

**Town of Lyons, Colorado  
Board of Trustees  
BOT Agenda Cover Sheet  
Agenda Item No: VIII. 2.  
Meeting Date: Oct 3rd, 2022**

**TO:** Mayor Rogin and Members of the Board of Trustees  
**FROM:** Aaron Caplan, Director of Utilities & Engineering  
**DATE:** Sep 26, 2021  
**ITEM:** Resolution 2022-90 - A Resolution Ratifying the Modification of a DOLA Clean Energy Initiative (CEI) Grant for a Lyons Solar Farm and Battery Storage Project

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ORDINANCE  
 MOTION / RESOLUTION  
 INFORMATION

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- I. **REQUEST OR ISSUE:** Staff is requesting the BOT to ratify their support for a modification to the DOLA Clean Energy Initiative (CEI) grant to cover a portion of the expenses for a Solar Farm and Battery Storage Project.
  
- II. **RECOMMENDED ACTION / NEXT STEP:** Approve the resolution.
  
- III. **FISCAL IMPACTS:** The latest estimated cost of the project is \$1,600,000. The DOLA grant will fund \$1,000,000.00. This would require a Town Match of \$600,000. The Inflation Reduction Act offers a 30% direct payment for the Solar Investment Tax Credit. This would return \$480,000 of the match for a net cost to the Town of \$120,000. The estimated return on investment projects a breakeven period after 6.3 years, at which time the project should begin to save the town's electric enterprise fund \$27,000 a year.
  
- IV. **BACKGROUND INFORMATION:** A DOLA grant was awarded for this project. A Request for Proposals (RFP) was sent out. During the time the RFP was open for proposals to be submitted the Inflation Reduction Act (IRA) was enacted. Prior to the IRA, the Town could not directly take advantage of the Solar Investment Tax Credits. The grant contract and RFP included language for a 3<sup>rd</sup> party financier to own the facility for a period of time so they could take advantage of the tax credits and they would give the Town the benefit of half of the credits.

The IRA allows the Town to own the facility directly and receive 30%, possibly more, of the project cost to be refunded through a direct payment process that the US Treasury is currently drafting. DOLA has advised that modifying the grant contract would simplify the process. The IRA allows us to probably more than double the tax credit we can receive.

V. **LEGAL ISSUES:** None known.

VI. **CONFLICTS OR ENVIRONMENTAL ISSUES:** None

VII. **SUMMARY AND ALTERNATIVES:** Approve the resolution ratifying support of the change.

**Motion: I move to adopt Resolution 2022-90 - A Resolution Ratifying the Modification of the DOLA Clean Energy Initiative (CEI) Grant for a Lyons Solar Farm and Battery Storage Project**