

## Power Purchase Agreement (PPA) Projects

Executive Order B-18-12 requires state agencies reduce greenhouse gas emissions and dependence on grid based energy purchases. State law requires new and existing State building or parking garage projects include solar energy equipment when feasible. The law defines it to be feasible when adequate space on or adjacent to a building is available, if the solar-energy equipment is cost-effective to install, and if funds are available from the state or another source.

In response to these mandates, the Department of General Services (DGS) Clean Energy Unit provides services to any Executive Branch state agency interested in taking advantage of economical solar energy at their existing facilities.

Under the authority of California Public Utility Code Section 388, DGS establishes a pool of qualified solar energy companies capable of entering into a third party financed solar power purchase agreement with the state of California. Working with the Department of Finance and the State Public Works Board, DGS has created a standard set of documents and stands ready to help state agencies take advantage of the benefits provided by these solar projects.

PPA benefits include:

- No up-front cost to the interested agency
- Energy purchase price under a PPA have typically been equal to or less than what would have been paid to the Utility over the term of the agreement
- Energy price is locked/guaranteed for the term of the contract
- Solar Energy provider is responsible for the construction, operation, and maintenance of the system

The DGS Clean Energy Unit will evaluate and recommend the appropriate size of a potential solar energy project for the facility and also manage the project from release of the Request for Proposal until the system is constructed and operational.

Contracts for these projects run for 20 years and all energy produced by the system is consumed onsite by the state facility. Most solar projects have been ground mounted installations when land is available, but there are also vehicle canopy systems for surface parking areas and roof mounted systems.

For any specific questions or to discuss a potential solar energy project, please contact the Energy and Environmental Section of DGS at (916) 375-5908 or [Steven.Nowell@dgs.ca.gov](mailto:Steven.Nowell@dgs.ca.gov).