



City of San Antonio

Agenda Memorandum

File Number:17-3736

Agenda Item Number: 27.

Agenda Date: 6/22/2017

In Control: City Council A Session

DEPARTMENT: Office of Sustainability

DEPARTMENT HEAD: Douglas Melnick

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

CPS Energy's SolarHostSA Program

SUMMARY:

An Ordinance authorizing the City of San Antonio's participation in CPS Energy's SolarHostSA Program for the installation, operation and maintenance of solar installations on City facilities; approval for City departments to enter into a solar license agreement with PowerFin SolarMundo, LLC, for a term of twenty years, with two five-year renewal options; and acceptance of host credits, for City facilities participating in the SolarHostSA Program, on their monthly CPS Energy bill in an amount not to exceed \$0.03 times the total kilowatt hours (kWH) of the "Net Electricity" received by CPS Energy from the solar installation.

BACKGROUND INFORMATION:

CPS Energy, through power purchase agreements with operators from across the country, has 11 solar farms generating 446 megawatts of renewable power - the most in Texas. These solar farms are located in and around the San Antonio area, and regionally in communities like Uvalde and Brackettville.

Today, San Antonio has the most solar generation capacity in the state, while Texas is tenth in the country in solar capacity. In an effort to make solar power more accessible, CPS Energy developed the Simply Solar Program. This program offers customers the opportunity to lease their roof for solar power generation or to purchase a share of the sun power produced at a centralized solar farm.

On August 12, 2015, CPS Energy and PowerFin SolarMundo, LLC (PowerFin) entered in a Power Purchase Agreement that provides for the purchase by CPS Energy from PowerFin of the electrical output from solar

power generation systems to be installed and operated by PowerFin on the rooftops of CPS customers (Solar Hosts). Below are the key terms of the solar license agreement for the City:

City Receives:

- A credit on the monthly bill of each participating City facility in an amount equal to \$0.03 times the total kilowatt hours (kWh) of the Net Electricity received by CPS Energy. City staff anticipates receiving \$11,800.00 per year in host credit;
- No cost installation, operation and repair of solar photovoltaic installation on the rooftop of City facilities that elect to participate in the program. Three-hundred kilowatt total maximum solar capacity per customer and one-hundred kilowatt solar capacity maximum per site; and
- No risk of loss, damage, theft, destruction or similar occurrence to solar installations. PowerFin will bear all risk.

PowerFin Receives:

- Access to City facilities that elect to participate in the program for purposes of installing, inspecting, maintaining, cleaning and repairing the system;
- Notice from City staff of related building renovations and repairs if such work requires the temporary removal or modification of related solar installation(s)

The Office of Sustainability staff and PowerFin have completed a desktop solar assessment of City facilities that can serve as the most suitable Solar Hosts. The Office of Sustainability has secured support from Parks and Recreation Department, Fire Department and Human Services Department. Identified potential Solar Host facilities are:

- Fire Station 1, 515 N. Cherry Street, Council District 2
- Claude Black Community Center, 2897 E. Commerce, Council District 2
- Miller's Pond Community Center, 6175 Old Pearsall Road, Council District 4
- Palm Heights Center, 1201 W. Malone, Council District 5
- Ramirez Community Center, 1011 Gillette Blvd, Council District 4

Office of Sustainability staff will seek the participation of alternative City facilities if the City of San Antonio or PowerFin finds that these facilities are not suitable Solar Host candidates. According to the provisions of the Power Purchase Agreement between CPS Energy and PowerFin, solar installations are to be installed and operational by September 30, 2017.

The installation of solar on municipal facilities is consistent with the goal of the SA Tomorrow Sustainability Plan, adopted by City Council in August 2016, for the City to Lead by Example by purchasing or producing renewable energy for government operations to help meet long-term renewable electric generation goals.

ISSUE:

Office of Sustainability staff is requesting City Council approval of an ordinance authorizing the City of San Antonio's participation in CPS Energy's SolarHostSA Program for the installation, operation and maintenance of solar installations on City facilities; approval for City departments opting into the program, to enter into a solar license agreement with PowerFin SolarMundo, LLC for a term of twenty years, with two five-year renewal options; and acceptance of host credits, for City facilities participating in the SolarHostSA Program, on their monthly CPS Energy bill in an amount not to exceed \$0.03 times the total kilowatt hours (kWh) of the "Net Electricity" received by CPS Energy from the solar installation.

ALTERNATIVES:

Alternatives to approving the solar license agreement as presented would be to approve the agreement with changes in the provisions of the agreement, or to postpone or deny approval. Postponement, or failure to approve the ordinance request, will delay the opportunity to maximize revenue and value for participating City facilities.

FISCAL IMPACT:

This solar license agreement will generate \$11,800.00 annually in Host Credit revenue with a total of \$354,000.00 in Host Credit over the entire term and extension. This revenue will be budgeted within the “gas and electricity” line item for each participating City facility.

RECOMMENDATION:

Staff recommends approval to participate in CPS Energy’s SolarHostSA Program for the installation, operation and maintenance of solar installations on City facilities; approval for City departments opting into the program, to enter into a solar license agreement with PowerFin SolarMundo, LLC for a term of twenty years, with two five-year renewal options; and the acceptance of host credits, for City facilities participating in the SolarHostSA Program, on their monthly CPS Energy bill in an amount not to exceed \$0.03 times the total kilowatt hours (kWH) of the “Net Electricity” received by CPS Energy from the solar installation.