Pre-Application Workshop

ECAA-Ed Competitive Loan Program
PON-18-101

Local Assistance and Financing Office
Efficiency Division
California Energy Commission
February 20, 2019
## Agenda

<table>
<thead>
<tr>
<th>Time</th>
<th>Topic</th>
</tr>
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<tbody>
<tr>
<td>1:30 pm</td>
<td>Welcome and Introductions</td>
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<tr>
<td></td>
<td>- Housekeeping</td>
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<td>- Solicitation Purpose, Background</td>
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<td>- Key Dates</td>
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<tr>
<td>1:40 pm</td>
<td>Submission Requirements and Funding Criteria</td>
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<tr>
<td></td>
<td>- Eligible Applicants</td>
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<td></td>
<td>- Eligible and Ineligible Projects</td>
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<td></td>
<td>- Application Screening and Award Process</td>
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<td></td>
<td>- Funding Criteria</td>
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<td></td>
<td>- Grounds for Rejection</td>
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<tr>
<td>2:05 pm</td>
<td>Application Submission</td>
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<td></td>
<td>- Online Application submission Tutorial</td>
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<tr>
<td>2:15 pm</td>
<td>Questions and Answers</td>
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</table>
Housekeeping

- In case of emergency
- Facilities
- Solicitation Documents and today’s presentation can be found at: www.energy.ca.gov/contracts/efficiency.html#PON-18-101
Purpose and Background

• Energy Conservation Assistance Act – Education Subaccount (ECAA-Ed)

• SB110 added unused Proposition 39 funds to ECAA-Ed to be disbursed on a competitive basis

• Loan funds at 0% interest to benefit local educational agencies for energy efficiency & renewable energy projects
### Key Dates

<table>
<thead>
<tr>
<th>Activity</th>
<th>Action Date</th>
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<tbody>
<tr>
<td>✓ Solicitation Release</td>
<td>February 5, 2019</td>
</tr>
<tr>
<td>Pre-Application Workshop</td>
<td>February 20, 2019</td>
</tr>
<tr>
<td><strong>DEADLINE FOR WRITTEN QUESTIONS</strong></td>
<td><strong>February 27, 2019</strong></td>
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<tr>
<td>Distribute Questions and Answers</td>
<td>March 8, 2019</td>
</tr>
<tr>
<td><strong>DEADLINE TO SUBMIT APPLICATION</strong></td>
<td><strong>May 31, 2019 by 5:00 pm</strong></td>
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<tr>
<td>Post Notice of Proposed Award (NOPA)</td>
<td>July 15, 2019</td>
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<tr>
<td>Anticipated Energy Commission Business Meeting Date</td>
<td>September 11, 2019</td>
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<tr>
<td>Anticipated Agreement Start Date</td>
<td>September 2019</td>
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Submission Requirements and Funding Criteria
Eligible Applicants

Local Education Agencies (LEAs)

• Public School Districts (K-12)
• County Offices of Education
• Charter Schools
• State Special Schools
Examples of Eligible Projects

- Interior and Exterior Lighting Systems
- Heating, Ventilation and Air-Conditioning (HVAC)
- Controls/Thermostats
- Pumps and Motors
- Plug Loads
- Building Envelope
- Clean Energy Generation (solar photovoltaic)
Examples of Ineligible Projects

- Equipment that is not owned by the LEA (e.g. power purchase agreements and third party owned battery storage systems)
- Projects previously funded with an ECAA loan
- Projects already installed
- New construction
Program Funding Criteria

1. Geographic diversity

2. Size of LEAs student population

3. Percentage of students eligible for free or reduced-price meals (FRPM)

4. Project energy savings
Regions Divided as:

**Green** = North

**Purple** = Central

**Pink** = South

**Yellow** = Los Angeles County

Method: There is approximately 1.5 million student population by geographic region
Size of LEAs student population

- Tier 1 - Up to 1,000 students
- Tier 2 - >1,000 to <2,000 students
- Tier 3 - >2,000 students
Free and Reduced Price Meal Program (FRPM)

- Percent of LEA’s students receiving FRPM
- Data comes from California Department of Education
- Data is certified February 1, 2018
Project Energy Savings

Percentage of annual energy savings
Application Screening Criteria

Applications must be received online by May 31, 2019 5:00 pm – no exceptions

Applications must include all documents listed in the Program Opportunity Notice (PON), such as:

• Eligible energy measures
• Required authorizations and certifications
• Required back-up documentation
## Funding Amounts by Tier and Region

### North

<table>
<thead>
<tr>
<th>Tier</th>
<th>Max Loan Amount</th>
<th>Total Funding</th>
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<tbody>
<tr>
<td>1</td>
<td>$3,000,000</td>
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<td>2</td>
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<td>3</td>
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<td><strong>$9,000,000</strong></td>
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### Central

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<td>3</td>
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<tr>
<td><strong>TOTAL</strong></td>
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### South

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<tbody>
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<tr>
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<td>$3,000,000</td>
<td>$3,000,000</td>
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<tr>
<td>3</td>
<td>$3,000,000</td>
<td>$3,000,000</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$9,000,000</strong></td>
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### Los Angeles County

<table>
<thead>
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<tr>
<td>2</td>
<td>$3,000,000</td>
<td>$3,000,000</td>
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<tr>
<td>3</td>
<td>$3,000,000</td>
<td>$3,000,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$9,000,000</strong></td>
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Funding Amount

Maximum Loan $3,000,000

Lesser of:

• Total Energy Costs Savings over the Estimated Useful Life (EUL) of Measures

• Actual Project Cost
FRPM Point Scores

FRPM participation provided by the California Department of Education

FRPM multiplied by weighing factor of 50%

(Number of students eligible for FRPM × 50% × 100)

Total Enrollment
Energy Savings

Baseline energy consumption before implementing energy project

Energy savings multiplied by weighing factor of 50%}

\[
\text{Energy Savings} \times 50\% \times 100 \over \text{Baseline Energy Use}
\]
Energy Savings Calculations

Step 1 – Energy Benchmarking
• 12 Consecutive Months Energy Consumption Data
• Convert Electricity, Natural Gas, Propane, and Fuel Oil Consumption into MMBtu

• Conversion Factors:
  - Electricity 10,716 Btu/kWh
  - Natural Gas 100,000 Btu/therm
  - Propane 92,500 Btu/gal
  - Fuel Oil 138,500 Btu/gal
Energy Savings Calculations

**Step 2a – Energy Savings**

- Estimate Annual Energy Savings from EACH Measure
  - Energy Saving Method Must be Articulated
  - Calculations and Assumptions (if any) must be provided in Audit Report
  - All calculations must be provided in an easily verifiable spreadsheet (e.g. MS Excel)
  - If software is used, the output must be provided with assumptions (if any)

- Convert Each Measure’s Annual Energy Savings into MMBtu
Energy Savings Calculations

Step 2a – Energy Savings

- Multiply Each Measure’s Annual Energy Savings (MMBtu) with its Respective EUL to get Total Energy Savings Over Measure’s Life Span

  (EUL for ECAA-Ed Loans will be the Lesser of Actual EUL of the EEM or 20 Years)

- Add Individual Energy Savings (MMBtu) for All Measures to Estimate Total Energy Savings From the Project
Energy Savings Calculations

Step 2a – % of Energy Savings

\[
\text{% of Energy Savings} = \frac{\text{Energy Savings (MMBtu)}}{\text{Energy Benchmarking (MMBtu)}} \quad \div
\]

Energy Benchmarking (MMBtu) to get the
Step 2b – Total Dollar Cost Savings from Measures

• Multiply Annual Energy Cost Savings from Each Measure with Respective EUL to get **Total Cost Savings from the Measure over its EUL**

• Add Total Cost Savings from All Measures to get **Total Savings from the Project**
Energy Savings Calculations

Step 2c – Role of Simple Payback Period

• Add First Year’s Cost Savings from each Measure to get Total First Year Cost Savings

• Divide Project Cost by Total First Year Cost Savings to get Simple Payback period

• If the Final Score of Two Applications is the Same, the Application with the Shorter Simple Payback will be Ranked Higher
## Example of FRPM and Energy Savings Calculation/Total Score/Ranking

<table>
<thead>
<tr>
<th>Applicant</th>
<th>% of FRPM Students</th>
<th>Weighing Factor</th>
<th>% of Baseline Usage</th>
<th>Weighing Factor</th>
<th>Total Score</th>
<th>Expected Payback Period (yrs)</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>20%</td>
<td>50%</td>
<td>80%</td>
<td>50%</td>
<td>50.00</td>
<td>15</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50.00</td>
<td>12</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>80%</td>
<td>50%</td>
<td>40%</td>
<td>50%</td>
<td>60.00</td>
<td>17</td>
<td>1</td>
</tr>
</tbody>
</table>

**Evaluation Criteria**

- **Free and Reduced Meals Program**
- **Energy Savings**
California Energy Commission

Program Implementation

Funding Awarded by Competitive Solicitation

• Limited time period to apply
• Application subject to administrative, technical, and financial evaluation criteria
• Energy Commission reviews and scores
• Application ranking is based on final overall score
• Competitive loans approved at CEC Business Meeting
Grounds for Application Rejection

Examples:
- Contains false or misleading information
- Does not comply with PON
- Applicant is non-responsive to a Notice of Proposed Award for 14 days
- CEQA review will not be complete prior to the scheduled CEC business meeting
- Applicant fails to sign the final loan agreement within 30 days
Bright Schools Program (Technical Assistance)

Apply, Apply, Apply!!!

Technical Assistance program that provides energy audit services to LEAs.

This service is provided on a first come, first served basis.

A simple application is all that’s needed to get started.
Online Application Submission

- Loan applications have to be submitted online using CEC’s Grant Solicitation System (GSS)
- Tutorial video for applicants
  https://www.energy.ca.gov/contracts/GSS/GSS_How_to_Apply_Video.mp4
- Please note program staff can NOT discuss the PON with interested parties as it is a competitive process.
Questions and Answers

Please send all PON related questions in written form to:

Gordon Kashiwagi
Commission Agreement Officer
Gordon.Kashiwagi@energy.ca.gov

Deadline to submit questions is
February 27, 2019!