

RNSS 004 - Lyons Solar Farm and Battery Storage

EXHIBIT B – SCOPE OF PROJECT (SOP)

1. PURPOSE

1.1. Energy Impact. The purpose of the Renewable and Clean Energy Initiative (HB21-1253) Program is to assist political subdivisions by providing funding for infrastructure implementation projects in the renewable and clean energy field.

2. DESCRIPTION OF THE PROJECT(S) AND WORK

2.1. Project Description. The Project consists of the procurement of consulting services for the establishment of a Solar Power Purchase Agreement.

2.2. Work Description. The Town of Lyons (Grantee) will work with a qualified consulting firm to develop an Engineering, Procurement and Construction (EPC) contract that outlines the design, construction, and operation of the installation of a solar farm with battery storage backup. The Project will be partially financed with a Solar Power Purchase Agreement (SPPA). Grantee shall provide a copy of the SPPA to DOLA.

The Project will be located on approximately 1.5 acres of unused park land currently owned by the Town. The installation will include approximately 350 kilowatts (kW) of solar panels, producing approximately 572 megawatt hours (MWh) per year, on fixed-mount or single axis tracking structures supported on a combination of driven piles and poured concrete pads, as soil conditions allow; installation of approximately 1,800 linear feet of medium-voltage, 3-phase, underground power line to connect the solar farm to the Town's primary grid; and approximately 1 MWh of battery storage configured to provide power to the grid during peak demand periods, which occur primarily while the solar panels are not producing power.

Upon Project completion, the Grantee will provide a monitoring and reporting plan to DOLA that includes the delivery of semi-annual (every six (6) month) reports on the energy and cost performance of all installed systems. These reports are required for five (5) years after the Expiration Date of this Grant Agreement or date of Project closeout (Work is completed, all deliverables have been submitted and accepted, the final payment request has been submitted, and an agreement as to any amount of grant funds to be deobligated has been made), whichever is later.

After the terms of the SPPA have been achieved, the equipment must eventually be owned by the Grantee. In the event the Grantee will not own the equipment used to create the SPPA, DOLA may consider the terms of funding under this Grant Agreement complete if:

1. The SPPA benefits the Grantee; and
2. The terms of the SPPA between the vendor and the Grantee generates savings equal to or greater than the Grant Award amount.

Notification to DOLA as to the final ownership of the equipment must be made in writing to the Department no later than 30 days after the conclusion of the SPPA.

2.2.1. A contract for consultant services shall be awarded by Grantee to a qualified firm through a formal Request For Proposals or competitive selection process.

2.3. Responsibilities. Grantee shall be responsible for the completion of the Work and to provide required documentation to DOLA as specified herein.

2.3.1. Grantee shall notify DOLA at least 30 days in advance of Project Completion.

2.4. Recapture of Advanced Funds. To maximize the use of Grant Funds, the State shall evaluate Grantee's expenditure of the Grant Funds for timeliness and compliance with the terms of this Grant. DOLA reserves the right to recapture advanced Grant Funds when Grantee has not or is not complying with the terms of this Grant.

2.5. Eligible Expenses. Eligible expenses shall include: consultant fees. Grantee is responsible for the costs of the bid process, bonding and insurance, legal fees and permitting.

RNSS 004 - Lyons Solar Farm and Battery Storage

3. DEFINITIONS

3.1. Project Budget Lines.

3.1.1. “Consultant Services” means consultant fees, RFP/bid advertisements, and attorney’s fees.

3.2. “Substantial Completion” means the Work is sufficiently complete in accordance with the Grant so it can be utilized for its intended purpose without undue interference.

4. DELIVERABLES

4.1. **Outcome.** The final outcome of this Grant is the completed construction of a facility that will produce and store renewable energy locally now and into the future.

4.2. **Service Area.** The performance of the Work described within this Grant shall be located in Lyons, Colorado.

4.3. **Performance Measures.** Grantee shall comply with the following performance measures:

| <u>Milestone/Performance Measure/Grantee will:</u> | <u>By:</u> |
|---|---|
| Put Project out to bid. | Within 30 days after the Effective Date of this Grant Award Letter. |
| Award and finalize subcontract(s). | Within 30 days after bid opening. |
| Provide DOLA with Project Timeline. | Within 30 days after the Effective Date of the subcontract(s). |
| Provide DOLA with an electronic copy of the fully executed Solar Power Purchase Agreement (SPPA) between the Grantee and the third-party owner of the solar farm and battery storage constructed in this Project. | Within 90 days after the Effective Date of this Grant Award Letter. |
| Provide DOLA with digital Project photographs with Quarterly Reports. | See §4.5.2 below |
| Submit Quarterly Pay Requests | See §4.5.2 below |
| Submit Quarterly Status Reports | See §4.5.2 below |
| Submit Project Final Report | May 29, 2024 |

4.4. Budget Line Adjustments.

4.4.1. **Grant Funds.** Grantee may request in writing that DOLA move Grant Funds between and among budget lines, so long as the total amount of Grant Funds remains unchanged. To make such budget line changes, DOLA will use an Option Letter (**Exhibit G**).

4.4.2. **Other Funds.** Grantee may increase or decrease the amount of Other Funds in any one or any combination of budget lines as described in §6.2, or move Other Funds between and among budget lines, so long as the total amount of such “Other Funds” is not less than the amount set forth in §6.2 below. Grantee may increase the Total Project Cost with “Other Funds” and such change does not require an amendment or option letter. DOLA will verify the Grantee’s contribution of “Other Funds” and compliance with this section at Project Closeout.

4.5. **Quarterly Pay Request and Status Reports.** Beginning 30 days after the end of the first quarter following execution of this Grant and for each quarter thereafter until termination of this Grant, Grantee shall submit Pay Requests and Status Reports using a form provided by the State. The State shall pay the Grantee for actual expenditures made in the performance of this Grant based on the submission of statements in the format prescribed by the State. The Grantee shall submit Pay Requests setting forth a detailed description and provide documentation of the amounts and types of

RNSS 004 - Lyons Solar Farm and Battery Storage

reimbursable expenses. Pay Requests and Status Reports are due within 30 days of the end of the quarter but may be submitted more frequently at the discretion of the Grantee.

4.5.1. For quarters in which there are no expenditures to reimburse, Grantee shall indicate zero (0) requested in the Pay Request and describe the status of the Work in the Status Report. The report will contain an update of expenditure of funds by budget line as per **§6.2** of this **Exhibit B** Scope of Project as well as a projection of all Work expected to be accomplished in the following quarter, including an estimate of Grant Funds to be expended.

4.5.2. Specific submittal dates.

| Quarter | Year | Due Date | Pay Request Due | Status Report Due |
|---------------------------|------|------------------|-----------------|-------------------|
| 2 nd (Apr-Jun) | 2022 | July 30, 2022 | Yes | Yes |
| 3 rd (Jul-Sep) | 2022 | October 30, 2022 | Yes | Yes |
| 4 th (Oct-Dec) | 2022 | January 30, 2023 | Yes | Yes |
| 1 st (Jan-Mar) | 2023 | April 30, 2023 | Yes | Yes |
| 2 nd (Apr-Jun) | 2023 | July 30, 2023 | Yes | Yes |
| 3 rd (Jul-Sep) | 2023 | October 30, 2023 | Yes | Yes |
| 4 th (Oct-Dec) | 2023 | January 30, 2024 | Yes | Yes |
| 1 st (Jan-Mar) | 2024 | April 30, 2024 | Yes | Yes |

4.6. DOLA Acknowledgment. The Grantee agrees to acknowledge the Colorado Department of Local Affairs in any and all materials or events designed to promote or educate the public about the Work and the Project, including but not limited to: press releases, newspaper articles, op-ed pieces, press conferences, presentations and brochures/pamphlets.

5. PERSONNEL

5.1. Responsible Administrator. Grantee's performance hereunder shall be under the direct supervision of **Aaron Caplan, Director of Utilities and Engineering, (acaplan@townoflyons.com)**, who is an employee or agent of Grantee, and is hereby designated as the responsible administrator of this Project and a key person under this **§5**. Such administrator shall be updated through the process in **§5.3**. If this person is an agent of the Grantee, such person must have signature authority to bind the Grantee and must provide evidence of such authority.

5.2. Other Key Personnel. NONE. Such key personnel shall be updated through the process in **§5.3**.

5.3. Replacement. Grantee shall immediately notify the State if any key personnel specified in **§5** of this **Exhibit B** cease to serve. All notices sent under this subsection shall be sent in accordance with **§15** of the Grant.

5.4. DLG Regional Manager: Chris La May, (970) 679-7679, (chris.la.may@state.co.us)

5.5. DLG Regional Assistant: Robert Thompson, (970) 290-2381, (robert.thompson@state.co.us)

6. FUNDING

The State provided funds shall be limited to the amount specified under the "Grant Funds" column of **§6.2**, Budget, below.

6.1. Matching/Other Funds. Grantee shall provide **at least 28%** of the Total Project Cost as documented by Grantee and verified by DOLA at Project Closeout. Initial estimates of Grantee's contribution are noted in the "Other Funds" column of **§6.2** below. Increases to Grantee's contribution to Total Project Cost do not require modification of this Grant Award Letter and/or **Exhibit B**.

THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK

RNSS 004 - Lyons Solar Farm and Battery Storage

6.2. Budget

| Budget Line(s) | | Total Project Cost | Grant Funds | Other Funds | Other Funds Source |
|----------------|---------------------|--------------------|--------------------|------------------|--------------------|
| Line # | Cost Category | | | | |
| 1 | Consultant Services | \$1,400,015 | \$1,000,000 | \$400,015 | Grantee |
| Total | | \$1,400,015 | \$1,000,000 | \$400,015 | |

7. PAYMENT

Payments shall be made in accordance with this section and the provisions set forth in §7 of the Grant.

7.1. Payment Schedule. If Work is subcontracted or subgranted and such Subcontractors and/or Subgrantees are not previously paid, Grantee shall disburse Grant Funds received from the State to such Subcontractor or Subgrantee within fifteen days of receipt. Excess funds shall be returned to DOLA.

| Payment | Amount | |
|--------------------|--------------------|--|
| Interim Payment(s) | \$950,000 | Paid upon receipt of actual expense documentation and written Pay Requests from the Grantee for reimbursement of eligible approved expenses. |
| Final Payment | \$50,000 | Paid upon Substantial Completion of the Project (as determined by the State in its sole discretion), provided that the Grantee has submitted, and DOLA has accepted, all required reports. |
| Total | \$1,000,000 | |

7.2. Interest. Grantee or Subgrantee may keep interest earned from Grant Funds up to \$100 per year for administrative expenses.

8. ADMINISTRATIVE REQUIREMENTS

8.1. Reporting. Grantee shall submit the following reports to DOLA using the State-provided forms. DOLA may withhold payment(s) if such reports are not submitted timely.

8.1.1. Quarterly Pay Request and Status Reports. Quarterly Pay Requests shall be submitted to DOLA in accordance with §4.5 of this Exhibit B.

8.1.2. Final Reports. Within 90 days after the completion of the Project, Grantee shall submit the final Pay Request and Status Report to DOLA.

8.2. Monitoring. DOLA shall monitor this Work on an as-needed basis. DOLA may choose to audit the records for activities performed under this Grant. Grantee shall maintain a complete file of all records, documents, communications, notes and other written materials or electronic media, files or communications, which pertain in any manner to the operation of activities undertaken pursuant to an executed Grant. Such books and records shall contain documentation of the Grantee's pertinent activity under this Grant in accordance with Generally Accepted Accounting Principles.

8.2.1. Subgrantee/Subcontractor. Grantee shall monitor its Subgrantees and/or Subcontractors, if any, during the term of this Grant. Results of such monitoring shall be documented by Grantee and maintained on file.

8.3. Bonds. If Project includes construction or facility improvements, Grantee and/or its contractor (or subcontractors) performing such work shall secure the bonds hereunder from companies holding certificates of authority as acceptable sureties pursuant to 31 CFR Part 223 and are authorized to do business in Colorado.

8.3.1. Bid Bond. A bid guarantee from each bidder equivalent to 5 percent of the bid price. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other

RNSS 004 - Lyons Solar Farm and Battery Storage

negotiable instrument accompanying a bid as assurance that the bidder shall, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.

8.3.2. Performance Bond. A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

8.3.3. Payment Bond. A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by statute of all persons supplying labor and material in the execution of the work provided for in the contract.

8.3.4. Substitution. The bonding requirements in this §8.3 may be waived in lieu of an irrevocable letter of credit if the price is less than \$50,000.

9. CONSTRUCTION/RENOVATION. The following subsections shall apply to construction and/or renovation related projects/activities:

- 9.1. Plans & Specifications.** Construction plans and specifications shall be drawn up by a qualified engineer or architect licensed in the State of Colorado, or pre-engineered in accordance with Colorado law, and hired by the Grantee through a competitive selection process.
- 9.2. Procurement.** A construction contract shall be awarded to a qualified construction firm through a formal selection process with the Grantee being obligated to award the construction contract to the lowest responsive, responsible bidder meeting the Grantee's specifications.
- 9.3. Subcontracts.** Copies of any and all contracts entered into by the Grantee in order to accomplish this Project shall be submitted to DOLA upon request, and any and all contracts entered into by the Grantee or any of its Subcontractors shall comply with all applicable federal and state laws and shall be governed by the laws of the State of Colorado.
- 9.4. Standards.** Grantee, Subgrantees and Subcontractors shall comply with all applicable statutory design and construction standards and procedures that may be required, including the standards required by Colorado Department of Public Health and Environment, and shall provide the State with documentation of such compliance.

THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK