



ACTION SHEET

Solar Project Permitting – Sunny Hollow

RECOMMENDED ACTION: The Colchester Selectboard moves to authorize the Town Manager to enter into a contract for \$25,000 with AEGIS Renewable Energy, Inc to permit a solar power generating facility in Sunny Hollow based on the best judgement of the Town Manager and Town Attorney, on or about July 10th, 2021 regarding the likely acquisition of an appropriate level of site control for the proposed two acre site on land owned by the town, but which currently has some deed restrictions.



MEMO From the Office of the Town Manager

To: Colchester Selectboard
From: Aaron Frank, Town Manager
Date: June 19, 2021
Re: Solar Project Permitting – Sunny Hollow

A. The Issue: The issue is whether or not the Selectboard will authorize the Town Manager to enter in to a contract for \$25,000 with AEGIS Renewable Energy, Inc to permit a solar power generating facility in Sunny Hollow based on the best judgement of the Town Manager and Town Attorney, on or about July 10th, 2021 regarding the likely acquisition of an appropriate level of site control for the proposed two acre site on land owned by the town, but which currently has some deed restrictions..

B. Policy & Perspective: A Sunny Hollow solar farm would be the third of three solar farms built, owned and operated by the town with the goal of producing electrical energy equal to that which the town consumes in the provision of municipal services. This goal accomplishes three important elements: 1) reduced costs of municipal service provision; 2) locally produced sustainable energy which supports local jobs; 3) provides an example for residents and private sector businesses that renewables can be done in a cost-effective manner.

The [Heritage Project](#), on page 14, Goals related to governance, “Create and implement structural, operational, and regional options to optimize the transparency, accountability, effectiveness, and cost of Colchester’s government and public services.

The [Town Plan](#), on page 71 states, that the “Town should site another solar photo voltaic generation facility on Town land, so as to approach a goal of producing electrical energy close to the total amount consumed by the Town directly.”

In 2019, the Selectboard named the Planning Commission the [town Energy Committee](#) and directed town staff to serve as the primary agents to implement energy efficiency improvements and local energy production and to recommend projects and project funding.

The town reports on energy issues annually to the community as noted on page

C. Prior Background: In May 2014, the town Energy Committee suggested that the town enter into a long-term power purchase agreement with a solar energy producer. At that time agreements were being offered for about 20 years with a 5% discount on electric rates. In the fall of 2015, the town conducted due diligence with fifteen solar developers including, but not limited to, the firms that the town Energy Committee suggested. Most of the solar developers offered savings on electricity of less than 10%. We suspended our effort when an attractive option appeared with the Vermont School Boards Association. In late fall 2015, the Vermont School Boards Association (VSBA) courted additional partners to buy electricity from solar projects at schools. The VSBA's then-consultant, and later, broker, Competitive Energy Services, offered an 18% discount on electricity rates through their partner Sun Edison. Their contract appeared one-sided to me and our Town Attorney. The town did not vet CES, but piggybacked on the VSBA's efforts. CES and Sun Edison were not willing to consider any contract changes or clarifications. We concluded our efforts with CES and revisited the list of firms we had developed. We found that Aegis had a project needing off-takers at rates similar to CES but with more flexible contracts. We called references for Aegis and found them to be a reputable firm.

AEGIS has been willing to work with the town in a manner that allows the town to keep the economic benefit from our projects, with the town owning the projects. The Selectboard concurred with this approach in [August 2017](#), and we have successfully developed two 150kW solar farms with AEGIS providing permitting and general contracting services to the town. The attorneys and auditors who look at our business documents tell me they have never heard of a government saving 40% of electricity costs through a solar project as we have. AEGIS has also been a reliable partner helping us evaluate scores of sites, configurations, and financial options. In addition to this proposed project, AEGIS is working with us on a solar component to the future Colchester Community Recreation Center.



The Pumpkin Patch, off Malletts Bay Avenue was authorized by the Selectboard in [April 2018](#) and [September 2018](#). A construction status update was provided in [October 2018](#), and completed in December 2018.

Roosevelt, was approved by the Selectboard in [August 2017](#) which approved financing in [October 2018](#) and was completed in December 2018.



Both projects have been featured on the Vermont [Community Energy Dashboard](#) as models. Colchester Deputy Manager Geoff Urbanik oversaw the construction and implementation of the projects and was a key speaker at a conference of Vermont committees.

Sunny Hollow: This site, on a town owned property of 81 acres, was part of the initial town-wide site evaluations conducted over a few years and shared with the Selectboard in August 2017. In [May 2019](#), the town revisited this site as it offers good solar exposure with minimal impact to neighbors. At that time, we explained that the property was formerly part of Fort Ethan Allen, and the deed restricts the property for public purposes and has a caveat that the federal government can take it back if they deem it necessary. This makes it less attractive to financiers. The town and AEGIS moved forward in 2018 with a more formal 45-day notice of intent to apply for permitting to the Public Utilities Commission. Despite contacting seven people at the Bureau of Land Management, no one would consider our request. The town and AEGIS failed to secure federal approval and did not move forward.

In April 2021, Selectboard Member Tom Mulcahy asked Congressman Welch for his assistance in obtaining permission to place a third solar farm on town owned land gifted by the federal government, allowing the town to achieve its goal of generating 100% of the electricity used by the town on town solar farms by 2025. Since that request the Bureau of Land Management and the Department of Defense have been helpful and timely in responding to the Town Manager and Town Attorney. We do not have answers,

but they have shared that there are processes that could potentially allow the use of two of the 81 acres for a town solar farm. Attached is a letter from the Town Attorney to a contact at the Department of Defense.

The State solar permitting, which is akin to an Act 250 permit for a major development over ten acres, requires seventy documents with contracted experts across many fields. To obtain the most favorable electric rates (controlled by State Law and overseen by the Vermont Public Utilities Commission), we must submit a completed permit by July 31, 2021. A permit submitted by this date will entitle us to rates, for our power generation, equivalent to current and future billed electrical rates. If we miss this date, we will receive rates, for our power generation that are LESS than current or future billed electrical rates. Submitting a permit by July 31 has a strong impact on the project's long-term financial success.

AEGIS has agreed to complete the permitting for \$25,000, which is less than Roosevelt and Pumpkin Patch which were \$35,000 and \$31,661, respectively.

The estimated construction cost is currently \$581,296. This is more than Pumpkin Patch and Roosevelt because of the need for a longer feeder power line to connect to Green Mountain Power, the fact that we are feeding one vs. three phase power, increased steel prices which affect the racking and other equipment, and the [current President's](#) continuation of tariffs on imported solar equipment enacted by the [prior President](#). There is a request to [reduce the tariffs](#) by the heads of major renewables producers and organizations. AEGIS was able to save us money, avoid these tariffs with our last two projects by pre-purchasing and storing our solar panels, but they do not have access to any pre-tariff panels or other equipment now.

I have chosen not to lock in construction pricing at this time with AEGIS, so the construction cost will almost certainly change between now and the completion of permitting and acquisition of reasonable site control.

While we will develop more specific information through the permitting process, the project is likely to be sized at 150kW AC/224.4kW DC and have first-year production of 236,400 kWh. This is very comparable to the first two solar farms.

Recommended Motion: The Colchester Selectboard moves to authorize the Town Manager to enter in to a contract for \$25,000 with AEGIS Renewable Energy, Inc to permit a solar power generating facility in Sunny Hollow based on the best judgement of the Town Manager and Town Attorney, on or about July 10th, 2021 regarding the likely acquisition of an appropriate level of site control for the proposed two acre site on land owned by the town, but which currently has some deed restrictions.