

JAVA ENERGY LLC

BATTERY STORAGE/ SOLAR PROJECT

PUBLIC HEARING MINUTES

WCIDA Public Hearing for the Java Energy LLC request for IDA incentives was held March 8, 2018 at 3 pm in the Java Town Hall, 4222 Route 98, North Java, N.Y.

In attendance: Angela Brunner, Supervisor, Town of Java; Rebecca Johnson, Gary Hahl, Russ Reisdorf, Mike Leone, Town of Java Planning Board; Paula Catlin, Town of Java Zoning Board; Janet Zielinski, Town Clerk; Marguerite Wells, Project Manager; James Pierce, WCIDA Executive Director and Robin Marschlok, WCIDA Director of Operations. Hearing sign in sheet is attached.

1. James Pierce opened the hearing at 3:00 p.m. and had available the published hearing notice and summary of the project. Pierce stated that the purpose of the public hearing was to gather public input on the proposed project to take back to the IDA Board. Pierce described the project as a 1.5 MW Solar Array and a 6MW Battery Storage facility. The purpose of the project is to alleviate the energy concerns in the Town of Java causing brown outs and power outages and to balance the energy level in the area.

Pierce then opened the floor to questions and comments.

2. Supervisor Brunner asked why the project would need sales tax exemption and wanted to have clarification on how the PILOT would work.

Marguerite Wells explained that there is still some uncertainty as to what NYS will decide is taxable for the materials and supplies of the project so they have asked for the sales tax exemption through the IDA to be sure they have it.

Wells described the Host and PILOT Agreement stating that last year a study was completed on energy projects and NYSEDA recommended that the PILOT (and host agreement if applicable), be from \$1,000 to \$5,000 per Mega Watt of the project. Because Invenenergy didn't want to waste time with negotiating back and forth they decided to offer the \$5,000/ MW right from the start. The way the host agreements have worked in Wyoming County, the hosting Town gets 80% and the PILOT receives 20% to be divided between the taxing jurisdictions. Wells stated that in some communities with energy projects there are no host agreements only PILOTs.

J. Pierce added that the PILOT Amount will be set for the first 5 years and then will increase by 2.5% per year thereafter.

3. Supervisor Brunner remarked that there really is no benefit for the Town and very little job creation.

Wells replied: That is true only 1 job will be created and the \$5,000 per Mega Watt is the highest recommended amount to pay for the Host/PILOT agreements to make the project feasible. There will be \$17M in capital investment and local construction companies will be used.

4. Gary Hahl asked if the facility produces more than the 7.5MW proposed will the Town get more.

Wells: No the project is set at the 7.5MW and it will have to be seen if that level will be met.

5. Gary Hahl: It's our understanding that there will be additional money for our Parks, is this set in stone?

Wells: Yes \$35,000 will be given one time right to the Town for its use in the park and youth programs.

6. Paula Catlin asked if this money was only delegated for the parks.

Wells: It is the Town's discretion what they use it for but she understands it to be intended for the parks and youth recreation program.

7. Supervisor Brunner stated she understands the 2.5% increase over 20 years and will it go back on the tax rolls whole after that.

Pierce: Yes after 20 years it will go back on the tax rolls at 100%.

Well: Any change to that would need to come back to the Town Board.

8. Russell Reisdorf asked why there is only a 2.5% increase when the IDA typical PILOT terms increase by 10% per year.

Pierce: We want to insure the project is viable and can afford to continue.

9. Supervisor Brunner inquired if there are grants available for the project to lessen the cost and if so why does it need tax exemptions such as the mortgage tax exemption.

Wells: We won a bid for NYSEG's project – there are some energy saving programs but not necessarily directly to Invenergy. We will need the mortgage to cover the cost of the equipment the incentives will alleviate the taxes on the equipment.

Pierce: This is a new energy project and NYSEG is looking to see if these facilities will work to help with locations that have similar energy issues.

Brunner: The project will never pay for itself.

Wells: NYSEG doesn't know that yet but it is intended to help with the energy problems.

Brunner: The lines will have to be upgraded to handle the increase in power

Wells: Java is at the end of the line and would need bigger wires and new lines to improve the energy supply. This project will hopefully defer the cost of the upgrades. The project was given a 7 year term to see if it will work or not.

10. Mike Leone stated that this was all new to him and he inquired whether the IDA and Java Energy LLC worked out an agreement before coming to the Town.

Wells: It was pretty much at the same time that we started conversation with both the IDA and the Town.

11. Paula Catlin asked whose side is IDA on, who does the IDA work for.

Pierce: The IDA is a Public Benefit Corporation established in 1974 to help encourage businesses to do business in NYS. The IDA consists of a 7 member Board and acts independently from the County. There is no public funding of the IDA, the operating revenue comes from charging fees to the companies who receive incentives for their projects. The IDA provides benefits for eligible projects including Manufacturing Industries, Tourism Destination, and Alternative Renewable Energy projects. The IDA provides exemption from sales tax and mortgage tax and abatement of real property taxes.

12. Reisdorf: If the project goes south does it go back on the tax rolls?

Pierce: yes.

13. Leone: Are you involved after the project starts?

Pierce: Yes we stay involved and are required to report yearly on our projects by the NYS Authority Budget Office.

14. Leone: Is the project is done with the Planning Board?

Wells: For now, we will need to get building permits from the county and once we have the final approved plan we will bring back to the Town Planning Board for final review.

15. Brunner: What constitutes an IDA project, doesn't it need to have employment?

Pierce: Yes employment but there are other factors we consider such as capital investment, revenue generation, community benefits.

16. Brunner: Will Invenergy be installing or contracting out?

Wells: Bidding out to local companies

17. Brunner: Will the solar array be cemented in?

Wells: No, they will be removable

18. G. Hahl: Has there been a final decision on the batteries being used?

Wells: At this time they are considering how many to use of the lithium and the lead acid. They are two different types of batteries. Based on NYSEG's study of the need to supply energy for power surges which would be a voltage control and lithium batteries are good for that. Lead acid batteries are good for black outs and better for long term outages. The initial plan was to provide enough battery power for complete outages 7 times a year. NYSEG has a study and will determine which kind of battery will be best.

19. Brunner: There is still 3 phase in Java Village and if a business wanted to build in the Village they could.

Wells: Yes, This upgrade will mitigate problems for Jelly Stone Park and for Select Door.

With no other questions or comments, Pierce thanked all of the attendees for their input and closed the meeting at 3:40.

Minutes prepared by R. Marschilok