

A large array of solar panels is shown from a low angle, receding into the distance. The sky is filled with soft, golden light from a setting or rising sun, with wispy clouds. The panels are dark blue with a grid of thin lines.

RENEWABLE ENERGY CREDITS

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Agenda

1. Clean energy commitments
2. Supporting commitments
3. Cost effective options
4. Questions

Commitments to Clean Energy

1. 2017-2019 City Council Goal

100% clean electricity for
municipal operations

2. Climate Action and Adaptation Plan

3. Carbon Neutrality Plan

How are we
advancing clean
energy goals?

1. Infrastructure and efficiency upgrades
2. Renewable energy deployment
- 3. Renewable Energy Credits**
4. Future Innovations

Renewable Energy Credits

Renewable energy credits (RECs) are a tradeable, market-based instrument that represents the property rights to the environmental, social, and non-power attributes of 1 megawatt-hour (MWh) of renewable electricity generated and delivered to the grid.

RECs allow buyers to claim the use of renewable energy, even if their electricity comes from the regular grid.



The City's Current Clean Energy Portfolio

	Agency	Contract	~Annual Energy Yield/RECs (MWh)	~ Annual Operational Savings
• Diversified Portfolio				
• 1) Arizona Power Authority (Hoover Dam) Schedule D	APA	2057	815	\$34,700
• 2) APS Green Power Partners (GPP)	APS GPP	Monthly	39,000	-\$97,400
• 3) CoF Owned	CoF	Financed thru 2029/2030 +	1,200	\$137,00/\$176,549
• 4) PPA	PPA	2031	1,500	\$34,000

Cost effective options

With municipal electricity use projected to continuously increase, staff evaluated alternative REC suppliers that offer more competitive pricing.

- Precipitation
- Temperature
- Water Services operations
- New facilities being commissioned



The Navajo Tribal Utility Authority offers the most readily-available economic option for the City to consider

Comparing RECs

	Contract	~Annual RECs (MWh)	~ Annual Operational Cost
1) APS	Monthly	39,000	\$97,400
1) NTUA	Quarterly	39,000	\$76,479 (\$72,150+ \$4,329 6% sales tax)

Clean Energy Solutions – The Bigger Picture

Short-term (within next 3 months):

- Transition to purchasing RECs from NTUA

Short-term (within next 6-9 months):

- Evaluate and negotiate Arizona Consortium Virtual Power Purchase Agreement. If economically viable, it will be 12-18 months before the project yields RECs
- Evaluate interest in solar development at Red Gap Ranch

Mid-term (within next 12-24 months):

- Pursue additional on-site solar for City facilities for pricing stability and emergency response
- Transition to VPPA model for RECs, if appropriate

QUESTIONS?

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