

# WA 12

## Solar Power Purchase Agreement

School Committee  
Oct 24, 2019



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## Solar Power Purchase Agreement

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Requests Town Meeting to authorize the Select Board to:

- Enter into a 20-year solar Power Purchase Agreement (including a License to construct, operate, maintain solar installation on buildings at six sites)
- Enter into a Payment in Lieu of Taxes: fixed personal property taxes over the life of the contract

# POWER OPTIONS SOLECT SOLAR PROGRAM

## Potential Advantages

- No upfront cost - Solect to install, finance, operate, maintain system
- Fixed per-kWh price for 20 years
- Monetizes federal and state incentives, including some tax breaks that municipalities can not utilize
- PowerOptions (non-profit consortium that sells energy supply) selected Solect through an RFP to provide members with on-site solar Power Purchase Agreements
- Contract terms and conditions and pricing are pre-negotiated with PowerOptions

## Works Best When

- Town can coordinate significant roof repair/replacement just prior to solar installation
- Town has limited capital funding available
- Site has least risk of becoming shaded over time
- Our consultants indicate that the site-specific PPA rate would cost less than purchasing our own electricity for at least seven years – remember that purchasing electricity now includes stepping up purchasing Renewable Energy Credits
- Town goal includes producing renewable energy as part of a regional goal, independent of how we acquire Renewable Energy Credits for our own Town goals



# Coolidge Corner & Runkle Schools





# High School & Kirrane Pool





# Heath School & Municipal Service Center



# TIMELINE

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## Process to Date

- Select initial site visits – 10 sites, narrowed to 6 – September
- Presentation to Staff - October
- Technical working session with High School consultants, designers, architect, engineers – November
- Technical site visits to 5 of 6 sites - March
- Revised designs with site specific costs – March
- Review by Cadmus, our solar technical consultant

# TIMELINE

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## Looking Ahead

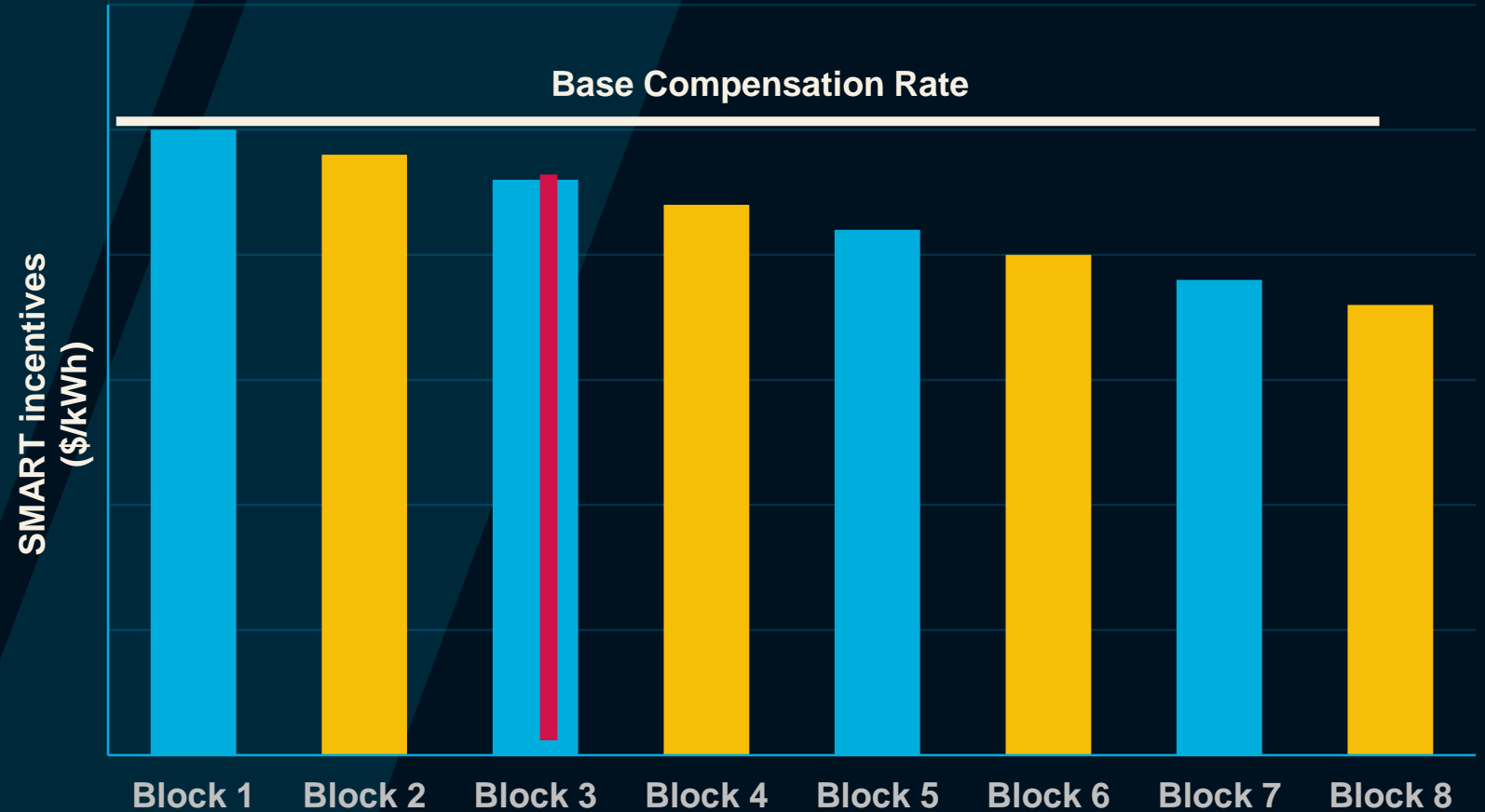
- Additional contract review by staff: Public Buildings, Town Counsel, Schools, Chief Purchasing Officer, Chief Financial Officer, Tax Assessor, Sustainability Office
- Additional consultation with bond counsel and our energy broker to best predict future risks, benefits
- Final review by Cadmus for technical items
- PowerOptions will review the proposed PPA price
- School Committee Updates
- Contract review by Select Board & School Committee
- Approval by Town Meeting
- Public Hearing
- Execution of Power Purchase Agreement



# Solar MA Renewable Target Program

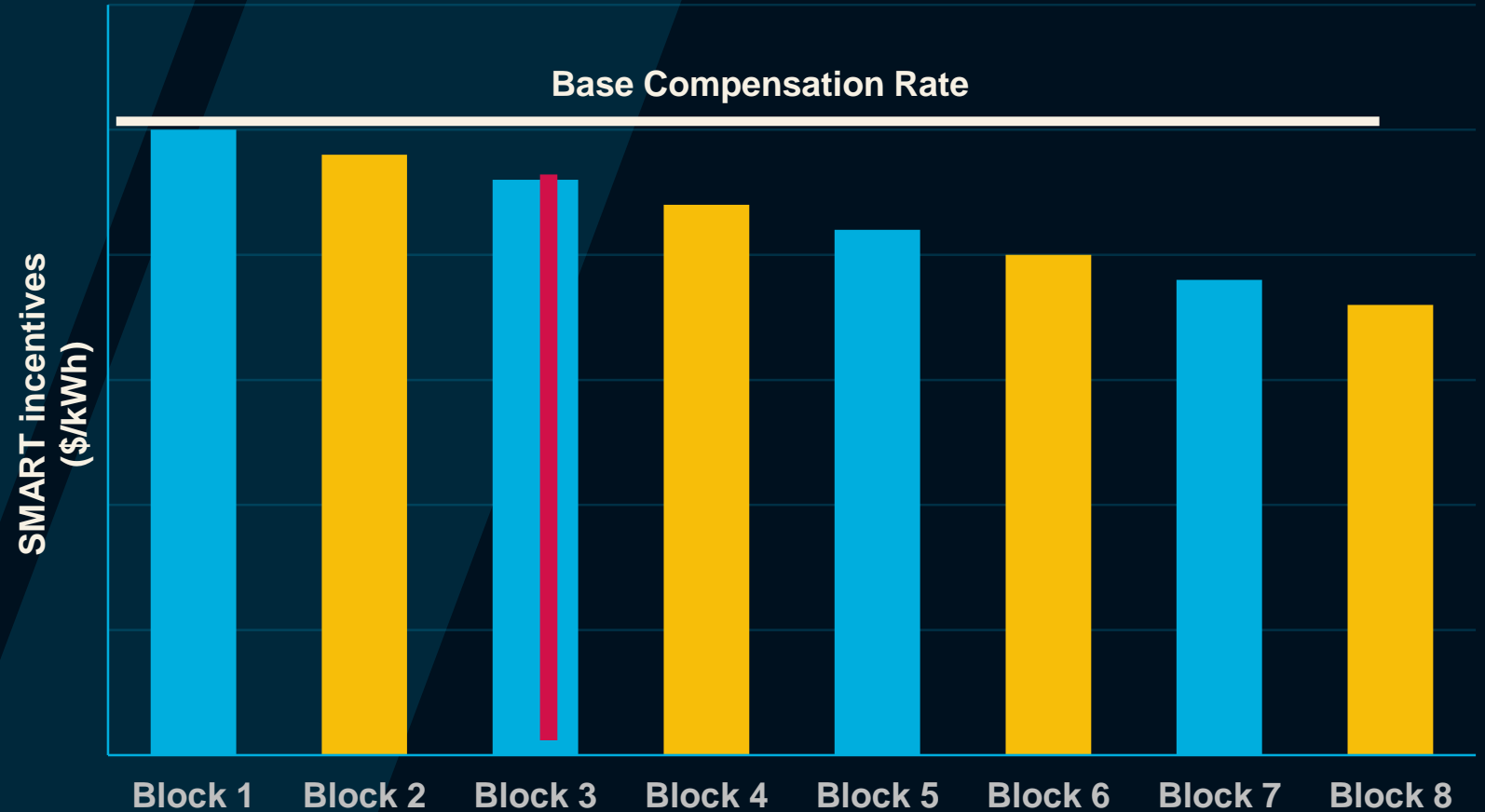
Fixed \$/kWh  
incentive payment to  
system owner over  
20 years

8 blocks of capacity  
– incentives decline  
as blocks fill up



# Solar MA Renewable Target Program

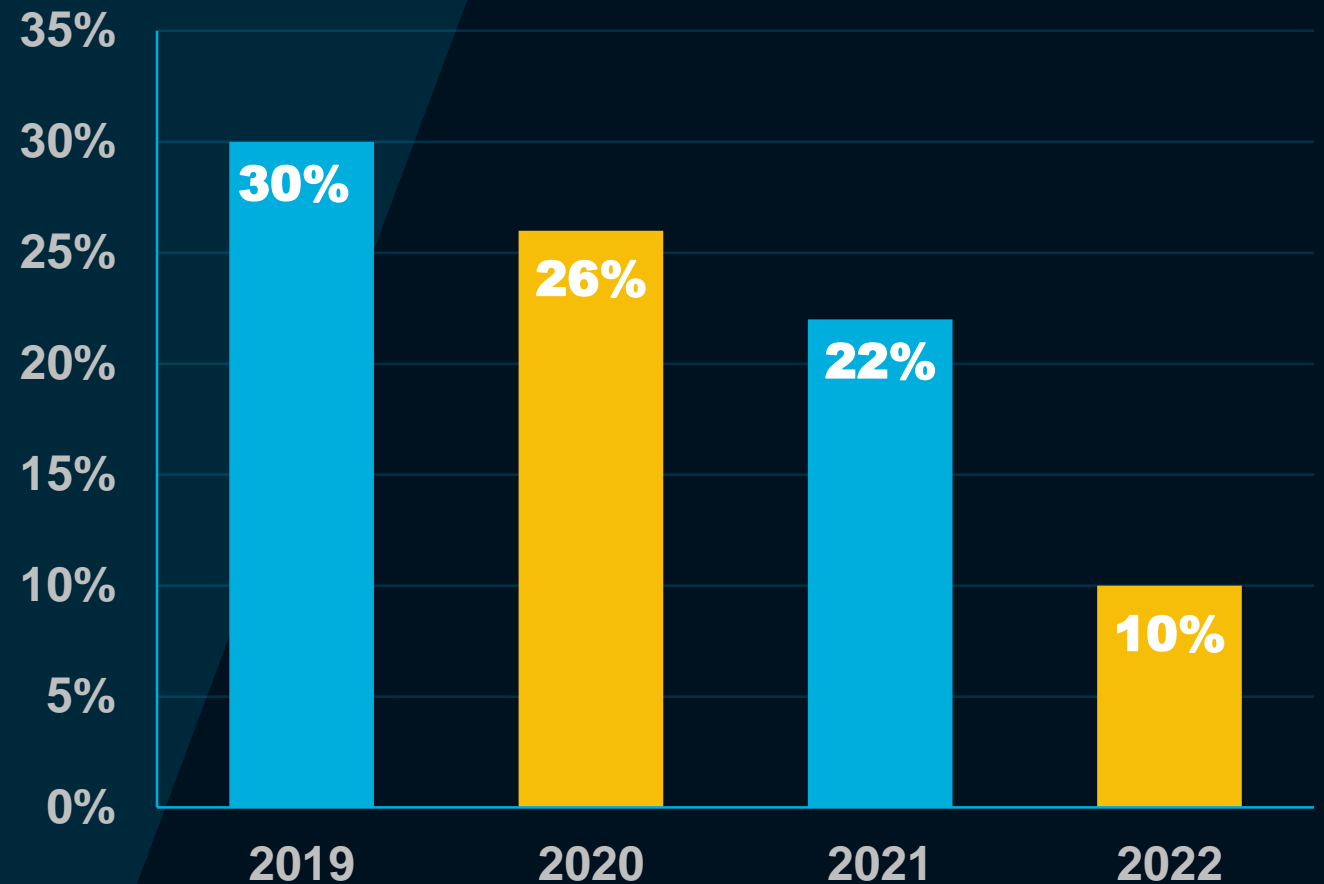
Sites delayed to  
Block 4 will raise the  
cost of the fixed PPA  
by approximately  
\$.01/kWh



# Solar Investment Tax Credit Stepdown

Sites delayed to 2020 will raise the cost of the fixed PPA by approximately \$.01/kWH

For example, if Runkle ppA were to slide into 2020 and Block 4, this would be a loss of approximately \$61,000 of savings in today's dollars over 20 years





# TIMELINE

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## Looking Ahead

- Additional contract review by staff: Public Buildings, Town Counsel, Schools, Chief Purchasing Officer, Chief Financial Officer, Tax Assessor, Sustainability Office
- Additional consultation with bond counsel and our energy broker to best predict future risks, benefits
- Final review by Cadmus for technical items
- PowerOptions will review the proposed PPA price
- School Committee Updates
- Contract review by Select Board & School Committee
- Approval by Town Meeting
- **Public Hearing – SCHEDULE NOW FOR EARLY DECEMBER**
- Execution of Power Purchase Agreement