



## Solar Power Purchase Program

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### What is “SP<sup>3</sup>”?

The Solar Power Purchase Program (SP<sup>3</sup>) incentivizes the installation of new, local solar systems on commercial customer facilities.

The basis of the SP<sup>3</sup> is a fixed-price (non-escalating), 20-year power purchase agreement (PPA) between Utilities and system owners for solar generation located on commercial facilities. Commercial customers may enter agreements with solar developers for installation of the systems, which may include financing, lease-purchase and rooftop property leasing.

The energy output of the solar system goes directly to Utilities’ electric grid “in front of the billing meter” and system owners are paid based on their PPA. The agreement does not alter the customer’s electric bill. This arrangement is commonly known within the solar industry as a feed-in-tariff or “FIT” model. The PPAs also convey the Renewable Energy Credits (RECs)—the right to claim the renewable energy attributes of a project—to Utilities to reach community clean energy goals.

The solar projects from this program will help Fort Collins Utilities’ meet its renewable energy goal for 2020. In addition, the locally produced renewable energy supports the community’s *Climate Action Plan* and *Energy Policy* greenhouse gas reduction goals while supporting local investment. City Council authorized funding for the program in November 2016, which is capped at \$282,500/year.

## Key Attributes - Solar Power Purchase Program

Program Attribute	Purpose / Benefit
Projects will be located on the premise of Fort Collins Utilities' commercial customers	Local economic benefit, reduction in transmission line losses
Solar photovoltaic (PV) systems range in size from 10 to 1,000 kilowatts (kW DC)	Diversity of project sizes
1,000 kW DC maximum aggregate capacity on any single parcel	Diversity of participating customers
1,500 kW DC maximum capacity for a single commercial entity for multiple parcels and projects	Diversity of participating customers
Grid interconnection "in front of the customer meter"	Predictable long-term cost for ratepayers (as approved in City budget)
20 year power purchase agreement (PPA) between system owner and Utilities as agent for Platte River Power Authority	Customer and solar developer predictability, alignment with Platte River Power Authority service agreement
Payments made are for actual production via separate metering on the solar system	Pay for performance
Minimum 25 percent of funds reserved for systems sized between 10 and 100 kW DC (applications in the small and large system categories will be handled as separate groups)	Diversity of project sizes
Competitive Bid Price in each class: Bid price/kWhr 10 - 100 kW DC 'Class-1' Bid price/kWhr 100 - 1,000 kW DC 'Class-2'	Lowest cost to ratepayers
Utilities retains control of Renewable Energy Credits (RECs)	Commitment to meet community goals
2017 - Applications received June 19 through September 8, 2017 – selection by project quality and price.	Fair selection process

### For More Information

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