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COUNCIL WORK SESSION SUMMARY ROUTING SLIP

Meeting Date March 30, 2015

TITLE: SOLAR PROJECT DEVELOPMENT

Are there attachments to the Council Work Session Summary?	**Yes** ☐	**No** ☒
Will there be a Video Presentation for this item?	**Yes** ☐	**No** ☒
Will there be a PowerPoint Presentation for this item?	**Yes** ☒	**No** ☐
If "yes", will a copy of the PowerPoint Presentation be included on the Council Work Session Agenda?	**Yes** ☐	**No** ☒

DEPARTMENT / ORGANIZATION	SIGNATURE	PHONE NO.	DATE
Drafter/Staff Contact Lisa LaRocque	Lisa La	x2177	3/20/15
Section Administrator Eric Martin		x2616	3/20/15
Department Director Loretta M. Reyes		x3125	3/20/15
Assistant City Manager/CAO (if applicable)			
Assistant City Manager/COO Brian Denmark		x2271	3/23/15
City Manager Robert Garza	for RG	x2076	3/23/15

08/08/2014

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Council Work Session Summary

Meeting Date: March 30, 2015

TITLE: SOLAR PROJECT DEVELOPMENT

PURPOSE(S) OF DISCUSSION:

☒ Inform/Update

☒ Direction/Guidance

☐ Legislative Development/Policy

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

The goals and objectives set by the City drive energy strategies and decisions. The City's current Strategic Plan includes Goal 15 that supports cost-effective energy initiatives.

In the past three years, the City has implemented several solar and other projects to increase energy efficiency and use of renewable energy. These projects have decreased the City's energy consumption by 1.3 percent, increased the City's renewable portfolio by 1.2 percent, and reduced the City's overall $4.8 million electricity budget by $128,000 annually. Although a commendable beginning, given that electricity rates are anticipated to increase annually by 4.4 percent (USEIA, 2014), the City can reasonably expect an increase in operational costs if renewable and energy efficient projects continue at this pace.

The City's Sustainability Officer will present the status of solar and energy efficient programs and outline opportunities for consideration. These opportunities include several large-scale solar and energy efficiency programs and projects that use cost savings to pay for the upgrades and infrastructure. The presentation will describe Energy Service Performance Contracts (ESPC), Power Purchase Agreements and Leases, and LED Streetlight retrofits. Improvements happen with little or no up-front capital costs and the City becomes the ultimate recipient of the installations and continued energy savings.

There are several motivating factors for the City to advance its sustainability goals in the near future. The City has been invited to participate in the New Mexico Energy, Minerals, and Natural Resources' (NMENMR) Local Energy Efficiency Program (LEEP), which is funded through a U.S. Department of Energy grant. During this two-year grant period, the LEEP will incentivize and remove barriers in the use of ESPC's to increase energy efficiency and renewable energy investments. Third-party solar investors of large-scale installations will want to utilize tax credits

that expire in 2016. This leaves the City with a narrow window for a selected vendor to design, construct, and commission all installations.

The large-scale nature of energy retrofits and renewable installations requires a focused, long-term commitment. Projects and programs, such as those described above, can purposefully move the City in this direction and provide impressive financial and environmental benefits.

SUPPORT INFORMATION:

1. n/a