

Policy Briefing Summary

City Council



Regarding:	Resolution Authorizing the City Manager to Execute a Power Purchase Agreement and Associated Site Access Agreement for Charlottesville Middle School
Staff Contact(s):	Kristel Riddervold, Director of the Office of Sustainability
Presenter:	Kristel Riddervold, Director of the Office of Sustainability
Date of Proposed Action:	May 18, 2026

Issue

City Council approval is requested to authorize the City Manager to execute a Solar Power Purchase Agreement (PPA) and associated Site Access Agreement for Charlottesville Middle School. A presentation focused on PPAs was delivered to City Council on February 2, 2026.

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 guide progress towards the 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 with recently completed new roofs. As such, they can host systems that would be several times larger than our next largest solar system, at CATEC. 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 strategy – the Power Purchase Agreement (PPA) – has been determined to be an appropriate mechanism to deliver clean energy to these schools via on-site solar power generation. A PPA enables a customer (“the Purchaser”) 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 and for a predetermined period.

Under proposed 25-year terms for each of the two schools, a third-party developer (the “Seller”) will manage the financing, installation, operation, and maintenance of the solar arrays. This allows the Purchaser to secure clean energy at a fixed, predictable rate, projected to yield over \$3.6 million in total avoided costs over the life of each of the two agreements, while reducing the City’s greenhouse gas (GHG) emissions.

On March 31, 2026, the School Board of Charlottesville City Schools approved a Solar Power Purchase Agreement and the associated access agreement for Charlottesville High School. As owner

of Charlottesville High School, the School Board was established as the appropriate Purchaser in the agreement. The City of Charlottesville is the owner of the Charlottesville Middle School and is thus established as the Purchaser in the PPA for that school. City Council approval is sought to allow the City to execute the PPA and access agreement.

CMS PPA Summary:

- Purchaser: City of Charlottesville
- Seller: Sun Tribe Solar, LLC (to be assigned to Madison Energy Holders LLC)
- System Capacity: 906 kWdc
- Electricity Offset: 81% of annual usage
- Dominion Electricity Rate (blended): \$0.125
- Electricity rate (reflecting effect of solar on supply charges): \$0.1222
- PPA Rate: \$0.1215
- PPA Rate Escalator: 1%
- Site Access Agreement: term coincides with the PPA
- Avoided Costs: projected at \$1,257,391 over the full term of the PPA

Financial Impact

There is no upfront cost to the City to enter into this PPA. The 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

Staff recommends that City Council approve a Resolution authorizing the execution of a Solar Power Purchase Agreement for Charlottesville Middle School in order to provide on-site generation of clean energy for that facility and thereby achieve significant avoided costs over the term of the agreement as well as GHG emissions reductions.

Recommended Motion (if Applicable)

I move that City Council authorize the City Manager to execute the Solar Power Purchase Agreement and associated Site Access Agreement for Charlottesville Middle School with Sun Tribe Solar, LLC.

Attachments

1. CMS PPA link
2. CMS PPA presentation
3. CMS Power Purchase Agreement Resolution (May 2026)