

**Jefferson County Industrial Development Agency
Alternative Energy Ad hoc Committee Meeting Minutes
March 30, 2022**

Present: Paul Warneck, Chair; William Johnson, Christine Powers, John Jennings

Excused: None

Also Present: David Zembiec, Marshall Weir, Lyle Eaton, Peggy Sampson, Ed Walldroff, David Converse, Jack Honor, Barry Carrigan, Esq., Lexi Bruening from Channel 7 News
Zoom: Rob Aiken, Rob Aliasso, Benjamin Wisniewski, Esq.

- I. Call to Order:** Chair Warneck called the meeting to order at 9:26 a.m.
- II. Tracy Solar Energy Center (EDF Renewables) –** Mr. Warneck said the company submitted a preliminary application for the proposed project that will be in the Towns of Orleans and Clayton.

Mr. Honor said that they submitted a draft application. They distributed a map package and PowerPoint slide presentation. Mr. Honor reviewed the content on the slides. He said that they have a large pipeline in NYS.

Mr. Honor reviewed the proposed project. He said it will be a 119MW project development with 5MW of energy storage. He said the project began in 2018 and will have an investment of \$179M in Jefferson County. He said the towns are generally supportive and that they were awarded the Large Scale Renewables contract with NYSERDA in late 2020 which is a 20-year agreement for purchase of renewable energy credits. He noted that all leases and easements have been signed. He said that they have submitted their permit to the NYS Office of Renewable Energy Siting (94C permit). He said they will have a connection to National Grid's transmission line on site via a small substation and will contribute to New York's goal of 70% renewable energy by 2030. Mr. Honor said that they have \$119,000 for intervenor funds to distribute to the towns to fund engineering reviews, attorneys' fees, etc. He said there will be visual buffers and that they will adhere to strict noise requirements. He said the project is not sited on prime farmland but noted that there are 12 acres of MSG 3 within the parcels but would not be hosting panels. He said they plan to bring sheep on-site for vegetation management and will incorporate flowering vegetation that will supply food for bees, butterflies and birds.

Lexi Bruening joined the meeting at 9:33 a.m.

Mr. Honor said decommissioning is an important component and said that they have a third-party engineering cost estimate plus a 15% contingency which will adjust for inflation.

Mr. Honor said they estimate there will be 167 FTE construction jobs which will utilize union labor or prevailing wage. He said they are also estimating 3 to 4 full time high paying operations and maintenance jobs. Lastly, he said the community benefits include

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the PILOT, property tax and host community agreements, electricity benefit, community and charitable giving and lease payments.

Mr. Warneck asked if they have negotiated host community agreements (HCA). Mr. Honor said that they intend to consider using HCAs as part of the overall package. He said that they are not yet negotiated. Mr. Warneck asked if they will be negotiated with all the parties together or just singularly. He said that our issue in the past has been that we look at the total package and our agency has had problems with individual negotiations. He said all the parties need to know what the total financial package is. He said that he believes that the taxing jurisdictions should know what the others are getting out of a financial package. Mr. Honor said that he thinks the problem here is that the Town of Orleans has a 0% tax rate so they know that the distribution will need to be modified which will be a deviation. Mr. Zembiec said that this project will be a deviation per our UTEP policy due to the size of the project.

Mr. Warneck noted the lease expense in the draft application they provided. He mentioned the state's new valuation model and asked if the amount in the application is the actual lease amount because we need to gather all the information that we will need and also that the municipalities will need to use the model. He said that we will need to know the aggregate lease payments and wondered if there is an escalator. Mr. Honor said the figure is an accurate aggregate number, but indicated that they will need to add the escalator.

Mr. Warneck said that he went through a lot of the documents on the ORES website for the project. He said that they asked for a waiver and was wondering if it was granted. Mr. Honor said they have to wait for the application to be deemed complete. Mr. Warneck said that they also asked for a setback requirement for participating landowners. He is wondering if it could impede PILOT negotiations for what the town may want. Mr. Honor said they talked to the town, and they generally agreed the waivers were reasonable.

Mr. Warneck asked what the strike price is with the contract with NYSERDA. Mr. Honor said that it's an extremely complex formula. He said the way it works is every month they sell their energy on the market in real time and get that revenue. He said that every month NYSERDA is going to look at what they think the revenue should be based on an average. He said it's not guaranteed revenue because it doesn't take into account losses on the transmission system. He said that if they make more in month then they will owe NYSERDA a credit.

Mr. Warneck said another thing we will be looking for is install capacity by town. He asked if the collection lines are underground. Mr. Honor said yes.

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Mr. Johnson said the infrastructure to get this kind of power out of the area is limited and asked how they will address getting the power out. Mr. Honor said there is availability in physically connecting to the line and delivering energy. He said the transmission lines need upgrades. He said that National Grid has proposed phase two transmission upgrades which is essentially an upgrade to every transmission line in the Jefferson and Lewis Counties. He said later this summer the Department of Public Service will decide whether or not they want that to go forward. He said that transmission is a significant issue in the region. Mr. Walldroff asked what the scope will be. Mr. Honor said it will be a complete rebuild of the full system. He said the schedule for the upgrades in 2025-2029 and will cost billions of dollars.

Mr. Jennings asked how many years are in the life cycle. Mr. Honor said that their financial model is 39 years. Mr. Jennings asked what happens at that point and if there is a backup if something happens to their project. Mr. Honor said he thinks the plan would be to build more transmission, energy storage and build a lot of projects like theirs based on the 40-year time horizon. Mr. Zembiec asked Mr. Honor what he means for the 40 years, whether the project ends or just the financial part of it ends. He asked if they plan to replace panels and still continue to operate. Mr. Honor said that they estimate the panels can last the full term but do budget for replacements. He said their leases are 40 years from operation so they will have to have discussions with the landowners after that to determine their interest in renewing the leases. Mr. Jennings asked how that will work with aging owners. Mr. Honor said it will be in the estate or they could sell to a new owner.

Ms. Powers asked where they will get their panels from. Mr. Honor said typically from China, India, Korea, Taiwan.

Mr. Warneck asked how many projects they have built in NYS that are complete and operational. Mr. Honor said about 50. Mr. Warneck asked what the purpose is to have a 4 to 5 MW of battery storage on a 119MW project. He said he isn't opposed to battery storage, but said that it seems kind of small. Mr. Honor agreed that it is small. He said that in the NYSERDA procurement process they were allowed to bid with no storage or bid with storage at the site or another site. He said that they bid all three of those arrangements and NYSERDA made the decision. He noted that they have a deadline with NYSERDA of 2025. He said that if they move forward and build this project then they will have to take in on the chin for a few years until the transmission lines are replaced.

Mr. Warneck said that he noticed on the state site that the project application was deemed incomplete. He asked how long it will be before they submit the remainder of the requested information. Mr. Honor said within the next 10 days.

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Mr. Warneck said that once there is a completed application, there is a 60-day window for the state to decide on denying or approving the application. He said there will be a timeframe for the community or public to comment on the draft permit.

Mr. Warneck said that once we get a formal application, the Agency will meet with the taxing jurisdictions to see how they want to proceed. He thinks there may be a challenge when we talk to the school district because of the tax cap.

Mr. Zembiec asked when we could expect a formal application. Mr. Honor said they would look for approval in the fall and could submit the application in June or July.

Mr. Walldroff mentioned the County's current policy regarding large scale commercial projects. Mr. Zembiec said that the County's policy is to support PILOTs on renewable energy projects of 25MW or higher for the school district and the town as long as the County receives the equivalent of full taxes. He said that the County will be at the table while negotiating the PILOT because it will be a deviation.

Mr. Warneck said that one of the benefits is that we are a very pro-agricultural county and pro-agricultural agency, and they aren't taking high value tillable productive land to do this project.

Mr. Warneck said that it is his personal preference to wait to have a formal application until their application with ORES is deemed complete.

Mr. Johnson asked about lead time on equipment. Mr. Honor said there is a lead time of 15 months for transformers, 12-18 months for structural steel, and 6 months for panels.

III. Other/Unfinished Business:

Chaumont Project – Mr. Warneck said that there has been discussion on the project. He said they are still attempting to use 487, but noted that the project is complete.

IV. Adjournment: With no further business before the committee, Mr. Jennings made a motion to adjourn the meeting, seconded by Mr. Johnson. The meeting adjourned at 10:32 a.m.

Respectfully submitted,
Peggy Sampson