

BILL/ RESOLUTION REQUEST

1. Title: Approves a 20-year, no-interest Loan Agreement with SH COD XXV, LLC for \$1,000,000 to provide low cost solar power to DIA for 20 years (201311770-00).

2. Requesting Agency: DIA

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

Name:John Ackerman

Phone:303-342-2568

Email:john.ackerman@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:Amy Raaz

Phone:22201

Email:Amy.Raaz@flydenver.com

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

a. Scope of Work

The proposed Loan Agreement is part of business structure including Power Purchase and Ground Lease Agreements that provides low cost solar power to the Airport for 20 years. This loan will have a subordinate position to the prime private capital lender. The loan will be used only for costs related to the DIA portion of the overall program. The loan is secured by SH COD XXV, LLC entity and by provisions that allow the City to withhold loan payments from power purchase payments in the event the partnership fails to pay timely loan payments. Based on a 3% growth rate in the Average Hourly Incremental Cost (the rate at which Xcel buys power produced from solar installations in excess of power used at the meter) DIA may realize a benefit of more than \$615 thousand over the term including a modest load offset savings related to interconnection at the DIA ARFF Training Facility. There may be additional demand charge savings related to the ARFF Training Facility that are difficult to quantify at this time. Through these agreements the airport will add 3.1 million kWh of clean renewable energy to its portfolio and thus reduce carbon dioxide emissions by 2742 tons or the equivalent of 400 residences annually.

b. Duration

20 years

c. Location

DIA

d. Affected Council District

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e. Benefits

Based on a 3% growth rate in the Average Hourly Incremental Cost (the rate at which Xcel buys power produced from solar installations in excess of power used at the meter) DIA may realize a benefit of more than \$615 thousand over the term including a modest load offset savings related to interconnection at the DIA ARFF Training Facility.

There may be additional demand charge savings related to the ARFF Training Facility that are difficult to quantify at this time. Through these agreements the airport will add 3.1 million kWh of clean renewable energy to its portfolio and thus reduce carbon dioxide emissions by 2742 tons or the equivalent of 400 residences annually.

f. Costs

Current Contract Amount

(A) Additional Funds

(B) Total Contract Amount

(A+B)

1,000,000	-0-	1,000,000
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Current Contract Term	Added Time	New Ending Date
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20 years	-0-	12/31/2033
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6. Is there any controversy surrounding this ordinance, groups or individuals who may have concerns about it? Please explain.

No.

Bill Request Number: BR13-0484

Date: 7/17/2013