



Municipality of the District of Argyle

Item: February 24, 2025

Date: Request – Submission of
Solar application - Oakhill project
(Lunenburg)

Vision statement

Argyle is the community of choice to invest, live and play.

Mission statement

Argyle invests time & talent in growth opportunities in fishing, tourism, and renewable energy sectors.

Argyle provides affordable taxation while providing safe and healthy communities and strives to engage and inform our residents on decisions that affect them most.

Argyle provides high class, accessible recreational and cultural facilities and helps celebrate its unique heritage and culture and welcomes new residents to our region.

CAO's Recommendation:

Recommend that Argyle participate in the submission of the Solar application for the Oakhill Project Solar Garden located in Lunenburg County.

Partners in this project shall include the Municipality of the District of Shelburne and the District of Lunenburg. The detailed application, including rigorous work around risk mitigation, costing and other elements was led by AREA, which is a 100% municipally owned organization.

Suggested motion:

Move that Council authorize AREA the submission of the solar garden application for the Oakhill location,

Background:

The link to AREA's website is here [AREA – 100% Municipally owned](#). With their projects and customer programs, AREA's mission is to create a realistic path towards net zero in the supply and end-user sides of electrical power. They have led numerous solar and wind projects for their partner municipalities and have sold their services outside those units, and in some cases with us here in Argyle. They led the COMFIT solar projects on our behalf here, with three solar arrays now generating solar

energy to sell to the NS Power grid. These three projects are located at the West Pubnico Transfer Station, the West Pubnico Fire Hall and the East Pubnico water tank located on Willett Road.

Their presentation on the project is enclosed and redacted for confidential information at AREA's request and in the best interests of the applicants. The application is a competitive process, one where we request a rate of return for the energy we consume. That rate is competitive, with other applicants vying for approval as we are.

The project is a large undertaking, and if the application was successful, would result in the creation of an intermunicipal corporation between the Municipality of the District of Lunenburg, Shelburne and Argyle. That corporation would own and construct the facility and borrow 100% of the funds to build the solar garden. Estimated costs exceed 22 million, plus contingencies and more contingencies. A detailed analysis of revenues generated from the garden has been prepared confidentially as part of the application. While the three units would not borrow any funds to construct the project, there would be bridge financing, along with associated interest costs for one or all the parties. The cost and debt would be entirely recovered over the course of time but would require cash flow from all or one of the parties.

Based on our current ownership of the project at 25%, we could expect profits in the \$1.6 to 1.8 million over the course of 25 years. Our risk profile would also be set at 25% of the project. Profits are dependent on solar rates, cost of installation and operations and many other factors.

The request to Council is not yet to invest in such a project, it is to support an application already set to go and paid for. The application may or may not be successful. Council shall be asked to respond to a successful application.

A much more detailed assessment shall be presented to Council if an application is successful. Previous council approved the application and the investment, but much time has passed since, and a confirmation of council intentions is sought.

MGA considerations:

The investment in a solar garden, owned or co-owned, is supported by the MGA section 65, and is also supported by provincial applications that are specifically for municipalities to apply. Budgeted investment in the application was approved and paid.

Financial considerations:

There are no financial implications to the application itself, it is already paid in full. The financial considerations occur if an application is accepted.

At that point, the municipality may accept the application, reject or submit the value of their application to remaining partners or third parties.

Pros and Cons of suggested action:

There are no cons to applying. There are cons to accepting an application, which would have financial risk associated with it. The presentation from AREA does not include recent announcements of US tariffs on imported US product. This could be an additional financial risk to the project, assuming product would come out of the United States.

The pros of applying is that you continue to support the application that is paid in full.