

FILE

June 28, 2010

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Mr. Wayne L. Warren
7426 Feasby Wisener Road
Convoy, OH 45832

PUCO



Re: **Heartland Wind Energy LLC**
Case No. 09-1066-EL-BGN

Dear Mr. Warren:

An Iberdrola Renewables Project

The purpose of this letter is to provide Heartland Wind Energy LLC's ("Heartland") response to your letter filed with the Ohio Power Siting Board on June 22, 2010. Heartland has been very proactive in the Paulding and Van Wert County communities and on many, many occasions its representatives have made themselves available to answer the communities' questions. Although we respect your personal opinion regarding wind development in the State of Ohio, as we do those of all Van Wert and Paulding County residents, we respectfully disagree with many of your assertions.

From the outset, it must be emphasized that your letter raises general concerns pertaining to wind development in the State of Ohio rather than specific issues with the Heartland project. The issue of wind development in Ohio, however, was expressly addressed in 2008 when the Ohio General Assembly passed Senate Bill 221—Ohio's landmark energy legislation. Among other things, Senate Bill 221 established a statutory mandate that requires Ohio utilities to receive 25% of their electric supply from alternative energy resources by 2025—at least half of which must come from renewable energy resources (e.g. wind and solar). Although wind is not the only renewable energy resource that can satisfy this statutory mandate, it currently represents the most cost effective and technically feasible renewable energy resource.

Perhaps more importantly, AEP recently explained in its 10-year renewable energy forecast: "Although some of the renewable technologies listed above [e.g. biomass, hydroelectric, geothermal] could be economic, AEP is constrained from doing some of these projects" because: 1) the "energy sources are not practical in AEP service territory (e.g., geothermal);" 2) for biomass, the lack of a "supply of suitable fuel and/or transportation options anticipated to be in proximity to the host coal units evaluated;" and 3) cost (e.g. solar). Instead, AEP emphasized that wind energy "predominates in the resulting plan due to its cost compared to other renewable resources." PUCO Case Nos. 10-484-EL-ACP and 10-485-EL-ACP.

It is in light of these circumstances that wind took its place at the forefront of the renewable energy marketplace in Ohio—and that the Ohio Power Siting Board ("Board") recently issued certificates to three economically significant wind generating facilities.

It seemed to me that your primary concerns relate to how wind energy is integrated into the grid. PJM, in coordination with AEP, completed a System Impact Study for the project. This is a public document available for review on PJM's website. You can find it under queue position R60. Please see pages 40-42 of the Staff Report for this project.

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In granting a siting certificate to Buckeye Wind LLC, the Ohio Power Siting Board acknowledged that "various studies have shown that similar [wind] projects in other locations have not affected property values in those areas" (emphasis added). Case No. 08-666-EL-BGN (Opinion & Order, March 22, 2010). The Board's conclusion is entirely consistent with a report prepared by the Ernest Orlando Lawrence Berkeley National Laboratory in December 2009, which used eight different hedonic pricing models to analyze approximately 7,500 sales of single-family homes located within 10 miles of existing wind facilities in nine (9) different states. That report, entitled *The Impact of Wind Power Projects on Residential Property Values in the United States: A Multi-Site Hedonic Analysis*, concluded that "neither the view of the wind facilities nor the distance of the home to those facilities is found to have any consistent, measurable, and statistically significant effect on home sales prices"—and, "if these impacts do exist, they are either too small and/or infrequent to result in any widespread, statistically observable impact." And, perhaps most notable, some of the pricing models demonstrated that property values *increased* after construction of wind turbines. For these reasons, it is inaccurate to state that the location of wind turbines decreases property values.

Your concerns regarding birds are unfounded with respect to the Blue Creek Wind Farm. I call to your attention the Staff Report in this case and the Board Staff's summary of the information submitted which reference the conclusions of the United States Fish and Wildlife Service to the factors that the project type, location and lack of nests within five miles of the project, impacts to the bald eagle would not be expected. Additionally, the Division of Natural Areas and Preserves of the Ohio Department of Natural Resources did not find any listed species within ¼ mile of the project area. Please refer to the Staff Report in this matter, at pages 21 and 22.

Both the Heartland application and the Staff Report also addressed noise. Based on the information provided in the application as well as studies specific to the Heartland project, the Board Staff concluded that construction noise would have minimal impact due to the transient nature of the construction activities, the distance of the activities from most residential structures and the limitation of most construction activities to normal daytime working hours. Please refer to Staff Report at page 33.

The Staff Report also discussed operational noise and the studies conducted specific to the Heartland project as well as other authoritative studies. The Board Staff recommended two conditions to the certificate that pertained to the limitation of noise during operation. Assuming the Board grants the Heartland project a certificate, the Blue Creek Wind Farm will comply with the noise requirements in the certificate. Please refer to Staff Report at page 33 and conditions 42 and 43.

Additional materials and information on the project are available for your review at www.ohioenergy.com/bluecreek.html.

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If you have any questions, please call me at the number listed above.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Litchfield", with a long horizontal flourish extending to the right.

Dan Litchfield
Project Developer

cc: Ohio Power Siting Board
John H. Jones, Assistant Attorney General
Jim O'Dell, Ohio Power Siting Board
Larry Gearhardt, Ohio Farm Bureau Association