OFFICIAL NOTICE AND AGENDA

Notice is hereby given that the Sustainability Committee of the City of Stoughton, Wisconsin will hold a regular or special meeting as indicated on the date, time and location given below.

Meeting of the: **SUSTAINABILITY COMMITTEE OF THE CITY OF STOUGHTON**

Date/Time: **Monday, April 15th, 2024 @ 6:00 p.m.**

Location: The meeting of the Sustainability Committee will be conducted virtually.

Via Zoom: Join the meeting from your computer tablet or smartphone:
https://us06web.zoom.us/j/87177422267?pwd=BRQoVSKEOMEQkHEwo3c3gbeOi0ruvY.1
Meeting ID: 871 7742 2267
Passcode: 339770
One tap mobile
+13052241968,,87177422267#,,,,*339770# US
+13092053325,,87177422267#,,,,*339770# US

Members: Ben Heili, Donelle Scaffidi, Rachel Venegas, Scott Taylor, Heath Massey, Sienna Scott, Katelyn Geleynse, Lisa Reeves, Adrienne Nienow and Marcus Cederstrom

Guests: Katrina Becker

Item #	AGENDA
1.	Call to Order
2.	Communications
3.	Approve March 25th Minutes
	NEW BUSINESS
4.	Discussion and Possible Action regarding ARPA funding requests
5.	Next Steps
6.	Adjournment

FUTURE AGENDA ITEMS

cc. Mayor Swadley, Department Heads, Council, Attorney Matt Dregne, Library Clerical Asst., Receptionists, Stoughton Newspapers/Wisc State Journal ***Note**: An expanded meeting may constitute a quorum of the Council. Meeting may close per Statutes 19.85 (1)(b)to consider thelicensing of a person, then reopen for regular course of business.

Find your local number: https://us06web.zoom.us/u/kbyczs3qqg

March 25th, 2024, City of Stoughton Sustainability Committee Meeting Notes

Committee members present: Scott Taylor, Katelyn Geleynse, Heath Massey, Ben Heili, Donelle Scaffidi, Lisa Reeves, Marcus Cederstrom, Sienna Scott, Adrienne Nienow, Rachel Venegas, Mayor Tim Swadley (ex officio)

Non-committee members present: Gwen Drury, Brett Schumacher

Call to Order: 6:05 PM

Communications: Donelle & Scott gave input into the draft Stoughton comprehensive outdoor recreation plan, which will go to the council for approval shortly.

Rachel mentioned that an acquaintance of hers has acquired a tract of land just south of Stoughton and is interest in collaborating with others on sustainability-related projects on her land.

Approval of Minutes: Lisa moves to approve February 26th, 2024 meeting minutes, Scott seconds.

ARPA Request: Donelle has prepared a proposal for an ARPA funds request for the sustainability plan public launch event.

Rachel moves to submit proposal to the council, Heath seconds. Motion carries.

Timeline:

Meetings	Plan	Guide	ARPA	Launch

Week 1	Mon. 3/25	
Week 2	Wed. 4/3	Final Plan Draft Due, for Council Packet
Week 3	Tues. 4/9	Sustainability presentation to City Council (will be similar to the one we gave at CA/CP, opportunity for feedback)
	Fri. 4/12	Feedback from City Staff due - Mayor is currently meeting with Dept. Directors - will schedule a meeting with Dept. Directors and sust. committee members - Who is

		interested in being part of that meeting? Scott, Adrienne, Donelle, Heath, Rachel (notice as a committee meeting if more than 2)
Week 4	**Mon. 4/15**	Updates and Sub-committee work
Week 5	Wed. 4/24	**Due: Final Plan, Community Guide, and ARPA proposal** - send to Sust. Committee and CA/CP
Week 6	**Mon. 4/29**	Approval from Sustainability Committee: Final Plan, Community Guide, and ARPA proposal Vote on committee roles (new chair and vice-chair, Secretary?) * 1 or 2 new council members • Decide when we will in May (community launch sub-committee)
Week 7	Tues. 5/7	CA/CP to pass resolution for Final Plan Adoption
Week 8/9	**Mon. 5/13 and/or Mon. 5/20***	Finalize plans for the Community Launch * Community Launch sub-committee will determine when we need to meet
	Tues. 5/14	Final Plan goes to Council for Adoption
Week 9	Sat. 5/25	**Community Launch**

Subcommittees:

Community Launch—Rachel, Kate & Donelle

ARPA Proposal – Everyone else & Adrienne as point person

Community Action Guide – Scott & Sienna

We go to breakout rooms by subcommittee to discuss our tasks.

Community Launch Event Sub-committee Notes

Kate, Rachel, Donelle & Guests: Brett S. and Gwen D.

Event Scheduled for: Saturday, 5/25

Proposal (in packet)

1. Venue Rental: Chorus House holding until Thursday 3/28 (Donelle will book this and pay after the budget is approved). $825 covers 5 hours. Donelle guessed event will be 9:30-1pm, which gives us an hour to set up and 30 minutes to clean up (we would have it from 8:30-1:30).
2. UPS Store: quote is for 50 full-page cardstock flyers and 100 half sheet flyers
3. Guest Speaker: Stephanie not available that day but will recommend someone who she's interviewed. Should we ask the whole committee for a recommendation? Kathy Kuntz (Director of the Office of Energy & Climate Change) was recommended, but maybe she shouldn't be the primary speaker.
    Desired energy for a speaker:
    - Enthusiastic about sustainability, get everyone pumped
    - Vibe of a Motivational speaker, place of possibility, visioning what future we want to live in

    How/where to find a speaker:
    - Open it up to other committee members for suggestions - Donelle will send desired energy (above) to Sust. Committee and ask for recommendations
    - Sustain Dane - Kate will follow up
        - Climate Anxiety speaker?
        - Other ideas?
    - Badger Talks program - Gwen will look into
4. Pizza: Luca's - right across the street
5. Vitruvian: $80 for greens for 100 people (plus extra veg?)
6. Wildwood Cafe: Will provide (deliver!) warm coffee and tea; $300 for 100 people. And will bring cups. Brett suggested we look at Stoughton Hospital food service as well, but they won't deliver.
7. Misc. expenses

Ideas to make this a Zero Waste Event:

- UW Extension did extra work at the community dialogue to decrease waste
-Put "bring your own cup/plate/silverware" on flier
-Partner with GreenBox to take our compostable waste (pizza boxes and plates) - Donelle will follow-up with Ben @ Green Box
-100 metal forks from thrift stores?

Networking with businesses/non-profits at the event. They can showcase their sustainability initiatives, network, and individuals can sign up for volunteering opportunities. Concern was expressed over how many people we can get to come to this on Memorial Day weekend. We want to get the word out ASAP if we choose to go forward with this date. Will we also struggle to find a speaker for this date?

Looked at Focus Group attendees and pulled these from the report. We still need to discuss who to invite (looking for leaders in sustainability) and start contacting to find out if they are available 5/25.

Environmental Groups:

- Friends of Lake Kegonsa Society (FOLKS)
- Fort Littlegreen
- Groundswell
- Lake Kegonsa State Park Friends Group
- Low-tech Institute
- Madison Area Municipal Stormwater Partnership (MAMSWaP) Dane County Land & Water Resources Dept.
- Prairie Enthusiasts
- Rock River Coalition
- Sustain Dane
- Sustainable Stoughton

Community Anchor Institutions:

- Stoughton Opera House
- Stoughton Chamber of Commerce
- Syttende Mai
- Visit Stoughton
- Downtown Business Association
- Innovation Center Stoughton
- Taste of Stoughton
- Livreise (Norwegian Heritage Center)

School District:

- Facility manager
- Advisor to the H.S. Environmental Club
- High School Principal
- Jr. High School Principal
- Elementary School Principal
- Food Service representative
- Teachers
- Parent Group “Working for Kids”
- Students (environmental club participants)

Manufacturing & Industry:

Won’t list all of those we invited, as they did not respond to the invitation. There were 2 attendees we could consider:

- Emmi Roth
- Stoughton Health

Developers

These were the attendees. We would have liked to invite Stoughton Trailers to showcase leadership in sustainability with the new development, however it was reported that they have cut most of their original intentions to “build a world class facility” and are doing the bare minimum. Disappointment was expressed and also a continued desire to build a relationship with the company and other developers to inspire them to be leaders in sustainability.

- Eldon Homes
- Forward Development Group
- Friede Associates
- ~~Stoughton Trailers and Holding~~
- Stoughton Housing Authority
- Stoughton Redevelopment Authority

Side note, these were the key take-aways from the developer focus group:
"A partnership between the City and developers will be a path toward greater sustainability in building design and construction. The City should develop goals for sustainability, in regards to development, and work with Developers to provide feedback on goals and implement strategies to reach sustainability goals. Developers have to be concerned about return on investment, but that is not their only goal - they also want to be good community institutions and to serve the community. A partnership with the City will look for win-win solutions where the interests of both parties are served. * ***Customers are key drivers to innovation; if customers demand energy efficiency, developers will follow suit."***

*** this is important info to share with individuals who will attend the event…**

Tasks:

1. Explore speaker options - take one week to explore our options
    - Gwen will look into Badger Talks
    - Kate will reach out to Sustain Dane
    - Donelle will reach out to the committee for suggestions
2. Everyone: look for forks and plates at thrift stores
3. Check with Wildwood to see if they can provide water - Donelle? Kate?
4. Reach out to businesses in the community to see if they want to network - we will wait until we secure a speaker to do this
    a. Develop blurb about the event when reaching out to community partners - Kate? Rachel? Can use the ARPA proposal for background info

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Subcommittee: ARPA proposal

Ben, Marcus, Heath, Lisa, Adrienne

Determining tasks

250k has been earmarked but not approved

We need specific action and budget

Needs to be spent by 2026

Donelle and Adrienne had met with Katrina and Hannah to explore sustainability consultant idea They recommended two engineering firms with sustainability grant writing

expertise Adrienne to follow up

Adrienne - Safe Streets for all grant - unfortunately ARPA can't be used for match on federal grants. They grant to most of the applications but it requires a match that would have to come from city budget

Lisa - buying physical things for sustainability

Help departments with goals they have?

Ben - Solar panels would open up some operating budget for city that they would otherwise use on electricity
Lisa recalls there may be planned solar panels allocated for in capital budget?
Marcus sent link - potential to put up matching funds for school solar thru
private grant up to 20k match from grant

Marcus: Should we write grants ourselves?
Ben: Capacity issues are a concern
Adrienne: There are lots of resources out there to help municipalities write grants and we should use them

Ben proposes rough breakdown, initial consensus is:
100k+ Solar - either enhancing CIP projects, adding an installation above budgeted, potentially helping school solar
up to 75k Consultant for grant writing/temp or de facto sustainability
coordinator up to 75k enhance sustainability aspects of
parks/buildings/public works projects

Follow-ups:
Ben follow up with research and school board contact for school
solar angle https://www.midwestrenew.org/solar-on-schools/
Lisa follow up to determine details on any existing Capital improvement plans for solar

Donelle may know about possibility for native plantings or enhancing city projects
based on conversation with Brett Hebert/other dept heads - **Ben** follow up

Adrienne gather info on the consultant/engineering angle

Community Action Guide Discussion -- Scott Taylor & Sienna Scott:

Our pamphlet can be B/W to save money. We can make it eye-catching without color.

We can have a QR code for a page with links to resources, and a QR code for the sustainability plan.

The pamphlet content will consist of bullet point statements followed by (very) short paragraphs.

We will organize bullet points by categories meaningful to households, businesses and community groups, rather than using the plan focus areas.

Scott will draft bullet point statements and paragraphs, Sienna will handle the graphic design.

7:32 PM, Rachel moves to adjourn, Lisa seconds.

Updates from ARPA sub-committee on allocating $250K

examples of 2022 ARPA funding requests

$100K+ for a solar installation

School solar (Ben)

3/25/24:

- Ben to follow up with research and school board contact; midwestrenew.org/solar-on-schools

No updates as of 4/10/24

Enhance existing CIP plans (Lisa)

4/2/24:

- Public Works - there may be a budget shortfall due to ongoing re-evaluation of city facilities and which facilities are being considered for a solar installation
    - Updated quotes are forthcoming. ARPA funds may be a useful tool to bridge the gap between 2024 budget amount and actuals.
- Tim - we are evaluating the 5-year CIP plan for solar. Meeting with solar company was scheduled for 4/2/24.

No updates as of 4/10/24

Up to $75K for sustainability consultant

4/8/24:

- ARPA proposal in progress (Hannah, Katrina, Marcus, Adrienne)
    - Summary of scope: Plan implementation (of select “near term” actions), plan capacity building, organizational development for plan implementation, cultivation of key partners and external networks
    - Estimated timing/cost: 10 hours/week OR 500 hours per year, July 2024 - December 2025 (or 18 months), assuming $100/hour for 750 hours = $75,000

Up to $75K for sustainability implementation projects

Native vegetation

- Ben to follow up with Donelle/Brett Hebert/other depts on known opportunities to enhance city projects
- No update as of 4/10/24

Tree pruning: $25K request from John Kempainnen, the city forester

> Ben in 3/29/24 email: “This aligns with the plan we had discussed in the ARPA subcommittee, but council did not act on it so that we can discuss it in our next meeting. I’m attaching his proposal.”
>
> Note: This request is not for tree planting (they are seeking IRA funding for that)

City departments propose use of funds (e.g., City Forester’s proposal above)

Who can make decisions on funding allocation?

Other implementation projects
For actions and/or plan development related to transportation, green infrastructure, sustainable community design, etc.:

- Home - Toole Design - this one doesn't check as many boxes, but it's an option
- SRF Consulting Group - SRF Consulting - this one feels much more geared to sustainability and grant expertise

Sustainability Coordinator contractor: $75,000

JUSTIFICATION
Leadership and coordination of the actions described in the Sustainability Plan are essential for achieving the city's sustainability goals. The Plan therefore recommended hiring a Sustainability Coordinator to oversee early stage implementation planning and execution to capitalize on the momentum of plan approval as well as numerous funding opportunities for future initiatives.

RESPONSIBILITIES

Sustainability Plan Implementation
- Baseline Sustainability Report
    - In order for the City to set targets pertaining to the goals outlined in the Sustainability Plan, the Contractor will produce a baseline report documenting current metrics relative to sustainability efforts. This may include municipal energy usage, water consumption, recycling rate, etc.
- Implementation Plan Development
    - Using the Sustainability Plan and the Baseline Sustainability Report, the Contractor will develop an Implementation plan to include timelines, resources, and collaborators (e.g. city departments, community groups, etc.) to execute the actions of the Plan.
- Monitoring and Evaluation Plan Development
    - Using the Implementation Plan and targets set through the Baseline Sustainability Report, the Contractor will develop a monitoring and evaluation plan to assess progress toward goals on an annual basis.

Sustainability Plan Capacity Building
- Grants Strategy Planning, Research, Project Management
    - Based on the Implementation Plan and in collaboration with the City, develop a grant strategy to identify projects/programs that may require grant funding and/or line up with upcoming grant opportunities. This may also include research into potential grant opportunities as well as project management planning to develop proposals for select opportunities.
        - Depending on the grant opportunity this may also include the development of RFPs to solicit grant writing services or grant writing assistance

Organizational Development for Plan Implementation
- Serve as a liaison between City staff, City Council, and the Sustainability Committee to communicate plan progress and delegate responsibilities associated with plan implementation
- Establish a 'Sustainability Update' as a standing agenda item for committees and commissions that have overlapping responsibilities with the Sustainability Committee
- Establish an annual committee of the whole meeting on sustainability.
- Identify and coordinate professional development and sustainability training opportunities for City Staff

Cultivation of Key Partners and External Networks

- The Contractor will build upon the energy and relationships that were already established through the development of the Sustainability Plan by continuing to engage key partners and external networks.
    - This may include identifying opportunities for collaboration with community groups, resources sharing, resource sharing, technical assistance, partnerships and joint grant opportunities.

Implementation of Select “Near Term” Actions

- Within the budgeted hours and based on the Implementation Plan, the Contractor may also be responsible for implementing some “In Progress and “Near Term” actions of the Sustainability Plan. This could include:
    - E4 - Support energy efficiency projects at businesses
    - E5 - Connect homeowners with household electrification opportunities
    - T1 - Install bicycle racks at municipal buildings and other downtown locations
    - W3 - Review water rate structure and make any necessary adjustments to encourage water conservation
    - S2 - Install a clearly labeled recycling bin next to every public garbage bin
    - S3 - Adopt a sustainable purchasing policy
    - S4 - Establish an annual Clean Sweep Event
    - L2 - Explore and support opportunities to replace turf grass with native plants on city-owned, residential, and commercial properties
    - C1 - Promote sustainability efforts through a dedicated page on the City of Stoughton’s website
    - C2 - Host regular sustainability education events

TIMELINE

- Part time role (10 hours/week OR 500 hours per year), July 2024 - December 2025 (or 18 months), assuming $100/hour for 750 hours = $75,000

FUNDING FOR IMPLEMENTATION

- Contractor NEEDS a budget to implement some actions
- City departments propose use of funds from remaining $75K
- Who can make decisions on funding allocation?

The Stoughton Tree Commission and the Forestry Division of Public Works are requesting American Rescue Plan Act (ARPA) funds in the amount of $25,000 to help meet our goals of maintaining and expanding the tree canopy cover and improving the health of our urban forest. These funds would be spent during 2025 and potentially 2026 to supplement tree maintenance costs. This request furthers the city's goal to become a more sustainable community. Trees help to lessen urban heat island effect in communities during warmer months as well as improve air quality and mitigate stormwater runoff.

Background:

The Forestry Division has strived to maintain a tree pruning cycle of 5 years to meet industry standards and expectations. Maintaining the existing tree canopy cover is the most important aspect of an urban forestry program. City staff work in conjunction with contractors to trim more than 1000 trees every year. As the city continues to grow and expand, the number of trees that need to be maintained annually increases accordingly. Additionally, as individual trees continue to grow, the cost to maintain each of them increases.

Since 2018, our pruning cycle goal has been achieved, but our ability to meet this goal is quickly becoming difficult. Rising costs to hire contractors to assist with our more challenging trees is leading to fewer trees being pruned annually. For example, in 2019, the average pruning cost per tree through our contractor was approximately $91. In 2023 the city spent an average of $101 per large tree through our contract prices. An additional $25,000 for tree pruning would allow us to prune almost 250 more trees than we would otherwise would have been able to during this timeframe.

The Forestry Division will also be submitting grant requests to the State of Wisconsin for a portion of Inflation Reduction Act (IRA) funds to supplement tree maintenance and additional tree planting. This grant is only applicable to a small area of the city based on disadvantaged communities, so we can only apply for a small amount of funding. We feel that if grant funding through both the ARPA and the IRA can be secured, no additional general operating funds will need to be requested for at least 2-3 more years.

Thank you for your time and your consideration. I am available and willing to answer any additional questions you may have.

John Kemppainen

City Forester, Stoughton WI

City of Stoughton - Fire Department

APRIL 08, 2024

PRELIMINARY PROPOSAL

Proposal No: 181203.04-03

Contact:

Alex Thomas
Project Development Manager
athomas@sunpeakpower.com
608-733-6802
1026 Ann Street
Madison, WI 53713
www.sunpeakpower.com

Project Goals

Based on our initial engagement, we identified two primary goals for this potential solar project:

1.) Reduce Energy Costs. Reduce electrical costs by using solar to supplement a portion of your facility's current electrical needs, also providing a hedge against future rate increases.

2.) Improve Company Sustainability. Reduce the organization's reliance on a carbon intensive electrical sources and thereby reducing its carbon footprint.

With your financial and social mission goals in mind, our project developers completed an initial review of your current energy usage, energy rates, and site conditions as a first step to determining an appropriate system size, placement, and the associated system costs and long-term benefits that solar can provide.

Initial Analysis of Current Situation

Site Name & Location	Current Electrical Consumption Profile	
Fire Department	Consumption	242,524 kWh/yr
401 E Main Street	Expense	$25,465/yr
Stoughton, Wisconsin 53589	Blended Utility Rate	$0.105/kWh
	CO_2 Emissions (est.)	184 tons/yr

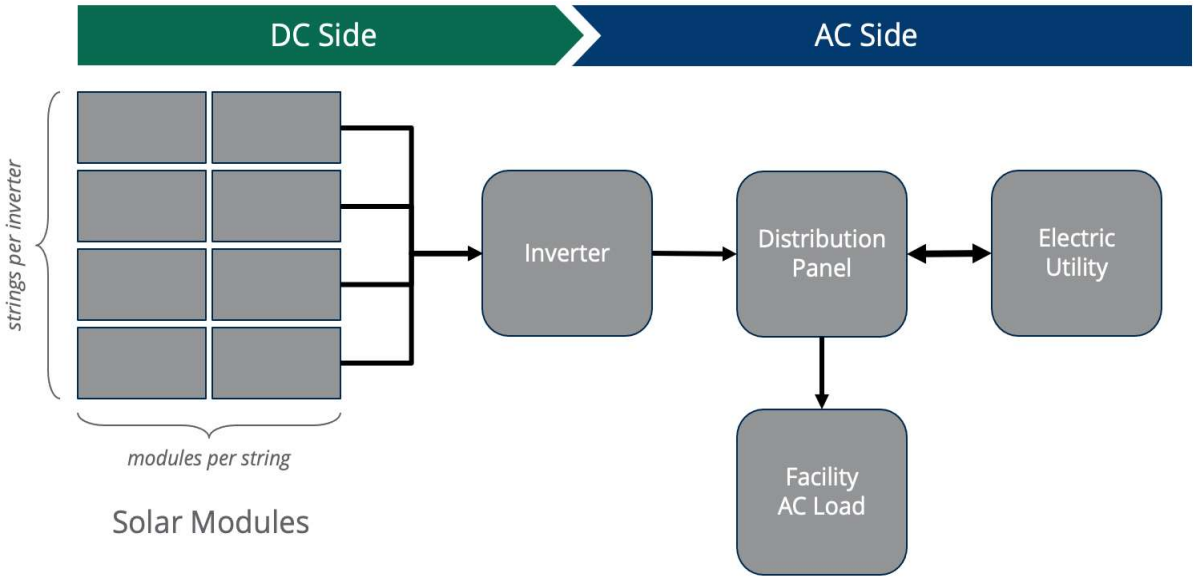
Stoughton's Fire Department located at 401 E Main Street in Stoughton, Wisconsin was evaluated using aerial imagery to assess potential areas for solar. Setback requirements, relevant codes, meter location, existing obstructions, and shading considerations were incorporated into the model's design constraints. This analysis informs the site's overall potential for solar size.

The provided electrical information indicated an estimated 242,524 kWh/year of energy consumption. The site's estimated cost of energy is $25,465 per year and a blended (average) rate of $0.105/kWh.This combined with Stoughton Utilities's solar interconnection's policy, and your goals, provided a basis for an initially proposed system size and concept.

The Environmental Protection Agency (EPA) publishes publicly available relationships between the amount of electricity consumed and the amount of carbon dioxide emitted, based on the country's current fix of fuel sources and reliance on fossil fuels. Based on this, the facility contributes an estimated 184 tons per year of carbon dioxide to the atmostphere. While this is not atypical, it demonstrates the impact of our current energy consumption and the opportunity for improvement with solar.

Stoughton Utilities does provide a net metering program up to 20 kWac of system size. Net metering is a program that provides full retail rate compensation for surplus energy delivered to the grid during times when the solar system may be producing more electricity than the facility's current demand.This program can economically justify solar being a larger share of the overall energy mix than would otherwise be appropriate. This program was considered when initially sizing the solar system.

All grid-connected solar systems are comprised of two electrical sides: DC and AC. Solar modules (panels) generate direct current (DC) electricity. To convert DC into a form usable by the facility (and compatible with the electrical grid) a component named an inverter is installed to output alternating current (AC). The inverter is the central building block to each subsystem. Once a subsystem architecture has been established, the general system size can be achieved by scaling the number of inverters/subsystems.



The module wattage (Wp) and number of solar modules determines the DC capacity (kWdc) of the system. This capacity is directly proportional to the amount of annual energy the system will produce and is the most important metric when discussing system size. The AC capacity (kWac) of the system is determined by the inverter nameplate capacity and the number of inverters in the system. AC capacity is most often discussed in the context of utility interconnection and occasionally financial incentive calculations.

The DC capacity (kWdc) is sized larger than the AC capacity (kWac), leading to the DC:AC ratio. Optimization of this ratio allows effective utilization of the inverter, important for value engineering.

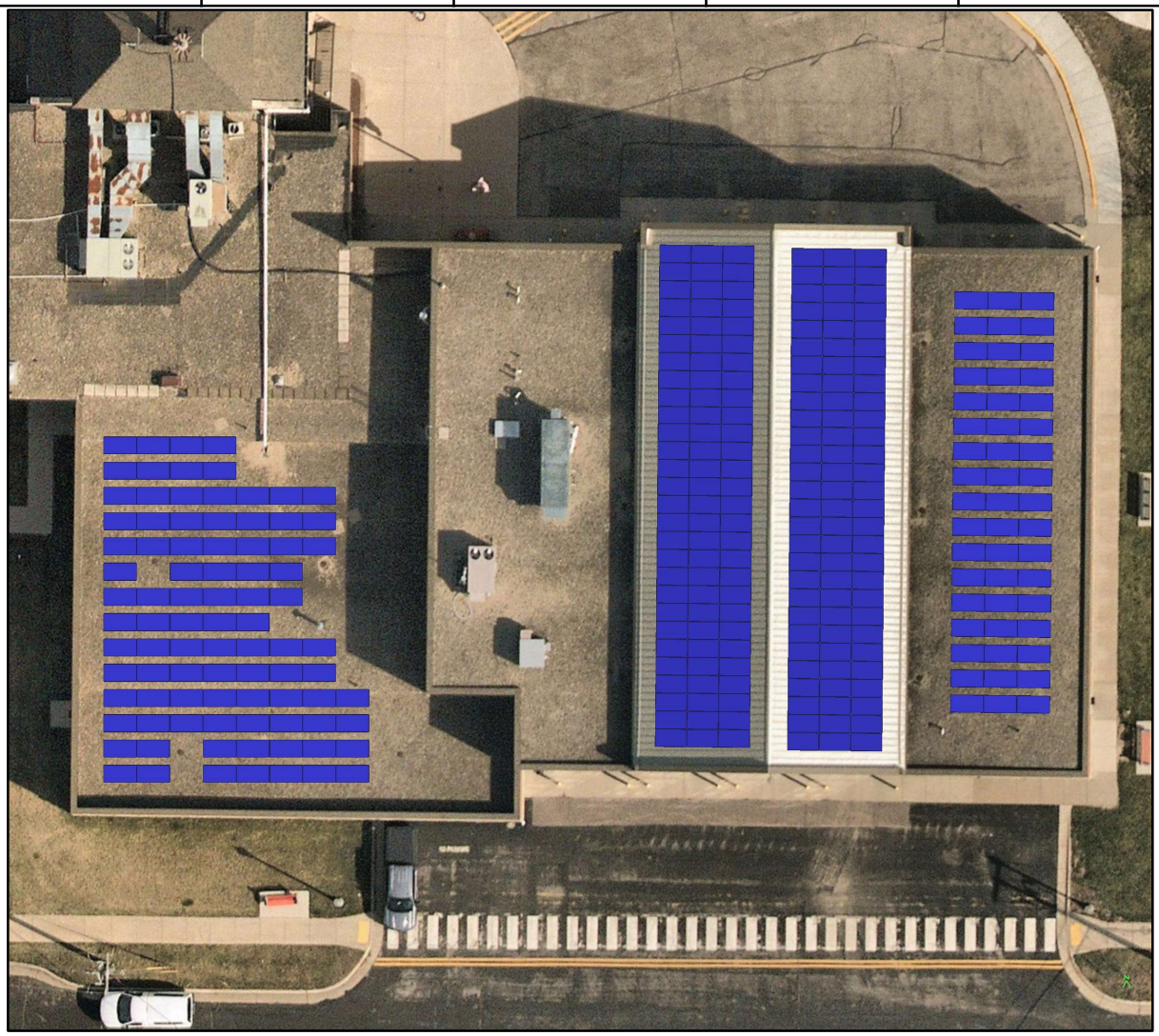
SunPeak's design philosophy is centered on providing the best long-term value, which includes both an efficient upfront installation as well as reduced operating and maintenance costs over the life of the system. Also, a holistic design approach considers all the factors that contribute to the "performance to cost ratio," including system efficiency and material, labor and soft cost considerations.

SunPeak has engineered and adopted a standardized system architecture for all of its projects. By doing so, project-specific engineering needs are reduced, supply channels are simplified and overall system reliability is improved. SunPeak's system architecture contains the highest quality equipment components from the world's leading solar manufacturers.

Preliminary System Sizing & Layout

This solar design concept is preliminary based on initial information received from you and our initial efforts. We expect through continued interaction with you that this concept will evolve once additional details are addressed. Once our detailed site assessment is fully incorporated and additional analysis complete, a final design concept will be established and presented to you.

DC			AC	
308 modules	**120.1 kWdc**	1.20 DC/AC	100 kWac	2 inverters



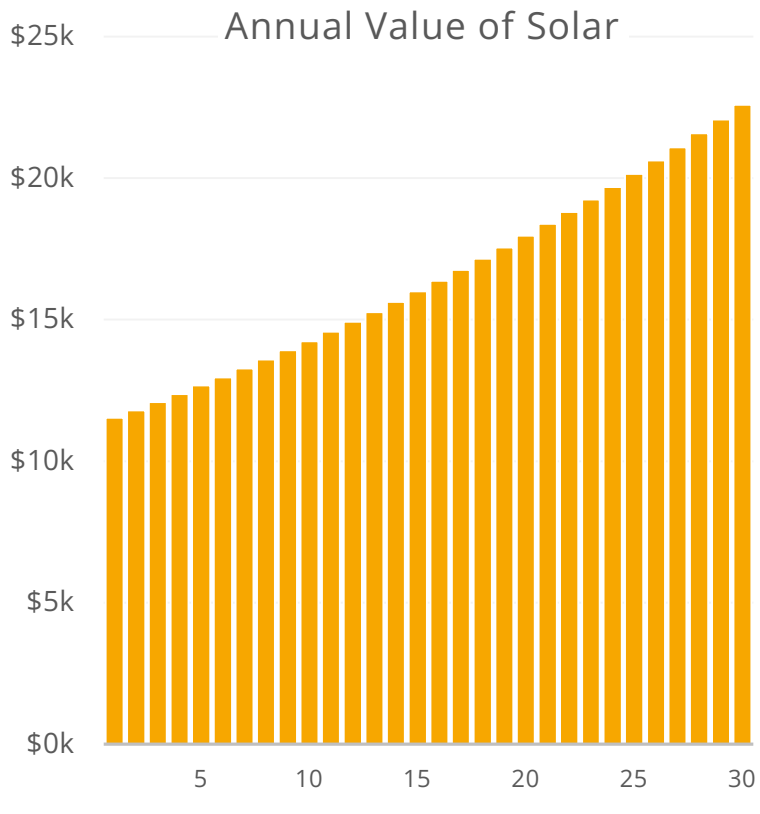
Reducing Your Utility Costs

The energy produced by your new solar system will directly reduce the energy required from your utility. With the current system size of 120 kWdc, utility electrical consumption will decrease by 144,100 kWh per year, or approximately 59.4%. Using a current estimate of $0.080/kWh utility rate, this equates to annual savings of $11,500.

These annual savings will accumulate over time at an increasing rate due to expected continued inflation in the cost of utility rates. Over the past 20 years, utility rates have risen annually by about 2.9%. If this rate continues in the future, the total reduction in utility costs will total $495,000.

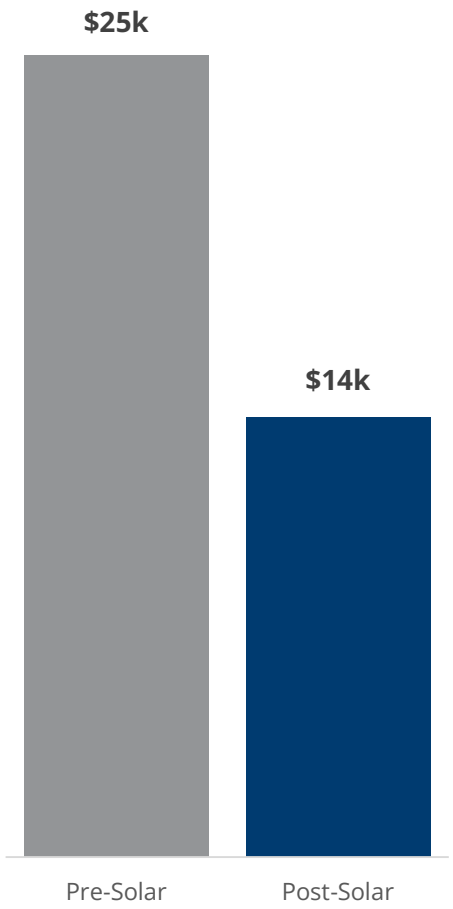
Avoided Utility Consumption

	Energy	Value
Annual[1]	**144,100 kWh**	**$11,500**
System Life[2]	**4,010,000 kWh**	**$495,000**



Utility Cost Impact

45.2% Reduction



1.) First year energy production and estimated value. Module degradation and inflation will influence subsequent years.

2.) Module degregation of -0.5% and assumed utility rate inflation of 2.9% included in 30-year lifespan.

Available Incentives & Net Investment

SunPeak is a full turnkey integrator of solar systems. Our pricing reflects the total cost to engineer, construct, and commission the project. Beyond the future energy cost savings, additional tax and cash incentives are available, which are detailed below:

	$	$/kWdc
System Price	**231,400**	**1,927**
Federal Investment Tax Credit (ITC)	(69,420)	(578)
Focus On Energy Rebate - Business	(15,000)	(125)
Net Investment at Year 1	**146,980**	**1,224**
Net Investment After Incentives	**146,980**	**1,224**

System Price. This is the preliminary total turnkey cost to install the system, which includes engineering, materials, labor, permitting and utility management. Final system quotation will be established after site assessment and detailed conceptual design.

Federal Investment Tax Credit (ITC). This project qualifies for a 30% tax credit, which is claimed in the same year as the system is commissioned. This tax credit is a direct reduction to tax liability, and can be applied when claimed or up to 20 years in future.

Focus On Energy Rebate - Business. The Wisconsin Focus on Energy program offers cash incentives for qualified solar electric installations. The provided value is the estimated benefit amount, which is paid out after the system is commissioned.

Net Investment at Year 1. The system investment after all rebates and incentives that can be gained in the first year after the system is commissioned. Does not include depreciation.

Net Investment After Incentives. The net final system investment, including both contributed capital and financial incentives available. Does not include any electrical cost savings, which is treated elsewhere as the payback on net investment. Does not include O&M costs.

Customer-Owned + Cash Financed

The simplest option is to own the system outright and finance with 100% equity. All available tax and financial incentives are retained by the system owner. In the below table, net installation cash flow is noted using positive figures to indicate cash flowing in and negative figures to indicate cash flowing out.

Installation Cash Flow	**$**
System Price	**(231,400)**
Federal Investment Tax Credit (ITC)	69,420
Focus On Energy Rebate - Business	15,000
Net Cash Flow after Incentives	**(146,980)**

The above table does not include any value the system produces while in operation, and is limited only to the installation cash flow up to the point of system operation. Various return on investment metrics follow:

Net Cash Flow after Incentives **($146,980)**	Calculated in above table, the net cash flow at installation time. Positive (negative) values indicate positive (negative) net cash flow.
Net Annual Cash Flow **$12,100**	Annual value of avoided utility costs and operating financial incentives that may be available. 5-year average. For specific annual figures, see next page.
Avoided Utility Cost **$495,000**	Projected lifetime value of energy the solar system will offset, based on a 1st year solar value rate of $0.080/kWh and 2.90%/yr. in forecasted inflation.
Net Investment **$147,000**	Net lifetime cost of system, including all capital investments, net of tax and financing incentives available.
Lifetime Energy Production **4,010,000 kWh**	Amount of energy the system is forecasted to generate in its first 30 years of operation, including impact of module degradation of -0.5%.
Simple Payback **11.3 years**	Timeframe (in years) system needs to operate to fully repay Net Cash Flow at Installation. Based on annual operating cash flow, detailed on next page.
Internal Rate of Return (IRR) **9.0%**	Based on Net Cash Flow at Installation and subsequent Annual Cash Flows during operation, estimates the annual rate of return of the investment.
Return on Net Investment (ROI) **337%**	Lifetime Avoided Utility Cost (benefit) divided by Net Investment (cost). Simple benefit-to-cost ratio. Disregards time value of money.
SunPeak Cost of Energy (SCOE) **$0.037/kWh**	Simple proxy for average cost of electricity generate by solar system over its projected 30-year lifetime. Net Investment ($) divided by Lifetime Energy Production yields units of $/kWh, comparable to utility rate units.

Monitoring Your Solar Energy Production

A fully integrated performance monitor is included with your SunPeak solar system, allowing you to gather useful energy production metrics over time and validate return on investment. Additionally, SunPeak will provide you with an online access portal that can be used to showcase visually the system's benefit to your customers, employees or other stakeholders.

SunPeak's operations and maintenance team also monitors the status of the system's performance. If any issues or power disruptions arise, the platform automatically generates a notification so that support can be provided efficiently via SunPeak's Operations & Maintenance plan.

Dashboard can be accessed via:

- ✓ Monitor in lobby or conference room,
- ✓ Any desktop or laptop computer,
- ✓ Any tablet or smartphone,
- ✓ Integrated with energy management,
- ✓ Corporate website.

SunPeak Integrated Performance Monitoring provides:

- ✓ Visual display of benefits to stakeholders,
- ✓ Validation of ROI,
- ✓ Immediate notice of any problems,
- ✓ Predictive maintenance capabilities,
- ✓ Communication of sustainability.

System Operations

Maintaining Your System & Protecting Your Investment

SunPeak systems are reliable and require minimal day-to-day attention. After SunPeak's customer training, your facility personnel will be able to perform the necessary routine inspections and simple preventative care procedures easily and cost-effectively.

Due to the long-term nature of the solar asset, a SunPeak Operations & Maintenance (O&M) plan is recommended. The plan provides you with complete peace of mind knowing the system is always operating at an optimal level, thus ensuring your investment return is maximized.

With SunPeak's O&M plan, skilled technicians regularly audit your system's performance, respond to and diagnose possible equipment issues, and perform warranty-related work on your behalf, if ever

SunPeak offers two primary plans, depending on the level of service you desire. The Standard Plan is all-inclusive and the Monitoring Assistance Plan provides basic support for your system:

Services Included	**Standard Plan**	**Monitoring Assistance Plan**
First year free with 5-year contract	✓	✓
Basic PV system preventative maintenance training	✓	✓
All system errors evaluated by SunPeak techs	✓	✓
Customer notification of critical errors	< 48 hrs.	< 72 hrs.
Weekly monitoring services	✓	✓
Warranty and warranty documentation management	✓	
Warranty claims management	✓	
Error root-cause analysis	✓	
Discounted labor rate (50%)	✓	
Fewer preventative maintenance requirements	✓	
Annual performance reporting (quarterly by request)	✓	
Live and/or video training and tech support services	✓	
Estimated Annual Cost	$1,352 / year	$189 / year

Assumptions & Clarifications

· Solar production estimates were calculated using Helioscope, using standard loss assumptions.
· System configuration, size, and pricing may need to be altered based on further analysis and information.
· Solar value rate of $0.080/kWh was used based on current utility rate.
· Inflation in utility energy rate is projected to average 2.90%/year.
· Module degradation averages -0.50%/year on a linear basis.
· O&M costs are not included in ROI calculations.
· Federal Investment Tax Credit (ITC) rate of 30.0%.
· Energy cost savings are pre-tax.
· Estimates for environmental impact were derived from coefficients presented on the EPA's website.
· Electricity usage forecast, utility service rate, shading and energy production are estimates.
· Proposal is valid for thirty (30) days.
· Customer shall provide a network switch with internet access for remote system monitoring.

Disclaimer

This proposal is for informational purposes only, using estimates for current and future utility rates, system production, and projected incentives. System quote represents SunPeak's best estimate with the information presently available, but should be treated as budgetary until a detailed engineering analysis can be completed. Please consult with your tax accountant for any tax related information.

This proposal assumes the site is in acceptable condition to install a solar system (structurally, electrical system, access, etc.) unless otherwise stated. This proposal includes forecasts, projections and other predictive statements resulting from an analysis by SunPeak of the information provided to it by the prospective client as well as information from SunPeak's operations and what is available within the marketplace. The forecasts, projections, and other predictive statements, particularly those of energy savings and cost savings, are based on information available to SunPeak at the time made, stated assumptions that were relied upon, and other factors outside the control of SunPeak. Prospective clients should recognize that the forecasts, projections, and other predictive statements stated herein, although based upon information and assumptions that SunPeak believes to be viable and accurate, are projections and that SunPeak does not provide any guarantees for the achievement by the prospective client of the projections noted herein. The prospective client must realize that in the development of any projection there are certain factors that are unforeseen at the time the projection is made and thereby there are certain risks involved that provide for uncertainty. The prospective client's actual performance results may differ from those projected in this proposal. Therefore, there is no guarantee presented or implied as to the accuracy of any specific forecast, projection or predictive statement contained herein.

Preliminary Proposal Acceptance

Customer

Stoughton
401 E Main Street
Stoughton, Wisconsin 53589

Brett Hebert
Director of Public Works
608-877-8684
bhebert@cityofstoughton.com

Project Location

Fire Department
401 E Main Street
Stoughton, Wisconsin 53589

Prop. No: 181203.04-03
Date: 4/8/2024

Alex Thomas
Project Development Manager
1026 Ann Street
Madison, WI 53713
608-733-6802
athomas@sunpeakpower.com

System Size			System Quotation	
DC Capacity	120 kWdc	System Price	$231,400	total
AC Capacity	100 kWac	per kWdc	$1,927	per kWdc
Energy Production	144,100 kWh/year	per Wp	$1.93	per Wp

This preliminary proposal represents SunPeak's best effort to provide a representative system size, energy production estimate, pricing and return on investment estimate. To finalize system size, configuration and pricing, additional project detail typically needs to be assessed and incorporated.

With your acceptance of this proposal, SunPeak will invest the resources to adequately detail the proposed system and finalize the quotation. This will enable a formal Engineering, Procurement and Construction (EPC) Agreement to be created and the project can begin.

This proposal acceptance is non-binding and does not commit you to completing the proposed project.

Some, or all, of the following activities will be performed after proposal acceptance:

- On-site facility assessment or detailed review of facility drawings,
- Preliminary system engineering & refinement of component selection,
- Generation of system bill of materials and detailed materials & labor costing,
- Utility interconnection assessment,

Thank you for choosing SunPeak for this solar project. We look forward to partnering with you.

Preliminary proposal accepted by:

City of Stoughton *(signature)*
Brett Hebert
Director of Public Works

(date signed)