SOMERSET SOLAR, LLC

MATTER NO. 22-00026

§900-2.19 Exhibit 18 Revised

Socioeconomic Effects

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ACRONYM LIST

§	Section
AES	The AES Corporation, Inc.
Applicant	Somerset Solar, LLC
BCSD	Barker Central School District
BLS	United States Bureau of Labor Statistics
CEP	Community Engagement Plan
CO_2	carbon dioxide
ECL	Environmental Conservation Law
EPC	engineering, procurement, and construction
Facility	Somerset Solar Facility
FTE	full-time equivalent
GHG	greenhouse gas
HCA	Host Community Agreement
MW	megawatts
NYCRR	New York Codes, Rules and Regulations
NYISO	New York Independent System Operator
O&M	operations and maintenance
PILOT	Payment in Lieu of Tax
POI	point of interconnection
SRP	Safety Response Plan
USCB	United States Census Bureau
USEPA	United States Environmental Protection Agency

GLOSSARY TERMS

Applicant	Somerset Solar, LLC, a subsidiary of The AES Corporation, Inc. (AES), the entity seeking a siting permit for the Facility Site from the Office of Renewable Energy Siting (ORES) under Section (§) 94-c of the New York State Executive Law.
Application	Application under §94-c of the New York State Executive Law for review by the ORES for a Siting Permit.
Facility	The proposed components to be constructed for the collection and distribution of energy for the Somerset Solar Facility, which includes solar arrays, inverters, electric collection lines, and the collection substation.
Facility Site	The limit of disturbance (LOD) that will be utilized for construction and operation of the Facility, which totals about 700 acres on the Project Parcels in the Town of Somerset, Niagara County, New York (Figure 2-1).
Project Parcels	The parcels that are currently under agreement with the Applicant and Landowner, totaling about 1,784 acres in the Town of Somerset, Niagara County, New York, on which the Facility Site will be sited (Figure 3-1).
Project Site	The acreage of the Project Parcels under agreement between the Applicant and the Landowner, consisting of approximately 1,396 acres, in which the Applicant has performed diligence, surveys and assessments in support of Facility design and layout.

EXHIBIT 18 SOCIOECONOMIC EFFECTS

This exhibit addresses the requirements specified in 19 New York Codes, Rules and Regulations (NYCRR) Section (§) 900-2.19.

The Somerset Solar Facility (Facility) will engage the community through sponsorships, partnerships, presentations, and site tours. The Town of Somerset is expected to receive Payment in Lieu of Tax (PILOT) revenues or payments as part of a Host Community Agreement (HCA) and other negotiated mechanisms, likely exceeding [redacted] over the 20-year agreement period. The Facility will invest approximately [redacted] in renewable energy, creating 205 full-time equivalent (FTE) direct jobs during construction. During the Facility's operations and maintenance (O&M), 3.6 FTE jobs will be supported annually. The spending during construction also will result in increased spending in the host communities, generating additional jobs and income through business-to-business (indirect) spending. Local workers outside of the construction industry also are anticipated to benefit from the Facility's development as materials are purchased and equipment is rented from businesses in the Town of Somerset, Niagara County, and the surrounding region. The Facility has been designed to comply with 19 NYCRR §900-2.19 and the Uniform Standards and Conditions, and impacts related to socioeconomics have been avoided and minimized to the maximum extent practicable.

The current demographic profile of the Town of Somerset, City of Lockport, Niagara County, and New York State are presented in Table 18-1.

Table 18-1. Demographics[1]

Population	Town of Somerset[2]	City of Lockport	Niagara County	New York State
2021 Estimated Population	2,824	20,738	211,653	19,835,913
2020 Population	N/A	20,882	212,666	20,201,249
2020 Population per square mile	76.1[2]	2,485.2	407.1	428.7
Median Age[4]	43.7	38.2	43.2	39.2
Veterans (2016–2020)	179[2]	1,199	14,239	676,295
Foreign-born population (2016–2020) (percent)	3.8%[2]	3.4%	3.9%	22.4%
High school graduate or higher, age 25 years+ (percent)	91.3%	89.7%	91.5%	87.2%
Race and Ethnicity (percent)				
White	86.0%	80.4%	87.2%	69.1%

Population	Town of Somerset[2]	City of Lockport	Niagara County	New York State
Black or African American	6.0%	10.8%	7.4%	17.6%
American Indian/Alaska Native	2.0%	0.6%	1.2%	1.0%
Asian	1.0%	1.1%	1.2%	9.3%
Native Hawaiian/Other Pacific Islander	0.0%	0.0%	0.1%	0.1%
Two or more races	1.0%	6.2%	2.9%	2.8%
Hispanic or Latino (any race)	2.0%	3.7%	3.7%	19.5%
Total Housing Units (2021)	1,292	N/A	100,304	8,531,063
Owner-occupied units, rate (2016–2020) (percent)	84.0%[2]	55.5%	71.7%	54.1%
Median value of owner-occupied units (2016–2020)	$128,300[2]	$95,600	$131,600	$325,000
Median household income (2020 dollars) (2016–2020)	$56,250[2]	$46,706	$57,252	$71,117
Persons in poverty (percent)	14.2%	14.2%	11.7%	12.7%
Labor force, June 2022, US Bureau of Labor Statistics (BLS)[3]	N/A	N/A	99,419	9,498,719
Unemployment Rate, June 2022 BLS[3]	N/A	N/A	3.7%	4.4%

N/A indicates data are not available.

1 – Unless otherwise noted, data are from the US Census Bureau's (USCB's) United States Census 2020 decennial census (USCB 2022).
2 –Town of Somerset, Niagara County, New York data obtained from USCB 2021 American Community Survey 5-year estimates (Census Reporter no date)
3 – United States BLS 2022a.
4 – USCB American Community Survey 2022

18(a) Facility Construction Workforce Impacts

Somerset Solar, LLC (Applicant) has developed estimates of the workforce that would be required for construction of Somerset Solar (Facility). The estimated average construction workforce is presented by discipline for each quarter during construction in Table 18-2. Table 18-2 also provides a summary of total FTE employment and includes an estimate of the peak construction level, which is expected to occur in the third and fourth quarter of 2025 during construction. These estimates were developed by the Applicant based on past experience with similar projects and consultations with contractors. Jobs are expressed in terms of year-long, FTE positions (2,080 hour units of labor).

The Applicant estimates a total of 205 FTE jobs will be generated during construction of the Facility. The construction trades that will benefit the most from the construction of the Facility by the creation of FTE jobs will be laborers (92.2 FTE jobs) and electricians (20.5 FTE jobs). Table

18-2 summarizes the Applicant's forecast of the employment by job type and quarter associated with the construction of the Facility.

Table 18-2. Estimated Construction Workforce

Labor Discipline	Quarter						Peak Employment[1]	FTE Jobs[2]
	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026		
Administrator	1	1	3	4	2	1	4	4.1
Electrician	4	8	12	20	14	4	20	20.5
Executive	0.5	0.5	1	2	1	1	2	2.0
Field Engineer	2	3	5	8	6	3	8	8.1
Finish Operation	2	4	8	10	6	4	10	10.2
Foreman / Supervisor	1	1	2	2	1	1	2	2.0
Laborer	12	25	75	92	80	65	92	92.2
Management	0.5	0.5	1	2	1	1	2	2.0
Mechanic	0.5	0.5	1	2	1	1	2	2.0
Rough Operation	12	25	45	61	35	24	61	61.5
Total	**35.5**	**68.5**	**153**	**203**	**147**	**105**	**203**	**204.7[3]**

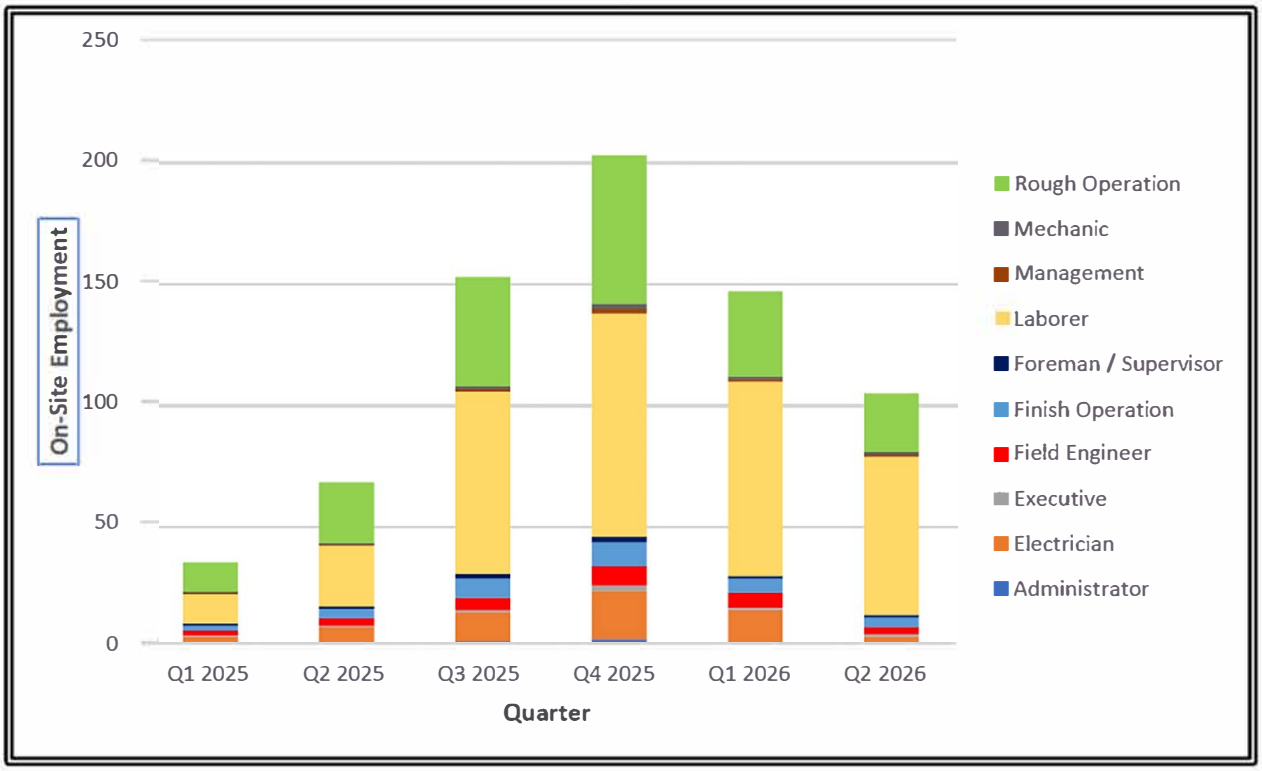
1 – Peak employment is anticipated to occur during the 2nd and 3rd quarter of 2025.
2 – Jobs are expressed in terms of year-long, FTE positions (2,080 hour units of labor) and are based on four-quarter average.
3 – Total is off by 0.1 due to rounding.

Viewed by quarter, estimated Facility Site employment would range from 35.5 workers in Q1 2025 and peak with 203 Facility Site workers during Q4 2025 (Table 18-2 and Figure 18-1). Peak employment will total 203 workers on the job. It is expected that 195 of these jobs will be in the construction discipline and 8 jobs will be Facility Site managers and administrators.

Workers directly employed on the Facility Site during construction include a construction manager, general laborers, laborers, electricians, and civil operators. These estimates do not include workers directly employed elsewhere in Niagara County or New York State providing Facility-related technical services such as engineering design and permitting. Additional workers also would be employed to design and construct the local utility-owned interconnection upgrades required to safely interconnect the Facility with the local electrical infrastructure. These utility-owned interconnection upgrades are the fiscal responsibility of the Applicant as part of the interconnection of the Facility to the existing electrical grid. The workers who identify, design and construct these utility-owned interconnection upgrades will either be employees of New York Independent System Operator (NYISO); the local electric utility, New York State Electric and Gas Corporation; or sub-contractors of either entity, any of whom could potentially be workers from

the host communities or New York State. Although responsible for the cost incurred with the design, construction and operation of these utility-owned interconnection upgrades, the Applicant will not be involved in the selection of contractors or subcontractors for said work.

Figure 18-1. Estimated Construction Workforce



The Applicant employs an estimator team with a combined 100+ years of estimating, project management, and execution experience in renewables. Utilizing its experience and other internally-developed modeling resources, the Applicant created a matrix that yields an approximate number of construction jobs according to project size, using historical data from other of the Applicant's completed projects, and employee past experience (most of which are in the engineering, procurement, and construction [EPC] realm). The matrix used 5-8 major cost drivers on a per-project bases, which incorporate labor, equipment, material, and subcontracting requirements. Where labor is concerned, AES Clean Energy applied a "worker factor" multiplier tied primarily to megawatt direct current system size. According to Table 18-3, the calculations generated by AES Clean Energy are similar to other developers.

Table 18-3. Somerset Solar Workforce Comparison with Similar Permitted Solar Projects

Project Summary Information	Somerset Solar	Brookside Solar	Riverside Solar	Tracy Solar	Greens Corners Solar	Moraine Solar	Homer Solar
Developer	AES	AES	AES	EDF Renewables	Boralex	EDF Renewables	EDF Renewables
Location	Town of Somerset, Niagara County	Towns of Chateaugay and Burke, Franklin County	Towns of Lyme and Brownville, Jefferson County	Towns of Orleans and Clayton, Jefferson County	Towns of Hounsfield and Watertown, Jefferson County	Town of Burns, Allegany County	Towns of Homer, Cortlandville, and Solon, Cortland County
Megawatt (MW) alternating current	125	100	100	119	120	94	90
MW direct current	151.6	121.3	121.3	144.3	145.5	121.7	109.2
Construction							
Number of Quarters	6	6	5	4	5	5	4
Peak Employment	203	130	130	264	211	254	200
Full-time equivalent (FTE)	205	95	163	167	108	127	126
FTE/MW alternating current	1.6	1.0	1.6	1.4	0.9	1.4	1.4
Operations							
FTE	3.5	3.5	3.5	3	2.5	3	3

A Jobs and Economic Development Impacts model was run and used to compare the employment estimates to what has been provided in this exhibit. Both the JEDI model and the Table 18-1 §94-c project comparisons have determined that the results are relatively well-aligned. A copy of the JEDI model results are included in Appendix 18-A.

18(b) Construction Payroll and Expenditures

The Applicant has developed construction cost estimates for labor, equipment, and materials based on experience with past projects. The reliability of these estimates, however, will be impacted by the recent uncertainty in the EPC market. To the extent that these market disruptions are short-term in nature, the estimates are expected to accurately reflect future costs. Should the market disruptions persist, however, actual costs may deviate more significantly from the projected costs presented here.

The Applicant has provided estimates of the construction payroll by trade for the anticipated 18-month construction period. Payroll and wage rates reflect the Applicant's experience on similar projects, historical prevailing wages in New York, and the annual inflation levels of recent years. As shown in Table 18-4, the Facility's construction payroll is forecast to average [redacted] for the 18-month construction period. These estimates are based on standard union hourly rates.

[redacted]

The Facility is located in the Buffalo Area New York Economic Region, which includes Erie and Niagara counties. The region is home to approximately 1,167,000 people and has a labor force of approximately 550,000 (United States Bureau of Labor Statistics [BLS] 2022b). The large labor force in the area provides an expanded opportunity for the hiring of local labor.

The National Solar Jobs Census 2021 (Interstate Renewable Energy Council 2022) found that 42 percent of onsite employees were hired locally (within 50 miles of the project location), with the other 58 percent hired outside the region and travelling to the project site.

The Applicant has engaged with local labor organizations in support of its efforts to hire local labor. These organizations include the New York State Laborers' Organizing Fund, the North Atlantic States Regional Council of Carpenters, Iron Workers Local 9, and the International Brotherhood of Electrical Workers Local Union 237. Together, these labor organizations have a significant membership. By engaging with these organizations early in the process to share the timeline and the labor requirements, the Applicant hopes to improve the likelihood of having qualified, local labor involved in the construction of the Facility.

The AES Corporation, Inc. (AES) is committed to investing in workforce development in Disadvantaged Communities through its Social Impact program and other partnership agreements. Labor organizations central to the regions and communities where our projects are located, are identified and contacted early in the process to ensure collaboration throughout the development process. To date, AES has engaged with the New York State Laborers' Organizing Fund, Kiewit, the North Atlantic States Regional Council of Carpenters, Iron Workers Local 9, and the International Brotherhood of Electrical Workers Local Union 237. The conversations and results from those conversations are as follows:

- Feb 21, 2023, AES met with International Brotherhood of Electrical workers Local 237 to discuss Social Impact initiatives and potential partnerships.
- Feb 9, 2023, AES met with International Brotherhood of Electrical workers Local 237 to
    - understand and discuss IBEW Local 237's to approach to engaging and outreach to Disadvantaged Communities (DACs) and
    - partnership opportunities centered around workforce development
- June 16, 2021, Somerset Solar Open House was hosted by AES at the Barker Fire Department. AES met with Iron Workers Local 9 to discuss possible collaboration opportunities.

- April 2021, AES connected with New York State Laborers Organizing Fund. Conversations resulted in an MOU signed between both parties.
- April 2021 AES began conversations with Kiewit and established a relationship with a focus on indicative EPC Solar pricing.
- March 2022, AES met with North Atlantic States Regional Council of Carpenters.

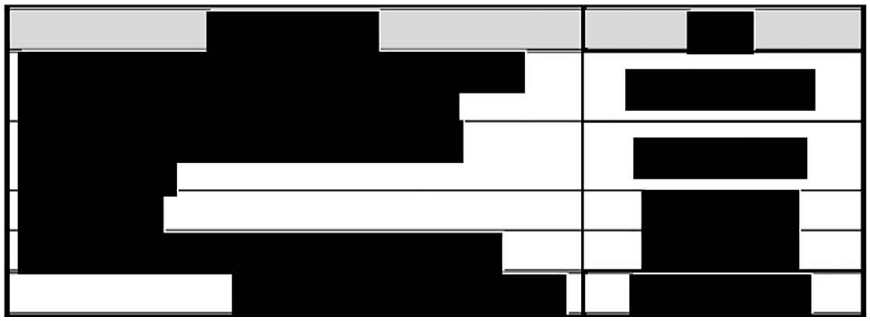
The exact mix of local and non-local workers cannot be estimated because the qualifications and availability of prospective workers in the region are unknown at this time; however, the Applicant anticipates a significant number of local hires could be made from Niagara County and surrounding counties. Based on the available labor force of the Western New York Economic Region and the findings of the National Solar Jobs Census 2021 (Interstate Renewable Energy Council 2022), it is estimated that New York contains a total solar employment potential of 10,524 jobs. During the peak construction period, therefore, it is estimated that between 78 and 117 local workers would be employed in the construction of the Facility. Additional construction workers are expected to be hired from within New York State.

While industry experience indicates that between 78 and 117 workers will be hired from Niagara County and the other counties in the Western New York Economic Region, it is impossible to predict in which towns those workers will reside. The Applicant intends to hire locally to the extent that qualified workers are available. Qualified workers hired by the Applicant may include some workers who reside in the Towns of Somerset, Hartland, or Newfane; Village of Barker or City of Lockport; however, they also may reside in any one of Niagara County's other 19 cities, towns, or villages; or in neighboring counties.

Local workers outside the construction industry are also anticipated to benefit from the Facility's development as materials are purchased and equipment is rented from businesses in Niagara County and the surrounding region. The landscaping plan, for example, will require the purchase of local materials and the employment of local laborers for installation. Local restaurants, gas stations, and retail locations are anticipated to receive additional business activity, which may necessitate an increase in worker hours.

Table 18-5 below presents the anticipated total non-payroll expenditures during construction of the Facility. As described above, the costs presented are based on the Applicant's experience with previous projects and the current Facility design. Actual costs will vary based on the duration and extent of economic disruptions in the EPC market.

[redacted]



[redacted]

As detailed above, Applicant-provided non-payroll cost estimates are roughly [redacted]. The costs include mounting, modules, inverters, and electrical components. The Applicant anticipates that a portion of the electrical components will be purchased from New York suppliers, with preference given to suppliers within the Western New York Economic Region. Facility Site preparation, which is anticipated to be primarily a local-to-the-region expense, is anticipated to be approximately [redacted]. Landscaping expenditures are included in the Facility Site preparation cost estimate and are anticipated to be made from within Niagara County to the extent materials are available. To the extent available, the Applicant also will use local suppliers for equipment rentals. Although the costs above do not represent payroll costs, labor costs are a portion of Facility Site preparation and interconnection costs. Work associated with the interconnection lines will be completed by a specialized contractor whose labor share is not yet specified.

An initial review of landscaping, Facility Site preparation, and equipment rental businesses has identified limited opportunities for the Applicant to use suppliers in the Town of Somerset. However, potential suppliers elsewhere within the region may be owned by or employ residents of the Town of Somerset. Further, at the time of construction, the Applicant may identify additional local businesses that can provide landscaping or Facility Site preparation services. The Applicant estimates that up to [redacted] for Facility Site preparation and landscaping may be spent in the Town of Somerset during the Facility's construction. Some or all of these expenditures,

however, may be made in neighboring towns or elsewhere in the region if the businesses in the Town of Somerset cannot meet the requirements of the Facility.

18(c) Operation and Maintenance Employment Impacts

Based on experience with similar projects, the Applicant has evaluated the expected number of jobs and the Facility Site payroll, by discipline, that will be required during a typical year once the Facility is in operation. The jobs shown here are expected to be performed by New York workers. Table 18-6 summarizes the Applicant's annual employment forecast associated with the O&M of the Facility. Estimated payroll is based on fully burdened hourly rates.

[redacted]

[redacted]

The employment during the O&M phase is estimated to be 3.6 FTE jobs. Payroll associated with these jobs is expected to be [redacted] annually. It is anticipated that the Applicant's O&M labor force will live in the vicinity of the Facility. While the Applicant intends to hire qualified local workers to the extent available, it is impossible to predict where future workers may currently reside, whether they will be moving to the area, and where they will choose to live if relocating. However, up to 3.6 workers total, with a total annual payroll of [redacted], could live in the Towns of Somerset, Hartland, and Newfane; the Village of Barker, and the City of Lockport.

Applicant-provided materials and equipment costs also were developed specifically for the Facility. Table 18-7 below presents the total annual direct expenditures during operation of the Facility. The Applicant intends to support businesses in the Town of Somerset to the extent practicable. It is premature though to select specific vendors in advance of the Facility's permitting and commencement of construction. Up to [redacted] in land and vehicle

maintenance services may be spent annually in the Town of Somerset. Some or all of these expenditures, however, may be made in neighboring towns or elsewhere in the region.

[redacted]

[redacted]

[redacted]

As shown above, annual O&M costs are estimated to total [redacted] in labor costs O&M expenditures are anticipated to be primarily made in the region. Over a period of 35 years, 126 FTE local jobs will be generated by the Facility. Payroll for the FTE jobs will total an estimated [redacted], in 2022 dollars. Income from Facility jobs and from those companies supported by O&M spending will percolate through the regional economy and in turn support other local businesses.

Similar to the review conducted for opportunities to utilize local businesses for services needed during construction, a review of landscaping and automotive repair businesses has identified limited opportunities for the Applicant to use suppliers in the Town of Somerset. However, potential suppliers elsewhere within the region may be owned by or employ residents of the Town of Somerset. Further, at the time the Facility's operations commence, the Applicant may identify additional local businesses that can provide landscaping or vehicle maintenance services. The Applicant estimates that up to [redacted] for landscaping and vehicle maintenance may be spent in the Town of Somerset during the Facility's construction. Some or all of these expenditures, however, may be made in neighboring towns or elsewhere in the region if the businesses in the Town of Somerset lack appropriate resources, availability, or are otherwise ill-suited to the requirements of the Facility.

Additional contributions associated with the Facility are lease and purchase payments to landowners which, for this Facility, total approximately [redacted] over the expected life of the Facility. Lease

payments provide owners of agricultural lands a steady stream of income that can provide needed security against fluctuating commodity prices and support continued farming in the vicinity of the Facility Site.

18(d) School District Impacts During the Construction and Operation Phases

The Facility is located in the Barker Central School District (BCSD), which will likely benefit from the Facility with the Applicant making annual payments to the Town of Somerset through the PILOT agreement (approximately [redacted] of the PILOT is allocated to the BCSD).

The Applicant has a social impact program designed to support host communities during the development and construction phases. As such, a [redacted] donation was made to the BCSD in 2022 so the school could make capital improvements for energy upgrades at their buildings. The Applicant has consulted with the BSCD Superintendent throughout the Application process and copies of this correspondence is included in Appendix 2-C. The Applicant and the Superintendent have discussed proposed construction traffic routes that will avoid the school areas, and the Applicant's intention on entering into a PILOT and HCA with the Town. The Applicant does not expect the Facility to result in an increase any school district related cost. The Superintendent did not have any additional concerns about the project during the conversation

The largest jobs-related impact would be during the construction period. It is not anticipated that families will relocate for short-term constructions jobs. Further, it is anticipated that some portion of the workers during the Facility's construction and O&M phases will be hired from within the Western New York Economic Region so relocation would not be necessary. During the operation of the Facility, 3.6 employees are anticipated to be hired. While the BCSD could enroll a few new students as a result of O&M workers relocating, the impacts are anticipated to be minimal. Negative impacts to the BCSD, therefore, are not anticipated during the construction and operation of the Facility. As detailed in the Facility Community Engagement Plan (CEP) (Appendix 2-D), the Applicant reached out to the BCSD representatives to discuss the plans for the Facility, and BCSD representatives also were invited to the Facility's pre-application meeting held with community members on June 16, 2021, as described in Exhibit 2(b)(1).

The operation of the Facility is expected to produce 3.6 FTE jobs. PILOT is anticipated to be paid to the BCSD, Town of Somerset, and Niagara County during the O&M phase of the Facility as discussed in section 18(g) of this exhibit.

18(e) Municipal, Public Authority, or Utility Services Impacts During the Construction and Operation Phases

As previously described, impacts during the construction and operation of the Facility to the population are expected to be negligible. Furthermore, the cost of any services required by the 3.6 Facility Site employees would be offset by property taxes (or PILOT and HCA payments) and the applicable service fees.

It is not anticipated that Facility construction and operation will place any burdens on community services but will likely generate PILOT revenue and/or payments from the HCA for the taxing jurisdictions. As detailed in the CEP (Appendix 2-D), the Applicant has had consultations with staff from the Town of Somerset and Niagara County. The Applicant has also consulted with a variety of local entities as outlined in the CEP. Local agencies, including utility providers, first responders, and fire departments were also invited to the Facility's community Open House meeting held on June 16, 2021 and Virtual Community Meeting held on December 15, 2021, as described in Exhibit 2(b)(1) and documented in Appendix 2-C. None of these entities have identified incremental costs that would be incurred as a result of the Facility's construction or operation. No interconnections will be made with water and sewer utilities. Solid waste disposal will be managed by the Facility. Emergency services are not anticipated to experience additional burdens as a result of the Facility. Documentation of consultation with the Barker Fire Chief and the Town of Somerset Code Enforcement Officer regarding compliance and deviations from the NYS Fire Code is provided in Appendix 2-C and discussed further in Exhibit 2, section 2(b); Exhibit 3, section 3(l); and Exhibit 6, section 6(a)(6). The Applicant also has conducted outreach to local emergency responder representatives to request review and discussion of the Facility's Safety Response Plan (Appendix 6-B). Several requests to meet with emergency responder representatives has been initiated by the Applicant (Appendix 2-C and Appendix 2-D). As described in Exhibit section 16(d)(3) and section 16(d)(4), if necessary the Applicant will enter into Road Use Agreements with the New York State Department of Transportation and Niagara County for local roadway use and any necessary road repairs if roads are damaged b construction of the Facility. There is no access proposed via roads maintained by the Town of Somerset, therefore a RUA is not required with the Town. Limited road work is anticipated and only two deliveries to the Facility (for the substation transformer) are expected to be oversized or overweight. Thus, no net burden will be placed on the Town of Somerset or Niagara County in terms of highway/roadway maintenance.

18(f) Designated Tax Jurisdiction, Tax and Payment Impacts

The Facility falls within the following jurisdictions that are anticipated to receive PILOT payments from the Applicant:

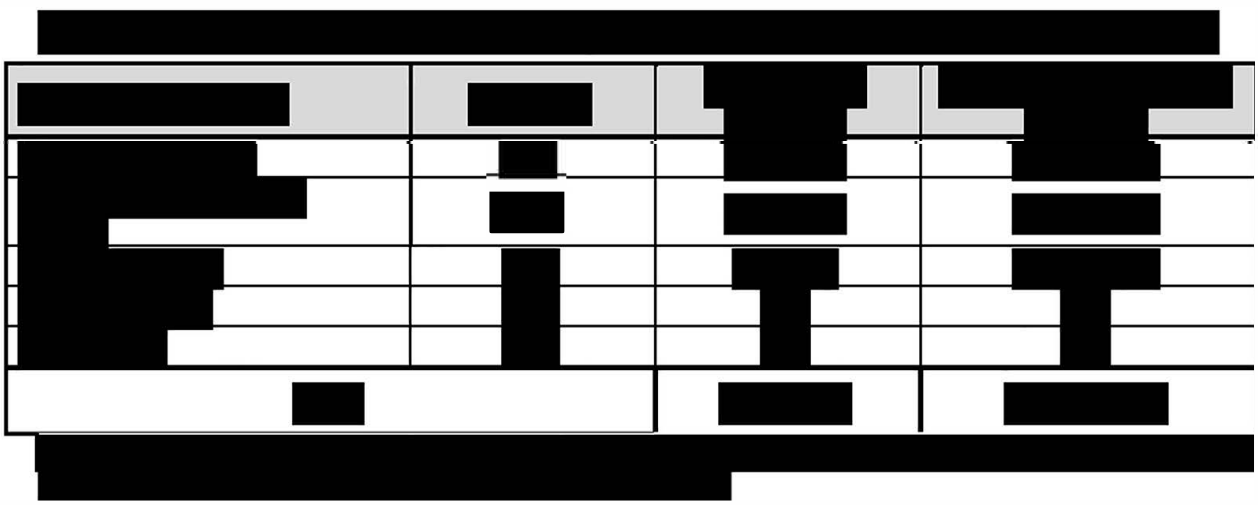
- Niagara County
- Town of Somerset
- Barker Central School District

The above taxing jurisdictions will benefit from a PILOT agreement or an HCA as described in section 18(g) of this exhibit, and from additional economic activity in the vicinity of the Facility. New York State is also anticipated to benefit from additional tax revenue generated by the Facility's construction and O&M. The Facility will pay property taxes to the Town of Somerset, Niagara County, and BCSD for the remainder of its useful life after the 20-year PILOT and HCA period.

18(g) Host Community Benefits

It is expected that execution of PILOT agreements with Niagara County and the BCSD will require annual PILOT payments for 20 years. An HCA is expected to be executed with the Town of Somerset. Although the specific terms of the PILOT agreement and HCAs have not yet been negotiated, it is expected these agreements will increase the revenue of the taxing jurisdiction and will represent a significant portion of their total tax levy. For the purposes of this exhibit, combined annual PILOT and HCA payments are estimated to be [redacted] beginning in 2026. Total PILOT and HCA payments over the 20-year agreement period are estimated to exceed [redacted]. Table 18-8 below details the estimated PILOT and HCA payments to each taxing jurisdiction, including their tax rate.

[redacted]



The Town of Somerset is anticipated to receive the largest payments, with a 20-year total of approximately [redacted]. The BCSD is expected to receive approximately [redacted] over the 20-year period and payments to Niagara County are anticipated to total approximately [redacted] over the 20-year period. As mentioned previously, after the PILOT agreements and HCA expire, the Facility will pay property taxes to the jurisdictions for the remainder of its useful life.

The Facility will provide the Town of Somerset residents with electric utility bill credits for the first 10 years of its operation. The credits will total $62,500 annually, based on $500 per megawatt (MW) of capacity. Over the 10-year period, a total of $625,000 in credits will be given. As a result of the approximately [redacted] capital investment, 205 FTE direct jobs will be created during the construction phase. It is anticipated that some of these jobs will be filled by residents of the Towns of Somerset, Hartland, and Newfane; Village of Barker and the City of Lockport, although the hiring of workers will depend on the availability of qualified labor at the time of construction. The Facility's spending during construction is expected to result in increased spending in the Town of Somerset and in neighboring areas in which the residents of the Town of Somerset may work or own businesses. Facility spending will generate additional jobs and income through business-to-business (indirect) spending. Induced impacts to jobs and income will be generated from spending by workers whose jobs result from direct or indirect impacts of the Facility. Town

of Somerset residents working or owning businesses in the region are also anticipated to benefit from such indirect and induced spending.

During O&M of the Facility, 3.6 FTE jobs will be supported annually. The Facility will instruct contractors to hire qualified labor from the surrounding areas to the extent available. These workers may currently live in the Town of Somerset or neighboring towns, or may choose to relocate to be closer to the Facility. Additional positive indirect and induced impacts to jobs and income will occur as a result of ongoing spending by the Facility, the jurisdictions receiving tax revenues,[1] and the residents who have increased discretionary income as a result of electricity credits. Such spending will benefit the owners and workers of the Town of Somerset and neighboring towns businesses.

The AES Corporation, Inc. (AES) intends to develop, own, and operate the Facility for its anticipated 35-year life. The Facility is committed to being a good neighbor by engaging schools and the community through sponsorships, partnerships, presentations, and site tours. AES will continue to keep the host communities informed of Facility activities. AES strives to support community initiatives, particularly those related to economic development, the environment, and energy efficiency.

18(h) Comparison of Fiscal Cost to Jurisdictions

As previously discussed, fiscal costs related to the services provided by the Town of Somerset are not anticipated. Construction phase employment will be temporary and is not expected to result in the relocation of families. O&M job-related impacts are relatively small. With the expected payments associated with the PILOT agreement and the HCA, the Facility should result in positive fiscal impacts for the jurisdictions. After the 20-year PILOT and HCA period, the Facility will pay property taxes to the jurisdictions for the remainder of its useful life.

18(i) Analysis of Local Emergency Response

Exhibit 6, section 6(c) outlines the Facility's Safety Response Plan (SRP), which also is provided in Appendix 6-B. The SRP provides detailed information regarding the emergency response procedures for possible contingencies. The SRP includes information on local fire departments and police/sheriff departments/offices. In the event of an emergency, the Facility Site managers will assess the situation and perform the proper actions and procedures as outlined in the SRP. These actions may include evacuation and contacting emergency services.

[1] If the Town of Somerset lowers taxes as a result of revenues received from the Facility's tax or HCA payments, discretionary spending by residents and businesses would be expected to increase.

The Facility SRP will be shared with the appropriate emergency response teams to give them an opportunity to review these plans, ask questions, and provide suggestions. Coordination with fire, police, and other emergency services is important and the Applicant has been working to coordinate with local emergency responders to ensure that they are kept updated on the status of the Facility and are made aware of potential safety and security emergencies (Appendix 2-D). Preliminary introductions and discussions have been conducted with emergency service providers, including representatives from the Somerset Sheriff's office, Barker Fire Department, Barker Police Department, Lockport Police Department, Lockport Fire and Emergency Services, and Niagara County Fire and Emergency Services Coordinator and HazMat officer. First responders and fire departments were also invited to the community members pre-application meeting held on June 16, 2021, as described in Exhibit 2(b)(1). Additional discussions with these agencies are planned to review the Facility's SRP as part of the Applicant's ongoing coordination efforts to keep them apprised of the construction and operations schedules.

The Applicant will continue to work with emergency responders to coordinate any training that may be necessary. The need for additional equipment, training, or capacity to respond to emergencies at the Facility either during the construction or operation of the Facility has not been identified. Therefore, no infrastructure costs related to the SRP would be borne by the Town of Somerset or first responders in the surrounding towns that provide services to the Town of Somerset.

18(j) Consistency with State Smart Growth Public Infrastructure Criteria

As the Facility is a privately funded energy project, it is not subject to New York Environmental Conservation Law (ECL) Article 6, §107 (ECL §6-107) requiring the construction of new or expanded "public infrastructure" to meet certain Smart Growth Criteria. New York State's Smart Growth Public Infrastructure Policy Act outlines 10 criteria for evaluating public infrastructure. An additional criterion was added at a later date. The Facility's consistency, although not required, with Smart Growth Criteria is addressed below for illustrative purposes. Under the statute, New York State infrastructure agencies shall not approve, undertake, or finance a public infrastructure project, unless the project, to the extent practicable, meets the relevant criteria set forth in the document (ECL §6-107).

Criterion 1: To advance projects for the use, maintenance, or improvement of existing infrastructure

The development of the Facility will improve the existing energy infrastructure by creating an economically viable, solar-powered electric generating facility that provides renewable energy to

the New York State power grid managed by the NYISO[2]. The Facility's solar panels will generate approximately 125 MW of renewable energy. The Facility will use the existing power grid for the distribution of electricity to end users. Transportation infrastructure will be used for the conveyance of equipment and construction materials. No long-term impacts to the transportation infrastructure are anticipated. Based on the contribution to the state power grid and the limited use of transportation infrastructure, the Facility is consistent with Smart Growth Criterion 1.

Criterion 2: To advance projects located in municipal centers

New York State's Smart Growth Public Infrastructure Policy Act defines "municipal centers" as follows:

> "…areas of concentrated and mixed land uses that serve as centers for various activities, including, but not limited to, central business districts, main streets, downtown areas, brownfield opportunity areas, downtown areas of local waterfront revitalization program areas, transit-oriented development, environmental justice areas, and hardship areas (ECL §6-107), as well as areas adjacent to municipal centers, which have clearly defined borders, are designated for concentrated development in the future in a municipal or regional comprehensive plan, and exhibit strong land use, transportation, infrastructure and economic connections to a municipal center; and areas designated in a municipal or comprehensive plan, and appropriately zoned in a municipal zoning ordinance, as a future municipal center (ECL §6-107)."

The development of solar power projects requires a large land area. As such, solar projects, such as the Facility, are not typically located in municipal centers. Therefore, compliance with this criterion is impracticable. Additionally, siting a solar project requires willing landowners and access to a point of interconnection (POI) to provide the electricity generated to the electric system that is managed by the NYISO.

Criterion 3: To advance projects in developed areas or areas designated for concentrated infill development in a municipally approved comprehensive land use plan, local waterfront revitalization plan and/or brownfield opportunity area plan

Utility-scale solar projects are generally incompatible with infill development and waterfront revitalization. The northern portion of the Facility is considered an industrial area due to the location of the former coal plant, Somerset Station, however, it is not located in a formally

[2] The New York Independent System Operator manages New York's electric grid and its competitive wholesale electric marketplace.

designated brownfield area. Therefore, compliance with this criterion is impracticable. Also, siting a utility-scale solar project requires access to a POI and willing landowners to provide the electricity generated to the electric system that is managed by the NYISO.

According to the Town of Somerset's Comprehensive Plan, Vision Map, the northeastern-most corner of the Facility Site falls within the Town of Somerset's Waterfront Protection Area on private property. The Facility is located within a New York State designated coastal area and is therefore subject to the New York State Coastal Management Program and the Town of Somerset's Local Waterfront Revitalization Program adopted on August 9, 2005. Exhibit 3, section 3(o) provides more information on these programs. The landward coastal area boundary for the area is provided on Figure 3-9 which shows that all of the Facility Site area located north of Route 18, and a small portion of the Facility Site located south of Route 18 is located within New York State's coastal zone. To facilitate the Office of Renewable Energy Siting's review and coordination with the New York Department of State for coastal consistency, a review of the proposed Facility against New York State's 44 coastal zone policies and the Town of Somerset's Local Waterfront Revitalization Program is provided in Appendix 3-F.

The Facility has been designed to comply with the Town of Somerset's Comprehensive Plan and Local Waterfront Revitalization Program and is consistent with Smart Growth Criterion 3.

Criterion 4: To protect, preserve, and enhance the state's resources, including agricultural land, forests, surface and groundwater, air quality, recreation and open space, scenic areas, and significant historic and archeological resources

The Facility is consistent with Criterion 4. A substantial amount of the Facility is located on a repurposed coal plant site thereby minimizing impacts to agricultural land, scenic areas, etc. In addition, Exhibits 9, 11, 12, 13, 14, and 15, and related studies, analyze the potential effects on agricultural land, forests, surface and groundwater, recreation and open space, scenic areas, and significant historic and archaeological resources. These analyses illustrate that the Facility has avoided and/or minimized impacts to the relevant resources to the maximum extent practicable. Although the Facility Site may be taken out of agricultural production for the operational life of the Facility, upon completion of decommissioning, the land currently used for agriculture could be returned to agricultural use. The Facility, therefore, is protecting the land from other development that would render it no longer useful for agricultural production. Tree/shrub clearing and grubbing has been minimized to the extent practicable (approximately 82 acres) (Figure 3-3) by maximizing use of open areas located in the industrial areas of the former coal plant and open agricultural fields. Additional vegetation will be planted to provide visual screening from surrounding

properties. No significant effects to recreational and open spaces, scenic areas or cultural resources are anticipated from the Facility. Any remaining impacts are outweighed by the benefit provided by the Facility, including displacing annual statewide emissions by approximately 100,440 tons of carbon dioxide (CO_2), (United States Environmental Protection Agency [USEPA] 2022a) and enhancing air quality provided by the Facility's generation of up to 125 MW of renewable energy. The host landowners for the Facility are primarily involved in overseeing decommissioning activities associated with the former coal plant and leasing agricultural fields for tenant farmers. The lease revenue from the Facility also will provide opportunities for the host landowners to support other uses planned for the decommissioned coal plant site.

Criterion 5: To foster mixed land uses and compact development, downtown revitalization, brownfield redevelopment, the enhancement of beauty in public spaces, the diversity and affordability of housing in proximity to places of employment, recreation, and commercial development and the integration of all income and age groups

The Facility is proposed in the Town of Somerset, a rural community. The area is not conducive to mixed land uses, compact development or the development of diverse and affordable housing in the proximity to places of employment, recreation and commercial development. Further, as mentioned previously, a utility-scale solar facility requires significant open space, and thus is incompatible with downtown revitalization. The proposed location is not in a designated brownfield area, although the portion of the Facility Site located north of New York State Route 18/Lake Road where the former coal plant is being decommissioned is generally considered an industrial area. Therefore, compliance with Criterion 5 is impracticable. Additionally, siting a solar project requires access to a POI and willing landowners to provide the electricity generated to the electric system that is managed by the NYISO.

Criterion 6: To provide mobility through transportation choices including improved public transportation and reduced automobile dependency

The Facility will not impact transportation choices in the area, and therefore Criterion 6 is not applicable.

Criterion 7: To coordinate between state and local government and intermunicipal and regional planning

The Applicant has been involved in public outreach to local government and planning agencies throughout the development and review of the Facility, in accordance with the requirements of

the §94-c process and the CEP prepared specifically for the Facility. Appendix 2-C provides information on the public outreach efforts, including meetings with local community and governmental representatives. These coordination efforts are consistent with Criterion 7.

Criterion 8: To participate in community-based planning and collaboration

As described above, the Applicant has conducted and will continue to conduct stakeholder outreach throughout the development and review of the Facility. These efforts have been conducted in accordance with the requirements of the CEP, which includes stakeholder consultation and other forms of engagement, public education, public meetings, ample notification periods, and public comment periods at key milestones (Exhibit 2 and Appendix 2-D). Information also is available to the community via the Facility's website (Somerset Solar, LLC 2023). These outreach efforts satisfy Criterion 8.

Criterion 9: To ensure predictability in building and land use codes

The Facility will have no influence over building and land use codes in Niagara County or in the Town of Somerset. As a result, Criterion 9 is not applicable.

Criterion 10: To promote sustainability by strengthening existing and creating new communities which reduce greenhouse gas emissions and do not compromise the needs of future generations, by among other means encouraging broad based public involvement in developing and implementing a community plan and ensuring the governance structure is adequate to sustain its implementation

Solar power, a renewable energy source, generates electricity without the by-product of greenhouse emissions and can reduce the dependence on conventional power plants, thereby reducing the emissions of conventional air pollutants. In fact, the Facility is expected to reduce nitrogen oxides, sulfur dioxide, and CO_2 emissions from the power sector in New York State. Upon commercial operation, the Facility is expected to reduce annual statewide emissions by approximately 169,000 tons of CO_2. The Facility will help the state achieve the goal established in New York's Green New Deal that New York's power be 100% carbon-free by 2040, with 70% provided by renewable electricity by 2030. As this Facility will expand New York State's clean, renewable energy infrastructure and reduce greenhouse gas (GHG) emissions, the Facility is consistent with and will help New York State achieve its goals in Criterion 10.

Criterion 11: To mitigate future physical climate risk due to sea level rise, and/or storm surges and/or flooding, based on available data predicting the likelihood of future extreme weather events, including hazard risk analysis data, if applicable

The Facility is consistent with New York's efforts to expand reliance on renewable energy sources and reduce GHG emission. New York State Department of Environmental Conservation's Climate Smart Communities Program aids local municipalities to take action to reduce GHGs and guide adaptation to climate change. The objectives that municipalities that sign on to this program pledge to are:

- Reduce GHGs;
- Save taxpayer dollars;
- Increase energy security and reliability;
- Build resiliency to the impacts of climate change;
- Advance community goals for public health and safety; and
- Support a green innovation economy (New York State Department of Environmental Conservation 2009).

Solar power, as a zero-emission, renewable energy source, not only expands available power generation capabilities without increasing GHG emissions, the addition of a solar power project also will result in a decrease in existing GHG emission levels as solar power displaces generation from fossil fuel facilities. Therefore, the Facility is expected to have a positive impact on the mitigation of future physical climate risk, and thereby supports Smart Growth Criterion 11.

18(k) Host Community Benefits Provided by Applicant

The Facility is estimated to generate over [redacted] in revenue for Niagara County, the Town of Somerset, and BCSD over a 20-year period. This revenue will allow the Town of Somerset to undertake needed community improvements and/or lower tax rates, as the Facility will not require the jurisdictions to provide additional services or resources.

The Facility will provide the Town of Somerset's residents with electric utility bill credits for the first 10 years of its operation. The credits will total $62,500 annually, based on $500 per MW of capacity. Over the 10-year period, a total of $625,000 in credits will be given.

As a result of the Facility's approximately [redacted] capital investment, 205 FTE direct jobs will be created during the construction phase. It is anticipated that some of these jobs will be filled by

residents of the Town of Somerset and nearby Towns of Hartland and Newfane, and potentially the City of Lockport, although the hiring of workers will depend on the availability of qualified labor at the time of construction. The spending during construction is expected to result in increased direct spending in the Town of Somerset and in neighboring areas in which residents of the Town of Somerset may work or own businesses. Facility spending will generate additional jobs and income through business-to-business (indirect) spending. Induced impacts to jobs and income will be generated from spending by workers whose jobs result from direct or indirect impacts of the Facility. Town of Somerset residents who work or own businesses throughout the region are expected to benefit from the direct, indirect, and induced spending generated by the Facility's construction.

During the Facility's O&M, 3.6 FTE jobs will be supported annually. The Facility will instruct contractors to hire qualified labor from the surrounding areas to the extent available. Some of these workers may reside in the Town of Somerset or nearby towns. Additional positive indirect and induced impacts to jobs and income will occur as a result of ongoing spending by the Facility, the jurisdictions receiving tax revenues,8 and the residents who have increased discretionary income as a result of electricity credits. Such spending is anticipated to benefit the Town of Somerset's business' owners and workers.

AES intends to develop, own, and operate the Facility for its anticipated 35-year life. The Facility is committed to being a good neighbor by engaging schools and the community through sponsorships, partnerships, presentations, and site tours. AES will continue to keep the host community (Town of Somerset) informed of Facility activities. AES strives to support community initiatives, particularly those related to economic development, the environment, and energy efficiency.

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