



Testimony to the Assembly Select Committee on California's Clean Energy Committee

March 7, 2012

Good Afternoon Madame Chair and Members:

Thank you for the opportunity to speak to you today. My name is Art Hand and I am the Assistant Superintendent for Facilities and Planning at Lodi Unified School District. I am also a Board Member of the School Energy Coalition (SEC), an organization made up of school districts, community colleges, architects, and other consultants focused on energy-related school construction and renovation.

Over the past decade, for a variety of environmental and budgetary reasons, K-14 schools have invested in school efficiency and renewable projects.

More recently, we know schools are examining in greater numbers whether these projects will lower, or at least help stabilize, their bottom lines in the wake of consecutive years of state budget cuts.

SEC supports Net Energy Metering (NEM) as a key factor in whether renewable energy projects pencil out.

The electricity usage profile of schools makes them ideal candidates for renewable energy projects and NEM.

First, schools have a predictable annual electricity use and long term ownership of their facilities.

Second, electricity use at schools decreases during some of the highest peak use times: late afternoons and during the summer when schools are closed.

This means that renewable energy projects at schools provide clean electricity to the grid at some of the times when it is most needed.

In Lodi we have used NEM to our full advantage. During the first seven months of our 2.1 megawatt PV system's operation it has contributed over \$318,000 in incremental savings that would not otherwise have been available to us. This could mean five additional teaching positions for the seven months - eight over the year.

When the system is producing more energy than is being used in June and July, NEM allows the excess production to be banked. This banked amount is then used in the future to offset times of high use and low production. NEM allowed this project to have a positive revenue production.

Currently, our systems are sized so that over the course of one year our production levels will not exceed our usage levels. Without NEM, Lodi Unified's PV system would have been sized so that production never exceeded usage during any one month billing cycle. This would have substantially reduced system size, eliminating the financial benefit to the school district.

In a world where it is extremely difficult to make energy generation projects work for school districts from a business-modeling perspective, the continued availability of NEM is a key and vital component.

On a statewide scale, if NEM is preserved and expanded, more schools could benefit.

School Districts have the consistent annual energy use and long term facility ownership that makes on-site renewable energy generation with NEM an attractive financial proposition.

School districts across the state have implemented solar projects that will generate millions of dollars annually in savings for their General Funds for years to come. This allows them to maintain vital educational programs in times of intense fiscal pressure.

There are many more school districts that have seen the success of these programs and are currently planning future Renewable Energy projects. These projects would not be possible without NEM.

Further, if NEM could allow us to credit energy generation at one school against energy use at another school this would make more schools candidates for Renewable Energy projects and increase the benefits for districts.

Because the Select Committee is focused on the green economy, let me also say, that if more school projects go forward as a result of net energy metering being available for schools – it will have the added benefit of increasing clean energy construction, maintenance and manufacturing jobs throughout the state.

And unlike, large traditional infrastructure projects, school renewable energy projects are ready to go, are local, and can be started in almost every community statewide.

Finally, because I believe that schools should have every opportunity to move forward with projects that have these regional and statewide benefits, I am a Board Member of SEC, an organization that advocates for more opportunities for schools to move in the direction of clean and efficient energy facilities.

SEC also seeks to protect investments that have already been made by schools like Lodi Unified, through legislation such as Senate Bill 1165 (Wright) that will allow schools to better participate in CPUC proceedings. This is important as rate case and energy program decisions may impact the payback period for these projects.

I am happy to answer any questions you may have, I have with me a fellow Board Member Aaron Jobson, an architect with Quattrocchi Kwok Architects (QKA), who may

be able to help with more technical questions and Anna Ferrera, SEC's Executive Director here in Sacramento.