PROCURING FOR A LOW CARBON FUTURE: INVESTING IN SOLAR AND ENERGY EFFICIENCY

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Overarching Obstacles

- Limited access to upfront capital funds
- Inability to sell long-term ROI
- Lacks of financial incentives for local governments
- County vs. community projects and investments
- Internal coordination
- Perceptions of risk and liability
Strategies

• Seek opportunities to transfer risk
• Pursue public-private partnerships
  • Ease procurement challenges
  • Take advantage of tax incentives
• Recent examples
  • 179D tax credit
  • Qualified energy conservation bonds
  • Federal investment tax credit
• Issue: Program expiration requires timely action
Tools for Expediency

- Utilize procurement by others as basis for “sole” or “most reasonable source” justification, noting:
  - Need to evaluate alternative models

- Piggy-back on agency agreements negotiated through competitive procurement, noting:
  - Need to adhere to initial scope
  - Little flexibility for additional contract terms
Current Effort

- Obtain energy services through state negotiated agreement
- Financial model relies upon expiring federal tax credit
- Avoids upfront capital costs associated with site-specific installations
- Facilitates prominent promotion of renewable energy investments at agency facilities
- Target capacity for financial ROI ca. 2 MW
Status

- 8 select county sites
  - 6 roof top
  - 2 parking canopies

- Sites selection based on:
  - Age and condition of roof
  - Ownership and use
  - Planned sites improvements

- Projects sized in accordance with average monthly energy consumption, and minimums

- 2 MW to offset ca. 60% energy consumption
Challenges

• Coordination – facilities, construction management, building managers, agency directors, legal, real property, budget, purchasing, county administration

• Concerns – implication for existing warranties, compatible with hardened facilities, planned improvements (roof/AC), access, conduit, racking systems, penetrations, wind rating

• Hiccups – need for site-specific lease agreements, ownership, newly identified roof replacement
Lessons

- Seek strong endorsement and directive from senior administrator
- Longer the process, the more time for conditions to change. Something always comes up.
- Listen to all arguments, they will need to be responded to, and there might be some valid points
- Employ exhaustive coordination and expertise of colleagues
- Be persistent, and don’t take “no” for an answer