



## Legislation Text

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**File #:** 20-0004, **Version:** 2

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Resolution to Approve a Purchase Order with DTE Energy (DTE) to Conduct Initial Engineering and Distribution Studies Regarding a Potential Solar Energy Facility on and Surrounding the Ann Arbor Landfill (not to exceed \$90,000.00)

In order to meet the City's climate and clean energy goals, staff have been exploring opportunities for onsite renewable energy deployment throughout the City. After careful analysis, the area known as the former landfill, the area abutting the Wheeler service center, and a portion of the land currently within the Planned Unit Development the City has with Pittsfield Township (throughout the remainder of this document, this area is referred to as "the landfill") was identified as a very strong location for a large solar installation (see accompanying attachment for a visual of the site being considered).

When the City identified the landfill as a strong contender for an onsite solar installation, staff reached out to DTE to explore their interest in partnering to develop the site as a solar energy facility. DTE agreed but noted that, through the interconnection process, they would be considered a developer by the Michigan Public Service Commission and, therefore, would have to follow the exact same procedures as every other solar developer submitting interconnection applications to DTE. The City understood and agreed to this process as long as DTE agreed to be fully transparent about all steps and associated costs, and include the City as a main decision-maker at each point in the process. DTE agreed, thus putting the project into motion.

The first step in this process was conducting a preliminary assessment of the solar potential at the landfill. Working in partnership with the City and Black and Veatch, DTE discovered that the site has a potential for just under 24MW of solar energy capacity (in which generation would be nearly the equivalent of all municipal energy usage). Preliminary site designs were created that maximized the amount of solar on site, as well as the amount of land preserved for ground nesting birds, and optimized proximity to existing power lines. During this analysis, care was taken to ensure that designs allowed for ground vegetation and pollinators habitats.

In mid-December, these preliminary site designs were submitted to DTE's grid interconnection team for an analysis of their completeness. We anticipate hearing whether or not these drawings are sufficient to initiate the next phase of the analysis in early January. If the submitted materials are viewed as complete, the engineering team at DTE will notify the City. At this point, the City will need to complete an Engineering Review Form and submit a fee to cover the costs of a preliminary engineering review. The conducting of a preliminary engineering review and the payment of time and materials associated with this analysis are steps all solar developers must undertake. The results of this analysis will provide an understanding of how the proposed solar energy facility impacts the existing grid at the specific point of interconnect.

Once the fees have been paid and the Engineering Review Form application filed, the engineering team will have up to 45 business days to conduct their review. If the review finds no fatal flaws, the next step is to complete a distribution study and pay the associated fees. Similar to the engineering review, all developers are expected to pay the costs incurred through the conducting of a distribution

study (i.e., time and materials). The distribution study can take up to 60 business days to complete and, once complete, will provide an understanding for what, if any, system upgrades would be needed in order to interconnect the proposed solar facility to the grid. Depending on the findings from this study, the City will either:

1. Work with DTE to move forward on making those improvements (which will come back to Council as a separate resolution with associated costs);
2. Decide to get into the queue for the Midcontinent Independent System Operator (MISO) network and see if MISO can accept the potential solar from the landfill (note: the MISO queue is at least 2 years long); or
3. Terminate the project.

In parallel with the process outlined above, the City has also been working with Pittsfield Township to amend our Planned Unit Development. This amendment would allow significant portions of the PUD to be developed as a solar energy facility. Staff from the City have held multiple meetings with staff from Pittsfield to understand what is needed to move the amendment forward. As of the end of 2019, a formal application was submitted to Pittsfield to amend the PUD. A public meeting is scheduled to review the proposed amendment on January 7<sup>th</sup>, 2020. It is anticipated that the Pittsfield Planning Commission will review the proposed amendment in the first quarter of 2020 or shortly thereafter. Staff will keep City Council abreast of this progress.

At this point in the project, the most immediate need staff have is support from City Council to open a purchase order with DTE to cover the costs for the first two studies: the preliminary engineering review and the distribution study. DTE, using historical cost data has provided direction that these studies, combined, will likely not cost more than \$90,000. As such, staff is requesting approval to open a purchase order with DTE, not to exceed \$90,000 for the completion of a preliminary engineering review and distribution study for a potential solar installation at the landfill.

Budget or Fiscal Impact: Funding for this resolution is available in the approved Sustainability and Innovations FY2020 budget.

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Reviewed by: Derek Delacourt, Community Services Area Administrator, John Fournier, Assistant City Administrator and Tom Crawford, Chief Financial Officer

Approved by: Howard S. Lazarus, City Administrator

Whereas, The City of Ann Arbor has set aggressive climate and energy goals, including the goal of powering 100% of municipal operations with clean and renewable energy by the year 2035;

Whereas, City Council recently passed a Climate Emergency Declaration and requested that staff identify how the community could achieve carbon neutrality by the year 2030;

Whereas, The land known as the former Ann Arbor landfill, the land surrounding the Wheeler Service Center, and parts of land currently subject to a Planned Unit Development approved by Pittsfield Township (known as "the landfill") have been identified as a strong location for a large solar installation;

Whereas, Preliminary analysis of the site has found that a significant solar array could be developed at the site;

Whereas, Staff have already submitted a Planned Unit Development amendment to Pittsfield Township that would allow this portion of the site to have solar;

Whereas, Developing this site as a solar energy facility would significantly advance the City's climate and energy goals;

Whereas, DTE has agreed to work in partnership with the City to understand what it would take to develop the landfill into a solar energy facility;

Whereas, The next steps in the process include the completion of an engineering review and a distribution study which must be completed for the project to proceed;

Whereas, DTE has provided guidance that these two studies will not exceed \$90,000.00; and

Whereas, Funding for these studies is currently available in the FY2020 budget of the Office of Sustainability and Innovations;

RESOLVED, City Council authorize the opening of a purchase order with DTE not to exceed \$90,000.00 for the completion of a preliminary engineering review and distribution study for developing the landfill as a solar energy facility;

RESOLVED, City Council approve the appropriation of funding through this purchase order to DTE, not to exceed \$90,000.00, for the completion of a preliminary engineering review and distribution study for developing the landfill as a solar energy facility;

RESOLVED, That City Council authorize and directs the City Administrator to execute the purchase order after approval as to form by the City Attorney for an amount not to exceed \$90,000.00; and

RESOLVED, That the City Administrator be authorized to take all necessary actions to implement this resolution including execution of any related agreements, renewals, and any changes or amendments that do not exceed the amounts authorized herein, which the City Administrator deems in the City's best interest.