

Management Committee

Meeting date: November 18, 2015

For the Metropolitan Council meeting of November 18, 2015

Subject: Community Solar Garden Subscription Agreements

Policy/Legal Reference: Thrive MSP 2040 (sustainability); Council Policy 1-2 Environmental Sustainability Procedure 1-2e Community Solar Gardens; Data Practices Policy 4-1-1; Governor Exec. Order 11-13; and Minnesota Statutes sections 216B.1641(b) (Community Solar Gardens) and 216B.1691 subd. 2f (solar energy standard)

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Division/Department: MCES c/o Leisa Thompson, 651-602-8101

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to execute community solar garden subscription agreements with Geronimo Energy, Solar Stone Partners, Sun Share, U. S. Solar and TruNorth Solar, contingent on the Council successfully competing in the lottery for assignment of vendor offers.

Background

Thrive MSP 2040 calls for the Council to take actions to further environmental sustainability beyond our own operations. In particular, *Thrive* calls for the Council to provide assistance to local governments to reduce climate impacts. By advancing renewable energy development in the region, the Council is helping to reduce climate impacts relating to energy generation. Because of this, the Council led the Governmental Collaborative solar procurement, to attract proposals for solar garden participation - where the participants did not have land to host the gardens. Consistent with Data Practices law, the Council will advance proposals from the named companies for assignment (by lottery) to the governmental participants. The participating communities have the responsibility for their own review and for accepting or rejecting the proposals. No additional negotiations are contemplated. Each interested community and Council division indicated maximum amounts of solar that they would subscribe under this process - if the terms were acceptable. For MCES this is approximately 5,300 megawatt hours and for Metro Transit 13,500 megawatt hours.

To identify qualified developers, the Council led a competitive solicitation process. The Council received the identified responsive and responsible proposals. The evaluation team, comprised of individuals from the Council, City of Minneapolis, and Ramsey County, reviewed the proposals for quality, for qualifications of the proposers, for experience of the proposers, the degree of proposer acceptance of the legal terms contained within the request for proposals and price offered. The evaluation team recommends moving the proposers mentioned in the proposed action, forward to the lottery process. The lottery assigns what subscriptions each community or Council division (MCES and Transit) are offered. Following the lottery and consistent with the Data Practices Act, the participating communities, including MCES and Metro Transit, will be given the specific subscription agreement terms and will have 30 days to respond yes or no to the offer(s).

Once the lottery assignment is done and assuming the Council has received subscription offers, the Council staff will review the offers and ensure the offers: 1) meet the Council's definition of economic feasibility in the sustainability policy, 2) are deemed competitive in the market by staff, and 3) the terms of the subscription agreement are deemed acceptable. Time is of the essence in realizing these opportunities.

Rationale

This is an opportunity for the Council to continue to advance solar in the region. And specifically for MCES and Metro Transit to take advantage, for our rate and taxpayers, of the financial benefits associated with participating in the Community Solar Garden Program.

Funding

In these proposals, the Council pays only for the energy produced at each solar facility based on its subscription size. The Council will be credited on its Xcel Energy utility bills for solar generated at the Community Solar Gardens equivalent to its subscription. The expected net present value of those two cash flows, for each of the proposals will provide a financial return greater than zero, as is the Council's sustainability policy (that is, we expect to pay less than the credits we receive over time).