

NEW HAVEN CITY PLAN COMMISSION ADVISORY REPORT

RE: RESOLUTION OF THE BOARD OF ALDERS Authorizing solar power purchase agreement (City Engineer).

REPORT: 1506-02

ADVICE: Approval

BACKGROUND

In June 2015, State of Connecticut authorized the creation of an auction for the Zero Emissions Renewable Energy Credit (ZREC) Program to fund solar projects. Under this program, an annual auction will be held for ZRECs (the "green" attributes of electricity from renewable energy systems) generated by renewable energy systems located in Connecticut.

The most financially advantageous mechanism for the City to pursue solar power for its facilities is through power purchase agreements (PPAs). Under a PPA a third party would own, install, and maintain a solar array located on a city facility while selling the energy produced to the city under a 15-year agreement. Third-party ownership enables the project to take advantage of federal tax credits, which may be up to 33 percent of the project value. Also, the City avoids any further bonding for the required capital.

The proceeds of this auction will provide the winning renewable energy projects with a guaranteed supplemental stream of income for 15 years, paid by the local electricity distribution company. The resolution also authorizes the Mayor to enter into any ancillary agreements necessary for the technical execution of the solar array. Solar arrays are connected to the electric grid, and therefore require a standardized agreement with the local electric distribution company to interconnect.


PLANNING CONSIDERATIONS

Solar arrays on City buildings and sites funded through power purchase agreements can provide New Haven with low-cost electricity without any bonded capital outlay and solar power purchase agreements can provide savings of over 35 percent relative to current electricity costs. Various city buildings and sites have been identified as potential candidates for solar arrays. Rooftop solar arrays are now designed to be compatible with existing roof warranties and have a minimal impact on the health of the roof system. All of the proposed arrays will be analyzed by a licensed structural engineer to ensure the integrity of all building systems.

ADVICE

The Commission finds the Agreement in the best interest of the City and recommends approval.

ADOPTED: June 17, 2015
Edward Mattison
Chair

ATTEST: 
Karyn M. Gilvarg, AIA
Executive Director