



Legislation Text

File #: O-418-20, **Version:** 1

LETTER OF INTENT SOLAR ARRAY

Department of Law
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(Revised)

Authorizing the mayor to execute a Letter of Intent with Palmer Energy Company, Inc. to facilitate an RFP process to solicit and obtain a vendor to construct a local solar array; authorizing the mayor to execute power purchase agreements for a portion of the solar power output, subject to future appropriations; and declaring an emergency.

SUMMARY & BACKGROUND:

The City of Toledo has operated electric Governmental Aggregation programs, certified by the Public Utilities Commission of Ohio, since 2000. Since that time the City has operated these programs in conjunction with our neighboring communities, collectively known as the Northwest Ohio Aggregation Coalition (“NOAC”). Through year 2019, NOAC has obtained savings for its residential and small commercial electric aggregation participants totaling \$86 million.

Presently NOAC desires to obtain a vendor to own and construct a solar field in our area for the purpose of utilizing green energy in each communities’ energy portfolio and for our aggregation participants. Since 2000 NOAC has partnered with Palmer Energy Company, Inc., to manage, advocate and facilitate our aggregation programs as well as for the City’s facilities. Palmer Energy will oversee this solar array solicitation process, write the RFP, analyze the responses and make recommendations to NOAC on the viability of such a program. It is anticipated that the resulting solar power purchase agreement will establish fixed pricing for up to 25% of NOAC’s power needs and such allocation will operate as a hedge against future power price increases.

NOAC member communities have been asked to sign a letter of intent to permit Palmer Energy to request proposals from solar power facilities in Ohio, and to use good faith efforts to negotiate the resulting power purchase agreements. Funds for the purchase of this solar power for City facilities would be authorized by the City’s electricity expenditures in annual commodities ordinances.

The fiscal impact of this ordinance is as follows:

- The amount of funds requested: none
- The expenditure budget line item: none apart from routine electricity costs
- New revenue generated (operational revenue, grants, if any): none
- Revenue budget line item (if any): none
- Are funds budgeted in the current fiscal year (yes/no)?: n/a
- Is this a capital project (yes/no)? no
- If yes, is it new or existing (new/existing)? n/a
- What section of the City’s Strategic Plan does this support:
 - o Excellence in Basic Services (yes/no) no
 - o Quality Community Investment (Livable City, Development) (yes/no) yes

- Workplace Culture & Customer Service (yes/no) no
- Environment (yes/no) yes

NOW, THEREFORE, Be it ordained by the Council of the City of Toledo:

SECTION 1. That the mayor is authorized to execute a Letter of Intent with Palmer Energy Company, Inc., for the purposes of managing a Request for Proposal process for constructing a local solar array.

SECTION 2. That the mayor, subject to future appropriations, is authorized to enter into a power purchase agreement with the selected solar power vendor for the purposes of incorporating green energy into the City's portfolio of facilities and aggregation programs.

SECTION 3. That this Ordinance is declared to be an emergency measure and shall be in force and effect from and after its passage. The reason for the emergency lies in the fact that this Ordinance is necessary for the immediate preservation of the public peace, health, safety and property and for the further reason that this Ordinance must be immediately effective in order to coordinate with NOAC communities and Palmer Energy to facilitate this solar array project.

Vote on emergency clause: yeas _____, nays _____.

Passed: _____, as an emergency measure: yeas _____, nays _____.

Attest: _____
Clerk of Council

President of Council

Approved: _____

Mayor

I hereby certify that the above is a true and correct copy of an Ordinance passed by Council
_____.

Attest: _____
Clerk of Council