



# **Solar Utilization in Higher Education Networking & Information Sharing Group: Contract, RFP, and Administrative Issues Discussion**

*EPA Green Power Partnership*



# Speakers and Agenda

- Speaker
  - James Critchfield, EPA Green Power Partnership
- Agenda
  - Background
  - Report out on top contract, RFP, and administrative issue areas
  - Open discussion
  - Next Steps
  - Q&A

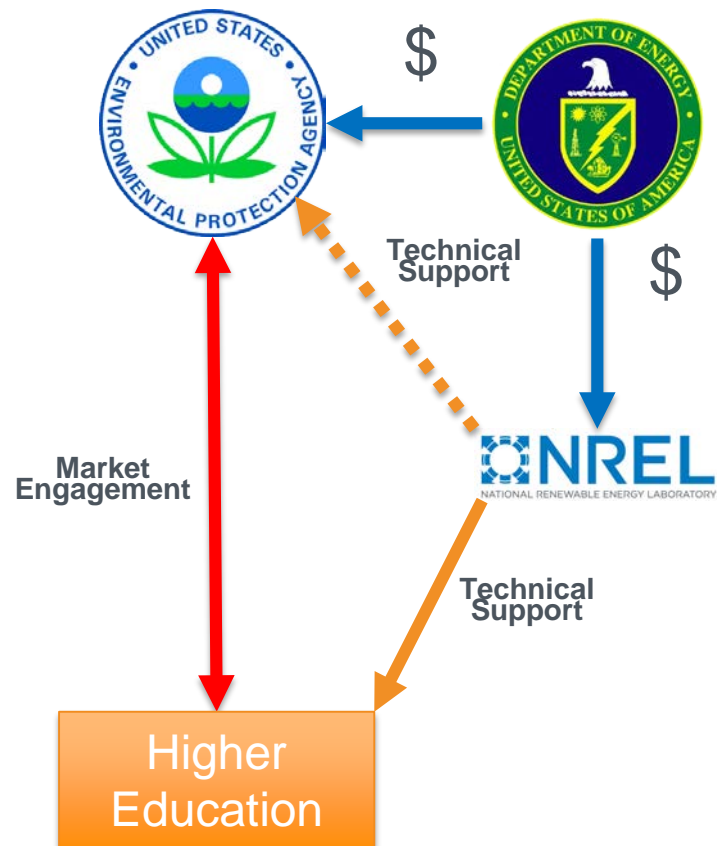


# HIGHER EDUCATION NETWORKING & INFORMATION SHARING GROUP



# Background

- This collaboration is born out of a joint effort between EPA, DOE and the National Renewable Energy Lab to focus on mid-scale solar opportunities
- Over this 18-month effort, EPA will seek to address specific financial, administrative and policy barriers encountered by individual institutions



# Objectives

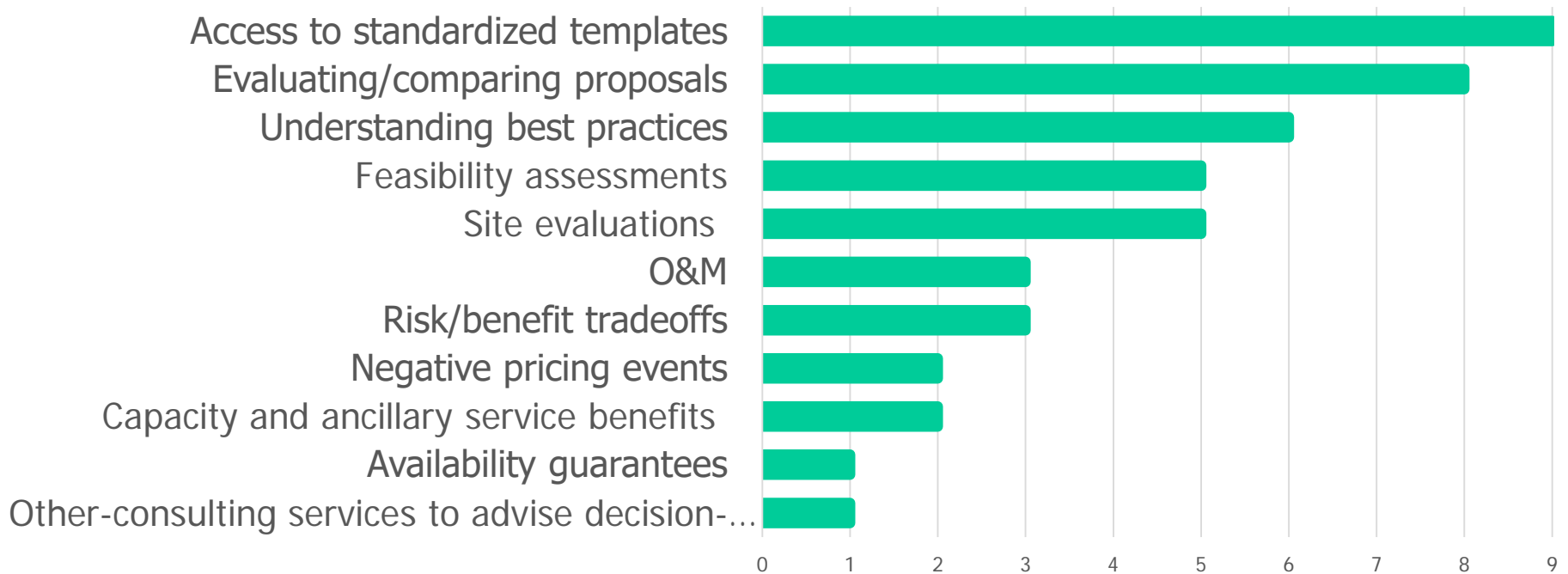
- EPA endeavors to:
  - Validate solar development needs of individual institutions
  - Identify common project development barriers unique to on- and off-campus solar project opportunities
  - Identify and discuss technical and non-technical solutions and exchange information related to individual experiences and practices
  - Deliver targeted solutions to higher education institutions nationally



# **CONTRACTS, RFP, & ADMINISTRATIVE ISSUE AREAS**



# Contract, RFP, & Admin. Issues Identified During Kickoff Webinar





# Contract, RFP, & Admin. Issues by College/ University

Access to standardized templates	Evaluating/ comparing proposals	Understanding best practices	Feasibility assessments
<ul style="list-style-type: none"> <li>• Arizona State U.</li> <li>• Auburn U.</li> <li>• Elon U.</li> <li>• Fairleigh Dickinson U.</li> <li>• Kennesaw State U.</li> <li>• Michigan State U.</li> <li>• Northern VA CC</li> <li>• UNC Charlotte</li> <li>• U. of Northern Iowa</li> </ul>	<ul style="list-style-type: none"> <li>• Arizona State U.</li> <li>• Auburn U.</li> <li>• Elon U.</li> <li>• Fairleigh Dickinson U.</li> <li>• Kennesaw State U.</li> <li>• Michigan State U.</li> <li>• RIT</li> <li>• UNC Charlotte</li> </ul>	<ul style="list-style-type: none"> <li>• Arizona State U.</li> <li>• Auburn U.</li> <li>• Christopher Newport U.</li> <li>• Elon U.</li> <li>• Kennesaw State U.</li> <li>• UNC Charlotte</li> </ul>	<ul style="list-style-type: none"> <li>• Arizona State U.</li> <li>• Auburn U.</li> <li>• Christopher Newport U.</li> <li>• Elon U.</li> <li>• Northern VA CC</li> </ul>



# Contract, RFP, & Admin. Issues by College/ University

Site evaluations	O&M	Risk/benefit tradeoffs	Negative pricing events
<ul style="list-style-type: none"><li>• Arizona State U.</li><li>• Elon U.</li><li>• Fairleigh Dickinson U.</li><li>• Michigan State U.</li><li>• Northern VA CC</li></ul>	<ul style="list-style-type: none"><li>• Arizona State U.</li><li>• Christopher Newport U.</li><li>• U. of Northern Iowa</li></ul>	<ul style="list-style-type: none"><li>• Arizona State U.</li><li>• Auburn U.</li><li>• Fairleigh Dickinson U.</li></ul>	<ul style="list-style-type: none"><li>• Arizona State U.</li><li>• Auburn U.</li></ul>

# Contract, RFP, & Admin. Issues by College/ University

Capacity and ancillary service benefits	Availability guarantees	Other-consulting services to advise decision-making
<ul style="list-style-type: none"><li>• Elon U.</li><li>• Michigan State U.</li></ul>	<ul style="list-style-type: none"><li>• Arizona State U.</li></ul>	<ul style="list-style-type: none"><li>• Auburn U.</li></ul>

# Let's Discuss...

- For each topic, we want to hear about:
  - What specifically is holding your college or university back?
  - What types of resources would be most helpful:
    - Fact sheets, memos, templates, etc.?
  - Who should the solution be directed at as an audience:
    - You or someone else in your organization? President, CFO, facilities staff, etc.?

# Background: Procurement Process

Develop RFP



Issue RFP



Receive Responses (proposals)



Compare & Evaluate Proposals



Negotiate & Award Contract

# Understanding Best Practices: Solar RFPs

## RFPs General Best Practices:

- Have a clear, well-defined goal
  - Energy savings, emissions reductions, job creation, others
- Involve a broad set of stakeholders early
  - Engineering, Financial, Legal, Procurement Officers, Students
- Do not be overly restrictive in the RFP
  - Use outcome-based (kWh or MWh) requirements rather than specific system-design criteria
- Provide as much information about site characteristics as is technically/financially feasible
  - Site assessment results, site photos/maps/plans, facility Load Data



# Key Elements: Solar RFPs

- Roof integrity and warranties
  - Roof is structurally sound with at least 15 yrs. before replacement
  - Guarantees that solar project will not affect roof warranty
- Financial requirements
  - Bid Bond/Bid Deposit
  - Balance Sheet/Cash flow Statement
- Permitting and interconnection responsibility
  - Whose responsibility is it to process permits an interconnection
- Team qualifications and solar project experience
- Technical specifications
  - Product standards, codes, warranties

# Key Elements: Solar RFPs

- Operations and maintenance
  - In-house –respondent trains staff and/or provide O&M manuals
  - Third-party –responsibility of respondent and included in project cost
- Performance monitoring and performance guarantees
  - Monitoring system measures system output
  - Respondent provides annual system performance estimates
- Milestones with completion dates
  - Permits and other regulatory approvals obtained
  - Interconnection agreement executed
  - Construction begins
  - Operation commences
- Equipment and labor requirements



# Evaluating/Comparing Proposals

- Solicited vs Unsolicited proposals
  - The information provided to developers influences the quality and comparability of proposals you get back
  - Unsolicited proposals are often more difficult to compare if underlying technical and non-technical assumptions vary
- Evaluation best practices
  - How to weight different elements within a proposal
    - What do you want to evaluate?
    - What level of granularity does the evaluation need to entail?
  - Approaches for internally reviewing and assessing proposals
  - Using scorecards to detail evaluations and make selections

# Evaluating/Comparing Proposals

- Webinar: Solar procurement templates and tools for Higher Education
  - [https://www3.epa.gov/greenpower/events/16apr14\\_webinar.htm](https://www3.epa.gov/greenpower/events/16apr14_webinar.htm)
  - Procurement process outline
  - Solar system specifications
  - Vendor proposal checklist — ensures you have all relevant documents for decision-making
  - Pricing worksheet — enables transparent and comparable vendor pricing
  - Proposal evaluation criteria
  - Levelized Cost of Energy (LCOE) Calculator — assists in evaluating informal/unsolicited bid pricing



# Understanding Best Practices: Contracts

- Contract elements
  - Static elements (cannot be negotiated)
  - Dynamic elements (can be negotiated)
    - Fixed or floating electricity price
    - Price escalator
    - Contract term length
    - Liability
    - Regulatory risk
    - Availability guarantees – minimum percentage of power available or # of days available
- Would it be helpful to understand where risk/benefit resides in each contract element for the institution or developer?

# Understanding Best Practices: Administrative Process

- Understanding best practices for influencing the approval of projects.
  - Identify and engage administrative stakeholders early
  - Understand stakeholders expectations and limitations
    - e.g., keeping the project's budget and payback period within a desired range
  - Structure materials (e.g., RFPs, facts sheets) and project scope to meet these needs
  - Consult with solar experts to ensure a quality project and to help with buy-in from administration

# Access to Standardized Templates

- Many available in the EPA GPP Resource Library:  
<http://www3.epa.gov/greenpower/pubs/resourcelibrary.htm>
- What types of templates are most needed?
  - RFPs
  - PPA Contracts
  - O&M Contracts
  - Site feasibility evaluations
  - CFO project pitch sheet

# Next Steps

- EPA will take your ideas and facilitate some solutions by
  - Convening future Networking and Information Sharing meetings
  - Developing case studies, white papers, trainings etc..
  - Launching an online project development portal in Fall 2016

# Smart and Sustainable Campuses Conference

- April 4-5th in Baltimore, MD
- EPA is holding 3-mini conference workshops
  - Will involve a deep dive into areas of finance and project economics; RFPs, contracts and administrative issues; and policy issues
  - Will build upon findings from Networking and Information Sharing group webinars
  - Unique learning opportunity
  - Each workshop will include expert technical speaker(s) and higher education perspectives, each providing a basic level of understanding on key topics to all attendees
- <http://smartandsustainable.umd.edu/register>





# Questions?

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