October 29, 2013

Commissioner Andrew McAllister
California Energy Commission
1516 Ninth Street
Sacramento, California 95814

SUBJECT: Draft Guidelines for Implementation of Proposition 39

Dear Commissioner McAllister:

The Oakland Unified School District (“OUSD”), through our Division of Facilities Planning and Management, is pleased to submit these comments on the Draft Guidelines for implementing Proposition 39, the California Clean Energy Jobs Act of 2012, published by the California Energy Commission (“CEC”) earlier this month. The CEC has done a tremendous job of integrating a large amount of information in a short period of time, while also familiarizing itself with the intricacies of education funding in California. We also recognize the CEC’s collaboration with the California Department of Education, and the work of the Department to assist schools districts in realizing opportunities from Prop 39.

These comments appreciate the two agencies’ work to date, and identify a few areas that would benefit from clarification, as well as provide a brief overview of OUSD’s capital program. Specific clarifications include:

- Eligible facilities should include facilities that provide early childhood development (aka preschool) and transitional kindergarten;
- Districts should be able to use planning funds to evaluate system-wide replacement of certain aging technologies;
- Cost-effectiveness tests should be broadly interpreted and should include greenhouse gas emission reductions, building envelope, and equipment system age.

OUSD and Capital Projects

OUSD is one of the larger school districts in California, with 36,000 students in District schools and 12,000 students in publicly funded charter schools. Within the City of Oakland, the School District is the one of the largest property owners, operating 100 sites on 525 acres. This includes nearly 6 million square feet of built space, and includes buildings of all ages and types, from historic landmarks to portables. OUSD has a robust capital improvement program, through the generosity of our voters. In 2006, Oakland’s voters approved a $435 million capital bond, which was renewed in 2012 for $475 million (with 84% support!). Our independent citizens bond oversight committee provides regular reporting to the Board of Education, similar to the oversight committee the State will establish for Prop 39.

OUSD is proud to be one of a handful of school districts that follows the guidelines of the Collaborative for High Performance Schools (“CHPS”), and the first district in California to be awarded a matching grant from the State for our CHPS verified construction. We are completing construction on a zero net energy campus at our La Escuelita Education Center, and would be delighted to have you visit us there at your convenience. Much of our construction is replacing very old buildings and portables.
Planning for construction and capital improvements planning is based on our Facilities Master plan, which can be viewed at [http://ousdmasterplan.mkthinkstrategy.info/](http://ousdmasterplan.mkthinkstrategy.info/). It is important to note that when school districts are looking at how to spend capital funds, energy efficiency is one of several considerations. OUSD’s 2012 Facilities Master Plan identifies $1.5 billion in need, of which solar and energy efficiency is $52 million. Other priority areas include building system upgrades ($454 million); seismic safety ($333 million); upgrading facilities to accommodate our full service community school district Strategic Plan to serve the needs of the whole child, including child development centers and health centers ($250 million); replacing aging portables ($180 million); upgrading our facilities to better facilitate a curriculum based on Science, Engineering, Math, and Technology ($200 million); and more. Our voter authorized bonds are tremendous, and they are not sufficient to meet the need identified in our District.

In 2012, the Oakland School Board authorized the installation of 4 MW of solar on schools across the City, which work is in progress and is being funded with our general obligation bond. Proposition 39 provides our district with a much-needed opportunity to think critically about how we incorporate energy efficiency into our capital program, and leverage a range of resources.

**Opportunities for Clarification**

The guidelines overall are clear. There are, however, a few areas where additional clarification from the CEC would help OUSD, and other districts, better take advantage of prop 39 funds.

**Eligible Facilities:** Districts should be allowed to use Prop 39 funds for eligible projects in early childhood and transitional kindergarten facilities. The Guidelines, on p 1, state that Prop 39 funds are available to entities “…that serve students in kindergarten and grades 1 through 12…” OUSD, and many other districts, also provide state-funded early childhood programs and transitional kindergarten (a new program directed by the State for the 2012-2013 fiscal year) in District facilities. These programs are nearly always located on or adjacent to elementary school campuses.

**Cost-Effectiveness and Planning Funds:** Districts should be able to use Prop 39 funds to assess options for system-wide equipment replacement. Cost-effectiveness evaluations of non-energy benefits should consider factors beyond strict numerical analysis, including reductions in greenhouse gas emissions.

As indicated above, Oakland has many schools that have been in service to students for generations. Due to our temperate climate, there is not a large need for air conditioning. Heating, however, is important. Many of our campuses still employ heating systems served by gas boilers and radiators which are many decades beyond their useful life and efficiency. As long as these energy-gulping boilers are in service as the primary heat source, they must remain on at all times, even during normal black-out periods such as winter break, because they have an unreliable re-start history. Unless we leave them on 24/7, our maintenance team risks the potential of a boiler not re-igniting, thus leaving students and teachers in freezing classrooms.

OUSD would like to explore potentially using Prop 39 funds to initiate a large-scale boiler replacement program. We believe there may be other incentives to leverage if Prop 39 can help with initial scoping and a portion of equipment and installation costs, conforming with the analysis dictated in the draft Guidelines. OUSD is also considering a more simplified solution to heating such as furnace closets; these units have been easier to maintain and upon failure impacts less of the student population.
An in-kind replacement of boilers, piping, and radiators would cost much more than the $1.7 million that the funding formula derives for Oakland in Year 1. Also the payback period for the investment in boiler replacement may be longer than the payback period for other similar energy efficiency programs. Boiler replacement alone might not meet the cost-effectiveness tests, even though it may be the highest need in our District.

OUSD suggests other factors which affect energy efficiency should be considered, such as the age of the system and the building envelope, which can impact heat gain and loss. The building envelope is often constrained by the construction vintage and type. The CEC should clarify that districts can use Prop 39 funds to study the best approach to addressing the replacement of certain equipment such as boilers versus other energy projects such as light fixture replacement.

Conclusion

OUSD appreciates the opportunity to provide input to the Prop 39 Guideline development process. We encourage the CEC to clarify that funds can be used in early childhood and transitional kindergarten facilities, and to allow districts to pursue projects that replace very old, inefficient equipment, even if those replacements do not fit standard cost-effectiveness tests.

Sincerely,

Vernon Hal
Deputy Superintendent of Business & Operations