



STAFF REPORT

*Public Hearing 12-5-23*

AGENDA ITEM #: 23-125  
COUNCIL MTG OF: December 5, 2023  
FROM: Michael A. Fowler, P. E., Public Works Director  
OFFERED BY: Michael A. Fowler, P. E., Public Works Director  
PREPARED BY: Michael A. Fowler, P. E., Public Works Director  
SUBJECT: United States Department of Energy Grant Application and Supplemental  
Appropriation – Landfill Solar Project

PURPOSE

To request Town Council authorization to apply for and accept funds from a United States Department of Energy grant to support solar installation at the landfill in the amount of \$500,000 pursuant to RSA 31:95-b, and to authorize advance expenditures in anticipation of grant receipt.

TOWN ADMINISTRATOR COMMENTS:

The Town Council is encouraged to accept this grant to further reduce energy costs to the Town over the next 25 years.

BACKGROUND

In 2021, the Derry Town Council approved a land lease agreement with Encore Renewable Energy of Burlington, Vermont. Encore will be installing approximately 6,500 solar panels on 10 acres of the Town landfill adjacent to the Wastewater Treatment Plant. Encore will manage the solar panels and produce electricity for 30 Town facilities under a net metering agreement. Excess electricity produced will be exported to the grid.

Encore and the Town of Derry have been working through meeting Eversource system interconnection requirements and State permitting hurdles over the past two years. The project is slated to begin construction in Spring 2024 and electricity produced by November 2024.

Concurrently, the Town of Derry was made aware of a Congressional Directed Project (CDP) grant opportunity which could support project costs up to \$500,000. DPW staff has been working through the United States Department of Energy (USDOE) in applying for and meeting the criteria for the grant.

DISCUSSION

Encore and the Town of Derry have an agreement in place which provides the Town with electricity to 30 Town facilities at a very favorable fixed rate for a period of at least 25 years. There are costs for site preparation and interconnection costs to Eversource required. The agreement with Encore has been structured the Town’s future electricity cost as follows:

Town contribution of up to \$500k in USDOE grant funds = 6.0 cents per kWh  
No contribution = 6.8 cents per kWh

To ensure Derry is reimbursed for the work and receives the lower fixed electricity rate, we intend to request grant funding from the USDOE to complete those aspects of the solar project.

The project elements to be covered by this grant may change based on engineering analysis of the system demands. As of November 17, 2023, the following costs are anticipated to be eligible for reimbursement from the USDOE grant.

Eversource Interconnection Cost	\$231,000
Derry internal System Study	\$ 20,000
Derry internal upgrades (unknown until study is completed)	up to \$249,000
<b>TOTAL</b>	<b>\$500,000</b>

The grant application requires that the Town Council authorize the application.

**FISCAL IMPACT**

Besides the intrinsic savings achieved due to the difference between default electricity rates and the contract fixed supply rates, acquiring USDOE grant funds would serve to further reduce electricity costs by 0.8 cents per kWh for a period of at least 25 years. The projected savings attributable to the USDOE grant and the lower 6.0 cent rate is \$3,600,000 over 25 years. If the grant is not achieved and the Town pays 6.8 cents, the savings will still be \$2,900,000 over 25 years. **Acceptance of the grant and use of the USDOE funds will result in \$700,000 in additional savings as compared to the base agreement with Encore.**

**RECOMMENDED ACTION BY COUNCIL**

It is recommended that the Council vote to apply for and accept USDOE grant funds up to \$500,000 to support the landfill solar project. Further, it is recommended that the Town Council authorize the Town Administrator to expend funds for this purpose.

**SUGGESTED MOTION:**

Please see Resolution #2023-079.



# RESOLUTION

Number 2023-079

To Accept a US Department of Energy Grant for the Solar Project  
at the Closed Landfill

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WHEREAS, Section 9.15 of the Town Charter authorizes the Town Council to accept grant funding; and

WHEREAS, the Town Council pursuant to Resolutions #2022-009, 010 & 011; authorized an agreement with Derry Solar, LLC to lease land and develop a solar array at the closed landfill; and

WHEREAS, Senator Shaheen submitted a Department of Energy Grant in the Federal FY23 Budget to assist with project interconnection and site preparation costs; and

WHEREAS, acceptance of this grant will reduce the Town's electric cost over the 25 year term of the Agreement;

NOW, THEREFORE, BE IT RESOLVED IN COUNCIL, pursuant to RSA 31:95-b, that the Town Administrator is hereby authorized to apply for, accept and expend up to \$500,000 from the United States Department of Energy for the Solar Project at the closed landfill.

This Resolution shall take effect immediately upon its passage.

Adopted: December 5, 2023

Attest:

X \_\_\_\_\_

Charles Foote, Council Chair

Date: \_\_\_\_\_

X \_\_\_\_\_

Cristina Guilford, Town Clerk

Date: \_\_\_\_\_