

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor’s Legislative Team
at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**.

**All fields must be completed.*
Incomplete request forms will be returned to sender which may cause a delay in processing.*

Date of Request: 3/18/2013

Please mark one: Bill Request or Resolution Request

1. Has your agency submitted this request in the last 12 months?

Yes No

If yes, please explain:

2. **Title:** DIA Solar IV Power Purchase Agreement – Power Purchase Agreement with **Denver Solar IV, LLC** to purchase solar power for a term of 20 years at the greater of \$0.017/kWh or 80% of the Average Hourly Incremental Cost (AHIC).

3. **Requesting Agency:** Department of Aviation

4. **Contact Person:** (With actual knowledge of proposed ordinance/resolution.)

- **Name:** Amy Raaz
- **Phone:** (303) 342-2201
- **Email:** Amy.Raaz@flydenver.com

5. **Contact Person:** (With actual knowledge of proposed ordinance/resolution who will present the item at Mayor Council and who will be available for first and second reading, if necessary.)

- **Name:** David LaPorte, Deputy Manager
- **Phone:** 303-342-2269
- **Email:** dave.laporte@flydenver.com

6. **General description of proposed ordinance including contract scope of work if applicable:** The proposed Power Purchase Agreement with Denver Solar IV, LLC is to purchase solar power for a term of 20 years at the greater of \$0.017/kWh (an historically low rate) or 80% of the Average Hourly Incremental Cost (AHIC). Based on a 3% growth rate in the AHIC 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 for 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 renewal energy to its portfolio and thus reduce carbon dioxide emissions by 2742 tons ofr the equivalent of 400 residences annually.

***Please complete the following fields: (Incomplete fields may result in a delay in processing. If a field is not applicable, please enter N/A for that field.)*

- a. **Contract Control Number:**
- b. **Duration:** 20 years
- c. **Location:** DIA
- d. **Affected Council District:** 11
- e. **Benefits:**
- f. **Costs:**

<i>Current Contract Amount</i>	<i>Additional Funds</i>	<i>Total Contract Amount</i>
(A)	(B)	(A+B)
\$8,000,000.00	-0-	\$8,000,000.00

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
20 years	n/a	November 2033

To be completed by Mayor’s Legislative Team:

SIRE Tracking Number: _____

Date: _____

g. Date Goals Assigned:

h. Goals:

7. Is there any controversy surrounding this ordinance? (Groups or individuals who may have concerns about it?) Please explain.

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

Date: _____

Key Contract Terms

Vendor/Contractor Name:

Contract control number:

City's contract manager:

Was this contractor selected by competitive process? Was it the low bid?

Term/Duration of contract/project:

Renewal terms:

Purpose:

Scope of services to be provided with performance bench marks:

Cost/value:

Source of funds:

Benefit:

Termination provision for City and for contractor:

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

Who are the subcontractors to this contract?

Location:

Affected Council District:

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

Date: _____

h. Goals: N/A

7. Is there any controversy surrounding this ordinance? (Groups or individuals who may have concerns about it?) Please explain.

None.

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

Date: _____

Key Contract Terms

Vendor/Contractor Name: Denver Solar IV, LLC

Contract control number:

City's contract manager: Woods Allee

Was this contractor selected by competitive process? Was it the low bid? Through RFQ for solar developer in 2009

Term/Duration of contract/project: 20 years

Renewal terms: N/A

Purpose: Reduce operating costs, add 3.1 million kWh of clean renewable energy to the Airport's portfolio and reduce carbon dioxide emissions by 2742 tons or the equivalent of 400 residences

Scope of services to be provided with performance bench marks: Generation and delivery of solar energy consistent with design estimates of ~ 3.1 million kWh in the first year. Power is purchased on a per kWh basis.

Cost/value: The business arrangement includes a \$1,000,000 no-interest 20-year loan. Cost therefore is the opportunity cost of lost investment income; assume 1%. The IRR of this business structure is 6.1% assuming a 3% growth in AHIC.

Source of funds: Airport retained earnings

Benefit: Reduce operating costs, add 3.1 million kWh of clean renewable energy to the Airport's portfolio and reduce carbon dioxide emissions by 2742 tons or the equivalent of 400 residences

Termination provision for City and for contractor: City: Convenience with cost, optional termination in event of default, lack of payment etc.; cross default with loan and ground lease for lack of payment and other technical provisions. Tenant may terminate if the City breaches any material term and fails to cure such breach.

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

Who are the subcontractors to this contract? A goal of 20% has been established for tenant construction. IME is the principle contractor and has committed to meet or exceed the goal however subcontractors have not been selected at this point.

Location: DIA

Affected Council District: 11

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

Date: _____