



TOWN OF MINTO

DATE: August 31, 2016
REPORT TO: Mayor and Council
FROM: Bill White, CAO/Clerk
SUBJECT: Feed in Tariff Agreements, IESO Contract Offers

STRATEGIC PLAN:

10.11 In partnership with private business host solar power initiatives on Town land that encourage local investment keeping in mind community impacts, and Provincial policy. Support on a case by case basis investment in solar energy on private lands where compatible with community interests are addressed.

BACKGROUND

At the July 19, 2016 meeting Council was advised that the following eight solar sites on municipal properties would receive contract offers under Fit 4.0.

1) Town Municipal Office	60kW	Roof Top Unit (Maintenance Bldg)
2) Clifford Arena	100 kW	Roof Top Unit
3) Clifford Sewage Treatment Plant	250 kW	Ground Mounted
4) Greenbush Park	100 kW	Ground Mounted
5) Harriston Arena	250kW	Roof Top Unit
6) Harriston Sewage Plant	250 kW	Ground Mounted
7) Palmerston Arena	200kW	Roof Top Unit
8) Palmerston Industrial Stormwater pond	250 kW	Ground Mounted

Council then passed the following resolution:

MOTION: COW 2016-186

THAT Council receives the C.A.O. Clerk's July 14, 2016 report Fit 4.0 Solar Installation Contract Offer, Municipal Properties, and that Arntjen (SunSaver) continue to supply to the Town information about public engagement, roof structure, firefighting technology, pricing, layout and similar information needed to sign a purchase and finance or similar agreement.

The Town has received the eight contract offers from the IESO for the approved sites. The offers consist of a FIT contract page which must be signed as well as a standar contract which is 132 pages in length. The contract page is to be signed, without amendment, and returned to the IESO within 20 business days. A by-law is on the agenda today authorizing the Mayor and Clerk to sign the contract page and any other related agreements and documentation with the IESO.

It is proposed the Mayor, Treasurer and C.A.O. Clerk review the agreements with Arntjen Solar representatives before signing. While the agreements are highly technical they are the same format being used across Ontario. The following summarizes general content of the agreements:

Article 1: 398 different definitions, interpretation, enforcement, entirety of agreement, applicable law etc. specific definitions are set out in Appendix one

Article 2: construction requirements, good engineering, supplier rules, tendering, reporting protocols, connection to grid, notices, milestone reporting, operations, insurance, environmental rules,

Article 3: contract payment, settlement, tax responsibility, suppliers not residing in Ontario,
Article 4: statements, rules for market and non-market participants, interest payments, payment records
Article 6: responsibilities of suppliers (Town and Arntjen), sponsor (IESO)
Article 7: confidentiality, freedom of information,
Article 8: term is the 20th year following the commercial operation date (power starts flowing)
Article 9: termination clauses, default provisions, damages etc.
Article 10: natural causes section, definition, exclusions
Article 11: lender's rights, suppliers and sponsors to cooperate
Article 12: actions by Provincial government, consequences and remedies
Article 13: liability and indemnification clauses, joint and several liability
Article 14: audits and inspections, notice
Article 15: dispute resolution, arbitration
Article 16: change of ownership, terms of consent,
Article 17: provisions for community, aboriginal, municipal projects
Article 18: miscellaneous, survival benefits
Exhibits A through E project type (roof top, ground mount, bio-gas, solar, wind etc. connection details, arbitration rules; screening requirements

COMMENTS:

After the contract offers are signed with the IESO, the Town and Arntjen (SunSaver) will negotiate an agreement to specify technical and financial obligations of the parties. In the case of microFIT projects (under 10kWatts) already placed on Town properties, the parties signed an Equipment Lease Agreement. The Town leases the solar equipment from SunSaver and in return pays to them 90% of the revenue. The Town retains 10%. SunSaver is responsible for equipment installation, operation, maintenance and repair, while the Town consents to access to municipal properties and buildings needed to connect and maintain the panels. The Town will act as host, receive payments from the IESO and reimburse Arntjen (SunSaver) who will provide technical expertise and setup.

Rooftop units are to be installed within 18 months and ground mounts within three years. SunSaver's engineer has looked at the roof structures of town buildings (three arenas and municipal office shop), and is finalizing a report which will be provided to Council. Arntjen (SunSaver) has assured staff the technology to shut off the panels for firefighting purposes is included at the Harriston Fire hall microFIT installation, and will be used for rooftop units during FIT 4.0. This will be required in the equipment lease agreement.

FINANCIAL CONSIDERATIONS:

The Town anticipates annual returns for hosting the sites in the range of \$100,000 annually subject to verification in the final equipment lease agreement.

RECOMMENDATION:

THAT Council receives the C.A.O. Clerk's August 31, 2016 report Feed in Tariff Agreements, IESO Contract Offers, and considers a by-law authorizing the Mayor and Clerk to sign IESO contract offers and related documentation to proceed with Fit 4.0 solar installations, and that an equipment lease agreement with Arntjen Solar (SunSaver) return to Council for final approval.

Bill White, C.A.O. Clerk