




CITY OF CONCORD

REPORT TO MAYOR AND THE CITY COUNCIL

FROM: Kathryn H. Temchack, Director of Real Estate Assessments 

DATE: August 29, 2022

SUBJECT: Payment in Lieu of Taxes Agreement between the City of Concord and Briar Hydro Associates for its hydroelectric facilities at Rolfe Canal Falls, Penacook Upper Falls & Penacook Lower Falls.

Recommendation:

Accept this report and schedule a public hearing at the October 11, 2022 City Council Meeting to authorize the City Manager to sign the attached payment in lieu of taxes ("PILOT") agreement between the City of Concord and Briar Hydro Associates for its hydroelectric facilities the Rolfe Canal Falls, Penacook Upper Falls & Penacook Lower Falls.

Background

Briar Hydro Associates owns and operates three hydroelectric generating facilities along the Contoocook River:

1. The Rolfe Canal Falls (RCF) project; a 4.283 Megawatt generating facility located solely in Concord.
2. The Penacook Upper Falls (PUF) project, a 3.02 Megawatt generating facility, 66.42% of the project is in Concord and 33.58% of the project is in Boscawen.
3. The Penacook Lower Falls (PLF) a 4.11 Megawatt generating facility; 9.10% of the project is in Concord and 90.9% of the project is in Boscawen.

RSA 72:74 authorizes municipalities to enter into PILOT agreements with renewable generation facilities, after duly noticed public hearing. Briar Hydro Associates and the City of Concord have maintained PILOT agreements since 2013, and have a current PILOT agreement which expires on March 31, 2023.

The City of Concord and Briar Hydro Associates both would like to have a reasonable level of assurance of an expected income for budgeting purposes and an expected PILOT payment. The parties believe that this PILOT agreement will best achieve this assurance. The PILOT agreement is for five (5) years beginning April 1, 2023 and ending on March 31, 2028.

The PILOT payments will be determined by multiplying the PILOT rate of 5.5% times the gross revenues for the calendar year. Gross Revenue means the total revenues of Briar Hydro Associates facilities in the City of Concord derived from the sale of electricity, capacity pricing and renewable energy certificates (RECs) which are sold, traded and/or auctioned in the preceding calendar year.

The individual PILOT amounts for the RCF the PUF and PLF would be determined by multiplying the PILOT rate of 5.5% times the gross revenues for the calendar year, and then by 100.00%, 66.42% and 9.1% respectively to account for the percentage of each generating facility in Concord.

Notwithstanding Briar Hydro Associates Gross Revenue, the total minimum annual PILOT payments to the City shall be no less than \$191,866 (The previous PILOT minimum payment was \$180,000).

The attached PILOT agreement between the City of Concord and Briar Hydro Associates has been reviewed and agreed upon by the parties.