

**WESTERLO TOWN BOARD
WORKSHOP MEETING
OF
TUESDAY, OCTOBER 10, 2017**

The Town of Westerlo Town Board held a workshop meeting on October 10, 2017 at Town Hall 933 County Route 401, Westerlo, NY. Supervisor Rapp opened the workshop at 7 PM with the Pledge of Allegiance to the Flag.

Attending were: Supervisor Richard H. Rapp
Councilman Anthony W. Sherman
Councilwoman Amie L. Burnside
Councilman William F. Bichteman Jr.
Absent were: Councilman Joseph J. Boone

Also attending were: Highway Superintendent Jody Ostrander, Assessor Peter Hotaling, Zoning Board of Appeals member John Sefcik, Planning Board Chairwoman/Broadband Research Committee (BRC) member Dorothy Verch, Planning Board member Ned Stevens, Broadband Research Committee members; Bob Wilcox, NYSERDA/NY-SUN Houtan Moaveni and Candace Rossi, Town Clerk Kathleen Spinnato and approximately 9 residents.

NYSERDA

Planning Board Chairwoman Dorothy Verch introduced the representatives from NYSERDA Houtan Moaveni and Candace Rossi. She read a brief history on their experiences. Mr. Moaveni wants to make sure the Town is aware of the resources that are available and to provide guidance. Their goal is to build self-sustaining solar installations in NYS by 2023. Since the launch of the program in 2011, they have made a significant improvement of over 900% in NYS with all size solar projects. There are over 650 solar companies throughout NYS and NYSERDA looks forward to continuing growth. In order to maintain success it is important that they have a strong tie with local government and provide opportunities. For them, it is very important to reduce soft cost and to provide local government with tools and training needed to become a solar friendly community through a guidebook NYSERDA developed. They have a team of professional consultants that will assist with the guidebook and questions. Information is available on the NYSERDA website where the guidebook can be downloaded.

A resident asked about the potential of fires caused by solar installations. Mr. Moaveni stated that NYSERDA takes safety very seriously and makes sure every project meets the minimum standard requirements. They have a scoring system and checklist in place for the inspector when a system is installed to make sure there are no code violations. Panels are designed to have the highest absorption of sunshine.

Mr. Moaveni stated that section 487 of Real Property Tax Law exempts the added value of renewable energy projects including solar on overall property. Discussion continued on this. The law does not allow jurisdictions to have partial opt out, which means you cannot generate revenue from the larger (commercial) systems and exempt the smaller (residential) systems. If Towns opt out they need to require property tax on all systems including residential. The law allows you to require an annual fee or PILOT as a replacement of the tax which would have been collected. The main purpose of a PILOT is to remove the tax burden and uncertainty for homeowners and system owners while preserving revenues that would have been paid in property tax. PILOT is an efficient tool in generating comparable revenue

without making solar costs prohibited for your homeowners and businesses. NYSERDA has developed a toolkit to help understand PILOT. The toolkit is comprised of three components, resolution, contract and calculations. In the end, PILOT is a negotiation.

He also explained that Community Solar has emerged as an efficient and affordable way for people to gain access to solar. This model allows lower income households, renters or homeowners who for some reason cannot put solar on their roof to get a credit on their electric bills.

Valuation was discussed. There is a difference between coming up with a value and how much we can require for PILOT for a solar project. Towns have 60 days to notify an applicant that the Town wants to partake in the PILOT then move forward to the next phase. There are three models in which Towns can come up with the valuation of the solar project.

- cost based, someone puts down capital investment
- income based, these systems are making money by selling electricity
- income capitalization

Discussion continued between a resident and Mr. Moaveni.

Assessor, Pete Hotaling asked if the school has the option of opting out if the Town does the PILOT and takes the lead for the school district and for the county. Mr. Moaveni confirmed the school could opt out. He also inquired about location desirability for a solar farm. He was informed by Mr. Moaveni the location should be as close as possible to the substation, the closer you are the cheaper the cost. The Town has every right to make requirements and customize it to maintain the integrity of the community through a special use permit or a site plan to regulate it. Pete asked if solar would get to the point of saturation and Mr. Moaveni replied yes, but we are not there yet. Mr. Moaveni continued, the public service commission sets the rate at which the power company has to buy back power off of these farms. The revenue doesn't get published publically but it is easily calculated. The output on the panels over the course of days depends on what type of technology they use. Pete inquired about negotiating after the first 15 yrs. of PILOT and how the next 15 yrs. are handled. According to Mr. Moaveni, it appears to have a scale to depreciate over those next 15 yrs.

Value was discussed in further detail. PB Chairperson Dorothy Verch stated that currently Central Hudson has a cap on the amount of solar they can accept and believed there are three phases and she was curious how this affected Westerlo. Mr. Moaveni clarified that was not the cap this is the compensation; NY is transitioning to value of dissipated energy resources (VDR). Solar projects used to be compensated at the full utility retail cost. Rather than a cap, it is essentially more like a declining block. He then gave examples. Rates will be declining over time and would be on a first come, first serve basis to receive higher compensation. The project the Town currently is reviewing has the highest compensation. A resident asked who would be responsible to negotiate for the Town. Mr. Moaveni indicated that the Assessor will usually put the overall value on the property and would make a recommendation on the PILOT rate and then it is ultimately the Town Board who will negotiate with the solar company and have contracts reviewed by the Town Attorney.

Councilman Bichteman spoke on the panels themselves becoming more efficient and if changing panels out, you would not be violating the connection and inquired how to handle that as far as valuation. Mr. Moaveni explained that the maximum efficiency you can get with these projects is approximately 29.3% for the panels. He does not foresee the panels becoming more efficient in the future. Councilman Bichteman understands that the Code Enforcement Officer will inspect installations to be sure they are

up to code but wanted to know if NYSERDA will also review the project themselves. Mr. Moaveni confirmed that they do field and photo inspections. Mr. Bichteman also questioned the 60 day letter and wanted to know if the applicant has to have a connection agreement with the utility company. According to Mr. Moaveni, they need to provide proof of payment to the Town. An applicant must give notice to the Town that the Town has 60 days to respond and to negotiate PILOT.

Depreciation of the solar array systems was discussed. As the market changes, there's the potential to have a partially developed or abandoned system. Mr. Moaveni mentioned that dismantling costs are in the guidebook.

A resident thanked Mr. Moaveni for his knowledge and asked to review what was mentioned this evening. In reference to the Town of Westerlo, she wanted to know how we would benefit. He responded that residents will have the option to apply for cheaper electricity. As far as the Town, the PILOT and applications will bring some revenue.

Discussion followed on reduced energy costs to residents for community solar projects. The amount of electricity being generated from the system creates a credit to the customer. Mr. Moaveni gave an example, for every \$100 of electricity, the customer pays \$90 for a \$10 savings. Usually a savings of 10%.

Community solar programs are specific to the utility company they affiliate with. The current application being reviewed is affiliated with Central Hudson and it is expected they can serve three to four hundred residential houses in the Town of Westerlo. Any residents with National Grid will not benefit from this project. Councilman Sherman stated that all residents benefit partially if the Town enters into a PILOT agreement they still collect revenue which goes against tax.

Going back to the safety and environmental issues, a resident asked about safety of animals and people, and if emissions were tested by anyone to be sure the surrounding area is healthy. Mr. Moaveni replied that there is a plate reading under the solar panel with a certification by different labs that make sure the panels are safe and secure. They are monitored under different conditions to make sure it operates in a certain form. He was unaware of any emission or radiation. He explained the composition of the panels are glass, copper and aluminum and then you have the wafer which is the plastic material at the end of the panel. Unlike in Europe, in the US there are no standards yet on how to dispose of these panels but it is the responsibility of the company not the Town for removal. In the end, it is an electrical system, so if the wire is touched or tampered with in any way there could be repercussions. It's like a transformer, if someone plays with a transformer they can get electrocuted. For proper precautions, ground mounted solar have fence requirements.

Mr. Moaveni thanked the Town Board and residents for the opportunity to speak and stated he is happy to answer any future questions by phone or email. This part of the meeting concluded at 8:44 pm.

TENTATIVE BUDGET

Councilman Bichteman opened the floor to residents with questions/comments on the tentative budget and stated it would be discussed in detail at the next workshop meeting.

A resident commented on Water District on the cover page, the 2017 did not list an amount but under the detail it was listed as \$27,000 and should be addressed. Additionally, she wanted clarification on the Town taxes bond repayment. Councilman Bichteman indicated that the \$27,000 on the budget represents the bond repayment for the loan. The revenue for this is now included on the property taxes for those residents within the water district. The Town Board passed a resolution to have the loan repayment billed as taxes since the county on delinquent water accounts will not allow the Town to

relevey the money. Because of this, it was changed to become a revenue source in the budget. There is a bond repayment schedule in place which he explained. As far as the cover page showing a zero under 2017, that might just have been an overlook.

Another resident inquired about the size of the print on the budget. Councilman Sherman indicated he had looked into getting it changed with the accountants and that the cost to change the line items would double. Discussion followed.

Discussions continued between the Board and residents on several line items in the budget. Some line items and areas discussed were raises, engineering costs, celebration, personal services, street lighting and lighting budget, buildings and contractual services.

A resident thanked the Board for answering questions regarding the tentative budget.

With there being no further public comment or business to discuss, Councilman Bichteman made a motion to adjourn the meeting, seconded by Councilman Sherman, motion carried by those present. Meeting adjourned at 9:22 pm.

Respectfully submitted,

Karla Weaver

Deputy Town Clerk II