To:Madison Board of SelectmenFROM:Madison Energy Advisory Committee (MEAC)DATE:January 14, 2019SUBJECT:Recommendation for Town Buildings PV Solar System

The Madison Energy Advisory Committee (MEAC) is recommending the Board of Selectmen engage ReVision Energy LLC to install an approximate 100 AC kilowatt ground mounted Photovoltaic Solar array to deliver electricity to cover the annual needs of the town municipal buildings. Further, to fund this project, the MEAC recommends that the Board of Selectmen enter into a long term Power Purchase Agreement (PPA) with a 3<sup>rd</sup> party investor, yet to be identified by ReVision Energy, who will pay for installation, and own and operate the PV solar array. The terms of the PPA will describe exactly the rate at which the 3<sup>rd</sup> party investor will bill the town for the electricity generated by the installed solar array at a discounted rate anticipated to be set below the public utility and electric supplier, Eversource. The proposed array is expected to produce more electricity than the town buildings require, and therefore the town is expected to receive an annual dollarized reimbursement from Eversource for the amount of the overproduction.

To bring you up to date, following rejection of the two company PV solar proposals in November, a follow-up second proposal made by ReVision Energy during their visit on December 12, 2018, while not a "Wow, Home Run" in terms of operational electrical cost savings for the town, represents what the committee feels is the best chance we have to get our foot in the door moving forward towards implementing renewable energy. Their second proposal is scaled down to serve only the town buildings electrical needs through the meter of the town hall and shows a positive cash flow. This would be seen as a Phase I and would not involve the elementary school. Upon success of this first phase, future PV Solar designs to support the school could be considered at a time when the town is less impacted by rising budget expenses and issues.

ReVision Energy LLC is an award winning B Corp certified, employee owned company, in New England (Exhibit 2). Their extensive portfolio of working with schools and municipalities to provide PV solar power is admirable. The array they are proposing for the town of Madison will provide 130 DC kilowatts of electricity annually (Exhibit 3), and over the course of a 25 year PPA, save the town approximately \$139,000 on its operational electric expenses. Average savings are \$3,000+/year. Opportunities to purchase the PV Solar array in the future when the cost for the system will be greatly reduced can improve the annual savings over this same 25 year period of time. But a purchase is not necessary. And no capital funding for the installation of the PV Solar array is required to enter into the contract. The benefit to the town is that the town will know exactly how much they will be billed for electricity each and every year for budgeting purposes.

The committee anticipates there will be a need for one time legal expertise to review and authorize the Power Purchase Agreement for the Board of Selectmen, and a one-time expense to install fencing around the ground mounted PV solar array to protect it from casual accidents. Summer time grass cutting may also be required. The committee also anticipates the need to work out an arrangement for property assessment taxes on the solar array which will be located on town property. Installation timing would most likely be in the summer after PPA contractual arrangements are settled, with an anticipated commissioning of the solar array in the fall.

Background and evaluation for the work of the committee preparing for this recommendation is attached as <u>Exhibit 1.</u> Pending preliminary approval by the Board of Selectmen, the following would be the process:

Send a letter to ReVision Energy LLC alerting them of the town's interest in their PV solar proposal and engagement in a PPA to purchase power from a 3<sup>rd</sup> party investor, pending town approval and appropriate agreement of the property taxes question.

Sign a letter of intent with ReVision Energy LLC so additional project details regarding the proposed PV Solar Project can be compiled, pending Board of Selectmen approval.

Invite ReVision Energy to make a short presentation to the Selectmen and the Budget Committee

Draft warrant articles for town meeting in March (wording subject to revision as needed)

"To see if the town will vote to authorize the Board of Selectmen to lease to ReVision Energy LLC, or their designated 3<sup>rd</sup> party investor, 1-2 acres of town owned land behind town hall for the purpose of installing ground mounted solar panel arrays not to exceed 40 years."

"To see if the town will vote to authorize the Board of Selectmen to enter into contract (a Power Purchase Agreement -PPA) with a 3<sup>rd</sup> party investor (to be identified by the company ReVision Energy LLC) for the purpose of purchasing electricity at a reduced rate for the town buildings (town hall, fire station, library, highway building and maintenance building). The 3<sup>rd</sup> party investor will pay for the installation and maintenance of a ground mounted approximate 100 AC kilowatt photovoltaic solar system behind the town hall, and provide the power generated to the town for a period of no less than 25 years. "

Invite ReVision Energy to be part of a short presentation to the town at March town meeting along with the Energy Advisory Committee.

Please review the Dec. 12, 2018 presentation by ReVision Energy (Exhibit 5). Additional company qualifications and project documentation will provided upon request. We appreciate your attention to this proposal at a time when we know you have pressing town budget issues.

Thank you for your consideration.

Regards,

Noreen Downs and Russ Dowd

Noreen Downs and Russ Dowd Co-chairs, on behalf of the Madison Energy Advisory Committee