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VINCENT C. GRAY
MAYOR

March 18, 2013

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Avenue, N.W.
Suite 504
Washington, D.C. 20004

**Reference: District of Columbia Department of General Services
Onsite Solar Power Purchase Agreement (Dunbar Senior High School)
(DCAM-13-NC-0056)**

Dear Chairman Mendelson:

Pursuant to D.C. Official Code § 1-204.51(c) and § 1-352.02(b)(1), the Department of General Services ("DGS" or the "Department") hereby submits the attached proposed Onsite Solar Power Purchase Agreement (Dunbar Senior High School) (DCAM-13-NC-0056) with Constellation Solar DC, LLC (the "Power Purchase Agreement" or "Contract") and proposed legislation (Contract No. DCAM-13-NC-0056 Emergency Declaration and Approval Resolutions of 2013) to the Council of the District of Columbia for its review and approval.

The proposed Power Purchase Agreement is the first of its kind that the District Government has negotiated and represents an important step forward in the way the District purchases energy and a milestone in our continuing efforts to promote sustainability and reduce the District's carbon footprint. Under the terms of the proposed Power Purchase Agreement, Constellation has agreed to install a photo voltaic array on roof of the new Dunbar Senior High School that will produce approximately 534,995 kWh per year, which represents approximately 16% of the school's electricity demand.

The Contract is structured so that DGS has no ownership interest in the solar array and will not be required to fund its construction. Moreover, the Contract has been structured so that the agreement will not be considered a "capital lease" and will not count as "debt" for purposes of debt cap restrictions or generally accepted accounting standards. DGS will be required to

purchase the energy produced by the array at a rate of \$0.085 per kWh in Fiscal Year 2013. This rate represents a discount of approximately one-third from the tariff rate charged by Pepco and is comparable to the rate that DGS negotiated with Washington Gas Energy Services for the balance of its portfolio. This rate is locked in for the 20 year term of the Contract and escalates at a fixed rate of 1.5% per year.

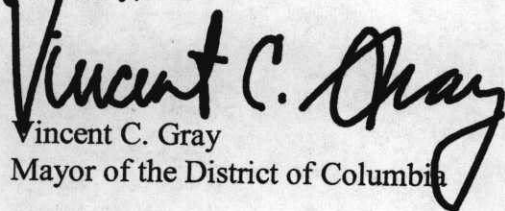
DGS and its predecessor agencies (OPEFM and DRES) have tried for years to develop power purchase agreements that comply with the various legal, budgetary and accounting requirements that limit the District's ability to enter into such agreements. The proposed Power Purchase Agreement was procured under the special pilot provisions of the Procurement Practice Reform Act of 2010 (PPRA) and is being submitted to the Council for its approval.

The proposed Contract not only results in a cost effective purchase of electricity, but it will reduce the District's carbon footprint and represents a long-term hedge against spikes in the energy market. If it is approved, DGS intends to use this approach as a model for future competitive procurements and as part of a concerted effort to "Green" the District's energy base and reduce our carbon footprint.

In addition to the Contract, attached are: (i) approval legislation; (ii) a contract summary; (iii) a fiscal certification; (iv) a memorandum of legal sufficiency; and (v) a tax clearance certificate for Constellation Solar DC, LLC.

If you have any questions regarding this Contract, please feel free to contact either Brian J. Hanlon, the Department's Director, or Scott Burrell, the Department's Chief Operating Officer, at (202) 727-2800.

Sincerely,


Vincent C. Gray
Mayor of the District of Columbia

Enclosures (5)

Copy: B. Hanlon
S. Burrell

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Chairman Phil Mendelson
at the request of the Mayor

A PROPOSED RESOLUTION

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To approve proposed multiyear contract (DCAM-13-NC-0056) between the District of Columbia and Constellation Solar DC, LLC to provide on-site solar power at the new Dunbar Senior High School.

BE IT RESOLVED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,

That this resolution may be cited as the "Contract No. DCAM-13-NC-0056 Emergency Approval Resolution of 2013".

Sec. 2. Pursuant to section 451(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 803; D.C. Official Code § 1-204.51(c)(3)), the Council approves Contract No. DCAM-13-NC-0056, a multiyear agreement between the District of Columbia and Constellation Solar DC, LLC, to provide on-site solar power at the new Dunbar Senior High School for twenty (20) years from the date of contract award.

Sec. 3. Transmittal.

The Secretary to the Council shall transmit a copy of this resolution, upon its adoption, to the Mayor of the District of Columbia.

1 Sec. 4. Fiscal impact statement.

2 The Council adopts the fiscal statement provided by the Office of the Chief
3 Financial Officer as the fiscal impact statement required by section 602(c)(3) of the
4 District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C.
5 Official Code § 1-206.02(c)(3)).

6 Sec. 5. Effective date.

7 This resolution shall take effect immediately.