COMMONWEALTH OF VIRGINIA
VIRGINIA DEPARTMENT OF ENERGY
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Solar Interconnection

Grant Program Guidelines

HB683 / SB659 2026 – State Energy Office

Table of Contents

Solar Interconnection Grant Program Background 2
Solar Interconnection Grant Program Overview 3
Budget 4
Prevailing Wage Law 4
Reporting Procedure 4
Contracting and Invoice Payment 5
FAQs 6
Application 7
Help & Questions 7
Applicant Info Tab (5pts) 8
Project Summary Tab (20pts) 8
Project Details Tab (50pts) 8
Financial Details Tab (25 pts) 10
Supporting Documents 11
Evaluation and Scoring Criteria 11
Submit Your Application 12

This document serves as a guide to applying for the Solar Interconnection Grant Program. The Program Overview section provides the program objectives, eligibility, metrics, and funding details. The Application section provides guidance for applying for this grant using the Virginia Energy Grant Portal. Included as addendum is the Commonwealth of Virginia's General Terms and Conditions. Applicants are not required to agree to these terms and conditions to submit an application for the award; however, acceptance of the terms and conditions will be required as a condition of proceeding with the award in the event their project is selected. Applications are due 11:59pm, January 15, 2027.

Any questions related to your grant should be sent using the Help & Communications tab in the Grant Portal (far left tab on the application). Virginia Energy staff will respond within five days. The last day to submit questions is **December 18, 2026.**

Solar Interconnection Grant Program Background

The Virginia General Assembly established the Solar Interconnection Grant Program through Senate Bill 659 and House Bill 683 (2026) to address one of the barriers facing public-sector solar development: the cost of interconnecting distributed solar energy systems to the electric grid. While the cost of solar equipment has declined substantially over the past decade, interconnection costs, including utility-required system upgrades, protection equipment, engineering studies, and other infrastructure improvements, have become an increasingly important factor affecting project feasibility.

These costs can present a challenge for local governments, school divisions, and other public bodies that seek to invest in clean energy while remaining responsible stewards of taxpayer funds. Even projects with strong economic returns may be delayed, downsized, or cancelled when interconnection costs exceed available capital budgets or available grant funding. As a result, otherwise viable public solar projects may fail to move forward despite providing long-term energy savings.

The Solar Interconnection Grant Program, administered by the Virginia Department of Energy (Virginia Energy), is intended to help offset these costs, enabling public bodies to pursue solar projects that reduce energy expenditures and increase the deployment of clean energy across the Commonwealth. The program also supports the Commonwealth's broader interest in understanding the nature and extent of interconnection challenges facing public-sector projects.

In addition to providing financial assistance, the Program serves an important data collection and policy development function. Current information regarding interconnection costs, timelines, study requirements, and upgrade drivers is limited and often project specific. By collecting standardized information from grant applicants and recipients, Virginia Energy will develop a more comprehensive understanding of the barriers affecting public solar deployment. This information will support the Department's required reports to the General Assembly and may help inform future policy efforts related to distributed energy resource interconnection.

Solar Interconnection Grant Program Overview

Solar Interconnection Grant Program offers grant funding to public bodies to offset costs associated with the interconnection of solar facilities located on previously developed project sites, as defined in § 56-576. Funding may be used for interconnection-related costs that are necessary to connect an eligible solar facility to the electric distribution system, including transformers, relays, direct transfer trip (DTT), SCADA/telemetry, metering modifications, protection equipment, engineering, and other utility-required infrastructure necessary to complete interconnection.

Eligibility: Virginia public bodies, as defined in § 2.2-3701, installing distributed solar projects
Total amount of funding available: Approximately $2,000,000
Anticipated Period of Performance: 6 -18 months

Proposal Amount: The Virginia Department of Energy seeks grant applications to fund interconnection upgrade costs, up to 25% of the total solar project cost (i.e., total solar installation + total interconnection costs) or $600,000, whichever is less. *Projects that do not meet these criteria **may** apply.* The Virginia Department of Energy (Virginia Energy) may elect to partially award proposals at its discretion.

Applications are due 11:59pm, January 15, 2027.

All prospective awardees must maintain an active registration in **eVA.virginia.gov**. Final award approval is contingent upon review and authorization by the Virginia Department of Energy.

Virginia Energy reserves the right to make an award to **one or more applicants** based upon the evaluation of applications in accordance with the requirements and evaluation criteria established in this solicitation. Virginia Energy may make a single award, multiple awards, or no award, as determined to be in the best interest of the Commonwealth and subject to the availability of funding. Virginia Energy reserves the right to award the full amount requested by an applicant, a portion of the amount requested, or amounts to multiple applicants, provided that such awards are consistent with the purposes of grant opportunity, available funding, and applicable state and federal laws, regulations, and grant requirements.

Awards will be made only to applicants determined to be eligible and responsive to the requirements of this solicitation and whose applications are determined to provide the greatest overall benefit to the Commonwealth, consistent with the evaluation criteria stated herein. The award is contingent upon the applicant's continued eligibility, availability of funding, satisfactory completion of all required pre-award documentation, and execution of the applicable grant agreement or other required award documents. No applicant shall have a right to funding until the applicable award documents have been fully executed by the authorized representatives of the parties.

Virginia Energy also reserves the right to reject any or all applications, waive minor informalities or irregularities when permitted by applicable law, and cancel, modify, or amend this solicitation when determined to be in the best interest of the Commonwealth.

Budget

This grant opportunity allows for interconnection-related costs that are necessary to connect an eligible solar facility to the electric distribution system, including transformers, relays, direct transfer trip (DTT), SCADA/telemetry, metering modifications, protection equipment, engineering, and other utility-required infrastructure necessary to complete interconnection.

Applicants must submit the budget spreadsheet provided detailing direct costs (specifically identifiable to the project), including personnel, fringe benefits, travel, equipment, supplies, and contractual services, and indirect costs (shared overhead expenses such as administrative salaries). Indirect costs must be limited to 10% or less of the applicant's requested funding.

This grant opportunity requires compliance with all relevant Virginia procurement laws.

Prevailing Wage Law

All awardees will be required to comply with Virginia laws per the terms and conditions of the award. Awardees are responsible for contractor and subcontractor compliance.

Projects funded through this grant are subject to Virginia's prevailing wage requirements, which mirror federal Davis-Bacon standards, requiring Department of Labor and Industry (DOLI) wage determinations. Awardees and their contractors must ensure that all laborers and mechanics are paid wages and fringe benefits at rates not less than those determined to be prevailing for the locality and type of work performed, in accordance with applicable state law (https://doli.virginia.gov/programs/labor-law/prevailing-wage-law/). Awardees will be responsible for maintaining payroll records and demonstrating compliance upon request.

Reporting Procedure

Projects will be required to submit quarterly reports that document completed work and applicable metrics listed above. Quarterly progress reports will be submitted using Virginia Energy's quarterly report template which requires outlining work accomplished, challenges faced, and status of project timeline.

Each project proposal should include plans for documenting invoiced work and submitting quarterly progress reports summarizing the work completed, in addition to reporting included with invoices.

Metrics to be used in reporting may consist of the following:

- Project location(s)
- Details on interconnection timing
- KW of generation (+ storage capacity installed, if applicable)
- Projected energy savings
- Projected carbon emissions avoided
- Community benefits achieved
- Community demographics served
- Stakeholders engaged
- Details related to interconnection upgrades, including transformers, relays, direct transfer trip (DTT), SCADA/telemetry, metering modifications, protection equipment, engineering, and other utility-required infrastructure necessary to complete interconnection.

Awardees must maintain and provide sufficient records to substantiate this information upon request. Upon project completion, awardees must provide lists and photos of any equipment installed using grant funding.

Each project proposal should include plans for documentation of invoiced work as well as quarterly progress reports summarizing completed work and providing applicable information discussed above.

Note: If the data is proprietary, generalized data and statistics should be provided to show the outcomes in the report.

Contracting and Invoice Payment

Grant awardees will be required to enter into a contract agreement with Virginia Energy after receiving the award. This agreement will include the required state terms and conditions. Contracts involving construction are subject to retainage amounts up to 5% of the total construction amount.

Invoices are required at least once a month and must be received by the 15th of each month. Invoices will only be paid upon completion and acceptance by the agency of any portion of the contracted work and upon submission of a properly itemized invoice. Final payments may be withheld until final internal auditing of each contract is completed.

FAQs

Can third parties support public bodies in their applications? Can third parties apply on behalf of public bodies?
Third parties, such as solar installers, contractors, non-profits, and other entities, may support public bodies in their applications. However, the application must be submitted by the public body. If awarded, the public body would receive and administer the grant. Please note that this grant opportunity requires compliance with all relevant Virginia procurement laws.

At what stage in the interconnection process can projects apply?
Due to the timeline of funding, projects are highly recommended to have a completed interconnection study and understanding of the costs of upgrades required at the time of application.

What types of projects are eligible?
This grant is to fund interconnection upgrade related costs for distributed solar installation on Virginia public bodies (behind-the-meter or front-of-the-meter). Non-interconnection related costs are not eligible for funding through this grant.

What is the timeline for selection?
Once the applications close, Virginia Energy staff will work diligently to select projects. We expect to score, select, and begin financial vetting and contracting within ten to twelve weeks of the final deadline.

Please see the grant website for a list of applicant questions received:
https://energy.virginia.gov/renewable-energy/Solar-Interconnection.shtml

Application

All grant applicants must apply via the Virginia Energy Grant Portal. If it is the first time using the system, applicants will be required to create a user account, or log into an existing account if the system has been used previously. Note that **applications will be linked to the applicant's account**. While additional contacts may be listed on the application, the applicant should be the primary point of contact for all grant-related communication. At this time, applications created under a user account cannot be accessed by other members of the same organization.

For this grant application, please save all application responses in a **master application PDF document** with the below headers (noting word count maximums) and submit the complete application document in the "Supporting Documents" tab. For criteria that require documentation, please combine all PDFs into your master document with clear headers/labels. Applicants should only submit one master application PDF document and two separate excels. Do not upload any other separate attachments. Follow word counts provided and note that any text longer than the provided word count will **not** be scored. Any non-essential information will **not** be considered in the applicant's score.

Carefully review the program guidelines and example terms and conditions. Proposals will be evaluated on a competitive basis and will be awarded based on the perceived highest merit and alignment with objectives identified in the guidelines. Awards will be made based on the scoring indicated in the application sections below. Note that all proposals are subject to the Freedom of Information Act (FOIA).

Proposals for this funding will be accepted until **11:59pm, January 15, 2027**. Only applications that are complete and submitted by the stated deadline will be considered for review.

Help & Questions

If you have a question on your application, enter it in the Help & Questions tab of your application (far left tab) and Virginia Energy will respond. Please allow 5 business days for a response. The last day to submit questions is **December 18, 2026.**

This document serves as a guide to the application section tabs in the Virginia Energy Grant Portal. Applications will be evaluated by committee based on a 100-point scale, outlined below.

Applicant Info Tab (5pts)

Contact Information: Provide the name and all relevant contact information, including physical and email addresses and phone numbers, of the primary contact for purposes of application and administration of the grant.

Address: Provide a mailing address for your organization.

Secondary Contacts: Provide the name and all relevant contact information of any other staff you would like to receive correspondence about this application.

Organizational Summary (5 pts): Describe the background of key organizational leadership, project leadership, organizational qualifications to execute program goals, financial history, and grant management capacity. Describe any recent grant administration your organization has completed (in the last 36 months).

Project Summary Tab (20pts)

Provide a Project Title. Limit each header section (I, II) to a maximum of 300 words.

I. **Project Introduction (10pts)**: Provide a brief introduction to your proposal, to include a clear and concise description of the project. The description should include: an overview of the project location, the type of solar installation, the specific proposal, financial request and interconnection upgrade costs to be covered, and a brief introduction to the project need and benefits of the project for the local community. Briefly mention any partners and/or selected contractors.

II. **Project Scope of Work and Timeline (10pts):** Outline the proposed scope of work, including specific interconnection costs to be covered by this grant and timeline of work related to these interconnection costs. Include a brief description of your organization's plans for documentation of invoiced work as well as quarterly progress reports summarizing completed work and providing applicable information discussed above.

Project Details Tab (50pts)

The Grant Portal includes fields not used for this program; enter 'NA' for all fields EXCEPT the proposed project start and end date, the county/city, and anticipated project partners (question a).

For criteria that require documentation, please all combine PDFs into your master document with clear headers/labels. If you do not have the documentation, please note it under the section header. Limit each header (III, IV, etc) section to a maximum of 300 words.

III. **Site Selection and Project Details (5pts)**: System designs or layouts are encouraged but not required.
   a. Project address/location (must be a previously developed project site, as defined in § 56-576)
   b. Type of solar installation (rooftop or ground mount, behind the meter or front of the meter)
   c. Total project size (kW)
   d. Total project cost
   e. Expected system production

IV. Project Readiness (10pts)
   a. Executed PPA and/or Public Procurement Award
   b. Site control documents
   c. Is the local zoning and permitting completed or is the project allowed by right? Any documentation related to zoning and permitting may be included.
   d. Behind the Meter Systems only:
      i. Is the roof in good condition and will not need to be replaced within the solar system life? Any documentation related to the roof age and condition may be included.
      ii. Provide an electricity bill from the site.

V. Interconnection Study and Details (10pts)
   a. Interconnection Study, which should include at a minimum:
      i. Utility cost estimate letter
      ii. Utility construction estimate
      iii. Executed Feasibility, System Impact, and/or Facilities Study (if required and/or completed)
      iv. Interconnection Agreement (if executed)
      v. Other relevant details to the proposal provided in the Interconnection Study
   b. Interconnection Study Details form, using the Excel sheet provided, to gain a greater understanding of interconnection requirements, costs, and timelines. (Please upload with the name: InterconnectionStudyExcel)

VI. **Community Benefits (15 pts):** Document clear benefit to the public achieved through the solar project. Briefly note how the applicant plans to utilize any cost savings or

community benefits achieved through the solar project. Examples of benefits include, but are not limited to:

a. Behind the Meter Systems:
    i. Estimated project lifetime savings from solar install
    ii. Estimated annual Solar Renewable Energy Certificates (SRECs) for the project
b. Front of the Meter Systems:
    i. Lease and/or tax revenue benefits
    ii. Community Benefits Agreement (CBA)
c. Other benefits could include:
    i. The solar project primarily serves/benefits a historically economically disadvantaged community (HEDC) or other underserved communities.
    ii. The solar project includes battery energy storage and provides resilience benefits.
    iii. The solar project powers critical public facilities.
    iv. The solar project is developed on a brownfield.
    v. The solar project fulfills local sustainability, energy, or climate goals (site local planning documents).

VII. Project Need (10pts)

a. Provide a brief explanation of how the interconnection costs materially affected the solar project economics, schedule, or design.
b. Any documentation related to the capital budget available for the solar project compared to the interconnection costs required.

Financial Details Tab (25 pts)

VIII. **Financial Details (25pts)**:

a. Submit a detailed budget using the provided budget justification worksheet. <u>Only include requested grant funding for interconnection-related costs, detailing how those costs would be incurred, in the submitted budget.</u>
    i. Include a brief budget narrative, including a brief summary of costs and any information on additional funding, grants, or tax incentives that will be leveraged to complete the project, in your complete application document. Include how incurred costs will be invoiced (for example, public body will pay utility immediately for XYZ once under contract OR public body will pay solar contractor for XYZ in Month, Year if awarded). Note if there are interconnection costs that the applicant will be covering outside of this grant.

b. Download, complete, and submit the OMB Financial Capabilities Questionnaire provided in the Financial Details tab.

Supporting Documents

For this program, please save all application responses in a master application PDF document with the below headers (noting word count maximums) and submit the complete application document in the "Supporting Documents" tab. For criteria that require documentation, please combine all PDFs into the master document with clear headers/labels. Applicants should only submit one master application PDF document and two separate excels. Do not upload any other separate attachments. Follow word counts provided and note that any text longer than the provided word count will not be scored. Any non-essential information will not be considered in the applicant's score.

Evaluation and Scoring Criteria

Tab	Criteria	Possible Points	Score
Applicant Info Tab	Organizational Summary	5	
Project Summary Tab (20pts)	Project Introduction	10	
	Project Scope of Work and Timeline	10	
Project Details Tab (50pts)	Site Selection and Project Details	5	
	Project Readiness	10	
	Interconnection Study and Details	10	
	Community Benefits	15	
	Project Need	10	
Financial Details Tab	Financial Details	25	
Total		**100**	

Submit Your Application

Once all required documentation has been submitted and the terms and conditions have been accepted, submit your application through the Virginia Energy Grant Portal. You will receive a confirmation of application submission. Submitted applications may be rescinded and revised until the application deadline. A rescinded and revised application MUST be resubmitted to be evaluated. Previous copies of applications will not be available for reference or evaluation. Virginia Energy will notify you whether your project has been selected for with Intent to Award or notification that your project has not been selected.