

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team

at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**. Contact the Mayor's Legislative team with questions

Date of Request: 10/11/21

Please mark one: Bill Request or Resolution Request

1. Type of Request:

- Contract/Grant Agreement Intergovernmental Agreement (IGA) Rezoning/Text Amendment
 Dedication/Vacation Appropriation/Supplemental DRMC Change
 Other:

2. **Title:** (Start with *approves, amends, dedicates*, etc., include name of company or contractor and indicate the type of request: grant acceptance, contract execution, contract amendment, municipal code change, supplemental request, etc.)

Approves Master Operator Agreement with McKinstry Essention, LLC for the design, development, construction, operation, and maintenance of community solar photovoltaic generating facilities and electric vehicle chargers owned by the City as part of the Renewable Denver Community Solar initiative. Contract Control Number: 202160096-00

3. **Requesting Agency:** **Office of Climate Action, Sustainability, and Resiliency**

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Jonathan Rogers	Name: Jonathan Rogers
Email: Jonathan.Rogers@denvergov.org	Email: Jonathan.Rogers@denvergov.org
Phone: 203-912-4664	Phone: 203-912-4664

5. General description or background of proposed request. Attach executive summary if more space needed:

This requests approval of a 25-year Master Operator Agreement for the design, development, construction, operation, and maintenance of community solar photovoltaic generating facilities and electric vehicle chargers owned by the City as part of the Renewable Denver Community Solar Initiative. The Renewable Denver Community Solar Initiative is an effort aimed at building and operating up to 15 MW of City-owned community solar projects by 2025.

The first tranche of projects set forth in this proposed contract, includes 4.6 MW of community solar projects hosted across public parking lots, rooftops, and vacant land parcels controlled by the City. Creating community benefits is central to the initiative and such benefits include solar training programs to provide job opportunities for local residents, carports and EV charging for the use and convenience of the public, and power sharing between host-site facilities and income-qualified community members.

The solar arrays are expected to generate over 144 million kWh of renewable electricity, avoiding over 75,000 tons of CO₂ over the project life (equivalent to planting more than 625,000 urban trees). The power generated by the arrays will be shared among municipal facilities, other governmental partners, low-income housing managed by the Denver Housing Authority, and income-qualified Denver residents at a guaranteed savings vs the rate paid to Xcel Energy, resulting in immediate energy cost savings.

This contract will create \$500,000 or more in net positive revenue for CASR on an annual basis, which is intended to be reinvested into additional equity-focused clean energy programs.

This contract is also supported by a \$1,000,000 grant from the Colorado Department of Local Affairs (Contract Control No. CASR-202055160-00).

Total Contract Amount: \$26,000,000

- i) \$18,000,000 for Capital Expenses (development, design, and construction predominantly occurring throughout 2022)
- ii) \$8,000,000 for Operating Expenses (25 years of asset management including O&M and Xcel Energy program compliance)

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: RR21 1319

Date Entered: _____

6. City Attorney assigned to this request (if applicable):

Lindsay Carder

7. City Council District:

The first tranche includes solar projects in Districts 5, 6, 8, 9, and 11. Future tranches will seek to ensure that each City Council District hosts at least one community solar project.

8. **For all contracts, fill out and submit accompanying Key Contract Terms worksheet**

Key Contract Terms

Type of Contract: (e.g. Professional Services > \$500K; IGA/Grant Agreement, Sale or Lease of Real Property):

Professional Services

Vendor/Contractor Name: MCKINSTRY ESSENTION, LLC

Contract control number: #202160096-00

Location:

Managed by the Office of Climate Action, Sustainability, and Resiliency. The locations of this set of solar projects are in Districts 5, 6, 8, 9, and 11.

Is this a new contract? Yes No **Is this an Amendment?** Yes No **If yes, how many?** _____

Contract Term/Duration (for amended contracts, include existing term dates and amended dates):

Start Date: Upon execution (November 1, 2021)

End Date: 25 years after execution (November 1, 2046)

Contract Amount (indicate existing amount, amended amount and new contract total):

<i>Current Contract Amount</i> (A)	<i>Additional Funds</i> (B)	<i>Total Contract Amount</i> (A+B)
\$0	\$26,000,000	\$26,000,000

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
n/a	n/a	November 1, 2046

Scope of work:

The contract scope of work includes two main obligations: (i) development, design and construction of the solar generating facilities and the electric vehicle charging equipment; and (ii) asset management of the solar generating facilities which includes operation and maintenance, Xcel Energy program compliance, and retail customer subscription to the power generated by the Generating Facilities.

During the construction phase of the project, the Operator will provide community engagement and workforce benefits that include, but are not limited to: 1) paid workforce training programs and employment opportunities; 2) visits in partnership with Denver Public Schools to present a solar curriculum, STEM learning opportunities, and a solar installation basics training program for students; 3) a Community Solarthon event to include hands on installation opportunities and a post installation celebration for the local members of the community at one of the project sites.

Was this contractor selected by competitive process?

If not, why not?

Yes. This contractor was selected through RFP 29151Q.

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Has this contractor provided these services to the City before? Yes No

Source of funds: CASR Climate Protection Fund

Is this contract subject to: W/MBE DBE SBE XO101 ACDBE N/A

WBE/MBE/DBE commitments (construction, design, Airport concession contracts):

Who are the subcontractors to this contract?

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