



Legislation Text

File #: 57442, Version: 1

The proposed resolution authorizes the City to participate in MGE's Renewable Energy Rider program. Through this program the City will receive up to 19% of its electrical load through solar power dedicated to the City. The term of the agreement is 30 years assuming a \$0.063 locked rate with a 2% annual escalation fee. Under the agreement, the fixed rate portion of MGE charges will still be subject to increases outside the terms stated here. Since 2013 total rates have trended downward to \$0.0665 in 2018. At the same time, the non-energy portion of the rate has trended upward increased to 42.33% in 2018.

Authorizing the Mayor and City Clerk to Execute an Agreement with Madison Gas & Electric (MGE) for 5 Megawatt Renewable Energy Rider (RER) Project.

WHEREAS, in 2017 (#45569) the Common Council of the City of Madison resolved that Madison's energy goals must reflect scientific consensus and community aspirations and adopted by resolution community-wide energy and carbon goals of 100% renewable energy and net-zero carbon emissions, within a time-frame that aligns with sound and established science, as official energy and carbon goals of the City of Madison; and,

WHEREAS, in 2019 (#54508) the Common Council of the City of Madison adopted the 100% Renewable Madison Report with the recommendation for the City to follow the Scenario 3 measures and timeline; and,

WHEREAS, powering city operations with 100% renewable energy will enable city officials to lead by example and accomplish multiple city policy objectives including job creation and economic development, cost savings to city taxpayers, promoting racial equity and social justice, contributing to long-term public health and vitality through improved air and water quality, and resilience in the face of more extreme weather events; and,

WHEREAS, the Renewable Energy Rider (RER) program provides an individualized solar option for MGE's commercial customers, including the City of Madison, to substitute electricity from a designated renewable generation facility for the standard mix of energy MGE supplies; and,

WHEREAS, the RER program provides such customers with the opportunity to purchase solar energy from a dedicated new installation at utility-scale pricing; and,

WHEREAS, MGE presented a proposal to gring a large scale solar installation for the City of Madison under the RER tariff program ("RER Project"); and,

WHEREAS, the renewable energy supplied under the proposed RER Project would replace an equal amount of energy for which the City would otherwise be billed under regular tariff rates; and,

WHEREAS, city staff and a team of experts have analyzed City energy use data on a 15 minute interval basis and determined the City could utilize 99% of the electricity generated by a 5 MW RER Project; and,

WHEREAS, the 5 MW RER Project would provide renewable energy for 19% of the City's current electrical load; and,

WHEREAS, MG&E has proposed to construct a 7 MW RER Project with 5 MW allocated to the City for a 30 year period; and,

WHEREAS, the City's initial cost for electricity provided by the RER project would be \$0.063 per kWh and escalated 2% annually; and,

WHEREAS, the City acknowledges that rates will change over the course of the next 30 years, and any changes to energy rates and/or rate structures will affect the RER project's economic performance, either positively or negatively; and,

WHEREAS, the City of Madison aims to lead by example in the community, the state, and across the nation and the total RER Project benefits outweigh these risks and allows the City to move towards meeting its Energy and Carbon goals; and,

NOW THEREFORE BE IT RESOLVED, that the Mayor and Common Council approve a the 5 MW RER Project with MG&E subject to regulatory approval and that the Mayor and City Clerk are hereby authorized to execute an agreement with MG&E for the RER Project.