



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

Time	Topic
1:30 pm	Welcome and Introductions <ul style="list-style-type: none">• Housekeeping• Solicitation Purpose, Background• Key Dates
1:40 pm	Submission Requirements and Funding Criteria <ul style="list-style-type: none">• Eligible Applicants• Eligible and Ineligible Projects• Application Screening and Award Process• Funding Criteria• Grounds for Rejection
2:05 pm	Application Submission <ul style="list-style-type: none">• Online Application submission Tutorial
2:15 pm	Questions and Answers



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

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



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



Geographic Diversity



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 ☐		
Tier	Max Loan Amount	Total Funding
1	\$3,000,000	\$3,000,000
2	\$3,000,000	\$3,000,000
3	\$3,000,000	\$3,000,000
	TOTAL	\$9,000,000

Central ☐		
Tier	Max Loan Amount	Total Funding
1	\$3,000,000	\$3,000,000
2	\$3,000,000	\$3,000,000
3	\$3,000,000	\$3,000,000
	TOTAL	\$9,000,000

South ☐		
Tier	Max Loan Amount	Total Funding
1	\$3,000,000	\$3,000,000
2	\$3,000,000	\$3,000,000
3	\$3,000,000	\$3,000,000
	TOTAL	\$9,000,000

Los Angeles County ☐		
Tier	Max Loan Amount	Total Funding
1	\$3,000,000	\$3,000,000
2	\$3,000,000	\$3,000,000
3	\$3,000,000	\$3,000,000
	TOTAL	\$9,000,000



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%

$$\frac{\text{Number of students eligible for FRPM}}{\text{Total Enrollment}} \times 50\% \times 100$$



Energy Savings

Baseline energy consumption before implementing energy project

Energy savings multiplied by weighing factor of 50%

$$\frac{\text{Energy Savings}}{\text{Baseline Energy Use}} \times 50\% \times 100$$



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

% of Energy Savings =

Energy Savings (MMBtu) ÷

Energy Benchmarking (MMBtu) to get the



Energy Dollar Savings Calculations

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

	Evaluation Criteria				Total Score	Expected Payback Period (yrs)	Ranking
	Free and Reduced Meals Program		Energy Savings				
Applicant	% of FRPM Students	Weighing Factor	% of Baseline Usage	Weighing Factor			
1	20%	50%	80%	50%	50.00	15	3
2	50%	50%	50%	50%	50.00	12	2
3	80%	50%	40%	50%	60.00	17	1



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 services 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!**