TOWN OF FOUNTAIN HILLS ENERGY SAVINGS PROJECT

June 16,2026

FOUNTAIN HILLS

VEREGY: SIMPLIFYING AND ACCELERATING YOUR ENERGY TRANSITION

VEREGY®

VEREGY

Agenda

1 Why this Project

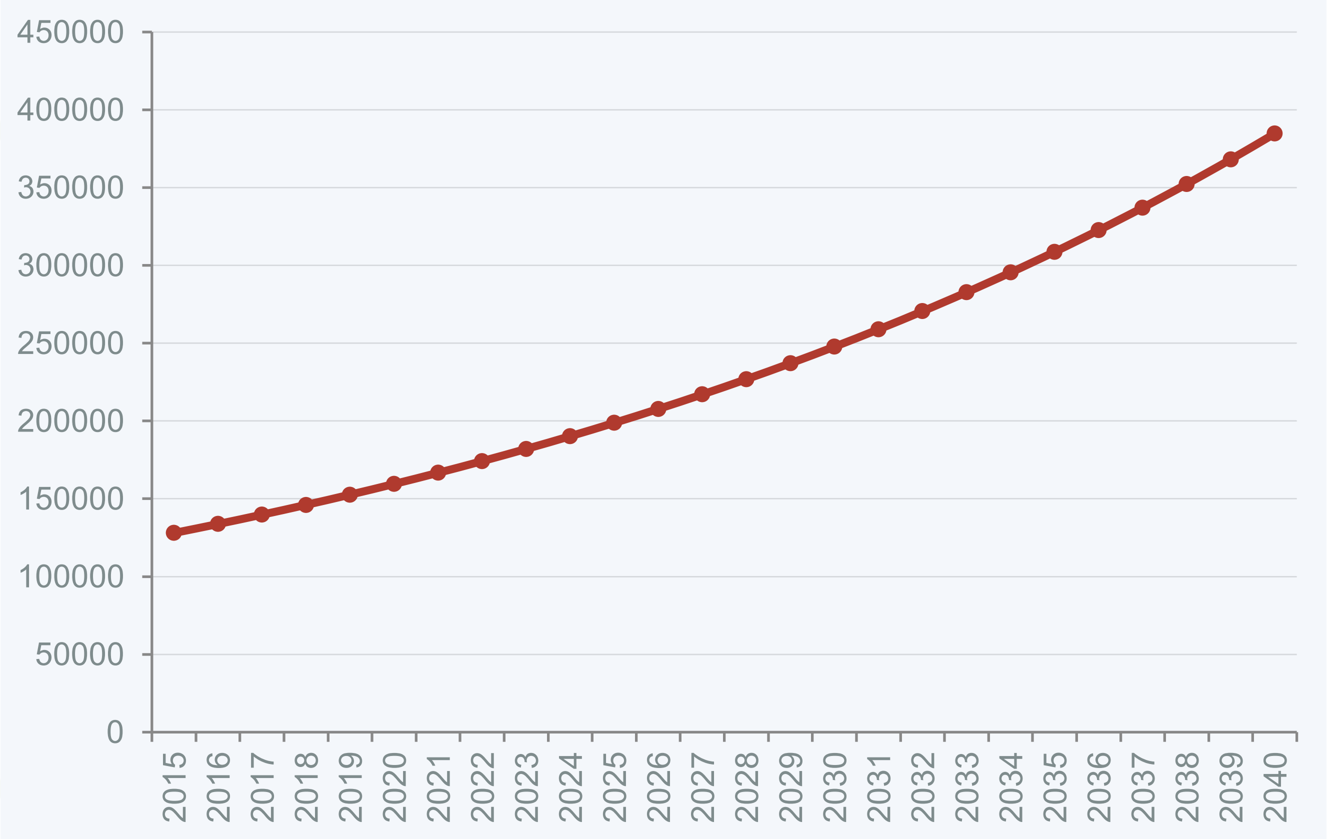
2 Why Veregy

3 Why Now

4 Questions

The Problem: Escalating Energy Costs

Without action, Fountain Hills energy spend nearly doubles by 2040



$193K

FY2025 combined spend (3 sites)

+4.5%

Average annual SRP rate increase

$370K+

Projected 2040 without solar

Why this Project

- Reduce and stabilize utility cost, improve budget predictability, and leverage federal tax incentives
- This is fundamentally a budget and infrastructure item, not just a solar item
- Provide covered parking for Fountain Hills residents and visitors at Town Hall, Community Center, and Public Library
- Council's action tonight is about advancing a project that lowers long-term operating costs while using currently available federal incentives

Path to Savings

Preliminary Energy Assessment (PEA)	Investment Grade Audit (IGA)	Project Selection & Contract	Town Approval	Project Design	Tentative Construction	Performance Optimization & Savings
Feb 2026	April 2026	May 2026	June 16 2026	June 2026 – April 2027	April 2027- Aug. 2027	On-going

Project Overview

597 kW

DC system size

Town Hall 198 kW
Comm. Center 399 kW

128

covered spaces

Town Hall, Community Center & Library

~64%

energy offset

self-generated on-site vs. total consumption

$956K

ITC direct pay

federal incentive applied Year 3

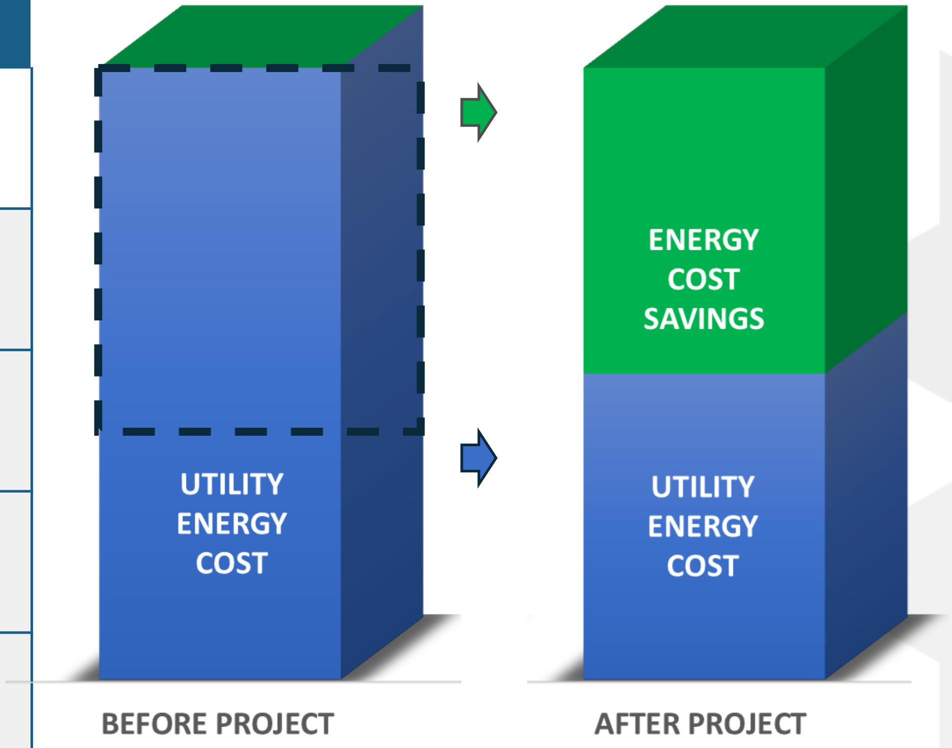
$ 5,263,296

Lifetime Savings


Fountain Hills Town Hall
Fountain Hills Municipal Court
Fountain Hills Town Clerk
Town of Fountain Hills Community

Energy Savings

Project	Financial
Solar Project	$ 2,390,900
Potential ITC	$956,384
Electric Utility Savings	$81,989 – $246,768
Lifetime Savings 35 years	$ 5,263,296
ROI	15 Years



Veregy, LLC. is not a legal, tax, investment, or financial advisor, nor does Veregy directly finance any projects. Veregy, LLC's website content is for informational purposes only; website visitors should not construe any such information or other material as legal, tax, investment, or financial advice. Regardless of anything to the contrary, nothing available on or through Veregy LLCs business practices should be understood as a recommendation that an individual or organization should not consult with a legal, tax, investment, or financial professional to address their particular circumstances.

Why Veregy

We are an Arizona Company!

#1	*Arizona Home Grown – Founded Here!*
#1	*Largest Energy Company in Arizona*
$450	*Million in Energy Savings Achieved*
500+	*Individual Public Building Projects*
34	*Year History in Arizona*
273	*In-house Professionals with Engineering, Mechanical, Electrical, Plumbing, Controls and Solar Expertise.*
90%	*Work Done In-House. We Turn the wrench!*

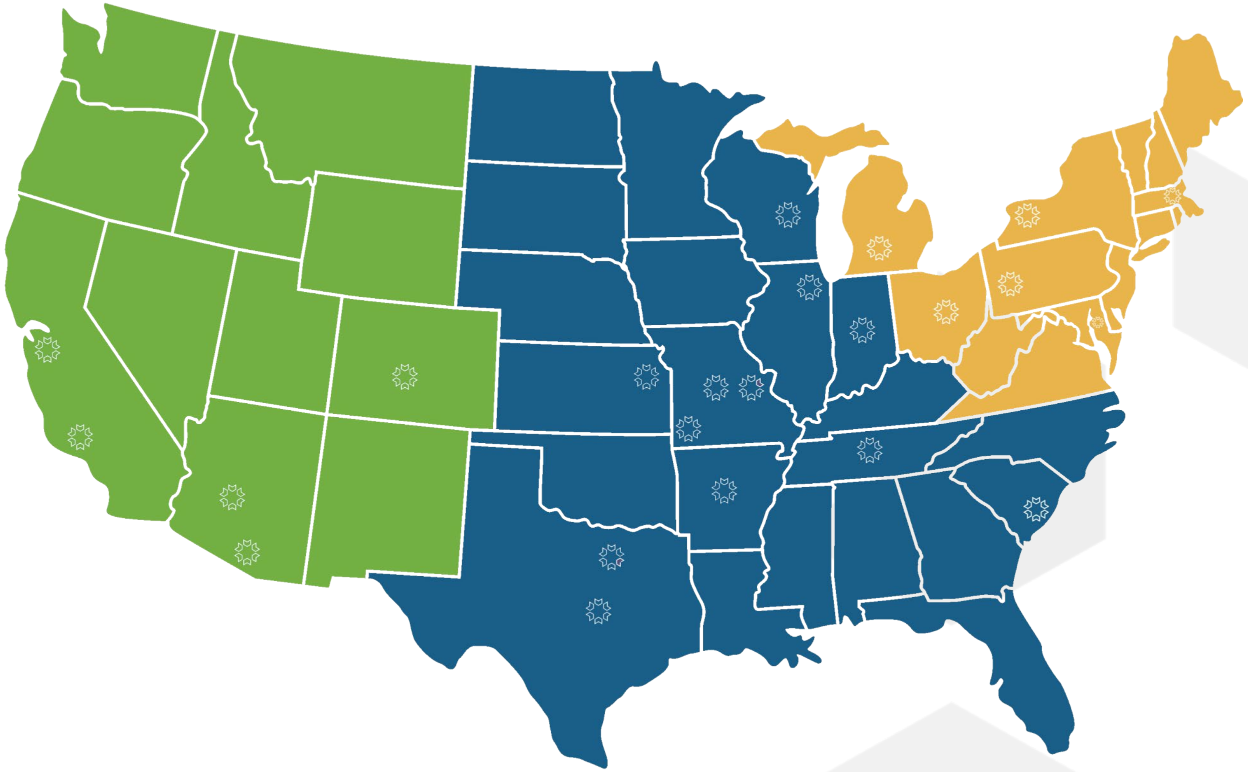
Veregy Experience

Town of Fountain Hills:

- Golden Eagle Park
- Desert Vista Skate Park and Mini-Pitch
- Service Agreement (2022-current)
- 2022 Parks and Recreation Social Event Co-Sponsor at Desert Vista Park

Municipal last 5 years in AZ

- City of Coolidge
- City of Casa Grande
- City of Eloy
- City of Phoenix
- Pima County
- Arizona Department of Emergency Affairs



1.8 GW	19.5 MW	$27M
Installed solar by Arizona in 2025	Solar installed in AZ by Veregy since 2022	Expected IRA Rebates in Arizona

What is Performance Based Contracting?

Design-build general contractor combined with a diagnostic/engineering front end and a guaranteed-savings back end.

- Comprehensive energy solutions
- Focus on improving energy efficiency and reducing energy costs
- Energy Audits, Retrofits, Renewable energy solutions
- **Guaranteed Energy Savings!**

2024 Arizona Revised Statutes
Title 34 - Public Buildings and Improvements
§ 34-455 - Performance contracting

Why Now - Investment Tax Credit

IRS | File | Pay | Refunds | Credits & Deductions | Forms | Report Fraud | Search

- **Family, dependents and students**
- **Clean energy and vehicle credits and deductions**
- **Individuals credits and deductions**
- **Business credits and deductions**
  - Employee Retention Credit
  - Forms for business credits

The Clean Electricity Investment Credit is a newly established, tech-neutral investment tax credit that replaces the Energy Investment Tax Credit once it phases out at the end of 2024. This is an emissions-based incentive that is neutral and flexible between clean electricity technologies.

The credit is available to taxpayers with a qualified facility and energy storage technology placed in service after Dec. 31, 2024. The Clean Electricity Investment Credit phase-out starts for the later of 2032 or when U.S. greenhouse gas emissions from electricity are 25% of 2022 emissions or lower.

The base amount of the Clean Electricity Investment Credit is 6 percent of the qualified investment. Credit is increased by up to:

- 5 times or up to 30% for facilities meeting prevailing wage and registered apprenticeship requirements.
- 10-percentage points for facilities meeting certain domestic content requirements for steel, iron and manufactured products.
- 10-percentage points if located in an energy community.

The Clean Electricity Investment Credit is eligible for direct payment or transfer. Taxpayers cannot claim both investment credit and production credit for the same facility.

Who can claim the credit

Taxpayers with a qualified facility and energy storage technology placed in service after Dec. 31, 2024 may claim the credit.

Elective payment and transfer of credits may be available to certain applicable entities to include tax-exempt organizations and government entities. A pre-filling registration is required for elective payments and transfers.

How to claim the credit

Taxpayers will need to complete Form 3468, Investment Credit and file it with the taxpayer's annual return submitted to the IRS for the first taxable year in which the taxpayer reports a clean energy investment credit.

Safe Harbor Rules:

- **Contract Signed by July 4,2026**
- **FEOC Compliant (Made in America)**
- **Materials on-site by July 4, 2026**
- **Project must incur 5% cost by July 4, 2026**

VEREGY

Questions