

**CALIFORNIA COMMUNITY COLLEGES  
CHANCELLOR'S OFFICE**

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## Memorandum

August 25, 2014

FP 14-17  
(Via E-Mail Only)

**TO:** Chief Business Officers  
Facilities Directors

**FROM:** Susan C. Yeager, Administrator  
Facilities Planning & Utilization

**SUBJECT:** Proposition 39 Project Close-out Procedures

Proposition 39, the California Clean Energy Jobs Act, requires districts to provide the Chancellor's Office with final project data at project completion as a condition of receiving funding. The required data includes:

- Final project costs
- Verified energy savings for each project
- Direct job creation and number of trainees

The Chancellor's Office will aggregate the reports annually and provide the information to the Citizens Oversight Board (COB) as required by Proposition 39.

The Chancellor's Office has developed the attached Project Close-out and Reporting Checklist that districts may use in the close-out and reporting process. The checklist also identifies the party responsible for providing the data – utilities, district, or the Chancellor's Office Proposition 39 consultant, Newcomb Anderson McCormick (NAM).

The checklist also provides hyperlinks to obtain the necessary forms needed for reporting purposes (forms are attached to this email and can also be accessed at [www.cccutilitypartnership.com](http://www.cccutilitypartnership.com)).

### **ACTION/DATE REQUESTED:**

Please complete the attached forms when proceeding with project close-out.

- **Form E** - Project Completion Form which is required to initiate project verification.
- **Form J** - Job Creation Tracking Form which project installation engineers, project managers, and contractors must use to document the number of jobs created from the project and submit to the district.

- **Form F** - Project Close-Out Reporting Form where districts shall summarize final project costs and job creation numbers for each project for reporting to the utilities and/or NAM. Attached is the Project Cost Definition which will help as a guide when providing the final values on the Form F.

Please return the completed Form E, Form J and Form F to Newcomb Anderson McCormick directly at the email address below.

CONTACT: Your local utility representative and NAM are available to assist you with this process. Please direct any questions or requests for assistance to your utility representative or contact NAM at [CCCUpdates@newcomb.cc](mailto:CCCUpdates@newcomb.cc).

Attachments

SCY

**CCC Proposition 39  
Project Cost Definition  
August 4, 2014**

The following definitions and procedures shall be used by the CCC Proposition 39 Program for the calculation of and reporting of project costs. References to SB-73 and the proposition language are included in italics.

**Eligible projects:** Energy efficiency retrofits and clean energy installations (this is further defined in Guidelines Step 3). *(SB 73 Section 1 Para. (c) and (k))* All projects must be cost effective with total benefits greater than project costs over time. *(Proposition 39 Para. 26206 (c))* Note: The CCC Proposition 39 Guidelines established a cost effectiveness criteria of 1.1 Savings to Investment Ratio (SIR) for all projects cumulatively at the district level.

**Total Project Cost:** Costs incurred by the District to implement an eligible project. 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). *(from CEC response to NAM inquiry)*

- Soft costs **must** be part of the SIR calculation and the Proposition 39 funding request when they are included in the total project cost.
- Proposition 39 funding **cannot** be used to pay for soft costs when these expenses are **not included** in the total project cost equation of the SIR. A community college cannot use Proposition 39 funding to pay for soft costs that were not included as part of the SIR calculation.
- **All** hard costs required to implement the energy project must be included in the SIR calculation and the Proposition 39 funding request. *(CEC K-12 Guidelines, 6/2014, Appendix I, page I-3)*. However, costs **should not** include activities unrelated to the installation of energy efficiency or clean energy installation projects **where it can be clearly demonstrated** that those costs are external to and independent from the eligible project. *(from CPUC NRR 2013-14 Procedures Manual)*.
- Although districts **may** utilize in-house labor to install projects, Proposition 39 funding **cannot** be used to pay for these costs. In-house labor costs **must** be excluded from the SIR calculation and from reporting of total project costs *(from CEC response to NAM inquiry)*.

**Total Final Gross Project Cost:** Final, verified project cost at completion before deducting any incentives or other grants. *(SB 73 26240 (b) (1))*

Exceptions may be considered for extenuating circumstances on a case-by-case basis by the Chancellor's Office.

### CCC Proposition 39 Project Close-Out Check-List

Step #	Project Step	Action	Responsibility	Resources	Relevant Guideline Step
1	District project(s) completed.	Submit completed Form E "Project Completion" to Utility <b>and</b> NAM.	District	<a href="#">Form E</a>	11.1-A
2	District project(s) completed.	Submit completed Form J "Job Creation Tracking" to District.	Contractor	<a href="#">Form J</a>	11.1-B
3	District receives Form J from contractor.	Submit completed Form F "Close-Out Reporting" to Utility <b>and</b> NAM.	District	<a href="#">Form F</a>	11.1-C
4	NAM/Utility receives completed Form E.	Conduct Project Verification Inspection and collect Form F from District.	Utility or NAM (if no Utility Participation)		12.1-A
5	Project Verification Inspection completed.	Submit Installation Review (IR) to NAM.	Utility or NAM (if no Utility Participation)		12.1-B
6	Installation Review (IR) and Form F received.	Updates made to Program Database with verified savings, costs, and job creation.	NAM		12.2
7	Installation Review (IR) approved by Utility.	Distribute Incentives to District.	Utility		12.3

Please email the required forms listed above to NAM and/or your district's appropriate IOU representative.

Newcomb Anderson McCormick (NAM): [ccupdates@newcomb.cc](mailto:ccupdates@newcomb.cc)