

City of Scottsbluff, Nebraska

Monday, July 16, 2018

Regular Meeting

Item Reports2

Council to consider approval of a letter of intent with Nebraska Public Power District for Scottsbluff Community Solar Project II and authorize the Mayor to sign the acceptance letter.

Staff Contact: Nathan Johnson, City Manager



Nebraska Public Power District

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Timothy J. Arlt
General Manager Retail
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July 9, 2018

Randy Meininger, Mayor
City of Scottsbluff
2525 Circle Drive
Scottsbluff, NE 69361-2495

Subject: Letter of Intent (LOI) for Scottsbluff Community Solar Project II

Nebraska Public Power District ("NPPD") and the City of Scottsbluff, Nebraska ("City"), each sometimes hereinafter referred to singularly as "Party" and collectively as "Parties," are discussing a community solar project to be located within the City of Scottsbluff. The purpose of this LOI is to document the plans of the Parties as it relates to the community solar project and the agreements necessary to formalize the arrangements between the Parties.

General

It is the Parties' understanding, expectations and intent that:

- NPPD received bids through a request for proposals (RFP) for potential developers of a photovoltaic power station not to exceed 5,000 kW AC to be located on City-owned property ("the Project").
- The Project is proposed to be located on south and east sides of property owned by the City located near 4205 5th Avenue, referred to as the "Soccer Field" site.
- The proposed site was selected such that the Project can be connected with NPPD's subtransmission system for delivery to the City of Scottsbluff electric distribution system. The exact configuration for the selected site will consider interconnection access, property constraints, and cost. NPPD will cooperate with the City and the developer to accomplish the siting and/or site layout in accordance with these objectives.
- NPPD will provide for interconnection to the NPPD subtransmission system. Estimated interconnection costs will be provided to the City and developer upon final site selection.
- NPPD will purchase the entire output of the Project pursuant to the terms and conditions of a Power Purchase Agreement ("PPA") between NPPD and the developer chosen through the RFP process.

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- The City intends to fully subscribe all eligible City accounts to solar shares available from this Project.
- City and NPPD will work together to market the Project with the intent of getting the Project fully subscribed by end-use customers. In the absence of getting the Project fully subscribed, the City will assign any unsubscribed amounts of the Project to City accounts.
- The City will enter into a "make-whole agreement" with NPPD. ("Scottsbluff Solar II Community Solar Project Agreement")

Agreements

The Parties understand that certain agreements and/or documentation will be required to facilitate the arrangements between the Parties as they relate to the Project, including but not limited to:

- Any documents between City and developer for use of City-owned real estate by developer for the Project.
- A PPA between NPPD and developer to purchase the entire output of the Project.
- The developer will complete and submit a K-450 Application to NPPD. A Generator Interconnection Agreement is required to interconnect into NPPD's system and is an agreement between developer and NPPD.
- A Project Agreement between City and NPPD is necessary to mitigate cost shifts to other NPPD customers or communities. The Project Agreement will provide that in the event the PPA charges in any given month exceeds/is less than NPPD's cost avoidance for the Scottsbluff billing district, the City or NPPD, as applicable, will "make-whole" the other Party the difference between the PPA charges and the avoidance.

If the City or NPPD is signatory to any of the agreements described above, such agreement(s) shall be subject to final approval by the City's Council or NPPD Board of Directors as the signatory Party.

Exit Provisions

- The City shall have the discretionary right not to move forward with this Project in the event there is no developer to complete a Generator Interconnection Agreement and submit an associated K-450 Application. The K-450 Application is to be submitted by the developer after site selection (it is anticipated that the K-450 Application would be received by July 1, 2018).

If this LOI is acceptable, please so indicate by signing each original in the space provided, return one original to me and retain the other original for your files.

Sincerely,



Tim Arlt
General Manager of Retail

ACCEPTED:

City of Scottsbluff, Nebraska

By: _____
Printed Name: Randy Meininger
Title: Mayor, Scottsbluff, Nebraska
Date: _____