

Internal Report: J Power USA - Shoreham Energy, LLC - J Power

Table 1: Basic Information

Project Name	J Power
Project Applicant	J Power USA - Shoreham Energy, LLC

J Power's Power Purchase Agreement with PSEG/LIPA is set to expire August 2017. During extension discussions PSEG/LIPA has indicated that revenue to the project will be reduced by 33%, that J Power is responsible for negotiating a PILOT which LIPA will not be a party to and that the PPA extension terms reduce the economic benefits by 50%.

J Power has filed the Generator Deactivation Notice with NYISO should they need to deactivate the plant.

Project Description
 Project Industry
 Type of Transaction
 Project Cost

They have requested a 50% reduction of the PILOT, which is currently set at approximately \$2,400,000.
 Utilities
 Lease
 \$0

Table 2: Permanent New/Retained Employment (Annual FTEs)

	State	Region	
Total Employment		13	13
Direct**		6	6
Indirect**		2	2
Induced**		5	5
Temporary Construction (Direct and Indirect)		0	0

Table 3: Permanent New/Retained Labor Income (Annual) & Average Salary (Annual)

	State Labor Income	Region Labor Income	Average Salary
Total Employment	\$1,361,212	\$1,361,212	\$102,982
Direct**	\$925,103	\$925,103	\$154,184
Indirect**	\$331,638	\$331,638	\$87,983
Induced**	\$1,399,815	\$1,399,815	\$50,278
Temporary Construction (Direct and Indirect)	\$0	\$0	\$0

Table 4: Cost/Benefit Analysis (Discounted Present Value*)

Total Costs	\$-26,722
Property Tax	\$0
Sales Tax	\$0
Construction Materials	\$0
Other Items	\$0
Less IDA Fee	-\$26,722
Total Benefits	\$1,402,191
Total State Benefits	\$1,142,681
Income Tax Revenue	\$918,239
Direct**	\$680,956
Indirect***	\$100,589
Induced***	\$136,694
Construction (Direct and Indirect, 1 year)	\$0
Sales Tax Revenue	\$224,441
Direct**	\$152,534
Indirect***	\$28,165
Induced***	\$43,742
Construction (Direct and Indirect, 1 year)	\$0
Total Local Benefits	\$259,510
Sales Tax Revenue	\$259,510
Direct**	\$176,368
Indirect***	\$32,566
Induced***	\$50,577
Construction (Direct and Indirect, 1 year)	\$0

Table 5: Local Fiscal Impact (Discounted Present Value*)

Total Local Client Incentives	\$-26,722
Total Anticipated Local Revenue (Property Tax plus Local Sales Tax)	\$259,510
Net Local Revenue	\$286,232

* Figures over 20 years and discounted by 3.49%

** Direct - The recipient of IDA assistance adds new jobs to the regional economy and/or retains jobs at risk of being lost to another region. Investments that result in displacing existing jobs (e.g., most retail and many service sector industries) do not fall under this definition.

*** Indirect - The recipient of IDA assistance makes purchases from regional firms, which stimulates suppliers to add jobs and payroll that are new to the regional economy or are saved from being lost to competitors outside the region.

**** Induced - The recipient of IDA assistance by adding to and/or retaining payroll stimulates household spending that is new to the regional economy and/or saved from being lost to competitors outside the region.