



TOWN OF MINTO

DATE: March 14, 2018
REPORT TO: Mayor and Council
FROM: Bill White, C.A.O. Clerk
SUBJECT: Property Liability FIT 4.0 Solar Panels on Town Lands

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

This report is to consider adding the solar panels to the Town's property liability in its insurance program with JLT. March 7, 2017 Council approved an Equipment Lease Agreement with SunSaver 2 for FIT 4.0 solar installations 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 <u>Caven</u> Street	250kW	Roof Top Unit
8) Palmerston Road Works and Industrial <u>Stormwater</u> pond	Minto Road	250 kW	Ground Mount

Some of the terms of the 20 year agreement with SunSaver as outlined previously included:

- Town supplies power from the panels to IESO using equipment leased from SunSaver2.
- 20 years with potential, 5 year extension.
- Lease payments are 95% to SunSaver 2 with Town retaining 5%.
- Town buys equipment for \$1 at end of the agreement or SunSaver removes/restores.
- Town provides space free of obstructions to allow maximum sun exposure etc.
- Equipment has technology so firefighters can safely shut off or decommission.
- Engineer's report for rooftop installation to protect structure or membranes.
- Website links shared regarding solar power benefits. Parties to work together on design and interpretation for Greenbush panels (lands donated by the Fulton family).
- *Section 9 outlines insurance requirements for each party*
- Legalities re: warranties etc. vetted by legal counsel in previous agreements.

COMMENTS

The equipment lease agreement allows the Town to support investment in solar with no public funds involved. The estimated value of all solar installations when finished on the eight sites is about \$3 million. Rooftop units are installed and generating power at the

Minto Municipal Office Public Works Shed, and are also installed at the Clifford, Harriston and Palmerston Arena. These sites should also be fully commissioned shortly.

SunSaver priced property coverage for the panels through various carriers including JLT. If Council agreed to cover the panels through the Town's property policy, the premium is about \$3,000 less per year. Property coverage premiums are to be paid by SunSaver under the equipment lease agreement based on the following sections:

9.0 Insurance

a) The Lessor shall at its sole cost and expense and for the Lease Term and any renewals insure the Equipment with companies qualified to do business in the Province of Ontario against all risks, including extended coverage, flood and earthquake, in an amount equivalent to the full replacement cost of each of the Facilities.

b) The Lessee shall at its sole cost and expense for the Lease Term and any renewals, keep in full force and effect, a policy of public liability and property damage insurance with companies qualified to do business in the Province of Ontario with respect to the Facilities and Properties, in which the limit of public liability shall be \$5,000,000.

c) The insurance policies shall name the other party as an additional insured and loss payee and require that the other party be provided with at least thirty (30) days prior written notice of any change in or cancellation of the policy. At the other party's request, the insuring party shall provide the other party with a certificate of insurance or other satisfactory evidence that such coverage is in effect. If any such insurance policy includes a co-insurance provision, the other party shall cause the same to be waived or maintain a sufficient amount of insurance to meet the requirements of the co-insurance provision. The parties will take all necessary steps to recover insurance proceeds.

Town liability under 9.0 c) is covered under its current JLT policies for situations where activities on Town lands somehow damage solar panels. SunSaver carries liability coverage in case the solar panels somehow damage Town property. Property coverage is for damage to solar panels for any reason outlined in Section 9.0 a). A \$3,000 savings in insurance premiums over 20 years is significant, but Council any claim to repair the panels under the property coverage would increase premiums to help cover the loss in property.

FINANCIAL CONSIDERATIONS:

The Town is projected to earn over \$31,000 per year from the eight FIT installations when complete. Over a 20 year period total revenue to the Town will be over \$800,000. SunSaver has agreed that the Town would receive the estimated \$3,000 savings per year if JLT provides the property coverage through the municipal policy.

RECOMMENDATION:

That Council receives the CAO Clerk's March 14, 2018 report Property Liability, FIT 4.0 Solar Panels on Town Lands, and Council confirms property coverage for the solar panels can be included in the Town policy with JLT provided the Equipment Lease Agreement for the FIT 4.0 Installations is amended to deal to direct reduced premium costs to the Town and provisions for increased premiums if a claim is made for the panels.

Bill White, C.A.O. Clerk