

CLIENT NEWS BRIEF

California Energy Commission Sets Eligibility Deadline for Proposition 39 Funds

Local educational agencies (LEAs) must act soon to be eligible for funding under the Proposition 39 program. The California Energy Commission (CEC) stated earlier this month that energy expenditure plans (EEPs) will not be accepted after **August 1, 2017**. That leaves less than one year for LEAs to complete their EEPs.

The California Clean Energy Jobs Act, enacted by voter initiative (Prop 39) in 2012, provides funds to all LEAs in California for a variety of energy efficiency and conservation projects. In order to be eligible for funding, LEAs must submit an EEP to the CEC and receive approval. The EEP must include detailed information regarding proposed energy efficiency measures including energy savings, energy cost savings, measure costs, rebates, and other non-repayable funds to demonstrate a qualified savings-to-investment ratio. (For more information about the Prop 39 program and recent changes to the applicable guidelines, [see 2016 Client News Brief No. 40](#).)

Until recently, the only significant deadline of concern to LEAs was June 30, 2018, which is the last day to “encumber” funds under the Prop 39 program. An encumbrance is defined by the California Department of Education as a “commitment in the form of a purchase order or offer to buy goods or services.” That means that LEAs have until June 30, 2018, to enter into an agreement to buy goods or services with Prop 39 funds. However, the CEC has now created the August 1, 2017 deadline with the intent of allowing sufficient time for “the planning process to receive allocation amounts, identify project energy measures and specifics, EEP development, submittal and approval, funding disbursement, and conclude with encumbering funds by the June 30, 2018, deadline.” This new eligibility deadline substantially shortens the window of opportunity to qualify for Prop 39 funding.

As this new deadline is likely to create a rush to complete EEPs, LEAs that have not already done so should begin the process now. If you have any questions regarding the Prop 39 program or energy efficiency and conservation projects, please contact the authors of this Client News Brief or an attorney at one of our [nine offices](#) located statewide. You can also visit our [website](#), follow us on [Facebook](#) or [Twitter](#) or download our [Client News Brief App](#).

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