

Rural Clean Energy Economics and Community Engagement Study and Report

Community Meeting Summary¹: Mount Vernon

Meeting Information

Location: Mount Vernon, Washington – WSU Mount Vernon Extension

Date: May 16, 2024

Time: 6:30pm – 8:30pm

Number of Attendees: 20

Consultant Team in Attendance

Susan Hayman: Ross Strategic

Tom Beierle: Ross Strategic

Jamie Ptacek: Clean Energy Transition Institute

Washington Department of Commerce in Attendance

Aaron Peterson

Consulting Team Presentation Slides are [available here](#).

Welcome and Introductions

Tom Beierle, Ross Strategic, welcomed participants and provided introductions of the consultant team and the Washington Department of Commerce representative.

General Information about the Study and Community Engagement (Slides 1-14)

Presenter: Tom Beierle, Ross Strategic

- Welcome + introduction (Slides 1-5)
 - Meeting Purpose (Slide 2)
 - To learn about the Rural Clean Energy Economics and Community Engagement Study and Report - who asked for it, how the information is being collected, and how it will be used.
 - To hear from communities about their concerns with and potential opportunities for clean energy development-both large-scale and community-scale.
 - Agenda (Slide 3)
 - Details for the night regarding food, facility, stipends etc. (Slide 4)
 - Team introductions (Slide 5)

¹ This summary seeks to capture the questions and comments shared by participants as accurately as possible. Assertions made by attendees in their questions and comments represent their personal opinions and perspectives.

- Rural Clean Energy Economics and Community Engagement Study Background (Slides 6-14)
 - Origin of the study - [HB 1216](#) (Slide 7)
 - Clean Energy Project Siting Law in 2023: Directive for the WA Dept of Commerce to create and submit a study and legislative report addressing direct and related issues and concerns across rural Washington regarding renewable energy development.
 - The study is titled: Rural Clean Energy Economics and Community Engagement Study and Report (Rural Clean Energy Study).
 - Purpose of the study (Slide 8)
 - To increase mutual understanding between rural communities, representative interests, and government agencies and policymakers regarding potential opportunities and impacts of renewable energy development in rural communities throughout Washington.
 - What the study will include (Slide 9)
 - Direct and indirect economic and financial impacts of clean energy projects in rural Washington.
 - Descriptive summary of potential non-economic impacts to and opportunities for rural communities from clean energy development.
 - Clarifying what is meant by ‘clean energy’ for the study’s purposes (Slide 10)
 - Utility scale solar and wind, community-scale clean energy, biodigesters, small nuclear reactors, closed-loop pumped storage hydropower.
 - How information is being collected (Slide 11)
 - Individual and small-group conversations.
 - Case studies and other financial and economic data collection and analysis.
 - Three rural community-based public meetings.
 - One state-wide virtual public meeting.
 - How information is being used (Slide 12)
 - May be used to inform policies and programs.
 - NOT affiliated with or in support of any particular clean energy development project.
 - What we have heard so far
 - Challenges (Slide 13)
 - Technical and staff capacity concerns.
 - Lack of direct benefits to communities.
 - Concern around siting optimization (better potential elsewhere).
 - Impact on viewsheds and recreation.
 - Experiences with unsustainable government programs.
 - Transmission and distribution system capacity.

- Skepticism around the need to decarbonize Washington's energy system.
- Local involvement in decision-making.
- Opportunities & Benefits (Slide 14)
 - Community and individual independence and resilience.
 - Energy reliability and affordability.
 - Improve public health outcomes.
 - Offshore wind opportunities.
 - Role of hydrogen and nuclear power.
 - Local energy generation / energy sovereignty.
 - EV charging as an economic/tourism opportunity.
 - Energy capture complementary to existing activities (e.g., agrivoltaics).
 - Need to act on an existential climate crisis.

Economic and Financial Aspects of the Study – Findings to Date² (Slides 15-22)

Presenter: Susan Hayman, Ross Strategic

- Overview of Economic and Financial Analysis Approach and Findings
 - A case study approach (Slide 15)
 - Map showing ten projects selected as case studies and other projects being considered in the analysis.
 - What the interviews/data are telling us so far (Slide 16-22)
 - Challenges and Concerns (Slide 16)
 - Tension between state and local land use decision-making
 - Jobs and tax benefits are front-loaded (i.e., depreciation)
 - Employment benefits not accruing locally
 - Sales tax rebates at times have been poorly communicated with county officials
 - Agricultural land use and land value concerns
 - Clean energy subsidies may incentivize lower value projects
 - Benefits and Opportunities (Slide 17)
 - Lease terms vary but landowners benefit financially from lease payments.
 - Increase in sales and property tax revenues for counties.
 - Projects create substantial construction jobs in the short term as well as local jobs during operations.

² Industrial Economics Inc. (IEc), one of the consulting team firms, was not able to attend the Mount Vernon meeting. As a result, the presentation given at the event omitted some of the economic and financial analysis information that IEc presented at other community meetings. The slide deck linked above and the notes below include all of the slides and information on the economic and financial analysis from IEc. IEc has also responded to the economic and financial questions that were not answered during the meeting.

- Wind projects typically allow agriculture to continue, using 1-3% of leased acres.
- Interest in agrivoltaics.
- Community contributions from project owners.
- Potential for additional community benefit agreements with project developers.
- Financial Returns to Landowners (Slide 18)
 - Lease terms may vary but lease agreements can be a notable financial benefit to landowners.
 - Tiered system: pre-development, construction, operation.
- Tax Implications of Projects (Slide 19-20)
 - Tax payments provide a boost to local tax revenues.
 - Personal property tax, real property tax, sales tax considerations.
 - Project equipment and machinery depreciates over time reducing personal property tax collections.
- Land Use for Wind Turbines vs Solar (Slide 21)
 - Wind projects occupy 1-3% of leased area, usually compatible with continued agricultural activity.
 - Solar projects can occupy 100% of fence lined area, continued agricultural development difficult.
- Construction and Operation Employment (Slide 22)
 - Table with modeled estimations for construction costs and full-time job equivalents.

Question and Answer Session

Facilitators: Tom Beierle and Susan Hayman

Questions were directed to relevant members of the consulting team to answer.

- **Question:** What is the funding source and amount of money allocated for the study?
 - **Answer:** The study is funded by legislature at approximately \$800K.
- **Question:** What are the biomass and energy storage projects on the case study map?
 - **Answer:** They are existing energy storage facilities and biomass or biofuel power generation facilities. The existing storage facilities on the map are primarily battery energy storage systems of 2MW or less, while the size of the biomass facilities varies with some facilities as large as 55MW.
- **Question:** Are the yellow triangles of 'storage' all batteries? What type?
 - **Answer:** The majority of the triangles represent battery storage systems. One of the triangles represents pumped hydropower at Grand Coulee.
- **Question:** What is the size of projects that are included in the study? Is there a cutoff?

- **Answer:** The financial and economic analysis includes utility scale (i.e., nameplate capacity of at least 1MW) renewable energy projects in rural areas that were developed in 2019 or later.
- **Comment:** The future of agriculture and preservation in Skagit Valley is important. There's a feeling that if the local government and people don't like something, the state government does it anyway. Local government should be involved and heard in final decision making.
- **Question:** Locally, we have had difficulties with our utility, Puget Sound Energy (PSE) over energy projects. The process and dynamics driving the clean energy transition are confusing and opaque. There is a lot of political big picture stuff going on, including how grants are allocated and used. Is there a way to demystify the role of PSE in the clean energy transition and clarify the mandates for them to do these types of clean energy projects?
 - **Answer:** A PSE representative is not in the audience tonight.
- **Question:** The Clean Energy Transformation Act and HB 1589 (regarding PSE planning), provide top-down pressure on PSE and other utilities to transition to clean energy. What exactly are those mandates and how are they playing out? What is PSE required to do and what are they doing voluntarily?
 - **Answer:** A PSE representative is not in the audience tonight.
- **Comment:** Individuals are not being allowed to store the energy that they produce on site (e.g., through rooftop residential solar); PSE requires it to go back to the grid. With the grid system using so much copper, we need to be smarter about using energy closer to where it's generated. Keeping benefits and energy systems more local could help with this.
- **Comment:** Regulated utilities in Washington have a 2050 target for not emitting any greenhouse gas emissions and stepwise goals to get there for 2030 and 2045. It's cheaper for PSE and other utilities to help homes, businesses, and farmers to conserve energy than it is to put in new lines, re-conductor existing lines, and/or generate new energy. Utilities are working on energy efficiency measures. However, there is general concern and doubt about how much PSE is supportive of energy efficiency and production. What are the incentives for PSE to help individuals to conserve versus having them continue to consume so PSE can make money?
 - **Answer:** A PSE representative is not in the audience tonight.
- **Question:** For case study projects that are active and established after 2019, are they permanent projects?
 - **Answer:** Power purchase agreements with renewable energy generation facilities can be for 25-30 years. The case studies being conducted for this study are for projects that have been online since 2019. It is reasonable to assume that all of the case study projects that aren't 'pending' will be online for several decades.
- **Question:** How are clean energy projects taxed, and what are the tax implications of depreciation over time?

- **Answer:** Real property and personal property are taxed at different rates. Equipment is taxed as personal property.
- **Comment:** What are the environmental hazards to humans from clean energy development? What resources are used to build clean energy infrastructure, transport it, and sell it? What is the lifespan of clean energy facilities and how is equipment disposed of properly? What is our capacity for energy storage? It feels like we are 50 years ahead of ourselves and the technology needed for the transition. We are going in the wrong direction for a net loss.
- **Comment:** My biggest concern is what happens between counties and the state. A lot of people work hard locally on farmland zoning and protection within the county. Then the state just decides they are going to lay renewables on top of agricultural land and completely override community and county work to preserve agricultural land.
- **Question:** Most clean energy projects are on the east side of Washington state – why is this? Is it that land is less populated? Is there less opposition?
 - **Answer:** There are more projects on the east side. Generally, the east side has more sunshine and more wind. It also has more space for clean energy infrastructure.
- **Comment:** Someone who works for local government doing grant applications for solar and other green energy in a rural community can't compete at the same level as major urban areas for grant funding, Local governments often lack expertise and staff capacity. A solution could be to cap/limit certain grant opportunities and earmark funds for only rural communities.
- **Question:** How is small-scale nuclear being considered in the study?
 - **Answer:** Small modular nuclear reactors came up regularly during outreach for this project. There is some interest in the state to develop it. However, it is not being directly evaluated in the economic analysis, where the case studies and analyses focus on projects that were operational or in the permitting process since 2019.
- **Comment:** Endangered species protection and regulation is a big issue here. How are big energy developers allowed to impact endangered species and habitats when individuals/farmers are so regulated? The playing field has to be level or we won't be able to keep agriculture in a place like the Skagit Valley.
- **Comment:** We have a unique subtidal delta here. If you put a 100-acre solar farm out here with a lot of impervious surfaces, the whole drainage structure and system could be affected.
- **Comment:** There is an outsized emphasis on very limited, specific renewable energy resources (solar and wind) that don't make as much sense on the west side of the state because we don't have as much of these resources. However, we have a lot of opportunities for micro-hydro and cogeneration. Why do we continue to focus on solar and wind?
 - **Answer:** Utility-scale wind and solar are more relevant on the east side, and primarily the focus of the economic analysis case studies requested in the

legislation. We are hearing more about micro-hydro and cogeneration on the west side than the east side.

- **Comment:** It is discouraging to have these public meetings and not feel like our voices are being heard. Is the legislature really going to consider our input?
 - **Answer:** The purpose/intent of this study is to hear from rural residents about the opportunities and challenges rural communities are experiencing with clean energy development to inform future decisions around the planning and deployment of clean energy.
- **Comment:** Why not have local permitting authority over these projects?
- **Comment:** What are the problems with coal, natural gas, and hydro? Perceived problems around these energy sources are what's driving this change. I have more concern about losing hydropower, specifically. I don't think it's a 'bad' form of clean energy.
 - **Answer:** Clean energy needs to be developed to meet state goals for reducing greenhouse gas emissions. Targets and rules are in place that are pushing the state towards zero emission energy.
- **Question:** What is the connection between this study and the Department of [Ecology's Programmatic Environmental Impact Statements](#) for solar, wind, and green hydrogen?
 - **Answer:** The Rural Clean Energy Study will wrap up in the fall of this year. We don't know specifically how Ecology will use the information contained in this study, but the information will be available before the PEIS development processes conclude.
- **Comment:** I have a big concern about reducing hydro power. I oppose dam removal. We shouldn't be developing renewables to replace existing clean energy resources.

Focused Discussion Topics³

After the Q&A session, the consulting team facilitated discussions on the following topic areas with the entire group:

- Large/Utility Scale Clean Energy Development
 - Prompting Questions:
 - What are the primary community concerns and potential benefits?
 - How could these projects be done in a way that provides benefits to rural communities?
- Community Scale Clean Energy Development
 - Prompting Questions:
 - What are the primary community concerns and potential benefits?

³ Unless otherwise noted, the comments below reflect public input and are not responses from the consulting team. Assertions made by attendees in their questions and comments represent their personal opinions and perspectives.

- How could these projects be done in a way that provides benefits to rural communities?

Community-Scale Clean Energy Development Comments

- Community concerns:
 - Developing clean energy to replace other clean energy that we already have (referring to hydropower and concerns over ongoing debate over the removal of the Lower Snake River Dams).
 - These projects are potentially huge investments with limited returns for communities.
 - Technology to electrify farm equipment isn't developing at the pace needed to support farmers in the clean energy transition.
 - Community-scale development raises siting and safety issues.
 - Clean energy development impacts agriculture and tourism (by impacting viewsheds).
 - Batteries are needed to store energy, but there are true environmental risks and cost impacts of those batteries. Solar is 'cheap' but batteries aren't—both have environmental and health costs.
 - There are potentially high maintenance costs related to security to deter vandalism of clean energy facilities.
- Potential benefits:
 - Control and influence over energy costs.
 - Energy independence and reliability.
 - Grid resilience from brown outs.
 - Lower utility costs for lower income/affordable housing.
- Opportunities to benefit communities and address concerns:
 - Waivers to allow fossil fuel backups to renewables for community resilience.
 - Community control and ensuring energy stays in the community.
 - Generation PLUS storage.
 - Ensuring clean energy costs don't get passed off to low-income families and impact affordable housing development.

Large-Scale Clean Energy Development Comments

- Community concerns:
 - We don't need massive new clean energy projects to replace other clean energy projects (hydropower). We should put time and money instead into smaller scale but high-volume electrification measures (e.g., electrifying mowers, cars, etc.).
- Potential benefits:
 - Energy resiliency on the west side of the mountains.
 - Potential property tax benefits and workforce benefits if local workforce is utilized.

- Hydrogen and nuclear fusion, which seem like potentially better options than large wind and solar installations on the west side, given space and resource availability.
- Opportunities to benefit communities and address concerns:
 - Community benefits agreements (CBAs) to support schools, workforce development, affordable housing, childcare, and other community needs (note: CBAs must be negotiated with individual communities as they all have different needs and concerns).
 - Include where potential future projects might be sited in the Rural Clean Energy Study.

Next Steps, and Closing Remarks

Presenter: Tom Beierle, Ross Strategic

- Next Steps and Closing Remarks (Slides 28-30)
 - Project Timeline
 - May-June: Continue meeting with focus groups and representative interests.
 - July: Prepare draft report.
 - August-September: Review and revise draft report.
 - October 1: Deliver final report to Commerce.
 - Public comment will continue to be accepted through September.

Additional Resources

For more information on the questions asked and answered across all of our public community meetings, check out these resources:

Rural Clean Energy Study Website: For more information on the study, visit the study website: <https://ruralcleanenergywashington.org/>. The Frequently Asked Questions (FAQ) section currently under development will include common questions asked across our three in-person, one virtual meeting, and questions submitted via the website with responses from our consulting team.

Submit a Comment Online: If you have additional questions, concerns, or thoughts to share with the consultant team about rural clean energy development, you can [submit a comment here](#).