



Special Use Permit Application Addendum

Sangchris Energy Center
Christian County, Illinois

The Christian County Zoning Board of Appeals
c/o Blake Tarr
101 South Main Street
Taylorville, Illinois 62568

Addendum Submission Date: October 5, 2023

Applicant & Owner Information

East Point Energy, LLC
310 4th Street, 3rd Floor
Charlottesville, VA 22902

East Point Energy Point of Contact

Will Frost
Project Developer
(434) 270-8376
wfrost@eastpointenergy.com

Table of Contents

Formal Request for Permit Extension.....	3
East Point and Long-Term Project Ownership.....	3
East Points Rights to the Project Property.....	3
Updated Project Details.....	3
Updated Development Schedule.....	3
Environmental Impact	4
Construction Impacts	5
Decommissioning.....	5
Operation & Safety.....	5
Project Renderings	5
Economics & Tax	6
Tax Benefits Offered to County	6
Community Outreach	7
Conclusion.....	8
Appendix A: Project Renderings.....	9

Formal Request for Permit Extension

East Point is formally requesting that the time allowance to begin construction of the Sangchris Energy Center, under the permit being applied for, be extended to December 31st, 2027, as opposed to the maximum two years currently allowed under the county zoning ordinance. Please refer to the *Interconnection* section on page 10 of our original application for the reasoning behind this request.

East Point and Long-Term Project Ownership

East Point Energy is actively building out construction and system operation arms of the business with the intent to construct, own, and operate our energy storage projects for their operational lives. We plan to own and operate the Sangchris Energy Center over its anticipated 25-year life span by utilizing these teams who will have acquired years' worth of experience executing energy storage projects prior to the commercial operation date of this project, currently scheduled for the second quarter of 2027.

East Points Rights to the Project Property

East Point has an Option to Lease contract in place with DDS Farms Inc and David Skinner. Once we are ready to construct the project, a previously agreed upon lease agreement will be executed between the relevant parties. This lease agreement has a length of 35 years with the potential to extend for an additional two 5-year periods (45 year maximum).

Updated Project Details

Updated Development Schedule

Adjustments made for delays to the next interconnection study application window

Development Milestone	Status & Estimated Completion Date
Special Use Permit (SUP)	Q4 2023
Interconnection Request	Q1/Q2 2024
Interconnection Agreement	Est. Q1/Q2 2026
Development Complete	Est. Q1/Q2 2026
Construction Permits	Est. Q2 2026
Construction Start	Est. Q2 2027
COD	Est. Q4 2027/Q1 2028

Environmental Impact

Security fence design:

- Our security fence will be designed in a manner that protects the system from intentional vandalism and unintentional access by wildlife (i.e. a deer jumping over the proposed 8-foot security fence).

Evaluation and mitigation of the abandoned Peabody No. 10 coal mine:

- Below you can see an image of the Peabody mine survey on file with the Christian County Clerk's office that outlines the room and pillar structure underground. The project property is roughly outlined in blue and contains a significant amount of room and pillar mining with a noticeable amount of unmined rock.
- East Point has consulted with several firms about the risks the mine presents. We are confident in our ability to thoroughly evaluate the reality of those risks and implement any mitigation measures that may need to be taken.
- Battery enclosures have little tolerance for angular shifts which makes mine subsidence a significant risk to this project. Using mitigation measures and construction solutions, East Point will work to mitigate the risks presented by the mine and will ultimately not build a project if we do not believe those risks can be adequately mitigated.



Construction Impacts

Drainage:

- East Point has consulted with neighboring landowners and county offices regarding concerns and considerations for drainage on the project property and the surrounding farmland. During construction of the storage system, East Point will repair any damage made to existing tile and will install additional tile in an attempt to improve the drainage characteristics of the surrounding agricultural properties. In conversation with adjacent landowners, we understand there is a need for additional drainage capacity on the south side of our project parcel and possible benefits to additional tile on the north side of the project. The specific plans for this additional drainage will develop as the projects engineering is finalized.
- Analysis of the projects impact to stormwater runoff will be conducted as part of our application for a Stormwater Pollution Prevention Plan (SWPPP) which is awarded when a project has shown that its site plan has mitigated any possible stormwater pollution that could come off the project area. If we find these mitigation strategies to require impacts to the drainage characteristics of the surrounding properties, we will work with their owners to understand and mitigate those impacts so long as we continue to adhere to all local, state, and federal regulations.

Decommissioning

As part of the lease agreement, East Point is required to remove all equipment upon the termination of the agreement, unless otherwise requested by the property owner. It is also East Point's intent to ensure, in consultation with the landowner, that the land is returned to a state that is adequate for farming if the future intended use of the property is for agricultural purposes.

Operation & Safety

Fire Safety:

- In consultation with Christian County Emergency Management Director Jeff Stoner, East Point will determine the appropriate system for ensuring access to water for emergency response purposes. It is not recommended to use water directly on a battery enclosure fire as it is more likely to exacerbate the incident. Instead, water during a fire incident will offer its greatest use by keeping surrounding vegetation wet during a response event to ensure a fire does not spread outside of the facility as internal systems work to address the incident.

Project Renderings

Please see renderings of the project attached in Appendix A of this addendum

- Note: the site plan shown in the attached renderings is based on current information and is subject to change within the footprint proposed in this application.

Economics & Tax

Tax Benefits Offered to County

Personal Property:

- **East Points' Expectations:** East Point anticipates the state offering guidance for the taxation of a BESS that largely reflects the taxation strategy that is now used for wind and solar facilities. This strategy involves a wind or solar system being given a fair market value equivalent to a dollar amount per megawatt of a facility's nameplate capacity. The recently passed Hickory Point Solar Project presented their project as a \$380 million investment creating a \$33 million tax benefit over the project's 30-year life and use of approximately 2,000 acres. Based on these figures and the state solar taxation guidance, it appears the state assesses approximately 14% of a solar system as real property. Our proposed 300MW BESS will represent an investment of a similar dollar amount on a significantly smaller portion of land. Even if the state chooses a lower real-to-personal property assessment ratio of a BESS, relative to the 14% seen for solar farms, East Point anticipates the level of tax benefit per acre of land used to be a unique opportunity for Christian County.
- **Where we are today:** There continues to be no formal guidance from the state regarding the taxation of battery energy storage systems. The instruction in the interim has been to tax the battery system as personal property which leaves a potentially large gap in tax revenue for the county, once this project is constructed and until formal guidance is given. With the support of your county Assessor, Chad Coady, East Point is exploring viable pathways to ensure the county avoids any lapse in tax revenue from a constructed BESS.
- **Potential Opportunities to Bridge the Gap to State Guidance:** In lieu of offered state guidance for BESS taxation prior to the project's construction, we encourage the county to further engage East Point in a conversation to ensure the receipt of appropriate tax revenue until guidance is offered. East Point has and will continue to express our interest and willingness to have such a conversation.

To better understand the magnitude of a tax benefit East Point anticipates this project to generate, we have utilized an extrapolation from the taxation of solar to assume an anticipated **per acre** tax payment of \$15,000.

- We calculated a solar tax ratio by comparing the paid taxes with system cost at a per acre rate to apply to the cost of a BESS.
- Our calculation assumes the state assesses 5% of the total system cost as real property. This is below the 14% used for solar given the significantly increased energy density of a BESS, among other reasons.
- \$15,000 per acre is approximately 27 times the per acre tax revenue received from a solar project and over 350 times the property's current tax bill.

Community Outreach

Communication with Neighbors:

- Immediate neighbors of the project were first contacted with letters sent on July 27th, 2023.
 - Included 6 properties.
 - Letters included basic project information, contact information, and a conversation starter around possible drainage improvements to include in our construction plans.
- All properties within 1.5 miles of the project site received similar letters sent on August 28th, 2023.
 - Included 121 properties.
 - Letters included basic project information, contact information, and a community meeting held at the South Fork Township Hall on September 19th, 2023.
- Community Meeting – September 19th, 2023: 6:30-8:30PM @ South Fork Township Hall
 - East Point staff hosted a community meeting in an effort to give community members an opportunity to meet our team and ask questions about our project and our company. We held a successful meeting and appreciated everyone who took time out of their evening to meet with us.
- County Offices/Agencies notified of project and consulted for input.
 - Zoning
 - County Board
 - Solid Waste
 - Supervisor of Assessments
 - Economic Development Corporation
 - Emergency Management
 - Midland Fire Department
 - Pawnee Fire Department
 - Farm Bureau
 - Soil and Water Conservation District
- County Offices/Agencies notified of project; consultation pending
 - Highway department & county engineer

Public Hearing Notices:

- Letter to each landowner within 1.5 miles of project location
 - Sent on October 6th, 2023
- Breeze Courier Posting
 - Information sent on October 6th, 2023 for posting from October 9th through October 24th, 2023
- Miller Media Group radio advertisements
 - Information sent on October 6th, 2023 for air time on October 9th, 11th, 13th, 16th, 18th, 20th, 23rd, and 24th, 2023

Conclusion

This concludes the updates to the Special Use Permit Application for the Sangchris Energy Center since it's original submission on June 27th, 2023. I look forward to presenting this application and the Sangchris Energy Center to the zoning board on October 24th and am happy to answer any questions before then.

Respectfully,

A handwritten signature in black ink that reads "Will Frost". The signature is fluid and cursive, with the first name "Will" and last name "Frost" clearly legible.

Will Frost
Project Developer
(434) 270-8376
wfrost@eastpointenergy.com

Appendix A: Project Renderings

Birds-eye view from County Rd 150 E



Views from access road on County Rd 150 E

