

# **Solar Toolkit Developed to Help Municipalities Advance Solar Projects**



The New York State Energy Research and Development Authority (NYSERDA) has developed a Solar PILOT Toolkit to assist the state's municipalities in understanding and negotiating payment-in-lieu-of taxes (PILOT) agreements for solar projects larger than 1 MW, including community solar projects. Based on feedback from local government officials and solar industry representatives, NYSERDA developed the toolkit in response to the need for greater information on PILOT agreements as solar projects develop throughout the state.

The Solar PILOT Toolkit provides a framework for local taxing jurisdictions to negotiate payment agreements with solar developers. In addition to their clean energy and job-creation benefits, solar developments can yield significant financial value to municipalities through PILOT agreement payments.

The toolkit addresses the lack of information on property tax issues around solar development and is designed to enable municipalities to work with developers to negotiate PILOT rates that benefit the community and make the projects financially attractive to developers and their customers.

"The Solar PILOT Toolkit will serve as a vital resource to help municipalities encourage the development of community solar projects and make sure they benefit the entire community," Alicia Barton, President and CEO, NYSERDA said. "Large-scale solar projects provide a great opportunity for communities across the state to take advantage of clean, renewable energy while advancing Governor Cuomo's Reforming the Energy Vision strategy."

New York State is undertaking significant changes in the way it generates and delivers electricity. As one example, community solar projects allow electric customers who are not able to install solar panels on their properties to own or subscribe to a portion of a community solar project, and benefit from the cost savings of clean generation.

As a method to promote the installation of clean energy, Section 487 of the Real Property Tax Law exempts the added assessment value of renewable energy projects, including solar photovoltaic (PV) systems, ( for example: [RENOGY 200 WATT](#) ) from local property taxes for 15 years. The law allows any taxing jurisdiction to "opt-out" of the tax exemption, which would then makes the PV system fully taxable.

The Toolkit offers guidance to counties, towns and school districts on the structure of a PILOT agreement as an alternative solution for community solar participants and developers in municipalities that opt-out of the tax exemption. It also includes templates for a single jurisdiction or multiple jurisdictions that municipalities can tailor to meet their needs in working with developers to negotiate an agreement.

The Toolkit is comprised of three elements: a model resolution to guide municipalities in exercising their legal authority to adopt a PILOT; a sample agreement that jurisdictions may use to draft an agreement with developers; and a PILOT Calculator with two options that offer guidance on methods to collect revenue.

For additional information and guidance about adopting solar in local communities, local officials can contact the NY-Sun team at its contact page to identify opportunities, mitigate barriers, and learn about training, education and technical assistance opportunities.