BEFORE THE OHIO POWER SITING BOARD

In the Matter of the Application of	\
REPUBLIC WIND, LLC for a Certificate of)
Environmental Compatibility and Public Need) Case No. 17-2295-EL-BGN
for a Wind-Powered Electric Generating	`
Facility in Republic and Sandusky Counties,)
Ohio.)

DIRECT TESTIMONY OF

Jane E. Rice, JD, AICP Environmental Design Research, Landscape Architecture, Engineering & Environmental Services, D.O.C.

on behalf of

Republic Wind, LLC

October 21, 2019

1 Q-1. Please state your name, current title, and business address.

- 2 A-1 My name is Jane E. Rice. I am a Principal of Environmental Design & Research,
- 3 Landscape Architecture, Engineering & Environmental Services, D.P.C. ("EDR"), and I
- also serve as the Director of Planning. My business address is 217 Montgomery Street,
- 5 Suite 1000, Syracuse, New York 13202.

6 Q-2. What is your educational background?

- 7 A-2 I hold a Bachelor of Arts degree from Creighton University, a Juris Doctor from
- 8 Creighton University School of Law/Albany Law School, and a Master of Landscape
- 9 Architecture from State University of New College of Environmental Sciences and
- Forestry.

11 Q-3. What is your professional background?

- 12 A-3 I am a certified planner with more than 25 years of professional experience. My
- expertise includes project management, community and land use planning, economic
- development, waterfront revitalization planning, smart growth management and analysis,
- zoning, stakeholder involvement and engagement. I am currently a member of the
- American Institute of Certified Planners, American Planning Association, New York
- 17 State Planning Federation Board of Directors, and Vice President of the Onondaga
- 18 County Planning Federation Board of Directors. I also served as Chairperson of the
- 19 Village of Fayetteville Planning Board for more than 15 years. I am a lecturer in topics
- 20 related to Sustainable Land Use Planning & Design, Form Based Zoning, Community
- 21 Character, and Community Engagement.
- As the Director of Planning at EDR, I am responsible for assigning, scheduling and
- coordinating assistance from in-house multi-disciplined team of professionals. I have
- been directly involved in or overseen socioeconomic studies and analyses for numerous
- wind power projects in New York and Ohio since joining EDR in 2005. All
- socioeconomic reports or analyses prepared by EDR under my guidance have utilized the
- Jobs Economic and Development Impact ("JEDI") model with its state-specific
- 28 multipliers for estimating the potential economic impacts of each wind power project.

29 **Q-4.** On whose behalf are you offering testimony?

- 1 **A-4** I am testifying on behalf of the Applicant in the case, Republic Wind, LLC ("Applicant" or "Republic Wind") in support of the Republic Wind Project (the "Project").
- 3 Q-5. Have you previously provided testimony in support of siting energy projects in Ohio or other jurisdictions?
- I have served as an expert witness through written testimony before the Ohio Power Siting Board on behalf of the Applicant for the Icebreaker Offshore Wind Facility and before the New York Board on Electric Generation Siting in three separate proceedings related to the Bluestone Wind Project, Baron Winds Project, and Cassadaga Wind Project, respectively, regarding the assessment of the economic impacts from utility scale wind energy facilities.

11 Q-6. What is the purpose of your testimony?

- The purpose of my testimony is to introduce and support the Socioeconomic Report that EDR produced for the Amended Application on behalf of Republic Wind, filed December 26, 2018. The Socioeconomic Report is attached to the Amended Application as Exhibit G.
- 16 Q-7. What was your role in producing the Socioeconomic Report for the Application?
- 17 **A-7** The Socioeconomic Report was performed under my direct supervision. In preparing the report, I oversaw an in-house multi-disciplined team of professional staff members who conducted the socioeconomic analyses in coordination with the Applicant. I also oversaw preparation of the Socioeconomic Report. I remained hands-on throughout the project, overseeing and advising the EDR Team as needed, as well as providing quality assurance.

Q-8. Why was the Socioeconomic Report prepared?

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24 **A-8** The report was prepared in response to Ohio Administrative Code ("O.A.C.") 4906-04-25 06(E), which generally requires the Application to provide information regarding the 26 economic impact of the Project, including estimates of (1) construction and operation 27 payroll, (2) construction and operation employment, (3) local tax revenue increases

accruing from the facility, and (4) the economic impact of the Project on local commercial and industrial activities.

Q-9. In general, what does the report conclude?

- **A-9** It concludes that the Project will have a substantial positive impact on the state and in the local communities within the Project's footprint. Through short- and long-term job creation, lease payments to private landowners, and tax payments to each participating taxing jurisdiction, the Project will supply a revenue stream to local communities and throughout the state without requiring significant services or expenditure on their behalf.
 - (1) On a state-wide basis, the construction of the Project is expected to produce \$41.4 million in employment earnings and \$112.2 million in total economic output. Subsequently, each year the Facility is operational it is expected to generate approximately \$2.3 million in earnings and \$5.9 million in total economic output. Impact totals and subtotals are independently rounded, and therefore may not add up directly to the totals presented here and in the Socioeconomic Report.
 - (2) On a state-wide basis, during the construction period, the Project is expected to support demand for a total of 753 onsite, supply chain, and induced employment positions. It is expected to support a total of 41 positions during each year of its operation.
 - (3) The Project will increase local government revenues through payments in lieu of taxes ("PILOT"). PILOT revenues could amount to approximately \$1.2 million to \$1.8 million to be distributed annually to local taxing authorities, including Seneca and Sandusky Counties and numerous municipalities, townships and school districts.
 - (4) The Project will result in annual lease payments to participating landowners in the approximate amount identified on page 25 of the Socioeconomic Report.

Q-10. How were the job and economic impacts of the Project assessed?

A-10 These impacts were assessed using the JEDI wind model that was developed by National Renewable Energy Laboratory's ("NREL"). NREL is the national laboratory operated by

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the United States Department of Energy. The JEDI model allows users to estimate (1) onsite labor impacts, *i.e.*, direct impacts of on-site construction and operation of the Project; (2) local revenue and supply chain impacts, *i.e.*, the estimated increase in demand for goods and services that supply or support construction and operation of the project; and (3) induced impacts, *i.e.*, the estimated effect of increased household income resulting from the Project that reflect the reinvestment of earned wages from the on-site and supply chain impacts.

Each of these three levels of impacts can be measured in terms of (1) jobs, (2) money earned through these jobs, and (3) the overall economic output associated with each level of economic impact.

Inputs into the JEDI model included Project-specific data provided by the Applicant and geographically-defined multipliers produced by IMPLAN Group, LLC, a widely-used and widely-accepted general input-out modeling software and date system. These multipliers track every unique industry group in every level of the regional data (https://implanhelp.zendesk.com/hc/en-us/articles/115009505707-General-Information-

About-Multipliers). The inputs provided default values for various costs of the Project, which the Applicant then reviewed and adjusted based upon the Applicant's previous experience in wind energy development. EDR facilitated the Applicant's review and customization of default values (estimates of costs and portions to be spent within the State of Ohio) and then updated the JEDI model accordingly with the customized values. EDR recorded these adjusted costs, which appear in Table 6, page 20 of the

Socioeconomic Report. JEDI model results were incorporated into the Socioeconomic

Report.

Q-11. What impact on construction and operations employment will the Project have?

During construction of the Project, the JEDI model anticipates the creation of approximately 181 full time on-site jobs, 403 supply chain jobs, and 169 jobs attributable to induced impacts.

During subsequent operation of the project, the model estimates the creation of approximately 10 on-site jobs, 22 supply chain jobs, and 9 jobs attributable to induced

impacts. The number of jobs created during construction and operations are reflected in Table 7, page 20 of the Socioeconomic Report.

Q-12. What is the expected payroll impact attributed to the Project?

A-12 During construction of the Project, the JEDI model estimates that a total of \$10.5 million in annual earnings will be created by the 181 full time on-site construction jobs, \$22.7 million in annual earnings will be created by the 403 supply chain jobs, and \$8.3 million in annual earnings will be created by the 169 jobs created through induced impacts.

During operations of the Project, the model projects that the 10 full time on-site operations and maintenance jobs will produce an estimated \$0.6 million in annual earnings, the 22 supply chain jobs will produce an estimated \$1.2 million in annual earnings, and the 9 jobs created through induced impacts will produce an estimated \$0.5 million annual earnings.

In total, the Project will create 753 jobs during construction with associated annual earnings of \$41.4 million. It will create 41 jobs during operations with associated annual earnings of \$2.3 million. The payroll impact of the Project is reflected in Table 7, page 20 of the Socioeconomic Report

Q-13. Does the JEDI model also estimate the Project's impact on commercial and industrial activities?

A-13 Yes. In addition to estimating the jobs and earnings the Project creates through on-site, supply chain and induced impacts, the JEDI model also estimates the economic output attributable to the Project. This output refers to the value of industry production in the state economy. For the manufacturing sector, output is calculated by total sales plus or minus changes in inventory. For the retail sector, output is equal to gross profit margin. For the service sector, it is equal to sales volume. For example, output would include the profits incurred by those businesses that sell electrical transmission line, concrete, or motor vehicle fuel to the Applicant.

During construction of the Project, the JEDI model estimates that a total of \$10.6 million in economic output will be created by the 181 full time on-site construction jobs, \$75.7 million in economic output will be created by the 403 supply chain jobs, and \$25.9 million

in economic output will be created by the 169 jobs created through induced impacts.

Total economic output during construction of the Project is estimated to be \$112.2 million

per year.

During operations of the Project, the model projects that the 10 full time on-site operations and maintenance jobs will produce an estimated \$0.6 million in economic output, the 22 supply chain jobs will produce an estimated \$3.8 million in economic output, and the 9 jobs created through induced impacts will produce an estimated \$1.5 million in economic output. Total economic output during the Project's operation is estimated to be \$5.9

million per year.

Q-14. Will the project provide additional economic benefits to the local area that are not reflected in the JEDI model?

A-14 Yes, the project will provide substantial revenues for local taxing districts and will provide significant lease payments to local landowners who host the Project's components.

Q-15. What effect will the Project have on the local tax revenues?

Applicant anticipates providing payments in lieu of taxes ("PILOT") revenues to local taxing authorities in the aggregate amount of \$1.2 to \$1.8 million. "Base" annual PILOT payments are determined by the nameplate capacity of the facility and the percentage of construction workforce normally resident in Ohio. With a 75% or more Ohio workforce the payment would be \$6,000 per MW; with a 60% to 74% Ohio workforce the payment would be \$7,000 per MW, and with a 50% to 59% Ohio workforce that payments would be 8,000 per MW. Assuming an aggregate nameplate capacity of 200 MW, the increase in local tax revenues will be between \$1.2 million and \$1.8 million per year for the life of the Project. The counties also could require an additional service payment be made to the county's treasury, but the total annual payment cannot exceed \$9,000 per MW. Because the Project will impose few, if any, demands on local government, the revenues would provide a net positive gain and would be an important economic benefit to the local area. It is anticipated that the additional PILOT revenues from the base payments will be distributed to the appropriate county, township, municipal, and school taxing districts

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- based upon applicable millage. Projected tax revenues are detailed at pages 23-24 of the
 Socioeconomic Report.
- Q-16. You mentioned that lease payments also will be made to local landowners who host the Project's components. Please explain.
- The applicant will enter into leases with landowners who host the Project's turbines and related facilities. Lease payments are expected to be made during the construction phase, although not yet quantified. In addition, it is expected that lease payments will be paid to participating landowners during operation in the approximate amount identified on page 25 of the Socioeconomic Report. These lease payments will have a positive impact on the region to the extent that landowners will spend their revenue locally.

11 Q-17. Are there other, unquantified economic benefits of the Project?

- 12 **A-17** Yes, the Project is located in an area that is largely rural in nature with a majority of impacts from the Project's construction and operation occurring on land used for agriculture. The economic benefits of the turbines for local agriculturalists, as well as their overall compatibility with farming practices, will support and aid in the preservation of local farming operations.
- 17 Q-18. Does this conclude your testimony?
- 18 **A-18** Yes, it does, except that I reserve the right to update this testimony to respond to any further testimony in this case.

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CERTIFICATE OF SERVICE

I hereby certify that the foregoing Direct Testimony of Jane E. Rice was served upon the following parties of record via regular or electronic mail this 21^{st} day of October 2019.

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Summary: Testimony of Jane E. Rice on behalf of Republic Wind, LLC electronically filed by Teresa Orahood on behalf of Devin D. Parram