

Follow-Up Items
City Council Action Review and Business Meeting
Monday, Oct. 28, 2019

Agenda Item	Requestor	Mayor and Council Questions	City Response	Department Lead
CLT + App	Eiselt	Ability to use CLT+ data and pictures to be used for citations and code enforcement.	This type of evidence cannot be used by CMPD or Code Enforcement as the sole source of evidence to open a code violation or issue a citation.	City Attorney's Office
Green Source Advantage Program	Mitchell	Provide additional information on the RFP responses for the Green Source Advantage (GSA) Program.	<p>The city released a Request for Proposals in June 2019 to determine interest from solar developers in installing a utility-scale solar to serve a portion of the City of Charlotte's electricity.</p> <p>The RFP specifically called out the use of the Duke Energy Green Source Advantage Program, but also asked for alternative proposals to meet the city's solar energy goals.</p> <p>The city received six RFP responses, including one "alternative proposal" from AECOM which proposed installing solar energy outside of Duke's Green Source Advantage Program.</p> <p>The city received proposals from the following:</p> <ul style="list-style-type: none"> • Duke Energy Renewables (this is a separate, business development entity from Duke Energy Carolinas, our regulated utility energy provider) • Clearway Energy • NextEra Energy • Birdseye Renewable Energy • Carolina Solar Energy • AECOM 	General Services

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			<p>The selection team selected Carolina Solar Energy to move forward with in our GSA application to Duke Energy. Carolina Solar had offered the most favorable pricing for a 20-year GSA term option.</p> <p>Carolina Solar is based out of Durham. The solar energy system with Carolina Solar will be located in Iredell County, which is included in the Charlotte Combined Statistical Area (SCA).</p> <p>Carolina Solar Energy also agreed to work in partnership toward the city’s workforce development goals, and are now exploring Project P.I.E.C.E. to be a component of the construction of this 35 MW solar system, which the City would lease for 20 years.</p>	
Green Source Advantage Program	Driggs	Explain how the costs are calculated over the 20-year term for GSA.	<p>How the Program Works: Under the Green Source Advantage (GSA) program, the costs to build the solar farm are borne by the solar developer. The company recoups their investment by selling the energy generated from the solar farm. The sale of energy generated by the solar farm is solely between Duke Energy and the solar developer. Due to North Carolina’s regulatory environment, the city can only purchase energy from the regulated utility; Duke Energy. Under the GSA program, Duke buys the energy from the solar developer, and Duke passes the renewable energy credits on to the city.</p> <p>Definitions: There are two important values to define:</p> <ol style="list-style-type: none"> 1) Power Purchase Agreement (PPA) Rate: how much Duke Energy pays the solar developer for energy generated from the solar farm; this rate was negotiated with the developer as part of the RFP selection process and does not change over the 20-year term 2) Avoided Cost Rate: this is the cost Duke Energy avoided by not having to generate the energy produced by the solar farm; and is, per the city’s selection, is updated every five years <p>Projecting Costs: Duke Energy representatives met with the city and produced a model to estimate out-year avoided cost rates. We also recalculated those out-</p>	General Services

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			<p>year values to build in a +/- 5 percent swing to calculate a reasonable range of project costs over the duration of the 20-year term. It is anticipated the city will pay a premium over the first half of the GSA program due to the structure of the PPA between Duke Energy and Carolina Solar Energy.</p> <p>The results presented during the Council Action Review meeting represent the results of those calculations during each avoided cost rate period of the GSA as well as the cumulative outcome:</p> <ul style="list-style-type: none"> • Years 1-5: ~\$800K annual <u>premium</u> • Years 6-10: ~\$125K annual <u>premium</u> • Years 11-15: ~\$525K annual <u>savings</u> • Years 16-20: ~\$725 annual <u>savings</u> <p>= Projected Cumulative Savings: \$1.5 million</p> <p>Additional Information: Under the GSA program, our city's electricity bill will essentially go from having one line item to three line items (two charges and one credit).</p> <p style="text-align: center;"><u>Line Item 1 : Standard Duke Energy Charge:</u> <i>electricity usage X electricity rate</i> +</p> <p style="text-align: center;"><u>Line Item 2: GSA Product Charge:</u> <i>solar farm electricity production X PPA rate</i> -</p> <p style="text-align: center;"><u>Line Item 3: GSA Bill Credit:</u> <i>solar farm electricity production X Duke's avoided cost rate</i></p> <hr style="border: 1px solid black; margin: 10px 0;"/> <p style="text-align: center;">TOTAL BILL COST</p> <p>The difference between line items two and three will dictate whether the city pays a premium or receives a credit.</p>	

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Public Forum Speakers - CMPAC	Mayor	Provide an update on status of Charlotte Mecklenburg Public Access Corporation (CMPAC) recommendations	Follow up on the status of recommendations from the CMPAC report issued in April 2019 are being requested and will be provided in a future follow-up.	City Attorney's Office