Tompkins County
Industrial Development Agency

Administration provided by TCAD

Delaware River Solar (NY Dryden I and II) – Community Benefits Overview
5/10/18 - Revised 5/11/18

Project Overview

The applicant, Delaware River Solar, is proposing two separate community solar arrays, a 2 megawatt (MW) and 1.3 MW project, represented by applications named Dryden I and II, respectively, for a total of 3.3MW of off-site, renewable energy generation. The Projects will generate enough clean renewable energy to power approximately 660 homes. The projects will cover approximately 30 acres of land (15.52 acres 14.76 acres, respectively) located on Dryden Road in the Town of Dryden. Residents and businesses in 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.

The projects are located on a 135-acre parcel that currently receives an agricultural exemption. The estimated town, county and school district taxes paid on the vacant land last year were approximately $2,327. Consistent with the IDA's community solar policy, I am recommending each project receive a range of the allowable incentive level, based on the project's revenue generation capability. The Dryden I project was grandfathered into the state's net metering model, and as a result is expected to generate higher revenues than Dryden II, which will be part of the new Value of Distributed Energy Generation Model. I am recommending the Dryden I project make a payment amount of $4,800 per megawatt and the Dryden II project make a payment amount of $4,300 per megawatt to account for the different anticipated revenues. Both projects would receive the PILOT for 20 years with a 2% annual increase, which is consistent with the IDA adopted solar policy. The first year tax payment would be $15,190 ($9,600 and $5,590, respectively).

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

  Property Tax Exemption – The Project is financially unfeasible if a reduction in property taxes is not granted. This is in due, in part to the lack of guidance from the State on how solar arrays are assessed. It they are assessed based on the real property methods, the valuation would require a property tax payment in excess of the projected revenues, making the project financially unfeasible. As a result, the value of the exemption provided is not a valid measure.

  Sales Tax Exemption – $424,895 ($260,680 and $164,215, respectively)
  Mortgage Recording Tax Exemption – $12,610 ($7,625 and $4,985, respectively)

- Estimate of private sector investment to be generated by the project – $6,132,022 ($3,049,878 and $3,082,144, respectively)

- Likelihood of completing project in a timely manner

  There is a reasonable expectation that the project will move forward in 2018. 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 two projects would generate $369,077 ($233,255 and $135,822, respectively) in new property tax revenue over 20 years. This is in addition to the base taxes paid on the land.

- Other benefits that might result from the project:

  The project will reduce carbon emissions by providing renewable energy generation to power approximately 660 homes. The project supports the States renewable energy goals and the County's carbon emission reduction goals.