

REQUEST FOR BOARD ACTION

HENDERSON COUNTY BOARD OF COMMISSIONERS

MEETING DATE: February 16, 2011

SUBJECT: Solar Hot Water Grant for 1995 Courthouse and Detention Center

ATTACHMENTS: Yes

1. Letter for Preliminary Grant Notification

SUMMARY OF REQUEST: On September 8, 2009, an agenda item was presented before the Board of Commissioners for a Renewable Energy Project Grant application to fund a Solar Hot Water Energy Project for the 1995 Courthouse and Detention Center. On February 1, 2011, Henderson County was notified preliminarily by the State of North Carolina for the receipt of a grant for this project in the amount of \$71,419. The remaining balance of this grant, estimated at \$311,744, will be funded with a Solar Energy Purchase Agreement (SEPA) through a Solar Energy Company.

Primarily, this project is for the installation of solar hot water at the Detention Center. Importantly, the Detention Center by a large margin is the biggest user of hot water of all County facilities. Furthermore, solar hot water has the most potential energy savings of all solar applications and arguably any renewable energy project. The transfer of energy use from natural gas to solar thermal is significant in reducing our environmental impact as well as the increasing our energy cost savings. The savings are more than enough to pay any debt service from the Capital costs to install the solar system. The grant funding from the State will go towards either reducing the length of the debt term or amount of debt payment. Another factor increasing the affordability of the debt is the ability for the system to be purchased by a private taxpaying organization and sell the BTUs from the solar hot water system back to the County under a Solar Energy Purchase Agreement (SEPA). The cost of the BTUs from the private company reflect cost savings from the energy savings and tax credits they receive. Also, they can further reduce costs by contracting with a power company to assist in meeting the power company's Renewable Energy and Energy Efficiency Portfolio Standards. These Standards require power companies to invest in alternative energy. The energy savings, tax credits and power company contract generate a BTU cost significantly less than the cost from the natural gas provider.

There are no County funds involved with this request.

BOARD ACTION REQUESTED:

To accept the grant from the State of North Carolina for \$71,419 to fund a Solar Thermal Energy Project for the 1995 Courthouse and Detention Center.

Suggested Motion(s):

I move to accept the grant from the State of North Carolina for \$71,419 to fund a Solar Thermal Energy Project for the 1995 Courthouse and Detention Center.



North Carolina Department of Commerce State Energy Office

Beverly Eaves Perdue, Governor
Jennifer Bumgarner, Assistant Secretary for Energy

J. Keith Crisco, Secretary
Ward Lenz, Director, State Energy Office

February 1, 2011

Marcus Jones
County of Henderson
375 First Ave East
Hendersonville, N.C. 28792

Dear Mr. Jones:

Congratulations on receiving approval from the State Energy Office for a Renewable Energy Project in the amount of \$71,419. I have enclosed the Grant Agreement Form, which is the contract between your entity and the State Energy Office.

Funding for this program is through the American Recovery and Reinvestment Act of 2009 (ARRA) and administered by the State Energy Office. As such, your project will have to meet all federal program requirements of ARRA as well as the established State Energy Program (SEP). Examples of these provisions include but are not limited to approval by the State Historic Preservation Office (SHPO), compliance with Buy American provisions and compliance with Davis-Bacon wage requirements where applicable.

A press release will be issued by our agency shortly. Please do not make any public announcements until this press release is issued. We look forward to working with you as you implement your project.

Moving on to next steps, we will begin the educational processes for you to understand the necessary reporting requirements to ensure oversight, transparency and accountability for all project areas. You will need to obtain a DUNS number and provide us with that information. http://www.grants.gov/applicants/request_duns_number.jsp. You will also need to register with Central Contractor Registration (CCR). <https://www.bpn.gov/ccr/default.aspx>.

Attached is Amendment #1 which applies to your ARRA grant from the State Energy Office. The original grant documents made general reference to state and federal regulations that you as a grantee would be subject to. This Amendment details the provisions that are required by the Department of Energy (DOE) grant agreement that funds the contracts and some specific federal regulations. Please sign and return this Amendment.

The Amendment has 5 attachments. The first attachment is the updated contract between the U.S. Department of Energy and the State Energy Office, all the terms of which apply to your grant. Attachment 2 contains North Carolina Office of Economic Recovery Directives which must be followed. We need to have a conflict of interest policy from your entity in our files. If you do not have such a policy, Attachment 3 is a sample conflict of interest policy. Attachment 4 is a certification that your entity owes no overdue taxes which must be signed. Attachments 5 and 6 are certifications relating to lobbying and debarment which you need to sign. Attachment 7 contains the prevailing wage rates governing subcontractors in your county, pursuant to the Davis Bacon Act.

I am also including the Electronic Payment Form which must be returned with a voided check in order to receive payments electronically. Please fax the Electronic Payment documentation to Tracy Howell in our office at 919-733-2953 AND to the Office of the State Controller at 919-981-5561.

ACTION ITEMS:

- Please read this document carefully, as it was written specifically for this grant.

- Please return the following in hard copy via U.S. Mail: Bob Leker, N.C. State Energy Office, 1830A Tillery Place, Raleigh, N.C. 27604:
 - the signed Amendment
 - a copy of your Conflict of Interest Policy
 - the signed certification that no overdue taxes are owed
 - the signed debarment and lobbying certifications
- Send us your DUNS number as soon as possible
- Register on Central Contract Registration (CCR) as soon as possible or let us know that you are already registered

Do not hesitate to call your Program Manager, Bob Leker (919-733-1907) or your Business Officer, Tracy Howell (919-715-3641) if you have any questions about the Amendment or anything else related to your grant. Mary Maclean Asbill (919-715-3541) can also help with contract document questions. Please note that you should work through Bob Leker if you need to revise your project scope or budget.

Please let us hear from you by February 11th if you do not intend to move forward with the grant. If you intend to move forward, please return the signed documents to us by February 25th. Thank you for your work on this project.

Ward Lenz
Director, State Energy Office