

Management Committee

Meeting date: January 14, 2015

For the Metropolitan Council meeting of: January 14, 2015

Subject: Amendment to the Environmental Sustainability Policy, 1-2

District(s), Member(s): all

Policy/Legal Reference: Thrive MSP 2040 (re. sustainability); Policy 2-1; Governor Exec. Order 11-13; and Minn. Stat. sections 216B.1641 (b) (re. Community Solar Gardens) and 216B.1691 subd. 2f (re. solar energy standard)

Staff Prepared/Presented: Jason Willett (651.602.1196) /Sara Smith (651.602.1035)

Division/Department: MCES/Finance, Revenue & Energy

Proposed Action

That the Metropolitan Council approve the amendment to the Environmental Sustainability Policy, as shown on the attached, resulting in an expansion of options for utilization of Council resources beyond its own operations and creating the opportunity to share financial benefits with local governmental entities which choose to participate.

Background

Thrive MSP 2040 calls for the Council to take actions to further environmental sustainability beyond its own operations. In particular, *Thrive* envisions the Council providing assistance to local governments to reduce climate impacts.

The Council can promote environmental sustainability by hosting Community Solar Gardens on Council property. Community Solar Gardens are facilities that generate electricity by means of solar photovoltaic devices and where “subscribers” to the project receive a bill credit for the electricity generated in proportion to the size of their respective subscriptions and the production of the solar panels. This policy amendment furthers renewable energy development and provides the Council an opportunity to host Community Solar Gardens and offer such a program’s benefits to eligible local governments who choose to participate.

The proposed policy amendment authorizes the use of Council assets to further regional environmental sustainability as long as doing so will not be detrimental to the Council’s core functions. Also, subject to the approval of the Regional Administrator, staff will develop a procedure for the policy’s implementation including criteria for local government eligibility.

Rationale

The existing Sustainability policy is limited to the Council’s operations and management. It does not authorize broader participation and outreach to the region as is called for in *Thrive*. Moreover, the specific opportunity to develop Community Solar Gardens encourages solar energy generation not only for Council operations but also for other as well. Facilitating such long term development on Council property is a policy matter.

Funding

The Council budgeted for community level action on environmental sustainability in 2015, both in MCES for water sustainability and Community Development for other environmental sustainability assistance and outreach.

The anticipated solar garden subscriptions do not require capital costs. In regard to operating costs, Solar Garden proposals for use of Council property will have to generate an expected direct net present value benefit over time for ratepayers or tax payers. The cash flow required for the subscriptions are likely to be equal to or less than the alternative cost of buying energy from the utility either immediately or within a short period of time, so funding for electricity will be handled in normal operating budgets.

Known Support / Opposition

Parties have expressed interest to both MCES and Metro Transit in participating in solar gardens on Council land and on its buildings.

Legislation passed in Minnesota in 2014 includes a mandate of 1.5% of energy generation from public electric utilities should be from solar by 2020, and an energy goal for the State of Minnesota that, by 2030, 10% of all the retail electricity sales in Minnesota be generated by solar energy.