

Environment Committee

Meeting date: July 14, 2015

For the Metropolitan Council meeting of July 22, 2015

Subject: Authorization to Award and Execute Community Solar Garden Lease, Subscription and Power Purchase Agreement with Oak Leaf Energy Partners

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to sign land leases (4 sites), community solar subscription agreements (3 sites), and power purchase agreement (1 site) with Oak Leaf Energy Partners.

Summary of Committee Discussion/Questions

Staff shared that the Council would pay the developer for the power produced equivalent to its subscription amount at the community solar garden. The Council would receive a bill credit from Xcel Energy for the power produced based on its subscription amount.

The Council would subscribe to 80% of the community solar garden (40% for MCES and 40% for Transit). The remaining 20% would be available for other subscribers. An inquiry was made as to whether the other 20% of subscribers have been determined. Staff stated they will facilitate a conversation between the developer and other local governments to discuss subscription options. Several local governments are interested in participating.

Motion to approve the proposed action was made, seconded, and passed unanimously.

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

Staff Prepared/Presented: Sara Smith, 651-602-1035; Brad Gehring, 651-602-8006

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

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to sign land leases (4 sites), community solar subscription agreements (3 sites), and power purchase agreement (1 site) with Oak Leaf Energy Partners.

Background

Thrive MSP 2040 calls for the Council to take actions to further environmental sustainability in and 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 can help to reduce climate impacts relating to energy generation.

This is an opportunity for the Council to advance clean solar energy on our sites, generate probable financial benefits for our rate and tax payers, and provide for local governmental subscribers to accomplish advancing solar.

In this proposal, the Council would act as the host site for up to seven (7) community solar gardens at the Empire and Seneca Wastewater Treatment Plants and a Woodbury Lift Station and be subscriber(s) to the solar gardens. The Council will be given the opportunity to subscribe to up to 80% of each solar garden (up to 40% for MCES and up to 40% for Metro Transit). Per Council procedure, the remaining subscription space will be offered to local governments.

In this proposal the Council would also host a 300 kilowatt (kW) “behind the meter” solar facility at its Regional Maintenance Facility. The power generated at this solar facility would be used on site.

Rationale

Oak Leaf Energy Partners met the proposal requirements and exceeded the evaluation panel expectations by offering a high quality product. It also addressed replacement components as part of the overall performance of the system and as well as cost. Further, demonstrated experience is seen through current work in progress at the Blue Lake Wastewater Treatment Plant and work accomplished in other national markets. The proposal exhibited the most competitive price per kilowatt hour (kWh) for ground mounted sites based on market rates and current utility rates.

Funding

In this proposal, the Council would pay for only the energy produced at the solar facilities. This energy cost will displace the cost that the Council would pay to Xcel Energy. In the case of the Community Solar Garden sites, the Council will pay the developer for the amount of energy generated equivalent to its subscription size but will be credited by Xcel Energy for that same energy generation. At the behind the meter site, the Council will be purchasing energy directly from the developer, which will avoid some of the energy the Council would otherwise purchase from Xcel Energy. In both types of arrangements, the Council is expected to pay less overall, so future operating budgets will be benefited.

Known Support / Opposition

No known opposition