

Solar Energy Grant Opportunity: Strengthening McCleary Power

Proposal for McCleary City Council

Executive Summary

The City of McCleary has a unique opportunity to secure a \$2,745,000 Solar Energy Grant that would fund a ground-mount fixed-tilt solar array with **no matching funds or upfront costs required**. This turnkey project represents a strategic investment in our Power Utility business that would generate ongoing revenue while supporting our climate goals and reducing our dependence on external power sources.

Strategic Business Opportunity for McCleary Power

As a city in the power business, this grant presents a compelling business opportunity:

- Expands our power generation capabilities with renewable energy
- Creates a new revenue stream for McCleary Power
- Strengthens our position as a forward-thinking utility provider
- Leverages outside funding to improve our infrastructure
- Positions McCleary Power for long-term strength and sustainability

Solar Grant Benefits: A Revenue-Generating Investment

Unlike other grants the city is pursuing, this opportunity is uniquely positioned as a revenue generator for our power business:

- **Annual Energy Generation:** 791,411 kWh projected
- **Cost Savings:** \$41,659.88 reduction in annual BPA power costs
- **Revenue Generation:** \$83,098.15 freed up for reinvestment in McCleary Power infrastructure
- **Business Growth:** Expands our power business with renewable energy assets
- **No Financial Risk:** If we decide not to proceed after evaluation, no costs are incurred
- **Complete Coverage:** The grant covers planning, equipment, installation, permitting, surveys, interconnection, and community outreach (land costs are not covered)

Regional Leadership

Several neighboring communities are already moving forward with this same grant opportunity:

- City of Sumner
- City of Des Moines
- City of Walla Walla
- City of Tenino
- Town of Twisp
- City of Tumwater
- City of Ritzville
- City of Yelm

Request: Approve Completion of Intake Form

At this stage, we are only requesting approval to complete the intake form, which:

1. Maintains our eligibility for this significant funding opportunity
2. Requires no financial commitment from the city
3. Allows time to gather comprehensive information
4. Provides flexibility for informed decision-making

The Department of Commerce has extended the submission deadline to February, giving us adequate time to complete the intake package. The only outstanding item is the Archeology and Historic Preservation Review.

Next Steps if Intake Form is Approved

If the Council approves this initial step, we will:

1. Complete the remaining documentation (Archeology and Historic Preservation Review)
2. Schedule a presentation from Department of Commerce representatives
3. Prepare a detailed analysis of potential benefits and considerations
4. Consider the Investment Grade Audit by Ameresco (valued at \$47,978, covered by the grant if the project proceeds)

Important Clarifications

- We are not committed to Ameresco or any vendor; if approved, we would issue an RFP in compliance with our Purchasing Guidelines
- The city is not committed to the project until we officially sign an agreement
- All final decisions will be reviewed and approved by the Council

Conclusion

This Solar Energy Grant represents a strategic business opportunity to strengthen McCleary Power, diversify our energy portfolio, and generate additional revenue streams. As a city in the power business, investing in renewable energy generation is a natural extension of our core operations and prepares us for a stronger future.

By approving the intake form, we can thoroughly evaluate this promising opportunity while maintaining our eligibility for this significant grant.

Requested Action: Approve completion of the intake form to advance this strategic business opportunity for McCleary Power.

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