Metropolitan Washington Council of Governments, EPA and Optony: Metro DC Clean Energy Collaborative Procurement Initiative

Washington, DC
Population: 4.9 million
Size: 3,685 square miles
www.mwcog.org, 202.962.3200
www.epa.gov, 202.272.0167
www.optony.com, 408.567.9216

The *Metro DC Clean Energy Collaborative Procurement Initiative* provides a collaborative platform for deploying clean energy technologies across multiple government and educational organizations for maximum impact on installed onsite solar energy capacity, local economic activity and the regional environment.[30] Created in 2010, this Initiative is supported by the U.S. Environmental Protection Agency's (EPA) Green Power Partnership, the Metropolitan Washington Council of Governments (MWCOG) and Optony Inc.[31] The Initiative is located in the Washington, DC metropolitan region, which includes the District of Columbia and the surrounding counties and cities in Maryland and Virginia.

Based upon a successful Silicon Valley collaborative model, the Initiative aims to replicate the benefits of collaborative procurement in the Metro DC Region, including: reduced up-front and administrative costs, creation of local jobs, lower project risks, and lower electricity prices. Through collaborative procurement, communities can reduce the up-front costs of solar installations by working together as a group to evaluate project sites, procure solar systems and negotiate contracts, thus yielding much lower transaction costs for each individual participant.

The solar collaborative provides a new opportunity to introduce solar energy at affordable prices to agencies in the National Capital Region. When enough agencies join the collaborative, the projects could generate nearly 40 megawatts of energy – enough to power 2,200 homes and avoid 26,700 metric tons of carbon dioxide.

– The Honorable Penelope A. Gross, NARC Board of Directors President, Mason District Supervisor, Fairfax, VA County Board of Supervisors, and MWCOG Board Member

Collaborative procurement also encourages bundling sites based upon scale. Scale refers to the size of the project: larger sites require significant scale whereas smaller sites are best suited for rooftops with limited space. Companies are then able to bid on site bundles that match their installation capabilities. For example, larger solar capital companies bid on the larger scale sites, while local or regional installers bid on the smaller sites. Linking companies with sites by scale provides scale group pricing, supports local vendors and assures that a vendor has the capacity to complete the task.

Detailed feasibility studies are produced for each participating site. These evaluations ensure that sites can support a solar installation (e.g. the site is structurally sound or the roof isn't blocked by tree coverage) and economic evaluations to determine realistic cost savings potential. Inspecting the sites, prior to issuing a request for proposals (RFP), saves time and money for both the site owner and the solar installer.

Partners

Optony Inc., a solar energy consulting firm, provided solar expertise to agencies in the metro DC region. Hiring an outside, independent solar expert can significantly reduce the administrative costs associated with collaborative procurement. The addition of a solar expert can save a community the time and resources that it would need to dedicate to researching the solar collaborative procurement process, therefore significantly reducing administrative costs.

The *Initiative* is also supported by several of MWCOG's committees including the Climate, Energy and Environment Policy Committee, the associated Energy Advisory Committee, and MWCOG's Regional Environmental Fund. MWCOG uses these committees and resources to reach out

and assist local governments and promote the project. MWCOG also hosts workshops and meetings in which the Initiative is publicized.

Solar Panels at FedEx Field. *Photo Credit: MWCOG*

Successes and Barriers

The *Initiative* aims to increase the total installed solar capacity in Maryland, Virginia and DC, create local jobs, drive down electricity prices, and reduce transaction and administrative costs by up to 75 percent for individual participants. As of January 2012, 20 organizations, including six higher education institutions, 13 public agencies and one hospital system, totaling over 176 sites and 42 megawatts in solar PV capacity have joined the Initiative. Only sites with the technical and economic capacity, as determined through the feasibility study, will progress to the next phase of the Initiative, issuing a collaborative RFP. Currently, 57 sites are entering the collaborative procurement stage.

The *Initiative* has faced several barriers to success, namely assessing how to make the project economically attractive to potential sites. Within the Northern Virginia region, electricity prices are low and there is a lack of comprehensive solar incentives. However, once several sites within the region signed onto the project and conducted their initial assessments and potential for energy savings, they have generated high visibility and interest in pursuing this *Initiative*.

Lessons Learned

Through collaborative procurement, the *Metro DC Clean Energy Collaborative Procurement Initiative* has created a pathway for stakeholders that otherwise could not or would not pursue solar and is developing an effective and collaborative platform for developing clean energy in the metropolitan Washington, D.C. region. Collaborative procurement initiatives can be replicated in any region with interested stakeholders:

- Take time to develop your plan;
- Ensure an understanding of the different procurement procedures of local governments, educational institutions and the federal government before acquiring funding;
- Upfront costs will be more than offset by resulting increased economic performance of the solar solutions deployed; and
- Collaborative procurement requires low startup costs associated with conducting the detailed technical and economic analyses for each site under construction.

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