

Bills not favorable to proposed wind farm

By Christian Giggenbach

CNHI News Service, 23 February 2006

LEWISBURG – A proposed \$300 million wind farm project has come under fire from three Greenbrier County lawmakers in the form of bills introduced in both the House and Senate which could result in a major blow to Chicago-based developer Invenergy.

Wednesday, Delegates Tom Campbell, D-Greenbrier, and Ray Canterbury, R-Greenbrier, introduced a bill which would repeal state tax credits given to developers of wind energy. Monday, Sen. Jesse Guills, R-Greenbrier, introduced **SB 665** which would place a moratorium on all wind projects in the state until the Public Service Commission can better regulate the industry.

At the center of Wednesday's legislation is the repeal of a state subsidy which taxes the turbines and towers of a wind project at 5 percent of their fair market value. Other such property in the state is assessed at 60 percent – 12 times that rate. If passed, the new law would hike the wind farm property to 60 percent of fair market value, increasing Invenergy's tax bill for Beech Ridge Wind Farm from \$400,000 to \$3 million per year. Beech Ridge is proposing to build 125 turbines on a tract of land at Cold Knob in the western end of Greenbrier County.

"If the turbines are going to be placed in Greenbrier County, then the tax monies received should offset any negative economic consequences of the project," Campbell said Wednesday. "Currently this type of property is being taxed at salvage value. You have to ask if this project makes economic sense to Greenbrier County. I think everyone is concerned about the financial implications of this project."

Canterbury said developers of these wind projects live and die with such tax breaks. He believes the merits of such a project should not be based on tax subsidies. "The idea is, if it's economically viable, then it will viable without special tax consideration," Canterbury said. "And I think the fairest thing to do that by the standpoint of public policy is to tax everyone at the same rate and the same level playing field."

The House bill is currently being reviewed by the Judiciary Committee and then will be forwarded to the Finance Committee. Both Campbell and Canterbury were uncertain whether the bill would even make it to the floor of the House for a full vote. Canterbury said the idea of wind energy appealed to him at first, but not after researching the subject thoroughly.

"Wind farms don't produce power at a uniform rate and the wind doesn't always blow when you need electricity in the nation's power grid, and that's inefficient," he said. "If you look closely at wind developers, these projects are only built where huge tax breaks are given. West Virginia is just a marginal state for wind production if you look at wind maps across the United States."

Beech Ridge director Dave Groberg said Wednesday tax breaks are given to wind developers to help offset the construction costs of building the large turbines. The turbines proposed in Greenbrier County reach nearly 400 feet and would span across 15 miles of property owned by MeadWestvaco.

"Most states provide some type of property tax relief for wind projects because wind power project capital costs are so high compared to other forms of power generation," he said. "Since the wind is always free, most of our costs go into the construction of the projects."

Guills' legislation seeks for a halt to any wind projects in the state until further regulations can be placed on the industry. The bill is sponsored by other lawmakers with similar proposed wind projects in their districts.

The Beech Ridge application is currently being reviewed by the Public Service Commission. "The bill asks for a moratorium on wind turbines until we can get enough time to learn as much as we can about this industry," Guills said Wednesday. "My concern is there are a lot of unanswered questions regarding wind energy development. We need to look closer to see if this will benefit the county or whether there will be a problem in the future."

Greenbrier County relies heavily on its \$231 million a year tourism industry, and huge wind turbines could hurt the county economically, Guills said. "We are known as Mountaineers and the Mountain State, and we need to

do everything we can to protect the natural beauty of our state," he said. "These things are massive, and I hate to think 20 years from now that we would be looking on top of Cold Knob at these rusty metal giants. We need to slow down and take a closer look at what the impact of this project is."

Groberg believes this action is unnecessary, considering the PSC already has completed "extensive rulemaking" which resulted a new set of regulations for the wind power projects. He called the guidelines by the PSC "some of the most comprehensive in the country."

"It's unfortunate that Sen. Guills has decided to oppose a project that is going to produce clean, renewable, homegrown electricity and construction jobs and economic development for Greenbrier County, but that's no reason to throw away all the hard work that went into the current rules."

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