

Presentation – Town of Yates

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The intent of this presentation is to be informative, persuasive, and for the benefit of the Board and land owners within the Town of Yates.

Wind power generation is expensive, inefficient, can not replace current power production methods, has not been shown to reduce CO2 emissions, and has had negative impact on land values and the environment.

APEX Clean Energy LLC / Lighthouse Wind LLC / Claims (Website / Meeting)

- APEX has installed Billions of dollars worth of turbines
- CEO and other members have been part of MANY wind turbine corporations, earning substantial compensation
- Claim that wind is renewable and “green”
- Claim project will create jobs upon completion
- Thousands of jobs during construction
 - Most of which are their contractors and employees
- Provide power to the region at a more economical rate
- Property taxes will decrease due to PILOT agreement
- Once completed, will APEX own it, or sell it ?
 - They have no allegiance to us
 - APEX - “our standard business practice is to sell substantially all of our ownership interest to a long term investor (SponsorEquity) at the start of construction with a full transfer of our ownership interests as of the Commercial Operation Date.”

(www.epa.gov/greenpower/documents/alignment/300MWWindTexasApexCleanEnergy.pdf)

APEX Plan

(Lighthouse Website)

- Nearly 70 - 570 foot industrial wind turbines in 2 towns (100-200 MW)
 - Somerset plant tower 613 feet Imagine 70 of them
 - Xerox Tower in Rochester is 436 feet
 - Niagara Falls is 167 feet high. These are over 3 times taller.
 - Tallest structure outside NYC
 - Largest wind turbines in NYS to date.

- 1 mile buffer, Rt 18 north, is the targeted area / then the 5 mile buffer

- Tons of steel reinforced, high psi concrete pads at least 45 feet wide
about 30 feet deep - Hundreds of cubic tons of concrete per site.

In some applications, steel pilings are driven 50 - 100 feet into the ground due to soil instability.

- Operations building
- Transmission lines / Transfer stations
- Concrete plant
- Access roads
- Lease land from landowners or establish an easement, encumbering the land and surrounding area for the length of the contract - **likely 30 years**
- Very important to remember, once they are installed, they will **never** go away. Ever.
- Why here ?
 - Available land at a cheap price
 - Proximity to existing transmission lines
 - Wind turbine companies have a history of “preying on” rural municipalities that need money and/or have a small tax base

False Assumptions made by citizens in the affected area (conversations with residents)

- Free electrical power
- That fossil fuel plants will go away
- Tax Breaks
- Financial compensation - Only properties where turbines will be located.
- New roads
- That most residents are in favor, as reflected in flawed 2007 Town Survey – Approx. 850 respondents – 93% approved (Yates website)
 - Look at what was asked. Should the town look into wind turbines ? If it asked about a project of this scope and magnitude, it is doubtful the same response would have been received.
- A significant portion of land owners don't know about this due to timing of PIP filed by Lighthouse Wind (10/31/14 & 12/31/14 PIPs)
 - Unlikely this was a coincidence

Finances / Taxes / PILOT / Subsidies / Rates

- First and foremost – this is ALL about money and corporate profits – **nothing else**
 - Warren Buffet has significant electricity generation holdings. He explained, “on wind energy, we get a tax credit...that’s the only reason to build them. They don’t make sense without a tax credit.”

(How Wind Production Tax Credit Undermines Wind Power – George Banks article 10/13/14)
- APEX says that private money funds this project. (APEX Website)
- However, ALL projects throughout the nation seek and receive
 - Federal tax relief in the form of Tax Credits.
 - State tax relief.
 - PILOT agreement with the Local Municipality.
- Will sell power to NYSEG and the power grid for profits, **which we have to buy .**

Taxes

- Federal Tax Subsidies
 - Production Tax Credit – 2.3 cents / Kw production over 10 years
 - Investment Tax Credit – 30% of the value – one time
 - Company must choose
- PTC and ITC Expired 12/31/14. Congress has let these expire, and have reinstated them 5 times now since 2001. It's likely that this isn't over.
- American Wind Energy Association is lobbying hard to have federal tax credits re-instated. AWEA CEO Tom Kiernan stated no less than 12 times in a recent OnPoint interview that PTC's need to be re-instated for wind power companies to continue, even though he said **costs have declines 58%** in the last 5 years. Does that sound right to you ?

(Tom Kiernan, AWEA CEO – OnPoint Interview January 26, 2015 / www.EENEWS.net)

- US Senate amendment (PTC 133) to KeyStone Pipeline Bill to re-instate Production Tax Credit was defeated Jan 20, 2015
- NYS tax incentives (Moving New NY Forward Cptr 13 Gov. Cuomo 2011)
 - \$1 Billion “Green Bank” set up for Wind /Solar
 - \$5 Billion investment over 10 years to support clean energy
- PILOT - Payment In Lieu of Taxes - Power companies and municipalities claim they have a difficult time determining a proper tax rate for power facilities. Many counties have Industrial Development Agencies to negotiate the PILOT or it is negotiated by the Town. ALL moneys from PILOT's are substantially below that of actual taxes owed if calculated like the rest of the community. (Somerset plant seeks 1 year PILOT extension – Buffalo News – 12/10/14)
- A perfect example of problems with PILOT's can be found VERY close to here. In 2011, the Somerset plant ran into financial troubles with its bond holders. They WERE paying \$20 Million in PILOT monies to the Town of Somerset. They negotiated a reduced PILOT agreement with the IDA, reducing payments year by

year, to \$5M for 2015. 25 cents on the dollar. Do **you** get to negotiate such a savings when **your** money gets tight ?

So, what will happen if APEX runs into financial difficulties ?

- Verizon planned on building a data center on the property next to the plant, but when the Bankruptcy & PILOT re-negotiation happened, they backed out. A loss of commerce, jobs and tax revenue in the area.

(Somerset plant seeks 1 year PILOT extension – Buffalo News – 12/10/14)

- Analysis of the history of PILOT agreements with municipalities has shown that although there is some financial liquidity for the town. Studies have shown that PILOT agreements are subsidized by the rest of the tax base. **That's us.**
- ALL of these tax incentives – Federal, State, Local – are subsidies paid by us, the tax payers. We are footing the bill for APEX, and all wind turbine installations throughout the State and Nation. That's how it works. (Money Road To Nowhere /Mastersource.org 2014)
- With all this new power being produced, one would think that It would be cheaper, right ? Rates actually go up. Who do you think is going to pay for this multimillion dollar project ? **Us.** The cost is passed on to the ratepayers, just like any other business. (Natl Wind Watch FAQ Economics APEX)
- The top 10 states with wind power production saw a rate increase of 20%, compared to 2% for the rest of the country. **A 20% rate increase.**

(Energy & Environment – Forbes.com – 10/17/14)

- Tax subsidies aside, how else would ANY company pay for such a large capital expenditure ? It's **always** passed on to the consumer.
- APEX is **not** a benevolent organization, putting up 70 - 600 ft industrial wind turbines because they like us. They are a corporation looking to make big profits. Profits from our federal, state, and local taxes, and service rates; **all of which are likely to go up.**
- This is a money grab at its finest. Wholeheartedly supported and encouraged by the Federal and State governments. "NYS Comptroller Thomas DiNapoli reported

that tax exemptions by NYS's Industrial Development Agencies were not creating jobs, and 'shifting tax burdens' from mega-corporations to local residents"

(Money Road To Nowhere /Mastersource.org 2014)

Current Electricity Production

- Somerset Plant produces all the energy we need. Reports are that it's actually more than we need locally.
- It was designed to house two turbines, however only one is in operation
- Although its fuel source is coal, and there is still an ample supply, it is the cleanest coal facility in NYS. (Jerry Goodenough- COO- NYSEG Upstate Power Producers Response to NY Energy Highway Request for Information)
- There is no data showing that our region needs additional electricity production. This wind turbine project is a profit making venture.
- Rick Webb, of the National Academy of Science, reported - "wind is not a viable replacement ... as it accounts for just two percent of electric needs. Wind is not a very big part of the solution. If Virginia utilities tried to use wind just to meet the annual *increase* in electrical demand, they **would need to erect 500 to 600 turbines— enough to cover about 75 miles of ridges. Per year.**"(Readthehook.com - Blown in the wind: Tilting with windmills in Highland County)
- In California, the "mecca of wind farms", where production from wind energy has been going on since before the Carter administration, there are tens of thousands of wind turbines. And still, wind accounts for **only 2% of power production.**
- Across America, nearly 15K turbines have become inoperable. Some were decommissioned and taken down, most were left to fall apart. Some just spin without producing any power, because it looks good to the public. (Wind turbines and "green" subsidies under fire – Alex Newman 11/29/11)
- They can cover the landscape with turbines, but if the wind isn't blowing at least 10 mph, turbines don't produce **any** electricity. Wind farms on average produce less than **30% of their capacity.** Subtract the power it takes to operate the many functions within the turbine it's self, like blade pitch, direction, blade warmers, controllers, communication, dehumidifying & heating the nacelle, etc. The turbine

uses its own power; sometimes back fed from the grid at start up; using power from the power source it's allegedly designed to replace. (Watts up with that – Viv Forbes 5/10/13)

- The power grid can never get rid of coal, natural gas, or nuclear plants, making the claim that wind power reduces CO2 emissions completely inaccurate and irrelevant. Additionally, the carbon emissions produced during the manufacturing and construction of each turbine negates any carbon footprint reduction over the life of the site.
- A method of power generation that takes 80% of today's tax subsidies, yet produces 2% of the power is a ridiculous situation. Does this sound like a good investment ?
- Yes “the wind” is free, but harnessing it and generating electricity from it is very expensive and extremely inefficient.

Land Values

- Landowners providing sites for these turbines will be paid a paltry amount of money, in comparison to the overall financials of the project, to allow APEX / Lighthouse to lease their land or create a binding easement to their property. This is not limited to just the site of the turbine its self, but includes:
 - Access roads
 - Transmission lines
 - Support/control structures - curtilage
 - Construction material production & storage
- For said paltry amount, landowners will not be able to use, develop, or sell the involved property, or any property surrounding the site for at least 25 years. If this is such a great deal, why do landowners have to sign a document forbidding them to talk about it ?
- Apparently sites are bonded for approximately \$100K for abatement – unlikely to cover the complete cost. If it doesn't, who pays to take them down ?

- Often the turbine structure is removed, and the concrete pad is taken down to 4 feet below grade, leaving the remainder in the ground. How does that affect resale value and future development ? How's that impact the environment, forever ?
- If APEX / Lighthouse fails to pay anyone, a lien can, and will be placed on the landowner's property by whomever is owed the money.

In Vermilion County IL, APEX failed to pay a steel manufacturer who then filed a \$1.4M lien against the farm owner's land leased by APEX

(edgarcountywatchdogs.com)

- Land adjacent to the site **will lose value**. There are numerous studies, and hundreds of thousands of documents showing that residential properties start to **lose 17-40% in value** the moment a community is selected for wind turbine installation. **Our** properties have **already** begun to lose value.

(Forensic Appraisal Group Ltd)

- An example of this is Wolfe Island on the Lake Ontario near the St Lawrence River. Hundreds of properties have lost value, totaling over \$3 million. Some single properties dropped \$100 - 200K in value.

(GoderichSignalStar.com – Paul Cluff – 09/26/12)

- A fairly and comparable priced property next to a wind turbine in Wisconsin lost \$90K in value after being on the market for 740 days.

(Better Plan, Wisconsin – 06/12/10)

- A common method for measuring Land / market value is the hedonic regression valuation model; the type and quality of the property, along with its location and what surrounds it determines its value.
 - For example, If you live by a park, “forever wild” space, or a lake, it increases the property value
 - If you live by a hazardous waste dump, or a wind farm, it decreases the property value

- Based on this method, it has been shown that properties lose value and are difficult to sell when they are located anywhere near a wind turbine, let alone 70 – 600 foot turbines. What would normally sell in months stays on the market for years.
- We as property owners near this proposed wind farm will sustain significant financial loss, **without any compensation**. I personally know homeowners who have either their life savings, or retirement funds invested in the equity of their homes.
- In Hammond NY, wind power company Iberdrola stated they “would leave if they had to compensate land owners for the loss of land value”. (The Journal – Hammond NY 12/10/10)
- Market value will drop, however town / county assessed value is not likely to change. In fact, property taxes are more likely to rise
- Market value is not assessed value. **Your taxes won't go down, but what you can sell your house for will.**

Environmental Impact

- Like property values, there are there are hundreds of thousands of documents, regulations and laws covering the negative impact of wind turbines on the environment, including:
 - Migratory birds / raptors
 - Waters, wetlands and tributaries
 - Low frequency noise
 - Shadow flicker
 - Fire / Collapse
 - Ice throws
- Throughout the country wind turbines blades are secured in place for months of the year as to not interfere with bird migration.

- The APEX 1 mile buffer is directly in the flight path of migratory birds in our region.
- It is proven that wind turbines kill a multitude of wildlife annually. Turbine blade tips travel **between 80 and 180 mph** depending on wind conditions.
 - Imagine shadow flicker at that rate
 - Imagine the sound of anything cutting through the air at 150 mph.
 - Now imagine it 24 hours a day.
- There is no need to discuss **all** of the impact on wildlife, and more importantly **human** life, by the installation of wind turbines. We'd be here for weeks. It **has been proven** that industrial wind turbines are detrimental to the physical wellbeing of the surrounding population and the environment.

Laws / Regulations / Town Authority

NYS Civil Practice Laws and Rules Article 78

- Municipalities have the responsibility to follow their own laws.

Local Waterfront Revitalization Program

- Back in 1996, based on the need and desire to protect the town's land, a coalition between the Towns of Yates, Carlton and Kendall reviewed all aspects of land use and development in the coastal region; essentially Rt 18 and north to Lake Ontario and happens to be nearly the exact overlay footprint of the APEX 1 mile buffer
- This Document is a detailed and historical review, along with numerous environmental impact considerations for **any** development in the area. In essence, its language and clear intent is the preservation of the land to avoid development and use that changes the character and health of the region.
- Section III – There are 44 policies governing **all** development in the region. In sum and substance, these policies require:
 - “foster an orderly pattern of growth”
 - “New developments which are shown to compromise a significant habitat should be given low priority or **not pursued**”

- “to maintain the attractive quality of the shoreline and to retain views to and from the shore”
- “maintaining the original landform.....except where elements add appropriate interest”
- “Using appropriate scales, forms, and materials to ensure buildings and other structures are compatible with and add interest to the landscape”
- “NYS Public Service Law... establishes the basis for determining the compatibility of these facilities with the environment and the necessity for a shorefront location”
 - Somerset Plant produces more than enough electricity for the region and it can not be shown that a large scale wind farm is “needed”

Yates Local Law 1

- Yates Local Law 1 – Filed NYS State Department - June 11, 2008
 - Local Law Specific to Wind Turbine Facilities in the Town
 - This law acknowledges all of the aforementioned hazards of such development.
 - Section 591.3 -Enumerates the need to “**properly site** wind turbines to protect health, safety and welfare of neighboring property owners and the general public”
 - How can 600 foot industrial wind turbines be “properly sited to protect our health, safety and welfare?”
 - Section 591.10 Standards
 - Sets a list of standards and rules for wind turbines built in the Town unless waived by the Town as part of a permit
 - #13 “The maximum total height of any WECS shall be 420 feet” Not 570 feet.

NYS Home Rule Law – Article IX, Section 2

- Subsection (b)(2) “ the state legislature is specifically prohibited from acting with respect to the property, affairs or government of any local government except by general law, or at the request” of the local government.
- Local Law specifically allows State authority regarding schools, courts, and matters **other than** property, affairs or government

NYS Article 10

- Ad Hoc member of siting committee / 2 people
 - Select the right people for these positions

Summary

This town government has the authority, and obligation, to control what does and does not occur within its jurisdiction; what is built and developed by way of the permitting process. You have the responsibility to preserve the ecological, economic, and esthetic integrity of our town, today and for generations to come.

This Board is tasked with the authority to issue permits and approve development within our Town, provided such requests meet stringent laws, rules, and guidelines. This enormous project, in the view of **many** of your friends and neighbors, is not in accordance with said laws and rules, or even common sense. **We** don't want this; it's not who **we** are.

You, as our Town board, have the power to stop this. You have the power to **not** issue permits for this project. **You do not have to amend laws to accommodate APEX.** What appears to be a pathway to economic growth, in reality is a temporary financial gain. The monies derived will not come from suitable economic development, but from the tax coffers funded by the taxpayers. If this project goes forward, all that will be accomplished is us giving millions of tax dollars to a multimillion dollar company to screw up our town; a company who will happily walk the money back to Virginia with no regrets, and being a LLC, no liability.

A project of this scope and magnitude has no place in Yates, or anywhere else for that matter. What we need is sound, systematic commercial and residential growth, not wind farms. Do you, the members of this Board, want to be forever known as the Board that damaged an “All American” town ?

You have the power to tell APEX no. Tell them no.