

Council Business Meeting

May 17, 2022

Agenda Item	Oregon Department of Energy Community Renewable Energy Grant Application Approval	
From	Joseph Lessard Scott Fleury, PE	City Manager Public Works Director
Contact	Joe.Lessard@ashland.or.us Scott.fleury@ashland.or.us	

SUMMARY

Before the Council is a request to approve a blanket grant application process for the Oregon Department of Energy (ODOE) Community Renewable Energy Grants (CREP) for the next three years for projects that benefit the City and Community at large.

POLICIES, PLANS & GOALS SUPPORTED

City Council Goals:

- Emergency Preparedness
- Address Climate Change

CEAP Goals: Buildings + Energy

- BE-1-2 Encouraging on-site and community solar energy production
- BE-1-3. Facilitate and encourage solar energy production.
- BE-1-4. Enhance production of on-site solar energy from City facilities.
- BE-3-1 Installing solar at City facilities

Department Goals:

- Maintain existing infrastructure to meet regulatory requirements and minimize life-cycle costs
- Deliver timely life cycle capital improvement projects
- Maintain and improve infrastructure that enhances the economic vitality of the community
- Evaluate all city infrastructure regarding planning management and financial resources

PREVIOUS COUNCIL ACTION

The ODOE program was discussed at the May 3rd, 2022 Business Meeting and staff was directed to bring back an action item to Council at the May 17th, 2022 Business Meeting.

BACKGROUND AND ADDITIONAL INFORMATION

House Bill 2021 created a \$50 million fund at ODOE to provide grants for planning and developing community renewable energy and energy resilience projects.

The Community Renewable Energy Grant Program (CREP) is open to Oregon Tribes, public bodies, and consumer-owned utilities. Public bodies include counties, municipalities, and special government bodies such as ports and irrigation districts. Grants are awarded on a competitive basis and priority will be given to projects that support program equity goals, demonstrate community energy resilience, and include energy efficiency and demand response.

At least half of the grant funds will be awarded for projects that serve environmental justice communities, including communities of color, lower-income communities, rural communities, and others. Similarly, at least half of the grant funds will be awarded to projects that support community energy resilience.

Grant dollars are available for four types of projects:

- planning a renewable energy project
- planning a renewable energy project that also has a resilience component
- construction of a renewable energy project
- construction of a renewable energy project with a resilience component

Eligible projects include renewable energy generation systems like solar or wind, and energy storage systems, electric vehicle charging stations, or microgrid technologies paired with new or existing renewable energy systems. **Eligible applicants are encouraged to partner with community groups, non-profits, private businesses, and others on potential projects.**

ODOE will offer grants up to \$100,000 for eligible planning projects and up to \$1 million for eligible construction projects. Planning grants can cover up to 100 percent of eligible costs for renewable energy and energy resilience projects. Construction grants for renewable energy projects can cover up to 50 percent of eligible costs, while construction grants for resilience projects can cover up to 100 percent. Awards will be made on a competitive basis, and priority will be given to projects that support energy resilience and that serve qualifying communities, including communities of color, low-income communities, Tribes, rural areas, and other traditionally underserved groups.

Grant Applications for the 2022 cycle are due by June 10th, 2022.

City staff have been in discussions with various community organizations regarding the additional of solar at City Facilities. The Ashland Solar Coop is interested in leasing roof space on City buildings to install community solar and they have reached out to staff regarding locations at the service center located at 90 North Mountain, and inquired about other general locations.

Potential grant applications by the City include:

1. Battery resilience as part of the water treatment plant project
2. Solar, batteries & microgrid resilience for the service center that support AFN, general operations and the Emergency Operations Center (EOC)
3. Solar at the Ashland Municipal Airport
4. Solar at the Hardesty property and potential resilience and microgrid applications

In working with the Ashland Solar Coop staff recommends at a minimum applying for planning level funding of approximately \$30 to \$50 thousand to support the planning effort for resilience associated with a community solar project at the operations yard, located at 90 North Mountain for the 2022 application process.

The resilience component associated with a community solar for the cluster of buildings located at the operations yard would be to couple stationary battery storage and a microgrid that can function with the diesel generator at the EOC when the grid is down. Electric Vehicles (EV's) can potentially add battery storage for the microgrid which would allow fully charged EV's to deliver power to the microgrid. This resilience piece needs to be tied to photovoltaic systems on the buildings in the cluster.

Additional benefits of a community solar agreement and project could include providing assistance to low income residents who are subscribers to the program through a subsidized subscription rate. Grant priority is given to projects that support energy resilience and that serve qualifying communities, including communities of color, low-income communities, Tribes, rural areas, and other traditionally underserved groups.

FISCAL IMPACTS

Direct fiscal impacts are associated with staff time to process grant applications and work with community partners. Other impacts include the potential addition of a revenue stream from lease rights associated with community solar projects constructed on city property or facilities.

STAFF RECOMMENDATION

Staff recommends Council authorize the City Manager to approve staff supported grant applications through the Community Renewable Energy Grant process managed by the Oregon Department of Energy.

ACTIONS, OPTIONS & POTENTIAL MOTIONS

I move to delegate grant application decisions to the City Manager for applications through the Oregon Department of Energy's Community Renewable Solar Grant program for the next three years.

I move to authorize the City Manager ability to sign a final legal approved Memorandum of Understanding with the Ashland Solar Coop.

I move to take no action on the matter.

REFERENCES & ATTACHMENTS

Attachment #1: Draft Ashland Solar Coop and City of Ashland Memorandum of Understanding

Attachment #2: HB 2021 Fact Sheets



MEMORANDUM OF UNDERSTANDING

Effective Date:

PARTIES:

Ashland Solar Cooperative 1033 Clay Street Ashland, OR 97520	(ASC)
City of Ashland Xxx Ashland, OR 97520	(City of Ashland)

ASC and the City of Ashland, hereafter referred to collectively as "Parties", recognize the following:

- I. The Parties aim to work together to develop community solar projects for the benefit of Ashland Electric customers, including low-income households, in the City of Ashland. The Parties recognize the value and need for equitable access to clean energy produced locally, and we will work together to maximize local renewable energy benefits to all Ashland Electric customers.
- II. The City of Ashland is a municipal government in Southern Oregon that provides services to its citizens. The City of Ashland manages Ashland Electric, its municipal utility. The City of Ashland owns and manages many facilities and lots that have the capacity to host large community solar photovoltaic power generating systems. . . .
- III. ASC is a local solar cooperative whose mission is to increase access to solar power by developing member-owned community solar projects. We aim to do this in a socially and economically responsible fashion.
- IV. The Parties desire to perform the activities under this MOU solely in furtherance of the purpose stated above. It is the intention of the Parties that all activities conducted will contribute to accomplishing this purpose.

With intention to advance the collaboration set forth in this Memorandum of Understanding ("MOU"), the Parties have agreed on the following:

1) ASC Responsibilities:

1. ASC will lead the funding and development of community solar projects on City of Ashland properties, or other locations as identified and agreed to by the Parties.
2. ASC will lead all aspects of project development including lease negotiations, budgeting, utility interconnection, regulatory certification, design, grant writing, project finance, procurement, construction, and community outreach.
3. ASC may enlist additional external expertise as needed.

2) City of Ashland Responsibilities:

1. City of Ashland will work with ASC and mutually agreed upon partners and contractors to facilitate effective community solar project siting on City of Ashland properties.
2. City of Ashland will support ASC and mutually agreed upon partners and contractors to access grant funding and project finance.
3. City of Ashland will support ASC and mutually agreed upon partners and contractors to conduct community outreach to benefit low income Ashland Electric Customers in the City of Ashland.
4. City of Ashland will negotiate reasonable terms for community solar project site leases in order to maximize the benefits to Ashland Electric customers, including low income populations in the City of Ashland.
5. City of Ashland will secure property and general liability insurance coverages for each community solar project developed in partnership with ASC. ASC will reimburse the City of Ashland for these insurance coverages.

3) Mutual Responsibilities:

1. The Parties will work in partnership to achieve the goals of expanding access and benefits of solar to Ashland Electric customers and to low income communities.
2. The Parties will ensure engagement of all relevant stakeholders through the development process.
3. The Parties commit to communicating and sharing information as needed to effectively develop the partnership, project and community engagement aspects of this MOU.
4. The Parties will record and share lessons learned from project implementation.

4) Third Party Consultants: From time to time throughout the term of this MOU, the Parties may find it advisable to consult with third-party advisors, engineers, or other professionals in order to achieve the purposes described in this MOU. In those instances where the Parties agree to consult with a third-party, the Parties will obtain an estimate

from the agreed upon third-party and may, upon further agreement in writing, share the cost of such consulting services.

- 5) Confidentiality:** Except in the furtherance of its responsibilities hereunder, the Parties shall not disclose any Confidential Information without the prior written consent of the respective owner of the Confidential Information and shall disclose Confidential Information only to the Parties' employees or contractor on a "need to know" basis, provided that such employee or contractor agrees to comply with the terms of this section. As used herein, the term "Confidential Information" means any technical, financial, or other business information, marked "proprietary" or "confidential," of the Parties, including but not limited to information about client lists, business process documents, and other information. The Parties' obligations under this section 5, shall not apply, or shall cease to apply to the extent that Confidential Information: (i) is or hereafter becomes generally known or available to the public or interested persons through no breach of this section by the Parties; (ii) is rightfully known to the Parties without restriction on disclosure at the time of its receipt from the respective owner of the Confidential Information; (iii) is rightfully furnished to one or more of the Parties by a third party without breach of an obligation of confidentiality; (iv) is independently developed by one or more of the Parties without use or reference to the Confidential Information; (v) is required to be disclosed by applicable law or pursuant to order of the court, administrative agency, or other governmental body; provided the Party in question provides ten (10) day's prior notice to the respective owner of the Confidential Information for the owner to seek a protective order.
- 6) Term and Termination:** The initial Term of this MOU will commence on the Effective Date hereof and continue until 12/30/2025. Either Party may terminate this MOU prior to the end of the term for any reason with thirty (30) days written notice. Section 5 shall survive any termination or expiration of this MOU.
- 7) Avoidance of Conflict:** This MOU expresses the intent of the Parties to enter into discussions with respect to potentially mutually beneficial collaboration efforts; however, the Parties agree that nothing in this MOU will give rise to any legally binding or enforceable obligation, liability, or agreement on the part of either party. Without limitation, nothing in this MOU shall prevent either party from discussing, pursuing, submitting bids, or being awarded business opportunities that may arise as a result of or related to work performed in connection to this MOU.
- 8) Relationship of the Parties.** Nothing in this MOU shall be deemed to constitute a partnership or joint venture between the Parties. Nothing in this MOU shall constitute any Party to be the agent of the other Party for any purpose, except as explicitly granted by one Party to the other Party in writing separate from this MOU.

IN WITNESS WHEREOF, the Parties hereto by their duly authorized representatives, have executed this MOU on the dates set forth below.

Ashland Solar Cooperative

City of Ashland

Signature: _____

Signature: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Planning Grants for Community Renewable Energy and Energy Resilience Projects

Applications Due by
June 10, 2022

Learn more and
apply at [tinyurl.com/
ODOEGrants](https://tinyurl.com/ODOEGrants)

The Oregon Department of Energy is offering grants of up to \$100,000 for planning community renewable energy and energy resilience projects. Partnerships between the applicant and community groups, non-profits, private businesses, and others are encouraged. Projects must be located outside of Portland.

Eligible applicants include:

- Tribes
- Cities
- Counties
- Consumer-Owned Utilities
- Special Districts
- All other public bodies defined in [ORS 174.109](#)

Eligible technologies include:

Grant funds may be used for planning community energy projects, up to 20 megawatts in size, including:

- Renewable energy generation systems such as solar PV or wind turbines.
- Energy storage systems such as batteries paired with a new or existing renewable energy generation system.
- Vehicle charging stations paired with a new or existing renewable energy generation system.
- Microgrid technologies paired with a new or existing renewable energy generation system.



Community Renewable Energy Grant Program



Oregon Department of Energy
550 Capitol St. NE, 1st Floor
Salem, OR 97301

Applications must be submitted to the Oregon Department of Energy by June 10, 2022, for consideration in the first round of funding. Additional funding will be made available through 2024. Grant funding will be available for up to 100% of project costs.

Awards will be made on a competitive basis, and priority will be given to projects that support energy resilience and that serve certain qualifying communities, including communities of color, low-income communities, Tribes, rural areas, and other traditionally underserved groups.

Email: community.grants@energy.oregon.gov

Phone: 503-378-4040

Construction Grants for Community Renewable Energy and Energy Resilience Projects

Applications Due
by June 10, 2022

Learn more and
apply at [tinyurl.com/
ODOEGrants](https://tinyurl.com/ODOEGrants)

The Oregon Department of Energy is offering grants of up to \$1 million for constructing community renewable energy and energy resilience projects. Partnerships between the applicant and community groups, non-profits, private businesses, and others are encouraged. Projects must be located outside of Portland.

Eligible applicants include:

- Tribes
- Cities
- Counties
- Consumer-Owned Utilities
- Special Districts
- All other public bodies defined in [ORS 174.109](#)

Eligible technologies include:

Grant funds may be used for constructing community energy projects, up to 20 megawatts in size, including:

- Renewable energy generation systems such as solar PV or wind turbines.
- Energy storage systems such as batteries paired with a new or existing renewable energy generation system.
- Vehicle charging stations paired with a new or existing renewable energy generation system.
- Microgrid technologies paired with a new or existing renewable energy generation system.



Community Renewable Energy Grant Program



Oregon Department of Energy
550 Capitol St. NE, 1st Floor
Salem, OR 97301

Applications must be submitted to the Oregon Department of Energy by June 10, 2022, for consideration in the first round of funding. Additional funding will be made available through 2024. Grant funding will be available for up to 100% of eligible project costs for energy resilience projects and up to 50% of eligible project costs for renewable energy projects.

Awards will be made on a competitive basis, and priority will be given to projects that support energy resilience and that serve certain qualifying communities, including communities of color, low-income communities, Tribes, rural areas, and other traditionally underserved groups.

Email: community.grants@energy.oregon.gov

Phone: 503-378-4040