

Hoffman Falls Wind Project

Matter No. 23-00038

900-2.19 Exhibit 18

Socioeconomic Effects

Revision 1

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EXHIBIT 18 SOCIOECONOMIC EFFECTS

On behalf of Hoffman Falls LLC (the Applicant), Environmental Design & Research, Landscape Architecture, Engineering & Environmental Services D.P.C (EDR) has conducted a socioeconomic analysis that quantifies the potential socioeconomic impacts of the Facility and describing current socioeconomic conditions of the area. The Facility is proposed to be located within the Towns of Fenner, Smithfield, Eaton, and Nelson, Madison County, New York.

Over the past 20 years, renewable energy production has increased by approximately 89% nationwide. Energy employment trends generally reflect these changes in energy production. More specifically, wind power generation employment increased by approximately 13,000 jobs nationwide between 2016 and 2019, resulting in a growth rate of approximately 13% (NASEO, 2020).¹ Wind industry employment is predominantly found across construction (33%), professional services (25%), and manufacturing (23%) (NASEO, 2020). On a state level, electric power generation employed approximately 38,866 workers in New York State in 2021 and added 1,022 jobs over the past year. Wind electric generation accounted for approximately 4,026 New York State employees in 2021 (NASEO 2022).

The Just Transition Working Group (JTWG) 2021 Jobs Study² estimates that the onshore wind energy sector will add approximately 1,961 to 2,149 jobs in New York State by 2050. The construction industry is anticipated to add the greatest number of direct jobs, with an additional 475 to 518 jobs in New York State by 2050. Professional services, manufacturing, and other supply chain industries are anticipated to add approximately 57, 526, and 200 jobs respectively (JTWG, 2021). Projects similar to the proposed Facility will play a key role in advancing New York State's growing green economy.

The proposed Facility is anticipated to have a positive economic impact statewide and on the host communities. Utility-scale wind energy development, like other commercial development projects, can support a wide range of socioeconomic benefits including job creation, purchases of local materials and services, and direct revenue to local municipalities in the form of Payment in Lieu of Taxes (PILOT) agreements and Host Community Agreements (HCAs). Additionally, income earned by those employed in association with construction and operation of the Facility can be used to purchase community goods and services, recirculating through the local economy. This Exhibit presents a socioeconomic profile of the host communities and describes an assessment of the potential socioeconomic impacts of the proposed Facility. Socioeconomic effects reported in this Exhibit include direct employment estimates as well as estimates of the incremental costs and benefits to the host communities resulting from the construction and operation of the Facility.

¹ The COVID-19 pandemic resulted in significant job losses across the U.S. economy; however, the energy sector lost a smaller proportion of jobs compared to other sectors of the economy (e.g., tourism, hospitality and recreation, and retail). From June through December 2020, the energy industry reemployed approximately 324,000 workers nationwide but remains approximately 9% below the 2019 peak employment levels (NASEO 2020).

² The 2021 JTWG Jobs Study was required by New York State's Climate Leadership and Community Protection Act (CLCPA). The Jobs Study and supporting research were done on behalf of the JTWG as part of the New York State Climate Action Council.

Socioeconomic Profile

Madison County is in the Central region of New York State (NYS). The towns hosting the Facility are within the central portion of the county and are primarily rural communities, making up 13.33% of the population in Madison County. Madison County, along with the Towns of Eaton and Nelson, has undergone a slight population decline since 2000. However, the population has increased slightly in the Towns of Fenner and Smithfield in the same span of time. The Towns of Fenner, Eaton, Nelson, Smithfield, and Madison County have significantly lower median housing values than New York State. The New York State median housing value is more than double that of the median housing value in Madison County and nearly double that of the Town of Nelson which has the highest median housing value of the towns. Additionally, the median household incomes across the towns, county, and state are not very distant, ranging between \$63K and \$77K; the exception to this being the Town of Eaton with a significantly lower median household income of \$47K. These metrics suggest that the median household income is not consistently proportional to the difference in median housing values. Population, educational attainment, and economic conditions within Madison County and the host communities are summarized in Table 18-1.

The unemployment rate of the towns and county is lower than that of NYS despite similar labor force participation rates. NYS also has a higher rate of individuals below poverty level when compared to the towns and county. These metrics suggest that the local and regional economy is relatively stable.

Table 18-1. Demographic Overview of Host Communities

| | Town of Eaton | Town of Fenner | Town of Nelson | Town of Smithfield | Madison County | New York State |
|----------------------------------|---------------|----------------|----------------|--------------------|----------------|----------------|
| 2021 Population | 4,264 | 1,714 | 1,840 | 1,314 | 68,466 | 20,114,745 |
| % Annual Change (2000-2019) | -0.55% | +0.10% | -0.30% | +0.43% | -0.07% | +0.29% |
| % of population ages 15-64 | 76.2% | 68.0% | 63.2% | 65.0% | 65.9% | 66.1% |
| % High school graduate or higher | 45.80% | 66.74% | 74.29% | 67.35% | 63.05% | 61.21% |
| % Bachelor's degree or higher | 7.18% | 13.94% | 28.70% | 10.12% | 17.84% | 26.68% |
| Median Housing Value | \$111,300 | \$136,700 | \$184,500 | \$135,300 | \$151,100 | \$340,600 |
| Median household income | \$47,258 | \$67,107 | \$76,932 | \$72,292 | \$63,312 | \$75,157 |
| Individuals below poverty level | 9.2% | 9% | 10.3% | 2.7% | 9% | 13.5% |
| Unemployment Rate | 4.7% | 1.8% | 4.1% | 3.0% | 4.2% | 6.2% |
| Labor Force Participation | 56.3% | 64.2% | 62.3% | 66.3% | 57.8% | 63.1% |

Source: 2017-2021 American Community Survey (ACS) 5-Year Estimates, Decennial census, Tables S0101, P001, S1501, DP04, S1701, S2503, and DP03.

In decreasing order, the top five employment sectors in New York State are: Health Care and Social Assistance; Retail Trade; Professional, Scientific, and Technical Services; Accommodation and Food Services;

Finance and Insurance (US Census Quarterly Workforce Indicators, 2021). Top employment sectors in Madison County are similar yet heavier in retail and manufacturing than the State. The top five employment sectors within Madison County include: Retail Trade; Health Care and Social Assistance; Educational Services; Manufacturing; and Accommodation and Food Services (US Census Quarterly Workforce Indicators, 2021). Although not captured by total employment numbers, agriculture is also an important employment sector in the county when considering the land area dedicated to agriculture. As referenced in the 2017 U.S. Department of Agriculture (USDA) National Agricultural Survey, there are approximately 691 farm operations in Madison County, which collectively amounts to 1,272 producers countywide³ (USDA NASS, 2017). These farm operations occupy approximately 171,864 acres, or 40.6% of the total land area throughout the county (USDA NASS, 2017). As further discussed in latter parts of this Exhibit and in Exhibit 15, direct economic benefits from the Facility will go to agricultural producers and rural landowners in the form of lease payments.

Long-term economic conditions have been projected for various regions throughout New York State by the New York State Department of Labor. From 2020 through 2030, overall employment in the Central New York region is projected to have an annual growth rate of 2.2%, a slightly lower rate than the 2.3% projected for New York State as a whole. The five fastest-growing occupational groups forecasted for the Central New York Region are Food Preparation and Serving Related Occupations, Transportation and Material Moving Occupations, Personal Care Occupations, Healthcare Support Occupations, and Community and Social Service Occupations (NYSDOL, 2023).

Understanding the fiscal health of communities in which a project will be located is essential to assessing the potential economic impacts or benefits of that project. The general fiscal profile for any municipality includes its revenues, expenditures, and long-term debt obligations. Most of the revenue collected is through real property taxes, sales taxes, and state aid. Municipalities (towns, villages, and counties) and school districts, as independent taxing jurisdictions, are responsible for providing specific services and facilities to those who live and work within their boundaries and for levying the taxes needed to pay for those services and facilities. To support the assessment of potential economic impacts of the Facility, local property tax rates and tax levies for the taxing jurisdictions in which the Facility is proposed to be located were reviewed. The relevant taxing jurisdictions affected by the Facility are Madison County, the Towns of Eaton, Fenner, Nelson, and Smithfield; the Morrisville-Eaton Central School District, and the Cazenovia Central School District.

Annual municipal expenditures are recovered in large part through each municipality's tax levy, which is borne by property owners as property taxes. Real property taxes are determined by each property's assessed value, multiplied by the tax rate established by each taxing jurisdiction. Table 18-2 summarizes the most recent data available for municipal and county property tax levies and rates in the host communities.

³ The 2017 Census of Agriculture defines the term "producer" as individuals involved in making decisions for a farm operation.

Table 18-2. Property Tax Levy and Municipal Tax Rate⁴

| | Levy year 2021 (roll year 2020) | | | Levy year 2022 (roll year 2021) | | |
|--------------------|---------------------------------|------------------------------------|----------|---------------------------------|------------------------------------|----------|
| | Property Tax Levy | Tax Rate per \$1000 Assessed Value | Eq. Rate | Property Tax Levy | Tax Rate per \$1000 Assessed Value | Eq. Rate |
| Madison County | \$38,850,506 | 8.84 | 91.40 | \$38,862,797 | 8.52 | 84.66 |
| Town of Eaton | \$1,988,882 | 8.84 | 100.00 | \$1,935,565 | 8.52 | 95.00 |
| Town of Fenner | \$906,008 | 8.84 | 94.00 | \$863,184 | 8.52 | 81.00 |
| Town of Nelson | \$1,835,324 | 8.84 | 94.00 | \$1,743,397 | 8.52 | 81.00 |
| Town of Smithfield | \$498,000 | 8.84 | 94.00 | \$471,939 | 8.52 | 81.00 |

Source: New York State Office of Real Property Tax Services, 2022.

Another significant source of revenue for host communities is local sales tax. The current sales tax rate for Madison County is 8% (4% local tax plus 4% state tax) (New York State Department of Taxation and Finance, 2022). In 2021, the total sales tax revenue for the county was \$38,850,506 (New York State Comptroller, 2021).

An overview of the balance of a municipality's revenues, expenditures and debt reveals its general fiscal health. As illustrated in Table 18-3, from 2020 to 2021, the revenues and debt in Madison County increased, while in the Town of Eaton revenues and debt decreased. Madison County increased expenditures over the same time Eaton decreased expenditures. However, the towns of Fenner and Smithfield have increased in revenues, debt, and expenditures (Table 18-3). While cutting expenditures is one avenue toward a balanced fiscal budget, it is beneficial to combine this with a strategy to increase local revenues.

⁴ Property tax levy reflects the amount of revenue required to be collected by the municipality through the property tax base and is equal to total municipal spending minus aid and other revenues. Tax base is equal to the sum of taxable parcel values. Municipal tax rate is determined by dividing the levy by the tax base, such that each taxable parcel produces that amount of property tax per \$1,000 assessed value. An equalization rate is the state's measurement of a municipality's level of assessment (LOA). An equalization rate of 100 means that the municipality is assessing property at 100 percent of market value. An equalization rate lower than 100 means that the municipality's total market value is greater than its assessed value.

Table 18-3. Municipal Budgets New York State Comptroller, 2021

| | 2020 | 2021 |
|---------------------------------|---------------------------|---------------|
| | Madison County | |
| Total Revenues & other sources | \$161,206,609 | \$229,878,597 |
| Total Expenditures & other uses | \$170,076,628 | \$186,791,110 |
| Total Debt | \$47,062,956 | \$48,910,132 |
| | Town of Eaton | |
| Total Revenues & other sources | \$1,795,204 | \$1,784,443 |
| Total Expenditures & other uses | \$1,747,336 | \$1,635,657 |
| Total Debt | \$506,259 | \$353,408 |
| | Town of Fenner | |
| Total Revenues & other sources | \$997,182 | \$1,225,328 |
| Total Expenditures & other uses | \$937,060 | \$1,150,696 |
| Total Debt | \$41,020 | \$0 |
| | Town of Nelson | |
| Total Revenues & other sources | \$3,032,453 | x |
| Total Expenditures & other uses | \$3,003,957 | x |
| Total Debt | \$1,731,101 | x |
| | Town of Smithfield | |
| Total Revenues & other sources | \$787,073 | \$807,154 |
| Total Expenditures & other uses | \$563,859 | \$571,170 |
| Total Debt | \$0 | \$0 |

Source: New York State Comptroller, 2021, (x= no data available), Tables FX51, H51, FX910, and FX48

School districts in New York are subject to a separate budgeting process. The Facility is located within two school districts: Morrisville-Eaton Central School District and Cazenovia Central School District. The budgets for all school districts are shown in Table 18-4. From 2021 to 2022, Morrisville-Eaton Central School District decreased in total revenue, total expenditures, and debt. Meanwhile, Cazenovia Central School District increased in total revenue, although the school district decreased in total expenditures and debt (New York State Comptroller, 2021-2022).

Table 18-4. School District Budget

| | 2021 | 2022 |
|---------------------------------|--|--------------|
| | Morrisville-Eaton Central School District | |
| Total Revenues & other sources | \$32,447,461 | \$20,714,692 |
| Total Expenditures & other uses | \$20,451,397 | \$20,297,484 |
| Total Debt | \$12,407,402 | \$10,209,003 |
| | Cazenovia Central School District | |
| Total Revenues & other sources | \$31,832,669 | \$36,750,489 |
| Total Expenditures & other uses | \$39,060,245 | \$38,262,332 |
| Total Debt | \$25,704,195 | \$25,245,122 |

Source: New York State Comptroller, 2021, Tables W411 and AM411.

In the face of budget shortfalls and a statewide property tax cap municipalities may find it advantageous to maximize other, less traditional, forms of revenue. As described in Section (j) wind projects provide direct benefits to local taxing jurisdictions through PILOT agreements and HCAs. In addition, wind projects such as the proposed Facility generally have other economic benefits. Wind power development, like other commercial development projects, can expand the local, regional, and statewide economies through both direct and indirect means.

(a) Construction Workforce

The socioeconomic effects of the Facility were evaluated, in part, using the Job and Economic Development Impact (JEDI) land-based wind model (Release Number: W6.28.19) The JEDI model was created by the National Renewable Energy Laboratory (NREL), a government-owned, contractor-operated laboratory funded by the U.S. Department of Energy, to assess the economic impacts of proposed wind energy generating facilities during both the construction and operation phases (USDOE NREL, 2021). This model allows users to estimate jobs, earnings, and economic output by using facility-specific data provided by the Applicant and geographically defined multipliers. These multipliers are produced by IMPLAN Group, LLC using a software/database system called IMPLAN (IMpact analysis for PLANning), a widely used and accepted input-output modeling software and data system that tracks each unique industry group at every level of the regional data (IMPLAN Group, 2020). This analysis utilized the 2021 IMPLAN multiplier data, as that was the most recent data readily available at the time of the initial analysis (October 2023). More specifically, the JEDI model was utilized to estimate the number of direct construction and operation and maintenance (O&M) jobs as well as the direct project expenditures generated as a result of the construction and operation of the Facility.

This analysis quantifies the socioeconomic impacts from onsite labor and other project expenditures that the proposed Facility may have on the statewide economy and within the host communities. Onsite labor impacts are the direct impacts experienced by the companies/individuals residing in New York State engaged in the onsite construction and operation of the Facility. These values represent expenditure of dollars on labor (wages, salaries, and associated expenses) of onsite construction personnel, as well as O&M personnel. Furthermore, onsite labor impacts can be measured in terms of jobs (as expressed through the increase in employment demand), and the amount of money earned through those jobs (measured by the wages and salary compensation paid to employees). For the purposes of this analysis, the term "jobs" refers to the total number of year-long full-time equivalent (FTE) positions created by the Facility, assuming a 40-hour work week for 52 weeks of the year. Persons employed for less than full time or less than a full year are included in this total, each representing a fraction of an FTE position (e.g., a half-time, year-round position is 0.5 FTE).

Calculating the number of jobs and earnings estimated to be generated by a proposed facility using the JEDI model is a two-step process. The first step requires facility-specific data inputs (e.g., year of construction, size of facility, and location). These facility-specific data provide a baseline set of assumptions to produce a preliminary estimate of the total positive jobs and economic impacts likely to be produced by the Facility. For purposes of the JEDI model, the Applicant has assumed the following inputs:

- Location: Madison County, New York
- Year of Construction: 2026⁵
- Total Project Size (Nameplate Capacity): up to 100 megawatts (MW)
- Number of Turbines: 22⁶
- Installed Project Cost (\$/kW): **<BEGIN CONFIDENTIAL INFORMATION>** [REDACTED] **<END CONFIDENTIAL INFORMATION>**
- Operations and Maintenance Cost (\$/kW): **<BEGIN CONFIDENTIAL INFORMATION>** [REDACTED] **<END CONFIDENTIAL INFORMATION>**
- Money Value (Dollar Year): 2023

Using the Facility-specific data provided, as well as the IMPLAN multipliers and census population data, the JEDI model creates a list of default values, which include facility costs, default financial parameters, default tax payments, default lease payments, and default local shares of costs. These default values are derived from research on large-scale wind facilities by NREL, and stem from various sources, including interviews and surveys of leading project owners, developers, engineering and design firms, and construction firms active in the wind energy sector.

The second step of the JEDI model methodology requires review and, if warranted, customization of default facility cost values and financial parameter values to reflect the most accurate estimates. The Applicant reviewed the default facility cost values, statewide shares, and host community shares (subtotaled by categories in Table 18-5) then made specific adjustments to improve the accuracy of the JEDI model as needed.

Table 18-5. JEDI Model Default Costs used as Input Values

BEGIN CONFIDENTIAL INFORMATION

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⁵ For the purposes of the JEDI analysis, which assumes one year for construction, the start year of construction (2026) was used. Actual construction is anticipated to be occur over an 18-month period beginning in 2026 and extending into 2027.

⁶ Note that although the Applicant presents a 24-turbine layout elsewhere in this Application to provide a conservative estimate of the Facility environmental impacts, this socioeconomic analysis assumes a 22-turbine layout to avoid overestimating the Facility's economic benefits.

END CONFIDENTIAL INFORMATION

Based upon JEDI model computations, construction of the proposed Facility is estimated to generate approximately 66 FTE onsite project development and onsite labor jobs for New York State residents, 60 of which will be for construction and interconnection labor and 6 of which will be construction-related services (i.e., engineering, design, and other professional services). At the county level, the Facility is estimated to generate employment of approximately 6 FTE onsite project development and onsite labor jobs for Madison County residents, all of which will be for construction and interconnection labor. These estimated jobs have been verified as reasonable by the Applicant based on project knowledge and technical expertise.

The Applicant's construction management team has further evaluated the anticipated employment level to provide the estimated average construction workforce, by discipline for each quarter of the 18-month construction period. The Applicant estimates quarterly peaks of approximately 87 statewide construction FTE jobs and 3 countywide construction FTE jobs during the third quarter of 2026. The quarterly labor averages were developed by estimating the monthly job values based on the seasonal fluctuations experienced in New York State and averaging the months together by quarter. For the purposes of this analysis, the summer and fall months of July, August, and September were assumed to be the peak construction season and the winter months of January, February, and March were assumed to be the off-peak construction season. The results are summarized in Tables 18-6 and 18-7.

Table 18-6. Estimated Quarterly Statewide Labor Averages

| Labor Discipline | Quarterly Period | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Q1 '26 (Jan-Mar) | Q2 '26 (Apr-Jun) | Q3 '26 (Jul-Sep) | Q4 '26 (Oct-Dec) | Q1 '27 (Jan-Mar) | Q2 '27 (Apr-Jun) |
| Construction & Installation Labor | | | | | | |
| Laborers | 4.6 | 9.1 | 18.3 | 9.1 | 4.6 | 9.1 |
| Electricians | 4.4 | 8.7 | 17.5 | 8.7 | 4.4 | 8.7 |
| Equipment Operator | 3.6 | 7.2 | 14.3 | 7.2 | 3.6 | 7.2 |
| Construction Managers | 0.6 | 1.2 | 2.4 | 1.2 | 0.6 | 1.2 |
| Ironworkers | 5.0 | 9.9 | 19.9 | 9.9 | 5.0 | 9.9 |
| Millwrights | 0.4 | 0.8 | 1.6 | 0.8 | 0.4 | 0.8 |
| Foreman | 1.4 | 2.8 | 5.6 | 2.8 | 1.4 | 2.8 |
| Construction-Related Services | | | | | | |
| Engineering, Design, & Professional Services | 1.9 | 3.9 | 7.7 | 3.9 | 1.9 | 3.9 |
| Total Labor Average | 21.8 | 43.6 | 87.2 | 43.6 | 21.8 | 43.6 |

Source: Jobs and Economic Development Impact Model (USDOE NREL, 2021a), Quarterly Averages verified by the Applicant in November 2023.

Table 18-7. Estimated Quarterly Countywide Labor Averages

| Labor Discipline | Quarterly Period | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Q1 '26 (Jan-Mar) | Q2 '26 (Apr-Jun) | Q3 '26 (Jul-Sep) | Q4 '26 (Oct-Dec) | Q1 '27 (Jan-Mar) | Q2 '27 (Apr-Jun) |
| Construction & Installation Labor | | | | | | |
| Laborers | 0.2 | 0.4 | 0.7 | 0.4 | 0.2 | 0.4 |
| Electricians | 0.2 | 0.4 | 0.7 | 0.4 | 0.2 | 0.4 |
| Equipment Operator | 0.1 | 0.3 | 0.6 | 0.3 | 0.1 | 0.3 |
| Construction Managers | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 |
| Ironworkers | 0.2 | 0.4 | 0.8 | 0.4 | 0.2 | 0.4 |
| Millwrights | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 |
| Foreman | 0.1 | 0.1 | 0.2 | 0.1 | 0.1 | 0.1 |
| Construction-Related Services | | | | | | |
| Engineering, Design, & Professional Services | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Labor Average | 0.8 | 1.6 | 3.2 | 1.6 | 0.8 | 1.6 |

Source: Jobs and Economic Development Impact Model (USDOE NREL, 2021a), Quarterly Averages verified by the Applicant in November 2023.

(b) Payroll and Non-Payroll Expenditures during Construction

The results of the JEDI model included \$4.7 million of annual earnings for the estimated 66 onsite construction jobs for New York residents; \$0.2 million of which is the estimated annual earnings of the 5 onsite construction jobs for Madison County residents. Estimated earnings represent total wages and salary compensation paid to New York State employees (i.e., wages plus average annual overhead costs including social security insurance [SSI], Medicare, workers' compensation, and disability). Project development and onsite labor earnings are realized by New York State residents and Madison County residents who are engaged in the construction of the Facility, including the construction and interconnection, engineering, design, and professional services trades. Estimates of the annual construction earnings by trade were estimated by the JEDI model based on facility-specific data provided by the Applicant and geographically defined multipliers (see Section (a) for additional information on methodology) and are listed in Table 18-8.

Table 18-8. Annual Earnings during Project Development and Construction (in \$ Millions)

| Trade | Statewide Earnings | Countywide Earnings |
|--|--------------------|---------------------|
| Construction & Interconnection | \$3.8 | \$0.2 |
| Engineering, Design, & Professional Services | \$0.9 | \$0.0 |
| Total | \$4.7 | \$0.2 |

Source: Jobs and Economic Development Impact Model (USDOE NREL, 2019)

Notes: Earnings values are millions of dollars in year 2023 dollars. Earnings are independently rounded, and therefore may not add up directly to the integers shown in this table.

Local, regional, and statewide employment during the construction phase will primarily benefit those in the construction trades, including laborers, electricians, equipment operators, etc. The Applicant expects most of these construction jobs will be filled by residents of the local labor market. However, Facility construction will also require workers with specialized skills, such as crane operators, turbine assemblers, specialized excavators, and high voltage electrical workers. The Applicant will hire residents within the local labor market

(d) Incremental School District Operating and Infrastructure Costs

The Facility is not expected to result in any additional operating or infrastructure costs to the local school districts. Although it is possible that some of the long-term Facility operation employees may have school-aged children, increases in school district services and expenditures would likely be recovered through those employees' property tax payments and the respective district's state aid. Moreover, as discussed in Section (g), the affected school districts will also benefit from PILOT agreements. These payments will more than offset any possible increase in expenses incurred by the districts because of Facility employee children entering the school districts. The Applicant is in the process of consulting with the Cazenovia Central School District and Morrisville-Eaton Central School District and has reached out on several occasions (see Appendix 2-A) but has not yet received any feedback. The Applicant has also conducted numerous public outreach activities to inform the public and local officials about the Facility. For more details on outreach activities, please see Exhibit 2 (Overview and Public Involvement).

(e) Incremental Municipal, Public Authority, or Utility Operating and Infrastructure Costs

The Facility is not expected to result in any additional operating or infrastructure costs for the local municipalities, authorities, or utilities. The Facility will place limited (if any) demand on municipal services; however, this demand will be recovered through fees and payments. For example, if long-term Facility operation employees live in Towns of Fenner, Smithfield, Nelson, or Eaton, their required services will be paid for through property taxes and utility fees. The Facility will not require municipal water, sewer, or solid waste disposal services.

As part of Exhibit 6 (Public Health, Safety and Security), the Applicant has committed to developing and implementing a Site Security Plan and Safety Response Plan. These plans address the site security features to be implemented at the Facility, and measures for responding to various emergencies, including those that could potentially involve police and other emergency response personnel. These measures, taken together, will limit the need for the Facility to utilize municipal police services. These measures, taken together, will limit the need for the Facility to utilize municipal police, fire, and emergency response services. Given the small number of employees required to operate and maintain the Facility, the potential financial burden on the towns to provide such services is expected to be comparatively small. Additionally, as discussed in Section (g), the Facility is expected to contribute significant annual revenue to the Cazenovia, Smithfield, and Morrisville Fire Districts which will be available to cover any costs associated with municipal emergency response. The Site Security Plan (Appendix 6-A) and the Safety Response Plan (Appendix 6-B) were provided to the Fenner, Smithfield, Nelson, and Eaton local emergency responders on October 04, 2023. In addition, on November 28, 2023, the Applicant led a meeting with the local emergency responders to review the plans in a group setting and gathered several new insights to fold into the plans. Emergency responders who could not attend the meeting were emailed on December 19, 2023 with a summary of what was discussed on November 28, 2023 and a request for any additional feedback on the draft plans.

Although transportation of major Facility components during construction will impact certain roadways, the Applicant will work with the towns and county to address/mitigate these impacts through Road Use Agreements (RUAs), which would require the Applicant to restore roadways impacted by the transportation

of Facility components during construction and operation of the Facility. By virtue of these agreements, the towns in which the Facility is located will not incur any additional highway maintenance costs related to the Facility other than normal wear and tear associated with the use of vehicles required to transport workers and equipment to and from the Facility Site for O&M purposes. The Applicant provided printed copies of the draft RUA and requested review from the Eaton and Smithfield Town Supervisors and Town Boards on December 12, 2023, the Fenner Town Supervisor and Town Board on December 13, 2023, and the Nelson Town Supervisor and Town Board on December 14, 2023. The Applicant provided digital copies of the draft RUA and requested each Town's feedback in emails sent to each Town Clerk and Town Supervisor on December 14 and 15, 2023. or additional information on the RUAs, please see Exhibit 16 (Effects on Transportation). The Applicant will continue to consult with the towns and local highway supervisors regarding the Facility's potential transportation effects and the RUA.

Intervenor funding will be made available to qualified, locally affected parties and municipalities to offset certain expenses they incur in participating in the state permitting process. These funds are meant to encourage early and effective public involvement in project development and permitting. Upon the filing of the Section 94-c Application, the Applicant will put forth \$1,000/MW, a total of \$100,000 for the Project, which can be sought by local community members and the Towns of Fenner, Smithfield, Nelson, and Eaton.

Before finalizing this Exhibit, the Applicant consulted with the affected municipalities, public authorities, and utilities. The Applicant has also conducted numerous public outreach activities to inform the public and local officials about the Facility. For more details on outreach activities, please see Exhibit 2 (Overview and Public Involvement).

(f) Jurisdictions that Will Collect Taxes or Benefits

The Facility is anticipated to result in economic benefits for the following taxing jurisdictions:

- Madison County
- Town of Fenner
- Town of Smithfield
- Town of Nelson
- Town of Eaton
- Cazenovia Central School District
- Morrisville-Eaton Central School District
- Cazenovia Fire District
- Smithfield Fire District
- Morrisville Fire District

(g) Incremental Amount of Annual Taxes or Payments

The Applicant has initiated negotiation of a PILOT agreement with Madison County on behalf of the local taxing jurisdictions in exchange for a real property tax exemption. Additionally, the Applicant has initiated negotiations of an HCA with the Towns of Fenner, Smithfield, Nelson, and Eaton to provide direct annual payments. Although the terms of the PILOT agreement have not been finalized, the Applicant anticipates a 20-year agreement and an estimated annual payment rate of **BEGIN CONFIDENTIAL INFORMATION** **END CONFIDENTIAL INFORMATION** per megawatt (MW). The estimated annual PILOT amount would total **BEGIN CONFIDENTIAL INFORMATION** **END CONFIDENTIAL INFORMATION** per year, escalating at rate of 2% annually. Therefore, the PILOT payments would accumulate up to a total

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Additionally, payments to local landowners within the Towns of Fenner, Smithfield, Nelson, and Eaton will be made in association with lease and easement agreements executed to host Facility components and good neighbor agreements executed with certain adjacent properties. The annual lease and easement payments to participating landowners and good neighbor agreement payments to adjacent property owners during the operational phase of the Facility are estimated to total **BEGIN CONFIDENTIAL INFORMATION** **END CONFIDENTIAL INFORMATION** per year, escalating at a rate of 2% annually. These payments would be in addition to any income generated from the current use of the land that continues during project operation (e.g., agricultural production). The lease and easement payments will have a positive impact on the region, to the extent that participating landowners will spend their revenue locally.

(h) Comparison of Incremental Costs and Incremental Benefits

As discussed, the Facility is not expected to incur incremental costs to local tax jurisdictions. Moreover, implementing a PILOT Agreement consistent with Title 19 New York Codes, Rules, and Regulations (19 NYCRR) §900-6.1(f) will result in significant benefits to local taxing jurisdictions.

(i) Equipment or Training Deficiencies in Local Emergency Response Capacity

A description of all contingency plans to be implemented in response to the occurrence of a safety or security emergency is provided in Exhibit 6 (Public Health, Safety and Security). The local emergency responders are not expected to have specialized equipment or training to respond to a fire, hazardous substance, or medical emergency beyond the typical first aid, medical emergency and fire vehicles, and equipment that would be at a local fire department. Exhibit 6, along with the Safety Response Plan, provides specific details on all on-site equipment and systems the Applicant will provide to prevent or handle fire emergencies and hazardous substance incidents, as well as the training drills that will be conducted with emergency responders and on-site personnel. Local emergency responders are not expected to have the equipment or training to climb a turbine tower or assist in lowering injured/ill individuals to the ground. Responsibility for this task rests solely with the Applicant and/or affiliated workers. Because local emergency responders are not expected to provide any emergency services beyond those ordinarily provided, no equipment or training deficiencies are anticipated. The Site Security Plan (Appendix 6-A) and the Safety Response Plan (Appendix 6-B) were provided to the Fenner, Smithfield, Nelson, and Eaton local emergency responders on October 04, 2023. In addition, on November 28, 2023, the Applicant led a meeting with the local emergency responders to review the plans in a group setting and gathered several new insights to fold into the plans—no equipment or training deficiencies were identified in the course of this meeting. Emergency responders who could not attend the meeting were emailed on December 19, 2023 with a summary of what was discussed on November 28, 2023 and a request for any additional feedback on the draft plans.

(j) Consistency with State Smart Growth Public Infrastructure Criteria

The New York State Smart Growth Public Infrastructure Policy Act is meant to maximize the social, economic, and environmental benefits from public infrastructure development by minimizing the impacts associated with unnecessary sprawl. State infrastructure agencies, such as the New York State Department of Transportation (NYSDOT), shall not approve, undertake, or finance a public infrastructure project, unless, to the extent practicable, the project is consistent with the smart growth criteria set forth in ECL § 6-0107.

Although the Facility will not result in the construction or operation of public infrastructure and will not result in unnecessary sprawl, approvals from the NYSDOT may be required due to facility components traveling on and crossing state highways. Therefore, this section provides a detailed statement regarding the Facility's consistency with smart growth criteria. As discussed below, the Facility is consistent with six of the eleven criteria, while the remaining five criteria do not apply to the Facility.

Criterion 1: To advance projects for the use, maintenance, or improvement of existing infrastructure.

The purpose of the Facility is to create an economically viable wind-powered electrical-generating facility that will provide a source of renewable energy to the New York State grid, and in doing so, improve the State's existing energy infrastructure. The Facility will include up to 24 wind turbines, with up to 12 located in the Town of Fenner, three in the Town of Smithfield, one in the Town of Nelson, and eight in the Town of Eaton. Associated support facilities will include an underground medium voltage collection system, gravel access roads, permanent meteorological and aircraft detection lighting system (ADLS) towers, temporary construction laydown areas and a concrete batch plant, an operations and maintenance (O&M) facility, a medium voltage-to-transmission voltage collection substation, a point of interconnection (POI) switchyard, and a short 115kV overhead transmission line that will connect the Facility to the high voltage electrical grid. While these Facility components are not public infrastructure and are generally not expected to result in the operation of public infrastructure, the Facility will contribute up to 100 MW of renewable energy to the New York State grid. Additionally, the Facility will use portions of existing State highway infrastructure to transport equipment. However, none of these activities are anticipated to have any long-term impact on existing infrastructure (See Exhibit 16 [Effect of Transportation]). The Hoffman Falls Wind Facility is consistent with this smart growth criterion, when its contribution to and utilization of both the New York State power grid and transportation routes identified above are considered. The necessary changes to the public infrastructure (contribution of renewable energy to power grid, utilization of existing transportation routes and construction of access road intersections to existing roads) are also consistent with the criterion.

Criterion 2: To advance projects located in municipal centers.

"Municipal centers" are defined in the Smart Growth Act as "areas of concentrated and mixed land uses that serve as centers for various activities, including, but not limited to, central business districts, main streets, downtown areas, brownfield opportunity areas, downtown areas of local waterfront revitalization program areas, transit-oriented development, environmental justice areas, and hardship areas," as well as "areas adjacent to municipal centers, which have clearly defined borders, are designated for concentrated development in the future in a municipal or regional comprehensive plan,

and exhibit strong land use, transportation, infrastructure and economic connections to a municipal center; and areas designated in a municipal or comprehensive plan, and appropriately zoned in a municipal zoning ordinance, as a future municipal center.” Large-scale wind energy projects, such as the Facility, require extensive land; moreover, the requirement for setbacks from residences and other structures restricts large-scale wind energy projects to areas with lower population density. Therefore, this criterion does not apply to the Facility.

Criterion 3: To advance projects in developed areas or areas designated for concentrated infill development in a municipally approved comprehensive land use plan, local waterfront revitalization plan and/or brownfield opportunity area plan.

See discussion of Criterion 2. Large-scale wind energy projects such as the Hoffman Falls Wind Farm cannot be located within areas designated for concentrated infill development nor are they well-suited to developed waterfront areas and/or brownfield opportunity areas. Therefore, this criterion does not apply to the Facility.

Criterion 4: To protect, preserve and enhance the state's resources, including agricultural land, forests, surface and groundwater, air quality, recreation and open space, scenic areas, and significant historic and archaeological resources.

The Facility will generate up to 100 MW of renewable energy while largely preserving the vacant, agricultural, and forested land that comprises the Facility Site. As described throughout this Section 94-c Application, the layout of the Facility was designed through an iterative process where the technical and economic requirements of the Facility were weighed against impacts to land use (see Exhibit 3 [Location of Facilities and Surrounding Land Use] and 15 [Agricultural Resources]), aesthetics (see Exhibit 8 [Visual Impacts]), cultural resources (see Exhibit 9 [Cultural Resources]), environmental/ecological resources (such as forests, wetlands, and sensitive wildlife habitat) (see Exhibit 11 [Terrestrial Ecology] and 14 [Wetlands]), surface and groundwater (see Exhibit 13 [Water Resources and Aquatic Ecology]), and public safety (see Exhibit 6 [Public Health, Safety and Security]). Within the constraints of the permitting process and the inherent constraints on the Site, the proposed Facility layout avoids or minimizes environmental impacts to the greatest extent practicable while allowing the Applicant to construct a 100 MW wind facility in furtherance of the State’s renewable energy goals. This Section 94-c Application summarizes and includes analyses of the potential environmental impacts and benefits of the Facility, including analyses specifically associated with agricultural land, agricultural viability, forests, surface and groundwater, air quality, recreation and open space, scenic areas, and significant historic and archaeological resources. In addition, a Visual Impact Assessment (VIA; see Exhibit 8) has been prepared which assesses potential visual impacts within a 5-mile study area in accordance with 19 NYCRR §900-2.9. Furthermore, the 94-c regulations require consideration of specific significant visual resources beyond the specified study area. Based on these analyses, the Applicant believes that the Facility has avoided and minimized impacts to these resources to the maximum extent practicable (based on the layout as currently proposed), and that any remaining impacts are outweighed by the benefit provided by the Facility’s generation of up to 100 MW of clean, renewable energy. Therefore, the Facility is consistent with this criterion.

Criterion 5: To foster mixed land uses and compact development; downtown revitalization; brownfield redevelopment; the enhancement of beauty in public spaces; the diversity and affordability of housing in proximity to places of employment, recreation, and commercial development; and the integration of all income and age groups.

See response to Criterion 2 above. The Facility must be located in a rural area well removed from any areas that would potentially experience compact development, downtown revitalization, or significant quantities of housing, etc. (e.g., villages and cities). Therefore, this criterion is not applicable.

Criterion 6: To provide mobility through transportation choices including improved public transportation and reduced automobile dependency.

The Facility does not directly or indirectly affect public transportation options. Therefore, this criterion is not applicable.

Criterion 7: To coordinate between state and local government and inter-municipal and regional planning.

The Applicant has conducted extensive public outreach to local government and planning agencies throughout the development and review of the Facility (see Exhibit 2 [Overview and Public Involvement]). This has included the public outreach conducted in accordance with the requirements of the Section -c process. The Applicant also has reached out individually to each of the local governments that will be directly affected by the Facility. Moreover, the Section 94-c process specifically requires outreach and coordination between the Applicant and State agencies with a role in reviewing the Application for the proposed Facility. To the extent applicable, these outreach efforts and municipal/agency consultations satisfy the criterion related to coordination between State and local governments. Therefore, the Facility is consistent with this criterion.

Criterion 8: To participate in community-based planning and collaboration.

The Applicant team has conducted and will continue to conduct extensive public outreach to community-based organizations throughout the development and review of the Facility. See response to Criterion 7 for additional detail. These outreach efforts satisfy the criterion related to participation in community-based planning and collaboration.

Criterion 9: To ensure predictability in building and land use codes.

The Applicant has no role in or authority over the development or enforcement of building or land use codes in the Towns Fenner, Smithfield, Nelson, and Eaton. Therefore, this criterion does not apply to this Facility.

Criterion 10: To promote sustainability by strengthening existing and creating new communities which reduce greenhouse gas emissions and do not compromise the needs of future generations by among other means, encouraging broad-based public involvement in developing and implementing a community plan and ensuring the governance structure is adequate to sustain its implementation.

The Facility is consistent with State policies designed to encourage initiatives that reduce greenhouse gas emissions and contribute to the transition of New York's energy markets by encouraging renewable

alternatives, such as the Climate Leadership and Community Protection Act (CLCPA). The Facility promotes the reduction of greenhouse gas emissions using renewable energy. The Facility, therefore, supports this smart growth criterion. Exhibit 17 (Consistency with Energy Planning Objectives) provides a more detailed discussion of the Facility's consistency with energy planning objectives.

Criterion 11: To mitigate future physical climate risk due to sea level rise, and/or storm surges, and/or flooding, based on available data predicting the likelihood of future extreme weather events, including hazard risk analysis data if applicable.

The Facility is consistent with New York State's efforts to expand reliance on renewable energy sources and reduce greenhouse gas emissions. In doing so, this Facility contributes to efforts to mitigate overall future risks of climate change, such as sea level rise, storm surges, and/or flooding. Furthermore, according to the New York State Department of State Geographic Information Gateway, the Facility is not located in mapped hazard risk areas related to physical climate risks, including risks associated with the Lake Ontario, Hudson River, and Atlantic Ocean (NYSDOS, 2021). Therefore, the Facility is expected to have a positive impact on the mitigation of future physical climate risk, thereby supporting Smart Growth Criterion 11.

Smart Growth Attestation

The Smart Growth Act requires that the chief executive officer of a state infrastructure agency (or his or her designee) attest in writing that the project under review, to the extent practicable, meets the relevant smart growth criteria in ECL § 6-0107(2). As previously noted, the Facility will not result in the construction or operation of public infrastructure as that term is used in the Smart Growth Act. As a result, the requirement to obtain an attestation from the chief executive officer of a state infrastructure agency does not apply to the Facility.

(k) Host Community Benefits

The socioeconomic analysis presented in this Exhibit suggests that the construction and operation of the Hoffman Falls Wind Project will have a positive impact within the host communities. The Facility will provide direct financial benefits to the Towns of Fenner, Smithfield, Nelson, and Eaton, significantly increasing local revenues without requiring new public infrastructure. Direct payments will occur within the towns in the form of PILOT payments, HCA payments, land leases, and easements, as well as purchases of local goods and the provision of employment and spending of wages. The following is a list of direct payments anticipated to be spent within the local communities (for additional details see Section (g)):

- The annual lease and easement payments to participating landowners and good neighbor agreement payments to adjacent property owners during the operational phase of the Facility are estimated to total **BEGIN CONFIDENTIAL INFORMATION** [REDACTED] **END CONFIDENTIAL INFORMATION** per year, escalating at a rate of 2% annually.
- Although the terms of the PILOT agreement have not been finalized, the Applicant anticipates the Towns of Fenner, Smithfield, Nelson, and Eaton, Cazenovia Central School District, Morrisville-Eaton

Central School District, and Madison County to receive an estimated annual PILOT amount that would total **BEGIN CONFIDENTIAL INFORMATION** [REDACTED] **END CONFIDENTIAL INFORMATION** per year, escalating at rate of 2% annually.

- The Applicant anticipates executing an HCA with the Towns of Fenner, Smithfield, Nelson, and Eaton. The estimated annual HCA amount would total **BEGIN CONFIDENTIAL INFORMATION** [REDACTED] **END CONFIDENTIAL INFORMATION** per year, escalating at rate of 2% annually.
- The Applicant anticipates payments to the Cazenovia, Smithfield, and Morrisville Fire Districts will be made to contribute to the Fire District Tax based on each town's taxing guidelines total approximately **BEGIN CONFIDENTIAL INFORMATION** [REDACTED] **END CONFIDENTIAL INFORMATION**.
- The Applicant anticipates payments in the amount of \$100,000 annually for the first 10 years of operation to fund a Host Community Bill Program in the Towns of Fenner, Eaton, Smithfield, and Nelson. This funding will be used to provide bill credits that will be distributed equally among the residential electric utility customers residing in the Towns of Fenner, Eaton, Smithfield, and Nelson.

In accordance with 19 NYCRR §900-10.2(j), the Applicant will provide documentation of host community benefits to be provided as a Pre-Construction Compliance Filing.

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