

**Renewable/Advanced Energy Property Tax Exemption
Implementation Issues Summary**

- Verification of Certification Requirements
- Exemption Requirements Beyond Certification
- Continuing (Compliance) Requirements – Construction Period
- Continuing (Compliance) Requirements – Entire Exemption Period
- Revocation of Certification

Verification of Certification Requirements

<u>Issue</u>	<u>Process</u>
Timely application	Original signed application received by Development by statutory deadline Must include date-stamped copy of Power Siting Board (PSB) application (if applicable) or application for local building permit (if not subject to PSB process) or construction contract, whichever is earlier – subject to statutory timeframe 1/1/2009 – 12/31/2011
County approval	Applies only to projects 5 MW or greater Development will obtain list of taxing units from Taxation Development must receive a certified copy of the county resolution within the statutory timeframe (certification by Clerk for Board of Commissioners)
Project did not supply electricity before 12/31/2001	Development will accept a certification of compliance from the applicant as part of the application
Compliance with all applicable regulations	Application must be accompanied by a list of all licenses, permits, and other approvals required for the project, plus copies of all obtained through the application date Applicant will be required to certify in the application compliance with all laws as of the application date See “Continuing (Compliance) Requirements” section for on-going reporting and certification expectations
Pre-construction rebuilding or reinforcement of roads, bridges, and culverts	Applies only to projects 5 MW or greater Applicant to provide county engineer certification that the applicant has complied or made an agreement to

<u>Issue</u>	<u>Process</u>
	<p>with this requirement</p> <p>Submit copy of agreement with county engineer</p> <p>Submit copy of any bond required by county engineer or PSB (if applicable)</p>
Training for fire and emergency responders	<p>Applicant to identify fire/emergency responders for the jurisdiction where the project is located</p> <p>Submit with application certification of local fire/emergency responder officials confirming training plan and timeline has been agreed with applicant</p>
Equip fire and emergency responders	<p>Applies only to projects 5 MW or greater</p> <p>Report equipment plan and status of implementation as of application date; equipment plan and timeline will be as agreed with local officials</p> <p>Submit with application certification of local fire/emergency responder officials confirming equipment plan and status</p>
Workforce training commitment for careers in wind or solar energy	<p>Applies only to projects greater than 2 MW</p> <p>Provide copy of agreement with university or apprenticeship program</p>
Offer to sell power or renewable energy credits from the energy project to electric distribution utilities (EDU) or electric service companies subject to renewable energy resource requirements under ORC § 4928.64 that have issued RFPs for such power or renewable energy credits	<p>Development will accept a certification of compliance from the applicant as part of the application</p>

Exemption Requirements Beyond Certification

<u>Issue</u>	<u>Process</u>
Energy project placed in service	<p>Certification of “placed in service” date to be included in construction completion report</p> <p>Renewable: placed in service date must occur before statutory deadline (12/31/2012) for exemption to continue beyond 2012</p> <p>Advanced: placed in service date must continue before 1/1/2017 for exemption to apply</p>
Certification not revoked	See “Revocation of Certification” section

Continuing (Compliance) Requirements – Construction Period

<u>Issue</u>	<u>Process</u>
Construction progress report	Due 3/1 each year during construction/installation for the period ending prior 12/31
Construction completion report	<p>Final construction report</p> <p>Certifies date project is placed in service (subject to statutory deadline for exemption to continue)</p> <p>Appendix to list all personal property comprising the energy facility, including interconnection equipment, energy conversion equipment, and any other equipment which is to be exempted and cost of each item provide location, parcel number, and taxing district of the real property</p>
Employment report	<p>Construction employment (measured in Full Time Equivalents (FTE)) to be included in each construction progress report and the construction completion report</p> <p>Employment report must include supporting documentation for status of employees as “Ohio domiciled” (to be used to evaluate compliance with Ohio-domiciled employee ratios)</p> <p>Domicile means the place of a person’s permanent residence</p>
Post-construction repair of roads, bridges, and culverts (reporting requirement continues for duration of obligation to local officials)	Submit with construction completion report certification by county engineer that roads, bridges, and culverts have been restored to pre-construction condition and bond for future work is adequate

Continuing (Compliance) Requirements – Entire Exemption Period

<u>Issue</u>	<u>Process</u>
Nameplate capacity report, <i>aka</i> annual report (continues for the duration of the exemption)	Due before 3/1 each year after completion for period ending prior 12/31
Decommissioning appendix (continues for duration of the exemption as decommissioning occurs or is planned)	<p>To be included in each annual report if applicable</p> <p>List any equipment (1) decommissioned during the reporting period and (2) to be decommissioned during the calendar year in which the report is due, indicating for each whether the equipment was/is being decommissioned permanently or temporarily</p> <p>For all equipment decommissioned, certify completion in compliance with all applicable regulations</p> <p>For all equipment to be decommissioned, provide a</p>

<u>Issue</u>	<u>Process</u>
	copy of the decommissioning plan
Compliance with all applicable regulations (continues for the duration of the exemption)	<p>In each annual report, taxpayer to update and supplement (as applicable) the list of licenses, permits or approvals obtained and provide copies of any new or renewed licenses, permits, or approvals for the reporting period</p> <p>Taxpayer will be required to certify in the annual report compliance with all laws during the reporting period and as of the report date</p> <p>Non-compliance will be subject to cure opportunity prior to action to revoke the certificate</p> <p>See "Revocation of Certification" section below</p>
Training for fire and emergency responders (continues for duration of the exemption)	<p>List training activities and status of compliance with training plan during the reporting period</p> <p>Submit with annual certification of local fire/emergency responder officials confirming compliance with training plan during the reporting period</p>
Equip fire and emergency responders (continues for duration of the exemption)	<p>Applies only to projects 5 MW or greater</p> <p>Report equipment plan and status of implementation for reporting period</p> <p>Submit certification of local fire/emergency responder officials confirming equipment plan and status</p>
Workforce training commitment for careers in wind or solar energy (continues for duration of the exemption)	<p>Applies only to projects greater than 2 MW</p> <p>Report status of agreement with university or apprenticeship program</p>
Payment of annual service payments (continues for duration of the exemption)	Submit with annual report a copy of the county's assessment and evidence of payment for the annual service payment due during the reporting period

Revocation of Certification

<u>Issue</u>	<u>Process</u>
Annual review	<p>Based on annual reporting due 3/1 each year</p> <p>Failure to comply with any certification requirement can be grounds for revocation</p>
Opportunity for cure	Certification will not be revoked for any violation susceptible of cure during any period of cure or grace permitted by the applicable regulation

<u>Issue</u>	<u>Process</u>
	<p>Regulatory authority will determine non-compliance with a regulatory requirement and opportunity for cure in accordance with the applicable regulatory regime</p> <p>Non-payment of penalties or other charges assessed by a regulatory authority is considered non-compliance</p> <p>Director may not revoke if the non-compliance is not material; non-compliance with health or safety regulations and a pattern of non-compliance will be considered material</p>
Process	<p>Director to issue written notice of revocation</p> <p>Applicant/taxpayer will have an opportunity to contest the revocation, including opportunity to be heard</p>

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