i.on renewables, LLC 707 Westchester Avenue, Suite 116 White Plains, NY 10604 daniel@ionrenewables.com

Ms. Lisa Mulligan, CEO Brookhaven Industrial Development Agency One Independence Hill Farmingville, NY 11738

RE:

Applicant:

Lawrence Aviation Solar Farm, LLC

Application:

Brookhaven Town Industrial Development Agency

Premises:

Lawrence Aviation Drive, Port Jefferson Station, NY 11777

Dear Ms. Mulligan,

On June 29, 2022, after the completion of a public RFP process, Suffolk County Landbank Corporation ("SCLBC") has selected (Resolution SCLBC #2022-01) our proposal to purchase two L-1 zoned parcels at the Lawrence Aviation site (Suffolk County Tax Map Numbers 0200-159-2-19 and 0200-159-1-26, totaling 36.17 acres; the "Project Site") for the development of a solar PV generating plant (the "Project").

At the same time, i.on renewables has secured an award for the Project under the LIPA Board of Trustees Solar Communities Feed-in-Tariff ("FIT V") Program for a 20-year term, during which PSEG Long Island will purchase all electricity produced by the plant.

On December 22, 2023, Lawrence Aviation Solar Farm, LLC, a limited liability company owned by i.on renewables, LLC, entered into a Purchase, Sales and Development Agreement with SCLB Holdings, LLC, a subsidiary of the Suffolk County Landbank Corporation, to purchase the aforementioned Project Site.

The Project, as currently designed, will consist of approximately 13,360 solar modules, totaling 7.75 MW DC. Electricity produced by the system will feed into the local utility grid and provide zero-carbon electricity to residents and businesses in Long Island, helping to make Long Island energy independent and reduce local carbon emissions. The plant will generate approximately 10.8 GWh per annum, which is equivalent to the electricity consumption of 1,500 households in Suffolk County. Eligible low- and moderate-income customers will receive a discount on their electric bill each month. In addition, the construction of the Project, requiring at least 30,000 man-hours, will help the local economy by providing prevailing wage construction jobs to the community. There is broad support for the Project in the community.

As you may know, funding for the demolition of the remaining improvements at the Project Site was secured by SCLBC from a number of sources, including HUD through Senator Schumer and Governor Hochul, and we expect the work to be completed within the next few months.

Allowing sufficient time for the remaining development work, the anticipated timeline for the start of construction of the Project would be in Q4 2025, and it should take approximately 3 to 6 months to complete the work. Commercial operation ("COD") with PSEG Long Island is anticipated to occur in Q3 2026.

While we are excited to pursue the construction of this project to create both environmental and economic benefits for the residents of Brookhaven and Long Island, the project is now facing different economic challenges:

1) The Project Site was still listed on the National Priority List ("NPL") as a Superfund Site. In a joint effort with the Suffolk County Landbank, we were able to at least get the Project Site partially delisted from the NPL. This was necessary to qualify for certain tax credits under the Inflation Reduction Act, which were assumed. The delisting process started with a letter to the EPA in June of 2023 (letter to Ms. Administrator Garcia attached for your references), and the partial delisting took place in February of this year. We are very grateful for the collaboration and support we received from the Suffolk County Landbank Team in working with the EPA and the New York DEC to make the delisting process possible.

Unfortunately, this process was not part of our original time schedule for the start of construction. We are about one year behind schedule, and expenses for the delisting process were not budgeted.

- 2) Due to most recent decisions at the current Federal Administration, especially the proposed language of the "One Big Beautiful Bill", the renewable energy industry is facing a severe crisis as the Federal Investment Tax Credit ("ITC") is phasing out in a much shorter timeframe than originally considered. As a result, equipment prices are increasing significantly due to high demand by investors trying to secure start of construction within the time frame, which may be anywhere between 60 days after the bill is passed, the end of 2026 or in the best case one year after the bill is passed.
- 3) The current Federal Administration has extended and increased import tariffs on solar modules from Asia. While we would be eager to source solar modules from the domestic market, unfortunately the domestic manufacturing capacity cannot provide the capacity in demand. In other words, solar modules manufactured in the USA are simply unavailable. In any case we are facing much higher prices for solar modules than originally assumed
- 4) The solar pv array will largely be located on contaminated ground. Therefore, the Project will be constructed on a so called "ballast block racking system" which avoids the penetration of contaminated ground entirely. The same applies for all low voltage wires for AC and DC electric generation, which will also be installed above ground utilizing a special wire management system.
- 5) The available space at the Project Site was significantly reduced. The original solar pv design planning, which contemplated the use of flat open space in the areas of the now

demolished factory buildings, unfortunately had to be altered due to DEC's ongoing ground water monitoring activities. About 1/3 of the Project Site is no longer useable for solar pv installations, and we are now forced to conduct unexpected and not budgeted civil work at the Project Site.

Overall, the project costs are significantly higher and as such, we are looking for support from the IDA Brookhaven to help this Project come to fruition.

Based on the environmental and economic benefits that the Project is anticipated to create, Lawrence Aviation Solar Farm, LLC is hereby applying for a \$0-PILOT Agreement for property-, mortgage- and sales tax exemption for a term of (thirty) 30 years.

We understand that a \$0 PILOT has so far not been approved for private property. However, we believe the circumstances are quite unique and given the efforts that all parties involved have made so far, and the obstacles that have been overcome until now, we hope that you support our request. Please also consider that the site is currently not private property. Indeed, we would have much rather entered into a lease structure for the site, leaving it under public ownership, but we were ultimately willing to accommodate SCLBC and the creditors.

If, for whatever reason, the IDA Board is not in a position to approve a \$0 PILOT, we kindly ask you to seek approval for a small nominal amount of PILOT payment. Otherwise, we will need to start conversations with the Town of Brookhaven and Suffolk County about additional funding in regard to the significant civil work that needs to be conducted in order to prepare parts of the site that were not initially contemplated for the solar array. Most likely this would cause delays, which could endanger the overall Project, given the contemplated changes to the IRA.

If you have any further questions, please do not hesitate to contact me. We very much appreciate the cooperative spirit of all parties involved and we look forward to working with the IDA and the Town of Brookhaven to complete the Project.

Sincerely

Daniel Prokopy

i.on renewables, LLC &

Lawrence Aviation Solar Farm, LLC

Attached:

- IDA Application for Lawrence Aviation Solar Farm, LLC
- Check for Application Fee
- Site Plan