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To Whom It May Concern:

WindWorks! Northwest is an advocacy group that supports wind power development in the Pacific Northwest, a region of the United States comprised of Washington, Oregon and Idaho. Our organization has over 350 supporters and we are committed to rallying strong public support for well-conceived wind projects. We educate the public about wind farms and the economic and environmental benefits they provide, and are pleased to share some of our findings with the Australian government. For these comments, we have chosen to focus on Washington State, where we are based.

## **ECONOMIC IMPACT OF WIND ENERGY DEVELOPMENT IN WASHINGTON STATE**

According to the US Department of Energy's National Renewable Energy Laboratory, in 2010 Washington was in the top five states of installed wind power capacity by megawatt (MW). Numerous studies [see attached] have been commissioned to evaluate the economic impacts of wind farms on the state, both in the rural communities where the projects are located, and on the state as a whole. All of these studies came to the same conclusion: wind power projects will have significant positive economic impacts on their communities. Following is a snapshot of the information presented in these reports. Complete copies of several of the studies are attached.

### **Employment Opportunities**

There are two opportunities for employment created by a wind energy project: the construction phase and operations. Depending upon the size of the project, the construction phase can provide employment for hundreds of workers. While not all of these construction jobs are local hires, those from out of town will live in the community during the construction phase of the project, paying rent, buying food in restaurants and grocers, and purchasing everyday items. Once operational, a wind farm can employ 10 – 30 people directly. These jobs are traditionally well paying with benefits, and often they provide much higher wages than many of the jobs in the area. Economists also project that additional indirect and induced jobs are created due to the increased economic activity created by the construction and operation of the wind project.

### **Property Taxes**

In Washington State, a tax on real and personal property is a large source of revenue for public jurisdictions. This tax is imposed annually, based on the assessed value of the property in question. The assessed value is determined by the local county assessor's office. Taxing districts support local government's general fund, roads, schools, fire districts, library districts, port districts, hospital districts, and other special districts. Additionally, a statewide levy for schools is used to match local dollars for construction projects.

Often the owner of a wind project becomes the largest taxpayer in the district. Typically, a large wind project (100 MW) in Washington State will pay close to \$1,000,000 in local property taxes

annually, with an additional several hundred thousand dollars going to state schools. Since many wind projects are located in rural, sparsely populated communities, this tax can be a windfall for those taxing districts and the citizens who live there.

### **Lease Payments**

Wind turbines are located on leased land from both private and public parties. Annual lease payments are computed in part on wind power revenues. An ECONorthwest study (2009) suggested that \$7,500 per MW would be a reasonable estimate that a private party might expect to receive. The private parties are typically farmers and ranchers who have large tracts of land. Many continue to farm and ranch on their land, so as to reap the traditional benefits from their land as well as the new revenue from the turbines. Most of the public land in Washington State receiving wind lease revenue is owned by the Department of Natural Resources (DNR). These lease rates are similar to those of private parties: DNR payments go to the State School Fund and are distributed throughout the state to schools for construction and general education purposes. According to DNR, in 2010 DNR wind leases generated more than \$1,000,000 in revenue.

### **Local Investments**

Washington's Kittitas County is home to three operating wind projects with an additional project ready for construction. Once all projects are built, there will be a total of up to 356 turbines producing enough power to meet the yearly needs of 160,000 households, providing up to 80 family wage jobs, and paying over \$4,000,000 in property tax revenue (see: NIPPC 2009).

The companies that own these projects have proved to be good neighbors by renting office space, buying goods and services locally, and joining the local chambers of commerce and economic development organization. These companies support local events through sponsorships and donations. During construction, hotels, motels and campgrounds and restaurants are filled with out of area workers. Hardware stores, grocers, tire suppliers, auto dealers and parts stores, office supply dealers, caterers, security firms, fencing suppliers, and internet providers are just a few of the businesses that benefit from the projects during construction and beyond.

### **Port**

Many of the turbine components are imported into Washington State. The Ports of Vancouver and Longview both reported revenue and jobs directly attributed to the handling of imported wind energy cargo. A Port of Vancouver February 2009 press release stated that two contracts with Vestas and Siemens "is expected to provide 235 jobs and \$20 million in economic value to the community."

### **Tourism and Education**

The Wild Horse Wind Project owned by Puget Sound Energy (PSE) and located in eastern Kittitas County has proven to be a tourism draw with its Renewable Energy Center. Since opening three years ago, over 60,000 visitors from throughout the United States and numerous foreign countries have visited the Center. In addition, PSE has provided numerous educational opportunities for students including collaborating with Central Washington University students with specialized projects relating to items such as communication, public relations, training, computer science, and environmental studies.

Throughout the United States, there is no evidence that wind farms negatively affect tourism or diminish property values. According to a recent study by the US Department of Energy's Berkeley National Laboratory (2009), "None of the various models finds strong statistical

evidence that the view of a nearby wind facility impacts sales prices in a significant and consistent manner.”

## **PROJECT PERMITTING IN WASHINGTON STATE**

Renewable energy projects can choose to be permitted through a local process or through Washington State. Washington State is comprised of 39 counties and some of these counties have set up their own process through their local code. A local appointed Board of Adjustment is often the permitting body.

The Washington State permitting agency is the Energy Facilities Site Evaluation Council (EFSEC). It was created in 1970 as a one stop permitting location for large (over 350 MW) energy facilities. It also has the authority to permit renewable energy facilities of any size, if the developer chooses to use their process. EFSEC consists of a Chair appointed by the Governor and representatives of five state agencies. In addition, the local jurisdiction(s) where the project is located has a seat on the Board. The Council carefully reviews the application and solicits public comment. Once the review is complete, they make a recommendation to the Governor to approve or deny the project.

Whether a project is permitted through a local jurisdiction or EFSEC, environmental and socioeconomic issues are carefully considered. Wind energy developers are required to submit numerous studies that consider the impact of each individual project on the proposed site. As noted, we have attached some of those studies to our report.

WindWorks! Northwest has compiled a considerable amount of information regarding wind projects to educate communities about the benefits of wind energy development, and we hope some of that will be useful to your Inquiry.

Thank you.

Debbie Strand  
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Enclosures:

1. “WA Wind Farms Economic Impact 2009” *Northwest & Intermountain Power Producers Coalition* 2010
2. “Economic & Fiscal Benefits of a Lewis County Wind Park Project” *Eric Hovee and Paul Dennis, AICP* June 2010
3. “The Impact of Wind Power Projects on Residential Property Values” *B. Hoen, et al* December 2009
4. “Economic Impacts of the Desert Claim Wind Project” *ECONorthwest* April 2009
5. “Economic, Fiscal & Community Effects of a Skamania County Wind Park Project” *Eric Hovee and Paul Dennis, AICP* April 2009
6. “Economic Impacts of Wind Energy Projects in Southeast Washington” *ENTRIX, Inc.* March 2009
7. “Kittitas County Economic Impacts from the Proposed Desert Claim Wind Power Project” *Central Washington University* February 2009
8. “Economic Impacts of the Kittitas Valley Wind Power Project” *ECONorthwest* November 2002