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WALLER SOLAR I, LLC

ECONOMIC AND FISCAL CONTRIBUTION TO
LANCASTER COUNTY, VIRGINIA



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About Mangum Economics, LLC

Mangum Economics, LLC is a Richmond, Virginia based firm that specializes in producing objective economic, quantitative, and qualitative analysis in support of strategic decision making. Much of our recent work relates to IT & Telecom Infrastructure (data centers, terrestrial and subsea fiber), Renewable Energy, and Economic Development. Examples of typical studies include:

POLICY ANALYSIS

Identify the intended and, more importantly, unintended consequences of proposed legislation and other policy initiatives.

ECONOMIC IMPACT ASSESSMENTS AND RETURN ON INVESTMENT ANALYSES

Measure the economic contribution that businesses and other enterprises make to their localities.

WORKFORCE ANALYSIS

Project the demand for, and supply of, qualified workers.

CLUSTER ANALYSIS

Use occupation and industry clusters to illuminate regional workforce and industry strengths and identify connections between the two.

The Project Team

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Research Director –

Economic Development & Renewable Energy

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Founder and CEO

Executive Summary

This report assesses the economic and fiscal contribution that the proposed Waller Solar I, LLC (Waller Solar) project would make to Lancaster County, Virginia. The primary findings from that assessment are as follows:

- 1) **Waller Solar is a proposed 131-Megawatt (MW) AC solar photovoltaic power generating facility. The project would be located on both sides of Route 3 between White Chapel Road and the boundary with Richmond County in Lancaster County, Virginia. The total project boundary encompasses approximately 1,400 acres. The actively used, fenced-in portion of the solar site would be approximately 1,109 acres that are currently used primarily for timber operations and some agricultural production.**

- 2) **The proposed Waller Solar project would make a significant economic contribution to Lancaster County:**
 - The proposed Waller Solar project would provide an estimated one-time pulse of economic activity to Lancaster County during its construction phase supporting approximately:
 - 139 jobs.¹
 - \$6.2 million in associated labor income.
 - \$18.5 million in economic output.

 - The proposed Waller Solar project would provide an estimated annual economic impact to Lancaster County during its ongoing operational phase supporting approximately:
 - 4 jobs.
 - \$123,101 in associated labor income.
 - \$395,908 in economic output.

- 3) **The proposed Waller Solar project would also make a significant fiscal contribution to Lancaster County. We estimate that the proposed project would generate approximately:**
 - \$680,289 in state and local tax revenue from the one-time pulse of economic activity associated with the project's construction.

 - \$7.2 million in cumulative county revenue over the facility's anticipated 40-year operational life assuming revenues are generated from the reassessment of the real property and the taxation of the associated capital investments, (Scenario 1);² or

¹ A construction sector job, also referred to as a job year, is equal to one job over one year. It is used to denote employment on construction projects where the construction schedule extends beyond one year and to account for the fact that actual on-site employment may vary over the period. For example, a construction project that lasted two years and employed 50 workers on-site the first year and 100 workers on-site the second year, would provide 150 job years of employment.

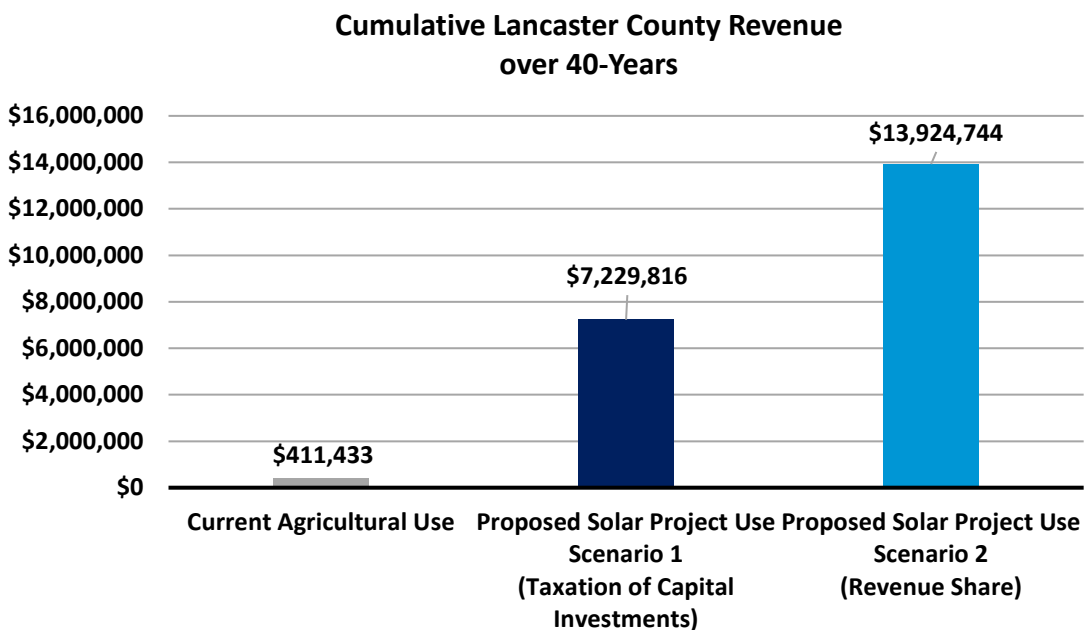
² Estimated revenue does not include voluntary payments associated with a sitting agreement, which is subject to negotiation between Open Road Renewables and Lancaster County.



- \$13.9 million in cumulative county revenue over the facility’s anticipated 40-year operational life assuming revenues are generated from the reassessment of the real property and a revenue share agreement between Waller Solar and Lancaster County that is based on the project’s generation capacity and includes a 10 percent escalator every five years pursuant to recently passed legislation (Scenario 2).³

4) The proposed Waller Solar project would have a significantly greater fiscal impact on Lancaster County than the property generates in its current agricultural use:

- The proposed Waller Solar project would generate approximately \$7.2 million (from taxation on capital equipment) or \$13.9 million (from a revenue share agreement) in cumulative county revenue over the facility’s anticipated 40-year operational life, as compared to approximately \$411,433 in cumulative county revenue in the property’s current agricultural use – a difference of approximately \$6.8 million and \$13.5 million.



The estimates provided in this report are based on the best information available and all reasonable care has been taken in assessing that information. However, because these estimates attempt to foresee circumstances that have not yet occurred, it is not possible to provide any assurance that they will be representative of actual events. These estimates are intended to provide a general indication of likely future outcomes and should not be construed to represent a precise measure of those outcomes.

³ Estimated revenue does not include voluntary payments associated with a sitting agreement, which is subject to negotiation between Open Road Renewables and Lancaster County.