

**STATE OF VERMONT  
PUBLIC UTILITY COMMISSION**

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|---|----------------------|
| Petition of VT Real Estate Holdings 1 LLC )     |                      |
| for a certificate of public good, pursuant to ) |                      |
| 30 V.S.A. § 248, for a 20 MW ground- )          | Case No. 23-1447-PET |
| mounted solar array in Shaftsbury, Vermont )    |                      |
| )   |                      |

**SHAFTSBURY SOLAR PROJECT HOST TOWN AGREEMENT**

This Agreement (“Agreement”) is by and between the Town of Shaftsbury, Vermont (“Shaftsbury” or “the Town”), and VT Real Estate Holdings 1 LLC, a Delaware limited liability company with its principal office at 58 Commerce Road, Stamford, CT 06902 (“Shaftsbury Solar”). Shaftsbury Solar and the Town are collectively referred to herein as the “Parties.”

WHEREAS, Shaftsbury Solar filed a Section 248 Petition on May 3, 2023, with the Vermont Public Utility Commission (“Commission” or “PUC”) requesting permission to construct and operate the Shaftsbury Solar Project (“the Project”), a 20 megawatt (MW) (AC) solar electric generation facility to be site across four parcels of land that total 182 (+/-) acres adjacent to Holy Smoke Road and U.S. Route 7 in Shaftsbury, Vermont; and

WHEREAS, Shaftsbury Solar has proposed to construct and utilize a temporary break in the U.S. Route 7 limited-access right-of-way to the site to allow for temporary construction access to the Project site by tractor trailers and oversized vehicles, and such break requires approval from VTTrans; and

WHEREAS, Shaftsbury Solar has proposed that during Project construction, its commercial vehicles that are entering the Project site (other than those using the Route 7 temporary access) will be restricted to that portion of East Road south of Holy Smoke Road and the portion of Holy Smoke Road running from East Road to the Project site entrance; and

WHEREAS, Shaftsbury Solar has proposed to use the existing curb cut off of Holy Smoke Road to access the site, to be improved as shown on the Project site plans shared with the Town of Shaftsbury on January 12, 2024, and to be filed with the Commission on January 19, 2024.

NOW, THEREFORE, provided that the Commission approves the Project consistent with Shaftsbury Solar’s petition or as modified by the Commission or other regulatory entities and accepted by Shaftsbury Solar, and Shaftsbury Solar chooses in its sole discretion to construct and operate the Project, the Parties agree as follows:

1. Use of Town Roads

- a. The Town hereby grants Shaftsbury Solar permission to modify and utilize the existing and planned entrance to the Project site off of Holy Smoke Road, as set forth in the plans shared with the Town of Shaftsbury on January 12, 2024, and to be filed with the Commission on January 19, 2024.

- b. Shaftsbury Solar will provide notice to the Town of Shaftsbury no less than ninety (90) days prior to commencement of construction and will hold a pre-construction meeting with the Shaftsbury Road Foreman and other Town representatives as it deems appropriate, to conduct a pre-construction inspection of East Road and Holy Smoke Road up to the Project entrance, and to review the timeframe and details associated with Project construction.
- c. Shaftsbury Solar will repair or correct any damage to any Town of Shaftsbury highway and related infrastructure caused by Shaftsbury Solar or its contractors during construction of the Project and will restore the same as near as reasonably practical to its condition prior to construction or better.
- d. The Town represents that any approvals or permission given hereunder shall satisfy all its rights and obligations under local ordinances and state statutes including but not limited to 19 V.S.A. § 1111; provided, however, that the Town makes no representations concerning the Project's compliance with municipal zoning bylaws, due to the Project's exemption therefrom under 24 V.S.A. § 4413(b) as a Section 248 electric generation facility.

2. Maintenance and Fire Protection

- a. Shaftsbury Solar warrants that it will operate the Project in accordance with prudent industry practices and in accordance with the manufacturers' requirements for maintenance of Project equipment.
- b. During the commercial operation of the Project, Shaftsbury Solar will make annual payments to the Town of \$15,000 per year, adjusted annually for inflation, such amount being in addition to any real estate tax payments made, in support of the Town's purchase of fire department equipment and related facilities.

3. One-Time Payment for Community Projects. Within thirty (30) days of Shaftsbury Solar providing notice to the Commission and the Town that it is commencing construction of the Project, Shaftsbury Solar shall make a one-time payment to the Town in the amount of \$50,000. The Town represents that it intends to use these funds towards its new community center and/or related improvements.

4. Property Taxes. During the period when the Project is commercially operating, Shaftsbury Solar shall pay property taxes in accordance with state law as it exists at the time such taxes are due, as follows:

- a. Statewide property taxes on the Project. At present, state law (32 V.S.A. § 8701) provides for a statewide Solar Capacity Tax (in lieu of the state education tax) of \$4 per kilowatt of plant capacity, or \$80,000 per year.
- b. Municipal property taxes on the Project. At present, state law (32 V.S.A. § 3481(1)(D)) provides that the appraisal value shall be determined by an income capitalization or discounted cash flow approach that includes the following:

- (i) an appraisal model identified and published by the Department of Taxes employing appraisal industry standards and inputs;
- (ii) a discount rate determined and published annually by the Department of Taxes;
- (iii) the appraisal value shall be 70 percent of the value calculated using the model published by the Department of Taxes based on an expected 25-year project life and shall be set in the grand list next lodged after the plant is commissioned and each subsequent grand list for the lesser of the remaining life of the Project or 25 years.

Shaftsbury Solar estimates based on current town tax rates that the municipal taxes on the Project once it becomes operational will be approximately \$135,000 per year.

- c. State education and municipal property taxes on the land underlying the Project. As provided in <https://tax.vermont.gov/municipal-officials/solar-plant-taxation>, the Town shall value the land as if it were vacant, using its existing land schedule and without consideration of the highest and best use as a solar facility.
  - d. Nothing herein shall impair Shaftsbury Solar's rights under state law to grieve and/or appeal any decision of the Town or State of Vermont concerning the assessment of taxes in any given year.
5. Electric Car Charging Stations. Shaftsbury Solar will, at the request of the Town, install two electric vehicle charging stations. The location will be determined, in part, by the ability of the local electrical infrastructure to support the charging station loads and therefore minimize any utility upgrade costs.
6. Effect of Agreement; Cooperation by the Parties
- a. Shaftsbury Solar and the Town have entered this Agreement in good faith and each agree and covenant to abide by its terms.
  - b. The Town agrees to not oppose Shaftsbury Solar's Section 248 petition at the Commission. Further, the Town intends to file a comment letter with the Commission in which it will indicate that the Project conforms with the Town Plan.
  - c. The Parties acknowledge that the Commission has ultimate review and approval authority over all Project plans. Any action taken by the Town hereunder may not be materially inconsistent with, or have the effect of altering or modifying, any order, judgment, decision or approval of the Commission, pursuant to 30 V.S.A. § 224.
  - d. The Agreement pertains only to the Project as it is presently proposed at the time the Agreement is executed. In the event that Shaftsbury Solar proposes changes to the Project during the Section 248 proceeding that materially impact the Project's conformance with the Town Plan, the Town shall provide reasonable notice to Shaftsbury Solar, after which Shaftsbury Solar shall have a reasonable opportunity to address the Town's specific concerns. In the event the Parties cannot resolve the outstanding issues to their mutual satisfaction, the Town shall have the right to provide supplemental recommendations to the Commission, and Shaftsbury Solar shall have the right to respond to any such revised recommendations.

In addition, if it becomes apparent to either party that the Agreement needs to be amended to conform to the terms of the Commission approval, the requesting party shall provide notice and within 30 days thereafter the Parties shall commence to negotiate in good faith to amend the Agreement so that performance is possible within those terms.

7. Transferees, Successors, and Assigns

- a. Shaftsbury Solar may assign this Agreement and may pledge or mortgage its rights hereunder as security for its indebtedness. This Agreement shall be binding upon and enforceable against Shaftsbury Solar and the Town and their respective successors and assigns.
- b. Shaftsbury Solar may assign this Agreement in connection with the financing supporting construction of the Project and may assign this Agreement otherwise, provided that, in the latter case, any such assignment shall not become effective unless and until such assignee assumes in writing the obligations and rights of Shaftsbury Solar hereunder. Upon delivery of written confirmation of such assumption to the Town, Shaftsbury Solar shall be released from its obligations hereunder, provided that for any partial transfer of the Project or transfer of a component of the Project, Shaftsbury Solar shall remain liable for its obligations hereunder with respect to the portion or components of the Project it retains.
- c. This Agreement in its entirety shall apply to, inure to the benefit of, and, with the exception of an assignment in connection with the financing supporting construction of the Project be binding upon and enforceable against the Parties hereto and their successors and assigns.
- d. In addition to the foregoing, Shaftsbury Solar is authorized to collaterally assign the rights and interests afforded to Shaftsbury Solar by this Agreement to a party or parties providing the debt financing for the Project, and the Town acknowledges that, in the case of any such collateral assignment, this Agreement shall not be binding upon or enforceable against such assignee or assignees unless and until, and then only to the extent that, such assignee or assignees elect to exercise its right to displace the assignor and assume the assignor's rights and obligations pursuant to this Agreement.

8. Effective Date and Term of Agreement

- a. The Agreement shall be effective upon its execution.
- b. This Agreement shall terminate if the Commission denies Shaftsbury Solar's petition to construct and operate the Project and such denial is upheld on appeal, if an appeal is taken.
- c. Nothing in this Agreement shall obligate Shaftsbury Solar to build or operate the Project, any such decision being within Shaftsbury Solar's sole discretion.

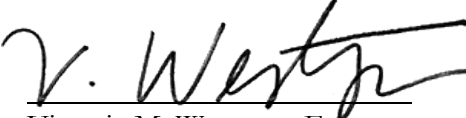
9. Shaftsbury Solar shall have the right to record this Agreement in the Shaftsbury Land Records.
10. This Agreement shall be enforceable by the Commission under the CPG. Any disputes arising under this Agreement shall be resolved by the Commission under Vermont law.

*[End of Document; Signature page to follow]*

IN WITNESS WHEREOF, the Parties, individually as evidenced by the signature(s) of their respective Duly Authorized Agent(s), do hereby execute this Agreement as of the dates set forth below.

Dated at Burlington, Vermont this 16<sup>th</sup> day of January, 2024.

**VT Real Estate Holdings 1 LLC**

By:   
Victoria M. Westgate, Esq.  
SRH Law PLLC  
91 College Street, PO Box 545  
Burlington, VT 05402-0545  
(802) 495-5417  
[vwestgate@srhlaw.com](mailto:vwestgate@srhlaw.com)

Dated at Shaftsbury, Vermont this \_\_\_\_<sup>th</sup> day of January, 2024.

**Town of Shaftsbury**

By: \_\_\_\_\_