Proposed solar tracker purchase bond – Frequently Asked Questions

Q: What is the bond vote for?

A: The bond vote is for the acquisition of 31 solar trackers installed adjacent to the wastewater treatment facility on Lagoon Road (accessed from Charlotte Road). The trackers were installed in 2010 as part of a power purchase agreement by and between the Town of Hinesburg and All Earth Renewables of Williston. The trackers are estimated to have a useful life between 25 and 30 years.

Q: How much will it cost to purchase the trackers?

A: Voters will be asked to authorize a bond not to exceed $312,000. The bond covers the purchase of the trackers only; the Town will also have an annual operations and maintenance (O&M) agreement with All Earth Renewables. The O&M agreement will cost an average of $4,000 per year.

Q: Where is the Town borrowing the money from?

A: The Town is proposing to borrow the funds from the Vermont Municipal Bond Bank at an average proposed interest rate of 2.285% for a 10-year term.

Q: How much will the trackers cost the Town annually if voters approve the purchase?

A: The average annual cost is $34,805. Principal is fixed at $31,194 annually; payments range from a high of $37,543 to a low of $31,612 during the borrowing term due to the manner in which interest rates are assessed by the Bond Bank. Including the O&M agreement, the total average annual cost for the 10-year term is $38,805.

Q: How much electricity is generated and what is the value of that?

A: The panels generate an average of 237,000 kilowatt hours per year, with the annual value of the electricity produced estimated at $49,000.

Q: Where and how is the electricity generated by the panels used?

A: The power from the project is credited via Vermont's group net metering program primarily to the Town Hall and the wastewater treatment facility utility accounts.. That credit, in turn, offsets the costs of the Town's electric bills. The renewable energy credits (RECs) have not been sold throughout this agreement, so the town is using the renewable energy it produces.

Q: What is the impact on property taxpayers?

A: The table below shows the breakdown by assessed value, and presents high and low values based on the annual payments for principal and interest as covered above. As noted in the table, the impact on property taxpayers does not include the corresponding savings in energy costs.

	Annual cost to taxpayers (principal and interest only; does not include offsets due to solar production)	
Assessed Value	*Low*	*High*
$200,000	$12	$14
$300,000	$18	$21
$400,000	$24	$28

Q: How much would it cost to continue the lease and power purchase agreement?
A: The cost to renew the power purchase agreement for another five-year term was quoted in August to cost $43,194 per year, but is variable depending on how well the system actually produces for the year. The option to purchase would remain, and be available annually, however the Town would forfeit its $1,000 deposit on the system. Extension of the power purchase agreement is the likeliest outcome if voters do not approve the bond.

Q: What's the benefit to the Town of Hinesburg of purchasing the trackers?
A: The benefit is that the Town achieves a greater level of energy independence and sustainability while seeing savings on its electricity costs.