



COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

October 4, 2019

Erie County Legislature
92 Franklin Street, 4th Floor
Buffalo, New York 14202

RE: SUNY Erie Community College Campus-wide 2019 Solar Power Purchase Agreement

Dear Honorable Members:

This resolution is requesting authorization for the County Executive to enter into an Agreement with the developer Montante Solar, LLC for the SUNY Erie Community College Campus-wide 2019 Solar Power Purchase Agreement. The contract(s) is a Power Purchase Agreement which would allow the developer to construct solar arrays on SUNY Erie campuses with SUNY Erie purchasing the entire power output.

Should your Honorable Body require further information, I encourage you to contact Commissioner William E. Geary, Jr., at the Department of Public Works. Thank you for your consideration on this matter.

Sincerely yours,

A handwritten signature in blue ink, reading "Mark C. Poloncarz", with a long horizontal flourish extending to the right.

Mark C. Poloncarz, Esq.
Erie County Executive

MCP/nt
Enclosure

cc: William E. Geary, Jr., Commissioner, Department of Public Works

MEMORANDUM

To: Honorable Members of the Erie County Legislature
From: Department of Public Works
Re: SUNY Erie Community College Campus-wide 2019 Solar Power Purchase Agreement
Date: October 4, 2019

SUMMARY

The Department of Public Works and SUNY Erie Community College is requesting authorization for the County Executive to enter into an Agreement with the developer Montante Solar, LLC ("Montante Solar") for the SUNY Erie Community College Campus-wide 2019 Solar Power Purchase Agreement.

SUNY Erie Community College ("SUNY Erie") is participating in the University at Buffalo's REV Campus Challenge to develop on-site solar arrays. In conjunction with UB and their consultant, Edison Energy, SUNY Erie sought proposals for a Power Purchase Agreement (PPA) that would allow a developer to install solar panels at SUNY Erie campus locations. Under this PPA, SUNY Erie would purchase the energy produced at a fixed cost per kilowatt-hour over 20 years.

FISCAL IMPLICATIONS

The initial PPA rate from Montante Solar is in the range of \$0.0649-\$0.0825 per kilowatt-hour (kWh) depending on the site and the final size of the systems. It is projected that SUNY Erie will realize between \$400,000- \$1,200,000, dependent on final size and location, in energy cost savings over the term of the project. The cost of the energy from the solar panels is fixed which will protect the SUNY Erie from energy cost increases in the future.

REASONS FOR RECOMMENDATION

SUNY Erie issued a request for proposals for companies to provide solar photovoltaic (PV) systems for power purchase. A total of ten (10) proposals were received from the open solicitation. The project consultant, Edison Energy, provided a detailed report which reviewed each of the proposals for technical feasibility, appropriateness of proposal assumptions, quality of proposed components and Net Present Value (NPV) of the project. A proposal review committee consisting of representatives from SUNY Erie and the Department of Public Works ranked the responses using a consistent scoring matrix. Based upon the scoring, Montante Solar had the highest combined overall score and was recommended for award. Montante Solar's NPV score was third highest of the ten proposers and provided the second lowest PPA rate. As well, the review committee deemed their proposed community engagement an asset.

BACKGROUND INFORMATION

A solar PPA is a financial arrangement in which a third-party developer constructs, owns, operates, and maintains the PV system, and a host customer agrees to site the system on its property. The host customer then purchases the system's electric output from the solar services

provider for a predetermined period at a fixed rate that can be lower than the local utility's retail rate. PPAs are typically 20 year agreements where the developer remains responsible for the operation and maintenance of the system for the duration of the agreement. At the end of the PPA contract term, a host customer may be able to extend the PPA, have the developer remove the system or choose to buy the solar energy system from the developer. Hosting a PV system on County owned land would require a lease agreement with the developer as the system owner.

The Montante Solar proposal provided a competitive PPA rate and a positive NPV. In order for Montante Solar to maintain these rates the project needs to be "Safe Harbored" to take advantage of the current Federal Investment Tax Credit. In order to Safe-Harbor a project, five percent of the project's budget must be spent in calendar year 2019 and construction must commence by April 2020.

After careful examination, the grounds at SUNY Erie's North Campus are unsuitable due to conflicts such as underground utilities and potential expansion plans. SUNY Erie's South Campus parcel, specifically SBL 160.19-1-4.1, provides a favorable location for a large array that does not impact campus activities.

Final sizing and location will be determined during the preconstruction and engineering phase of a project, but the intent is to utilize available locations per the RFP.

CONSEQUENCES OF NEGATIVE ACTION

Failure to approve this request prevents SUNY Erie from realizing the savings of the PPA.

STEPS FOLLOWING APPROVAL

In consultation with the County Attorney's office, the Departments of Public Works and SUNY Erie will finalize the PPA with Montante Solar. The County Executive will be requested to execute the PPA. Under a separate action, the Legislature will be requested to pass a local law allowing for the lease of the County properties for a term longer than five (5) years.

A RESOLUTION SUBMITTED BY:
DEPARTMENT OF PUBLIC WORKS

RE: SUNY Erie Community College Campus-wide 2019 Solar Power Purchase Agreement

WHEREAS, SUNY Erie Community College advertised for and received responses to a request for proposals from firms to provide solar photovoltaic (PV) systems for power purchase by SUNY Erie Community College; and

WHEREAS, a review committee consisting of representatives from SUNY Erie Community College and Department of Public Works ranked the responses using a consistent scoring matrix and Montante Solar, LLC ("Montante Solar") proposed the second lowest Power Purchase Agreement rate and positive Net Present Value of the ten firms submitting proposals; and

WHEREAS, the proposal review committee recommends retaining Montante Solar for these services; and

WHEREAS, the SUNY Erie Community College Board of Trustees approved the selection of Montante Solar for the SUNY Erie Community College Campus-wide 2019 Solar Power Purchase Agreement; and

WHEREAS, the nominal net benefit for the PV systems proposed is conservatively estimated to be between \$400,000 – \$1,200,000 in savings over a 20-year term.

WHEREAS, Montante Solar is being contracted to develop a ground mounted array on SUNY Erie's South Campus.

NOW, THEREFORE, BE IT,

RESOLVED, that the County Executive is authorized to enter into an Agreement with Montante Solar, LLC for the SUNY Erie Community College Campus-wide 2019 Solar Power Purchase Agreement; and be it further

RESOLVED, prior to any construction work associated with the Power Purchase Agreement, passage of a Local Law allowing for the lease of County land for a term longer than five (5) years shall be required; and be it further

RESOLVED, that two certified copies of this resolution be sent to the Department of Public Works, Commissioner's Office, and one copy each to the Office of the County Executive, the Division of Budget and Management, Erie Community College, Director of Finance, and the Office of the Comptroller.

Erie Community College Board of Trustees Resolution

The Erie Community College Board of Trustees Resolution Regarding Onsite Solar Photovoltaic Power System

August 29, 2019

WHEREAS; SUNY Erie Community College has expressed a need to procure a more cost-effective power source, and

WHEREAS; SUNY Erie along with the University of Buffalo, Erie County, and Buffalo State College, requested proposals from potential vendors with expertise in designing, procuring material for, installing, commissioning, operating, maintaining, and selling the output from an onsite solar photovoltaic power system, and

WHEREAS; The proposal was part of a larger renewal energy initiative, Localizing Buffalo's Renewable Energy Future, and

WHEREAS; As a result of this process evaluators scored the proposals and Montante Solar was awarded the project, and

WHEREAS; SUNY Erie endeavors to secure energy at a competitive cost as compared to SUNY Erie's retail rate, and

WHEREAS; SUNY Erie endeavors to protect against future energy cost increase, and

WHEREAS; SUNY Erie endeavors to support solar PV technology advancements, and

WHEREAS; SUNY Erie endeavors to reduce greenhouse gas emissions, and

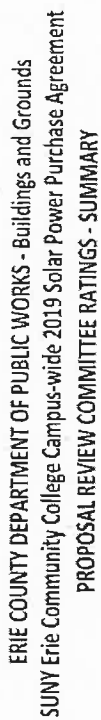
NOW, THEREFORE, BE IT

RESOLVED; The SUNY Erie Board of Trustees will continue to negotiate and bring this project to fruition with Montante Solar.

ATTEST:



Leonard Lenihan
Chair, Board of Trustees
Erie Community College



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