

Solar Services Agreement

Staff Presentation to City Council

August 6, 2019



LEE'S SUMMIT
MISSOURI



Yours Truly

Order of Presentation

- 1. Service Agreement Summary**
- 2. Proposed Solar Facilities**
- 3. Comments from MC Power**



1. SERVICE AGREEMENT SUMMARY

Parties; Structure; Key Terms; City Risks and Obligations

Parties

- **“Provider” is Lee’s Summit Solar, LLC, subsidiary of Gardner Capital (Springfield)**
- **“Operations and Maintenance Provider” is MC Power (Lee’s Summit)**
- **“Receiver” is the City**

Structure – Placement of Facilities

- **Facilities selected by City are “Sites”**
- **Provider purchases Solar Facilities based on selected Sites and solar capacity of each Site**
- **Purchases made in coordination with Investors (Federal tax credits)**
- **O&M Provider assembles at Sites**
- **Provider owns all Solar Facilities**
- **City provides License for each Site**

Structure – Payments by City

- **City pays monthly Service Charge**
- **95% projection guarantee**
- **Service Charge is reduced in proportion to energy output if lower than 95%**
- **Power generation evaluated annually with 2-year look-back period**
- **Service Charge covers all O&M costs**
- **Not a Lease, service contract only**

Key Terms of Agreement

- **Overall 20-year commitment**
- **City may sell property, move Solar Facilities**
- **Must keep solar in service for years 1-5**
- **After year 5, out of service at City option**
- **Provider pays all taxes**
- **“Net-Metering,” no electric resale by City**

Key Terms of Agreement

- **No City maintenance, “don’t touch”**
- **Existing Solar Tax Credits factored into payments**
- **New incentives split equally**
- **City approval required to assign Provider obligations**
- **Termination: City option to purchase, or remove at Provider’s cost**

Risks and Obligations

- **Must be continuously in service for first 5 years**
- **20 year commitment, based on Provider financing structure**
- **No early termination**
- **Service payments made when solar facilities voluntarily out of service**



2. PROPOSED SOLAR FACILITIES

Placement of Solar Arrays on City Properties

Water Department Facilities

Scruggs Road Lift Station (Ground Mounted)

2211 NE Scruggs Road



Bowlin Road Pump Station (Ground Mounted)

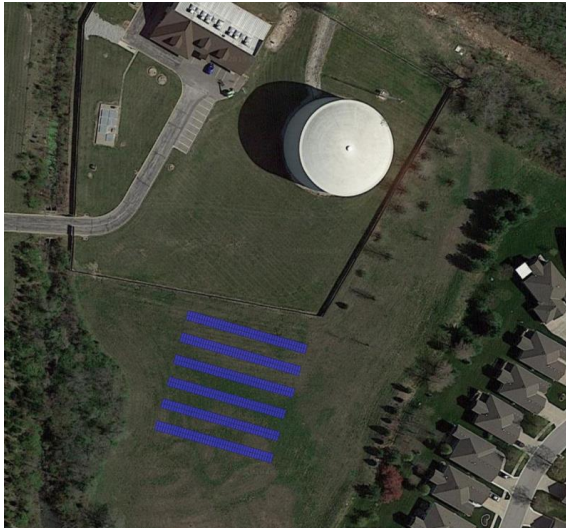
4801 NE Maybrook Road



Water Department Facilities

South Terminal Pump Station (Ground Mounted)

1399 SW Ward Road



Legacy Wood Lift Station (Ground Mounted)

3000 NE Legacy Wood Drive



Water Department Facilities

Tudor Road Pump Station (Ground Mounted)

1751 NE Tudor Road



High Service Pump Station (Ground Mounted)

701 NW Main Street



Fire Department Facilities

Fire Station 1 (Roof Mounted - with Roof Replacement)

207 SE Douglas Street



Fire Station 2 (Roof Mounted and Canopy system)

2000 NE Rice Road



Fire Department Facilities

Fire Station 6 (Canopy System)

101 Blackwell Road



Fire Station 7 (Canopy System)

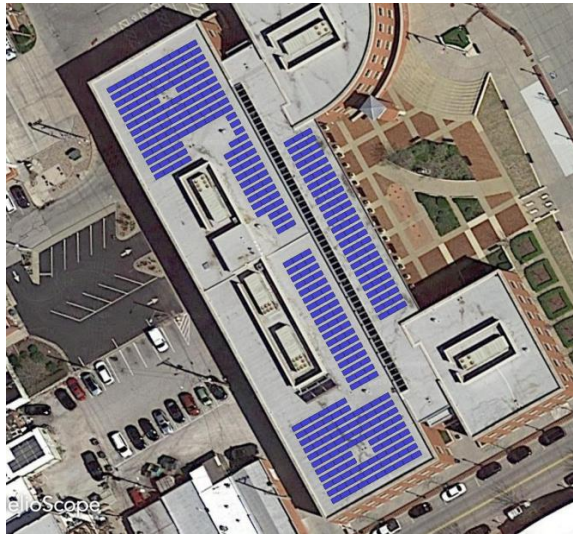
2100 SW Scherer Road



Admin/Public Works Facilities

City Hall (Roof Mounted)

220 SE Douglas Street



Maintenance Facility (Roof and Ground Mounted)

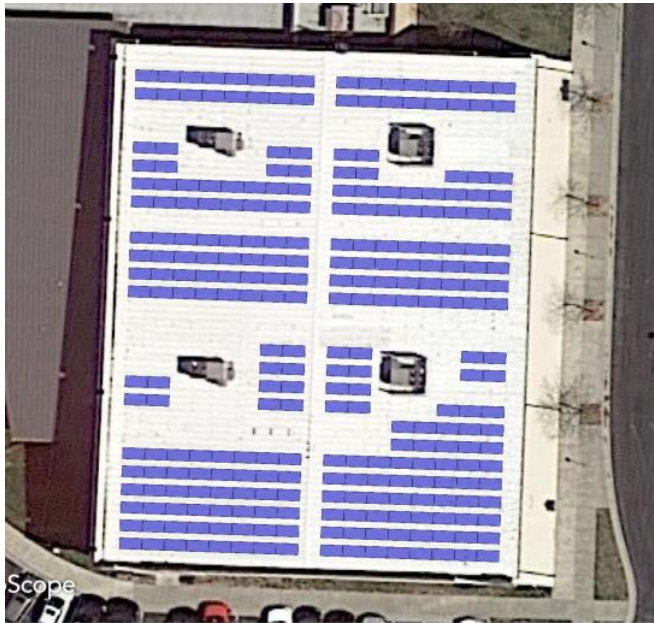
1971 SE Hamblen Road



Parks Department Facilities

Harris Park Community Center (Roof Mounted)

110 SW Blue Parkway



Legacy Park Community Center (Roof Mounted)

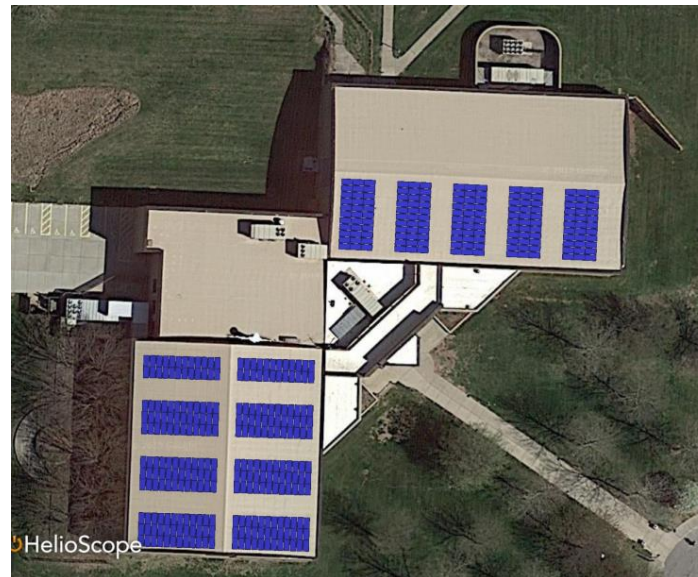
901 NE Bluestem Drive



Parks Department Facilities

Longview Community Center (Roof Mounted)

3801 Longview Road



Setback Modifications Required

- The following projects will require Preliminary Development Plan approval for setback modifications
 - The UDO only allows for Ground-Mounted equipment in the rear yard
 - South Terminal Pump Station (side yard)
 - Tudor Road Pump Station (side/front yard)
 - Fire Station 2 (side yard)
 - Maintenance Facility (side yard)
 - High Service Pump (either location – side yard)

Solar Benefits

- Over life of system reducing 106,250 tons of CO2 will be eliminated from their footprint
 - Which is equivalent to:
 - Planting 2,475,000 trees
 - Reducing driving miles by 212,500,000 miles
 - Recycling 325,000 tons of waste instead of sending to landfill
 - Displacing CO2 emissions from 12,037 homes
 - Not using 103,537,000 pounds of coal

Financial Benefits

	Building	Offset	kW Size	kWhs Produced	Type	Annual Solar Services	Annual Energy Savings	Est. Rebate	Net Year 1
1	Scruggs Lift Station	38.14%	74.50	105,335.55	Ground	\$12,387.00	\$12,287.65	\$18,625.00	\$18,525.65
2	Bowlin Pump	58.99%	98.70	125,566.14	Ground	\$16,410.00	\$16,914.28	\$24,675.00	\$25,179.28
3	South Terminal Pump	37.61%	196.70	286,159.16	Ground	\$32,705.00	\$32,658.04	\$37,500.00	\$37,453.04
4	Legacy Woods Lift	73.28%	35.90	53,142.77	Ground	\$5,969.00	\$5,451.54	\$8,975.00	\$8,457.54
5	High Service Pump	25.05%	474.70	694,011.40	Ground	\$69,000.00	\$60,945.62	\$37,500.00	\$29,445.62
6	Tudor Pump	40.27%	314.00	463,244.20	Ground	\$52,208.00	\$52,310.11	\$37,500.00	\$37,602.11
7	Fire Station 2	56.86%	39.30	53,047.14	Canopy & Roof	\$6,535.00	\$5,013.09	\$9,825.00	\$8,303.09
8	Fire Station 1	19.47%	59.30	81,276.58	Roof	\$9,859.00	\$7,247.49	\$14,825.00	\$12,213.49
9	Fire Station 6	65.59%	51.10	66,338.02	Canopy	\$8,496.00	\$6,685.16	\$12,775.00	\$10,964.16
10	Fire Station 7	67.10%	56.60	77,185.42	Canopy	\$9,410.00	\$7,626.28	\$14,150.00	\$12,366.28
11	Harris Park	30.75%	95.20	130,090.80	Roof	\$15,329.00	\$11,993.49	\$23,800.00	\$20,464.49
12	Legacy Park	14.89%	164.90	224,709.23	Roof	\$27,418.00	\$20,077.05	\$37,500.00	\$30,159.05
13	Longview	44.15%	148.00	185,429.20	Roof	\$23,606.00	\$17,615.77	\$37,000.00	\$31,009.77
14	Fleet Operations	25.06%	313.30	444,598.02	Roof & Ground	\$52,092.00	\$50,529.53	\$37,500.00	\$35,937.53
15	City Hall	8.33%	129.40	174,379.44	Roof	\$21,526.00	\$14,515.06	\$32,350.00	\$25,339.06
			2,251.60	3,164,513.07		\$362,950.00	\$321,870.16	\$384,500.00	\$343,420.16

Fire Station 1 Roof

\$11,217.00



3. COMMENTS FROM MC POWER

Answers to Questions