

A REGULAR MEETING

Of The

TRAVERSE CITY LIGHT AND POWER BOARD

Will Be Held On

TUESDAY, April 23, 2013

At

5:15 p.m.

In The

COMMISSION CHAMBERS
(2nd floor, Governmental Center)
400 Boardman Avenue

Traverse City Light and Power will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities at the meeting/hearing upon notice to Traverse City Light and Power. Individuals with disabilities requiring auxiliary aids or services should contact the Light and Power Department by writing or calling the following.

Stephanie Tvardek
Administrative Assistant
1131 Hastings Street
Traverse City, MI 49686
(231) 932-4543

Traverse City Light and Power
1131 Hastings Street
Traverse City, MI 49686
(231) 922-4940

Posting Date: 04-19-13
2:00 p.m.

AGENDA

Pledge of Allegiance

1. Roll Call

2. Consent Calendar

The purpose of the consent calendar is to expedite business by grouping non-controversial items together to be dealt with by one Board motion without discussion. Any member of the Board, staff or the public may ask that any item on the consent calendar be removed therefrom and placed elsewhere on the agenda for full discussion. Such requests will be automatically respected. If an item is not removed from the consent calendar, the action noted in parentheses on the agenda is approved by a single Board action adopting the consent calendar.

None.

Items removed from the Consent Calendar

None.

3. Old Business

- a. Consideration of approving the Community Solar Garden Inter-Utility Agreement. (Arends)

4. New Business

- a. Consideration of authorizing a Tree Trimming Services Agreement. (Wilson)

5. Appointments

None.


6. Reports and Communications

- a. From Legal Counsel.
- b. From Staff.
- c. From Board.

7. Public Comment

The TCL&P Board will adjourn into a Study Session immediately following the Regular Meeting



To: Light & Power Board
From: Tim Arends, *Interim* Executive Director/Controller 
Date: April 18, 2013
Subject: Community Solar Garden

At its April 9, 2013 board meeting, the Board voted to allow staff to further investigate the opportunity for Traverse City Light & Power (TCL&P) customers the option to participate in the Community Solar Garden currently under construction at Cherryland Rural Electric Cooperative (“Cherryland”) headquarters in Grawn. Over the past two weeks, staff has worked with Cherryland, Wolverine Power Supply Cooperative, and TCL&P General Counsel in drafting/reviewing the appropriate customer documents and developed a proposed customer tariff rate that would allow credits to customers from their investment in this renewable energy alternative.

Included in your packet are several different forms that I will summarize in this memo:

- **SUN Alliance Inter-Utility Agreement:** This Agreement between Cherryland and TCL&P identifies the project and authorizes TCL&P customers the opportunity to purchase solar panel “shares” in the amount of \$470 from Cherryland; and further describes the method of payment from Cherryland to TCL&P for ultimate credit to its customers for the energy produced by the solar panels. The Agreement also identifies the start-up fees and other financial obligations of TCL&P on a proportionate shared basis.
- **SUN Alliance Program Reservation Application Form:** This form will allow customers to reserve a panel, but not require payment upon signing. It will be used at promotional events for interested parties that may be eligible to participate but need verification of customer information and panel availability.
- **SUN Alliance Program Approval Form:** Within 14 days of application, customers will be notified if they are approved to purchase a share of the Solar Garden or be put on a waiting list pending further development of the program if panels are fully committed.
- **TCL&P Participating Customer Solar Energy Credit Purchase Agreement:** This is the actual contract between Cherryland and the TCL&P customer to purchase a share in the Solar Garden. Customer payment of their panel(s) will be due upon signing the contract. The contract discloses the payment of solar credits to customer accounts, explains transferability of the share(s), and may include a beneficiary designation after further discussions with Cherryland.
- **SUN Alliance Solar Garden Credit Transfer Request Application:** This form would be filled out by the customer to initiate the transfer of the solar energy credits to another TCL&P or Cherryland customer.
- **Community Solar Energy Rate:** This is the tariff rate that would require approval of the Board to authorize a solar energy credit to be applied to a customer utility bill. Approval requires a public hearing be set before adoption of the rate can occur.

FOR THE LIGHT & POWER BOARD MEETING OF APRIL 23, 2013

As you can see, developing what would seem to be a rather simple community solar project has involved a lot of time and effort on the part of many employees at both utilities. As with any joint utility project, many legal and logistical forms for successful deployment of the project are necessary. TCL&P, Cherryland, and Wolverine staff and their legal teams have worked diligently in minimizing the paperwork and coordinate the flow of information. Since this community solar project between a municipal and cooperative utility is the first of its kind in Michigan, and we believe the nation, there was no model to follow which may require further streamlining of processes as we move forward.

FINANCIAL INFORMATION: As mentioned at your previous meeting, I offered to present two options for the Board's consideration of approval. Included in your packet is a financial analysis that includes an "unsubsidized" and a "subsidized" option for the Board's consideration. Subsidized means that TCL&P would pay for some of the panels' fixed and variable costs such as installation, net metering, borrowing, and estimated annual maintenance. Unsubsidized means that the customer that purchases a share in the solar garden pays all costs with no participation financially by TCL&P. However, TCL&P will reimburse the customer \$75 per panel through its PA295 Renewable Energy Plan for either option. The estimated subsidy by TCL&P would be \$157.63 per panel over the 20-year life of the project if the customer pays \$470 per panel that is being offered to Cherryland customers. TCL&P can charge a different per panel amount than Cherryland is charging its customers if that is desired by the Board.

The estimated payback for shareholders of the utility subsidized option is 18.7 years at the current wholesale price being offered by Cherryland; however, the wholesale price is certain to rise in the future which would decrease that timeframe before shareholders would start seeing an actual return on their investment.

There has been widespread acceptance of this joint project between TCL&P and Cherryland not only for the cooperative effort of the utilities, but because supporters of this form of renewable energy are finally able to participate in a project that has become a reality! Additionally, those customers that do not support this form of renewable energy in an area with limited sunshine will not have to support it through their utility rates. It's truly a win-win for the community.

Staff is recommending that the Board support TCL&P's participation in the SUN Alliance by allowing its customers to participate in the Community Solar Garden. Further, staff is recommending that the Board allow TCL&P customers to purchase panels at the same rate as Cherryland customers (\$470) and that the utility absorb the incremental costs associated with each panel purchased. Since this is a first project of its kind, both TCL&P and Cherryland are trying to make the price as affordable as possible to interested customers that will hopefully maximize the chance for its success, and fill a desire of many in the area for a project of this nature. Future projects and their costs will be evaluated by each utility on its merits.

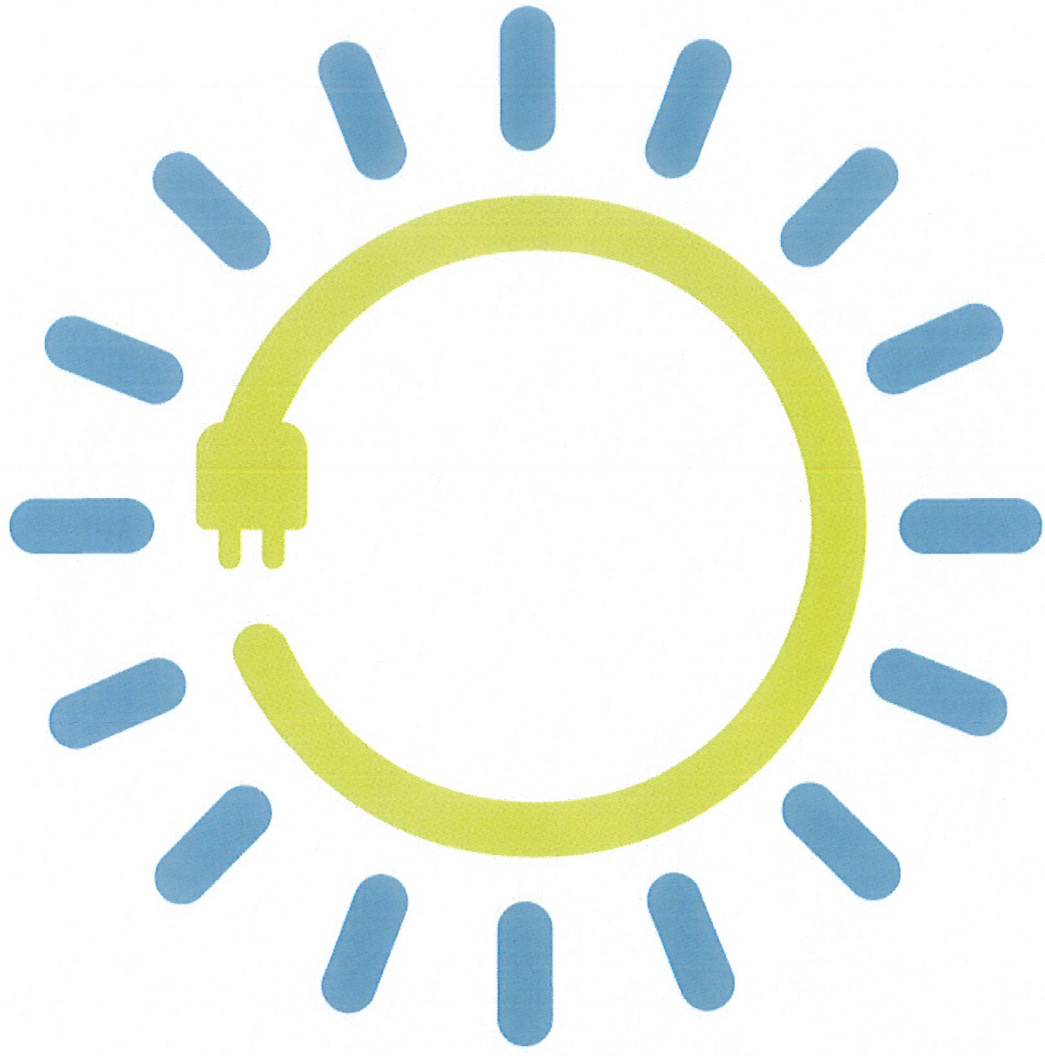
If the Board agrees with staff's recommendation, the following motion would be appropriate to do so:

(RECOMMENDED MOTION ON FOLLOWING PAGE)

FOR THE LIGHT & POWER BOARD MEETING OF APRIL 23, 2013

MOVED BY _____, SECONDED BY _____,

THAT THE LIGHT & POWER BOARD AUTHORIZES THE CHAIRMAN AND SECRETARY TO ENTER INTO THE SUN ALLIANCE INTER-UTILITY AGREEMENT BETWEEN TCL&P AND CHERRYLAND ELECTRIC COOPERATIVE, SUBJECT TO APPROVAL AS TO SUBSTANCE BY THE INTERIM EXECUTIVE DIRECTOR AND AS TO FORM BY GENERAL COUNSEL; AND FURTHER, THE BOARD PROPOSES A COMMUNITY SOLAR ENERGY TARIFF RATE AND SETS A PUBLIC HEARING FOR THE MAY 14, 2013 REGULAR TCL&P BOARD MEETING TO CONSIDER ITS ADOPTION.



SOLARUPNORTH

ALLIANCE



**SUN ALLIANCE INTER-UTILITY AGREEMENT
SOLAR GARDEN PHASE I**

This Agreement made the ____ day of _____, 2013, by and between CHERRYLAND ELECTRIC COOPERATIVE (“Cherryland”), with its principal offices at 5930 U.S. 31 South, Grawn, Michigan 49637, and the TRAVERSE CITY LIGHT AND POWER DEPARTMENT (“TCL&P”), whose address is 1131 Hastings Street, Traverse City, Michigan 49686;

WITNESSETH:

WHEREAS, Cherryland has developed the Solar Up North Alliance (“SUN Alliance”) by establishing the Community Solar Garden (“Solar Garden”) at its principal office location, and is permitting qualified Cherryland members to purchase shares of solar energy credits for the energy output of the Solar Garden; and

WHEREAS, Cherryland and TCL&P wish to extend this program to customers of TCL&P to permit them to purchase shares of solar panel energy and obtain credits on their TCL&P electric bills; and

WHEREAS, Cherryland intends to purchase all of the output from the Solar Garden through an interconnection with its principal office location as a net metering project; and

WHEREAS, contracts between power utilities are permitted by statute MCL 460.809;

NOW THEREFORE, the parties agree as follows:

1. Solar Energy Purchase. Cherryland will permit TCL&P electric customers to purchase shares of solar panel energy from the energy output of the Solar Garden by paying a one-time upfront charge in the amount of \$470.00 and by signing the TCL&P Participating Customer Solar Energy Credit Purchase Agreement. TCL&P customers who do so are hereafter referred to as Participating Customers.
2. Payment. Cherryland will purchase all energy from solar panel shares of the Participating Customers and pay TCL&P monthly those amounts a rate per kWh equal to its annual wholesale cost of power less distribution charges which shall be calculated annually (for 2013 the rate is \$0.078/kWh). Payment shall be in a lump sum direct deposit to a TCL&P bank account. Cherryland will transmit to TCL&P a breakdown allocating the payment to the then current Participating Customers.
3. Credit. TCL&P will credit their current Participating Customers on the next monthly bill pursuant to its Community Solar Energy Rate.
4. Notice of Participating Customers. Cherryland will promptly notify TCL&P of all Participating Customer’s Solar Energy Credit Purchase Agreements and

transmit copies to TCL&P. Those Agreements will be in a form mutually agreed upon by the chief executive officers of the parties.

5. Term. This Agreement shall be in effect for the duration of all TCL&P Participating Customer Solar Energy Credit Purchase Agreements unless otherwise terminated by agreement of the parties.

6. Information Sharing. TCL&P may be constructing another solar garden, and the data from and experience of Cherryland will be helpful in the planning and development of it. The parties agree to share data, contracts, purchase information, design and siting criteria, and other information involved in or arising out of the planning, development and operation of the Solar Garden and future solar gardens. If any of such information is marked as confidential, the party receiving that information agrees to keep it confidential and not release it to a non-party unless permitted by the party providing the information.

7. Start-Up Costs. TCL&P shall reimburse Cherryland a pro-rata share (based on the % of each utilities customer's per panel participation) of start-up costs that include the utility subsidy total of \$5,601.95, the net metering costs of \$2,000.00, and the interest on the advance of the federal tax credit in the amount of \$3,745.75. The chief executive officers shall determine a reasonable time in calculating this % based on program participation/completion. TCL&P shall further reimburse Cherryland \$15/panel for installation costs for TCL&P customer purchased panels.

8. Ongoing Maintenance Costs: It is estimated that annual maintenance costs will be minimal and shared by the utilities on the same % basis as defined in section 7.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

CHERRYLAND ELECTRIC COOPERATIVE

By:
Its:

By:
Its:

TRAVERSE CITY LIGHT AND POWER DEPARTMENT

By: Patrick McGuire
Its: Chairman

By: Timothy J. Arends
Its: Secretary

Approved as to Substance:

By: Timothy J. Arends
Its: *Interim* Executive Director

Approved as to Form:

By: W. Peter Doren, Traverse City Light & Power
Its: General Counsel



SUN ALLIANCE PROGRAM RESERVATION APPLICATION FORM

CUSTOMER INFORMATION:

Customer Name: _____

Customer Service Address: _____

City/Twp: _____ State: ____ Zip: _____

Customer Mailing Address: _____

City/Twp: _____ State: ____ Zip: _____

Customer Telephone Number: _____

Customer Account Number: _____

Customer Email Address: _____

GENERAL INFORMATION:

Cherryland Electric Cooperative (“Cherryland”) and Traverse City Light & Power (“TCL&P”) have developed the Solar Up North Alliance (also known as the “SUN Alliance”) Community Solar Garden (“Solar Garden”) to be located at 5930 US 31 South, Grawn, Michigan 49637. The Solar Garden will be comprised of, among other things, photovoltaic solar panels. The Solar Garden will interconnect with the Cherryland facility as a net metering project providing power to Cherryland’s headquarters. Qualifying Cherryland members and TCL&P customers may purchase investment shares in the Solar Garden and receive future billing credits by paying a one-time upfront charge.

Solar Garden investment shares can be purchased for \$470.00 each, pending upcoming TCL&P Board approval. Depending on availability, more than one investment share may be purchased by a customer.

Each investment share will result in a monthly billing credit.

SHARES REQUESTED:

Please indicate the number of Solar Garden investment shares you would like to purchase:

One Two Three Other _____

By signing below, you are notifying TCL&P of your intent to purchase the Solar Garden investment shares indicated above, subject to meeting the qualifications of the SUN Alliance Program and panel availability. You are not committing to the purchase of any investment shares until such time that you sign the Solar Garden Investment Agreement.

TCL&P will review your application to determine if you meet the applicable requirements and will provide you with written notification regarding such determination within fourteen (14) days of receipt of your application.

- Customer directs TCL&P to determine whether any applicable energy optimization credits are available to reduce the investment share price through a refund.

****PLEASE DO NOT SUBMIT PAYMENT AT THIS TIME****

Customer’s Signature: _____ Date: _____

Please submit applications to the following address or email to jwheaton@tclp.org:

Traverse City Light & Power
Attn: SUN Alliance Program
1131 Hastings Street
Traverse City, MI 49686



SUN ALLIANCE PROGRAM APPROVAL FORM

1. **Customer Information:**

Customer Name: _____

Customer Service Address: _____

City/Twp: _____ State: ____ Zip: _____

Customer Mailing Address: _____

City/Twp: _____ State: ____ Zip: _____

Customer Telephone Number: _____

Customer Account Number: _____

Customer Email Address: _____

2. **Cost, Terms and Conditions:**

Your application for the purchase of investment shares in the Solar Up North Alliance (also known as the “Sun Alliance”) Community Solar Garden has been approved by Traverse City Light & Power subject to the terms and conditions contained herein and within the Solar Garden Investment Agreement.

Solar Garden investment shares purchased: _____

Solar Garden investment shares cost @\$470.00 per share: _____

Total payment due by Customer upon execution of Solar Garden Investment Agreement: _____

Applicable Cost Reduction Credits (Energy Optimization)* _____

Estimated Monthly Solar Garden Credit: _____

*Please note that the Cost Reduction Credits are different than the Solar Garden Credits to be applied to your monthly bill. The Cost Reduction Credits, if any, will be remitted to you by mail in the form of a refund check to be issued by Traverse City Light & Power. These credits will reduce the total cost of your Solar Garden investment share(s).

Please make checks payable to Cherryland Electric Cooperative

TRAVERSE CITY LIGHT & POWER

Signature

Title

Date

**TCL&P PARTICIPATING CUSTOMER
SOLAR ENERGY CREDIT PURCHASE AGREEMENT**

This Solar Energy Credit Purchase Agreement (“Agreement”) is made and entered into this ____ day of _____, 2013 by and between Cherryland Electric Cooperative (“Cherryland”), with its principal place of business at 5930 US 31 South, Grawn, Michigan 49637 and the Traverse City Light and Power (“TCL&P”) electric customer (“Participating Customer”) identified as follows:

TCL&P Participating Customer: _____
Service Address: _____
City/Twp: _____
State: _____
Telephone: _____

1. Overview.

- 1.1 Cherryland Electric Cooperative (“Cherryland”) has developed the Solar Up North Alliance (also known as the “SUN Alliance”) Community Solar Garden (“Solar Garden”) located at 5930 US 31 South, Grawn, Michigan 49637, which is comprised of, among other things, photovoltaic solar panels (each a “Solar Panel”).
- 1.2 Cherryland and TCL&P have entered into the SUN Alliance Inter-Utility Agreement dated _____, 2013; and TCL&P has adopted a Community Solar Rate.
- 1.3 Participating Customers may purchase shares of solar panel energy for the energy output of the Solar Garden by paying a one-time upfront charge.
- 1.4 This Agreement sets forth the terms and conditions of Participating Customer’s purchase of shares of solar panel energy and the credits to be given by TCL&P.

2. Purchase of Solar Energy Credits.

- 2.1 Subject to the terms and conditions set forth in this Agreement and the SUN Alliance Inter-Utility Agreement, Cherryland agrees to pay to TCL&P for the Participating Customer’s energy output from the Solar Garden in the amount set forth in the Approval Form (“Solar Energy Allotment”), attached hereto as Exhibit 1 during the term of this Agreement.
- 2.2 Pursuant to TCL&P’s Community Solar Energy Rate, Participating Customers will receive this amount as a credit (“Solar Energy Credit”) on the Participating Customer’s monthly billing statements for electricity provided by TCL&P at the

customer service address set forth in the Approval Form (“Service Address”) in the manner provided in Section 6 below.

- 2.3 Participating Customers acknowledge and understand that Cherryland will retain sole ownership, possession and control of the Solar Garden and each Solar Panel and will have the exclusive right to maintain and operate such Solar Panels and the Solar Garden.
- 2.4 Participating Customers acknowledge and understand that Cherryland will interconnect the Solar Garden to its facility located at 5930 US 31 South, Grawn, Michigan 49637 and treat the Solar Garden as a net metering project and all energy produced by the Solar Garden will be isolated and metered at the facility.
3. **Consideration.** Participating Customers will pay Cherryland the amount set forth in the Approval Form as consideration for the Solar Energy Credit of Participating Customers pursuant to this Agreement.
4. **Effective Date.** The Effective Date of this Agreement shall be the first day of the Participating Customer’s billing cycle which follows the later of: (i) the interconnection date of the Solar Garden (the date the Solar Garden starts delivering energy to the Cherryland facility) or (ii) Cherryland’s execution of this Agreement.
5. **Term.** This Agreement shall run from the Effective Date for a period of twenty-five (25) years or, if earlier, until the death of the Participating Customer (the “Term”), subject to early termination as provided in this Agreement.
6. **Solar Energy Credit.** The Solar Energy Credit will be applied by TCL&P to the Participating Customer’s monthly billing statement as follows:
 - 6.1 The Participating Customers will receive a credit on the Participating Customer’s monthly billing statement equal to the Participating Customer’s incremental share of the total Solar Garden energy output in kilowatt hours multiplied by Cherryland’s then existing applicable rate.
 - 6.2 Participating Customers acknowledge and understand that neither Cherryland nor TCL&P guarantee a Solar Energy Credit each month as a Solar Energy Credit is dependent on the amount of solar energy produced by the Solar Garden each month, if any.
7. **Change in Participating Customer’s Location.**
 - 7.1 Participating Customers shall notify Cherryland in writing within fourteen (14) days prior to any change in Participating Customer’s utility service location during the Term.

7.2 If a Participating Customer moves to a new location within the service territory of Cherryland or TCL&P, then the account associated with the Participating Customer's new service location shall be substituted for its original account in effect when this Agreement was executed.

7.3 If Participating Customer moves to a new location outside of the service territory of Cherryland and TCL&P, and fails to effectuate a transfer of the Solar Energy Credit to another qualifying member of Cherryland or TCL&P pursuant to section 8 below, the shares shall revert to Cherryland and Participating Customer shall have no claim to the shares or future credits, and shall have no claim to a refund of the purchase price.

8. **Transfer or Assignment of Solar Energy Credit.**

8.1 Participating Customers, or Participating Customer's duly authorized representative or agent, may seek to transfer the Solar Energy Credit to another qualifying Member of Cherryland or customer of TCL&P by submitting a Transfer Application. Cherryland has sole discretion as to whether to approve the Transfer Application.

8.2 If Cherryland approves the Transfer Application, the transfer shall not be completed until the Member or Participating Customer receiving the Solar Energy Credit (transferee) executes a new Solar Energy Credit Purchase Agreement and any other necessary documents related to the transfer.

9. **Additional Acknowledgments.**

9.1 Participating Customers acknowledge that, except as expressly provided in section 8 of this Agreement, Participating Customers may not assign, gift, bequeath or otherwise transfer any Solar Energy Credit to any other individual or entity.

9.2 Participating Customers acknowledge that Participating Customers have no right, title or claim to the electric energy produced by the Solar Garden.

10. **Reporting and Marketing.** Participating Customers authorize Cherryland to use Participating Customer's name, the amount of purchased shares and Solar Energy Credit information ("Participating Customer Information") for reporting and marketing purposes. Cherryland may use the Participating Customer Information only for official reporting to governmental authorities, public utility commissions, and similar organizations, and in marketing materials generated and distributed by Cherryland or its agent. Except as required by law and as otherwise provided in this Agreement, Cherryland will not release or otherwise publish any information collected from Participating Customers other than the Participating Customer Information. Notwithstanding this section, Cherryland will not use or disclose Participating

Customer's name if Participating Customers provide written notice strictly prohibiting such use.

11. **Notice.** All notices, requests, consents, and other communications under this Agreement shall be in writing to the mailing address for each party stated above.
12. **Governing Law/Jurisdiction/Venue.** This Agreement shall be deemed to have been made in, and shall be constructed under, the laws of the State of Michigan. The parties acknowledge and agree that a court of competent jurisdiction located in Grand Traverse County, Michigan shall have exclusive jurisdiction in any action or proceeding arising under or relating to this Agreement.
13. **Entire Agreement.** This Agreement, including the Exhibit(s) attached hereto and other documents referenced herein, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. This Agreement may not be released, discharged, or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

PARTICIPATING CUSTOMER

CHERRYLAND ELECTRIC
COOPERATIVE

Participating Customer's Name (please print)

Signature

Participating Customer's Signature

Printed Name

Date

Title

Date



SUN ALLIANCE SOLAR GARDEN CREDIT TRANSFER REQUEST APPLICATION

1. **Proposed Transferor Customer Information:**

Customer Name: _____

Customer Service Address: _____

City/Twp: _____ State: ___ Zip: _____

Customer Mailing Address: _____

City/Twp: _____ State: ___ Zip: _____

Customer Telephone Number: _____

Customer Account Number: _____

Customer Email Address: _____

2. **Proposed Transferee Customer Information:**

Customer Name: _____

Customer Service Address: _____

City/Twp: _____ State: ___ Zip: _____

Customer Mailing Address: _____

City/Twp: _____ State: ___ Zip: _____

Customer Telephone Number: _____

Customer Account Number: _____

Customer Email Address: _____

3. **Reason for proposed transfer of Solar Garden Credit (please explain in detail):**

4. **Proposed Date for Transfer:** _____

5. **Acknowledgments:** Cherryland Electric Cooperative (“Cherryland”) and Traverse City Light & Power (“TCL&P”) will make every effort to approve and effectuate the requested transfer. However, the undersigned Members/Customers acknowledge and understand that the Solar Garden Credit may only be transferred to another qualifying Cherryland Member or TCL&P Customer. In the event Cherryland or TCL&P does not approve this transfer request and the Transferor Member/Customer moves to a new location outside of Cherryland’s or TCL&P’s service territory, the Transferor Member/Customer acknowledges and understands that the Investment Share(s)/Solar Credit will revert to Cherryland or TCL&P and Transferor Member/Customer shall have no claim to the Investment Share(s) or future Solar Credits and shall have no claim to a refund of the Investment Share(s) price. Moreover, Transferee Member/Customer acknowledges and understands that a new Solar Garden Investment Agreement must be executed to complete the requested transfer.

6. Cherryland will advise the undersigned Members/Customers of the approval or denial of this transfer request within fourteen (14) days of submission of this application.

Transferor Member/Customer Signature

Transferee Member/Customer Signature

Date

Date

Solar Up North (SUN) Alliance

Phase I Financial Analysis

Project Location: Cherryland Electric Cooperative Headquarters: 5930 U.S. 31 South, Grawn, MI 49637
Project Owner: Spartan Renewable Energy (a taxable subsidiary of Wolverine Electric Supply Cooperative)
Life of project: 20 years

Project Details: 360 - 235 watt panels
84.6 KW
Estimated 22.5 kWh/month (or) 270 kWh/year per panel
Cherryland Electric Cooperative wholesale price = \$0.078/kWh

Option I: Unsubsidized Cost per panel:

Cost of 360 panel system	\$ 249,717.07 (includes sales tax)
30% tax credit	<u>\$ (74,915.12) (Federal Solar Investment Tax Credit)</u>
Sub-total	<u>\$ 174,801.95</u>
Net metering costs	\$ 2,000.00 (project is net metered into Cherryland's building)
Panel Install cost	\$ 5,400.00 (\$15/panel)
Interest on tax incentive	\$ 3,745.75 (1 year interest on advance from Spartan until tax credit received)
Annual Maintenance	<u>\$ 40,000.00 (Estimated cost = \$2,000/year for 20 years)</u>
Total project cost	<u>\$ 225,947.70</u>
Total cost per panel	<u>\$ 627.63</u>

Option II: Utility Subsidized Cost per panel:

Cost of 360 panel system	\$ 249,717.07 (includes sales tax)
30% tax credit	<u>\$ (74,915.12) (Federal Solar Investment Tax Credit)</u>
Sub-total	<u>\$ 174,801.95</u>
Utility Subsidy	<u>\$ (5,601.95) (difference between actual cost/panel and \$470 initial offering)</u>
Total project cost	<u>\$ 169,200.00</u>
Total cost per panel	<u>\$ 470.00</u>

Total utility subsidy (including start-up & maintenance) = \$ 157.63 per panel

City of Traverse City
Light and Power Department
Effective: _____

COMMUNITY SOLAR ENERGY RATE

(Rate "SOLAR")

Availability:

Available to any customer that has an active TCL&P account who has a signed TCL&P Participating Customer Solar Energy Credit Purchase Agreement or an approved Sun Alliance Solar Garden Credit Transfer form which constitutes their investment in a solar panel(s) offered by the Solar Up North Alliance for projects where TCL&P is a partner.

Monthly Rate:

A monthly credit will be applied to the customer account based upon their incremental share of the total Solar Garden energy output in kilowatt hours multiplied by the project sponsored utilities existing applicable rate for that specific project.



**TRAVERSE CITY
LIGHT & POWER**

To: Light & Power Board
From: Blake Wilson, System Engineer *Be*
Date: April 15, 2013
Subject: Tree Trimming Services Agreement

Bids have been obtained for tree trimming services on Traverse City Light & Power's (TCL&P) utility system for 2013-2017 (3 years). Bid pricing was at an hourly rate for a two person crew with truck, chipper and other related equipment for the purpose of line clearance tree trimming. TCL&P's electric distribution, transmission and fiber system are to be trimmed under this contract. Requests were sent out to seven companies and bids were received as follows:

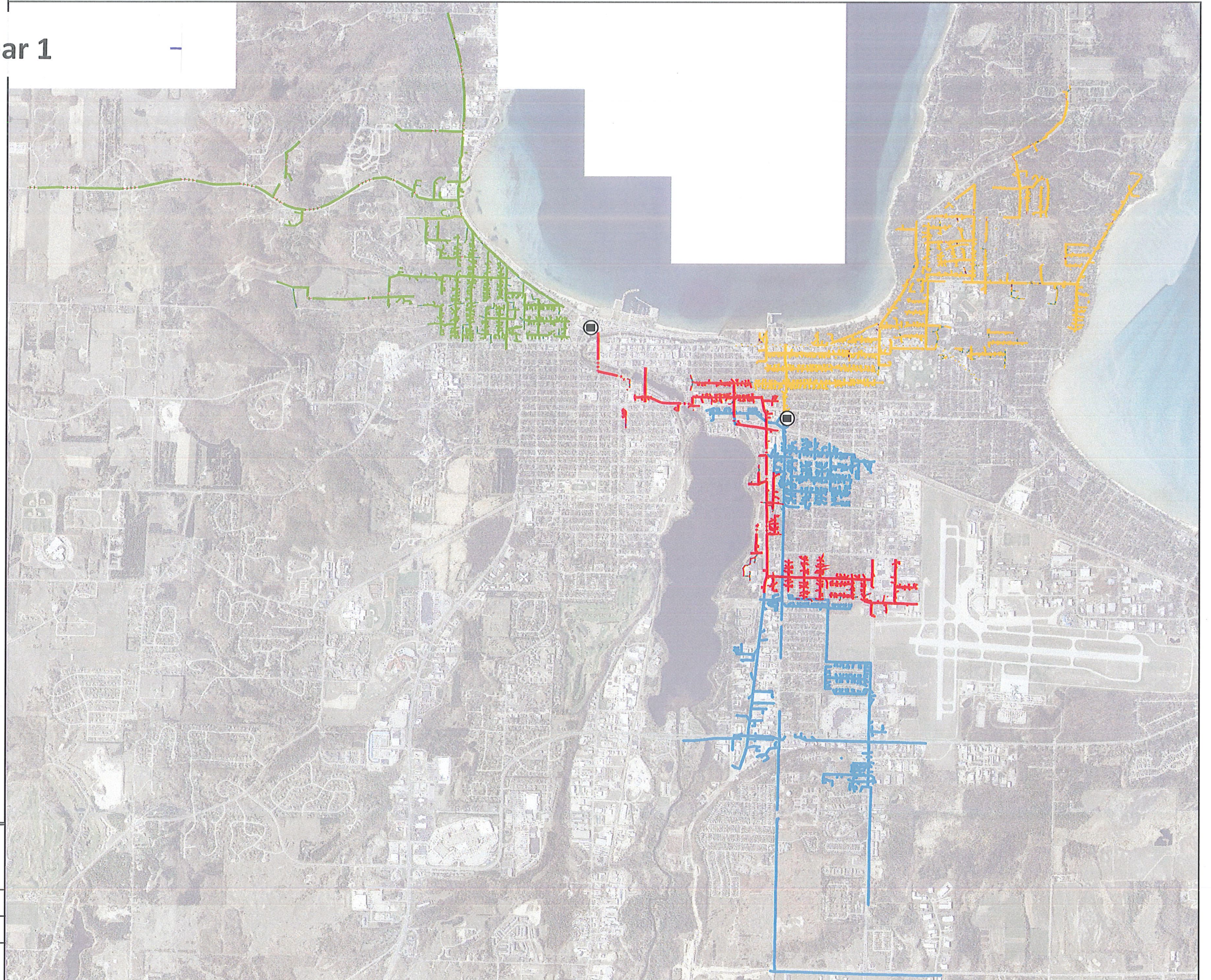
Bidder	3 Year Total	Time and Material Costs		
		Year 1	Year 2	Year 3
Trees Inc.	\$440,627.20	\$69.22	\$70.60	\$72.02
Penn Line Services Inc	\$442,457.60	\$70.13	\$70.77	\$71.82
Townsend	\$464,713.60	\$73.25	\$74.36	\$75.81
Asplundh Tree Expert Co.	\$479,211.20	\$75.95	\$76.79	\$77.65
The Energy Group	\$562,473.60	\$87.49	\$90.11	\$92.82
Nelson Tree Service	NO BID	N/A	N/A	N/A
NG Gilbert	NO BID	N/A	N/A	N/A

Staff recommends selecting Trees Inc. as they are the low bidder for the defined work scope. If the board is in agreement, the following motion is recommended:

**MOVED BY _____, SECONDED BY _____,
 THAT THE BOARD AUTHORIZE THE CHAIRMAN AND THE SECRETARY TO
 ENTER INTO A THREE YEAR TREE TRIMMING SERVICES AGREEMENT WITH
 TREES INC. IN THE AMOUNT OF \$440,627.20; SUBJECT TO APPROVAL AS TO
 SUBSTANCE BY THE *INTERIM* EXECUTIVE DIRECTOR AND APPROVAL AS TO
 FORM BY GENERAL COUNSEL.**



Year 1



● SUBSTATION


— HL-21

— HL-22

— BW-22

— BW-31

REVISION			SHEET NO.
MK	DRWN:	CHKD: DATE	
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 Investing Our Energy In You		ORIGIN DATE: 11/3/2011
DRAWN BY: BWILSON	TITLE: TREE TRIMMING CIRCUITS	
CHECKED BY:	CIRCUIT OVERVIEW	
SCALE	NONE	



Year 2

● SUBSTATION

— CD-23

— CD-30 & CD-31

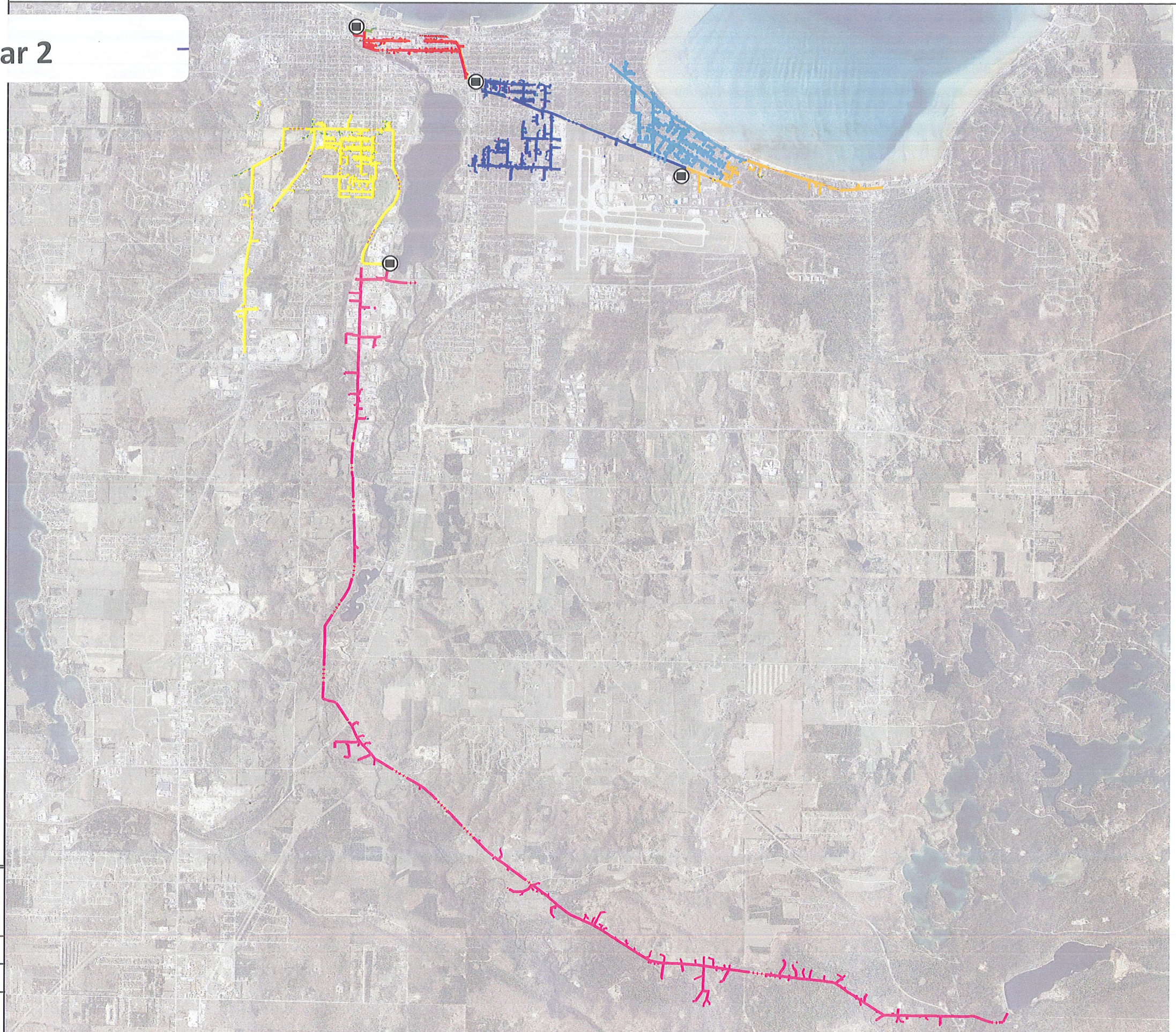
— BW-30

— HL-30


— HL-31

— PC-22

— PC-23

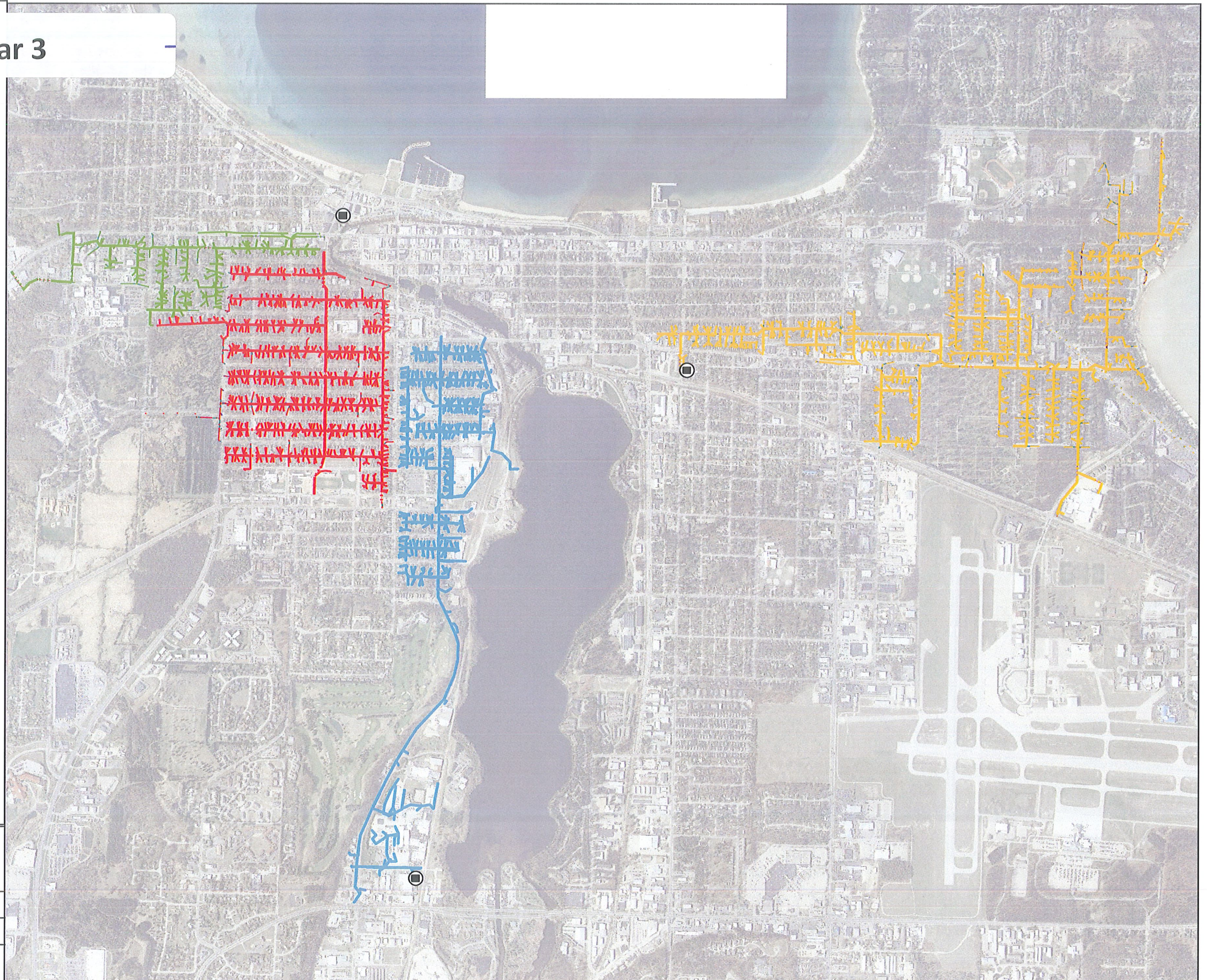


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		ORIGIN DATE: 11/3/2011
DRAWN BY: BWILSON	TITLE: TREE TRIMMING CIRCUITS	
CHECKED BY:	CIRCUIT OVERVIEW	
SCALE	NONE	



Year 3



● SUBSTATION

— HL-32

— HL-23 & HL-33

— CD-21

— BW-23

MK	REVISION			SHEET NO.
	DRWN:	CHKD:	DATE	
A				1
B				
C				ORIGIN DATE: 11/3/2011
D				
E	DRAWN BY:		TITLE:	TREE TRIMMING CIRCUITS
F	BWILSON			
G	CHECKED BY:		CIRCUIT OVERVIEW	
H	SCALE:			
I	NONE			
J				

