



TUSTIN UNIFIED SCHOOL DISTRICT

SOLAR PROJECTS UPDATE | SEPTEMBER 7, 2017

Over the last couple of months, Facilities staff has been working diligently with the District's solar provider, PFMG Solar to re-prioritize project phasing as a result of a number of unexpected schedule delays with the project (originally scheduled to break ground summer 2017). The main drivers that have resulted in schedule delays are: 1) Uncertainty in the solar module market due to high demand/shortage driven by a nation-wide increase in solar projects; and 2) Steel availability delays – this is a combination of the current construction boom, as well as added structural re-design changes required per the California General Services (CGS) agency.

In regards to the solar module market, Staff has learned that this nation-wide, supply and demand problem has affected all solar vendors working with school districts. Essentially, LG (the solar module manufacturer) has oversold modules. Regretfully, school districts pursuing solar are directly competing with large-scale commercial companies who are concurrently pursuing solar.

Another potential obstacle we are monitoring closely, is the recent ruling from the California Public Utility Commission (CPUC) concerning grandfathering current Time-of-Use (TOU) periods. In a recent decision, the CPUC adopted TOU period grandfathering provisions for eligible customers with behind-the-meter solar generating facilities. Eligible accounts will be allowed to remain on grandfathered rate schedules that retain the existing TOU periods for ten years from each customer's Permission to Operate (PTO) date, but in no event beyond December 31, 2027 (for schools).

The CPUC's ruling, unless amended, will have a significant impact on those school districts planning to add solar within SCE and PG&E territories. Without the TOU grandfathering, the economics for adding solar to schools will greatly diminish. As a result, a number of school districts (including TUSD) have sent letters to the CPUC requesting an amendment/extension to the December 31, 2017 deadline to August 31, 2018. The extension will allow school districts with solar projects in the "pipeline" to construct their projects within the next year and more importantly, to be eligible for the grandfathered rate.

Should the CPUC deny the extension, Staff and PFMG are working together to re-prioritize the original phasing schedule in an attempt to meet the very aggressive December 31, 2017 CPUC deadline on all of the larger sites which represent maximum savings to the District. With that said, PFMG will focus on constructing those critical, larger sites within the December 31, 2017 deadline and roll out the rest of the sites in early 2018.

In order to meet this aggressive deadline, solar project phasing will need to be consolidated, particularly at the high schools. For instance, if the original plan called for four (4) phases at a particular site, the new plan may only have two (2) phases thereby minimizing project duration. We recognize that reducing project phasing will greatly affect parking availability. Staff will work closely with the City to ensure a parking variance is granted during construction. In addition, we ask that students carpool or walk to school whenever possible during those upcoming construction months.

It is important to keep in mind that the reduction in energy consumption, as well as the financial savings will outweigh the temporary parking impacts. Your support and cooperation is greatly appreciated!