

City of Minneapolis
Request for Committee Action

To: Health, Environment & Community Engagement
Date: 6/6/2016
Referral: Ways & Means
From: Finance & Property Services
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Presented by: Brian Millberg
File type: Action
Subcategory: RFP

Subject:

City sponsored RFP for Community Solar Garden development with enhanced evaluation criteria

Description:

Amending the City Council action of Oct. 23, 2015, directing Finance & Property Services staff to prepare a Request for Proposals (RFP) for community solar garden services to be provided to the City of Minneapolis, and return to the Health, Environment & Community Engagement Committee with a draft RFP no later than Feb. 1, 2016, by separating the staff direction into two stages, as follows:

- 1: Authorizing issuance of an RFP for community solar garden services to be provided to the City of Minneapolis that will include the following criteria for evaluation of the responses:
 1. Workforce participation from Minneapolis residents and compliance with the Small and Underutilized Business Program (SUBP) goals.
 2. Potential cost savings to the City of Minneapolis.
 3. Potential ownership by the City of Minneapolis of the Renewable Energy Credits (RECs).
 4. A Community Solar Garden up to 1 MWAC in size.
 5. Reference to stacked green infrastructure, including pollinator forage, storm water management, or local food growing.

2. At the completion of Stage 1, the staff of Finance & Property Services will report back to the HEC&E committee chair on the development of an RFP that attempts to follow the following criteria for evaluation:
 1. Potential availability of subscriptions for Minneapolis residents and businesses, especially low-income people and people of color.
 2. Location within the City of Minneapolis, potentially on a City owned site.
 3. Potential ownership of the garden by Minneapolis residents, businesses, and property owners.

Previous Actions:

- October 29, 2015: 15-01294 – Council authorized negotiation and execution of solar electricity subscription agreements in November 2015, for up to 12,000,000 kilowatt hours of electricity, with the operators of Community Solar Gardens selected through the Metropolitan Council RFP 15M020 competitive proposal process.
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Ward/Address:

Not Applicable

Background/Analysis:

In October of 2015,(Action 15-01294) the City Council authorized negotiation and execution of solar electricity subscription agreements in November 2015, for up to 12,000,000 kilowatt hours of electricity, with the operators of Community Solar Gardens selected through the Metropolitan Council RFP 15M020 competitive proposal process. In this same Council action, the staff of Property Services was directed to prepare a Request for Proposals (RFP) for community solar garden services to be provided to the City of Minneapolis, and return to the Health, Environment & Community Engagement Committee with a draft RFP no later than February 1, 2016. Staff should consider prioritizing respondents who demonstrate among the following in the Request for Proposals:

1. Availability of subscriptions for Minneapolis residents and businesses, especially low-income people and people of color.
2. Significant cost savings to the City of Minneapolis.
3. Workforce participation from Minneapolis residents and compliance with the Small and Underutilized Business Program (SUBP) goals.
4. Stacked green infrastructure, including pollinator forage, storm water management, or local food growing.
5. Location within the City of Minneapolis.
6. Ownership by Minneapolis residents, businesses, and property owners.
7. Ownership by the City of Minneapolis of the Renewable Energy Credits (RECs).
8. Capacity to expand solar energy generation at the existing facility.

After consultation with HCE&E committee chair, the staff of Property services requests that there be a staged path to accomplishing the eight goals listed above. The first stage will be an RFP requesting development of a Community Solar Garden that includes the following criteria for evaluation of the responses:

1. Workforce participation from Minneapolis residents and compliance with the Small and Underutilized Business Program (SUBP) goals.
2. Potential cost savings to the City of Minneapolis.
3. Potential ownership by the City of Minneapolis of the Renewable Energy Credits (RECs).
4. A Community Solar Garden up to 1MW_{AC} in size.
5. Reference to Stacked green infrastructure, including pollinator forage, storm water management, or local food growing.

A single Xcel Energy customer can subscribe up to 40% a each Community Solar Garden's output, and the maximum Garden size allowed is 1MW_{AC} of output. This RFP would allow the City to obtain up to 680,000 kWh annually in renewable energy which is 0.7% of the City's total electricity usage in its municipal operations. It would also allow the City to surpass its 2006 goal that the City receives 1000kW of power from renewable energy sources by the end of 2017.

At the completion of the first stage, the staff of Property Services would then develop an additional RFP for a Community Solar Garden that incorporates the criteria for evaluation:

1. Potential availability of subscriptions for Minneapolis residents and businesses, especially low-income people and people of color.
2. Location within the City of Minneapolis, potentially on a City owned site. Possible sites include Currie, the Impound Lot, the East Side Storage and Maintenance, and remaining space at the Convention Center.
3. Potential ownership of the garden by Minneapolis residents, businesses, and property owners

Financial Review:

No additional appropriation required, amount included in current budget.

Future budget impact anticipated.

The cost to a subscriber of a Community Solar Garden is determined by the size of the “bill credit” that is determined each year by the Minnesota Public Utilities Commission. Currently, this credit is equal to or greater than the solar garden subscription price, reducing the subscriber’s overall electricity bill.

Approved by the Permanent Review Committee.

At the direction of the PRC, Property Services staff is to get the original staff direction action modified by the City Council, then bring the draft the RFP to the PRC for the regular approval process.

Meets Small and Underutilized Business Program goals.

Goals have not yet been established for the construction of the Community Solar Garden. These goals will be established by the Civil Rights Department and placed into the RFP for the Community Solar Garden.