



REPORT TO: SUA

MEETING DATE: OCTOBER 19, 2020

Agenda Item:	5a. SUA-20-35
Prior Council Action/Related Items:	None
Background / Issue:	<ul style="list-style-type: none"> • Stillwater Utilities Authority (SUA) purchases wholesale electricity and is a full requirement customer of the Grand River Dam Authority (GRDA). • As a full requirements customer the SUA is required to purchase all of its electrical power and energy from GRDA. • GRDA recognizes the importance of carbon-free energy to its wholesale customers; and ,therefore, working with a municipal customer task force (including SUA), has requested approval from its Board of Directors during the October 2020 Board Meeting for two major initiatives: <ul style="list-style-type: none"> ➤ an optional program that would allow and help facilitate the local development of municipal *Community Solar developments (GRDA’s Community Solar Program); and ➤ an optional program that increases a customer’s ability to locally manage Distributed Generation (Rider WP-DG). • Under the GRDA Community Solar Program, GRDA will aggregate projects from interested municipalities and use that aggregated volume to negotiate with developers to: <ul style="list-style-type: none"> ➤ Develop local community solar sites (including for the SUA) ➤ Purchase the energy produced from those community solar sites from the developer; and ➤ Re-sell the energy produced from those sites to the SUA based upon the project’s cost plus a small administration fee.

- Included in attachment A to this report is a potential site for the community solar project at the Stillwater Energy Center.

*Community Solar means a photovoltaic solar project that is developed on City owned land, is interconnected to the electric utility distribution system, and requires the SUA to enter into a renewable energy purchase agreement with a developer for GRDA to purchase the output of the facility then resale to SUA.

Proposal/Solution:

- **Community Solar Program**

- The community solar development processes are detailed in the attachments of this report. The list below highlights the stages in the process:

- i. Guidelines and Flexibility
- ii. Community Solar Tranches
- iii. Preliminary Request for Inclusion in Community Solar Tranche
- iv. Preliminary Community Solar Solicitation
- v. Initial Evaluation
- vi. Initial Negotiation
- vii. ***Definitive Request for Inclusion (DRI)**
- viii. Commencement of Development

***The SUA is only committed to install community solar if it executes a legally-binding DRI at stage seven.**

- As part of the recommendation below, staff is seeking approval to work with GRDA to complete the first six non-committal stages listed above.
- At the end of stage six a recommendation will be presented to the trustees for future direction.
- It is important to note that while the SUA is working on the preliminaries with GRDA, it will also be working with the Renewable Energy Task Force and other citizens to determine the appetite for a community solar installation.
- The information from our citizen customers will drive any future recommendation for a community solar installation in Stillwater.
- **Exhibit D Wholesale Service Policy - Distributed Generation (DG) rider revision:**

- This Rider is intended to authorize the SUA to interconnect end-use customer-owned DG to SUA's distribution systems in a manner that will not unreasonably burden GRDA's other customers.
- The DG rider is included as an attachment to this report. A summary of the modifications to the rider is listed below:
 - Aggregate nameplate capacity increased from 100 kW to 1000 kW before *Make-Whole Demand Adjustments (MWDA) and Make-Whole Energy Adjustments (MWEA) will apply
 - Any individual DG installation with a nameplate capacity rating over 100 kW would be considered Unqualified Distributed Generation, which would require MWDA and MWEA by the SUA to GRDA
 - Unqualified DG between 100 kW and 2000 kW must be interval metered, and the meter data must be provided to GRDA at the end of each month
 - Unqualified DG greater than 2000 kW must be telemetered to GRDA
 - The MWDA calculation has been updated to correct a clerical error in the previous formula.
 - The MWEA has been added to calculate the amount of fixed costs that would ordinarily be recovered in avoided energy.

*Make-Whole Demand Adjustment means the calculation of the amount of fixed costs that GRDA is unable to recover from a Wholesale Power Service (WPS) Customer due to the reduction in demand that results from the WPS Customer's interconnection of Unqualified Distributed Generation.

Financial Impact/Funding Source(s):

- As long as SUA does not exceed the 1000 kW aggregate name plate threshold and does not have an individual customer over 100 kW, there should be no financial impacts.
- The retail program will have to be designed to offset any negative impact should either of these thresholds be exceeded.

Related Strategic Priority:

#1 Effective Services & Accountable Government: Provide effective services and accountable government for all citizens

by practicing fiscal responsibility, transparency, and outstanding customer service.

#3 Safe Community: To identify effective services that enhance relationships, responsiveness, and quality customer service to promote a safe and secure community.

Recommended Action/Motion:	Motion to authorize staff to work with GRDA to complete the first six stages listed in this report related to community solar.
Prepared By:	Loren Smith, Electric Utility Director
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Submitted By:	Norman McNickle, City Manager
Attachment(s):	Attachment A