

ALLEGANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY

OYA SOLAR, LP – TOWN OF INDEPENDENCE - PUBLIC HEARING

**Whitesville Fire Hall
496 Main Street, Whitesville, NY
December 27, 2019 – 10:00 AM**

PUBLIC HEARING MINUTES

Attending: Craig Clark, IDA Executive Director
Cathleen Whitfield, IDA CFO
Mike Whitesell, Resident
Don Nelson, Resident
Kim Howe, Deputy Supervisor
Jeri Reichman, Supervisor
David A. Koch, Resident
Paula Ellison, Resident
Robert Ellison, Town Councilman
Roger Easton
Jim Smith
Seth Pullen, Richardson Pullen & Buck, PC
Dave Pullen, Richardson Pullen & Buck, PC
Chris Reinhold
Bill Meunier, Town Councilman
Dwight R. Fanton, County Legislator
Terry Rasmussen, OYA Solar Director of Development

The Public Hearing was opened at 10:00 a.m.

Executive Director Clark thanked everyone for attending and gave a brief history of the OYA Solar LP project.

The public hearing is for a community solar project in the Town of Independence. OYA Solar LP, a project that the ACIDA is considering undertaking consists of the acquisition of an interest in two parcels (tax map number 254-3-23 and 254-3-16.1), located at 1644 Hallsport-Independence Road in the Town of Independence, Allegany County, New York.

The project site consists of the construction of an approximately 5 MW AC solar energy generating facility with a 15 mWh of battery storage energy storage facility, including panels, racking, inverters, electrical cables, battery storage, grid interconnection, site preparation, access roads and any other required improvements for solar energy generating facility and energy storage.

This community solar project will allow residents to save 10% on their electrical energy bills. The project has a total investment of \$9.8 million resulting spending \$50,000 annually locally in maintenance and support on the site.

The IDA is proposing an incentive package for each project site of approximately \$237,264 in sales tax exemptions for construction materials. OYA Solar LP is planning to pay just over \$300,000 in a PILOT Agreement over the proposed 15 years of the PILOT.

Executive Director Clark noted the Public Hearing is not for Site Review but rather the Financial Assistance including the PILOT Agreement. He then opened the meeting for public comment.

PUBLIC COMMENTS:

- Supervisor Jeri Reichman asked what the PILOT is and how divided? *The PILOT is \$300,000 and would be the same shared tax rate breakdown as current Town/County/School rates.*
- Is that average? Saw an article in the newspaper where it's a higher number (\$3,500). *It is the range NYSEERDA recommends based on the subsidy of NYS.*
- Town Councilman Meunier stated some projects are getting \$4,500 - \$5,000 and some are trying to get \$15,000. *Executive Director Clark stated the IDA will verify before agreeing on a PILOT and he has already asked to increase to \$4,500.*
- Supervisor Reichman asked how many other projects OYA has done. *Town Attorney Dave Pullen responded they have done two in New York State and some in other areas. He has spoken with attorneys working with IDA's regarding different amounts and there are lots of different issues i.e., downstate electric rates are three to four times higher compared to Western New York. Solar rates lower for this area. Dan Spitzer, attorney for ACIDA, has said that rates are highest (\$11/megawatt) in Orange County near New York City, but they pay more for electric in the city. You can get more if you pay more for your electric. You have to put it in the right context. In referencing the article about Cattaraugus County, they won't get that rate. Attorney Pullen agrees he wants it fair for the community as it will help landowners and rate payers. Subscribers will receive a 10% discount off utility company rate charges. If you sign up, you will receive the 10% discount through the utility company. Community should get about 1/3 and the host community agreement should be about \$1,000/megawatt per year out of whatever the total pilot is proposed. Five megawatts is the largest you can do per project with 30 acres. You can do multiple projects in a township.*
- Are all taxes affected by the PILOT Agreement? *Fire District and Special District taxes are not included and need to still be paid.*
- Dwight Fanton, County Legislator, asked what the landowner receives? *Terry Rasmussen, OYA Director of Development, responded he can not comment on contracts between landowners. They are negotiated with OYA and nothing has been decided yet.*
- Attorney Seth Pullen asked Craig Clark for confirmation that the rate for Town/County/School is a fixed rate. *Craig Clark responded, "yes, we will stay at the current rate split.*
- Attorney Dave Pullen commented that this project is OYA Solar. Another 5-Megawatt project, Rena Solar, is showing interest in town and will want a PILOT too. Another critical factor is they have to be able to get electric from panels into the grid, so it is transported and marketable from the utility company.
- Does host community get anything because they maintain roads? The current offer is \$3,500/MW. Orange County area is \$10,000/MW so \$5,000/MW should be easy to get. *Executive Director Clark responded it is not easy to receive \$5,000/MW but he will try to raise the rate.*
- Attorney Seth Pullen stated the town gets a share of the PILOT and the host community agreement of \$3,500/year and it will go up 2% annually.
- Attorney Dave Pullen commented another factor is de-commissioning. With thousands of solar panels, what happens when the project stops? *The company needs to have a proposal acceptable to the town and landowner to be disassembled.*
- When will project start and how long will construction be? *Terry Rasmussen, OYA, stated they hope to start by June 1, 2020 and be done by the end of November, 2020.*
- Bill Meunier, Town Councilman, asked again about bumping up the money considerably and why can't we? *Terry Rasmussen, OYA, explained there is a megawatt block program with New York State, but they are not opposed to changing the PILOT amount.*

PUBLIC COMMENTS, cont.:

- Dwight Fanton, County Legislator, asked how the project benefits the landowner. *Terry Rasmussen, OYA, responded the property is leased with the landowner and paid per acre. If property is closer to a sub-station, then land is more valuable.*
- How do town residents benefit? *Anyone can sign up. There is no fee to cancel, just 90 days notice.*
- Can solar be used up before residents can get it? *Terry Rasmusen, stated OYA will do an advertising campaign and offer to local residents first. OYA will inform communities and they typically get 60-80% subscriptions before breaking ground. Cancellation fees only apply to businesses, not residents.*
- Attorney Seth Pullen asked how big the load zone is? *It is a large area covering 2,000 residents per 5-megawatt project.*
- Will Whitesville school benefit with part of the project in the Town of Willing? *Yes, they can also sign up for the reduced power.*
- How many panels per megawatt? *There are 12-15,000. A project is typically 25-30 years and when project ends they have two options: 1) take everything out or 2) replace panels and keep producing. They generate power even after 30 years. It will be stated in the contract and in the town law. De-commissioning will be a contract with the town and the PILOT can be renegotiated at end or full value taxes.*
- Attorney Seth Pullen asked if there is a prospect or possibility for another 5 MW project by OYA in Independence? *Terry Rasmussen responded OYA would love it but there is not a lot of load in this area, but possibly a 3 MW project.*
- A Town Board representative commented they are very appreciative that OYA has been upfront, professional and informative during this process.
- The town has no control over the PILOT? Only the IDA? *Craig Clark responded that the IDA works with the towns regarding their concerns.*
- Attorney Seth Pullen commented that the town has protection with the solar law and have to comply for protection of the town. It's a \$9 million project so PILOTS are an incentive to have the project. *Terry Rasmussen, OYA, responded that OYA wants the township to be happy.*
- Are there tax changes for the landowner? *No, owners still pay taxes and nothing is taken off the tax rolls. It's an improvement.*
- Bill Meunier, Town Councilman, commented there is concern with businesses leaving town and the town people don't want that. He pays \$1200/month for his business electric bill and any discount is a benefit.
- Attorney Seth Pullen asked how many solar projects are there in Allegany County? *Craig Clark responded the IDA is currently considering two projects in Belfast, two in Angelica and there is also talk in Wellsville. There is currently a 100 megawatt solar project in Canaseraga on 500 acres.*

With no further comments or questions, the Public Hearing was closed at 10:41 a.m.

Respectively submitted,

CATHLEEN WHITFIELD
Recording Secretary