

STAFF REPORT UTILITY MEETING

AGENDA DATE: February 28, 2023

DEPARTMENT: Electric Utility

TITLE:

In-City Community Solar Update

SUMMARY:

Update on In-Community Solar RFP Results and Next Steps

BACKGROUND AND JUSTIFICATION:

The City Commission has previously requested that Staff prepare an RFP for In-City Community Solar. The RFP was released as approved by the City Commission (See attached Solicitation Progress Update).

The RFP defined the Project Objective as follows:

“The proposed In-Community Solar Power program may include roof-top, ground mounted, and parking lot shade structure solar installations or similar solar structures. A battery storage feature is optional, but highly encouraged. The In-Community Solar Power program must be offered with integrated educational website interfaces to include both existing and new in-city solar structures with optional battery storage. The In-Community Solar Power program must offer the utility ratepayers the option of sourcing one-hundred percent renewable energy from locally sited renewable energy assets on City owned properties through a dedicated rate class or program subscription agreements. The program offered must provide a neutral or positive financial impact to the City’s Utilities and City’s program participants.”

Two responses were received, one focused on building a 7.0 Megawatt (MW) AC solar project at the City’s landfill and the other focused on building various smaller projects totaling 4.7 MW AC on City properties but also including an option for a 9.06 MW DC project at the City’s landfill. An Evaluation Committee consisting of two members of City Staff, a member of the City’s Electric Utility Advisory Board, and City’s Wholesale Power Consultant, all identified in the attached Solicitation Progress Update, was assembled to review and evaluate the proposals. A member of City’s Purchasing Staff and City Counsel attended all meetings of the Evaluation Committee.

The Evaluation Committee reviewed the proposals and determined that most all proposed project options failed to meet the stated requirement of the RFP that “...the program offered must provide a neutral or positive financial impact to the City’s Utilities and City’s program participants”. However, the proposal put forward by one respondent, Advanced Green Technologies (AGT), had elements within it that could provide revenue offsets that if implemented would help one of their proposed projects meet the stated requirements, namely building solar canopy structures at the City’s beach lot to create shaded parking. It is the opinion of AGT that shaded parking could be provided at a premium price to customers with the added City parking revenue being used to offset the cost of the electricity generated. Furthermore, features of the AGT proposal involving placing solar panel canopy structures over various City outdoor recreation areas, while 4 to 9.5 times more expensive than City’s alternatives for purchasing solar power under the current Florida Municipal Power Agency (FMPA) Solar III competitive solicitation, provided an innovative approach to allowing for increased public use of the facilities, the value of which could not be directly calculated in terms of fiscal impact but would certainly be worthy of further discussion and consideration by City’s Commission.

Both respondent's proposals to build atop the City's landfill were found to be significantly higher in energy cost to the City than City's alternative solar energy prices obtained through the current FMPA Solar III competitive solicitation. The City's recently conducted Integrated Resource Plan (IRP) included an evaluation of the pricing of the leading In-Community Solar proposal for solar at the City's landfill and found that such a project would have a \$3 million negative impact on the City's cost of energy when compared to a \$1 million savings under the current pricing available from the FMPA Solar III project. The \$4 million difference in value to the City between an In-Community solar project at the City's landfill and a utility-scale solar project such as that being proposed by FMPA is attributed to significant economies of scale associated with building 200+ MW solar project.

In order to better explain AGT's proposal and innovative concepts the respondent has been invited to speak at the City Commission meeting.

MOTION:

Move to approve/disapprove directing City Staff to enter into more detailed discussions with AGT aimed at arriving at a definitive agreement(s) using a power purchase agreement structure (PPA) for an In-Community Solar Projects at City's Beach Complex parking lot and selected outdoor recreation facilities, with such PPA(s) to be brought back to the City Commission for further consideration.

ATTACHMENT(S):

Fiscal Impact Analysis – N/A
Solicitation Progress Report
RFP