



Legislation Text

File #: Res. 2017-062, **Version:** 1

City Council Meeting Date: August 8, 2017

To: Honorable Mayor and City Council

From: Brenda Angelstad, Finance Director
Justin Wagner, Utilities Manager
Ben Martig, City Administrator

Consider Resolution Approving Solar Garden Subscription Agreement with CF Novel Solar Gardens Five, LLC.

Action Requested:

Staff recommends a motion to approve Resolution Approving Solar Garden Subscription Agreement with CF Novel Solar Gardens Five, LLC.

Summary Report:

A motion was approved at the July 18, 2017 City Council meeting to approve a Community Solar Garden subscription with MN Community Solar. The garden will be built in Steele County and is eligible to subscribe the City of Northfield's Rice County Xcel Energy's energy usage.

The contract locks in the rate paid for the City's subscribed energy at .11296/kWh, which is a 1 cent discount from Xcel's current rate for a period of 25 years.

City Attorney and City Staff are negotiating the subscription agreement with MN Community Solar and expect to distribute the subscription agreement in a supplemental distribution prior to the meeting.

Alternative Options:

N/A

Financial Impacts:

The proposal estimates a savings to the City of approximately \$2.3 million, if Xcel energy's rates increase an average of 2.75% annually. If Xcel energy rates remain flat over the 25 years, the City still realizes savings of \$450,000. If Xcel energy rates decrease an average of 1% over the 25 years, the City would pay a premium for its power of approximately \$153,000.

Tentative Timelines:

N/A