

## **BILL/ RESOLUTION REQUEST**

**1. Title:** Approve a contract to purchase power from Constellation Solar V, LLC generated from a new PV solar plant to be located on DIA property near DIA lift station 2. Also known as Power Purchase Agreement or PPA.

**2. Requesting Agency:** DIA

**3. Contact Person *with actual knowledge of proposed ordinance***

**Name:**Woods Allee

**Phone:**303-342-2632

**Email:**woods.allee@flydenver.com

**4. Contact Person *with actual knowledge of proposed ordinance who will present the item at Mayor Council and who will be available for first and second reading, if necessary***

**Name:**Brian Elms

**Phone:**303-342-2278

**Email:**brian.elms@flydenver.com

**5. Describe the proposed ordinance, including what the proposed ordinance is intended to accomplish, who's involved**

**a. Scope of Work**

The Airport requests approval to enter into an agreement with Constellation Solar V, LLC to develop a 4.5MWDC photovoltaic (PV) solar electricity generating system that will provide power to the grid that will be used at the DIA site.

The business arrangement will consist of three agreements; a ground lease to provide the developer rights to use approximately 35 acres of DIA property near lift station 2, a power purchase agreement to purchase all the power the system generates and a loan agreement will authorize the Airport to provide a \$7,500,000 to the developer.

This request is to approve a contract to purchase power from the solar system for 25 years. Power from the system will be sold to the Airport at a rate of \$0.036/kWh or 80% of the then current ECA rate. The total contract amount is \$16,000,000. The agreement includes an option to buy the system including all environmental attributes at the beginning of the 7th year.

**b. Duration**

25 years

**c. Location**

DIA

**d. Affected Council District**

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**e. Benefits**

These agreements taken together will reduce energy costs to the airport over the contract term by more than \$600,000 on a net present value basis, preserve jobs, provide a hedge against energy cost increases, reduce CO2 emissions related to generation of conventional grid power and increase the airport's investment income.

**f. Costs**

\$16,000,000

**6. Is there any controversy surrounding this ordinance, groups or individuals who may have concerns about it? Please explain.**

No.

**Bill Request Number: BR10-0563**

**Date: 6/23/2010**