

Rural Clean Energy Economics and Community Engagement Study and Report

Community Meeting Summary¹: Zillah

Meeting Information

Location: Zillah, Washington – Zillah Civic Center

Date: May 15, 2024

Time: 6:30pm – 8:30pm

Number of Attendees: 14

Consultant Team in Attendance

Susan Hayman: Ross Strategic

Heather Christopher: Ross Strategic

Hogan Sherrow: Ross Strategic

Leslie Genova: Industrial Economics Inc. (IEc)

Kieran Bunting: IEc

Joseph Chang: IEc

Jamie Ptacek: Clean Energy Transition Institute

Washington Department of Commerce in Attendance

Aaron Peterson

Norma Chavez

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

Welcome and Introductions

Susan Hayman, Ross Strategic, welcomed participants and provided introductions of the consultant team and the Washington Department of Commerce representatives.

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

Presenter: Susan Hayman, 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.

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.

- 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)
- 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 Date (Slides 15-22)

Presenter: Kieran Bunting, IEC

- 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.

- 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

Moderator: Susan Hayman, Ross Strategic

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

- **Comment:** Klickitat County is a good place to consider solar and wind implications, there is already some development down there. It is hard to call some of these projects ‘clean’ when there isn’t a way to dispose of blades and panels when they are at the end of their life cycles. There is also the issue of the depreciation of wind farms in Goldendale. County-wide, we are picking up the cost of depreciation of turbines, and now there may be more big solar projects. The study should look at the projects in Klickitat and how the tax base has changed over time with depreciation. We need to focus in on these issues specifically in Washington, and Klickitat is a worthwhile case study to examine.
 - **Response:** There are some solar projects in Klickitat in our case study, and we’ve had conversations with county commissioners and others about tax base, depreciation etc. We are doing our best to gather tax information for as many counties and as many cases as we can to capture the picture in the

state as a whole and really dig into this issue. We currently don't have a wind farm in Klickitat included in our study.

- **Question:** With a potential 5K acres solar project in Goldendale area, there are some concerns from the rural community about the impact of the project to adjacent property. Fifty homes that are not associated with leases will be impacted by the project, and there's concern about the loss of property value for those landowners. Carriger Solar's data 'study' said that the viewshed won't be impacted, but this part of Goldendale is the best area to see the surrounding mountains. I have a question about the impact of these projects on property value, in general.
 - **Answer:** We are still in an early stage of this analysis and can't speak to viewshed analyses, but we do think that property value is a similar story to taxes and know there is more data out there that we can look at and evaluate. We are more focused, however, on properties adjacent to projects and how their value is impacted, rather than viewsheds.
 - **Comment:** Part of the property tax calculations are based on viewsheds, so should be inherently included in any analysis on property tax implications.
- **Question:** Regarding construction jobs – do you have any data on how many years of construction on average we are looking at for these projects?
 - **Answer:** Based on information we have collected for specific projects construction is usually 1-3 years. We are looking for additional data to help with that piece of the analysis.
- **Comment:** Jobs for renewable projects in Klickitat are not being filled locally and they are sporadic. There isn't any specialty training available for the local workforce. High number of jobs, but they are temporary and often filled from out of state.
- **Question:** Not including hydropower, was this directed by the legislature, or a decision made later?
 - **Answer:** As directed by the legislature, the economic analysis is only looking at resources built from 2019 on. Since Washington's hydropower development preceded 2019, the state isn't considering it a new resource and it's already built into the power base.

Focused Discussions²

After the Q&A session, Susan (Ross Strategic) 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?

² 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
 - 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?
- Economic/Financial Impacts of Clean Energy Development
 - Prompting Questions:
 - What financial implications do you see of clean energy projects?
 - What concerns do you have about the impacts of clean energy development on land use?

Large-Scale Clean Energy Development Comments

- Community Concerns
 - Amount of acreage being taken out of agricultural production for facilities. Location of major power lines are primarily on agricultural land. County doesn't have a way of permitting solar or wind in land with an agricultural designation because of the GMA.
 - Amount of land being taken out of agricultural production is a concern because it's primary economic engine of county – can't recoup amount of jobs for amount of land taken out.
 - Aging population in farming community is looking for ways out, property owners throughout the county want to get leases for solar/batteries, all of them are located within the agricultural zones. This type of development is in conflict with Washington's Growth Management Act (GMA)—the only entity that can permit these are EFSEC; the county can't because these lands have an agricultural designation.
 - EFSEC has a specific mandate in state law to evaluate and permit utility scale solar. The governor and legislature are pro-clean energy, and EFSEC (state agency) is approving these facilities in GMA counties in eastern WA. The county lacks authority to make decisions around clean energy proposals.
 - The legislature gives counties the same exemptions from meeting GMA requirements for clean energy as EFSEC. Land where there isn't irrigation is where EFSEC has approved massive solar facilities.
 - County should decide and regulate uses in ways that they deem appropriate. If they can't regulate, it's completely out of their hands. There is potential for there to be development of clean energy in county if local control is instated, but there are still politics and property rights at play.

- Displacement of farmworkers by large scale projects is a huge impact. Need systems to support the transition for farmworkers.
 - A lot of these decisions are being made without farm workers' voices. Carve some sort of clean energy labor force out of this demographic
 - It would be great if orgs who have relationships with those demographics were brought in to be a link between farm workers and decisionmakers on these clean energy projects.
- Data centers are moving in, there are state mandates to go green in the face of an increased need for energy. Feels like the outcome will be impacting plastering all Eastern WA with renewables, ruining habitats.
 - Data centers require a huge amount of clean energy. There should be a cap on the number of data centers coming in, and/or require those centers to supply their own clean electricity that is co-located with data centers.
- There is a capacity issue with current infrastructure, a vagueness about where the electricity is going from all of these renewable projects, and then we are not seeing actual reductions in rates – hard to reconcile all of this. Feels that rural Washington is taking the burden but not seeing the benefit.
 - Clean energy development in the state so far seems more like a paper exercise on carbon credits to meet a state mandate, not actually benefitting the state, or at least we aren't seeing how there are clear benefits of this clean energy development to residents in rural communities.
- Impacts to environment, wildlife, firefighting ability.
- In Yakima County, only clear benefit is to private landowners.
- Consulting with Yakama Nation should be done for any development in the county.
- Batteries are a fire safety concern – big electrical facilities. Local fire departments don't know how to put an electrical fire out. Other fire risks include weeds under big solar arrays.
 - Combination of fire risk and lack of trained people. Should be the responsibility of landowners, developers, and local politicians to mitigate/manage/address this risk.
- There is insufficient transmission development in rural WA to move all of this new clean energy around.
- Opportunities
 - Opportunity for GMA counties to have same exemption as EFSEC to permit clean energy development on agriculturally designated lands.
 - Policy to ensure that workforce is local, part of permit requirements.
 - Ways for them to also be union.
 - Labor requirements in contracts to keep workforce benefits in community.
 - Partnerships with local trades schools to train a clean energy workforce – some way to incentivize this.

- Community benefits agreements – state is trying to encourage them, not a lot of good examples in our state yet, but these agreements could touch on workforce and require communication between developer and local communities.
 - Example in New York of a percentage of dollars per kilowatt hour generated going to a grant for the utility that gets distributed as rebates to consumers on their energy bills.
- Legislative action to address community benefits agreements. Good that individual property owners benefit, but need to ensure the community benefits as well.
- Consult with Yakama Nation--government to government consultation is critical.

Community-Scale Clean Energy Development Comments

- Some discussion to clarify community-scale development:
 - *From the Consulting Team:* When we talk about ‘community-scale renewable energy development’ we are referring to projects that are smaller than utility-scale development but larger than just a few solar panels on someone’s rooftop. Generally, these projects are between 50 kilowatts and 1 megawatt in size, are owned and operated by communities themselves, and are connected to a distribution grid to supply electricity directly for community residential and/or commercial consumption.
- Community Concerns
 - In Yakima County, we struggle to put a megawatt threshold on these projects. For example, this one building can only hold so many panels, where as an Amazon building can put a bunch more on to offset their power use, but if it’s larger than what’s defined as community scale, they need to go through EFSEC process. Needs to be easier for folks to get approved to do this community-scale work. There is a struggle to justify less than 1MW projects to go directly to the community.
- Opportunities
 - Give smaller communities the feeling of taking advantage of their own resources for themselves. There is a lot of interest in putting solar on cow shades in dairies in the community – farmers trying to go after clean energy, gives them an opportunity to say they are doing it.
 - This is a gateway to the benefits of all clean energy – the more successful community-scale is, the more comfortable communities may be with larger-scale utility developments.
 - Considering how it’s being used to offset energy consumption and increase resilience.
 - Benefits of energy efficiency.

Economic/Financial Impacts of Clean Energy Development Questions and Comments

- Financial implications of clean energy projects
 - Impact to agricultural workers, there are huge wage gaps and these clean energy developments can impact intergenerational wealth. If you lose a farm to utility-scale developments, you lose all the employment that's going into the community in various ways that's not being reported.
 - Is there any research that looks at how the presence of clean energy projects catalyzes other types of investment that might want to be co-located with this type of development?
 - Pacific Power put a line through the state, transparent about the cost of the environmental review process and how they would recoup that cost from ratepayers. If these facilities keep coming, what's the cost going to be to update the grid with the infrastructure improvements needed and who is going to bear the brunt of that cost? How can we make sure it's the developers that pay and that they don't get put it all on the ratepayers?
- Potential adverse effects of clean energy project development that could be minimized or mitigated?
 - Get to the nature of the financial impact that results from a farm going out of business – hard to get a straight answer from farmers. Need to find out loss of revenue that local community sees from a farm that goes out of production – it's an important factor to consider when thinking about the impact of farms being displaced by renewables. Difficult to know how to mitigate loss of farms without knowing the impact (revenue, property values, employment, etc.)

Next Steps, and Closing Remarks

Presenter: Susan Hayman, Ross Strategic

- Next Steps and Closing Remarks (Slides 28-30)
 - Project Timeline
 - May-June: Continue meeting with focus groups, representative interests and 1:1.
 - 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](#).