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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CommunitySolarValueProject.com
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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

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

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

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

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

**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

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<thead>
<tr>
<th>Typical Benefits Cited for In-House and Out-Sourced Strategies</th>
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<tr>
<td><strong>In-House</strong></td>
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<tr>
<td>• Stronger opportunities to integrate between customer- and technically oriented benefits</td>
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<td>• May focus on longer term benefits; less vulnerable to cutting corners for profitability</td>
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<td>• Returns on investment and savings if utilities can own DPV; review balance sheet options</td>
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<td>• Greater flexibility to change program</td>
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<td>• Requires cross-departmental team-work; may be a benefit toward integrating operations around tasks, e.g., IT, marketing, procurement</td>
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<td>• May force system upgrades that will benefit other programs in addition to community solar</td>
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<td>• Stronger opportunities for savings on site acquisition; leveraging utility relationships with local government and land-owners</td>
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<td>• Risk management on long-term stability of the solar project</td>
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<td>• Maintains utility brand identity</td>
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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

1. Pricing Transparency
2. Straight Forward Contract Negotiations
3. Partial Value Chain Support
4. Operation and Maintenance Funds
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
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