

# Budget Impacts and Benefits

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## No Capital Costs, Net Annual Savings

### Understanding the RVA Solar Fund Opportunity

The RVA Solar Fund, a partnership initiative of the Community Foundation for a greater Richmond, Secure Futures, LLC, and three other local and national non-profits is a unique opportunity for K-12 public school systems, local governments, and non-profit organizations in the greater Richmond region to incorporate solar energy on site while avoiding entirely the traditional barriers of high capital costs, unknown maintenance expenses, and prolonged RFP processes. Instead, host institutions use their current utility budgets to purchase solar power generated at their sites at a cost lower than utility power.

**Buy Solar Power, Not Solar Panels** | The solar panels are installed on or next to public or non-profit buildings, creating clean power for use on site as well as opportunities for community education about solar energy and the host's environmental commitment. But the public or non-profit entity doesn't have to buy or maintain any new materials. Rather, a power purchase agreement (PPA) allows the school, government agency, or non-profit entity to pay only for the solar power, while Secure Futures owns and operates the solar equipment. This "Buy Solar Power, Not Solar Panels" approach avoids any need for public debt, capital costs, new appropriations requests, or additional fundraising.

**No Capital Costs, Net Annual Savings** | In addition to eliminating upfront capital costs for grantees by directly funding an estimated \$12 million for the solar installations, these solar installations are carefully designed to provide cost savings to the host for the life of the equipment. The reduced bill for utility-supplied power plus the new bill for the on-site solar energy should always add up to less than what the host would have paid for utility power alone. By removing the capital and appropriations impacts of installing solar on-site, a Secure Futures PPA allows public schools, local governments, and non-profit organizations to focus on the environmental, educational, and public relations benefits while saving money.

**No Special Appropriations** | Because there are no upfront capital costs or increases in annual utility budgets, local governments, public schools, or non-profit organizations interested in the RVA Solar Fund do not need to appropriate or raise new funds to choose solar energy. Rather, the commitment is to enter into a PPA with Secure Futures for the provision of solar energy and to allow solar panel arrays to be installed on currently underutilized rooftops or open fields.

**Accelerated and Simplified Procurement** | Public agencies can realize significant administrative efficiencies by riding on the cooperative purchasing agreement for Virginia public entities made possible by the July 2014 Albemarle County Request for Proposals (RFP) for a solar PPA. By eliminating the need to issue a new RFP, local governments and public schools may obtain a solar PPA with the minimum amount of cost, complexity, and staff time. Lexington Public Schools (2015), Richmond Public Schools (2018), and Augusta County Public Schools (2018) already have used this option.

**For More Information** | Additional information can always be obtained from [info@RVASolarFund.org](mailto:info@RVASolarFund.org). Fact sheets on *Grant Funding for Sustainability Initiatives*, *News for Facilities Managers*, and *Why Go Solar* are also available.