

Tompkins County Industrial Development Agency

ADMINISTRATION PROVIDED BY 

Ulysses Solar III, LLC – Community Benefits Overview

4/13/17

Project Overview

Ulysses Solar III, LLC is proposing a 2-megawatt (MW) community solar array in the Town of Ulysses. Ulysses Solar III is a subsidiary of Renovus Energy, a local company that has been designing and installing solar arrays in the region since 2003. The Project will generate clean, renewable energy for subscribers in NYSEG load zone C. The project is located on approximately 10 acres of vacant land adjacent to Renovus' headquarters on Trumansburg Rd.

The applicant is requesting a PILOT agreement with payments of \$4,900 per megawatt with a 2% annual increase for 20 years. This amount is lower than the \$8,000 per megawatt in the IDA's proposed solar policy. The applicant is also requesting a fee schedule of ½% of project costs, which is consistent with the proposed solar policy. The applicant is NOT requesting a sales tax or mortgage recording tax incentive.

The \$4,900 per megawatt request is reasonable given recent industry-specific factors that are directly impacting the economics of community solar projects:

- The introduction of a potential federal tariff for imported solar panels. The tariff could add as much as \$.70/watt to existing \$.35/watt prices. Panel prices have increased more than \$.10/watt since it was proposed.
- Falling NYSERDA incentive block rates, which are currently between \$.16/watt and \$.22/watt where projects approved just a few months ago were closer to \$.30/watt to \$.40/watt.
- Transition from net metering to Value of Distributed Energy Resource (VDER) effectively reducing the value of energy produced from renewable sources.

The Town of Ulysses Board submitted a letter and the Trumansburg Central District passed a resolution requesting the IDA negotiate a PILOT for this project. SEQR is completed.

Cost-Benefit Analysis

- Extent to which project would create and/or retain private sector jobs - The Project will not create any on-site jobs. Renovus will provide ongoing maintenance.
- Estimated value of tax exemption –The Town of Ulysses and Trumansburg School District participate in Real Property Tax law 487, which exempts renewable energy generation from property taxes for 15 years. The applicant is willing to contribute some payment toward property taxes via a PILOT and the Town and school district have requested the IDA negotiate this payment. The PILOT would require tax payments for 20 years.
- Estimate of private sector investment to be generated by the project – \$3,568,473
- Likelihood of completing project in a timely manner – The project has all municipal approvals and is on schedule to begin construction in the fall.

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- Extent to which project would generate additional sources of revenue for local taxing jurisdictions – The project will generate \$238,000 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 200-300 homes. The project supports NYS renewable energy goals and the County's carbon emission reduction goals.