**Questions and Answers**

**PON-24-002**

**Kindergarten through Twelfth Grade Energy Efficiency Program**

**August 14, 2025**

The following answers are based on California Energy Commission (CEC) staff’s interpretation of the questions received regarding Program Opportunity Notice 24-002 for the Kindergarten through Twelfth Grade Energy Efficiency Program. Some questions have been edited for clarity or combined with other similar questions. Questions and answers are grouped by topic.

# Application Submission

**Q1: What is the application submission deadline?**

A1: There is no application submission deadline. It is first-come, first-served and a revolving loan fund, so the solicitation will remain open as long as the funds are available. The applications opened on April 23, 2025, when the Program Opportunity Notice (PON) was posted online. Interested applicants can apply now. CEC will provide notice when funds have been exhausted.

**Q2: Once an application is completed and submitted, what is the estimate of the time required to process the application before construction can start?**

A2: Once CEC staff receives a complete application with no revisions needed, it will undergo staff review and the proposed loan agreement will be presented at a CEC Business Meeting for Commission approval. This process typically takes 2-3 months, after which both parties must sign the loan agreement.

**Q3: Have there already been submissions presented to you?**

A3: No, the CEC has not received any submissions as of the drafting of this document.

# Applicant Eligibility and Project Requirements

**Q4: Will there be preference for the type or size of loan that will be selected, such as a preference for smaller loans or a particular geographical distribution?**

A4: No, there will not be preferences given. Applications will be processed on a first-come, first-served basis, starting with the first complete application received.

**Q5: Is this truly a first come, first served program, or are there minimum requirements relating to Senate Bill 535 Communities, Assembly Bill 1390 Communities, or something similar?**

A5: This is truly a first-come, first-served loan program.

**Q6: One of the eligible measures is listed as “Electric vehicle charging infrastructure used to power public fleets”. Does this mean the EV chargers can be open to the public as long as they are also used to charge public fleets?**

A6: The U.S. Department of Energy (DOE) requires the EV chargers only be used to charge the loan recipient’s vehicle fleet and are not open to the public.

**Q7:** **Is the program open to districts or only to individual schools?**

A7: The program is open to both school districts and individual schools.

**Q8:** **What is the difference between this new program and the ECAA-Ed program, as both offer 0% loans up to $3 million?**

A8: The primary difference is that this loan program comes with additional federal requirements including reporting requirements and the Federal audit requirement. Federal guidelines require that we do a little bit more in terms of reporting than the ECAA-Ed Program requires. See Attachment 9 Sample Loan Agreement for federal terms. Additionally, this program’s loan repayment cannot exceed 15 years.

# Energy Audit

**Q9: Does the energy audit have to be ASHRAE Level 2?**

A9: Yes, an ASHRAE Level 2 audit is a DOE requirement.

**Q10: If the application is only for lighting upgrades, for example, does the applicant need auditing of the entire site or just lighting?**

A10: Yes, there must be an audit for the entire building and the audit must show that lighting or select measures have the most energy savings.

**Q11: Are the energy savings measured and verified, or only modeled upfront?**

A11: For this program, energy savings will be modeled.

**Q12: Must an energy reduction minimum threshold be met in order to qualify for a loan?**

A12: No, there is no minimum threshold for energy savings or minimum loan amount required. That said, there have to be energy savings shown in order for the project to qualify for a loan. Loan size and repayment will be based on the estimated energy savings of the project.

**Q13: Will an applicant be awarded a loan based on the findings of the audit, and what is the most efficient improvement as opposed to what type of project the applicant has in mind? Is the award based entirely on what the audit finds to be the most efficient improvement at the facility?**

A13: The applicant must do a complete audit to satisfy the DOE's requirements. However, if multiple measures—such as three or four options—satisfy the savings and payback criteria, they may select from that list, provided that the selected improvements will generate enough energy savings to repay the loan within 15 years. This holds true even if there are alternatives with shorter payback periods.

**Q14: A project cannot begin before there is an approved loan application. Is project start defined as construction start, audit start, project scoping, or some other milestone?**

A14: **Reimbursable Project work can only begin after a Loan agreement is signed by both the applicant and CEC.** ~~The audit must be completed before submitting an application. Project start is defined as when activities funded by the loan—such as construction—begin.~~ Therefore, you should not **incur ~~start~~** any costs **for which you plan to seek reimbursement until your Loan application is approved and a Loan agreement is signed**.~~or activities you plan to include in your loan application before submitting your application as they will not be covered by the loan. Measure installation can include costs for all labor, engineering, construction, materials, equipment, inspection, demolition (if applicable) and removal (if applicable) less equipment salvage value (if applicable).~~

**The audit must be completed before submitting a Loan application. The costs for the audit and for project scoping are not reimbursable. Reimbursable costs include costs for all labor, engineering, construction, materials, equipment, inspection, demolition (if applicable) and removal (if applicable) less equipment salvage value (if applicable) related to the energy measures funded by the Loan agreement.**

**Q15:** **Since the audit must be completed before the application, can its cost be included in the loan, or is it an independent expense the applicant must cover?**

A15: This program does not pay for the cost of the audit.

**Q16: Will CBECC-Com be required to demonstrate energy savings?**

A16: CBECC-Com is not required to demonstrate energy savings. Applicants are encouraged to use the DOE audit template which includes a drop-down menu specific to the Energy Efficiency Revolving Loan Fund program, however an ASHRAE Level 2 audit is the actual requirement to demonstrate energy savings.

# Loan Repayment

**Q17: Is this loan repaid through on-bill financing?**

A17: No, loan repayments will come from the energy bill savings, paid in the form of a check to the CEC.

**Q18:** **Can you clarify exactly how energy savings are paying for the loan? What is the actual method of repayment?**

A18: For example, if a school applies for a $3 million loan and the project results in annual energy cost savings of approximately $100,000, the school will use these savings to repay the loan. Effectively providing CEC payments equivalent to that amount until the loan is fully repaid.

**Q19: Will the recipient of the loan be billed directly for repayments?**

A19: Yes, the recipient will be billed twice a year by the CEC. Billing will occur in December and June and the recipient will send a check to the CEC.

**Q20: Is there a minimum payment that must be made yearly?**

A20: Yes, the loan repayment amounts are the minimum payment due to CEC. The minimum payments will be made twice a year.

**Q21: What is the maximum loan term?**

A21: The maximum term of a loan is 15 years.

**Q22: Is there a risk to the school or to the auditor if the savings don't equal the estimates? Meaning, if the savings can't pay back the loan, what's the risk there?**

A22: **Energy cost savings will be based on energy usage and serving utility rate schedules at the time the Loan application is submitted, and the information and data contained in the Loan application and energy audit. The following will not affect energy cost savings, and are not a basis for claiming a lack of energy savings: a) changes in energy use and/or rate schedules which occur after submittal of the Loan application, b) deviations in the Project work scope from what is approved by the Energy Commission, c) changes in the Borrower’s facility and/or equipment which occur after submittal of the Loan application, including, but not limited to maintenance, operations, schedules, employees and facility alterations and expansions, d) deviations, omissions or errors found in the Loan application and energy audit after submittal of the Loan application. The Applicant is responsible for ensuring the accuracy of the information contained in its Loan application and energy audit. In the event annual energy cost savings resulting from the project, as determined by the Energy Commission, fail to equal or exceed the amount due under the Loan agreement, the agreement may be renegotiated to assure that the repayment amount does not exceed the actual energy savings or avoided costs resulting from the Project. In no event, however, will the installments payable exceed 15 years.** ~~If the savings don't equal the loan amount, the schools are still expected to repay the loan. It is up to the applicants to consider this possibility during their application development. This issue has not occurred with loans funded through the similar ECAA program.~~

# Budget: Availability of Funds

**Q23: After the $6 million is loaned out, is the program finished? Will this program be funded again in the future?**

A23: This program is a revolving loan program. When the initial loans are repaid, the loan program will be available again to fund new loans.

**Q24: What is the maximum loan amount the program will give out each year?**

A24: Funding amounts will vary by year. As a revolving loan program with no promised plans for additional funds from DOE, the program funds will be recycled, making future availability unpredictable. The CEC will provide updates as new loan funds emerge through repayments.

**Q25:** **What is that maximum amount you will allocate to applicants?**

A25: The maximum loan amount cannot exceed $3 million.

**Q26: For applications that are completed but will not make it in time to be first-come, first-serve, will there be a waitlist for future funding?**

A26: Yes, there will be a waitlist for future funding.

**Q27: Where can I view the current funding amount and when funding is diminished?**

A27: Interest applicants can request available funding by emailing CEC staff at loans@energy.ca.gov.

**Q28:** **Is the ECAA-Ed program still open?**

A28: The ECAA-Ed program is still open, but there is currently a waitlist.

# Workshop Materials

**Q29:**  **Will there be a recording of the KTEP workshop webinar and PowerPoint presentation be available online?**

A29: Yes, the recording of the workshop and PowerPoint presentation is available on the solicitation page. <https://www.energy.ca.gov/solicitations/2025-04/pon-24-002-k-12-energy-efficiency-program-ktep>