

**FILE 26-0134** – A Resolution accepting the installation of a ground-mounted solar array at Church Road Elevated Tank at 2680 Church Road in Ward 1 and execution of a Power Purchase Agreement with 548 Energy.

June 2, 2026

## WHAT IS A POWER PURCHASE AGREEMENT?

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A Power Purchase Agreement allows a private company to finance, build, own, and operate a solar project on City-owned land with little or no upfront cost to the City.

In exchange, the City agrees to purchase electricity from the project over a long-term contract, often at stable or discounted rates. In this case, the electricity produced by the solar panels will cover 70% of the needs of the site, saving the City \$452,000 over its 25-year term.

The developer handles maintenance and operations while also benefiting from federal tax incentives that municipalities typically cannot directly use.

There will also be a land lease agreement that works in conjunction with the PPA.

## 26-0134 - WHY THIS ORDINANCE?

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### **Sustainability Goals**

The project helps the City meet its renewable energy or climate goals.

### **No Upfront Capital Cost**

The City does not need to issue bonds or appropriate large amounts of money upfront.

### **Lower or Predictable Energy Costs**

The City can lock in electricity pricing for many years, helping protect against future utility rate increases. **\*Federal tax incentives are expiring\***

### **Minimal Operational Responsibility**

The developer handles maintenance, repairs, insurance, and operations.

### **Workforce Development**

30% of labor will be from CEJA Workforce Development Hub

# City of Aurora

## Church Road Facility

### Recommendation for Onsite Solar Generation

June 2, 2026



# Request for Qualifications (RFQ) Results



- RFQ was issued to review 17 City owned sites to determine feasibility of solar projects.
- RFQ received four replies
  - General Energy
  - Verde Solutions
  - MARS Energy
  - 548 Energy (**Selected**)
    - Had lowest cost options for both purchase and power purchase agreement (PPA) option.
    - High Performance Rating on similar type projects.
    - Strong Financial Capabilities and access to capital.
    - Team members have qualifications, expertise and experience in solar industry.
    - Highest Community Involvement (or philanthropy) rating through their 548 Foundation and partnership with City on new CEJA Workforce Development Hub.



# Selected Site - Church Road



## System Details

System Size (DC/KW):	637.1 MWH
Total # of Panels:	838
Total # of Inverters:	3
System Type:	Ground Mount
Contract Type (Direct Purchase or Power Purchase Agreement (PPA):	PPA



# Church Road Aerial Photograph



# Solar Economics Summary



	Per kWh Charge
Energy Supply Charge (City of Aurora / Shell Energy Rate)	\$ 0.06916000
(ComEd current price is \$0.0966 per kWh)	
(ComEd price starting in June 2026 is \$0.10415 per kWh)	
<b>ComEd per kWh Charge</b>	
IL Elect Distribution Charge	\$ 0.00123000
Envir Cost Recovery Adj.	\$ 0.00007080
Coal to Solar	\$ 0.00005090
Renewable Portfolio Standard	\$ 0.00502000
Zero Emissions Standard	\$ 0.00195000
Carbon Free Resource Adjustment	\$ -
Energy Efficiency Programs	\$ 0.00835000
Energy Transition Assistance	\$ 0.00072000
Franchise Cost	\$ 0.00640288
Municipal Tax	\$ 0.00625899
State Tax	\$ 0.00330935
ComEd per kWh charges	\$ 0.03336292
<b>Total kWh Charge Current</b>	<b>\$ 0.10252292</b>
Solar PPA Cost	\$ 0.07980000
Estimate cost savings	\$ 0.0227229
Percent Savings 1st year	22.2%

	Power Purchase Agreement
Initial Investment	\$0
Cash Flow (saving) first 12 months	\$14,477
Cash Flow (saving) over 25 Years	\$451,925
Total Payments over 25 years	\$1,733,335

Estimated Saving increase in 2nd year to to 26%-33% because Primary Load Contribution (PLC) Tags for Capacity and Transmission will be reduced. These are "Demand Charges" that this solar system will eliminate.



# Environmental Benefit for Community (as provided by the EPA emissions calculator)



Annual Green Energy Produce (kWh)	637,101
Offset ~ 80% of annual kWh used at site	
Program Green Energy Produced (25 years kWh)	15,008,062
Carbon Reduction – Pounds	16,002,152
Pounds of Coal Not Burned	8,885,739
Homes electricity use for one year	1,372
Gallons of Gasoline Consumed	900,112



# Key Contract Terms



Key Contract Term	Comment
<b>Term Length</b>	25 Years
<b>Price and Escalator</b>	Price per kWh generated = \$0.0798 per kWh with an annual price escalator of 3%.
<b>System Ownership &amp; Maintenance</b>	548 Energy owns, operates, and maintains the system.
<b>Performance Guarantee</b>	548 Energy guarantees 85% of expected solar production each year.
<b>Energy Generation:</b>	City only pays only for the electricity the system produces, often called "pay-as-produced".
<b>End-of-Term Options</b>	City has options to renew agreement, remove the system at 548 Energy expense, or purchase the system at fair market value.
<b>Environmental Attributes</b>	Illinois Power Authority is purchasing first 15 years, and 548 Energy owns last 10 years of environmental attributes.



# End of Contract Options

1. City can purchase solar system at fair market value.
2. Extend the Power Purchase Agreement 5 additional years up to two renewal periods.
3. 548 will be 100% responsible for removing system and returning site to pre-solar conditions.
  - Modern solar systems have zero hazardous waste, and solar panels can be sent to landfills as normal waste.
  - Everything else is recycled (posts, inverters, racking systems, solar panel aluminum frames, copper wiring, combiners etc.).
    - Posts are generally not secured with concrete footings

Ground mount solar systems, current cumulative scrap value far exceeds the cost of removal of ground mount solar systems.

# High Level Timeline

Project Milestone	Date's	Milestone Status
City of Aurora hired Ameresco to evaluate Airport and northeast corner of Route 25 and Sullivan Road	November 2008	Project failed due to high ComEd connection costs
City ask Progressive Energy to evaluate Airport and northeast corner of Route 25 and Sullivan Road.	August 2023	City chose to partner with SunCode, (total of six proposals evaluated). Airport construction estimated to start June 2026 and complete by end of 2026. RT25 and Sullivan being re-evaluated.
City ask Progressive Energy to evaluate 17 City facilities for potential solar at those sites.	September 2024	
Final Sites Identified	December 2025	Completed
Site Surveys of Facilities	January 2026	Completed
Initial Designs Submitted	February 2026	Completed
Review with City Staff	March 2026	Completed
City Council Approval	May 2026	
Contracts Signed	May 2026	
Finalize Engineering and ComEd Interconnect	June 2026	
Safe Harbor Materials, Secure City Permits, ComEd Interconnect.	June 2026	
ComEd Interconnect and Permit Approval	September 2026	
Construction of Solar Fields	Sept – December 2026	
Permission to Operate (PTO) ComEd	1 <sup>st</sup> Quarter 2027	

## FAQS

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### **“If the City doesn’t pay upfront, what’s the catch?”**

The City is committing to a long-term power purchase contract. Instead of paying construction costs upfront, the City pays for lower-priced electricity over time.

### **“Who owns the solar equipment?”**

The developer owns it throughout the agreement term. Ownership can transfer to the City later.

### **“What if the system underperforms?”**

Performance risk is primarily on the developer because they only get paid when electricity is generated and sold.

### **“Who maintains it?”**

The developer is responsible for operations, maintenance, insurance, and repairs.

### **“What happens at the end of the contract?”**

There are options for the City to extend the agreement, purchase the system, or require the developer to remove the equipment and restore the site.