

# *Town of Colchester, Connecticut*

127 Norwich Avenue, Colchester, Connecticut 06415


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**Board of Selectmen Agenda  
Special Meeting  
Monday, October 21, 2019 @ 3 PM  
Colchester Town Hall**

1. Call to Order
2. Citizen's Comments
3. Discussion and Possible Action on Bloom Connecticut Clean Energy Company LLC Energy Tax Stabilization
4. Adjourn

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COLCHESTER, CT  
2019 OCT 18 PM 2:54  
*Gaye Furman*  
GAYLE FURMAN  
TOWN CLERK

## Interdepartmental Memorandum

To: Art Shilosky, First Selectman  
From: John Chaponis, Assessor   
CC:  
Date: October 15, 2019  
Re: Bloom Connecticut Clean Energy Company, LLC  
Tax Stabilization Agreement

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Bloom Connecticut Clean Energy Company, LLC (Bloom) wants to construct a 10 Mega Watt Fuel Cell in the town of Colchester. Personal Property Costs are estimated at 35 Million. The energy is not intended for any particular property owner and will be sold back to the grid. The location of the property would be 160 Old Amston Ro, a 13 acre parcel enroute to the transfer station and owned by Connecticut Light & Power. Bloom will lease the land for a period of 20 years. The town will revalue the land based on the new use/land lease which would create an approximate additional \$30,000 per year in tax dollars (billed to CL&P).

Since Personal Property is assessed based on its cost x depreciation each year, the bill starts out higher in year one and lesser in year twenty (when fully depreciated). I have estimated the taxes to be \$766,343 in year one and \$221,440 in year twenty. The total tax liability over the entire twenty year period is estimated at \$9,110,707.

Bloom claims to be working on an extremely thin margin on this project and the cost to connect to the natural gas line exceeded their originally estimate. They stated that they need to reduce their costs in the early years in order to make the project feasible. They claimed they could not complete the project without this assistance.

While there are no C-TIP incentives for Personal Property, Bloom has requested that the town enter into an "Tax Stabilization Agreement" which is authorized by Connecticut General Statutes Sec. 32-71a(a) specifically for electric generating facilities (copy attached).

Bloom is requesting that the town take the estimated \$9,110,707 that they would pay over the twenty years and stabilize that amount into twenty (20) equal annual tax bills of \$455,535.36.

C.G.S. Sec. 32-71a(a) requires that such a stabilization agreement be approved by the municipality's legislative body.



VIA CERTIFICATE OF MAILING

October 11, 2019

RE: Application of Bloom Energy for the location and construction of a 10-Megawatt fuel cell Grid-Side Distributed Resource at 160 Old Amston Road, Colchester, Connecticut

Dear Ladies and Gentlemen:

Pursuant to Section §16-50j-40 of the Connecticut Siting Council's (the "Council") regulations, we are notifying you that Bloom Energy intends to file, on or about October 18, 2019, a petition for declaratory ruling with the Council. The petition will request the Council's approval of the location and construction of a 10-Megawatt (MW) fuel cell installation and associated equipment ("Facility"). The Facility will be located at 160 Old Amston Road in Colchester, Connecticut (the "Site").

The proposed Facility was selected by the Connecticut Department of Energy and Environmental Protection through its Notice of Request for Proposals from Private Developers for Clean Energy, dated January 31, 2018. Electricity generated by the Facility will be exported to the existing electrical grid via Eversource Energy's Judd Brook Substation located on Site.

Keeping the lines of communication open is an important part of our work in your community. If you have questions about this work, please contact the undersigned or the Council.

Respectfully,

Justin Adams

[justin.adams@bloomenergy.com](mailto:justin.adams@bloomenergy.com)

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**Sec. 32-71a. Treatment of certain electric generating facilities completed after July 1, 1998.** (a) Any electric generating facility, the construction of which is completed after July 1, 1998, may be treated for purposes of section 32-71 as if it were located in an enterprise zone and used for commercial or retail purposes. Notwithstanding the provisions of section 32-71, upon the approval of a municipality's legislative body, either before or after July 1, 2001, the full amount of either assessments or taxes may be fixed for the real and personal property of such electric generating facility both during and after the construction period, provided such assessments or taxes as so fixed represent an approximation of the projected tax liability of such facility based on a reasonable estimation of its fair market value as determined by the municipality upon the exercise of its best efforts.

(b) Any new electric generating facility, the construction of which is completed after July 1, 2003, may be treated for purposes of section 32-71 as if it were located in an enterprise zone and used for commercial or retail purposes, provided: (1) The owner of such facility has negotiated a tax agreement with the municipality in which such facility would be located; and (2) such agreement has been approved by the municipality's legislative body between January 1, 2002, and February 28, 2002. Notwithstanding the provisions of section 32-71, upon approval of such municipality's legislative body, either before or after June 14, 2002, up to the full amount of either assessments or taxes may be fixed for the real and personal property of such electric generating facility both during and after the construction period, provided such assessments or taxes as so fixed represent an approximation of the commensurate portion of the projected tax liability of such facility based on a reasonable estimation of its fair market value as determined by the municipality upon the exercise of its best efforts.

(c) Any new electric generating facility, the construction of which is completed after July 1, 2003, may be treated for purposes of section 32-71 as if it were located in an enterprise zone and used for commercial or retail purposes, provided the municipality in which such facility is located is under state governance. Notwithstanding the provisions of section 32-71, upon approval of such municipality's legislative body, either before or after June 14, 2002, up to the full amount of either assessments or taxes may be fixed for the real and personal property of such electric generating facility both during and after the construction period, provided such assessments or taxes as so fixed represent an approximation of the commensurate portion of the projected tax liability of such facility based on a reasonable estimation of its fair market value as determined by the municipality upon the exercise of its best efforts.

(d) As used in this section, "electric generating facility" means a facility, as defined in subdivision (3) of subsection (a) of section 16-50i.

(June Sp. Sess. P.A. 01-9, S. 86, 131; P.A. 02-143, S. 3.)

History: June Sp. Sess. P.A. 01-9 effective July 1, 2001; P.A. 02-143 added new Subsecs. (b) and (c) re treatment of certain electric generating facilities completed after July 1, 2003, and the fixing of assessments on such facilities and redesignated existing Subsec. (b) as Subsec. (d), effective June 14, 2002.