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March 6, 2015


The Honorable Mark Leno  
Chair, Joint Legislative Budget Committee  
1020 N Street, Room 553  
Sacramento, California 95814

Dear Senator Leno:

Pursuant to Sections 92493 through 92496 of the Education Code (SB 860, Chapter 34, Statutes of 2014), enclosed is the University of California's *Report on the Annual Progress of the Statewide Energy Partnership (SEP) Program*.

If you have any questions regarding this report, Associate Vice President Debora Obley would be pleased to speak with you. She can be reached by telephone at (510) 987-9112, or by email at [Debora.Obley@ucop.edu](mailto:Debora.Obley@ucop.edu).

Yours very truly,

  
Janet Napolitano  
President

Enclosure

cc: Senate Budget and Fiscal Review  
The Honorable Marty Block, Chair  
Senate Budget and Fiscal Review Subcommittee #1  
(Attn: Ms. Anita Lee)  
(Attn: Ms. Cheryl Black)  
Assemblymember Kevin McCarty, Chair  
Assembly Budget Subcommittee #2  
(Attn: Mr. Mark Martin)  
(Attn: Ms. Amy Rutschow)  
Ms. Peggy Collins, Joint Legislative Budget Committee  
Ms. Amy Leach, Office of the Chief Clerk of the Assembly  
Mr. Jim Lasky, Legislative Counsel Bureau  
Mr. E. Dotson Wilson, Chief Clerk of the Assembly  
Mr. Danny Alvarez, Secretary of the Senate  
Greg Rogers, Department of Finance

Karen Finn, Department of Finance  
Jeff Bell, Department of Finance  
Sally Lukkenberg, Department of Finance  
Raghda Nassar, Department of Finance  
Christian Osmena, Department of Finance  
Jillian Kissee, Department of Finance  
Ms. Tina McGee, Legislative Analyst's Office  
Mr. Mac Taylor, Legislative Analyst's Office  
Paul Golaszewski, Legislative Analyst's Office  
Executive Vice President & Chief Financial Officer Nathan Brostrom  
Executive Vice President & Chief Operating Officer Rachael Nava  
Senior Vice President Nelson Peacock  
Associate Vice President and Director Steve Juarez  
Associate Vice President Debora Obley  
Associate Vice President Sandra Kim  
Associate Vice President Deborah Wylie  
Executive Director Jenny Kao  
Manager Bruce Kennedy  
Deputy Marsha Sato  
Executive Director George Getgen  
Director Dana Santa Cruz

**Report on the Annual Progress of the  
Statewide Energy Partnership (SEP) Program**

Legislative Report

March 2015



UNIVERSITY *of* CALIFORNIA

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## UNIVERSITY OF CALIFORNIA

### Report on the Annual Progress of the Statewide Energy Partnership (SEP) Program

This report is submitted by the University of California in response to language contained in Sections 92493 through 92496 of the Education Code (SB 860, Chapter 34, Statutes of 2014), which state in part:

Section 92493(a) (1) The University of California may pledge, along with its other revenues, its annual General Fund support appropriation less the amount of that appropriation that is required to fund general obligation bond payments and the State Public Works Board rental payments, to secure the payment of any of the university's general revenue bonds or commercial paper associated with the general revenue bond program.

(2) To the extent the university pledges any part of its support appropriation as a source of revenue securing any obligation, it shall provide that this commitment of revenue is subject to annual appropriation by the Legislature.

(3) The university may fund debt service for capital expenditures defined in subdivision (b) from its General Fund support appropriation pursuant to Sections 92495 and 92495.5.

(4) The state hereby covenants with the holders of the university's obligations secured by the pledge of the university permitted by this section that, so long as any of the obligations referred to in this subdivision remain outstanding, the state will not impair or restrict the ability of the university to pledge any support appropriation or support appropriations that may be enacted for the university. The university may include this covenant of the state in the agreements or other documents underlying the university's obligations to this effect.

(b) For purposes of this section, "capital expenditures" means any of the following:

(1) The costs to design, construct, or equip academic facilities to address seismic and life safety needs, enrollment growth, or modernization of out of date facilities, and renewal or expansion of infrastructure to serve academic programs.

(2) The debt service amount associated with refunding, defeasing, or retiring State Public Works Board lease revenue bonds.

(3) The costs to design, construct, or equip energy conservation projects.

(c) Nothing in this section shall require the Legislature to make an appropriation from the General Fund in any specific amount to support the University of California.

(d) The ability to utilize its support appropriation as stated in this section shall not be used as a justification for future increases in student tuition, additional employee layoffs, or reductions in employee compensation at the University of California.

Section 92495(3) The Department of Finance shall review the report and submit a list of preliminarily approved capital expenditures and capital outlay projects to the Joint Legislative Budget Committee by February 1. The Department of Finance shall submit a final list of approved capital expenditures and capital outlay projects to the University of California no earlier than April 1, three months before the commencement of the fiscal year of the planned expenditures.

Sections 92493 through 92496 permit the University of California to expend state operations funding for capital expenditures and debt service payment for projects associated with the university's Statewide Energy Partnership (SEP) Program following legislative notification. This provision permits the University of California to update the list of approved energy efficiency projects as new projects are identified for inclusion in the program, and requires the University of California to submit a progress report, which shows completed energy projects.

The following list (on page 3) identifies energy efficiency projects in State-supported facilities that have been completed in the Partnership Program since the previous reporting period. Energy savings for the projects on this list total \$2.2 million per year with Utility incentives of \$4.3 million. This list brings total reported Statewide Energy Partnership (SEP) Program energy savings in state-supported facilities to \$14.6 million per year and Investor Owned Utility incentives to \$27.6 million. The Statewide Energy Partnership Program has been extended for an additional year.

**University of California**  
**List of Completed Projects in State-Supported Facilities**  
**Included in the 2013-14 Statewide Energy Partnership Program**

SEP ID	Campus	Proposed List		Final Project	Anticipated Funding	Final	Total Cost
		Name	Project Name	Cost	Source	Incentive	Savings
A3011	Berkeley	HEARST2195 (SRB1)	Retrofit - Earl Warren Hall(Hearst) Lighting	\$ 66,137	State Operating Funds	\$ 26,863	\$ 11,193
A3036	Berkeley	LAW	MBCx - Boalt and Simon Halls (Law School)	\$ 122,263	State Operating Funds	\$ 7,117	\$ 2,965
A3055	Berkeley	GARDNERSTACK	Retrofit - Gardner Stacks Lighting	\$ 170,805	State Operating Funds	\$ 37,428	\$ 15,595
A3061	Berkeley	DOE LIBRARY	Retrofit - Doe Library Lighting	\$ 183,212	State Operating Funds	\$ 34,318	\$ 14,299
A3067	Berkeley	DAVIS	Retrofit - Davis Hall Lighting	\$ 151,801	State Operating Funds	\$ 36,490	\$ 15,204
A3101	Berkeley	UCB ART MUSE	MBCx - Art Museum	\$ 174,286	State Operating Funds	\$ 12,858	\$ 10,286
A3117	Berkeley	LATIMER	Retrofit - Latimer & Wurster Shop Lighting	\$ 39,912	State Operating Funds	\$ 4,473	\$ 1,864
A3235	Berkeley	SUTARDJA DAI	MBCx - Sutardja Dai Hall	\$ 188,897	State Operating Funds	\$ 31,920	\$ 13,300
A3240	Berkeley	ZELLERBACH	Retrofit - Zellerbach Hall Lighting Phase 3	\$ 72,724	State Operating Funds	\$ 12,925	\$ 5,385
A7011	Berkeley	CAMPUSWIDE	Retrofit - Steam Trap Replacement Phase 2	\$ 78,061	State Operating Funds	\$ 34,260	\$ 27,408
A7012	Berkeley	CARLETO2000	Retrofit - 2000 Carleton Lighting	\$ 103,279	State Operating Funds	\$ 22,495	\$ 9,373
A7013	Berkeley	HAZ MAT FAC	Retrofit - Haz Mat Building Lighting	\$ 35,446	State Operating Funds	\$ 8,564	\$ 3,568
A7014	Berkeley	CAMPUSWIDE	Retrofit - O'Brien, Hesse, and McLaughlin Lighting	\$ 166,487	State Operating Funds	\$ 45,639	\$ 19,016
C1001	Davis	OLSON	Retrofit - Olson Mechanical Upgrade HVAC	\$ 310,682	State Operating Funds	\$ 55,172	\$ 23,895
C3623	Davis	KING	Retrofit - King Hall CAV to VAV	\$ 518,000	State Operating Funds	\$ 205,507	\$ 89,970
C3696	Davis	VMEYER	Retrofit - Veihmeyer Mechanical	\$ 1,052,643	State Operating Funds	\$ 61,104	\$ 37,179
C3706	Davis	PRITCHARD	Retrofit - Pritchard HVAC	\$ 134,130	State Operating Funds	\$ 11,058	\$ 4,608
C7023	Davis	LIB	Retrofit - Shields Pumping Optimization	\$ 65,276	State Operating Funds	\$ 3,997	\$ 1,665
C7024	Davis	ACADMC SURGE	Retrofit - Academic Surge Data Center HVAC	\$ 44,816	State Operating Funds	\$ 35,853	\$ 21,586
C7027	Davis	ENV SRV HQTR	MBCx - ESF	\$ 332,968	State Operating Funds	\$ 68,026	\$ 28,344
I3020	Irvine	MCGAUGH HALL	Retrofit - McGaugh Hall Smart Lab - CDCV - Phase 2	\$ 876,748	State Operating Funds	\$ 263,266	\$ 90,227
I3339	Irvine	ENG GATEWAY	Retrofit - Engineering Gateway CV to VAV and CDCV	\$ 2,388,341	State Operating Funds	\$ 431,409	\$ 153,642
I3352	Irvine	NAT SCI 1	Retrofit - Nat Sci 1 HVAC Upgrade CDCV - Ph 2	\$ 269,048	State Operating Funds	\$ 186,698	\$ 58,078
I3357	Irvine	REINES HALL	Retrofit - Reines Hall CDCV Phase II	\$ 548,181	State Operating Funds	\$ 35,569	\$ 17,841
I6052	Irvine	CAMPUSWIDE	Retrofit - Campuswide High Bay Fixtures Phase 1	\$ 221,583	State Operating Funds	\$ 69,548	\$ 28,978
I6053	Irvine	CAMPUSWIDE	Retrofit - Campuswide Exterior Lighting Phase 1	\$ 167,304	State Operating Funds	\$ 39,515	\$ 16,465

16057	Irvine	CAMPUSWIDE	Retrofit - Mechanical Pipe Insulation Upgrade	\$ 85,034	State Operating Funds	\$ 40,996	\$ 32,797
16065	Irvine	CAMPUSWIDE	Retrofit - Interior Lighting	\$ 871,554	State Operating Funds	\$ 360,579	\$ 150,241
17029	Irvine	CAMPUSWIDE	Retrofit - Data Server Consolidation	\$ 514,972	State Operating Funds	\$ 4,000	\$ 251,652
F3025	San Diego	WAR LEC HALL	MBCx - Warren Lecture Hall	\$ 493,491	State Operating Funds	\$ 59,582	\$ 24,419
F3043	San Diego	MAYER HALL	MBCx - Mayer Hall	\$ -	State Operating Funds	\$ 332,980	\$ 195,019
F3075	San Diego	GEISEL LIB	MBCx - Giesel Library	\$ 563,971	State Operating Funds	\$ 221,807	\$ 137,154
F3077	San Diego	AP M BLDG	MBCx - AP&M	\$ 432,962	State Operating Funds	\$ 143,571	\$ 66,141
F3082	San Diego	MCGILL/MANDLER BLDG	MBCx - McGill/Mandler	\$ 816,332	State Operating Funds	\$ 175,335	\$ 81,518
F3084	San Diego	H SS BLDG	MBCx - HSS Bldg	\$ 431,305	State Operating Funds	\$ 61,367	\$ 33,302
F3531	San Diego	POWELL FOCHT	MBCx - EBU 3A	\$ 201,546	State Operating Funds	.	\$ 5,099
F3547	San Diego	HUBBS HALL	Retrofit - Hubbs-SIO Lib Chiller Connect	\$ 76,289	State Operating Funds	\$ 44,698	\$ 18,624
B3595	San Francisco	ROCK HALL	Retrofit - Rock Hall HVAC Improvements	\$ 358,400	State Operating Funds	\$ 242,658	\$ 107,800
B3600	San Francisco	Campus wide	Retrofit - Campuswide T8 & LED Lighting	\$ 117,241	State Operating Funds	\$ 11,920	\$ 4,967
B7015	San Francisco	CAMPUSWIDE	Retrofit - Campuswide Lighting	\$ 146,732	State Operating Funds	\$ 23,385	\$ 9,744
B7016	San Francisco	CAMPUSWIDE	Retrofit - Campuswide Bi-Level Corridor Lighting	\$ 120,925	State Operating Funds	\$ 2,863	\$ 1,193
B7023	San Francisco	CAMPUSWIDE	Retrofit - Campuswide Bi-Level Lighting Controls Phase 2	\$ 180,448	State Operating Funds	\$ 25,861	\$ 10,775
H3065	Santa Barbara	ELLISON HALL	MBCx - Ellison Hall (Electric)	\$ 91,181	State Operating Funds	\$ 64,076	\$ 26,699
H3066	Santa Barbara	ENV HLTH& SA	MBCx - Environmental Health & Safety (Electric)	\$ 210,154	State Operating Funds	\$ 14,107	\$ 5,878
H3133	Santa Barbara	SOUTH HALL	Retrofit - South Hall Lighting Replacement	\$ 316,400	State Operating Funds	\$ 46,930	\$ 19,554
H4022	Santa Barbara	LIFESCI	MBCx - Life Science (Gas)	\$ 176,000	State Operating Funds	\$ 14,620	\$ 11,696
H4031	Santa Barbara	CAMPUSWIDE	MBCx - Central Plant Chilled Loop	\$ 669,651	State Operating Funds	\$ 511,352	\$ 213,063
H4034	Santa Barbara	DAVIDSON LIB	MBCx - Davidson Library #4 (Electric)	\$ 147,440	State Operating Funds	\$ 44,803	\$ 18,668
H4035	Santa Barbara	CAMPUSWIDE	Retrofit - LED Roadway Lights	\$ 120,670	State Operating Funds	\$ 30,829	\$ 12,846
G7010	Santa Cruz	ENGINEER BLD	Retrofit - Engineering 2 Lighting	\$ 110,307	State Operating Funds	\$ 26,139	\$ 10,891
G7014	Santa Cruz	PHYS SCI BLD	Retrofit - PSB Lighting	\$ 373,055	State Operating Funds	\$ 48,162	\$ 20,068
<b>TOTAL</b>				<b>\$ 16,109,086</b>	<b>State Operating Funds</b>	<b>\$ 4,334,692</b>	<b>\$ 2,191,742</b>

University of California  
 Budget Analysis and Planning  
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 Report website: <http://www.ucop.edu/operating-budget/budgets-and-reports/legislative-reports/index.html>