

Key Points to Consider In Achieving YOUR Best Balance Between Out-sourced and In-House Program Strategies

**Community Solar Value Project
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Andrea Romano, Navigant
Jill Cliburn, Cliburn and Associates



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CommunitySolarValueProject.com



• The Community Solar Value Project is led by Extensible Energy, and co-funded by the US DOE SunShot Program. This brief is based on a presentation by Andrea Romano, of Navigant, June 2017, with supplementary information added by CSVP in September 2017.

• CSVP works with utilities, industry innovators, and community partners. The Project provides demonstration and documentation of four ways to help utilities make community solar better, including:

- strategic design
- target marketing
- procurement and pricing
- solar-plus integration



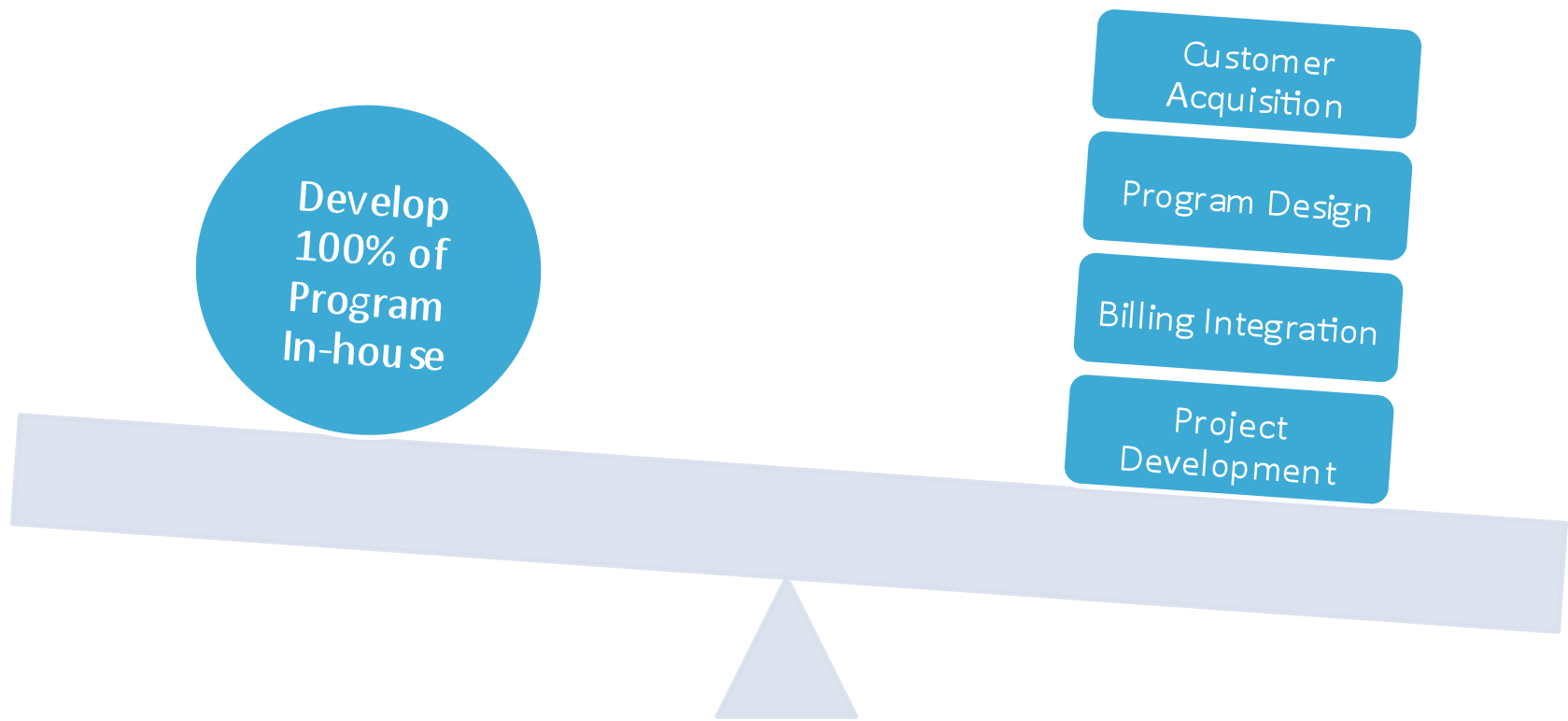
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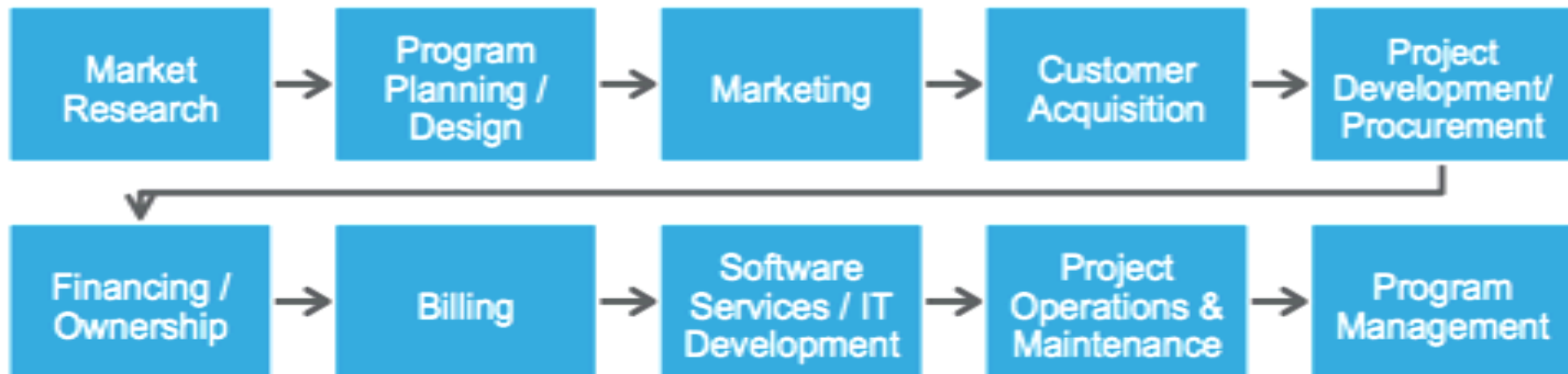
Procurement for Community Solar Products and Services: Entirely In-House or Entirely Out-Sourced... Or Any Combination In Between?

Insource

Outsource



Utilities Can Outsource for Products and Services Needed at Any Point Along the Value Chain



- Developing a community solar program involves a number of stages (not necessarily in this order) involving various skillsets and engagement from different utility departments.
- Utilities can choose to outsource all or some of the stages of the value chain.
- Due to the shift toward the utility-driven business model in some markets, fully integrated providers (e.g. CEC and Sunshare) are now offering to support some stages of the value chain, rather than only to offer complete turn-key services.

Key Considerations: Expertise + Bandwidth

Program Designer/Manager

- Coordinates cross-departmental team
- Coordinates external stakeholders
- Collects initial research; outlines plan
- Works across departments and leads GAP analytics to finalize the program plan
- Member of procurement team/s
- Leads budget coordination and reporting

Resource Manager

- Coordinates with utility resource planners and engineering staff
- Provides input for program design
- Leads solar project specification; coordinates with procurement staff
- Oversees EPC and commissioning
- Oversees system O&M

Business and Finance Manager

- Advises on business model, financing plan
- Resolves cross-departmental budget questions
- Coordinates with rates and policy staff
- Oversees billing and accounting needs

Marketing Manager

- Leads market research & segmentation
- Participates in iterative cross-departmental plan
- Leads development of program offer/s
- Leads development of marketing materials
- Develops plans for customer acquisition and care
- Leads consumer service and sales training

IT Manager

- Develops customer acquisition tools
- Supports GAP analysis and other economics
- Integrates software to support marketing and billing, including billing system modifications
- Reporting and budgetary support

Legal Counsel/CPA Firm

- Advises regarding IRS, SEC, and FERC compliance
- Advises regarding state policy, guidelines
- Reviews procurement plans, contracts
- Participates in PPA and offer development
- Advises on acceptability of marketing messages

Each utility will be organized differently; these are typical utility roles and responsibilities

Available Services and Examples Of Current Market Leaders

Program Design & Consulting	Customer Acquisition & Program Management	Billing Integration	Project Development (partial list)
<ul style="list-style-type: none">• Clean Energy Collective• SunShare• 3Degrees• Solar Electric Power Alliance• Navigant• Local Providers	<ul style="list-style-type: none">• Clean Energy Collective• SunShare• 3Degrees• Local Providers	<ul style="list-style-type: none">• Clean Energy Collective• SunShare• Project Economics• Ampion• Tendril• Local Providers	<ul style="list-style-type: none">• Clean Energy Collective• Sunshare• SolarCity• SunPower• First Solar• NextEra Energy• NRG• SoCore Energy• Community Energy Solar• Bluewave Capital• Ethical Electric• Local Providers

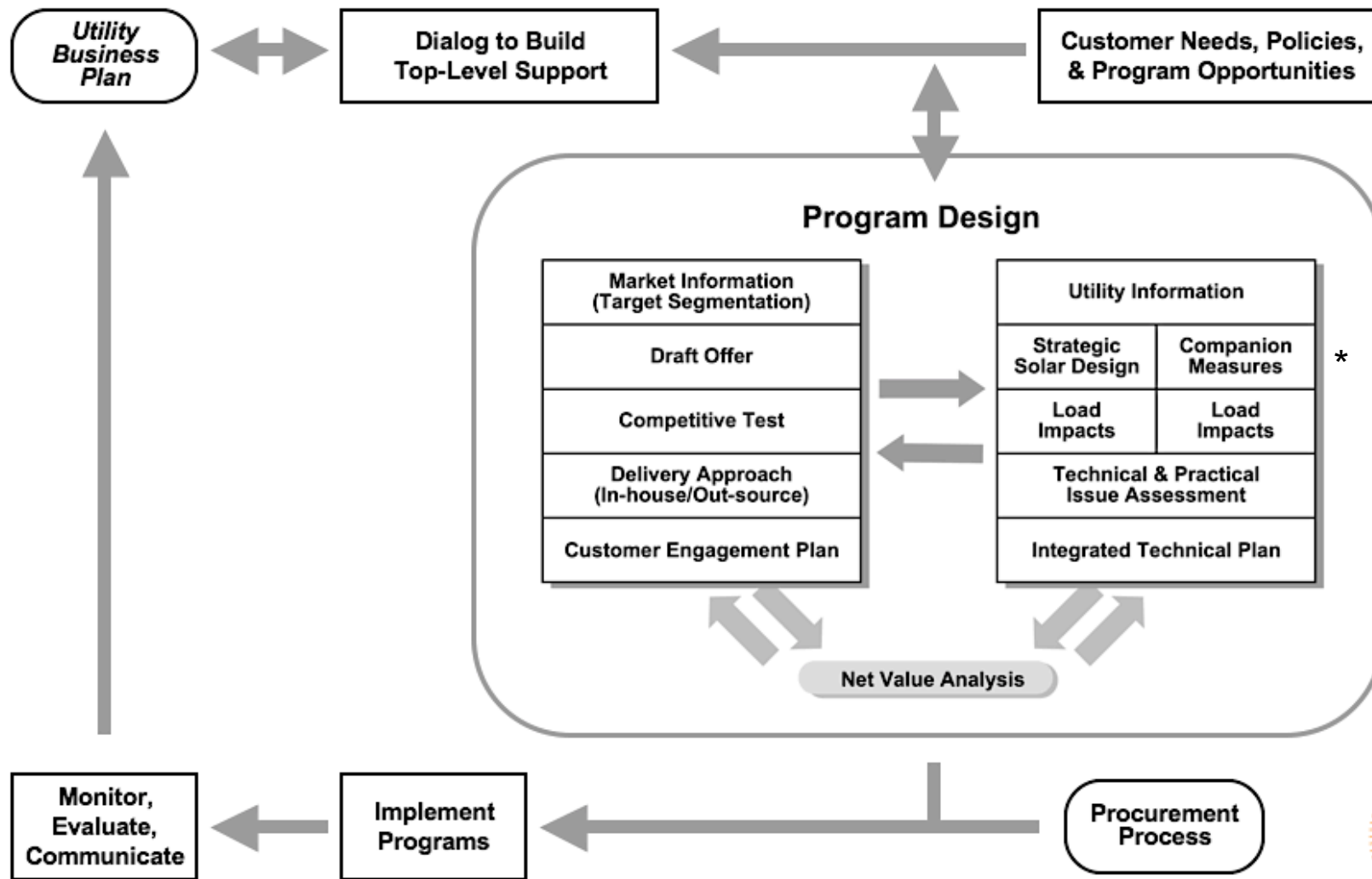
This is a representative list of some industry players but not a comprehensive list.

Source: Navigant 2017

Key to Your Decision: Find Your Balance At Every Step From Program Design to Delivery

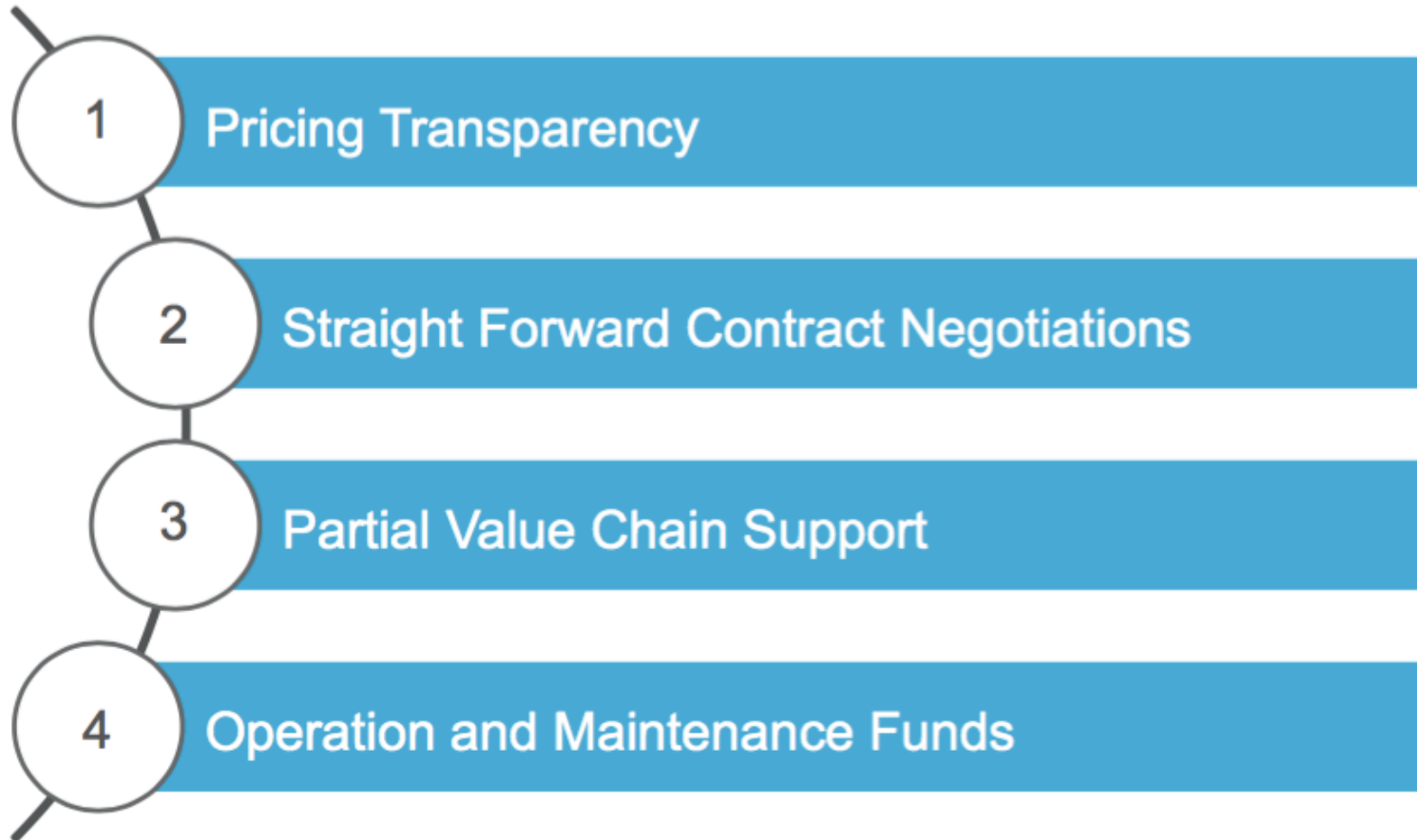
Typical Benefits Cited for In-House and Out-Sourced Strategies	
In-House	Out-Sourced
<ul style="list-style-type: none"> • Stronger opportunities to integrate between customer- and technically oriented benefits • May focus on longer term benefits; less vulnerable to cutting corners for profitability • Returns on investment and savings if utilities can own DPV; review balance sheet options • Greater flexibility to change program • Requires cross-departmental team-work; may be a benefit toward integrating operations around tasks, e.g., IT, marketing, procurement • May force system upgrades that will benefit other programs in addition to community solar • Stronger opportunities for savings on site acquisition; leveraging utility relationships with local government and land-owners • Risk management on long-term stability of the solar project • Maintains utility brand identity 	<ul style="list-style-type: none"> • Partners strongly motivated toward success • Likely to be quicker to market • Frees utility staff for other projects • Requires agreement from top-level utility execs; less chance of back-tracking • Mix and match the expertise that is most needed • Regional or national reputation for community solar or specific expertise • Likely to have greater case-study experience • Likely to have a network of other experts to tap as needed • Can put some risks off on the contractor • Third-party developers can tap into tax benefits • Today's agreements can be highly flexible

Secure Management Support to Integrate Any 3rd-Party Services Into Your Utility's Overall Process



* Companion measures are optional, but enhance the overall plan

What Utilities Say They Want from Third Parties



What Third-Parties Say They Want From Utilities

- 1 Larger Projects
(Might multi-project DPV fleets help?)
- 2 Policies Allowing Customer-Led Projects
(Might more competitive utility-led offers help?)
- 3 Consistency Across States, Regions
(Utilities can replicate best practices)
- 4 Access to Decision-makers and Faster Decisions

Small Print: Acknowledgements and Disclaimer

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The CSVP acknowledges the contributions of various utilities to this effort. Details and updates are available at the CSVP website, <http://www.communitysolarvalueproject.com>. The authors underscore that the case described is, as intended, a hypothetical, and does not represent specific utility programs or policies.