



**HERKIMER COUNTY INDUSTRIAL DEVELOPMENT AGENCY
OFF-SITE COMMERCIAL SOLAR PHOTOVOLTAIC POLICY**

The Agency will use the following standards for providing real property tax exemptions for solar projects (the “**Solar and Energy Storage UTEP Standards**”).

For purposes of the Solar and Energy Storage UTEP Standards:

“**Utility Scale Solar Facility**” shall mean a group of solar panels and related facilities installed in the same location and intended to be used for the production of electric power to be sold to third parties with a nameplate generating capacity of more than five (5) mega-watts (AC). A Utility Scale Solar Facility shall not include any portion of the facility that constitutes an Energy Storage System, nor shall a Utility Scale Solar Facility include any substation that is intended to be constructed and transferred to the utility.

“**Community Solar Facility**” means (1) a group of solar panels and related facilities installed at residence, farm or qualifying small business or (2) a group of solar panels and related facilities installed in the same location and intended to be used for the production of electric power to be sold to third parties with a nameplate generating capacity of five (5) mega-watts (AC) or less annually. A Community Solar Facility shall not include any portion of the facility that constitutes an Energy Storage System.

“**Energy Storage System**” means any device(s) used to store energy in order to supply electrical energy at a later time, which includes without limitation battery energy storage systems and battery storage power stations.

In the event of a question whether a solar project is a Community Solar Facility or a Utility Scale Solar Facility, or whether the project includes or constitutes an Energy Storage System, the determination of the Agency shall be final and conclusive absent manifest error.

For Utility Scale Solar Facilities, the principal terms and conditions of the property tax exemption shall be as follows:

- **Eligibility for PILOT Agreement:** An Applicant, to be eligible for a PILOT agreement, shall demonstrate the anticipated public and community benefits of the Utility Scale Solar Facility, which must include appropriate agreements with the host communities, as set forth in 19 NYCRR § 900-2.19(g). If the host communities are unwilling to enter into such agreements, the Applicant shall include in its submission a demonstration of its efforts to provide such benefits.
- **Term of PILOT Agreement:** the standard term of the PILOT agreement shall be fifteen (15) years; provided, however that the Agency reserves the right, in its sole discretion, to negotiate a different term, not to exceed thirty (30) years, on a project-by-project basis based on the anticipated public and community benefits that the Utility Scale Solar Facility under review will provide. Such anticipated public and community benefits may include, but shall not be limited to, host and community benefit agreements.
- **Amount of PILOT Payments:** the annual PILOT payment shall be a minimum of Four Thousand Dollars (\$4,000) per MW (AC) of the facility’s nameplate capacity, which

payment shall escalate by two percent (2%) compounded annually during the term of the PILOT agreement; provided, however, that the Agency reserves the right, in its sole discretion, to negotiate the amount of the annual PILOT payment on a project-by-project basis based on the anticipated public and community benefits that the specific Utility Scale Solar Facility will provide. The PILOT payment described in this Section is not applicable to any component of the Utility Scale Solar Facility which constitutes an Energy Storage System.

- Energy Storage System: if a component of the Utility Scale Solar Facility consists of an Energy Storage System, or the entire project consists of an Energy Storage System, then a separate PILOT payment with respect to the Energy Storage System shall be payable pursuant to the terms set forth below.

Any deviations from the above Solar UTEP and Energy Storage Standards shall require the specific approval of the Agency's members in accordance with the Agency's UTEP and shall be subject to compliance with applicable law, including, but not limited to, the deviation procedures described in the Agency's UTEP.

For Community Solar Facilities, the principal terms and conditions of the property tax exemption shall be as follows:

- Eligibility for PILOT Agreement: An Applicant, to be eligible for a PILOT agreement, shall demonstrate the anticipated public and community benefits of the Utility Scale Solar Facility, which must include appropriate host community or other community benefit agreements with the host communities. If the host communities are unwilling to enter into such agreements, the Applicant shall include in its submission a demonstration of its efforts to provide such benefits.
- Term of PILOT Agreement: the term of the PILOT agreement shall be fifteen (15) years.
- Amount of PILOT Payments: the annual PILOT payment shall be a minimum of Five Thousand Dollars (\$5,000) per MW (AC) of the facility's nameplate capacity, which payment shall escalate by two percent (2%) compounded annually during the term of the PILOT agreement; provided, however, that the Agency reserves the right, in its sole discretion, to negotiate the amount of the annual PILOT payment on a project-by-project basis based on the anticipated public and community benefits that the specific Community Solar Facility will provide.
- Energy Storage System: if a component of the Community Solar Facility consists of an Energy Storage System, or the entire project consists of an Energy Storage System, then a separate PILOT payment with respect to the Energy Storage System shall be payable pursuant to the terms set forth below.

For Energy Storage Systems, the principal terms and conditions of the property tax exemption shall be as follows:

- Term of PILOT Agreement: the standard term of the PILOT agreement shall be fifteen (15) years; provided, however that the Agency reserves the right to negotiate a different term for Energy Storage Systems that are proposed to be a part of a Utility Scale Solar

Facility, not to exceed thirty (30) years, based on the anticipated public and community benefits that the specific Energy Storage Systems will provide.

- Amount of PILOT Payments: the annual PILOT payment shall be a minimum of One Thousand Dollars (\$1,000) per MW (AC) installed capacity, which payment shall escalate by two percent (2%) compounded annually during the term of the PILOT agreement; provided, however, that the Agency reserves the right to negotiate the amount of the annual PILOT payment on a project-by-project basis. The PILOT payment described in this Section is only applicable to the Energy Storage System; if the Energy Storage System is a part of a Utility Scale Solar Facility or a Community Solar Facility, then a separate PILOT payment with respect such Utility Scale Solar Facility or Community Solar Facility shall be payable pursuant to the terms set forth above.

In all instances, PILOT payments are only in lieu of taxes that would have been paid on the increased in assessment resulting from the project and there shall be no abatement for the real estate taxes attributable to the assessed value of the land and existing improvements included on the tax rolls of the Affected Tax Jurisdictions prior to commencement of the project. In connection therewith, the PILOT Agreement will require that PILOT payments be made with respect to such underlying parcel and existing improvements in an amount equal to 100% of the normal taxes with respect thereto.

In addition, the PILOT agreement shall only apply to the acreage developed into a solar project; the balance of the land not used for the solar project will be classified as taxable and the PILOT Agreement will require that PILOT payments be made with respect to such land in an amount equal to 100% of the normal taxes with respect thereto.

From time to time, the Agency may, by resolution, update the maximum dollar amount of the per MW PILOT payment.

PILOT payments shall only replace local, county, and school district taxes; there shall be no exemption of special district taxes under the PILOT agreement.

Solar and Energy Storage projects may also apply for exemptions from state and local sales tax and from mortgage recording taxes in accordance with the Agency's UTEP.

The Applicant shall be required to pay an annual administrative fee ("Administration Fee") to the Agency in an amount equal to Fifteen Hundred Dollars (\$1,500.00) and shall be increased by Five Hundred Dollars (\$500.00) every five years. The foregoing administrative fee is in addition to the other fees, costs and expenses payable by the Applicant under the Agency's UTEP, including, but not limited to, the Agency Fee, the Project Application Fee, and the Applicant's obligation to pay the Agency's counsel and other fees related to the application.

Unless specifically outlined in these Solar and Energy Storage UTEP Standards, the Applicant shall be responsible for complying with all other rules and regulations as set forth in the Agency's policies and procedures.