

8.1 Appendix:

Marketing Materials: SEED Fund FAQ Handout

Solar Energy & Economic Development Fund (SEED Fund): Monterey Bay Frequently Asked Questions

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Program & Structure

1. What is the SEED Fund program?

The SEED Fund is a unique opt-in program to empower public agencies to participate in a regional collaborative purchase of municipal solar photovoltaic systems. The Fund leverages state and regional funding to defer up-front costs of participation – including solar project evaluation, procurement management, and contracting costs for technical assistance and deployment of expert resources – essentially eliminating participation risks for the public sector. Specifically, it finances a pre-screen of your sites’ solar potential, an investment-grade feasibility assessment, Request for Proposal (RFP) management, and technical advising throughout the process. Public agencies only pay a small percentage, 1.9% of project costs, back to the SEED Fund if they choose to procure solar. This reimbursement is used again to bring these services to another region.

The SEED Fund team consists of project managers from Strategic Energy Innovations (SEI) and Optony, Inc. The Association of Monterey Bay Area Governments (AMBAG) is coordinating this initiative as the local convener.

2. Where did the initial seed money come from?

The SEED Fund team was awarded a California Solar Initiative (CSI) grant to implement a program designed to stimulate clean energy project development in the North Bay Area. The goal was to create a replicable model for other regions and project types. Reimbursements are coming in from the first round, in time to begin funding program activities for a second round in the Monterey Bay Area.

3. What is the anticipated size of the overall project?

The program goal is to contract for at least 5 MW of solar power, but the final size for the total portfolio of sites will depend on the number of participants and solar feasibility of the sites.

4. What are the benefits of joining a regional collaboration to procure solar vs. procuring on our own?

Collaborative procurement is emerging as a powerful way to tackle the costs and technical barriers to public investment in solar energy projects. By aggregating regional projects together, public agencies see benefits from lower volume pricing, better vendors, more options for solar financing, stronger negotiating power, and the ability to demonstrate leadership regionally and nationally. Individual

agencies eliminate the need for in-staff solar expertise and RFP management, reducing administrative costs by 50-70% and lowering solar procurement costs. SEED Fund participants in the first round saw an average savings of 12% on procurement costs compared to procuring on their own. Plus, the SEED Fund collaborative includes independent technical advising from solar experts.

5. What makes the SEED Fund program unique?

The SEED Fund program represents the 5th generation of collaborative regional projects and builds on the successes and lessons learned from prior efforts. The funding mechanism for initial project costs, traditionally a barrier to faster adoption, sets the SEED Fund apart from other collaborative programs. The SEED Fund requires no up-front participant cash investment for independent technical assistance, feasibility assessments, and procurement management services. Rather, it uses a revolving fund model where the program is reimbursed only when cost-effective projects are contracted, creating a new pool of funds to develop additional clean energy-related projects.

6. What experience does the SEED Fund team have with this type of project?

Optony, Inc and Strategic Energy Innovations (SEI) successfully implemented a first round of SEED Fund solar collaborative procurement with public agencies from Marin, Sonoma, and Napa Counties participating. The team engaged 37 agencies in the collaborative procurement process, identifying over 130 MW of potential solar installation capacity. The team issued a joint Request For Proposals (RFP), involving 32 sites across 13 public agencies with a combined 6.8 MW estimated potential capacity for solar generation. As of January 2015, 25 sites amongst 12 public agencies have entered, or are planning to enter into purchase or Power Purchase Agreement (PPA) contracts with the selected vendor.

Prior to the SEED Fund, Optony served as the Technical Advisor on the successful Collaborative Solar Procurement in Silicon Valley, led by the County of Santa Clara. Since the development of that project, Optony has co-authored a [Best Practices Guide on Collaborative Solar Procurement](#), and has provided similar services in the Washington DC area and for the second-round Bay Area Regional Renewable Energy Procurement project. Overall, Optony has worked with more than 100 municipal agencies to support their clean energy projects, from feasibility studies and procurement management services to project commissioning.

With 17 years of experience, Strategic Energy Innovations (SEI) is a non-profit organization that has worked with countless schools, small businesses, local governments, multifamily and affordable housing, and other “underserved” sectors to accomplish their clean energy, green building, and sustainability objectives. As a capacity builder, SEI empowers communities to marshal their resources, bring people together, resolve challenges, and inspire success. Bringing our local, state and federal project partners to the table, we encourage techniques that achieve lasting results. With a historical focus on community-based programs focused on energy efficiency and conservation, SEI staff has successfully added value to a number of community and regional efforts relating to solar and other renewable energy technologies.

Eligibility

7. Who is eligible to participate in SEED Fund: Monterey Bay?

Municipalities, counties, school districts and other public agencies located within Santa Cruz, Monterey, and San Benito Counties in California are currently eligible to participant in the second round of SEED Fund. All sites and facilities should be publicly owned and operated, though non-profits and private

educational institutions may be considered. For future rounds, community or commercial solar programs may be considered.

8. What are the criteria for a suitable building for solar PV in the SEED Fund?

For the purposes of the SEED Fund project, annual energy usage of 50,000 kWh or higher is recommended. The un-shaded and structurally sound space available for solar should be at least 3,500 square feet (rooftop, parking garage, parking lot, ground) for physical installation of the solar modules.

9. What type of sites could be good candidates for solar?

Uncluttered building rooftops, parking lots and garages, and un-used open spaces that are publicly owned could be good candidates for solar, as rooftop, carport, and ground mounted solar PV systems could be evaluated for your agency's sites.

Parking garages often require a structural engineering review to determine any limitations of post-tension construction.

Agency Commitment

10. What are the estimated time and effort requirements for a SEED Fund participant?

Different agencies take different approaches to staff time allocations and participation in group projects. The SEED Fund has experience in estimating staff-time requirements and the team can build out an agency-specific estimate, upon request.

Staff time will depend somewhat on the number of potential sites and any work that has already been completed to date. Overall, participation in the collaborative model greatly reduces the effort required by individual agencies. Staff time demands should not be significant, and will be focused on gathering and providing site data, discussing proposed locations for solar installation, and then reviewing the solar pre-screen report internally.

11. What are the benefits of participating for the lead agency?

The lead agency plays an integral role in the RFP process, as the issuer, an evaluator of vendor proposals, and the lead in contract negotiations. Being a lead agency not only provides a jurisdiction with greater authority in the overall RFP process, it also publicly demonstrates commitment and leadership to renewable energy.

Working within a collaborative procurement model lowers the requirements for administrative and staff time compared with developing an internal PV procurement process. This is due to the additional industry-leading support and resources from the SEED Fund team with no initial out-of-pocket costs.

12. What are the estimated time and effort requirements for the lead agency?

In addition to the staff-time needs for all participating agencies in the SEED Fund project, the Lead Agency will need to provide extra legal staff time and expertise for vetting procurement documents, along with project staff time for issuing the RFP, overseeing the process and evaluating vendor proposals. The SEED Fund team will provide direct support to the Lead Agency to minimize the impact on their resources, but additional effort will be required.

13. How can the lead agency engage with all program participants to maximize effectiveness?

Communication among all participants and stakeholders early and often is a key to success. The SEED Fund supports the outreach, training and communication needs of the lead agency, participants and regional stakeholders to help facilitate interaction and engagement.

Financing & Project Economics

14. What financing or purchase options will be available through this process?

SEED Fund participants are able to select the financing option that is best suited to their needs. In the joint RFP process, multiple financing options will be pursued, including both a Direct Purchase price and at least one financed option – most likely a Power Purchase Agreement (PPA), lease or loan.

Information about various financing and ownership options will be provided through a series of workshops and program materials. Events will be posted at the [SEED website](#). Additional financing resources are available at <http://www.solarroadmap.com/resources/solar-financing/>.

15. Who are the solar vendors?

The SEED Fund program is vendor-neutral. Through a joint Request for Proposal process, specific vendors are evaluated and selected for the participating agencies through an independent procurement process to ensure the best value by project type. Winning bids are chosen by a selection committee comprised of SEED Fund participants, the lead agency, and with guidance from the SEED Fund team.

16. How do you determine the projected group savings?

Actual pricing from multiple prior projects are consolidated and analyzed to compare individual pricing with group pricing. This econometric analysis showed that the incremental benefit from group pricing was in the range of 10% to 15% on average. In addition, transactional savings from avoiding duplication of efforts and the independent creation of assessments, documents, evaluations, staff reports and educational resources was calculated by Joint Venture: Silicon Valley and showed a savings of between 50% to 70% in staff time and related costs.

17. What is the anticipated pricing for systems?

The solar market has experienced a significant decrease in costs over the past few years for both purchased and financed systems. As a group purchase, these costs can be significantly lower than with individual purchases. Specific anticipated cost ranges will be discussed with participants based on their site types, facility requirements and financing options both before procurement and after vendor proposals are received.

18. How do I take advantage of available Federal and State solar incentives?

The SEED Fund team will provide guidance for all available rebates and reservation processes. The participating agency will be responsible for completing forms and paying for any required application fees.

19. If I decide to procure, how much do I have to reimburse the SEED Fund for upfront costs?

If, and only if, you make the decision to procure solar, we ask that you reimburse the SEED Fund 1.9% of your total project costs (the direct purchase price). This is due after the contract is signed at the Notice

to Proceed with system design. In financed situations, this reimbursement can be built into project costs and paid by the selected installer with no money out-of-pocket from the participating agency.

20. What are the other associated operating costs?

Annual Operations and Maintenance (O&M) may be required for purchased systems, which would be provided by external vendors or by internal staff. Typically, Power Purchase Agreements (PPAs) have O&M costs included, so no additional costs would be required.

21. Is over-production or a Feed-In-Tariff attractive for participants?

Feed-In-Tariffs (FITs) may be possible in some locations, but may be unlikely to generate a net economic benefit for the participants. For most facilities that will be considered in the SEED Fund project, on-site use of solar generation will be the most financially beneficial option. However, potential locations for over-generation or FIT production will be considered.

Evaluation and Procurement Process

22. What is the turnaround time for a site assessment?

Initial site screenings usually take 2-4 weeks, depending on the availability of facility data and agency responsiveness. Full, investment-grade feasibility studies usually take 4 weeks depending on site availability and review time with staff and stakeholders.

23. Are the procurement and contracting documents standardized?

Industry-leading templates and contracting documents are available and used as a basis for customizing to the specific requirements for the participants and their project types.

24. Is the entire portfolio of sites included in one RFP?

Every site that receives approval from participating agencies will be included in same RFP. However, multiple sites will be grouped into “bundles” that vendors can choose to individually bid on. These bundles will be determined based on recommended system size, type, and location.

25. Can you opt out if you don't like the chosen vendor for your bundle?

We ask that you make a good faith effort to pursue a contract with the chosen vendor for your bundle. If an agreement cannot be reached, other responsive vendors may be approached and the SEED Fund can help with that process.

26. If we go through the SEED Fund process and choose not to procure at that time, can we reuse the feasibility assessment for contracting with vendors on our own at a later date? Would the SEED Fund have to be reimbursed?

The SEED Fund agreement requests reimbursement to cover the defrayed costs of the independent assessments and procurement services provided by the SEED Fund team, within a specified amount of time, for any PV projects that move forward to contracting on a site that is part of the SEED Fund initiative. The benefits of this collaborative approach for all participants are achieved through vendor selection and contracting as a group, rather than individually. However, the flexibility to procure individually exists to address individual agency requirements.

Construction

27. When will project construction start?

The intent of the program is to have contracts signed and construction start by late 2015 or early 2016. As always, the final schedule of construction depends upon multiple factors, including City Councils, financing entities, City staff, operational schedules, and other variables.

28. Can any of the funds be put toward an external management position? Can reimbursement of project management position be set into contract?

This is possible, but would need to be worked out in the final contract between participant and vendor, and is not in the scope of the SEED Fund project.

29. How are energy efficiency and other technologies included in the project?

Energy efficiency is an essential component in reducing overall energy needs. While the SEED Fund program is currently focused on solar power systems, future rounds will be available for other energy efficiency and renewable projects. In addition, participants are requested to review opportunities for energy efficiency at potential solar sites, and to undertake those projects as appropriate to improve the energy profile at those buildings.

30. What is the typical roof load for solar PV and wind load?

There are two main load conditions to consider – the dead load (weight of the array) and the wind load (uplift caused by wind catching the solar modules).

A typical module weighs between 2.5 and 3.5 lbs/sqft. The weight of additional components depends on whether the system is mechanically attached to the roof or held in place by ballasting. For a mechanically attached system, the total system weight is typically between 3.0 and 4.0 lbs/sqft. For ballasted systems, the typical system weight is 5.0 to 8.0 lbs/sqft. Note this applies under the footprint of the array, not to the whole roof. This assumes that the inverters, which can weigh several thousand pounds for large PV systems, are not located on the roof.

The wind load depends on the tilt of the array, wind design speed in your location, building height, and wind exposure category of the building (which depends on the shielding effect of trees or other tall buildings nearby). The wind load varies widely depending on these factors and requires structural analysis to properly determine.

31. How are construction requirements included in the process?

The SEED Fund will provide template construction specifications based on industry best practices for discussion with the participants. Based upon feedback from staff, the specifications will be updated and issued with the procurement documents to potential vendors.

32. Who handles the building permits for solar PV systems?

Many municipal agencies require a normal building permit process driven by the vendor; others perform an internal process on municipal facilities. Participants are encouraged to determine their requirements for this project in advance so that they can be included in the procurement documents.

33. Do you have to change PG&E electrical equipment?

Typically, no change is required. In cases of very old switchgear equipment or where a line-side interconnection is unfeasible, a change in PG&E equipment may be required. Additionally, for large facilities, a change in PG&E equipment may increase financial benefits and could be considered.

34. What will a solar carport structure look like?



Solar carports provide shade to parking spaces underneath, and are often equipped with lighting for night use, as shown above. Other than during construction, parking spaces are typically unaffected, or minimally affected by carport installations.

35. Can you combine solar PV with a wind farm or energy storage?

Yes, but the system design, environmental review and interconnection process may be more complex.

36. Can we install floating solar on our reservoir?

Floating solar is uncommon but solutions do exist and may be considered, if there is enough participant interest.



Operations & Maintenance

37. Who operates and maintains the solar PV system?

With a Direct Purchase, Lease, Loan or bond program, the buyer (Public Agency) is responsible for Operations and Maintenance (O&M). With a Power Purchase Agreement (PPA), the 3rd-party owner of the system is responsible for O&M.

38. What kind of warranty will there be for installed systems?

This will depend on components proposed by bidders, but typical requirements are 25 years for module performance, 10 years for inverters, and 10 years for workmanship. Depending on the financing and ownership model, some full system output warranties may also be offered for up to 20 years.

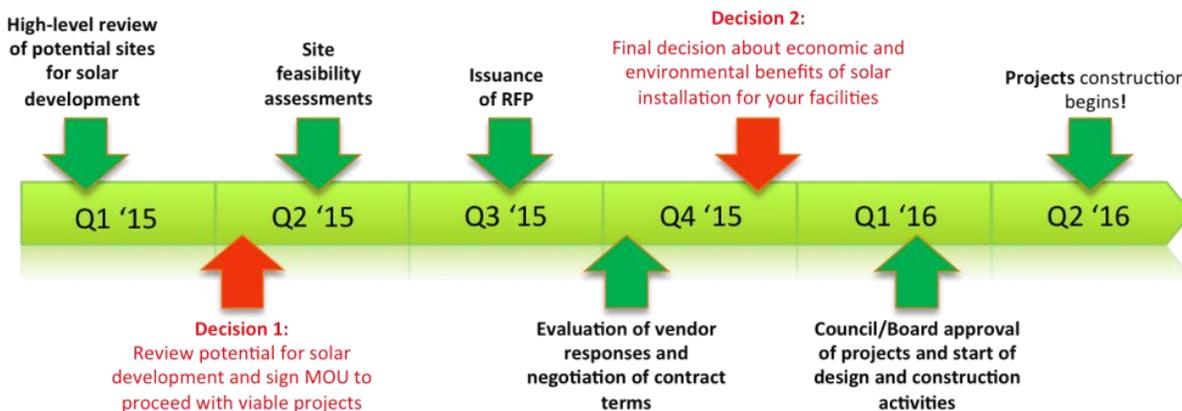
39. Will auditing or reporting be required for the purposes of the SEED Fund program?

The SEED Fund will not require any auditing or reporting, other than the expected interaction to complete the described project activities. We do not anticipate any requirements from California Solar Initiative (CSI) program administrators other than potentially a follow-up survey.

38. How much energy/GHG impact can we expect for each kW of solar installed?

According to PG&E and NREL estimates, each kW of solar capacity can lead to the reduction of approximately one metric ton of CO2 emissions per year.

SEED Fund Project Timeline (with key participant decision points)



There are many resources available for participants, so please visit the SEED Fund website (www.solarroadmap.com/SEED2) to learn more about project specifics, team background, solar financing, and case studies. If you would like to be a part of this exciting program, please contact us:

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