



Lincoln Public Schools

Power Purchase Agreement Subcommittee

PPA Update

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PPA Agreement – First Principles

The Town decided to enter into a Power Purchase Agreement (PPA) for several reasons.

Going “green” is important, smart, and required by Town bylaw.

But it is also complicated!



PPA Agreement Update -- Summary

After 2 years of negotiations, we convinced Eversource to allow first large scale “behind the meter” installation!

Critical to our project’s financial viability – no distribution charges on 70% of our energy!



PPA Agreement Update

- **Original PPA agreement signed March 2020 contemplated various pricing adjustments**
- **One adjustment in July 2021 was due to not being able to put panels on Auditorium and Gym roof sections**
- **Now we are negotiating “final” adjustments for increased labor costs, steel pricing, Eversource requirements, and O&M**
- **Still shooting for “on time” installation by late fall 2022 – if we get steel ordered soon!**

PPA Agreement Update

- **Operating budget for electricity for FY24 now estimated at \$280K - \$308K**
- **Assumes 1%/year escalator on PPA Rate**
- **Original discussion of intended “budget neutrality” was incomplete since PPA project is not “level services”**
- **Construction cost increases are hitting all projects**
- **Cost is still \$76K-\$96K lower in FY24 than using Eversource supply and adding “MA Class 1 RECs” to green up supply**
- **Ongoing need to be prepared for variability in output due to weather and in demand due to our usage**
- **But stability of energy pricing is a good thing!**

Questions?

