A Short History of Wind Development in Highland County

Dr. Jonathan J. Miles
Professor, Integrated Science and Technology
Director, Virginia Center for Wind Energy

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Virginia Center For Wind Energy
at JAMES MADISON UNIVERSITY.
Basics of the HNWD project

• Highland New Wind Development (HNWD) is located on Red Oak Knob and Tamarack Ridge in Highland County, Virginia. Known as “Virginia's Switzerland,” this area is a part of the Allegheny Highlands, a sub-region of the Appalachian Mountain Range near the Virginia – West Virginia border. The county is very sparsely populated and the major land use pattern is agricultural. The county seat of Monterey has a population of 158 and is the only incorporated town in the county. In the 2000 census, the median household income in Highland County was $29,732 and the per capita income was $15,976.
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- The Conditional Use Permit issued by the Highland County Regional Planning Board allows HNWD to generate up to 39 MW using no more than 22 turbines with a total height of no more than 400 feet. The two sites are bald hilltop cow pastures which would require only very minimal cutting of trees to expand existing access roads for construction.
Basics of the HNWD project

- Highland New Wind Development, LLC is owned by Henry T. McBride, a retired poultry farmer who owns the 4,000 acre ranch on which he has proposed to site the turbines. HNWD has no prior experience developing, constructing, or operating wind farms. HNWD intends to sell electricity directly to a utility, a city, an energy cooperative, or another power purchaser. HNWD would interconnect with an existing Allegheny Power Company 69-kV transmission line that runs directly through the proposed site.
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- HNWD has branded the project as the greenest wind farm in the world. Their website describes HNWD as “commercial windpower developers with a vision.” Citing the benefits of wind power, they “see a future unclouded by global warming, air and water pollution, acid rain...and dependence on foreign energy.” McBride has predicted that HNWD would contribute between $175,000 and $225,000 annually in property taxes to the county, more than six times the next highest contributor.
Development attributes

• The HNWD site has favorable wind speeds.
• A 69-kV transmission line runs through the site.
• The site is mostly cleared and serves as cow pasture with limited woodlands.
• The surrounding area is sparsely populated.
Permitting history

- The County Board of Supervisors issued a conditional use permit on July 14, 2005, which was challenged by a group of Highland County citizens and upheld by the state Supreme Court on September 13, 2007.
- Attorney David Bailey represented Highland County citizens who sued the county over its decision to grant a conditional use permit for an industrial wind energy utility.
- The Highland County supervisors' decision to grant a permit to Highland New Wind Development for Virginia's first industrial wind utility was upheld by court on points of law that had nothing to do with the merits of the power project.
The State Corporation Commission granted conditional approval to HNWD's application on December 20, 2007.

On December 20, 2007, the SCC issued a Certificate of Public Convenience and Necessity authorizing the project subject to a number of conditions including, but not limited to, submitting a detailed final site plan to the appropriate regulatory agencies, minimizing impacts to wetlands to the maximum extent practicable, and implementing an extensive monitoring and mitigation plan to protect endangered species.

HNWD submitted their final site plan in June 2009, which received approval from county officials on 3\textsuperscript{rd} August 2009, only weeks before HNWD’s Conditional Permit was expected to expire.
Lessons learned

• The Highland New Wind Development project was the first utility-scale project to be permitted by a locality and the first to be considered at the state level.
  – *Despite Herculean efforts by local officials to become educated on utility-scale wind, there were not resources available that exist today to help inform them.*
  – *No local siting ordinance was in place, nor was a model ordinance readily available, neither were tools for siting assessment. These are critical resources.*
Lessons learned

• The Highland New Wind Development project was the first utility-scale project to be considered for state approval.
  
  – The McBrides instigated the first comprehensive state-level review of a utility-scale wind project and exposed deficiencies in terms of how state agencies communicate and cooperate in the process.
  
  – The Virginia PBR offers a much more efficient mechanism for state review and permitting. This is a significant advance for Virginia.
Lessons learned

- The Highland New Wind Development project has been developed to date by inexperienced entrepreneurs who would have benefited by partnering with an experienced developer.
  - *HNWD never conducted formal environmental or visual impact assessments, and did not work closely with Virginia state agencies in assessing potential impacts.*
Lessons learned

• The Highland New Wind Development project has been developed to date by inexperienced entrepreneurs who would have benefited by partnering with an experienced developer.
  
  — HNWD chose not to develop a Habitat Conservation Plan or to seek an Incidental Take Permit, which it was not required to do. Without these safeguards in place, if it were determined that endangered species were being killed by the turbines, the project could be subject to costly shutdowns. The SCC wrote in its final order that, “this is a business risk voluntarily assumed by Highland Wind, which may impact the viability of the project.”
Lessons learned

- The Highland New Wind Development project has been developed to date by inexperienced entrepreneurs who would have benefited by partnering with an experienced developer.
  - There widespread negative public response to HNWD within Highland County, often citing the county's rural character as a disqualification for “industrial development.” Such diverse stakeholders as local landowners, conservation groups, and even state agencies expressed serious concerns about the project.
  - The project would have benefitted immensely by the development and execution of a professional development plan that includes consideration for communications and public relations.
Lessons learned

• The lawsuits previously referenced and other related legal actions have cost Highland County taxpayers on the order of $500,000. Significant legal fees have been also been borne by the McBrides.

  – *The HNWD project provided much of the stimulus to advance development of new regulatory and assessment tools tailored to Virginia.*

  – *It is critical to the success of a project and appropriate development in a county to heed the lessons of Highland County and to leverage all the resources that have been developed over the past decade.*