

TOWN OF BURRILLVILLE



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Burrillville Town Council Approves Agreements to Protect Residents Should the Invenergy Power Plant be Forced on the Town

One of Most Aggressive Packages in the Northeast Provides Guaranteed Tax Payments, Compensation for Neighboring Property Owners and a Decommissioning Plan

BURRILLVILLE, RI - The Burrillville Town Council voted to sign a package of agreements with Invenergy's Clear River Energy LLC (CRE) that will provide financial protection for the town including up to \$200 million in guaranteed tax payments, compensation for property abutters and a decommissioning plan.

The Town Council is opposed to the power plant. However, the Council is not the decision maker on the siting of the plant. The three-member, Energy Facility Siting Board (EFSB) can force the siting of the plant in Town. As part of its deliberations on the potential outcomes should the plant be forced on the Town, the Council voted to put in place a tax agreement that protects and compensates the town and taxpayers.

"These agreements are NOT an endorsement of the power plant," said Town Council President John Pacheco III. "We are continuing to do everything we can to stop the plant from coming to Burrillville. In fact, the agreement requires Invenergy to pay the Town almost \$1.2 million in upfront payments and fees. It is our intention to use Invenergy's own money to finance our fight to keep them out of Burrillville."

Crossing political lines, the Bi-partisan Town Council approved the package of agreements, following a long process of negotiations between the Town and Invenergy. The Town Council instructed the Town Manager and the Town's attorneys not to accept a tax agreement without including strong protections for those property owners who are the nearest neighbors of the proposed plant.

The package of agreements includes:

- **Tax Agreement-** providing payments to the Town over the next 20 years totaling between \$92 million - \$182 million. Under the terms of the agreement, Invenergy's CRE

will pay the Town almost \$1.2 million even if the power plant is not built in Burrillville. Upfront payments and fees could total up to \$3.6 million.

- **Decommissioning Agreement-** providing for removal or reuse at end of power plant's operating life and restoring the site to its original state. The Decommissioning Agreement includes a requirement for Invenergy to provide performance bond, surety bond, letter of credit or escrow.
- **Property Value Guarantee Agreement (PVGA)** - providing \$1500 compensation for some neighboring property owners – and a commitment to buy homes that don't sell
- **Opt Out Agreement-** \$5,000 for some neighboring property owners who opt out of the PVGA

In a detailed presentation to the Town Council and members of the public on October 26, 2016, Town Attorney Michael McElroy and, Town Manager Michael Wood said they considered all options on how to protect the Town and continue the fight against the power plant. A particular focus was the option of rejecting a tax agreement and instead placing Invenergy on the Town's tax rolls. In rejecting that option, the team noted placing the plant on the tax roll would have:

- Left the Town without any guarantee of tax payment
- Left the Town vulnerable to costly lawsuits
- Opened the door for legislative loop holes to allowing Invenergy to avoid paying its fair share of taxes

The team also researched whether denying a tax agreement would have resulted in Invenergy backing away from its application to put the power plant in Burrillville. The team concluded, based on historical models in other communities, and the substantial penalties Invenergy would be subject to, that it was not likely the company would abandon its plans - even if there were not a tax agreement.

"This package of agreements is our best financial insurance policy in the event the EFSB allows the plant to come. The agreements provide a guaranteed revenue stream, bind future owners, avoid costly litigation and is especially important given possible challenges or legislation that may allow power plants to escape full taxation," said Pacheco.

The Town Council and residents of Burrillville are continuing efforts to block the power plant on several fronts. Through its attorney the Town Council has asked the EFSB to dismiss the Invenergy application. On a request from the Town Council several other municipalities have joined in the opposition to the plant. And recognizing that without a water plan, the plant cannot move forward, President Pacheco has requested the City of Woonsocket refuse to supply water for the proposed plant.