and the
25 Powerpoint is one of the items listed on that.

1 MS. FISHER: "Can small Districts pool
2 their funds with the County of Education to do
3 planning activities for their Districts?"

4 MS. SMITH: Yes.

5 MS. FISHER: "Can all LEAs submit a five-
6 year expenditure plan in the first year?"

7 MS. SMITH: Yes.

8 MS. FISHER: The next one is a long --

9 MS. SMITH: Oh, okay, then maybe I need
10 some clarification, thank you.

11 MS. SHIRAKH: If you're an LEA in Tiers 1
12 through 3, you have the option of doing a five-
13 year plan. For LEAs in that Tier 4 category,
14 we're at this point in time saying that we don't
15 want to see a five-year plan, you could submit
16 multiple plans; but if you think that you'd like
17 to see LEAs in that category have five-year
18 plans, send that in. We'd like to hear your
19 comments.

20 MS. SMITH: Thank you. I think I
21 answered that one wrong somewhere else, too.

22 MS. FISHER: "In the Contracts section of
23 the Guidelines on page 29, it says LEAs shall
24 not use sole source process to award grant
25 proceeds; however, if the POU is offering or

1 providing support to an LEA in the planning or
2 implementation of an Energy Expenditure Plan,
3 can the SCPPA member offer or suggest the LEA
4 use one or more of the firms who have passed
5 competitive bidding process performed by the
6 SCPPA and its members and who are under contract
7 to provide auditing or efficiency improvement
8 installation services?"

9 MS. SMITH: As I hear that question, it
10 sounds to me in this situation that you have an
11 organization that represents the small utilities
12 that has already gone through a competitive bid
13 process to offer particular types of services,
14 if I'm understanding the question correctly. We
15 do defer to what the school or the local
16 requirements are for compliance. It sounds to
17 me like that, having been through a competitive
18 bid process, but you would have to consult your
19 local attorneys or School District attorneys to
20 help with that question.

21 Okay, let's go back to the room. I have
22 one back here first -- oh, wait, I'm sorry,
23 you're next, then you two. And then we'll go.

24 MS. ALVAREZ: Thanks for the opportunity
25 to comment. I am on behalf of the San Diego

1 Unified School District, it's like the largest
2 in the state. First we want to encourage the
3 CEC to take another look at the statute and the
4 requirements for a simplified process. There's
5 language in the statute that states that the CEC
6 will be developing a simple pre-installation
7 verification form and a simple expenditure plan
8 form for us to develop and use when we submit
9 our plans to the CEC for review and final
10 approval. So far we have not seen those
11 templates, what they look like, and it's
12 difficult for us to be able to comment on what
13 would be expected of us in order to submit those
14 energy plans. From what we have seen in the
15 Guidelines, we have some concerns that it will
16 be a lot of time and staff resources brought
17 into this program. So we encourage the CEC and
18 will be submitting more specific comments in
19 writing to just see how it can be streamlined
20 and simplified.

21 I'll just mention a couple that are of
22 interest to us. Two comments that were made
23 before by some of the individuals in the
24 audience that we also echo and would like to
25 encourage some revisions in the Guidelines, that

1 would be a \$250,000 per project, and in the
2 statute it does not require on the school site
3 basis. We would like to also align our comments
4 with the SMUD individual that made the comment
5 about broader definitions. And then the other
6 comment also made about the next five-year
7 Expenditure Plan, we'd also like to have the
8 opportunity to submit one five-year Expenditure
9 Plan as much as the other LEAs are able to do
10 so. And again, that's something that could be
11 revised in the Guidelines.

12 The other ones are regarding the
13 reporting requirements in the statute, the only
14 requirements are for us to submit, any
15 Expenditure Plan, and then at the end of the
16 completion of the project, for us to submit one
17 final project report within 15 months of the
18 first project completion. We believe that the
19 quarterly reports are going to be something
20 that's going to add much more resources and time
21 devoted to filling it out. Again, because we
22 have not seen what that template looks like, we
23 cannot provide any comments about what the
24 specific concerns are. As long as we just
25 provide that final report, that initial and

1 final, then we should be able to comply with the
2 statute requirements.

3 Another would be looking at the Benchmark
4 requirement. We are concerned that so far what
5 we have seen in the Guidelines, it's going to
6 require all LEAs, in particular these would be
7 for the larger LEAs with dozens or hundreds of
8 school sites, for us to have to compare all
9 school sites, even though only a few of them
10 will benefit from the Prop. 39 funding. And
11 again, there's different information on the
12 Guidelines. Some say that we'll have to
13 benchmark all school sites and then some say
14 that only those that will be benefitting from
15 the Prop. 39 money, so that would be good for
16 the CEC to reconsider and take a closer look.

17 We also have some concerns about the life
18 expectancy for the projects. We don't think
19 that they're realistic and that they should be
20 also revised. So again, overall, we hope that
21 the Final Guidelines will be streamlined and
22 that it will ensure that the School Districts
23 can comply with the Prop. 39 requirements, as
24 well as S.B. 73, but ultimately our goal is to
25 educate children and we intend to comply with

1 our requirements hopefully in a simplified way.

2 One question that I do have is if there
3 will be an opportunity for us to comment on the
4 Final Guidelines before they get discussed by
5 the Commission on December 19th.

6 MS. SMITH: Okay. There is a 30-day
7 public notice period prior to the Commission
8 Business Meeting, so if there are -- while we
9 won't be doing an initial formal comment period
10 like this, if there are concerns that people
11 have, or comments, that's the period of time to
12 come in and the Commission also takes public
13 comment at their meetings, as well, uh-huh.
14 Okay, the gentleman in the back.

15 MR. LECHNER: Thank you. Rob Lechner
16 with the City of Lodi. The first question is,
17 the energy use data required only for the
18 schools receiving those funds, it's not for the
19 entire -- in this case, Lodi Unified School
20 District -- it's just for their identified
21 prioritized school sites only. Correct?

22 MS. SMITH: The ones where you will be
23 doing projects.

24 MR. LECHNER: CMs, correct.

25 MS. SMITH: Yes.

1 MR. LECHNER: Okay --

2 MS. SMITH: Now, in addition --

3 MR. LECHNER: No caveats allowed.

4 MS. SMITH: -- no caveats allowed -- now,
5 c'mon, we work for the Energy Commission. We
6 will be asking for meter data for other schools
7 in the district where -- even where the energy
8 project is not occurring, so...

9 MR. LECHNER: Oh, those are fighting
10 words. Okay. But --

11 MS. SMITH: Those will be coming in
12 requests through the utilities. Is that -- I'm
13 correct on that, right? Or am I not? Okay.

14 MR. LECHNER: I'm the local utilities,
15 and my question again is I'm working already
16 with our School District and we've identified
17 and prioritized roughly 12 school sites in 2014
18 that they want to receive funds for, roughly
19 \$1.3 million. The question is, do they need to
20 provide data for the other 20-some odd school
21 and facility sites in the District? Or is it
22 only just for those 12 that are going to receive
23 the funds?

24 MS. SMITH: For the Expenditure Plans, it
25 would be just for those 12.

1 MR. LECHNER: Okay, perfect.

2 MS. SMITH: Okay. And then we would work
3 directly with the utilities to receive the data
4 for the meters that are not related to those
5 projects.

6 MR. LECHNER: My second question, and
7 you're going to love this one, our School
8 District is urging us to make sure we get to
9 keep the energy savings local and, so, are you
10 going to identify somewhere in the packet how
11 you actually claim the savings? In most
12 utilities, Lodi, SMUD, PG&E, etc., we have the
13 Public Benefits Goods, or Public Benefits or
14 Goods Charge, but we do spend those rebate
15 dollars locally. And so their logic is and
16 question they asked me to pose to you today was,
17 does Lodi Electric get to keep those energy
18 savings derived from the projects done at these
19 various school sites?

20 MS. SMITH: You know, the statute is
21 silent on that, and so from our perspective, we
22 don't have any authority to be able to answer --
23 to influence what happens with that money, okay?

24 MS. FREIRA: Hi. I'm sorry I'm going out
25 of turn, but I just wanted to follow-up on that.

1 Just curious --

2 MS. SMITH: Can you identify yourself?

3 MS. FREIRA: Anna Ferrera, School Energy
4 Coalition. I just am curious about the utility
5 information going to the CEC about schools. Is
6 that part of the program? Or is that something
7 that's going to be taking place as a separate
8 function? Because I'm not sure that was part of
9 the program or what we've seen in the Guidelines
10 so far.

11 MS. SMITH: It's not in the Guidelines --
12 well, go ahead, Liz. Do you want to --

13 MS. SHIRAKH: Can you guys hear me? Step
14 1 of the Guidelines, that's the Utility Release
15 Form to the Energy Commission, I believe that's
16 what we're talking about here, is that the
17 utility information, you know, the Energy
18 Commission will be getting that utility release
19 data, so we'll have access to all the utility
20 data for all the schools in an LEA, so not just
21 the schools; you know, so an LEA has 20 school
22 sites, maybe Prop. 39 funding is going to 10 of
23 those, the Energy Commission would have access
24 to the utility data to all 20 sites.

25 MS. FERRERA: (Inaudible) [off mic]

1 MS. SHIRAKH: Yes, so that's -- I'm
2 trying to clarify it. So that is currently in
3 the Guidelines, that's step 1, having that
4 Utility Release Form.

5 MS. FERRERA: (Inaudible) [off mic]

6 MS. SHIRAKH: Well, it's part of the
7 statute. We're just enforcing what is written
8 in the statute and it says that the Energy
9 Commission will have this data and so we're
10 following that. And that's just part of the
11 requirements.

12 MR. BROWN: Thank you. Rick Brown, Terra
13 Verde. I have three comments. On the Option 3
14 issue, Availability to Tier 4 and above
15 districts, \$1,088 and above, I want to -- I bet
16 you if you asked people how many people in the
17 room want to see that happen, you'd probably get
18 half the people in the room raise their hand.
19 So I want to talk about what the rationale is
20 from a specific standpoint. First of all, the
21 Clean Energy Jobs Act clearly states the
22 importance of directing funds to generate jobs
23 as quickly as possible; second, it puts the
24 emphasis on optimizing cost-effectiveness. By
25 allowing Districts to develop and implement a

1 five-year plan, there's the greatest likelihood
2 that more construction jobs will be generated
3 sooner. Furthermore, by bidding out a complete
4 project scope, a five-year plan, in one or two
5 large increments versus five or more separate
6 increments, the District is much more likely to
7 secure more favorable pricing, allowing the
8 District to potentially expand their projects
9 and the resulting job and cost savings.

10 So it's hard for me to imagine why that
11 wouldn't be available.

12 Second is more of a technical nature. In
13 your assumptions around inflation escalator, you
14 use for that SIR two percent?

15 MS. SMITH: Uh-huh.

16 MR. BROWN: CEC's own data from 1982 to
17 2010 shows a California inflation rate for
18 electricity of 2.7 percent, so I'm not sure why
19 you selected 2.0 percent, but it seem to me the
20 numbers should be a little bit higher than 2.0
21 percent. If you go back even further before the
22 various '70s energy crises, that number would be
23 even higher. So I think that number is a little
24 low.

25 And similarly, on a more technical

1 matter, your use of NPV is actually not correct,
2 what you're using in your formula is actually a
3 present value of gross savings, it's not a Net
4 Present Value because you're not looking at some
5 of the discount rate around the costs.

6 MS. SMITH: Okay --

7 MR. BROWN: In that regard, so I think it
8 should be labeled differently if you're going to
9 use that formula. And then you're using a
10 discount rate of 5.1 percent. Have you talked to
11 School Districts around their borrowing costs?
12 5.1 percent as an average discount rate is high.
13 It should be more in the 3-4 percent range.

14 And then finally, on renewable energy,
15 you talk about the fact that it's hard to
16 evaluate the economic useful life of renewable
17 energy projects, but in fact those are some of
18 the few projects that actually, under the
19 California Solar Initiative, have requirements
20 around warranties; panels have to be warrantied
21 25 years, inverters and workmanship for at least
22 10 years. It seems to me if you can justify by
23 a project plan that you're going to, say, have
24 inverter warranties for 20 years, and module
25 warranties for 25 years, you should have an

1 economic useful life -- it's reasonable to
2 assume the economic useful life is at least 20
3 years. And that's kind of how the CEC has
4 treated those projects with the loan programs,
5 so I'm not sure why there's uncertainty around
6 that.

7 MS. SMITH: Okay.

8 MR. BROWN: We have some other comments
9 that we'll put in the Docket --

10 MS. SMITH: Perfect.

11 MR. BROWN: -- but those three, the
12 option 3 issue is the most important. Thank
13 you.

14 MS. SMITH: Okay, thank you.

15 MS. BROWNSEY: Thank you. Donna Brownsey
16 representing the Solar Energy Industry
17 Association. The Draft Guidelines seem to
18 restrict the ability of schools to allocate
19 general program funds and ECAA loan funds
20 towards third party solar agreements, known as
21 PPA, Power Purchase Agreements. So SEIA is
22 asking that the CEC make clear as part of the
23 Final Guidelines that general program and ECAA
24 funds may be used for third party PPA financing
25 for these reasons: first, you're able to

1 leverage other sources of available funding in a
2 manner that's consistent with the proposition
3 and with S.B. 73; third, the major benefit of
4 the solar PPAs is the ability to utilize the
5 Federal Investment Tax Credit, which equals 30
6 percent of the cost of the solar energy system
7 as tax-free entity schools are typically not
8 eligible for the Federal incentive; however,
9 PPAs enable third parties to leverage the ITC on
10 behalf of the schools, and pass these benefits
11 on by lower prices to the systems. This
12 financing model also has the benefit of
13 requiring zero upfront costs since the school
14 would not be required to pay for either the
15 equipment or the installation. This model
16 allows the customer to realize savings from day
17 one.

18 And finally, PPAs are already providing
19 substantial energy savings to schools in School
20 Districts throughout the state in order to
21 maximize program success, third party PPA
22 financing, it should be available options to
23 schools because, as you know, the School
24 Districts are very diverse in the state, and
25 some may be in a position where they have local

1 GO bonds and they can underwrite the costs of
2 the system; others really do need to put
3 together packages, and these projects really do
4 need to pencil out economically for those
5 projects, not only to meet Proposition 39, but
6 more importantly, to meet those local school
7 budget goals and outcomes. So SEIA would
8 respectfully request the Commission to consider
9 adding PPAs as eligible for this program. Thank
10 you.

11 MS. SMITH: Thank you. We'll take one
12 more in the room and then we'll move.

13 MS. HERRERA: Thank you. I'm Patty
14 Herrera. I represent Riverside County Schools.
15 We submitted a letter in conjunction with
16 several organizations that represent statewide
17 in trusts like CASBO and CSB and ACSA. And I
18 know we took, sort of a 30,000-foot level
19 approach to our public comment, really just
20 asking for a simplified process, particularly on
21 the intake portions in an effort to get the
22 disbursement of funds allocated more
23 expeditiously. So to that point, we were
24 wondering if the CEC might consider an
25 alternative intake process. One option could be

1 that, if a School District certified that they
2 would follow the loading order, if you will, or
3 the sequencing of the facility improvements that
4 you have on Exhibit B, if we certified that we
5 followed that priority in ranking, could we
6 expedite those dollars with that certification,
7 as opposed to going through -- and I have to
8 admit that some of this is informed by some
9 angst around not really understanding or knowing
10 what the Expenditure Plan requirements will be.
11 So in the absence of knowing what that would be,
12 there's a lot of angst in the field about how
13 onerous that would be. So we'd like you to
14 consider perhaps a more simplified intake
15 process, looking at your Exhibit B for your
16 projects.

17 Additionally, I think this has been
18 raised in other venues, and I don't know how
19 because I'm not a technician, I don't know how
20 the Savings to Investment Ratio would
21 accommodate this, or I'm not even sure I would
22 characterize it as non-energy benefit, but
23 School Districts today are embarking on a couple
24 of initiatives that frankly will affect our
25 energy consumption at the school site level, and

1 this is because we are in the first year of, you
2 know, the last five years of not experiencing
3 cuts to our educational program, and so we're
4 restoring a lot of our programs, adding after
5 school programs, summer school, things like that
6 which will tax our facilities, as well as our
7 energy consumption. Additionally, we're
8 required by mandate to implement the common
9 course State standards and prepare for computer
10 adaptive testing this coming spring with full
11 implementation in the spring of 2015. All of
12 those initiatives require additional
13 technological support and, obviously, electrical
14 or whatever consumption. And so I don't know
15 how the SIR or your cost-effectiveness tool will
16 accommodate what will be increased energy
17 consumption at the end of the day, and as School
18 Districts, we wouldn't want to be harmed at an
19 audit when our, you know, just on pencil and
20 paper it appears we may be consuming more
21 energy, when in fact had we not embarked on any
22 energy efficiency projects, our energy
23 consumption would be even higher. So I'm not a
24 technician, so I don't know how to solve that,
25 but I'd like to put that on your radar.

1 And finally, in the absence of a more
2 expeditious process, and perhaps it is only for
3 those Districts who will certify to follow your
4 Exhibit B in terms of project priority, I was
5 wondering -- we're wondering -- to what extent
6 the CEC will hold districts upon the review of
7 their Expenditure Plans, will hold districts to
8 the Guidelines with regard to your sequencing of
9 facility improvements, as well as the project
10 prioritization. And I raise this because
11 someone in the audience earlier had indicated
12 that, by building type, or school type, like
13 comprehensive high school sites, will be huge
14 consumers of energy, as opposed to elementary
15 school sites, which are typically smaller, they
16 wouldn't be. In addition to that, School
17 Districts have, as you know, multiple funding
18 sources, including their Prop. 39 -- I'm sorry,
19 I wish you would have used a different number --
20 local bonds to fund high priority projects. And
21 so if you were to enumerate your projects based
22 on your project prioritization as prescribed in
23 the Guidelines, it may be that you've already
24 identified a project that is high on your
25 project prioritization list. You may have

1 already identified your local bonds for those
2 projects and, in fact, you want to use your
3 energy dollars for projects that are lower on
4 that project priority list. And to what extent
5 will CEC give districts the latitude and the
6 discretion to allocate those dollars when
7 they're looking at their entire building
8 programs?

9 MS. SMITH: Okay, thank you. And are you
10 going to submit your individual comments?

11 MS. HERRERA: I'm not really familiar
12 with the Docket and we submitted our letter, but
13 we'll follow-up and figure out what the Docket
14 is and submit these.

15 MS. SMITH: Okay, I'll actually be
16 putting -- let's see if I've got it here.

17 MS. HERRERA: Thank you.

18 MS. SMITH: How come it's not moving?
19 There we go. This has all the Docket
20 information.

21 MS. SHIRAKH: I just wanted to respond to
22 the last part of your comment about the Energy
23 Commission. You know, the Energy Commission
24 will not be making a judgment call as to whether
25 the School District of LA has made the right

1 choice in which projects you're selecting, and
2 your sequencing; we're giving you
3 recommendations on how to go about that process
4 with the 11 requirements from the statute, and
5 then our sequencing of facilities. That Exhibit
6 B where we have different projects by categories
7 with the priorities, that's just typical
8 projects we've seen through our BrightSchools
9 Program, that's not a mandate that you follow
10 that list. So I guess I kind of heard your
11 question as interpreting that as being a mandate
12 that you need to follow those, it's a suggested,
13 you know, typical projects that we've seen as
14 being cost-effective. So I just wanted to try
15 to answer your concern on the last part.

16 MS. SMITH: Okay, we're going to take
17 some online and then we'll come back to the
18 room. Thank you.

19 MS. FISHER: Our next Web question, this
20 seems to be more of a clarification. They want
21 to know, there's the Energy Manager allocation
22 of 10 percent or \$100,000, is there a middle
23 point? For example, if the 10 percent was
24 \$37,400, what if they wanted to spend \$50,000 on
25 that Energy Manager?

1 MS. SMITH: Right now, it is the 10
2 percent, or \$100,000. If you want to submit
3 comments related to that, you certainly can.

4 MS. FISHER: Next question: "In Exhibit
5 B of the Guidelines, there are examples of
6 typically cost-effective energy efficiency
7 measures for K-12 schools. Some of these
8 exemplary measures do not meet the Title 24 Code
9 requirements. Does this mean that the Energy
10 Commission is allowing schools to claim energy
11 savings from any and all Prop. 39 funded
12 measures as compared to their existing equipment
13 for operating conditions, rather than allowing
14 credit only for those retrofits that exceed
15 Building Energy Code requirements?"

16 MS. SMITH: We've had that comment before
17 and so we're going to have to take a look at
18 that, I really can't answer that today.

19 MS. FISHER: "If an LEA or LEA pool have
20 previously completed benchmarking of their
21 school facilities, may that report be provided?
22 Or must new audits and reports be provided?"

23 MS. SMITH: We are allowing you to go
24 back three years, I think, isn't it? Three
25 years if your audit has been completed within

1 the last three years, we will accept that.

2 MS. FISHER: "Does the LEA provide the
3 utility provider data request to the Energy
4 Commission or to the utility account
5 representative directly?"

6 MS. SMITH: The Release Form will come --
7 is that what the question was -- the Release
8 Form? The Release Form will come to the Energy
9 Commission. It will come as part of your
10 Expenditure Plan; without receiving that, we
11 can't approve an Expenditure Plan.

12 MS. FISHER: Again, we have this
13 question: "Are the slides available for the
14 participants?" I think we had just addressed
15 that earlier.

16 MS. SMITH: Yes.

17 MS. FISHER: "Since the Guidelines will
18 not be final until December 2013, will projects
19 require planning and implementation be allowed
20 to conclude an audit in 2015?"

21 MS. SMITH: I'm not sure I understand
22 that. The audit funds are available in year
23 one, they can be spent as audit any year. We're
24 trying to encourage LEAs to do their auditing
25 work upfront, and that's why we're making the

1 funds available in year one.

2 MS. FISHER: We'll do one more question
3 from the Web and then go back to the room. Next
4 question: "Spirit Foundation, a U.S. Department
5 of Energy partner, influence Wounded Warriors in
6 energy efficient careers. We would like to
7 assist schools with their energy surveys. How
8 do we as a 501(c)(3) apply for assistance from
9 the State and assist our Veterans?"

10 MS. SMITH: I'm not sure I can answer
11 that question today. If you could submit -- we
12 have a question email, it's
13 Prop39@energy.ca.gov, if you could submit the
14 question there and provide your information to
15 us, we can try and maybe find the right folks to
16 put you in touch with.

17 MS. DIEPENBROCK: I'm Martha from the
18 California Conservation Corps. One resource
19 would be to send that to the California
20 Workforce Investment Board because that grant
21 program will come out and encourage training for
22 Veterans and young adults, that would be one
23 connection.

24 MS. SMITH: Okay, yeah, that's what I was
25 going to do. If you give me your information,

1 we can put you in touch with the contact people
2 at the Workforce Investment Board, that was my
3 thought too. Thanks, Martha. Okay, back in the
4 room.

5 MS. BLAIN: Hi. My name is Cindy Blain
6 with the Sacramento Tree Foundation and my
7 comment is thank you very much for including
8 energy saving trees in the Draft Guidelines. As
9 you know, we've worked with SMUD for years. I
10 will be submitting comments just to refine a
11 little bit what you've got in the energy saving
12 activities. And just so everybody knows, it's
13 not necessarily the south side that's the most
14 energy efficient, it's usually the west side, at
15 least in the Central Valley, but we'll go into
16 that more. Thank you.

17 MS. SMITH: Thank you.

18 MR. ORR: Thank you. I'm Bill Orr, the
19 Executive Director of the Collaborative for High
20 Performance Schools, or CHPS. I wanted to touch
21 on the non-energy benefits for a minute and then
22 just talk about a couple of resources, as well.

23 It seems that in the current Guidelines,
24 the primary reference to the non-energy benefits
25 is the three percent that's included in the

1 overall formula. I would recommend and suggest
2 that you might consider including tools like the
3 Operations Report Card that CHPS has, or other
4 performance benchmarking tools that go beyond
5 just the energy as a way to quantify and help
6 plan and benchmark before and after the
7 projects. For example, the Operations Report
8 Card looks at thermal comfort, indoor air
9 quality, lighting, and acoustics, which are four
10 of the five categories that are described under
11 the non-energy benefits. So we would recommend
12 that you include it as specifically eligible in
13 the planning dollars and in the benchmarking
14 dollars.

15 The second comment, just from a
16 standpoint, most of the measures that are
17 included are really focused on equipment, not
18 necessarily systems, let alone buildings or
19 schools, and so just from the standpoint of
20 resources, you know, I think that there are
21 resources beyond State resources that should and
22 could be included, along with the Guidelines,
23 and specifically I would recommend including
24 references to the CHPS Best Practices Manual,
25 Volume II, which is specifically on designing a

1 health High Performance School, largely funded
2 with Energy Commission funding, and California
3 Utilities. And so I think that would be an
4 excellent resource.

5 And then the third thing I just wanted to
6 mention is that, as part of the CHPS criteria
7 nationally, we've developed a concept called a
8 High Performance Transition Plan. Historically,
9 High Performance Schools, which the Energy
10 Commission and stakeholders in this room have
11 been involved with for over a decade, have
12 recognized the importance of pulling together
13 all aspects beyond energy of the school. But
14 it's been a real challenge from the standpoint
15 of smaller projects and modernization projects.
16 So I think Prop. 39 really represents an
17 opportunity to cobble together not only the
18 savings in the energy associated with the Prop.
19 39 funding, but also to combine that into a High
20 Performance School. And so I would just bring
21 to your attention the concept of a High
22 Performance Transition Plan, so that over the
23 five-year period, if you implement a series of
24 projects that you might end up not only with an
25 energy efficient school, but with a healthy High

1 Performance School. And we'll be following up
2 with these comments in writing. Thank you.

3 MS. SMITH: Thank you. I saw another
4 hand, I thought. There we go.

5 MS. BACHEZ: Sara Bachez with CASBO,
6 representing 3,000 CBOs and School Districts.
7 We highly encourage the CEC revise the Draft
8 Guidelines to include a simplified Expenditure
9 Plan submittal, or a pre-approval process for
10 energy conservation projects that are known to
11 achieve energy savings, while retaining its
12 appropriate process for more sophisticated or
13 complex energy conservation and generating
14 projects.

15 Our concern is that will these Guidelines
16 be simple and comprehensible to our, you know,
17 smaller School District folks that might not
18 have the leveraging opportunities, and might
19 then have to redirect these resources to smaller
20 projects that would generate immediate results
21 in hiring staff and trying to ensure that
22 they're filling out the appropriate procedures
23 in a time when we're being faced with several
24 changes left and right. We have local control
25 and then we have Common Core that we have to

1 implement, and so our folks are currently facing
2 many changes and we want to ensure that we're
3 maximizing these opportunities to ensure high
4 quality safe environments for students. Thank
5 you so much.

6 MS. SMITH: Thank you. Okay, we'll go
7 back to the Web.

8 MS. FISHER: "What is the anticipated
9 timeline for payments after the projects are
10 completed? Is incremental payment an option?"

11 MS. SMITH: I was just going to look at
12 this. The Department of Education is planning
13 to do quarterly -- I was just trying to find the
14 specific -- they will be making payments
15 quarterly. Okay, I'll just look at the specific
16 Guidelines here. Thank you. It's easier than
17 my notes. These payments from CDE are upfront
18 payments, they're not -- it's not a
19 reimbursement program, so if that's the -- so if
20 you're familiar with like our ECAA loan program,
21 that is a reimbursement program. This is an
22 upfront grant program. So once the Energy
23 Commission approves the plan and notifies CDE,
24 CDE will be collecting the approved plans and
25 batching them, and then doing quarterly payments

1 out through the normal process where you get
2 grant payments. And there's -- I think it goes
3 through County Central Office or something, and
4 then to the schools from there. So I hope that
5 answers the question. If you can send a
6 clarifying question in if I didn't get what
7 you're asking?

8 MS. FISHER: "No funds are to be spent
9 until the Step 7 Expenditure Plan is submitted
10 and approved, correct?"

11 MS. SMITH: That is correct with regard
12 to Expenditure Plans. With regard to planning
13 funds, you can request the planning funds, you
14 have the first period of time where you can
15 request planning funds ends November 1st, and
16 CDE will be sending those out based on the
17 requests. They will do another one in February
18 and then, if there's a need to do another round
19 for a request for planning funds, they will do
20 another one in the spring.

21 MS. FISHER: "Is the auditing deducted
22 from the first year allocation? Or in addition
23 to?" I believe they're referring to the
24 planning funds if that's taken out of their --

25 MS. SMITH: The planning funds comes out

1 of your first year allocation, so it's not
2 additional money that you get.

3 MS. FISHER: "Is there a database of
4 consultants that can be used by the LEA or
5 schools to find qualified providers for the
6 various services such as audits and
7 benchmarking, etc.? How can providers get on
8 that list or database?"

9 MS. SMITH: The Commission does not keep
10 that type of list. I'm not sure about
11 utilities, if they have a list of qualified
12 consultants or contractors, but we do not keep a
13 list.

14 MS. FISHER: "Can utilities act as energy
15 managers? And if so, can they be reimbursed for
16 labor?"

17 MS. SMITH: We've not been asked that
18 question. I think that's one we'll need to look
19 into. I don't think that's one I want to answer
20 today.

21 MS. FISHER: "It appears the Energy
22 Commission wants to claim all the savings. This
23 would greatly limit utility participation or
24 stop it altogether. For utilities to
25 participate, we need to be able to claim savings

1 to offer additional funding."

2 MS. SMITH: We are working with the IOUs,
3 I'm assuming this is an IOU asking that
4 question? So -- you don't think it is? I'm not
5 sure who is asking the question, but -- pardon
6 me? They have the same issues, okay. So we do
7 need to have some more conversation. The
8 question has come up, but we're not trying to
9 hog the savings.

10 MS. FISHER: Next question: "Are there
11 any requirements in terms of portfolio bundling
12 for the purposes of passing the 1.05 hurdle?
13 That is, will the entire package of projects as
14 submitted that will be considered on a portfolio
15 basis? Or are there rules as to what can be
16 bundled for the purposes of creating a
17 qualifying portfolio?"

18 MS. SMITH: We don't have specific
19 instructions that are included as far as what
20 can be bundled and what can't be bundled. Do
21 you all have any --

22 MR. BUCANEG: The only thing is we're
23 looking at the 1.05 SIR on a site level, not on
24 an LEA level, that would be the only thing I
25 could think of -- oh, this is Haile Bucaneg with

1 the California Energy Commission.

2 MS. SMITH: And that's as it reads
3 currently in the Draft Guidelines, and as we've
4 heard today, there have been not only comments
5 today, but comments in a number of meetings and
6 through the Docket that we've seen comments on
7 that. So we'll be taking a look at that.

8 Anybody else in the room have questions? Yes.

9 MR. PIERCE: Robert Pierce with Elk Grove
10 Unified School District. And I just wanted to
11 second some of the earlier comments with regard
12 to the \$250,000 project definition. We're
13 hopeful that you will define that ultimately as
14 a contract in defining the project. If it's
15 limited to a site-based contract, in our case,
16 and I think the math holds true to many
17 Districts, a large portion of our allocations
18 will go to less than 10 percent of our schools
19 each year. And as the program sees itself
20 through, because of projects that we've already
21 took initiative of doing, we could literally run
22 ourselves out of having projects available that
23 would generate the amount of savings that we're
24 all hopeful to see if that \$250,000 threshold
25 remains at the site level.

1 In terms of the planning money, I was
2 wondering what the rationale was, or if there's
3 any thought to opening up the percentages of 85
4 percent of the planning money going towards
5 audits, and only 15 percent going towards
6 program assistance? I'm hopeful that large LEAs
7 that are in Tier 4 will be allowed to submit a
8 five-year Expenditure Plan.

9 MS. SMITH: Okay.

10 MR. PIERCE: If that's the case, the
11 planning money only comes in year one --

12 MS. SMITH: Uh-huh.

13 MR. PIERCE: -- and we want to use that
14 planning money to get us all the way through
15 year five. And I believe that the project
16 assistance will be much higher than 15 percent
17 in order to have a successful Expenditure Plan.
18 So I will submit all of our comments in the
19 Docket, but I thought those three things would
20 be important today.

21 MS. SMITH: Great. Thank you very much.
22 Anybody else in the room?

23 MS. BROUGHAM: Marie Brougham from SMUD.
24 I had one clarifying question. So audits that
25 are three years old can be used if we're

1 encouraging LEAs to do their audits upfront, say
2 in year one; can an audit from year one be used
3 in year five? I hadn't thought of that one.

4 MS. SMITH: Oh, you got me there, didn't
5 you?

6 MS. BROUGHAM: And then I have one more
7 comment.

8 MS. SMITH: Well, I'm not sure I can
9 answer it today, I think that's another one we
10 need to look at. I appreciate that.

11 MS. BROUGHAM: Okay. My other concern is
12 with the cost-effectiveness calculation, the
13 current maintenance cap is at two percent.
14 There are measures out there that are very good,
15 that definitely have a maintenance cost savings
16 well above two percent. Given our facility
17 staffs at the School Districts have been so
18 reduced, measures that will reduce maintenance
19 is very very real to their decision making. So
20 we request that that cap be increased, I'm not
21 sure what it should be increased to, we're doing
22 some research and we'll submit that in our
23 formal comments --

24 MS. SMITH: Great.

25 MS. BROUGHAM: -- but certainly not all

1 measures are alike.

2 MS. SMITH: Thank you.

3 MS. FERRERA: Anna Ferrera again with the
4 School Energy Coalition, and I just, to belabor
5 the point, sorry, on the utility information, as
6 far as the trailer bill language statement, or
7 language, it says "in order to later quantify
8 the costs and benefits of funded projects, an
9 entity that receives funds from the Jobs
10 Creation Fund shall authorize it's local
11 electorate and gas utilities to provide 12
12 months of past and ongoing usage and billing
13 records at the school facility site level to the
14 Energy Commission." And so I see this, I guess,
15 as a broadening of that data, and that schools
16 should be authorizing that, and maybe I heard
17 you incorrectly, but that it sounded like the
18 utilities were providing information to the CEC
19 on LEA-wide level. And I'll go ahead and
20 provide that in the Docket, but I am concerned
21 that it doesn't really say that in the trailer
22 bill language and I'd like some clarification.

23 MS. SMITH: Okay, I appreciate that. And
24 just to clarify, the release forms would be
25 specific, I mean, they will know what they're

1 signing to release. So, to answer that portion
2 of it. But the other, I think it's important to
3 submit that to the Docket. Thanks.

4 MS. AGUILAR: Thank you. Lisette Aguilar
5 with Gustine Unified. I just have a couple
6 clarifying questions. You said if the funding
7 is not used in year one, it rolls over. That's
8 for both project and planning funds?

9 MS. SMITH: Correct.

10 MS. AGUILAR: So you request the whole
11 amount for planning funds, whatever you use,
12 year one, you claim, and then the rest will just
13 go forward? Correct?

14 MS. SMITH: Yes. You will get -- the
15 money is allocated each year by the Legislature,
16 but if you don't use all your funds in one year,
17 you don't lose it, it's not a use or lose by the
18 end of the fiscal year thing, it continues. And
19 so even if you haven't requested it through an
20 Expenditure Plan or through a Planning Fund
21 request, that still is part of your award
22 allocation that remains in the balance, that CDE
23 keeps. But it won't be like there's a clean
24 slate each year unless you spend all your money.

25 MS. AGUILAR: Okay. And with those

1 planning funds, that 15 percent program
2 assistance, is that limited to outside
3 assistance? Or can you use in-house staff? Or
4 how does that work?

5 MS. SMITH: I think you can use in-house
6 staff, I mean, we're encouraging or feel that
7 there are some activities that you can use,
8 facility managers or folks that you have in-
9 house. So we'll clarify that, but that would be
10 my assumption.

11 MS. AGUILAR: Okay. And then also, the
12 training piece, you said up to two percent or
13 1,000, is that only on an actual project, or
14 also part of planning?

15 MS. SMITH: No, that's actually for
16 training staff to run the equipment properly,
17 utilize -- so if you put controls in to train
18 them in how to use controls, or how to better
19 utilize whatever the measures are. That's what
20 it's set up for, for classified staff. Am I
21 using the right term?

22 MS. AGUILAR: Oh, I see, yes, yes, yes.
23 That makes sense. Thank you.

24 MS. SMITH: Uh-huh. Why don't we go back
25 online?

1 MS. FISHER: Next question from the Web:
2 "The sequencing order beginning with energy
3 efficiency is described as a recommendation. If
4 an LEA would like to propose solar, is there any
5 kind of necessity to demonstrate that energy
6 efficiency has been maximized or considered in
7 some way?"

8 MS. SMITH: Again, we're looking at what
9 the energy efficiency is and the calculations
10 working out, it may be necessary to bundle
11 projects -- this is sort of speculating; in some
12 cases, I think we're going to have LEAs that
13 have already done a lot of energy efficiency and
14 are ready to move to solar, so certainly we'll
15 need to be taking a look at that. Our intent is
16 to be once again flexible within the rules and
17 we'll be looking at the individual Expenditure
18 Plans and working with you on that.

19 MS. FISHER: "It sounds like some of the
20 Q&A from prior webinars has been posted. Can
21 you provide a url or description of where to
22 find this on the website?"

23 MS. SMITH: Yes. If you go to the Energy
24 Commission website, you can just go to
25 California Energy Commission, and when you get

1 the Home page, you'll see that there are a list
2 of items, and I think three or four of them have
3 little flags on them that say "new," n-e-w, the
4 second one down is the Prop. 39, and you can
5 just click on that and that will take you to the
6 Prop. 39 webpage, and on the webpage you will
7 see a list of different items that are available
8 and the recording is one of those. That's from
9 the October 9th meeting, I think, we have posted
10 currently.

11 MS. FISHER: It looks like this is a
12 repeat, the next question: "Where are our
13 answers to previously asked questions found on
14 the webpage?" And I think you just answered
15 that.

16 Next question: "A deadline for
17 requesting planning funds is coming up on
18 November 1st. Can you confirm that there will
19 definitely be another opportunity to make a
20 request in February?"

21 MS. SMITH: Yes, I will confirm that.

22 MS. FISHER: "On the Guidelines, page 28,
23 Contracts, third bullet says: 'LEAs shall not
24 use a sole source process to award grant
25 proceeds.' Other than cited Code exemption,

1 competitive bidding is not always possible such
2 as with unique and proprietary products and
3 services. Why not simply follow the existing
4 California Code for competitive bidding for
5 LEAs?"

6 MS. SMITH: The statute is what included
7 the sole source language, so we are obligated to
8 include that in the Guidelines. And the LEAs
9 will have to comply with that and whatever their
10 local requirements are.

11 MS. FISHER: "Will it delay the award
12 flash funding for an LEA if the usage data for
13 the 10 or 15 schools who are not going to get
14 funding in 2013/2014 is not provided when the
15 usage data for the 20 or 25 schools who are
16 targeted for retro commissioning is provided for
17 plan review?"

18 MS. SMITH: I am not following that one.

19 MS. FISHER: It looks like the question
20 is, is not submitting the usage data going to
21 slow down the approval of the funding.

22 MS. SMITH: If an LEA does not submit the
23 past 12 months of energy usage data, we cannot
24 approve the energy expenditure plan. It's
25 required in the law, S.B. 783.

1 MS. FISHER: "Will the formal comments
2 submitted to the Docket be posted online? If
3 yes, when and where on the CEC website will they
4 be posted?"

5 MS. SMITH: The postings will be on the
6 webpage for Prop. 39, and I just described how
7 to get there. I wanted to clarify one thing in
8 the last statement that I made regarding the 12-
9 months utility data. There's two things that
10 LEAs will submit to us, they will submit a
11 summary of their 12 months of utility use so
12 that we have that to begin working with right
13 away. In addition, they will be submitting the
14 signed release form. What we didn't want to do
15 was, because we have so many different utilities
16 that we work with and different methods for
17 storing data and all of that, we didn't want to
18 hold up Expenditure Plans waiting to get
19 information from utilities. So I hope that
20 clarifies that.

21 MS. FISHER: "Can other energy savings
22 facility improvement measures that demonstrate
23 energy savings be accepted, other than the items
24 listed in simple projects on the current
25 Guidelines?"

1 MS. SMITH: Yes. Okay, we had a question
2 back here, and then one in the middle.

3 MR. ANDREONI: Thank you. Tony Andreoni
4 with CMUA. There was a couple of questions, I
5 think, or a couple of comments made earlier
6 regarding some schools or school district that
7 would like to see the Energy Commission provide
8 some type of list of proved energy efficiency
9 projects, for example, that make sense and are
10 cost-effective, to kind of speed up the process.
11 And I think within that framework, many of our
12 members are concerned that for cost-
13 effectiveness, that if a particular item doesn't
14 need Title 24 codes, or codes and standards,
15 that you know, there may be something below that
16 that is approved by the Energy Commission and
17 moves forward versus being the most current --
18 in this case we're coming up to 2014
19 implementation on the lighting codes -- is there
20 anything that the Energy Commission will provide
21 to try to clarify those issues when it comes to
22 specific projects and, you know, what is kind of
23 a minimum level? In this case, maybe, Title 24?

24 MS. SMITH: I think -- oh, go ahead.

25 MR. ASHUCKIAN: Dave Ashuckian, Energy

1 Commission. These are existing buildings. Our
2 Title 24 Standards are for new buildings and for
3 major rough alterations. And so you do not have
4 to meet existing Title 24 Standards in order to
5 retrofit the lighting of an existing building,
6 for example. Yes, we would like you to go to
7 the maximum, but that's not required. Again,
8 cost-effectiveness is what we're looking for in
9 this program.

10 MS. SMITH: Thanks, Dave. Dave is Deputy
11 Director of our Efficiency Division. Yes,
12 question.

13 MR. BROWN: Rick Brown, Terra Verde. On
14 that issue, you need to get some clarification
15 because DSA is telling us that we will have to
16 meet the Title 24, so there's a little
17 contradiction here. DSA is saying that we do
18 have to meet Title 24 even on existing
19 buildings.

20 MS. SMITH: Okay, I appreciate that.

21 MR. BROWN: So you ought to just --

22 MS. SMITH: We've actually got a meeting
23 tomorrow, I think, with DSA.

24 MR. BROWN: Okay, cool. So this is my
25 second round. The SIR on a site basis versus on

1 a District basis, it doesn't make sense. I
2 mean, again, going back to the objectives of the
3 program, to be as cost-effective -- to focus
4 somebody on the maximum job creation and the
5 maximum cost savings, you've got to do it based
6 on the District. The District pays one energy
7 bill.

8 MS. SMITH: Uh-huh.

9 MR. BROWN: Okay? To force you through
10 the sieve of figuring out for each site, you're
11 going to end up doing less cost-effective
12 projects is the simple answer. And we'll
13 provide some data on that when we submit our
14 document.

15 MS. SMITH: Great, okay.

16 MR. BROWN: On the energy manager, the
17 question is, there are many Districts that are
18 too small, you know, in the 1,000 to, say,
19 3,000, who can't afford -- you know, they don't
20 want to use a big chunk of their money to hire
21 an energy manager; in fact, they don't need a
22 full time energy manager, they could maybe use a
23 one day a week and if they pulled together with
24 four or five other Districts, but probably the
25 most effective way of doing that is probably not

1 doing a hire, but actually contracting for that
2 service. So it wasn't clear in the Guidelines
3 if you could contract for those services.

4 MS. SMITH: Correct. You're right, it
5 wasn't clear. But it can go either way.

6 MR. BROWN: Okay, so we'd like -- that's
7 great that we can do that.

8 MS. SMITH: That's what we were trying to
9 say.

10 MR. BROWN: That's great.

11 MS. SMITH: That one, I know.

12 MR. BROWN: Yeah. I want to second the
13 comment of the gentleman here, the breakdown of
14 the planning versus audit should be a little
15 more flexible.

16 MS. SMITH: Okay.

17 MR. BROWN: And then finally, because of
18 the job creation piece, I think that the
19 Guidelines -- now I'm going against what I've
20 said before, which is keep it simpler; I'm
21 suggesting we be a little bit more complex --

22 MS. SMITH: Welcome to our world.

23 MR. BROWN: -- around job creation. And
24 specifically, I don't think it's unreasonable
25 because we do this all the time, actually, with

1 big processes, and we do them on behalf of the
2 Districts to ask the vendor, the installer, to
3 provide information -- a little more detail
4 around the jobs that are being created, some
5 District that needs to do it, just put it in the
6 RFP, have the vendor provide the job
7 classification by trade, craft, and prevailing
8 wage category, whether it's journey level or
9 apprentice, hourly rate of pay, number of hours
10 worked per week, and where the work is coming
11 from. Most of our Districts want to hire local,
12 they want to (inaudible). So just putting into
13 the Guidelines that a little more detail is
14 required so that we can really -- my concern is
15 I want this program to go five years, 10 years,
16 15 years, and the more we can specify the job
17 creation aspects, the more we met the policy
18 objective, the more we're going to get support
19 in the Legislature to do the program.

20 MS. SMITH: Okay, and we have had some
21 similar discussions with the Workforce
22 Investment Board as far as reporting coming from
23 the contractors and that sort of thing, and even
24 using an automated process, so, yeah. So we're
25 sensitive to that. Thank you. Yes?

1 MS. ALVAREZ: So a question about that is
2 how can Districts -- how will they be able to
3 show what percentage of the jobs created were
4 caused by the Prop. 39 funding versus what
5 portion of the jobs -- or even energy savings --
6 were created by just our local Bond money?
7 Because one of the concerns that we have, we do
8 not want to see this Prop. 39 -- in San Diego,
9 we're only getting a couple million dollars, and
10 we do not want to see the Prop. 39 being, you
11 know, perceived to be hurting a lot of the jobs
12 in energy savings when in reality we'll be using
13 a lot of our local Bond money to pay for the
14 overall funding for the projects. So that's one
15 question to consider. And I think ultimately it
16 comes down to also just what information do you
17 really need versus what do you really want, and
18 versus what's necessary, that we hope that in
19 revising the Guidelines it's considered what is
20 necessary in the statute and the Prop. 39,
21 because one of the concerns is that this will be
22 like an ARRA funded program, there's a lot of
23 reporting on jobs created and energy saved -- or
24 you know, a lot of information that's here --

25 MS. SMITH: Absolutely.

1 MS. ALVAREZ: -- and so ultimately
2 keeping it in mind, how do we simplify this
3 program with what's necessary, what's required
4 in statute, without being too proscriptive for
5 Districts.

6 MS. SMITH: Thank you. Anymore web
7 questions? Okay.

8 MS. FISHER: Next question from the web:
9 "Will Proposition 39 funding also assist in new
10 construction School Districts?"

11 MS. SMITH: No. It's all retrofits on
12 existing buildings.

13 MS. FISHER: The next question is a -- I
14 believe it's a simplification of a previous
15 question: "Assume an LEA is not targeting
16 School X for an upgrade and wants to apply all
17 funds to School Y. If the application only
18 includes usage data for School Y, will funding
19 be delayed because School X data is not
20 included?"

21 MS. SMITH: No. Okay, that's all from
22 the web. Anything else from the room? Okay, do
23 you want to take a break, or do you think you're
24 all done? How many are done? Okay, let me just
25 wrap up then real quick.

