



DeKalb County Government

Manuel J. Maloof Center
1300 Commerce Drive
Decatur, Georgia 30030

Agenda Item

File ID: 2018-2015

Substitute

5/8/2018

Public Hearing: YES NO

Department: Board of Commissioners – District 1

AGENDA ITEM:

Commission District(s): Commission Districts 1 & 6

Request Approval of Concept of 30-Year Lease Agreement between REC Solar Commercial Corporation and DeKalb County, Georgia, Whereby Hannah Solar LLC under The Georgia Power Redi Program Would Construct and Maintain a Floating Solar Array at The Scott Candler Water Filter Plant.

Information Contact: Commissioner Nancy Jester

Phone Number: (404) 687-2797

PURPOSE:

To request approval of concept of a thirty (30) year lease agreement with REC Solar Commercial Corporation whereby, Hannah Solar LLC would construct a floating solar array on the Scott Candler Water Filter Plant Reservoir No. 2 capable of producing three (3) megawatts (MWDC) of sustainable, clean electricity.

NEED/IMPACT:

In 2016, the Department of Watershed Management developed a conceptual plan to place floating solar arrays on the Scott Candler Water Filter Plant reservoirs. These reservoirs make ideal locations for this application as there is no natural cover. The floating solar arrays have the needed benefits of providing clean, sustainable electricity for the plant and for use by Georgia Power, it provides shading of the reservoirs to reduce evaporation resulting in water conservation (much needed by the region), and potentially reducing algal blooms that impact drinking water quality and treatability.

As part of the 2016 Integrated Resource Plan (IRP) process, Georgia Power and the Georgia Public Service Commission (PSC) stipulated an agreement to procure renewable energy generation through a variety of programs. The Renewable Energy Development Initiative (REDI), is the program by which Georgia Power will procure one thousand two hundred (1,200) MW of capacity from solar, wind and/or biomass resources. In 2017, Georgia Power began the process to procure one hundred (100) MW of distributed generation (DG) projects, from one (1) kilowatt (kW) up to three (3) MW, through a RFP at a price not to exceed Georgia Power's long-term avoided cost. Georgia Power will also procure 50 MW of customer-sited DG projects, from one (1) kW up to three (3) MW, through a lottery process (if over-subscribed) and contracted at pre-determined prices not to exceed Georgia Power's long-term avoided cost. The renewable projects selected through the REDI programs will provide generation to the company's portfolio and deliver energy savings for Georgia Power customers. On November 22, 2017, Hannah Solar LLC with its financier, submitted REDI application #322-8 for a three (3) MW Floating Solar Project at the Scott Candler Water Filter Plant. Subsequently, on December 28, 2017, Georgia Power selected and green lighted the Hannah Floating Solar Project in the REDI application for this project and placed the project on the Selection List for the REDI Customer-Sited DG Program.

FISCAL IMPACT:

The proposal provides for the following:

- A thirty (30) year lease agreement with \$18,000.00 annual lease payments (for a total of \$540,000) paid to DeKalb County Department of Watershed Management.
- A one hundred thousand dollar (\$100,000.00) administration fee payment to DeKalb County Department of Watershed Management at completion of a fully executed lease agreement between DeKalb County and REC Solar Commercial Corporation
- An operations and maintenance agreement to be performed by Hannah Solar LLC for the floating solar array that requires REC Solar Commercial Corporation to remove the array, at their cost, for repairs/maintenance as needed by DWM
- A no-cost capital improvement project for DWM with capital costs paid by REC Solar Commercial Corporation (costs for the county are with staff labor including legal review and coordination within the public private partnership (PPP))
- A three (3) MW Solar Electricity Facility with the electricity supplied directly to Georgia Power under the REDI program
- A promotional opportunity for DeKalb County and the DeKalb County Department of Watershed Management as a sustainability leader by promoting the Solar Electrical Facility at the Scott Candler Water Filter Plant, which will be one of the largest solar electricity production facilities in North America.

RECOMMENDATION:

To approve the Resolution and provide approval of the concept of a thirty (30) year lease with REC Solar Commercial Corporation and authorize representatives of the Department of Watershed Management and the Environmental Energy Manager, with the assistance of the County Attorney and her designees, to negotiate the terms of the proposed lease and any other necessary documents that will be brought back to the Board of Commissioners for consideration.

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RESOLUTION

A RESOLUTION APPROVING THE CONCEPT OF A 30-YEAR LEASE AGREEMENT BETWEEN REC SOLAR COMMERCIAL CORPORATION AND DEKALB COUNTY, GEORGIA, WHEREBY HANNAH SOLAR LLC, UNDER THE GEORGIA POWER RENEWABLE ENERGY DEVELOPMENT INITIATIVE (REDI) PROGRAM WOULD CONSTRUCT AND MAINTAIN A FLOATING SOLAR ARRAY AT THE SCOTT CANDLER WATER FILTER PLANT

WHEREAS, DeKalb County, Georgia is authorized by DeKalb County Code, Chapter 25 to provide water, sewers and sewage disposal within the County: and

WHEREAS, DeKalb County, Georgia owns, operates and maintains three (3) water supply reservoirs at the Scott Candler Water Filter Plant located at 4830 Winters Chapel Road, Doraville, Georgia 30360, with a combined surface area of one hundred nine and one-half (109.5) acres; and

WHEREAS, the Department of Watershed Management recognizes that the large area of open space created by the reservoirs provides a favorable site for electrical generation using solar panels and that a floating solar array has the added benefits of providing shade on the reservoirs, thereby reducing evaporation, which increases water conservation (much needed in the region) and also minimizing algal blooms that can negatively impact drinking water quality and treatability; and

WHEREAS, the Department of Watershed Management desires to enter into a thirty (30) year lease with REC Solar Commercial Corporation whereby REC Solar Commercial Corporation will lease water surface area in Water Supply Reservoir No. 2 at the Scott Candler Water Filter Plant and make annual lease payments of \$18,000.00 to DeKalb County, totaling (\$540,000) over the 30-year lease, and a one-time administrative payment to the County of one hundred thousand dollars (\$100,000.00) once the lease agreement is fully executed;

WHEREAS, pursuant to the proposed lease, Hannah Solar LLC would construct a three (3) megawatt (MW) floating solar array in Water Supply Reservoir No. 2; and

WHEREAS, it has been proposed that REC Solar Commercial Corporation will pay all the capital costs, the long-term maintenance costs, and the removal costs of the floating solar array; and

WHEREAS, Hannah Solar LLC submitted a Renewable Energy Development Initiative (REDI) project application as stipulated by Georgia Power and the Georgia Public Service Commission (PSC) to procure one thousand two hundred (1,200) MW of sustainable energy; and

WHEREAS, the application was approved by Georgia Power for the project and a lease agreement is needed between DeKalb County and REC Solar Commercial Corporation to ensure construction of a three (3) MW solar array on Reservoir No. 2 (the smallest pond of three); and

THEREFORE, be it resolved that the Board of Commissioners approves the concept of a thirty (30) year lease with REC Solar Commercial Corporation and authorizes representatives of the Department of Watershed Management and the Environmental Energy Manager, with the assistance of the County Attorney and her designees, to negotiate the terms of the proposed lease and any other necessary documents that will be brought back to the Board of Commissioners for consideration.

SO, RESOLVED BY GOVERNING AUTHORITY OF DEKALB COUNTY, GEORGIA.

ADOPTED by the DeKalb County Board of Commissioners, this ____ day of _____, 2018.

Jeff Rader
Presiding Officer
Board of Commissioners
DeKalb County, Georgia

APPROVED by the Chief Executive Officer of DeKalb County, this ____ day of _____, 2018.

Michael L. Thurmond
Chief Executive Officer
DeKalb County, Georgia

ATTEST:

BARBARA H. SANDERS-NORWOOD, CCC
Clerk to the Board of Commissioners and
Chief Executive Officer
DeKalb County, Georgia

APPROVED AS TO SUBSTANCE:

Reginald Wells
Acting Director of Watershed Management

APPROVED AS TO FORM:

Viviane Ernstes
Interim County Attorney

Red-lined version of 5.4.2018 Resolution

RESOLUTION

A RESOLUTION APPROVING THE CONCEPT OF A 30-YEAR LEASE AGREEMENT BETWEEN ~~KRUGER ENERGY LLC~~ REC SOLAR COMMERCIAL CORPORATION AND DEKALB COUNTY, GEORGIA, WHEREBY HANNAH SOLAR LLC, UNDER THE GEORGIA POWER RENEWABLE ENERGY DEVELOPMENT INITIATIVE (REDI) PROGRAM WOULD CONSTRUCT AND MAINTAIN A FLOATING SOLAR ARRAY AT THE SCOTT CANDLER WATER TREATMENT FILTER PLANT

WHEREAS, DeKalb County, Georgia is authorized by DeKalb County Code, Chapter 25 to provide water, sewers and sewage disposal within the County: and

WHEREAS, DeKalb County, Georgia owns, operates and maintains three (3) water supply reservoirs at the Scott Candler Water Treatment Filter Plant located at 4830 Winters Chapel Road, Doraville, Georgia 30360, with a combined surface area of one hundred nine and one-half (109.5) acres; and

WHEREAS, the Department of Watershed Management recognizes that the large area of open space created by the reservoirs provides a favorable site for electrical generation using solar panels and that a floating solar array has the added benefits of providing shade on the reservoirs, thereby reducing evaporation, which increases water conservation (much needed in the region) and also minimizing algal blooms that can negatively impact drinking water quality and treatability; and

WHEREAS, the Department of Watershed Management desires to enter into a thirty (30) year lease with ~~Kruger Energy LLC~~ REC Solar Commercial Corporation whereby ~~Kruger Energy LLC~~ REC Solar Commercial Corporation will lease water surface area in Water Supply Reservoir No. 2 at the Scott Candler Water Treatment Filter Plant and make annual lease payments of \$18,000.00 to DeKalb County, totaling (\$540,000) over the 30-year lease, and a one-time administrative payment to the County of one hundred thousand dollars (\$100,000.00) once the lease agreement is fully executed;

WHEREAS, pursuant to the proposed lease, Hannah Solar LLC would construct a three (3) megawatt (MW) floating solar array in Water Supply Reservoir No. 2; and

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WHEREAS, it has been proposed that ~~Kruger Energy LLC~~ REC Solar Commercial Corporation will pay all the capital costs, the long-term maintenance costs, and the removal costs of the floating solar array; and

WHEREAS, Hannah Solar LLC submitted a Renewable Energy Development Initiative (REDI) project application as stipulated by Georgia Power and the Georgia Public Service Commission (PSC) to procure one thousand two hundred (1,200) MW of sustainable energy; and

WHEREAS, the application was approved by Georgia Power for the project and a lease agreement is needed between DeKalb County and ~~Kruger Energy LLC~~ REC Solar Commercial Corporation to ensure construction of a three (3) MW solar array on Reservoir No. 2 (the smallest pond of three); and

THEREFORE, be it resolved that the Board of Commissioners approves the concept of a thirty (30) year lease with ~~Kruger Energy LLC~~ REC Solar Commercial Corporation and authorizes representatives of the Department of Watershed Management and the Environmental Energy Manager, with the assistance of the County Attorney and her designees, to negotiate the terms of the proposed lease and any other necessary documents that will be brought back to the Board of Commissioners for consideration.

SO, RESOLVED BY GOVERNING AUTHORITY OF DEKALB COUNTY, GEORGIA.

ADOPTED by the DeKalb County Board of Commissioners, this ____ day of _____, 2018.

Jeff Rader
Presiding Officer
Board of Commissioners
DeKalb County, Georgia

APPROVED by the Chief Executive Officer of DeKalb County, this ____ day of _____, 2018.

Michael L. Thurmond
Chief Executive Officer

5.4.2018*

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DeKalb County, Georgia

ATTEST:

BARBARA H. SANDERS-NORWOOD, CCC
Clerk to the Board of Commissioners and
Chief Executive Officer
DeKalb County, Georgia

APPROVED AS TO SUBSTANCE:

Reginald Wells
Acting Director of Watershed Management

APPROVED AS TO FORM:

Viviane Ernstes
Interim County Attorney