



SOAR Newsletter: *ON THE WIND*

January 2017

ON THE WIND

EDITOR: ROXANNE PARROTT

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PROJECTS

Message from the President

By Laura Jackson

I talk to a lot of people about industrial wind development and many of them think the subsidies have expired. They have not!

The federal subsidy for industrial wind is called the Production Tax Credit (PTC). It is in effect for new projects until December 31, 2019 and pays a subsidy for the first ten years of operation. New projects that went into operation in 2016 received 100% of the subsidy, which was \$0.023 for every kWh produced. In 2017, new wind projects will receive 80% of the PTC. Since it is adjusted for inflation each year, we will not know the actual subsidy amount until the IRS publicizes it by April, 2017.

Other rulings have allowed wind companies to claim as much as 30% of construction costs for a one-time reimbursement. The Consolidated Appropriations Act, 2016 (H.R. 2029, Sec. 301) ruled that wind companies can claim the **Investment Tax Credit (ITC)** in lieu of the PTC until the end of 2019. In 2016, the ITC paid wind companies a 30% rebate for construction costs. In 2017, it is reduced to 24%. It reduces by 6% each year until it expires in 2020. The Treasury Department shows that 11 wind projects in Pennsylvania received almost \$428 million from the ITC. That money came from us, the American taxpayers.

Another major change in the PTC was made by The *American Taxpayer Relief Act of 2012*, which removed the "placed in service" deadlines and replaced them with deadlines that use the commencing of construction as a basis for determining eligibility.

According to the U.S. Department of Energy, "the guidelines establish two methods—a "physical work" test and a 5% safe harbor to determine when construction has begun on a qualified facility." Meeting the criteria of either method allows companies to receive the tax credits.

Both methods require that a wind company makes continuous progress towards completion once construction has begun by meeting the Continuous Construction Test. The wind project must begin operation within four years of beginning construction.

Physical Work Test

The physical work test provides that a taxpayer may establish the beginning of construction by beginning "physical work of a significant nature." The physical work test is based on the nature of the work performed rather than the cost of the work.

President's Message continued:

If the work performed is of a significant nature, then "there is no fixed minimum amount of work or monetary or percentage threshold required to satisfy the Physical Work Test" (Notice 2014-46).

Notice 2013-29 provides several examples of actions that constitute work of a significant nature, including:

- the beginning of the excavation for the foundation, the setting of anchor bolts into the ground, or the pouring of the concrete pads of the foundation;
- physical work on a custom-designed transformer that steps up the voltage of electricity produced at the facility to the voltage needed for transmission; and
- beginning construction of roads integral to the activity performed by the facility including roads for equipment to operate and maintain the facility.

Safe Harbor

Safe Harbor with respect to a facility is demonstrated by showing that 5% or more of the total cost of the facility was paid or incurred."

The Safe Harbor ruling must have been very attractive to a number of wind companies in 2016, since huge amounts of turbines were purchased for yet to be announced wind projects -- no doubt taking advantage of the Safe Harbor provision.

What does all this mean? If developers take advantage of the above guidelines, they have until the end of 2019 to complete

construction of wind projects to receive 100% of the PTC. They have until the end of 2020 to received 80% of the PTC, and so on.

There is also another work around: wind companies can start the 10-year PTC subsidy anew by replacing the turbines in a project with new turbines.

Will the subsidies EVER go away?

<https://energy.gov/savings/renewable-electricity-production-tax-credit-ptc>

**Shaffer Mountain Update--
Summary of SOAR
Press Release**

A large industrial wind project is proposed for Shaffer Mountain, a section of the Allegheny Front that hugs the western part of Bedford County and eastern parts of Somerset County. Invenergy, located in Chicago, Illinois, has leased the Berwind watershed property and plans to install up to 138 Megawatts of wind power as part of the Shade Wind Energy Project.

Shaffer Mountain contains Piney Run, an Exceptional Value Watershed. An industrial wind project in this largely undeveloped area will degrade the surrounding forests, the watershed, and will kill birds and bats. The Pennsylvania Game Commission estimates that one turbine kills an average of 25 bats per year.

Shaffer Mountain is also home to the Allegheny Front Hawk Watch, one of the best hawk watch sites for Golden Eagle migration in the Appalachian

Mountains. Dr. Brian M. Wargo, President of the Allegheny Plateau Audubon Society, and a Board member of the Hawk Migration Association of North America, has been instrumental in opposing the proposed changes to the eagle-take permits granted by the United States Fish and Wildlife Service. "It is illegal to kill, injure, or harm Bald and Golden Eagles—it is actually a felony, but power companies can apply for eagle-take permits, allowing them to kill a certain number per year. The Allegheny Front Hawk Watch is the premiere Golden Eagle site for the east coast, holding the record for total Golden Eagles counted in a year, as well as the highest single day count. It is ludicrous to place these wind turbines in the direct path of the highest concentration of these magnificent birds."

Wargo, as so many other birders, is not opposed to wind energy, but recognizes that siting is the key to responsible development. He continues, "Most people do not recognize that these wind projects are industrial sites, that take control of local lands, clear-cut the mountaintops, and restrict public access. It is like handing over your most sacred treasures to strangers, who do not live in the region, and who do not understand the ecological, historical, and cultural uniqueness of the area."



View from Shaffer Mountain Road

Anyone interested in opposing this industrial wind project should contact Laura Jackson, President of Save Our Allegheny Ridges. Call 814-652-9268 or email: jacksonlaura73@gmail.com

Reasons to Halt Wind Projects— Copy and Share



1. **The clearest reason:** ... rural communities don't want these giant industrial plants. Even in hardworking communities, people refuse by a nearly two-to-one majority to accept a wind developer's payment in exchange for their peace, quiet, wildlife, scenery and the well-being of their neighbors.

2. **The best "no-brainer" reason:** ... Pennsylvania's coal power plants do produce a lot of carbon dioxide and a lot of mercury. But here's the rub-- building industrial wind turbines doesn't shut down coal power plants. Coal power plants are replaced, for the most part, by natural gas plants. Invenergy is building a 1,480 megawatt gas plant in Lackawanna County, in northeastern Pennsylvania.

3. **The most infuriating reason:** ...states other than Pennsylvania benefit from the sale of Pennsylvania's renewable energy. Invenergy's Clean Energy Link project calls for wind and solar projects to be built in Pennsylvania and a few other states, and all the power will go to Long Island.

4. **An even more infuriating reason:** ...citizens of all income levels will have to pay higher energy rates if Pennsylvania transitions to more wind energy. Pennsylvania does not have good wind resources - our wind resource ranks 30 out of 50 states. This makes the cost of wind higher than in states with good wind resources.

5. **The most obvious reason:** Why would we agree to destroy our natural heritage, the social fabric of our

rural population and the peace of our communities so a large corporation can reap millions of dollars in subsidies?

6. **The saddest reason:** Big Wind has tried to corrupt our democracy by funding candidates who support the industrialization of our forested mountains.

7. **The most hypocritical and dishonest reason:** Proponents of industrial wind don't mention that new gas plants will have to be built as backup for wind-generated power. The methane in natural gas is a more potent greenhouse gas than carbon dioxide.

8. **The most ironic reason:** ... Wind turbines on our forested ridges degrade our environment and exacerbate the very climate effects that we most need to mitigate – habitat destruction for species stressed by climate change and destruction of high- elevation forests that sequester carbon.

9. **The most ridiculous reason:** Through various tax incentives, wind projects would divert huge amounts of taxpayers' money to international corporations, which would then offer measly bribes to communities for accepting their projects.

10. **The "who-ya-gonna-trust" reason:** Wind developers tell ... communities to "trust the process." But many communities don't think this is such a good idea, after looking at impossible hurdles for communities and individuals that allow developers' transgressions to continue and to go unpunished."

Many of us want to stop, look and listen before allowing more industrial wind to be sited in Pennsylvania.

Thanks to Nancy Tips, whose article in the December 24, 2016 Times Argus inspired this article. www.timesargus.com



Shaffer Mountain, The Allegheny Front

Summary of Results from SEDS

[State Energy Data System]: 2014

U.S. Energy Information Administration

These findings may be used to argue in favor of the need for renewable energies, such as wind, in Pennsylvania.

Remember the previous list, however, as wind energy has not improved the situation in Pennsylvania. This is evidence of that fact, as it is data for 2014.

Pennsylvania's total coal consumption in 2014 was 3rd highest in the nation:

Pennsylvania's total natural gas consumption in 2014 was 6th highest in the nation:

Pennsylvania's total petroleum consumption in 2014 was 7th highest in the nation:



http://www.eia.gov/state/seds/data.cfm?incfile=/state/seds/sep_fuel/html/fuel_use_c1.html&sid=US

http://www.eia.gov/state/seds/data.cfm?incfile=/state/seds/sep_fuel/html/fuel_use_n_g.html&sid=US

http://www.eia.gov/state/seds/data.cfm?incfile=/state/seds/sep_fuel/html/fuel_use_p_a.html&sid=US [Table 15, <http://www.eia.gov/state/seds/seds-data-fuel-prev.cfm#PetroleumandFuelEthanol>]

Right now, the Southwest and Midwest have a lot of wind development, and the Midwest will likely remain the best area for wind development. However, developers predict a huge increase in wind development for the Mid-Atlantic states.

Why?

A lot of coal-power plants are retiring, the electricity rates are fairly high, and there is a lot of demand for power. According to the report, wind developers think the Mid-Atlantic states will see the greatest wind development increase of any area in the U.S.

Some developers claim that a site close to transmission lines is even more important than the wind resource. Companies also know that Amazon, Walmart, and Google are buying electricity from wind projects. These purchases are thought to be significant factors in wind development.

It is important to remain vigilant in your area. Scan the ridgelines for met towers, pay attention to new or increased activity in forested areas at high elevations. Try to attend your township meetings on a regular basis. Ask your township supervisors to notify you if they are contacted by a wind developer, or a company applying for a test tower permit. Most importantly, help your township develop a restrictive wind ordinance to protect your health, safety, and welfare.

Read more at: www.issues.nawindpower.com/article/thriving-in-a-post-ptc-era



The Mid-Atlantic States Offer the Potential for a Huge Increase in Wind Development

A recent industry report states that the federal production tax credit (PTC) is the most important driver for wind development. However, with the PTC eventually expiring, some developers are examining different areas of the U.S., hoping to construct projects where the price of electricity is favorable and where there is a lot of demand.

UPDATE: On November 28, 2016, the last wind turbine in the small Garrett project in Somerset County was pulled down. 8 down, but over 700 are still spinning in Pennsylvania. We know of three communities that are currently under threat from proposed wind projects: Penn Forest Township in Carbon County, Dutch Corner/Morrison's Cove in Bedford County and Shaffer Mountain in Somerset/Bedford County. Please consider donating to Save Our Allegheny Ridges to help fund our fight to stop these potential wind projects.

If you send a check, write either Carbon Co., Bedford Co., or Shaffer Mtn. in the memo line. 100% of your donation will be used to pay expenses specifically to protect these communities. Make your check payable to S.O.A.R. and send to S.O.A.R. at P.O. Box 178 Everett, PA 15537.

If you want to use PayPal, send your donation from this link: http://saveouralleghenyridges.org/?page_id=203 Just indicate Carbon County, Bedford County, or Shaffer Mtn. in your information.

Remember, all donations are tax-deductible and you will receive a formal acknowledgement before the end of January. Again, thank you for helping to stop industrial wind projects on our mountains!

<p>SOAR is a nonprofit organization dedicated to the preservation and protection of the historic, natural, and scenic integrity of Pennsylvania's Allegheny mountain ridges.</p>	<p><u>Facebook Web Address:</u> www.facebook.com/SaveOurAlleghenyRidges</p> <p><u>Mailing Address:</u> Save Our Allegheny Ridges P.O. Box 178 Everett, PA 15537</p> <p><u>Web address:</u> saveouralleghenyridges.org/</p>	<p><u>Officers:</u></p> <p>President: Laura Jackson, mljackson2@embarqmail.com</p> <p>Vice President: Dr. Roxanne Parrott, roxparrott@gmail.com</p> <p>Treasurer: Mike Jackson, mljackson2@embarqmail.com</p> <p>Secretary: Dr. Terry Doran, doran71@verizon.net</p>
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Membership in SOAR runs from January to December. Dues are needed to cover attorney fees, publicity, meeting costs, postage, and travel expenses charged by consultants. As a SOAR member, you will receive email updates on current conservation issues, especially industrial wind development, and you may send posts to the email group via mljackson2@embarqmail.com. Remember, SOAR is a 501(c)3 organization. This means you can deduct your contributions.

The following Contributing Membership Levels are per individual or family:

 <p><i>Small-footed Bat:</i> \$25 - \$99</p>	 <p><i>Indiana Bat:</i> \$200 - \$499</p>
 <p><i>Osprey:</i> \$100 - \$199</p>	 <p><i>Bald Eagle:</i> \$500 - \$999</p>
 <p><i>Golden Eagle:</i> \$1,000 and above</p>	<p><i>Student Membership</i></p> 

We would like to thank you for supporting our efforts to keep turbines off forested mountains. **Make check payable to "SOAR"**
 Mail to: SOAR P.O. Box 178 Everett, PA 15537 **Or, use PayPal to renew online at www.SaveOurAlleghenyRidges.org**
Include: your name, mailing address, phone number, and email address to receive SOAR news.

*** We'd also like to hear from you regarding future SOAR newsletters. Contact roxparrott@gmail.com to send comments, questions, and contributions for "On The Wind" newsletters. Add your voice to citizen input.