

August 12, 2010

The Honorable Denise Moreno Ducheny, Chair
Joint Legislative Budget Committee
1020 N Street, Room 553
Sacramento, CA 95814
Attn: Jody Martin, Principal Consultant

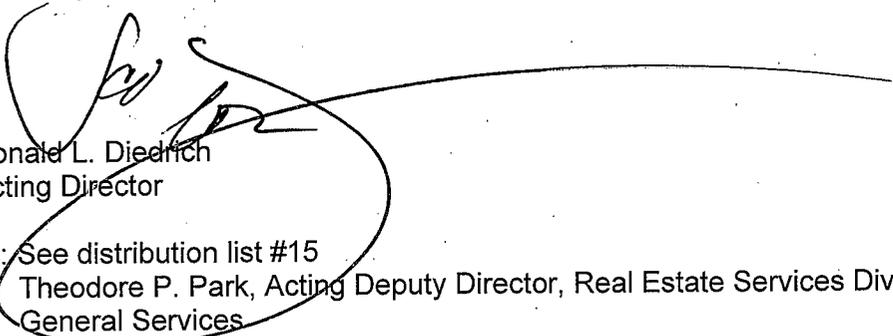
Dear Senator Ducheny:

Pursuant to the requirements of Public Resources Code Section 25473, the Department of General Services is submitting the Energy Efficient State Property Revolving Fund Annual Legislative Report.

In keeping with our commitment to encourage conservation, we have posted this report to our website. The report can be viewed at <http://www.legi.dgs.ca.gov/Publications/2010LegislativeReports.htm>. The report is entitled Energy Efficient State Property Revolving Fund Annual Legislative Report.

If you wish to receive a printed copy of this report, please contact Theodore P. Park, Acting Deputy Director, Real Estate Services Division, Department of General Services, at (916) 376-1900.

Sincerely,



Ronald L. Diedrich
Acting Director

cc: See distribution list #15
Theodore P. Park, Acting Deputy Director, Real Estate Services Division, Department of General Services

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LEGISLATIVE REPORT LISTING

ORIGINAL LETTER TO EACH OF THE FOLLOWING:

The Honorable Denise Moreno Ducheny, Chair **(Hand carry 18 copies)**
Joint Legislative Budget Committee
1020 N Street, Room 553
Sacramento, CA 95814
Attn: Jody Martin, Principal Consultant

The Honorable Denise Moreno Ducheny, Chair
Senate Budget & Fiscal Review Committee
State Capitol, Room 5019
Sacramento, CA 95814
Attn: Keely Martin Bosler, Staff Director

The Honorable Christine Kehoe, Chair
Senate Appropriations Committee
State Capitol, Room 2206
Sacramento, CA 95814
(Attn: Bob Franzoia, Director)

The Honorable Bob Blumenfield, Chair
Assembly Budget Committee
State Capitol, Room 6026
Sacramento, CA 95814
Attn: Christian Griffith, Chief Consultant

The Honorable Felipe Fuentes, Chair
Assembly Appropriations Committee
State Capitol, Room 2114
Sacramento, CA 95814
Attn: Geoff Long, Director

The Honorable Alex Padilla, Chair
Senate Energy, Utilities and Communications Committee
State Capitol, Room 2195
Sacramento, CA 95814

The Honorable Pedro Nava, Chair
Assembly Environmental Safety & Toxic Materials Committee
1020 N Street, Room 171
Sacramento, CA 95814

Mr. Mac Taylor **(Hand carry)**
Legislative Analyst
925 L Street, Suite 1000, B-29
Sacramento, CA 95814

COPY OF JLBC NOTIFICATION TO EACH OF THE FOLLOWING:

The Honorable Steven Bradford, Vice Chair
Assembly Utilities and Commerce Committee
State Capitol, Room 5136
Sacramento, CA 95814

The Honorable Jeff Miller, Vice Chair
Assembly Environmental Safety & Toxic Materials Committee
State Capitol, Room 3147
Sacramento, CA 95814

The Honorable Bob Blumenfield, Vice Chair
Joint Legislative Budget Committee
State Capitol, Room 6026
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The Honorable Bob Dutton, Vice Chair
Senate Budget & Fiscal Review Committee
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The Honorable Jim Nielsen, Vice Chair
Assembly Budget Committee
State Capitol, Room 6031
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The Honorable Roy Ashburn, Vice Chair
Senate Appropriations Committee
State Capitol, Room 3060
Sacramento, CA 95814
Attn: Doug Yoakam, Minority Director

The Honorable Connie Conway, Vice Chair
Assembly Appropriations Committee
State Capitol, Room 6027
Sacramento, CA 95814

Michael Pro시오, Legislative Affairs Secretary
Office of the Governor
State Capitol, First Floor, E-15
Sacramento, CA 95814

Laura Zuniga, Deputy Secretary, Legislation
State and Consumer Services Agency
915 Capitol Mall, Room 200, C-14
Sacramento, CA 95814

Craig Cornett, Fiscal Consultant
Office of the Senate President pro Tem
State Capitol, Room 412
Sacramento, CA 95814

Chris Woods, Budget Director
Assembly Speaker's Office
State Capitol, Room 219
Sacramento, CA 95814

Seren Taylor, Fiscal Director
Senate Minority Fiscal Office
1020 N Street, Room 234
Sacramento, CA 95814

Pete Schaafsma, Director
Assembly Minority Fiscal Office
State Capitol, Room 6027
Sacramento, CA 95814

Stephen Amos, Chief Deputy Director (electronic copy only)
Department of General Services
707 Third Street, 8th Floor, Z-1
West Sacramento, CA 95605

Scott Harvey, Chief Deputy Director (electronic copy only)
Department of General Services
707 Third Street, 8th Floor, Z-1
West Sacramento, CA 95605

Gary Link, Deputy Director—Legislative Affairs
Department of General Services
707 Third Street, 8th Floor, Z-1
West Sacramento, CA 95605

Mary Ann DeWitt, Budget and Planning Officer
Office of Fiscal Services
Department of General Services
707 Third Street, 9th Floor, Z-1
West Sacramento, CA 95605

California State Library
Information Resources and Government Publications
914 Capitol Mall, E-29
Sacramento, CA 95814

Todd Jerue, Program Budget Manager
Department of Finance
915 L Street, A-15
Sacramento, CA 95814

Karen Finn, Program Budget Manager
Department of Finance
915 I Street, A-15
Sacramento, Ca 95814

Office of legislative Counsel (**HARD COPY OF REPORT**)
Attention: Indexing Division
925 L Street, Suite 1150, B-30
Sacramento, CA 95814

Originating Office

REVISED 8/11/10

Department of General Services
Energy Efficient State Property Revolving Fund
Legislative Report
July 1, 2010

Background

The American Recovery and Reinvestment Act of 2009 (Public Law 111-5) provided funds to the United States Department of Energy to make allocations to its existing State Energy Program (SEP). Accordingly, on June 25, 2009, the California Energy Commission (CEC), in its role as the administrator of the SEP in California, received \$226,093,000 for distribution under SEP 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 code, the Department of General Services (DGS) administers the Loan Fund, which is comprised of \$25,000,000 in SEP funds from the CEC, to finance energy efficient retrofits at State facilities. Participating State agencies will use the savings realized through the retrofit to service their debt to the Loan Fund.

PRC Section 25473 requires the DGS to provide the Legislature with an annual report on the projects that the Loan Fund finances. This report provides information on the progress the DGS is making toward meeting the deadlines established in Public Law 115, which requires that all ARRA-funded work be completed by April 2012, and the interagency agreement between the DGS and the CEC, which calls for the initial \$25,000,000 to be encumbered by September 2010.

Progress

The Loan Fund supports two project pipelines; the first is the Large Building Program, which was originally limited to DGS buildings but is now open to all agencies and departments, and the other is the Small Building Program, which covers buildings smaller than 50,000 square feet in all departments.

Large Building Program

This program will utilize approximately \$16 million from the Loan Fund. To date, the Loan Fund Project Selection Committee has approved and issued loans in the amount of \$4.1 million for projects in the Department of Corrections and Rehabilitation (CDCR) and \$1.5 million for projects in DGS buildings. The committee expects to receive additional loan applications from CDCR and DGS, and potentially from other departments and agencies.

On page 3, Table 1 breaks project costs down into energy efficiency measures and provides anticipated savings for the projects that have already received loans from the Loan Fund. Upcoming loan applications will consist of similar components.

Small Building Program

The Loan Fund has earmarked approximately \$9 million for this program. The DGS has awarded a contract to an energy services company (ESCO) that completed site visits, or preliminary energy audits, at over 80 sites during the months of March and April. After performing engineering studies to identify the best candidates for energy efficiency retrofits, the ESCO will submit to participating departments a scope of work for a performance contract. On page 4, Table 2 provides a complete list of potential project sites by department.

Table 1
Energy Efficient State Property Revolving Loan Fund
Projects as of March 31, 2010

Project/Building	Energy Measure	Annual Savings			Installed Cost	Utility Incentives	ARRA-Funded
		kWh	Therms	Dollars			
Secretary of State	Replace chiller	377,735		33,230	339,700		339,700
	Lighting controls	297,528		26,778	273,516		273,516
	Replace air filters	230,035		19,100	29,593		29,593
	Clean coils	110,697		9,439	29,324		29,324
Bateson	Lighting controls	355,867		32,027	205,431		205,431
	Replace air filters	72,812		6,729	14,731		14,731
	Clean coils	130,590		11,063	14,604		14,604
Jesse Unruh	Lighting controls and variable fan drives	206,180		18,556	224,917		224,917
	Replace air filters	93,155		9,013	21,336		21,336
	Clean coils	75,252		6,026	21,146		21,146
CA Energy Commission	Reschedule air handler	9,100		783	1,900		1,900
	Reschedule hot water pump	700		60	1,650		1,650
	Reschedule fans	3,800		327	1,000		1,000
	Occupancy sensor on hearing room air handler	15,600		1,342	950		950
	Night cooling	34,900		3,001	6,500		6,500
	Occupancy sensor for lighting	85,000		7,310	158,000		158,000
CDCR Tehachapi	Install boilers	430,116	345,322	317,746	1,234,950	448,550	786,400
CDCR Soledad Valley State Prison	Lighting upgrades	441,058		39,695	242,139	105,854	136,285
	Replace water heaters	168,529	95,799	95,543	567,504	136,246	431,258
	Replace condensers	163,014		14,671	169,784	39,123	130,661
CDCR Salinas Correctional Training Facility	Replace boilers		22,983	187,083	628,829	222,983	405,846
	Replace water pumps	186,456		16,781	147,208	44,749	102,459
	Replace steam plant motors	31,317		2,819	43,513	7,516	35,997
	Replace air handler motors	35,243	1,030	4,036	76,454	9,488	66,966
	Upgrade air controls	8,900	38	833	108,964	2,174	106,790
CDCR Corcoran State Prison	Expand energy management system	2,190,874	61,468	247,930	1,097,350	587,278	510,072
	Programmable thermostats	362,889		33,023	111,091	87,093	23,998
	Variable fan drives	83,844	5,438	11,926	255,558	25,561	229,997
	Lighting upgrade	1,982,859		180,440	1,618,158	475,886	1,142,272
TOTAL		8,184,050	532,078	1,337,310	7,645,800	2,192,501	5,453,299

Table 2
Energy Efficient State Property Revolving Fund
Small Building Audits as of April 30, 2010

CA Highway Patrol - 21 Buildings

Central LA Area Office
West LA Area (Culver City) Office
South LA Area (Torrance) Office
Altadena Area Office
Fort Tejon Area Office
El Cajon Area Office
Border Division HQ - San Diego
Insp. Facility - Otay Mesa Office
Coalinga Area Office
Hanford Area Office
Central Division HQ - Fresno
Yuba/Sutter Area Office
Madera Area Office
Insp. Facility Chowchilla Office
Merced Area Office
Modesto Area Office
Redwood City Area Office
Hayward Area Office
Oakland Area Office
San Jose Area Office
Hollister/Gilroy Area Office

Cal Trans - 12 Sites

District 7 - Maint Facility 1 - Altadena
District 7 - Maint Facility 10 - Tarzana
District 7 - Maint Facility 5 - Monrovia
Maint Station - Costa Mesa
Maint Station - Lebec
District 6 - Maint Facility 3 - Fresno
Maint Station - Stockton
Maint Station - Rancho Cordova
District 4 - Maint Facility 15
District 4 - Maint Facility 3
District 4 - Maint Facility 7
Maint Station - So San Jose

Dept of Mental Health - 5 Campuses

Atascadero State Hospital
Metropolitan State Hospital
Napa State Hospital
Patton State Hospital
Coalinga State Hospital

Dept of Motor Vehicles - 22 Buildings

Chula Vista Office Bldg
El Cajon Office Bldg
San Diego Normal
San Diego Clairemont
San Ysidro Field Office
Arleta Office Bldg
Stockton Office Bldg
Merced Office Bldg
Modesto Office Bldg
Turlock Field Office
Sacramento Field Office
Yuba City Office
Hanford Field Office
Visalia Office Bldg
Fresno Office Bldg
Watsonville Office Bldg
Mountain View Office Bldg
Redwood City Office Bldg
San Mateo Office Bldg
Oakland Office Bldg
Oakland Coliseum Bldg
Hollister Office Bldg

Dept of Water Resources - 8 Sites

Vista del Logo Visitor Center
Lost Hills O&M Subcenter
Romero Visitor Center
Coalinga O&M Subcenter
Sac Maint Yard/Bryte Lab
Kelly Ridge Visitor Center
Oroville Field Division HQ
Sutter Maint Yard

Dept of Developmental Services - 3 Campuses

Fairview Developmental Center
Sonoma Developmental Center
Porterville Developmental Center

Cal Fire - 3 Sites

Davis Mobile Equipment & Nursery
Lone Academy
McClellan Air Mobility Unit