



Developing a Picture of Solar Development

Phase of Project:



Farm Location: Schuyler, Herkimer County, New York

Operations:
 Certified organic dairy that also produces beef, corn, hay, and soybeans.

History:
 The farm has been in Deb's family for 100 years and she's been farming for 30 years. She hopes to pass it on to her two children when the time comes.

Size of Project:
 28 acres of a 550-acre farm.

Type of Land:
 Prime agricultural land (class 1 soils) next to thruway (industrial location with no neighbors).

Length of Lease:
 20-year lease with one 5-year extension option.



Solar Leasing Experience:
 A solar developer contacted Deb and her husband in 2016, and they soon signed an option to lease. The lease term was scheduled to begin "on the date that the tenant begins construction." Their lease payments were to be paid semi-annually and included increases "over an annual rent payable with an escalation percentage." The developer also agreed to pay for any increase in taxes.

As is typical, a 2-year due diligence period was written into the contract, during which time they would receive a set payment. Just prior to the end of the due diligence period, May 2018, Deb was notified that the developer had decided to cancel the project (due to them being unable to secure the interconnection agreement). Since then, more developers have expressed interest. However, after the lease agreement was terminated, Deb signed with their local Industrial Development Agency to keep that parcel of land undeveloped, meaning it could no longer be developed with solar panels.

Advice:

- Signing a contract does not mean that the developer will actually follow through with the project (a very low number of leases make it to the operation phase).
- Just because one developer is no longer interested in developing the land does not mean that other developers will not be interested.

Stipulations in Contract:

The main stipulation that Deb included in the contract was creating a bond for the decommissioning of the panels.

Pros of Leasing Land for Solar:

- Lease payments that could be used to supplement farm income, act as an income stream for their kids, and would help pay taxes
- Can still farm during due diligence period, up to construction

Cons of Leasing Land for Solar:

- Using prime agricultural land
- Risk that panels won't be decommissioned properly

Town and Neighbor Response:

Being that Deb and her husband were among the first to sign an option to lease, the town put a 6-month moratorium in place when the project was proposed. At the end of the moratorium, the town issued a new zoning ordinance. Because the land is located next to the thruway with no residences nearby there was little controversy otherwise.

Opinion towards Increasing Solar Presence:

Deb believes that solar development should be more strategic, such as installing panels on marginal land instead of prime agricultural land. She believes that “we need to force these companies and utilities to expand the infrastructure so that solar can be built where marginal land is—a lot of times, marginal land is off state highways where there's not 3-phase electric.” She is also concerned that Article 10 enables the developer to circumvent home rule and avoid public controversy. It also seems to Deb that solar is going where there is no zoning and the towns aren't prepared.

Where Farmer Gained Information on Solar:

Deb worked with an attorney during the negotiation and signing process. She also relied on previous knowledge that she had gained through her job in the Department of Transportation, her work with NYSERDA, and a class that she had taken on wind turbines.