

Solar Energy & Economic Development Fund

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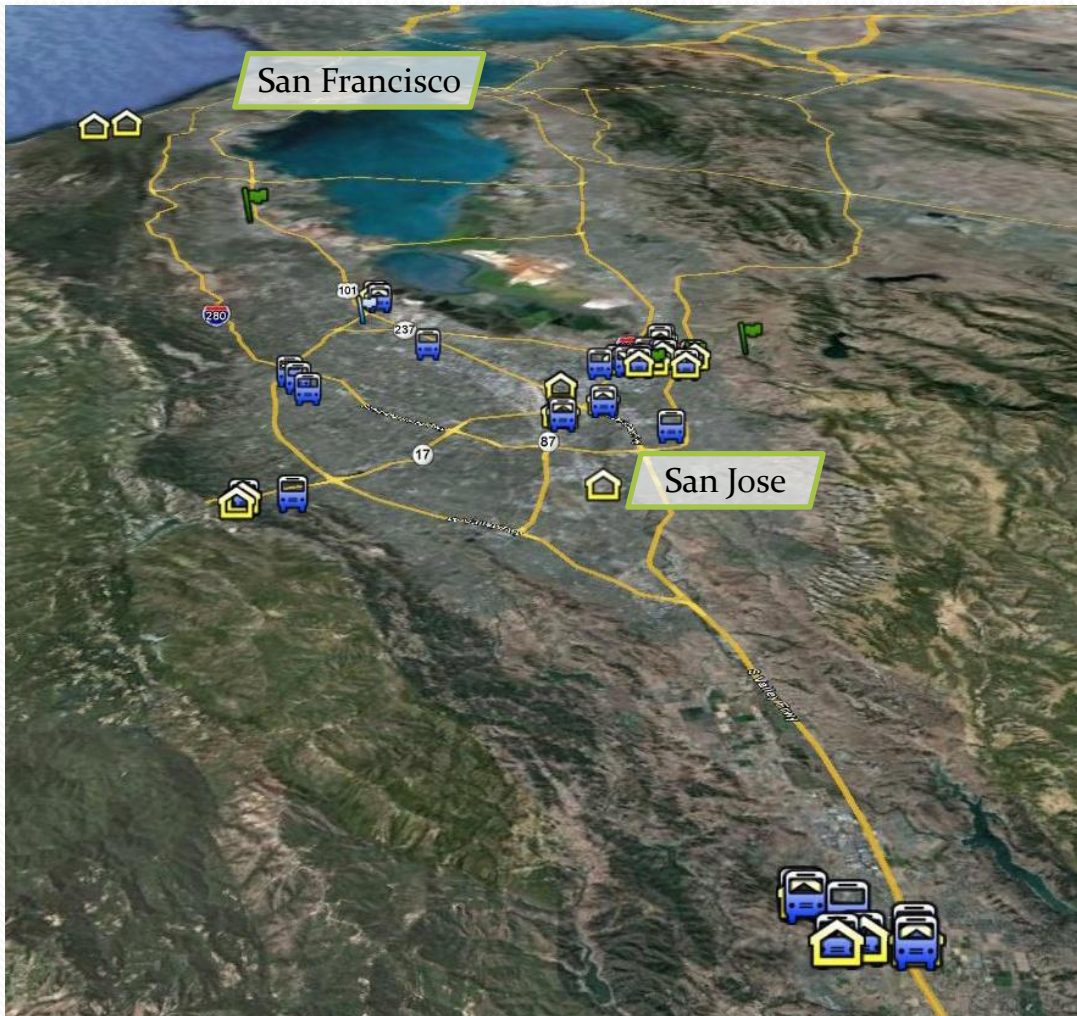
Solar Energy & Economic Development Fund



- An innovative business model designed to extend the market potential of collaborative procurement by creating a revolving fund mechanism to defer upfront costs for public partners.
- Funded by California Solar Initiative Research Design and Development Program



Silicon Valley Regional Solar Project Overview



Includes 43 sites

- Collaboration across 9 jurisdictions
- 14.4MW of combined solar PV

Multiple Site Types:

- Carports
- Rooftops
- Ground mounted

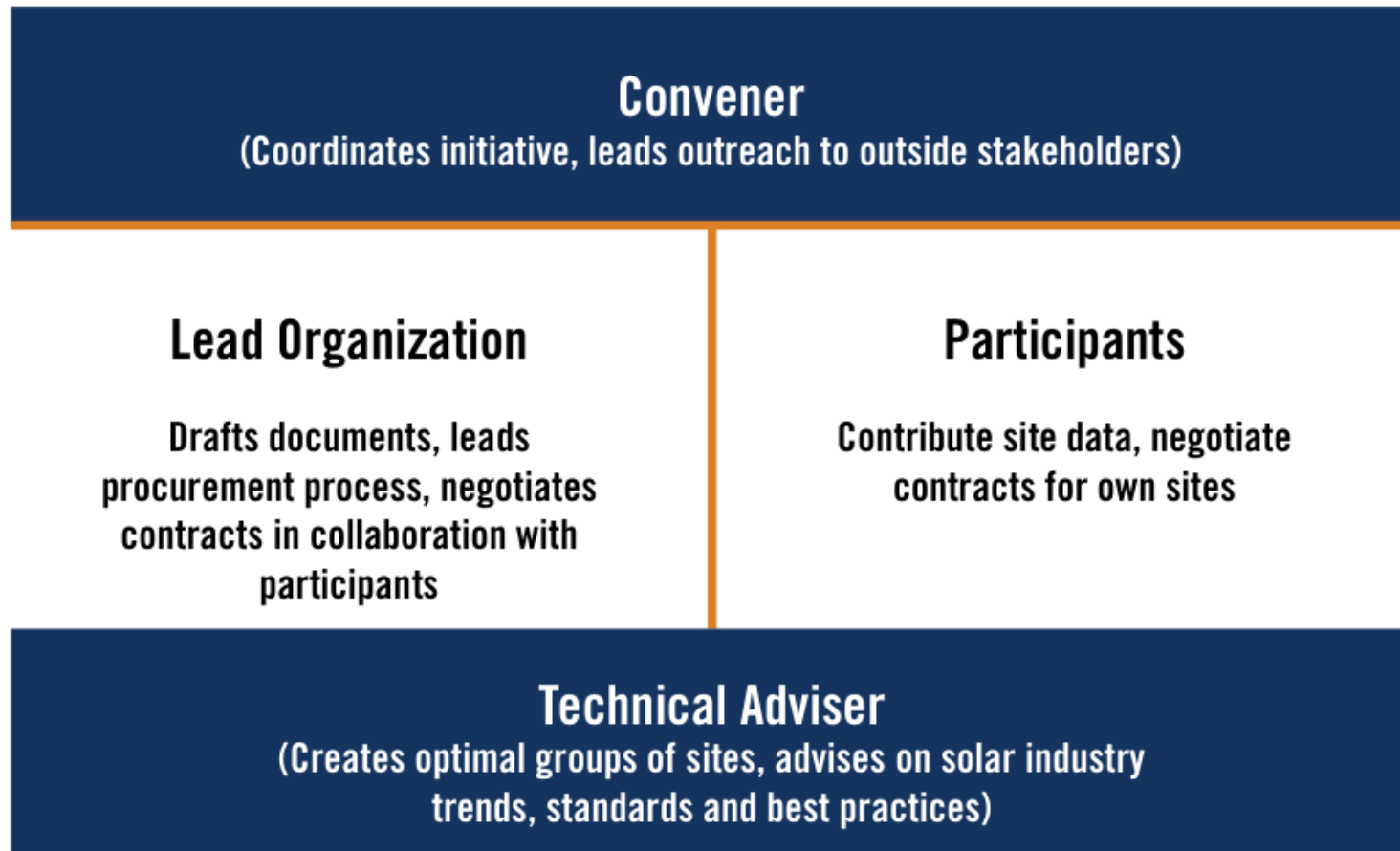
Largest multi-agency effort to date

- County of Santa Clara
- 6 Cities
- 2 Special Districts

LESSONS:

- Aggregated purchase discounts 12%+
- Reduced admin and transactions costs 50%+
- Better negotiated contract terms & conditions

Collaborative Procurement



Demonstrated Collaboration Benefits

Based on successful initiatives and model in Silicon Valley and Washington DC Regions

- Achieve Strategic Sustainability Plans faster by working together
- Aggregation yields greater market interest and better pricing
- Working together yields lower project risks with higher returns
- Dramatically reduce transactions costs and administrative effort
- Consolidate fragmented efforts to pursue viable options
- Leverage regional initiatives for education and workforce development
- Demonstrate leadership locally, regionally and nationally
- Achieve energy goals while generating operational savings
- Shorten the long learning curve on new technologies and financing options



Design of SEED Fund

- Although collaborative procurement is attractive, upfront cost is still prohibitive for many public entities.
- SEED Fund is designed to address this barrier
 - A unique 3-step opt-in program to empower public agencies to evaluate and participate in a regional group purchase program for municipal solar PV projects.
 - Does not require upfront allocation of funds for project planning, site assessments, or procurement activities



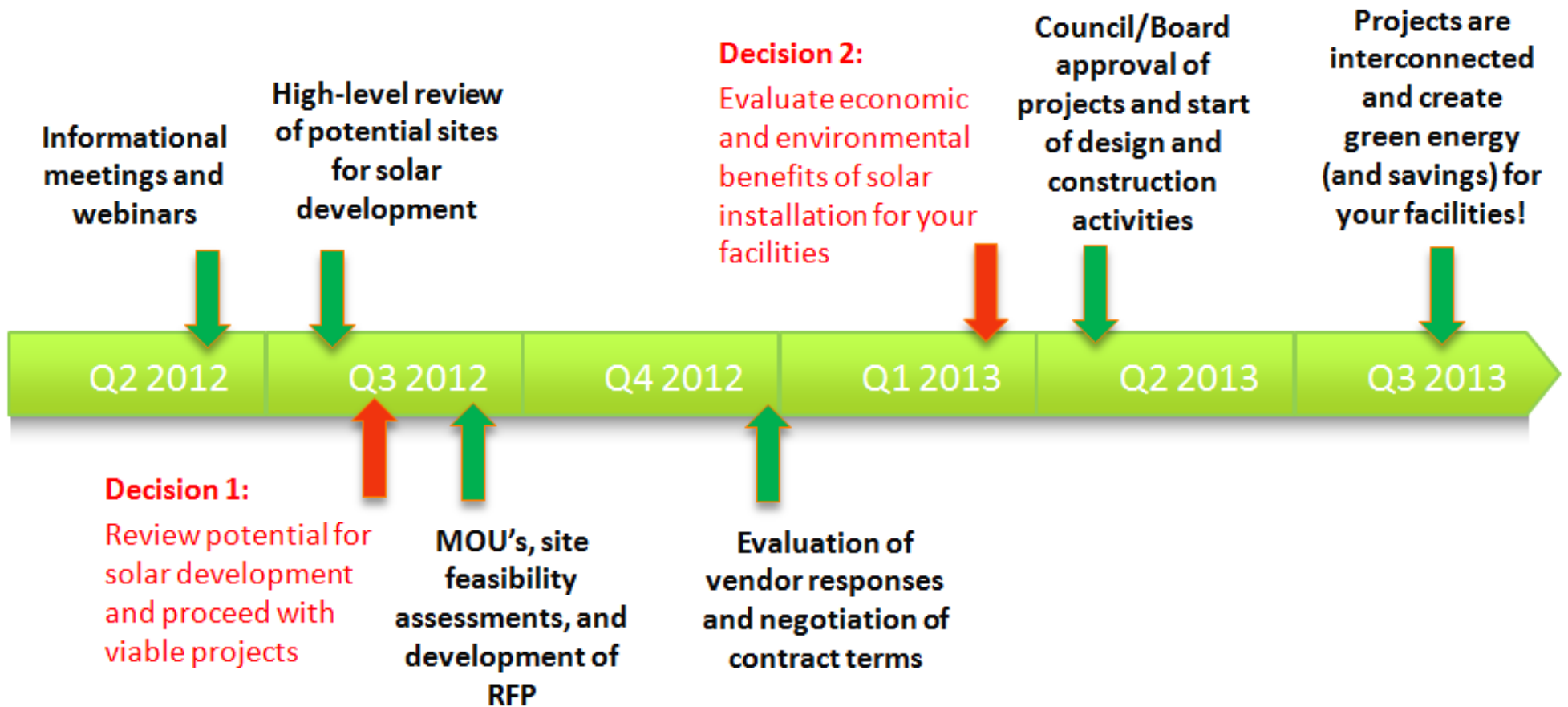


Participants

- Local government agencies and schools that are considering solar power for their facilities.
- Targeting Marin, Napa and Sonoma Counties
- Strategic Energy Innovations will act as convener
- Optony Inc. will serve as technical advisor



Timeline





Goals of SEED Fund

- Bring at least 5 MW of new public PV on line
- Realize **10-12%** in total project cost savings
- Reduce transaction costs and administrative effort by **50-70%**
- Deliver collaboration support for 1-2% of total contracted solar project costs
- Secure agreements to build collaboration costs into solar contracts.
- Attract at least \$250,000 in additional funding for long-term sustainability of the fund.



Program Sustainability

- CSI provides \$\$ for the initial fund
 - Program management and support for participating agencies and up to 50 potential sites
 - Technical assistance throughout the education, evaluation and procurement phases
- Savings anticipated for participating agencies
 - Project cost savings over 10% (ex: \$20M in projects reduced by \$2M)
 - Administrative and transaction costs reduced by over 50%
 - Project risks reduced (improve lifetime economic benefits and avoid “bad projects”)
- Replenishment of fund after contracts are signed
 - 1-2% of project value (ex: \$20M in projects, recovers \$300K)
 - Funding goes into future rounds of renewables and energy efficiency projects

Framework for Regional Collaboration & Fund

- Revolving fund for technical assistance and program support
 - Fund to be used to overcome initial cost hurdle for support services
 - Replenished upon contract approvals for additional phases
 - Accelerates implementation and encourages participation
- Collaborative Evaluation and Procurement
 - Standardized, market-leading resources made available to all participants
 - Evaluation and procurement templates for fast impact and rapid progress
 - Reduce the learning curve for participants through training materials and education
 - Group purchase and negotiations save money on all projects
- Lasting Regional Impact
 - Create significant new economic activity and jobs
 - Demonstrate environmental leadership & education for the future
 - Potential participants in Marin, Sonoma, and Napa Counties

Discussion



Thank you!

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