



October 5, 2016

The Honorable Andrew McAllister
Commissioner
California Energy Commission
1516 9th Street
Sacramento, California 95814

Dear Commissioner McAllister:

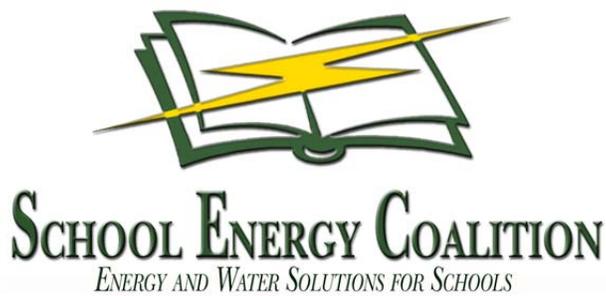
On behalf of the School Energy Coalition (SEC), an organization made up of K-12 schools, community colleges, school construction and energy consultants focused on energy and water efficiency and renewable generation projects for California's students, I am writing to express our serious concern with regard to the new deadline the California Energy Commission (CEC) has set for final submittal of Energy Expenditure Plans (EEP) under the Proposition 39 program.

SEC understands there are some internal discussions going on at the Commission to extend the original encumbrance date for one year and we wholeheartedly support this idea given the compressed time frame LEAs are now under for EEP submittal.

As we understand it, the CEC, in concert with the California Department of Education (CDE) has adopted a definition of "encumbrance" per the California Education Accounting Manual as a "commitment in the form of a purchase order or offer to buy goods or services." This new definition was announced in July of this year - the third year of the program - along with a new final deadline for plans of August 1, 2017. The 2017 deadline was put in place to allow LEAs the amount of time needed to "encumber" i.e. receive planning funds, identify project energy measures and specifications, development, submittal and approval of an EEP, funding disbursement, and encumbering funds by the June 30, 2018, deadline set in SB 73 (Committee on Budget and Fiscal Review, Chapter 29, Statutes of 2013) according to the Commission.

As it stands, the effect of this new CEC deadline is that it essentially cuts off an entire year of planning for an EEP submittal which includes gathering energy baseline information, benchmarking and analysis to determine what projects make the most sense for a local education agency such as a school district.

We believe that this new deadline could result in schools leaving needed funding on the table as they are unable to complete their plans under this new shortened timeframe. The new EEP deadline also occurs before the allocations are made by CDE in the Proposition 39 Program's final year so schools will have to estimate or guess what they may be receiving in 2017-18 in order to submit their final plan(s). A one-year extension would allow this school planning to occur on the five-year timeline LEAs have been working under to complete their EEP submissions with full knowledge of what their funding for energy projects would be in that final year.



Proposition 39 and the resulting Clean Energy Jobs Fund was approved by the voters to address a corporate tax concern while establishing a five-year program for public energy projects that would create clean energy jobs and make wise investments in energy efficiency with taxpayer dollars. School districts, county offices of education and community colleges are grateful for the focus the Governor and the Legislature has placed on K-14 school projects.

We are now seeing many successful installations being executed all over the state that are creating utility bill and energy savings that will allow schools more room in their general funds for priorities such as teacher support, salaries and student academic achievement. There should also be additional health benefits as a result of these projects for our state's citizens by lowering greenhouse gas emissions in virtually every community in California.

We do not want to see any Proposition 39 funding left unused due to a shortened timeline for submitting required plans. For this reason, SEC strongly supports an encumbrance date extension of one year to June 30, 2019, so that schools may effectively submit plans with a full understanding of their funding under the program and so that taxpayer dollars are accounted for appropriately under this important program.

Please call me with any questions or concerns you may have about this letter.

Sincerely,

Anna Ferrera
Executive Director
School Energy Coalition

c: Commissioner David Hochschild, California Energy Commission
Patrick Saxton, California Energy Commission
Armand Angulo, California Energy Commission
Sarah Smith, California Energy Commission
Elizabeth Shirakh, California Energy Commission