



Legislation Text

File #: 12-1628, Version: 3

Resolution to Approve United States Department of Energy Grant for the Wind Generator Project and Accept and Appropriate up to \$951,500.00 in Funding **(8 Votes Required)**

This resolution requests approval of a project agreement with the United States Department of Energy (DOE) to construct a wind generation project in the City of Ann Arbor or environs, and to accept and appropriate up to \$951,500.00 in funding.

The grant provides \$951,500.02 to the City of Ann Arbor to construct a wind generation project. The project scope includes design and construction of up to two wind turbines and public outreach and education related to the benefits of using wind as a renewable and alternative energy source. The grant requires that the City provide \$484,390.00 in matching funds. It is the City's intent to partner with the Ann Arbor Public Schools (AAPS) and a third party developer to provide the site and financing required to meet the grant's matching fund requirements. The City's contribution will be approximately \$18,590.00 in staff time toward this project. The City will not be making a cash contribution.

Subsequent to Council's approval of the attached resolution, staff will return to Council with additional resolutions to approve agreements with the AAPS and the site developer to complete the contractual arrangements for siting and constructing the wind turbines. It is anticipated that the wind turbines will be located on AAPS property and that the developer will construct the wind turbine(s) and provide the public schools with a 20-year power purchase agreement (PPA). The PPA will guarantee the AAPS a minimal amount of power production by the turbine(s) per year, at a rate less than the current market rate for electricity. The City will obtain the Renewable Energy Credits (RECs) from the installation.

Prepared by: Brian Steglitz, P.E., Sr. Utilities Engineer, WTP

Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Steven D. Powers, City Administrator

Whereas, The United States Department of Energy (DOE) approved a grant to the City of Ann Arbor for \$951,500.00 to construct a wind generation project in the City of Ann Arbor or environs;

Whereas, Wind energy that is developed within the City of Ann Arbor contributes to the Green Energy Challenge established by City Council in 2006 and updated in 2011 to achieve 5 percent community wide renewable energy consumption by 2015; and

Whereas, The wind generation project includes a public outreach and educational component that will provide the community with a hands-on demonstration project of the viability of wind as a renewable energy source;

RESOLVED, That the City of Ann Arbor accepts the terms of the agreement as received from the DOE, and the City of Ann Arbor specifically agrees, but not by way of limitation, as follows:

1. To appropriate all funds necessary to complete the project during the project period and

to provide \$465,800.00 dollars through a third party developer to match the grant authorized by the DOE.

2. To provide an additional \$18,590.00 in staff time to meet the grant match requirements.
3. To maintain satisfactory financial accounts, documents, and records to make them available to the DOE for auditing at reasonable times.
4. To construct the project and provide such funds, services, and materials as may be necessary to satisfy the terms of said Agreement.
5. To complete the project by June 30, 2014, the DOE contractual end date.
6. To comply with the reporting requirements included in said Agreement.
7. To issue a sub award to a project developer to be selected by the City that would provide the required grant matching funds.
8. To complete an environmental assessment that would allow a final NEPA determination prior to initiating design and construction of any wind turbines.
9. To comply with any and all terms of said Agreement including all terms not specifically set forth in the foregoing portions of this resolution.

RESOLVED, That the City Council accepts and appropriates funding not to exceed \$951,500.00 from the DOE and appropriate \$18,590.00 from Fund the Public Service General Fund Energy Management, 0002-029-1300-1000, to the FY13 Major Grant Fund (Fund 00MG) and that the funds be made available without regards to fiscal year;

RESOLVED, That City Council approves the project agreement between the City and the DOE for the wind generation project;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute the project agreement after approval as to substance by the City Administrator and approval as to form by the City Attorney; and

RESOLVED, That the City Administrator be authorized and directed to take the necessary administrative action to implement this resolution.