



C I T Y O F
RENO
Memorandum

DATE: October 4, 2024
TO: Mayor and City Council
THROUGH: Jackie Bryant, Interim City Manager
FROM: Suzanne Groneman, Sustainability Manager
DEPT: City Manager's Office
SUBJECT: Avalon Geothermal Permanent Shutdown

In September, Staff provided an update on the status of Avalon Geothermal (Avalon), the operator of the district heating system in Reno that presently serves approximately 100 homes around Manzanita Lane (Ward 2). Staff was notified today, October 4, by the Public Utilities Commission of Nevada (PUCN), that Avalon is permanently discontinuing service to its customers in Reno effective immediately.

Due to this, Avalon will not serve the Moana Springs Community Aquatics and Fitness Center, and the facility will continue operations utilizing the natural gas infrastructure in place.

Avalon will hold an informal meeting for its customers on October 17, 2024 from 5pm-6pm at the Renaissance Reno Downtown Hotel in the Shore Room, Truckee Terrace.

A copy of the letter provided by Avalon to the PUCN is attached.



Avalon geothermal

October 1, 2024

Dear Customer of Avalon Geothermal,

As you know, the Avalon Geothermal heating system (the "System") is offline and has been drained. We are sorry to report that after our 7-year history and hundreds of thousands of dollars of investment and repairs, Avalon Geothermal will not be able to economically restart the System.

Repairing the system to provide the service you expect will require more than \$15,000 per service connection, and we know that we cannot ask our customers to cover this cost.

Each Avalon Geothermal Residential Service Agreement requires customers to have back-up services for home heating. **Please utilize your back-up service for all home heating needs (including water) from this moment indefinitely, including this coming 2024/2025 Winter.**

Also, please note that Avalon Geothermal will not be executing any renewal service contracts for calendar year 2025. Avalon Geothermal intends to make an application to the Public Utilities Commission of Nevada requesting to discontinue service.

Avalon Geothermal will hold an informational meeting for its customers:

Location: Renaissance Reno Downton Hotel and Spa
Address: One Lake St, Reno, NV 89501
Room: The Shore Room- Truckee Terrace
Date: October 17th, 2024
Time: 5pm-6pm.

Please feel free to reach out to us with your questions or concerns by contacting Katy Stephens at katy.stephens@cyrqenergy.com or 1-775-441-1420.

Yours sincerely,

Patrick Walsh-Snow
Chief Operating Officer
Cyrq Energy (Owner of Avalon Geothermal)