

Written Testimony of Tom Stacy, Putnam County

To Senate Finance Committee: 142HB49:SC3504

(Senator Hite Industrial Wind Energy Machinery Setbacks Rollback Amendment Proposal)

June 7th, 2017

Chairman Oelslager, Vice Chairwoman Manning, Ranking Member Skindell, Senate Leadership, members of the Committee, thank you for your efforts to conduct a fair and open discourse in the budget process. My testimony is a request to table the Hite Wind Energy Machinery Setback Amendment.

The case, "Permissive-By-Design Wind Energy Siting Rules vs. The Health, Safety, Welfare and Property Rights of Rural Ohio Citizens" has no place in this bill any more than it did in a previous budget bill where setbacks were increased. For that reason alone SC3504 should be tabled.

At least in that prior adopted and enacted amendment, supported by the governor in a specific public statement, the direction of change of setback distances and measuring point erred on the side of caution and prioritized health safety and welfare of constituents over a highly subsidized industry's unquenchable thirst for prospering the new-fashioned way – by legislating the avoidance of real costs when earnings from providing real value just aren't sufficient to support the business.

The Industrial Wind Energy Industry pays their costs with a combination of wholesale electricity market revenues and "around market" revenues at a ratio of approximately 1:2. The Federal Production Tax Credit alone pays more than 40% of capital costs (calculated at a 30% wind capacity factor and considering the 25% drop in Industrial Wind Energy Machinery capital costs since the inception of the PTC, as reported by the American Wind Energy Association (AWEA)). This state's wind energy PILOT (129SB232) and "around school funding formula" dodge provides close to another 5% of total wind project equivalent revenue. And that is just the tip of the unearned revenue equivalent iceberg. The special federal tax depreciation schedule, the RECs flowing from mandates (127HB221), the forgiven fines for illegal bird and endangered bat takings, and yes, the avoided cost of leasing or buying land adequate to cover the safety and nuisance easements inherent to the sky-borne machines (129SB562) has a significant, albeit difficult to quantify avoided cost value.

Ms. Baird's June 6th testimony in support of HB49SC3504 offered unrealistic graphic representations of rural Ohio land parcel sizes and arrangements that would suggest all rural landowners own 40 acre parcels and that in any 3x3 group of nine of them, the one in the center is the wind energy party pooper. There is a reason that graphic failed to present a full square mile. Please keep that in mind. Ms. Baird's graphic is laughable for every conceivable reason, and was designed with one goal: to pave the road to rural industrial sky-sprawl with gold. Your oath is, I believe, to protect citizens first. If a radical land use changing technology wants to endanger health and safety and devalue property without compensation, they had better have invented a mousetrap like no other. Did you make them prove that they have? If you ask the wind industry that question I hope you will also ask me to provide the land owner/ratepayer/taxpayer/economist/engineering "rest of the story." Or just read the Ohio Senate Mandates Study Committee Report and the testimony of Joseph Bowring of Monitoring Analytics from that committee's hearings.

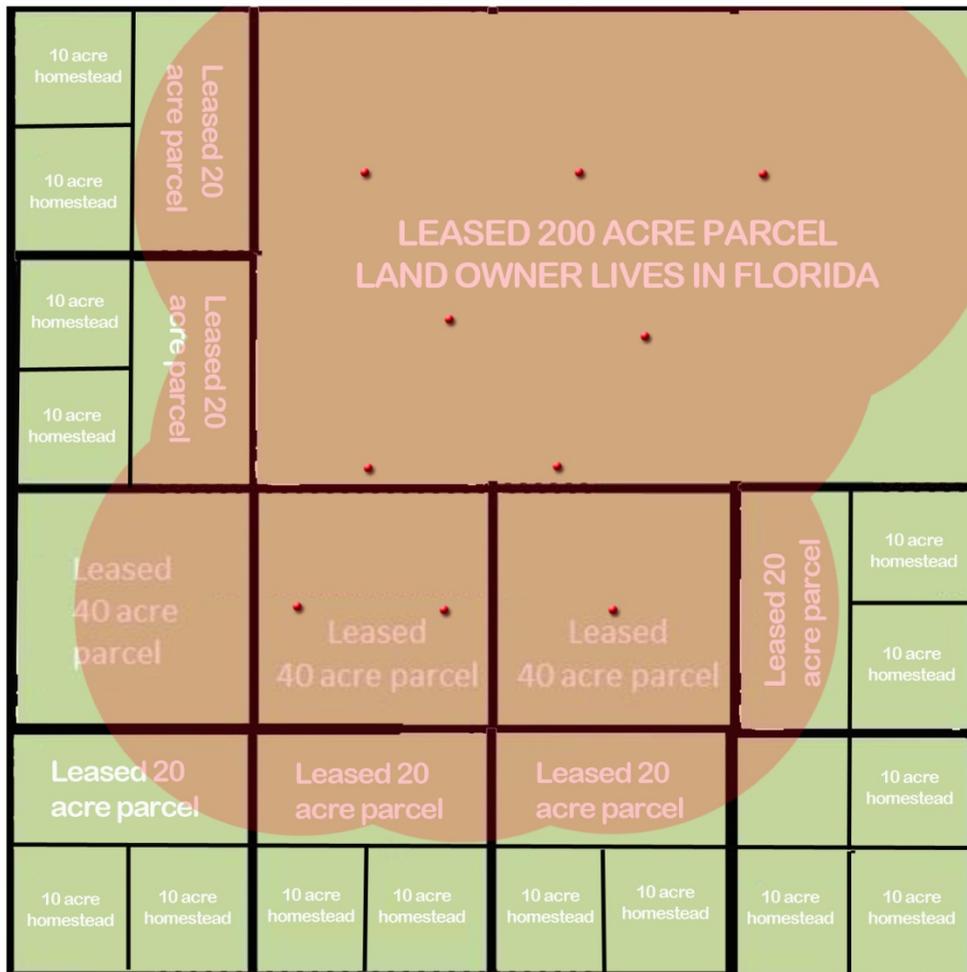
Please see the (following) sample parcel map I made in response to Ms. Baird's. I am available to discuss this and other issues with any member of the General Assembly. My telephone number is (937) 407-6258. Thank you.

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A far more typical square mile where smaller home lots have been sold (by farm owners) along road frontage and developed into homesteads by unwitting citizens desiring the country life.



Wind development and residential parcels easily coexist under current setback laws.

The small red dots represent potential wind energy machinery sites. The peach-colored shaded circles around them represent 1,300 ft. "setbacks" in current Ohio law. Estimated turbine spacing represented: 2.5 to 3 x rotor diameter. Note: For perspective, ALL of the home parcels in this square could be purchased by the wind developer and then resold at half price for less than the cost of one additional wind turbine (at an average selling price of \$200,000). Under that consideration, the reduced setback represents another 10% of real cost avoided through lawmaking. In this example that legislated expense avoidance is borne by effected rural residential property owners alone.

There are several unobvious ironies available in this example graphic that will become clear to anyone taking the time to think all the way around the situation.

(Tom Stacy - addendum)