



Solar Power Purchase Agreements

The pressure for school districts to do something that can be classified as energy saving, “green,” or sustainable is enormous. It helps to look at one potential energy saving method at a time. Districts use massive amounts of energy at steadily increasing costs. Purchasing solar power at a discount is one step towards sustainability and saving money. Below are frequently asked questions and answers about how to get started.

How does a school district purchase solar power?

- One common method is through a solar power purchase agreement.
- The district enters into an agreement with a vendor (solar company) which installs equipment on school property for generating solar energy and then sells the energy to the district at a discount.
- It can be done for one school or all schools in a district.

What are some of the benefits?

- Most importantly, the use of solar power can save districts money on their energy costs.
- Districts using solar power may be entitled to rebates from public utilities, grants from state programs and access to federal stimulus funds.
- Systems often can be installed without significant upfront costs for the district.

What are some of the risks and how can we minimize them?

- Be realistic. Don't rely on purchasing solar power to solve all your energy problems.
- View a solar power purchase agreement as a kind of energy hedge, something to lower energy costs significantly rather than completely eliminating them.
- Don't accept one vendor's assessment. Have your finance administrator conduct an independent fiscal analysis to see if promised energy cost savings are realistic and feasible.

What are the first steps?

- Assign one person to do initial research and provide a report, including an energy assessment for your district or school.
- Get assistance and information from professional associations, non-profit groups dedicated to solar energy and government organizations.
- A few of the many available websites:
 - Center for Sustainable Energy: www.energycenter.org.
 - California Solar Initiative: www.gosolarcalifornia.org.
 - Coalition for Affordable School Housing (CASH): www.cash-net.org.
 - Los Angeles Community College District: www.laccdbuildsgreen.org.
 - Bright Schools Program: www.energy.ca.gov/efficiency/brightschoools.
- Provide opportunities for school board members, school finance administrators, teachers and other staff, community members and other stakeholders to learn about solar energy.

- Solicit community input, especially if solar panels or other installations on district property are visible to the surrounding community.

How will the project be financed?

- Up-front costs of construction and installation can be financed in a number of ways that minimize the district's out-of-pocket costs.
 - Private financing (often arranged by the solar company).
 - Local utility incentive programs (for example, SDGE: www.sdge.com/sustainable).
 - California Energy Commission (CEC) Performance Based Incentive Program.
 - California Solar Initiative: www.gosolarcalifornia.org.
 - Federal programs (30% federal investment tax credit).
 - District repays installation costs with its savings on energy costs pro-rated over X years.

If you have any questions regarding issuing and evaluating energy program RFPs, drafting energy contracts and/or how your district can realize optimal yield on its investments, please contact one of our four offices.

As part of the **E-ducation Professional Development Series** hosted by ACSA and F3, on November 17, 2009, we are offering a webinar on Shedding the Light on Solar: Energy Programs and Contracts that Protect Your District. Registration information for this webinar will be coming to your district from ACSA or you can register by emailing mdomingo@acsa.org with "ACSA-F3 Webinar" in the subject line. Registration is limited to the first 150 registrants, however, ACSA makes available an archived version of the webinar on its website at www.acsa.org.

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