



September 22, 2021

Off-Site Commercial Solar Photovoltaic Policy

Purpose

The Erie County Industrial Development Agency (ECIDA), in response to 2021 amendments to the New York IDA Law that specifically permits the ECIDA to provide financial assistance to renewable energy projects, desires to adopt an off-site commercial solar photovoltaic policy with respect to community solar projects.¹ The ECIDA's definition of community solar projects follows the guidance and definition as provided by the New York State Energy and Research Development Authority. This solar policy is intended to encourage responsible solar development within Erie County in an effort to support the statewide goal of achieving 70% renewable electricity production by 2030.

Policy

The ECIDA Off-Site Commercial Solar Photovoltaic Policy (Solar Policy) provides for the provision of financial assistance for off-site solar projects that provide renewable energy benefits to residential and commercial customers. Off-site Commercial solar projects approved under this Solar Policy shall be eligible for the following incentives:

Property Tax – In lieu of making real estate tax payments on the increased value resulting from solar system improvements, such improvements are eligible for an ECIDA payment in lieu of taxes (PILOT). PILOT payments will range from \$4,500 to \$5,500 per megawatt (MW) of the facility's nameplate capacity, with a 2% increase each year for a maximum term of 25 years. The length of term and dollar amount of PILOT payments will be determined on a project-by-project basis at the discretion of the ECIDA Board. PILOT payments will be distributed to the affected taxing jurisdictions based on their pro-rata share of the non-abated local tax payment.

¹ Off-site solar refers to a solar system installed at an off-site location different from the end user's property, such that the electricity so produced is shared by more than one property. This is in contrast to on-site solar, which refers to a solar system installed directly on the end user's property whose electricity is only used for operations on that property. Although this policy would not preclude the Agency from providing financial assistance to an on-site solar system, the aforementioned 2021 amendments allowing an Industrial Development Agency to provide financial assistance to renewable energy projects will primarily impact off-site solar projects. The term "Community Solar Project" typically refers to the New York State Public Service Commission off-site solar system project capped at 5MW, being the maximum rate capacity of a solar system project that can participate in and receive benefits for construction of such a solar system under New York's clean energy program.



If the host community has opted out of the renewable energy exemption program provided for under Section 487 for the New York State Real Property Tax law, the ECIDA will not entertain an application for financial assistance under the Solar Policy for a PILOT unless the host community requests or otherwise consents to a PILOT under the terms of this Solar Policy.

Sales Tax – Exemption from state and local sales tax on eligible project costs as outlined in the ECIDA’s standard policies and procedures.

Mortgage Recording Tax – Exemption from the mortgage recording tax as outlined in the ECIDA’s standard policies and procedures.

Requirements – Projects must meet all the requirements as defined by New York State Law and comply with all the ECIDA standard policies, project requirements and agreements. In addition, projects considered under this policy must meet the following additional requirements:

- 1) Project applicants must provide evidence of a negotiated Host Community Agreement with the municipality in which the project is located, or written evidence of the municipality’s determination not requiring, or deferring, same.
- 2) Financial assistance shall not be provided until project applicants provide evidence that they capitalized into a decommissioning fund or provided a bond to the satisfaction of the local municipality or Erie County sufficient to remove the solar arrays and associated site improvements at the end of the project without cost to the local community.
- 3) If a project is located on active agricultural lands, defined as a property that is receiving an Agricultural Property Tax Exemption through the NYS Tax Department form RP-305, project applicants must provide (i) confirmation from Erie County that the loss of any agricultural lands from operation of the Project is minimized due to the location of the solar arrays at issue and the loss or failure to use areas that are or could be used as farmland is not anticipated to be significant, and either (ii) evidence of a negotiated Host Community Agreement with Erie County which will be utilized by Erie County to promote and implement farmland protection initiatives consistent with the Erie County Agriculture and Farmland Protection Plan or (iii) or written approval of Erie County of other arrangements in support of agricultural initiatives as deemed satisfactory and appropriate in meeting the goals of the county.
- 4) Project applicants shall have obtained all local municipal approvals and evidence of compliance with the New York State Environmental Quality Review Act.