

OAK RIDGE CITY COUNCIL MEMORANDUM

DATE: December 12, 2022

TO: Mark S. Watson, City Manager

FROM: Ardo Ba , Electric Director

SUBJECT: Authority for City Manager and Electric Director to Facilitate Construction of Electric Infrastructure for Triso-X project

SUPPORTING DEPARTMENT: City Manager

Introduction

An item for your consideration is a resolution enabling the City of Oak Ridge Electric Department to spend an amount not to exceed \$3,000,000.00 for the design and construction of a new Electric Substation and Distribution Network serving Lot 6 at the Horizon Center.

Funding

Funding for this expenditure is through the different stakeholders in that vicinity anticipated in public/private partnership in the next 24 months.

Background

For the past several years, the development at the Horizon Center has been limited by several factors, one of which is the very limited electric capacity in that vicinity. Recently, a number of prospects have shown interest in building their businesses in that park. After contemplating the location in three (3) different states, Triso-X committed to locate its facility in Oak Ridge, Tennessee on Lot 6 at the Horizon Center. Additionally, a number of other businesses are now making inquiries to adjacent lots inside the park.

This past week, the Department of Energy (DOE) granted approval of a second permanent easement to the City of Oak Ridge, Tennessee, on a property adjacent to the Tennessee Valley Authority (TVA) transmission line, south of State Route 95 and directly across from the Horizon Center. Please refer to Option 5 of Exhibit A. This permanent easement will enable the City of Oak Ridge to build a new electric substation and meet the power demand for Triso-X. Details are now being confirmed with TRISO-X on power requirements, but service is needed by December 2024. Logistically, there are many aspects to this new alternative.

The project would consist of four (4) major components:

- The clearing and grading of the proposed substation site.
- The construction of the substation on that site.
- Acquisition of various permits from TVA and the Tennessee Department of Transportation (TDOT).
- The construction of an electric distribution network which would start from the proposed substation, cross State Route 95 and go along the median on Novus Drive towards Lot 6 inside the Horizon Center.

The construction of a substation is not a small task and comes at a great cost. In order to meet customer demand and expectations, staff is asking for the authorization to spend \$3,000,000.00 towards the design and construction of the proposed substation and a distribution network inside the Horizon Center. These funds will be used for engineering design, land surveys, site clearing, material procurement, acquisition of various permits and other necessary items for the design and construction.

Staff would like to have the ability to be flexible and adapt to the ever-changing landscape of supply chain challenges. Staff will follow the City of Oak Ridge bidding process before making any purchases. Please note, this is not the total cost to implement this project. Staff plans to bring a request to City Council in the future for the remaining items to complete the project.

The City will contract with Patterson & Dewar Engineers, Inc. (P&D), Norcross, Georgia, to help with the design and construction management of this project. They offered extensive assistance during the exploratory phase and are very familiar with the concerns and objectives of this project. They have consistently performed at a high level on projects for the City of Oak Ridge. A number of electric utilities in the Tennessee Valley utilize their expertise.

Adoption of this resolution would be an important step and commitment towards addressing the power needs for Triso-X within the timeframes required for their project. Time is of the essence for the various aspects of the project. This would allow us to proceed with ordering items needed to build a substation (i.e., 10% down upon issuing a purchase order for the acquisition of substation transformers and various progress payments during assembly).

Recommendation

Staff recommends approval of the attached resolution.

Attachments:

[Exhibit A.pdf](#)

[Resolution - Horizon Center Ind Park - Substation and Power Line Authorization.docx](#)