

MINUTES
UNIVERSITY AREA JOINT AUTHORITY
1576 SPRING VALLEY ROAD
STATE COLLEGE, PA 16801
Regular Meeting – February 27, 2017

1. Call to Order

Mr. Lapinski, Vice-Chairman, reconvened the meeting of February 15, 2017 to order at 12:00 p.m. The meeting was held in the Board Room in the office of the Authority with the following in attendance: Messrs. Dempsey, Derr, Dietz, Ebaugh, Lapinski, McShea and Nucciarone; Cory Miller, Executive Director; Jason Brown, Project Manager and Jason Wert, RETTEW.

2. Solar and Battery Project Agreements – Pace Energy, LLC

Mr. Miller summarized the project to date.

Mr. Wert reviewed with the Board the solar and battery project agreements.

Because this is a public – private project, there are a lot of agreements with a lot of very similar parts. There are a total of eight agreements, four each for the solar project and the battery project. For each project, the agreements are very similar. The first three pairs are almost identical.

Insurance Agreement – This agreement obligates UAJA to carry insurance for the duration of the project. The insurance is basically an addition to our existing plant insurance. The major difference is that UAJA is required to insure Pace for loss of revenue in the event of catastrophic loss (tornado, hail, etc.)

Site License Agreement – Sets forth the allowable uses for the property that will host the solar project.

Operation and Maintenance Agreement – requires UAJA to operate and maintain the solar project once constructed. Also specifies an annual fee to be paid by Pace to UAJA for operation and maintenance.

The following two are different, because one deals with UAJA purchasing power from the Solar project, and the other deals with revenue sharing from the battery project.

Power Purchase Agreement – This agreement requires UAJA to purchase the power from the solar project. It sets a minimum energy output for the system. It also sets forth two UAJA system purchase options, one at the end of six years, and one at the end of ten years.

Battery Storage System Revenue Sharing Agreement – This agreement sets forth the share of the battery revenue allocated to each party over the life of the project. Once Pace recovers their cost plus 12 percent (profit), all additional battery revenue is split equally between UAJA and Pace.

The solar power system will produce sufficient energy to completely offset the power demand of the Beneficial Reuse Project, including the expansion to 2 MGD. The battery system will help stabilize the local electrical grid, and, more important to UAJA, will filter the power at the plant, which will result in much less wear and tear on variable speed drives and other more sensitive equipment.

The solar-battery project will produce approximately 25 percent of UAJA’s power needs, and will completely offset the power used for production and distribution of beneficial reuse water.

It is conservatively projected to result in more than \$2 million savings to UAJA over the life of the project. It is expected that UAJA will exercise its option to purchase both the battery system and the solar system at the end of year six.

**Solar and Battery
Project Agreements
Approved**

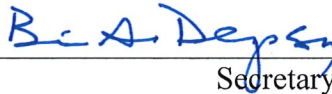
A motion was made by Mr. Ebaugh seconded by Mr. McShea, to execute the agreements with Pace Energy, LLC. The motion passed unanimously.

8. Adjournment

The meeting was adjourned at 1:03 p.m.

Respectfully submitted,

UNIVERSITY AREA JOINT AUTHORITY



Secretary/Assistant Secretary