

CLEAN AIR

Allies

April 14, 2025

The Honorable Cottie Petrie-Norris
Chair, Assembly Utilities and Energy Committee
1020 N Street, Room 408A
Sacramento, CA 95814

Re: AB 832 (Muratsuchi): School Energy Efficiency Stimulus Program - SUPPORT

Dear Chair Petrie-Norris,

[Clean Air Allies](#) is a nonprofit organization dedicated to improving indoor air quality (IAQ) in PK-12 schools as a matter of educational, environmental, and health import. Through our California Alliance for Clean Air in Schools initiative, we represent the concerns of California parent and community stakeholders, many of whom also are utility ratepayers.

We write in support of [AB 832](#), which proposes to extend by 4 years the operation of the School Energy Efficiency Stimulus Program, popularly known as the California Schools Healthy Air, Plumbing, and Efficiency Program ([CalSHAPE](#)), and to allow for greater flexibility in how remaining, unencumbered program funds are spent. We understand based on records obtained from the California Energy Commission (CEC), which administers CalSHAPE, that [remaining, unencumbered funds total ~\\$190 million](#). We believe that these funds would be best spent on improving school efficiency, safety, and resilience against learning loss via CalSHAPE rather than on [token ratepayer credits](#) that [don't address the underlying causes of unaffordability](#) or on [ineffective investor owned utility \(IOU\)-run programs](#). This is especially true given the financial stress that California schools and their communities face in a landscape of state budgetary pressures and unprecedented federal funding uncertainty.

CalSHAPE's vital work to improve school efficiency, safety, and resilience against learning loss remains substantially unfinished. And if remaining CalSHAPE funds return to the IOUs, no other funds exist to offset their loss and advance this work. We urge you to vote "yes" on AB 832.

1. CalSHAPE's Vital Work Remains Substantially Unfinished.

CalSHAPE's creation came on the heels of CEC-funded research by UC Davis and Lawrence Berkeley Lab that showed that due to poor-functioning HVAC [schools in our State struggle to meet even code-required minimum ventilation rates and also waste significant energy](#). As stated in [AB 841](#) (Ting, Chapter 372, Statutes of 2020), among the program's primary goals were to "reduce energy use in schools" and to "protect the health, safety, and ability to learn for California's school children and the health of California's teachers." This vital work remains substantially unfinished.

Notably, the [CalSHAPE Ventilation Program encompasses two phases of grants](#). [Phase 1](#) Assessment and Maintenance (A&M) Grants fund assessment of HVAC systems, identification of IAQ and energy efficiency problems, and straightforward maintenance and repairs. They also pay for carbon dioxide (CO₂) monitors and MERV-13 filters. [Phase 2](#) Upgrade and Repair (U&R) Grants are for remediation of serious HVAC issues identified in Phase 1. All work must be done by qualified, certified, skilled, and trained workers to ensure high quality and promote jobs and workforce development in California communities.

Schools only become eligible to apply for Phase 2 after completing Phase 1 work and having the resulting assessment reports approved by the CEC, which has proved to be a lengthy process. Assuming eligibility, schools in underserved communities were first allowed to apply for Phase 2 on [September 19, 2023](#), and schools outside of underserved communities only on [March 19, 2024](#), just months before the [CEC abruptly closed applications on July 1, 2024](#).

This means that many schools are now in an unfortunate position: During Phase 1, they identified significant deficiencies in their HVAC systems that may compromise efficiency, safety, and resilience, but they have not yet had the opportunity to apply for a Phase 2 grant to fix these deficiencies.

Thus, CalSHAPE's goal of increasing energy efficiency remains unfinished. Nor can victory be declared on improving school safety and resilience against learning loss simply because the emergency phase of the Covid pandemic ended with school HVAC work still incomplete.

Legislative history for AB 841 makes clear that it was understood from the start that HVAC "upgrades may not be completed until after the pandemic concludes." ([Sen. EU&C Comm., Bill Analysis, AB 841, as amended 7/27/20.](#)) Both the [California Department of Public Health](#) (CDPH) and the [U.S. Centers for Disease Control and Prevention](#) (CDC) continue to recommend that schools improve IAQ to prevent student and teacher illness, absenteeism, and learning loss due to a variety of infectious diseases and other hazards. Further, the past year's events have vividly demonstrated how increasing risks from [extreme heat](#) and [poor air quality from fires](#) also threaten school occupant safety and render schools vulnerable to closures.

CalSHAPE's remaining ~\$190 million should be used to advance progress toward as many California schools as possible having the well-functioning HVAC they need to save energy, safeguard occupants, and limit learning loss due to illness, extreme heat, and poor air quality.

2. Substitute Funding Is Not Readily Available.

Those who favor returning remaining, unencumbered CalSHAPE funds to the IOUs may argue that substitute funding for school HVAC is readily available. Not so.

[Proposition 2](#) set aside \$4 billion in modernization funds as part of \$8.5 billion total authorized for TK-12 schools. However, due to high demand and a [backlog of approved projects from the prior bond](#), only months after Proposition 2's passage, [modernization funds already have run out](#). Schools simply seeking to improve HVAC aren't eligible for the \$3.3 billion in new construction funds, which also are [under pressure as a result of recent wildfire devastation](#).

[Greatly disparate local bonding capacity](#) means that the schools that most need the HVAC work that CalSHAPE funds may be unable to replace those grant monies with local bond monies.

Major federal pandemic relief, notably Elementary and Secondary School Emergency Relief (ESSER) funding, [now has expired](#). The Inflation Reduction Act (IRA) offers tax credits, not grants, to schools, and [its future is uncertain](#). Unlike CalSHAPE, it doesn't pay for HVAC assessments, maintenance, or repairs, and only covers ground source heat pumps, not the air source ones most often used in California schools. Generally, unprecedented uncertainty exists around all federal funding.

Now more than ever, schools and their communities need CalSHAPE to advance the vital work of improving school efficiency, safety, and resilience against learning loss.

Please vote “yes” on AB 832. For any questions, contact junelle@cleanairallies.org.

Very truly yours,

JuNelle Harris
Co-Founder
Clean Air Allies

attachments:

- Estimated per Ratepayer Credit Amounts if CalSHAPE Remaining Funds Were Returned to Contributing IOUs (Table)
- Legislative History Excerpts for AB 841 (Ting, Chapter 372, Statutes of 2020) Showing School Energy Efficiency Stimulus Program Goals Not Limited to Pandemic Reopening

Estimated per Ratepayer Credit Amounts if CalSHAPE Remaining Funds Were Returned to Contributing IOUs

| IOU | CalSHAPE Remaining Funds [1] | # of Ratepayers [2] | Estimated per Ratepayer Credit |
|----------------------------------|------------------------------|---------------------|--------------------------------|
| PG&E Electric | \$20,518,031.54 | 5,500,000 | \$3.73 |
| PG&E Gas | \$2,043,436.87 | 4,500,000 | \$0.45 |
| SCE | \$69,207,590.66 | 5,000,000 | \$13.84 |
| SDG&E Electric | \$93,910,856.82 | 1,490,000 | \$63.03 |
| SDG&E Gas | \$5,845,959.80 | 905,000 | \$6.46 |
| SCG | \$72,605.47 | 5,900,000 | \$0.01 |
| Across All IOUs | \$191,598,481.16 | 23,295,000 | \$8.22 |
| Across Electric IOUs Only | \$183,636,479.02 | 11,990,000 | \$15.32 |
| Across Gas IOUs Only | \$7,962,002.14 | 11,305,000 | \$0.70 |

Note: The “Across All IOUs,” “Across Electric IOUs Only,” and “Across Gas IOUs Only” estimated per ratepayer credits are included only to give a sense of average statewide impact. In practice, funds contributed to CalSHAPE by one IOU cannot be returned to a different IOU.

[1] Source for “CalSHAPE Remaining Funds” figures: [California Energy Commission \(CEC\) Responses to Clean Air Allies’ Public Records Act \(PRA\) Request, Dec.18 and 20, 2024.](#)

[2] Sources for “# of Ratepayers” figures:

PG&E: <https://www.pge.com/en/about/company-information/company-profile.html>

SCE: <https://www.edisoncareers.com/about-sce/>

SDG&E: <https://www.sdge.com/more-information/our-company/about-us>

SCG: <https://www.socalgas.com/about-us>

Please notify JuNelle Harris, junelle@cleanairallies.org, of any errors.

Legislative History Excerpts for AB 841 (Ting, Chapter 372, Statutes of 2020) Showing School Energy Efficiency Stimulus Program Goals Not Limited to Pandemic Reopening

1. [AB 841 Energy: transportation electrification: energy efficiency programs: School Energy Efficiency Stimulus Program \(2019-2020 Regular Session\), as enrolled 9/4/20](#)

SEC. 5: [Adding Public Utilities Code sec. 1600](f) **The School Energy Efficiency Stimulus Program is an urgent energy efficiency measure. This program will reduce energy use in schools that otherwise would result from repairs and upgrades to school ventilation systems that are necessary to meet current classroom ventilation requirements** and applicable COVID-19 school reopening guidance. This program will also replace old, out-of-date fixtures and hot-water appliances that waste significant amounts of water and energy compared to the standards required for current fixtures and appliances. All ratepayers will benefit from the reduction in system load resulting from this program. (Emphasis added.)

2. **Author's Statement, quoted in Bill Analyses in 3, 4, 5, and 6, below:**

Public schools throughout California contain outdated, inefficient HVAC systems and plumbing fixtures that waste energy and water. Poorly functioning HVAC systems also impair student performance and increase the risk of COVID-19 transmission. The bill creates two new energy efficiency programs that address these issues by improving energy efficiency and lowering energy and water bills. These programs will temporarily redirect unspent and unallocated investor owned utility energy efficiency funds for schools to repair and replace inefficient HVAC systems and water fixtures as well as replace water fixtures. (Emphasis added.)

3. [8/1/20 Senate Committee on Energy, Utilities, and Communications Bill Analysis, AB 841, as amended 7/27/20](#)

Page 11: **Additionally, upgrades may not be completed until after the pandemic concludes** and many schools have facilities that cannot accommodate the upgrades necessary to install more advanced filters without significant new construction. **While the grant program established by this bill may not facilitate school reopening during the pandemic, upgraded HVAC systems can provide other health-related non-energy benefits by improving air quality within the school.** (Emphasis added.)

4. [8/25/20 Senate Rules Committee, Office of Senate Floor Analyses, 3d Reading Bill Analysis, AB 841, as amended 8/20/20](#)

Page 7: **Additionally, upgrades may not be completed until after the pandemic concludes** and many schools have facilities that cannot accommodate the upgrades necessary to install more advanced filters without significant new construction. **While the grant program established by this bill may not facilitate school reopening during the pandemic, upgraded HVAC systems can provide other health-related non-energy benefits by improving air quality within the school.** (Emphasis added.)

5. [8/28/20 Senate Rules Committee, Office of Senate Floor Analyses, 3d Reading Bill Analysis, AB 841, as amended 8/25/20](#)

Page 7: **Additionally, upgrades may not be completed until after the pandemic concludes** and many schools have facilities that cannot accommodate the upgrades necessary to install more advanced filters without significant new construction. **While the grant program established by this bill may not facilitate school reopening during the pandemic, upgraded HVAC systems can provide other health-related non-energy benefits by improving air quality within the school.** (Emphasis added.)

6. [8/30/20 Senate Rules Committee, Office of Senate Floor Analyses, 3d Reading Bill Analysis, AB 841, as amended 8/28/20](#)

Pages 7-8: **Additionally, upgrades may not be completed until after the pandemic concludes** and many schools have facilities that cannot accommodate the upgrades necessary to install more advanced filters without significant new construction. **While the grant program established by this bill may not facilitate school reopening during the pandemic, upgraded HVAC systems can provide other health-related non-energy benefits by improving air quality within the school.** (Emphasis added.)

7. [8/31/20 Assembly Floor Bill Analysis, AB 841, as amended 8/28/20](#)

Pages 4-5: **Additionally, upgrades may not be completed until after the pandemic concludes** and many schools have facilities that cannot accommodate the upgrades necessary to install more advanced filters without significant new construction. **While the grant program established by this bill may not facilitate school reopening during the pandemic, upgraded HVAC systems can provide other health-related non-energy benefits by improving air quality within the school.** (Emphasis added.)