

**Dominion
Energy®**

Merry Point Solar Project: Site Plan Update 5/27/2021

Agenda

- Legislative Updates
 - Tax Changes
 - Siting Agreement Updates
- Project Updates
 - Project Overview
 - Parcel Summary
 - Project Timeline
- Draft Site Plan Review
- Siting Agreement Discussion



Changes to Tax Provisions for Solar Projects

Existing solar projects (and any project that has applied for an interconnect prior to January 1, 2019):

- Nothing has changed

New solar projects: Two options available

- Property taxes with modified exemptions
- Replace property taxes with revenue share (by local ordinance)
- The University of Virginia and DMME have developed a tool called “SolTax”
 - Available to localities to determine the most optimal choice for obtaining tax revenue
 - Link: <https://solar-tax-webapp.herokuapp.com/>

PROPERTY TAX	REVENUE SHARE
First five years of operation: 80% property tax exemption Second five years: 70% property tax exemption Remainder of project life: 60% property tax exemption	Up to \$1,400 per MW of capacity installed per project; the maximum amount allowed to be increased by 10% on 7/1/2026 and every 5 years thereafter.
Depreciation of asset will impact tax revenue	100% property tax exemption, Depreciation of asset does not impact county tax revenue
Facility impacts composite index formula	No impact on the composite index formula

Siting Agreements for Solar Projects

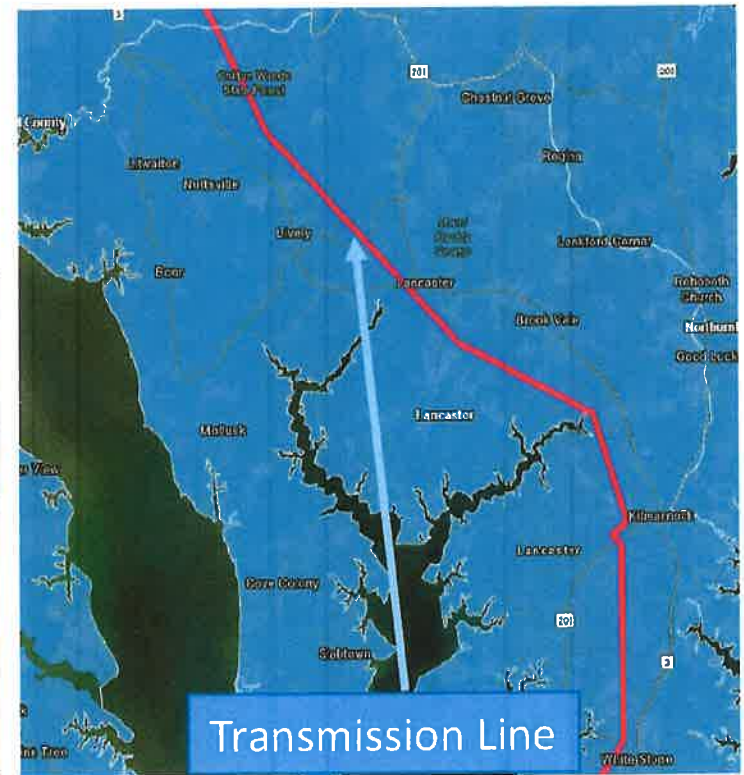
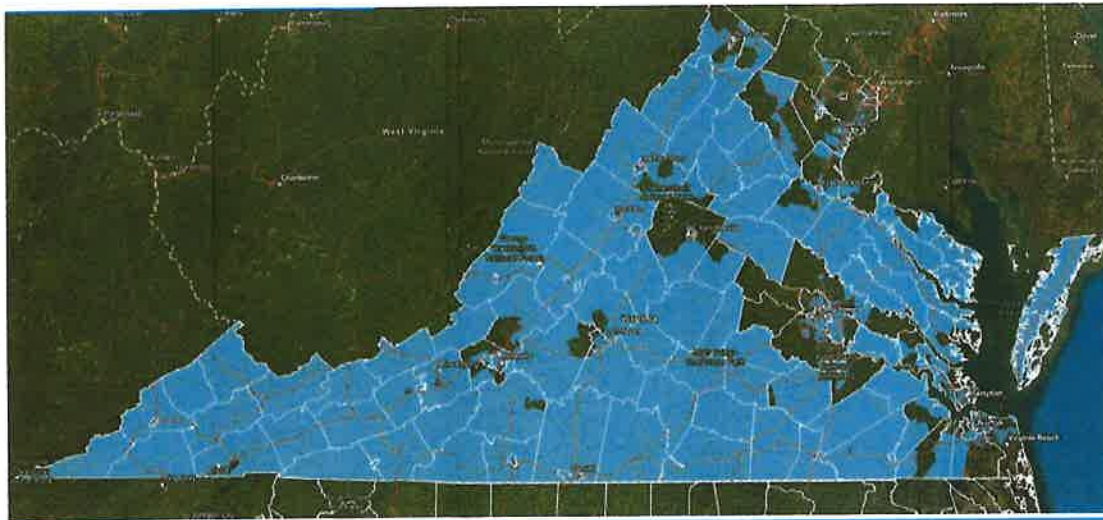
- Creates another tool for localities and solar developers to negotiate business terms and conditions for approval of solar projects
- Effective 7/1/2021, siting agreements apply to energy storage projects
- May be used in addition to a county's election on the tax treatment of solar projects
 - Traditional M&T tax with modified exemptions versus Revenue Share
- Approval automatically deems the solar project in substantial accord with the locality's comprehensive plan
- The agreement may provide funding for important local capital projects:
 - Items in the locality's capital improvement plan
 - Funds for deployment of broadband
- A solar developer still files land use applications with the locality regardless of whether an agreement is reached

Legislation



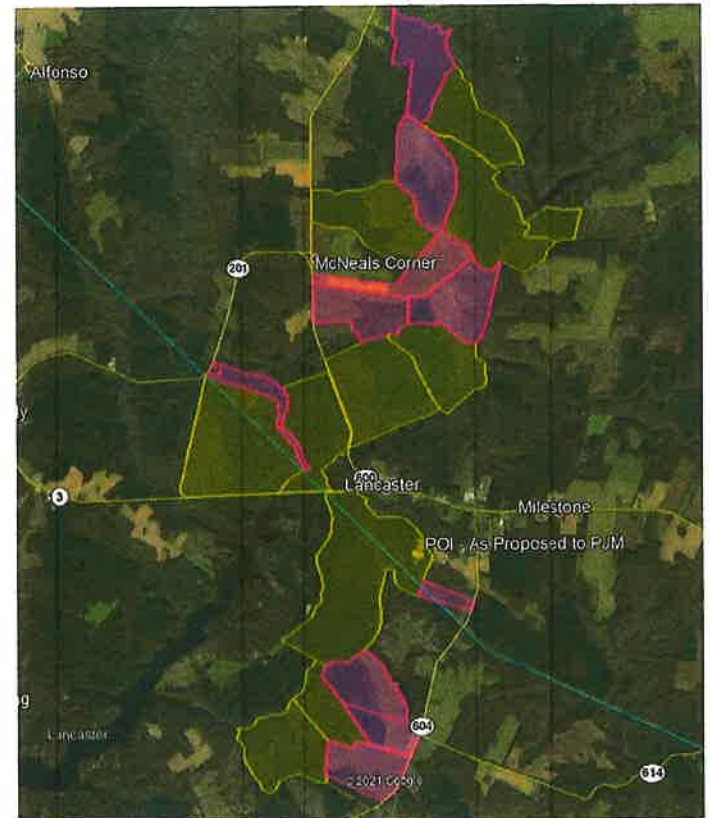
Siting Agreements for Solar Projects

- Applicable to any real property in a census tract that is eligible for designation as a federal opportunity zone (prior to 7/1/2021)
- Effective 7/1/2021, siting agreements apply to any property within the Commonwealth



Merry Point Solar Project (Overview)

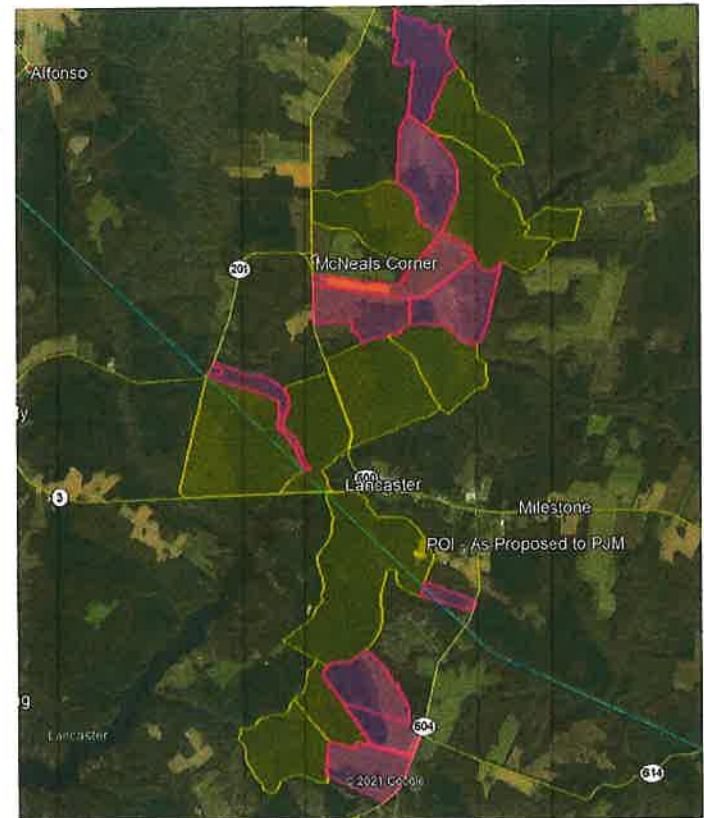
- Dominion Energy is currently working on the development of a solar generation project in the Mantua Magisterial District area of Lancaster County. The Merry Point Solar project will be up to a 100 MW facility and will include up to 50 MW of energy storage. The project will be set back from Mary Ball Road (Route 3) and Courthouse Road.
- Economic Benefits:
 - Increases local tax revenues
 - Helps create clean energy jobs
 - Supports a clean and sustainable energy future in Virginia
 - New solar projects are required to employ locally and use local vendors, goods, and services to the extent practical, providing additional economic benefits



Merry Point Solar Project – Parcel Summary

- Parcels currently under option (Yellow)

Landowner	Parcel	Acres
John Hancock Life Insurance Company	8 44	226.4
John Hancock Life Insurance Company	15 72	111.8
John Hancock Life Insurance Company	9 73A	310
John Hancock Life Insurance Company	9 73	58.2
John Hancock Life Insurance Company	15 73A	944.2 ✓
John Hancock Life Insurance Company	21 165	200 ✓
John Hancock Life Insurance Company	21 161A	32.38 ✓
Wood Preservers Incorporated	15-42	275.26
Total		2,158.24



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Merry Point Solar Project (Anticipated Timeline)

