



February 24, 2021

**Senator Liz Krueger
 Chair, Senate Finance Committee
 Room 417 State Capitol
 Albany, NY 12247**

**Assembly Member Helene Weinstein
 Chair, Assembly Ways and Means Committee
 Room 923 Legislative Office Building
 Albany, NY 12248**

**Re: Support for NYS Publishing a Standard Tax Assessment Model for Renewable Energy Projects:
 Revenue Bill Part X, S.2509/A.3009**

Dear Chairs Krueger and Weinstein,

We, the undersigned organizations, write to offer our enthusiastic support for the enactment of Part X of the Revenue Bill (S.2509/A.3009), and support for the changes in the Governor’s proposed 30-day amendments. This part amends the Real Property Tax Law (Sections 487 and 575-a) and General Municipal Law (Sections 852, 854, 858 and 859-a) to provide a win-win-win scenario through the establishment of a standardized methodology for real property tax assessment: It would help to facilitate New York’s nation-leading carbon reduction goals through the timely construction of solar and wind energy projects in New

York State; promote economic development through the creation of thousands of high-paying construction jobs; and provide local governments with a needed appropriate and fair uniform revenue stream.

The leading-edge goal of the Climate Leadership and Community Protection Act (CLCPA) is to achieve six gigawatts (GW) of community distributed solar projects by 2025 – better known as “Community Solar” – and 70 percent renewable electricity by 2030. Achieving both goals requires the construction of a significant amount of wind energy and solar power projects.

However, the local process to negotiate property tax agreements with at least three separate jurisdictions – town/city/village, county and school district – can currently take up to two full years. By providing both a standard methodology for assessment while maintaining the flexibility to negotiate Payments in Lieu of Taxes (PILOT) agreements – now in place for most existing projects – New York State can really start to get projects built. For example, the 6 GW by 2025 distributed solar goal in the law requires the addition of 700 MW per year over the next four years. Since each of these projects is capped at 5 MW under the NY-SUN program, at least 140 projects per year must be brought on-line, but the local barriers that remain are significant.

The bill would extend the existing real property tax exemption for renewable energy projects. However, localities frequently “opt out” of the 15-year exemption and lacking clear assessment guidance from the State (as is provided for other industries, like Oil and Gas), the result is uncertain assessments (up to full value) or Payments in Lieu of Taxes (PILOTs) negotiated in a lengthy process on a case-by-case basis with each local jurisdiction. The entire process creates unnecessary friction.

Localities face administrative burdens (response to 60-day notices, assessments, lengthy negotiations, appeals, uncertainty from court challenges) and battles among jurisdictions with differing approaches (political conflicts, justification to constituents) and refusal to negotiate is an opposition tactic. This legislation would correct for each.

This is also a problem for grid-scale solar and wind projects. These are typically larger than community solar projects, have a contract from NYSERDA, and sell their power through the wholesale market. Nearly all of these are taxed through PILOT agreements, and this legislation would keep that option open. But some Industrial Development Agencies (IDAs) resist negotiating a PILOT due to local opposition or the belief that energy projects are not part of their economic development mandate. Some opponents call for “full taxation” but there is no agreement on what that means for solar and wind. This legislation would address this issue by directing the Department of Tax and Finance to publish a methodology for full assessment of wind and solar, while still allowing IDAs to negotiate PILOTs. It also modifies the General Municipal Law to explicitly include renewable energy development among the types of economic development that IDAs can pursue.

This language appeared in last year’s Accelerated Renewable Energy Growth and Community Benefit Act but was removed during the legislative negotiations. We sincerely hope you can support this language this year.

Thank you for your consideration.

Sincerely,

Anne Reynolds, Executive Director
Alliance for Clean Energy New York

Shyam Mehta, Executive Director
New York Solar Energy Industries Association

Ryan Katofsky, Managing Director
Advanced Energy Economy

Andrew Gohn, Eastern Region Director, State Affairs
American Clean Power Association

Adrienne Esposito, Executive Director
Citizens Campaign for the Environment

Kaitlin Kelly O'Neill, Northeast Regional Director
Coalition for Community Solar Access

Conor Bambrick, Director of Climate Policy
Environmental Advocates NY

Dan Haas
Friends of Columbia Solar

Mark Dunlea, Chairperson
Green Education and Legal Fund

Cullen Howe, Senior Renewable Energy Advocate
Natural Resources Defense Council

Julie Tighe, President
New York League of Conservation Voters

Elizabeth (Betta) Broad, Director
New Yorkers for Clean Power

Bill Acker, Executive Director
NY-BEST (Battery and Energy Storage)

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Roger Downs, Conservation Director
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