

POWER PURCHASE AGREEMENTS

A no-nonsense way to energize economic growth in West Virginia

Most of West Virginia's neighbors have authorized third-party power purchase agreements (PPAs). To enable this popular method of distributed energy financing in West Virginia, bills were introduced in both the House and Senate in 2019. Despite bipartisan support, these bills did not make it onto a committee agenda. This legislation is expected to be reintroduced during the 2020 session.

What is a power purchase agreement?

A PPA is a long-term contract between a property owner and an energy developer. The property owner agrees to host an energy generation facility, such as a solar array or landfill biodigester. The developer installs, owns, and maintains the facility. The electricity generated by the facility is sold to the property owner using a long-term, fixed-rate contract.

Why are PPAs popular?

Electricity purchased from the grid has been increasing in cost. **With a PPA, customers can lock in electricity rates for decades.** The customer saves money monthly. Those savings increase as grid-based electricity prices rise.

Lessons learned in other states

State legislatures and utility commissions have taken action to authorize PPAs. Even in states where the rollout of this financing mechanism has been limited, great economic returns have resulted. Virginia's story, for example, should serve as encouragement for other states considering allowing PPAs. Even under the limitations of Virginia's pilot program, 50 MW of solar is being developed. This is five times more than the total solar capacity currently installed in all of West Virginia.



IN VIRGINIA: Working closely with Sun Tribe, Middlesex County Public Schools installed the first ground-mounted solar system at a Virginia school and will be the first school district in the Commonwealth to have its schools 100% powered by on-site renewable energy — all while saving \$4.74 million for taxpayers.

New energy development brings positive impacts to a state's economy. According to a new report from West Virginians for Energy Freedom, Solar United Neighbors, and Downstream Strategies, if West Virginia enacts PPA legislation that results in outcomes of similar magnitude to the Virginia program, **the state could reasonably expect to install 13 MW of distributed solar in the next few years.**

If half of this capacity is installed on commercial buildings and half on residential buildings, **nearly 400 solar project development and installation jobs could be supported.** This is more than the total number of solar jobs in West Virginia today.

Read the full report:
EnergyFreedomWV.org



 VIEW REPORT

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