



## TOWN OF MINTO

DATE: February 16, 2017

REPORT TO: Mayor and Council

FROM: Bill White, C.A.O. Clerk

SUBJECT: Equipment Lease Agreement, SunSaver 2 FIT 4.0

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### **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**

In 2011 the Town selected KW Power Logic (and related companies Arntjen Solar, SunSaver 2) to enter into negotiations for 10kWatt microFIT solar installations. In 2012 the Town signed a Purchase and Financing Agreement with Sun Saver 2 to install the microFIT projects at nine locations. In 2014 the parties changed to an Equipment Lease Agreement for these installations to help address the Company's business and financial structure. The Town's share of that revenue is 10% or about \$9,000 per year.

Since 2013 the Town and its solar partner have applied for eight new sites under FIT versions 2.1, and 3.0. The Town was successful in FIT 4.0 and received contract offers from the independent Electricity System Operator in 2016 for the following sites:

1) Town Municipal Office	5941 Highway 89	50kW	Roof Top Unit
2) Clifford Arena	2 Brown Street South	100 kW	Roof Top Unit
3) Clifford Sewage Treatment Plant	43 James Street East	250 kW	Ground Mount
4) Greenbush Community Park	5576 Highway 9	100 kW	Ground Mount
5) Harriston Arena	111 George Street South	250kW	Roof Top Unit
6) Harriston Industrial Sewage Plant	83 William Street West	250 kW	Ground Mount
7) Palmerston Arena	520 Caven Street	250kW	Roof Top Unit
8) Palmerston Road Works and Industrial Stormwater pond	Minto Road	250 kW	Ground Mount

In August 2016 Council considered a staff report on standard contracts proposed the IESO required the Town sign. The contracts specify how the projects proceed to meet IESO's rules and the following resolution was adopted:

**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.**

This report outlines terms of the equipment lease agreement so SunSaver can proceed with installations. Permit submissions for the municipal office garage rooftop unit will go ahead

as soon as the equipment lease agreement is signed. Roof top units can proceed without a further public process, but ground mount locations will require a public input.

### **COMMENTS:**

The following summarizes the Equipment Lease Agreement which is modelled on the same agreement used for the microFIT installations:

- a) Town (Lessee) to supply power to IESO by leasing SunSaver2 (Lessor) equipment.
- b) Effective February 28, 2017 running for 20 years with potential, 5 year extension.
- c) Lease payments are 95% to SunSaver 2 with Town retaining 5%.
- d) Section 6 allows the Town to purchase the Equipment for \$1 after the term of the agreement, or the Company is to remove and restore the land.
- e) Section 7 requires the Town to provide space on its land for the Company to install equipment, make sure the area is free of obstructions to allow maximum sun exposure, allow for connections to be made, and not incur liens on the property.
- f) Section 8 requires the Company to install and maintain the equipment including “up to date technology with respect to firefighting so that the Equipment can be safely shut off or otherwise decommissioned by firefighters”. Also requires engineer’s report for rooftop installation to ensure the structure or membranes are not affected.
- g) Requires link to Town website to show how solar panels improve the environment, and parties to work together on design and interpretation around panels at Greenbush which are lands donated to the municipality by the Fulton family.
- h) Section 9 outlines insurance requirements for each party
- i) Legal wording around warranties (Sections 10 and 11), Default (Sections 12 and 13), and Remedies Section 14. These were vetted through legal counsel in the microFIT agreement and have not been altered
- j) Section 15 clarifies rights and title to the equipment (It is now more clearly SunSaver 2’s), and to the land which is the Town’s.
- k) Section 16 through 18 regarding notice, future rights and other legalities.

The agreement allows the Town to support the investment with no public funds involved. Greenbush is a concern although staff and the Fulton family are in touch regarding the solar installation. Their concern is the donation in the mid 1950’s was for a ball diamond, but they are willing to look at other ideas for the park now that the land is not used as a playing field. A meeting will be scheduled this spring to discuss alternatives.

### **FINANCIAL CONSIDERATIONS:**

The Town receives over \$9,000 per year for the microFIT lease, and is projected to earn over \$31,000 per year from the FIT installations when complete. The return on the FIT program is lower than the microFIT program because the IESO rebate on hydro is much lower than in 2012. Over a 20 year period total revenue to the Town will be over \$800,000. If the parties secure grants for certain costs or low interest financing the Town’s share can increase.

### **RECOMMENDATION:**

That Council receives the CAO Clerk’s report dated February 16, 2017 regarding the Equipment Lease Agreement, SunSaver 2 FIT 4.0 Installations and that a By-law in regular session authorizing the Mayor and Clerk to sign the agreement be brought forward at the next meeting.

Bill White, C.A.O. Clerk