



Department of Commerce
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Energy Efficiency Grants for Higher Education and Local Governments

2015 Joint Report per Engrossed Senate Bill 5127

*Chapter 1, Laws of 2012
2012 Second Special Session*

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Report to the Legislature

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Introduction

The 2012 Energy Efficiency Grants for Higher Education and Local Governments program was established by the 2012 Legislature, 2nd Special Session, [ESHB 5127](#), Sections 301 and 307. The budget included two appropriations totaling \$38 million to the Washington State Department of Commerce (Commerce) for energy cost-savings grants.

- Section 301 appropriated \$18 million to local governments.
- Section 307 appropriated \$20 million to higher education.

The program's immediate goal was to stimulate Washington's economy by creating jobs. The long-term goal is to reduce energy costs at the state's public education facilities and local agencies. These grants must be used solely for energy and operational cost-saving improvements.

The legislation directed Commerce to work with the Department of Enterprise Services Energy Program (DES) and the Washington State University Extension – Energy Programs (WSU) to conduct a competitive grant process and to solicit and evaluate applications. After projects were selected, Commerce worked with grantees to execute contracts.

These appropriations are the second and third the Legislature has made to Commerce for energy efficiency programs. The first appropriation was the Jobs Act for K-12 Public Schools and Higher Education Institutions (Jobs Act -2010 Supplemental Capital Budget, ESHB 2836 Section 1016). This is the third legislative report prepared for the 2012 Energy Efficiency Grants for Higher Education and Local Governments program. The legislation directs Commerce to submit reports every year until all funds are fully expended and all savings verification requirements are fulfilled, which will be anywhere from three to 10 years.

Program Results

Executed Contracts and Completed Projects

The 2012 Energy Efficiency Grants for Higher Education and Local Governments program has executed 26 higher education contracts totaling \$16,432,414 and 56 local government contracts totaling \$15,575,165 (See Appendix A). There are two unexecuted contracts: one in higher education and one in local government. Both of these contracts are still unexecuted because of a change in the scope of work. Two higher education grants were declined because of lack of funds. There are 13 projects that have either partially billed Commerce for their grant or not finished the work. The two main reasons for not finishing the work are a change in the scope or a delay in scheduling.

Number of Jobs Funded

The primary purpose of the 2012 Energy Efficiency program was to fund family wage jobs throughout Washington, specifically in the construction industry. As of April 30, 2015, approximately 760 jobs have been funded by these projects. This figure comes directly from the quarterly reports Commerce receives from the grantees. Commerce expects the number of jobs funded to increase as more projects are finished.

Apprenticeships

Public works contracts that meet certain requirements must incorporate apprenticeship training programs under RCW 39.04.320. Projects that are required to incorporate apprenticeship programs must demonstrate that a percentage of total hours of work were performed by apprentices. Not all of the projects funded through the Energy Efficiency program were required to have apprenticeship programs.

However, a significant number of projects that were not required to follow the apprenticeship utilization standards have nonetheless reported hiring apprentices on their quarterly reports, which was an unexpected outcome. To date, a total of 58 apprenticeships have been created by the program. Commerce expects the number of reported apprenticeships to increase as the two unexecuted contracts begin work, and the 13 projects that have only partially billed Commerce continue to submit quarterly reports while work on those projects progresses.

Prevailing Wages

Commerce's Energy Efficiency contracts require all grantee contractors and subcontractors performing work on these projects to comply with the state prevailing wage laws set forth in RCW 39.12. The grantee must maintain records indicating compliance and these records must be made available if requested by Commerce.

Leverage

Commerce's goal was to have the grant funds constitute 25 percent or less of the total project cost (leverage ratio of 3:1). The leverage ratio for higher education was 1.56:1, for local governments it was 3.79:1, and for small cities and towns the ratio was 1.24:1. The overall ratio for all projects was 2.26:1.

Program Administration and Expenses

During this reporting period (July 1, 2014 to June 30, 2015), Commerce staff continued to pay invoices, gather quarterly jobs data, and review measurement and verification plans. Administrative expenses for this period were for Commerce staff. The Commerce model for administering capital programs assumes that no general funds will be used for administrative expenses. Commerce used 3 percent (\$1,140,000) of the original appropriation for ongoing program administrative expenses. Commerce estimates \$104,418 from Section 301 and \$125,779 from Section 307 will be expended by June 30, 2015.

After 2012 Energy Efficiency grantees have drawn down all contract funds, Commerce will use the remaining administrative fund to continue project monitoring, including the mandatory measurement and verification process for some projects, for up to 10 years to ensure that energy savings pay for the project.

Department of Enterprise Services (DES)

The DES Energy Program partnered with Commerce to implement the 2012 Energy Efficiency Grants for Higher Education and Local Governments program. During this reporting period, DES provided Commerce with on-going technical services that covered reviewing energy service proposals, contractor bids and invoices, and measurement and verification plans and reports.

Measurement and Verification of Energy Savings

Commerce has received a few measurement and verification reports. The reports are due approximately one year after the energy efficiency measures have been installed. These reports show the grantee how well their facility is saving energy and what needs to be done to correct any problem areas. The next (2016) legislative report will contain more measurement and verification data.

Appendix A: Final Contract Grant Awards and Expenditures

As of May 14, 2015

Higher Education	Grant Amount	Amount Paid
Bates Technical College	\$128,037	Declined Grant
Bellevue College	\$815,000	\$815,000
Bellevue College	\$1,185,000	\$1,185,000
Bellingham Technical College	\$153,241	\$153,241
Big Bend Community College	\$472,032	\$472,032
Cascadia Community College	\$142,386	\$142,386
Central Washington University	\$1,200,000	\$1,200,000
Columbia Basin College	\$1,762,301	\$1,762,301
Community Colleges of Spokane	\$141,378	\$141,378
Community Colleges of Spokane	\$80,000	\$80,000
Clover Park Technical College	\$180,000	\$180,000
Edmonds Community College	\$1,971,537	\$1,613,091
Green River Community College	\$453,000	\$453,000
Highline Community College	\$452,699	\$452,699
Highline Community College	\$196,877	\$196,877
Olympic College	\$1,025,000	\$1,025,000
Peninsula College - Forks	\$1,307,114	\$1,307,114
Peninsula College - Fort Warden	\$692,374	\$0
Pierce College	\$825,000	\$825,000
Shoreline Community College	\$349,643	\$349,643
South Puget Sound Community College	\$600,000	\$0
The Evergreen State College	\$664,100	Declined Grant
University of Washington - Friday Harbor Laboratories	\$533,147	\$533,147
University of Washington - Main	\$978,555	\$978,555
University of Washington - Medical Center	\$496,769	\$496,769
Washington State University	\$1,445,627	\$1,396,379
Wenatchee Valley College	\$258,881	\$258,881
Yakima Valley Community College	\$503,000	\$414,921
Higher Education Totals	\$19,012,698	\$16,432,414

Local Government	Grant Amount	Amount Paid
City of Bellevue	\$410,000	\$410,000
City of Bremerton	\$500,000	\$500,000
City of Camas	\$110,711	\$110,711
City of Centralia	\$423,508	\$423,508
City of Edmonds	\$187,566	\$187,566
City of Everett	\$262,206	\$232,220
City of Everett	\$191,949	\$179,357
City of Kirkland	\$208,000	\$0
City of Lacey	\$108,000	\$25,002
City of Longview	\$500,000	\$500,000
City of Mountlake Terrace	\$79,500	\$79,500
City of Olympia	\$500,000	\$500,000
City of Port Townsend	\$500,000	\$500,000
City of Renton	\$500,000	\$500,000
City of SeaTac	\$100,562	\$100,562
City of Seattle	\$500,000	\$500,000
City of Shelton	\$106,415	\$106,415
City of Tacoma	\$273,000	\$273,000
Des Moines Pool Metropolitan Park Dist.	\$83,675	\$83,675
Ferry County Memorial Hospital	\$500,000	\$500,000
Grant County Public Hospital District #1	\$200,000	\$200,000
Grant County Public Hospital District #1	\$214,535	\$214,535
Grays Harbor County	\$170,000	\$170,000
Harborview Medical Center	\$500,000	\$500,000
Island County	\$367,000	\$0
Island Hospital	\$164,850	\$107,393
Kitsap County	\$33,634	\$33,634
Kittitas County	\$330,384	\$330,384
Lakehaven Utility District	\$368,411	\$368,411
Lincoln County	\$5,809	\$5,809
LOTT Clean Water Alliance	\$352,120	\$0
Mason County	\$499,500	\$499,500
Model Irrigation District 18	\$40,500	\$40,500
Okanogan County	\$500,000	\$500,000
Port of Bellingham	\$328,405	\$328,405
Port of Longview	\$45,744	\$45,744
Port of Seattle	\$384,450	\$384,450
Port of Tacoma	\$128,445	\$128,445

Local Government	Grant Amount	Amount Paid
Skagit County	\$103,419	\$103,419
Snohomish County	\$462,000	\$462,000
Sound Transit	\$400,000	\$400,000
Spokane County	\$500,000	\$500,000
Spokane Regional Health District	\$500,000	\$500,000
Thurston County	\$178,544	\$178,544
Thurston County	\$189,125	\$189,125
Tukwila Metropolitan Park District	\$416,666	\$416,666
Valley Medical Center	\$500,000	\$500,000
Walla Walla County	\$281,388	\$281,388
Whitman Hospital and Medical Center	\$500,000	\$250,000
William Shore Pool District	\$415,000	\$415,000
Local Government Totals	\$15,125,021	\$13,764,868

Small Cities and Towns	Grant Amount	Amount Paid
City of Blaine	\$500,000	\$500,000
City of Buckley	\$325,000	\$316,923
City of Mabton	\$68,229	\$0
City of Royal City	\$244,812	\$244,812
City of Pateros	\$500,000	\$500,000
City of Tenino	\$300,000	\$248,562
Small Cities and Towns Totals	\$1,938,041	\$1,810,297
Local Government Totals (Including Small Cities and Towns)	\$17,063,062	\$15,575,165