



## Legislation Text

**File #:** 0210-2021, **Version:** 1

**BACKGROUND:** This legislation authorizes the Director of Public Utilities to enter into a letter of intent and negotiate solar power purchase agreements for the Division of Power with DG Development & Acquisition, LLC, a Delaware limited liability company ("DG Development"); authorizes the Director of Public Utilities to enter into associated interconnection agreements; authorizes the Director of Finance to enter into license or lease agreements for selected Department of Public Utilities sites; and waives provisions of Columbus City Code relating to award of contracts through the RFP process.

DG Development was selected for award of these contracts through an RFP process, in which the Director of Public Utilities sent out a request for proposals to potential solar vendors for solar power purchase agreements at three Department of Public Utilities' sites: the Parsons Avenue Water Plant, Jackson Pike Wastewater Treatment Plant, and the Sewer Maintenance Building.

The Department of Public Utilities will enter into a letter of intent with DG Development that will include a 120 day exclusivity period in which the Department of Public Utilities will not solicit, initiate, entertain, discuss or encourage submission of any other proposal or offer for the installation of any system or the sale of solar energy at or near the Department of Public Utilities sites specified in the letter of intent and certain confidentiality provisions. These provisions are in our customers' best interest to provide DG the certainty needed to expend resources on interconnection and environmental studies to determine solar installation design, capacity, and power purchase price.

The Department of Public Utilities will negotiate power purchase agreement terms and conditions with DG for Department of Public Utilities sites, DG Development will secure financing for, install, and operate solar systems at the Department of Public Utilities sites, and DG Development will sell the energy generated and environmental attributes from the solar systems to the Department of Public Utilities, Division of Power.

The Department of Public Utilities seeks to waive the competitive bidding provisions of City Code relating to award of contracts to allow the Department to select alternative sites in lieu of one or more of the sites listed above so that the most beneficial design, capacity, and power purchase price can be selected. This ordinance does not require the Director of Public Utilities to execute a contract with DG if the negotiation and due diligence process does not produce pricing/terms and conditions that serve the best interest of the City and its customers.

**CONTRACT COMPLIANCE #:** (CC033378)

DG Development & Acquisition, LLC | Tax ID#: 84-1880021 | Vendor CC#: 033378, MAJ, expires on 8/26/2022

**FISCAL IMPACT:**

There is an expenditure of \$1.00 associated with this ordinance to allow the Director of Public Utilities the authority to enter into the letter of intent and solar power purchase agreement for the supply of power to the Division of Power. Ordinances will be submitted yearly to fund any planned phases of the contract.

**EMERGENCY DESIGNATION:**

This ordinance is requested to be an emergency measure to allow negotiations and due diligence to begin at the earliest possible date.

To authorize the Director of Public Utilities to negotiate and enter into a letter of intent, and to negotiate and enter into solar power purchase agreements for the Division of Power; to authorize the Director of Public Utilities to enter into interconnection agreements; to authorize the Director of Finance to enter into license or lease agreements for selected Department of Public Utilities sites; to waive the competitive bidding provisions of Columbus City Code; to authorize the expenditure of \$1.00 from the Electricity Operating Fund for each agreement; and to declare an emergency.

**WHEREAS**, the City of Columbus, Department of Public Utilities is committed to taking steps to mitigate and adapt to our community's changing climate; and

**WHEREAS**, Mayor Ginther announced the City's goal to reduce greenhouse gas emissions from municipal operations by 40% by the year 2030 from year 2005 baseline levels and to explore a 100% renewable energy portfolio for municipal operations; and

**WHEREAS**, renewable energy procurement from solar power installations at Department of Public Utilities sites will help to achieve this goal while also reducing greenhouse gas emissions, creating local public health benefits, and providing economic opportunity to the Columbus community; and

**WHEREAS**, it is in the best interest of the City to authorize the Director of Public Utilities to negotiate a letter of intent and power purchase agreement terms for a term of up to thirty years; and

**WHEREAS**, it is advisable to allow the Department to consider and potentially select alternative sites in lieu of one or more of the sites listed in the advertised RFP in order to secure the best combination of contract terms and pricing; and

**WHEREAS**, it is necessary for the Director of Finance to enter into license or lease agreements for the real property on which the solar installations will be located; and

**WHEREAS**, it is necessary for the Director of Public Utilities to enter into interconnection agreements to support the solar installations; and

**WHEREAS**, it is necessary to waive the competitive bidding provisions of Columbus City Code relating to selection using the request for proposal process to allow for flexibility in site locations; and

**WHEREAS**, an emergency exists in the usual daily operation of the Division of Power, of the Department of Public Utilities, in that it is immediately necessary to authorize the Director to negotiate and enter into a letter of intent and negotiate and enter into solar power purchase agreements to begin at the earliest possible date, for the immediate preservation of the public health, peace, property, and safety, now, therefore:

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:**

**SECTION 1.** That this Council finds it is in the best interest of the City to waive, and does hereby waive, the competitive bidding provisions of Chapter 329 of the Columbus City Codes relating to awarding contracts through the request for proposal process.

**SECTION 2.** That the Director of Public Utilities is hereby authorized to negotiate and enter into a letter of intent, and to negotiate and enter into solar power purchase agreements for the Division of Power in the amounts of one dollar (\$1.00).

**SECTION 3.** That the Director of Public Utilities is hereby authorized to negotiate and enter into any necessary interconnection agreements to support the solar installations.

**SECTION 4.** That the Director of Finance is hereby authorized to negotiate and enter into license or leases agreements

for the real property on which the solar installations will be located.

**SECTION 5.** That this ordinance does not require the Director of Public Utilities to execute a contract if the negotiation process does not produce pricing/terms and conditions that serve the best interest of the City.

**SECTION 6.** That the expenditure of \$1.00, or so much thereof as may be needed, is hereby authorized in Fund 6300 Electricity Operating Fund, in object class 02 Supplies & Materials per the accounting code in the attachment to this ordinance.

**SECTION 7.** That for the reasons states in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten days after the passage if the Mayor neither approves nor vetoes the same.