

**Town of Lyons, Colorado
Board of Trustees
BOT Agenda Cover Sheet
Agenda Item No: X.3.
Meeting Date: June 3, 2024**

TO: Mayor Rogin and Members of the Board of Trustees

FROM: Aaron Caplan, Engineering, Building & Utilities Director

DATE: May 29, 2024

ITEM: Discussion/Direction to Staff on the Solar Generation and Storage Project

 ORDINANCE
 MOTION / RESOLUTION
X INFORMATION

- I. **REQUEST OR ISSUE:** Solar Generation & Storage Project in Bohn Park
- II. **RECOMMENDED ACTION / NEXT STEP:**
- III. **FISCAL IMPACTS:**
- IV. **BACKGROUND INFORMATION:** In the fall of 2020, a feasibility study was done by the University of Colorado, Denver, through a DOLA grant for a solar photovoltaic facility in Lyons. A location in Bohn Park southwest of the bike park was selected as the only feasible location for such a facility in town. We went out for an additional DOLA grant to fund the design and construction. At that time, it was determined a solar photovoltaic (the generation) and a Battery Energy Storage System (BESS or the storage) would be more likely to be awarded the DOLA grant. We added the storage component and the grant was awarded. We then put out requests for proposals twice but did not move forward both times for different reasons.

Lyons then applied for and was awarded technical assistance through the Department of Energy (DOE) C2C program. The program provided expert advice on the feasibility of the project and the best combination of solar and energy storage. The experts advised the Town that the project was feasible if a private company could initially own the facility and provide the Town with a Power Purchase Agreement (PPA). The town would then take ownership at a future date. With a PPA a private company owns and operates the facility and charges the town for the electricity it generates.

On April 1, 2024, Lyons was able to secure 100% of the energy it purchases from its supplier, the Municipal Energy Agency of Nebraska (MEAN), from MEAN's Green Energy Portfolio. With that in mind, we structured our third request for proposals for

a solar generation and storage project with the understanding that the project would need to offer Lyons a better rate than we currently receive from MEAN and, at a minimum, break even over the 20 years the Town would be in the PPA.

We received emails from four companies. Their financial or legal departments advised them not to submit a proposal. We did receive two proposals that are being reviewed.

We originally estimated the project cost to be \$1,000,000. The DOLA grant is up to \$1,000,000 but it will only cover 72% of the total cost. With that in mind, \$264,274 was originally budgeted for this project and has continued to be rolled over each year. With the continued increase in costs over the past couple of years and to take advantage of the full \$1,000,000 in grant funds from DOLA, the Utility and Engineering Board recommended offering the contractor \$1,388,889 and investigating financing the \$388,889 town match.

Staff had previously talked with the Colorado Clean Energy Fund (CCEF) about one of their low-interest loans, which was previously approved when the Town was looking to own the facility. The CCEF is currently reviewing the proposals to determine if they can still support the Town financing.

V. LEGAL ISSUES: The Town Attorney has been involved with the discussions and contract review for this project.

VI. CONFLICTS OR ENVIRONMENTAL ISSUES: Unknown