

ACBO Fall Conference
October 27, 2014

**Proposition 39
& The CCC/IOU
Partnership**

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Today's Agenda

- Proposition 39
 - Year 1 Success and Year 2 Status
 - Project Closeout Requirements
- Audit Requirements and Compliance
- CCC/IOU Partnership
 - 13-14 Close Out
 - 2015+ Program

Proposition 39 Overview

- Clean Energy Jobs Act of 2012
- 2013-14 Budget Act
 - \$39,800,000 in funding for projects
 - Allocated to districts based on FTES
- 2014-15 Budget Act
 - \$31,595,000 in funding for energy projects
 - Allocated to districts based on FTES
- Funding not guaranteed
 - a series of 5 one-year appropriations

Proposition 39 - Year 1 Results

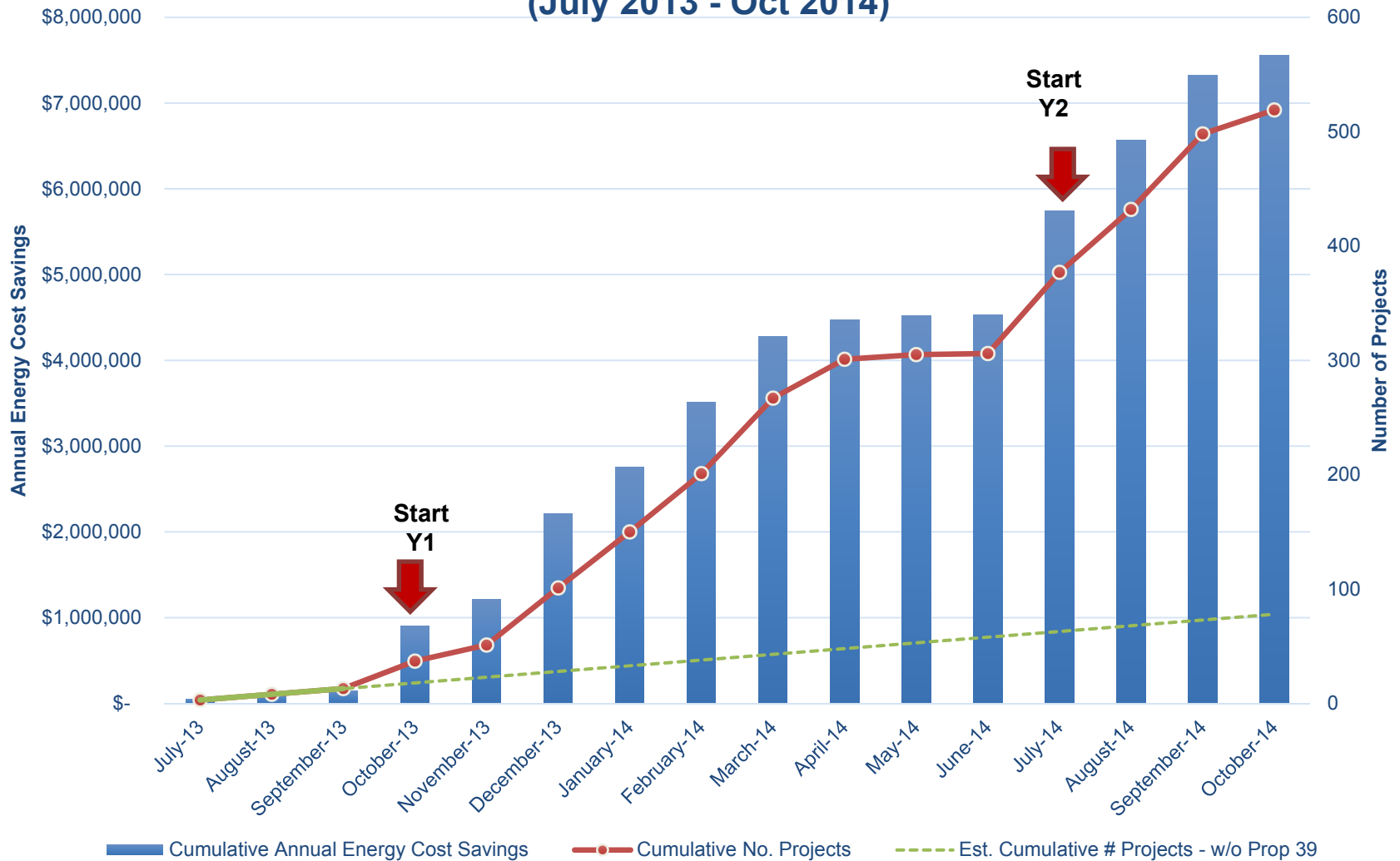
- \$39.7 million in Prop 39 funding approved
- All 72 districts participating
- 312 approved projects
- \$6.8 million in utility incentives
- \$4.65 million in energy cost savings
 - 31,786,051 kWh (annual electric savings)
 - 653,239 therms (annual gas savings)

Proposition 39 - Year 2 Status

- \$31.6 million available for qualified projects
- Projects Approved through October 2014:
 - \$24.9 million in funding approved
 - Districts: 65/72
 - Projects: 193
 - Utility Incentives: \$2.7M
 - \$6.7M of Proposition 39 funds remaining

Proposition 39 Impact

Proposition 39 Project Volume & Annual Energy Cost Savings (July 2013 - Oct 2014)



Project Types: Year 1 vs. Year 2

Prop 39 Year 1 Projects		
Project Type	Count	Percentage of Total Projects
Lighting	170	54.49%
HVAC	59	18.89%
Controls	48	15.38%
Other	15	4.81%
RCx	14	4.49%
Tech Assist	3	0.96%
Self-Generation	2	0.64%
MBCx	1	0.32%
Total Projects	312	100%

Prop 39 Year 2 Projects (approvals from July-October)		
Project Type	Count	Percentage of Total Projects
Lighting	87	45.08%
HVAC	57	29.53%
Controls	26	13.47%
MBCx	12	6.22%
RCx	5	2.59%
Other	4	2.07%
Self-Generation	1	0.52%
Tech Assist	1	0.52%
Total Projects	193	100%

Proposition 39 - Year 1 Project Closeout

- Year 1 Results:
 - 312 projects approved in 72 districts
 - 46 districts have installed 115 projects to date
 - 32 districts have initiated project close-out for 78 projects
 - 11 districts have completed the close-out process for 32 projects
- Projects need to be closed out for utility incentives, audit requirements, and reporting to the Citizens Oversight Board

Proposition 39 – Year 2 Status

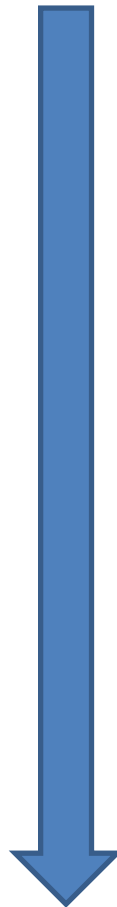
- A total of \$31.6 million in funding is available for 72 Districts
 - 51 Districts have projects approved through October using all of their Year 2 funding representing \$20.6 million
 - 14 additional Districts have had project approvals of \$4.3 million but have not used their entire Year 2 allocation representing an additional \$4.6 million in unused funding
 - 7 Districts have no approved projects representing \$2.1 million in unused funding

Project Closeout Requirements

SB 73 Requires Annual Reporting for Completed Projects

- Total Project Cost
- Verified Energy Savings
- Nameplate Rating of New Clean Self Generation
- Number of Trainees
- Number of Full Time Equivalent Employees on project
- Average number of months Full-Time Equivalent Employees worked on job
- Project Schedule

Project Closeout Process



Description	Action	Responsibility
Project Installation Complete	Form E - Submit to Utility (NAM)	District
Installation Inspection and Verification	IR report - Inspect Project; Savings & Cost Verification report	Utility (NAM)
Report Jobs Created	Form J - Submit to District	Contractor
Final Project Verification Report	-- Compile Jobs and Project Cost Data -- Forms J and F - Submit to NAM (incl. supporting documents)	District
Complete Project Close-out Process	Review of Close-out Documents, Upload into Database	CCCCO/NAM

Project Closeout Process: Form E

Project Installation Complete

- District submits Form E to Utility (or NAM)

PROP 39 PROJECT CLOSE-OUT FORMS Prop 39 Application No.: ALLANH-1314-006

CCC PROPOSITION 39 PROJECT COMPLETION (FORM E)

District: use this form to notify the Partnership that you have completed a project and are ready to schedule IOU verification visit.

District: Contact at Campus/District:

Date: Title of Contact Person:

PROJECTS
Allan Hancock College

Prop 39 Project ID No.	Utility Application No(s).	Project Description	Date Completed	All Measures Installed/Completed?
ALLANH-1314-006-07	2K1424162C	Install New Modulating Valves and Occupancy Based Thermostats - Elec Savings		<input type="checkbox"/>
ALLANH-1314-006-08	2K1424162C, 3739_11	Install New Modulating Valves and Occupancy Based Thermostats - Gas Savings		<input type="checkbox"/>
ALLANH-1314-006-09	2K1424162C	Exterior LED wallpacks		<input type="checkbox"/>
ALLANH-1314-006-10	2K1424163C	Install Occupancy Based Thermostats - Elec Savings		<input type="checkbox"/>

Please explain any "NO" answers above and note any differences from initially proposed project:

Additional Comments:

Please e-mail the completed Form to NAM and/or the appropriate IOU representative:
 PG&E: Dave Hather (dth2@pge.com)
 SCE: Lori Atwater (Lori.Atwater@sce.com)
 SCG: Paul Deang (Pdeang@semprautilities.com)
 SDG&E: Lin-Chi Hua (Lhua@semprautilities.com)

Newcomb Anderson McCormick: (CCC.updates@newcomb.cc)

Responsibility: DISTRICT

Project Closeout Process: IR Report

Utility Installation Inspection and Verification

- Utility issues “IR Report” documenting verified energy savings

CCC PROPOSITION 39 MEASUREMENT & VERIFICATION					
Installation Review					
Tech Reviewer: AESC	Revision: _____				
Reviewer Name: _____	Administrator: David T. Hather				
Project #:	Review Dates				
Project Name:	Sent to TR: _____				
Site Address:	Inspected: _____				
Sponsor:	Review completed by TR: _____				
Customer:	QC'd by: _____				
Approach: Customized Retrofit					
Application Status:	<input checked="" type="radio"/> Approved <input type="radio"/> Suspended <input type="radio"/> Declined				
Summary of Application Review Results					
Savings Estimates	CR Savings			DR Savings	
	kWh	kW	Therms	Dispatch Demand	Total Capital Costs
	Application Approved Amount	0.0	0.00	0.0	0.00
Installation Submitted Amount					
Installation Approved Amount	0.0	0.00	0.0	0.00	\$ -
Incentive Estimates	Gross Incentive(\$)		Project Cost Adj.	Site Cap Adj.	Net Incentive
	Application Approved Amount	\$0.00	\$0.00	\$0.00	\$ -
	Installation Submitted Amount				
	CR Installation Approved Amount	\$ -	\$ -	\$ -	\$ -
DR Installation Approved Amount*	\$ -	\$ -	\$ -	\$ -	
Comments					
Review Summary					
Project Description					
Reviewer, _____					Date: _____

Responsibility: UTILITY

Project Closeout Process: Form J

Report Jobs Created

- Contractor submit Form J with jobs totals to District
- There may be multiple contractors working on a project

PROP 39 PROJECT CLOSE-OUT FORMS Prop 39 Application No.: ALLANH-1314-006

CCC PROPOSITION 39 JOB CREATION TRACKING REPORT (FORM J)
Contract Completion Report

District	Allan Hancock Joint Community College District	Contract	
Description	Allan Hancock CCD Main Campus	Contract Duration	
Date		Company Name	
		Under Contract With	

Instructions:
California Community College Districts are required to report, at the completion of each project utilizing Proposition 39 funds, the "Total On-Site Work Hours" that have been created in performing the work. The contractor is required to complete this Job Creation Tracking Report as a condition of the contract with the district and submit it to the district as a part of the closeout documents and as a condition for receiving final payment. Contractor to verify hours reported with payroll applications and submit copies of all

Please fill in blue shaded areas below with the required information.

Allan Hancock College

Project ID	Project Description	On-Site Work Hours*	
		Trainees & Apprentices	Full-Time Equivalent Employees
ALLANH-1314-006-10	Install Occupancy Based Thermostats - Elec Savings		
ALLANH-1314-006-09	Exterior LED wallpacks		
ALLANH-1314-006-08	Install New Modulating Valves and Occupancy Based Thermostats - Gas Savings		
ALLANH-1314-006-07	Install New Modulating Valves and Occupancy Based Thermostats - Elec Savings		

*Note: "On-Site Hours" is defined as the total number of hours of utilization of each employee/trainee - apprentice associated with that specific project ID

I CERTIFY THAT THE INFORMATION REPORTED ABOVE IS TRUE AND ACCURATE.

Signature _____ Title _____
 Print Name _____ Date: _____
 Company _____

Responsibility: CONTRACTOR(S)

Final Project Verification Report: Form F

District Compile Jobs and Project Cost Data

- Submit Form's J and F to NAM - with supporting documentation
- Form F is the ***Final Project Verification Report*** for audit compliance

PROP 39 PROJECT CLOSE-OUT FORMS Prop 39 Application No.: ALLANH-1314-006

FINAL PROJECT VERIFICATION REPORT (FORM F)

District	Allan Hancock Joint Community College District	District Contact	
Description	Allan Hancock CCD Main Campus	Title	
Date		E-mail Address	
		Comments	

Instructions:
 The following information and documentation is required to comply with the project reporting requirements of Proposition 39. Districts shall compile the information listed below and submit this form with all supporting documentation (vendor invoices, job creation tracking forms (Form J), etc.) as necessary to verify all values.

Enter the total final gross project cost before deducting any incentives or other grants. This MAY include soft costs (e.g. procurement, engineering and design, project management, overhead) and MUST include all hard costs (e.g. equipment and materials, construction costs, installation labor). Soft costs should only be reported if they were approved for Prop 39 funding and included in the Cost Effectiveness evaluation. Attach supporting documents to this report or include in electronic submission.

Enter the Job Creation totals from Form J - Job Creating Tracking Forms filled out by implementation contractors. Attach forms to this report or include in electronic submission.

Please email the completed Form with ALL attached documentation to Newcomb Anderson McCormick at CCCupdates@newcomb.cc

PROJECT DETAILS
 Allan Hancock College

Project ID	Utility App No(s)	Project Description	Date Complete	Employee On-Site Work Hours	Trainee & Apprentice On-Site Work	Costs		
						Soft Costs	Hard Costs	Total
ALLANH-1314-006-08	2K1424162C, 3739_11	Install New Modulating Valves and Occupancy Based Thermostats - Gas Savings						
ALLANH-1314-006-09	2K1424162C	Exterior LED wallpacks						
ALLANH-1314-006-10	2K1424163C	Install Occupancy Based Thermostats - Elec Savings						

CERTIFIED BY:
 Name and Title: _____ Date: _____

Please e-mail the completed form with ALL attached documentation to Newcomb Anderson McCormick at CCCupdates@newcomb.cc

Responsibility: DISTRICT

Project Closeout Process

Complete Project Close-out Process

- NAM perform QC review of close-out docs and supporting detail
- Upload final project data into database for COB reporting

		Proposition 39 Qualifying Savings				Prop 39 Total Project Cost	Estimated Direct Job-Years Created	Project Completion Date	Project SIR	Prop 39 Funding Requested (Project)
Campus	Project Name	Prop 39 kWh Svgs	Prop 39 kW Svgs	Prop 39 th Svgs	Total Incentive					
Compton Community Educational Center	Vo-Tech Lighting Retrofit	104,688	37	-	\$8,155	\$179,000	1.0	4/20/2015	1.6	\$170,812
Contra Costa College	AA Bldg Chiller Repl w VSD	39,606	25	-	\$9,505	\$190,800	1.1	12/1/2015	1.1	\$181,295
Los Medanos College	Science Building MBCx and Fume Hood Controls	143,962	-	9,334	\$43,885	\$312,000	1.7	12/1/2015	1.8	\$268,115
Diablo Valley College	Campus-Wide EMS Upgrades Phase 2	132,456	23	6,095	\$0	\$329,000	1.8	12/1/2015	1.3	\$312,911
DeAnza College	Science Building Chiller	42,736	-	-	\$0	\$735,816	4.1	6/25/2015	0.5	\$405,001
Grossmont College	Campus Roadway Lighting Replacement	24,040	-	-	\$2,822	\$111,868	0.6	10/15/2015	0.9	\$109,046
Grossmont College	Fluorescent Lamp Upgrades	234,780	75	-	\$27,558	\$164,233	0.9	10/15/2015	1.3	\$136,675
Grossmont College	Chilled Water Plant Optimization	23,056	16	120	\$2,706	\$17,460	0.1	10/15/2015	4.7	\$14,754
Cuyamaca College	Campus Walkway Lighting Replacement	52,652	-	-	\$6,180	\$354,601	2.0	10/15/2015	0.7	\$104,974
Cuyamaca College	Fluorescent Lamp Upgrades	150,696	49	-	\$17,688	\$105,415	0.6	10/15/2015	1.3	\$87,727
Cuyamaca College	Economizer on Packaged Units	67,840	-	-	\$7,963	\$58,200	0.3	10/15/2015	2.6	\$50,237
West Los Angeles College	WLAC Solar Hot Water	-	-	2,531	\$17,717	\$51,840	0.3	3/15/2015	1.7	\$34,123
West Los Angeles College	Fine Arts Exterior Lighting	86,924	-	-	\$20,862	\$157,018	0.9	11/12/2014	1.6	\$136,156
Los Angeles Southwest College	SWCLA High Bay Lighting	37,964	9	-	\$5,607	\$83,404	0.5	11/12/2014	1.3	\$77,798
Berkeley City College	Interior Lighting Retrofit - DLC Approved	44,944	9	-	\$9,806	\$174,519	1.0	3/10/2015	1.0	\$80,000
College of the Redwoods	Exterior and Interior LED Lighting Retrofit	95,357	-	-	\$22,886	\$128,903	0.7	5/15/2015	2.0	\$106,017
San Joaquin Delta College	Pool Boilers	-	-	8,400	\$8,000	\$155,000	0.9	5/31/2015	1.3	\$104,881
San Joaquin Delta College	Holt Hall EMS	5,582	-	730	\$0	\$92,176	0.5	1/30/2015	0.6	\$56,000
Shasta College	Shasta College Wall Pack Lighting	77,531	-	-	\$0	\$142,571	0.8	1/30/2015	1.1	\$142,571

For illustration purposes only

Responsibility: CCCCO/NAM

Project Close-out Timelines

- Year 1 projects: Installation complete and project closed-out by **November 15, 2014**.
 - Form E submittal (and SCE Inspection Report) by November 1, 2014.
- Year 2 projects: Installation complete by 6/30/15 and close-out by 9/1/15.

A Look to the Future

- Districts should be planning projects for next three years.
 - Prop 39 is a series of 5 ONE YEAR appropriations
 - Plans must be flexible because funding level uncertain.
- **Year 3** call for projects in **February 2015**
- Multi-year projects must be reflected in Form B (over two years requires prior approval on a case-by-case basis)
 - This will allow districts to complete more complex projects.

Background on Audit Requirement

- Prop 39 added new chapter within Clean Energy Job Creation division of Public Resources Code
- Funding to CCC's pursuant to Public Resources Code Section 26240(g) is **subject to annual audits** required by Education Code Section 84040
 - Chancellor's Office added State Compliance Requirement #439 to the Contracted District Audit Manual (CDAM) this year
- Resources for Compliance and Criteria:
 - Public Resources Code sections 26225-26240
 - Education Code 84040
 - Approved CCC Prop 39 Guidelines and Application
 - Public Contract Code (PCC) section 20133

Compliance Requirement – CDAM #439

- Financial Compliance includes:
 - Installation of approved projects
 - Actual equipment installations reflect approved Prop 39 project application (Form B) and Measurement & Verification documentation
 - Invoices to substantiate purchases
- Source documents supporting administrative/overhead costs (if allowed)
- Prop 39 funds are tracked and reported separately, *not commingled* with other funds.

Compliance Requirements – CDAM #439

(cont.)

- Competitive bidding (**no sole-source**) and Public Contract Code (PCC) rules must be met
 - Projects shall require contracts that identify the project specifications, costs, and projected energy savings.
 - Districts may use Government Code 4217
- Energy Efficient project is properly installed pursuant to approved project application
- Utility energy cost savings are tracked pre and post project to verify effectiveness and logged in Prop 39 Program Tracking Database

Suggested Audit Procedures – CDAM #439

- Test Prop 39 funds to verify they are tracked and reported separately (not commingled)
- Review Final Project Verification Report to ensure completion and that it has appropriate signatures
 - Forms E, F and J will satisfy this
- Trace items on approved CCC Prop 39 Application (Form B) to supporting financial documents (invoices, purchase orders, etc.)
- Verify compliance with competitive bid process and other PCC requirements

Prop 39 & the CCC/IOU EE Partnership

- CCC Guidelines Leverage Partnership Processes, Services, and Incentives
- Districts should work with IOUs to identify projects, prepare energy calculations, and submit both incentive and Prop 39 funding
- Project M&V and Reporting will be facilitated by utility process



Your Success is our Success!

We both want Energy Savings

Prop 39 – Partnership Projects

- Projects using Prop 39 funds and eligible for utility (IOU) incentives
- District must use all Prop 39 funding allocated for approved project, or pay back difference to CCCCO post-installation
- Project close-out with CCCCO and IOU occurs simultaneously and with similar paperwork and process

Program Incentives for 2013-14

MEASURE	INCENTIVE RATE
Electricity	 <p><u>\$0.24 /</u> <u>kWh</u></p>
Packaged HVAC, HVAC Controls, Motors, Drives	
Lighting, Lighting Controls, Daylighting	
Central Plants, Chiller Retrofits, and other major Energy Efficiency Infrastructure Projects	
Monitor Based Commissioning (MBCx)	
IT Projects	
Natural Gas	 <p><u>\$1.00 /</u> <u>therm</u></p>
<u>ALL</u> Gas Measures	

2013-14 Partnership Cycle Close Out

- IOUs request project completion notification with Form E by Nov. 1st
 - This allows adequate time to conduct post-installation inspection and complete verification of savings review.
 - Districts in SCE territory require Inspection Report in addition to Partnership Form E

2015 Partnership Cycle

- CPUC issued revised Proposed Decision on Oct. 16, Final Decision late Oct./early Nov.
- Approves \$1 **BILLION** for Statewide Energy Efficiency Programs, including CCC/IOU Partnership
- CPUC funding levels set for 2015 will remain constant until 2025 or further CPUC decision
- Utility incentive rates for 2015 Partnership projects remain same (\$.24/kWh, \$1/th)

Tips & Best Practices

- Appoint a lead
- Develop a strategy
- Work with IOU to prepare for project close out forms prior to submitting to Chancellor's Office
- Leverage all IOU resources:
 - Enhanced Incentives
 - Calculation Assistance
 - Technical Services
 - Auditing Support
- When in doubt: read the Prop 39 Guidelines!

We are here to help!

Contact Information

<u>Name</u>	<u>Organization</u>	<u>E-mail</u>	<u>Phone</u>
Susan Yeager	CCCCO	syeaeger@cccco.edu	(916) 327-5366
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Josh Brock	SDG&E	Jbrock@semprautilities.com	(858) 503-5129
Dave Hather	PG&E	dth2@pge.com	(916) 386-5007
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<http://www.cccutilitypartnership.com/>

<http://extranet.cccco.edu/Divisions/FinanceFacilities/Proposition39.aspx>