

Department of Planning and Budget

2018 Fiscal Impact Statement

1. Bill Number: SB312-S1

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Edwards

3. Committee: General Laws and Technology

4. Title: Cooperative procurement of professional services; construction; solar power purchase agreements.

5. Summary: Allows contracting entities to contract for the provision of solar services in order to reduce energy cost. The measure authorizes any contracting entity to purchase services under a solar services agreement entered into by another contracting entity, even if it did not participate in the request for proposals, if the request for proposals specified that the procurement was being conducted on behalf of other contracting entities. The measure specifies that terms and conditions of project agreements for the provision of solar energy that reference the terms and conditions of a master solar power purchase agreement shall be binding and effective for the life of the project agreements, whether or not the master power purchase agreement is still in effect. The bill provides that it is applicable to any solar services agreement regardless of the date of the agreement.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary – fiscal impact is indeterminate. See Item 8.

8. Fiscal Implications: The fiscal impact of the bill is indeterminate. The substitute bill would permit “contracting entities,” defined as any public body, to purchase energy or services under a solar services agreement entered into by another contracting entity even if it did not participate in the request for proposals if the request for proposals specified that the procurement was being conducted on behalf of other contracting entities, notwithstanding any other provision of law. As defined in the bill, the services provided by solar developers under solar services agreements would fall under the definition of construction in the Virginia Public Procurement Act (VPPA), § 2.2-4301, Code of Virginia. Purchases made under a solar services agreement entered into by another contracting entity where the contracting entity does not participate in the request for proposals would be considered cooperative procurement in the VPPA, which is currently prohibited for construction. The bill is permissive and any potential impact is indeterminate.

The bill is not expected to have a direct fiscal impact on the Department of Mines, Minerals, and Energy, the Department of General Services, or the State Corporation Commission.

9. Specific Agency or Political Subdivisions Affected: All public bodies.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 2/19/2018