



City of Grand Island

Tuesday, April 28, 2015

Council Session

Item G-4

#2015-105 - Approving Letter of Intent with Invenergy concerning a Wind Project at a Wind Generation Project Complex in Nebraska

Staff Contact: Tim Luchsinger, Stacy Nonhof

Council Agenda Memo

From: Timothy Luchsinger, Utilities Director

Meeting: April 28, 2015

Subject: Approving Letter of Intent with Invenergy for a Wind Project at a Wind Generation Project Complex in Nebraska

Item #'s: G-4

Presenter(s): Timothy Luchsinger, Utilities Director

Background

The Utilities Department has made efforts to be involved in developing technologies regarding renewable energy. Presently, the most cost effective form of renewable energy is wind energy. Since 1998, the City's Utilities Department has participated in a number of Wind Turbine projects. Currently, the Utilities Department is participating in Ainsworth Wind Farm, Elkhorn Ridge Wind Farm, Laredo Ridge Wind Farm and Broken Bow Wind Farm. The use of fossil fuels for electricity production is coming under increasing scrutiny at the national level and more restrictions and regulations are likely to be placed upon fossil fuels, particularly coal. With the City's primary energy supply being produced from coal, the overall rate impact from environmental regulations could be significant.

On May 8, 2012, City Council directed the Utilities Department to evaluate additional renewable resource energy opportunities as they arise. The Utilities Department has been approached by Invenergy regarding a possible wind farm in North Central Nebraska. In order for Invenergy to discuss specific pricing information with the Utilities Department, a Confidentiality and Non-Disclosure Agreement was approved by Council at the March 24, 2015 meeting.

Discussion

Department staff met with Inenergy representatives regarding participation in a proposed wind energy project complex in Nebraska. Should the project plans proceed due to positive feedback in the form of non-binding letters of intent from participants, a Purchase Power Agreement specifying the contractual terms of the project would be executed. Due to the terms of the Non-Disclosure Agreement, a confidential copy of the

letter of intent and memo of explanation are attached in the Council's packet. This letter of intent has been reviewed by Department management staff and is recommended for approval by Council.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approve the letter of intent with Invenergy for a Wind Project at a Wind Generation Project Complex in Nebraska.

Sample Motion

Move to approve the letter of intent with Invenergy for a Wind Project at a Wind Generation Project Complex in Nebraska.

RESOLUTION 2015-105

WHEREAS, the Utilities Department has made efforts to be involved in developing technologies regarding renewable energy; and

WHEREAS, currently the most cost effective form of renewable energy is wind energy; and

WHEREAS, the use of fossil fuels for electricity production is coming under increasing scrutiny at the national level and more restrictions and regulations are likely to be placed upon fossil fuels, particularly coal, and

WHEREAS, on May 8, 2012, per Resolution 2012-124, City Council directed the Utilities Department to evaluate additional renewable resource energy opportunities as they arise, and the Utilities Department has been approached by Invenergy regarding a possible wind farm in North Central Nebraska; and

WHEREAS, in order for Invenergy to discuss specific pricing information with the Utilities Department, a Confidentiality and Non-Disclosure Agreement was approved by Council at the March 24, 2015 meeting, per Resolution #2015-80; and

WHEREAS, the Letter of Intent has been reviewed by Department Management Staff and is recommended for approval by Council.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Letter of Intent with Invenergy for a Wind Project at a Wind Generation Project Complex in Nebraska is hereby approved, and the Mayor is hereby authorized to sign the letter on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, April 28, 2015.

Jeremy L. Jensen, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
April 24, 2015	☐ City Attorney