

**Department of General Services**  
**Energy Efficient State Property Revolving Fund**  
**Annual Legislative Report**  
**January 1, 2014**

**Background**

The American Recovery and Reinvestment Act of 2009 (ARRA) provided funds to the United States Department of Energy to make allocations to its existing programs. Accordingly, on June 25, 2009, the California Energy Commission (CEC), in its role as the State Energy Office in California, received \$226,093,000 for distribution under federal guidelines.

On June 28, 2009, Governor Schwarzenegger signed Assembly Bill 11 from the Fourth Extraordinary Session of the 2009-2010 Session (ABX4 11), adding sections 25470 through 25474 to the Public Resources Code (PRC), and creating the Energy Efficient State Property Revolving Fund (Loan Fund). Under the terms of the statute, the CEC transferred \$25 million to the Department of General Services (DGS) to administer the Loan Fund and finance energy efficient retrofits at state facilities. Participating state agencies would use the savings realized through the retrofits to service their debt to the Loan Fund. PRC Section 25473 requires DGS to provide the Legislature with an annual report on the projects identified and planned for each fiscal year.

**Fiscal Years 2009-2010 through 2011-2013**

DGS allocated the original \$25 million to nine departments in 12 loans, funding 70 projects at over 400 buildings. All of these projects will be closed by December 2013. The table that follows this section contains information about the projects funded through the Loan Fund during fiscal years 2009-10 through 2011-12.

<b>ARRA Energy Efficient State Property Revolving Fund Completed Projects</b>						
Project/Building	ARRA-Funded Loan Amount	Amount Disbursed to Date	Annual Savings			Simple Payback (years)
			kWh	Therms	Dollars	
Loan 101 – DGS/Building & Property Mgmt.	\$5,927,891	\$5,273,936	5,386,248	31,386	\$654,762	8.1
Loan 102 – CA Dept. of Corrections & Rehabilitation	\$4,108,998	\$4,084,982	7,222,636	729,906	\$1,252,213	3.3
Loan 104 – DGS Office of Fleet & Asset Mgmt.	\$554,898	\$470,063	482,643		\$88,493	5.3
Loan 106 – CA Highway Patrol (CHP)	\$157,080	\$144,841	185,440		\$18,544	7.8
Loan 108 & 110 – Dept. of Mental Health	\$1,073,087	\$1,072,811	1,112,423		133,673	8.0
Loan 112 – CA Technology Agency	\$2,299,562	\$2,278,049	1,741,198		158,446	14.4
Loan 114 – CHP	\$1,848,510	\$1,831,976	1,559,840	2,171	\$235,579	7.8
Loan 116 – Dept. of Motor Vehicles	\$1,324,365	\$1,317,468	809,873	2,101	\$121,576	10.8

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			kWh	Therms	Dollars	
Loan 118 – Dept. of Water Resources	\$931,965	\$919,524	962,183	11,971	\$155,064	5.9
Loan 120 – Dept. of Developmental Services	\$4,993,118	\$4,797,671	5,332,560	115,674	\$825,884	6.0
Loan 124 – CA Dept. of Corrections & Rehabilitation	\$1,512,401	\$1,334,609	5,576,759	259,184	\$704,301	1.9
<b>TOTAL LOANS</b>	<b>\$24,731,875</b>	<b>\$23,525,930</b>	<b>30,371,803</b>	<b>1,152,393</b>	<b>\$4,348,535</b>	<b>5.4</b>
<b>ADMINISTRATION:</b>	<b>\$400,147</b>	<b>\$335,963</b>				
<b>COMPLETED PROJECTS TOTALS</b>	<b>\$25,132,023</b>	<b>\$23,861,893</b>	<b>30,371,803</b>	<b>1,152,393</b>	<b>\$4,348,535</b>	<b>5.8</b>

At the end of 2011-2012, the CEC transferred \$1.5 million of ARRA funding to the Loan Fund, and over the course of 2012-2013, additional transfers totaling \$1,243,948.04 occurred. The Loan Fund balance increased as repayments took place, with a total of \$3,947,409.02 returning in 2011-12 and \$3,652,635.85 in 2012-13.

In 2011-12, the pool of qualified energy service companies (ESCOs) that DGS established under the authority of Public Resources Code Section 388 expired. DGS staff spent 2012-13 preparing and receiving approval from legal counsel for a Request for Qualifications to establish a new pool and a subsequent Request for Proposals template for future projects.

### **Fiscal Year 2013-2014**

To date in 2013-14, DGS has approved two loans:

- The California Department of Public Health (CDPH) has borrowed \$3,100,000, to replace boilers at their Richmond laboratory. The new equipment will reduce the campus's annual carbon footprint by 1.6 million pounds, or 743 metric tons, of carbon dioxide (CO<sub>2</sub>). According to the United States Environmental Protection Agency's calculator, this reduction is equivalent to the amount of gasoline to fuel 155 cars for a year or the amount of electricity 102 homes use annually.
- The California Department of Corrections and Rehabilitation (CDCR) has borrowed \$888,467 to implement a lighting upgrade at the Salinas Valley State Prison that will reduce its electricity use by 2,713,146 kilowatt hours and save \$253,408 per year.

As of October 31, 2013, the fund balance available for allocation was \$10,650,000.00 and annual loan repayments in February 2014 will add approximately \$4,000,000.00 to the fund. The disbursement of these funds will occur throughout 2013-14 to the following potential projects:

- DGS has issued Requests for Proposals (RFPs) for two DGS buildings that will utilize the Loan Fund, the San Diego Office Building and the CalTrans District 11 Building.
- Preparations are underway to issue up to 12 additional RFPs for energy efficiency retrofits at the facilities listed in the table that follows. The number of actual loans that these efforts will generate will vary depending on the cost of the resulting projects.

<b>Potential Energy Efficient State Property Revolving Fund Projects As of October 31, 2013</b>			
<b>Agency</b>	<b>Facility Name</b>	<b>Address</b>	<b>City</b>
CalVet	Veterans Home of Chula Vista	700 East Naples Ct	Chula Vista
CalEMA	CA Office of Emergency Services	3650 Schriever Ave	Rancho Cordova
CSC	CA Science Center	700 Exposition Park	Los Angeles
CHP	Southern Division ISU	437 Vermont St.	Los Angeles
CHP	Newhall Field Office	28648 The Old Road	Valencia
CHP	Rancho Cucamonga Office	9530 Pittsburg Ave.	Rancho Cucamonga
CHP	West LA Field Office	6300 Bristol Parkway	Culver City
CHP	Blythe Field Office	430 South Broadway	Blythe
CHP	Temecula Field Office	27685 Commerce Center Dr.	Temecula
CHP	Capistrano Field Office	32951 Camino Capistrano	San Juan Capistrano
CHP	Indio Field Office	79-650 Varner Road	Indio
CHP	Winterhaven Field Office	1 Killingsworth Dr.	Felicity
CHP	CHP Academy	3500 Reed Ave	West Sacramento
CHP	Monterey Field Office	960 East Blanco Road	Salinas
CHP	San Francisco Field Office	455 Eighth Street	San Francisco
CHP	Santa Rosa Field Office	6100 LaBath Avenue	Rohnert Park
CHP	Buttonwillow Field Office	29449 Stockdale Hwy.	Bakersfield
CHP	Amador Field Office	301 Clinton Road	Amador
CHP	Red Bluff Field Office	2550 Main Street	Red Bluff
CHP	Santa Maria Field Office	1710 No. Carlotti Drive	Santa Maria
CHP	Mariposa Field Office	5264 Highway 49 North	Mariposa
CHP	Garberville Field Office	30 West Coast Road	Redway
CHP	Gold Run Field Office	50 Canyon Creek Road	Gold Run
CHP	Alturas Field Office	905 West C Street	Alturas

<b>Potential Energy Efficient State Property Revolving Fund Projects As of October 31, 2013</b>			
<b>Agency</b>	<b>Facility Name</b>	<b>Address</b>	<b>City</b>
CHP	South Lake Tahoe Office	2063 Hopi Avenue	South Lake Tahoe
CHP	Susanville Field Office	472-400 Diamond Crest Rd.	Susanville
CHP	Trinity River Field Office	Highway 299, 1261 Main St.	Weaverville
CHP	Ukiah Field Office	540 South Orchard Avenue	Ukiah
CHP	Williams Field Office	100 E Street	Williams
DGS	Office of Fleet & Asset Management	Parking garages/lots statewide	Statewide
DGS	Santa Ana Office Building	605 West Santa Ana Blvd	Santa Ana
DGS	Ronald M. George State Office Complex	350 McAllister Ave 455 Golden Gate Ave	San Francisco
DGS	EDD Solar Building	751 N St	Sacramento
DGS	State Record Center	344 North 7th St	Sacramento
CalFire	To be determined in December 2013		
Fish & Wildlife	To be determined in December 2013		
Dept. of Parks & Rec.	To be determined in December 2013		