

Frequently Asked Questions

California Clean Energy Jobs Act (Proposition 39)

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Amendments

(Revised) My LEA had an approved energy expenditure plan in year one and another in year two. Can we amend them now?

Yes. Any energy expenditure plans may be amended. However, remember that each approved energy expenditure plan needs to be amended separately. Each energy expenditure plan must have its own amendment. Additionally an energy expenditure plan cannot be amended if a final project completion report has been submitted and approved.

Our LEA submitted two energy expenditure plans this fiscal year. Can we amend both of these energy expenditure plans next fiscal year?

Yes. Each energy expenditure plan can be amended once per fiscal year and must have its own amendment.

Can the amendment process be used to request additional planning funds or to move planning funds from project implementation back to planning activities?

No on both. The amendment process cannot be used to request additional planning funds and planning funds cannot be moved from project implementation to planning activities via the amendment process. There is no process to move funds from project implementation back to planning activities, this is not allowed.

If an energy expenditure plan amendment includes the addition of a new energy efficiency measure, do all measure calculations need to be revised when submitting the amendment?

No. Only energy savings and cost calculations associated with newly added, or revised, energy efficiency measures need to be provided. The calculations should utilize the most recent versions of Energy Commission energy savings calculators with an associated energy survey, or must comply with energy audits as described in the current version of the Energy Expenditure Plan Handbook.

The cost of installing energy measures identified in an approved energy expenditure plan was lower than estimated. Can the remaining funds be used for additional energy efficiency measures at the same school site?

Yes, the LEA can spend any remaining funds at the same school site included in the original approved energy expenditure plan; however, the LEA will need to request an amendment. Please see the Proposition 39 Guidelines and Energy Expenditure Plan Handbook for changes that trigger an energy expenditure plan amendment. If an amendment is necessary, contact the Energy Commission project manager who approved the original energy expenditure plan.

The cost of installing energy measures identified in an approved energy expenditure plan came in lower than estimated. Can the remaining funds be used to install additional energy efficiency measures at a different school site within the LEA that was not included in the approved energy expenditure plan?

No, the LEA can't spend any remaining funds at a new school site that was not included in the approved energy expenditure plan; the LEA will need to follow a two-step process. First, the LEA will need to request an amendment to the approved energy expenditure plan. The amendment must reflect the reduction in costs and, consequently, the reduced grant amount. Second, the LEA must submit a new energy expenditure plan identifying the proposed measures at the new site. An LEA cannot add a new site to an energy expenditure plan during the amendment process. That is why a two-step process is necessary.

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Benchmarking

(Revised) Is the EUI only based on electricity and natural gas consumption?

No. The EUI is based on the total energy usage consumed at the site. The LEA should enter all electricity, natural gas, propane, and fuel oil used at the site to obtain an accurate EUI for the site. The EUI calculator converts all energy usage to kBTH and outputs the EUI as kBTH per square foot.

Can LEAs consider a site's overall energy use in addition to its energy use index (EUI) value when prioritizing facility improvements?

No. LEAs are not required to complete energy measures at sites with the highest EUI first, and can take other factors into account when deciding where to direct their funds.

However, LEAs must calculate EUI values for each school receiving Proposition 39 funding.

Will benchmarking data be required in the energy expenditure plan?

Yes. The benchmarking tool is built into the Energy Expenditure Plan Online system.

Do all schools need to be benchmarked, or just the school sites where measures are proposed?

The LEA must only include benchmarking data for school sites where it proposes to expend Proposition 39 funding. LEAs are encouraged to benchmark all schools.

What does the Energy Commission mean by “lowest energy performers”?

Sites that are low energy performers have a higher EUI value. The EUI reflects the rate of energy use per square foot of a school site. That is, school sites with a higher EUI use more energy than other comparable school sites.

The Energy Expenditure Plan Handbook requires use of the most recent FULL fiscal year energy bill information. The most recent full fiscal year is 2016/17. If the most recent full fiscal year energy bills are not yet available, what do we do?

If the most recent fiscal year energy bill information is not yet available, use the prior full fiscal year that is available. In this example, fiscal year 2015/16 energy bills may be used. The fiscal year associated with the energy bills must be entered in Energy Expenditure Plan Online to the School/Site Subsection: Benchmarking tab.

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Charter Schools

Our charter school leases a privately-owned leased building, has been in existence for 12 years, and is in good standing. We have renewed our charter term twice. What requirements apply for Proposition 39 funding?

If the charter school is located in a privately-owned leased facility and has renewed its charter term at least once, the charter school does not need to meet the additional cost-effectiveness criteria discussed below, but must meet the savings to investment ratio of 1.01.

Charter schools in privately-owned leased facilities must also receive the energy savings cost benefit of Proposition 39 funded energy measures. If either of the following conditions apply, a written certification from the building owner is required to transfer energy cost savings to the charter school:

- 1) the facility does not have a separate meter and/or
- 2) the utility costs are included in the lease payment.

The building owner must commit to transferring the cost savings to the charter school tenant, through either a reduced lease payment or other form of monetary reimbursement.

Our charter school leases a privately-owned leased facility, and has not renewed its charter term at least once prior to applying for Proposition 39 program funding. What requirements apply for Proposition 39 funding?

In addition to meeting the savings to investment ratio of 1.01, charter schools must meet the cost-effectiveness criteria by having a simple payback within the remaining period of the “charter contract term.”

Simple Payback is calculated as:

$$\text{Simple Payback} = \text{Project Cost (\$/Annual Savings (\$/year))}$$

Charter schools in privately-owned leased facilities must also receive the energy savings cost benefit of the Proposition 39 program-funded energy measures. If either of the following conditions apply, a written certification from the building owner is required to transfer energy cost savings to the charter school:

- 1) the facility does not have a separate meter and/or
- 2) the utility costs are included in the lease payment.

The building owner must commit to transferring the cost savings to the charter school tenant, through either through a reduced lease payment or other form of monetary reimbursement.

We are a charter school that has been in existence for three years. We own our own building and are in good standing. We will be renewing our charter term for the first time in a couple of years but would like to submit an energy expenditure plan this fiscal year. What requirements apply for Proposition 39 funding?

Charter schools in privately-owned facilities must be aware of the following:

If the charter school is in a privately-owned facility and has not renewed its charter term at least once prior to applying for Proposition 39 funding, the charter school must meet the savings to investment ratio of 1.01 and the additional cost-effectiveness criteria described below, but it does not need to submit a written certification from the building owner.

Cost-effectiveness criteria: The eligible energy project must have a simple payback within the remaining period of the “charter contract term.” Simple payback is calculated as:

$$\text{Simple Payback} = \text{Project Cost (\$/)} / \text{Annual Savings (\$/year)}$$

If a charter school is located in a privately-owned facility and has renewed its charter term at least once, the school does not need to meet the cost-effectiveness criteria discussed above.

Our charter school leases a public building. What requirements apply for Proposition 39 funding?

If a charter school is located in a publicly-owned facility, the charter school must meet the savings to investment ratio of 1.01, but does not need to meet the cost-effectiveness criteria discussed above and does not need to submit a building owner written certification to transfer cost savings to the charter school.

If a charter school leases buildings from a public school district, what buildings can the charter school include in the energy expenditure plan? For example, three classrooms are leased, and the multipurpose room, computer room, and library are jointly used. Can the jointly used spaces be included in the charter school’s energy expenditure plan?

Yes. The charter school may submit an energy expenditure plan for the buildings it leases and for the buildings it uses jointly with the district. The Energy Commission advises LEAs in this situation to coordinate projects with each other. Each LEA is

required to submit a separate energy expenditure plan application (e.g. one for the tenant, one for the landlord). More information related to this subject is provided in the “Eligibility” section of these FAQs.

If a charter school includes joint use spaces (see above), how should the energy usage or benchmarking data of those shared buildings to be reported?

When completing the Benchmarking Section in Energy Expenditure Plan Online, the charter school should include the square footage of the buildings it leases from the public school district. If the energy expenditure plan includes energy measures in the joint use buildings, the square footage of those buildings should also be included.

If the charter school and the school district share an energy meter, the energy usage should be prorated by the square footage of the buildings.

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Eligibility

(Revised) Who is eligible to receive Proposition 39 K-12 funds?

Eligible local educational agencies (LEAs) — which are defined as county offices of education, school districts, charter schools and state special schools — can request funding by submitting an energy expenditure plan application to the California Energy Commission. The California Department of Education maintains a list of eligible LEAs and allocation amounts. This information can be found at <http://www.cde.ca.gov/fg/aa/ca/prop39ccej.asp>.

If you have questions regarding LEA eligibility, please contact the California Department of Education at prop39fiscal@cde.ca.gov or (916) 327-0538.

Can an LEA apply part or all of a Proposition 39 award to fund energy improvements in facilities leased to another LEA?

Yes. For example, a K-12 public school district can use its Proposition 39 award to improve the facility it leases to a charter school. It is important to coordinate energy expenditure plan measures; however, each LEA must submit a separate energy

expenditure plan (i.e. one for the tenant, one for the landlord). The LEAs should explain this coordination in the narrative section of the Energy Expenditure Plan Online (Schools/Site Subsection: Site Tab).

It is important to remember:

1. **No double-dipping.** The measures included in the district's energy expenditure plan must be separate and different than those included in the charter school's energy expenditure plan.

Therefore, if the charter school leases two classrooms from the district and the entire facility, five classrooms total, needs lighting retrofit measures, then lighting measures for two classrooms may be included in the charter school's energy expenditure plan and the other three classrooms may be included in the district's energy expenditure plan.

2. **No split-funded measures.** Individual measures must be funded by one LEA only. For example, HVAC replacement measure cannot be included in both the landlord LEA and tenant LEA energy expenditure plan with the intent of funding a single HVAC replacement measure from both LEAs' awards. Likewise, savings calculations from one measure must be accounted for in one energy expenditure plan only and cannot be partially accounted for in two energy expenditure plans.

Are private schools eligible for Proposition 39 award funds?

No. Proposition 39 uses public funding and private schools are not statutorily eligible to receive funds.

Can LEAs use new and emerging technology that is proven and commercially available in their Proposition 39 energy expenditure plan?

Yes. The Energy Commission encourages the use of new and emerging technologies. The projects must meet the savings to investment ratio of 1.01.

Are projects eligible for funding if they start after the Proposition 39 Guidelines approval date, but before the energy expenditure plan is approved?

Yes. However, an LEA that implements projects before the energy expenditure plan is approved does so at its own risk. Proposition 39 funding awards are not released by the

California Department of Education until the Energy Commission approves the LEA's energy expenditure plan. If the energy expenditure plan is not approved or if there is a delay in the approval, it may impact the amount or timing of the award.

Are energy expenditure plans ever disapproved?

The Energy Commission will work with LEAs to clarify and adjust energy expenditure plans so that they are as complete, reasonable, and accurate as possible for approval. If identified problems are not resolved, it may be necessary for staff to disapprove the plan. If this happens, LEAs have appeal options available to them. The appeal process is outlined in Chapter 2, Process to Receive K-12 Eligible Energy Project Award Funding Section, Step 7 of the Proposition 39.

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Eligible Energy Measures

(New) For irrigation energy measures, can water cost savings be included with the energy cost savings when estimating the Annual Energy Cost Savings?

No. Only energy savings can be included when estimating the annual energy cost savings

Is the installation of an ice storage or chilled water storage system eligible for Proposition 39 funding?

Yes. In addition to battery storage technology, other energy storage projects, such as ice or chilled water storage, are eligible for Proposition 39 funding. A 10-year useful life applies to these storage technologies and, similar to battery storage, Energy Expenditure Plan Online requires that a signed 10-year vendor system warranty be submitted.

Are door switches or HVAC occupancy controls eligible for Proposition 39 funding? What is the effective useful life?

Yes. These end-use control technologies are similar to lighting occupancy sensor controls and are used to turn off HVAC units when the door is propped or kept open, or the room is vacant. The effective useful life for door switches or HVAC occupancy

controls is eight years, the same as lighting occupancy controls. A door switch/occupancy sensor item has been added to the drop down menu of energy measures in Energy Expenditure Plan Online.

Are variable refrigerant flow (VRF) systems eligible for Proposition 39 funding?

Yes. This new technology is similar to packaged air conditioning or heat pump systems. A customized energy savings analysis is required. An effective useful life of 15 years shall be used for VRF systems.

Do high efficiency appliances qualify for Proposition 39 award funding?

Yes. Commercial fixtures, equipment, and appliances, (e.g., walk-in refrigerators, walk-in freezers, and HVAC units) qualify for Proposition 39 award funding.

Can Proposition 39 funds be used for solar photovoltaic (PV) measures?

Yes. Solar PV measures can be funded by Proposition 39 as long as the project meets the savings to investment ratio requirement of 1.01.

Can Proposition 39 funds be used to fund solar power purchase agreements?

Yes. For complete information, see Appendix F in the Proposition 39 Guidelines regarding eligibility and Chapter 6 of the Energy Expenditure Plan Handbook regarding eligibility and the application process. The project must still meet the savings to investment ratio requirements. Most LEAs have cost-effective energy efficiency measures available, and are strongly encouraged to consider implementing energy efficiency measures first.

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Energy Audits

(Revised) Can an LEA use the Bright Schools Program to perform energy audits?

Yes. The Bright Schools Program technical assistance can be tailored to the Proposition 39 program and is available on a first-come, first-served basis. LEAs may use a Bright Schools Program energy audit to meet the energy project identification requirement. For complete information, please see the Bright Schools website at <http://www.energy.ca.gov/efficiency/brightschools/>. Depending on when a Bright

Schools Application is submitted the resulting energy audit may not be completed in time to meet the Proposition 39 K-12 Program EEP submission deadline.

Why are the ASHRAE Level 2 energy audits not a standard requirement?

The Public Resources Code 26235 allows for energy calculators with energy surveys, energy audits, and for data analytics to identify energy project opportunities and provide cost and savings information. Some complex energy efficiency measures may need an ASHRAE Level 2 energy audit to determine project costs and estimated energy savings. Chapter 5 of the Energy Expenditure Plan Handbook presents the minimum information required for energy audits submitted with energy expenditure plans.

Does the Energy Commission recommend a high performance energy audit?

If an LEA is considering complex energy efficiency measures, the Energy Commission requires all audits to provide minimum information specified in Chapter 5 of the Energy Expenditure Plan Handbook.

Can Proposition 39 funds be used to fund an energy audit that occurred before the Energy Commission adopted the Proposition 39 Guidelines in December 2013?

Proposition 39 planning funds may be applied retroactively for energy audits which occurred on or after July 1, 2013.

The Proposition 39 Guidelines list three ways an LEA can identify energy efficiency opportunities: 1) an energy survey if the LEA uses the Energy Commission energy savings calculator; 2) an energy audit; and 3) data analytics.

Can an LEA use more than one of these tools, or must they only use one?

LEAs may use any one of or a combination of all the tools. However:

- An energy survey can only be used if an LEA uses the Energy Commission's energy savings calculator.
- An energy audit (see Chapter 5 of the Energy Expenditure Plan Handbook) should be used if any calculation method other than the energy savings calculators is used.
- Data analytics can only be used if the data analytics provider has been evaluated by utility providers or the U.S. federally-funded scaled comparison to onsite audits since the Energy Commission and the California Public Utilities

Commission do not offer technical validation and do not have standards for data analytics studies.

How long is an energy audit valid?

The Energy Commission will accept an energy survey, energy audit or data analytics report that is submitted within five years of the date it was completed. This has been clarified in the Proposition 39 Guidelines. See Chapter 2, Process to Receive K-12 Eligible Energy Project Award Funding Section, Step 5.

Are data analytics allowed as a replacement for ASHRAE Level 2 energy audits?

The Energy Commission does not accept data analytics as a substitute for an ASHRAE Level 2 energy audit.

When an HVAC unit is surveyed and its efficiency rating is unknown, how are the seasonal energy efficiency ratio and energy efficiency ratio determined?

If the seasonal energy efficiency ratio (SEER)/energy efficiency ratio (EER) rating of an HVAC unit is unknown, the energy auditor must determine the vintage or the date the unit was installed. The auditor can then look up the historical minimum standard (i.e., default energy efficiency rating) on the Energy Commission's website http://www.energy.ca.gov/appliances/previous_regulations.html.

This default rating is used to calculate the energy savings. If the unit is badly deteriorated, a 10 percent deterioration factor can be applied. If the energy auditor wants to claim a lower SEER or EER (i.e., lower than the 10 percent deterioration rating), a short term monitoring test must be performed and the test results must be submitted with the energy expenditure plan as justification.

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Energy Expenditure Plan Online

(Revised) We plan to make energy efficiency upgrades to our non-school facilities. How do we enter information for these non-school facilities?

For non-school facilities (e.g., administrative offices), in the Schools/Sites tab, select the “(District) LEA name” option in the drop-down box and add the site. After the site is added, the LEA can navigate to the Site screen to enter the information including the site’s name. Please refer to the Energy Expenditure Plan Handbook pages 23-28 for additional details.

How many people per LEA can register with Energy Expenditure Plan Online?

Only one person per LEA can register in Energy Expenditure Plan Online. The LEA’s 14-digit CDS code and the LEA registrant’s password are the two pieces of information required to log in to Energy Expenditure Online.

Can I open and edit the files that I have uploaded into the Supporting Documents section of Energy Expenditure Plan Online?

No. Documents that are uploaded into the Supporting Documents section cannot be opened or edited. If changes to uploaded documents are necessary, edit the version that is saved on your computer then re-submit. Older files with the same file name as the new one will be automatically overwritten.

The registration page does not include a list of security questions to choose from. What do I do?

The registrant is tasked with creating a unique security question. A list of security questions is not provided.

I used to be able to key in two authorized representatives and/or project manager names, phone numbers, and e-mail addresses. Can I still do that?

No. You can only enter the contact information for one authorized representative and one project manager.

What if I receive the “LEA Code is invalid” error message during the registration process?

Ensure that the LEA code has been entered correctly. LEA codes are 14 digits long. If an LEA is a district, the code is a seven-digit number followed by seven zeros.

If the message persists, please contact the Proposition 39 Hotline (toll free 855-380-8722 or for those out-of-state 916-653-0392 or email at prop39@energy.ca.gov) so the LEA code can be verified.

I registered my LEA, but I never received an account activation email?

The activation email is sent immediately after a user clicks “Create Account.” Some LEAs do not receive the activation email because their email account is blocking the response. Check your spam/junk email folder, and contact your IT office to be sure you are able to receive this email from prop39@energy.ca.gov.

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Energy Expenditure Plans

Do we have to use the Energy Commission's calculator tool or can we use our own calculations to fill out an energy expenditure plan?

The Energy Commission's energy savings calculator is not required as backup documentation to submit an energy expenditure plan. The calculator is only one of the tools that may be used to identify projects and energy cost savings. If the Energy Commission's energy savings calculator is not used, the LEA must submit an energy audit that complies with Chapter 5 of the Energy Expenditure Plan Handbook. If an LEA chooses to use the Energy Commission's energy savings calculator, it must also submit an energy survey as specified in Chapter 1 and Chapter 4 of the Energy Expenditure Plan Handbook.

Can LEAs submit multiple energy measures at multiple school sites in a single energy expenditure plan?

Yes.

Is a project application different from an energy expenditure plan or are they one and the same?

The energy expenditure plan is the application for Proposition 39 funding; the plan may include one or more energy measures from one or more sites. Energy expenditure plans are entered in the Energy Expenditure Plan Online system.

Can smaller LEAs pool their applications?

No. Proposition 39 funding will be awarded directly to each LEA. So each LEA must prepare and submit a customized energy expenditure plan. LEAs may work together to

manage and implement Proposition 39 award funds; however, each LEA must track their project expenses separately for audit and reporting purposes.

Are “soft costs” (e.g., architectural fees, design fees, inspection fees, etc.) required to be included in the SIR calculation?

LEAs may exclude “soft costs” from the total project cost that is part of the SIR calculation. However, any project expense not included in the SIR cannot be paid using Proposition 39 award funds.

Title 24, Part 6 of the Building Energy Efficiency Standards may increase the total project cost of some lighting measures. Are these additional project costs required to be included in the SIR calculation?

Some Building Energy Efficiency Standards requirements may increase compliance costs, but they also increase energy savings. If an LEA includes the associated energy savings, it must also include the compliance costs. If the LEA excludes the compliance costs or if there are no associated energy savings, an LEA may separate compliance costs from energy retrofit costs and not include this additional cost as part of the SIR calculation. If a project expense is not included in the SIR, then it cannot be paid using Proposition 39 award funds.

Do energy projects need to comply with all applicable federal, state, and local laws, including the Title 24, Part 6 of the Building Energy Efficiency Standards?

Yes.

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Energy Manager

Can an energy manager be a private consultant?

Yes. An energy manager may be either an LEA employee or a private consultant.

Is funding for energy managers only available during the first year?

For the first year, FY2013/14, LEAs may use Proposition 39 planning funding for an energy manager. For years two to five, 10 percent of each annual award is available for

an energy manager. This funding may be requested each year on an energy expenditure plan.

Is there a database LEAs or schools can use to find qualified providers for the various services including energy audits and benchmarking?

The Energy Commission is not aware of an existing database and cannot recommend vendors or contractors.

Are LEAs limited to hiring/retaining one energy manager only or can an LEA have more than one energy manager?

An LEA may hire more than one energy manager; however, an LEA may only request 10 percent of each annual award from year two to five for energy manager expenditures. For example, if an LEA receives \$50,000 each for years two and three and \$75,000 each for years four and five, LEAs may only request \$5,000 each for years two and three and \$7,500 each for years four and five for energy manager expenditures for a total of \$25,000. Energy managers may be LEA staff or private consultants.

Can an LEA hire an energy manager to direct the application process and oversee the plan development phase?

Yes. The Proposition 39 Guidelines allow an LEA to use energy planning funds to hire/retain an energy manager.

Can an LEA use Proposition 39 funds to retain a current energy manager?

Yes.

What if an LEA's award is not enough to cover an energy manager position?

LEAs too small to justify hiring a dedicated energy manager may consider pooling their funding to share an energy manager. However, each LEA must request energy manager funds separately in the energy expenditure plan and can only request 10 percent of each annual award from years two to five (see previous question).

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Energy Planning Reservation Option

(New) What activities can Proposition 39 planning funds be used for?

Planning funds can be used for energy audits and energy surveys/assessments, Proposition 39 K-12 program assistance, energy manager(s), and energy-related training. Please see the Program Guidelines, page 12, for allowed energy planning activities.

Can Proposition 39 planning funds be used for architectural or engineering costs?

No. Energy planning funds can only be used for Proposition 39 program requirements such as providing the electric and gas usage/billing data, benchmarking, submitting an energy expenditure plan, and program reporting. Architectural design and engineering costs are energy project costs.

Is there a deadline for spending planning funds?

Planning funds can be spent any time during the five-year program. LEAs must encumber all Proposition 39 funds by June 30, 2019.

Can LEAs apply now for energy planning funding?

Energy planning funds are made available in the first fiscal year of eligibility. LEAs may also request up to 10 percent of the award allocation for energy manager expenses (i.e., years two to five) and 2 percent (i.e., years two to five) for training expenditures.

Are planning funds part or in addition to the first year's allocation?

Planning funds are subtracted from the first year's allocation.

When we submitted our first energy expenditure plan, we moved our planning funds to project implementation. Is it possible to move them back to planning?

No. Once an energy expenditure plan has been approved and planning funds are moved to project implementation, those funds are no longer available as planning funds and can only be used to fund eligible energy measures.

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[Energy Savings Calculators](#)

Can an LEA use ECM 12 (i.e., replace old heat pump with high efficiency heat pump), to calculate vertical wall mount heat pump energy savings since the efficiency standard for vertical wall mount heat pump systems is EER?

The Energy Commission's ECM 12 calculator is designed for split system or packaged heat pump units only, which are rated in SEER.

There is no equivalent or fixed conversion ratio to convert EER to SEER. However, because of a high demand from LEAs for an energy calculator to calculate vertical wall mount heat pump energy savings, Energy Commission staff will allow the use of the ECM 12 calculator to calculate the energy savings of vertical wall mount heat pump systems with all the following conditions:

- cooling capacity of 5 tons or less,
- minimum two-stage compressor,
- minimum 11.0 EER at full load,
- minimum Integrated Part Load Value (IPLV) of 14.0
- evaluation of system load (i.e. justification and number of hours each stage is utilized).

This is not a direct conversion of EER to SEER but is a simple way to use the ECM 12 calculator to apply for Proposition 39 award funds.

Can the LEA use ECM 11 (i.e., replace old packaged/split HVAC units with high efficiency HVAC), to calculate vertical wall mount air conditioner energy savings since the efficiency standard for vertical wall mount air conditioners is EER?

Yes. As discussed in the aforementioned vertical wall mount heat pump question, the Energy Commission will also allow the use of the ECM 11 calculator to calculate the energy savings of vertical wall mount air conditioners with all the following conditions:

- cooling capacity of 5 tons or less,
- minimum two-stage compressor,
- minimum 11.0 EER at full load.
- minimum IPLV of 14.0,
- evaluation of system load (i.e. justification and number of hours each stage is utilized.)

This is not a direct conversion of EER to SEER but is a simple way to use the ECM 11 calculator to apply for Proposition 39 award funds.

Can LEAs still use previous versions (i.e., version 5, 6, or 7) of the energy savings calculator with the Energy Expenditure Plan Online system?

No. Since February 27, 2015, when the Energy Expenditure Plan Online system was launched, LEAs must use the latest version of the energy savings calculator. This is posted on the Proposition 39 webpage. If the LEA uses and uploads an earlier version of the calculator to the online system, the LEA will be required to resubmit their energy expenditure plan using the latest version of the calculators.

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(NEW) Funding Encumbrance Date

(New) What is the Encumbrance Date?

Statute requires that LEAs shall encumber funds by June 30, 2019. This encumbrance date was extended by Assembly Bill 97, 2017-18 California Budget Act, from the original date of June 30, 2018.

(New) What does encumbrance mean?

The Energy Commission is using the California Department of Education's guidance in interpreting the definition of encumbrance, which is defined in the California School Accounting Manual (CSAM) Section 210-11. Encumbrances are a budgetary tool and defined as obligations in the form of purchase orders, contracts, salaries, and other commitments chargeable to an appropriation for which a part of the appropriation is reserved. Full details can be found

at: <http://www.cde.ca.gov/fg/ac/sa/documents/csam2016complete.pdf>.

For additional information contact the California Department of Education's School Fiscal Services Division, Financial Accountability & Information Services
at: sacsinfo@cde.ca.gov or (916) 322 –1770.

General Funding Questions

Does an LEA's Proposition 39 award funding rollover to the next year if not expended in that year?

Yes.

Can an LEA save each annual award and apply it to the project in year five?

Yes. However, the Energy Commission encourages LEAs not to wait until year five so that energy savings can be realized as soon as possible.

If a school submits a five-year plan, will full funding be awarded in the first year?

No. The California Department of Education calculates and allocates Proposition 39 award funding each fiscal year based on funds appropriated by the Legislature. LEAs will receive funds only as they become available. The LEA may be awarded less funds than requested based on legislative allocations. LEAs with 1,000 or fewer ADA may request funding in two-year "bundles," but no other advanced funding will be awarded.

Are these state or federal fund grants?

Proposition 39 is a state-funded program.

Are schools required to provide match share funding to participate in the Proposition 39 Program?

There is no cost sharing requirement for these funds and the whole project can be funded by Proposition 39. The Energy Commission encourages LEAs to leverage funds, when possible. Additionally, grants, and other non-repayable funds can be used to help LEAs meet savings to investment ratio requirements.

Can LEAs implement energy savings measures at administrative offices?

Yes. Energy measures can be for administrative offices and other non-classroom facilities.

Can Proposition 39 funding be used for new construction?

No. Proposition 39 funding can only be used for existing buildings.

Where are award allocation amounts posted?

California Department of Education posts the Proposition 39 award allocations at <http://www.cde.ca.gov/fg/aa/ca/prop39ccej.asp>.

Can an LEA “unbundle” year one and year two funds?

No. Once an LEA bundles its funding, it cannot withdraw that request. This is because the California Department of Education calculates annual award allocations for all LEAs after September 1. Any change to one LEA award would impact all other LEAs.

Can an LEA use in-house staff to install Proposition 39 award-funded measures?

Yes. In-house labor is allowed.

Is there a "Buy American" requirement for Proposition 39?

No.

How are LEAs notified of their grant amount?

The California Department of Education posts Proposition 39 award allocations at <http://www.cde.ca.gov/fg/aa/ca/prop39ccej.asp> by October 30th each year.

When will the California Department of Education release funds approved by the Energy Commission energy expenditure plan projects?

The California Department of Education releases funds six weeks after each calendar quarter for approved energy expenditure plans. For example, if an LEA’s energy expenditure plan is approved during the second quarter, the LEA should expect to receive a check six weeks after June 30.

What will happen to smaller LEAs (Tier 1 and 2) that applied to receive the two-year combined award option? Are they guaranteed the two-year combined award, or will they be asked to pay back some of their funds if the next fiscal year allocations are less, or if student enrollment declined?

Tier 1 and Tier 2 LEAs that selected the two-year combined award option are guaranteed that amount, even if allocations or enrollment decline.

What does it mean when a company offers a "Proposition 39-certified energy product or service?"

The Energy Commission has not authorized or endorsed any products or services, and does not recognize "Proposition 39-certified" as an official certification.

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Large Eligible Energy Project Award Requirements

My LEA's allocation for FY2013/14 was more than \$1 million. We requested and received energy planning funds which reduced our total allocation for actual energy projects to under \$1 million. Since this falls below the \$1 million requirement, are we exempt from the large project requirement for this fiscal year?

Yes.

The Proposition 39 Guidelines state LEAs receiving an award of more than \$1 million (Tier 4) must spend 50 percent of the funds on projects larger than \$250,000. Can a large project include more than one school?

No. Each large project must be implemented at a single school site.

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Payback Requirement

What short payback energy efficiency projects are available for charter schools that have not renewed its charter term?

Below are some energy efficiency projects that typically have short payback periods:

- *Lighting projects with approximately two-year payback*
 - Replace incandescent light with compact fluorescent or LED lights.
 - Convert incandescent/CFL exit signs to LEDs.
 - Replace 32-watt T8 fluorescent lamp with 28-watt T8 fluorescent lamp.
- *Lighting projects with four years or less payback*
 - Convert T12 fluorescent lamps to T8 fluorescent lamps with electronic ballasts or LED lamps.
 - Install occupancy controls in intermittently occupied rooms.
- *HVAC projects with approximately two-year payback*
 - Replace manual thermostat with programmable thermostat.
 - Install door switches or HVAC occupancy controls.

- *Plug Load projects with approximately two-year payback*
 - Install vending machine occupancy controls.

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Photovoltaic Measures

(Revised) The Energy Expenditure Plan Handbook states that a signed written warranty needs to be submitted to claim an effective useful life of 25 years? Please explain.

To claim an effective useful life of 25 years for solar PV projects, a 25-year panel performance warranty must be provided by the PV vendor and submitted with the LEA's energy expenditure plan. If this is not provided the LEA must use the default effective useful life of 20 years.

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Power Purchase Agreements (PPA)

(New) Explain the term “utility cost savings” used in the PPA Savings to Investment Ratio calculations?

The utility cost savings is defined as the difference between the electricity cost paid by the LEA to their utility provider before and after the clean power generation project is installed. This cost difference is based on the kWh production from the PPA provider. It is not the net savings after taking into account PPA cost payments.

(New) How should weather effects on production be accounted for in the 95% performance and production guarantee required for PPA contracts for a minimum of 5 years?

Production decreases from weather variations are included in the 5% allowance. There are no additional allowances made for inclement weather. Therefore over the five year period production should not be less than 95% of the estimated production.

(New) Is the PPA required to performance and production guarantee of 95% for each year over the 5 year period?

No, the annual performance and production from year to year is not specified. The 95 percent guarantee is in regards to the total for the five year period. For example, the contract may specify specific guarantees on an annual basis such as 97 percent for the first two years, 95 percent for the third year, and 93 percent for the final two years. Another option is for the contract to simply take the total estimated five years production and specify a performance and production guarantee of 95 percent of that total.

Explain the term “utility cost savings” used in the PPA SIR calculations?

The utility cost savings is defined as the difference between the utility cost paid by the LEA before and after the clean power generation project is installed. This cost difference is calculated based on kWh production and the discounted electricity cost stipulated in the PPA. This is not the net utility cost savings after the PPA electricity cost payment.

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Reporting

(New) When do LEAs submit annual progress reports?

LEAs must complete annual progress reports using portal the Proposition 39 energy expenditure plan online system. The annual progress report will be made available each July for LEAs to report on activity(ies) that occurred in the previous fiscal year. The annual progress report must be completed and submitted annually by October 1. LEAs must submit an annual progress report for each approved energy expenditure plan until all eligible energy measures within an approved energy expenditure plan are completed.

(New) When do LEAs submit the final project completion reports?

The final project completion report will be made available to the LEAs on the

Proposition 39 energy expenditure plan online system 12 months after the project completion date as indicated in the LEAs annual progress report. LEAs must complete and submit the final project completion report to the Energy Commission no later than 15 months after project completion.

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Retroactive Funding

The Retroactive Funding of Projects section of the Proposition 39 Guidelines states that, "Proposition 39 funding may be used only to pay for eligible energy projects installed on or after December 19, 2013, the date the Proposition 39 Guidelines were approved at an Energy Commission business meeting." It also states, "If eligible energy projects are implemented prior to the Proposition 39 Guidelines approval date, those eligible energy projects are not eligible for retroactive Proposition 39 funding."

Please define "installed" and "implemented".

Eligible energy projects installed (e.g., equipment placed in position or connected for service or use) before the Proposition 39 Guidelines were first approved on December 19, 2013, are not eligible for retroactive funding.

If an LEA incurred costs for an eligible energy project but the equipment was not installed (i.e. equipment placed in position or connected for service or use) prior to December 19, 2013, the eligible energy project can be considered for Proposition 39 retroactive funding based on the following conditions:

1. In calculating the savings to investment ratio, the total project cost of the eligible energy project must include all project costs, including costs incurred before December 19, 2013.

2. The Proposition 39 program funding award may only be used for project costs incurred after December 19, 2013 and cannot be used to reimburse project costs incurred before December 19, 2013.

Regarding the date for retroactive funding of energy projects, can Proposition 39 funds be used for projects that were installed prior to December 19, 2013?

No. An LEA may incur expenses for energy projects begun after December 19, 2013, and before submitting an energy expenditure plan; however, the LEA must submit an energy expenditure plan and receive approval for the project before the California Department of Education will release funds. If the energy expenditure plan that includes the implemented project does not comply with the Proposition 39 Guidelines and is not approved, or if approval is delayed, this will impact the amount of the LEAs award.

What school funds can an LEA use to pay for energy project expenditures prior to the approval of the energy expenditure plan?

An LEA can use general fund or unrestricted funds to pay for energy projects before its energy expenditure plan is approved by the Energy Commission. Once the energy expenditure plan is approved, Proposition 39 award funds can be used to reimburse approved energy project expenditures.

LEAs cannot use Proposition 39 energy planning funds for energy project expenditures that have not been approved. Proposition 39 energy planning funds can only be used on planning activities, unless those funds are approved for use on energy measures as part of an energy expenditure plan. Once an energy expenditure plan has been approved and planning funds are rolled to project implementation, those funds are no longer available for planning activities.

If an energy expenditure plan or energy project has not been approved, Proposition 39 funds should not be used to pay for any incurred expenditures.

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Sole Source

(Revised) What is the “best value criteria” according to Public Resources Code Section 26235(c)?

Public Resources Code Section 26235(c) states that an “LEA may use the best value criteria as defined in paragraph (1) of subdivision (c) of Section 20133 of the Public Contract Code to award funds pursuant to this chapter.” In 2014, Section 20133 of the Public Contract Code was repealed and amended. The legislation that repealed Section 20133 also added a new statute to the Public Contract Code containing a more precise definition of “best value”, (Pub. Contract Code § 21161). That definition has been refined several times, and the LEA should refer to the current language of Section 21161 for guidance on use of the best value criteria.

Does "no sole source" apply to Proposition 39 funding?

Yes. Public Resources Code Section 26235 (c) states, “A community college district or LEA shall not use a sole source process to award funds pursuant to this chapter. A community college district or LEA may use the best value criteria defined in paragraph (1) of subdivision (c) of Section 20133 of the Public Contract Code to award funds pursuant to this chapter.” (Senate Bill 785 (Chapter 931, Statutes of 2014), adopted by the Legislature and signed into law by Governor Edmund G. Brown, Jr. on September 30, 2014, repealed Section 20133 of Chapter 1, Part 3, Division 2 of the Public Contract Code and further amended the statute.) The LEA shall defer to their own procurement regulations and procedures, as long as they reflect applicable state and local laws and regulations and do not conflict with the minimum legal standards specified above.

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Utility Data

Does utility data need to include time-of-use interval data?

The Energy Commission is currently working with the utilities to specify the data parameters it will collect from them.

Can utility data coincide with a fiscal year?

Yes, utility data must coincide with a fiscal year. A fiscal year is July 1 through June 30. If the LEA submits its first energy expenditure plan in fiscal year 2013/14, the LEA must submit 12 months of utility usage data from fiscal year 2012/13.

Who do I send the original signed Utility Data Release Authorization and Facility and Service Account Information forms to?

The Energy Commission has provided a list of utility contacts on the Proposition 39 website: http://www.energy.ca.gov/efficiency/proposition39/listing_utility_recipients.html.

How do LEAs submit utility information? Does the Energy Commission have a utility release form?

The Energy Commission has developed the Utility Data Release Authorization Form (CEC-12) and the Facility and Service Account Information Form (CEC-24). These forms are posted at <http://www.energy.ca.gov/efficiency/proposition39/index.html>. LEAs are required to complete and submit these forms to the Energy Commission only once with their first energy expenditure plan unless there has been a change in the number of facilities in the LEA's jurisdiction (i.e., if there are new or closed schools). Failure to do so will delay the approval of the energy expenditure plan and, consequently, the release of the LEA's Proposition 39 award funds.

I already submitted the previous version of the Utility Data Release Form. Do I have to submit a new version?

No. However, if the utility requires an original signed copy of the new Utility Data Release Authorization Form, the LEAs must sign and submit the original to the utility. It is not necessary to submit a Facility and Service Account Information Form (CEC-24) unless there have been changes to the number of facilities under their jurisdiction since the last energy expenditure plan was submitted.

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Other Proposition 39 Energy Commission Programs

ECAA-Ed Loans (0% interest)

(Revised) Has additional ECAA-Ed funding been allocated in Fiscal Years 2016-17 and 2017-18?

No additional ECAA-Ed funding has been allocated in fiscal years 2016-17 and 2017-18. For funds currently available, please visit: <http://www.energy.ca.gov/efficiency/financing/index.html> or contact the Energy Commission.

For privately-owned leased facilities, can you please clarify the requirement in the ECAA-Ed Program Opportunity Notice (Attachment 5) that states:

"If the LEA borrower in a privately owned leased facility wants to fund a project with a payback that goes beyond the charter term, and the LEA has not renewed its charter contract term at least once prior to applying, the borrower must provide one of the following:

- ***A loan guarantee signed by the landlord, in a form acceptable to the Energy Commission, or***
- ***A letter of credit from a financial institution, in a form acceptable to the Energy Commission".***

Our charter school leases a privately-owned building. Our school is in good standing and has had our charter term renewed. Can we consider energy projects with a simple payback beyond the remaining charter term?

The ECAA-Ed Program Opportunity Notice reflects two situations:

1. *Charter school has been existing for five or more years, with a successful charter renewal:* A charter school that leases a privately owned building that has been in business in good standing for more than five years and has successfully renewed its charter contract term may apply for a loan for a project with payback that goes beyond the remaining charter term. Keep in mind that the loan term cannot exceed the remaining term on the lease (See the ECAA-Ed Program Loan Notice, page 5).

2. *Charter school has been existing for less than five years, with no charter renewal:* A charter school that leases a privately-owned building that has been in business in good standing for five years or less but has not renewed its charter term prior to applying for a loan, and wants to fund a project with a payback beyond the remaining charter term. The borrower must provide one of the following:
 - a. A loan guarantee signed by the landlord, in a form acceptable to the Energy Commission, or
 - b. A letter of credit from a financial institution, in a form acceptable to the Energy Commission.

Keep in mind that the loan term cannot exceed the remaining term on the lease, (See the ECAA-Ed Program Loan Notice page 5).

For this question, situation #1 applies. Yes, the charter school may consider energy projects with a simple payback beyond the remaining charter term. Remember that the loan repayment term cannot exceed the remaining term of the lease.

For publicly-owned leased facilities, can you please clarify the requirement in the ECAA-Ed Program Opportunity Notice (Attachment 5) that states: "*An LEA borrower in a publicly-owned leased facility that has been in business in good standing for five or more years may apply for a loan for a project with payback that goes beyond the charter term.*"

Our charter school is in good standing and we are in our first charter term. We lease a facility from a public LEA. Our charter term has not yet been renewed. Can we consider energy projects with a simple payback beyond the remaining charter term?

Yes. A charter school that leases a publicly-owned leased facility may consider energy projects with a simple payback beyond the remaining charter term. However, remember that the loan repayment term cannot exceed the remaining term of the lease.

Does an application for 0% ECAA-Ed funds require demonstration that funding was not available through other internal or external funding sources?

No. This is not an ECAA-Ed Program requirement.

What is the procedure to apply for ECAA-Ed funding?

Please visit the ECAA website <http://www.energy.ca.gov/efficiency/financing/> for the ECAA-Ed application and requirements, (PON-13-403).

What is the repayment method for ECAA-Ed?

The Energy Commission provides borrowers an estimated amortization schedule with the approved loan documents. Once the project is complete, a final amortization schedule is generated and sent to the borrower. Loan repayments are made twice each fiscal year, in December and June.

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