



## COUNCIL DECISION REQUEST

SUBJECT: Selection of a Qualified Provider for the Grid Tied Photovoltaic Solar Electric Generation Facilities on Town Property

MEETING DATE: 11-27-12

SUBMITTED BY: LaRon Garrett,  Asst. Town Mgr.

SUBMITTAL TO AGENDA  
APPROVED BY TOWN MANAGER

AMOUNT BUDGETED: \$0

EXPENDITURE REQUIRED: \$0

  
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EXHIBITS (If Applicable, To Be Attached):

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### **POSSIBLE MOTION**

I move to select Edwards Design Group, Inc. in Partnership with Dependable Solar Products as the Qualified Provider for the three identified solar electric generation facilities on Town property and authorize the Mayor to sign the necessary documents with the Qualified Provider and with Arizona Public Service for each of the projects.

### **SUMMARY OF THE BASIS FOR POSSIBLE MOTION:**

In August, 2012 the Town submitted an application to Arizona Public Service (APS) to be considered for inclusion in the "APS 2012 Schools and Government Production Based Renewable Energy Incentive Program". In a letter dated October 12, 2012, APS notified the Town that they had reserved funding for three projects owned by the Town.

The projects that were approved in this reservation of funding are for the installation of grid tied photovoltaic systems to provide a portion of the electrical requirements to (1) Fire Station No. 11; (2) Payson Town Hall; and (3) Payson Police Station. It is anticipated that the photovoltaic cells will be on the roof of Fire Station No. 11 and on parking shade structures for the Town Hall Building and the Police Station.

Funds paid by APS in this agreement will go to the project provider as an incentive to construct the project. The Town's benefit will be in lower energy costs over the 20 year life of the project. This bid is based on no capital costs for the Town.

In October, 2012, the Town Council directed staff to issue a Request for Proposals to select a Qualified Provider for three solar electric generation facilities on Town property and authorize the Mayor to sign the Solar Renewable Energy Credit Purchase Agreement for Grid-Tied Photovoltaic System for each of the three projects.

The project was advertised in the Payson Roundup on October 25 and November 2, 2012. Twenty six copies of the Bid Documents were requested with bids being due by 2:00 PM on November 20, 2012. We

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received 3 bids at that time. The bids provided the cost the Town will pay per kilowatt-hour of electricity from the qualified provider for the next 20 years. A summary of the bids is as follows:

Bidder	kWh Cost	Annual Escalator
Edwards Design Group, Inc. in Partnership with Dependable Solar Products, Inc.	\$0.085	0%
Sun Renu Solar	\$0.085	1%
Ace Solar Systems	\$0.080	3%

Based on the assumption that APS rates will continue to increase as projected, the bid from Edwards Design Group, Inc. in Partnership with Dependable Solar Products, Inc. reflects a potential savings to the Town of around \$250,000 over a twenty year period. If the APS rates do not increase but remain constant over the next twenty years the Town would still save about \$65,000 with this bid. The initial power cost from Ace Solar Systems would be less expensive but in less than nine years the overall savings would be reduced below that provided by Edwards Design Group due to the 3% escalation factor.

Therefore, based on the submitted bids, if the Council decides to move forward with these solar projects, Edwards Design Group, Inc. in Partnership with Dependable Solar Products, Inc. appears to be the lowest responsible responsive bidder to be the Qualified Provider for the for three grid tied photovoltaic electric generation facilities on Town property.

**PROS:**

This has the potential of reducing energy costs for the Town.

**CONS:**

It will add parking structures in the Town Hall parking lot that could become an obstruction.

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**FUNDING:**

Acct:	Budget:	Available:	Expense:	Remaining:
Acct:	Budget:	Available:	Expense:	Remaining:
Acct:	Budget:	Available:	Expense:	Remaining:

FM: \_\_\_\_\_ Date: \_\_\_\_\_