Town of Farmington Economic Development Committee Meeting Minutes Thursday, June 22, 2023 Selectmen's Chambers 356 Main Street-Farmington, NH 03835

Committee Members Present:

Others Present:

Danielle Harris, Chairman Taylor Crawford, Vice Chairman Ann Titus, Selectmen's Rep Dale Knapp and Ed Cherian, Walden Renewables

Committee Members Absent:

Dan Woodman
Jason Lauze
Adam Giles
Stephen Henry, Planning Board Rep

1). Call to Order:

Chairman Harris called the meeting to order at 6:08 p.m.

She said due to the lack of a quorum of the members they would just do an informational session.

2). Pledge of Allegiance:

All present stood for the Pledge of Allegiance.

3). Walden Renewables:

Dale Knapp, Head of Development-New England said he was here with Managing Director Ed Cherian and they have been working on the Nutes solar project for probably almost 2 years now so they were here to present at a high level what the project is, what the benefits for the Town of Farmington would look like and then they will see them in town again and again over the next year or two and hopefully much longer than that if they are successful. He said the project is a 20 megawatt solar facility that would be located off of Chestnut Hill Road back along the Milton town line. He said they look for 3 things when developing a solar project- transmission capacity, a system that can take the power generated for the project; landowners that are willing to lease their property for the purposes of developing a project and land that is suitable, level areas, not a lot of resources and has been previously harvested for timber so they are not cutting old growth and places where the project can't be seen from surrounding properties. This site checks all those boxes he said.

Mr. Knapp said they filed an interconnection application to get a queue position with

Eversource and they are proposing to interconnect the facility on the transmission line that

goes through the property shown in the aerial photo they provided. He said they would tap that

line so they don't need to build any long or extensive infrastructure to interconnect the project. He said they've done some preliminary due diligence on resources present within the site, done some visual analysis, they held a public informational meeting at the Town Hall and they were successful in getting through the Zoning Board of Adjustment to allow this project to proceed. Mr. Knapp said they were excited to talk to them about what the financial benefit of the project might look like and then they are also going to back in front of the Select Board to talk about a Payment In Lieu Of Taxes agreement. He said no only do these projects provide long term renewable energy which is good for the region they also provide financial inputs to the host community without drawing on any services. So no 8th graders are going to come out of the project to go to your schools, we don't require municipal water or sewer so essentially we pay in but we don't take out he said.

He said one of the key pieces of the PILOT they're working through with the Select Board it essentially creates a long term return over the life of the project kind of a guaranteed yearly payment. He said they ran the numbers and what they're presenting to them on July 10 is just shy of \$4 million over the life of the project. He said there would be larger upfront payments in year one when they move toward construction, building permit fees and that type of thing and then consistent payments with an escalator over the life of the project.

Mr. Knapp said another concern they often hear is things like decommissioning and they put up financial surety to decommission the project prior to construction so you know if by some crazy unimaginable scenario that it stopped generating power or they default the site is restored to a natural state. He said sometimes they get questions about noise, if they're reflective those types of things and they are not any of those things. He said Walden has been at this since 2013 and they have a bunch of projects that are operational now and offered to schedule a site tour if the members want to drive all the way to Wells, ME to visit their facility that is operational there. Sometimes seeing it in person really helps he said.

Mr. Cherian said they have gone to the Zoning Board and got their approval last month. He said next is they will be meeting with the Select Board again to discuss the PILOT payment and once that's done they will get into the detailed engineering layout for site plan review which he was sure would be pretty extensive so there is a lot of work to be done on that. He said that requires a lot of field studies, wetland delineation, land survey, coordination with the state for the Alteration of Terrain permit so it's expected to take quite a while.

He said assuming they go through that process and at some point the construction period, solar is pretty passive once its built there's no operations building and there is no somebody at a gate it runs itself. He said they can monitor solar farms with their phones so the operations and maintenance is generally one person in a pickup truck once a month in general after a shakeout period of a few months.

Mr. Cherian said the construction period from mobilize to the site to full completion is about a year depending the weather and winter. He said that is more involved because there is some

tree clearing but a lot of this land has been commercially harvested by the landowners over the years already and has been thinned out. He said there is tree clearing, there's grading and that's all governed by the federal storm water rules on stabilizing and bring in native seed mixes so everything will be in a meadow condition when it's done. It's not concrete, there's a gravel road and everything else would be meadow, weeds, maybe clover and "pollinator friendly" and UNH would provide the seed mix.

Mr. Cherian said the civil part of it is somewhat involved because there are a lot of trucks and then the mechanical parts are steel posts that are screwed in or driven into the ground and the rest is racking that's almost like an erector set kit that you just snap together. He said that part is a lot fewer people, there really isn't any noise as you're pulling wire and what have you. He said then there would be a month of what they call commissioning so there's testing and there's a lot of standards required before they can connect to the electrical grid and in this case with Eversource they don't let you just flip the switch. He said they plan to connect to one of the poles that runs right thru the middle of the site so there's a few poles with equipment and a meter and they have requirements so it's about a year from start to end. You can look at all of the material provided to the Zoning Board that includes a traffic study, a visibility study and a sound study but the only sound is a hum like from a transformer he said.

Mr. Cherian said the standard setback under the zoning rules is 50 ft. and they are at a minimum of 150 ft. probably more and have also committed to if needed putting in some landscaping. He said they want to "stash it away" there because visibility is a sensitive issue to people and they will say they like solar but they don't want to see it. He said there's really no sound at all and it's a fairly passive way to produce power.

He said they would sell the power to whoever will buy it potentially the Town of Farmington among others and they may try to sell it to Eversource. He said that part of the economics is they will look to sell the power in a long term contract to various parties and that is what makes it go.

Mr. Knapp said the visibility piece is worth revisiting. He said he has been working in NE for 23 years on energy projects and this is probably one of the least visible proposed projects he has ever seen. He said it's really a very safe, kind of passive technology and sometimes they get concerns about what these panels are made of and its glass and steel they're not filled with hazardous chemicals even the transformers now are using a vegetable oil in them with spill protection still. They represent the most environmentally friendly way that we can produce the electricity that we all need and at a much lower cost. So from an economic prospective these projects can produce power for a fraction of the cost of a traditional fossil generator.

Mrs. Harris asked if they could share some of those initial assessments with the Zoning Board so they could see the details.

Mr. Cherian said it is all on the website or Mrs. Heon has all of it or they could give them their e-mail address and he would send it to them.

Mr. Knapp said at a maximum it was like 9 trucks so the traffic they see on Chestnut Hill Rd. is not going to be dramatically increased or changed. He said they are also not talking about massive pulp trucks like huge tractor trailers coming through and these are mostly panel trucks because its modular equipment-you bring in a bunch of pipes, you erector set it up on site so you don't need to bring in a wind turbine. They're very manageable in size he said. He said he lives in ME so they have seen a tremendous number of these projects getting underway in the last 3-4 years and if they have driven around ME they have probably seen some of them which is helpful. He said they have not had traffic impacts on any of rural communities or even some of the larger communities.

He said Sanford is another place where they have multiple projects that are permitted and moving toward construction now and Sanford has been tremendously supportive of solar projects and they have encouraged that kind of development within their community. He said there are particularly in a neat location because their grid can support far more power injection than Farmington could but they have been reaping the benefits of seeing solar development in their community and if they could host more projects he thinks they would.

Mr. Crawford said he mentioned they can host more power injection than Farmington and asked if there is any concern about something like that here and if it limits solar projects.

Mr. Knapp said Farmington has less capacity available on its system and used the analogy that the veins in your body are kind of like the transmission system and at the core you can carry a lot more than you can in your extremities. He said in ME there's a huge trunk of the transmission system so Sanford has a lot more capacity to move things around the body core there and as you push out maybe Farmington is at your hand so it has less capacity. He said what they are doing here is gobbling up what capacity remains on this transmission system so you're not going to see 50-60 MW projects proposed here unless they rebuild the grid which he didn't think anyone would pay to open up the grid to allow for their projects to proceed because they're responsible for the line upgrades. So there is a limit both on the

He said that doesn't mean you wouldn't see a smaller distributer generation facility that ties into the distribution system. We're a transmission scale project so you might still see a couple of small 2MW projects and the Town had a couple of those proposed. This project would not interfere with those facilities he said.

system as well as the land for what you'll see here so for the near term this project is gobbling

Mrs. Titus asked if this project is just for Farmington or if it is going to help the surrounding towns.

Mr. Knapp said this project is likely going to be commercial and industrial off take so they have to sell their power to another Eversource customer until something changes in the NH rules so residents can't buy or subscribe to these projects and with municipalities you can't aggregate beyond a single town. He said they hope that that changes and they will probably know more

up the capacity that exists on the transmission system.

next week whether or not that's possible but there are current rules in NH that restrict developers like them from making that power available to more customers.

Mr. Cherian said the actual power the actual electrons would be used locally. He said that power line is a regular 3-phase power line like the ones along the road that feeds houses and businesses in Farmington so the actual solar power is going to be consumed in Farmington and they sell it through a power purchase agreement that's virtual because they can't actually bundle up that electricity and deliver it somewhere else. He said they bid into Dartmouth College's RFP, they talked with NH Electric Co-op because they've done a number of renewable power deals with them and they could sell it anywhere in the state to Pease or a factory or a town they don't have to be located here. It probably would have to on the Eversource system but the Co-op has a little trunk in Farmington so that gives them a total enough that we discussed selling them power and that is still in discussion he said.

Mr. Knapp said for example the project in Wells, ME sells power to the Lewiston Housing Authority, the Sanford School District and several businesses. He said typically they enter into long term purchase agreements so they lock in that rate at a fixed price for 10, 15, 20 years so they know exactly what they're going to pay for power and they know exactly what they are going to pay them for that power so you set it and forget it.

Mr. Crawford asked for the power output at Wells.

Mr. Knapp said Wells is a 5 MW project on about 20 acres. He said it is also worth noting that the map they are showing them here they have not done the final civil design on this project so it's not going to cover 500 acres. He said a 20MW project is around 110-120 acres total footprint and sometimes less depending on the layout and the land and what they need for clearing around the project.

Mr. Crawford asked if they are doing the project in Gray, ME.

Mr. Knapp said he permitted the project in Gray but that is not a Walden project that's ISM Solar and is a 5MW project. He said this project will be surrounded by trees and you will have to hunt it down to see it but the fencing on that project is a good example of the agricultural fencing they use. He said some of the projects that were built years ago have a chain link fence with razor wire on top of it and that is overkill, it's ugly and unnecessary, it prevents passage of small animals, it provides a visual barrier and they don't use that kind of fence. He said they use agricultural mesh and wooden posts and it looks like a farm fence as they want to match that NE aesthetic because when you are driving by it you look through the fence, see the facility and the trees behind but if you put chain link there it would just look a wall and its more pleasant for the viewer.

Mrs. Titus said it's safer than chain link with the wire too.

Mr. Knapp said they want to allow animals to continue to use the site as habitat. He said it's certainly a change but it provides some great habitat for small mammals and birds and if you go to the site in Wells there's wildflowers over it and birds chirping and it's actually quite peaceful

out there.

Mrs. Harris said she is not as familiar with this site and that it is still undergoing some assessments and asked if it is anywhere where public traffic would be going through or by. Mr. Knapp said they are proposing an entrance off of Chestnut Hill Rd. He said it would come off of Chestnut Hill Rd. and then take a turn up and there would be a gate just off of Chestnut Hill Rd. but you would not be able to access a public road to see the project.

Mrs. Harris said that road maintenance is a subject that comes up in town but that sounds like it would be a private road.

Mr. Cherian said it's all private and they probably would not plow it in the winter as it is not generally needed so it's going to be a basic crushed gravel road. He said it does get mowed and periodically graded and but it's going to be compacted so it will be a long lasting gravel road. He said Highway Dept. Supervisor Ed Brannan said the Town has standards for how they want their driveway access to be so they will continue to coordinate with the Town to make sure that the entrance meets the Town's standards.

Mr. Knapp said in addition to the PILOT payments, the building permit fees and that financial package they also offered to write a check to the Town for \$40,000 if you want to have an array on a Town building and they will provide support in terms of their expertise to evaluate how that might come to pass however if you decide you want to spend that \$40,000 on a plow truck that's totally at the discretion of the Select Board and the community. But they did express earlier how we are benefiting by getting power from this if we're not able to sell power from the project to the Town so we're going to write a check so you could have an array of your own. If the fire station fits and you put that facility in the power is going to the Town and knocking money off your bill as long as it's up there and that's another perk we're trying to present to the community he said.

Mr. Crawford asked with the new energy coming in if they see an impact on energy demand costs since they are offsetting that a little bit in communities. He said they are not selling directly but they are providing more supply and asked if that impacts at all.

Mr. Cherian said yes and he didn't know if Farmington is part of the Community Power Coalition of NH which is a group of 35 towns that is starting to buy power directly competitively from anybody instead of from Eversource and Unitil. He said they still use their poles and wires and they have to pay them for it and the bills look the same except they buy power from somewhere else. He said it's a new organization that was put into legislation 2 years ago and its going pretty rapidly and they are now buying power for their first group of communities at 20% or more less than Eversource, Unitil or the Coop as well.

He said one of the reasons why power has gotten so expensive is NE is one big power market so what happens in ME or CT affects us here. He said something like 70% of the electricity is produced using natural gas and we don't have any natural gas at all so its constrained. He said that over dependence on one fuel is a risk because what if the price spikes, the Ukraine war, an

embargo on Russian gas which is heavily used in Europe and a lot of our gas is being exported to Europe because they're making more money which raises the prices here and it's all interconnected by this global market.

He said every time more solar, wind and hydro comes on it displaces that which means there's less of a need for that and less volatility. He said the cost of fuel for solar is always zero it's never going to change once it's built and there is no volatility to it so that is one of the advantages to it.

Mr. Cherian said everything from putting it on your roof top to big projects like this it adds up more and more and eventually the Community Power Coalition anticipates within 3 years they will be providing more energy than Eversource and for the most part they will not be buying a lot of gas powered generated energy until they have to. That's going to change the market and reduce the volatility because the towns are saying they're not going to rely on the utility because they just go to the big gas players and they don't care what the price is because they have a guaranteed rate of return and they just pass it on to the ratepayers-22 cents a kilowatt hour which is insane he said.

He said they are in the solar business and they could sell Eversource today at 7 cents and they would still make a profit so there is some disconnect there when we can sell them power and they don't want to at 7 cents and they're charging 22 cents. He said the market is changing it's going to take a little while but a lot of towns are taking control of it and then they issue written requests for proposals and companies like them can bid into it and say they'll provide 20 MW enough for 4,000-5,000 houses right there.

Mr. Knapp said grid scale is where it's at if you want to reduce the price of power. He said ME is a good example of where some community projects have popped up and you can participate in that and get 15% off the supply side of your bill but these projects would have a lot greater impact if it's utility scale. That moves the needle and those are long term contracts so you can firm that up today and as the demand increases down the road you are still purchasing it for that same price whether inflation goes up another 20% in the next 4 years it doesn't matter-you're paying the same price long term for that power so it stabilizes the power market he said. He said it also helps us move away some of these capacity payments because not only do we purchase from these natural gas power producers we're paying to have oil fired plants on standby and they're not even producing power. So we're making a capacity payment to them while they sit there with their finger over a button and if we can move away from that system it's better for us as NE rate payers he said.

Mr. Cherian said they are about a year and half maybe more from construction and they need a lot of electricians for this and they're not going to find 30 solar electricians in Farmington so they're going to bring them in from ME, MA and NH because it's specialized work but there are a lot of the construction needs that can be sourced locally and this is where a list of the local companies that may be interested would be helpful. He said they will hire a general contractor

when they bid this out and they competitively bid their projects. He said generally what they have done is to have an introductory meeting where local vendors have a chance to pitch the general contractors to see what they've got. He said it may seem little but it adds up-they are not going to bring sand and gravel from MA when there are sand and gravel pits here, they will need diesel for their trucks, potra-johns, food and people that come from away will need hotels or campgrounds, cement, bulldozers and loggers. He asked if the committee keeps a list of local contractors and he didn't want to raise expectations because it's still a ways out there but it is far cheaper to have local people as much as possible than the cost to pay someone to drive 50-100 miles to do something that can be done with labor from Farmington companies.

Mrs. Titus asked how many people are on their crew.

Mr. Cherian said they will probably max out over 100 people.

Mrs. Titus asked if that would be daily.

Mr. Knapp said that number would go up and down.

Mr. Cherian said it would be spikes as there would be logging and clearing and then the civil work which is bulldozers which are primarily local, gravel for the roads which would primarily be local, rollers to roll the roads and once the civil is done then mechanical which is not really a specialized area but it's driving posts which sometimes means drill rigs and then when they get to the electrical it's specialized because they have to licensed and have solar experience and that is probably going to be people from elsewhere.

He said once it's built there isn't a lot of work but there's mowing and on-call maintenance and they have worked with community colleges in ME to train operations maintenance people and they will go site to site. He said there are enough sites in NE now that they can take that as a job to do maintenance and trouble shoot a fault on an inverter or a tree branch falls on a module, things to fix like that. He said fencing could be local work as he was sure there are fencing contractors and that's the kind of stuff they're looking at. At some point if there is a list of companies that interested they can then arrange a meet and greet once they have a general contractor and give them the opportunity to pitch their work and get a general feel from the contractor of what they're looking for. Then we can make a connection and hopefully more money is local. It's good for us because we want to spread the money around and be good neighbors and shows more value to the town and its going to save us money he said.

Mr. Knapp said they always endeavor to do that but sometimes contractors have better things to do but getting ahead of it a little bit might help them understand our timeline that this is a 2024 construction project if they have that interest and they would love to use local people.

Mr. Crawford asked if they could put together a list of needs for each stage of the project and the committee could work with the list they have and put it out there themselves saying there is an opportunity to keep this local.

Mr. Cherian said they can do that.

Mrs. Harris said they have a wealth of that information and she was sure they would be happy

to consider and we have a lot of talented businesses and owners in town. She said he mentioned not necessarily considering plowing but winters get hairy around here with trees falling down and things like that.

Mr. Cherian said there is some winter maintenance and they will be in some manner working through winter. He said he built 2 wind farms in NH and they worked right through the winter and they spent a lot of money on plowing because you have 100 people coming to work and someone has to be there to plow the roads so they can go to work. So there will be plowing during construction he said.

Mrs. Harris asked if there were any more questions and hearing none she thanked Mr. Knapp and Mr. Cherian for providing a wealth of information and addressing a lot of the questions they have heard from the community.

Mr. Cherian asked if the EDC does anything at Hay Day and maybe they could set up a table at Hay Day.

Mrs. Harris recommended that they reach out to Rec. Dept. Director Erica Rogers at the Parks & Rec. Dept. as she is organizing that. She gave them copies of the summer quarterly EDC newsletter that mentions Hay Day which is on August 19.

Mrs. Titus added that it will be held at the 500 Club ball fields this year.

Mr. Knapp said that Walden as a company, they all live and work in NE where they develop these projects and they are not leaving so they endeavor to be a good neighbor with their projects, so if something pops up don't hesitate to reach out. Not all developers are created equally when it comes to the responsibility we take to make sure we do things right so we're not blowing smoke. We want to be here long term as a good neighbor that's welcome in this community. It's a new thing so we want to make sure we're getting the information into the community so people are making an informed decision not based on what they read on the internet he said.

Mrs. Titus advised it would be a really good idea for them to be here for Hay Day because if this has to go to a vote of the town you're seeing a couple of 100 people. She said we're hoping it's going to be bigger and better since things are getting back to normal after COVID. She said if there is a few hundred people there and they're talking to them they're voters in March and you want your project to go and we wanted it voted to help this community.

Mr. Cherian asked if they have groups that will have a table and a central field.

Mrs. Titus said you go there and set up your table at 8:30 a.m. and people come from 10 a.m. to 3 p.m. and there will be food, games, music and vendors. She said it's a great opportunity to meet people and explain this.

Mr. Cherian said they will be there and they will touch base by e-mail to figure out what would work best and they may have some fun stuff to give away for kids.

Mr. Knapp said they have had a really good experience so far with the project and they hope to

continue it moving forward. We'll be back he said.

Mrs. Harris then thanked them for coming to the meeting.

4).Review of Minutes: Tabled to the next meeting.

5). Former Fire Station Request for Proposals Update:

Mrs. Harris said the Selectmen kept the date as July 14 as the deadline for receipt of proposals and the committee had recommended that it go to 90 days. She said she did not have any word of any RFP's sent thru yet and she will update the committee as she hears more about it.

Mrs. Titus asked to have the flyer posted on cable TV Channel 26 as it has really good information that should go on there. She asked if the EDC newsletter goes on Channel 26.

Mrs. Harris said if there's a way to do that that's a great idea.

Mrs. Titus suggested they talk to Cable TV Coordinator Robert Hall after the meeting.

Mrs. Harris said they have the printouts and those can get dropped off at local businesses.

6).Adopt-a-Spot Update:

Mrs. Harris said they are doing a planting at the old fire station this Sunday at 2 p.m. and hopefully there will be no thunderstorms but they might have to reschedule it. She said there are some volunteers from the committee and the community that are coming out to help and thanked them for their help. Many hands make light work she said.

Mrs. Titus said this was a nice workshop that they had with the solar people and the discussion is being made and it's being talked about.

Mrs. Harris said maybe in a future newsletter they can have what the vote is on in March. Mrs. Titus said the Selectmen will be meeting with them again and this is a 1 ½ year project but if there is any money that they need at a certain time there might be a warrant article. When money comes up and this starts happening, it's going to have to go to the voters she said. Mrs. Harris said maybe they could do something similar to what they did at this past March's Town Meeting noting all the topics that will be discussed.

Mrs. Titus said they could also do a presentation at Town Meeting in March and they could have a table out in the Town Hall lobby when people are coming in to the meeting

7). Adjournment:

Chairman Harris adjourned the meeting at 6:53 p.m.

Kathleen Magoon, Recording Secretary

Danielle Harris, Chairman