January 18, 2019

Director Keely Bosler  
Department of Finance  
915 L Street  
Sacramento, California 95814

The Honorable Holly J. Mitchell  
Chair, Joint Legislative Budget Committee  
1020 N Street, Room 553  
Sacramento, California 95814

Dear Director Cohen and Senator Mitchell:

Pursuant to Sections 92493 through 92496 of the Education Code (SB 85, Chapter 23, Statutes of 2017), enclosed is the University of California's report to the Legislature on the Annual Progress of the Statewide Energy Partnership (SEP) Program.

If you have any questions regarding this report, Associate Vice President David Alcocer would be pleased to speak with you. David can be reached by telephone at (510) 987-9113, or by email at David.Alcocer@ucop.edu.

Yours very truly,

Janet Napolitano  
President

Enclosure

cc: Senate Budget and Fiscal Review  
The Honorable Richard D. Roth, Chair  
Senate Budget and Fiscal Review Subcommittee #1  
(Attn: Ms. Anita Lee)  
(Attn: Ms. Cheryl Black)  
The Honorable Kevin McCarty, Chair  
Assembly Budget Subcommittee #2  
(Attn: Mr. Mark Martin)  
(Attn: Mrs. Katie Sperla)  
Ms. Jennifer Troia, Joint Legislative Budget Committee  
Ms. Erika Contreras, Secretary of the Senate
Ms. Tina McGee, Legislative Analyst’s Office
Ms. Amy Leach, Office of the Chief Clerk of the Assembly
Mr. E. Dotson Wilson, Chief Clerk of the Assembly
Mrs. Keely Bosler, Department of Finance
Mr. Jeff Bell, Department of Finance
Mr. Chris Ferguson, Department of Finance
Mr. Jack Zwald, Department of Finance
Ms. Tina McGee, Legislative Analyst’s Office
Ms. Carolyn Chu, Legislative Analyst’s Office
Mr. Jason Constantouros, Legislative Analyst’s Office
Executive Vice President and Chief Financial Officer Nathan Brostrom
Executive Vice President and Chief Operating Officer Rachael Nava
Associate Vice President David Alcocer
Associate Vice President David Phillips
Associate Vice President and Director Kieran Flaherty
Chief of Staff to the Chief Financial Officer Oren Gabriel
Chief of Staff Governmental Relations Bob Hartnagel
Director Eric Eberhardt
Manager Jennifer Brice
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 85, Chapter 23, Statutes of 2017), which state in part:

92495(g). Notwithstanding Section 10231.5 of the Government Code, commencing with the 2014–15 fiscal year, on or before February 1 of each fiscal year, the University of California shall simultaneously submit a progress report to the Joint Legislative Budget Committee and the Department of Finance detailing the scope, funding, and current status of all capital expenditures undertaken pursuant to Section 92493 and for all capital outlay projects undertaken pursuant to Section 92494.

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 2) identifies energy efficiency projects in State-supported facilities that have been completed in the Partnership Program. Energy savings for the projects on this list total approximately $2.6 million per year with utility incentives of $4.8 million. This list brings total reported Statewide Energy Partnership (SEP) Program energy savings in state-supported facilities to $23.4 million per year and Investor Owned Utility incentives to $44.9 million from when the program began offering project financing in 2009. The Statewide Energy Partnership Program has been extended by the University through 2025.
<table>
<thead>
<tr>
<th>SEP ID</th>
<th>Campus</th>
<th>Proposed List Building Name</th>
<th>Project Name</th>
<th>Final Project Cost</th>
<th>Anticipated Funding Source</th>
<th>Final Incentive</th>
<th>Total Cost Savings</th>
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<td>NIREN ANNEX MBCx - Spire Hall (Nirenberg Annex)</td>
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<td>E UTILITIES Retrofit - Absorption Chiller (Fuel Cell Heat Recovery)</td>
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<td>State Operating Funds</td>
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<td>THIMANN LAB Retrofit - Ultralow Freezer Replacement</td>
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<td>STEINHALL IV MBCx - Steinhaus Hall</td>
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<td>ROYLAND HALL MBCx - Rowland Hall</td>
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<td>MED SCI C MBCx - Med Sci C O</td>
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<td>CENTRAL PLANT Retrofit - Central Plant Energy Efficiency Projects</td>
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<td>AW BUILDING Retrofit - Engineering Gateway Data Ctr Server Upgrade</td>
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<td>Irvine</td>
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<td>MCLAUSCH HALL Retrofit - Gillette &amp; Mclaugh LSVR</td>
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<td>MCLAUSCH HALL Retrofit - Comp Sci Bid &amp; McLaugh Hall Data Server</td>
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Total $23,887,040 State Operating Funds $4,791,612 $2,584,189