


Tompkins County Industrial Development Agency

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Delaware River Solar (NY Newfield IV and V) – Community Benefits Overview *12/14/17*

Project Overview

The applicant, Delaware River Solar, is proposing two separate, 2 megawatt (MW) community solar arrays – applications named Newfield IV and V – for a total of 4MW of off-site, renewable energy generation. The Project in total will generate enough clean renewable energy to power approximately 800 homes. The projects will cover approximately 25 acres of land located on Millard Hill Road in the Town of Newfield. Residents and businesses in the NYSEG load zone C, which includes Tompkins County will be able to sign up for electricity at a 10% discount for the first year with a 2% increase in cost each year thereafter.

There are no approvals that triggered SEQR by another agency, so the IDA will need to act as lead agency for the review and make the final determination. The IDA has secured services from Barclay Daman, which will be paid for by the applicant. The first step in the SEQR process will be for the IDA to issue a notice of intent to declare itself as lead agency and then distribute the notice to involved agencies. A resolution will be presented at the 12/14 meeting if the applications are accepted and moved to a public hearing. The Full Environmental Assessment Form was distributed via email with the agenda packet and is posted with the agenda on the IDA website. The final SEQR determination will be presented at the meeting for which approval is sought.

The two parcels currently receive an agricultural exemption. Estimated town, county and school district taxes paid on the vacant land last year were approximately \$343 in Town, County and school district taxes. The applicant has requested a payment of \$4,800 per megawatt for 20 years with a 2% annual increase, which is consistent with the IDA adopted solar policy. The first year tax payment would be \$19,200.

These two projects differ from the first three that were approved by this applicant in the Town of Newfield in that they are under the new Value of Distributed Energy Resources model, which projects a net decrease in revenues over the net metering model under the previously approved projects. The Town of Newfield forwarded a letter of support for the IDA delivering a PILOT agreement for these projects, however their support was at the higher, \$8,000 per megawatt amount that was previously approved under the net metered projects. The Town of Newfield and the Newfield School District opted out of Real Property Tax Law 487, which would require property taxes be paid on the full assessed value of the project, which makes it financially unfeasible.

Cost-Benefit Analysis

- Extent to which project would create and/or retain private sector jobs
The Project will not create any on-site jobs.
- Estimated value of tax exemption

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The Project is financially unfeasible if a reduction in property taxes is not granted. At full estimated valuation, the Project would pay approximately \$130,000 per year in property taxes. The proposed PILOT of \$19,200 per year

- Estimate of private sector investment to be generated by the project - \$9,018,380

- Likelihood of completing project in a timely manner

There is a reasonable expectation that the project will move forward in 2017. The applicant's affiliate company, Xzerta Energy Group, does have a track record, having developed 50MW of commercial scale renewable energy throughout the US and the Caribbean.

- Extent to which project would generate additional sources of revenue for local taxing jurisdictions

The project would generate \$466,510 in new property tax revenue over 20 years.

- Other benefits that might result from the project:

The project will reduce carbon emissions by providing renewable energy generation to power approximately 800 homes. The project supports the States renewable energy goals and the County's carbon emission reduction goals.