



Legislation Text

File #: 15-0114, **Version:** 1

Resolution to Approve a License Agreement with DTE Energy to Construct a Solar Installation at the Ann Arbor Municipal Airport

The attached resolution approves a License Agreement with DTE Energy for the installation of a large solar array at the Ann Arbor Municipal Airport. The solar installation includes an initial phase of approximately 1.1 to 1.6 megawatt (MW) and a potential second phase that may bring the total installed capacity up to 2.15 MW. The Agreement includes a site license area of approximately 14 acres (600' x 1,000') for the installation of the solar panels and equipment and a separate site access area to allow access from Ellsworth Road to the array for construction and long term maintenance purposes.

The area for this License Agreement is part of a 41 acre parcel that has been designated on the Airport Layout Plan for future non-aviation use for nearly a decade. Several sites in and around the City were evaluated by the City and DTE Energy and this site was chosen as optimal because of the close proximity to appropriate power transmission cables and ease of installation.

The term of the proposed License Agreement is for 20 years with ten (10), one year renewal options.

The project is contingent upon approval of the land release of the 41 acres by the Federal Aviation Administration (FAA) and Michigan Department of Transportation-Office of Aeronautics. The FAA must also approve the constructability of the solar project on the released land. This review includes a detailed analysis of the potential impact of solar glare on aviation activities at and around the Airport. The project is also contingent on Pittsfield Charter Township site plan approval since the Airport is located in the Township.

This project furthers several of the City's Sustainability Framework and Climate Action Plan Goals. These include: Sustainable Energy - Improve access to and increase use of renewable energy by all members of the community (Sustainability Framework); and Implement community renewable energy projects (EB-24, Climate Action Plan) The site license area will support up to 2.15 MW of installed solar capacity if both phases are constructed, or the equivalent power for approximately 300 homes. Increasing the amount of renewable energy generated in Ann Arbor is one of the key strategies to getting more renewable sources onto the DTE grid. If constructed, this installation supports the utility's mandate to meet the State of Michigan renewable portfolio standard for public utilities to supply 10% of their electricity from renewable sources by 2015. Release of the additional 27 acres of property designated for future non-aviation uses could support additional future solar installations in partnership with DTE Energy or by the City. DTE access to the site will be through use of existing ingress from Ellsworth Road, east of Lohr Road, and once the installation is completed, traffic to and from the site will be limited for only occasional site maintenance.

Budget/Fiscal Impact

Under the terms of the License Agreement, the City will be paid \$38.00 per kilowatt of system capacity, between \$41,800.00 and \$81,700.00 per year, for the life of the License Agreement.

Because the revenue is generated from the use of Airport property, grant assurances between the City and the FAA require that the revenue be dedicated to the Airport fund and used for aviation purposes. The land is currently being used for agricultural purposes and generates around \$700.00 per year in revenue for the Airport.

Prepared by: Matthew Naud, Systems Planning Environmental Coordinator

Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Steven D. Powers, City Administrator

Sponsored by: Mayor Taylor, Councilmember Briere, and Councilmember Anglin

Whereas, The City of Ann Arbor and DTE Energy evaluated several sites for a large solar installation owned and operated by DTE Energy;

Whereas, There is a 41 acre parcel of land at the Ann Arbor Municipal Airport that has been designated on the Airport Layout Plan for future non-aviation use;

Whereas, The Airport site was chosen as the optimal location to install a 1.1 to 2.15 megawatt (MW) solar installation to be built and maintained by DTE Energy;

Whereas, This License Agreement is contingent upon 1) the release of Airport land for non-aviation use by the Michigan Department of Transportation-Office of Aeronautics and the Federal Aviation Administration (FAA), 2) approval of constructability of the project by the FAA and 3) site plan approval of the project by Pittsfield Charter Township;

Whereas, The City of Ann Arbor adopted 16 Sustainability Framework goals that are an element of the City's Master Plan; and

Whereas, This project is a significant step forward toward advancing the Sustainable Energy goal to improve access to and increase use of renewable energy by all members of our community.

RESOLVED, That City Council approve the License Agreement with DTE Energy for land at the Ann Arbor Municipal Airport for a 1.1 to 2.15 MW solar installation in exchange for annual compensation agreed to by both parties;

RESOLVED, That the revenue generated under the License Agreement be dedicated to the Airport fund to be used for aviation purposes consistent with grant assurances between the City and the FCC; and

RESOLVED, That the City Administrator be directed to take all appropriate steps to enter into this agreement and assist with site plan approval and other steps necessary to bring the project to completion.

Sponsored by: Mayor Taylor, Councilmember Briere, and Councilmember Anglin