



# DELEGATION FOLLOW-UP

Meeting: February 10, 2025

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## SOLAR PROPOSAL

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### **BACKGROUND:**

D-Comm Energy presented a proposal to install solar on the Town's arena at the January 24<sup>th</sup>, 2025 Council meeting.

A few details on the proposed project include:

- Solar photovoltaic installation, generating 280,600 w-dc (246,588 w-ac)
- Proposed cost \$513,498-\$194,000 (incentive) = \$319, 498
- Life expectancy = 25-30 year, with a projected savings to utility costs of \$3,491,359 over 30 years
  - o Inverters have a life expectancy of 15 years
- Project funding options include debenture – revenues and electricity generated from solar will offset the borrowing payments:
  - The Town's surplus debt limit is \$9,013,552 and surplus debt servicing is \$1,867,127. If the Town borrowed for this project, with a 10-year fixed rate debenture at 4.58%, the surplus debt limit would decrease to \$8,694,054 and debt servicing surplus would decrease to \$1,788,838.
  - There is potential to fund some of the project from reserves, but administration is recommending that a funding decision happen at a future date, once we have a better idea of overall costs.

Council had a few questions after the presentation related to hail damage and insurance claims, and the Town's energy contract. Regarding hail damage and/or insurance issues, staff reached out to our insurance providers and they have not dealt with any municipal insurance claims related to hail damage. It is unclear if this is because the panels are resistant to hail damage or there just haven't been any issues. Either way, our insurance provider has not seen any claims. Regarding the Town's energy consumption and contracts, the Town would need to terminate its contract with the existing provider, but the penalties would be dwarfed by the revenue generated by the solar.

In accordance with the Town's Purchasing and Tendering Policy, and due to project costs, we will have to go through a Request for Proposal process. If Council is in favour, administration is recommending that the Town proceed with a RFP process to gather proposals from interested parties. Approval for the project would be dependent upon a successful application to the Municipal Climate Change and Action Centre incentive of approximately 40% of the cost. Moreover, Council will make the final decision after all proposals have been received and graded by administration.

**PROPOSED MOTION:** MOVED by Councillor \_\_\_\_\_ to direct administration to initiate a RFP process for a solar project at the Town's ice arena.

ATTACHMENTS: Solar Proposal from D-Comm Energy

PREPARED BY: Abe Tinney, CAO

DATE: February 10, 2025

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