

Rebuttal to January 30, 2017 paper entitled:

Economic Benefits of Wind Power Development and Operation in Dutton Dunwich, Ontario

(the following responses have been prepared by DDOWT, referencing information from the 2011 and 2016 Auditor General's report, The Financial Post, Wind Concerns Ontario, Energy Sector researcher Parker Gallant, The Fraser Institute, The Society of Professional Engineers, and others. For a list of links, see references at the end of this rebuttal)

Introduction:

The paper above was commissioned and prepared for Invenergy Canada LLC by Associate Professor Guy Holburn, who is the Suncor (owns a number of Wind Farms in Ontario) Chair in Energy Policy at Western University. The paper describes the speculative economic benefits of the proposed Strong Breeze Wind Project planned in Dutton Dunwich (DD). The paper makes several claims of possible economic benefit from the 17 Industrial Wind Turbines (IWTs) to be built in our beautiful rural community. The paper does not thoroughly address the numerous negative impacts that occur when an Industrial Wind Turbine projects comes to a rural community. DDOWT is offering this rebuttal to assist our local community in considering ALL the facts when deciding what the economic "benefits" of wind power in Dutton Dunwich really will be.

As you read the Invenergy paper, keep in mind the following key facts:

- **This is your money being used. There are no new dollars generated or net value created from this scheme – the dollar payments described within all flow from Ontario government Green Energy Act subsidises redistributing your hard-earned tax dollars and hydro bill payments to make this happen;**
- **There are actually very few local benefits – most of the benefits and payments will leave Dutton Dunwich;**
- **The jobs described are largely temporary construction jobs for a year or so with perhaps 2 or 3 permanent jobs later;**
- **The significant profits not mentioned in their paper will leave Canada, going to Invenergy, owned by one multi-millionaire Chicago businessman;**
- **The energy produced by this wind project represents electricity Ontario doesn't need, produced at huge costs, then largely exported away to neighbouring states and provinces at massive losses;**
- **The net loss of good paying permanent manufacturing jobs to south of the border is a direct link to the generation of this unneeded and unaffordable electricity;**
- **Serious and demonstrated environmental, aesthetic and health concerns are not addressed in this paper, nor are these long-term costs factored into the overall financial picture.**

Wind Power in Ontario:

The Invenergy paper describes a brief history of wind generated power in Ontario and the various government programs to promote it. What it does not include is an analysis of the economic impact of IWT on overall electricity costs to consumers, or the impact of IWT on greenhouse gas emissions. There is ample information and recent evidence available to demonstrate the economic disaster the Green Energy Act is and why renewables are not "Green". Here are just three of the many damning statements:

On the cost of renewable energy, this from energy analyst Parker Gallant, “Wind and solar in the first six months of 2016 delivered 8% of our generated power and represented 35% of the Global Adjustment (which you pay on your electricity bill) which appears set to average over \$1 billion per month”. And on the cost to export our surplus electricity that we don’t need, “the cost of exporting our surplus in 2016 was estimated at \$1.85Billion”.

And from the Ontario Society of Professional Engineers or OSPE - the proliferation of large-scale wind will actually increase greenhouse gas emissions, therefore not achieving the government’s stated goals. In the OSPE’s most recent report, they state “Wind generation offers less greenhouse gas reduction value because base-load generation is already carbon-free and wind generation often displaces hydroelectric and nuclear base-load generation.

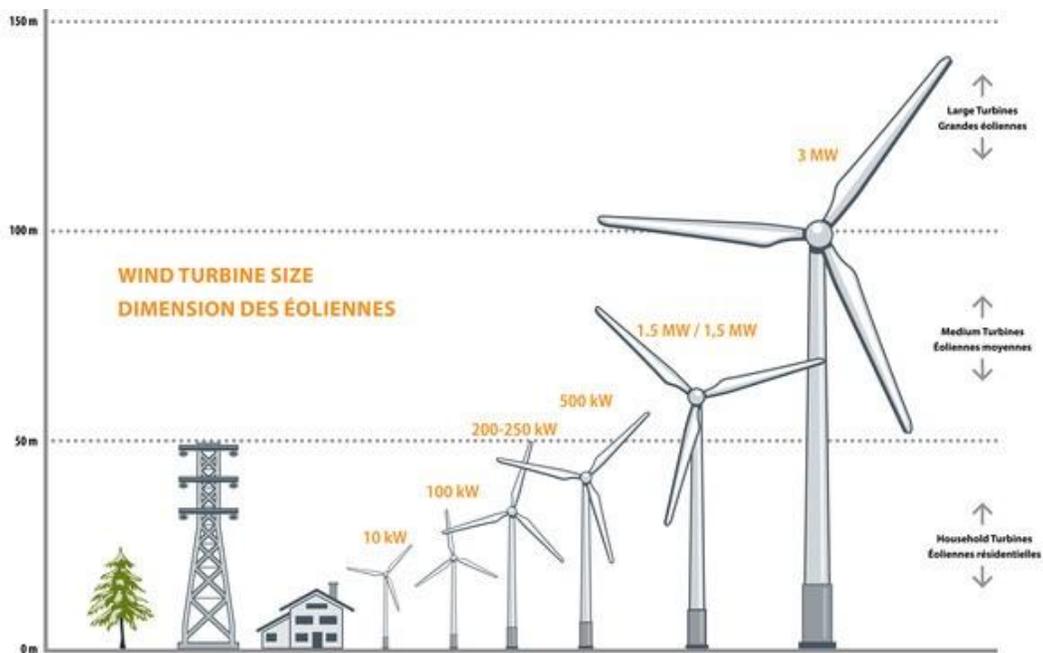
And from the Fraser Institute, “Phasing out coal had almost no effect on Ontario’s air pollution levels, and the government at Queen’s Park knew this was likely to be the case. It has all been for nothing.”

Dutton Dunwich Profile:

The paper paints a picture of Dutton Dunwich as a small rural community with limited growth and seems to hint at limited prospects that a scheme such as an Industrial Wind Project may solve. Information regarding local employment income and property tax revenues are referenced to showcase the speculative benefits of a community enhancement fund and increases in property taxes from IWTs.

Strong Breeze Wind Project:

This section describes the four-year history of the Strong Breeze project. The paper does not mention the history of community disagreement which dates back that long, culminating in a survey in which 84% of the citizens responding DID NOT want IWT in Dutton Dunwich. The situation as of Feb, 2017 is that the proposed project has been reduced to 17 IWTs of the extra-large 3MW+ variety, estimated to be 640 feet tall.



Benefits:

There are many references to “local” benefits. In fact, the majority of any financial benefits will leave Dutton Dunwich with destinations in the United States, Toronto and the far north.

Local Leaseholders: There will be a very small group of local lease holders and abutting landowners that may see some financial gain. Strong Breeze claims over 100 landowners are involved – these are not necessarily 100 separate families, as one family may own multiple involved properties. It states there are 17 Industrial Wind Turbines to be installed. The 17 lease holders will gain a modest sum (estimated \$12,000 - \$15,000 per year) and the abutting landowners in agreement (estimated at \$300 per year). However, lease holders may have significant long term liabilities reducing any financial gain substantially. These could include problems accessing financing for their farming activities due to the liens placed by the IWT financiers on the industrial wind turbine; problems with severance of their property; and possible damage to irrigation and drainage systems. Farmers leasing land to IWT developments may also be faced with potential lawsuits from neighbours due to health issues and impacts on the value of their adjoining property in the event they wish to sell.

Aboriginal groups: Economic benefits in this category will not be local but will be sent off north to the Northern Chiefs Council Development Fund. Our local bands, who actually hold the Land Treaties to the properties within the Strong Breeze project area, were not approached to invest. Inenergy, perhaps anticipating a negative backlash due to local environmental harm, went to a group of Aboriginal bands 1000 KM away from our area, to obtain the Aboriginal signatures of support in order to get a more favourable bid consideration. This group of northern bands were awarded for their signatures of support with a 11% equity interest. We are sympathetic to the plight of the northern aboriginal bands and their desire to become more energy sustainable but their involvement in our community project is totally inappropriate. This is expected to send \$5.8 Million over the 21 years out of the DD area.

Jobs: Construction jobs will mostly be temporary for a year or so, with the majority being hired/contracted outside Dutton Dunwich. There will be only a few permanent jobs. The Auditor General noted that “for each job created through renewable energy programs, about 2-4 jobs are often lost in other sectors of the economy because of higher electricity prices”. The large majority of construction materials will be sourced outside of DD.

Property Tax Payments: The cost of one 3MW IWT is estimated at \$6 Million, which at the “Large Industrial Occupied” tax rate noted in the paper, should be assessed at \$282,000/year. However, the maximum amount a 3MW IWT will be assessed at in 2019, based on the \$48,000/MW forecast, is \$144,000 – approximately half what should be paid. It is not entirely clear that even this \$48,000/MW forecast is accurate. This inequitable low taxation level has been directed by the Ontario Minister of Finance. The \$181,000 touted by the author of the paper as an annual benefit to the township represents **less than 1%** of the annual revenue Ontario's ratepayers will be paying Inenergy Canada LLC for their generation of intermittent and unreliable power with this Strong Breeze project. Residential taxation in Dutton Dunwich represents over 76% of all property taxes as noted in the report prepared by Mr. Holburn, so any impact (negative) due to IWT would drive those revenues down. Other factors which will eat away at those tax revenues are costs associated with road damage, fire protection, bylaw enforcement and increased OPP protection costs.

Residential Property Values: Property Values are not addressed other than saying there is no effect. Real estate agencies and mortgage brokers have a very different opinion. It is a requirement now of Canadian Real Estate Boards to include a warning to prospective buyers of any proposed IWT plans in the area. Should residential houses in Dutton Dunwich decrease in value, as generally happens when industrial wind turbines (IWT) are placed within 1 to 3 kilometers, the township could potentially lose more tax dollars from the decrease in value of those residences than the community benefit and property tax from the turbines jointly will generate on an annual basis.

Adverse Health Effects: Nowhere in the report is there a discussion of health issues. Discussions about health impacts from IWT are complex, and will not be fully covered in this rebuttal. Suffice it to say that a large percentage of people living in close proximity to IWT, physicians who try to help people who are suffering, the Ministry of the Environment and Climate Change who receives large numbers of complaints from suffering individuals, and indeed the wind industry itself, are all very aware that there are health impacts. Recent and emerging research can and will demonstrate this. But in the interim, as a direct result of these adverse health effects, property values suffer. To quote an area real estate agent, “Turbines complicate your property enjoyment, period. That alone spells depreciated values.”

Environmental Impacts: Mr. Holburn’s paper does not even mention the many environmental impacts that have been written extensively on, in relation to IWT. Damage to bat populations; damage to resident bird populations, as well as migrating birds; damage to the habitat of many animal, reptile and insect species; harmful to aquifers and ground water contamination; detrimental to cultural features that encourage tourism and its ensuing economic benefits; and damage to the social cohesiveness of rural communities, which is happening now in Dutton Dunwich, and will worsen if IWT’s are built here. Many of these impacts will be felt by DD if this project moves ahead. The resulting economic losses, while difficult to put a price tag on, will be tangible and will change our community in many negative ways.

Proposed Community Development Fund: Property taxes and donations are estimated at \$181,000 per year. This returning of your tax and electricity bill dollars to you, as noted before, is a tiny fraction of the annual revenue from this project. Mr. Holburn estimates the Community Benefit Fund contribution to average \$80,000 annually. This boils down to **\$20.61 per person** (3880pop) per year. Is it really worth \$20.00 a year for the pain and suffering this scheme will bring to our community? And don’t forget, it is your own money being so magnanimously given back to you!

Local Co-operative: The local Erie Breezes Energy Co-operative may see a modest investment return but at what ethical and personal cost? They would do better investing in ethical stocks and Canadian organizations.

Summary:

This rebuttal represents the opinions of Dutton Dunwich Opponents of Wind Turbines. It is our hope that the reader will gain some insight and balance to the issues involved as a result of this rebuttal. In summary, this scheme is a bad idea that will have significant costs - economic costs, environmental costs, health and safety costs, and damage to community cohesiveness. There may still be time to avoid this 20 year plus mistake. We hope you get informed and become involved. We encourage you to share your feelings with all three levels of your elected representatives. Below are some of the links to materials used in this rebuttal.

Dutton Dunwich Opponents of Wind Turbines www.ddowt.ca 519-488-1640 info@ddowt.ca On Facebook DDOWT

References

Excerpts from the 2015 Auditor General's Report on Electricity: <http://business.financialpost.com/fp-comment/excerpts-from-the-ontario-auditor-generals-report-on-electricity>

Auditor General's Report 2011 on Electricity Sector - Renewable Energy Initiatives: <http://www.auditor.on.ca/en/content/annualreports/arreports/en11/303en11.pdf>

Parker Gallant Energy Perspectives: <https://parkergallantenergyperspectivesblog.wordpress.com/>

Society of Professional Engineers - <https://www.ospe.on.ca/public/documents/advocacy/2012-wind-electrical-grid.pdf>

The Fraser Institute: <https://www.fraserinstitute.org/sites/default/files/environmental-and-economic-consequences-ontarios-green-energy-act.pdf> and <https://www.fraserinstitute.org/article/its-official-ontarios-coal-phase-out-was-all-for-nothing>

Wind Concerns Ontario: <http://www.windconcernsontario.ca/>

On tax assessments for IWT: <http://www.windconcernsontario.ca/no-windfall-in-tax-revenue-for-ontario-communities-hosting-wind-farms/> and <http://www.ontariocanada.com/registry/showAttachment.do?postingId=7322&attachmentId=11017>

Articles on the realities of property devaluation in conjunction with IWT projects: <http://ontario-wind-resistance.org/category/land-values/> and <http://www.canadianrealestatemagazine.ca/news/industry-criticizes-wind-turbine-report-186496.aspx>

Economic Benefits of Wind Power in Dutton Dunwich, opinion of Guy Holburn and Invenergy: <http://strongbreezewind.com/documents/>