

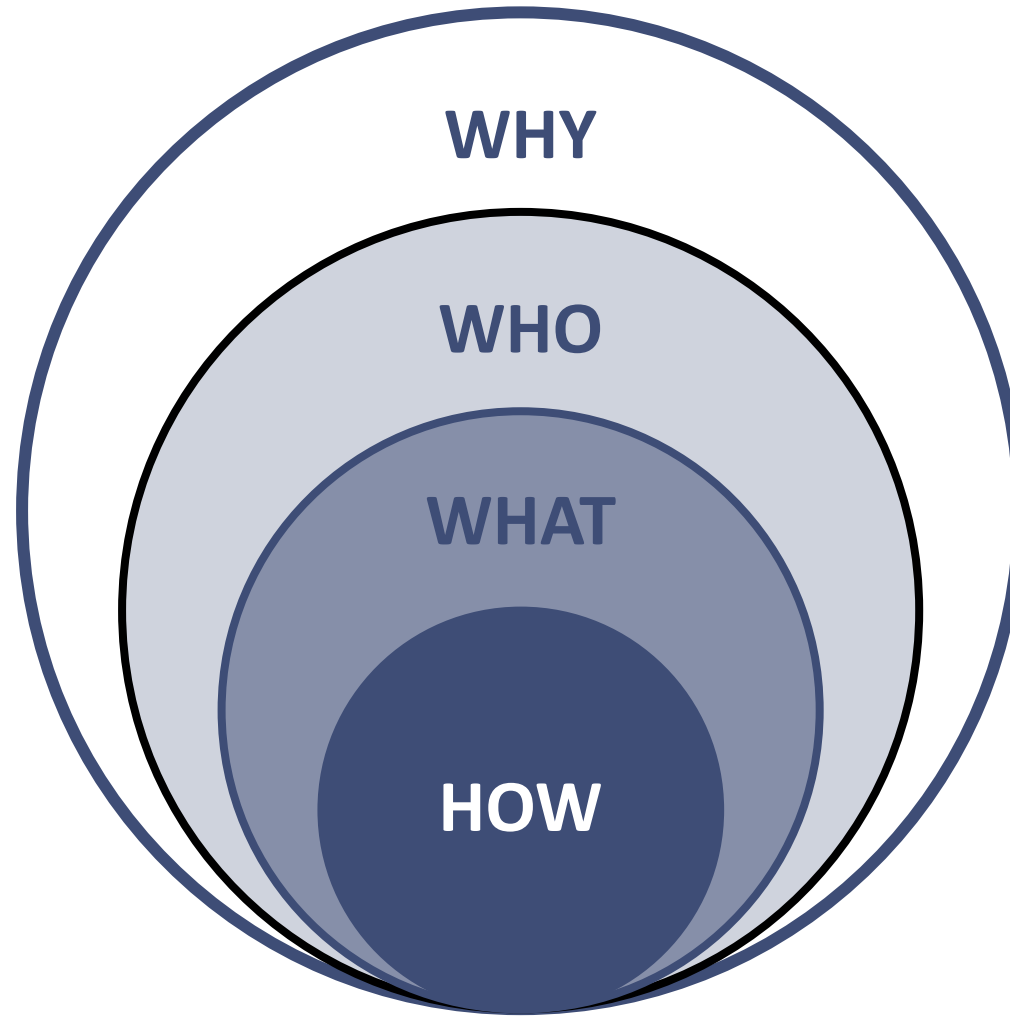
Solar Power Purchase Agreement



Agenda

- Current Status
- Overview
- Review Proposals
- Next Steps

Overview



WHY - Guiding Principles

- A. Aggregate purchasing power to reduce costs – **more competitive rates**
- B. **Mitigate** exposure to **budget volatility** and price increases inherent in the electricity markets in addition to meeting sustainability and climate goals
- C. Contribute to the global effort to **mitigate** the **risks of climate change**
- D. **Promote solar** market prosperity and **jobs growth** in Pennsylvania
- E. **Educate** constituents about renewable energy benefits and risks
- F. Promote **diversity of the energy grid** and reduce dependence on fossil fuels
- G. Provide structures **aesthetically compatible** with the facilities surrounding neighborhoods

SPPA Working Group

State College Area School District
State College Borough Water Authority
State College Borough
Centre Area Transportation Authority
Centre County Government
Centre Region Council of Governments
Centre County Housing Authority
College Township Water Authority
Centre County Refuse and Recycling Authority
Ferguson Township
Centre Hall Potter Sewer Authority
Patton Township
College Township
Harris Township
Halfmoon Township

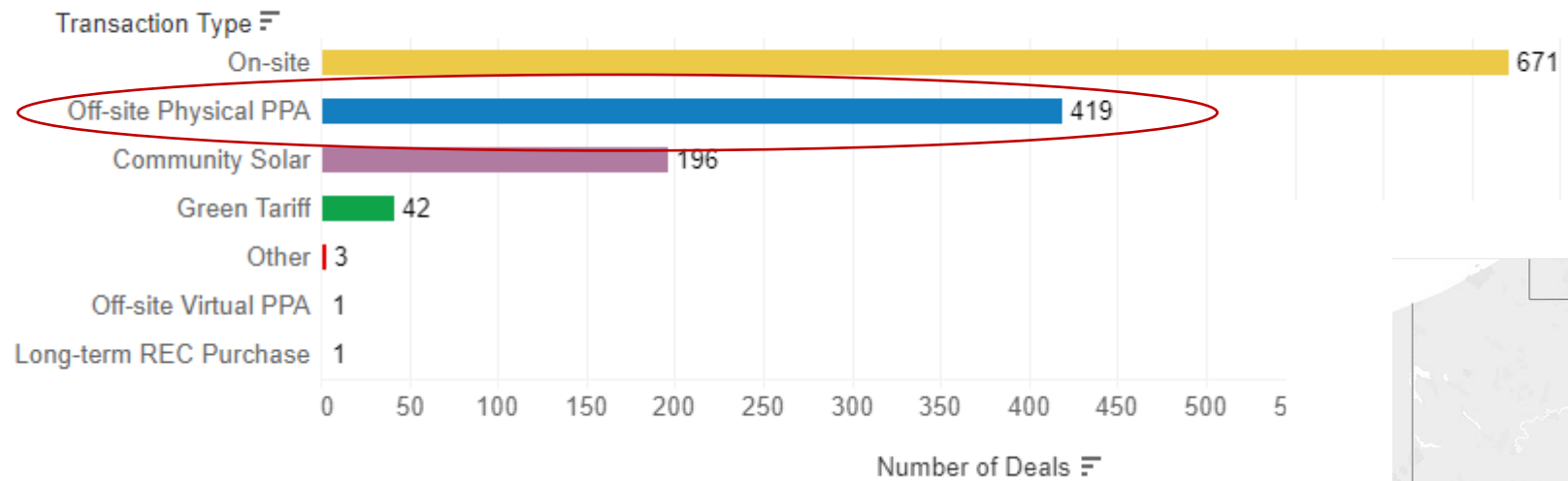


Project Management Team

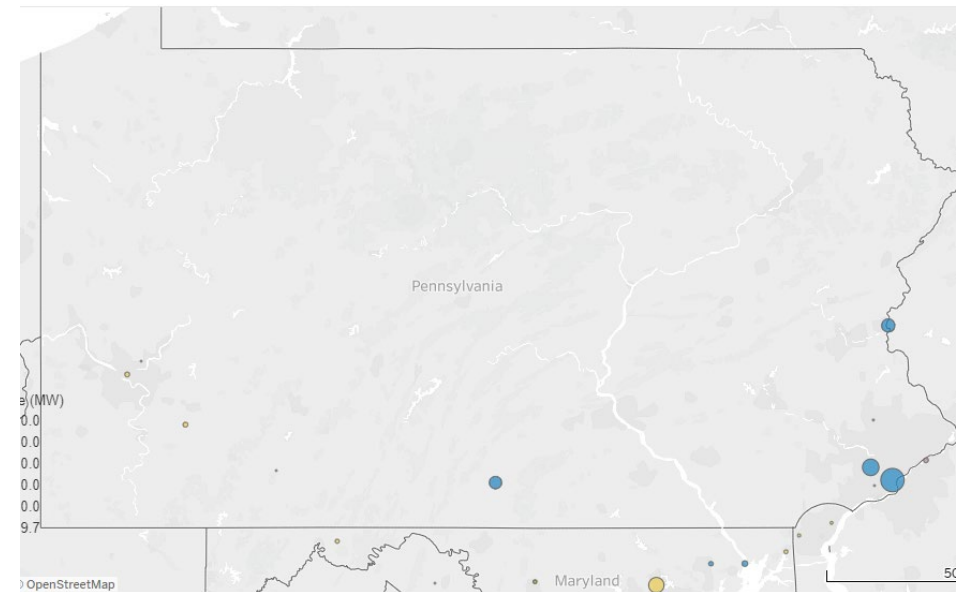
Randy Brown – SCASD
Gretchen Brandt – SCASD Board
Peter Buck – SCASD Board
Jason Grottini – SCBWA Board member
Bruce Donovan – CATA
Larry Pegher – Patton
John Franek – Centre County
Pam Adams – COG
Joe Viglione - COG
Keith Dingwall - SCASD
GreenSky Development Group (*consultant*)

Trends in Clean Energy Procurement Among Local Governments

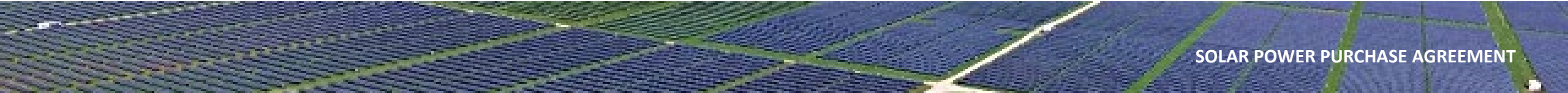
Number of Transactions by Type



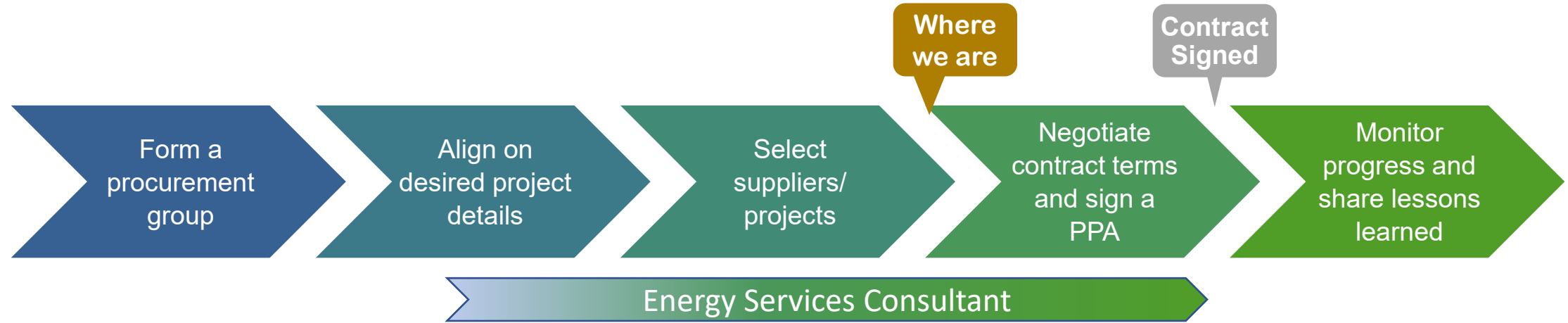
Change to Transaction Size (MW) by Type



<https://cityrenewables.org/transaction-tracker/>



Current Status - PPA Process



✓ Assess renewables procurement needs
[Done]

✓ Find partners who have similar needs
[Done]

✓ Align on a governance structure and timeline

✓ Align with partners on contract details (project size, timeline and site location, etc.)

✓ Draft and distribute a joint request for proposal (RFP)

✓ Align on a selected developer

★ Align on final solar project

★ Complete the detailed financial analysis for the transaction

★ Co-develop a joint term sheet and a template contract.

• Each buyer signs a separate but similar contract.

• Maintain communication with the developer during project construction

• Share our story!

WHAT – Solar and Retail Services

Sept 13 RFP released to solicit quotes for \$/MWh price

Oct 19 Received 4 responses

- (3) Solar and (1) Retail Services
- 9 solar project options
- Solar term options: 15 and 25 years (retail term 3-5 years)

Nov 21-22 Interviewed 2 solar developers and 1 retail service provider

(2)
Greene
County PA

(3)
Centre
County PA

(1)
Clarion
County PA

Solar Projects finalists:

Negotiate contract terms and sign a PPA

RFP

50-100% Usage
of Electricity

8MW



20MW

Define
initial
volume %

6 projects



Renewables
Developer/Generator

HOW - Guidance for Volume Commitment

- Competitive with future market prices, provides budget certainty
- The **solar PPA is at a “fixed” price**
 - *With settlement the final PPA price is expected to vary approximately +/- 5%*
- The **usage not-covered by solar generation will need to be managed** with fixed prices or left at a market price
 - Contract with Retail Provider 3-5 years
- The **electric bill will be like past bills, with the addition of a Net Settlement Cost (or credit)** to cover the cost of placing the solar generation into the wholesale market

- If the goal is to seek lower prices, 50% of usage covered by the fixed price PPA is prudent
- If there are carbon goals or a preference for budget certainty, the solar volume commitment should be in the 75% - 100% range

Region and Municipal Targets

COG Resolution 2020-1

- Develop a regional plan to achieve:
 - 45% reduction in GHG emissions by 2030
 - 80% by 2050

Ferguson Resolution 2017-14

- Develop strategy to achieve net zero GHG emissions as quickly as feasible, but no later than 2050

Harris Resolution 17-13

- Develop strategy to achieve net zero GHG emissions as quickly as feasible

Patton Resolution 2022-003

- Transition to 100% clean, renewable energy for municipal operations by 2050 or before

SC Borough Resolution 1229

- Achieve net zero GHG emissions and 100% renewable energy as quickly as feasible, but no later than 2050

HOW - Expectations

Purchase solar at or below wholesale grid supply

Understand and minimize risks

Provide example of what new bill will look like

Each entity will have separate agreements which manages both solar and grid electricity (retail services)

Solar installation start date = Fall 2024 - June 2026

Will align with current electricity agreement term

Next Steps

- Jan 25** SPPA WG - asked to determine volume
- Feb 2** SPPA WG selects proposal and refers to individual boards
- Feb 7** COG Facilities Committee makes recommendation
- Feb 9** COG Finance Committee - discussion
- Feb 13** COG CAS Committee – discussion
- Feb 27** General Forum approve initial volume
- Feb 28** Individual boards submit volume determination
- March 31** Approval and awarding of SPPA contract(s)