

Environment Committee

Meeting date: May 12, 2015

For the Metropolitan Council meeting of May 27, 2015

Subject: Authorization to Execute a Joint Powers Agreement for Joint Solicitation of Community Solar Garden Subscription Proposals

District(s), Member(s): All

Policy/Legal Reference: Council Administrative Guide Policy 3-4-3 (Procurement)

Staff Prepared/Presented: Jason Willett, 651-602-1196

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Proposed Action

That the Metropolitan Council authorizes the Regional Administrator, or his delegate, to execute a joint powers agreement (JPA) for the joint solicitation of community solar garden subscriptions.

Background

Council staff has been working with other governmental entities to develop a joint solicitation of proposals for Community Solar Gardens for developers to site, design, own and operate these gardens. The governmental subscriber collaborative will attempt to and in most cases will fully subscribe providing good credit to the developers, no marketing and minimal administrative costs. By working together, the larger participating governments gain an economy of scale in the process development, attractiveness to developers by handling all the subscriptions necessary (which none can do alone as the law requires at least 5 separate retail customers) and hopefully a quicker process. Moreover, Council staff anticipates the size of the solicitation will attract more competition and better proposals. As called for in Thrive, the Council is also facilitating the participation of other governments that might not have the resources to participate readily on their own. The Council has been asked to lead, due to staff knowledge and other solar work in process, and is planning to issue the request for proposal (RFP) in early July.

Assuming good proposals, both Environmental Services and Metro Transit divisions, as separate retail customers of Xcel, will likely subscribe to a number of solar gardens in order to advance solar power and gain the regional and societal benefits of clean energy, and moreover our rate and taxpayers may benefit. Community Development staff is involved to inform and help other Minnesota government entities participate. Hennepin and Ramsey Counties, and the City of Minneapolis are expected to participate as anchors in the process. Also, this work has come to the attention of two state agencies, the City of Saint Paul, Washington County, the Metropolitan Airports Commission and the City of Falcon Heights, and each may participate. Other governmental entities and organizations (e.g. Metro Cities) are being briefed and some will likely participate.

The project team has developed an allocation method such that if desirable proposals are received, we will randomly divide the subscription opportunities up among the participating governments in proportion to the amount of load indicated and eligible in each

county. The independent non-profit Great Plains Institute, who, among other things, helps governments on energy matters, will administer that process.

The Council will not be an intermediary in the other governments' subscription agreements; each will sign their own contracts with the developers. The gardens will not be on Council land.

Rationale

Hennepin County attorneys believe they need a JPA to participate in the joint community solar solicitation. Our legal staff have reviewed the draft and approved as to form. It is not yet clear if all participants will need to sign the JPA, but as needed they will and it is not anticipated our JPA will need to change.

While all the participants and language of the request for proposal are not finalized, time is of the essence in community solar garden development and delays could make the proposals uneconomical, so we are asking for the authority for the Regional Administrator to sign the JPA, if and as needed, to pursue the benefits described.

Funding

Development costs for the solicitation are coming out of approved operating budgets. Outreach costs from Community Development's climate budget.

If subscriptions are approved, no capital costs are required, and the cost to be paid to the developers will be offset by credits from Xcel on the subscribed electric accounts on a present value basis.

Known Support / Opposition

The Governments mentioned above have asked the Council to lead and participate.