

Site plan needed to evaluate wind utility

Witnesses say application lacked specifics; SCC hearings continue another week

BY ANNE ADAMS • STAFF WRITER

RICHMOND — Last week, witnesses continued debating the merits of Virginia's first industrial wind utility proposal in ongoing cross-examination at State Corporation Commission hearings.

Highland New Wind Development is seeking a certificate to construct and operate a 39-megawatt plant in Highland County.

Little new information was presented among those called to testify. Experts representing the developer and the groups opposing the project were grilled by attorneys on everything from endangered bat species to potential offset emissions. Several pointed to the need for a specific site plan from HNWD in order for reviewing agencies to thoroughly assess the project application.

An attorney representing HNWD explained the schedule for completing the plant had been pushed back to 2008. He said construction plans depended on whether the company can finalize deals with investors and how the market for turbines has changed. The demand for turbines is currently exceeding supply. Developers can either purchase the equipment directly, or reach an agreement with an investor who may already have turbines "reserved" to buy. HNWD has been pursuing both of these avenues, he said, but no agreements have been reached yet. HNWD is in the process of negotiations with two prospective buyers, one of which is a utility company.

Discussions with some witnesses and attorneys centered around the question of whether HNWD should be required to do more study or have stronger conditions set by the SCC just because it would be the first such project. Witnesses for those opposed say that's exactly the reason this project should get more scrutiny — how SCC handles this case sets a precedent for all other developers that follow. Witnesses for HNWD, however, say that's not fair, and just because this is the first wind facility proposed in Virginia does not mean a higher standard should be applied.

Taking the stand on behalf of the state was Michael Murphy of the Department of Environmental Quality. He was questioned about

DEQ's position on the project, and said the department had not taken any position on whether it should be approved by the SCC.

Hearing examiner Alexander Skirpan Jr. asked Murphy whether there were any recommendations from DEQ's final report that Murphy had strong feelings about in terms of importance. Murphy said most of his department's recommendations on the project were not more important than others, but one thing stood out — the lack of a final site plan. Murphy said had HNWD provided a site plan to his agency and the others reviewing its application, more finite recommendations would have been provided.

Gregory Abbott, a utilities analyst for the SCC, was also called to testify about his review of HNWD's application. Abbott found the project had no significant impact on power generation reserves in Virginia. He was also asked whether the 400-foot turbines proposed could interfere with military operations in the area. Abbott said he knew from military reports that was possible, but said the military had nothing on the record in this case.

Questioned by The Nature Conservancy attorney Wiley Mitchell, Abbott made clear he reviewed the project's financial viability, but did not make conclusions as to whether HNWD's business plan was sound. "I'm not trying to guarantee they'll make it as a viable entity," Abbott said.

Abbott also made it clear he did not do any independent investigation of the issues addressed in HNWD's conditional use permit approved by Highland County. Generally, he said, the SCC looks at all issues except ones addressed already by another permit. "Things like view shed, I may have my own opinion about it but the county has made it pretty clear they already considered that," he said. Asked whether Highland County had required enough money be put aside to decommission the project, Abbott said he didn't know.

An SCC finance expert, Lawrence Oliver, also said he did not do independent analysis of the application. He only looked at the numbers provided by HNWD to see if they made sense. He said the developer's data, based on its own assumptions, showed the project could be financially viable.

Testimony last week also included statements from Elizabeth Merritt, deputy general counsel of the National Trust for Historic Preservation in Washington, D.C.

Merritt expressed her concerns about the project's adverse visual impact on Camp Allegheny, the Civil War winter encampment site

near the proposed plant used by soldiers in 1861-62. It is located in the Monongahela National Forest, in Pocahontas County, W.Va., right across the state line. Because of the towers' height, Merritt said, visitors to Camp Allegheny would be eye-to-eye with them along the top of the ridge. The Civil War site has been identified as one of the most significant and most undisturbed Civil War battlefields in the nation, she noted, and has been listed in the National Register since 1990. "The view shed surrounding this battlefield is especially important as a part of the battlefield's historic setting," she said. "The integrity of the setting is crucial to the experience of the visitors who come to see the battlefield. This intact setting with its sweeping vistas really enables the visitor to step back in time, and to experience the landscape in a way that is remarkably similar to what one would have seen and experienced 145 years ago."

Merritt, too, said a detailed site plan was a must for properly evaluating the project. Virginia's Department of Historic Resources had requested a view shed analysis and a site plan. "What's really surprising here is that the applicant has not even submitted a detailed site plan ... it's difficult to understand how the commission could make a decision on this project without that kind of information; they seem to be applying for something of a blank check."

Monday this week, power company expert Charles Simmons testified on behalf of those opposed to the project, saying he did not believe the wind utility would offset fossil fuel emissions in Virginia, a point of contention that's long been debated. The company claims its wind power will help "back down" fossil fuel and/or natural gas utilities when it adds wind power to the grid. Simmons said that wasn't likely, and explained the complexities involved in how electric power and the renewable credits are traded and moved among utilities.

Testimony in the evidentiary hearings ended Monday morning, and will reconvene next Wednesday, Nov. 15 at 9 a.m. in the SCC courtroom in Richmond.