TESTIMONY OF THE PENNSYLVANIA SCHOOL BOARDS ASSOCIATION (PSBA) BEFORE THE HOUSE COMMITTEE ON CONSUMER PROTECTION, TECHNOLOGY & UTILITIES

REGARDING HOUSE BILL 1032 (Fiedler) P.N. 1041 RELATING TO THE SOLAR FOR SCHOOLS ACT

KEVIN BUSHER, PSBA MANAGING DIRECTOR OF GOVERNMENT AFFAIRS

MAY 2, 2023

Good morning Chairman Matzie, Chairman Marshall and members of the House Committee on Consumer Protection, Technology & Utilities. Thank you for inviting the Pennsylvania School Boards Association to present testimony regarding House Bill 1032, proposing the establishment of the Solar for Schools Grant Program. PSBA commends the sponsor's commitment and leadership on this issue of cleaner and more affordable energy for our public schools. I am Kevin Busher, PSBA's Managing Director of Government Affairs and a former nine-year member of the Lower Dauphin School Board.

Throughout the Commonwealth, public school districts have been forced to endure increases in energy costs to heat and cool their buildings, prepare meals for students, or to simply keep their lights on so students can learn. This places school boards in difficult positions as they look towards increasing local taxes or diverting resources away from classrooms in order to cover rising energy costs.

Inefficient buildings are just one of the infrastructure challenges facing schools. In PSBA's most recent State of Education report, 71.4% of school districts reported at least one of their district's buildings were in need of major repair or replacement. When asked which areas of

their buildings were in need of repair or replacement, school leaders reported a wide variety of needed areas for improvement such as HVAC, windows and doors, and roofing. Interestingly, energy efficiency upgrades rounded out the top four reported areas of facility needs with a little more than half of respondents (50.8 %) citing energy efficiency upgrades as an area of needed improvements.

Despite the demonstrated wide-spread need for energy efficiency upgrades, many school districts simply lack the resources needed to make large scale upgrades in their school buildings. As found in PSBA's State of Education report, 50% of school districts reported that their district postponed construction and renovation projects due to a lack of state reimbursement in 2020. By 2023, that percentage had increased to 70%. With these funding barriers and the multitude of needs of our public school districts in mind, House Bill 1032 would provide the resources needed to get a solar project off the ground by providing a source of state funding for the study and installation of solar power in schools across the state.

It is our estimation that fewer than forty school districts across the Commonwealth have solar arrays fulfilling their clean energy needs. The minimal number of districts who have invested in solar panels is drastically low due to the lack of affordability of the solar panels. As seen during Solar4All schools tour of the Commonwealth and most recently in the Steelton-Highspire School District, their solar array has the potential to save approximately $200,000 per year on electricity. These funds can then be re-allocated back into the classrooms or other components of the budget requiring more funding. The passage of House Bill 1032 would allow districts across the Commonwealth to have access to this more affordable source of clean energy.

Thank you again for allowing PSBA to testify here today and I'll be happy to answer any questions you may have.

Lisa Shulock
Philadelphia Energy Authority
Testimony before the Pennsylvania House Consumer Protection, Technology, and Utilities Committee on HB 1032
May 2, 2023

Good morning, I'm Lisa Shulock, Director of Commercial Programs with the Philadelphia Energy Authority. Thank you to members of the House Consumer Protection, Technology, and Utilities Committee for having me today to discuss Representative Fiedler's Bill HB 1032, establishing the Pennsylvania Solar for Schools Grant Program.

The Philadelphia Energy Authority is an independent municipal authority focused on building a robust, equitable clean energy economy for Philadelphia. In 2016, PEA and City Council President Darrell Clarke launched the Philadelphia Energy Campaign, a $1 billion, 10-year investment in energy efficiency and clean energy projects to create 10,000 jobs.

The Campaign has deployed more than $380MM in projects and created 3,275 jobs in total from work in five sectors: municipal, affordable housing, small business, commercial and industrial, and *schools*. We provide technical assistance to the School District of Philadelphia and run a workforce development program called Bright Solar Futures, a 3-year Career and Technical Education Vocational Program, the first-of-its-kind in the nation for careers in solar and clean energy, at Frankford High School in Philadelphia.

Deploying Solar for Schools at scale across the Commonwealth has the potential to reduce and stabilize costs, advance environmental education, and create family-sustaining local jobs. Today, I'll focus on the impact the PA Solar for Schools Grant Program can have using our experience with the School District of Philadelphia as an example.

The School District of Philadelphia has over 300 schools and related facilities and spends about $45 million a year on energy. The District has identified a backlog of over $4.5 billion in deferred maintenance and much-needed capital improvements that have accumulated over decades due to persistent budget constraints. PEA partners with the District to use energy efficiency and solar as tools for subsidizing and addressing these capital needs and improving learning environments.

While we've proven the case for energy efficiency through the use of the PA Guaranteed Energy Savings Act or GESA to procure, manage, and guarantee results from $250MM dollars worth of retrofits to its school buildings, the District has untapped potential when it comes to solar energy.

PEA has authored reports and provided the District technical analysis on the economic impact of on-site solar and its feasibility with existing rooftop conditions and site conditions for ground-mounted systems. Our analysis contemplated a power purchase agreement model where the developer pays the upfront cost of the installation and owns and operates the solar array over the term of the agreement to ensure that the District is not responsible for ongoing operations and maintenance of the system. In our four-school analysis, on-site solar offset 45% of the electricity consumption for the schools, has a positive net present value, and serves as a hedge against future electricity price uncertainty. The analysis we did for the District showed initial installed costs ranging from $310,000 for the smallest system to $650,000 for the largest system. Our recommendation to the District is to release a request for proposals for a five-school pilot to demonstrate the numerous financial and educational benefits of hosting solar on site.

Since producing this technical analysis, there is much stronger support for on-site solar from the federal government. Congress passed the Inflation Reduction Act or the IRA, a once-in-a-generation investment in clean energy. The IRA has a key provision - direct payment - that extends tax incentives for solar to tax-exempt entities, including schools, for solar. The 30% tax credit applies not only to solar system costs but also includes the costs to connect the system to the grid and battery storage to improve the resilience of a school, even when the grid goes down. Some school communities may also be eligible for additional tax incentives if they are located in designated energy communities or low-income communities or use a certain percentage of American-made products in their projects.

We believe that the grants and technical assistance proposed by HB 1032 will catalyze SDP and many other districts across the state to develop plans for solar projects. These projects are complex - even when the economics are strong, districts need financial and technical support to pursue them.

There has never been a better time for investment by the state government in solar schools. Targeted support by the legislature in the form of grants and technical assistance from the PA Department of Community and Economic Development will help catalyze statewide adoption of on-site solar, maximizing our window to bring much needed federal funding to Pennsylvania's schools. This critical investment in on-site solar will help improve school infrastructure and save money that could otherwise be spent on core needs. This is an upfront investment with long-term benefits.

An added bonus of on-site solar is local family-sustaining job creation, which you will hear about today from the PA Building Trades, but also the opportunity for students to gain exposure to and experience in solar installation.

Bright Solar Futures is designed to fill the careers created by our own Solarize Philly Program and for other positions in the fast-growing clean energy economy in Philadelphia and Pennsylvania with our well-trained, local, diverse workforce. Students will find careers with local

solar installers, designers and developers, with our local utilities, as apprentices with the local building trades, and others.

Bright Solar Futures students at Frankford HS have been learning about solar and battery storage installation, design, sales, weatherization, construction basics, and job site safety in a classroom specially equipped with a state-of-the-art solar training lab complete with a simulated roof. The BSF curriculum is approved by the PA Department of Education and is available for use by any district in Pennsylvania that's interested in starting their own solar CTE program.

Our students at Frankford recently hosted the U.S. Secretary of Energy Jennifer Granholm and U.S. Senator Bob Casey to show their skills and demonstrate what the future clean energy workforce looks like and to demonstrate how Inflation Reduction Act dollars can be deployed in Pennsylvania. We are excited to see the first class of BSF students that went through the 3 year curriculum is graduating this June.

We fully support the Pennsylvania Solar for Schools Grant Program and are hopeful that we will capitalize on this once-in-a-generation opportunity for our schools to reduce and stabilize costs, advance environmental education, and create local jobs.

I'm happy to follow-up with additional resources. Thank you very much for your time.

Pennsylvania State Building and Construction Trades Council AFL-CIO

904 N. Second Street, Harrisburg, PA 17102-3119
(717) 233-5726
rbair@pabuildingtrades.org

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The solar for schools' legislation is an opportunity for the commonwealth of Pennsylvania to make a substantial financial commitment to our schools in Pennsylvania with the benefit of a positive ROI. Normally when we spend the funds of a public body, we purchase a type of goods or services and that's where the transaction ends. This program will give our school districts an additional revenue stream for the next 30 years and help backfill budget shortfalls and save our property owners who shoulder a substantial amount of our school district budgets. The timing of this legislation would also allow school districts the opportunity to apply for additional federal funds to help offset the cost of the installation of a solar array creating additional savings for our districts. This legislation is suitable for each and every school district throughout the commonwealth from the most rural district to our largest urban district. Representative Fiedler has drafted an excellent piece of legislation and she has brought many stakeholders to the table as her legislation was being crafted, Labor, Teachers, school boards, environmentalists, were all included in helping draft this. This legislation will allow our schools to use the savings for maintenance, energy efficient upgrades, air quality upgrades, asbestos abatement, educator shortages and so many more much needed projects. Imagine the legislature passing a piece of legislation that reduces our carbon footprint, brings many good paying jobs installing the solar systems, saves our districts millions in energy cost and is revenue positive, can save our home owners on their property taxes, and allows for our students to see how the solar arrays are installed and gives them a first hand look into the building trades. The Pennsylvania Building and Construction Trades council supports this legislation and looks forward to the passage and implementation of HB1032.

Sincerely,

Robert S. Bair

President.

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