



333 South Beaudry Ave,
Los Angeles, CA 90017

Welcome and Opening Remarks

Presenations

- a. Leveraging Millions in Clean Energy Credits to Advance District Solar and Clean Air Goals (021-25/26)

Katie Thomas Carol
Director, Livable
Futures
We Build Progress
(f o r m e r l y
C o n g r e s s i o n a l
Progressive Caucus
Center)

Leveraging Millions in Clean Energy Credits to Advance District Solar and Clean Air Goals
(021-25/26)

Attachments: [10-29-25LAUSD Clean Energy Tax Credits update](#)

- b. Updates from the Eco-Sustainability Office

Christos Chrysiliou
C h i e f
Eco-Sustainability
Officer

Updates from the Eco-Sustainability Office

Attachments: [10-29-25LAUSD ESO Updates - GS&CR Committee - 2025_1029](#)

Public Comment

Adjournment



Board of Education Report

File #: 021-25/26, **Version:** 1

Agenda Date: 10/29/2025

In Control: Board of Education

Leveraging Millions in Clean Energy Credits to Advance District Solar and Clean Air Goals (021-25/26)

CLEAN ENERGY TAX CREDITS UPDATE

WHAT WAS ELIMINATED BY THE REPUBLICAN BUDGET BILL - AND WHAT OPPORTUNITIES REMAIN

KATIE THOMAS CAROL, ESQ.
DIRECTOR OF LIVABLE FUTURES, WE BUILD PROGRESS



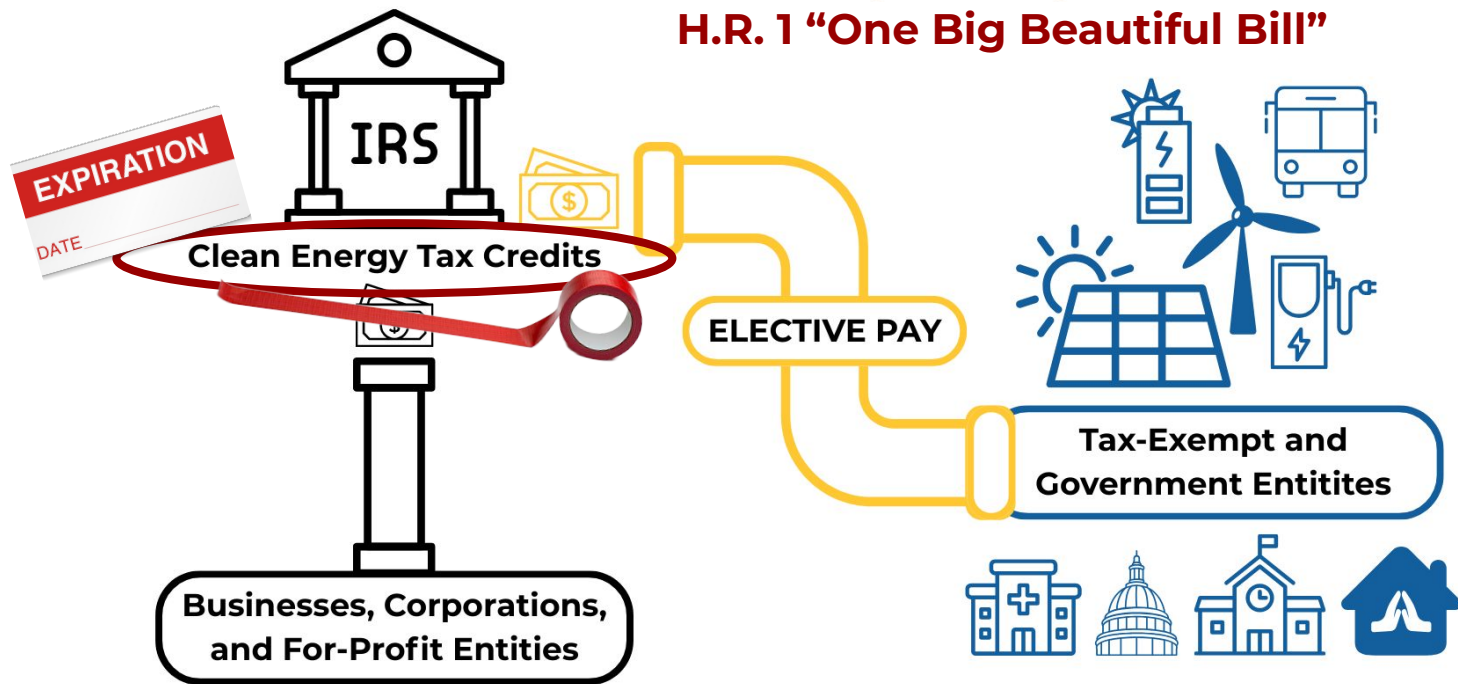
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WHAT IS ELECTIVE PAY/DIRECT PAY?

H.R. 1 “One Big Beautiful Bill”

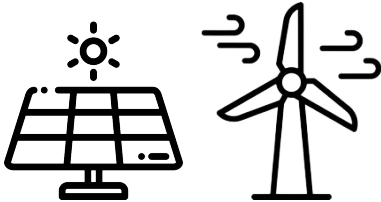


SOLAR FOR LAUSD

- LAUSD has exciting plans to implement solar at **21** school sites in 2025-2027 that will give the district net savings of **\$45.7M** over 25 years (Source: LAUSD Presentation, March 26, 2025).
- These projects will be eligible to receive a direct payment of at least 40% (or between 30-70%) of project costs through the Investment Tax Credit.
- This could mean direct payments of **\$49M** or up to **\$85M** from the IRS to LAUSD in the next few years.
- Community, Labor, and Government partners have worked tirelessly to get to this point of project implementation. The stakes are high to ensure that \$49M check comes through.
- These savings can be reinvested in the classroom and future green projects.
- Solar projects have broad support and will help the District reach its commitment to 100% Clean Renewable Energy in its Electricity Sector by 2030 (Board Res #018-19/20).

48E INVESTMENT TAX CREDIT (ITC) PHASE-OUT

**EXPIRES
SOON**

Eligible Technology (non-exhaustive)	H.R. 1 Phase-Out Dates for Credits	H.R. 1 Prohibited Foreign Entity (PFE) Rules Phase-In Dates
Solar and wind 	Wind & solar projects must begin construction by July 4, 2026, OR be placed in service by end of 2027 to get credit.	- Material Assistance (supply chain): Applies to projects that begin construction after Dec 31, 2025 - Entity Level (ownership and influence): Applies to tax years beginning after July 4, 2025 “Effective Control” Payments: Applies to tax years beginning after July 4, 2025. Examines payments from previous tax year.
Energy storage, electricity generating geothermal 	Must begin construction by end of 2033 to get full credit.	
Ground-source heat pump (GSHP) 	GSHP that begin construction by end of 2032 can get full “legacy” ITC under section 48.	N/A

Bottom line: To meet phase-out deadlines and avoid one of the more burdensome PFE Rules, **begin construction by Dec 31, 2025.**

SO WHAT DOES ALL THIS MEAN?

CLOSING WINDOW FOR DIRECT PAY IN 2025



PIS: "Placed in Service" or complete until project can perform intended purpose



BOC: "Beginning of Construction." According to [IRS guidance](#), you can PIS within 4 years after BOC date to fulfill continuity requirements.

8.15.25 Treasury released guidance on BOC for wind and solar for 48E and 45Y

2025						2026					
JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
 Electric vehicles acquired by 9.30.25 to claim 45W											
 Electric charging infrastructure PIS by 6.30.26 to claim 30C											
 Wind and Solar BOC by 12.31.25* to claim ITC 48E/PTC 45Y and avoid Material Assistance Requirements						 All ITC 48E/PTC 45Y projects that BOC in 2026 and on are subject to Material Assistance Requirements					

***Prohibited Foreign Entity (PFE) "entity-level" restrictions and effective control "payment" restrictions apply to ITC and PTC eligible projects claimed for tax years that begin after 7.4.25**

BEGINNING OF CONSTRUCTION (BOC)

[IRS guidance](#) for wind and solar projects to establish BOC for the Investment Tax Credit (48E) and Production Tax Credit (45Y) effective Sept 2, 2025:

Physical Work Test

What is it?

- Construction “[begins when physical work of a significant nature begins](#),” including off-site and on-site work
- Includes work done by taxpayer or by a contractor under a binding contract

Applies to:

- Wind and solar projects of any capacity

5% Safe Harbor

What is it?

- Construction begins when 5% or more of total *final* project costs are incurred
- Entities should plan to incur 12-15% of projected costs, given how common cost overruns are.

Applies to:

- Solar projects with nameplate capacity ≤ 1.5 megawatts (MW)

Does NOT apply to wind projects of ANY capacity

Projects must maintain continuous construction. This can be done by placing the project in service “[no more than 4 calendar years after the calendar year during which construction began](#).”

PROHIBITED FOREIGN ENTITY RULES

For the 48E Tech-Neutral Investment Tax Credit

PFE Rule	What is it?	When does it kick in?
Entity Level Rule 	Prohibits credit for entities that are Specified Foreign Entities (SFE) or Foreign Influenced Entities (FIE)	Applies to tax years beginning after July 4, 2025
Payments Rule 	Forbids credit for projects that involve payments bestowing “effective control” of the energy property to an SFE	Virtually immediately since rule examines payments from the tax year preceding the tax year for which the credit is being claimed
Material Assistance Rule 	Forbids credit for projects constructed with a significant portion of components manufactured by PFEs	Applies to projects that begin construction after Dec 31, 2025

TOPLINE TAKEAWAYS

- Commence construction by December 31, 2025 to avoid complex "material assistance" restrictions
- Commence construction can be established through the physical work test or incurring a percentage of total capitalizable costs - at least 5% but we recommend 10% or more.
- Projects that commence after December 31, 2025 are still eligible for the tax credit and should still continue, but will have more PFE restrictions to comply with.
- Projects that commence after July 4, 2026 must be placed in service by December 31, 2027 to access investment tax credits.

Expedite the movement of available funds to commence construction by the end of 2025 and optimize your projects for credit eligibility.



QUESTIONS? CONTACT US

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RESOURCES

- **For real-time analysis:** Sign up for We Build Progress [Unrig the Rules](#) updates
- **For technical assistance:** Register for We Build Progress & L4GG Direct Pay [Office Hours](#)
- For information on **federal clean energy tax credits**:
 - L4GG and We Build Progress: [Elective Pay 101](#) overview
 - L4GG: [Clean Energy Tax Navigator](#)
 - L4GG: “[Beginning of Construction for the 48E & 45Y](#)”
 - L4GG: “[Updates to Certain Elective Pay Eligible Credits Under H.R. 1](#)”
 - L4GG: “[Prohibited Foreign Entity Restrictions on Clean Energy Credits](#)”
 - NYU Tax Law Center: [Navigating OBBA Guide](#)
 - Undaunted K12: [Updates to Energy Tax Credits Overview](#)
- [Public Option Solar for K-12 Schools A Case Study of Connecticut Green Bank's Solar Marketplace Assistance Program](#)

APPENDIX

EXAMPLE TIMELINES FOR 48E ITC-ELIGIBLE SOLAR PROJECT:

If a project begins construction during...	And is placed in service (PIS) during the following tax year, the following PFE rules apply:
January 1, 2025 - Dec 31, 2025	Calendar Tax Year: 2025: no PFE rules apply for this tax year but beware of payments rule if pursuing more credit(s) in future 2026 and beyond: entity level and payment rules apply
	Fiscal July 1 - June 30 Tax Year: - July 2025-June 2026: no PFE rules apply for this tax year but beware of payments rule if pursuing more credit(s) in future - July 2026-June 2027 and beyond: entity level and payment rules apply
January 1, 2026 - July 4, 2026	Calendar Tax Year: 2026 tax year and beyond: all PFE rules apply
	Fiscal July 1 - June 30 Tax Year: - July 2025-June 2026 tax year: material assistance rule applies - July 2026-June 2027 and beyond: all PFE rules apply

- Solar projects that BOC after July 4, 2026 must be PIS by Dec 31, 2027 to be eligible for 48E credit.
- If you adopted a calendar tax year for your first tax return for the sole purposes of making an elective payment election, procedures in [Rev Proc 2025-6](#) explain how to change your tax year to align it with your fiscal year by filing for a short year.

Foreign entity rules: Entity-level rules

1. **Entity-level rules: “Prohibited foreign entities”** (PFEs) are barred from claiming tax credits for tax years beginning after enactment. There are two categories of PFEs: **Specified Foreign Entities** and **Foreign-Influenced Entities**

Category 1: Specified Foreign Entities

- Have close connections to China or other nations
 - companies based in one of four covered nations (China, Russia, Iran, North Korea);
 - citizens/nationals of those countries;
 - entities that are more than 50% owned by such companies/individuals; or
 - entities on various national security-related lists

Category 2: Foreign-Influenced Entities

- Have at least one of the following indications of potential SFE influence:
 - An SFE has direct authority to appoint a covered officer of the entity
 - A single SFE owns at least 25% of the entity
 - One or more SFEs own at least 40%
 - At least 15% of entity’s debt has been **issued**, in the aggregate, to SFEs

Foreign entity rules: Payments rules (45Y, 48E)

2. Payments rules: Essentially apply immediately.

- Any payment made to an SFE under an agreement that is deemed to confer “effective control” over a qualified facility or energy storage (or over production for 45X) renders a taxpayer a “foreign-influenced entity,” ineligible for tax credits.
 - For ITCs, there is a 10-year recapture period.
- The law includes a list of contract terms that are deemed to confer effective control. The list is broad in scope.
- For example, it includes any licensing agreement for the provision of IP with respect to a qualified facility or energy storage entered into or modified after enactment (7/4/25).



Foreign entity rules: material assistance (45Y, 48E, 45X)

3. Material assistance rules: Apply to projects beginning construction after 12/31/25.

- Very complex, require scrutinizing supply chains for inputs produced by PFEs.
- A threshold percentage of manufactured products incorporated into the facility must be produced by non-prohibited foreign entities.
 - Percentage differs by type of project and generally escalates year by year.
- OBBBA provides that taxpayers can rely on certain safe harbors in the interim before Treasury/IRS issues superseding guidance:
 - Using tables in prior IRS guidance on the domestic content bonus for solar, land-based wind, and storage projects
 - Relying on supplier certifications

Many aspects of the material assistance rules are highly unclear including how far up the supply chain to go.





Board of Education Report

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Updates from the Eco-Sustainability Office

ECO- SUSTAINABILITY OFFICE UPDATES

Greening Schools & Climate Resilience Committee Meeting

Christos Chrysiliou, FAIA, LEED AP
Chief Eco-Sustainability Officer

October 29, 2025



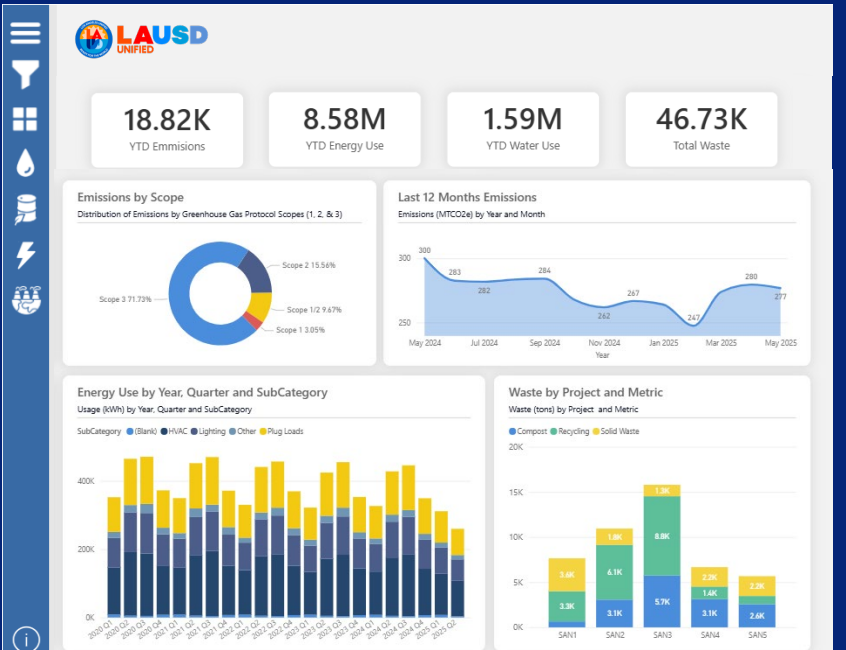
Dr. Lawrence H. Moore Math, Science, & Technology Academy Middle School, solar car ports and greening

Agenda

- Solar Program
- Third Party Greening Partnering Updates
- Eco-Sustainability Plan



Stoner ES



Diego Rivera Learning Complex Solar Car Ports

Solar Program Updates

- Roadmap
- Investment Tax Credits
- Timeline

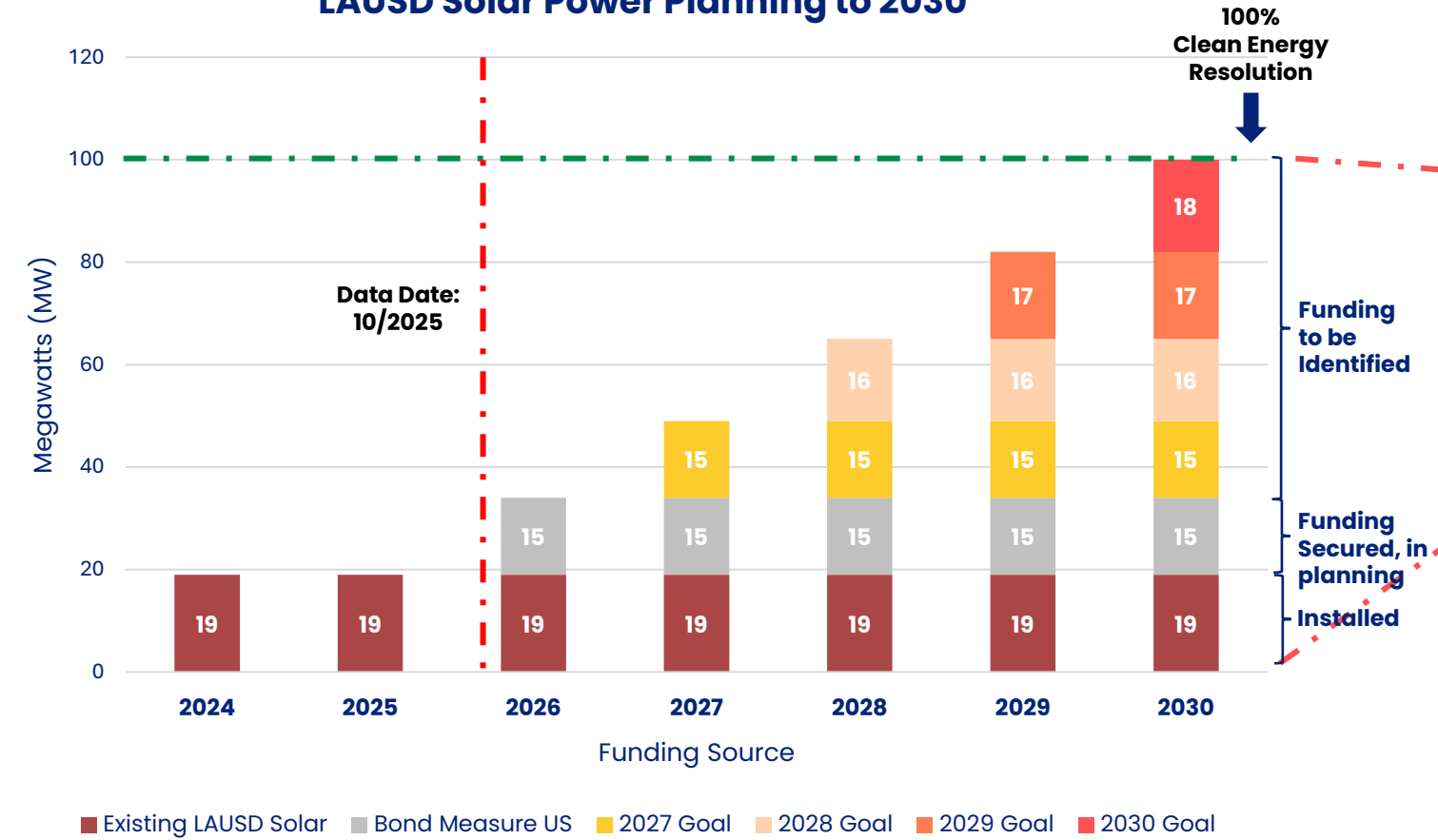


Pico Warehouse Roof Solar Photovoltaics

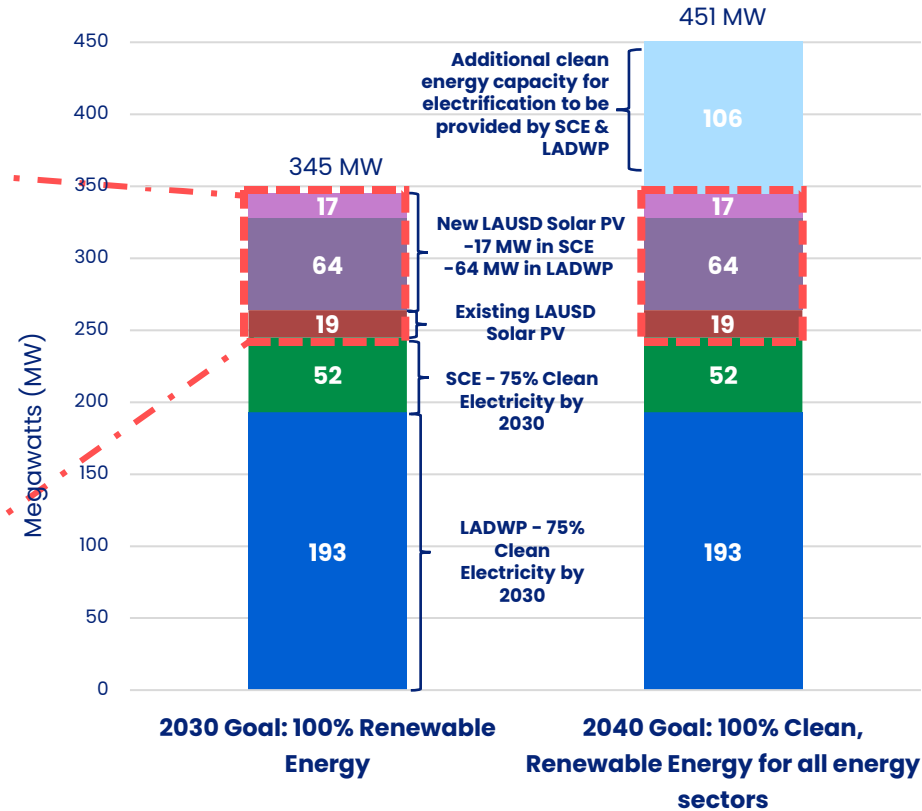


Solar Program

LAUSD Solar Power Planning to 2030



LADWP 2035 Goal & LAUSD 2040 Clean Electricity Goal





Investment Tax Credit

Solar PV Program – 21 Sites Total Contract Costs

Design Costs	\$6,687,852	
Electric Vehicle Charger Costs	\$4,016,861	
(Eligible) Solar PV Costs	\$82,659,963	
	\$93,364,676	
		

Goal: Capture available clean energy Tax Credits

Complete all projects by December 31, 2027 – submit Tax return by April 2028



Solar Program



Lawson Academy Solar Carport



Maywood Academy High School Solar Carport

PROGRAM TIMELINE

April 2025

- All 21 solar projects contracts executed.

October 2025

- All 21 solar projects – Issue Notice to Proceed for Design.

- All 21 solar projects – Issue Construction Directive to purchase 75% of materials to establish Beginning of Construction by 12/31/25 under 5% Safe Harbor

Continuous Construction or Efforts Required

April 2027

- For solar projects completed in 2026, submit tax return for clean energy tax credits

December 2027

- All solar projects completed and energized

April 2028

- For solar projects completed in 2027, submit tax return for clean energy tax credits

ITC CRITICAL DATES

July 4, 2025

- Passing of the One Big Beautiful Bill Act (OBBBA) – Includes revisions to eligibility timelines for solar PV and battery storage projects tax credits under section 48E

September 2, 2025

- 5% Safe Harbor available for solar PV systems less than 1.5 MW to establish Beginning of Construction

December 31, 2025

- Deadline to use 5% Safe Harbor to establish Beginning of Construction and avoid Foreign Entity of Concern (FEOC) materials assistance restrictions

January 1, 2026

- Solar PV and battery storage materials purchased after 12/31/25, must comply with all FEOC requirements to remain eligible for clean energy tax credits under section 48E

July 4, 2026

- Work beginning before 7/4/26 will have four (4) years to energize the system to be eligible for tax credits
- Work beginning after 7/4/26 will have to energize the system by 12/31/27 to be eligible for tax credits

Third Party Greening Partnering Updates

- LAUSD Commitment to Partnerships
- Project Streamlining
- Lead Paint Protocols
- Funding to Offset LAUSD Fees



O'Melveny ES- Ribbon Cutting Ceremony



Streamlining Project Supervision



Hamasaki Elementary School landscaping bed is prepared for shrub installation

Updated approach for review and oversight of third-party greening projects

- To help grantees navigate LAUSD's processes and requirements, ESO will serve as the single point of contact for the partners throughout the entire project
- A 'Tiger Team' dedicated to third party greening projects will provide rapid resolution of design, testing, construction, and inspection issues that may arise. The team of technical staff from FSD and OEHS will provide consistent guidance for grantees, with coordination by ESO
- ESO will monitor District charges for specific tasks to identify opportunities for reducing project costs



Lead Paint Protocols

Key Clarifications & Changes

- I. Are we required to abate painted lines before removing the asphalt?

No

- II. Why do we need to follow lead safety protocols?

Student safety, regulatory compliance, protection of the environment

- III. Can waste characterization testing take the place of lead content testing?

No. Determining lead content for health protections is totally separate from determining lead content for waste disposal.

- IV. Can we just have the painted lines sampled before the project begins to see if there is any lead in the first place?

Yes

- **Inductively Coupled Plasma – Optical Emission Spectrometry (ICP-OES) analysis**
- **Sampled by qualified District or Contractor personnel**
- **If results are below reporting limit, no lead safety or disposal requirements are required**





Funding to Offset LAUSD Fees

- LAUSD will contribute \$3 Million from the General Fund for immediate use to support current third-party greening projects:
 - Funds will be allocated proportionately based on grant amounts
 - We will provide corresponding credits or reimbursements to help grantees offset costs
- ESO will provide a transparent cost breakdown for District charges



Glenfeliz Boulevard Elementary School SEEDS garden

Funding Allocation

- I. **44 Third Party Greening Projects with a Grant amount total of \$58.1M**
- II. **Proposed Allocation at 5% of Total Grant Award Amount**
- III. **Project Fees by Phase:**
 1. **PLANNING/DESIGN**
 - FETU Testing
 - CEQA & Site Assessment Oversight
 - Design Review
 2. **CONSTRUCTION**
 - FETU Phase 3 (if applicable)
 - OAR/M&O Support
 - A&E Services Construction Admin Support
 - Inspection
- IV. **ESO will be meeting with the greening partners individually to discuss project specific circumstances**



Elysian Heights Elementary School Edible Garden

Eco-Sustainability Plan Overview

- LAUSD's Existing Goals
- Plan Objectives
- Planning Process
- Eco-Sustainability Sectors
- Stakeholder Engagement
- Climate Literacy Framework
- Deliverables





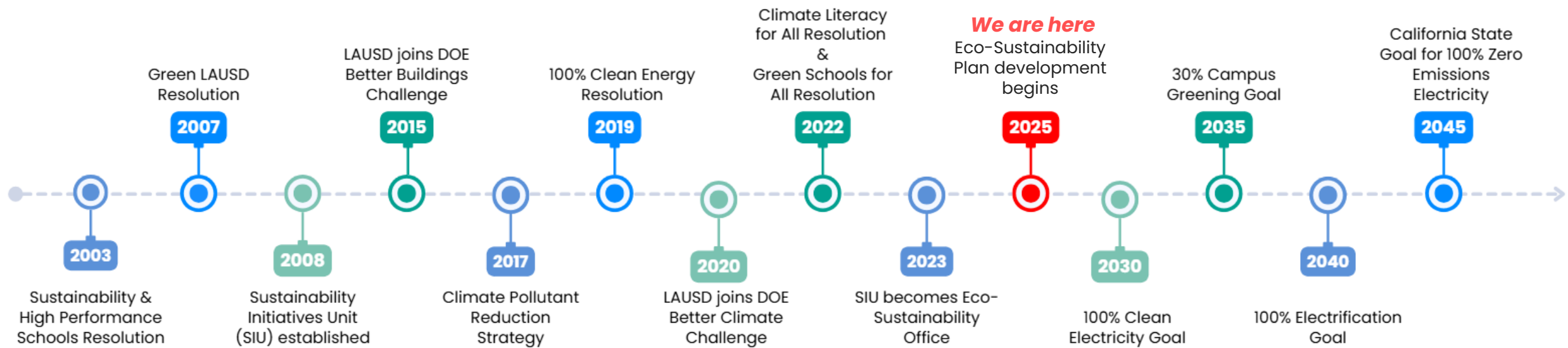
LAUSD's EXISITNG GOALS

100% Clean Energy Resolution	100 % Clean Electricity by 2030 & 100% Electrification by 2040			100% Climate Literacy Education by 2025	Climate Literacy for All Resolution
Green Schools for All Resolution	30% Campus Greening by 2035			50% GHG Emissions Reduction by 2030	Better Climate Challenge
Better Buildings Challenge	20% Energy and Water Use Reduction by 2024			75% Organic Waste Reduction by 2025	Climate Pollutants Reduction Strategy

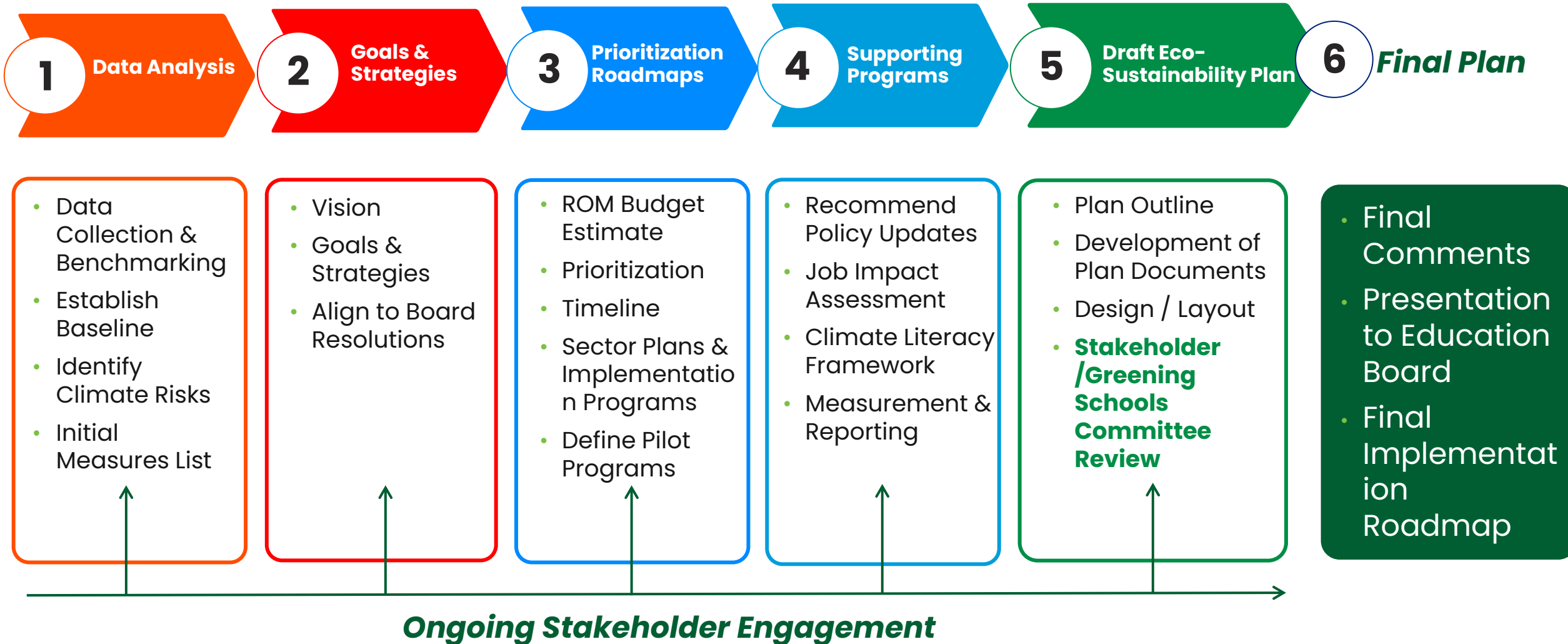


Plan Objectives

- Build on LAUSD's existing efforts, advance existing policies
- Develop a Plan to achieve existing goals and commitments
- Develop specific Roadmaps to guide implementation



Planning Process



Sectors of the Eco-Sustainability Plan



Climate Resilience



GHG Emissions



Decarbonization



Renewable Energy



Air Quality



Energy Conservation



Stormwater/Wastewater



Waste Management



Circular Economy



Clean Transportation



Healthy Food



Habitat Restoration



Education



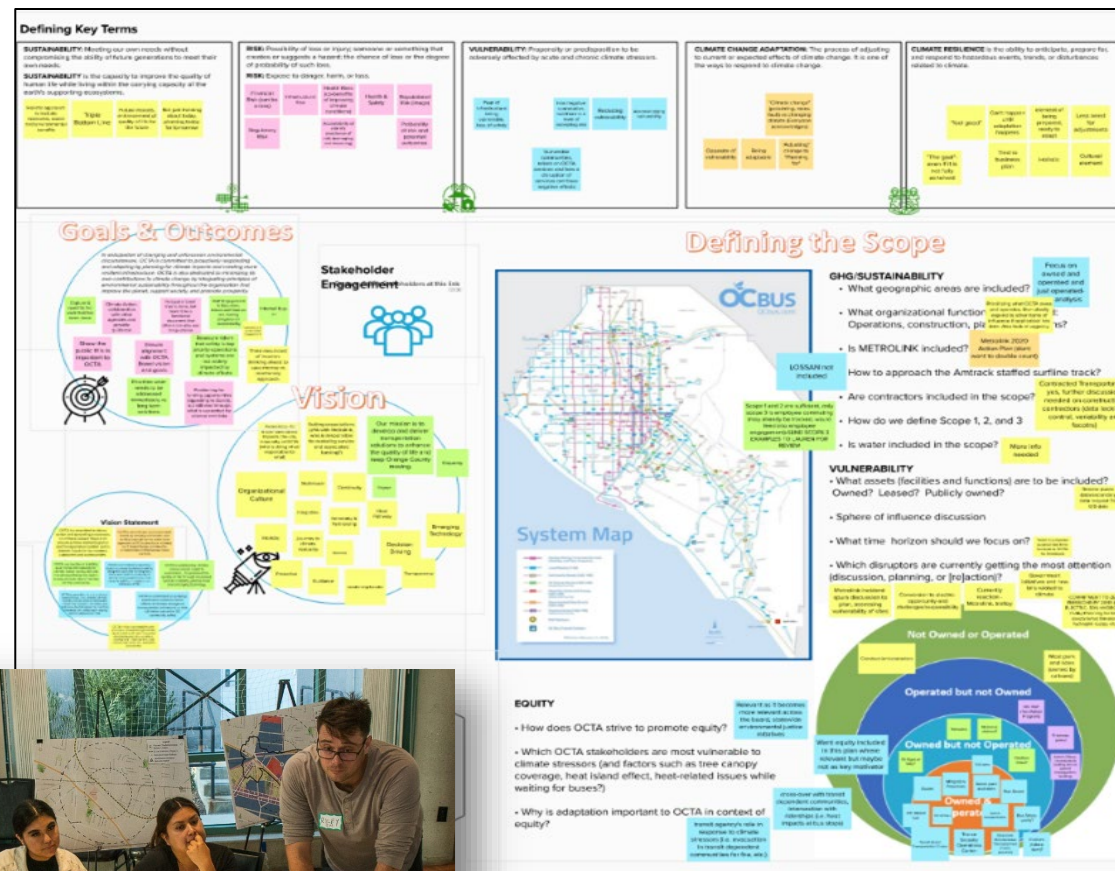
Social Equity & Inclusion

Stakeholder Engagement Overview



Engagement Methods

- Digital surveys
- Social media content and websites
- Newsletters
- Town hall meetings
- Large format interactive workshops
- Small group interactive meetings
- Working groups
- Interviews





Climate Literacy Framework

The Eco-Sustainability Plan supports LAUSD's core mission of providing education.

- Align program recommendations to current level of confidence in the topic
- Utilize the Eco-Sustainability Plan process as a learning tool
- Expert industry partners: 10 Strands & USGBC-CA



Sustainability
Fundamentals
Workshop



Resources
for Teachers



Teacher
Surveys



Online Learning
Tools



USGBC-CA
Memberships

Deliverables Overview

Eco-Sustainability Plan



Expands existing goals for full coverage of all sustainability sectors

Project- Specific Roadmaps



Lay out guidance for **how** goals will be achieved, including project-specific costs, timelines and equity co-benefits

Dashboard & Performance Monitoring



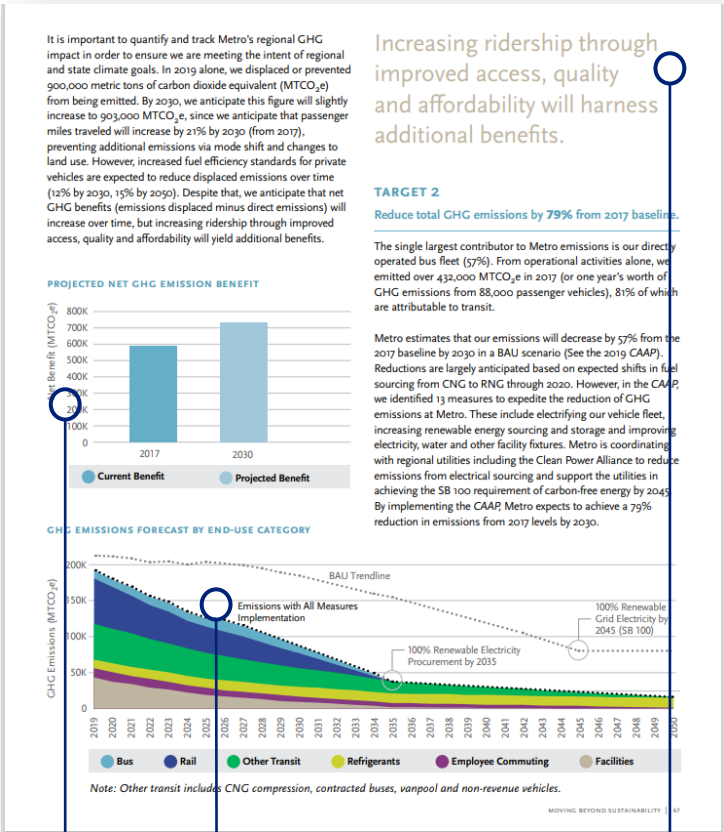
Sets up data management framework for communication of progress and continuous monitoring



Plan Contents & Design

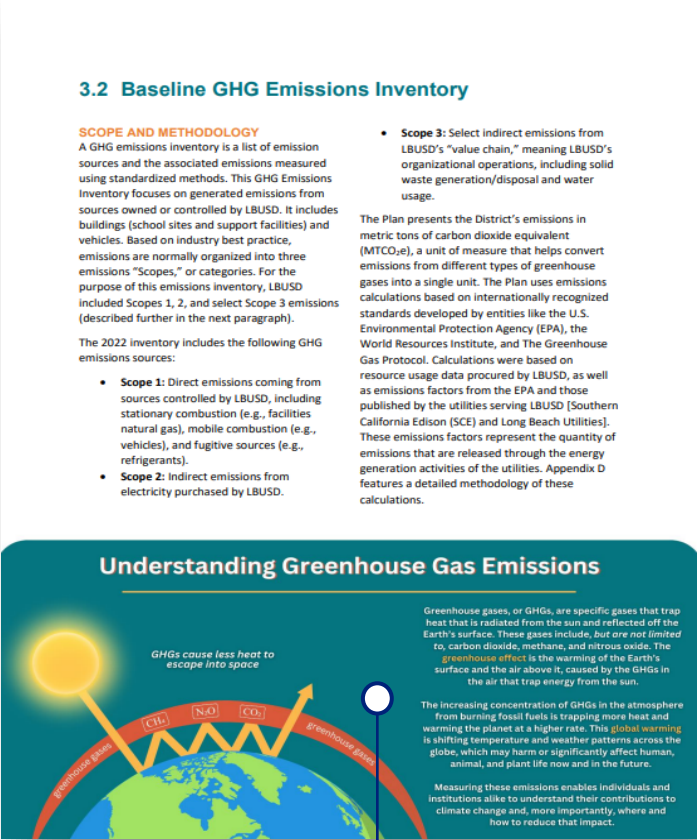
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 - Water
 - Waste
 - Resilience
 - Equity
- VI. Section 5 – Roadmaps & Implementation Strategies
- VII. Section 6 – Measurement, Monitoring, & Reporting
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Charts and graphs to convey data and analysis

Callouts to highlight key information



Infographics to translate complex concepts



Framework Sectors for Roadmaps

CLEAN ENERGY

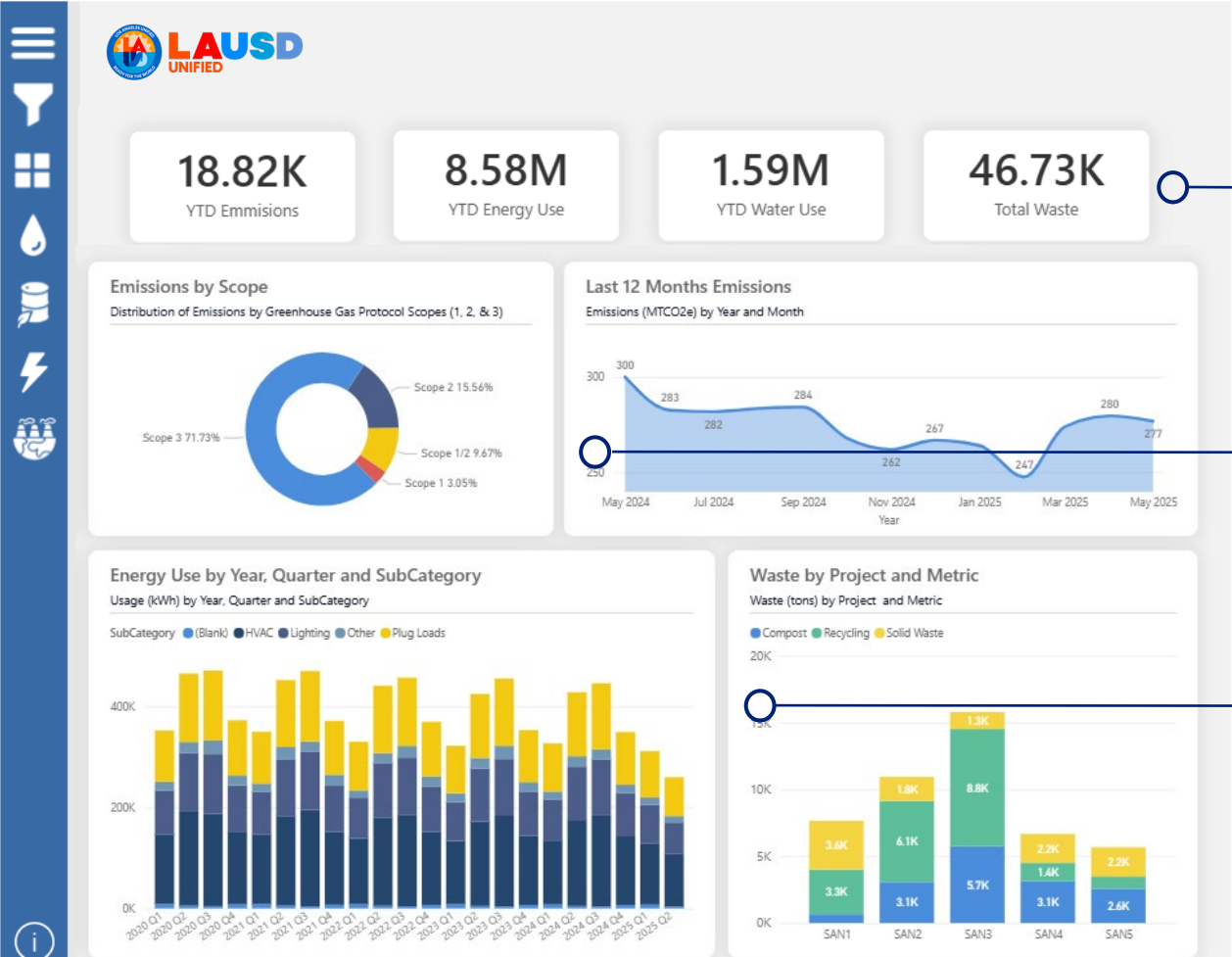
Goals	Objectives	Year-by-Year Actions	Funding Needs	Reporting and Data
2028 LACI Going for Gold (LA28)	1 Establish roadmaps to achieve 2030 and 2040 goals	2026 Action 1	2026 \$	2026 Publish sustainability progress metrics + 2030 Gap Analysis
	2 Electrify the yellow fleet	2027 Action 2,3,4	2027 (can this accelerate) \$	2027 Energy and renewable project investigation and scoping PH1
2030 100% Clean Energy 50% Emissions Reduction	3 Expand photovoltaic electricity generation	2028 Action 5	2028 \$	
	4 Implement clean power agreements with utilities where feasible	2029 Action 6, 7	2029 \$	
	5 Strengthen high performance schools guidelines for new construction	2030 Action 8, 9, 10, 11	2030 \$	
	6 Implement energy conservation measures to reduce energy use and greenhouse gas emissions at existing facilities	2031 Action 12	2031 \$	2029 Integrate Eco-sustainability data to IT Cloud platform
	7 Electrify building operations including all HVAC equipment	2032 Action 13	2032 \$	
2040 100% Electrification	8 Electrify the white fleet	2033 Action 14, 15, 16	2033 \$	2031 Publish 2030 Clean Energy Achievement Report
	9 Electrify the food service facilities and equipment	2034 Action 17, 18, 19, 20	2034 \$	
		2035 Action 21	2035 \$	2031 Energy and renewable project investigation and scoping PH2 + 2035 Gap Analysis/Strategy
		2036 Action 22, 23, 24	2036 \$	
		2037 Action 25, 26, 27, 28	2037 \$	
		2038 Action 29, 30	2038 \$	2036 2040 Gap Analysis/Strategy
		2039 Action 31, 32, 33	2039 \$	
		2040 Action 34	2040 \$	2041 Publish 2040 Electrification Achievement Report

- Integrated roadmaps create alignment between overarching goals, specific **year-by-year actions** and funding needs
- Critical path dependencies identify risks to long-term goals and provide opportunities for mitigation strategies



Sample Dashboard

- Will be supported by a robust **data management** infrastructure
- Will serve to **monitor progress** and communicate success
- Will be **tailored to LAUSD's audiences** (both internal and external)
- Will serve as an educational tool student-facing dashboard for use in classroom



Tracks KPIs and progress against goals

Shares data related to GHG emissions

Provides additional detail on sector data (waste, water, energy etc.)



Thank You



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lausd.org/eso

