

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, participating entities can use remaining savings from traditional energy conservation measures (ECM), such as LED lighting conversions, **to fund an on-site solar, net-metering project, with funds from DMME to supplement any shortfall, up to 40% of the solar project portion.** 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 EPC for energy efficiency and energy conservation, while increasing adoption of renewable energy. 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) will incorporate the solar as part of the EPC, while guaranteeing all the savings to the participants.

Eligible projects include all 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.** Funding will be available on a **first come-first serve basis** and **will be based on availability of funds at the time of contract signing.** Funding cannot be reserved in advance of a contract signing.

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 all American Recovery and Reinvestment Act (ARRA) requirements including the Buy American Provision & 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:

- This program is funded utilizing American Recovery and Re-investment (ARRA) funds and as such, all projects must conform to the Buy American Provision and Davis Bacon requirements. This is not a DMME requirement; it is an ARRA requirement.
- Projects must utilize a net metering interconnection agreement.
- 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. DMME reserves the right to modify/adjust the program, process/details at any time in order to improve the program and ensure its continued success.