SUN8PDC Solar (Turkey Hill Rd.) – Community Benefits Overview
4/13/17

Project Overview

SUN8PDC, a subsidiary of Distributed Sun, is proposing a 18 MW community solar array on approximately 125 acres on and near Turkey Hill Road in the Town of Dryden. The developer will offer clean, renewable power at a 10% discount over existing utility rates. The $29 million project would generate enough electricity to power the equivalent of more than 4,000 average homes.

The project has submitted applications and is in the process of securing a special use permit, subdivision approval, and SEQR with the Town of Dryden. The Town of Dryden submitted a letter of endorsement for both SUN8PDC projects (Dryden Rd. and Turkey Hill Rd.) however, they have requested that the IDA consider reducing the share of taxes the county would receive and increasing the share of taxes the Town would receive under the PILOT. If the IDA were to contemplate this request, it would require approval (via a resolution) from the affected taxing jurisdictions.

The applicant is requesting a 30-year PILOT amount of $8,000 per megawatt with a 1% annual increase. The proposed IDA policy is a 20-year PILOT amount of $8,000 per megawatt with a 2% annual increase. The applicant is also requesting an abatement of the local share of sales tax. The equipment is exempt from state sales tax. A sales tax abatement is consistent with the proposed IDA solar policy. The applicant is also requesting a reduction in fees, from 1% to ½% of project costs, which is consistent with the proposed IDA solar policy.

Cost-Benefit Analysis

• Extent to which project would create and/or retain private sector jobs – No direct jobs on-site.
• Estimated value of tax exemption – The project would not be financially feasible if it were subject to taxation based on the full value of the improvements.
• Estimate of private sector investment to be generated by the project – $29,075,776
• Likelihood of completing project in a timely manner – Distributed Sun has developed a number of solar projects in nine states, including New York. The company developed a solar array for Cornell near the Ithaca-Tompkins Regional Airport. The company has a successful track record at securing financing and building projects. The project will take six months to complete once approvals are secured this spring.
• Extent to which project would generate additional sources of revenue for local taxing jurisdictions – The applicant requested 30-year abatement would yield $5,009,024 in new tax payments, with approximately $370,000 going to the Town.
• Other benefits that might result from the project:
  – Financial savings to electricity customers (10% below current prices with a 2% annual increase thereafter).
- Upgrades to the electrical grid that might otherwise be subject to payment by NYSEG ratepayers.
- Clean energy generation to meet State and County goals.
- Increased farming output for local sheep farmers - 250 Sheep will graze the land in place of chemicals and electric powered landscaping machinery.
- 125 construction jobs (for 6 months).
- The societal benefit of generating clean energy (displacing fossil fuel) calculated using date provided by the NY Public Service Commission is $20 million.