

SUNX LLC, c/o Distributed Sun LLC
1425 K St. NW, Suite 701
Washington DC 20005

January 29, 2021

Town of Caroline Town Board
c/o Town Clerk
2670 Slaterville Road
Slaterville Springs, NY 14881

Members of the Board,

Re: Narrative for the Petition for Waiver from Under Local Law Providing for a180-day Moratorium on Land Use Development

SUNX LLC (“SUNX”) is requesting, as a subsidiary of Distributed Sun LLC (“DSUN”), an exemption waiver from the Town of Caroline (“Town”) in regard to the Local Law Providing for a 180-day Moratorium on Land Use Development approved on December 11, 2020 (the “Moratorium”). This submission includes this letter and a preliminary sketch plan to convey the scope and effort required to undertake the proposed project. This message augments the waiver dated January 12, 2021 and duly submitted to the Town of Caroline (the “Town”) on January 15, 2021 and will present the extents of the project with respect to the development process.

1. Project Scope

SUNX has preliminary engagement from three landowners in the Town, and it seeks work with all interested parties and authorities having jurisdiction to develop five parallel photovoltaic generators to participate in the Community Distributed Generation program (“CDG”) promulgated by the NYS Department of Public Service (“DPS”). SUNX has proposed arrays on parcels currently identified as 502000-30.-1-1.1, 502000-30.-1-2.2, and 502000-30.-1-1.3, all located on Seventy Six Road, near Weston Road. The combined output of these five arrays would equal approximately twenty-two megawatts-alternating-current (22 MWac) comprising of three systems at 5 MWac, one at 4.5 MWac, and one at 2.5 MWac (the “Projects”). Final system sizes will depend on the variety of permitting and approval required to undertake the Projects.

CDG projects will allow production of emissions-free renewable energy to be produced in the Town, metered with the local utility, and the electricity credits sold, at a discount, so that nearby residents and business may reap the benefit. SUNX will perform all the reviews, permitting, and contracting to ensure a long-term valuable infrastructure asset is producing electrons and revenues for up to 35 years.

As a long-term participant in New York’s solar market, DSUN, SUNX’s parent company, has been responsibly developing and executing on solar facilities across Upstate and in New York City. Near to the Town, DSUN has deployed arrays in the Town of Harford, Lansing, and Dryden.

2. Project Details

Narrative for Projects in Moratorium

The Projects are proposed on currently farmed land, and the lease rates on the land will help to ensure farming can continue in the Town on other property controlled by our lessors. DSUN's project deploy a variety of sheep grazing, pollinator-friendly plantings, and other environmentally sound practices. As the lands have been cleared and worked by agricultural equipment for generations, the land is addressable for tracking structures to be installed on the hillside, which means that extensive grading is unlikely. Tree clearing may be required within the project footprint, depending on whether regulators limit addressability in other portions of the parcels.

The arrays will be individually fenced for safety and security purposes, and the arrays will be placed on the north side of the road. The Projects will require an equipment pad and gravel access paths for each stand-alone unit. Connection points to the utility will be located at the roadside with a set of four poles per project. The arrays do not generate any light visible off-site. The sound of operating electronics may be as audible as a whisper at the fence edge, but as sound dissipates exponentially, it is unlikely to be noticeable.

The Projects will include Decommissioning Plans and Operations and Maintenance Plans, the likes of which have been approved in several other jurisdictions across New York. These plans will ensure that the Projects are legally and publicly presenting their end-of-life plans and how to stay in business to that point to ensure responsible development in the Town.

In order to make a long-term investment in infrastructure, SUNX may pursue the Tompkins County Industrial Development Agency ("TCIDA") for a payment-in-lieu-of-taxes agreement ("PILOT") to define a reliable tax burden for the life of the Projects. Also, in response to recent trends, SUNX is open to a complementary host community benefit agreement ("HCBA") that would permit a larger allocation of revenue to go to the Town, rather than be a PILOT split by the conventional allocation by the TCIDA. As a local benefit, our sales efforts generally start in the towns in which we work in first, to share the benefit locally of reduced effective electricity rates.

As Projects of this scale elicit questions, many of which are addressed in the State Environmental Quality Review Act ("SEQRA"), SUNX is ready to expand and discuss as required by the Town Planning Board.

3. Project Execution

In order to complete SEQRA and make investment-ready projects for Projects of this scale, SUNX must complete a full list of investigations, reporting, diligence and permitting. These tasks require extensive outlays and are only pursued in jurisdictions with clear permitting environments. Thus, SUNX is only pursuing these in the event the referenced waiver is granted.

If given the clearance, SUNX will deploy its team of surveyors, environmental consultants, and engineers to survey and characterize the site. The team will then draft correspondences, drawings, and submittals to the necessary parties, described below. SUNX seeks to perform these activities in the spring of 2021.

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As a separate early query, SUNX engaged with the local electric distribution utility, in this case, New York State Electric and Gas Corporation (“NYSEG” or the “Utility”). In New York, the Utility provides feedback through a preliminary screening assessment for a fee, and the preliminary screening is followed by an in-depth techno-economic review by the Utility to determine under what conditions the Projects can connect and at what cost. These reviews require several months and extensive outlays to undertake. If the Projects are able to cost-effectively connect to the Utility, the Projects pursue formal agreements vetted by DPS.

During the exchanges with the Utility, SUNX will activate the requirements to pursue a SEQRA negative declaration for an unlisted action. This declaration will require extensive reviews by the Lead Agency, as well as interested and involved agencies through the Full Environmental Assessment Form. Conventionally, SUNX approaches the host town, in this case, the Town Board of Caroline to act as Lead Agency.

In parallel to engaging the Lead Agency, SUNX will also be engaging the various other state and federal agencies interested in the Projects. A preliminary list is laid out below, and may be subject to revision based on site investigations:

- Tompkins County Industrial Development Agency,
- New York State Energy Research and Development Authority,
- New York State Department of Environmental Conservation,
- New York State Office of Parks, Recreation, and Historic Preservation,
- New York State Department of Agriculture and Markets,
- United States Army Corps of Engineers, and
- United States Fish and Wildlife Service.

Following the extensive process to characterize the site, obtain Utility agreement, obtain a SEQRA negative declaration, and accordance with all involved or interested agencies, the Projects may then advance to next steps of finalizing all elements to ensure a successful and long-lasting infrastructure development in the Town of Caroline. The Projects will comply with all local, state, and federal requirements that are presented in the permissions.