

Ohio House of Representatives Energy & Natural Resources Committee Opponent Testimony on House Bill 401

Testimony of Amy Kurt
Senior Manager of Regional Government Affairs
EDP Renewables North America
December 3, 2019

Good morning Chairman Vitale, Vice Chair Kick, Ranking Member Denson and members of the committee. My name is Amy Kurt and I am a Senior Manager of Regional Government Affairs for EDP Renewables. Thank you for the opportunity to provide testimony in opposition to House Bill 401.

EDP Renewables is the fourth largest developer, owner and operator of wind farms in the United States and in the world. We currently have 49 wind farms and 5 solar facilities operating in North America - these produce enough energy to power 1.9 million homes.

To date we have invested more than half a billion dollars in four wind farms in Ohio. I'd like to spend the next few minutes sharing some information about the impact of our investment in Ohio and the reasons why this esteemed committee should put the breaks on HB 401.

EDP Renewables started working in Ohio in 2008 after the state enacted an alternative energy standard – a law which sent a clear message to wind developers from around the country that Ohio was open for business.

Our development efforts focused on Paulding County, which was the first county in the Ohio to declare itself an Alternative Energy Zone. And in 2011, we were the first company to install a utility scale wind farm in Ohio. Since then, we invested in our second and third Ohio wind farms in Hardin and Paulding Counties. We are currently constructing our fourth wind farm in Ohio. These four wind farms will total approximately 390 Megawatts (MW) making EDP Renewables the largest owner and operator of wind farms in the state.

Wind energy is a great assest to rural Ohio bringing new jobs, tax revenue, income to landowners, and new opportunties for local business.

Each of our wind farms require hundreds of workers during the construction process. As required by a state law related to property taxes, more than 50% of the total hours worked to construct these projects have been performed by Ohio residents. Each of our operating projects has exceeded that requirement and we have relied heavily on local Ohio contractors and

organized labor including the IBEW, Operators, Laborers, Millwrights, and Ironworkers for much of our construction efforts.

After construction ends, the work continues with a permanent team of technicians that operate and maintain the wind farms.

In addition to the jobs, and local business opportunities that are created from these major construction efforts, there are also other benefits to the local communities that host wind farms. In total in Ohio, our four wind farms have contributed more than \$6 million directly to local governments, schools, and other critical public services.

We also pay landowners directly to host wind farm infrastructure on their property – the wind turbines themselves, as well as the underground electrical lines that connect each of them, and the permanent private roads that provide access to each of the turbines. In Ohio, in total, we have paid landowners more than \$18 million for hosting our wind farms on their property. This income is "weather-resistant" – regardless of if its been a good year for a landowners corn or beans, they can still count on the annual payments they will receive from the wind farm.

We also offer payments to landowners who are living within the wind farm, but may not have enough acreage to host wind farm infrastructure. We really work hard to make sure that everyone in the community benefits from our projects.

Despite these major benefits, Ohio has not made it easy to do business in the state.

In order to build a wind farm in Ohio, the project must be approved by the Ohio Power Siting Board (OPSB). The pre-permitting and then the formal permitting process requires years of work and preliminary studies, with the actual formal permitting process with the OPSB lasting approximately one year. Wind farm permit applications filed with the OPSB consist of more than 2,000 pages, which includes numerous studies, such as: decommissioning, transportation, sound, shadow, wildlife, wetlands, cultural resources, communications, and a visual assessment, among others.

We invest millions of dollars in venture capital, as we have no assurance of a successful project when we make these initial cash outlayes. In other words, we take on significant risk when investing in a wind farm development in Ohio.

In addition to the lengthy, expensive permitting process, the Ohio legislature passed a very aggressive property line setback requirement approximately five years ago – giving non-participating property owners veto ability over their neighbors. In the ensuing years, only one new project has moved to construction.

Ohio has a proven wind energy resource, a robust electric grid, and we are seeing historically strong demand for clean energy in Ohio and throughout the region. This is the time for Ohio to be capturing more and more wind marketshare, not closing the door on the industry.

If House Bill 401 passes, we fear that door closes. HB 401 creates an even more unpredictable and prohibitively risky business environment for wind energy in Ohio. HB 401 requires wind energy developers, who have already spent millions of at-risk capital, to then face a series of mini-popularity contests by township voters AFTER receiving a permit. I cannot imagine any developer would sign up for that. I am not aware of any other state that allows this – for wind energy or any other type of industry – energy or otherwise.

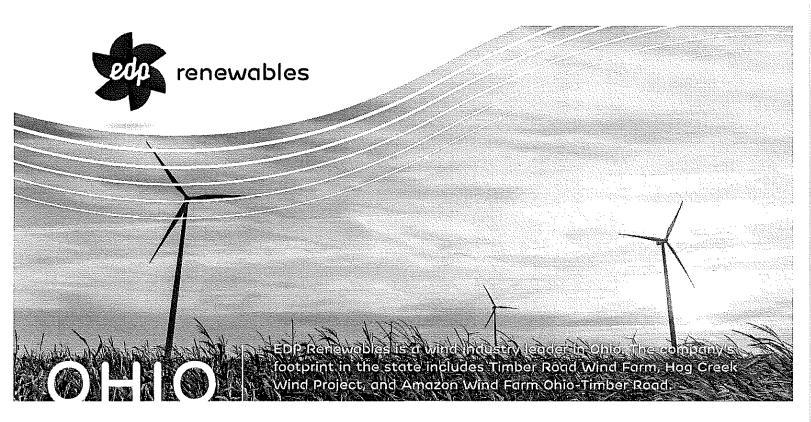
Change is scary. And wind farms are a change. Wind farms are not always popular, at first. It can take some time before the benefits of the wind farm are felt by everyone in the community.

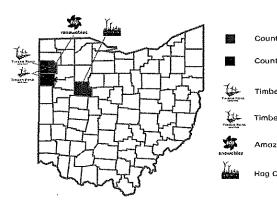
I will end with a quick story about a woman who lives in the middle of a wind farm in central Illinois. When the wind farm was under development she was not supportive. In fact, she lead a group of people in the community to oppose the wind farm. She did not want the change. But, the wind farm met the requirements of the permitting body and eventually was built. This woman now lives in the middle of the wind farm. If asked today, she says she was wrong. Now, she has seen the benefits that the wind farm has brought her community — the school that her children attended, the roads that she uses every day to get to and from her home, and the emergency services that her community relies on. She admits that she was afraid of the change. And now, she likes looking at the turbines that surround her home.

I appreciate your willingness to listen to my testimony today. I encourage the members of this committee to oppose HB 401. Ohio landowners and communities deserve a chance to benefit from the tax dollars, landowner payments, jobs and rural economic development opportunities that wind energy brings. Please don't take that chance away.

Thank you,

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Counties with Operational Wind Farms

Counties with Wind Farms in Construction

Timber Road II Wind Farm (99 MW)

Timber Road IV Wind Form (125 MW)

Amazon Wind Farm Ohio-Timber Road (100.8 MW)

Hog Creek Wind Project (66 MW)

265.8 MW in Ohio



EDPR's Ohio wind farms produce enough clean electricity to power more than 80,000 Ohio homes.¹

Economic Benefits



Our Ohio projects represent a capital investment of approximately \$503 million.²



Approximately \$6.3 million in cumulative payments to local governments through 2018.



More than \$18.7 million paid to local landowners through 2018.



Supported 447 jobs during project construction and created 15 permanent jobs in Ohio.



\$98.6 million spent within the state of Ohio through 2018.³



Median annual salary for a wind technician is \$54,370.4

About Us

EDP Renewables North America LLC ("EDPR NA") and its subsidiaries develop, construct, own, and operate wind farms and solar parks throughout North America. Headquartered in Houston, Texas, with 49 wind farms, five solar parks, and 13 regional and development offices across North America, EDPR NA has developed more than 6,900 megawatts (MW) and operates more than 6,200 MW of renewable energy projects. With approximately 675 employees, EDPR NA's highly qualified team has a proven capacity to execute projects across the continent.

EDPR NA is owned by EDP Renováveis, S.A. ("EDP Renewables" or "EDPR"), a global leader in the renewable energy sector and the world's fourth-largest wind energy producer. With a sound development pipeline, first-class assets, and market-leading operating capacity, EDPR has undergone exceptional development in recent years and is currently present in 14 markets (Belgium, Brazil, Canada, Colombia, France, Greece, Italy, Mexico, Poland, Portugal, Romania, Spain, the United Kingdom, and the United States). Energias de Portugal, S.A. ("EDP"), the principal shareholder of EDPR, is a global energy company and a leader in value creation, innovation, and sustainability. EDP has been included in the Dow Jones Sustainability Index for 12 consecutive years.

For more information, visit www.edpr.com or www.edprnorthamerica.com

Wind Power In Ohio[®]

Total Installed Wind Capacity: 729 MW

State Ranking for Installed Capacity: 25th

Wind Projects Online: 38

Number of Wind Turbines: 382

Percentage of In-State Energy Production: 1.4%

Equivalent U.S. Homes Powered: 170,400

Wind Industry Employment: 2,001 to 3,000

Wind Manufacturing Facilities: 60

Total Project Investment: \$1.4 Billion

Annual Land Lease Payments: \$1-5 Million

Power generation colculated using a 35% capacity factor for wind and 25% capacity factor for solor. Household consumption based on 2017 EIA Household Data monthly average consumption by state.

³ Assumes the overage cost of an installed wind farm is \$1.6 million/MW for projects built after 2017, \$1.7 million/MW for projects built between 2012 and 2017, and \$2.2 million/MW for projects built before 2012, based on U.S. DOE 2015 Wind Technologies Market Report https://www.energy.gov/sites/prod/files/2016/08/f32/095-Wind Technologies Market Report https://emplbl.gov/sites/default/files/2017_wind_technologies_market_report.pdf.

Includes vendor spending, property toxes, landowner payments, and wages from site jobs. These numbers are presented for example purposes only, and actual payments may vary.

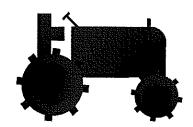
"Bosed on 2018 wages from Bureau of Labor Statistics https://www.bls.gov/oah/installation-maintenance-and-repair/wind-turbine-technicions.

SAssumes 0.58 gallions of water consumed per kWh of conventional electricity from "Water Consumption Factors for Electricity Generation in the United States" Lee, Han, & Elgawainy, 2016. https://greet.es.anl.gov/publication-waf-2016.

dStatistics provided by AWEA State Wind Energy Fact Sheet: http://www.awea.org/resources/statefactsheets.aspx.



EDPR's Ohio projects save more than 474 million gallons of water each year.⁵



EDPR's projects are compatible with other land uses.



MADE IN THE USA
The vast majority of wind farm
equipment is manufactured in
the United States.



EDPR's clean energy projects provide energy security and help diversify supply.



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