

Frequently Asked Questions – Derry Solar LLC



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FAQ's for Town of Derry Solar Farm, designated *Derry Solar LLC*:

Q. Why build a solar farm on an unused landfill in Derry?

A. Legislation ([HB315](#)) that was enacted in mid-2021 enables municipalities to build up to a 5-MW solar project. Conservative estimates predict cost savings for the Town totaling \$3.5 million over the 25-year life of the power purchase agreement (PPA). This will be a Group Net Metering deployment of a 2.2-MW system at the existing 10-acre capped landfill site with Encore Renewable Energy as the developer.

Q. How much is the solar farm expected to cost the Derry taxpayers?

A. The entire solar farm will cost Derry taxpayers zero dollars! The power purchase agreement contract with solar developer Encore Renewable Energy stipulates that Encore covers all costs of construction, site preparation, permitting and installing solar panels with associated electrical equipment (estimated at about \$5 million), and is responsible for all solar generating system maintenance for the 25-year contract. Encore will also pay the Town a Payment in Lieu of Taxes (PILOT) of \$20,000 annually for the landfill site.

In exchange, Derry buys electricity to power 30 Town facilities, including its wastewater treatment pumping stations at Fordway Transfer Station, at a discounted rate of 6.8 cents per kWh. This is far below the current average cost of 13 cents per kWh charged by Eversource. Electricity is anticipated to rise each year by about 2%; however this contract with Encore provides no cost escalation for the duration of the 25-year contract, Derry can continue to benefit from buying electricity at the same discounted rate up to the final year of its contract.

Q. Where will the solar farm be located?

A. This solar panel array will be erected over about 7 acres of the 10-acre capped landfill on Kendall Pond Road, east of Route 93 bordering Londonderry Town line (see images below).



Q. Will surrounding homes near the solar farm experience noise, pollution, glare, electrical interference, etc. from the operating solar farm?

A. The Derry capped landfill must be developed carefully, adhering to specific policies and construction practices so as not to disturb contents under the protective cap. The contractor Encore Renewable Energy will be working with experienced civil subcontractor Sanborn, Head & Associates (Concord, NH), environmental subcontractor Normandeau Associates (Manchester, NH), and iSun Electrical Work & Maintenance (Williston, VT).

The project will adhere to appropriate EPA guidelines for building atop a capped landfill in the State of New Hampshire, and follow accepted best practices for mitigating solar glare and electrical interference to surrounding homes.

There is generally no discernable noise emanating from operation of solar panels and equipment.

Since almost every city and town in the United States has brownfield sites, these represent an untapped opportunity for sustainable energy development on undervalued property near population centers. The EPA estimates a brownfield site, mitigated and developed, increases surrounding property values from 5 to 15% ([source EPA link](#))

Q. Why was an out of state company located in Vermont chosen for this project?

A. The Request for Proposal was posted online by the Town in May 2021. Seven qualified firms responded. Encore Renewable Energy of Burlington VT proposed the optimal combination of pricing, quality of equipment, successful experience developing brownfield (landfill) solar farms, with ongoing site maintenance, at lowest cost to the Town over the 25-year contract with no escalation clause for buying electricity.

Q. Does Encore have experience building solar farms on unused landfills?

A. Yes, Encore has over a decade of experience in brownfield and landfill redevelopment with over 17 MW installed across nine projects in several states. You may view their portfolio of projects at <https://encorerenewableenergy.com/>.

Q. Why is it significant that Encore is a Certified B-Corporation?

A. Encore Renewable Energy is proud to be a certified B Corporation (B Corp). Certified B Corporations are businesses that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose. Ultimately, B Corps aspire to use the power of business as a force for good to solve social and environmental problems.

Q. Will this solar farm be one of the largest in New Hampshire?

A. Compared with existing private and municipal solar installations currently operating in New Hampshire, this 2.2-megawatt array is expected to be in the top three solar installations in the Granite State.

1. [City of Manchester 2022 – 3.3 MW, 8,000 solar panels](#)
2. [Fidelity Investments, Merrimack – 3 MW, 8,600 solar panels](#)
3. Town of Derry (in process) – 2.2 MW, 6,474 solar panels generating 3.7M kwh/year
4. [Town of Hanover 2021 – 2 MW, 4,560 solar panels](#)
5. [NH Electric Coop, Moultonborough – 2 MW, 8,000 panels](#)

Q. Can Derry buy this solar farm before the end of the 25-year contract?

A. In the terms of the contract, Derry may decide to purchase the solar farm at fair market value* at year six, when it's estimated the value would be \$1.9 million to buy it. Doing so would increase savings to the Town for its electricity supply estimated at \$5.6 million. However, the Town would then have to maintain the entire system for its expected lifetime at its own cost.

**Fair Market Value is determined by IRS rules at the time of sale.*

Q. What happens after the contract expires in 25 years?

A. Encore has options to extend the contract, assuming the system is still generating its expected electricity. If the contract is terminated at 25 years, Encore must safely remove all equipment and restore the landfill as close as possible to its original state.

Q. Can Encore sell power generated on Derry solar farm outside Derry?

A. No. Encore will sell 100% of electricity generated to the Town of Derry.

Any excess electricity generated in the solar farm that is not used by the Town is sold back to Eversource at the existing commercial rate, which varies by time of year. When additional power is needed (such as at night or a prolonged cloudy period), power is purchased from Eversource at the existing standard rate.

Q. Can this solar farm be expanded if Derry's future needs make it feasible? Such as adding the schools, Pinkerton Academy, public Electric Vehicle charging stations, etc.?

A. Yes. There is potential room for expansion of the project.

Q. What is the expected timeline to build and activate the solar farm?

A. Following signing the contract by the Town Council in Q1 2022, Encore expects to begin seeking approvals from Derry Planning Board, obtaining environmental permits, interconnection agreements with Eversource, then preparing the landfill site, and beginning construction in 2023 with activation expected around fourth quarter 2023.

With this solar farm activation, the Derry NetZero Task Force Committee will achieve its goal as directed by the Town Council in achieving 100% Net Zero Energy for renewably-generated electricity supplied to Town buildings by 2023 - two years ahead of schedule!

Q. This solar array will power Derry's municipal needs, but what about offering lower cost electricity to Derry homeowners?

A. Derry NetZero Task Force, with support of the Town Council, is monitoring developments in New Hampshire Community Power, which expands consumer choice in purchasing lower-cost electric power in their community. Community Power, authorized under NH RSA 53-E, democratizes energy governance by empowering towns, cities and counties to choose where their electricity comes from on behalf of their residents and businesses.

The Community Power Coalition of New Hampshire (<https://www.cpcnh.org/>) is in early stages of incorporation, and we continue to monitor its progress.

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