

Testimony of Ray Fakhoury
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Chairs Vogel, Dush, Schwank, and Kearney and members of the Agriculture and Rural Affairs and Local Government Committees, thank you for the opportunity to speak to you about Pattern Energy, our best practices in operations, stakeholder outreach and development, our project pipeline and the economic and rural benefits of utility scale solar.

My name is Ray Fakhoury and I am the Government Relations Manager for Pattern Energy, covering energy policy in Pennsylvania and other states in the PJM territory. Headquartered in the United States, Pattern Energy is a privately-owned energy development and infrastructure company specializing in building and operating utility scale solar, wind, storage, and transmission facilities. Pattern's global footprint includes nearly 30 projects located throughout the United States, Japan, and Canada.

In Pennsylvania, Pattern's development pipeline includes more than 600 MW of utility scale solar, representing an injection of \$500 million in private investments and economic activity, thousands of new construction jobs, and direct financial support for local communities in the Commonwealth. After years of proactive outreach and stakeholder engagement to build support for our projects, we anticipate beginning construction on our Phase One projects in mid-2022. Utility scale solar serves as an economic boon for rural Pennsylvania communities. A typical 100 MW project creates between 200-250 construction jobs. Similar to the gas industry, utility scale solar jobs and capital costs occur on the front end, ensuring lower energy costs on the back end.

In addition to these direct investments in rural communities, Pattern collaborates with counties, local township supervisors, and municipalities that host utility scale solar projects to identify opportunities to contribute to local needs, initiatives and organizations deemed a priority. We achieve this by listening intently to these communities and investing in important causes. This includes nonprofit groups, local first responders organizations, Veterans groups, and more. Furthermore, our project agreements include annual lease payments to participating farmers and landowners as well as decommissioning requirements to support clean-up and removal efforts for individuals hosting utility solar.

For many landowners and farmers utility scale solar serves as a drought-resistant crop that supplements their incomes and preserves family land. Costs for operating small or independent farms in Pennsylvania drastically increased in recent years while profit margins tighten. Utility scale solar provides a lifeline that preserves and maintains the legacy of farming in rural communities. Rather than sell land for uses that eliminate future agricultural operations, many

Pennsylvania farmers are considering leasing land for utility-scale solar facilities. We identified, and in some cases proactively contacted by, interested participating farmers and landowners. By siting these projects near high-frequency transmission hubs, we limit project costs and construction impacts to host communities. And, we engaged county, township, and municipal officials in Adams, Crawford, Erie, Mercer, Montour, Union, Lebanon, Berks County, and more to site utility scale solar facilities that present limited disruptions to Pennsylvania's natural resources or farming practices. In fact, there are examples of County Commissioners in Pattern's development footprint that authored letters in support of our projects because we maintain a transparent, trusting and collaborative working relationship with them and their constituents.

Last month, Pattern announced a joint Venture with Talen Energy to develop utility scale solar projects projected to result in \$2 billion in investments to counties throughout Pennsylvania. This marks a major economic development opportunity for the state as all sources of power work together to provide the lowest costs to Pennsylvania ratepayers. This announcement includes a 100 MW utility scale facility in Montour County, named Montour Solar One. For this project specifically, we worked transparently with local officials to identify nonprofit groups, volunteer fire stations, and Veteran's organizations to contribute more than \$1 million in community giving as well as a contribution to the Montour Preserve. Our work in Montour demonstrates Pattern's values as a company and dedication to early, transparent, and constructive engagement, and we look forward to continuing to demonstrate that commitment throughout the Commonwealth.

As we discuss past challenges and future opportunities associated with a growing and diversified energy portfolio, I wanted to offer our distinct approach to developing utility scale solar. As you know, utility scale solar facilities operate as large power generators (> 20 MW), capturing economies of scale and connecting to the transmission grid to deliver low-cost power to the PJM wholesale market. As such, developers like Pattern cover the costs of transmission and infrastructure upgrades as opposed to ratepayers. Once development and construction are complete, these projects compete to meet customer demand, driving down costs for all Pennsylvanians.

An influx of billions of dollars in private capital financing accelerated and improved best practices within the utility scale solar industry. Given our history as an infrastructure company, Pattern's ability to access private capital from institutional lenders allows us to fund the development of our solar pipeline. Without state government or ratepayer-backed subsidies, we avoid rigid bureaucratic barriers that prevent us from meeting the unique needs of our partner landowners and farmers.

With significant sums of private dollars being provided to develop these projects, we must proactively work to ensure all projects include proper land use agreements with each participating landowner, municipality, and township. Our projects must adhere to strict permitting and environmental requirements established by the Pennsylvania Department of

Environmental Protection, as well as bonding, decommissioning, and other local ordinance requirements.

At Pattern, we pride ourselves on doing our homework before negotiating land agreements or filing applications with counties, townships, and municipalities for projects that go unfinished. By working to be good neighbors in an open dialogue with communities, we avoid reliving horror stories from the past of overly aggressive developers working in secret to quickly move toward construction under the shadow of darkness or behind closed doors.

For decades, Pennsylvania has been ground zero for transformational energy investments, from the coal mines to the gas boom. Lawmakers created a flourishing energy economy that provided hundreds of thousands of Pennsylvanians with stable, good-paying jobs. Now, lawmakers once again possess an opportunity to capture a leadership position in a thriving industry without giving up what made Pennsylvania the energy powerhouse it is today, with multiple energy sectors firing and flourishing energy economy. By implementing clear and consistent utility scale solar policies, lawmakers can support investments in solar, establish proper safeguards to protect Pennsylvania ratepayers from price increases, and preserve Pennsylvania's natural resources. We look forward to serving as a resource to the Chairs and distinguished members of the Agriculture and Rural Affairs and Local Government Committees and are happy to answer any questions from members.

Thank you

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