

Butterworth Solar Update

September 23, 2025



CITY OF
GRAND
RAPIDS

Today's objectives

- Provide context on the project and the site
- Update Commission on the project status and next steps, which could proceed this month
- Provide details on financing approach
- Gain concurrence from the Commission on moving forward with an RFP

History

- **1970s** – Site closed for use as landfill
- **1986** – Named to Superfund Priorities List
- **2000** – Deemed fully remediated by EPA
- **2013** – Received solar reuse assessment from EPA
- **2015** – Secured solar developer to supply Water Resource Recovery Facility (WRRF) with power
- **2016** – Developer became insolvent, project ceased
- **2018-2021** – Negotiations ongoing with Consumers Energy, but options found to be cost-prohibitive and discussions suspended in 2022



History

- **2023-2024** – Released RFQ for private developers and prequalified 10 vendors for future RFP
- **2024** – Secured \$3 million state budget allocation for extension of Primary Circuit to the site
- **2024-2025** – Developed 30% engineering designs and draft RFP for distribution to prequalified vendors

We are now ready to distribute the RFP.

The site

- Grand River runs along the south and east sides of Butterworth
- John Ball Neighborhood, a neighborhood of focus, is on the north side



The site



The site

~ 180 Acres

~140 acres under City ownership/control

Environmental Protection Agency (EPA) Superfund site required remediation

Bisected by ~27 acre privately owned site

Current trail circles perimeter of the site

Boat launch access to Grand River for emergency access

Park use, parking and solar development have all been considered for the site



The site

~ 180 Acres

Solar array anticipated to use ~4-6 acres
(orange)

In discussions with CAA on potential service industry parking
(blue)

Included in Parks masterplan
(green)



The site

- **Butterworth Site Group (BSG) is the party held responsible under the Environmental Protection Agency consent decree**
- **Solar panels constructed on Butterworth must be ballasted solar panels to protect the cap, requiring additional structural components and engineering**
- **Constructing solar on a capped landfill that is a U.S. Superfund site includes risks not present with other landfill, brownfield or greenfield development**

Key considerations

- **Finalized agreement with State of Michigan for Primary Circuit (PC) extension funding in September (\$3 million)**
- **Several PC segments have been installed in conjunction with planned road work, remainder to be completed in 2026**
- **30% design engineering completed and RFP developed, ready to distribute to prequalified vendors by end of September**

Key considerations

- **City's renewable/Greenhouse Gas (GHG) reduction goals:**

*85% greenhouse gas emissions reduction by 2030 from 2008 for City buildings, utilities and fleet and **100%** by 2040*

***100%** of electricity consumed by City buildings, utilities and fleet be supplied by renewables by FY2025 (currently achieved through purchase of Renewable Energy Credits)*

- **Estimated GHG reduction is ~2,000 tons annually**
- **Estimated to divert ~7% of energy use to direct local source (vs renewable credits)**

Key considerations

- Project is included in the City's strategic plan and in the Commission's strategic priorities, but *was not* included in the Commission's top 20 priorities in the Climate Action & Adaptation Plan.
- It *was* noted as one of 36 "Actions in Progress" by staff during the prioritization process.

Buildings & Industry Strategy 4, Action 1 - Continue to reduce energy consumption or find alternative clean energy resources for the City's Water, Environmental Services, and other City facilities

Energy Systems S4 Action 6 - Maximize local benefit of the City's renewable energy portfolio through renewable natural gas generation at the City's biodigester and pursuing solar at the City-owned Butterworth Landfill.

The RFP

- **Assuming a Power Purchase Agreement (PPA) model**
 - City agrees to purchase power generated from the site over the expected life of the array
 - Developer is responsible for building and maintaining the infrastructure
 - City maintains ownership of land, no upfront costs
 - Developer typically receives tax credits
 - Current PPA rates range from \$.05 to \$.15 per kWh, have started to rise due to OBBA (September average was \$.08/kWh (current rate with Consumers is ~\$.10/kWh)
 - Preferred model for most private developers

The RFP

- **Timing is critical**
 - Process has been streamlined by prequalifying ten vendors with relevant experience
 - Solar tax credits phasing out at the end of 2026 due to OBBA
 - Projects started by July 4, 2026 have four years to be completed. Projects started after July 4, 2026 must be in service by the end of 2027.
 - September release of RFP would put the City on track for construction to begin in mid-June of 2026
 - If proposed PPA rates were not acceptable, the City would have no obligation to proceed

Summary

- Project has been in-process under the current vision for three years
- Approach has been informed by discussions with private solar developers
- Size and scope will not impede considering other uses on the site (only about 5% of total available land)
- RFP responses will provide detail on potential cost impacts or net savings

Is the City Commission supportive of moving forward to the next step?

Questions/Discussion

