



Town of Eddington

906 Main Road Eddington, Maine 04428

PLANNING BOARD

January 25, 2022

6:00 pm

MINUTES

CALL TO ORDER: David Peppard called the meeting to order at 6:02 pm.

ROLL CALL: Members present were David Peppard, Craig Knight, Susan Dunham-Shane, Heather Grass and Scott Newhart. Jeff Argleben has an excused absence.

Motion to make Scott Newhart a voting member for tonight. **By Susan DS/Craig K 2nd. Vote 4-0**

MINUTES: Motion that we accept the minutes of December 14, 2021 as presented.

By Susan DS/Heather G 2nd. Vote 5-0

NEW BUSINESS: David P had asked Ben Birch, Eddington Tax Assessor, to talk to the Board about how assessors are planning to value windmill and solar projects in the State of Maine. Mr. Birch has provided the Board with handouts on this subject. He informed the Board that in December of 2020 they had a work session between the assessors of Maine and Maine Revenue Services to deal with renewable energy exemptions for residential homes. Since that time there has been no assistance to assessors from the state except a small section in Bulletin No. 29. He said Maine lacks expertise in solar projects. He continued that Governor Mills has stated that the infrastructure in Maine is outdated and will not accommodate all of the proposed projects in Maine. She has contacted a business in California that will do a study to determine what needs to be done to update our infrastructure. There are three ways to determine the valuation of a solar project. They are:

1. Cost Approach – In which you know the cost of installation and use that number
2. Sales Comparison Approach – The assessor uses a comparison of values when a similar project sells.
3. Income Approach – The assessor works with the owner of the project determining the net operating income which is used to determine valuation.

Mr. Birch would like to have a Zoom Session with the Central Maine Assessors and develop a template for Maine Assessors to use to determine the valuation of a solar project and also for a 706 request to determine what materials are taxable. He suggests that in all towns, the Assessor and Town Manager sit down with the developer and discuss what parts of the project will be taxable. The zoom meeting was moved to March and will include Mr. Moser and Mr. Vandinen who are well versed in Commercial Developments. Mr. Vandinen recommends a discounted cash flow analysis for determining values. This will take a lot of communication between assessors and developers. There are Federal funds available for developers of Wind and Solar projects. Mr. Birch does not think Maine Assessors will be prepared for Solar Project valuations for 6 to 9 months.

Bob Cleaves, of Dirigo Solar was in the audience and asked to speak after Ben was done. He said Mr. Birch's explanation regarding valuation issues was very good. Mr. Cleaves stated that they have projects up and running in Milo, Oxford, Fairfield, Augusta, Hancock and Palmyra. They will have

seven completed by this summer. Mr. Cleaves said that Maine and most states do not have experience in solar array valuation because the technology is so new. He continued that with the surge right now, Community Solar, the economics is favorable because of how the subsidies work between the customers and the plant. The seven projects that Dirigo Solar is involved in right now are Utility Scale Projects where they enter into a contract with the power company, CMP or Versant as a result of a Utilities Commission contract reward and do not get paid by the credits or subsidies. The economics are very different. Community Solar projects might get 13 or 14 cents per kilowatt hour, while Utility Scale might get 3 cents. The income approach is very different on Community Solar. The benefits to the town are very different because right now Community Solar projects are not paying any taxes, per legislature that made them exempt. He expects the legislature to change that. Dirigo Solar is paying their host communities. They have been meeting with the assessors in the other towns. He said they should be taxed at a sensible rate that is consistent with other businesses in town. Utility Scale projects must show economic benefit to the Utility Commission, while Community Solar projects don't. Mr. Cleaves said that their contracts state that they have to pay at least a minimum amount of property taxes each year.

Susan DS said that from what she has read, some of the parts of the projects, like the panels and stands are not taxable but other parts are. Mr. Cleaves explained that the legislature created a program in which an individual can sign up with a Community Solar project and save money on their electric bill. Susan DS mentioned the need for Performance Guarantees for decommissioning and Mr. Cleaves said the MDEP has developed some strict decommissioning rules over the last 18 months. David P feels they will deal with the assessment part of a solar project after they develop the ordinance.

Craig K asked Mr. Cleaves about solar projects bidding with ISO New England. Mr. Cleaves explained that a solar developer is interested in ISO New England for two reasons.

1. They deal with transportation level connection rather than distribution level, so they deal with ISO New England. The solar project has to demonstrate that when they connect to the transportation line it will not cause a problem in the line elsewhere.
2. There are a number of natural gas plants in Maine which are called peaker plants which only run when ISO New England tells them to run, when the price gets to a certain point. (These plants have to be staffed even when they are not running.) The plant bids in a "Day Ahead Market" wholesale market which is not relevant to Dirigo Solar. Dirigo has a contract with CMP or Versant and when they connect to the utility line they get paid. Craig K asked if this was going to be a way to phase out natural gas? Mr. Cleaves answered that he does not see gas going away. He continued that they will probably see an increase in batteries at solar sites to store the energy for cloudy days. Susan DS said that the science of batteries is better but may still face hurdles from municipalities for overheating, etc. Scott N explained that the Department of Defense has a solar initiative. They feed it into their own use and do not battery bank anything. If the power goes out, houses lose their power, but the hospital stays powered. Mr. Cleaves said this could be in the plans for Eddington in the future. The batteries are the size of the municipal building. Craig K said that he read after the CMP corridor was stopped that Maine solar and wind power could generate power for the whole of New England.

Susan DS asked Ben if the cost approach seems to be a way to value older farms at a lower level? Ben B thinks the older farms will be harder to appraise because they will have to come up with a depreciative value. He continued that this is when it will be the job of the attorneys to determine an obsolescence number. Craig K said that he has seen videos that some governors have made solar arrays tax exempt. Mr. Cleaves does not think this will happen in Maine. The Board thanked Ben Birch for his presentation.

David P asked Mr. Cleaves if their proposed project could be juggled around on the lot in regards to the setback from residences? Mr. Cleaves said he would have to refer that to his engineer. He continued that a town can require visual buffers from neighbors for any developer. Mr. Cleaves

suggested that the Board look at the ordinances from other towns to get some comparison. He can be reached at bob@dirigosolar.com.

UNFINISHED BUSINESS: The Board will continue their work on the Solar Ordinance.

1. Denise K will get all of the sample ordinances converted to word so that if there is a section that the Board likes in one ordinance we can copy and paste it into the Greenville one. She will email the Greenville Ordinance to Susan DS and Heather G so they can start making the discussed changes to the Ordinance.
2. Susan DS will reword Greenville Section 7,j Decommissioning, with Rumford's Section 5.3.B.
3. Susan DS likes Rumford's #6. Licenses and Inspection. Scott N asked if this section would already be something that the Code Enforcement Officer would do for any business? Susan DS said they should ask Rick. Susan DS continued that in other ordinances, it was written that the CEO could hire a specialist for certain items. David P feels that they will need to discuss this further because they are getting the CEO out of his league. He could check the fence, vegetation, signage and proper maintenance of the road but checking for cracked panels and grounding of equipment is not his responsibility. Scott N said that these are items that the company would be checking for themselves because it is in their best interest that they are okay. Mr. Cleaves said that they hire a third party to do periodic inspections. David P asked if the Board could get a copy of these inspections and Mr. Cleaves said yes. Also, Craig K asked if he would inform them as to how often the inspections are done and by who. Craig K asked if the company would inspect the panels after a major hail storm within the next day or week. Mr. Cleaves said that they are pretty bullet-proof. They would be more concerned about snow built up on the panels with no sun.
4. Craig K questioned the type of material that the panels will be made from. Mr. Cleaves said that they do not use the material that is not environmentally friendly.
5. Susan DS liked another ordinance that talked about checking on storm water maintenance.
6. Greenville Section 8, i-m is the same as Thorndike
7. Susan DS asked how they are going to determine whether it is small, medium or large scale operation. Possibly they could be residential, business or commercial. Scott N said they will want to be careful if we put a number on residential, because it is based on consumption and some homes would require a lot more than others and it would cause problems if we limit a resident. Susan DS read from the Greenville Ordinance that said a medium scale would occupy more than 800 square feet area but less than 20,000 square feet of surface area and large would be 20,000 square feet and more. Mr. Cleave suggested that regulating them by size rather than use would be better, such as non-residential and a size.
8. Scott N asked if anyone got the information from Wells regarding solar power. Susan DS explained that she and Denise tried to locate it but did not find it. Scott N will look for it.

AGENDA FOR FUTURE MEETINGS – HOUSEKEEPING: David P would like the Greenville ordinance in word format and would like the Board members to review the sample ordinances and bring their ideas on the ordinance to the next meeting. Someone from Dirigo Solar will be at the next meeting.

DATE OF NEXT MEETING: The next meeting will be February 8, 2022 at 6:00 pm.

PUBLIC ACCESS: David P informed Sally Harrison and Terry Grant that they had received their packets and will discuss them when the site plan is received.

ADJOURNMENT: Motion to adjourn at 7:35 pm. **By Heather G/Craig K 2nd. Vote 5-0**

Respectfully Submitted,

Denise M. Knowles