



State of Rhode Island and Providence Plantations
RHODE ISLAND BOARD OF EDUCATION
COUNCIL ON POSTSECONDARY EDUCATION
OFFICE OF THE POSTSECONDARY COMMISSIONER
560 Jefferson Boulevard
Warwick, Rhode Island 02886

Enclosure 4b.
January 27, 2016

Barbara Cottam
Chair

January 22, 2016

Council on Elementary and
Secondary Education

Daniel P. McConaghy
Chair

TO: Members of the Finance/Facilities Committee of the
Council on Postsecondary Education

Amy Beretta, Esq.

FROM: Jim Purcell, Ed.D., Commissioner for Postsecondary
Education

Colleen A. Callahan, Ed.D.

Karin Forbes

RE: **Update regarding the Solar Array Project being solicited
in Conjunction with the Towns of South Kingstown and
Narragansett.**

Jo Eva Gaines

Marta V. Martinez

Lawrence Purtill

Joyce L. Stevos, Ph.D.

Mr. J. Vern Wyman, Assistant Vice President of Business Services,
URI, advised the Committee at its meeting of September 30th that there
was an opportunity to collaborate with the towns of South Kingstown
and Narragansett on a strategic energy purchase.

Council on Postsecondary
Education

William Foulkes
Chair

Since that meeting, the University and the towns have formed the
South County Solar Consortium and have undertaken a public request
for proposal (RFP) solicitation for the development of privately-owned
photovoltaic arrays on three sites and the direct purchase and/or receipt
of credits from the generation of sustainable electricity from those sites.

Michael Bernstein

Dennis Duffy, Esq.

Mr. Wyman is here this evening to update the Committee on the
progress of this project as well as the next steps anticipated.

The Honorable Thomas Izzo

Judy Ouellette

Kerry I. Rafanelli, Esq.

There is no action associated with this item.

John J. Smith, Jr.

Dr. Jeffery A. Williams

THE
UNIVERSITY
OF RHODE ISLAND
DIVISION OF
ADMINISTRATION
AND FINANCE

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BUSINESS SERVICES

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TO: Susan LaPanne, Associate Commissioner for Finance and Administration
Postsecondary Education

FROM: J. Vernon Wyman, Assistant Vice President for Business Services University of
Rhode Island 

DATE: January 20, 2016

SUBJECT: INFORMATIONAL UPDATE REGARDING THE SOLAR ARRAY PROJECT
BEING SOLICITED IN CONJUNCTION WITH THE TOWNS OF SOUTH
KINGSTOWN AND NARRAGANSETT

Background:

The University of Rhode Island received authorization and support from the Facilities and Finance Committee of the Council on Postsecondary Education and the RI Department of Administration Division of Purchases to collaborate with the Towns of South Kingstown and Narragansett, led by our energy consultant experienced with strategic energy purchase approaches, Competitive Energy Services (CES). With the Towns, we have formed the South County Solar Consortium and have undertaken a public request for proposal (RFP) solicitation for the development of privately-owned photovoltaic arrays on three University and Town-owned sites and the direct purchase and/or the receipt of credits from the generation of sustainable electricity from those sites. This initiative is largely enabled by a Federally-supported incentive program that provides up to thirty percent of the developer's capital investment for such projects, greatly improving economics of this public/private collaboration.

Progress Update:

Since our first informational presentation on this undertaking to the Facilities and Finance Committee on September 30, 2015, the following progress has been achieved:

- An RFP solicitation was finalized and publically posted by South Kingstown and on the State Division of Purchases web site, reflecting the University's participation as of November 6, 2015.

- Ten firms responded to the RFP and five firms were short listed providing multiple options for the execution and structuring of electrical purchase arrangements with the Consortium members.
- Following the analysis of the proposals by CES and a comparative technical and financial review by the Consortium members, a recommendation emerged to engage Kearsarge Energy, LP of Watertown, Massachusetts in further discussions and potential negotiation for the development of solar projects at the three sites.
- The Kearsarge proposals offered a unique price risk protection structure in their “virtual net metering proposal” and CES recommended that a preliminary award be conditioned upon exploring their “behind the meter” option as well, which is particularly achievable at the University and West Kingstown Town sites.
- The Consortium members concurred and the South Kingstown Town Council provided their endorsement to proceed with a preliminary award to Kearsarge at their meeting of December 14, 2015, with the University and the Town of Narragansett’s support.

Most Recent Developments:

- When the University last presented to the Facilities and Finance Committee, the important Federal incentive program for these solar projects required that the contract execution, permitting, construction, and in service generation of electricity from the solar arrays occur prior to December 31, 2016.
- In early January 2016, the Federal government announced that the incentive program would continue at the 30% of capital investment two years beyond the December 31, 2017.
- This extension eliminates the hard deadline for our anticipated projects, but it is the intent of the Consortium members to maintain the original schedule of delivery to the degree possible to achieve the projects’ benefits.
- National Grid, having final approval regarding electrical service connections, has been contacted to commence dialog with them with regard to the method and location of connections from the solar arrays to the University’s substation, and/or to National Grid’s electrical distribution infrastructure.
- The Rhode Island Department of Environmental Management (RIDEM), the Rhode Island contact with regard to the West Kingstown and Rose Hill Superfund site beneficial solar reuse consideration and approval, has been informed by the Consortium members and has held an initial meeting with Kearsarge, as well, to learn about RIDEM’s requirements for these sites.
- Additional issues in discussion among the Consortium members is the disposition of property taxes applicable to the developer-owned hardware installed on the respective sites, net revenue sharing arrangements that might apply to the 17 acre former West Kingstown Landfill adjacent to the University’s Kingston Campus, and a review and potential formal process associated with scrub trees that presently line the local roadway

at the edge of proposed solar array sites north of the Kingston Campus as they may overshadow portions of the planned solar array installation.

- CES has advised the Consortium to consider adding a second phase to the RFP solicitation that would focus on supplemental solar power purchase agreements from off-site sources. While some of the firms that responded to the RFP offered such alternatives to the University and Town sites, the potential to achieve favorable energy pricing and/or credits for larger quantities of solar generated power by advancing a second phase solicitation emphasizing this alternative could further benefit the public partners in the Consortium.

Next Steps:

- The Consortium members will continue to refine their evaluation of the Kearsarge proposals and further advance negotiations that could lead to the development of power purchase agreements and associated lease agreements. It is expected that a second phase of the RFP solicitation will also be initiated and examined. At such time that the financial terms and conditions between and among the parties are advanced and settled and a final draft lease agreement is achieved for the University site, the University would expect to present to the Facilities and Finance Committee and the Council on Postsecondary Education seeking authorization to proceed with the commitment of land for this beneficial purpose.

Cc: David M. Dooley
Christina Valentino
Jerry Sidio