

Solar Co-Developer Request for Information

Solar Workgroup of Southwest Virginia

Issue Date: **April 2, 2020**

Questions Due: **April 29, 2020**

Pre-Submittal Call: **May 1, 2020 at 1:00 pm EST**

registration required: <https://zoom.us/meeting/register/upQudO-urzspisR-uBG2ZjnyBkReRHbowQ>

Response Due Date and Time: **May 11, 2020 at 5:00 pm EST**

RFI Website: <http://swvasolar.org/solar-rfi/>

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Executive Summary

The Solar Workgroup of Southwest Virginia (SWG) has worked collaboratively for more than four years to ready the region for solar energy development. The SWG is actively seeking creative, innovative and bold solar development partners to unlock solar at a successful scale. Now more than ever, Southwest Virginia is primed for solar energy development at a new and exciting level. This is a direct result of the SWG's success in achieving major policy wins in the 2020 Virginia General Assembly session, local governments' recent SolSmart regional designation, and years of local education and outreach. The SWG looks to build on its past efforts, extensive connections throughout the region, and the solar goodwill it has developed among the communities of Southwest Virginia to establish an innovative pathway for solar project development, creating new job and economic development opportunities in the region.

Through these past efforts, there is fertile ground for solar in Southwest Virginia; but challenges remain, and creative strategies are needed to fully realize solar in the region. The SWG recognizes that it can't accomplish a robust solar industry on its own, and that dedicated and concerted collaboration with industry partners is needed to navigate the economic uncertainties that lie ahead.

Within the SWG, the Planning Team (PT) is responsible for guiding the structure and goals for the SWG, with input from numerous stakeholders. In this Request for Information (RFI), the SWG PT is seeking to establish a Co-Development project approach for future commercial-scale solar development in the region, combining the SWG's capacities for site identification and customer acquisition with the financing and project development capacities of one or more solar industry partners. We seek ideas on the proposed approach, and invite constructive and critical feedback on what the partnership(s) could look like.

This RFI seeks information from industry partners as well as to identify qualified individuals/entities interested in being included in a future Request for Proposals or Request for Qualifications for the Co-Development Partner. Local contractors/firms in Southwest Virginia interested in entering or deepening their work in the solar field are especially encouraged to respond. It is the intention of the SWG to use this RFI as the basis for establishing a pool of potential candidates that will receive a future RFQ or RFP.

Introduction

The SWG is a collaborative effort of nonprofit and community action agencies, colleges, state agencies, planning district commissions and other interested citizens and businesses seeking to develop a renewable energy industry cluster in the seven coalfield counties of Southwest Virginia. The effort was formed as a result of the 2016 Southwest Virginia Economic Forum hosted by UVA-Wise. Additional information may be found at the website www.swvasolar.org. In early 2017, the Appalachian Regional Commission awarded a POWER Initiative Technical Assistance federal grant to fund the development of the Solar Roadmap of Southwest Virginia (the "Solar Roadmap")¹. The SWG was also a recipient of assistance through the U.S. Department of Energy SunShot Initiative's *Solar In Your Community* Challenge, and has received other state, federal and private foundation funding.

In 2019, eight Southwest Virginia communities achieved designation under the national SolSmart² program for encouraging the growth of local solar energy markets. Among these communities, Wise County achieved SolSmart Silver designation, while the others achieved SolSmart Bronze designation:

¹ <http://swvasolar.org/solar-roadmap/>

² <https://solsmart.org/>

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Dickenson, Lee, Russell, Scott and Tazewell counties, the City of Norton and Town of St. Paul. These are the first communities in the Central Appalachian region to have applied for and received the SolSmart designation. This accomplishment makes solar cheaper and easier for solar development in Southwest Virginia.

The mission of the SWG is to utilize the development of solar energy as an economic catalyst in the seven-county region of far Southwest Virginia. There are four key goals:

1. Identify and develop sites that are ideal for solar development, especially solar “ambassador” projects.
2. Grow workforce development and entrepreneurship opportunities to advance solar projects and maximize local benefits.
3. Expand education and outreach in communities and with local leaders around solar benefits and opportunities.
4. Promote policy changes that will help grow the solar industry in Southwest Virginia.

The SWG is co-convened by the UVa-Wise Office of Economic Development & Engagement, People Incorporated and Appalachian Voices, with facilitation assistance from Dialogue + Design Associates, policy and legal analysis from Southern Environmental Law Center, program development assistance from the Department of Mines, Minerals and Energy, and technical assistance from paleBLUEdot. Additionally, several smaller committees focus on specific areas of action discussed in the Solar Roadmap including developing policy recommendations, facilitating a solar residential program, creating innovative financing models and mechanisms to build solar, and developing priority sites to serve as “ambassador” solar projects throughout Southwest Virginia. The PT guides the structure and goals for the SWG, with input from stakeholders.

Project Background

The Southwest region of Virginia is primed for solar photovoltaic (PV) project development, with significant, and increasing interest among businesses and public institutions. The SWG has played a major role to help position the region to reap the benefits of the rapidly growing clean energy economy. The SWG has advanced solar PV awareness, education, and support through its community outreach efforts, workshops and community meetings, and through commercial-scale solar group purchase campaigns in 2018 and 2019, which convened 18 interested sites with nearly 4.5 MW of potential capacity. In addition, the SWG conducted two residential solarize campaigns in 2018 and 2020. The SWG’s work to date has demonstrated significant demand and interest in solar and energy storage development throughout Southwest Virginia, including workforce and manufacturing.

However, inequitable state policies, rate design challenges, overall regional economic challenges, and the lack of a robust solar PV industry in the regional market have hampered solar and energy storage development in the area and continue to make traditional business pathways for project development challenging. This leaves building and site owners interested in solar development with poor access to project development options and expertise.

The SWG identified policy changes needed to support solar development in the region, removing barriers that have hindered development to date. Over the last two years, the group has played a key role in

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organizing grassroots support and the political capacity for significant change in 2020 at the state level. These efforts have recently paid off through the passage of several pieces of legislation pending the Governor's signature. These bills increase the state's net metering cap for investor owned utilities, increase the size limitations on individual projects eligible for net metering, allow for solar Power Purchase Agreements in all three investor-owned utility territories, and create new requirements for Appalachian Power and Dominion Energy to purchase renewable energy sited anywhere in the state of Virginia. These legislative changes, as well as others, will pave the way for improved solar project financial viability in the region. The current regulatory landscape, including these changes, are detailed in the Appendix A (Solar Legislative and Regulatory Landscape in Southwest Virginia).

Rate design continues to be a challenge for large commercial and industrial solar projects in Southwest Virginia. Several utility rate schedules include demand charges that make solar less attractive for the customer subject to those rates. While the SWG continues to work on regulatory and policy changes needed to provide alternative rate options to commercial and industrial customers, we also seek a Co-Development Partner that can utilize energy storage to work around the challenges presented by the existing rate options. See Appendix B (Rate Design for Commercial and Industrial Customers in Southwest Virginia) for additional details.

The SWG now looks to build on its past efforts, extensive connections throughout the region, and the solar goodwill it has developed among the communities and leaders of Southwest Virginia to establish a more innovative pathway for solar and solar + storage project development. The SWG prioritizes the creation of jobs and training opportunities for SWVA residents, and seeks to partner with an entity that is committed to developing innovative approaches to ensuring that development activities maximize local benefit, including local job impact, training opportunities, community education, energy cost savings and other social and financial benefits. Through the establishment of a Co-Development project approach, the SWG will combine its capacities for site identification and customer acquisition with the financing and project management capacities of one or more solar industry partners.

COVID-19 Response

We acknowledge that the current public health crisis and related economic crisis introduces new uncertainties to solar project financing and development. However, the primary goal of the SWG has always been to use solar as an economic stimulus in Southwest Virginia, and this goal remains vital during this time of national uncertainty. The focus of this RFI is to develop solar and solar + storage projects for commercial- and industrial-scale projects, including businesses, nonprofits and local governments that are anchor institutions of the community. As always, the SWG will work to advance our goals to the best of our ability under the current circumstances, whatever those circumstances are at any given time, and we seek partners that are as flexible and motivated as we are to find innovative solutions that work for Southwest Virginia.

Objectives of Request for Information (RFI)

The SWG seeks to enter into a Co-Development agreement to collaboratively identify, design and develop cost-effective commercial-scale solar and solar + storage installations throughout Southwest Virginia. The intent of this Solar Co-Developer Request for Information is twofold:

- 1) To establish a short-list of potential candidates for Co-Development Partners with whom the SWG may work.

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- 2) To solicit input and invite critical and constructive feedback on the Co-Development Concept outlined in this document.

Following the closure of the RFI, the SWG will refine the preliminary Co-Development Concept based on input offered by respondents. The SWG PT will then begin the process to select the Co-Development Partner(s). That selection process will likely include the issuance of a Request for Qualifications or a Request for Proposals from select respondents from this Request for Information. It is the intention of the SWG to use this RFI as the basis for establishing a pool of potential candidates that will receive an RFQ or RFP.

Co-Development Concept

This Co-Development Concept anticipates collaboratively developing solar and solar + storage projects throughout the Southwest Virginia region with both the SWG and the Co-Development Partner sharing in the project development responsibilities. This scope of work builds off of the SWG PT's previous work at developing a region-wide portfolio of potential projects, as well as the relationships developed with local leaders and building owners. As stated above, the SWG PT views community anchor institutions as the primary focus for development in the near future. A preliminary share of the work effort is outlined below. The SWG PT envisions that this scope of work could be completed in a timeframe ranging from 6 to 18 months, depending on the scope and structure of the Co-Development model:

Work Effort <i>Timeframe ranging from 6 to 18 months</i>	Co-Development Team Lead
Site Identification	SWG (Lead by Appalachian Voices)/ Co-Development Partner
Building Owner Outreach and Education	SWG (Lead by Appalachian Voices)
Site Concept Development	SWG (Lead by paleBLUEdot) / Co-Development Partner
Site Financial Pro Forma (i.e., cost-benefit analysis, customer payback period)	Co-Development Partner
Procure Project Financing	Co-Development Partner
Connection with Regional Workforce	SWG / Co-Development Partner (depending on final business model)
Regional Collaboration and Support	SWG / Co-Development Partner (depending on final business model)

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Install or Competitive Procurement of Installation Work	SWG / Co-Development Partner (depending on final business model)
Project Management	Co-Development Partner

Potential Respondents to the RFI

The SWG encourages responses from a wide variety of organizations and firms, including joint ventures with the skills and capabilities needed for the Co-Development Partner role. Respondents should have demonstrated expertise in the solar or solar + storage project development process with a particular focus on the ability to navigate the development of a successful project pro forma and procurement of project financing. Additionally, contractors/firms in Southwest Virginia interested in entering or deepening their work in the solar field are especially encouraged to respond. The Planning Team welcomes and encourages innovative and bold suggestions and approaches in the RFI responses.

Request for Information

RFI Schedule

The schedule for this RFI is as indicated below. It may be modified or changed at the discretion of the SWG PT, but notification will be provided to potentially interested groups and posted on the RFI website: <http://swvasolar.org/solar-rfi/>. An addendum will be issued in the event of any scheduling changes.

Project Milestone	Date/Time
Issue Date	April 2, 2020
RFI Questions Due (electronic submission only to adam@appvoices.org)	April 29, 2020 at 5:00 pm EDT
Pre-Submittal Call (optional) https://zoom.us/meeting/register/upQudO-urzspisR-uBG2ZjnyBkReRHbowQ	May 1, 2020 at 1:00 pm EDT
Response Due Date (electronic submission only)	May 11, 2020 at 5:00 pm EDT

All questions and answers will be posted to the RFI website here: <http://swvasolar.org/solar-rfi/>

Questions and answers will also be discussed on the Pre-Submittal zoom call (registration required): <https://zoom.us/meeting/register/upQudO-urzspisR-uBG2ZjnyBkReRHbowQ>

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RFI Submission Guidelines

Respondents are to complete the Response Form (Appendix C) and return via email only. All submissions must be made by the Response due date and time identified in the RFP Schedule. Email submissions to:

Adam Wells, Appalachian Voices: adam@appvoices.org

Future Process

The SWG will finalize the Co-Development Concept and solicit for Co-Development Partner(s) through a Request for Qualifications or Request for Proposals process. The future Request will be issued to a short-list of selected Respondents to this Request for Information.

Appendices

Appendix A: Solar Legislative and Regulatory Landscape in Southwest Virginia

Appendix B: Rate Design for Commercial and Industrial Customers in Southwest Virginia

Appendix C: RFI Response Form