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## Board Cover Memorandum

**To:** Board of Education

**From:** Benjamin "Sam" Davis and Valarie Bachelor, Board Directors

**Meeting Date:** August 23, 2023

**Subject:** Resolution Supporting Net Energy Metering for School Solar Projects

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### **ASK OF THE BOARD**

Approval by the Board of Education of Resolution No. 2324-0091 - Supporting Net Energy Metering for School Solar Projects

### **BACKGROUND**

Customers who install small solar, wind, biogas, and fuel cell generation facilities to serve all or a portion of onsite electricity needs are eligible for the state's Net Energy Metering (NEM) program. NEM allows customers who generate their own energy to serve their energy needs directly onsite and to receive a financial credit on their electric bills for any surplus energy fed back to their utility.

The current NEM program was adopted by the California Public Utilities Commission (CPUC) in Decision (D.)16-01-044 on January 28, 2016. The program provides customer-generators rate credits for energy exported to the grid and requires them to pay charges that align NEM customer costs more closely with non-NEM customer costs. NEM is designed to support the installation of customer-sited renewable energy generation.

In December 2022, the CPUC issued a final decision updating the current NEM structure.<sup>1</sup> The new rulemaking is referred to as NEM 3 because this is the third iteration of the NEM program.

While, unlike a previous iteration of the proposal, the decision did not propose a tax on solar and solar-plus-storage consumers that intend to use NEM, the following aspects of the PD were adopted:

- Most residential NEM solar consumers who apply for a NEM interconnection after April 14, 2023, experience an average 75% reduction in the credit they receive for sharing their extra energy with the grid – from an average of \$.30/kilowatt-hours (kWh) to about \$.08/kWh.
- Churches, nonprofits, or businesses who go solar after April 14, 2023, realize an even greater reduction in the solar credit.<sup>2</sup>

Despite this vastly reduced credit value for energy exported to the electric grid compared to the previous NEM tariff, the CPUC decision still allows customers to buy less energy from the utilities when they use their generated or stored energy on-site in real time. The Commission is now considering changes to net energy metering rules for multi-meter properties, which would impact multi-family tenants and cooperative residents as well as schools and farms.<sup>3</sup> Recent proposals made by investor-owned utilities would deny multi-meter properties the ability to buy less power from the utilities when they consume power directly from on-site solar, which would force tenants, schools, and farms to buy all of their power from the utility even when it is generated on their own rooftop or field<sup>4</sup> – a patently absurd and unfair proposal as it would allow customers with only one electric meter to distinguish between on-site usage and exports while not allowing customers with multiple meters to do the same.

This and other proposals that seek to curtail rather than expand the ability for multifamily tenants and cooperative residents, schools, and farmers to benefit from bill savings through locally generated renewable energy violate the following principles:

- Protecting and expanding rooftop solar via a strong succeeding NEM tariff and expanding clean energy access by making it easier, not harder, for people to adopt rooftop solar and energy storage in order to meet California's ambitious clean energy targets and deploy solar in all communities and households, particularly those struggling to pay for electricity; and
- Expressing its support for the items as stated above, including urging the CPUC to:

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<sup>1</sup> “Decision Revising Net Energy Metering Tariff and Subtariffs,” California Public Utilities Commission, Dec. 15, 2022.

<sup>2</sup> “CPUC voted to send rooftop solar off a cliff,” Solar Rights Alliance (website), Dec. 16, 2022.

<sup>3</sup> Attachment 2, California Public Utilities Commission, Feb. 28, 2023 (available at: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M502/K977/502977211.PDF>)

<sup>4</sup> “Joint Opening Comments of Southern California Edison Company...[et al.] in response to administrative law judge’s ruling...,” Feb. 24, 2023, available at: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M502/K757/502757134.PDF>

- (i) strengthen NEM to expand access to all households, particularly of low-and-moderate income;
- (ii) expand access to other clean energy technologies that pair with solar, such as batteries;
- (iii) ensure that the solar installations continue to grow in order to meet State and City climate goals; and
- (iv) exclude provisions set forth in the IOU Proposal such as high monthly fixed fees and reducing or eliminating credits for sharing electricity with the power grid.

On August 2, 2023, the CPUC issued a proposed decision that, in large part, adopted the investor-owned utilities' proposal.<sup>5</sup> It proposes a successor NEM tariff for multimeter properties that, by dismissing on-site netting for multifamily, school, and farm customers, would effectively force these customers to effectively sell locally produced solar energy to the utility at a 90% discount and then require them to buy back the same energy from the utilities at full cost. This is an inherently discriminatory proposition, as, even under the recent NEM 3 decision, single-family homeowners with rooftop solar systems, in contrast, are able to realize full savings on their utility bills from the energy produced on their own rooftops. On the contrary, should the CPUC amend this proposed decision with an allowance for on-site netting and thereby adopt a successor NEM tariff that is robust and incentivizes the growth of the NEM program, the benefits to schools and school districts would be immense and immediate – not just through their realization of immense savings on their monthly utility bills<sup>6</sup>, but in building climate resilience. A recent storm-induced power outage by Pacific Gas and Electric left much of the East Bay without power for nearly an entire day,<sup>7</sup> and having solar with backup batteries would go a long way to ensure reliability. Moreover, with solar installed on the rooftops of schools, school districts could then upgrade their buildings to efficient and clean heating, water heating, and cooking infrastructure run by electric power rather than natural gas, the price of which tends to be volatile as it depends on various global events over which we have no control in Oakland.

**FISCAL IMPACT:**

Minimal staff time associated with sending letter to designated recipients.

**ATTACHMENT:**

Resolution Supporting Net Energy Metering for School Solar Projects

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<sup>5</sup> <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M515/K973/515973905.PDF>

<sup>6</sup> "Tenant Benefits," California SOMAH (website).

<sup>7</sup> "Major Power Outage Hits More Than 50,000 Customers in East Bay," San Francisco Chronicle, Feb. 19, 2023.

**OAKLAND UNIFIED SCHOOL DISTRICT  
BOARD OF EDUCATION  
RESOLUTION NO. 2324-0091**

**IN SUPPORT OF NET ENERGY METERING FOR SCHOOL SOLAR PROJECTS**

**WHEREAS**, Net Energy Metering ('NEM') is designed to support the installation of customer-sited renewable energy generation; and

**WHEREAS**, NEM allows customers to receive bill credits for power generated by their solar system and shared with the power grid and ultimately save money on their utility bills; and

**WHEREAS**, NEM is what has allowed solar to become increasingly accessible to low- and moderate-income households; and

**WHEREAS**, in 2020 the California Public Utilities Commission ('CPUC') launched a formal proceeding to update the current NEM structure as 'NEM 3,' and a number of parties have submitted their proposal for what they believe NEM 3 should look like; and

**WHEREAS**, in December 2022, the CPUC issued a final decision updating the current NEM structure; and

**WHEREAS**, while, unlike a previous iteration of the proposal, the decision did not propose a tax on solar and solar-plus-storage consumers that intend to use NEM, the following aspects of the Proposed Decision ('PD') were adopted:

- Most residential NEM solar consumers who apply for a NEM interconnection after April 14, 2023, experience an average 75% reduction in the credit they receive for sharing their extra energy with the grid – from an average of \$.30/kilowatt-hours ('kWh') to about \$.08/kWh.
- Churches, nonprofits, or businesses who go solar after April 14, 2023, realize an even greater reduction in the solar credit.

**WHEREAS**, despite this vastly reduced credit value for energy exported to the electric grid compared to the previous NEM tariff, the CPUC decision still allows customers to buy less energy from the utilities when they use their generated or stored energy on-site in real time; and

**WHEREAS**, the Commission is now considering changes to net energy metering rules for multi-meter properties, which would impact multi-family tenants and cooperative residents as well as schools and farms; and

**WHEREAS**, recent proposals made by investor-owned utilities would deny multi-meter properties the ability to buy less power from the utilities when they consume power directly from on-site solar, which would force tenants, schools, and farms to buy all of their power from the utility even when it is generated on their own rooftop or field--a patently absurd and unfair

proposal as it would allow customers with only one electric meter to distinguish between on-site usage and exports while not allowing customers with multiple meters to do the same; and

**WHEREAS**, this and other proposals that seek to curtail rather than expand the ability for multifamily tenants and cooperative residents, schools, and farmers to benefit from bill savings through locally generated renewable energy violate various equity principles; and

**WHEREAS**, On August 2, 2023, the CPUC issued a Proposed Decision that, in large part, adopted the investor-owned utilities' proposal in that, by dismissing on-site netting for multifamily, school, and farm customers, it would effectively force these customers to effectively sell locally produced solar energy to the utility at a 90% discount and then require them to buy back the same energy from the utilities at full cost; and

**WHEREAS**, This is an inherently discriminatory proposition, as, even under the recent NEM 3 decision, single-family homeowners with rooftop solar systems, in contrast, are able to realize full savings on their utility bills from the energy produced on their own rooftops; and

**WHEREAS**, should the CPUC amend this proposed decision to include on-site netting for multimeter customer and thereby adopt a successor NEM tariff that is robust and incentivizes the growth of the rooftop solar and battery storage in multifamily housing and schools, the benefits would be immense and immediate – not just through the realization of up to \$50 in savings by tenants on their monthly utility bills and commensurate savings to school districts, but in building climate resilience; and

**WHEREAS**, protecting rooftop solar and expanding access to rooftop solar in communities of concern will help California as well as our own city to move toward 100 percent clean energy, lessen the impacts of the climate crisis, and reduce climate injustices from dirty energy; and

**WHEREAS**, we are in a climate crisis and need to make the transition to clean energy more accessible, not less,

**NOW THEREFORE, BE IT RESOLVED**, the Oakland Unified School District (“District”) urges the California Public Utilities Commission and Governor to reject the recent virtual net energy metering/net energy metering aggregation proposed decision for multimeter properties, as it will hamper or dismantle altogether the ability of schools to avail themselves of the benefits of local, renewable, and affordable energy through rooftop solar and battery storage; and

**BE IT FURTHER RESOLVED** that the District calls on the California Public Utilities Commission to instead approve a net energy metering tariff for schools that includes full credits and savings for multifamily tenants and schools from customer-generated energy, colloquially known as “full onsite/property netting”; and

**BE IT FURTHER RESOLVED** that copies of this Resolution shall be sent to Governor Gavin Newsom, State Senator Nancy Skinner, Assemblymember Buffy Wicks, and members of the California Public Utilities Commission Board.

**PASSED AND ADOPTED** on August 23, 2023, by the Governing Board of the Oakland Unified School District by the following vote:

PREFERENTIAL AYE: None

PREFERENTIAL NOE: None

PREFERENTIAL ABSTENTION: None

PREFERENTIAL RECUSE: None

AYES: Benjamin "Sam" Davis, Jennifer Brouhard, VanCedric Williams, Valarie Bachelor, Vice President  
Clifford Thompson, President Mike Hutchinson

NOES: None

ABSTAINED: None

RECUSED: None

ABSENT: (Vacancy), Anevey Cruz (Student Director), Vida Mendoza (Student Director)

#### **CERTIFICATION**

We hereby certify that the foregoing is a full, true and correct copy of a Resolution passed at a Regular Meeting of the Board of Education of the Oakland Unified School District held on August 23, 2023.

<b>Legislative File</b>	
File ID Number:	<b>23-1829</b>
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#### **OAKLAND UNIFIED SCHOOL DISTRICT**



Mike Hutchinson  
President, Board of Education



Kyla Johnson-Trammell  
Superintendent and Secretary, Board of  
Education