



Rochelle Municipal Utilities
RMU Business

To: David Plyman

From: Dan Westin

Date: December 3rd, 2013

RE: Acceptance of Solar Plant Grant

According to the USEPA, approximately one-third of a municipality's electrical budget is for the treatment plant. The Rochelle Treatment Plant has an average electrical bill of \$15,500 per month, and we are constantly looking at ways to reduce that amount. Other treatment plants are acting on the opportunities of energy independence with Rockford treatment plant installing a 100 kW system in addition to its methane bio-gas based electric production plant. Galena a city of 3500 citizens have installed a 300 kW solar plant using a grant from Illinois Clean Energy Community Foundation,

In the spring of 2013 RMU applied for a grant for 40 % of a 26 kW solar plant. This application was reviewed in council on March 25th and approved. This application was not approved for a grant by that entity.

In July RMU applied for a grant for 60 % of a same sized plant from Illinois Clean Energy Community Foundation. This grant was awarded to Rochelle on November 1st, 2013 in the amount of \$ 63,600.

With notice of the grant, we will move forward with a bid process to maximize the value of the grant. The location of the plant will be at the treatment plant as this will provide the best use of RMU land space as well as creating promotional and educational opportunities for school tours and other activities.

The Return on Investment for this plant is 73 % in simple ROI over 10 years. See enclosed. This is due to the Renewable Energy Credits that Rochelle will receive in the same fashion as the credits received by Hillcrest for its plant which by the way is a service RMU setup and performs at no charge to Hillcrest.

In addition the plant will contribute to capacity savings in electrical demand which makes this plant more than self-funding.

This system will serve as a key entrance into solar energy and work will continue to explore opportunities for grants such as the one Galena received in the amount of \$ 900,000.

I recommend Council approve acceptance of the grant.

