



## DEPARTMENT OF AVIATION

### CITY COUNCIL ORDINANCE REQUEST SUMMARY

### DEN Solar IX Power Purchase Agreement

#### **Purpose and Use of Agreement(s)**

Approves initiation of a Power Purchase Agreement with Oak Leaf Solar 56, LLC to purchase electricity from a solar array to be built at Denver International Airport (DEN) between 114th Street and the Denver/Adams County border and east of N Trussville St. or a mutually agreeable location. The proposed agreement approves the purchase of power at the greater of 86% of the avoided energy price from Xcel or \$0.030/ kilowatt-hour (kWh).

#### **Contract(s) Description**

This requests initiation of a Power Purchase Agreement to purchase electricity from a solar array to be built at Denver International Airport (DEN) at the greater of 86% of the avoided energy price from Xcel or \$0.030/ kilowatt-hour (kWh). In no event will the rate exceed \$0.0575 per kWh. DEN will subscribe to Solar IX at a per kilowatt-hour cost that is less than the per kilowatt-hour cost currently paid to Xcel Energy, resulting in immediate savings. DEN is expected to save \$149K in year one (\$914K vs. \$1.063M from Xcel); based on a 2.5% annual inflation rate, DEN would realize a benefit of approximately \$4.9 million over the 25-year term. The concurrent 25-year lease and license agreements will also generate \$500K of total revenue for DEN, bringing the overall benefit of Solar IX to approximately \$5.5 million over the entire term. The solar array is expected to generate over 560 million kWh of renewable electricity and avoid over 500,000 tons of CO2 over its project life.

This is one of two agreements necessary to create the business structure for a 13 megawatt (MW) solar project. This agreement will need to be approved in conjunction with a ground lease of approximately 64 acres, 202262383 DEN Solar IX Ground Lease.

#### **Vendor(s)**

Oak Leaf Solar 56, LLC

#### **DSBO Goals**

N/A