

Policy Briefing Summary

City Council



Regarding:	Power Purchase Agreement Update (CHS & CMS)
Staff Contact(s):	Kristel Riddervold, Director of the Office of Sustainability
Presenter:	Kristel Riddervold, Director of the Office of Sustainability
Date of Proposed Action:	February 2, 2026

Issue

The intent of the presentation is to provide a high-level overview of what a Power Purchase Agreement (PPA) is and how it presents an opportunity for the City to install solar power systems on Charlottesville High School (CHS) and Charlottesville Middle School (CMS). It will also summarize efforts to date regarding the pursuit of this model for these facilities and as well as proposed next steps that will include Charlottesville City School (CCS) School Board and City Council decisions.

Background / Rule

In 2019, the City of Charlottesville committed to updated greenhouse gas emissions reduction goals of 45% by 2030 and carbon neutrality by 2050. In 2023, Charlottesville adopted the first community [Climate Action Plan](#) (CAP) to pursue these goals. The CAP identifies the installation of solar energy production systems on suitable municipal properties as a key implementation strategy to generate clean energy, reduce electricity bills, and reduce greenhouse gases. It also identifies PPAs as a mechanism to expedite this strategy.

Analysis

Two municipal buildings, Charlottesville High School (CHS) and Charlottesville Middle School (CMS), have been identified as ideal candidates for solar systems - they are the two largest facilities in the portfolio and both have new roofs. The potential solar system sizes for these two CCS facilities come with substantial installation costs that have been deemed infeasible to pursue with local capital funding at this time.

An alternate financing strategy to local funding – the Power Purchase Agreement (PPA) – is a compelling opportunity. A PPA enables a customer to receive predictable and often lower-cost electricity, while also enabling the owner/financer of the system to take advantage of tax credits and receive income from the sale of electricity. The PPA model involves a long-term contract and site access arrangement on the property of a host customer. The developer retains ownership and operational responsibility of the solar array and the host customer purchases the system's electric output at a negotiated rate (proposed to be lower than the prevailing utility rate) and for a predetermined period (usually up to 25 years). This arrangement can help the customer meet their climate and clean energy goals while also reducing their long-term electricity costs. The developer/investor receives stable revenue from the customer over the life of the solar array.

Financial Impact

There is no required upfront cost to enter into a PPA. A PPA locks in a rate for the electricity generated by the solar system, along with an escalation rate, that provides assurance and predictability related to future energy costs.

Recommendation

N/A

Recommended Motion (if Applicable)

N/A

Attachments

1. Power Purchase Agreements for CHS and CMS - Update (Jan 2026)
2. PPA-Update (Feb2026)