

**Wind Power Task Force
Meeting Summary
August 3, 2007**

I. Welcome and Introductions. Chair Alec Giffen welcomed those in attendance and opened the meeting with a brief recap of the focus and outcomes of the Task Force's initial meeting on July 20, 2007. Mr. Giffen also summarized the agenda for the present meeting.

II. Summary of the July 20, 2007 Meeting. The Task Force accepted the summary of its July 20, 2007, as drafted. The summary is posted on the project website - www.maine.gov/windpower .

III. Mutual Understandings. Mr. Giffen noted that Task Force members have suggested no changes to the mutual understandings distributed at the prior meeting as proposed ground rules for this study process. Accordingly, Mr. Giffen noted that the mutual understandings are deemed acceptable and will help guide the Task Force as its discussions move ahead.

IV. Work Plan; Table of Issues. Mr. Giffen distributed a revised version of the work plan, which, he observed, will be further refined in light of discussion at the meeting. He also distributed a table of issues and questions developed by project facilitators Ann Gosline and Drew Parkin based on discussion at the initial Task Force meeting. Mr. Giffen presented an overview of the basic phases of the work plan - identification of issues and related information needs; analysis of core issues; and development of recommendations. Mr. Giffen suggested that the Task Force revisit the draft work plan following further discussion aimed at clarifying core issues for its consideration.

A. Additional Issues. Mr. Giffen first invited Task Force members to share their comments on the table of issues and questions and to identify any missing issues. Task Force members offered the following comments on additional issues for consideration:

- Energy security - how development of wind may address dependence on foreign oil and other external energy resources
- Transmission system constraints - if and how the existing Maine and regional electric transmission systems are barriers to wind energy development , and if so, whether and how such barriers can be addressed
- Project decommissioning
- Options for consumer education on energy use (as a tool for demand-side reduction and energy conservation)

- Consideration of the role of other renewables - need to reprioritize other established renewable energy sources, e.g., hydro and biomass, to ensure achievement of renewable energy goals is not dependent on wind power alone
- Maintaining state control over review processes (avoiding federal pre-emption) (identified later in the meeting)

Task Force members also made the following observations and suggestions regarding the table of issues:

- The list of environmental issues is comprehensive; the Task Force may wish to use subcommittees to address this and other categories of issues.
- Items on the list include both background information needs (e.g., regional energy picture) and policy issues for decision. These categories should be distinguished and priorities set among which policy issues to address.
- The terms of the Executive Order should drive decisions on priorities and focus among issues to be addressed.

B. Core Issues. Mr. Giffen next asked Task Force members to share their views on core questions and priorities among the issues identified. Task Force members offered the following comments regarding core issues and priorities:

- How to guide wind power to become a successful new industry and an integral part of Maine's renewable energy mix. In exploring this core question, the Task Force should be cognizant of work load issues and related state agency costs, particularly those of LURC and, in light of state administrative cost considerations, carefully explore the idea of a single energy facility siting entity.
- The potential for development of offshore wind resources. Consideration should include potential for development of offshore wind power, e.g., on islands and shallow reef areas, given information showing high offshore wind speeds.
- The efficacy of current state management framework regarding wind power development. Investigation of this topic should distinguish between financial policy and incentives and environmental regulation, with the latter divided into separate consideration of the current regulatory frameworks administered by DEP and LURC, respectively. While DEP's regulatory approach is generally adequate and appropriate, the following specific environmental issues appear to bear additional consideration: development of detailed criteria for assessment and decision regarding avian and bat impacts; evaluation of the current approach to identification and remediation of noise concerns; and options for addressing potential benefits of wind development regarding global warming (displacement of greenhouse gas emissions) and renewable energy benefits to Maine ratepayers in environmental decision making.

- Wind energy production goal. Following consideration of salient background information, the Task Force's primary focus should be setting an appropriate production goal for wind power development. Subsequent discussions should be framed around potential barriers to achievement of that goal.
- Integration of environmental, energy and economic development policy. The pertinent workings of these related elements of state governance need to be better aligned into a unified structure to facilitate development of wind power.
- Options for addressing projected power demand. The pros and cons of wind power development need to be addressed in relation to other energy sources, such nuclear, coal gasification and conservation, available to meet demand projection.
- Recognize wind power as a part of the energy mix and focus on siting criteria. It is not constructive to frame the Task Force's discussion as a choice between wind power and other energy sources. The Task Force should not focus on the question of whether wind power may be developed, but on criteria to guide where wind power development is appropriate as part of a mix of energy sources to address renewable portfolio requirements and related policy objectives. Having identified such criteria, the efficacy of the existing regulatory framework in addressing them should be assessed.
- Single energy facility siting agency. The merits of designating a single state agency, such as Maine PUC, to review and make decisions regarding siting of proposed wind power projects (and other energy development) should be considered. The state of New York's Public Service Agency may provide a useful model.
- Regulatory barriers. Having identified potential regulatory barriers to wind power development, the Task Force should evaluate the potential benefits and detriments of a single energy facility siting board and siting guidance to help overcome those barriers.
- Transmission system barriers. (See discussion re: additional issues, above).
- Striking the appropriate balance in regulatory decisions. Recognizing that the current regulatory framework was not designed to address wind power development projects in a way that adequately accounts for their environmental benefits, the Task Force should review that framework and make improvements needed to ensure appropriately balanced consideration of such projects and development of guidance to facilitate siting of projects where appropriate.
- Community wind; local decision-making role. In addition to grid-scale industrial projects' potential, the Task Force should consider the role of community scale, e.g., municipal, wind power projects in addressing renewable energy goals as well

as local decision-making authority in relation to state wind power development policy goals.

C. Work Plan; Approach to Addressing Issues. Mr. Giffen next asked Task Force members to offer their views on the project's work plan in light of the foregoing discussion of core issues and priorities. Task Force members offered the following views:

- Process-level discussion. The Task Force's discussion should focus not on detailed aspects of particular issues but on the adequacy of the regulatory process, through assurance of consideration of the proper information, for example, to address key issues. Views of wind power developers on the efficacy of Maine's current regulatory processes would be helpful.
- General principles. In its initial phase the Task Force should ensure a common understanding of pertinent background information, including the regional gas emissions and related policy agreements, and subsequently focus its discussion on general principles as opposed to technical recommendations on narrow issues.
- Focus on wind power goal. The Task Force should focus on setting a wind power production goal and examine the regional and state energy picture in sufficient detail to set such a goal. Policy changes should be considered in light of their potential to facilitate achievement of the established goal.
- Advance identification of areas suitable for wind power development. The Task Force should explore development of criteria that facilitate advance identification of areas suited to wind power development, and consider potential regulatory changes and financial incentives to facilitate siting in such areas.
- Market reliance. In exploring the potential for advance identification of areas suitable for wind power development, the Task Force should consider foregoing identification of areas suitable for development and acknowledge that the market will ultimately decide where wind power development is suitable.
- Focus initial investigation phase on three main topics. In order to ensure understanding of information integral to later development and assessment of potential recommendations, the Task Force should organize and focus its next three meetings to address the following general topics: regional energy picture and policy (including regional gas reduction agreements); environmental permitting and siting processes; and financial incentives.

V. Public Comments. Mr. Giffen next invited public comments in relation to the foregoing discussion of the Task Force's work plan and related issues for consideration. The Task Force received the following comments:

- Philip Ahrens, an attorney whose environmental law practice includes representation of wind power developers, urged the Task Force to recognize the inherent tension between the Task Force's stated policy goal of making Maine a leader in wind power development and avoiding any impact on the environment or additional costs for state administrative agencies. Mr. Ahrens noted that all development involves environmental effects and that, to meet its goal, the State may need to invest additional resources in agencies charged with review and permitting of wind power projects. Mr. Ahrens also urged the Task Force to remember that wind technology is evolving - e.g., turbines are becoming larger and more productive and able to function efficiently at slower wind speeds - and commercial decisions on where to develop wind resources involve a wide array of project-specific considerations, such as land availability; therefore, the Task Force should not attempt to define areas suitable to development but focus on providing guidance to developers on areas where siting of wind power is unsuitable. Mr. Ahrens suggested that the proper role for government in this context is to set standards and let business determine how to work within them. Noting that the wind industry finds current state standards applicable to wind power development generally acceptable, Mr. Ahrens suggested that establishment of a single agency to review wind projects is an interesting one. To illustrate this point, Mr. Ahrens indicated that a potential Aroostook County wind development under consideration by one of his clients may require both DEP and LURC approval. Mr. Ahrens suggested that assurance of needed transmission is critical and this issue and other energy issues should be viewed from a regional perspective. In conclusion, without advocating yes or no on the question, Mr. Ahrens suggested that preemption of local zoning and land use authority regarding wind power development is an issue that the Task Force should address.
- Dr. Richard Jennings reminded the Task Force that if it sets an initial wind power production goal it can revisit and revise it later as the study proceeds and more information and analyses become available.
- Dain Trafton urged the Task Force not to assume wind power is environmentally beneficial and to ensure that it has sufficient technical understanding of how wind power technology works to evaluate its relative costs and benefits in addressing regional greenhouse gas reduction goals. Likewise, Mr. Trafton urged the Task Force not to assume that current state regulatory processes are flawed.

Mr. Giffen said that, during the break, he would work with project staff to develop a proposal for upcoming Task Force meetings that addresses points made during the morning's discussion.

VI. Discussion of Revised Work Plan. Following the break, Commissioner McGowan requested that the letter from Steve Bennett, presented to the Task Force at the July 20 meeting, be distributed to the Task Force and made available on the project website.

Ann Gosline presented proposed next steps in the Task Force's process based on the morning's discussion. Ms. Gosline proposed that the next two meetings focus on and test these basic questions: How can either 1000 MW or 2000 MW of wind power generation be developed in Maine without unreasonably adverse impacts? Accordingly, Ms. Gosline suggested the next two meetings of the Task Force in September be organized to, respectively:

- Provide an understanding of the overall energy picture in Maine, with a focus on transmission issues, and questions about financing, impacts on Maine's economy, industry incentives, and benefits to Maine's citizens; and
- Examine siting issues, beginning with identifying barriers (from the industry point-of-view), issues and concerns from people concerned with wind power development, and a look at the existing regulatory system. This discussion could also include a look at siting/regulatory models used elsewhere.

Following discussion, and clarification that the issue of siting guidance would be addressed in the second of the two meetings outlined above and that the focus of these meetings is on presentation of information as opposed to analysis of options, the Task Force concurred that the two meetings, as proposed, are appropriate next steps and decided on September 10 and September 26 as the dates for these meetings.

Mr. Giffen also indicated that the Task Force will visit the Mars Hill site on a separate date, and that he would like to schedule the site visit in such a way so as to maximize the opportunity for public input. Mr. Giffen also indicated that he is exploring the potential for an aerial tour of wind power sites in Maine.

VII. Presentations. Following lunch, the Task Force meeting continued with presentations.

John Kerry of the Governor's Office of Energy Independence and Security presented the "Energy Landscape for Maine and the Region." Mr. Kerry's presentation, which is available on the project website, provided an overview of the role and benefits of wind power in addressing electric power generation and renewable energy goals in Maine and New England.

Mitch Tannenbaum, Deputy General Counsel with the Maine Public Utilities Commission, gave a presentation on the New England electricity market and wind power in Maine, which is also available on the project website. Mr. Tannenbaum's presentation focused on issues regarding electricity needs in Maine and New England, energy sources to address those needs, cost drivers, and existing policy supporting development of wind power in Maine. In response to Task Force members' questions, Mr. Tannenbaum provided the following clarifications:

- Maine's renewable portfolio standard (RPS), recently amended by the Legislature to stimulate investment in wind power and other renewables, now excludes fossil-

fuel co-generation and sources in existence prior to 2005. Other states in New England define renewable sources differently for their RPSs.

- Although return on investment may not be a consideration for community wind power projects, the question of whether a wind power project could generate electricity at a lower price than that at which it could otherwise be purchased would be a central issue for those considering such projects.
- In evaluating whether to approve transmission associated with wind power or other electric generation, the PUC examines effects on Maine ratepayers and may not approve a project with adverse rate effects. Although the PUC's views on project-related benefits may be evident from its public deliberations, ex parte rules limit the ability of the PUC itself, as an adjudicatory body, to participate in negotiations aimed at securing project-related benefits to Maine ratepayers.
- The issue of whether and how the PUC could, with revisions to its statutory authority, serve as the State's single energy facility siting authority is a policy issue for the Commission itself to address.
- The reference to the feasibility of developing 1000 MW of wind power in Maine in PUC's 2005 report to the Legislature refers to installed capacity (nameplate) not a capacity factor-adjusted number. Therefore, given modern turbine nameplate capacities of 3MW and 2 MW, 333 to 500 turbines would be needed for 1000 MW of installed capacity.
- Transmission constraints that currently limit generators' ability to send power south to serve energy market demand come into play an estimated 10% of the time¹ but frequently enough to have the effect of lowering energy prices in Maine as compared with areas to the south in New England. Factors affecting the timing of these constraints are complex and do not necessarily track with periods or times of peak demand.
- Given appropriate authorizing legislation, the PUC has the technical ability to make a finding for use in permitting or other decision making on whether a proposed wind power development would benefit Maine ratepayers. Such a finding was an element of the certificate of public convenience and necessity which the PUC issued for energy generation projects prior to state deregulation of the electric power industry.
- FERC preemption of state decision on transmission line siting pursuant to the Energy Policy Act of 2005 is not applicable in Maine. The Department of Energy ("DOE") has designated no area in Maine as national energy corridor, although it is possible that DOE could designate such areas in the future. FERC's preemptive

¹ Following up on the Task Force's discussion of this topic, Mr. Tannenbaum subsequently confirmed that in 2005, the last year for which PUC has pertinent data, transmission out of Maine was constrained approximately 25% of the time.

authority applies only in areas so designated. Also, the EPAct does not authorize FERC to preempt decisions regarding the use of state-owned lands for transmission.

David Publicover then gave a presentation, which is on the project website, on a stakeholder process in New Hampshire to develop siting guidance for wind power on ridgelines for consideration by energy policy decision maker in that neighboring state. In response to Task Force members' questions, Mr. Publicover provided the following clarifications:

- To some extent, the recommended guidelines discuss options for avoidance, minimization and mitigation of potential adverse effects.
- No action has been taken on the recommendations as yet.
- The level of review and recommended information varies among the issues addressed in the guidance. To a large extent, the guidance's recommendations follow existing agency procedures and related information requirements and an assessment prepared by a qualified professional would not be required in all instances. The siting guidance recognizes that determination of the nature and extent of information sufficient for review would up to the individual agency involved and would be project-specific to some extent. The guidance does suggest an initial site assessment, which is intended to function as a screening tool to help identify site specific issues before and without the need for significant investment in consultants.
- While not reflected in the guidance itself, the environmental benefits of wind power were accepted as a premise underlying stakeholders' cooperation in developing siting guidance.

VIII. Public Comments. Mr. Giffen invited public comments regarding the above presentations. The Task Force received the following comments:

- Dr. Jennings said that society needs to overcome its denial that the world is sick. Dr. Jennings also said that the Task Force has to make difficult decisions, which are often guided by emotions rather than facts. Dr. Jennings said that it will be important for the Task Force to acknowledge the facts of the matter surrounding the topic of wind power, such as the changes that could happen to the Bicknell's thrush as a result of climate change, and achieve balance between the beneficial and detrimental effects of wind power generation.
- Suzanne Sayer said that she was moved by the previous meeting's discussion of noise as an issue at the Mars Hill facility. Ms. Sayer noted an upcoming meeting in Lyon, France regarding the noise issue, and said that noise concerns could be fixed with proper engineering and urged the Task Force to focus on that potentiality.