Wind Energy: Local Economics 101

What about the claims that industrial wind energy projects are a "financial boon" to hard-pressed rural communities? On the surface that sounds plausible, but to evaluate this assertion this we need to look a bit deeper. This is a two part answer…

First, we do **not** select our electrical energy sources based on the economic impact to host communities. Instead our electrical energy sources are chosen based on their **reliability**, **true cost to ratepayers & taxpayers**, **proximity to demand centers**, **dispatchability**, etc.

> Wind energy fares poorly on ALL such metrics — which is why wind salespeople try the sleight-of-hand tactic to talk instead about local taxes, local lease payments, etc. We need to be careful about getting tricked by such marketing tactics.

Secondly, the *only* way that we can know if these projects are genuinely an asset, is if a proper **NET financial analysis** is done. In other words we need to do a **comprehensive** and **objective** investigation into the *pros* **and** *cons* of these projects.

We know the *positives*, as the developers and their proponents have done a fine job at spelling out the benefits: property tax income, lease payments to selected landowners, several construction jobs, a few permanent jobs, etc.

But what about the **negatives**? How do we come up with the numbers on the other side of the equation, so that we can do an accurate NET assessment? The answer is to carefully research studies done by *independent* experts — i.e scientists, academics, economists, physicians, etc. who generally have no dog-in-the-fight.

After doing that research here are some reasons why a wind project can be an economic liability to a host community:

1 - Studies from independent experts have concluded that agricultural yields will decrease up to 15 miles away from a wind project (see here and here). This is collection of articles about why wind energy is generally incompatible with farming. In some cases after lease payments begin, local farms terminate operations. This results in reduced local employment, reduced local procurements, and reduced local produce.

2 - Studies from independent experts have concluded tourism will drop in the region. For example, North Carolina State University (a strong wind proponent) surveyed tourists. Although the majority of the visitors stated that they supported wind energy, **80%±** said that they would **not** vacation in an area where a wind facility was visible. Some other studies that have concluded that tourism will be reduced are listed here.

3 - Studies from independent experts have concluded that industrial wind projects can adversely affect local hunting (and possibly fishing). Here is an explanation of that.

4 - Studies from independent experts have concluded that property values will decrease for residences within 1± miles of a wind project. This was the conclusion of largest study in the world on this topic, done by the London School of Economics. Here is an extensive list of other studies and articles that came to the same conclusion.

5 - Studies from medical professionals have concluded that some nearby citizens will experience adverse health effects. The biggest concern is from infrasound (noise below human hearing). The World Health Organization has stated that infrasound is more problematic than audible sound. Infrasound can be so harmful that the US military is researching weaponizing it. Over a hundred studies have concluded that there will be health consequences, and here is a representative sample.

6 - Studies from independent experts have concluded that there can be serious hydro-geological consequences from wind projects. Here is study done in Vermont.

7 - Studies from independent experts have concluded that industrial wind projects can cause major eco-system damage. See this sample study (esp. pages 103-122).

8 - Studies from independent experts have concluded that industrial wind projects can harm wildlife and livestock animals. Some sample reports: here, here, here and here.

9 - Research by independent experts has shown that wind projects can cause serious interference with military facilities. Here is a detailed report on the topic.

10-Despite implications otherwise, leaseholders can suffer economic losses. See this explanation of 40+ possible legal and financial liabilities to signing turbine leases.

So what might the NET be after taking the *positives* and *negatives* into account? A sample analysis was done of the proposed NY Horse Creek wind project. The conclusion is that the NET economic impact would likely be a **loss** of **$10± Million a year**. For comparison, an analysis of the NC Timbermill wind project was also done. The conclusion is that there would be a NET economic **loss** of **$12± Million a year**.

So before any community can say that a "wind project is a financial windfall," a comprehensive and objective financial analysis must be done. Right now, *no one* in any federal, state or local agency, is thoroughly investigating these wind energy liabilities.

Without such an analysis, all financial claims are simply one side of the economic equation — and are **not** an accurate representation of the NET economic impact.

Let me know any questions (email: "aaprjohn *at* northnet *dot* org").

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PS — For additional information on all of these costs, please see **WiseEnergy.org**.