The CCC/IOU Partnership and Proposition 39

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Southern California Edison

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Director of Facilities and Construction

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Glendale Community College
Director of Facilities & Construction
California Community Colleges
Systemwide Detail

- 72 districts encompassing 112 colleges, 72 approved off-campus centers and 23 separately reported district offices

- Includes 24,279 acres of land, 5,281 buildings, and 75.6 million square feet of space

- 2.4 million students annually
  - 75% of the state’s public undergraduate students
  - 25% of community college students nationwide
CCC Systemwide Facilities Needs

- 10-year Facilities Needs = $35 billion
- Enrollment Growth Needs = 13.3 million new ASF
- Modernization Needs = 30.5 million existing ASF
  - 67% of buildings: over 25 years old
  - 46% of buildings: over 40 years old
Bonds for CCC Facilities

- State Bonds since 2000
  - Total available $3.34 Billion
  - 55% of Higher Education bonds

- Local GO Bonds since 2000
  - 65 of 72 Districts
  - Total approved $26.2 Billion
  - Leverages state-funded projects
  - Funds 100% non-state supportable projects
2014 Education Bond Bill

- AB 2235
  - Education facilities: Kindergarten-University Public Education Facilities Bond Act of 2014
  - K-12
    - $2.25 New Construction
    - $3.25 Mod
    - $500 million Charters
  - Higher Ed
    - $2 billion CCC
    - $500 million UC
    - $500 million CSU

Proposition 39

- Adopted by the voters in November 2012 to close corporate tax loopholes and will provide roughly $550 million annually to K-12 and CCC’s for Energy Projects for five years.

- CCC’s will allocate $31.6 million for FY 2014-2015 distributed on an FTES basis to all CCC Districts for energy efficiency and renewable generation projects.

- Funding approved annually by legislature with state budget.
Proposition 39: Implementation

- CCC Chancellors Office works with Districts and CCC/IOU Partnership to identify and fund projects.

- Implementation parallels CCC/IOU Partnership process to combine Prop 39 funds and leverage utility incentives. IOUs provide technical assistance to identify and develop projects.

- Chancellor’s Office works with POUs to coordinate processes, services, and any incentives.

- A Program Consultant contracted through CCCCCO to provide program administration and technical assistance.
The Process

CCC Program Guidelines

- Reflects requirements of Prop 39 enabling legislation SB 73
- Issued by Chancellors Office and defines process and requirements
  - Project qualification criteria
  - Funding application process and approvals
  - M&V and Reporting Requirements
- Monthly approvals and fund disbursement through state apportionment process
- Guidelines are for CCC’s only. CEC has issued separate Guidelines for K-12
Proposition 39 Guidelines

3 Primary Phases

1. Apply for Project Funding
2. Project Implementation
3. Verification and Reporting
Q1 Please rate your District’s overall experience with Year 1 of the Prop 39 Program.

Answered: 60  Skipped: 0

Overall Experience with Prop 39 - Year 1

- Excellent
- Satisfactory
- Unsatisfactory
- Neutral
Year 1: 2013-14 Prop 39 Success

- $39.67M of $39.8M in Funding Allocated
  - $128,635 will be reappropriated to 2014-15
- $5.3 of $6M for workforce development
- All 72 Districts participating
- $6.8 Million in Utility Incentives
- 313 Projects: 29% will complete by June 30, 2014.

**Resulting in ANNUAL energy cost savings of $4.6 million to Districts!**
## Year 1 Project Types

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Count</th>
<th>% of Total Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lighting</td>
<td>171</td>
<td>54.63%</td>
</tr>
<tr>
<td>HVAC</td>
<td>59</td>
<td>18.85%</td>
</tr>
<tr>
<td>Controls</td>
<td>48</td>
<td>15.34%</td>
</tr>
<tr>
<td>Other</td>
<td>15</td>
<td>4.79%</td>
</tr>
<tr>
<td>RCx</td>
<td>14</td>
<td>4.47%</td>
</tr>
<tr>
<td>Technical Assistance</td>
<td>3</td>
<td>0.96%</td>
</tr>
<tr>
<td>Self- Generation</td>
<td>2</td>
<td>0.64%</td>
</tr>
<tr>
<td>MBCx</td>
<td>1</td>
<td>0.32%</td>
</tr>
<tr>
<td><strong>Total Projects</strong></td>
<td><strong>313</strong></td>
<td></td>
</tr>
</tbody>
</table>
Impact of Proposition 39

Proportion 39 Project Volume & Annual Energy Cost Savings
Retrofit Projects Only
(May 2013 - April 2014)

*Annual energy cost savings were based on the following assumptions: $0.12/kWh, $0.80/therm
Year 2 Budget and Pipeline

- FY 14-15 Proposed Budget – $31.6M
  - 20% less funding
- Year 2 Projects: Over 200 already submitted
  - 25+ Solar Projects
  - 68/72 Districts have projects identified
  - $42M est. Construction Costs
- Focus on more comprehensive projects with higher energy savings
Key Issues

- Contracting Requirements:
  - Projects funded by awards shall require contracts that identify the project specifications, costs, and projected energy savings.
  - “a community college shall not use a sole source process to award funds pursuant to this chapter”
  - Districts may use Government Code 4217

- District Annual Expenditure Report:
  - Not sooner than one year but no later than 15 months after completion of its first eligible project, District shall submit an Annual Expenditure Report
  - Job Tracking Form: Direct FTE & Trainees created from Prop 39 implementation

- State Compliance:
  - District Prop 39 expenditures will be subject to an annual state compliance test as outlined in the Contract District Audit Manual
Prop 39 and the CCC/IOU 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
# Program Incentives for 2013-14

<table>
<thead>
<tr>
<th>MEASURE</th>
<th>INCENTIVE RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Electricity</strong></td>
<td></td>
</tr>
<tr>
<td>Packaged HVAC, HVAC Controls, Motors, Drives</td>
<td>$0.24 / kWh</td>
</tr>
<tr>
<td>Lighting, Lighting Controls, Daylighting</td>
<td></td>
</tr>
<tr>
<td>Central Plants, Chiller Retrofits, and other major Energy Efficiency Infrastructure Projects</td>
<td></td>
</tr>
<tr>
<td>Monitor Based Commissioning (MBCx)</td>
<td></td>
</tr>
<tr>
<td>IT Projects</td>
<td></td>
</tr>
<tr>
<td><strong>Natural Gas</strong></td>
<td></td>
</tr>
<tr>
<td>ALL Gas Measures</td>
<td>$1.00 / therm</td>
</tr>
</tbody>
</table>
Prop 39 Challenges
Opportunities &
Team Strategies

Fred Diamond
Director of Facilities & Construction
Citrus College
Opportunities for Success

CM Opportunities…

- The first rule of success…
- Know your business
- Know your client
- Know the program
- Know where to go
Overcoming Challenges

- Project lead times may impact delivery
- Material supplies (supply vs. demand)
- Public Contract Code requirements
- In-house labor limitations
- Consultant and vendor limitations
- *Think ahead for success*
Strategizing…

- Communication is critical
- Facilities / vendors—establish relationships
- Plan your strategy prior to procurement
- Know your project thoroughly
- Limit substitution times per PCC §3400
- Collaborate…Notice of Intent to Award
- ONE person should be in charge
- **Success awaits!!**
Utilize your Assets

- California Community Colleges—Energy Project Guidance pamphlet
- CCC-IOU Partnership Management Team
  - Chancellor’s Office
  - Utility Account Executives
  - Industry Professionals
- Fellow Colleagues
- Don’t hesitate to ask questions!
Glendale Community College

• Founded in 1927
• Campus established in 1936
• 15 permanent buildings sit upon 100+ acres
• 900,000+ Square Feet of conditioned space
  • Lab College Services Building, currently in construction; three-floor, 90,000 sq ft
• 25,000 Day and Evening student population
Needs of the Campus

• Obtain a better window into where our money is being spent on facilities

• Current Maintenance Practices
  • Primarily needs based
  • Reactionary
    • Fix when broken
    • Minor work order management

• Reduce operational expenditures and control increasing energy costs
### Road Map to a Successful Program

<table>
<thead>
<tr>
<th>Facility Condition Assessment</th>
<th>RCx Investment Grade Audit</th>
<th>Systematic Approach to Optimal Facility Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Understand where operational dollars are actually being spent and the current mission of the facility</td>
<td>• Optimize facility efficiency (=operational cost savings)</td>
<td>• Incorporate no-cost, low-cost measures first</td>
</tr>
<tr>
<td>• Reduce unnecessary investments being made in a building that is inherently inefficient</td>
<td>• Make efforts to improve the energy baseline before capital investments are made</td>
<td>• Assess required capital improvements to optimize current facility objectives</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Customize long-term planning based on actual facility conditions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Install supply-side measures based on optimized facility energy demand</td>
</tr>
</tbody>
</table>

*Engaged a partner that understands systems to assist our team to better understand our facilities, optimize and leverage funding resources to get more done.*
To address the problems of an aging infrastructure, we worked with our energy partners and developed a three-phase plan.

Implementing each phase will save energy, modernize facilities, improve the learning environment, and demonstrate a commitment to sustainability.

Identified roughly 45 Facility Improvement Measures (FIMs) to be implemented over a 5 year period using Prop 39 as anchor funding.
Phase 1 - Program Overview

**Leverage funding sources to stretch District funds**

<table>
<thead>
<tr>
<th>Scope</th>
<th>Program Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Entire 1st Phase Engineering and DSA Submittals</td>
<td></td>
</tr>
<tr>
<td>2) Campus Wide Electric Submeters</td>
<td></td>
</tr>
<tr>
<td>3) Library Lighting</td>
<td></td>
</tr>
<tr>
<td>4) Advanced Tech Lighting</td>
<td></td>
</tr>
<tr>
<td>5) Aviation Arts Lighting</td>
<td></td>
</tr>
<tr>
<td>6) Health Science Lighting</td>
<td></td>
</tr>
<tr>
<td>7) Health Science RCx</td>
<td></td>
</tr>
<tr>
<td>8) San Gabriel Lighting</td>
<td></td>
</tr>
<tr>
<td>9) San Gabriel RCx</td>
<td></td>
</tr>
<tr>
<td>10) Arroyo Seco Lighting</td>
<td></td>
</tr>
<tr>
<td>11) Arroyo Seco Fume Hood Retrofit</td>
<td></td>
</tr>
<tr>
<td>12) CP-2 Optimization</td>
<td></td>
</tr>
<tr>
<td>13) Library Mech &amp; Controls Upgrade</td>
<td>$2,552,126</td>
</tr>
<tr>
<td>14) Advanced Tech Mech &amp; Controls Upgrade</td>
<td></td>
</tr>
<tr>
<td>15) Library MZ AHU Upgrade to VAV</td>
<td></td>
</tr>
</tbody>
</table>
## Phase 1 - Program Overview

Leverage funding sources to stretch District funds

<table>
<thead>
<tr>
<th>Funding</th>
<th>On-Bill Financing</th>
<th>Prop 39</th>
<th>GWP Rebate</th>
<th>So Cal Gas Rebate</th>
<th>Scheduled Maintenance</th>
<th>Measure G</th>
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<tbody>
<tr>
<td></td>
<td>$ 277,124</td>
<td>$ 1,004,550</td>
<td>$ 100,000</td>
<td>$ 59,802</td>
<td>$ 564,298</td>
<td>$ 546,352</td>
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</table>
Thank You
Thank you!

Questions?
# Contact Information

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
<th>E-mail</th>
<th>Phone</th>
</tr>
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<tbody>
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<td>(415) 896-0300</td>
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