

Memorandum

REPORT TO: City Commission

FROM: Natalie Meyer, Sustainability Program Manager
Jon Henderson, Director of Strategic Services

SUBJECT: Authorize City Manager to Sign an Addendum 2 to a License Agreement with NorthWestern Energy for the Bozeman Solar Project at the Water Reclamation Facility Extending the Lease Term for an Additional Five Years

MEETING DATE: May 11, 2021

AGENDA ITEM TYPE: Agreement - Property

RECOMMENDATION: Authorize City Manager to sign an addendum 2 to a license agreement with NorthWestern Energy for the Bozeman Solar Project at the water reclamation facility extending the lease term for an additional five years.

STRATEGIC PLAN: 6.3 Climate Action: Reduce community and municipal Greenhouse Gas (GHG) emissions, increase the supply of clean and renewable energy; foster related businesses.

BACKGROUND:

On February 8, 2016 the City Commission approved a memorandum of understanding and license agreement with NorthWestern Energy (NWE), whereby the City licensed 2.3 acres at the Water Reclamation Facility for the 385 kW Bozeman Solar Project pilot. Further background on the Bozeman Solar Pilot Project can be found in the [February 8, 2016 staff memo](#).

Addendum 2 of the License Agreement will extend the term of the agreement for an additional five years. All other terms of the approved license agreement remain in effect.

Since project completion, the Bozeman Solar Project has produced an average of 505,719 kWh of electricity per year, which is enough to offset the annual electric use of approximately 59 homes. The lifetime system production of 2,213,712 kWh has avoided 1,173 metric tons of carbon dioxide (CO₂) emissions. This is equivalent to offsetting the CO₂ emissions from 255 passenger vehicles driven for one year.

The Bozeman Solar Project has been used by NorthWestern Energy and Montana State University to facilitate three senior engineering design capstone projects. Student projects have focused on the evaluation and testing of advanced inverters, optimization of solar orientation to better match utility load requirements, and using solar photovoltaics as acoustical sound barriers near roads, highways, and airports.

Data points from the Bozeman Solar Project may be used as a reference to help inform current partnership work to develop a renewable energy rate option (i.e. green tariff) with NorthWestern Energy. The City of Bozeman remains committed to using the data from the pilot to help inform the development of a utility-led community solar program for customers.

UNRESOLVED ISSUES: None.

ALTERNATIVES: As recommended by the Commission.

FISCAL EFFECTS: The addendum does not amend the financial terms of the license agreement.

Attachments:

[Second Addendum to Bozeman Solar Project License Agreement_20210511.pdf](#)

Report compiled on: April 29, 2021