

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY (“WCIDA”)
NOTICE OF DEVIATION FROM UNIFORM TAX EXEMPTION POLICY
PURSUANT TO GENERAL MUNICIPAL LAW §874(4)(b)**

DESCRIPTION OF PROJECT:

The construction and equipping of an energy storage facility to be comprised of buildings and equipment covering approximately ¼ acre (11,000 +/- square feet) and related site improvements.

LOCATION OF PROJECT:

Centerline Road
Town of Orangeville, New York

PROJECT OWNER/OPERATOR:

The Project site will either be owned by Stony Creek Energy LLC and leased to and operated by Orangeville Energy Storage LLC or the Project site will be conveyed to and operated by Orangeville Energy Storage LLC

DEVIATION FROM UNIFORM
TAX EXEMPTION POLICY:

The proposed financial assistance for the Project constitutes a deviation from WCIDA’s Uniform Tax Exemption Policy because the proposed payment in lieu of tax arrangement deviates from WCIDA’s standard schedule. While WCIDA’s standard payment in lieu of tax schedule provides for payments based on the assessed value of the property, with payments attributable to the value added by new improvements calculated based on percentages of the increase in assessment attributable to such improvements, WCIDA and the project owner propose to enter into an Agreement for Payment in Lieu of Real Estate Taxes (“PILOT Agreement”) which will provide for payment by the Project owner of an annual payment in lieu of tax in an amount calculated by multiplying the storage capacity of the Project measured in megawatts (“MWs”) by a fixed amount of \$1,673. It is anticipated that the Project will have a storage capacity of 6 MWs. The PILOT Agreement will have an initial term of fifteen (15) years and will allow for a five (5) year automatic extension, provided that during the five-year extension, the payment in lieu of tax will increase by 5% per year. The payment will be divided among the affected taxing jurisdictions on a pro rata basis, with each taxing jurisdiction’s share for each year determined by dividing that taxing jurisdiction’s tax rate for the then current tax fiscal year by the total of all tax rates for the affected taxing jurisdictions for the then current tax fiscal year.

REASON FOR DEVIATION:

WCIDA’s Uniform Tax Exemption Policy (“UTEP”) allows for the calculation of payments in lieu of taxes on wind energy projects based on the production capacity of the wind turbines as measured in megawatts and on a dollars per megawatt basis. Although the proposed Project does not involve the installation of any wind turbines and will involve the storage of energy only, the Project is similar to the projects described in WCIDA’s policy for wind energy projects in cost structure and in its intended purpose, which is to store energy for introduction into the power grid. The New York Independent System Operator (“NYISO”), which operates New York’s power grid, treats

storage facilities such as the proposed Project in the same manner as wind generation facilities in that that they both have the capacity to sell energy into the marketplace in a similar manner. In addition, as a supplier of energy, the Project would be in competition with other suppliers, such as power plants and wind and solar farms, which have the benefit of tax abatements and incentives, and the non-standard PILOT arrangement would allow the Project Operator to price its power competitively. Although the Project will result in the creation of only nominal employment, it represents a significant capital investment in the County and will involve the introduction into the County of new technology and a facility which is consistent with evolving State-wide energy policy.