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**CITY OF TEMPE**  
**REQUEST FOR COUNCIL ACTION**

**Council Meeting Date: 06/23/2016**  
**Agenda Item: 5B13**

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**ACTION:** Approve the First Amendment to the 20-year Solar Services Agreement and Performance Guarantee and Limited Warranty Agreement with SolarCity Corporation for the development, construction, and maintenance of the Kiwanis Recreation Center solar photovoltaic electric generating system that is being downsized as the result of a decision to save several large shade trees located near the site.

**FISCAL IMPACT:** The revised total cost of the 20-year Solar Services Agreement is \$664,164. Due to the lower per kilowatt-hour cost associated with the solar production portion of the systems' energy demand, the City will realize a 20-year net present value savings over currently approved energy budgets of \$26,857. As originally approved by the City Council, the City will provide a pre-payment of \$152,288 in order to allow the Kiwanis Recreation Center system to show positive 20-year net value savings.

**RECOMMENDATION:** Approve the First Amendment to the 20-year Solar Services Agreement and Performance Guarantee and Limited Warranty Agreement.

**BACKGROUND INFORMATION:** (Contract T13-080-03) Staff is requesting Council's approval of an amendment to the Solar Services Agreement (SSA) and Performance Guarantee and Limited Warranty Agreement for the Kiwanis Recreation Center solar project. Council approved the original agreement on October 15, 2015 which called for a 406.1 kW system that would generate first year energy of 679,812 kWh using 1,562 modules rated at 260.0 watts. Due to the City's decision to retain several large shade trees adjacent to the Kiwanis tennis courts parking lot, the system was re-designed to a 362.70 kW system with first year energy production of 604,776 kWh, using 1,170 modules rated at 310 watts. Importantly, the kWh rate the City will pay SolarCity Corporation for the power generated has not changed and remains \$0.054 per kWh, throughout the 20-year term.

SolarCity Corporation built two (2) solar carport canopies in the batting cages parking lot and three (3) solar carport canopies in the tennis courts parking lot which provided 156 shaded parking spaces and two (2) new shaded ADA (Americans with Disabilities Act) spaces. An updated drawing has been included which shows the revised design. Construction was completed in mid-June.

Prior to installation of the solar carport canopies, new LED lighting was installed in the Kiwanis Wave Pool and the Kiwanis gym in the Fall of 2015, and new variable frequency drives and high efficiency motors were installed in the pool to reduce energy use at the facility by 312,125 kWh each year, reducing carbon emissions by 219 metric tons each year equivalent to removing 46 cars off the road each year. The solar carports will produce 604,776 kWh in the first year, further reducing carbon emissions at the facility by 425 metric tons, equivalent to removing 90 cars off the road each year.

**ATTACHMENTS:** First Amendment to Solar Service Agreement  
First Amendment to Performance Guarantee and Limited Warranty Agreement

**STAFF CONTACT(S):** Grace DelMonte Kelly, Energy Management Coordinator, (480) 350-8369

Department Director: Renie Broderick, Internal Services Director  
Legal review by: David Park, Assistant City Attorney  
Prepared by: Michael Greene, C.P.M., Procurement Administrator