

Frequently Asked Questions for San Antonio's On-Site Solar Procurement

PROJECT BACKGROUND:	2
<i>What is on-site solar?</i>	2
<i>Why is CoSA pursuing an on-site solar procurement?</i>	2
<i>Why are multiple departments involved in this?</i>	2
<i>How were sites selected for the RFP?</i>	3
<i>The City owns CPS, an electric utility. Why isn't CPS just buying the electricity and providing it to the city? What is CPS' role in this project?</i>	3
<i>Are other cities doing this too?</i>	3
GENERAL SOLAR:	3
<i>Will my building use solar power when there is a power outage?</i>	3
<i>Will my building still have electricity if the sun isn't shining? How will this impact the building's electricity cost?</i>	4
FINANCE AND CONTRACT:	4
<i>Does issuing the RFP require the City to sign a contract?</i>	4
<i>What is the expected timeline for procurement and construction?</i>	4
<i>How will the City pay for the project, and what type of contract are we seeking? Will upfront costs be covered via bond?</i>	4
<i>What does "cost neutral" mean? When will facilities see realized savings?</i>	4
<i>Will each department have their own contract to sign and manage?</i>	5
<i>What is the contract duration and expected life of the project? How does solar fit within the 30-year building plan?</i>	5
<i>What happens after the useful life of the panels?</i>	5
<i>Who will be responsible for operations & maintenance of the solar panels?</i>	5
INSTALLER SELECTION:	5
<i>How will installers be evaluated?</i>	5
<i>Will each department be selecting their own installers?</i>	6

Project Background:

What is on-site solar?

On-site solar systems are installed on rooftops, parking lots, or land at the same locations where electricity is consumed. These systems are directly tied to a facility's electrical system – they are “behind-the-meter” and can directly reduce the facility's need to purchase electricity from the grid.



Why is CoSA pursuing an on-site solar procurement?

Adopted in 2017, the San Antonio [Climate Action and Adaptation Plan](#) (CAAP) outlined a roadmap to achieving our GHG reduction goals and adapting to the project impacts of climate change. Installing on-site solar at city facilities will reduce building energy consumption from the grid and increasing the city's use of clean, emissions-free energy – achieving meaningful progress towards CAAP energy goals. Across the U.S., [dozens of cities](#) have installed on-site solar to meet their climate goals.

It is important to note that the benefits of on-site solar go beyond CAAP goals:

- **Potential for Cost Savings:** On-site solar directly reduces a site's electricity use of grid-supplied electricity, so it may result in cost savings compared to utility rates over time.
- **Stability in Electric Costs:** A long-term fixed contract for solar provides a hedge against increasing electricity costs.
- **Weather Protection:** Solar carports, for example, will offer people and vehicles protection from heat, rain, and hail at municipal parking lots.
- **Community Co-Benefits:** On-site solar is an opportunity to invest in local jobs, stimulate local economic development, and provide opportunities for education at our facilities.

Why are multiple departments involved in this?

The Office of Sustainability intends to leverage city-owned facilities and extended the opportunity to all city departments for one procurement process. Most importantly, a larger

procurement can capture economies of scale and streamline procurement – *far more time and cost efficient than each department acting independently.*

How were sites selected for the RFP?

This RFP offers 89 city-owned facilities for solar developers to consider, with 117 sites available total including sites with both rooftops and parking lots available. In November 2021, the Office of Sustainability invited each department to submit a list of building rooftops and parking lots for consideration, resulting in an initial list of more than 150 facilities. The team performed a technical review of each facility to determine whether a site would be ready, large enough, and suitable for cost effective solar. Specific screening criteria included facility electric consumption, available area, solar potential, structural integrity, and future plans for the site. The team removed sites that were too small or had significant barriers or concerns from consideration, such as rooftops older than 20 years or sites with significant shading. It is important to consider that this is the city's first large solar procurement, and thus, the intention was to advance "no regrets" sites.

Other types of sites, such as [closed landfills](#), are out of scope for this procurement because they would require a more specialized project developer. These, and others, could be feasible sites that the city can consider in the future.

The City owns CPS, an electric utility. Why isn't CPS just buying the electricity and providing it to the city? What is CPS' role in this project?

Since December 2019, the Office of Sustainability has participated in a working group with CPS Energy to discuss how the city can invest in local renewable energy projects. CoSA has proposed multiple options for procuring renewable energy through the utility, but given the limitations of existing CPS programs, the City chose this pathway first. CPS is aware of the city's procurement plans and will be involved through the RFP evaluation, contracting, and any interconnection processes that result.

Are other cities doing this too?

Yes. In fact, many other cities are procuring clean energy for their facilities. You can find other cities' deals [here](#).

General Solar:

Will my building use solar power when there is a power outage?

No. This phase of projects will not include backup battery or energy storage systems.

Will my building still have electricity if the sun isn't shining? How will this impact the building's electricity cost?

Yes, each facility will continue to be served by CPS. The solar system will likely be designed to produce enough electricity to cover approximately 75% of the building's usage, at most. Facilities will continue to purchase the remaining electricity needed from the grid at CPS rates.

Finance and Contract:

Does issuing the RFP require the City to sign a contract?

No. If the RFP does not garner bids meeting the City's objectives and desired cost-effectiveness, the City can choose to not proceed with the procurement.

What is the expected timeline for procurement and construction?

The City is preparing to release the RFP in Q3 2022. Installers will be asked to propose their most cost-effective portfolio of sites with an expected timeline for project design, installation, and date of operation. Depending on supply, timeline may vary for construction.

How will the City pay for the project, and what type of contract are we seeking? Will upfront costs be covered via bond?

The primary objective of the RFP is to secure a contract for cost-effective solar projects that attains cost neutrality or even cost savings over the lifetime of the system. This is possible because the solar projects offset facility electricity bills.

The City recognizes that product offerings in the power market are evolving, particularly for renewable energy. Each respondent should provide a base proposal assuming City-owned solar systems installed on City-owned facilities. Respondents may also offer alternative, creative solutions to help achieve cost savings and/or cost neutrality and the City's other objectives, so long as the City is not purchasing electricity from a third-party. Those solutions will need to be vetted against City and CPS Energy policies and processes. The City does not currently have plans to use bond financing for this procurement.

The Inflation Reduction Act, recently passed by Congress in August 2022, includes highly relevant incentives that the City intends to leverage should an attractive proposal be offered.

What does a "cost neutral" project mean for this? When will facilities see realized savings?

“Cost neutral” refers to the relative cost over time compared to the city’s projected electricity bills. By pursuing a “cost neutral” procurement, the City intends to generate solar electricity for its facilities at a cost equal to or less than expected electricity bill costs. The timeline to realized savings will depend on the type of contract, site portfolio, and funding and financing mechanism selected through the RFP and by the City. The RFP encourages developers to propose a site portfolio that results in cost neutrality or savings over the lifetime of the contract.

Will each department have their own contract to sign and manage?

No. This is an aggregated procurement, so the City expects to sign one or multiple contracts with vendors that provide solar across all sites selected.

What is the contract duration and expected life of the project? How does solar fit within the 30-year building plan?

The contract term shall be no longer than 25 years, depending on the structure proposed. The industry standard life space for solar panels is about 25-30 years.

What happens after the useful life of the panels?

After the end of the contract, the City may opt to extend a contract (if they still have useful life) or replace them with updated technology. If the City does not want to extend or enter a new contract, the installer will be obligated to responsibly decommission the project. Decommissioning requirements will be included in any potential contract.

Who will be responsible for operations & maintenance of the solar panels?

The City is seeking a contract structure or agreement where the installer will be responsible for continued operations and maintenance of the solar panels. The installer will be expected to regularly communicate with CoSA facilities personnel to arrange for site visits, rooftop access, and schedule any routine maintenance.

Installer Selection

How will installers be evaluated?

The RFP evaluation committee will score installers across a variety of criteria, including installation experience, proposed project structure and site portfolio, local co-benefits, and of course, cost effectiveness.

Will each department be selecting their own installers?

No, as this is an aggregated procurement, the City will be selecting one or more contractors to complete the full project portfolio. This is to achieve economies of scale through equipment and installation costs and save individual departments time and money. Departments will be consulted as the project progresses, and multiple departments have representation on the procurement evaluation committee.