

BEFORE THE OHIO POWER SITING BOARD

RECEIVED-DOCKETING DIV

2011 SEP -8 PM 4: 58

In the Matter of the Application)
 of Black Fork Wind Energy, LLC for)
 a Certificate to Install Numerous)
 Electricity Generating Wind Turbines in)
 Crawford and Richland Counties, Ohio)

Case No. 10-2865-EL-BGN

PUCO

 DIRECT TESTIMONY OF DALE R. ARNOLD

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

A.1. My name is Dale R. Arnold, and I am the Director of Energy, Utility and Local Government Policy for the Ohio Farm Bureau Federation ("OFBF"). My business address is 280 N. High Street, P.O. Box 182383, Columbus, Ohio 43218-2383.

Q.2. What are your duties as Director of Energy, Utility and Local Government Policy for the Ohio Farm Bureau Federation?

A.2. My tasks are to oversee and implement the several energy related services the OFBF provides for its members. These include: 1) conducting energy market analysis for members; 2) coordinating research projects on controlling energy costs on the farm; 3) running educational outreach and policy implementation programs; 4) conducting advocacy and representation of Farm Bureau members in matters concerning energy issues, and 5) helping farmers and rural residents work with local government leaders and energy service providers as a project is developed.

Q.3. What is your educational and professional background?

A.3. I graduated with a Bachelors of Arts in communication from Ohio Dominican in 1982 and after a three year stint as an English and journalism teacher, joined the OFBF. During my 27 years with the OFBF, I have served as a district manager (organization director), director of the Advisory Councils, and as a regional supervisor. In 1995, I became director of energy services. With the emergence of sustainable energy programs both nationally and at the state level, my responsibilities expanded and the job title was changed to director of energy policy in 2009. Moreover, given the increased role agriculture plays in energy development and related community planning, my responsibilities were expanded and the job title was changed to director, energy, utility and local government policy in 2011. From 1995 to 2007 I served as an executive director and advisor, on behalf of the OFBF, with the Ohio Land Improvement Contractors Association (OLICA).

Q.4. On whose behalf are you offering testimony?

A.4. Although, the OFBF has intervened in this proceeding, I have been asked by the Applicant Black Fork Wind Energy, LLC, to offer testimony and have done so voluntarily.

Q.5. What is the Ohio Farm Bureau Federation?

A.5. The OFBF is a non-profit educational and service organization made up of 206,000 members. OFBF has members in all 88 counties of Ohio. OFBF is concerned with quality of life for those engaged in agriculture and the protection of natural resources necessary to preserve the long term capability of Ohio farmers to produce food, fiber and energy.

Q.6. Why is the Ohio Farm Bureau Federation interested in energy?

A.6. Farm Bureau members have an interest in energy both as consumers and as producers. As consumers, energy is second only to labor as a cost in the production of crops and livestock. On the production side, according to the Energy Information Agency and the Energy Futures Foundation American, agriculture is being called upon to produce a variety of feed stocks and/or accommodate energy generation infrastructure responsible for providing a quarter of the nation's energy production by 2025. These national figures parallel the goals established by the Ohio General Assembly. In 2008, the General Assembly passed Senate Bill 221 which called for 25% of Ohio electric energy to be generated from advanced energy technologies, of which no less than 12½ % must be renewable. Moreover, at least half of the energy generation facilities to meet this requirement must be sited in Ohio.

Q.7. What is the purpose of your testimony?

A.7. The purpose of my testimony is to explain to the Board how the Applicant's proposed wind farm will impact farm families in Ohio.

Q.8. Are wind farms compatible with the agricultural use of land?

A.8. Yes, properly constructed wind towers impose a small footprint on the land itself, and if properly constructed will not hamper agricultural development. On the plus side, harvesting the wind provides hosting farms with a significant source of revenue. This is of great importance in Ohio where the major threat to prime farm land over the past few decades has been the conversion of agricultural ground to industrial development or urban sprawl. Chief among the reasons for the loss of

prime farmland is that the revenue generated from agriculture does not match that of dense housing, commercial property or manufacturing development. Dense housing, commercial strip malls and industrial development are not compatible with continued agriculture use.

Q.9. You mentioned properly constructed wind towers -- what is a properly constructed wind tower?

A.9. The OFBF and the Ohio Land Improvement Contractors Association (OLICA) worked with the Ohio Federation of Soil and Water Conservation Districts to put together a set of best management practices for utility type construction projects. *Many of these standards or best management practices (BMPs) developed over the years have been adopted in OPSB rules and can be found in the Staff Report of Investigation for the Black Fork Wind Project.* For example, condition 18 imposes soil separation, and maintenance of field tile drainage systems which was supported in OFBF \ OLICA materials years ago. Similarly, condition 20 will require a plan to address erosion, sediment control and disturbed soil issues. Finally, condition number 21 adopts the watercourse protection program steps advocated by OFBF and OLICA. It is my understanding that Black Fork Wind Energy, LLC will construct this project using these BMPs. Thus, particularly from a soil and water conservation stand point this is an acceptable project.

When the Ohio General Assembly took up the debate on the regulation of wind towers, OFBF supported House Bill 562 which delegated the authority to the Ohio Power Siting Board. The agency became responsible to ensure that *siting and construction for wind generation projects over 5 MW is done in a*

fashion to protect farm resources and yet does not impair development. We are comfortable with standard setbacks established in the legislation and feel that current OPSB rules governing wind tower siting as originally set in House Bill 562 protect the adjoining land owners while not unduly hamstringing development.

Q.10. What is the average revenue received from farming in Crawford and Richland Counties, Ohio?

A.10. The most recent USDA national agricultural statistic service report states that the 2009 average gross cash receipts for the sale of crops and livestock per farm in Crawford County was \$182,957 and was \$73,630 for Richland County. Note, that these are gross income figures. Farm expenses have to be paid; and actual farm income is going to be less.

Q.11. Are there any economic benefits provided to farm families by the proposed wind farm?

A.11. At the Great Lakes Wind Consortium meeting in Columbus in February 23 and 24 of 2009, the representative from Windustry, a national trade organization, reported that farmers in Indiana, Illinois, Iowa, the Dakotas and Kansas typically earned \$4,000 to \$7,000 per turbine per year. Farmers in Ohio have worked closely with wind developers, and have negotiated land lease rates that reflect current energy market trends.

Q.12. Do you believe that the proposed wind farm is consistent and compatible with the goals and objectives of the farming community in Crawford and Richland Counties?

A.12. OFBF supports effective wind development as seen in this project assuming adoption of the Staff's conditions for the following reasons: 1) it enhances farm income; 2) protects natural resources; 3) preserves open farm ground; 4) permits Ohio agriculture to contribute to achieving the renewable energy goals set out in SB 221 and HB 562, and 6) helps meet the national energy goal of less dependence on foreign oil.

Similarly this project has the potential to provide additional economic resources to local schools, county and township governments with payment in lieu of taxes (PILOT) payments created under SB 232.

Q.13. Does this conclude your testimony?

A.13. 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. Endsley
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

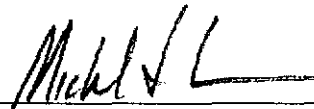
Orla Collier III
Benesch, Friedlander, Coplan & Arnoff LLP
41 South High Street, 26th Floor
Columbus, Ohio 43215

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