

BOARD OF ALDERMEN

ITEM NO.: D(3)

AGENDA ITEM ABSTRACT

MEETING DATE: JANUARY 17, 2012

TITLE: Photovoltaic Installation Opportunity at Town Commons

DEPARTMENT: PLANNING, MANAGER, ECD	PUBLIC HEARING: No
ATTACHMENTS: A. Resolution B. Staff memo	FOR INFORMATION CONTACT: RANDY DODD, 918-7326 PATRICIA MCGUIRE, 918-7327

PURPOSE:

The purpose of this agenda item is to provide a report on the potential for the installation of a photovoltaic system at the Town Commons, and to receive direction regarding further pursuit of this opportunity.

INFORMATION:

Town staff, with assistance from UNC Delta Fellows, Chris Lazinski and Vanessa Fixmer-Oraiz, have investigated the opportunity for a solar photovoltaic installation at the Town Commons. This information includes a framework for proceeding using a third party financing approach, site analysis, conceptual design, and utility interconnection considerations. The intent has been to perform a prefeasibility study. The information is based on research and communications with a variety of local parties, as well as experts and others pursuing similar projects elsewhere.

Two options for moving forward have been identified: releasing an RFP, or partnering with the Applachian Institute for Renewable Energy (AIRE) to complete a feasibility study, recruit investors, and assuming success, complete the installation. In order to determine feasibility AIRE would work closely with Town staff to identify potential investors, provide them with relevant information, and gather necessary data to produce a Feasibility Study report. The Feasibility Study report would serve as a prospectus for individuals to share with their personal tax advisors and determine whether they are ready to commit to participating in a project. AIRE would require a fee of \$2000 for producing the Feasibility Study, which may be recouped by selling it to the project investors if the project moves forward. Project investors can add the cost of the Feasibility Study to the total capital cost of the system, meaning that it is included in the basis for the tax credits and financial incentives.

FISCAL AND STAFF IMPACT:

An impact of \$0-2k is anticipated to pursue this project for assistance with the feasibility study, with the exact amount pending whether investors would be willing to cover the cost. Adequate funds are available in the 2011-12 budget to cover the cost of the feasibility study. Additional staff time is also anticipated; more time would be required if the Town pursued a bid process rather than the feasibility study option.

RECOMMENDATION:

Staff recommends that the Board accept the staff memo and approve the resolution provided authorizing staff to enter into agreement with AIRE.