

Solar-Enhanced Energy Performance Contracting

Viable Energy Performance Contract (EPC) projects produce savings exceeding project costs, typically with positive cash flow before the end of the financing term, i.e. leftover savings. In choosing to participate in the Solar-Enhanced EPC program, State Agencies and local & public bodies can use remaining savings from traditional energy conservation measures (ECM's), such as LED lighting conversions, **to fund an on-site solar, net-metering or behind the meter project, with funds from DMME to supplement any shortfall, up to 50% of the solar PV system total project cost.** The program is **applicable only to those EPC projects which utilize the Commonwealth of Virginia's (CoVA) established EPC procurement program/process.**

This program seeks to promote the advantages and benefits of an EPC project for energy efficiency and energy conservation, while increasing adoption of renewable energy systems. The program will have the advantage of not having to secure a separate procurement for the solar system portion of the project. The energy services companies (ESCO's) will incorporate the solar as part of the EPC project, while guaranteeing all the savings to the participants.

Eligible projects include all EPC new projects as well as any EPC project that is currently in the Back of the Envelope (BOE) audit phase of the EPC process but where there has been no BOE proposal presentation given to, nor received by, the potential customer. **The program will allocate approximately \$2M for state agencies and institutions of higher education, and \$1M for local and public bodies. Single project funding will be capped at \$500K.** The program will be available on a **first-come-first serve basis** and **will be based on availability of funds at the time of contract signing**, subject to adjustments as necessary. Projects with public education and/or high public visibility will receive more consideration. **Funding for all Solar-Enhanced EPC projects is subject to DMME review & approval. Both the EPC & the Solar PV project will be subject to Buy American & Davis Bacon requirements.**

DMME will provide technical support and assistance to customers in the Solar-Enhanced EPC program based upon the best practices and experience of DMME and the established CoVA EPC program. **DMME is not a party to any EPC Contract. All contracts are between the customer and the ESCO.**

NOTE:

- DMME will review all project proposals, including any/all ECMs to determine if the project meets all technical, financial and eligibility requirements necessary to be eligible for program funding.
- This program is funded utilizing American Recovery and Re-investment (ARRA) funds and as such, all projects must conform to Buy American and Bacon Davis requirements associated with Federal Funding. This is not a DMME requirement, it is an ARRA requirement.
- Total Project Cost (both the Solar PV ECM and all other ECMs), **must be calculated using Buy American & Davis Bacon pricing and reflected in the financial modeling presented to both the customer and DMME.**
- If an interconnection agreement is required, projects must utilize a net metering interconnection agreement. However, a behind the meter installation is also eligible for funding.
- This program is applicable only to those projects utilizing the established CoVA EPC program/process.
- DMME is introducing the Solar-Enhanced EPC effort as a new program and reserves the right to modify/adjust the program process/details at any time in order to improve the program and ensure its continued success.