

Council Bill 19-2026 Fiscal Analysis

Introduced: March 2, 2026

Fiscal Manager: Owen Kahn

Legislative Intent: This legislation approves a 25 year Renewable Energy Power Purchase Agreement between CI Renewables, Howard County Government, the Howard County Public School System (HCPSS), and the Howard Community College (HCC).

ANALYSIS

Fiscal Impact:

This legislation is estimated to reduce Howard County’s energy purchasing expenses for the County, HCPSS, and HCC by between \$9 million and \$11 million over a 25 year period.

Terms of the Power Purchase Agreement

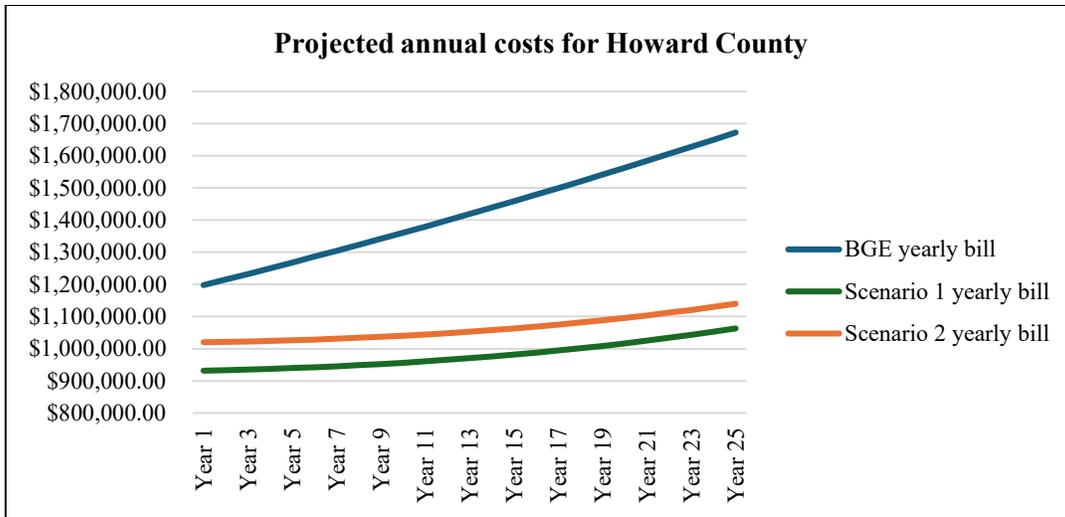
This legislation approves a Power Purchase Agreement (PPA) with the CI Renewables for a term of 25 years. The purpose of the PPA is to allow CI Renewables to install and operate solar equipment on County property. In exchange, Howard County, HCPSS, and HCC will purchase the power generated by the solar panels for 25 years.

The rate per kilowatt hour (kWh) that the County will pay CI Renewables for the generated energy was negotiated to be below the expected market rate of energy purchased from Baltimore Gas and Electric (BGE). The County will pay a fixed rate of \$0.1096 per kWh with no annual adjustments during the 25 year term. There is a provision in the PPA that states that the rate will increase to \$0.12 per kWh if the interconnection costs charged by BGE for the Route 40 ground mount facility increase by more than \$600,000 than what is currently estimated.

Potential savings for Howard County

These figures represent the total savings for Howard County, HCPSS, and HCC. For a full table showing yearly costs projected for each scenario, please see attachment A.

<i>BGE projected market rate</i>	<i>Scenario 1: \$0.1096 per kWh</i>		<i>Scenario 2: \$0.12 per kWh</i>	
<i>25 year total</i>	<i>25 year total</i>	<i>Savings</i>	<i>25 year total</i>	<i>Savings</i>
\$35,616,802.02	\$24,503,766.09	<u>\$11,113,035.93</u>	\$26,568,133.40	<u>\$ 9,048,668.62</u>



Over 25 years, this PPA would save the County between approximately \$9 million and \$11 million. This analysis assumes a year 1 BGE rate of \$0.1409 per kWh with an annual 2% cost increase. Note that these estimates would change based on the actual kWh generation capacity of the completed facility and the annual rate adjustments by BGE. Savings could be greater if BGE rates continue to increase beyond 2% annually.

The solar panels are projected to produce approximately .55% less kWh each year. In the first year of operation, the panels will generate approximately 8.5 million kWh. The last year of operation projects 7.3 million kWh. Any decrease in the kWh produced by the PPA will need to be backfilled from the BGE rate, so this analysis includes a BGE payment for any kWh lost each year from the solar panels.

Capital costs and solar installation sites

According to the terms of the PPA, CI Renewables will own all the equipment involved and be responsible for all costs to “develop, finance, build, own, maintain, operate, and decommission solar facilities.” CI Renewable will not be responsible for any costs for roof replacements, upgrades, or structural improvement necessary for the County buildings to host the solar equipment. According to the Administration, all County owned sites were chosen because they recently upgraded the roofs, or were determined to already have sufficient integrity for this project. The Administration does not expect any significant capital expenses to prepare for the construction of these solar panels.

The PPA identifies four County owned sites for rooftop solar installation: The Ascend One Building, the New Elkrigde Community Center, the North Laurel Community Center Pool, and 9755 Patuxent Woods. Note that the [New Elkrigde Community Center](#) is currently in the design phase with an estimated Phase 1 completion in FY2028.

The HCC location identified is the Clark Library rooftop. 12 HCPSS locations are identified, including the central office building, ten school rooftops, and a vacant lot along Route 40. Four schools with unrenovated roofs will be removed from that list. *The full list of locations is found beginning on page 58 of the PPA.*

Payment-in-Lieu-of-Taxes

CI Renewables will remain the sole owner of the solar equipment installed on County property. Within the PPA, a Payment-in-Lieu-of-Taxes (PILOT) is presented for CI Renewables to receive a tax abatement for the personal property tax of the equipment. The terms of the PILOT are in line with other solar project PILOTs, which offer increased tax abatements if the power generated is used in the County. The Administration confirmed that the PILOT will not be approved by this legislation, and that subsequent legislation will be presented to the Council to approve the PILOT.

Federal Tax Credit Eligibility

The Administration has indicated passage of this legislation in April 2026 will maximize CI Renewables' chances of qualifying for federal tax credits created by the [Inflation Reduction Act in 2021](#). The original tax credit offered 30% credit for the costs of a commercial solar project that is finished through 2032. However, passage of the [2025 One Big Beautiful Bill Act](#) moved the project completion deadline to the end of 2027. A project can qualify for an extra four years for full completion if they can generate 5% of the planned output before the "safe harbor" date of July 4, 2026, and continuously work on construction. According to the Administration, if the PPA is adopted in April, CI Renewable believes they will have enough time to meet the July 4, 2026 safe harbor deadline and maintain qualification for the tax credit. CI Renewables "is willing to take on that risk and offer (Howard County) the rates listed in the PPA document regardless of whether they receive the tax credit for each project."

Budget Implications:

- [Section 612 of the County Charter](#) requires Council approval of any contract to expend money in a future fiscal year.
- There currently are no projected capital costs for the County because CI Renewables is responsible for the equipment involved. The Administration has indicated all the roofs are currently fit for installation and will not need renovation. However, if any site is determined to need renovation in the future to accommodate solar generation equipment, the County will be responsible for those capital costs.
- Annual savings on energy costs could range from \$170,000 to \$260,000 in the first year of operation. By the 25th year, annual savings could be between \$500,000 and \$600,000/year.
- Approval of the PILOT for this project will impact County personal property tax revenue, as CI Renewables will be eligible for a significant tax credit on the installed solar equipment. That PILOT will be submitted to the Council in a later piece of legislation.

Other Notes:

2020 Power Purchase Agreement

In [2020, the Council approved](#) a 25 year PPA with KDC solar for 34.5 million kWh at a rate of \$0.07391 per kWh. According to the Administration, that PPA is about 97% complete and generates more than 50%

of the electricity used in County owned properties. The Administration estimates the 25 year savings of that PPA to be “over \$30 million.”

CI Renewables

The [Council recently approved a PILOT](#) for a solar project operated by CI Renewables in Ellicott City with an estimated tax abatement of between \$200,000 and \$300,000. CI Renewables will likely request a PILOT for the PPA solar project proposed in this legislation.

	<u>HC, HCPSS, and HCC</u>	<u>BGE projected costs for comparison</u>		<u>Scenario 1 - \$.1096 per kWh</u>					<u>Scenario 2 - \$.1200 per kWh</u>				
<u>Year</u>	<u>kWh Generated</u>	<u>PPA Rate per kWh</u>	<u>BGE yearly bill</u>	<u>PPA Rate per kWh</u>	<u>Yearly payment</u>	<u>BGE Backfill</u>	<u>Scenario 1 yearly bill</u>	<u>Savings</u>	<u>PPA Rate per kWh</u>	<u>Yearly payment</u>	<u>BGE backfill</u>	<u>Scenario 2 yearly bill</u>	<u>Savings</u>
Year 1	8,500,936	\$ 0.1409	\$ 1,197,781.88	\$ 0.1096	\$ 931,702.59	\$ -	\$ 931,702.59	\$ 266,079.30	\$ 0.1200	\$ 1,020,112.32	\$ -	\$ 1,020,112.32	\$ 177,669.56
Year 2	8,454,181	\$ 0.1437	\$ 1,215,017.98	\$ 0.1096	\$ 926,578.24	\$ 6,719.54	\$ 933,297.77	\$ 281,720.21	\$ 0.1200	\$ 1,014,501.72	\$ 6,719.54	\$ 1,021,221.26	\$ 193,796.73
Year 3	8,407,426	\$ 0.1466	\$ 1,232,464.42	\$ 0.1096	\$ 921,453.89	\$ 13,707.85	\$ 935,161.74	\$ 297,302.68	\$ 0.1200	\$ 1,008,891.12	\$ 13,707.85	\$ 1,022,598.97	\$ 209,865.45
Year 4	8,360,671	\$ 0.1495	\$ 1,250,122.70	\$ 0.1096	\$ 916,329.54	\$ 20,973.01	\$ 937,302.55	\$ 312,820.15	\$ 0.1200	\$ 1,003,280.52	\$ 20,973.01	\$ 1,024,253.53	\$ 225,869.17
Year 5	8,313,915	\$ 0.1525	\$ 1,267,994.18	\$ 0.1096	\$ 911,205.08	\$ 28,523.45	\$ 939,728.53	\$ 328,265.65	\$ 0.1200	\$ 997,669.80	\$ 28,523.45	\$ 1,026,193.25	\$ 241,800.93
Year 6	8,267,160	\$ 0.1556	\$ 1,286,080.62	\$ 0.1096	\$ 906,080.74	\$ 36,367.36	\$ 942,448.10	\$ 343,632.53	\$ 0.1200	\$ 992,059.20	\$ 36,367.36	\$ 1,028,426.56	\$ 257,654.06
Year 7	8,220,405	\$ 0.1587	\$ 1,304,383.33	\$ 0.1096	\$ 900,956.39	\$ 44,513.62	\$ 945,470.00	\$ 358,913.32	\$ 0.1200	\$ 986,448.60	\$ 44,513.62	\$ 1,030,962.22	\$ 273,421.11
Year 8	8,173,650	\$ 0.1618	\$ 1,322,903.70	\$ 0.1096	\$ 895,832.04	\$ 52,971.18	\$ 948,803.22	\$ 374,100.49	\$ 0.1200	\$ 980,838.00	\$ 52,971.18	\$ 1,033,809.18	\$ 289,094.53
Year 9	8,126,895	\$ 0.1651	\$ 1,341,643.14	\$ 0.1096	\$ 890,707.69	\$ 61,749.23	\$ 952,456.93	\$ 389,186.22	\$ 0.1200	\$ 975,227.40	\$ 61,749.23	\$ 1,036,976.63	\$ 304,666.51
Year 10	8,080,140	\$ 0.1684	\$ 1,360,603.00	\$ 0.1096	\$ 885,583.34	\$ 70,857.23	\$ 956,440.57	\$ 404,162.43	\$ 0.1200	\$ 969,616.80	\$ 70,857.23	\$ 1,040,474.03	\$ 320,128.98
Year 11	8,033,385	\$ 0.1718	\$ 1,379,784.59	\$ 0.1096	\$ 880,459.00	\$ 80,304.84	\$ 960,763.83	\$ 419,020.76	\$ 0.1200	\$ 964,006.20	\$ 80,304.84	\$ 1,044,311.04	\$ 335,473.56
Year 12	7,986,629	\$ 0.1752	\$ 1,399,189.04	\$ 0.1096	\$ 875,334.54	\$ 90,102.18	\$ 965,436.72	\$ 433,752.31	\$ 0.1200	\$ 958,395.48	\$ 90,102.18	\$ 1,048,497.66	\$ 350,691.37
Year 13	7,939,874	\$ 0.1787	\$ 1,418,817.92	\$ 0.1096	\$ 870,210.19	\$ 100,259.12	\$ 970,469.32	\$ 448,348.60	\$ 0.1200	\$ 952,784.88	\$ 100,259.12	\$ 1,053,044.00	\$ 365,773.91
Year 14	7,893,119	\$ 0.1823	\$ 1,438,672.28	\$ 0.1096	\$ 865,085.84	\$ 110,786.30	\$ 975,872.15	\$ 462,800.14	\$ 0.1200	\$ 947,174.28	\$ 110,786.30	\$ 1,057,960.58	\$ 380,711.70
Year 15	7,846,364	\$ 0.1859	\$ 1,458,753.29	\$ 0.1096	\$ 859,961.49	\$ 121,694.46	\$ 981,655.96	\$ 477,097.33	\$ 0.1200	\$ 941,563.68	\$ 121,694.46	\$ 1,063,258.14	\$ 395,495.15
Year 16	7,799,609	\$ 0.1896	\$ 1,479,062.07	\$ 0.1096	\$ 854,837.15	\$ 132,994.64	\$ 987,831.78	\$ 491,230.29	\$ 0.1200	\$ 935,953.08	\$ 132,994.64	\$ 1,068,947.72	\$ 410,114.36
Year 17	7,752,854	\$ 0.1934	\$ 1,499,599.71	\$ 0.1096	\$ 849,712.80	\$ 144,698.14	\$ 994,410.94	\$ 505,188.77	\$ 0.1200	\$ 930,342.48	\$ 144,698.14	\$ 1,075,040.62	\$ 424,559.09
Year 18	7,706,098	\$ 0.1973	\$ 1,520,367.02	\$ 0.1096	\$ 844,588.34	\$ 156,816.78	\$ 1,001,405.12	\$ 518,961.90	\$ 0.1200	\$ 924,731.76	\$ 156,816.78	\$ 1,081,548.54	\$ 438,818.48
Year 19	7,659,343	\$ 0.2012	\$ 1,541,365.39	\$ 0.1096	\$ 839,463.99	\$ 169,362.09	\$ 1,008,826.08	\$ 532,539.31	\$ 0.1200	\$ 919,121.16	\$ 169,362.09	\$ 1,088,483.25	\$ 452,882.14
Year 20	7,612,588	\$ 0.2053	\$ 1,562,595.55	\$ 0.1096	\$ 834,339.64	\$ 182,346.48	\$ 1,016,686.13	\$ 545,909.42	\$ 0.1200	\$ 913,510.56	\$ 182,346.48	\$ 1,095,857.04	\$ 466,738.51
Year 21	7,565,833	\$ 0.2094	\$ 1,584,058.37	\$ 0.1096	\$ 829,215.30	\$ 195,782.50	\$ 1,024,997.80	\$ 559,060.56	\$ 0.1200	\$ 907,899.96	\$ 195,782.50	\$ 1,103,682.46	\$ 480,375.90
Year 22	7,519,078	\$ 0.2136	\$ 1,605,754.66	\$ 0.1096	\$ 824,090.95	\$ 209,683.03	\$ 1,033,773.98	\$ 571,980.68	\$ 0.1200	\$ 902,289.36	\$ 209,683.03	\$ 1,111,972.39	\$ 493,782.27
Year 23	7,472,323	\$ 0.2178	\$ 1,627,685.18	\$ 0.1096	\$ 818,966.60	\$ 224,061.26	\$ 1,043,027.86	\$ 584,657.31	\$ 0.1200	\$ 896,678.76	\$ 224,061.26	\$ 1,120,740.02	\$ 506,945.15
Year 24	7,425,568	\$ 0.2222	\$ 1,649,850.62	\$ 0.1096	\$ 813,842.25	\$ 238,930.75	\$ 1,052,773.01	\$ 597,077.61	\$ 0.1200	\$ 891,068.16	\$ 238,930.75	\$ 1,129,998.91	\$ 519,851.70
Year 25	7,378,812	\$ 0.2266	\$ 1,672,251.37	\$ 0.1096	\$ 808,717.80	\$ 254,305.63	\$ 1,063,023.42	\$ 609,227.95	\$ 0.1200	\$ 885,457.44	\$ 254,305.63	\$ 1,139,763.07	\$ 532,488.31
TOTALS	198,496,856		\$ 35,616,802.02		\$ 21,755,255.42	\$ 2,748,510.68	\$ 24,503,766.09	\$ 11,113,035.93		\$ 23,819,622.72	\$ 2,748,510.68	\$ 26,568,133.40	\$ 9,048,668.62

Projected savings for Howard County

