

#### 4.10 SOCIOECONOMICS

**The following comments are related to Project employment:**

**Written Comment 4KK:**

Section 1.1.8 of the DEIS, "Economic Benefits," asserts that in addition to direct payments to local taxing jurisdictions of about \$740,000 per year, for ten years, construction related employment and its trickle-down effects will provide substantial economic benefits. This conclusion is based on running the U.S. Department of Energy Job and Economic Development Impact ("JEDI") Model.

A critical evaluation of this conclusion should look first to the permanent jobs and economic benefits the project would provide the community. Four of the six permanent jobs expected to be created by this project are "technicians," but the DEIS does not say whether these are entry-level, low-wage, no-benefit jobs, or what kind of jobs these might be.

**Written Comment 4LL:**

Second, an objective evaluation of the JEDI model can be found in the National Academy of Sciences report on wind power. The Academy found that "[m]odels such as JEDI can improve understanding of the economic impacts of new energy facilities, especially when those impacts are considered at the macro level," but "assessments of the actual economic impacts of wind-energy facilities" provide better information. The applicant should therefore better specify the kinds of permanent jobs the project would create.

**Written Comment 4MM:**

The Academy goes on to recommend the following approach to assessing potential economic benefits:

From the perspective of the local affected area, it may be best to focus on the jobs that will be directly created by the project – what skills they require, what their pay levels are, what their duration will be, and what the company's hiring practices are – as well as on reasonably anticipated effects – positive and negative – on the local economy.

From this perspective, the DEIS comes up short. Maintenance of wind turbines once installed are generally assigned to outside specialty contractors. Local *permanent* jobs are largely limited to low-wage, low- or no-benefit inspector jobs intended to spot problems for which corporate headquarters will have to bring in outside specialists. The DEIS should state whether permanent jobs involve specialty skills that are likely to be brought in from outside the area.

**Response to Written Comments 4KK, 4LL, and 4MM:**

The economic benefits reviewed are reasonably foreseeable and comment provides no evidence in support of its assertions of error. The unsupported assertion that “Local *permanent* jobs are largely limited to low-wage, low- or no-benefit inspector jobs intended to spot problems for which corporate headquarters will have to bring in outside specialists” is a fundamental misstatement of how the wind industry works. As stated in Section 3.9.2.2.2 of the DEIS, permanent “...*jobs will be comprised of a Project Manager, Wind Technicians, and an Administrative Assistant. Projected wage rates are estimated to range from \$70,000 to \$80,000 per year for the Project Manager; between \$30,000 to \$40,000 per year for an Administrative Assistant; and from \$40,000 to \$50,000 each for the Wind Technicians to be employed at the wind energy facility. These rates are based on prevailing wages for such positions in Western New York and are anticipated to increase during the period of operation, based on industry wage standards.*” In other New York wind farms, hiring has been almost entirely local.

It should also be noted that certain maintenance activities may require bringing additional skilled technicians into the area which would benefit the local economy as these workers will require food and lodging from the local community.

**The following comments are related to general socioeconomic concerns:****Written Comment 4NN:**

In short, the DEIS discussion of economic benefits is woefully short on concrete information and analysis of the experience of actual operating wind farms. As such, the discussion provides very little basis for any solid conclusions on the economic benefits the community may expect from the project, apart from direct cash payments to local governments and a few lucky landowners.

**Written Comment 17A:**

I am writing to you my concerns about windmills going up in our area. To start with these companies are owned by overseas enterprises. Ever Power is owned by Terra Firma Capital Partners, a European firm. The benefits would go to this company in the form of grant money offered by the Federal Government. They receive a production tax credit for a period of ten years depending on megawatts produced, that credit can be worth millions of dollars a year to them. In addition they receive a Federal double declining depreciation over five years along with a parallel depreciation tax credit provided to off set New York Corporate tax liability. They are also exempt from local property taxes, instead they pay 20% of amount they are assessed at the school 50%,

county 40% and town 10%. Why wouldn't we just have them pay their fair share of property taxes like everyone else does? How can these foreign companies fail, they are using tax payers money, that is OUR MONEY! The power generated would go directly into New York's grid with little if any benefit to our area.

The Department of Energy admitted that the windmills which are as high as four hundred feet or more were designed for areas such as the remote plains of the Midwest or off shore, not in residential areas. Windmills are dependent on wind of course which in an area like Allegany is very unpredictable. Because of this there is no generating capacity value, they cannot replace coal or natural gas generation. Electric generating plants cannot be shut down due to the fluctuation of wind power.

**Written Comment 34C:**

None of the initial, subsidized profits will remain in Allegany with the possible exception being to those landowners who lease/sell their land.

**Written Comment 51C:**

The recent information concerning the parent company having financial problems is just one more reason not to go ahead with this project.

**Oral Comment 37A:**

I live on Lawson Road in Knapp Creek. I have a petition signed here by a great majority of the residents of Knapp Creek in opposition of the EverPower wind farm for basic reasons this petition was drawn up for. First one was it will not lower our electric bill without any -- with our residents not receiving any benefits from it, from the electricity.

***Response to Written Comments 4NN, 17A, 34C, 51C, and Oral Comment 37A:***

We live in a global economy. Companies in the United States benefit from selling their products in other countries, while at the same time companies from other countries benefit from selling their goods and services in the United States. For instance, General Electric, a New York-based company, which is the largest producer of wind turbines in the United States and one of the largest in the world, sells millions of dollars worth of turbines in Europe and Asia and sees the foreign market as an important segment of their business. United States based companies and workers benefit from selling their products in other countries, and in return foreign-based manufacturers are permitted to sell their products in the United States. Further, company ownership is not a SEQRA issue.

Businesses all over the Allegany area and the state benefit from reduced property tax benefits typically given by the Industrial Development Agencies (IDA's) in the State, and this process is a vital part of keeping the state competitive for businesses that want to locate in New York. Rather than looking at the wind project as something that receives a tax break, consider the wind power project as a much-needed investment in the community that will bring jobs and economic benefit to the area. The funds received by the schools, Town and County could help offset the decreases in funding levels by the state.

The results of testing required by the New York Independent System Operator (NYISO), National Grid, and the North American Electric Reliability Corporation (NERC) indicate that the Allegany Wind Project will have no adverse impact on the reliability and the security of the electric power supply to local customers.

With respect to site-specific wind resources, see FEIS Section 4.1, Project Description.. With respect to replacing coal or natural gas generation, and the benefits of wind power, please see FEIS Section 4.5 (Climate and Air Quality).

***The following comments are primarily related to concerns regarding potential property value impacts:***

**Written Comment 7C:**

We are also concerned about the impact they will have on our property values. We would not choose to live near a wind farm. We moved to Allegany for the quiet and beautiful surroundings. We feel the turbines destroy the beautiful views.

**Written Comment 15A:**

Although we do not live in the Town of Allegany, my family and I live just off of Nichols run in the town of Carrollton. We oppose the wind project that your board is currently holding meetings on. We don't have a problem with green energy but we chose to build our home in this location due to the quiet location and wonderful scenic views. If you choose to let this project go forward you may be driving down the value of our property and ultimately ruining everything we have ever worked for. So we would like to ask you to not approve this project.

**Written Comment 16G:**

Maintaining the quarter mile driveway to my home requires considerable expense and work, but this is the price paid for the privilege of living in a calm, natural environment. Once that asset is

taken away, the dollar value of my home will drop considerably, perhaps to zero dollars – or even below, if demolition to remove the house and other structures from the tax rolls becomes my only option. I expect a few, if any, buyers will want the work, expense and inconvenience of a long driveway with nothing of value in return. I'm not certain what I should do if the value of my home drops to zero or below just as I enter retirement, a time of life when I expect time spent at home will increase. What's more, I have a deep emotional attachment to my home since I bought the land it sits on from my family, and personally oversaw and even performed some of it's construction and site layout.

With all the above noted detrimental effects of building the wind array, I wonder why the Allegany site was selected when this map:

[http://upload.wikimedia.org/wikipedia/commons/2/2d/US\\_wind\\_powermap.png](http://upload.wikimedia.org/wikipedia/commons/2/2d/US_wind_powermap.png)

indicates a rather low potential for wind energy in our area. I expect that our area has attracted the attention of wind companies due to expected monetary gains provided by poorly crafted federal and state energy policy on one hand and an apparent inability on the part of some town officials to critically review proposals from well-funded foreign entities on the other.

**Written Comment 23B:**

Nor is this the place to suffer the consequences of reduced property values. 30-50% drop in property values in neighborhoods with turbines and/or in sight of turbines. What are we thinking? Do you truly wish to discourage relocation possibilities most directly in the 4 Mile and West Branch neighborhoods...our higher priced real estate? Not to mention my home Chipmonk where our children are beginning to purchase real estate next door? At this point eminent domain appears a step up from what our town is considering doing to us. We will suffer the pains of a changed life style and an economic shortfall from loss of property value.

**Written Comment 23E:**

Why place this INDUSTRIAL wind farm in an area where all stand to lose their property value 30-50%. How is the loss of equity of the property owners being mitigated?

**Written Comment 24B:**

I live at 4444 Nichols Run. My home is very much proximate to the proposed installation. The potential impact of the installation on my quality of life...and on my property value is of grave concern to me.

**Written Comment 26A:**

I am thirteen. My family and I moved here shortly after I was born. We live on West Branch Road. Everyone: my parents, my four siblings, my friends, my neighbors, all love it here. Allegany is a beautiful place with astonishing scenery, and that is why the proposition of windmills should be rebuffed. Am I am sure you are well aware, not many people move here. However, those who do decide to come are motivated by the tranquil serenity, breathtaking views, and the picturesque mountains. Coupled with the fact it will lower property values, those twenty nine wind turbines reaching five hundred feet will spoil that image.

**Written Comment 31B:**

Property values will go down. Nobody would choose to live next to one of these monstrosities. Would you choose to live next to one?? Please do not do this to your neighbor and fellow residents (who elected you to take care of this town).

**Written Comment 35B:**

In addition, this project will not revitalize our economy, only a few non-resident landowners benefit and there will be few permanent jobs. Townspeople will not see a decrease in taxes; in fact it has been documented eventual lowering of property values for residents within view of turbines, thus actually eroding the town's tax base.

**Oral Comment 4D:**

If I go to sell my property and it's 40 percent less the value, I don't believe 30 years of working two and three jobs should fall on my shoulders and take a 40 percent hit.

**Oral Comment 25D:**

The tax base and property values in the area will be degraded by the presence of wind turbines. No wind farms here.

**Oral Comment 37B:**

It will not contribute on our local tax base for more than the allotted times than are actually discussed here. And may in fact result in the lower property values.

***Response to Written Comments 7C,15A, 16G, 23B, 23E, 24B, 26A, 31B, 35B, and Oral Comments 4D, 25D, and 37B :***

No evidence is provided in the comments to support the assertions of property value impacts. Many factors can determine property values and numerous studies have shown that the presence of wind turbines in a community does not have an adverse effect on property values. The most

recent comprehensive study: “The Impact of Wind Power Projects on Residential Property Values in the United States: A Multi-Site Hedonic Analysis” by Ben Hoen, Ryan Wiser, Peter Cappers, Mark Thayer, and Gautam Sethi recognizes the possibility that the value of an individual home (or small numbers of homes) could be negatively impacted by a nearby wind farm facility. However, even if such occurrences do exist “they are either too small or too infrequent to result in any widespread, statistically observable impact.” See Section 3.9.2.2.1 of the DEIS for additional detail on this study.

**Written Comment 13G:**

Financial abilities – given the news that broke this past week regarding Everpower’s need to put on “hold” their project in Howard, NY, I certainly question their ability to put together everything they need to make a project in Allegany successful. According to an article published in the Olean Times Herald on April 28<sup>th</sup> “*EverPower was notified April 1 by the New York State Energy and Research Agency that Howard Wind LLC’s proposal for Renewable Energy Credits from the project was not accepted by the state agency. Consequently, EverPower officials have to consider other options for the sale of credits and power from the project, stated Kevin Sheen, senior director for EverPower*”. **This decision is a huge red flag. Given the push by NY State for wind projects, one must really question why Everpower was not approved by NYSERA. Has anyone from the Planning Board looked into this? What answers is Everpower providing to questions on this issue?**

**Response to Written Comment 13G:**

It should first be noted that EverPower’s Howard Wind Project is currently under construction, with activities initiated in late 2010. In addition, the financial ability of the Project Sponsor is not a SEQRA issue. However, irrespective of the Howard Project and the Project Sponsor’s financial abilities, it is important to understand the process for the sale of Renewable Energy Credits (REC’s) to NYSERDA, as opposed to an “approval” by NYSERDA. REC sales to NYSERDA are based on a bidding process. In order to sell REC’s to NYSERDA companies must answer a competitive bid for the REC’s and compete to have their project chosen among the other projects that also bid into the solicitation. The competitive solicitation includes all types of renewable energy technologies, and projects are judged primarily on the price proposed and economic benefits.

***The following comments are related to the Project tax benefits.*****Written Comment 54UU:**

Update the discussion of PILOT payments to reflect the finalized program. The distribution of revenue from PILOT payments in Table 32 of DEIS and Table 11 in Appendix Q overstates the Town's anticipated share.

**Oral Comment 5B:**

Just to make this point clear again for anybody who is in here, too, there will be no free electricity of any electricity from this project that you will be using. The money EverPower is offering the town, the county and the schools and the pilot program will not do anything but make it harder on the taxpayer when the money dries up and we have to make the difference, as is happening right now with the school taxes because of the state aide cuts.

**Oral Comment 11F:**

If our town, county and school district officials become used to having the wind payments to spend for 10 years, will the spending automatically stop when the payments stop or will taxes increase to support the increased spending levels?

**Oral Comment 21E:**

Is it short-term gain or long-term loss? There will be no benefit to the tax payers from this project. Nowhere have I heard that folks in Allegany won't pay taxes, as is the case in some other towns with wind farms. What is more likely to happen is taxes will increase. The school district and the town will have more money to spend for 10 years because of the tax incentives, but when the incentives and subsidies are gone and the tax base returns to the level generated by the town's property taxes, the tax payers will have a heavier burden than ever making up for the 10 years of plush spending. Allowing 29 turbines now will open the doors for others to follow on additional hilltops in neighboring towns. I'm not opposed to green energy sources or wind farms when they are placed responsibly, but not here on our hilltops, not in our neighbors' backyards and not because it's the most convenient place. Money and greed should not be allowed to leave a legacy of destruction, noise, possible health issue, disappearing wildlife and plummeting property values.

***Response to Written Comment 54UU and Oral Comments 5B, 11F, and 21E:***

The Applicant is in preliminary discussions with the Town and County regarding the PILOT agreement and a Host Community Agreement (HCA). Since the PILOT is based on tax rates,

which change annually, exact distribution of payments to the affected taxing jurisdictions is unknown at this time. Section 3.9.3 of the DEIS calculates the assumed total PILOT payments based on the proposed amount of megawatts to be generated by the Project and a formula used at other wind projects developed in the State. At this time, it is contemplated that the PILOT and HCA will be a total of \$8,300 per turbine multiplied by 72.5 MW for a total benefit from the Project to the taxing jurisdictions (town of Allegany, Cattaraugus County and Allegany Limestone School District) in the amount of \$601,000, annually. The IDA determines the PILOT agreements, but for other wind projects, duration is typically 10-20 years. When the term expires or the project is re-powered, a new PILOT is negotiated or the property returns to the tax rolls.