



Interested Party Testimony on House Bill 166
House Finance Subcommittee on Agriculture, Development, and Natural Resources
Chairman Jim Hoops
Thursday, April 11, 2019

Chairman Hoops, Ranking Member Hicks-Hudson, and Members of the House Finance Subcommittee on Agriculture, Development, and Natural Resources thank you for the opportunity to appear before you today as an interested party to House Bill 166. My name is Dayna Baird Payne and I am President of Government Edge, here on behalf of the American Wind Energy Association (AWEA).

I am here today to respectfully request that House Bill 166 be amended to return the property line wind turbine setback to its original distance of 1.1 times the height of a turbine from base to vertical blade tip.

In 2008, shortly after passage of Senate Bill 221 establishing Ohio's Alternative Energy Portfolio Standard, came the recognition that while Ohio had a Power Siting Board, no specific guidelines existed for permitting windfarms. Because Ohio has a robust statewide power siting process, the Legislature chose to impose statewide statutory *minimum* setbacks. Those initial setbacks were established in House Bill 487 in May 2008 based on siting norms in other jurisdictions in which wind farms were already built and operating. It was standard practice in those areas to have a *property line* setback of 1.1 times the height of the turbine – to allow responsible and safe development – and to have a longer setback from existing habitable structures. Ohio opted to take the same course in 2008.

Thus, the state established two setbacks: one from a property line and one from a habitable structure. The property line setback was 1.1 times the height of the turbine from its base to vertical blade tip (approximately 550 feet). The habitable structure setback was 750 feet plus blade length (approximately 925 feet). The habitable structure setback was increased in May 2012 to 1125 plus blade length, or approximately 1300 feet. It is important to note that these are statutory minimums, and that the Ohio Power Siting Board has the ability to increase them on a turbine by turbine basis for any given project. For example, the average habitable structure setback for Blue Creek Wind Farm in NW Ohio is over 1600 feet. The Power Siting Board's requirements relative to noise, for example, often necessitate longer setbacks from residential structures than the statutory minimum.

Ohio's first two wind farms were developed under the original setbacks and have been operating in Van Wert and Paulding counties since 2011, peacefully co-existing with the community and serving as a tremendous economic benefit to the area's local governments, school districts, and landowners. An additional four wind farms have come online in recent years, all grandfathered under the original property line setback distance.

A couple of important numbers relative to those six projects:

- \$1.48 BILLION – capital investment to build the projects
- \$7.6 MILLION – annual tax payments to local government and schools
- \$7.1 MILLION – annual landowner revenue
- 217 – number of Ohio companies utilized during construction of 5 projects
- \$170 MILLION – amount spent during construction in the local economy
- 27 – the number of complaints received by Blue Creek Wind Farm (152 turbines) in seven years of operation (17 of those for television reception).

In May 2014, a change to the property line setback was made in HB 483, an MBR bill. The change came in the Senate just hours before the floor vote on the bill and with no opportunity for public comment or testimony. Perhaps more importantly, it came with no demonstrated need for a change. It wasn't a response to issues at the operational wind farms. It did not stem from a visit to the operational windfarms or from asking the community about any concerns. Furthermore, there was no "science" behind the change. H.B. 483 simply and arbitrarily made the property line setback the same as the habitable structure setback, increasing the distance more than 2.5 times.

Until just recently, not a single application for a wind farm had been made since the effective date of H.B. 483. That particular project is very small – only 37 turbines – and has only received conditional approval. Additionally, it is uniquely situated in the middle of four other projects, clearly a "one-off" circumstance.

I would like to walk the committee through the following two charts to best illustrate the impact of the current property line setback.

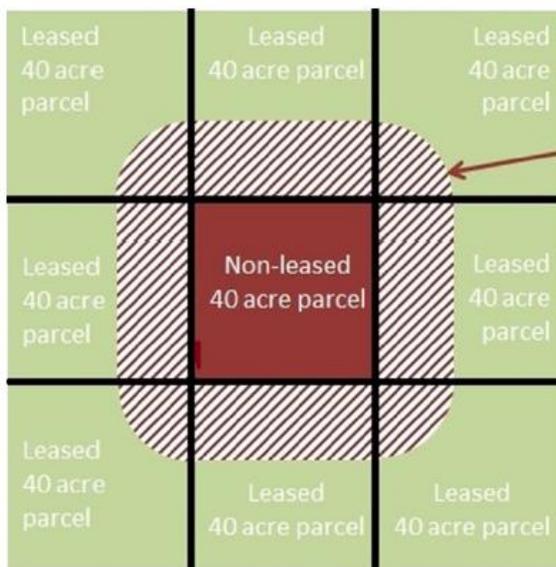
As I stated earlier, this is not an issue of mandates or imposing costs on Bob and Betty Buckeye. The current property line setback is an artificial, unfounded market barrier for companies wanting to build wind farms and those wanting to purchase the power from them. In 2015, corporate purchasers of wind power exceeded traditional utility purchasers for the first time. Yes, many of these companies have commitments to being powered by renewable energy over a period of years, but they also recognize that wind – with no fuel costs – provides a long-term hedge against fluctuating energy prices. The ability to construct and purchase utility scale wind is becoming an increasingly significant factor in site selection. If Ohio wants to keep as many doors open as possible to investments such as Amazon's more than 6,000 Ohio employees, multiple facilities, and billions in investment – then now is the time to return to the previous wind setback requirement. Some of you may know that Columbus, Ohio and Ft. Worth, Texas were Facebook's final two possible sites after a 220 city search in 2015. The same day Facebook announced its selection of Ft. Worth, they announced it would be powered by a wind farm soon to begin construction 100 miles away. An April 26, 2016 New York Times article stated the following about the Facebook deal: "To appeal to Facebook, local officers promoted the availability of wind energy, a strong labor pool and technology, and access to airports."

The purchasing of large-scale wind energy is not just limited to cloud computing and IT companies, the top five corporate wind energy purchasers in 2018 were AT&T, Walmart, Facebook, ExxonMobil, and Shell Energy North America. If we want to hang a sign out saying Ohio is open for business to companies such as these, a natural and easy next step is removing the market barrier to wind development.

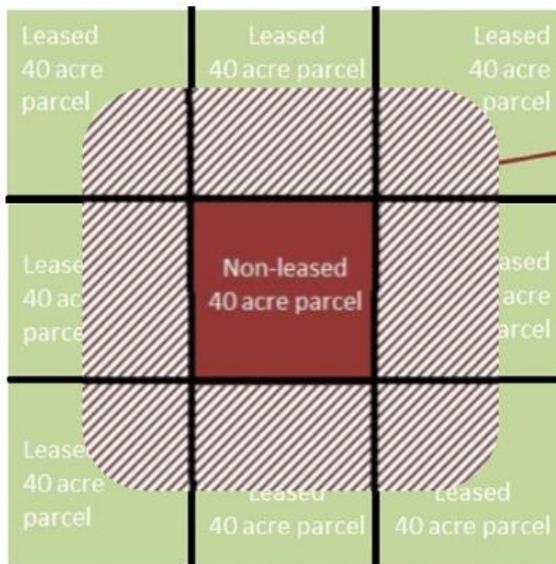
And if wind development can resume, northwest Ohio stands to benefit the most – as some local elected officials in the area say, “wind is northwest Ohio’s shale.” Nearly 2,000 MWs are in some phase of development and that means \$3.84 billion in capital investment, \$17.2 million annually in taxes, and \$16.9 million annually in landowner lease payments. Over the life of the project, tax revenue could equal \$519 million and landowner lease revenue could equal \$506 million.

This kind of economic development opportunity – both for the local areas and the state – should not be delayed any longer. We respectfully ask that the committee restore the property line setback to its original distance of 1.1 times the height of the turbine in House Bill 166. I would be happy to answer any questions you may have at this time.

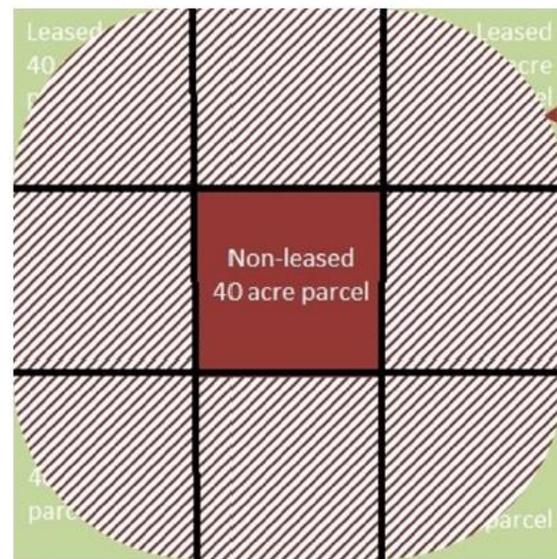
Private Property Rights and Siting in Ohio



Under previous setback requirements (1.1 times height of turbine from base to tip of highest blade – approx. 550 ft.), setbacks onto neighbors' property totaled **87 acres**, protecting neighbors' rights while still allowing wind development.



For illustration, a property line setback requirement of 1.2 times height of turbine from base to tip of highest blade neighboring properties would have an **112 acre** buffer — an **additional 25 acres** from pre-2014 setbacks.



Current law created in 2014 by HB 483 (1125 ft. plus length of blade – approx. 1300 ft.) blocks wind development with setbacks onto neighbors' property totaling **283 acres**.

Blue Creek Wind Farm (Northwest Ohio)

Google Earth Snapshots

