



Fort Collins Solar Power Purchase Program

What is “SP³”?

The Solar Power Purchase Program (“SP³”) encourages the installation of new local solar systems on behalf of all Utilities customers. Approved by City Council in June 2013, this pilot program will help meet Utilities’ renewable energy commitments under the Colorado Renewable Energy Standard (RES).

The basis of the SP³ is a fixed-price, 20-year Power Purchase Agreement (PPA) between Fort Collins Utilities and commercial customers for solar energy generation. The customer may enter agreements with solar developers for the installation of the system, which also may include financing, lease-purchase and rooftop property leasing.

The energy output of the solar system goes directly to Fort Collins Utilities’ electric grid “in front of the billing meter” and customers 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 be used toward compliance with the Colorado RES.

The solar projects from this program will meet approximately 25 percent of Fort Collins’ renewables goal for 2015. 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 2012, which is capped at \$1 million/year and funded by a .5 percent rate increase in 2013 and 2014. Additional investments for renewable energy via other options also will be needed to meet the RES commitments.

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)	Diversity of project sizes
1,000 kW maximum aggregate capacity on any single parcel	Diversity of participating customers
2,000 kW maximum capacity for a single commercial entity for multiple parcels and projects	Diversity of participating customers
Grid interconnection "in front of the customer meter" (achieved by actual point of interconnection or billing adjustment)	<ul style="list-style-type: none"> • Predictable long-term cost for ratepayers (as approved in City budget) • Avoids risk to ratepayers of having a net metering hedge for participating customers • Higher energy payment to participants
Power Purchase Agreement (PPA) between system owner and Utilities as agent for Platte River Power Authority	Customer benefit, 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 (applications in the small and large system categories will be handled as separate groups)	Diversity of project sizes
Two-tier 20-year, fixed-price standard offer <ul style="list-style-type: none"> • 18¢/kWh 10 kW-100 kW • 15 ¢/kWh >100 kW to 1,000 kW 	Recognizes economies of scale
Utilities retains Renewable Energy Credits (RECs)	Commitment to meet Colorado RES
Applications received July 29 through Sept. 22 – selection by lottery.	Fair selection process

For More Information

Visit fcgov.com/solar or contact Senior Energy Services Engineer Norm Weaver, (970) 416-2312