



MEMORANDUM

TO: Mayor Laurel Lunt Prussing and City Council Members
FROM: William R. Gray, Public Works Director
Scott R. Tess, Environmental Sustainability Manager
DATE: December 8, 2016
RE: WCP Solar Services Power Purchase Agreement

Introduction

At the December 5 City Council meeting, Councilor's requested that staff confirm that the fee schedule for a Power Purchase Agreement with the City relinquishing all RECs was still an offer from the bidder. In the December 5 memo from staff, as well as this memo, this option was represented as Option 2. The vendor confirmed that both Option 1 and Option 2 are still an offer. An ordinance for each option is included in the packet and on the Committee of the Whole agenda.

Option 1: Power Purchase Agreement with City Retaining a Portion of the RECs

Total Cost	\$56,351.31
Net Savings	\$4,069.20

- Within a 25 year agreement, City would relinquish 5 years' worth of RECs but keep the remaining 20 years' worth of RECs
- Installer owns the solar array and enjoys the tax benefits
- City gets cost savings and reduction in our greenhouse gas inventory

Option 2: Power Purchase Agreement with City Relinquishing all RECs

Total Cost	\$29,208.90
Net Savings	\$21,402.92

- City would relinquish all RECs and agree not to make any renewable energy claims pursuant to the contract and Federal Trade Commission Rules
- Installer owns the solar array and enjoys the tax benefits
- City gets cost savings but no reduction in our greenhouse gas inventory

Recommendation

Staff seeks direction from Committee of the Whole as to which option listed in this memo should be forwarded to City Council. There is an ordinance supporting Option 1 and an ordinance supporting Option 2 attached.