Making Money While the Sun Shines

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Overview

1. **Who is Cadmus?**

2. **Key Challenges and Best Practices: Lessons From an Owner’s Agent**

3. **Community Solar in Massachusetts Today**
About The Cadmus Group, Inc.

- Watertown, Massachusetts- based energy & environmental consulting firm
- Helped state & municipal clients navigate new issues in solar PV for 10 years
- Developed the nation’s first renewable energy tracking and quality assurance system –now used to claim SRECs
- For 40+ communities, we conducted solar PV site assessments, drafted RFPs, supported contract negotiations, and inspected installed systems
- Inspected 150+ PV installations for performance and safety
- Developed innovative ways to protect communities entering into solar PPAs from net metering risk and developer default
Key Challenges and Best Practices: Lessons From an Owner’s Agent

How do we go from concept... to project completion?
Key Challenges and Best Practices: Lessons From an Owner’s Agent

Planning
- Making the Case for Solar Development
- Building a Project Team
- Designing a Project

Procurement
- Developing an RFP
- Bid Evaluation
- Contract Negotiations
- Project Approval

Development
- Safety and Performance of Installed Systems
Key Challenge: Making the Case for Solar Development

- Economic Benefits
- Environmental Benefits
- Build Momentum for Future Projects
- **Precedent**
- Demonstrate Leadership

Phase I: 202 kW
Phase IIA: 522 kW
Phase IIB: 348 kW
Key Challenge: Building a Project Team

- Consider Local Experts
- Seek Diverse Expertise
- Technical Assistance?
- *Identify a Project Champion*
Key Challenge: Designing a Project

- Invite Developers to Meet With Your Team
- Begin Discussions with Your Utility Contact
- Use Free Online Tools
- Lead a Municipal Roof Inventory
- Gather Information on Local Closed & Capped Landfill
Key Challenge: Developing an RFP

- Understand the Issues
- **Recognize the Limitations of Templates**
- Set a Realistic Response Timeline
- Include Background Details
- Host a Pre-bid Conference
- Set Your Team up for an Apples-to-Apples Bid Comparison
Key Challenge: Bid Evaluation

Review Vendor Bids for...

- Similar Project Experience
- MA Experience
- Evidence of Due Diligence
- Conservative Assumptions & Timelines
- Understanding of Process
- Benefits to the Community
Key Challenge: Contract Negotiations

• *What if our Counsel is not familiar with PPAs?*
• How does the contract address changes in law?
• Does the contract provide for allowed disruption times?
• Are the tax provisions appropriate?
• What additional value-added items can we negotiate?
• Are the early termination provisions fair?
• *Would we exchange higher risk for a reduced rate?*
• Do we need a default assurance mechanism?
Key Challenge: Project Approval

Be Prepared for the Common Questions…

- What are the risks to the community?
- What happens if the developer defaults?
- Why are we signing a PPA with an LLC?
Key Challenge: Safety and Performance of Installed Systems

- Ensuring Compliance with Massachusetts Electric Code
- Electrical Inspectors may not be familiar with PV
- Special Considerations for School-sited PV
Community Solar in Massachusetts Today

- Less optimistic SREC projections are slowing development
- Development may pick up again in Summer 2012
- …Use this time to develop an RFP
- Confirm developer’s assumptions in any PPA under negotiation
Final Word

• Be an Informed Consumer
  … Without Letting Preparation Paralyze Progress

• Take Advantage of Existing Resources
  … and Recognize Their Limitations

• Manage the Developer’s Progress
  … Through Construction Completion
Please Visit Cadmus’ Blog

https://cadmusreblog.wordpress.com
Thank You

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