Highland New Wind

Developer: Highland New Wind Development, LLC

Location: Highland County, Virginia

Prepared July, 2008

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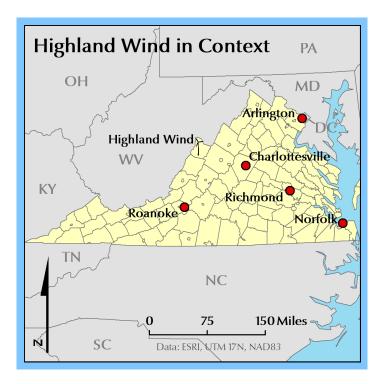
BACKGROUND

Highland New Wind Development (HNWD) is located on Red Oak Knob and Tamarack Ridge in Highland County, Virginia. Known as "Virginia's Switzerland," this area is a part of the Allegheny Highlands, a subregion of the Appalachian Mountain Range near the Virginia – West Virginia border. The county is very sparsely populated (population: 2,536; density: 5 persons per square mile), and the major land use pattern is agricultural. The county seat of Monterey has a population of 158 and is the only incorporated town in the county. In the 2000 census, the median household income in Highland County was \$29,732 and the per capita income was \$15,976.

Highland New Wind Development, LLC is owned by Henry T. McBride, a retired poultry farmer who owns the 4,000 acre ranch on which he has proposed to site the turbines. HNWD has no prior experience developing, constructing, or operating wind farms. However, HNWD has stressed the role that expert advisors have played in the planning and development process. HNWD plans to sell electricity directly to a utility, a city, an energy cooperative, or another power purchaser, but has not found one yet. HNWD would interconnect with an existing Allegheny Power Company 69-kV transmission line that runs directly through the proposed site.

The Conditional Use Permit allows HNWD to generate up to 39 MW using no more than 22 turbines with a total height of no more than 400 feet. The developer has not yet selected a

WIND IN THE ALLEGHENY HIGHLANDS:				
Project	Location	Developer	Turbines	Status
Casselman Wind Project	Somerset, PA	PPM Energy	23	Operating
Allegheny Ridge Wind Farm	Cambria & Blair, PA	Gamesa	40	Operating
Meyersdale	Somerset, PA	Atlantic Renewable	20	Operating
Mountaineer Wind Energy	Tucker, WV	Atlantic Renewable	44	Operating
Mt. Storm I and II	Grant, WV	NedPower/ Shell Wind/ Dominion	132	Construction
Laurel Mountain	Barbour & Randolph, WV	AES	53	Permitting
Beech Ridge	Greenbrier, WV	Invenergy	124	Permitting



specific turbine model or manufacturer because they have not yet attracted investors for the project. The two sites are bald hilltop cow pastures which would require only very minimal cutting of trees to expand existing access roads for construction.

HNWD is branding the project as the greenest wind farm in the world. Their website describes HNWD as "commercial windpower developers with a vision." Citing the benefits of wind power, they "see a future unclouded by global warming, air and water pollution, acid rain...and dependence on foreign energy." Significantly, McBride predicts that HNWD would contribute between \$175,000 and \$225,000 annually in property taxes to the county, more than six times the next highest contributor.

POLICY CONTEXT

Statewide energy policy in Virginia is favorable toward wind development, but HNWD would be the first utility scale wind development in the state. There is a voluntary Renewable Portfolio Standard which provides financial incentives to utilities that provide twelve percent of base-year electric energy sales from renewable sources by 2022. Under this program, electricity from both wind and solar sources count double toward the goal. Furthermore, state legislation in 2006 established a Renewable Electricity Production Grant Program which would grant 0.85 cents per kilowatt-hour produced.

Highland County does not have any specific guidelines for wind development but the HNWD project is subject to both the Highland County Planning Commission and the Virginia State Corporation Commission (SCC). In July 2005 the Planning Commission issued a Conditional Use Permit for the project and in December 2007, after a lengthy and contentious review process, the SCC granted HNWD a conditional permit to construct and operate up to 20 turbines.

Virginia has no state guidelines for wildlife impacts for wind power siting, no wind-specific siting agency, and no legally required visual impact studies for wind developments. The Depart-



"Simulation of wind turbines on Red Oak Knob and Tamarack Ridge looking west from Monterey Mountain" (Highland New Wind Development, LLC)

ment of Environmental Quality (DEQ) coordinates a review of the project's environmental, wildlife, noise, and visual impacts with the relevant state agencies and then submits a report to the SCC with comments from the various agencies and recommendations for the project. The SCC is not allowed to address issues that have already been ruled on by local agencies, and in the HNWD case, the Regional Planning Board had already examined (to some degree) the issues of property values, tourism, viewshed, height restrictions, setbacks, lighting, color of structures, fencing, security measures, erosion and sediment control, signage, access roads, and decommissioning. The SCC had no legal jurisdiction over these issues.

HNWD did carry out one visual simulation of the proposed project, but it was not included in their application (it is featured on their website) and they did not carry out a comprehensive viewshed analysis for the project. On December 20, 2007, the SCC issued a Certificate of Public Convenience and Necessity authorizing the project subject to a number of conditions including, but not limited to, submitting a detailed final site plan to the appropriate regulatory agencies, minimizing impacts to wetlands to the maximum extent practicable, and implementing an extensive monitoring and mitigation plan to protect endangered species.

PUBLIC RESPONSE

There has been widespread negative public response to HNWD within Highland County, often citing the county's rural character as a disqualification for "industrial development." Such diverse stakeholders as local landowners, conservation groups, and even state agencies have expressed serious concerns about the project. The Highland County Planning Commission held a public hearing which was attended by 97 residents. The board also received a petition against the project signed by 1,246 residents and landowners. Patti Reum, who owns Bear Mountain Farm and Wilderness Retreat, worries about the effects on her business. She told the *New York Times*, "If the development proceeded, we would have to leave. If our business doesn't make it, we can't live here."

Highlanders for Responsible Development (HRD) is an organization that was formed by citizens in 2005 to oppose the HNWD project and the siting of wind turbines on Highland County ridges. Their website is well organized and was clearly active during the contentious period around the SCC proceed-

ings. Currently, HRD encourages visitors to the site to write letters to the editor, participate in a Golden Eagle tagging program (which may have some effect on the HNWD project), and to read the draft revision of the Highland County Comprehensive Plan and prepare for its upcoming public comment period.

The Nature Conservancy expressed grave concerns about the potential impact on bird and bat populations, citing a US Government Accountability Office study from 2005 that had found bat mortality rates to be comparatively higher at wind farms in Appalachia and California than the rest of the country. These concerns were echoed by the Virginia Department of Game and Inland Fisheries (DGIF) and the Virginia Department of Environmental Quality (DEQ).

While there has been level-headed, legitimate, and serious opposition to HNWD, there has also been some extreme and parochial opposition. Referring to some rural people's passion for defending their land rights, Tom Brody (Patti Reum's husband) said "If this were West Virginia, McBride would be afraid to come up here." Pen Goodall, another local resident, expressed frustration with Jerry Rexrode, the planning commission board chairman. He told the *The Roanoke Times*, "If this thing passes, I would like to punch his eyes out. If I had a baseball bat, I would crack him in the head." There have been no reports of violence due to the project, but the issue is clearly emotionally charged for the residents of Highland County.

SUMMARY

It is too early to know whether this project can be considered a success or a failure. The developer has received permission to construct and operate the project against the wishes of 39 percent of all residents and landowners in Highland County. The opposition has raised enough serious environmental concerns that the conditions attached to the permit are stringent enough that as of six months after the permit was approved HNWD has struggled to find investors for the project. It remains to be seen what will come of Virginia's first proposed utility scale wind project.

For more information on this case, and on others, go to www.macalester.edu/windvisual

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