

Putting the spin on wind

BY ANNE ADAMS • STAFF WRITER

MONTEREY— The rush to capitalize on the perceived popularity of wind generated “green” power has begun in earnest and it’s clear there is little in place now that can slow its momentum.

The reality of commercial wind energy taking root in Virginia has been headed for the fray of state politics and interest-group maneuvering for at least a couple of years and, as expected, we’re beginning to see players emerge and positions staked out — all of which will greatly impact Highland County sooner or later.

In a matter of days from the time Highland New Wind Development LLC applied for a state certificate to build a 39-megawatt wind utility here, regional groups mostly in support of wind power have issued reports, proposals, and legislation. Interest groups and lawmakers will be putting forth reams of statistics and opinion on how Virginia should address the rising demand for electricity, and what roles should be played on the state’s stage by traditional fossil fuels, natural gas, and renewables such as solar and wind.

There’s little emerging that wasn’t already under way, but as various studies and stances begin to surface at an accelerated rate, Highlanders should know who the players are, how they’re interconnected, and what kind of political clout they carry.

These groups will battle for Virginia’s energy policy over many months and years, to be sure. But what kind of legislation survives the General Assembly — and when — is anybody’s guess at this point.

The two main proposals emerging now are:

■ A 30-page draft legislation on creating a statewide energy policy; and

■ A push for state renewable portfolio standards from the Chesapeake Climate Action Network.

Energy policy proposed

A special legislative subcommittee on energy policy (under the Virginia Coal and Energy Commission) met Nov. 9 and reviewed a bill drafted by Sen. Frank Wagner (R-Virginia Beach).

The proposal outlines nine energy objectives and charges Virginia’s Department of Mines, Minerals and Energy with developing a plan to implement the policy.

But there’s one particular section that alarms Highland County residents and land-

owners. The bill, as drafted, would not allow local governments to use their comprehensive plans and zoning law ordinances when it comes to deciding on proper placement of industrial turbines.

Essentially, it proposes the State Corporation Commission determine the most economically feasible sites for commercial wind utilities, nuclear power plants, and natural gas terminals.

Once those places are identified, if the landowners want to install an industrial wind utility, local governing ordinances won’t apply. If a city or county had a moratorium on industrial wind facilities, for example, it would be considered null and void under this legislation. If any local zoning ordinances require wind projects to have a variance or permit of some kind, as was true in Highland, those rules would not apply either.

The SCC was unaware the legislation was in the works.

“It was as much a surprise to us as anyone,” said Ken Schrad this week. Schrad is the SCC’s division of information resources director. “It wasn’t our idea ... it was news to us, too ... We all kind of scratched our heads,” he said.

Schrad stressed, however, the draft bill was still only in a subcommittee review and had “a lot of stuff to go through before it got entered as a bill.”

Traditional utilities already have certain exemptions from local land use regulations, and although private utilities do not yet get the same treatment, Schrad says the emergence of smaller, privately held utilities like HNWD is beginning to raise questions about state policies. “As you get more players, you get more of these issues coming up,” he said.

Schrad said he didn’t want to speak for lawmakers, but believes Wagner is looking for mechanisms that would help identify feasible sites for power companies who might contribute to the escalating demand for electricity. “I think he’s trying to watch out for Virginia’s future energy needs,” Schrad said.

One of the problems utilities have always had is that installing power plants, and the transmission lines they need, results almost always in opposition from the folks who are going to have to live near it, and look at it. “You always hear someone say, ‘I don’t want it in my back yard,’ but everyone wants to use electricity,” Schrad said. “There are three million households in Virginia who want power.”

The SCC already has the power to trump local land use laws when it comes to trans-

mission lines, and now, Schrad notes, the federal government is finding ways to trump even state rules about approving and siting them. “You’re going to have a ‘not in my back yard’ scenario for any type of facility.”

The special subcommittee meets again Nov. 28 for further discussion.

Mandating the use of ‘green energy’

The private sector is working hard for leverage as well. A lobbying group has recently issued a study trying to support the notion that renewable portfolio standards (RPS) are essential for Virginia, and can be economically beneficial.

An RPS exists in about 15 states already, and such standards require utilities to purchase a certain percentage of their power from renewable electricity producers such as wind and solar.

In Virginia, Chesapeake Climate Action Network is pushing for an RPS just like it did in Maryland. CCAN is a three-year-old, non-profit lobbying group advocating for issues on global warming in the Maryland, Virginia, and Washington, D.C. region.

Using a variety of foundation grants and private contributions, the group has about 2,000 supporters and is headquartered in Takoma Park, Md. One of its efforts to draw attention to its concerns included dumping one ton of coal on the lawn of the Capitol to protest the federal energy bill.

Last year, it led its campaign supporting renewable standards in Maryland. The standards were eventually enacted, and require 7.5 percent of that state’s electricity to be in the form of renewables by 2013. In addition, it had a hand in a new Montgomery County, Md., resolution that requires the county to purchase 5 percent of its power from wind energy companies.

Some of CCAN’s supporters include names familiar to Highlanders, like Mitch King of Old Mill Power Co. and Alden Hathaway of Environmental Resources Trust. Both have been strong supporters of Highland New Wind Development; both are Virginia Wind Energy Collaborative partners.

CCAN’s report, released last week, is a cost-benefit analysis, and concludes Virginia should implement renewable portfolio standards mandating that 15-20 percent of electricity come from renewable sources by 2015. CCAN claims that would result in up to \$30

million in savings for consumers and businesses over the next decade.

There are differences of opinion, however, about quantifying what kind of economic benefit RPS have statewide.

CCAN believes any analysis of “green energy” benefits would not be complete without including potential savings gleaned from reducing fossil fuels and other issues that benefit the environment.

A different study commissioned by Virginia’s Commission on Electric Utility Restructuring will not take those potential environmental financial benefits into account because there are a number of people who believe they cannot be adequately quantified.

The seed discussion

Last year, a group of various state-level “stakeholders” began talks about an RPS. Participants included folks from Appalachian Power Co., Dominion Virginia Power, Environmental Resources Trust, Highland New Wind Development, and the Sierra Club, among others.

The group’s facilitator was August Wallmeyer. His remarks last November indicated the group’s diversity resulted in several major differences of opinion. Those who represented renewable energy companies and environmental groups generally advocated an RPS in Virginia. Electric utility and cooperative representatives, however, felt there were too many unanswered questions to mandate standards just yet.

After four meetings and considerable discussion, Wallmeyer wrote, there was “general agreement that increased use of renewables in Virginia would provide various benefits, but current cost/benefit analyses do not exist to quantify them. For example, there are claims of health, economic, employment and other benefits arising from increased use of renewable energy sources, but little documentation exists to substantiate the claims.”

There was also general agreement that so far, power from renewables is more expensive than that provided by traditional sources.

One thing they apparently all agreed on, Wallmeyer stated, was that “more information is needed about the purported benefits of increased use of renewable energy within Virginia’s restructured market before legislation should be proposed.”

The group concluded a good, independent study of the costs and benefits should be conducted, and commissioned Virginia Tech’s Center for Coal and Energy Research to do that.

In the meantime, CCAN (which had not participated in the stakeholders’ group but had been working with some of the individuals involved) forged ahead with its own study.

CCAN spokesperson Diana Dascalu released a preview of its report to a few people, including Highland resident Rick Webb who had asked about it several weeks ago.

She explained to him CCAN’s report was “meant to combat whatever findings are going to come out of the (Virginia Tech study) ... that was commissioned by the CEUR.”

Dascalu said the stakeholders’ group “came close to agreeing on a 15 percent RPS with the utilities and then Dominion pulled their support at the last minute, before a bill was to be introduced into the General Assembly.”

CCAN felt the Virginia Tech study, which has not yet been released, would not address the “big picture.”

CCAN’s report is sure to have its critics, most of whom are still digesting the material and data used to reach its conclusions.

What next?

As federal, state, semi-public, and private organizations and agencies jockey for position or issue conclusions on energy policy in Virginia, Highland residents won’t be the only ones trying to keep track of which group does what.

With huge amounts of money on the line and the perception of political gain to be had by supporting “green energy,” there is tremendous pressure being exerted to move this process along quickly. Broad generalities often serve as facts, because facts about wind energy from any point of view are still few and far between.

It’s going to get complicated and emotional, but whatever comes out in the wash is certain to affect the backyards of all Highland residents one way or another. And certainly, those of all Virginians.

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