# C2C: Clean Energy *to* Communities

U.S. DEPARTMENT OF ENERGY

# Implementing an On-Site Clean Energy Procurement Strategy
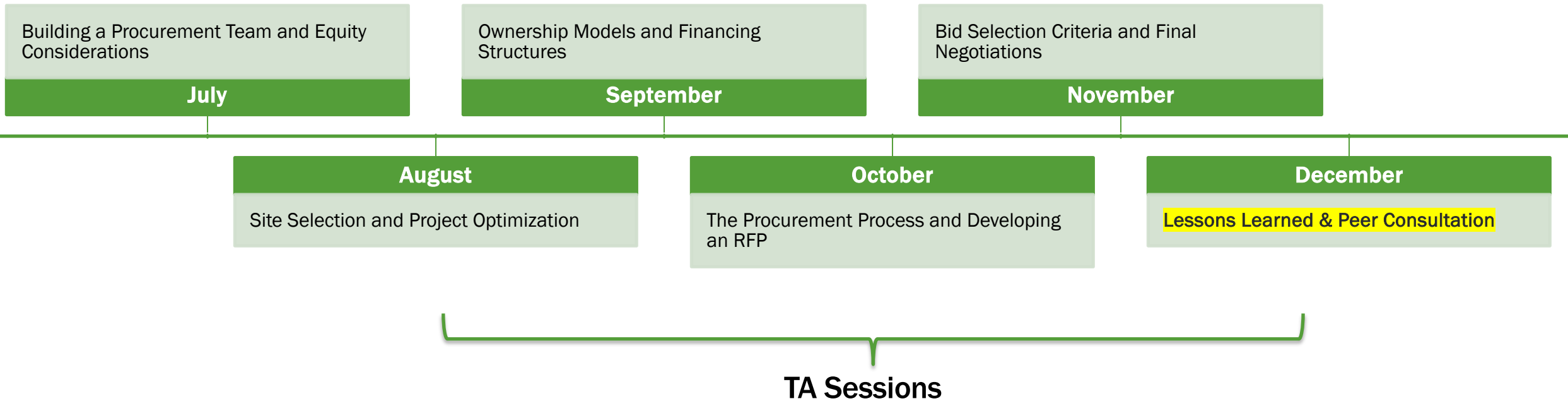
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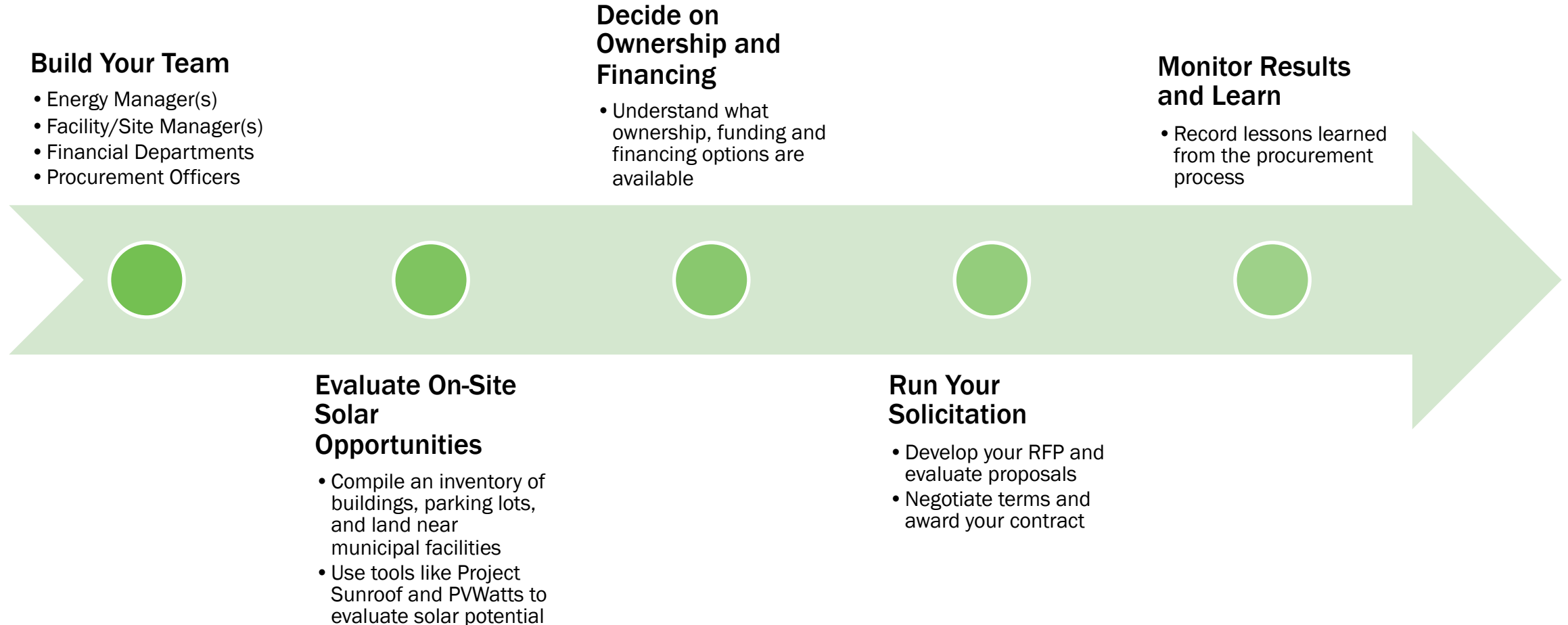Do not cite, copy, or distribute beyond these pilot cohort meetings.

# Workplan for this 6-month cohort

| | | |
|---|---|---|
| Building a Procurement Team and Equity Considerations | Ownership Models and Financing Structures | Bid Selection Criteria and Final Negotiations |
| **July** | **September** | **November** |

| | | |
|---|---|---|
| **August** | **October** | **December** |
| Site Selection and Project Optimization | The Procurement Process and Developing an RFP | Lessons Learned & Peer Consultation |

**TA Sessions**

# Procuring on-site solar follows a step-by-step process

**Build Your Team**
- Energy Manager(s)
- Facility/Site Manager(s)
- Financial Departments
- Procurement Officers

**Decide on Ownership and Financing**
- Understand what ownership, funding and financing options are available

**Monitor Results and Learn**
- Record lessons learned from the procurement process

**Evaluate On-Site Solar Opportunities**
- Compile an inventory of buildings, parking lots, and land near municipal facilities
- Use tools like Project Sunroof and PVWatts to evaluate solar potential

**Run Your Solicitation**
- Develop your RFP and evaluate proposals
- Negotiate terms and award your contract

# Building Your Procurement Team

Identifying the group of staff that will help you lead this clean energy procurement is a key step in preparing for a successful implementation process.

- Communication failures can lead to significant delays and setbacks in the implementation of your new procurement.

- Procurement teams should include the necessary staff who understand your local facilities, can help you acquire funding for your project, and have the legal expertise to review contracts.

Who else should be included on your team?

Energy or Sustainability Manager/ Team Lead

Facilities manager

Procurement Team Lead or Staffer

Finance Director or Staffer

City/County Legal Counsel or Team Member

Who else is on your team?

Staffer of Mayor or City Manager

Local Advocate or Volunteer

Source: City Renewables Accelerator

# Outreach vs. Engagement

- Outreach is the process of communicating with communities and community members. Outreach can be done for promotion, education, research, information, connection, or services. The goal of outreach is to get community members more involved in what is happening in their community. The goal of outreach is to "inform," "consult," and "get involved".

- Community engagement is the step of actively working with the community to identify and address local ideas, concerns, and opportunities. Community engagement allows community workers to involve "the public in processes that affect them and their community".

Source: Hasan, M. n.d. "Chapter 8: Community Engagement and Outreach.
" https://ecampusontario.pressbooks.pub/communitydevelopmentpractice/chapter/community-engagement-and-outreach/

# Select, screen, and prioritize potential sites in 4 key steps:

## Organize Potential Sites
- Select a list of potential sites based on procurement goals

## Refine List of Sites Selected
- Narrow the list based on initial site characteristics and analysis

## Size Sites to Load and Regulations
- Review the site's energy load and utility regulations

## Size Sites to Available Area
- Utilize the maximum available roof, parking, or land area

# Maximize impact by identifying sites that align with your goals

## Environmental Impact

- Larger sites (or multiple sites) will provide greater emissions/pollution reduction, regardless of specific location; pair with energy efficiency/building upgrades

## Local Economic Impact

- Larger projects (or multiple projects) present greater opportunity for jobs

## Financial Impact

- Look at sites with highest energy demand/costs; pair with energy efficiency/building upgrades

## Equity and Grid Resilience

- Focus on community-centric sites that are large and accessible (fire stations, community centers, etc.)

## Clean Energy Leadership

- Find highly visible and accessible sites (libraries, fire stations, city hall, schools, etc.)

# How to choose an ownership model?

## Key Elements to Consider:

- **Community goals and engagement/local support**
- **Budget and financial capacity**
- **Technical expertise**
- **Risk tolerance**
- **Timeline and scale**
- **Flexibility v. control**
- **Legal/regulatory landscape**

## Questions

- What are our clean energy goals, and how do they align with our community's values?
- What are our financial resources and the availability of external funding?
- Do we have the technical expertise to manage clean energy systems, or should we seek partnerships?
- How do we prioritize risk management and long-term financial stability?
- What is our timeline for clean energy implementation, and how will we scale our efforts?
- How can we engage our community effectively and ensure their support?
- What level of control and flexibility do we need over clean energy projects?
- What funding opportunities and legal/regulatory considerations are relevant to our jurisdiction?
- Are we prepared for long-term commitments and potential changes in ownership models?

# Financing Options

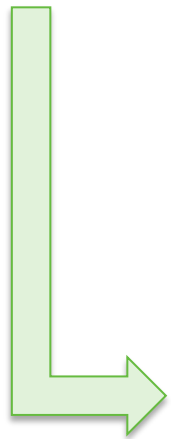| | |
|---|---|
| **Grants and Incentives** | • **Advantages:** Reduce upfront costs, favorable terms, no repayment.<br>• **Considerations:** Vary by jurisdiction, compliance, reporting. |
| **Municipal Bonds** | • **Advantages:** Stable, long-term financing, customization.<br>• **Considerations:** Administrative complexities, creditworthiness, repayment sources. |
| **Tax Credits** | • **Advantages:** Reduce tax liability, encourage private investment.<br>• **Considerations:** Eligibility, compliance, varying value. |
| **PPAs** | • **Advantages:** Minimal upfront costs, stable energy costs, performance guarantees.<br>• **Considerations:** Long-term contracts, negotiation, evaluation. |
| **Leasing agreements** | • **Advantages:** Low upfront costs, minimal maintenance, gradual payments.<br>• **Considerations:** Varying terms, interest rates, long-term assessment. |
| **PPPs** | • **Advantages:** Private sector expertise, reduced financial burden, performance guarantees.<br>• **Considerations:** Clear terms, performance standards, alignment with community. |

**Other mechanisms:** Community-based financing models, PACE, on-bill financing, ESCOs, green banks, etc.

# Most RFPs follow a similar path and timeline

RFP Development
(3-6 months)

Solicit Responses
(1 month)

Negotiate Contract
(1 month)

Construct System
(1-6 months)

1. Perform preliminary site assessment

2. Engage procurement team

3. Write the RFP

4. Gather RFP attachments for project sites

# An on-site solar RFP typically contains six sections

Project Overview

Procurement Schedule

Scope of Work

Proposal Requirements

Proposal Evaluation

RFP Exhibits

# Defining and communicating clear evaluation criteria is critical to an effective RFP process

## Benefits to the local government:

- Ensures staff and evaluation team are on the same page ahead of RFP issuance
- Allows for "apples to apples" bids which are simpler to compare
- Limits number and variety of bids from developers that city/county has to review

## Benefits to the developer:

- Streamlines pricing and modelling
- Enables selection of projects in the pipeline that most effectively meet city needs
- Provides transparency around developer specific criteria (preference for local or WMBE businesses)
- Prompts inclusion or development of programs to meet city's workforce development goals (or other)
- Allows developers to be creative and demonstrate their strengths