

BEFORE THE OHIO POWER SITING BOARD

**In the Matter of the Application)
of Black Fork Wind Energy, LLC for)
a Certificate to Install Numerous) Case No. 10-2865-EL-BGN
Electricity Generating Wind Turbines in)
Crawford and Richland Counties, Ohio)**

DIRECT TESTIMONY OF DAVID STONER

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

A.1 My name is David A. Stoner. I am a Senior Vice President for Element Power LLC. My business address is 400 Preston Ave, Suite 200, Charlottesville, VA 22901.

Q.2 What are your duties as a Senior Vice President?

A.2 As Senior Vice president I am responsible for development of Element Power's renewable energy projects in the eastern US, including Ohio and this project.

Q.3 What is your educational and professional background?

A.3 I have worked for over 25 years in the electric utility and independent power business, primarily in project development, and including specifically overseeing the development of wind energy projects for the last 8 years. Prior to joining Element Power in 2009, I held the following positions and responsibilities:

- Senior Vice President – Development with BP Alternative Energy (2006-2009), overseeing wind project development in the eastern U.S. and nationwide;
- Director – Development with Greenlight Energy (2003-2006), directing wind energy project development nationwide;

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- Vice President – Development with Newport Generation (2000-2002, directing natural gas-fired project development nationwide;
- Development Director, then Vice President and Managing Director –Europe for Entergy Power Group (1996-2000), with responsibility for directing gas-fired project development in the UK and then overseeing all of Entergy’s power development activities in Europe;
- Manager, Director, then Vice President – Development with Westmoreland Energy (2000-2006) overseeing coal and gas-fired project development nationwide and internationally; and
- Various positions with PA Power & Light (1983-1999), responsible for permitting and environmental studies of utility facilities.

I hold a B.S. in Environmental Resource Management from the Pennsylvania State University and an M.S. in Civil Engineering from Lehigh University.

Q.4 On whose behalf are you offering testimony?

A.4 I am testifying today on behalf of the Applicant, Black Fork Wind Energy, LLC.

Q.5 What is the purpose of your testimony?

A.5 The purpose of my testimony is to provide a general summary and overview of the proposed facility including how the Applicant selected Richland and Crawford Counties for the proposed facility. I will also introduce the expert witnesses who will present direct testimony for the Applicant. I will testify on the general benefits of wind energy and address common misconceptions about utility-scale wind generation projects.

Finally, I will review the 71 conditions recommended by Staff in the Staff Report and respond on behalf of the Applicant.

Q.6 Would you please provide a summary and overview of the proposed facility?

A.6 The proposed facility will be located in Auburn, Jackson, Jefferson, Sandusky and Vernon Townships in Crawford County, and Plymouth, Sandusky, and Sharon Townships in Richland County. The facility, when fully constructed, will constitute up to 91 wind turbines with a nameplate capacity of between 1.6 megawatts and 3 megawatts, with an aggregate nameplate capacity for the facility of approximately 200 megawatts. The physical footprint of the facility equipment will be quite small, with only 67 acres out of a project area of approximately 14,800 acres being converted for use for turbine bases, access roads, a substation and other ancillary structures.

Q.7 Who are the additional witnesses supporting Black Fork Wind Energy LLC's application in this proceeding?

A.7 Scott Hawken, a Senior Project Manager for Element Power, will introduce and sponsor the Application and various filings made by the Applicant in this proceeding. Kenneth Kaliski of Resource Systems Group, Inc., will testify on construction and operational sound levels from the facility. Dr. Diane Mundt of Environ will testify on the lack of any link between turbine operation and health issues. Courtney Dohoney of Ecology and Environment, Inc. will testify as to the ecological and environmental studies her firm performed on behalf of the Applicant. Todd Mattson of Element Power will testify on Staff's recommended condition for avian and bat post-construction monitoring and mitigation. Jay Haley of EAPC will testify on shadow flicker. James Mawhorr of K.E. McCartney & Associates will provide testimony on the road studies his firm has performed on behalf of the Applicant. In addition, Dale Arnold of the Ohio Farm Bureau

and William Schroeder, a local landowner, will provide general testimony in support of the project.

Q.8 What is the general purpose of the facility?

A.8 The facility is a wind energy power project, which converts energy in the wind into electrical energy, for delivery into Ohio's transmission system and for eventual use by consumers. This facility will generate clean, reliable, and efficient electricity from a domestic, renewable source – the wind - without any air emissions, water use, or solid waste . As such, this facility will aid utilities and competitive retail electric service providers to meet the Ohio's renewable energy portfolio standard, enacted in 2008 by the Ohio General Assembly with passage of Amended Senate Bill 221 (S.B. 221). S.B. 221, requires that by 2025, at least 12.5% of the supply of electricity used in Ohio must be from renewable energy resources of which half must be from facilities sited in Ohio.

Q.9 Would you please describe the power generation potential of the wind farm?

A.9 The facility as proposed consists of up to 91 wind turbine generators with a combined electrical generating capacity of up to 200 megawatts. It is estimated the facility will produce approximately 600,000 megawatt-hours of electrical energy annually, on average, depending upon which wind turbine is used. This amount of energy would be sufficient to power approximately 64,000 residences, assuming an average monthly residential use of 850 kilowatt-hours per month.

Q.10 In general, what are the benefits of utility-scale wind generation facilities to the residents of Ohio and the United States?

A.10 Utility-scale wind generation provides a number of benefits to the residents of Ohio and the U.S. generally, including:

1. Generation of clean, renewable, emissions-free electrical energy, thereby offsetting air and water pollution caused by the mining/extraction, transportation, and combustion of fossil fuels associated with conventional energy generation;
2. Diversifying the source of electrical generation in Ohio and using a domestic energy source, thereby mitigating future increases in electrical costs due to rising fuel costs;
3. Contributing towards meeting Ohio's stated public policy of 25% alternative energy generation by 2025. Of the 25% renewable energy generation such as wind can supply the whole 25% but must at least make up 12.5% by 2025; and
4. Providing significant economic benefits to landowners, local governments, and the local region generally, including temporary and permanent job creation, increased tax base and long term payments to local landowners.

Q.11 How will the Black Fork Wind Energy Project contribute to Ohio's renewable energy targets?

A.11 As indicated previously, this project will generate renewable energy which in turn can be sold to utilities or competitive retail electric service providers through a power purchase agreement. Alternatively, and based on information from counsel, the project will qualify as a renewable energy generator and every megawatt-hour of production will create a renewable energy credit. Utilities and/or competitive retail electric suppliers can then purchase those renewable energy credits to apply toward their renewable energy portfolio obligations under S.B. 221.

Q.12 Why did the Applicant select Crawford and Richland counties as appropriate locations for a wind generation facility?

A.12 We found this area, that is, those portions of Crawford and Richland Counties in which this project is located, favorable for development of a wind energy project as the area provides:

1. A strong, competitive, wind resource;
2. A robust electrical transmission grid capable of accepting the power to be generated without the need for major upgrades or new transmission lines;
3. A large group of landowners willing to lease their land and participate in such a project;
4. A suitable, predominately rural and agricultural area in which such a facility could be properly sited and permitted; and
5. A generally supportive local community.

We believe that Gary Energetics, which was the original sponsor of the project, saw these same positive attributes of the area and thus initiated development of the project in this location. Element Power, via our wholly-owned subsidiary, Black Fork Wind Energy LLC, acquired the development assets of the project last year, in July 2010.

Q.13 Do you believe that the Black Fork Wind Energy Project will have a positive impact on the local community?

A.13 Yes. The Black Fork Wind Energy Project will provide benefits to the local community in a number of ways, including:

1. The project is estimated to employ 70 to 95 full-time equivalent on-site laborers during construction and will have 8 to 10 full-time employees for the operation and maintenance of the project.
2. Participating landowners will receive payments over the life of the project directly via royalty and other payments;
3. The project's purchase of local goods and services and payroll will stimulate the local economy, thus creating additional indirect economic benefits and jobs;
4. The project will produce annual local property tax revenues of approximately \$1.8 million annually, (estimated based on Senate Bill 232 rates) without creating the need for increased public services in contrast to other forms of development which increase the demand for water, sewer, roads, school and other public services; and
5. Pursuant to Senate Bill 232, the project will also work with local colleges to create job training programs.

The project will bring all of these benefits to the local community, in addition to the broader benefits mentioned previously of bringing clean, emission-free, efficient, renewable generation to Ohio and contributing to Ohio's stated policy goals in this area.

Q.14 In your experience, what are some of the common concerns that arise during the development of a utility-scale wind generation facility?

A.14 In my experience, there are common concerns that are raised during the development of a wind generation facility. These concerns typically relate to visual impacts, noise, environmental or ecological impacts (including impacts to birds and bats), health and safety concerns (such as tower falls and icing), potential impacts to property values and other impacts such as impacts to water wells. Based on my

experience developing multiple projects over the years, these concerns are commonly raised during the development of wind projects but often do not actually occur once the projects are built. Some of these concerns are simply not valid while others are avoided by properly siting turbines, as we have done in this case.

Q. 15 Are you familiar with potential concerns relating to possible devaluation of property values near wind farms?

A.15 Yes. In some instances property owners near proposed wind farms express concerns that property values will be negatively affected by the presence of nearby wind farms or turbines

Q 16 Are you aware of any studies that have been done evaluating the potential concern about wind energy projects impacting property values?

A.16 Yes, a number of studies have been done to address concerns relating to the possible impact of wind energy facilities on property values. Probably one of the most recent and most comprehensive studies on this subject was performed by researchers at the Lawrence Berkley National Laboratories for the US Department of Energy (Hoen, et al. 2009. *The Impact of Wind Power Projects on Residential Property Values in the United States: A Multi-Site Hedonic Analysis*) That study found a number of shortcomings in the available literature, including:

1. Many studies have relied on surveys of homeowners and real estate professionals rather than trying to quantify real price impacts based on empirical market data;
2. Most studies have used very small sample sizes, or simple statistical techniques, or have not reported on the statistical significant of their results, which make it

difficult to determine if results are meaningful or if those results might apply to other places; and

3. Few studies have included field visits to help verify important information or have been published in peer-reviewed academic journals.

To provide a more comprehensive and informative review, the Lawrence Berkley study used a hedonic pricing model which includes market data from a large number of residential sales from 10 communities surrounding 24 existing windfarms across multiple areas of the U.S. (nine states), site visits, and rigorous statistical analyses. The study looked at a number of potential concerns including: (1) that the general area surrounding a wind energy facility may appear more developed and thus may impact home values in the local community; (2) that a home may be devalued because of a view of a wind energy facility; and (3) that factors which may occur in close proximity to wind turbines, such as sound and shadow flicker, may have an adverse influence on home values. The results of the study found no evidence of the concerns mentioned previously, that is it found no evidence that property values are impacted by the presence of wind turbines. Specifically, the authors concluded that based on the data sample and analysis performed, there is no evidence that home prices surrounding wind facilities are consistently, measurably, and significantly affected by either the view of wind facilities or the distance of the homes to those facilities.

Q.17 Based on your experience in the industry, do you believe that property values will be negatively impacted if the Black Fork Wind Energy project is constructed and operated?

A.17 No. Based on my experience and knowledge of the study I referenced, which is widely viewed as the most informed and complete study on the subject, I do not believe

that property values in the area will be negatively impacted by development, construction, and operation of the project. I will also point out that the conclusions above are focused on non-participating property owners. Property owners who participate in the project and host wind turbines will likely see increased values of their property due to the royalty income received pursuant to the land leases and the operation of the wind turbines.

Q.18 Have you reviewed the Staff Report issued in this proceeding?

A.18 Yes.

Q.19 Does the Applicant have concerns with any of the 71 conditions recommended by Staff in its Staff Report?

A.19 The Applicant is agreeable to the majority of conditions recommended by Staff. It would be helpful to clarify Condition 12 (redesign of collection system), Condition 14 (screening plan), Condition 18 (drain tiles), Condition 30 (collection line reroute), Condition 40 (natural gas pipeline setback), Condition 44 (turbine ice warning systems), Condition 50 (turbine manufacturer sound information), Condition 51 (pre-construction noise modeling), Condition 55 (shadow flicker at non-participating residences) and Condition 59 (avoidance of microwave paths). The Applicant does not agree with Condition 27 as written (post construction avian and bat monitoring and mitigation), Condition 52 (post construction noise levels requiring mitigation) and Condition 66(c) (mandated decommissioning based on various concerns). Other witnesses testifying on behalf of the Applicant will address the above listed clarifications and concerns.

Q.20 What do you recommend that the Ohio Power Siting Board do in this case?

A.20 I recommend that the Ohio Power Siting Board grant the Application based upon the recommended conditions contained in the September 1 Staff Report with the exception that the Board adopt the revisions to Conditions 12, 14, 18, 27, 30, 40, 44, 50, 51, 52, 55, 59 and 66(c) as recommended by the other witnesses testifying on behalf of the Applicant.

Q.21 Does this conclude your direct testimony?

A.21 Yes, it does.

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing document was served by hand delivery upon John Jones and Stephen Reilly, Assistant Attorneys General, Public Utilities Section, 180 E. Broad Street, 6th Floor, Columbus, OH 43215 and via U.S. Mail upon the following persons listed below this 8th day of September 2011:

Debra Bauer and Bradley Bauer
7298 Remlinger Road
Crestline, Ohio 44827-9775

Gary Biglin
5331 State Route 61 South
Shelby, Ohio 44875

Karel A. Davis
6675 Champion Road
Shelby, Ohio 44875

Carol and Loren Gledhill
7256 Remlinger Road
Crestline, Ohio 44827-9775

Brett A. Heffner
3429 Stein Road
Shelby, Ohio 44875

Ohio Farm Bureau Federation
Chad A. Endsly
280 North High Street
PO Box 182383
Columbus, Ohio 43218

Grover Reynolds
7179 Remlinger Road
Crestline, Ohio 44827-9775

Margaret and Nick Rietschlin
4240 Baker Road
Crestline, Ohio 44827-9775

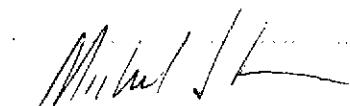
Orla Collier III
Benesch, Friedlander, Coplan & Arnoff LLP
41 South High Street, 26th Floor
Columbus, Ohio 43215

Mary Studer
6716 Remlinger Road
Crestline, Ohio 44827-9775

John Warrington
7040 SR 96
Tiro, Ohio 44887

Thomas Karbula
3026 Solinger Road
Crestline, Ohio 44827-9775

Alan and Catherine Price
7956 Remlinger Road
Crestline, Ohio 44827-9775


Michael J. Settineri