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Community Solar Gardens, A Case Study

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States with Policies Promoting Community Solar Gardens

- Washington
- Oregon
- Hawaii
- California
- Colorado
- Minnesota
- Illinois
- North Carolina
- New York
- Connecticut
- Delaware
- Rhode Island
- Massachusetts
- Vermont
- New Hampshire
- Maine
- Washington D.C.

City of Saint Paul



- Saint Paul has 304,442 residents
- City Attorney, Lyndsey Olson
- City Attorney's Office has 42 attorneys, 15 advise City Departments (remainder are prosecutors and civil litigators)

Public Housing Agency



- Approximately 21,000 residents receive either a public housing or Section 8 subsidy through the Saint Paul Public Housing Agency.

Public Housing Agency

- Public Housing is an independent governmental entity created by the Minnesota Legislature in 1977
- Since its inception it has contracted with the City Attorney's Office for all its legal services
- Public Housing pays for 3.5 attorneys plus 25% of their cost as overhead to the City Attorney's Office

Public Housing Agency

1. Public Housing

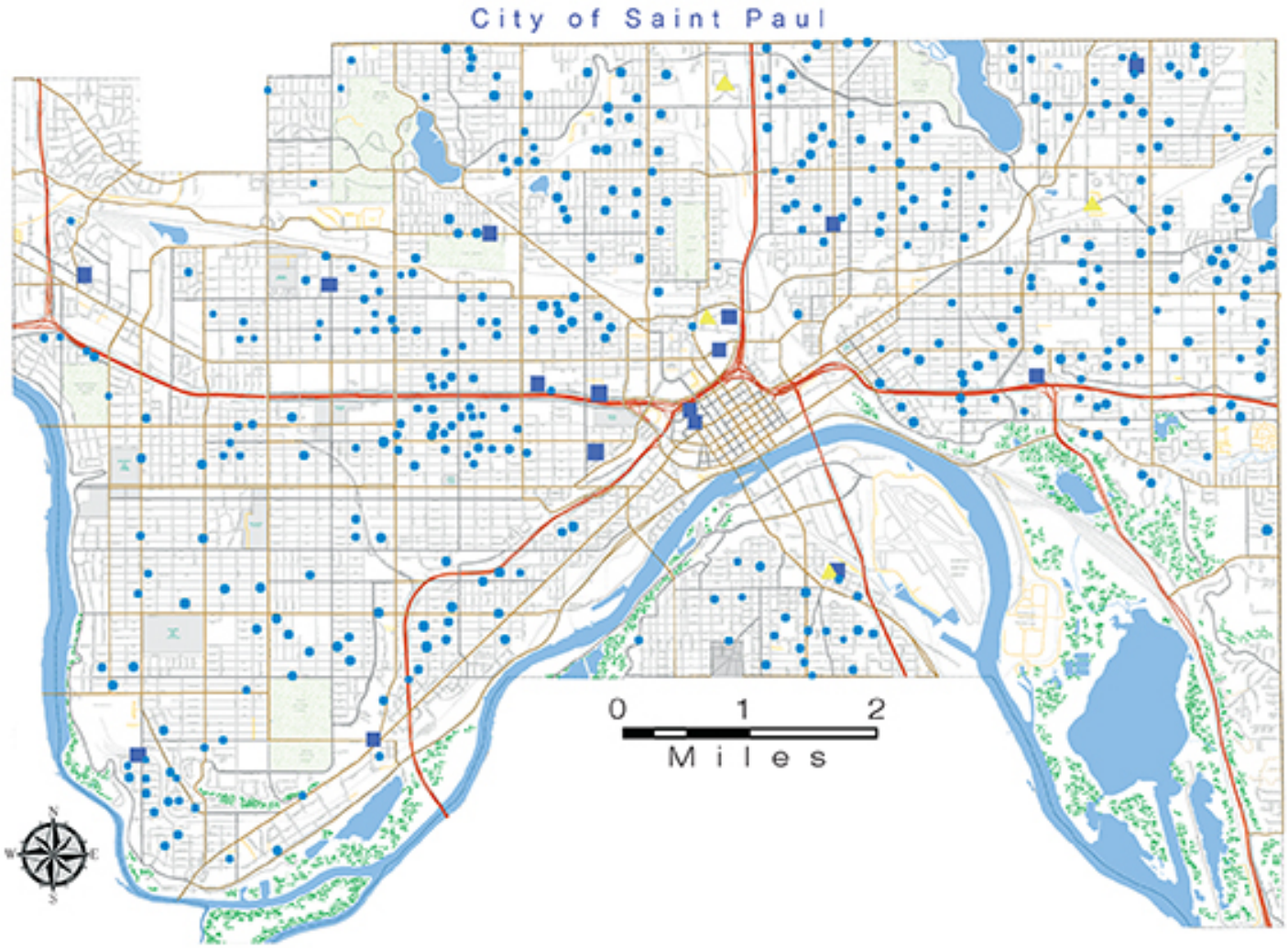
   (4262 units)

2. Section 8/ Housing Choice Vouchers

   (4619 vouchers)



"High Performer" PHA for 25 consecutive years; providing 8000+ affordable homes to over 21,000 people.



The insured value of the PHA's property is $659 million.

Public Housing Units	
● Family Scattered Site Housing Units	402
■ Hi-Rise Units	2,554
▲ Family Development Units	1,306
Total Public Housing Units	4,262
Total Section 8 Units	4,619
Total PHA-Owned and Section 8 Units	8,881





Roosevelt Homes



Dunedin Terrace

1708 FAMILY UNITS



McDonough Homes



Mt. Airy Homes



Valley Hi-Rise



Neill Hi-Rise



Ravoux Hi-Rise

_2554_ Units in 16 buildings

Montreal Hi-Rise





Central Hi-Rise



Cleveland Hi-Rise



Dunedin Hi-Rise



Edgerton
Hi-Rise



Exchange Hi-Rise



Front Hi-Rise



Hamline Hi-Rise



Iowa Hi-Rise



Mt. Airy Hi-Rise



Seal Hi-Rise



Wabasha Hi-Rise



Wilson Hi-Rise



W. A. Boss Central Administrative Office
555 N. Wabasha St., St. Paul, Minnesota

Why Community Solar Gardens?

- Why is the PHA interested in renewable energy (community solar gardens)?
- What are the benefits the PHA saw in community solar gardens?
- What are some of the barriers the PHA faced when seeking to join community solar gardens?

St. Paul PHA: Leading in “Green Initiatives”

- We use energy audits to guide improvements (lighting, toilets, etc.)
- Recovery Act funding for one roof-top solar installation (heats domestic hot water)
- LED retro-fit project underway
- Resident Initiatives Department’s healthy living, bikes for kids, etc.
- Longstanding practice of community gardens
- Resident recycling programs
- Roof-top bee colony
- Community Solar Garden (CSG) subscription agreement



How did the PHA learn about CSG?

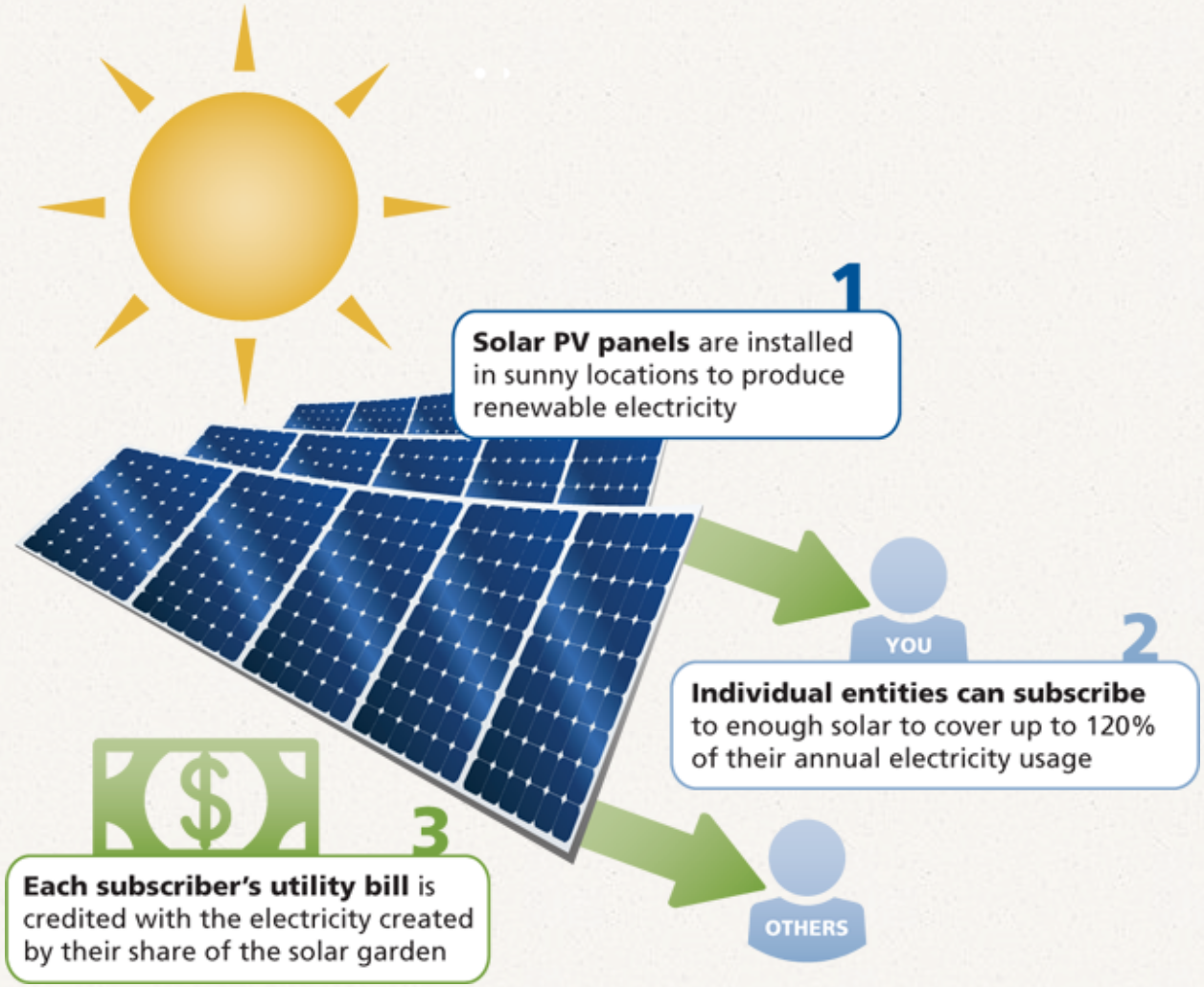
- Unsolicited calls by developers
- Need for an anchor tenant (40% of the electricity)
- Others solicited; EcoLab Inc., Macalester College, St. Olaf College.

Community Solar Garden Opportunity



- CSG program created by the 2013 Minnesota Legislature and approved by the Public Utilities Commission in 2014

How Community Solar Gardens Work



Source: Clean Energy Resource Teams CERTs Guide to Community Solar Gardens (free download)
https://www.cleanenergyresourceteams.org/sites/default/files/CERTs_CommunitySolarGuide_2016.pdf

How Community Solar Gardens Work

- Xcel Energy customers subscribe to a CSG in exchange for credit on their monthly energy bill
- The subscriber then pays the CSG (less the negotiated reduction rate, e.g., $0.01)
- The subscriber pays $0.99 for what previously cost $1.00

Benefits of Community Solar Gardens

- Energy cost reduction



- Support new renewable energy development



Request for Proposals and choosing Community Solar Garden providers

- PHA sought proposals
- Three providers responded to the RFP
- The PHA hired engineering professionals to help it choose the best CSG partner
- The PHA assessed the proposals and chose Geronimo Energy (later purchased by Berkshire Hathaway Energy)

Community Solar Garden Subscription Agreement

- Negotiate the Agreement (25 year agreement)
- Apply for and obtain approval from HUD to enter into the Agreement
  - HUD approval required only because chapter 12.2 (I) of HUD Handbook No. 7460.8 REV 2 (2/2007): "prior approval from a local field office is required for contracts that exceed five years."
  - Chapter 12.2 (I) also states "to approve terms in excess of five years, Field Offices must determine there is no practical alternative."

Community Solar Garden Subscription Agreement

- PHA not required to make upfront payment under Solar Garden Contract
- Berkshire Hathaway Energy is able to offer discounted rates and finance its operations by executing long term subscription agreements with its customers
- The significant annual savings that the PHA stood to realize under the Contract were largely the result of the contract's 25-year duration

Community Solar Garden Subscription Agreement

- There is no practical alternative means of achieving the rate reduction, energy savings, and environmental benefits contemplated under the Solar Garden Contract (and State Statute) without a contractual period of longer than five years
- As there is no practical alternative, the (in this case, Minneapolis) HUD Field Office approved the PHA's 25-year Solar Garden Contract

Community Solar Garden Subscription Agreement

- The PHA's CSG contract is simply an agreement to purchase a portion of the PHA's electricity from an alternative energy provider at a rate below what it is paying currently.

Community Solar Garden Subscription Agreement

- PHA was set to save over $183,000 per year (or $4.58 million over 25 years)
- Providing 85% of the electrical power at our 16 hi-rises and the CAO

Not so fast!

- In June of 2015, the Minnesota Public Utilities Commission revised the CSG requirements and established new regulations, which reduced the size of the CSG to one megawatt and restricted independent energy developers to co-locate up to five CSG
- The scope of the PHA's subscription agreement had to be redefined (and slightly reduced)

Community Solar Gardens - New Agreements

- PHA will now save $120,000 per year (or $3.25 million over 25 years)
- In hand savings for calendar year 2017, $112,000
- Providing 100% of the electrical power at 10 hi-rises and a portion of the Central Office

CSG Results

BHE Renewables

Contract 15-086 (A-Y)
(25 year contracts)

Statement No.	8019375
Statement Date	08/11/17
Date Statement Rec'd	08/22/17
Statement Due Date	10/10/17

Contract#	Garden	Garden #	Hi-rise	AMP	XCEL Account #	Premise No.	Garden Generation	Garden Allocation	Allocated Generation	BHE rate	Billing	credits to be received from XCEL	XCEL credited rate 0.1230 XCEL credit confirmed	PHA retains
15086A	*Rosemount 1*	*SRC038290*	Front	2			202,237	40.0%	80,895	0.1105	8,935.66	9,946.85	9,946.83	1,011.17
15086B	*Rosemount 2*	*SRC038295*	Front	2			206,147	11.6%	23,913	0.1105	2,641.43	2,940.34	2,940.35	298.92
15086C	*Rosemount 2*	*SRC038295*	Hamline	2			206,147	28.4%	58,546	0.1105	6,466.99	7,198.82	7,198.79	731.80
15086D	*Rosemount 3*	*SRC038296*	Hamline	2			208,566	39.4%	82,175	0.1105	9,077.05	10,104.24	10,104.24	1,027.19
15086E	*Rosemount 3*	*SRC038296*	Edgerton	3			208,566	0.6%	1,251	0.1105	138.19	153.82	153.87	15.68
15086F	*Rosemount 4*	*SRC038302*	Edgerton	3			200,672	40.0%	80,269	0.1105	8,866.51	9,869.88	9,869.86	1,003.35
15086G	*Rosemount 5*	*SRC038304*	Edgerton	3			188,981	34.3%	64,820	0.1105	7,160.02	7,970.27	7,970.33	810.31
15086H	*Rosemount 5*	*SRC038304*	Iowa	3			188,981	5.7%	10,772	0.1105	1,189.88	1,324.53	1,324.52	134.64
15086I	*Ursa 1*	*SRC038311*	Iowa	3			202,507	31.7%	64,195	0.1105	7,090.98	7,893.42	7,893.38	802.40
15086J	*Ursa 2*	*SRC038327*	Iowa	3			202,925	12.5%	25,366	0.1105	2,801.93	3,119.00	3,118.96	317.03
15086K	*Ursa 2*	*SRC038327*	Wilson	3			202,925	19.2%	38,962	0.1105	4,303.74	4,790.77	4,790.72	486.98
15086L	*Ursa 3*	*SRC038337*	Wilson	3			183,634	31.7%	58,212	0.1105	6,430.10	7,157.75	7,157.75	727.65
15086M	*Ursa 4*	*SRC038344*	Wilson	3			198,802	5.5%	10,934	0.1105	1,207.77	1,344.44	1,344.46	136.69
15086N	*Ursa 4*	*SRC038344*	Mt Airy	5			198,802	26.2%	52,086	0.1105	5,753.42	6,404.49	6,404.51	651.09
15086O	*Ursa 5*	*SRC038416*	Mt Airy	5			196,471	25.9%	50,886	0.1105	5,620.87	6,256.94	6,256.94	636.07
15086P	*Ursa 5*	*SRC038416*	Valley	5			196,471	5.8%	11,395	0.1105	1,258.69	1,401.13	1,401.17	142.48
15086Q	*Northfield 1*	*SRC038303*	Valley	5			202,479	40.0%	80,992	0.1105	8,946.38	9,958.78	9,958.73	1,012.35
15086R	*Northfield 2*	*SRC038377*	Valley	5			201,092	9.6%	19,305	0.1105	2,132.43	2,373.74	2,373.73	241.30
15086S	*Northfield 2*	*SRC038377*	Seal	2			201,092	30.4%	61,132	0.1105	6,752.64	7,516.79	7,516.79	764.15
15086T	*Northfield 3*	*SRC038380*	Seal	2			185,042	16.7%	30,902	0.1105	3,413.43	3,799.71	3,799.71	386.28
15086U	*Northfield 3*	*SRC038380*	Exchange	6			185,042	23.3%	43,115	0.1105	4,762.48	5,301.42	5,301.40	538.92
15086V	*Northfield 4*	*SRC038386*	Exchange	6			190,918	40.0%	76,367	0.1105	8,435.50	9,390.09	9,390.11	954.61
15086W	*Northfield 5*	*SRC038388*	Exchange	6			200,018	6.4%	12,801	0.1105	1,414.00	1,574.01	1,574.03	160.03
15086X	*Northfield 5*	*SRC038388*	Wabasha	6			200,018	25.2%	50,405	0.1105	5,567.74	6,197.80	6,197.74	630.00
15086Y	*Northfield 5*	*SRC038388*	CAO	n/a			200,018	8.4%	16,802	0.1105	1,855.95	2,065.97	2,065.91	209.96
									Amount Due		**122,223.78**	136,054.99	136,054.83	13,831.05
													variance within pennies	after credits are received

CSG Results

30,902	0.1105	3,413.43	3,799.71	3,799.71	386.28
43,115	0.1105	4,762.48	5,301.42	5,301.40	538.92
76,367	0.1105	8,435.50	9,390.09	9,390.11	954.61
12,801	0.1105	1,414.00	1,574.01	1,574.03	160.03
50,405	0.1105	5,567.74	6,197.80	6,197.74	630.00
16,802	0.1105	1,855.95	2,065.97	2,065.91	209.96
Amount Due		**122,223.78**	136,054.99	136,054.83	13,831.05
			variance within pennies		after credits are received

Community Solar Garden Subscription Agreement

- The CSG subscription agreement achieves utility cost savings under a community purchase program and is eligible for Rate Reduction Incentives under 24 C.F.R. 990.185(b) without the need for a regulatory waiver of 990.185 (a)
- Significant in that the PHA can retain 50% of the cost savings for 25 years versus the standard utility subsidy calculation of savings retained/reduced over a 3 year period.
- We hope our “first in the nation” CSG HUD approval process will pave the way for other PHAs and HUD multifamily projects to participate in this opportunity.

Community Solar Gardens – City Agreements

- Metropolitan Council submits RFPs on behalf of 42 public entities in seven county metropolitan area
- Lottery held to allocate subscription capacity to various entities
- City of Saint Paul allocated a portion of 3 separate gardens and is saving over $100,000 per CSG subscription over the contract period.



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PUBLIC HOUSING AGENCY

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