

Solar Shining

on

Non-profits

and Municipal Buildings



The Wiscasset Sun CATs Story

- **First meeting – January 15, 2015**
- **Publicity**
 - **table at the 2015 May elections**
 - **140 signatures to support solar on the town buildings**
- **Presented signatures to the new Select Board and the idea of a Power Purchase Agreement**
- **November elections, 2015, provided informational display**

from Damariscotta energy expert Paul Kando's educational presentation at the Wiscasset town offices

Solar PV opportunities – and benefits

- Third party financed solar systems for municipal buildings
 - a more economical system installed **at no public cost**
 - power purchase agreement at agreed price
 - lower / no cost electricity once system is paid for
 - option to purchase system after 7 years at a low price
 - option to "inherit" the system for \$1.00 after 20 years
 - **benefit to local taxpayers: lower utility payments**

Investment opportunities in third party financing of a solar system

investor

- takes 30% federal tax credit

- benefits from net metering –

 - rolling annual credit for power supplied to the grid

- (takes any Maine cash rebate)

- owns and depreciates value of system

- sells power to system-host under 20 year contract

- may sell system to system-host at end of 7 years

- may sell system, to system-host for \$1.00 at end of 20 yr. contract

system- host

- has system installed at no cost

- pays investor for power at agreed rates under 20-year contract

- may purchase the depreciated system at an agreed price

 - after 7 years

- may purchase the system for \$1.00 at end of 20 year term

Dealing with the Select Board



Suggested **Dos** & **Don'ts**

- **Select Board**
- **Town Manager**
- **Town Planner**
- **Planning Board**

Power Purchase Agreements

- Federal energy tax credits for investments in solar energy are set to expire Dec. 31, 2016. When the federal government created the tax credit, municipalities, schools, and nonprofit organizations were excluded.

The power-purchase agreement was a financing method designed to take advantage of the tax credit and enable the excluded organizations to participate in the renewable energy movement.

Through a power-purchase agreement, a for-profit investor would own, operate, and maintain a solar installation for a non-profit organization or municipality excluded from the tax credit, with the ability for the solar host to eventually purchase the installation.

There is no requirement for Wiscasset to purchase the installation, and the town could continue to purchase electricity from ReVision Energy for a nominal savings for a 20-year period with the option to extend the arrangement for two five-year periods.



Professional design, installation and service of solar energy systems.

62 kW Solar PPA Proposal- Town of Wiscasset



Engineer's Rendering of 62 kW Solar Electric System at Town of Wiscasset Public Works Facility and Town Hall

Revision's Proposal to Wiscasset

Taken from 11/18/2015 *Lincoln County News*, "Wiscasset Considers Going Solar"
by Abigail W. Adams

ReVision Energy Director of Finance, Steve Hinchman, outlined the cost and savings projections for the town if it entered into a power-purchase agreement with ReVision Energy for a solar installation on the town office and public works buildings. Through a seven-year power-purchase agreement, ReVision Energy would install, maintain, and operate a 62-kilowatt solar electrical system.

- Wiscasset would purchase the energy produced from the system from ReVision Energy for roughly the same price it currently pays to Central Maine Power Co. for six years.
- On the first day of the seventh year, Wiscasset would have the option to purchase the installation from ReVision Energy and become its own energy producer and supplier.

- The energy payments to ReVision over the previous six years would be directed to reduce the cost of the solar array, which has an estimated cost of \$192,344.
- The system is estimated buy out cost is \$93,352 at year seven.
- With federal energy tax credits for investments in solar energy set to expire Dec. 31, 2016. When the federal government created the tax credit, municipalities, schools, and nonprofit organizations were excluded.

If it chooses to purchase the installation, the town could see **energy savings of \$72,037 over 20 years.**

Over 40 years, the town could see savings as large as \$563,208, according to ReVision Energy's proposal.

The project would enable Wiscasset **to reduce its carbon emissions by 40 tons a year.**

The proposal would require voter approval and selectmen must now decide if it will be included on the warrant for the 2016 annual town meeting. With ReVision Energy's services in high demand, the company expects to sell out of its ability to install solar arrays for 2016 by June or July of that year.

Whether solar installations on Wiscasset's town office and public works buildings will be among the projects ReVision Energy completes **remains to be seen.**

The Morris Farm a not-for-profit PPA



This project was approved quickly because they were dealing with a board of trustees who are environmentally-inclined, instead of a board of selectpersons who have the opinions of a whole town to consider.

Other Considerations

- **Keep going**
- **Follow up**
- **Don't get discouraged**
- **Earth needs your energy**

