

Department of General Services
Energy Efficient State Property Revolving Fund
Annual Legislative Report
January 1, 2015

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 July 28, 2009, Governor Schwarzenegger signed Assembly Bill 11 from the fourth extraordinary session of the 2009-10 session (ABX4 11), adding Chapter 5.7 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 2009-10 Through 2012-13

DGS allocated the original \$25 million to 9 departments in 12 loans, funding 70 projects at over 400 buildings. The table that follows lists the projects funded through the Loan Fund during fiscal years 2009-10 through 2012-13.

Loan Recipient	Final Loan Amount	Annual Energy Savings: Electricity (kilowatt hours)	Annual Energy Savings: Natural Gas (therms)
Loan 101: General Services/Building & Property Mgmt.	\$5,927,891	5,386,248	31,386
Loan 102: CA Dept. of Corrections & Rehabilitation	\$4,108,998	7,222,636	729,906
Loan 104: General Services/Office of Fleet & Asset Mgmt.	\$554,898	482,643	—
Loan 106: CA Highway Patrol	\$157,080	185,440	—
Loans 108 & 110: CA Dept. of Mental Health	\$1,073,087	1,112,423	—

Loan Recipient	Final Loan Amount	Annual Energy Savings: Electricity (kilowatt hours)	Annual Energy Savings: Natural Gas (therms)
Loan 112: Office of the Chief Information Officer	\$2,299,562	1,741,198	—
Loan 114: CA Highway Patrol	\$1,848,511	1,559,840	2,171
Loan 116: Dept. of Motor Vehicles	\$1,324,365	809,873	2,101
Loan 118: CA Dept. of Water Resources	\$931,965	962,183	11,971
Loan 120: CA Dept. of Developmental Services	\$4,941,430	5,332,560	115,674
Loan 124: CA Dept. of Corrections & Rehabilitation	\$1,512,401	5,576,759	259,184
TOTAL LOANS	\$24,680,188	30,371,803	1,152,393

In 2011-12, the pool of qualified energy service companies that DGS established under the authority of PRC 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 2013-14

In 2013-14, DGS issued two loans:

Loan Recipient	Loan Amount	Annual Energy Savings: Electricity (kilowatt hours)	Annual Energy Savings: Natural Gas (therms)
Loan 123: CA Dept. of Public Health	\$3,100,000	—	140,000
Loan 125: CA Dept. of Corrections & Rehabilitation	\$888,467	2,713,146	—
TOTAL LOANS	\$3,988,467	2,713,146	140,000

Fiscal Years 2014-15

In 2014-15, DGS awarded contracts for four projects:

Loan Recipient	Loan Amount	Annual Energy Savings: Electricity (kilowatt hours)	Annual Energy Savings: Natural Gas (therms)
RFP 12-01 – CalTrans District 11 HQ, San Diego	\$2,000,000	See note 1	See note 1
RFP 12-04 – CA Science Center	\$5,600,000	See note 1	See note 1
RFP 12-06 – Ronald M. George State Office Complex	\$2,000,000	See note 1	See note 1
RFP 12-09 – CalEPA Building	See note 2	See note 2	See note 2
Total Estimated Loans Amount	\$9,600,000	30,371,803	1,152,393

Note 1: In investment grade audit phase.

Note 2: In solicitation phase.

Fund Balance

The following shows the accumulated and disposition of funds to date:

Initial allocation of ARRA funds from the CEC		\$25,000,000
Additional transfers of ARRA funds from the CEC		\$2,630,725
Surplus Money investment Fund – interest earned		\$71,484
2014-14 repayments:		
Principal	\$9,858,691	
Interest	\$1,261,255	
		\$11,119,946

Total ARRA Funding		\$38,935,378
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Allocated to loans		\$28,668,655
Earmarked for current projects		\$9,600,000
Administrative cost expended 2009-2014		\$604,033

Fund Balance		\$62,690
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