



Agenda Item Summary

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Submitted By

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Reviewed By

CLP

Agenda Item Title

A Resolution Approving an Illinois Community Solar Project Subscription Agreement and Billing Management Services Agreement with MC Squared Energy Services, LLC and Authorizing their Execution as Reviewed at June 24, 2019 Special Meeting.

Overview

These agreements are connected to Resolution 19-257. The subscription agreement is required to access the opportunity to set up four (4) village accounts on the pilot program with the Metropolitan Mayor's Caucus and the billing services agreement is to facilitate receiving monthly billing credits.

Staff Recommendation

Approve the Resolution.

Fiscal Impact

The Pilot Community Solar project is available for four (4) Village accounts at no cost or investment that would deliver a 10% discount to the monthly ComEd rate, require no interest, apply no termination fees, and the Village can extend up to 20 years and exit the Agreement at any time. The general CS2 Community Solar program could generate up to \$4,000 in annual cost savings to the Village.

Background

The Future Energy Jobs Act (FEJA) created new incentives for the development of renewable energy assets in Illinois - including Community Solar. Community Solar refers to solar facilities that are shared by multiple consumers (called Subscribers) who receive credit on their electricity bills for their share of the power produced by the Community Solar facility. By claiming a portion of a large solar facility, Subscribers (i.e. ComEd account owners) can access the benefits of solar without installing solar panels on their own property. Additionally, Subscribers avoid up-front costs and ongoing maintenance obligations of solar panels, while securing lower costs resulting from economies of scale.

Community Solar facilities funded under the FEJA are limited to 2 megawatts in generating capacity and are to be developed and operated by non-utility owners. The projects are partly funded by the sale of the Renewable Energy Credits (REC) generated by the Community Solar facilities to the investor-owned utilities in Illinois (ComEd, Ameren Illinois, and MidAmerican Energy). The remainder of the funding to support Community

Solar development comes through the sale of Subscriptions. The CS2 Program seeks to buy in bulk to reduce the cost of Subscriptions, maximize on-bill credits, and thereby deliver the highest cost savings for participating municipalities.

The Metropolitan Mayors Caucus (MMC) has partnered with The Power Bureau to bring the benefits of Community Solar to Caucus member municipalities through the CS2 Program. The CS2 Program provides technical and management expertise to secure subscriptions to Community Solar projects for participating Caucus members. Through the CS2 Program, some or all of the electricity consumed by a Subscribed account can be offset by energy generated by Community Solar. As a result of this offsetting arrangement, ComEd will issue credits for each kilowatt hour (kWh) of electricity delivered under a Subscription. Currently, the rate at which ComEd credits Subscriptions is \$0.06/kWh. Under the CS2 Program, the ComEd bill credit is shared between the Subscriber and Community Solar farm developer. Generally, CS2 anticipates that municipalities will be able to retain 10% of Subscription credits.

The CS2 Program has a near term and a longer-term Subscription opportunity for the Village to consider:

- Pilot Community Solar Project. The first Community Solar project ('Pilot Project') in Illinois has been constructed in Elgin Illinois. Subscriptions to this 900kW system are available through the CS2 Program. The Village has an opportunity to secure up to four (4) 25kW Subscriptions to the Pilot Project. The Subscription Agreement specifies that a Subscription to the Pilot Project would deliver a 10% discount to the monthly ComEd rate, require no investment, apply no termination fees, and extend for a period of up to twenty (20) years. Because the Subscription Agreement applies no termination fees, the Village can exit the agreement at any time without penalty. Based on current market values, the Subscriptions offered through the Pilot Project could generate as much as \$1,000 in annual cost savings to the Village. To access this opportunity, the Village would need to execute the Subscription Agreement as well as a billing services agreement (to facilitate receiving monthly billing credits). The CS2 Program Community Solar Pilot Project offers participants the following:
 - A twenty-year Subscription agreement to the first Community Solar project developed in Illinois;
 - Delivery of Subscription credits starting in Summer 2019;
 - A Subscription pricing structure that requires no down payment, and guarantees a fixed discount off the monthly ComEd Default rate;
 - The option to cancel the Subscription Agreement at any time without penalty with only thirty (30) days' notice.
 - Participation in the CS2 Program Community Solar Pilot Project is limited due to project size. This pilot project will also be the first project to test bill credit processes that are now being designed. Subscription to this project will be handled separately from the Metropolitan Mayors Caucus CS2 purchasing pool.
- General CS2 Community Solar Program. The MMC will utilize a competitive bidding process that will yield pricing and contract terms from Community Solar developers on behalf of CS2 Program Purchasing Pool participants in September 2019. The bidding process will solicit offers from developers seeking to install Community Solar projects within the ComEd region. MMC has provided an analysis that identifies

which of the ComEd accounts that serve Village facilities can be best served with Subscriptions. A Subscription provides monthly billing credits resulting in lower ComEd bills. To access this opportunity, the Village would need to execute the Subscription Agreement as well as a billing services agreement (to facilitate receiving monthly billing credits). Based on current market values, the Subscriptions offered through the Pilot Project could generate as much as \$4,000 in annual cost savings to the Village. To include the Village's account in the MMC procurement pool, the Village would be required to submit an enrollment fee of \$200 to the MMC. The enrollment simply includes the Village's accounts into the MMC bidding pool and does not require the Village to enter into any Subscription obligations.

Residents may receive solicitation mailings from other suppliers, including ComEd. However, only the letter from designated aggregation electrical supplier and the Village of Oak Park is official information about the electrical aggregation program.

Alternatives

The Village Board could take no action which would effectively keep all accounts on the higher ComEd default rate.

Previous Board Action

On June 24, the Board reviewed and discussed an Updated Analysis of Renewable Energy Projects that included a staff recommendation to consider Community Solar pilot subscriptions for four (4) Village accounts staff has identified.

On July 22, 2019 the Board inquired about the status of a Community Solar Subscription Program for Village accounts.

Citizen Advisory Commission Action

N/A.

Anticipated Future Actions/Commitments

- Subscribing CCA participants to Community Solar

Performance Management (MAP) Alignment

N/A.