

# Memorandum

To: Chair Hochschild  
Commissioner Douglas  
Commissioner Gunda  
Commissioner McAllister  
Commissioner Monahan

Date: July 22, 2021

From: Allan Ward, Assistant Chief Counsel  
Chief Counsel's Office

Subject: CEQA Compliance for Revisions to CalSHAPE Guidelines

This memo addresses the application of the California Environmental Quality Act (CEQA, Public Resources Code section 21000 et seq.) to the California Energy Commission's (CEC) proposed adoption of revisions to program guidelines for the two California Schools Healthy Air, Plumbing and Efficiency (CalSHAPE) grant funding programs. The CEC, at its June 9, 2021, business meeting adopted the CalSHAPE Plumbing Program Guidelines, and at its June 25, 2021, business meeting adopted the CalSHAPE Ventilation Program Guidelines.

The CEC considered the application of CEQA and made findings when it approved both guidelines. CEC staff now propose to make minor edits to both guidelines for CEC approval at its August 11, 2021, business meeting. Specifically, based on recent legislation, CEC staff want to amend the guidelines to include regional occupational centers within the definition of local education agencies as eligible applicants.

The proposed changes to both guidelines will not result in any impact to the environment beyond those already considered. The proposed changes also do not alter the applicability of the categorical exemptions in Title 14 of the California Code of Regulations (CCR) sections 15301, 15302, and 15303. They still apply for the same reasons in my prior memos included in the backup material when the CEC approved each of the guidelines. Nor do the proposed changes trigger any of the exceptions to categorical exemptions, as set forth in title 14 of the CCR section 15300.2.

For all the forgoing reasons, the CEC's adoption of the proposed revisions to CalSHAPE Ventilation Program Guidelines as well as the CalSHAPE Plumbing Program Guidelines are exempt from CEQA.



California Energy Commission

## **DRAFT REVISED COMMISSION GUIDELINES**

\*Proposed language appears in bold underline (**example**) and proposed deletions appear in strikethrough (~~example~~)

# **California Schools Healthy Air, Plumbing, and Efficiency Ventilation Program Guidelines**

Gavin Newsom, Governor  
**August 2021** | CEC-300-2021-007- CMF-**REV**

# California Energy Commission

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## ABSTRACT

The School Reopening Ventilation and Energy Efficiency Verification and Repair Program is one of the two grant programs under the School Energy Efficiency Stimulus Program, established by Assembly Bill 841 (Ting, Chapter 372, Statutes of 2020). The program authorizes funding to local educational agencies for assessing, maintaining, and repairing or upgrading school ventilation systems to ensure that systems meet certain classroom ventilation requirements. These guidelines provide requirements for program participation including eligible applicants and projects, the application process, funding awards and distribution, as well as project documentation and reporting requirements. For the purposes of administering the program, the program will be referred to as the California Schools Healthy Air, Plumbing, and Efficiency Program. The California Energy Commission envisions rolling out the program in phases to ensure prioritization of schools in Underserved Communities. The first edition of these guidelines addresses the initial phase of program awards, which are limited to assessment and maintenance projects for schools in an Underserved Community as defined in California Public Utilities Code, section 1601. Additional eligibility under the program guidelines may be addressed in updates to these guidelines.

**Keywords:** CalSHAPE, School Energy Efficiency Stimulus, SEES, School Reopening Ventilation and Energy Efficiency Verification and Repair Program, grant, energy efficiency, school, local educational agency, Underserved Community, HVAC, ventilation, assessment

Please use the following citation for this report:

Bennet, O'Shea, Theresa Daniels, and Ryan Kastigar. 2021. *California Schools Healthy Air, Plumbing, and Efficiency Ventilation Program Guidelines*. California Energy Commission. Publication Number: CEC-300-2021-007-CMF-REV.

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# CHAPTER 1:

## Program Overview

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### A. Introduction

The School Energy Efficiency Stimulus (SEES) Program, established by Assembly Bill (AB) 841 (Ting, Chapter 372, Statutes of 2020) provides grants to local educational agencies (LEAs) as defined in Table 1 to, among other things, assess, maintain, adjust, repair, or upgrade heating, ventilation, and air conditioning (HVAC) systems in schools. The SEES Program also provides grants to LEAs and California state agencies to replace noncompliant plumbing fixtures and appliances. AB 841 requires the California Energy Commission (CEC) as the program administrator to design, administer, and implement the program in collaboration with the utilities funding the program. The SEES Program consists of the School Reopening Ventilation and Energy Efficiency Verification and Repair (SRVEVR) Program and the School Noncompliant Plumbing Fixture and Appliance (SNPFA) Program. For administering these programs, the SRVEVR Program will be referred to as the California Schools Healthy Air, Plumbing, and Efficiency (CalSHAPE) Ventilation Program. The SNPFA Program will be referred to as the CalSHAPE Plumbing Program.

These guidelines describe the program design, application process, and reporting requirements for the CalSHAPE Ventilation Program. The requirements of the CalSHAPE Plumbing Program are provided in separate guidelines.

These program guidelines provide potential applicants with information on how the program will be structured, who is eligible to apply for funding, and program requirements. All grant applicants and recipients are required to follow all program requirements, including those outlined in Public Utilities Code (PUC) Division 1, Part 1, Chapter 8.7, and as further outlined in these guidelines.

The CalSHAPE Program is established as part of each of the utilities' energy efficiency portfolios as a joint program among all the participating utilities and shall be consistent across the utility territories. The CalSHAPE Ventilation and Plumbing Programs are separate programs, and grant awards will be made specific to each program.

The CEC is rolling out the CalSHAPE Ventilation Program in phases to ensure prioritization of schools in Underserved Communities, as defined in Table 1 below. These guidelines address the initial phase of program awards, which are limited to projects for schools identified as being in an Underserved Community as defined. The CEC will continually evaluate the effectiveness of the program guidelines in achieving the purposes of AB 841 and publish new editions to update eligibility and prioritization as funding is available.

Future editions of the program guidelines will include updates necessary to prioritize schools with a boundary within 500 feet of the edge of the closest traffic lane of a freeway or other busy traffic corridor or within 1,000 feet of a Clean Air Act (42 U.S.C. Section 7661 et seq.) Title V permit facility, as well as incorporate schools outside Underserved Communities. Furthermore, this first edition addresses only Assessment and Maintenance Grants to perform



assessments, assessment reports, general maintenance, adjustments of ventilation rates, filter replacements, and carbon dioxide monitor installation. An additional 20 percent of the requested amount is provided for repairs, upgrades, or replacements necessary to make the HVAC systems functional or more energy-efficient.

The continued evaluation of program guidelines will also examine potential updates to address repairs, upgrades, or replacements that are greater than the contingency amount provided in the Assessment and Maintenance Grants. While not covered by this first edition of the guidelines, grants for work in excess of the 20 percent contingency will be referred to as HVAC Upgrade and Repair Grants.

## B. Keywords/Terms

Table 1 identifies the key words or terms used in the program guidelines.

**Table 1: Key Words and Terms**

<b>Word/Term</b>	<b>Definition</b>
AB	Assembly Bill
ASHRAE	American Society of Heating, Refrigerating and Air-Conditioning Engineers
Assessment and Maintenance Grant	A grant provided as part of the program to improve the energy efficiency and performance of school ventilation systems and support the safety of schools through one of three grant pathways: the HVAC Assessment and Maintenance Pathway, Scheduled for Replacement Pathway, or the Limited or No Mechanical Ventilation Pathway.
ATTCP	Acceptance Test Technician Certification Provider. The ATTCP Program was developed to support the California Building Energy Efficiency Standards. The requirements for ATTCPs can be found on the <a href="https://www.energy.ca.gov/programs-and-topics/programs/acceptance-test-technician-certification-provider-program">ATTCP webpage</a> : <a href="https://www.energy.ca.gov/programs-and-topics/programs/acceptance-test-technician-certification-provider-program">https://www.energy.ca.gov/programs-and-topics/programs/acceptance-test-technician-certification-provider-program</a> .
CalSHAPE Plumbing Program	The CalSHAPE Plumbing Program administers the requirements of the School Noncompliant Plumbing Fixture and Appliance Program as specified in Article 4 of Chapter 8.7 (commencing with Section 1630) of Part 1 of Division 1 of the PUC.
CalSHAPE Program	California Schools Healthy Air, Plumbing, and Efficiency Program, which includes two grant programs: CalSHAPE Ventilation Program and CalSHAPE Plumbing Program.
CalSHAPE Ventilation Program	The CalSHAPE Ventilation Program administers the requirements of the School Reopening Ventilation and Energy Efficiency Verification and Repair Program as specified in Article 3 of Chapter 8.7 (commencing with Section 1620) of Part 1 of Division 1 of the PUC.

<b>Word/Term</b>	<b>Definition</b>
CalSHAPE Ventilation Program Guidelines	California Schools Healthy Air, Plumbing, and Efficiency Ventilation Program Guidelines
CEC	California Energy Commission
CEQA	The California Environmental Quality Act found in California Public Resources Code Section 21000 et seq., and the CEQA Guidelines, promulgated by the California Natural Resources Agency, California Code of Regulations, Title 14, Section 15000 et seq. CEQA generally requires state and local government agencies to identify and consider potential environmental impacts of proposed projects, and to reduce or avoid those impacts to the extent feasible.
Certified TAB Technician	A technician certified to perform testing, adjusting, and balancing of HVAC systems by the Associated Air Balance Council (AABC), the National Environmental Balancing Bureau (NEBB), or the Testing, Adjusting and Balancing Bureau (TABB).
Contractor	A person or company with the appropriate license classification, as determined by the Contractors State License Board.
CPUC	California Public Utilities Commission
DIR	California Department of Industrial Relations
HVAC	Heating, ventilation, and air conditioning
HVAC Assessment and Maintenance Pathway	One of the three grant pathways for sites receiving an Assessment and Maintenance Grant. This pathway requires an HVAC Assessment and Maintenance, completion of an HVAC Assessment Report, carbon dioxide monitor installation, and completion of an HVAC Verification Report as described in Chapter 2. The grant pathway includes an additional 20 percent of the requested amount as a contingency fund for repairs, upgrades, or replacements necessary to make the system functional or more energy-efficient.
HVAC Assessment and Maintenance	An assessment of and adjustments to an HVAC system as described in Chapter 2.B. These include, as applicable, filtration, economizer dampers, ventilation, coil condition, and other requirements.
HVAC Assessment Report	A report prepared by a Qualified Testing Personnel or Qualified Adjusting Personnel as described in Chapter 2.F of these guidelines for review by a Licensed Professional. The HVAC Assessment Report must be submitted to the CEC as part of the final document package as specified in Chapter 4.C of these guidelines.

<b>Word/Term</b>	<b>Definition</b>
HVAC system	Any air-handling units, rooftop units, and unitary and single-zone equipment in the HVAC system or systems of a site, as described in PUC Section 1622.
HVAC Verification Report	A report prepared by an LEA upon completion of all work funded by an Assessment and Maintenance Grant as described in Chapter 2.G of these guidelines. The HVAC Verification Report must be submitted to the CEC as part of the final document package as specified in Chapter 4.C of these guidelines.
LEA	Local educational agency. A school district as defined in Section 41302.5 of the Education Code, <del>or</del> a charter school that has been granted a charter pursuant to Part 26.8 (commencing with Section 47600) of Division 4 of Title 2 of the Education Code, <b><u>or a regional occupational center established pursuant to Section 52301 of the Education Code that is operated by a joint powers authority and that has an active career technical education advisory committee pursuant to Section 8070 of the Education Code.</u></b>
Licensed Professional	A professional eligible under Division 3 (commencing with Section 5000) of the Business and Professions Code in the applicable classification to perform system design, construction, or installation of features, materials, components, or manufactured devices for mechanical systems.
Limited or No Mechanical Ventilation Pathway	One of the three grant pathways for sites receiving an Assessment and Maintenance Grant. This pathway requires a modified assessment, completion of a modified HVAC Assessment Report, installation of carbon dioxide monitors in each classroom, and completion of an HVAC Verification Report as described in Chapter 2.
MERV	Minimum efficiency reporting value
Notice of proposed award	CEC notification to the LEA following approval of a grant application.
Notice of funding availability	A notice issued by the CEC to identify anticipated funding that will be made available in each round of CalSHAPE Program grants. The notice will provide relevant application dates and any funding restrictions applicable to that funding round.
PPM	Parts per million
Project	"Project" refers to all assessments, HVAC general maintenance, adjustments of ventilation rates, filter replacements, carbon dioxide

<b>Word/Term</b>	<b>Definition</b>
	monitor installations, repairs, upgrades, and replacements that are funded by an Assessment and Maintenance Grant.
PUC	Public Utilities Code
Qualified Adjusting Personnel	Means either of the following: (1) A certified TAB technician. (2) A Skilled and Trained Workforce under the supervision of a TAB Technician.
Qualified Testing Personnel	Means either of the following: (1) An HVAC acceptance test technician certified to complete the forms set forth in subparagraph (B) of paragraph (1) of subdivision (b) of Section 10-103.2 of Part 1 of Title 24 of the California Code of Regulations by an Acceptance Test Technician Certification Provider (ATTCP) that is approved by the CEC to provide that certification. (2) A certified TAB technician.
Scheduled for Replacement Pathway	One of the three grant pathways for sites receiving an Assessment and Maintenance Grant. This pathway allows for filter replacement and requires the installation of carbon dioxide monitors, completion of a modified HVAC Assessment Report, and completion of an HVAC Verification Report as described in Chapter 2.
SEES Program	School Energy Efficiency Stimulus Program established in Chapter 8.7 Article 1 of the PUC. For program administration purposes, the SEES Program will be referred to as the CalSHAPE Program.
Service territory requirement	Sites must be located in a participating utility's service territory to receive a CalSHAPE Program grant. PUC Section 1615(c) requires the CEC to ensure that moneys from each utility are used for projects in the service territory of that utility from which the moneys are received.
Site	School where Assessment and Maintenance Grant work will be performed.
Skilled and Trained Workforce	Has the same meaning as set forth in Section 2601 of the Public Contract Code.
TAB	Testing, adjusting, and balancing
Underserved Community	A community that meets one of the following criteria: (1) Is a "disadvantaged community" as defined by subdivision (g) of Section 75005 of the Public Resources Code. (2) Is included within the definition of "low-income communities" as defined by paragraph (2) of subdivision (d) of Section 39713 of the Health and Safety Code.

<b>Word/Term</b>	<b>Definition</b>
	<p>(3) Is within an area identified as among the most disadvantaged 25 percent in the state according to the California Environmental Protection Agency and based on the most recent California Communities Environmental Health Screening Tool, also known as CalEnviroScreen.</p> <p>(4) Is a community in which at least 75 percent of public school students in the project area are eligible to receive free or reduced-price meals under the National School Lunch Program.</p> <p>(5) Is a community located on lands belonging to a federally recognized California Indian tribe.</p>
HVAC Upgrade and Repair Grant	A category of potential awards for a future phase of the CalSHAPE Ventilation Program for HVAC repairs, upgrades, or replacements.
Utility or utilities	<p>Means both of the following:</p> <p>(1) An electrical corporation with 250,000 or more customer accounts within the state.</p> <p>(2) A gas corporation with 400,000 or more customer accounts within the state.</p> <p>This definition currently includes Pacific Gas and Electric Company (PG&amp;E), Southern California Edison Company (SCE), San Diego Gas &amp; Electric Company (SDG&amp;E), and Southern California Gas Company (SCG).</p>
UVGI	Ultraviolet germicidal irradiation is an established means of disinfection and can be used to prevent the spread of certain infectious diseases. Low-pressure mercury (Hg) discharge lamps are commonly used in UVGI applications and emit shortwave ultraviolet-C radiation.

## **C. Budget**

Funding for the CalSHAPE Program comes from the energy efficiency budgets of California's large electric and gas investor-owned utilities. Specifically, this includes electrical corporations with 250,000 or more customer accounts within the state and gas corporations with 400,000 or more customer accounts within the state as determined by the California Public Utilities Commission (CPUC). These utilities are Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), and Southern California Gas Company (SCG).

The program will accumulate funding in 2021, 2022, and 2023. The annual funding for the program is derived from a combination of current year available funds and prior year unspent and uncommitted energy efficiency funds as described in PUC Section 1615(a). Each year, from 2021 through 2023, it is expected that the utilities will be required to prepare a joint

advice letter detailing that year’s budget for CPUC approval. Funding awards must be distributed proportionally to each utility area based on program funds contributed by that utility and used for projects located in the utility’s service territory. PG&E has both electric and gas service territories, and the available funding attributed to each service territory will be in accordance with the energy efficiency portfolio budget recovery electric and gas funding percentages provided by PG&E in the utilities’ joint advice letter to the CPUC.

CEC will allocate the available funding contributed by each utility using five funding categories. The funding category available to each eligible school site is determined based on the utility service territory in which the site is located. Table 2 identifies the funding categories and the associated utility service territories from which an award will be made. All projects funded by a program grant must meet the same requirements, as described by these guidelines, regardless of funding category.

CEC will provide notices of annual budget accrual, total program funding, and available funds for each funding category at least once per year. Funds are allocated to the two grant programs per PUC Section 1616, with 75 percent to CalSHAPE Ventilation and 25 percent to CalSHAPE Plumbing.

**Table 2: Utility Service Territory Funding Categories**

<b>Funding Category</b>	<b>Utility Service Territories</b>
<b>PG&amp;E Electric</b>	PG&E electric/PG&E gas PG&E electric/Nonparticipating utility gas PG&E electric/SCG gas
<b>PG&amp;E Gas</b>	Nonparticipating utility electric/PG&E gas
<b>SCE</b>	SCE electric/Nonparticipating utility gas SCE electric/SCG gas
<b>SCG</b>	Nonparticipating utility electric/SCG gas
<b>SDG&amp;E</b>	SDG&E electric/SDG&E gas SDG&E electric/ Nonparticipating utility gas SDG&E electric/SCG gas

Source: California Energy Commission

Following PUC Section 1615(e), the CEC shall return all unused funds to each utility by December 1, 2026. To accomplish this, all projects, reporting, and reconciliation must be completed and any unused funds returned to the CEC as described in Chapter 4. LEAs will be provided instructions for returning any unused funds to the CEC.

## **D. CalSHAPE Ventilation Eligibility**

### **1. Eligible Applicants**

California LEAs are the eligible applicants for grants. An LEA is defined as either **any of the following**:

- a. A school district as defined in Section 41302.5 of the Education Code, which includes:
  1. County boards of education.
  2. County superintendents of schools.
  3. Direct elementary and secondary level instructional services provided by the state, including the Diagnostic Schools for Neurologically Handicapped Children as established under Article 1 (commencing with Section 59200) of Chapter 3 of Part 32 of the Education Code.
- b. A charter school that has been granted a charter following Part 26.8 (commencing with Section 47600) of Division 4 of Title 2 of the Education Code.
- c. **A regional occupational center established pursuant to Section 52301 of the Education Code that is operated by a joint powers authority and that has an active career technical education advisory committee pursuant to Section 8070 of the Education Code.**

California LEAs may apply for funding to be used for projects at schools that are in the service territory of utilities as defined herein. LEAs must demonstrate that each site meets service territory requirements. CEC staff will verify submitted information as needed to ensure compliance with the service territory requirements.

Authorized third parties may complete applications on behalf of LEAs but may not sign or enter into agreements on behalf of LEAs. A letter of authorization from the LEA, specifying any authority or responsibility delegated to the third party, is required as part of the application package. No funding will be provided for the costs of completing an application for funding or for third-party consultant fees for application or project-related work.

## 2. Utility Service Territories and Application Tiers

PUC Section 1615(c) states that CEC shall ensure that funds from each utility are used for projects located in the utility service territory from which the money is received; for example, the funds collected from PG&E will be distributed in PG&E territory.

For implementing the program, CEC has established an approach based on the method employed for the CEC's Energy Conservation Assistance Act — Education Subaccount (ECAA-Ed) Competitive Loan Program to ensure that program funds are available to a range of LEAs within each utility service territory. LEAs in each utility service territory funding category are divided into three tiers based on LEA student enrollment. LEA tiers are detailed in Table 3.

**Table 3: LEA Tier by Enrollment Numbers**

<b>Tier</b>	<b>Number of Students</b>
<b>1</b>	Less than 1,000
<b>2</b>	Between 1,000 and 5,000
<b>3</b>	More than 5,000

Source: California Energy Commission

LEAs will be included in one or more of the application tiers as detailed in Table 4 corresponding to a utility service territory funding category and the size of the LEA.



**Table 4: LEA Application Tiers**

<b>Tier</b>	<b>PG&amp;E Electric</b>	<b>PG&amp;E Gas</b>	<b>SCE</b>	<b>SDG&amp;E</b>	<b>SCG</b>
<b>1</b>	PG&E-E1	PG&E-G1	SCE1	SDG&E1	SCG1
<b>2</b>	PG&E-E2	PG&E-G2	SCE2	SDG&E2	SCG2
<b>3</b>	PG&E-E3	PG&E-G3	SCE3	SDG&E3	SCG3

Source: California Energy Commission

### 3. Allocation of Funds Method

To allocate program funds for each program year, CEC will calculate the available funds by tiers presented in Table 4 for each utility service territory funding category. The calculation will be based on the final budget for each utility as approved by the CPUC for each program year as described in PUC 1615(a)(1).

CEC will allocate funds by application tier for each utility service territory funding category using the percentages shown in Table 5.

**Table 5: Available Funds by Application Tier**

<b>Tier</b>	<b>PG&amp;E Electric</b>	<b>PG&amp;E Gas</b>	<b>SCE</b>	<b>SDG&amp;E</b>	<b>SCG</b>
<b>1</b>	PG&E-E1: 10%	PG&E-G1: 10%	SCE1: 10%	SDG&E1: 10%	SCG1 10%
<b>2</b>	PG&E-E2: 10%	PG&E-G2: 10%	SCE2: 10%	SDG&E2: 10%	SCG2 10%
<b>3</b>	PG&E-E3: 80%	PG&E-G3: 80%	SCE3: 80%	SDG&E3: 80%	SCG3 80%

Source: California Energy Commission

CEC will provide the amount of funds available for each utility service territory funding category and the funds available in each application tier in the notice of funding availability as described in Chapter 3.A, which will be issued for each funding round.

### 4. Funds Not Used in an Application Tier

If all funding originally allocated to a particular application tier is not disbursed at the conclusion of the applicable funding round, undisbursed funds may be reallocated to one or more other application tiers, or reserved for a future funding round depending on current and projected applicant demand. Consistent with PUC Section 1615(c), funds cannot be reallocated to fund projects from one utility service territory to another.

### 5. Eligible Schools

LEAs may apply for grants to conduct activities at schools that:

- Are on a site owned by the LEA.
- Are on a publicly owned site, such as a site owned by a school district or other public entity, whether the LEA has a lease with that entity.

- c. Are on a privately owned site, for which there is a lease with a term that exceeds the program duration, ending after December 1, 2026.

LEAs must provide proof of ownership or complying leases. Charter schools will be required to submit a current Certificate of Good Standing with the application package.

Sites that are located within the service territory of a community choice aggregator (CCA) or local publicly owned electric utility (POU) are not prohibited from participating in the program. School sites located within a CCA or POU that meet the underserved community criteria, as specified in Section E, may be eligible for funding based on the appropriate utility service territory funding category as described in Section C and Table 2.

## **6. Number of Applications**

An LEA may submit up to three applications for program funds in each funding round. For the initial phase of program awards, only sites meeting one or more of the definitions of an Underserved Community may be included. There is no restriction on how many sites an LEA can include in a single application. A site can be included only once and cannot be included in multiple applications.

## **7. Relationship to CalSHAPE Plumbing Applications and Awards**

CalSHAPE Ventilation and CalSHAPE Plumbing are separate programs. LEAs are required to submit separate applications specific to each program.

## **8. Multiple Sources of Funding**

Participation in another program does not prevent participation in the program. However, an LEA receiving program funding may not receive additional funds from another program that, when combined with program funding, exceed the total cost of the project. Furthermore, program funds shall be used only for distinct, eligible costs described in these guidelines that are not funded by another funding source. CEC reserves the right to review and audit all grant and funding award documents to ensure compliance with this requirement.

## **E. Priority Awards**

PUC Section 1612 requires that the program offer funds to schools that are in an Underserved Community before schools that are not in an Underserved Community. The program defines an Underserved Community as meeting one of the following criteria:

1. Is a "disadvantaged community" as defined by Public Resources Code Section 75005(g)<sup>1</sup>

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<sup>1</sup> Public Resources Code Section 75005(g) currently defines "disadvantaged community" as a community with a median household income less than 80 percent of the statewide average.

2. Is included within the definition of “low-income communities” as defined by Health and Safety Code Section 39713(d)(2)<sup>2</sup>
3. Is within an area identified as among the most disadvantaged 25 percent in the state according to the California Environmental Protection Agency and based on the most recent California Communities Environmental Health Screening Tool, also known as CalEnviroScreen
4. Is a community in which at least 75 percent of public school students in the project area are eligible to receive free or reduced-price meals under the National School Lunch Program
5. Is a community located on lands belonging to a federally recognized California Indian tribe

PUC Section 1612 requires that at least 25 percent of program projects be in Underserved Communities.

To meet the statutory requirement that schools meeting one or more Underserved Community criteria be offered funding before other schools, CEC is limiting applications and awards for the initial funding round of Assessment and Maintenance Grant Awards to schools meeting one or more of the Underserved Community criteria referenced in PUC Section 1601(e) and described in these guidelines.

These guidelines may be updated, and additional notice provided as necessary, including the possibility of addressing additional eligibility.

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<sup>2</sup> Health and Safety Code Section 39713(d)(2) defines “low-income communities” as census tracts with median household incomes at or below 80 percent of the statewide median income or with median household incomes at or below the threshold designated as low income by the Department of Housing and Community Development’s list of state income limits adopted under Health and Safety Code Section 50093.

# CHAPTER 2:

## Project Requirements

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### A. Assessment and Maintenance Grants

An LEA may apply for a grant to improve the energy efficiency and performance of school ventilation systems and support the safety of schools through one of three grant pathways: (1) HVAC Assessment and Maintenance Pathway, (2) Scheduled for Replacement Pathway, and (3) Limited or No Mechanical Ventilation Pathway. Each grant pathway has specific requirements, which are provided in this chapter.

Each site awarded grant funding will follow only one grant pathway and must complete the process and meet the requirements as described for that grant pathway. The grant pathway and qualification criteria for each pathway are as follows:

1. HVAC Assessment and Maintenance Pathway — A site has at least one HVAC system, as defined in Table 1, that is not scheduled for replacement within two years of the application submittal date. An HVAC system is deemed scheduled for replacement if the LEA can provide the supporting documentation specified in Chapter 3.B for a site to qualify for this pathway. The project requirements specific to this pathway are provided in Section B.
2. Scheduled for Replacement Pathway — A site where all the HVAC systems at the site are scheduled for replacement within the two years of the application submittal date. The LEA must provide the supporting documentation specified in Chapter 3.B for the site to qualify for this pathway. The project requirements specific to this pathway are provided in Section D.
3. Limited or No Mechanical Ventilation Pathway — A site does not have an HVAC system, as defined by these guidelines in Table 1. The LEA must provide the supporting documentation specified in Chapter 3.B for the site to qualify for this pathway. The project requirements specific to this pathway are provided in Section E.

The project requirements that must be met for each grant pathway are shown in Table 6.

**Table 6: Project Requirements by Grant Pathway**

Assessment and Maintenance Grant Requirements	HVAC Assessment and Maintenance Pathway	Scheduled for Replacement Pathway	Limited or No Mechanical Ventilation Pathway
Filter Installation	Yes	Yes	No
HVAC Assessment	Yes	No	No
HVAC Maintenance	Yes	No	No
CO2 Monitor Installation	Yes	Yes	Yes
20% Contingency Fund for Repairs/Additional Maintenance	Yes	No	No
Limited or No Mechanical Ventilation Assessment	No	No	Yes
HVAC Assessment Report	Yes	Yes	Yes
HVAC Verification Report	Yes	Yes	Yes
Eligible for HVAC Upgrade and Repair Grant	Yes	No	Yes
Justification for Grant Pathway	No	Yes	Yes

Source: California Energy Commission

Grant applications must specify the details of each site and provide contractor estimates for costs specific to complete the project requirements at each site. Awards will be made based on contractor estimates not to exceed the maximum award amount as described in Section H. Additional details on application requirements are provided in Chapter 3.

Certain work must be done by Qualified Personnel, and certain other work must be done by Licensed Professionals. An LEA receiving a grant must ensure that Qualified Personnel and Licensed Professionals, as defined in Table 1, perform their respective required work as set forth below. Moreover, the results and findings from assessments must be recorded in the HVAC Assessment Report as described in this chapter.

## **B. HVAC Assessment and Maintenance Pathway Requirements**

The HVAC Assessment and Maintenance Pathway requires an HVAC Assessment and Maintenance, as defined in Table 1 and described in this section; completion of an HVAC Assessment Report; and carbon dioxide monitor installation. The grant award includes an additional 20 percent of the requested amount as a contingency fund for repairs, upgrades, or replacements necessary to make the system functional or more energy-efficient.

The prescriptive process for HVAC Assessment and Maintenance described in this section must be completed for all HVAC system units at the site that are not scheduled for replacement. Sites awarded a grant for this pathway must also complete the requirements of Section C, as well as Sections D and E to the extent applicable, and complete the HVAC Assessment Report and HVAC Verification Report as specified in Sections F and G, respectively.

As mentioned above, the Assessment and Maintenance Grant includes a 20 percent contingency fund that may be used for repairs, upgrades, or replacements necessary to make the HVAC system functional or more energy-efficient. Any additional repairs, upgrades, or replacements determined to be necessary during the assessment may be funded using the 20 percent contingency fund. These repairs, upgrades, or replacements must be documented as necessary to make the HVAC system functional or more energy-efficient in the HVAC Assessment and Verification Reports to be determined as an eligible use of the contingency funds.

Deficiencies in the HVAC system operation or ability to meet ventilation requirements or complete the HVAC Assessment and Maintenance process must be documented in the HVAC Assessment Report for review by a Licensed Professional as described in this chapter. Grant funding for repairs and replacements identified in the HVAC Assessment and Verification Reports in excess of the 20 percent contingency amount might be eligible for an award in a future phase of program awards as part of an HVAC Upgrade and Repair Grant.

## **1. Filtration**

The LEA receiving a program grant shall install filtration with a minimum efficiency reporting value (MERV) of 13 or better in the HVAC system where feasible. If MERV 13 is not feasible, then the highest MERV filtration that can be used in the HVAC system without adversely impacting the equipment shall be installed. The expected cost of filter replacement or upgrade must be included in the cost estimate provided with the grant application. The purchase of additional replacement filters is not an eligible cost and may not be included in the contractor estimate.

- a. Qualified Testing Personnel shall test system capacity and airflow to determine the highest MERV filtration that can be installed without adversely impacting equipment, shall replace or upgrade filters where needed, and shall verify that those filters are installed correctly. The cost associated with any additional repairs such as adjustments or repairs to increase fan capacity is not an eligible cost as part of the Assessment and Maintenance Grant but may be funded by the 20 percent contingency fund.
- b. If a system uses ultraviolet germicidal irradiation (UVGI) to disinfect the air, the UVGI lamp shall be checked for proper operation, replacing bulbs as needed and verifying that the ultraviolet light does not shine on filters. The expected cost of a UVGI lamp replacement must be included in the cost estimate provided with the grant application. The purchase of additional UVGI lamps is not an eligible cost and may not be included in the contractor estimate. The cost associated with any additional repairs and replacements is not an eligible cost as part of the Assessment and Maintenance Grant but may be funded by the 20 percent contingency fund.
- c. For systems with economizers, Qualified Testing Personnel shall test system economizer dampers pursuant to Section B of CEC form [CEC-NRCA-MCH-05-A--Air Economizer Controls](#)

([https://energycodeace.com/download/39547/file\\_path/fieldList/2019-NRCA-MCH-05-A-AirEconomizerControls.pdf](https://energycodeace.com/download/39547/file_path/fieldList/2019-NRCA-MCH-05-A-AirEconomizerControls.pdf)).

1. Economizer dampers and controls that are not properly functioning shall be repaired by a Skilled and Trained Workforce. The cost associated with any additional repairs and replacements is not an eligible cost as part of the Assessment and Maintenance Grant but may be funded by the 20 percent contingency fund.
- d. Recommendations for additional maintenance, replacement, or upgrades to the above shall be recorded in the HVAC Assessment Report required under PUC Section 1626 and these guidelines.

## **2. Ventilation**

After completing the filtration requirements described above, a Qualified Testing Personnel shall verify the ventilation rates in the facility classrooms, auditoriums, gymnasiums, nurses offices, restrooms, and other occupied areas to assess whether they meet the minimum ventilation rate requirements set forth in Table 120.1-A of Part 6 (commencing with Section 100.0) of Title 24 California Code of Regulations. The assessment shall include:

- a. Calculation of the required minimum outside air ventilation rates for each occupied area based on the anticipated occupancy and the minimum required ventilation rate per occupant set forth in Table 120.1-A. Calculations shall be based on maximum anticipated classroom or other occupied area occupancy rates and determined by the performing technician. Natural ventilation shall be designed in accordance with Section 402.2 of the California Mechanical Code (Part 4 [commencing with Section 1.1.0] of Title 24 of the California Code of Regulations) and shall include mechanical ventilation systems designed in accordance with Section 403.0, Section 404.0, or both sections of the California Mechanical Code.
- b. Measurement of outside air under Section B of CEC form [CEC-NRCA-MCH-02-A-Outdoor Air Acceptance](https://energycodeace.com/NonresidentialForms/2019) (<https://energycodeace.com/NonresidentialForms/2019>) and verification of whether the system provides the minimum outside air ventilation rates calculated in subparagraph a) directly above.
- c. Survey readings of inlets and outlets to verify all ventilation is reaching the served zone and there is adequate distribution. Verify if inlets and outlets are balanced within tolerance of the system design. Document read values and deficiencies. If the original system design values are not available, document available information and note unavailability of system design values in the assessment report.
- d. Verification of building pressure relative to the outdoors to ensure positive pressure differential and ensure the building is not over-pressurized.
- e. Verification of coil velocities and coil and unit discharge air temperatures required to maintain desired indoor conditions and avoid moisture carryover from cooling coils.

- f. Verification that separation between outdoor air intakes and exhaust discharge outlets meet requirements of the California Building Code, including Section 120.1.
- g. Confirmation that the air-handling unit is bringing in outdoor air and removing exhaust air as intended by the system design.
- h. Measurement of all exhaust air volume for exhaust fans, including restrooms. Document any discrepancies from system design.
- i. If the system does not meet the minimum ventilation rate requirements set forth in Table 120.1-A, the system shall be adjusted to the highest minimum ventilation possible without adversely impacting equipment performance. This deficiency should be documented in the HVAC Assessment Report along with the actual ventilation rate and the occupancy it can serve. A Licensed Professional or Qualified Adjusting Personnel, as defined in Table 1, shall review the system airflow and capacity to determine if additional ventilation can be provided.
  - 1. If additional ventilation can be provided, a Qualified Adjusting Personnel must adjust ventilation rates to meet the minimum ventilation rate requirements set forth in Table 120.1-A to the extent feasible. After the adjustment, the measurement and verifications required by b., d., and e., in the section above must be repeated. The costs of the adjustment of ventilation rates to meet the minimum ventilation rate requirements with existing equipment shall be included in the contractor estimate.
  - 2. If minimum ventilation rate requirements set forth in Table 120.1-A cannot be met, this deficiency shall be reported in the HVAC Assessment Report and the HVAC Verification Report (outlined in Section E below) and addressed by a Licensed Professional as required by this chapter.

### **3. Demand Control Ventilation**

- a. If a demand control ventilation is installed, it must be adjusted to a carbon dioxide set point of 800 parts per million (ppm) or less and tested by Qualified Testing Personnel pursuant to Section B of [CEC-NRCA-MCH-06-A-Demand Control Ventilation Systems Acceptance](https://energycodeace.com/NonresidentialForms/2019) (<https://energycodeace.com/NonresidentialForms/2019>).
  - 1. If the demand control ventilation system does not maintain average daily maximum carbon dioxide levels below 1,100 ppm, it must be disabled until such time as the LEA determines that the COVID-19 crisis has passed unless disabling the control would adversely affect operation of the overall system.
  - 2. When disabling a demand control ventilation system, the system must be configured to meet the minimum ventilation rate requirements and tested and adjusted to provide a notification through a visual indicator on the monitor, such as an indicator light or other alert system, including but not limited to an electronic mail, text, or cellular telephone application, when the carbon dioxide levels in the classroom have exceeded 1,100 ppm.



- b. Recommendations for additional maintenance, replacement, or upgrades for the demand control ventilation shall be recorded in the HVAC Assessment Report, described in Section D. The cost associated with the additional maintenance, replacements, or upgrades is not an eligible cost as part of the Assessment and Maintenance Grant but may be funded by the 20 percent contingency fund.

#### **4. Coil Condition**

- a. A Qualified Testing Personnel or a Skilled and Trained Workforce shall verify:
  - 1. Coil condition.
  - 2. Condensate drainage.
  - 3. Cooling coil air temperature differentials (entering and leaving dry bulb).
  - 4. Heat exchanger operation.
  - 5. Drive assembly.
- b. If repairs, replacement, or upgrades are necessary, these deficiencies shall be reported in the HVAC Assessment Report and the HVAC Verification Report and addressed by the Licensed Professional pursuant to PUC Sections 1626–1627, as described in Section D. The cost associated with the repairs, upgrades, or replacements is not an eligible cost as part of the Assessment and Maintenance Grant but may be funded by the 20 percent contingency fund.

#### **5. Additional Requirements**

- a. A Qualified Testing or Adjusting Personnel shall review control sequences to verify systems will maintain intended ventilation, temperature, and humidity conditions during school operation.
  - 1. For previously unoccupied buildings, perform the recommended practices of reopening a building as covered in the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Building Readiness document — Restarting a Building. Additional information can be found on ASHRAE’s webpage for [Building Readiness](https://www.ashrae.org/technical-resources/building-readiness) (<https://www.ashrae.org/technical-resources/building-readiness>).
  - 2. Verify a daily flush is scheduled per ASHRAE Guidance for Reopening and Operating Schools and Buildings or otherwise applicable local or state guidance. Additional information can be found on ASHRAE’s webpage for [Reopening of Schools and Universities](https://www.ashrae.org/technical-resources/reopening-of-schools-and-universities) (<https://www.ashrae.org/technical-resources/reopening-of-schools-and-universities>).
  - 3. Verify that HVAC system operational times, exhaust fans operation times, setpoints, and enabled features meet ASHRAE Guidance for Reopening and Operating Schools and Buildings or otherwise applicable local or state guidance.
- b. If installed HVAC systems or system components are broken, fail to meet minimum ventilation requirements, or are unable to operate to the original design and intent, this information will be included in the HVAC Assessment Report prepared pursuant to PUC Section 1626, and described in Section D, which will be provided to a

Licensed Professional for determination of appropriate corrective measures pursuant to PUC Section 1626. Repairs, upgrades, or replacements shall be performed by a Skilled and Trained Workforce. The cost associated with the repairs, upgrades, or replacements will be limited to the contingency fund.

- c. Requirements for filtration levels, ventilation rates, and ventilation schedules may be amended by the CEC based on the latest COVID-19 or other applicable guidance.

## **C. Carbon Dioxide Monitoring**

### **1. Installation**

To ensure proper ventilation is maintained throughout the school year, all classrooms in schools receiving a program grant shall be equipped with a carbon dioxide monitor that meets all the following:

- a. The monitor is hard-wired or plugged-in and mounted to the wall between three and six feet above the floor and at least five feet away from the door and operable windows.
- b. The monitor displays the carbon dioxide readings to the teacher through a display on the device or other means such as a web-based application or cellular phone application.
- c. The monitor provides a notification through a visual indicator on the monitor, such as an indicator light or other alert system, including but not limited to an electronic mail, text, or cellular telephone application, when the carbon dioxide levels in the classroom have exceeded 1,100 ppm.
- d. The monitor maintains a record of previous data that includes at least the maximum carbon dioxide concentration measured.
- e. The monitor has a range of 400 ppm to 2,000 ppm or greater.
- f. The monitor is certified by the manufacturer to be accurate within 75 ppm at 1,000 ppm carbon dioxide concentration and is certified by the manufacturer to require calibration no more frequently than once every five years.
- g. The monitor and installation and initial adjustment of the monitor are the only costs eligible for grant funding and the only costs that shall be included in the contractor estimate. The total cost for all three of these items must not exceed the maximum award for monitor installation as specified in Section K.

### **2. Continued Monitoring of Classroom Carbon Dioxide Level**

If a classroom carbon dioxide concentration exceeds 1,100 ppm more than once a week as observed by the teacher or the facility staff, the classroom ventilation rates shall be adjusted by Qualified Testing or Adjusting Personnel, as defined in Table 1, to ensure that peak carbon dioxide concentrations in the classroom remain below the maximum allowable carbon dioxide ppm set point.

The LEA is responsible for continued monitoring. The requirement for future adjustments by a Qualified Testing or Adjusting Personnel shall not be included in the contractor estimate.

Verification of the installation of carbon dioxide monitors in all classrooms shall be included in the HVAC Assessment Report, described below.

## **D. Scheduled for Replacement Pathway Requirements**

The Scheduled for Replacement Pathway allows filter replacement as described below and requires the installation of carbon dioxide monitors in each classroom consistent with the requirements of Section C, completion of an HVAC Assessment Report as specified in Section F, and an HVAC Verification Report as specified in Section G. This pathway does not include an assessment. As such, sites that receive grant funding for this pathway will not be eligible for the 20 percent contingency funds nor additional funding through an HVAC Upgrade and Repair Grant should funding become available for such purposes.

### **Filtration**

The LEA receiving a grant for the Scheduled for Replacement Pathway may replace or upgrade system filtration as needed. If filtration is replaced or upgraded, the LEA shall install filtration with a MERV of 13 or better in the HVAC system where feasible. If MERV 13 is not feasible, then the highest MERV filtration that can be used in the HVAC system without adversely impacting the equipment shall be installed.

Qualified Testing Personnel shall test system capacity and airflow to determine the highest MERV filtration that can be installed without adversely impacting equipment, shall replace or upgrade filters where needed, and shall verify that those filters are installed correctly. The expected cost of filter replacement or upgrade shall be included in the cost estimate provided with the grant application. The purchase of additional replacement filters is not an eligible cost and must not be included in the contractor estimate. The cost associated with any additional repairs or adjustments will not be funded by a program grant.

## **E. Limited or No Mechanical Ventilation Pathway Requirements**

The Limited or No Mechanical Ventilation Pathway requires an assessment as described in this section, completion of an HVAC Assessment Report as specified in this section and in Section F, installation of carbon dioxide monitors in each classroom consistent with the requirements of Section C, and completion of an HVAC Verification Report as specified in Section G.

A Qualified Testing or Adjusting Personnel must complete the following assessment requirements and HVAC Assessment Report. The HVAC Assessment Report will provide the Licensed Professional with documentation to provide mechanical ventilation options to the LEA with limited assumptions.

### **1. Assessment Requirements**

- a. Verify the functionality and document nameplate data on any existing HVAC equipment (that is, heating only units, exhaust fans, and so forth), if any.

- b. Verify and document the location of windows and doors that can be opened.
  - 1. Verify if windows have any switches or controls that initiate exhaust fans, motorized dampers or other devices.
- c. Verify if any existing mechanical, architectural, structural drawings match current conditions.
- d. Provide a sketch of actual roof penetrations, penetration type (that is, vent pipe) and approximate locations if different from drawings.
- e. Document locations of any vents that could contaminate outside air intake locations.
- f. Document locations for potential installation of mechanical ventilation
- g. Photograph existing building, existing mechanical equipment (if applicable) and potential locations for mechanical ventilation equipment.
- h. Document roof and wall type/material to the best of the technician's ability.
- i. Document if existing mechanical equipment can be altered to provide outside air or if a dedicated outside air system is required.
- j. Obtain information on central plant capacity (if applicable)
- k. Document whether outside air conditions may make reliance on windows or other sources of nonfiltered outside air potentially hazardous to occupants.
- l. Document recommendations for adding mechanical ventilation and filtration where none exists or for replacing a mechanical ventilation system where the current system is nonoperational.

## **2. Limited or No Mechanical Ventilation Assessment Report Requirements**

A Qualified Testing Personnel or Qualified Adjusting Personnel shall prepare a HVAC Assessment Report for review by a Licensed Professional, as defined in Table 1, based on the requirements specified in the Assessment Requirements section above. The HVAC Assessment Report shall include all the information described below. Additional requirements for the HVAC Assessment Report that must be completed for the Limited or No Mechanical Ventilation Pathway are provided in Section F and Appendix B.

- a. Name and address of school facility and person or contractor preparing and certifying HVAC Assessment Report.
- b. Documentation of existing HVAC infrastructure, including the functionality and nameplate data.
- c. Documentation of the location of windows and doors that can be opened and windows with any switches or controls that initiate exhaust fans, motorized dampers or other devices.
- d. The verified existing mechanical, architectural, structural drawings match current conditions.
- e. The sketch of actual roof penetrations, penetration type (that is, vent pipe) and approximate locations if different from drawings.

- f. Documentation locations of any vents that could contaminate outside air intake locations.
- g. Photographs of existing building, existing mechanical equipment (if applicable), and potential locations for mechanical ventilation equipment.
- h. Documentation roof and wall type/material.
- i. Documentation of existing mechanical equipment can be altered to provide outside air or if a Dedicated Outside Air System is required.
- j. Information on central plant capacity (if applicable).
- k. Documentation of whether outside air conditions may make reliance on windows or other sources of nonfiltered outside air potentially hazardous to occupants.
- l. Documentation of recommendations for adding mechanical ventilation and filtration where none exists or for replacing a mechanical ventilation system where the current system is nonoperational.
- m. Monthly electricity meter data, if requested by CEC program staff.
- n. LEAs may be required to submit additional information as described or otherwise required by these guidelines, including but not limited to the information described in Appendix B.

## **F. HVAC Assessment Report**

A Qualified Testing Personnel or Qualified Adjusting Personnel shall prepare an HVAC Assessment Report based on the requirements specified for each pathway in Sections B, C, D, and E above. The HVAC Assessment Reports completed for sites following the HVAC Assessment and Maintenance and Limited or No Mechanical Ventilation Pathways shall be reviewed by a Licensed Professional, as defined in Table 1, as described in this section. The HVAC Assessment Report completed for the Scheduled for Replacement Pathway is not required to be reviewed by a Licensed Professional because this pathway does not require an assessment and is not eligible for additional funding through an HVAC Upgrade and Repair Grant should funding become available for such purposes.

The HVAC Assessment Report completed for each pathway shall include the following information as specified in Table 7, below, in the required form or formats.

1. Name and address of school facility and person or contractor preparing and certifying HVAC Assessment Report.
2. Documentation of HVAC equipment model number, serial number, general condition of unit, and any additional information that could be used to assess replacement and repair options given potential for increased energy efficiency benefits.
3. Either verification that MERV 13 filters have been installed or verification that the maximum MERV-rated filter that the system is able to effectively handle has been installed and what that MERV rating is.
4. The verified ventilation rates for facility classrooms, auditoriums, gymnasiums, nurses' offices, restrooms, offices, and other occupied areas, and whether those rates meet the requirements set forth in Table 120.1-A. If ventilation rates do not meet applicable

requirements, then an explanation for why the current system is unable to meet those rates shall be provided.

5. The verified exhaust for facility classrooms, auditoriums, gymnasiums, nurses' offices, restrooms, and other occupied areas and whether those rates meet the requirements set forth in the design intent.
6. Documentation of system deficiencies and recommendations for additional maintenance, replacement, or upgrades to improve energy efficiency, safety, or performance.
7. Name of the utility that provides electricity service and monthly electricity meter data.
8. Documentation on existing HVAC infrastructure to assist the Design Professional in determining ventilation options, as described in Section E for the Limited or No Mechanical Ventilation Pathway.

LEAs may be required to submit additional information as described or otherwise required by these guidelines, including but not limited to the information described in Appendix B.

The HVAC Assessment Report Worksheets will be made available for use in developing the report on the [program webpage](https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program) (<https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program>).

The HVAC Assessment Report Worksheets includes 10 worksheets as described in Appendix B and listed in Table 7, below. Table 7 provides information on which worksheets of the HVAC Assessment Report must be completed and submitted with the final reporting for each of the three grant pathways.

**Table 7: HVAC Assessment Report Requirements by Grant Pathway**

HVAC Assessment Report Required Information	<b>HVAC Assessment and Maintenance Pathway</b>	<b>Scheduled for Replacement Pathway</b>	<b>Limited or No Mechanical Ventilation Pathway</b>
1. System Overview	Yes	No	No
2. Filtration System	Yes	Yes	No
3. Ventilation Rate	Yes	No	No
4. Economizer Operation	Yes	No	No
5. Demand Control Ventilation	Yes	No	No
6. Air Distribution and Building Pressure	Yes	No	No
7. General Maintenance	Yes	No	No
8. Operational Controls	Yes	No	No
9. CO2 Monitoring	Yes	Yes	Yes
10. Limited or No Existing Mechanical	No	No	Yes

Source: California Energy Commission

## **1. Review of HVAC Assessment Report**

A Licensed Professional shall review the HVAC Assessment Report completed for sites following the HVAC Assessment and Maintenance Pathway and:

- a. Determine what, if any, additional adjustments or repairs would be necessary to meet the minimum ventilation and filtration requirements.
- b. Determine whether any cost-effective energy efficiency upgrades or replacements are warranted or recommended.
- c. Provide an estimated cost for all identified work.

If the cost of recommended repairs, upgrades, or replacements are greater than the 20 percent contingency amount provided in the grant, then the Licensed Professional and the LEA may apply for additional funding through an HVAC Upgrade and Repair Grant, should funding become available for such purposes.

The provision of any additional funding for repairs, upgrades, or replacements shall be conditioned on the applicant ensuring that all construction work funded, in whole or in part, by the additional funding is performed by a Skilled and Trained Workforce.

## **2. Review of Limited or No Mechanical Ventilation HVAC Assessment Report**

A Licensed Professional shall review the HVAC Assessment Report completed for sites following the Limited or No Mechanical Ventilation Pathway and:

- a. Determine recommendations for adding mechanical ventilation and filtration where none exists or for replacing a mechanical ventilation system where the current system is nonoperational.
- b. Provide an estimated cost for all identified recommendations.

The LEA may apply for funding for this work through an HVAC Upgrade and Repair Grant should funding become available for such purposes. The provision of any additional funding for repairs, upgrades, or replacements shall be conditioned on the applicant ensuring that all construction work funded, in whole or in part, by the additional funding is performed by a Skilled and Trained Workforce.

## **G. HVAC Verification Report**

Upon completion of all work funded by a program grant, the LEA shall prepare and submit an HVAC Verification Report for each site included in the grant. The HVAC Verification Report must include the following information as specified for each grant pathway in Table 8, below, in the required form or formats.

1. Name and address of school facility and person or contractor preparing and certifying report.
2. Description of assessment, maintenance, adjustment, repair, upgrade, and replacement activities and outcomes.
3. Verification that the LEA has complied with all applicable program requirements, including Article 3 of Chapter 8.7 of Part 1 of Division 1 starting with Section 1620 of the PUC and as described in these guidelines

4. Verification that either MERV 13 filters have been installed or that the maximum MERV-rated filter that the system is able to effectively handle has been installed and what that MERV rating is.
5. The verified ventilation rates for facility classrooms, auditoriums, gymnasiums, nurses' offices, restrooms, offices, and other occupied areas and whether those rates meet the requirements set forth in Table 120.1-A. If ventilation rates do not meet applicable guidance, then an explanation for why the current system is unable to meet those rates shall be provided.
6. The verified exhaust for facility classrooms, auditoriums, gymnasiums, nurses' offices, restrooms, and other occupied areas and whether those rates meet the requirements set forth in the design intent.
7. Documentation of system deficiencies and recommendations for additional maintenance, replacement, or upgrades to improve energy efficiency, safety, or performance, or for additions of mechanical ventilation and filtration where none exists.
8. Documentation of initial operating verifications, adjustments, and final operating verifications, and documentation of any adjustments or repairs performed.
9. Verification of installation of carbon dioxide monitors, including make and model of monitors.
10. Verification that all required work has been performed by Qualified Testing or Adjusting Personnel or other qualified technician as specified by the program guidelines, including the provision of the contractor's name and license; acceptance test technician name and certification number, where applicable; TAB technician name and certification number, where applicable; and verification that all construction work has been performed by a Skilled and Trained Workforce.



**Table 8: HVAC Verification Report Requirements by Grant Pathway**

HVAC Verification Report Required Information (Items 1–10 listed above)	HVAC Assessment and Maintenance Pathway	Scheduled for Replacement Pathway	Limited or No Mechanical Ventilation Pathway
1	Yes	Yes	Yes
2	Yes	Yes	Yes
3	Yes	No	No
4	Yes	No	No
5	Yes	No	No
6	Yes	No	No
7	Yes	No	No
8	Yes	No	No
9	Yes	Yes	Yes
10	Yes	Yes	Yes

Source: California Energy Commission

The HVAC Verification Report form will be made available for use in developing the report on the [program webpage](https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program) (<https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program>).

LEAs may be required to submit additional information as described or otherwise required by these guidelines.

The LEA must maintain a copy of the HVAC Verification Report for at least three years from the grant award date and make it available to anyone upon request.

## H. Reimbursement of Work Already Performed

Under PUC Section 1621(c)(3), LEAs may submit grant applications for reimbursement of assessment and maintenance projects where the work was **contracted and performed** after August 1, 2020, and the project meets the requirements of PUC Sections 1622 to 1627, inclusive. Any projects seeking reimbursement must also meet all requirements as specified in these guidelines. Any grant applications for reimbursement of work contracted and performed after August 1, 2020, shall make clear which work is being requested to be paid on a reimbursement basis.

The LEA must also provide documentation or a certification that the work was **contracted and performed** after August 1, 2020 and provide a description of the documentation supporting this certification. CEC retains the right to request copies of all referenced documentation. PUC Section 1621(c)(3) requires both the work contract and performance to occur after August 1, 2020. If the LEA contracted for the work **before** August 1, 2020, but the work was performed after August 1, 2020, it is not eligible for funding.

Grant applications for work contracted and performed after August 1, 2020, must also include all final reporting information as described in Chapter 4. All estimates, assessment, and

verification reports must be dated and indicate that all work was completed after August 1, 2020.

The applicant must provide the required documentation confirming that all grant work was done by Qualified Personnel, Licensed Professionals and a Skilled and Trained Workforce as required and defined in these guidelines.

## **I. Skilled and Trained Workforce Requirement**

All repair, upgrade, replacement, or other technical work completed as part of the Assessment and Maintenance Grant must be performed by a Skilled and Trained Workforce, which has the same meaning as in Section 2601 of the Public Contract Code, and meet all other labor requirements as described in these guidelines. LEAs may use in-house staff or contractors to complete the work as long as all staff meet applicable Skilled and Trained Workforce requirements and all other labor requirements as described in these guidelines appropriate to each activity completed.

## **J. Grant Budget**

The budget for each LEA grant award will be equal to the sum of approved individual site budgets for all eligible sites included in the LEA grant application. Each site budget will be equal to the amount of the contractor estimate for eligible work to be completed at that site not to exceed the maximum award as specified in Section K. CEC program staff will review the contractor estimate and determine the approved site budget based on program requirements, including eligible cost requirements in these guidelines and SEES Program statutes.

The approved site budget for a site in the HVAC Assessment and Maintenance Pathway will include a 20 percent contingency fund for repairs, upgrades, or replacements necessary to make the system functional or more energy-efficient. The 20 percent contingency fund will be calculated by taking 20 percent of the total approved budget for all eligible items in the HVAC Assessment and Maintenance Pathway. Table 9 provides a description and calculation of an example site's approved site budget following the HVAC Assessment and Maintenance Pathway's formula for maximum award amounts. The calculation of an actual approved site budget will use the amounts requested in the application and verified by a contractor estimate not to exceed the maximum award amounts.

**Table 9: Example of Approved Site Budget for HVAC Assessment and Maintenance Pathway**

Example Site: School with 50 HVAC system units, 50 filters, and 20 classrooms	
Calculation Description	Calculation Example
<b>HVAC Assessment and Maintenance and HVAC Assessment Report</b> — Approved budget	$\$10,000 + (\$1,000 \times 50) = \$60,000$
<b>Filter Replacement</b> — Approved budget for purchase and installation	$\$75 \times 50 = \$3,750$
<b>Carbon Dioxide Monitors</b> — Approved budget for purchase and installation	$\$600 \times 20 = \$12,000$
<b>20 Percent Contingency Fund</b> = 20 percent of sum of approved budgets for: <ul style="list-style-type: none"> <li>• HVAC Assessment and Maintenance</li> <li>• HVAC Assessment Report</li> <li>• Filter Replacement</li> <li>• Carbon Dioxide Monitors</li> </ul>	$0.20 \times (\$60,000 + \$3,750 + \$12,000) = \$15,150$
<b>Approved Site Budget</b> = Sum of 20 Percent Contingency Fund and approved budgets for: <ul style="list-style-type: none"> <li>• HVAC Assessment and Maintenance</li> <li>• HVAC Assessment Report</li> <li>• Filter Replacement</li> <li>• Carbon Dioxide Monitors</li> </ul>	$\$15,150 + \$60,000 + \$3,750 + \$12,000 = \$90,900$

Source: California Energy Commission

The 20 percent contingency fund will be added to the approved site budget and will be part of the total grant award. The approved site budget for sites following the Scheduled for Replacement and Limited or No Mechanical Ventilation Pathways will not include a 20 percent contingency fund.

Approved budgets are site-specific, and the 20 percent in contingency funds must be spent for the site for which the 20 percent is allocated. The 20 percent contingency awarded for one site may not be used to complete work at another site, even within the same LEA. No additional funding will be awarded if costs exceed the applied and approved site budget, so applicants are encouraged to prepare their application accordingly.

Any grant award funding, including any 20 percent contingency awarded funds, shall be returned to the CEC if not used for eligible purposes as specified in these guidelines. See Chapter 3 for more information.

## K. Maximum Award

The approved site budget will not exceed the following maximum award amounts for each of the items specified:

1. \$10,000 plus \$1,000 per HVAC system unit for the HVAC Assessment and Maintenance, as defined in Table 1, and completion of the HVAC Assessment Report in the HVAC Assessment and Maintenance Pathway
2. \$4,000 for the modified assessment and completion of the HVAC Assessment Report in the Limited or No Mechanical Ventilation Pathway
3. \$2,000 for the completion of the HVAC Assessment Report for the Scheduled for Replacement Pathway
4. \$75 for the purchase and installation of each filter replacement
5. \$600 for the purchase and installation of carbon dioxide monitors in each classroom

## **L. Payment of Prevailing Wage**

The applicant shall ensure, to the extent applicable, the budget considers the payment of prevailing wages. These grants may be subject to public works requirements (Labor Code Section 1720 et seq.), a requirement of which is to pay prevailing wages. Applicants are responsible for complying with all applicable laws, which can include public works requirements.

Only the California Department of Industrial Relations (DIR) and courts of competent jurisdiction may issue legally binding determinations that a project is or is not a public works project. Applicants shall assume their projects are public works unless they obtain a determination to the contrary from DIR or an appropriate court. As such processes can be time-consuming, please plan accordingly given the application deadline. Without such a determination, applicants shall explain how they have included appropriate budgets for prevailing wages.

## **M. Project Term**

For each Assessment and Maintenance Grant project, the LEA will have up to 24 months to complete all work and submit the final reporting documentation described in Chapter 4.

# **CHAPTER 3:**

## **Grant Applications and Awards**

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This chapter provides information for participation in the initial phase of program awards including the application process, required application forms and supporting documentation, a description of the process used by the CEC to approve applications and determine grant awards, payment of funds, and project and reporting requirements.

As described, PUC Section 1612 requires that schools in Underserved Communities be offered funding before schools that are not in an Underserved Community. Consistent with the statute and anticipated funding availability, CEC will only offer funding in this initial phase of program awards for projects for an assessment, completion of an HVAC Assessment Report, general HVAC maintenance, adjustment of ventilation rates, filter replacement, and carbon dioxide monitor installation. Depending on the pathway, some or all of these elements comprise an Assessment and Maintenance Grant. The funding award amounts will be made based on a contractor's site-specific estimate for the eligible work not to exceed the maximum award plus an additional 20 percent contingency fund for the HVAC Assessment and Maintenance Pathway. CEC will not award funds for upgrade, repair or replacement costs above the 20 percent contingency amount in this initial phase of program awards.

CEC anticipates that in subsequent phases of program awards, LEAs may be able to submit applications for grants addressing upgrade, repair, or replacement costs above the 20 percent contingency amount, referred to as HVAC Upgrade and Repair Grants. These guidelines will be updated to address additional program requirements specific to these awards if and when appropriate.

CEC will issue a notice of funding availability identifying the anticipated funding to be made available in each round of grants. The notice of funding availability will identify any relevant application dates including the first and last date applications can be submitted and any funding restrictions applicable to that funding round. Dates may be adjusted by the CEC through the issuance of a notice updating information.

### **A. Application Process**

The application process has been designed to simplify the submission of an initial application and to provide access to funding for projects that have been contracted and performed after August 1, 2020, seeking reimbursement or for projects that are planned. For planned projects, upon request by an LEA and pursuant to the program requirements, CEC will also provide an option for the LEA to receive a portion of funds in advance of work being completed.

The application and award process is expected to generally follow the following steps.

1. CEC issues a notice of funding availability with details of the total funding available, start and end dates for application acceptance, and the breakdown of funds by funding category and by tiers, as described in these guidelines.

2. LEAs submit grant applications electronically as required in the notice of funding availability.
3. CEC will begin to review applications in the order that complete applications are received.
  - a. CEC staff will accept and review all applications submitted by the posted deadline.
  - b. At any time, should the CEC determine that all funds in a single funding category and tier have been reserved, the CEC may provide public notification of that determination but will continue to accept applications and identify LEAs that may be funded should additional funding become available.
4. CEC will grant funding awards for complete applications, at which time funds will be reserved for the LEA for approved projects.
5. Incomplete applications and applications deemed not to have met the application requirements (collectively referred to as “noncompliant” applications) will not be considered.
  - a. CEC will notify applicants if an application is noncompliant, and the applicant may reapply during the open application period. Depending on the volume and timing of applications received, the CEC may not always be able to review and notify applicants of noncompliant applications during the open application period. Accordingly, applicants are encouraged to apply as early in the process as possible.
6. CEC will issue a notice of proposed award to an LEA with a complete application. The LEA will be required to submit the additional required documents and complete a grant agreement to reserve the grant award funding.
7. If the project has already been contracted and performed after August 1, 2020, and the LEA is seeking reimbursement, the LEA will be instructed on how to complete and submit final project reporting and invoicing for review and payment.
8. The LEA will automatically receive a funding advance of 50 percent of the overall grant award after completion of the grant agreement.
9. All planned projects will also receive additional guidance on project completion, reporting, and invoice submittal.
10. All projects must adhere to the requirements provided in these guidelines and must use all required forms to receive a grant award and funding.

## **B. Application Package**

Eligible applicants must submit a complete application package for an Assessment and Maintenance Grant using the electronic submission process and system identified in the notice of funding availability issued by the CEC. The application package must include the following in the required form or formats. The information required in the application form is listed in Appendix A of these guidelines and all forms will be made available for use in developing the application package on the [program webpage](https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program) (<https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program>)

1. Applicant Details (Ventilation-1): LEA information including official name, address, responsible parties, contact information, description of LEA territory, schools, and specific site information to determine the applicable grant pathway.
2. Overall Grant Request Summary (Ventilation-2): Grant site and budget summary page and status of all site-specific work including start date and projected end date. Identification of whether the grant application is seeking reimbursement for work contracted for and completed after August 1, 2020, or for work planned to be completed. The status will be entered individually for each site. Only applications with all sites completed are considered for reimbursement grants.
3. Site-Specific Details (Ventilation-3): Detailed information identifying all sites to be addressed by the grant, general site information, identification of the number and type of HVAC units on site, number of buildings for carbon dioxide monitoring, project completion status, and total site-specific estimate for assessment and maintenance project.
4. The LEA self-certifies:
  - a. It will follow the program guidelines.
  - b. The information included in the application package is true and correct to the best of the LEA's knowledge.
  - c. It will obtain Division of the State Architect (DSA) project approval as applicable under California Code Regulations, Title 24.
  - d. It acknowledges that the expended funds may be subject to audit, including a financial audit.
  - e. It will comply with all reporting requirements.
  - f. It will comply with all Assessment and Maintenance Grant terms and conditions.
  - g. It will comply with all Skilled and Trained Workforce requirements.
  - h. All applicable DIR and Labor Code requirements on public works, including the payment of prevailing wage, will be followed.
  - i. It acknowledges that it may be subject to a post-program site visit and measurement and evaluation study conducted by the CEC or its delegate.
5. Supporting documentation:
  - a. Site-specific contractor estimate supporting each site-specific amount requested.
    1. To be deemed complete, a contractor estimate must be itemized and include all required details.
  - b. Certificate of Good Standing for Charter School Applicants.
  - c. Letter of authorization for third-party applicants.
  - d. Required documentation for the Scheduled for Replacement Pathway:
    1. A facility master plan, or similar document, showing a plan for the system to be replaced within two years. Documentation should also identify funding reserved for the proposed project; and

2. An executed contract for the system replacement.
- e. Required documentation for the Limited or No Mechanical Ventilation Pathway:
  1. Documentation that confirms the site does not have an HVAC system, as defined in Table 1. Documentation may include site photographs, or mechanical/ site drawings.

## **C. Contractor Estimates**

The amount requested in the application package may only be for reasonable costs to complete the work and requirements of the site's grant pathway, as described in Chapter 2, which includes:

1. HVAC Assessment and Maintenance Pathway:
  - a. Assessments and general maintenance as specified in Chapter 2.B - HVAC Assessment and Maintenance Pathway Requirements
  - b. Carbon Dioxide monitor installation or replacement as specified in Chapter 2.C – Carbon Dioxide Monitoring
  - c. HVAC Assessment reports as specified in Chapter 2.F – HVAC Assessment Report
  - d. Review of HVAC Assessment Report as specified in Chapter 2.F – HVAC Assessment Report
2. Scheduled for Replacement Pathway:
  - a. Filter replacement as specified in Chapter 2.D – Scheduled for Replacement Pathway Requirements
  - b. Carbon Dioxide monitor installation or replacement as specified in Chapter 2.C – Carbon Dioxide Monitoring
  - c. Modified HVAC Assessment Report as specified in Chapter 2.F – HVAC Assessment Report
3. Limited or No Mechanical Ventilation Pathway:
  - a. Modified assessment as specified in Chapter 2.E – Limited or No Mechanical Ventilation Pathway Requirements
  - b. Carbon Dioxide monitor installation or replacement as specified in Chapter 2.C – Carbon Dioxide Monitoring
  - c. Modified HVAC Assessment Report as specified in Chapter 2.F – HVAC Assessment Report
  - d. Review of Limited or No Existing Mechanical Ventilation Assessment Worksheet as specified in Chapter 2.F – HVAC Assessment Report

The contractor estimate must include a detailed site-specific budget, timeline, and a clear and accurate description of the work that will be provided. The site-specific budget needs to show line item cost estimates for materials, labor, and other costs. Any amount included as other costs must include a brief narrative explaining the use of these funds.



The LEA will be required to submit the original contractor estimate as part of the application package to demonstrate that all costs are reasonable for the work to be completed. The contractor estimate should include supporting documentation demonstrating that the scope of work is consistent with the requirements of these guidelines, as listed in Chapter 2.

Ineligible costs, as described in Chapter 3.I, cannot be included as part of the contractor estimate. Additional information consistent with these guidelines may be required from applicants to complete the grant agreement after notification of the grant award. Additional costs not provided for in applicable program statute or these guidelines will not be approved as part of the grant award. As noted, grants can be provided on a reimbursement basis for work **contracted for and completed** after August 1, 2020. The contractor estimate provided in support of a reimbursement grant must indicate that the estimate was completed after the August 1, 2020, date. Projects that have completed an estimate prior to August 1, 2020, will still be eligible to apply for an award, but funding will cover only work completed after that date.

The CEC does not have authority to authorize LEAs to use a particular procurement method for use of these funds. LEAs will have to rely on their own existing authority and shall comply with applicable law.

## **D. Application Review**

Applications will be accepted only electronically through the CEC's electronic submission system, and all applications submitted will be identified by the date and time received. Any applications received after the noticed deadline will not be accepted, and a notice of rejection will be sent to the applicant. Any application forms or links and deadlines shall be described in the notice of funding availability. The CEC will not accept applications via email or fax. Applications must use the CEC's electronic submission system.

The CEC will review each submitted application package to ensure all the required information has been provided. An application with minor errors or inconsistencies that do not affect the completeness of the package may still be considered for funding. If an applicant or the CEC discovers any minor errors or inconsistencies, the applicant will be given 10 calendar days or until the application deadline, whichever occurs first, to resubmit the application to resolve any errors or inconsistencies. If the application is resubmitted, but there are remaining or additional errors or inconsistencies discovered in the application, the applicant will be given an additional 10 calendar days or until the application deadline, whichever occurs first, to resubmit the application to resolve the errors or inconsistencies. If the applicant does not resubmit the application in the allowed time frame, the application will be rejected.

If an application is rejected during the open application period, the LEA may revise and resubmit the application during the open application period. Depending on the volume and timing of applications received, the CEC may not always be able to review and notify applicants of errors during the open application period. If the applicant does resolve the errors or inconsistencies before the application deadline, the application will be approved or not approved accordingly pursuant to program requirements.

CEC staff will rank all approved applications by the date and time the final approved application was received. Grant applications will be processed until all available funds within each funding category and tier are awarded. Any approved grant applications received that exceed the amount of funds available in the current funding round for the funding category and application tier will be placed in order of date and time received on a priority list for funding if and when additional funds are made available.

## **E. Notice of Proposed Award and Completion of Grant Agreement**

Following approval of an application, CEC staff will send a notice of proposed award to the successful LEA and will request the following additional information to complete the grant agreement, consistent with these guidelines:

1. Payee Data Record (STD-204): Required for grant award payment.
2. An authorizing document from the governing body, such as a resolution authorizing acceptance of the award and entering award agreement.
3. A signed grant agreement indicating that the LEA has read and accepts the terms and conditions.

Failure to agree to the terms and conditions by taking actions such as failing to sign the grant agreement or indicating that acceptance is based on modification of the terms will result in rejection of the application. CEC reserves the right to modify the terms and conditions prior to executing the grant agreement.

At the time the grant agreement is fully executed and received by the CEC, the grant award funding will be reserved for the LEA. Grantees will receive an advance payment of 50 percent of the total grant award after notification of the funding reservation.

For grants seeking reimbursement for projects contracted for and completed after August 1, 2020, the grantee will first need to enter into a grant agreement with CEC and then provide the final required project reporting and invoicing documentation to receive payment of the full grant award. Additional information on project reporting and invoicing is provided in these guidelines and further guidance will be made available to grantees.

## **F. Payment of Grant Funds**

The CEC expects to receive funding for the program from participating utilities quarterly. Payment to grantees is conditioned on CEC receipt of funding.

The CEC will issue an email notice to approved grant applicants identifying the amount of the award. As noted above, the LEA will be awarded the CEC approved amount requested, which must equal the total of each site-specific budget not to exceed the maximum award, as specified in Chapter 2.K.

The grant award for sites meeting the requirements of the HVAC Assessment and Maintenance Pathway will include a contingency fund of an additional 20 percent of the approved amount for the HVAC assessment, general maintenance, adjustment of ventilation rates, and completion of the HVAC Assessment Report. The 20 percent contingency funds can only be used for HVAC repairs, upgrades, or replacements necessary to make the HVAC system

functional or more energy-efficient as described below. Although not required to be included in the estimate of work to be done, after the project is completed, the LEA will be required to provide documentation demonstrating how the contingency funds were spent.

At the conclusion of the project, all unspent funds including any unspent contingency funds shall be returned to the CEC. Additionally, any grant funds not used in accordance with program requirements, including grant agreement terms and conditions, shall be returned to the CEC.

### **Contingency Funds Eligible Costs**

Only costs required to complete work identified in the HVAC Assessment and Verification Reports as necessary to make the HVAC system functional or more energy-efficient will be deemed eligible costs for purposes of expending the 20 percent contingency funds. The contingency funds may be used to cover cost overruns but cannot be used to pay for consultant fees or any portable equipment not directly connected to the eligible HVAC systems as described in PUC section 1622.

Funds must be used on the specific site for which they were awarded and cannot be transferred or used at another site. In documenting the appropriate use of the funds during final reporting, the LEA will be required to identify specifically where in the HVAC Assessment Report the identified repairs or upgrades are called for and the related expenditures using the contingency funds were spent in accordance with the assessment.

## **G. Timing of Payment**

For projects that have not been completed at time of application (also called planned projects), upon request by the LEA, the CEC will issue a portion of funds in advance equal to 50 percent of the overall grant award. Upon approval of an award, the grantee will receive a notice of proposed award from the CEC and a grant agreement will be executed. After grant agreement execution, the CEC will approve payment of advance funds equal to 50 percent of the overall award for all sites represented in the grant agreement to be issued by the State Controller's Office (SCO). SCO expects to be able to issue payments within four weeks once the LEA completes the grant agreement and all required documentation is reviewed and approved by CEC.

The remaining 50 percent of the grant funds will be issued upon receipt and review of all final required reporting, including complete reporting of how contingency funds were spent on a site-specific level of detail. The LEA shall provide the CEC with additional documentation, as specified in the Reporting section of these guidelines, demonstrating how contingency funds were used.

All project requirements, as specified in Chapter 2, must be completed to receive Assessment and Maintenance Grant funding. There will be no payment issued for the partial completion of the project requirements. If the LEA received advanced funds and does not complete all the project requirements, any grant award funding, including any 20 percent contingency awarded funds, shall be promptly returned to the CEC.

**CEC staff will issue payment only for the final invoice once and only when all final reporting is submitted and approved by CEC staff.**

## **H. Additional Funding for Repair or Replacement**

A Licensed Professional must review the HVAC Assessment Report and determine what, if any, additional adjustments or repairs would be necessary to meet the minimum ventilation and filtration requirements; determine whether any cost-effective energy efficiency upgrades or replacements are warranted or recommended; and provide an estimated cost for this work. If a Licensed Professional identifies cost-effective energy efficiency upgrades or repairs that would exceed the 20 percent contingency amount awarded, those repairs must be documented as described in the HVAC Assessment Report and HVAC Verification Report sections of these guidelines.

For sites that completed the Limited or No Mechanical Ventilation Pathway, a Licensed Professional must review the Modified HVAC Assessment Report and determine recommendations for adding mechanical ventilation and filtration where none currently exists or replacing a system that is non-operational, and then provide a cost estimate for this work. These recommendations must be documented as described in the modified HVAC Assessment Report and HVAC Verification Report sections of these guidelines.

The ability for LEAs to apply for additional funding for these additionally identified upgrades or a portion thereof will be determined in future program and funding phases as appropriate.

## **I. Ineligible Costs**

Grant award funding can only be used for direct costs and work performed in accordance with the terms of the grant agreement.

Costs that are ineligible to be paid with grant funding include, but are not limited to:

1. Costs, other than those noted above, incurred outside the terms of the grant agreement with the CEC.
2. Costs associated with the use and continuous monitoring of the carbon dioxide monitors, such as electrical improvements, subscription services, storage, and central hubs.
3. Purchase of equipment not an integral part of the project.
4. Replacement of existing funding sources for ongoing programs.
5. Costs stemming from DSA requirements.
6. Consultant fees.

# **CHAPTER 4:**

## **Project Completion and Reporting**

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### **A. Completion of Projects**

As noted, grant recipients will have 24 months to complete all Assessment and Maintenance Grant work and final reporting requirements. Although the CEC may issue a reminder of the project deadline, it is the grant recipients' responsibility to monitor project completion and meet all required reporting and invoicing deadlines.

LEAs shall submit final reporting electronically using the system or process required by the CEC at the time the reporting is due. The CEC will provide all forms, formats, and guidance needed to assist in reporting on the CalSHAPE Program webpage.

### **B. Reporting**

PUC Section 1618 states that the reduction in greenhouse gases (GHG) and energy savings attributed to a project funded by the CalSHAPE Program shall be attributed to the utility that provided those funds when determining compliance with applicable GHG or energy efficiency saving mandates. The baseline for determining reductions in emissions of greenhouse gases and energy savings from the program shall be the energy demand and emissions of GHG that would have occurred if ventilation and filtration recommendations for reopening schools were met without the assessment, adjustment, maintenance, repairs, and efficiency upgrades funded under the CalSHAPE Ventilation Program.

Energy and GHG savings are not a required element of the HVAC Assessment or Verification Report. Nonetheless, additional data or information may be requested from the grantee to allow the CEC to determine the GHG reductions and energy savings pursuant to PUC Section 1618. The LEA, contractor, or Licensed Professional, or a combination thereof, shall cooperate with CEC staff or CEC consultants in any assessment of an individual project's energy and GHG savings, including providing access to the project site and providing project and equipment information. The cost associated with any additional reporting or assessment will not be funded by a program grant.

### **C. Final Reporting and Invoice for Remaining Funds**

After the Assessment and Maintenance Grant project has been completed, the applicant will submit a final document package to the CEC that includes:

1. HVAC Assessment Report, as specified in Chapter 2.F.
2. HVAC Verification Report as specified in Chapter 2.G.
3. Site-specific project summary detailing the use of contingency funding.
4. Final invoice and any other supporting documentation for all expended grant funds up to the original grant award amount.

5. Any reporting required to determine compliance with PUC Section 1618 as described in Section B, above, to calculate or confirm energy savings or reduction in greenhouse gas emissions resulting from the project.
6. The LEA self-certifies:
  - a. It followed the program guidelines.
  - b. The information included in the final document package is true and correct to the best of the LEA's knowledge.
  - c. All California Environmental Quality Act (CEQA) requirements are completed.
  - d. It has obtained any required DSA project approvals as applicable under California Code Regulations, Title 24.
  - e. It acknowledges that the expended funds may be subject to an audit, including a financial audit.
  - f. It complied with all reporting requirements.
  - g. It complied with all Assessment and Maintenance Grant terms and conditions.
  - h. It complied with all Skilled and Trained Workforce and other labor requirements.
  - i. It complied with any applicable labor code requirements on the payment of prevailing wage.
  - j. All DIR requirements for public works, including payment of prevailing wages, were followed.
  - k. It commits to participate with the CEC or its delegate in the assessment of energy savings or GHG emission reductions, including providing access to project sites and project and equipment information.
  - l. It acknowledges that it may be subject to a post-program site visit and measurement and evaluation study conducted by the CEC or its delegate.

## **D. Time Extension Requests**

Grant recipients may request a one-time extension to complete final reporting. The extension will be no more than six months and will not exceed the final program reporting deadline date of June 1, 2026.

# CHAPTER 5:

## Administration

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### A. Guidelines Authority

These program guidelines are adopted under Public Utilities Code Division 1, Part 1, Chapter 8.7 added by AB 841 (Chap. 372, Stats. 2020), which directs the CEC to implement the CalSHAPE Ventilation Program as part of the CalSHAPE Program. Under PUC Section 1614(b), the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) does not apply to the adoption of these guidelines.

### B. Effective Date of Guidelines

These program guidelines are not effective until adopted by the CEC at a publicly noticed business meeting. The CEC will post the adopted [CalSHAPE Ventilation Program Guidelines](https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program) on its website: <https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program>. Applicants may also obtain the program Guidelines by contacting [CalSHAPE@energy.ca.gov](mailto:CalSHAPE@energy.ca.gov).

### C. California Environmental Quality Act

The CEC must comply with CEQA (Public Resources Code section 21000 et seq.; see also California Code of Regulations Title 14, section 15000 et seq.), which generally requires public agencies to identify and consider potential environmental impacts of proposed projects. Applicants may be required to submit CEQA documentation as part of their application to determine CEQA compliance. Refer to Appendix A: Application and Forms for further information.

### D. Division of the State Architect Review

DSA provides design and construction oversight for school districts. To ensure buildings are safe and compliant with accessibility standards, DSA must review and approve public school construction for compliance with the California Code of Regulations, Title 24, the California Building Code (CBC), when alterations or additions are made to existing buildings.

Certain equipment replacements and upgrades funded by the program might be exempt or excluded from DSA review and approval for structural safety, depending on the scope of work and estimated construction cost. To help LEAs determine the various requirements and possible exemptions, DSA provides resources and guidelines on its [website](https://www.dgs.ca.gov/DSA/Resources/Page-Content/Resources-List-Folder/Plan-Review-Appointment-Process-for-School-Essential-Services-Construction-Project) at <https://www.dgs.ca.gov/DSA/Resources/Page-Content/Resources-List-Folder/Plan-Review-Appointment-Process-for-School-Essential-Services-Construction-Project>.

In cases where DSA review is required, DSA will verify that the original building construction was certified before it can issue approval of plans for alterations on that building. DSA regional office staff can help LEAs identify whether a particular building is suitably certified and what steps are required to achieve certification.

LEAs are advised to consider DSA requirements early in their planning for HVAC work and contact the appropriate DSA regional office with jurisdiction over the area in which the project is located.

Visit the DSA Construction Project Submittal webpage for more information regarding plan submission at Plan Review Appointment Process.

## **E. Enforcement**

In addition to any other rights the CEC has, the CEC can take all the following actions necessary to enforce its rights and program requirements:

### **1. Recovery of Overpayment**

The CEC may direct its chief counsel to commence formal legal action against any applicant, former applicant, or recipient to recover any portion of a payment under a grant agreement that the executive director determines the applicant, former applicant, or recipient was not otherwise entitled to receive, retain (that is, advanced funds), or spend in the manner it was spent.

### **2. Fraud and Misrepresentation**

The executive director may initiate an investigation of any applicant that the executive director has reason to believe may have misstated, falsified, or misrepresented information in submitting an application, payment request, or any reporting or other information required under the program. Based on the results of the investigation, the executive director may take any action deemed appropriate, including, but not limited to, cancellation of the reservation of funds, termination of the award or award agreement, recovery of any overpayment, and, with the concurrence of the CEC, recommending the attorney general initiate an investigation and prosecution under Government Code Section 12650, et seq., or other provisions of law.

### **3. Noncompliance With Agreement**

The CEC may seek remedies for noncompliance with agreement terms, work scope, and project milestones including but not limited to stop work, termination, withholding requested payments, recovery of funds, or any other administrative or civil action.

## **F. Use and Disclosure of Information and Records and Confidentiality**

With very few exceptions, documents submitted to the CEC or its technical consultant(s), including as part of any audit, are considered public records subject to disclosure under the California Public Records Act. The CEC or other state agencies may also use any of these documents or information for any purpose, including to determine eligibility and compliance with the CalSHAPE Program, applicable law, or a particular solicitation or guideline document; to evaluate related or relevant programs or program elements; or to prepare reports. These documents and information include but are not limited to applications for funding, the agreement itself, invoices and any documentation submitted in support of applications, all



agreement deliverables, final project report, and documents prepared for other reporting requirements, materials and documents developed as part of technology transfer.

If the CEC requires an applicant or recipient to provide copies of records that the recipient believes contain confidential/proprietary information entitled to an exemption under the California Public Records Act or protection under another law, the recipient may request that such records be designated confidential according to the CEC's regulations for confidential designation, Title 20, California Code of Regulations, Section 2505.

Applicants considering confidentiality should note that CalSHAPE funds are subject to information disclosure requirements to ensure transparency. Information concerning the identity of recipients and the grant amount is public information and will be disclosed according to the California Public Records Act. This information, as well as other public information, may also be disclosed through the CEC's website, another State of California agency website, or through other means.

The CEC can be required by law to disclose confidential information and records to other governmental entities and policing authorities for civil and criminal investigation and enforcement.

## **G. Substantive Changes in Guidelines**

After adoption, substantive changes to the adopted program guidelines may be made with the approval of the CEC at a publicly noticed meeting with no fewer than 15 days' notice. Unless stated otherwise in the resolution approving substantive changes, such changes shall take effect upon adoption by the CEC. Substantive changes to design or requirements include but are not limited to:

1. Program eligibility.
2. Technical requirements.
3. Measurement and verification reporting.

## **H. Nonsubstantive Changes in Guidelines**

If the program guidelines require nonsubstantive changes, including, but not limited to typographical errors, the CEC will provide a notice of the changes to the CalSHAPE list serve (school\_ee\_stimulus) and post the amended guidelines on the program web page.

# **APPENDIX A:**

## **Application Information**

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This appendix describes the information that will be required in the application form. The application will be completed and submitted by the LEA using the electronic submission process and system identified in the notice of funding availability issued by the CEC. The application form will be made available for use in developing the application package on the [program webpage](https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program) (<https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program>).

Refer to Chapter 3.B for more detailed information about the application process.

### **Assessment and Maintenance Grant Application Form**

1. Application Information
  - Applicant name
  - Type of entity/CDS Code
  - Application region
  - Address
  - Contact information
  - Utility provider(s)
2. Project Information (Table format for multiple projects in LEA's application)
  - Type of project (new or reimbursement)
  - School address
  - School size (classrooms/students)
  - Project description
3. Project Schedule
  - Estimated start date
  - Estimated completion date
4. Project Budget
5. CEQA-related information
6. Supporting Documentation
7. Self-Certifications

# **APPENDIX B:**

## **HVAC Assessment Report Information**

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This appendix describes the information that will be required in the HVAC Assessment Report. The assessment report form will be completed by Qualified Testing Personnel and submitted using the electronic submission process and system identified in the notice of funding availability issued by the CEC. The assessment report forms will be made available for use in on the [program webpage](https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program) (<https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program>)

Refer to Chapter 2.D for more detailed information about the assessment report requirements.

### **1. Overview Form (checklist)**

- Unit/Model No./Serial No./SEER Rating/Refrigerant
- Filtration
- Ventilation rate
- Ventilation system operation
- Air distribution
- Building pressure
- General maintenance
- Operational controls
- CO<sub>2</sub> monitoring
- HVAC Assessment Report
- Energy and ventilation upgrades

### **2. Filtration Form**

- Existing filter data
- Installation audit
- Frame condition
- Motor and control type
- MERV 13 verification

### **3. Ventilation Rate Form**

- Determine minimum required outside air
- Verify minimum required outside air
- Increased outside air

### **4. Economizer Operation Form**

- Verify economizer operation
- Economizer functions as designed Y/N
- Documentation of adjustments and repairs required

## **5. Demand Control Ventilation Operation Form**

- Verify DCV operation
- Verify DCV function at setpoint of 800 ppm
- Document adjustments or repairs required

## **6. Air Distribution and Building Pressure Form**

- Supply outlets measurement
- Return inlets measurement
- Exhaust inlets measurement
- Measured supply air = measured outside air + measured return air determination
- Measured supply air slightly great than measured return air determination
- Air distribution notes
- Document repairs and adjustments required

## **7. General Maintenance Form**

- Verify coil condition
- Verify condensate drainage
- Measure and document temperature differential
- Verify condition of drive assembly
- Document deficiencies
- Document required repairs and adjustments

## **8. Operational Controls Form**

- Review control sequences – verify systems will maintain intended conditions during operation
- Ventilation schedule operation
- Document deficiencies and recommendations for maintenance, replacement or upgrades.

## **9. CO<sub>2</sub> Monitoring Form**

- Verify installation or install a CO<sub>2</sub> monitor
- Verify and document CO<sub>2</sub> monitor meets required capabilities

## **10. Limited or No Existing Mechanical Form**

- Verify existing HVAC infrastructure
- Collect information on the building and potential locations for the installation of mechanical ventilation

## **APPENDIX C:**

### **Table 120.1-A**

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Appendix for reference purposes only.

*Table 120.1-A – Minimum Ventilation Rates*

Occupancy Category	Area Outdoor Air Rate <sup>1</sup> Ra	Min Air Rate for DCV <sup>2</sup>	Air Class	Notes
		fm/ft <sup>2</sup>	cfm/ft <sup>2</sup>	
<b>Educational Facilities</b>				
Daycare (through age 4)	0.21	0.15	2	
Daycare sickroom	0.15	3		
Classrooms (ages 5-8)	0.38	0.15	1	
Classrooms (age 9-18)	0.38	0.15	1	
Lecture/postsecondary classroom	0.38	0.15	1	F
Lecture hall (fixed seats)	-	0.15	1	F
Art classroom	0.15	2		
Science laboratories	0.15	2		
University/college laboratories	0.15	2		
Wood/metal shop	0.15	2		
Computer lab	0.15	1		
Media center	0.15	1	A	
Music/theater/dance	1.07	0.15	1	F
Multiuse assembly	0.50	0.15	1	F
<b>Food and Beverage Service</b>				
Restaurant dining rooms	0.50	0.15	2	
Cafeteria/fast-food dining	0.50	0.15	2	
Bars, cocktail lounges	0.50	0.20	2	
Kitchen (cooking)	0.15	2		
<b>General</b>				
Break rooms	0.50	0.15	1	F
Coffee Stations	0.50	0.15	1	F
Conference/meeting	0.50	0.15	1	F
Corridors	0.15	1	F	
Occupiable storage rooms for liquids or gels	0.15	2	B	

<b>Hotels, Motels, Resorts, Dormitories</b>				
Bedroom/living room	0.15	1	F	
Barracks sleeping areas	0.15	1	F	
Laundry rooms, central	0.15	2		
Laundry rooms within dwelling units	0.15	1		
Lobbies/pre-function	0.50	0.15	1	F
Multipurpose assembly	0.50	1	F	

## **APPENDIX D:**

### **Additional References**

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Assembly Bill No. 841 Energy: transportation electrification: energy efficiency programs: School Energy Efficiency Stimulus Program. (2019-2020) (Ting)  
[http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=201920200AB841](http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB841)





California Energy Commission

## **DRAFT REVISED COMMISSION GUIDELINES**

\*Proposed language appears in bold underline (**example**) and proposed deletions appear in strikethrough (~~example~~)

# **California Schools Healthy Air, Plumbing, and Efficiency Plumbing Program Guidelines**

**Gavin Newsom, Governor**

**August 2021 | CEC-300-2021-008-CMF-REV**

# California Energy Commission

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# ABSTRACT

The School Noncompliant Plumbing Fixture and Appliance Program is one of the two grant programs under the School Energy Efficiency Stimulus Program, established by Assembly Bill 841 (Ting, Chapter 372, Statutes of 2020). The program authorizes funding to local educational agencies and California state agencies for the replacement of plumbing fixtures and appliances to ensure that systems meet specified ENERGY STAR® and water efficiency requirements. These guidelines provide requirements for program participation including eligible applicants and projects, application process, funding awards and distribution, as well as project documentation and reporting requirements. For the purposes of administering the program, the program will be referred to as the California Schools Healthy Air, Plumbing, and Efficiency Program. The California Energy Commission envisions rolling out the program in phases to ensure prioritization of schools in Underserved Communities. The first edition of these guidelines addresses the initial phase of program awards, which are limited to local educational agencies and projects for schools in an Underserved Community as defined in California Public Utilities Code, Section 1601. Additional eligibility under the program guidelines may be addressed in updates to these guidelines.

**Keywords:** School Energy Efficiency Stimulus, CalSHAPE, SEES, School Noncompliant Plumbing Fixture and Appliance Program, grant, energy efficiency, school, local educational agency, Underserved Community, plumbing, ENERGY STAR®, fixture, assessment

Please use the following citation for this report:

Bennet, O'Shea, Theresa Daniels, and Ryan Kastigar. 2021. *California Schools Healthy Air, Plumbing, and Efficiency Plumbing Program Guidelines*. California Energy Commission. Publication Number: CEC-300-2021-008-CMF-**REV**.

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# CHAPTER 1:

## Program Overview

---

### A. Introduction

The School Energy Efficiency Stimulus (SEES) Program, established by Assembly Bill (AB) 841 (Ting, Chapter 372, Statutes of 2020), provides grants to local educational agencies (LEA) as defined in Table 1 to assess, maintain, adjust, repair, or upgrade heating, ventilation, and air conditioning (HVAC) systems in schools. The SEES Program also provides grants to LEAs and California state agencies to replace Noncompliant Plumbing Fixtures and Appliances. AB 841 requires the California Energy Commission (CEC) as the program administrator to design, administer, and implement the program in collaboration with the utilities providing funding for the program. The SEES Program consists of the School Reopening Ventilation and Energy Efficiency Verification and Repair (SRVEVR) Program and the School Noncompliant Plumbing Fixture and Appliance (SNPFA) Program. For the purposes of administering these programs, the SNPFA Program will be referred to as the California Schools Healthy, Air, Plumbing, and Efficiency (CalSHAPE) Plumbing Program. The SRVEVR Program will be referred to as the CalSHAPE Ventilation Program.

These guidelines describe the program design, application process, and reporting requirements for the CalSHAPE Plumbing Program. The requirements of the CalSHAPE Ventilation Program are provided in separate guidelines.

These program guidelines provide applicants with information on program structure, applicant eligibility, and program requirements. All grant applicants and recipients are required to follow all program requirements including those outlined in Public Utilities Code (PUC) Division 1, Part 1, Chapter 8.7 (commencing with Section 1600) and as further outlined in these guidelines.

The CalSHAPE Program is established as part of each of the utilities' energy efficiency portfolios as a joint program among all the participating utilities that shall be consistent across the utility territories. The CalSHAPE Ventilation and Plumbing Programs are separate programs, and grant awards will be made specific to each program.

The CEC is rolling out the program in phases to ensure prioritization of schools in Underserved Communities, as defined in Table 1 below. These guidelines address only initial program awards, which are limited to LEAs and projects for schools identified as being in an Underserved Community. The CEC will continually evaluate the effectiveness of the program guidelines in achieving the purposes of AB 841 and publish new editions to update eligibility and prioritization as funding is available.

### B. Keyword/Terms

Table 1 identifies the key words or terms used in the program guidelines.

**Table 1: Key Words and Terms**

<b>Word/Term</b>	<b>Definition</b>
AB	Assembly Bill
CalSHAPE Plumbing Program	The CalSHAPE Plumbing Program administers the requirements of the School Noncompliant Plumbing Fixture and Appliance Program as specified in Article 4 of Chapter 8.7 (commencing with Section 1630) of Part 1 of Division 1 of the PUC.
CalSHAPE Program	California Schools Healthy Air, Plumbing, and Efficiency Program, which includes two grant programs: CalSHAPE Plumbing Program and CalSHAPE Ventilation Program.
CalSHAPE Plumbing Program Guidelines	California Schools Healthy Air, Plumbing, and Efficiency Plumbing Program Guidelines
CalSHAPE Ventilation Program	The CalSHAPE Ventilation Program administers the requirements of the School Reopening Ventilation and Energy Efficiency Verification and Repair Program as specified in Article 3 of Chapter 8.7 (commencing with Section 1620) of Part 1 of Division 1 of the PUC.
CEC	California Energy Commission
CEQA	The California Environmental Quality Act found in California Public Resources Code Section 21000 et seq., and the CEQA Guidelines, promulgated by the California Natural Resources Agency, California Code of Regulations Title 14, Section 15000 et seq. CEQA generally requires state and local government agencies to inform decision makers and the public about the potential environmental impacts of proposed projects, and to reduce those environmental impacts to the extent feasible.
Contractor	A person or company with the appropriate license classification, as determined by the Contractors State License Board.
DIR	California Department of Industrial Relations
LEA	Local educational agency. A school district as defined in Section 41302.5 of the Education Code, <del>or a charter school that has been granted a charter pursuant to Part 26.8 (commencing with Section 47600) of Division 4 of Title 2 of the Education Code,</del> <b><u>or a regional occupational center established pursuant to Section 52301 of the Education Code that is operated by a joint powers authority and that has an active career technical education advisory committee pursuant to Section 8070 of the Education Code.</u></b>



Noncompliant Appliance	Means all the following: (1) Any commercial dishwasher that was manufactured prior to January 1, 2010, that does not meet the efficiency requirement of the ENERGY STAR® Product Specification for Commercial Dishwashers, Version 1.1. (2) Any automatic commercial ice maker that was manufactured prior to January 1, 2010, that does not meet the efficiency requirement of the ENERGY STAR Product Specification for Automatic Commercial Ice Makers, Version 1.0. (3) Any commercial clothes washer that was manufactured prior to January 1, 2010, that does not meet the efficiency requirement of the ENERGY STAR Product Specification for Clothes Washers, Version 5.0.
Noncompliant Plumbing Fixtures	Has the same meanings as set forth in Section 1101.3 of the Civil Code, which is any of the following: (1) Any toilet manufactured to use more than 1.6 gallons of water per flush. (2) Any urinal manufactured to use more than one gallon of water per flush. (3) Any showerhead manufactured to have a flow capacity of more than 2.5 gallons of water per minute. (4) Any interior faucet that emits more than 2.2 gallons of water per minute.
Notice of proposed award	CEC notification to the LEA following approval of a grant application.
Notice of funding availability	A notice issued by the CEC to identify anticipated funding that will be made available in each round of CalSHAPE Program grants. The notice will provide relevant application dates and any funding restrictions applicable to that funding round.
Project	“Project” refers to all replacements of Noncompliant Plumbing Fixtures and Appliances that are funded by a School Plumbing Fixture and Appliance Replacement Grant.
PUC	Public Utilities Code
School Plumbing Fixture and Appliance Replacement Grants	A grant provided as part of the CalSHAPE Plumbing Program to fund the replacement of Noncompliant Plumbing Fixtures and Appliances.
SEES Program	School Energy Efficiency Stimulus Program established pursuant to Section 1610 of Chapter 8.7 Article 1 of the PUC. For program administration purposes, the SEES Program will be referred to as the CalSHAPE Program.

Service territory requirement	Sites must be located in a participating utility's service territory to receive a CalSHAPE Program grant. PUC Section 1615(c) requires the CEC to ensure that moneys from each utility are used for projects located in the service territory of the utility from which the moneys are received.
Site	School where School Plumbing Fixture and Appliance Replacement Grant work will be performed.
Skilled and Trained Workforce	Has the same meaning as set forth in Section 2601 of the Public Contract Code.
Underserved Community	<p>A community that meets one of the following criteria:</p> <p>(1) Is a "disadvantaged community" as defined by subdivision (g) of Section 75005 of the Public Resources Code.</p> <p>(2) Is included within the definition of "low-income communities" as defined by paragraph (2) of subdivision (d) of Section 39713 of Health and Safety Code.</p> <p>(3) Is within an area identified as among the most disadvantaged 25 percent in the state according to the California Environmental Protection Agency and based on the most recent California Communities Environmental Health Screening Tool, also known as CalEnviroScreen.</p> <p>(4) Is a community in which at least 75 percent of public school students in the project area are eligible to receive free or reduced-price meals under the National School Lunch Program.</p> <p>(5) Is a community located on lands belonging to a federally recognized California Indian tribe.</p>
Utility or Utilities	<p>Means both of the following:</p> <p>(1) An electrical corporation with 250,000 or more customer accounts within the state.</p> <p>(2) A gas corporation with 400,000 or more customer accounts within the state.</p> <p>This definition includes Pacific Gas and Electric Company (PG&amp;E), Southern California Edison Company (SCE), San Diego Gas &amp; Electric Company (SDG&amp;E), and Southern California Gas Company (SCG).</p>
Water-Conserving Appliance	<p>Means any of the following:</p> <p>(1) A commercial dishwasher that meets the criteria of the ENERGY STAR Product Specification for Commercial Dishwashers, Version 2.0, or any revision to those criteria published by the United States</p>

	<p>Environmental Protection Agency that is adopted by the CEC for the program.</p> <p>(2) An automatic commercial ice maker that meets the criteria of the ENERGY STAR Product Specification for Automatic Commercial Ice Makers, Version 3.0, or any revision to those criteria published by the United States Environmental Protection Agency that is adopted by the Energy Commission for the program.</p> <p>(3) Any commercial clothes washer that meets the criteria of the ENERGY STAR Product Specification for Clothes Washers, Version 8.0, or any revision to those criteria published by the United States Environmental Protection Agency that is adopted by the Energy Commission for the program.</p>
Water-Conserving Plumbing Fixtures	Has the same meanings as set forth in Section 1101.3 of the Civil Code, which is any fixture that complies with current building standards applicable to a newly constructed real property of the same type.

Source: California Energy Commission

## C. Budget

Funding for the CalSHAPE Program comes from the energy efficiency budgets of California's large electric and gas investor-owned utilities. Specifically, this includes electrical corporations with 250,000 or more customer accounts within the state and gas corporations with 400,000 or more customer accounts within the state, as determined by the California Public Utilities Commission (CPUC). These utilities are Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), and Southern California Gas Company (SCG).

The program will accumulate funding in 2021, 2022, and 2023. The annual funding for the program is derived from a combination of current year available funds and prior year unspent and uncommitted energy efficiency funds as described in PUC Section 1615(a). Each year, from 2021 to 2023, it is expected that the utilities will be required to prepare a joint advice letter detailing that year's budget for CPUC approval. Funding awards must be distributed proportionally to each utility area based on program funds contributed by that utility and used for projects located in the utility's service territory. PG&E has both electric and gas service territories and the available funding attributed to each service territory will be in accordance with the energy efficiency portfolio budget recovery electric and gas funding percentages provided by PG&E in the utilities' joint advice letter to the CPUC.

CEC will allocate the available funding contributed by each utility using five funding categories. The funding category available to each school site is determined based on the utility service territory in which the site is located. Table 2 identifies the funding categories and the associated utility service territories from which an award will be made. All projects funded by a program grant must meet the same requirements, as described by these guidelines, regardless of funding category.

CEC will provide notices of annual budget accrual, total program funding, and available funds for each funding category at least once per year. Funds are allocated to the two grant programs per PUC Section 1616, with 75 percent to CalSHAPE Ventilation and 25 percent to CalSHAPE Plumbing.

**Table 2: Utility Service Territory Funding Categories**

<b>Funding Category</b>	<b>Utility Service Territories</b>
<b>PG&amp;E Electric</b>	PG&E electric/PG&E gas PG&E electric/Nonparticipating utility gas PG&E electric/SCG gas
<b>PG&amp;E Gas</b>	Nonparticipating utility electric/PG&E gas
<b>SCE</b>	SCE electric/Nonparticipating utility gas SCE electric/SCG gas
<b>SCG</b>	Non-participating utility electric/SCG gas
<b>SDG&amp;E</b>	SDG&E electric/SDG&E gas SDG&E/ Nonparticipating utility gas SDG&E electric/SCG gas

Source: California Energy Commission

Following PUC Section 1615(e), the CEC shall return all unused funds to each utility by December 1, 2026. To accomplish this, all projects, reporting, and reconciliation must be completed and any unused funds returned to the CEC as described in Chapter 4. LEAs will be provided instructions for returning any unused funds to the CEC.

## **D. CalSHAPE Plumbing Eligibility**

### **1. Eligible Applicants**

California LEAs are eligible applicants for grants. An LEA is defined as either **any of the following**:

- a. A school district as defined in Section 41302.5 of the Education Code, which includes:
  1. County boards of education.
  2. County superintendents of schools.
  3. Direct elementary and secondary level instructional services provided by the state, including the Diagnostic Schools for Neurologically Handicapped Children as established under Article 1 (commencing with Section 59200) of Chapter 3 of Part 32 of the Education Code.
- b. A charter school that has been granted a charter following Part 26.8 (commencing with Section 47600) of Division 4 of Title 2 of the Education Code.
- c. **A regional occupational center established pursuant to Section 52301 of the Education Code that is operated by a joint powers authority and that has an active career technical education advisory committee pursuant to Section 8070 of the Education Code.**

California LEAs may apply for funding to be used for projects at schools that are in the service territory of the utilities as defined herein. LEAs must demonstrate that each site

meets service territory requirements. CEC staff will verify submitted information as needed to ensure compliance with the service territory requirements.

Authorized third parties may complete applications on behalf of LEAs but may not sign or enter into agreements on behalf of LEAs. A letter of authorization from the LEA, specifying any authority or responsibility delegated to the third party, is required as part of the application package. No funding will be provided for the costs of completing an application for funding or for third-party consultant fees for application or project related work.

## 2. Utility Service Territories and Application Tiers

PUC Section 1615(c) states that CEC shall ensure that moneys from each utility are used for projects located in the service territory from which the money is received; for example, the funds collected from PG&E will be distributed in PG&E territory.

For implementing the program, CEC has established an approach based on the method employed for the CEC's Energy Conservation Assistance Act — Education Subaccount (ECAA-Ed) Competitive Loan Program to ensure that program funds are available to a range of LEAs within each utility service territory. LEAs in each utility service territory funding category are divided into three tiers based on LEA student enrollment. LEA tiers are detailed in Table 3.

**Table 3: LEA Tier by Enrollment Numbers**

<b>Tier</b>	<b>Number of Students</b>
1	Less than 1,000
2	Between 1,000 and 5,000
3	More than 5,000

Source: California Energy Commission

LEAs will be included in one or more of the application tiers as detailed in Table 4 corresponding to a utility service territory funding category and the size of the LEA.

**Table 4: LEA Application Tiers**

<b>Tier</b>	<b>PG&amp;E Electric</b>	<b>PG&amp;E Gas</b>	<b>SCE</b>	<b>SDG&amp;E</b>	<b>SCG</b>
<b>1</b>	PG&E-E1	PG&E-G1	SCE1	SDG&E1	SCG1
<b>2</b>	PG&E-E2	PG&E-G2	SCE2	SDG&E2	SCG2
<b>3</b>	PG&E-E3	PG&E-G3	SCE3	SDG&E3	SCG3

Source: California Energy Commission

## 3. Allocation of Funds Method

To allocate program funds for each program year, CEC will calculate the available funds by tiers presented in Table 4 for each utility service territory funding category. The calculation will be based on the final budget for each utility as approved by the CPUC for each program year as described in PUC 1615(a)(1).

CEC will allocate funds by application tier for each utility service territory funding category using the percentages shown in Table 5.

**Table 5: Available Funds by Application Tier**

<b>Tier</b>	<b>PG&amp;E Electric</b>	<b>PG&amp;E Gas</b>	<b>SCE</b>	<b>SDG&amp;E</b>	<b>SCG</b>
<b>1</b>	PG&E-E1: 10%	PG&E-G1: 10%	SCE1: 10%	SDG&E1: 10%	SCG1: 10%
<b>2</b>	PG&E-E2: 10%	PG&E-G2: 10%	SCE2: 10%	SDG&E2: 10%	SCG2: 10%
<b>3</b>	PG&E-E3: 80%	PG&E-G3: 80%	SCE3: 80%	SDG&E3: 80%	SCG3: 80%

Source: California Energy Commission

CEC will provide the amount of funds available for each utility's service territory and the funds available in each application tier in the notice of funding availability as described in Chapter 3, which will be issued for each funding round.

#### **4. Funds Not Used in an Application Tier**

If all funding originally allocated to a particular application tier is not disbursed at the conclusion of the applicable funding round, undisbursed funds may be reallocated to one or more other application tiers, or reserved for a future funding round depending on current and projected applicant demand. Consistent with PUC Section 1615(c), funds cannot be reallocated to fund projects from one utility service territory to another.

#### **5. Eligible Schools**

LEAs may apply for grants to conduct activities at schools that:

- Are on a site owned by the LEA.
- Are on a publicly owned site, such as a site owned by a school district or other public entity, whether the LEA has a lease with that entity.
- Are on a privately owned site, for which there is a lease with a term that exceeds the program duration, ending after December 1, 2026.

LEAs must provide proof of ownership or complying leases. Charter schools will be required to submit a Certificate of Good Standing with the application package.

Sites that are located within the service territory of a community choice aggregator (CCA) or local publicly owned electric utility (POU) are not prohibited from participating in the program. School sites located within a CCA or POU that meet the underserved community criteria, as specified in Section E, may be eligible for funding based on the appropriate utility service territory funding category as described in Section C and Table 2.

#### **6. Number of Applications**

An LEA may submit up to three applications for program funds in each funding round. For the initial phase of program awards, only sites meeting one or more of the definitions of an Underserved Community may be included. There is no restriction on how many sites an LEA can include in a single application. A site can be included only once and cannot be included in multiple applications.



## **7. Relationship to CalSHAPE Ventilation Applications and Awards**

CalSHAPE Ventilation and CalSHAPE Plumbing are separate programs. LEAs are required to submit individual applications to participate in either program.

## **8. Multiple Sources of Funding**

Participation in another program does not prevent participation in the program. However, an LEA receiving program funding may not receive additional funds from another program that, when combined with program funding, exceed the total cost of the project. Furthermore, program funds shall only be used for distinct, eligible costs described in these guidelines that are not funded by another funding source. CEC reserves the right to review and audit all grant and funding award documents to ensure compliance with this requirement

## **E. Priority Awards**

PUC Section 1612 requires the program offer funds to schools that are in an Underserved Community before schools that are not in an Underserved Community. The program defines an Underserved Community as meeting one of the following criteria:

1. Is a "disadvantaged community" as defined by Public Resources Code Section 75005(g)<sup>1</sup>
2. Is included within the definition of "low-income communities" as defined by Health and Safety Code Section 39713(d)(2).<sup>2</sup>
3. Is within an area identified as among the most disadvantaged 25 percent in the state according to the California Environmental Protection Agency and based on the most recent California Communities Environmental Health Screening Tool, also known as CalEnviroScreen
4. Is a community in which at least 75 percent of public school students in the project area are eligible to receive free or reduced-price meals under the National School Lunch Program
5. Is a community located on lands belonging to a federally recognized California Indian tribe

PUC Section 1612 requires that at least 25 percent of projects to be in Underserved Communities.

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1 Public Resources Code Section 75005(g) defines "disadvantaged community" as a community with a median household income less than 80 percent of the statewide average.

2 Health and Safety Code Section 39713(d)(2) defines "low-income communities" as census tracts with median household incomes at or below 80 percent of the statewide median income or with median household incomes at or below the threshold designated as low income by the Department of Housing and Community Development's list of state income limits adopted under Health and Safety Code Section 50093.

To meet the statutory requirement that schools meeting one or more Underserved Community criteria be offered funding before other schools, CEC is limiting applications and awards for the initial phase of program awards to schools meeting one or more of the Underserved Community criteria referenced in PUC Section 1601(e) and described in these guidelines.

These guidelines may be updated and additional notice provided as necessary, including the possibility of addressing additional eligibility.

# **CHAPTER 2:**

## **Project Requirements**

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### **A. School Plumbing Fixture and Appliance Replacement Grants**

An LEA may apply for a grant to fund the replacement of Noncompliant Plumbing Fixtures and Appliances with Water-Conserving Plumbing Fixtures and Appliances.

Grant applications must specify the details of each site and provide contractor estimates for costs specific to each site. Awards will be made based on contractor's estimates. Additional details on application requirements are provided in Chapter 3.

School Plumbing Fixture and Appliance Replacement Grant funds can only be used for costs directly related to the replacement of the Noncompliant Plumbing Fixtures and Appliances with Water-Conserving Plumbing Fixtures and Appliances as described in this chapter. More information on ineligible costs can be found in Chapter 3.H.

### **B. Noncompliant Plumbing Fixtures and Appliances**

#### **1. Noncompliant Plumbing Fixtures**

Plumbing fixtures exceeding the following water usage levels as set forth in Section 1101.3 of the Civil Code shall be considered noncompliant:

- a. Any toilet manufactured to use more than 1.6 gallons of water per flush.
- b. Any urinal manufactured to use more than one gallon of water per flush.
- c. Any showerhead manufactured to have a flow capacity of more than 2.5 gallons of water per minute.
- d. Any interior faucet that emits more than 2.2 gallons of water per minute.

#### **2. Noncompliant Appliances**

Noncompliant appliances meeting one of the following conditions shall be considered noncompliant:

- a. Commercial dishwasher manufactured before January 1, 2010, that does not meet the efficiency requirement of the ENERGY STAR® Product Specification for Commercial Dishwashers, Version 1.1
- b. Any automatic commercial ice maker manufactured before January 1, 2010, that does not meet the efficiency requirement of the ENERGY STAR Product Specification for Automatic Commercial Ice Makers, Version 1.0
- c. Any commercial clothes washer manufactured before January 1, 2010, that does not meet the efficiency requirement of the ENERGY STAR Product Specification for Clothes Washers, Version 5.0

## **C. Application**

Applicants will be required to provide documentation showing the existence of Noncompliant Plumbing Fixtures or Appliances with the application for a School Plumbing Fixture and Appliance Replacement Grant. The documentation must provide a description, list the respective efficiencies, and identify the noncompliant components of the plumbing fixtures and appliances that are included for replacement in the contractor estimate. This documentation will be used to determine which fixtures or appliances meet the Noncompliant Plumbing Fixtures and Appliances requirements listed in Chapter 2.B and are therefore eligible for replacement through the program.

The documentation included with the application shall include:

1. Name and address of site and person or contractor preparing and certifying any documents.
2. Documentation of the plumbing fixture and appliance equipment model number, serial number, general condition of unit, ENERGY STAR rating, and any additional information that could be used to assess replacement options given potential for increased water usage efficiency benefits.
3. The contractor-verified cost estimate for the replacement of all Noncompliant Plumbing Fixtures and Appliances included in the application.

## **D. Documentation of Completed Work**

Upon completion of all work funded by a grant, the applicant must document the Noncompliant Plumbing Fixture and Appliance replacement at each site included in the grant. The documentation of completed work must include:

1. Name and address of site and person or contractor preparing and certifying information.
2. Description of Noncompliant Plumbing Fixtures and Appliances.
3. Verification that the applicant has installed Water-Conserving Plumbing Fixtures and Appliances, as defined in Table 1. This verification must include the minimum water efficiencies for plumbing fixtures and minimum ENERGY STAR ratings for plumbing appliances.
4. The new water use efficiencies for each of the replaced plumbing fixtures and appliances.
5. Verification that all work was performed by qualified personnel, including the provision of the contractor's name and license, and verification that all construction work has been performed by a Skilled and Trained Workforce.

The Respective ENERGY STAR databases can be found at the following locations:

1. ENERGY STAR Requirements for Dishwashers:  
[Energy Star Commercial Dishwasher Requirement 1.1](#)
2. Energy Star Requirements for Commercial Ice Makers:  
[Energy Star Requirements for Automatic Commercial Ice Makers 1.0](#)

### 3. ENERGY STAR Requirements for Commercial Clothes Washers:

[Energy Star Requirement for Commercial Clothes Washers Version 5.0](#)

## **E. Skilled and Trained Workforce Requirement**

All replacement work completed as a part of the School Plumbing Fixture and Appliance Replacement Grant must be performed by a Skilled and Trained Workforce, which has the same meaning as in Section 2601 of the Public Contract Code. LEAs may use in-house staff to complete the work if the staff meet all Skilled and Trained Workforce requirements.

## **F. Proper Disposal/Recycling Requirements**

Grant recipients shall dispose or recycle all Noncompliant Plumbing Fixtures, Noncompliant Appliances, or both in compliance with all local ordinances, standards, and requirements. Noncompliant Plumbing Fixtures and Appliances are to be removed from service as part of this program and are not to be resold or reinstalled.

## **G. Grant Budget**

The budget for each LEA grant award will be equal to the sum of approved individual site budgets for all sites included in the LEA grant application. Each site budget will be equal to the amount of the contractor estimate for eligible work to be completed at that site. CEC program staff will determine the approved site budget based on program requirements, including eligible cost requirements in these guidelines and SEES Program statutes. No additional funding will be awarded for costs that exceed the approved site budgets.

## **H. Payment of Prevailing Wage**

The LEA shall ensure, to the extent applicable, the budget considers the payment of prevailing wages. These grants may be subject to public works requirements (Labor Code Section 1720 et seq.), a requirement of which is to pay prevailing wages. LEAs are responsible for complying with all applicable laws, which can include public works requirements.

Only the California Department of Industrial Relations (DIR) and courts of competent jurisdiction may issue legally binding determinations that a project is or is not a public works project. LEAs shall assume their projects are public works unless they obtain a determination to the contrary from DIR or an appropriate court. As such processes can be time-consuming, please plan accordingly given the application deadline. Without such a determination, LEAs shall explain how they have included appropriate budgets for prevailing wages.

## **I. Project Term**

For each School Plumbing Fixture and Appliance Replacement Grant project, the LEA will have up to 24 months to complete all work and submit the final documentation described in Chapter 4.

## **CHAPTER 3:**

# **Grant Applications and Awards**

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This chapter provides information for participation in the initial phase of program awards including the application process, required application forms and supporting documentation, a description of the process used by the CEC to approve applications and determine grant awards, payment of funds, and project and reporting requirements.

As described, PUC Section 1612 requires that schools in Underserved Communities be offered funding before schools that are not in an Underserved Community. Consistent with the statute and anticipated funding availability, CEC will offer funding in the initial phase only for schools located in an Underserved Community. The funding award amounts will be made based on a contractor's site-specific estimate for eligible work.

CEC will issue a notice of funding availability identifying the anticipated funding to be made available in each round of grants. The notice of funding availability will identify any relevant application dates including the first and last date applications can be submitted and any funding restrictions applicable to that round of funding. Dates may be adjusted by the CEC through the issuance of a notice updating information.

### **A. Application Process**

The application process has been designed to simplify the submission of an initial application. CEC will also provide an option for the LEA to receive reimbursement of eligible incurred costs pursuant to program requirements.

The application and award process generally follow the following steps.

1. CEC issues a notice of funding availability with details of the total funding available, start and end dates for application acceptance, and the breakdown of funds by funding category and by tiers, as described in these guidelines.
2. LEAs submit grant applications electronically as required in the notice of funding availability.
3. CEC will begin to review applications in the order that complete applications are received.
  - a. CEC staff will accept and review all applications submitted by the posted deadline.
  - b. At any time, should the CEC determine that all funds in a single funding category or tier or both have been reserved, the CEC may provide public notification of that determination but will continue to accept applications and identify LEAs that may be funded should additional funding become available.
4. CEC will grant funding awards for complete applications, at which time funds will be reserved for the LEA for approved projects.

5. Incomplete applications and applications deemed not to have met the application requirements (collectively referred to as “noncompliant” applications) will not be considered.
  - a. CEC will notify LEAs if an application is noncompliant, and the applicant may reapply during the open application period. Depending on the volume and timing of applications received, the CEC may not always be able to review and notify applicants of noncompliant applications during the open application period.  
Accordingly, applicants are encouraged to apply as early in the process as possible.
6. CEC will issue a notice of proposed award to an LEA with a complete application. The LEA will be required to submit the additional required documents and complete a grant agreement to reserve the grant award funding.
7. The LEA will automatically receive reimbursement for incurred costs of 50 percent of the overall grant award after completion of the grant agreement. Any eligible incurred costs greater than 50 percent of the overall grant award will be included in the final invoice. For these guidelines, the term “incurred costs” is defined as an expense for which the recipient has become liable (legally obligated) to pay.
8. All planned projects will also receive additional guidance on project completion, reporting, and invoice submittal.
9. All projects must adhere to the requirements provided in these guidelines and must use all required forms to receive a grant award and funding.

## **B. Application Package**

Eligible applicants must submit a complete application package for a School Plumbing Fixture and Appliance Replacement Grant using the electronic submission process and system identified in the notice of funding availability issued by the CEC. The application package must include the following in the required form or formats. The information required in the application form is listed in Appendix A of these guidelines and all forms will be made available for use in developing the application package on the [program webpage](https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program) (<https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program>)

1. Applicant Details (Plumbing-1): LEA information including official name, address, responsible parties, contact information, description of LEA territory, and schools.
2. Overall Grant Request Summary (Plumbing-2): Grant site and budget summary page and status of all site-specific work including start date and projected end date.
3. Site-Specific Details (Plumbing-3): Detailed information identifying all sites to be addressed by the grant, general site information, identification of the number and type of Noncompliant Plumbing Fixtures and Appliances on site, project completion status, total site-specific estimate for replacement project.
4. The LEA self-certifies:
  - a. It will follow the program guidelines.

- b. The information included in the application package is true and correct to the best of the LEA's knowledge.
  - c. It will obtain Division of the State Architect (DSA) project approval as applicable under California Code Regulations, Title 24.
  - d. It acknowledges that the expended funds may be subject to audit, including a financial audit.
  - e. It will comply with all reporting requirements.
  - f. It will comply with all School Plumbing Fixture and Appliance Replacement Grant terms and conditions.
  - g. All Noncompliant Plumbing Fixtures and Appliances will be disposed of or recycled in compliance with its own policies or other applicable state and local end of life management and recycling requirements.
  - h. It will comply with all Skilled and Trained Workforce requirements.
  - i. All applicable DIR and Labor Code requirements on public works, including the payment of prevailing wage, will be followed.
  - j. It acknowledges that it may be subject to a post-program site visit and measurement and evaluation study conducted by the CEC or its delegate.
5. Supporting documentation:
- a. Site-specific contractor estimate supporting each site-specific amount requested.
    - 1. To be deemed complete, a contractor estimate must be itemized and include all required details.
  - b. Certificate of Good Standing for Charter School Applicants.
  - c. Letter of authorization for third-party applicants.

## **C. Contractor Estimates**

The amount requested in the application package may only be for reasonable costs of the replacement of Noncompliant Plumbing Fixtures and Appliances, as described in Chapter 2.

The contractor estimate must include a detailed site-specific budget, timeline, and a clear and accurate description of the work that will be provided. The site-specific budget needs to show line item cost estimates for materials, labor, and other costs. Any amount included in other costs must include a brief narrative explaining the use of these funds.

The LEA will be required to submit the original contractor estimate as part of the application package to demonstrate that all costs are reasonable for the work to be completed. The contractor estimate must include supporting documentation demonstrating that the scope of work is consistent with the requirements of these guidelines, as listed in Chapter 2.

Ineligible costs, as described in Chapter 3.H, cannot be included as part of the contractor estimate. Additional information consistent with these guidelines may be required from LEAs to complete the grant agreement after notification of the grant award.



The CEC does not have authority to authorize LEAs to use a particular procurement method for use of these funds. LEAs will have to rely on their own existing authority and shall comply with applicable law.

## **D. Application Review**

Applications will be accepted only electronically through the CEC's electronic submission system, and all applications submitted will be identified by the date and time received. Any applications received after the noticed deadline will not be accepted, and a notice of rejection will be sent to the applicant. Any application forms or links and deadlines shall be described in the notice of funding availability. The CEC will not accept applications via email or fax. Applications must use the CEC's electronic submission system.

The CEC will review each submitted application package to ensure all the required information has been provided. An application with minor errors or inconsistencies that do not affect the completeness of the package may still be considered for funding. If an applicant or the CEC discovers any minor errors or inconsistencies, the applicant will be given 10 calendar days or until the application deadline, whichever occurs first, to resubmit the application to resolve the errors or inconsistencies. If the application is resubmitted, but there are remaining or additional errors or inconsistencies discovered in the application, the applicant will be given an additional 10 calendar days or until the application deadline, whichever occurs first, to resubmit the application to resolve the errors or inconsistencies. If the applicant does not resubmit the application in the allowed time frame, the application will be rejected.

If an application is rejected during the open application period, the LEA may revise and resubmit the application during the open application period. Depending on the volume and timing of applications received, the CEC may not always be able to review and notify applicants of errors during the open application period. If the applicant does resolve the errors or inconsistencies before the application deadline, the application will be approved or not be approved accordingly pursuant to program requirements.

CEC staff will rank all approved applications by the date and time the final approved application was received. Grant applications will be processed until all available funds within each funding category and tier are awarded. Any approved grant applications received that exceed the amount of funds available in the current round of funding for the funding category and application tier will be placed in order of date and time received on a priority list for funding when funds become available.

## **E. Notice of Proposed Award and Completion of Grant Agreement**

Following approval of an application, CEC staff will send a notice of proposed award to the successful LEA and will request the following additional information to complete the grant agreement, consistent with these guidelines:

1. Payee Data Record (STD-204): Required for grant award payment.
2. An authorizing document from the governing body, such as a resolution authorizing acceptance of the award and entering award agreement.

3. A signed grant agreement indicating that the LEA has read and accepts the terms and conditions.

Failure to agree to the terms and conditions by taking actions such as failing to sign the grant agreement or indicating that acceptance is based on modification of the terms will result in rejection of the application. CEC reserves the right to modify the terms and conditions prior to executing the grant agreement.

At the time the grant agreement is fully executed and received by the CEC, the grant award funding will be reserved for the LEA. Grantees will receive reimbursement of eligible incurred costs of 50 percent of the total grant award after notification of the funding reservation. Eligible incurred costs are those costs incurred to achieve the purpose of the program. Additional information on project reporting and invoicing is provided in these guidelines and further guidance consistent with these guidelines will be made available to grantees.

## **F. Payment of Grant Funds**

The CEC expects to receive funding for the program from participating utilities quarterly. Payment to grantees depends on CEC receipt of funding.

The CEC will issue an email notice to approved grant applicants identifying the amount of the award. As noted above, the LEA will be awarded the amount requested which must equal the total of each site-specific budget.

## **G. Timing of Payment**

The CEC will issue a portion of funds to cover eligible incurred costs, as defined in Sections A and D above, equal to 50 percent of the overall grant award. Upon approval of an award, the grantee will receive a notice of proposed award from the CEC and a grant agreement will be executed. After grant agreement execution, the CEC will approve payment of incurred cost funds equal to 50 percent of the overall award for all sites represented in the grant agreement to be issued by the State Controller's Office (SCO). SCO expects to be able to issue incurred cost payments within four weeks once the LEA completes the grant agreement and all required documentation is reviewed and approved by CEC.

The remaining grant funds will be provided upon receipt and review of all final required reporting. The LEA shall provide the CEC with additional documentation, as specified in Chapter 4. If the LEA received reimbursement of eligible incurred costs and does not complete all the project requirements, any grant award funding shall be promptly returned to the CEC.

**CEC staff will issue payment only for the final invoice once and only when all final reporting is submitted and approved by CEC staff**

## **H. Ineligible Costs**

Only direct costs and work performed in accordance with the terms of the grant agreement will be eligible for reimbursement. Costs not related to the replacement of the Noncompliant Plumbing Fixtures and Appliances, as defined in Chapter 2.B, are not eligible expenses.

Costs that are not reimbursable with grant funding include, but are not limited to:

1. Costs, other than those noted above, incurred outside the terms of the grant agreement with the CEC.
2. Purchase of equipment not an integral part of the project.
3. Replacement of existing funding sources for ongoing programs.
4. Costs stemming from DSA requirements.
5. Consultant fees.

# **CHAPTER 4:**

## **Project Completion and Reporting**

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### **A. Completion of Projects**

As noted, grant recipients will have 24 months to complete all replacement work and final documentation requirements. Although the CEC may issue a reminder of the project deadline, it is the grant recipients' responsibility to monitor project completion and meet all required documentation and invoicing deadlines.

LEAs shall submit final documentation electronically using the system or process required by the CEC at the time the documentation is due. The CEC will provide all forms, formats, and guidance needed to assist in documentation on the program webpage.

### **B. Reporting**

PUC Section 1618 states that the reduction in greenhouse gases (GHG) and energy savings attributed to a project funded by the CalSHAPE Program shall be attributed to the utility that provided those funds.

Energy and GHG savings are not a required element of the final documentation reporting on grant projects. Nonetheless, additional data or information may be requested from the grantee to allow the CEC to determine the GHG reductions and energy savings pursuant to PUC Section 1618. The LEA, contractor, or Licensed Professional, or a combination thereof, shall cooperate with CEC staff or CEC consultants in any assessment of an individual project's energy and GHG savings, including providing access to the project site and providing project and equipment information. The cost associated with any additional reporting or assessment will not be funded by a program grant.

### **C. Final Documentation and Invoice for Remaining Funds**

After the project has been completed, the applicant will submit a final document package to the CEC that includes:

1. Detailed Noncompliant Plumbing Fixture and Appliance documentation, as specified in Chapter 2.C.
2. Documentation of installed plumbing fixtures and appliances, as specified in Chapter 2.D.
3. Final invoice for any remaining expended funds up to the original grant award amount.
4. Additional reporting detail as required to calculate or confirm water usage savings, energy usage savings, or reduction in greenhouse gas emissions resulting from the project.
5. The LEA self-certifies:
  - a. It followed the program guidelines.

- b. The information included in the final document package is true and correct to the best of the LEA's knowledge.
- c. All California Environmental Quality Act (CEQA) requirements are completed.
- d. It has obtained any required DSA project approvals as applicable under California Code Regulations, Title 24.
- e. It acknowledges that the expended funds may be subject to an audit, including a financial audit.
- f. It complied with all reporting requirements.
- g. It complied with all School Plumbing Fixture and Appliance Replacement Grant terms and conditions.
- h. All Noncompliant Plumbing Fixtures and Appliances have been disposed of or recycled in compliance with its own policies or other applicable state and local end of life management and recycling requirements.
- i. It complied with all Skilled and Trained Workforce and other labor requirements.
- j. It complied with any applicable labor code requirements on the payment of prevailing wage.
- k. All DIR requirements for public works, including payment of prevailing wages, were followed.
- l. It commits to participate with the CEC or its delegate in the assessment of energy savings or GHG emission reductions, including providing access to project sites and project and equipment information.
- m. It acknowledges that it may be subject to a post-program site visit and measurement and evaluation study conducted by the CEC or its delegate.

## **D. Time Extension Requests**

Grant recipients may request one-time extension to complete final reporting. The extension will be no more than six months and will not exceed the final program reporting deadline date of June 1, 2026.

# CHAPTER 5:

## Administration

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### A. Guidelines Authority

This program guidelines are adopted under Public Utilities Code Division 1, Part 1, Chapter 8.7 added by AB 841 (Ting, Chapter 372, Statutes of 2020), which directs the CEC to implement the CalSHAPE Plumbing Program as part of the CalSHAPE Program. Under PUC Section 1614(b), the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) does not apply to the adoption these guidelines.

### B. Effective Date of Guidelines

These program guidelines are not effective until adopted by the CEC at a publicly noticed business meeting. The CEC will post the adopted [CalSHAPE Plumbing Program Guidelines](https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program) on its website: <https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program>. Applicants may also obtain the program guidelines by contacting [CalSHAPE@energy.ca.gov](mailto:CalSHAPE@energy.ca.gov).

### C. California Environmental Quality Act

The CEC must comply with CEQA (Public Resources Code section 21000 et seq.; see also California Code of Regulations Title 14, Section 15000 et seq.), which generally requires public agencies to identify and consider potential environmental impacts of proposed projects. Applicants will be required to submit CEQA documentation as part of their application to determine CEQA compliance. Refer to Appendix A: Application and Forms for further information.

### D. Division of the State Architect Review

DSA provides design and construction oversight for school districts. To ensure buildings are safe and compliant with accessibility standards, DSA must review and approve public school construction for compliance with the California Code of Regulations, Title 24, the California Building Code (CBC), when alterations or additions are made to existing buildings.

Certain equipment replacements and upgrades funded by the program might be exempt or excluded from DSA review and approval for structural safety, depending on the scope of work and estimated construction cost. To help LEAs determine the various requirements and possible exemptions, DSA provides resources and guidelines on its [website](https://www.dgs.ca.gov/DSA/Resources/Page-Content/Resources-List-Folder/Plan-Review-Appointment-Process-for-School-Essential-Services-Construction-Project) at <https://www.dgs.ca.gov/DSA/Resources/Page-Content/Resources-List-Folder/Plan-Review-Appointment-Process-for-School-Essential-Services-Construction-Project>.

In cases where DSA review is required, DSA will verify that the original building construction was certified before it can issue approval of plans for alterations on that building. DSA regional office staff can help LEAs identify whether a particular building is suitably certified and what steps are required to achieve certification. LEAs are advised to consider DSA requirements

early in their planning for plumbing fixture and appliance replacements and contact the appropriate DSA regional office with jurisdiction over the area in which the project is located. Visit the DSA Project Submittal Planning page for more information regarding plan submission at Plan Review Appointment Process.

## **E. Enforcement**

In addition to any other rights the CEC has, the CEC can take any of the following actions necessary to enforce the CEC's rights and program requirements.

### **1. Recovery of Overpayment**

The CEC may direct its chief counsel to commence formal legal action against any applicant, former applicant, or recipient to recover any portion of a payment under a grant agreement that the Executive Director determines the applicant, former applicant, or recipient was not otherwise entitled to receive, retain (that is, advanced funds), or spend in the manner it was spent.

### **2. Fraud and Misrepresentation**

The Executive Director may initiate an investigation of any applicant that the Executive Director has reason to believe may have misstated, falsified, or misrepresented information in submitting an application, payment request, or any reporting or other information required under the program. Based on the results of the investigation, the Executive Director may take any action deemed appropriate, including, but not limited to, cancellation of the reservation of funds, termination of the award or award agreement, recovery of any overpayment, and, with the concurrence of the CEC, recommending the Attorney General initiate an investigation and prosecution under Government Code Section 12650, et seq., or other provisions of law.

### **3. Noncompliance With Agreement**

The CEC may seek remedies for noncompliance with agreement terms, work scope, and project milestones including not limited to stop work, termination, withholding requested payments, recovery of funds, or any other administrative or civil action.

## **F. Use and Disclosure of Information and Records and Confidentiality**

With very few exceptions, all project documents submitted to the CEC or its technical consultant(s), including as part of any audit, are considered public records subject to disclosure under the California Public Records Act. The CEC or other state agencies may also use any of these documents or information for any purpose, including to determine eligibility and compliance with the CalSHAPE Program, applicable law, or a particular solicitation or guideline document; to evaluate related or relevant programs or program elements; or to prepare reports. These documents and information include but are not limited to applications for funding, the agreement itself, invoices and any documentation submitted in support of applications, all agreement deliverables, final project report, and documents prepared for

other reporting requirements, materials and documents developed as part of technology transfer activities.

If the CEC requires an applicant or recipient to provide copies of records that the recipient believes contain confidential/proprietary information entitled to protection under the California Public Records Act or other law, the recipient may request that such records be designated confidential according to the CEC's regulations for confidential designation, Title 20, California Code of Regulations, Section 2505.

Applicants considering confidentiality should note that CalSHAPE funds are subject to information disclosure requirements to ensure transparency. Information concerning the identity of recipients and the grant amount is public information and will be disclosed according to the California Public Records Act. This information, as well as other public information, may also be disclosed through the CEC's website, another State of California agency website, or through other means.

The CEC can disclose confidential information and records to other governmental entities and policing authorities for civil and criminal investigation and enforcement.

## **G. Substantive Changes in Guidelines**

After adoption, substantive changes to the adopted program guidelines may be made with the approval of the CEC at a publicly noticed meeting with no fewer than 15 days public notice. Unless stated otherwise in the resolution approving substantive changes, such changes shall take effect upon adoption by the CEC. Substantive changes to design or requirements include but are not limited to program eligibility.

## **H. Nonsubstantive Changes in Guidelines**

If the program guidelines require nonsubstantive changes, the CEC will provide a notice of the changes to the CalSHAPE list serve (school\_ee\_stimulus) and post the amended guidelines on the program web page.



# **APPENDIX A:**

## **Application Forms**

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This appendix describes the information that will be required in the application form. The School Plumbing Fixture and Appliance Replacement Grant Application form will be completed and submitted by the LEA using the electronic submission process and system identified in the notice of funding availability issued by the CEC. The application form will be made publicly available for use in developing the application package on the [program webpage](https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program) (<https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program>)

### **School Plumbing Fixture and Appliance Replacement Grant Application Form**

- Application Information
  - Applicant name
  - Type of Entity/CDS Code
  - Application Region
  - Address
  - Contact information
  - Utility Provider(s)
- Project Information (Table format for multiple projects in LEA's application)
  - Type of project
  - School address
  - School size (classrooms/students)
  - Project description
- Project Schedule
  - Estimated start date
  - Estimated completion date
- Project Budget
- CEQA-related information
- Application Documents
- Self-Certifications

# **APPENDIX B:**

## **Plumbing Application and Documentation Forms**

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This appendix describes the information that will be required in the application and final document package. The School Plumbing Fixture and Appliance Replacement Grant Application and final document package will be completed and submitted by the LEA using the electronic submission process and system identified in the notice of funding availability issued by the CEC. The documentation forms will be made publicly available for use in developing the application and final document package on the [program webpage](https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program) (<https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program>)

- **Documentation Form for Appliances (checklist)**
  - Unit/Model No./Serial No./ENERGY STAR Rating
  - Cost to replace
  - Cost to dispose of old equipment
  - Labor cost
- **Documentation Form for Fixtures (checklist)**
  - Unit/Model No./Serial No./Water Usage
  - Cost to replace
  - Cost to dispose of old equipment
  - Labor cost
- **Documentation of Completed Work Form for Appliances**
  - New Unit/Model No./Serial No./ENERGY STAR Rating
  - Completed invoice
- **Documentation of Completed Work Form for Fixtures**
  - New Unit/Model No./Serial No./Water Usage
  - Completed invoice

## **APPENDIX C:**

### **Additional References**

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[Assembly Bill No. 841](http://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB841) Energy: transportation electrification: energy efficiency programs: School Energy Efficiency Stimulus Program. (2019-2020) (Ting)  
[http://leginfo.ca.gov/faces/billTextClient.xhtml?bill\\_id=201920200AB841](http://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB841)

STATE OF CALIFORNIA

STATE ENERGY RESOURCES  
CONSERVATION AND DEVELOPMENT COMMISSION

RESOLUTION - California Schools Healthy Air, Plumbing, and Efficiency Program  
(20-RENEW-01)

**WHEREAS**, Assembly Bill 841 (AB 841, Statutes of 2020, Chapter 372), added, among other statutes, Public Utilities Code (PUC) Section 1600 et seq., which directs the State Energy Resources Conservation and Development Commission (CEC) to develop and implement two programs: a program to award grants to local educational agencies to reopen schools with functional ventilation systems that are tested, adjusted and, if necessary or cost effective, repaired, upgraded, or replaced to increase efficiency and performance; and another program to provide grants to state agencies and local educational agencies to replace noncompliant plumbing fixtures and appliances with water-conserving plumbing fixtures and appliances; and

**WHEREAS**, PUC section 1614 directs the CEC to adopt guidelines to establish the eligibility criteria, reporting requirements, and technical standards for the these programs: the California Schools Healthy Air, Plumbing and Efficiency (CalSHAPE) Ventilation and Plumbing Programs; and

**WHEREAS**, The CEC, at its June 9, 2021, business meeting adopted the CalSHAPE Plumbing Program Guidelines, and at its June 25, 2021, business meeting adopted the CalSHAPE Ventilation Program Guidelines (collectively referred to as "The Guidelines"); and

**WHEREAS**, Since the CEC adopted The Guidelines, Assembly Bill 137 (AB 137, Statutes of 2021, Chapter 77) was enacted. AB 137 changed the definition in Public Utilities Code Section 1601 of Local Education Agencies - the eligible entities to receive funding under CalSHAPE - to include Regional Occupational Centers, and

**WHEREAS**, CEC staff have proposed revisions to The Guidelines to conform with the changes made by AB 137, and publicly noticed the proposed changes at least 15 days before the August 11 business in accordance with the requirements in The Guidelines; and

**WHEREAS**, the CEC's legal office has considered the application of the California Environmental Quality Act (CEQA) to the CEC's adoption of the proposed revisions to The Guidelines and opined that the CEC's adoption of these revisions is exempt from CEQA under Title 14, California Code of Regulations, sections 15301, 15302, and 15303; and

**RESOLVED**, The CEC hereby finds the adoption of the proposed revisions to The Guidelines to be exempt from CEQA under Title 14, California Code of Regulations, sections 15301, 15302, and 15303; adopts the proposed revisions to The Guidelines; and delegates the authority and directs the CEC staff to take, on behalf of the CEC, all actions reasonably necessary to implement the revisions to The Guidelines, including, if necessary, making grammatical or other non-substantive, minor changes to The Guidelines as needed.

**CERTIFICATION**

The undersigned Secretariat to the CEC does hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly and regularly adopted at a meeting of the CEC held on August 11, 2021.

AYE:

NAY:

ABSENT:

ABSTAIN:

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Liza Lopez  
Secretariat