

Village of Ryley

REQUEST FOR DECISION

Meeting: Council
Meeting Date: 17 December 2019
Presented By: Glen Hamilton-Brown
Agenda Item No: 6.1 Solar Project

RECOMMENDED ACTION

That the Village of Ryley resolves to acquire a Solar Power System at a cost of \$300K from Dandelion Renewables to achieve net-zero consumption of its municipal electricity.

BACKGROUND/PROPOSAL

Ryley has investigating a solar initiative throughout 2018 and received two proposals from Enmax and Dandelion Renewables. Proposed systems were just below 150KW DC to match Ryley annual municipal electrical consumption over the last 12 months in accordance with the Alberta Municipal Solar Program (AMSP) grant conditions:

- a) Enmax proposal is **\$341K** with estimated **\$119K** AMSP Grant funding for a total estimated cost to Ryley of **\$222K**
- b) Dandelion proposal is **\$249K** with estimated **\$107K** AMSP Grant funding for a total estimated cost to Ryley of **\$132K**

Aside from being more economical, the advice, guidance and recommendations provided from Dandelion have been significantly more accurate and useful than those from Enmax.

There will be an additional cost of **\$45K** for a fence and transformer.

COST / SOURCE OF FUNDING

See attached funding model. After AMSP grant, the project will cost **\$175K**. Our annual variable electricity cost for municipal consumption is **\$14K** which becomes a **\$12K** annual saving/revenue after plant maintenance and administrative fees. This reduces the cost of the project:

- a) Unleveraged (no debenture) – approximately \$171K expenditure in 2020. (The system would energize in August so 2020 revenue/saving would likely be a quarter of annual consumption ~\$4K?);
- b) \$175K Leveraged by debenture, our \$14K annual savings/revenue could realize a very significant Investment Rate of Return (IRR):
 - i. \$25K/yr(5) => 5yr Debenture
 - ii. \$8K/yr(10) => 10yr Debenture
 - iii. \$2K/yr(6) => 15yr Debenture

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