



Legislation Text

File #: 17-873, **Version:** 1

City Council Meeting Date: June 20, 2017

To: Mayor and City Council

From: Ben Martig, City Administrator

Presentation of Community Solar Subscription Opportunity.

Action Requested:

Discussion only.

Summary Report:

Staff has been exploring options for potential investment of city power usage in a community solar subscription. As included in the background materials, a community solar garden is a centralized, shared solar project connected to the energy grid that has multiple subscribers. Each subscriber receives a credit on their Xcel Energy electric bill based upon the production of the solar facility and their ownership share of that facility. There is a financial benefit as well as positive environmental benefits of this renewable energy investment.

Recent options have not included a fixed rate option. However, Minnesota Community Solar presented a new fixed rate option for staff on Thursday, June 5th. Subsequently, staff has initiated a detailed internal review of this opportunity. The current proposal is for a project intended to begin yet this year. Minnesota Community Solar is requesting a City commitment by July 11 in order to meet their timelines. There are legislative changes occurring at the end of the year that will remove some opportunities which has created urgency on this project.

Rick Masloski from Minnesota Community Solar will be at the meeting to give a presentation including background on community solar projects and the current subscriptions being proposed. Staff is currently completing a due diligence review of the contracts and related project details and welcome any questions as part of that ongoing process.

Alternative Options:

Not applicable.

Financial Impacts:

Two options have been proposed. Northfield's estimated savings over the course of 25 years under the fixed rate option is \$1,571,356 based on subscribing 1,960 kW.

The estimated 25 year savings under the floating rate option is \$588,663 based on subscribing the same amount. Cost Savings Analysis is based on Xcel rate increases of 2.75% per year. Xcel rate increases have averaged about 3.3% for the past 15 years. 2017 rate increase was 5.7%

Tentative Timelines:

July 11, 2017 - Council Consideration of Subscription Agreement