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Natural Resources Committee
March 01, 2017

[LB504]

The Committee on Natural Resources met at 9:15 a.m. on Wednesday, March 1, 2017, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB504. Senators present: Dan Hughes, Chairperson; Bruce Bostelman, Vice Chairperson; Joni Albrecht; Suzanne Geist; Rick Kolowski; John McCollister; Dan Quick; and Lynne Walz. Senators absent: None. [LB504]

SENATOR HUGHES: It's 9:15, and I think we're going to have a full day, so in an effort to get things going and wrapped up because we have events here in the Capitol this afternoon. Welcome to the Natural Resources Committee. I'm Senator Dan Hughes; I'm from Venango, Nebraska, and represent the 44th Legislative District. I serve as Chair of this committee. The committee will take up bills in the order posted. Our hearing today is your public part of the legislative process. This is your opportunity to express your position on proposed legislation before us today. The committee members might come and go during the hearing, this is just part of the process as we have bills to introduce in other committees. I ask you to abide by the following procedures to better facilitate today's proceedings. Please silence or turn off your cell phones. Please move to the front row of chairs if you're ready to testify. Introducers will make initial statements followed by proponents, opponents, and neutral testimony. Closing remarks are for the introducing senator only. Now, depending on whether or not our time constraints, if we have an hour, hour and a half, of proponents, I may shut the proponents off and give the opponents an opportunity to talk at that point, but we're just going to kind of play it by ear. But it will be proponents, opponents, neutral unless we have a domination on proponents, and I will allow time, since we kind of need to be done by 12:30, 1:00 at the latest. If you are planning to testify, please pick up a green sign-in sheet that is on the table at the back of the room. Please fill out the green sign-in sheet before you testify, please print, and it is important to complete the form in its entirety. When it is your turn to testify, give the sign-in sheet to the committee clerk or to a page. This will help us keep a more accurate public record. If you do not wish to testify, but would like your name entered into the official record as being present at the hearing, there's a separate white sheet on the tables that you can sign for that purpose. This will become part of the official record of the hearing. Written materials may be distributed to committee members as exhibits only while testimony is being offered. If you have handouts, please make sure you have 12 copies and give them to the page to distribute to the committee. When you come up to testify, please speak clearly into the microphone; tell us your name and please spell your first and last name to ensure that we get an accurate record. We will be using the light system for all testifiers. So can I see a show of hands of how many would like to testify today. Okay, we'll be using three minutes. You will have three minutes to make your initial remarks to the committee. When you see the yellow light, that means you have one minute remaining, and the red light indicates that your time has ended, please conclude your remarks and allow time for others to talk. Questions from the committee may follow. No displays of support or opposition to the bill, vocal or

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otherwise, is allowed at a public hearing. The committee members with us today will introduce themselves beginning on my far left. [LB504]

SENATOR KOLOWSKI: Good morning, I'm Rick Kolowski, Senator from District 31 in southwest Omaha. [LB504]

SENATOR GEIST: I'm Suzanne Geist, Senator from District 25, which is here in Lincoln, east side of Lincoln, and north to Waverly. [LB504]

SENATOR QUICK: I'm Dan Quick, Grand Island, District 35. [LB504]

SENATOR WALZ: I'm Lynne Walz, District 15 which is all of Dodge County. [LB504]

SENATOR HUGHES: And beginning on my right. [LB504]

SENATOR McCOLLISTER: John McCollister, District 20, which is one-eighth of Douglas County. [LB504]

SENATOR BOSTELMAN: Bruce Bostelman, District 23, Saunders, Butler, and most of Colfax County. [LB504]

SENATOR HUGHES: To my left is the committee legal counsel, Laurie Lage. And to my far right is the committee clerk, Mandy Mizerski. Our pages today are Ashlee Fish from Seward, attending UNL, majoring in business administration. And Berkley Fierro from South Dakota attending UNL and a major in English. So with that we will open our hearing today on LB504. Senator Brewer, welcome to the Natural Resources Committee. [LB504]

SENATOR BREWER: (Exhibits 1, 2, 3, and 4) Thank you, Chairman Hughes, and good morning fellow senators of the Natural Resources Committee. I'm Senator Tom Brewer, for the record T-o-m B-r-e-w-e-r, I represent the 43rd Legislative District which is 13 counties of western Nebraska. I'm here to introduce LB504 which creates a legislative task force to conduct a two-year study of the impact of commercial wind energy development in a part of what's known as the Sandhills. During this time, there would be a moratorium on any new construction of wind energy projects in the Sandhills. Let me start by telling you what this bill is not about. It's fairly certain a number of folks will speak to one or more of the contentious issues related to wind today, but I will not. It is not about the wisdom of making electricity out of wind. It is not about whether or not wind energy is green energy. It is not about whether or not commercial wind energy is harmful to wildlife or the environment. And it is not about whether or not

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commercial wind spoils the pristine, one of a kind miracle in nature that we call the Sandhills. It is not about whether the state can or should interfere with private property rights. The reason I introduced this bill is to try and do something to heal the communities of my district. Commercial wind energy development in the Sandhills is tearing the communities apart. I grew up in the Sandhills; my home is there. I have seen much of this world in the 36 years of military service. There is no place like Nebraska and that goes doubly for the Sandhills. In September, myself and 11 other veterans made a decision to ride the district that would encompass 500 miles, take us through 28 towns in 25 days. And of those 28 towns, only 3 of them the issue that they wanted to discuss was property taxes and wind energy. It tears my heart out to see what used to be the friendliest place on earth turn into one where families are divided and the people who have been friends and neighbors for generations are fighting amongst themselves. I had constituents call me and tell me that they have received death threats over this issue. This issue has attracted a wide variety of outside interest to Nebraska. Not all of them have our best interests at heart. While they may be a willing ally on one side of the issue, they may not be what's best for our state. There is a lot of money at stake. As companies rush to build as many wind generators as they can before the federal subsidies for the industry go away, I for one think this rush to build has made the loudest voices in this argument those who have the deepest pockets. I think ordinary Nebraskans are not being heard because of this, and I think the frustration born of this is what is tearing apart my district. You will no doubt hear from one...from some of the folks today about the issue of money. Just remember, the stranger who comes offering help has an agenda; and long after he is gone, we will have to live with those decisions here in Nebraska. I've always believed that more local government is the better it is. So if I thought that the county commissioners could handle this issue locally, I would not have introduced this bill. I have visited all the counties of the district. And the subject simply isn't something that they can care for at a local level. There are too many effects with the decisions of wind energy. Local meetings about wind energy often go into the wee hours of the morning and turn into bitter standoffs. In light of all this, I propose that LB504 simply hits the "pause button." As I said to start with, this isn't about being for or against wind energy. This is about giving everyone a voice, a chance to be heard. The intent of this legislation is to form a task force and study the construction of commercial wind energy in the region of our state defined as the "Sandhills." During the two-year period of this study, there would be a temporary moratorium on the construction of commercial wind projects in this area of the state. The page is handing out a number of documents. One of those will be an amendment. As you know, my office only had a couple of days to draft the bill at the beginning of the session. The original bill put the Department of Natural Resources in charge of forming the task force to provide a report. Upon greater reflection and meetings with Natural Resources, it became apparent that this was an improper relationship between the executive and legislative branches. It should be the Legislature, not the executive who is appointing the task force to provide a report to the Legislature. This amendment makes that change. This task force would provide an official, nonpartisan venue through which every voice could be heard and recorded so that every concern

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could be noted and considered in the study that would produce the report. Once complete, recommendations from the report then could form a guide for legislation moving forward on this issue. In the end, I believe a compromise solution will be reached that balances the rights of wind companies and that of landowners that can accommodate all concerned parties. An in-state, like the one that I just described, will never be reached if things remain as they are. This is beyond the reach of the counties to solve by themselves fairly. If we do not act in the Legislature, the two sides on this issue will become even more entrenched and the hard feelings will continue to rip apart my district. This is, obviously, a very contentious issue and my proposal will no doubt attract a good deal of opposition. I want you to give serious thought to everything when you vote on this bill. Please remember, the issue affects seven different legislative districts. There's a map provided that gives an outline of what's considered the Sandhills. I would urge you to vote this bill out of committee, whether you agree with it or not. I would also urge you to do this because I think this particular topic deserves the kind of rigorous full and fair debate it can only receive in front of the entire Legislature. Killing this bill in committee would further energize those who would feel marginalized by such a decision and just make the hard feelings that I've spoken about even worse. I urge you to give both sides the benefit of the debate on the floor. I urge you to let all 49 senators decide this issue. I think we owe all concerned the most consideration that we can possibly offer. At least this way--win, lose, or draw--we can say the Unicameral gave the people of Nebraska a full measure of diligence on this very important issue. Subject to your questions, that concludes my testimony, sir. [LB504]

SENATOR HUGHES: Thank you, Senator Brewer. Are there questions? I just have one: Do you know which...whether or not the counties that are defined on this map of having...being in the Sandhills, do they all have zoning, or are there some that do not have zoning? [LB504]

SENATOR BREWER: There are some that do not have zoning. And that defined outline of the Sandhills, that document is provided by the Department of Natural Resources is how we determined those outlines. [LB504]

SENATOR HUGHES: Do you know which counties do not have zoning, just off the top of your head? [LB504]

SENATOR BREWER: I do, but not off the top of my head here. [LB504]

SENATOR HUGHES: Okay, well, hopefully, somebody coming behind will be able to share that information. Are there...Senator Walz. [LB504]

SENATOR WALZ: Yes, thank you. So this moratorium is a two-year study... [LB504]

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SENATOR BREWER: Correct. [LB504]

SENATOR WALZ: ...done by a commission... [LB504]

SENATOR BREWER: From the Legislature. [LB504]

SENATOR WALZ: Okay. Are there any other studies right now or commissions that are in place that are doing that? [LB504]

SENATOR BREWER: Not in Nebraska, but if you look in the documents provided, there are a number of states that are going through a review process now on wind energy. And that's kind of why the large packet was put together, because it not only included other states, but it also has reports from, I believe, Australia also. [LB504]

SENATOR WALZ: Okay. And the other thing I want to ask is that...first of all, I feel bad that you have that division. How do you feel this moratorium will bring people together? [LB504]

SENATOR BREWER: Well, again, I think the idea is that right now there is little oversight on the whole issue of wind energy and how we're going to determine where towers go and how big the towers can be and does it affect the water table and how deep they go with the anchors and how does it affect migratory birds and how does it affect rafters. I mean there's...there are so many questions--tourism, all these things need to be put into some type of a formula that goes into this decision so that it isn't a county-by-county decision that affects more than just that county. [LB504]

SENATOR WALZ: Um-hum. [LB504]

SENATOR HUGHES: Senator McCollister. [LB504]

SENATOR MCCOLLISTER: Yeah, thank you, Mr. Chairman. And thank you for your testimony and offering the bill, Senator Brewer. Do you have a scoping statement or some idea what you'd like this task force to do? [LB504]

SENATOR BREWER: Well, I guess we hit on some of it here. But I think we have to just step back for a second and take a look at, especially where there are issues right now with wind energy, you know, where they have it for a period of time, and look at what has happened and what has been documented as far as things that have impacted the communities where they are

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and make sure we don't have to relive that same experience of those same issues. And then I think other issues that need to be addressed, especially in the Sandhills, as you have very remote areas where you're going to put towers. If that tower fails and there's a fire and that wild land fire burns into other places, how is that covered? If we're going to have towers in locations that are going to cause us issues with our ability to attract people to western Nebraska for things as basic as tourism, all of that has to be put into some type of a large review that tells us whether or not this is a wise decision. [LB504]

SENATOR McCOLLISTER: Thank you. Thank you, Senator. [LB504]

SENATOR HUGHES: Senator Geist. [LB504]

SENATOR GEIST: Thank you, Senator Brewer. I have a question about the...I haven't had a chance to read your studies, but I will. And I just wonder, are these things in your packet, the moratorium bills from others states, were those moratoriums called because they needed the information that you're asking for? Or was it because their communities were experiencing the same thing yours is? [LB504]

SENATOR BREWER: Good question. Actually, what you'll do as you go through there, you'll see a mix. Some were pre-emptive and some were as a result of having the wind towers and then the consequences of it. And then there's even some discussion where they address the issue of once the tower outlives its functional life, what happens to the tower? Does it become a monument or is there some type of a reserve that is put aside to deconstruct these towers? And then what happens to the platforms and all the things that come with it? The thing that is key in there that you don't see is none of the areas in there have the fragile ecosystem of the Sandhills. Once you rupture the surface of the soil in those Sandhills, whether you're bringing in cranes or bulldozers or whatever, how do you reconstruct that surface and how do you make it not become a giant blowout? I mean, that's one thing if you build a road or even put in a power line. But if you put in hundreds upon hundreds of these towers, then what is the effect on that very fragile environment? So those are the kind of things that may not fit perfectly with some of those reports, but still need answers. [LB504]

SENATOR GEIST: Okay. Thank you. [LB504]

SENATOR HUGHES: Senator McCollister. [LB504]

SENATOR McCOLLISTER: Thank you, Mr. Chairman. Has much wind development occurred in the Sandhills already? [LB504]

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SENATOR BREWER: There has been some. If you look on the scale of other states, we're not anywhere near...well, even in Nebraska in some areas, we have large wind farms. But to this point, we haven't had large wind farms except into the east near O'Neill is where the larger ones are. And there's a few around Ainsworth. [LB504]

SENATOR McCOLLISTER: Are there any in process that would be affected by this moratorium? [LB504]

SENATOR BREWER: Well, that information hasn't been revealed to me on where or how many that they have in the plans. I think if you were to ask that question to Bluestem and some of the others that will be up here today, they can probably give you a better idea of what that footprint looks like and how many they're talking about. [LB504]

SENATOR McCOLLISTER: Thank you. Thank you, Senator. [LB504]

SENATOR HUGHES: Senator Kolowski. [LB504]

SENATOR KOLOWSKI: Thank you, Mr. Chairman. Senator Brewer, thank you for being here today and for your testimony. Where we do have towers at the current time, how many years have they been in existence? And some of those questions you were asking, have they been looking at those same kind of issues? And do they have some data that could be shared as far as the issues of the groundwater and soil and everything else you talk about? [LB504]

SENATOR BREWER: Good question. The big difference here...and we have had towers for a number of years now, the difference is we are placing them in sand as opposed to a clay-base soil and we have a water table at 30 feet as opposed to 100 feet. And so what you now have is a direct line into the Ogallala Aquifer that you don't have in, say, Fairbury or somewhere like that. So a lot different conditions to put those towers up. Plus your new towers are much bigger and much...you know, they have more capability, but with that...you know, whether you're putting a fence post in or whether you're putting up a wind tower, when we put in a corner post in a fence line out there, sometimes it takes four or five deadman to anchor that in sand so it doesn't pull over. Well, now we're going to put up a 500-foot tower, not a 6-foot tower. So again, I think we're not really comparing apples and oranges here. We're comparing apples and watermelons and we got to figure out what right looks like before we commit to a course of action we can't reverse. [LB504]

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SENATOR KOLOWSKI: Have wind producers examined different heights, as you were talking about, of 500 compared to a 300 compared to a 200 and the difference it makes as far as space and... [LB504]

SENATOR BREWER: Again, I think you're going to have experts in here that will give you the ground truth on that that will be the most current stuff. But part of it, I think, is that, of course, bigger and taller gives you better access to the wind. They use charts that determine where the best path of wind is. [LB504]

SENATOR KOLOWSKI: Right. [LB504]

SENATOR BREWER: And if it wasn't for the fact that it just happens to be right through the sand, it probably wouldn't be near as big an issue. [LB504]

SENATOR KOLOWSKI: Thank you. [LB504]

SENATOR HUGHES: Senator Walz. [LB504]

SENATOR WALZ: Thank you, Chairman. One of my fears is that we take away more local control. Do you feel like this would be taking local control out of decisions that are being made? [LB504]

SENATOR BREWER: Well, I guess if we were going to put...whether we were digging uranium or building a power plant, would just that county have a say on that, or would we allow others that may be impacted by that to have a say in it. I think that's kind of where we're at with this is, is the decisions that are made on this will affect a lot more than Sheridan County or just one county. They're going to impact many people. Because if we do something that impacts, say, tourism, if someone doesn't want to come to western Nebraska, is it going to want to look at windmills, it's all of western Nebraska that's affected by that, not just the county that makes that decision. [LB504]

SENATOR WALZ: All right, thank you. [LB504]

SENATOR HUGHES: Senator McCollister. [LB504]

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SENATOR McCOLLISTER: One more, one more point, thank you, Senator Brewer. Should this scoping study that we're talking about include tax relief and jobs that might be created through wind development? [LB504]

SENATOR BREWER: I think it would have to. I mean, that's part of the big picture. [LB504]

SENATOR McCOLLISTER: Okay. Thank you, Senator. [LB504]

SENATOR HUGHES: Any other questions? I just have one observation on the map that you pointed out here that to me that's a little problematic of it's somewhat of an arbitrary boundary. It is set by...I think you said... [LB504]

SENATOR BREWER: Natural Resources. [LB504]

SENATOR HUGHES: Department of Natural Resources. I would certainly feel more comfortable had it...would it be based along county lines or highway lines or something like that. I can foresee that there probably would be some challenges on the borders of whether or not...well, you know, on this side of the road it is within that description by DNR, and on this side it is not. So if we do move forward, I think that's something we probably need to look at is have a more defined boundary of where to start and stop this moratorium. [LB504]

SENATOR BREWER: I simply went off the best possible guidance on what defined the Sandhills of western Nebraska. [LB504]

SENATOR HUGHES: Right, and I understand that. But...and it may not be easy, it may make it bigger or it may make it smaller in some areas, but I do see that as somewhat problematic that probably would need to be addressed before we move forward. [LB504]

SENATOR BREWER: Okay. [LB504]

SENATOR HUGHES: Are there any other questions? Seeing none, thank you, Senator Brewer. You'll stay for closing. [LB504]

SENATOR BREWER: Yes, sir. [LB504]

SENATOR HUGHES: Okay. [LB504]

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SENATOR BREWER: Thank you. [LB504]

SENATOR HUGHES: So with that, we'll open it up to public testimony. So the first proponent of LB504. Welcome. Don't be afraid. We don't bite very hard. Welcome. [LB504]

FRAN SCHMID: (Exhibit 5) Thank you. Good morning, Senator Hughes, and members of the Natural Resources Committee. My name is Fran Schmid, F-r-a-n S-c-h-m-i-d, and I'd like to relay our experiences of wind development and their dealings with our community about 30 miles northwest of right here. This particular wind company is the largest wind developer in the United States. They were signing contracts in our area for over a year before most members of our community even knew they were here. There were no public announcements or informational meetings prior to the solicitation. Our county board was briefed in February of 2015; first information meeting took place March of 2015, but first contracts were signed way back in 2013. Tactics such as those employed in our area are 100 percent guaranteed to split the community. Information is withheld ostensibly to protect themselves from competitors. Absentee landowners are approached first, usually by letter, they're more likely to sign because they don't reap the fin...they reap the financial rewards without dealing with the effects of living in proximately of the wind turbine. Elderly residents are also approached, being urged around the dinner table, to sign right then and there. This is using high-pressure tactics--a signing bonus and no legal advice. It was related to our local wind group that one lady wanted to know--Do I have to sign? Information is the Achilles heel to these wind turbines being put into the community. One local resident of a local wind company trying to get him to remove anti-wind comments from his personal Facebook page. The more information that is provided concerning the wind companies, their tactics and contract, and their turbines, less likely that a landowner will sign a lease or contract. Invites to the informational meeting by the wind company went out only to likely contract signers, not to the whole community. This particular lease agreement was particularly onerous to the land owner. It is a 40-year contract with three 20-year extensions available at the option of the wind company. The land owner had no option to decline these. And this would tie up that land for a hundred years. When the landowner signs, he is not, necessarily, just signing up for a wind turbine, but it could be a substation, transmission line, and anywhere on the property. The landowner has no control anywhere any of these facilities are located on his property. And the contract also contains a nondisclosure statement which prohibits the assignee from discussing or disclosing the information to his community, neighbors which is a bane to the wind employment. And I'll just finish up here. We support Senator Brewer's bill, LB504. We would actually prefer that the two-year moratorium would include the whole state. If nothing less, the Bohemian Alps, also that we love, I believe that all information should be disseminated to the community before any contracts are allowed to be signed. Wind turbines are a unique animal and very divisive; they require that more caution be exercised to avoid dividing communities across Nebraska. Present tactics used by wind companies make wind farms even more divisive than they inherently are. And please vote for LB504. [LB504]

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SENATOR HUGHES: Thank you, Ms. Schmid. Are there questions? I guess I have one, you said there's a wind farm about 30 miles northwest of your... [LB504]

FRAN SCHMID: Well, that's the area that we live. And there have been contracts signed in our area. But so far no towers. [LB504]

SENATOR HUGHES: And where is that, just for my...? [LB504]

FRAN SCHMID: Butler County. [LB504]

SENATOR HUGHES: Butler County. [LB504]

FRAN SCHMID: Butler County, um-hum. [LB504]

SENATOR HUGHES: Okay, okay, thank you. Any other questions? Seeing none, thank you for your testimony. [LB504]

FRAN SCHMID: Sure, I didn't read the whole thing, there's a little more there. [LB504]

SENATOR HUGHES: That's fine, we have it here. [LB504]

FRAN SCHMID: Thank you much. [LB504]

SENATOR HUGHES: Um-hum. [LB504]

AUDIENCE MEMBER: Point of information--if you want to support the bill with amendment, are you an opponent, proponent? [LB504]

SENATOR HUGHES: You're a proponent. [LB504]

AUDIENCE MEMBER: You're a proponent. Thank you. [LB504]

SENATOR HUGHES: Just make that clear. Okay. Welcome. [LB504]

DAVID McPHILLIPS: (Exhibit 6) Thank you, Chairman Hughes and members of the Natural Resources Committee. My name is David McPhillips, D-a-v-i-d M-c-P-h-i-l-l-i-p-s. I support a

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moratorium on the industrial development of wind-generated energy in the Sandhills. The moratorium will allow time for public dialogue and debate, for examination of the current administration's energy policy and its future implications, and to save us money. I live in an area not as well known as the Sandhills, but a rural and scenic area nonetheless, an area not suitable for an industrial wind-generation complex. My home features a scenic area of gently rolling hills originally called the Bohemian Alps by Czech immigrants. Beginning in 2013, three different wind companies came in under the radar and began aggressively approaching landowners with contracts. These contracts, which could reach up to 100 years, were signed before the community was able to discuss the full impact of industrial wind turbines on our rural area. The community did not have the time to meet and dialogue about how wind turbines on one person's property would affect the market value and enjoyment of their neighbor's property. A local group was later formed and hosted a series of town hall events. We discussed the facts, both positive and negative, and allowed for questions and answers. A vast majority of the residents were concerned with having wind turbines in the area and appreciated getting more facts. Several had already signed contracts and wished that they had not. Our efforts culminated in the passing of safety regulations in 6 of our 17 townships. We would like a moratorium in our area to reach the remaining 11. A moratorium is needed to examine the implications of the new administration's energy policy. An examination of the current administration's energy plan listed on Whitehouse.gov states that the administration is committed to eliminating harmful and unnecessary policies such as the Climate Action Plan and Waters of the United States Rule. It states that the administration is also committed to clean coal technology and to reviving America's coal industry which has been hurting for too long. We need a moratorium to examine the implications of a new federal administration and Congress. When energy is heavily subsidized and expensive, according to the Institute for Energy Research, federal subsidies for wind energy in 2013 were \$35.33 per kilowatt hour versus 57 cents per kilowatt hour of coal. According to the U.S. Energy Information Administration for fiscal year 2013, wind energy produced about only 4.1 percent of the nation's electricity, yet received 42 percent of the direct federal subsidies. Latest numbers that I have seen is that we're \$900 million to \$1 billion shortfall in our state budget. Putting a moratorium on wind energy in any part of the state would help us save money by reducing subsidy payments for this expensive power. And then lastly, the federal government has \$20 trillion in debt and \$84.3 trillion in unfunded liabilities. These unfunded liabilities represent \$670,000 per household. I urge you to support LB504. Thank you. [LB504]

SENATOR HUGHES: Thank you, Mr. McPhillips. Are there questions? Senator McCollister. [LB504]

SENATOR MCCOLLISTER: Thank you, Mr. Chairman. And thank you, Mr. McPhillips, for your testimony this morning. What county do you live in? [LB504]

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DAVID McPHILLIPS: I live in Butler County. [LB504]

SENATOR McCOLLISTER: Butler County. And does the county have regulations with regard to wind development? [LB504]

DAVID McPHILLIPS: No, there are none. I mean, at the township level, we were able to pass some, but there's no comprehensive countywide zoning in that county. [LB504]

SENATOR McCOLLISTER: Okay. You went through some subsidy payments that I wasn't familiar with. Can you cite those statistics again please? Of coal and wind energy. [LB504]

DAVID McPHILLIPS: Sure. There's a wide range of numbers out there, but...and most of them seem to be from the year 2013. I found that it was \$35.33 per kilowatt hour for wind versus 57 cents per kilowatt hour for coal. [LB504]

SENATOR McCOLLISTER: Okay, yeah, I missed the numbers, but thank you. Those wind developments already under construction, that would not be impacted by this moratorium, correct? [LB504]

DAVID McPHILLIPS: There are no towers currently under construction in our county. There were contracts signed, but there's been no development...physical development so far. [LB504]

SENATOR McCOLLISTER: Okay. Thank you, Mr. McPhillips. Thank you, Mr. Chairman. [LB504]

DAVID McPHILLIPS: Thank you, Senator. [LB504]

SENATOR HUGHES: Okay. Additional questions? Seeing none, thank you for coming in today. [LB504]

DAVID McPHILLIPS: Thank you. [LB504]

SENATOR HUGHES: Next proponent. Welcome. [LB504]

JUANITA RICE: (Exhibit 7) Thank you, Chairman Hughes. My name is Juanita Rice, that's J-u-a-n-i-t-a R-i-c-e. I commend the intent of this bill to protect Nebraska's land and water and environmental integrity. But I urge that the moratorium include other industrial development of

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agricultural and rural regions, especially pipelines, and very especially in the regions of the Sandhill soils. I feel that I could almost have testified exactly what Senator Brewer said with the addition of other divisive and threatening developments in rural Nebraska. The state's most precious natural resources, and perhaps the nation's, is the great underground, fresh water aquifer. The existence of that aquifer has everything to do with the permeability of the Sandhills' soil which freely receives and filters moisture. The stability of that soil is fragile; just ask the farmers and ranchers who live there so carefully knowing that any project which involves heavy equipment or digging jeopardizes this delicate and precious natural resource. A moratorium on industrial developments of any kind is a welcome proposal, but it cannot or should not apply exclusively to wind energy. That is my testimony. [LB504]

SENATOR HUGHES: Thank you, Ms. Rice. Are there questions? Seeing none, thank you for coming in today. [LB504]

JUANITA RICE: Thank you. [LB504]

SENATOR HUGHES: Next proponent. Welcome. [LB504]

MARJORIE KENNEDY: (Exhibit 8) Thank you. Good morning, my name is Marjorie Kennedy, M-a-r-j-o-r-i-e K-e-n-n-e-d-y, I am representing today the Nebraska Wildlife Federation, as I am vice president of programs of that organization. Nebraska Wildlife Federation is a strong supporter of clean renewable energy such as wind, solar, and energy efficiency. We have been working with growing network of organizations collaborating to move Nebraska utilities toward a clean energy future. We've been consistent in our support for wind farm siting standards rather than the current voluntary guidelines to ensure the proper siting of wind farms. While those voluntary guidelines have worked in the past, there's no guarantee that every wind developer will continue to honor them in the future. We believe the changes to the law made by the Legislature last year which provided an exemption from Power Review Board review for export wind farms increased the need for siting standards. Wind farms no longer need a signed power purchase agreement, no longer need to have a connection with an in-state utility to obtain an exemption and site a wind farm. The Nebraska Sandhills represents the largest intact mix-grass prairie ecosystem in North America. That represents a irreplaceable resource. The core of the intact tallgrass prairie in Kansas Flint Hills received protection from wind farm development recognizing the unique resource there. We believe the core unconverted prairie in the Nebraska Sandhills deserves at least a review of the need for similar protection. We do not believe the core of the Sandhills is under imminent threat. The wind farms that have recently obtained permits and those that are currently undergoing environmental review appear to be outside or on the fringe of the Sandhill region. However, once Nebraska Public Power District's R-Project is completed, which is expected in October of 2019, there will be transmission capacity available

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that could allow construction of several wind farms in the core of the Sandhills ecoregion. We believe it's appropriate to consider the need and advisability of wind siting standards before that transmission access becomes available. We believe any siting standards should be based on sound science, and should consider the views of local residents. With that in mind, we believe the task force formed should include representation from Game and Parks Commission, State Health Department, and the Energy Office to ensure that the best available science is made available to the task force. That's it. [LB504]

SENATOR HUGHES: Thank you, Ms. Kennedy. Are there questions? Senator Bostelman. [LB504]

SENATOR BOSTELMAN: Thank you, Mr. Chairman. Could you provide me, at a later point, the information on the Flint Hills. [LB504]

MARJORIE KENNEDY: Yes, I could, I will do that later, yes. [LB504]

SENATOR BOSTELMAN: Thank you. [LB504]

SENATOR HUGHES: Any additional questions? Seeing none, thank you for your testimony today. Next proponent. Welcome. [LB504]

MIKE KELLY: (Exhibit 9) Thank you. Mr. Chairman and members of the Natural Resources Committee, my name is Mike Kelly, K-e-l-l-y, and our family owns a cow/calf ranch north of Sutherland in Lincoln and McPherson County on the southern edge of the Nebraska Sandhills. As cattlemen, we recognize the importance of the Sandhills for ranching and appreciate and respect open space, and clear and unadulterated views. Our Nebraska beef industry depends in part on the Nebraska Sandhills to contribute over \$1.1 billion to our Nebraska economy last year through the beef industry. As you know, for the past decade, studies have consistently ranked Nebraska in the top states for potential wind, the development of our state's wind energy could play a role in increasing our state's exports and enhance economic development. But at the same time, we realize and recognize the beauty of the Sandhills. The Sandhills are known for being one of the last remaining intact prairies left in the entire world. This is a true treasure of national and international proportion, and as Nebraskans, we need to fully understand that we are the stewards of this great treasure for future generations. I have had over the last number of years the opportunity to serve on the directors for the Nebraska...or the Sandhills Task Force. The Sandhills Task Force was formed in 1993 as a 501(c)(3). The Sandhills Task Force currently has approximately 15 board members, of which 11 are predominantly ranchers and make their livelihood with ranching within the Sandhills. The task force is primarily focused on working with ranchers to deliver conservation projects on the ground. However, the strategic plan of this

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task force does not have a comprehensive strategy for legislation, but it is concerned about the threats and the stressors mentioned above. For example, wind energy development in the Sandhills has been a topic of almost every meeting that we've had over the last two or three years with the Sandhills Task Force. The board has not taken an official position on this issue or LB504, but we have provided a symposium in 2014 on wind energy development that was held in North Platte. This last year, the Sandhills Task Force wrote a white paper which provides unbiased information on the Sandhills and associated wildlife along with all of these issues and concerns. And I just handed out...or had the aide hand out a copy of the white paper for all of you. LB504 will address these issues and concerns that were raised in the Sandhills Task Force white paper. LB504 will allow all sides to sit down together and seek consensus on these issues. Other states which was mentioned earlier, such as Kansas and the Flint Hills, already have gone through a similar process and formed a task force which was called the Wind and Prairie Task Force. The results from the Kansas task force in the Flint Hills have actually successfully stood the test of time through voluntary compliance of the stakeholders. There has seldom been such a wide gulf on an issue in the Sandhills dividing residents. LB504 will allow both sides to sit down together and to seek that consensus like they did in Kansas like coming up with sensible policies by talking to each other instead of at each other. I would like to thank you very much for your consideration to this request and for your service to the state of Nebraska. Thank you. [LB504]

SENATOR HUGHES: Thank you, Mr. Kelly. Are there questions? I have a couple. With you being on the Sandhills Task Force, can you tell me which counties do not have zoning within the Sandhills region that is designated? [LB504]

MIKE KELLY: I cannot. I'm sure aware that there is some in the Sandhills. I do not believe that McPherson County, which part of our ranch is in, does not have zoning to address wind energy. [LB504]

SENATOR HUGHES: Okay. Then my concerns about the arbitrary boundaries that are placed here, is that your Sandhills Task Force is...you're kind of accepting these boundaries? Or do you see that there should be a more permanent boundary established on...if we were to move forward with this bill? [LB504]

MIKE KELLY: Yeah, I think that would be a good subject for discussion for the task force, because there we're bringing not only ranchers together but experts...zoning experts will be bringing people from the Game and Parks, will be bringing people from the conservation organizations, and economic development. They can all sit down and discuss that very issue. [LB504]

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SENATOR HUGHES: So do you think this...if we put this moratorium in place and provide the two-year task force, do you think that would be helpful to the counties that don't have zoning... [LB504]

MIKE KELLY: Absolutely. [LB504]

SENATOR HUGHES: ...give them the opportunity to come up with zoning for local control in that? [LB504]

MIKE KELLY: Absolutely. You know, I'm certainly all in favor of local control, but at the same time we're covering a...wind energy coming into the Sandhills will not only affect individual counties, but it's going to affect the entire landscape up there. And for example, for Highway 2 has been declared one of the most scenic highways in the nation. And so by just individual counties, some counties on Highway 2 allowing wind energy, some counties not allowing it, it could ruin that designation for that entire Highway 2. So that is the principle reason, I think, that we need to have this task force to bring to the table these kind of issues and talk about it in generality for the Sandhills. [LB504]

SENATOR HUGHES: Okay. Are there any additional questions? Senator McCollister. [LB504]

SENATOR McCOLLISTER: Thank you, Mr. Chairman. And thank you for your testimony and the drive down here this morning. We're talking about two task force--the one that was formed in 1993, is that the position of your task force in support of LB504? [LB504]

MIKE KELLY: No. [LB504]

SENATOR McCOLLISTER: Or your position? [LB504]

MIKE KELLY: No, the Sandhills Task Force has taken a neutral position on wind energy and LB504. Okay? But my personal position is I'm very much in support of LB504 to bring this task force together to discuss these issues. [LB504]

SENATOR McCOLLISTER: And the white paper you're talking about is the one that was attached to your testimony? [LB504]

MIKE KELLY: That was produced by...yes, that's correct. [LB504]

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SENATOR McCOLLISTER: Thank you so much. [LB504]

SENATOR HUGHES: Okay. Any other questions? Seeing none, thank you, Mr. Kelly, for your testimony. [LB504]

MIKE KELLY: Thank you very much, Senator. [LB504]

SENATOR HUGHES: Next proponent. Welcome. [LB504]

DEAN SMITH: Thank you. Mr. Chairman and members of the committee, my name is Dean Smith, D-e-a-n S-m-i-t-h; I live at Brunswick in Antelope County. Antelope County has the highest density of wind towers on a per square mile basis of any county in the state. The last taxing year that megawatt name plate tax was paid in, Antelope County was the largest recipient of those taxes of any county in the state. That is with the towers that are currently in place. In our county, there are another 168 towers that have been approved through zoning that are in preliminary construction. I'm here fully supporting Senator Brewer's bill. The one thing I would like to say that I...and I know it's not a possible, but it needs to be statewide. There are so many things I do not know about wind energy, that we all do not know. In Antelope County, 50 percent of the taxable agricultural acres are under easement to the wind energy developer. What does that mean? I don't know for sure. It's one entity having quite a bit of control. I would like to agree completely with Senator Brewer's statement of what has happened in tearing communities apart. I'm a lifelong resident of Antelope County; I was born there. I moved to the farm I live on the day after I graduated high school in 1975. And I have a good many of my classmates that are still residents of that county. I am probably the one out of those that are still residents there that has been concerned about the wind energy. And it has...we haven't spoke for the last 18 months because of the wind energy. Yes, we need local control, but locally we don't know enough. The opponents to this bill, the proponents of the wind energy, I'm sure will come and they will talk about their taxes that they pay. And I know that this is not probably an issue for Natural Resources. But I would like the people to understand that the name plate megawatt tax of \$3,815 per megawatt is not collectable the same as what your real estate taxes are if you are delinquent on your real estate taxes, most generally someone will come in and pay them. In Antelope County, last July, our operator was delinquent on his taxes that were supposed have been paid starting April 1. They were paid because they were before the county supervisors then a week later, after I brought it up at the July meeting, a week later the taxes were paid because they needed approval for their next project. [LB504]

SENATOR HUGHES: Mr. Smith, your red light is on, if you could wrap it up, please. [LB504]

DEAN SMITH: Okay, that's it; that's all I have. Thank you. [LB504]

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SENATOR HUGHES: Thank you. Are there questions? Senator Bostelman. [LB504]

SENATOR BOSTELMAN: Thank you, Mr. Chairman. Mr. Smith, can you tell me how much, if any, of the land in Antelope County is absentee-landowner owned? [LB504]

DEAN SMITH: There's a large percentage of it. I went through the records in Antelope County, the records are on Nebraska deeds on-line. And so I went through and have totaled the acres and that's how I came with that. As far as the absentee, there have been numbers...you know, we could probably be at 50...it could probably be 50 percent. Probably of those that are signed up, I would say, would be 50 percent absentee of the acres that are signed up; not of the entire county. That I can't say precisely. [LB504]

SENATOR BOSTELMAN: And let me clear...make sure I understand, are you saying that half of the area that is signed in on contracts is absentee landowners? And then of those, my follow-up question with that would be, are a majority of the turbines placed on that land or are they just easement lands where power lines run through, substations set up, those type of things? [LB504]

DEAN SMITH: Yeah, you know, once they have an easement, they can do either or, you know, power lines to get to the towers. But they do have easements on that many acres and they take the entire acres of a farm. [LB504]

SENATOR BOSTELMAN: I guess where I'm trying to get to on my question, is more pointed is, do you think that there's more...local landowners, people live on the farms, live in that area, do they have more turbines on their property or do the absentee landowners have more? Can you tell? [LB504]

DEAN SMITH: I would say that could probably be a 50/50 split. [LB504]

SENATOR BOSTELMAN: Okay, thank you. [LB504]

SENATOR HUGHES: Senator McCollister. [LB504]

SENATOR MCCOLLISTER: Yeah, thank you, Mr. Chairman. And, Mr. Smith, thank you for being here. I'm sorry there's hard feelings between you and your old classmates. You're in Antelope County. [LB504]

DEAN SMITH: Yes. [LB504]

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SENATOR McCOLLISTER: And there is local zoning by the county. [LB504]

DEAN SMITH: Yes, and we are rewriting our handbook currently...updating it. [LB504]

SENATOR McCOLLISTER: Okay. Great. You told...indicated that the tax income in Antelope County from the wind turbines is significant. Can you give us any numbers or what...what percentage of the property taxes in Antelope County are paid by the wind energy people? [LB504]

DEAN SMITH: And I apologize for not being very much more prepared than what I am, but a lot of this I'm just off of memory have been saying it quite a bit. [LB504]

SENATOR McCOLLISTER: Sure. [LB504]

DEAN SMITH: The majority of the towers in Antelope County are in the Elgin school district. And I believe the amount that was owed for all of the last fiscal year was in excess of \$200,000 to the county. And of course, you know a large percentage of that goes to the school district. And it did...it has reduced the tax asking of the Elgin school district. Yes. But a concern is, if it's not paid, how do we collect it? And I know that's not a Natural Resources Committee question. But somehow this issue needs to be addressed. They are assessed a 5 percent penalty for late payment, a maximum of \$10,000. That's in the statute, I do have that. So in excess of \$200,000 and a \$10,000 penalty, is not a incentive to pay, in my mind. [LB504]

SENATOR McCOLLISTER: Thank you very much for your testimony, Mr. Smith. [LB504]

SENATOR HUGHES: Additional questions? I guess I want to follow up a little bit more on the operator that did not pay their taxes. Is there any other consequence other than the interest and penalty if they don't pay? [LB504]

DEAN SMITH: Not to my knowledge and my ability to read through the state statute and talking with a representative of the Department of Revenue. [LB504]

SENATOR HUGHES: Okay. A couple of other questions, is there one company that has leased all of Butler County or are there... [LB504]

DEAN SMITH: Antelope County. [LB504]

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SENATOR HUGHES: I'm sorry, Antelope County. [LB504]

DEAN SMITH: Invenergy. [LB504]

SENATOR HUGHES: So one company, basically, is all that the county... [LB504]

DEAN SMITH: Yes. [LB504]

SENATOR HUGHES: ...is dealing with there. Okay, then you said there were 160 proposed, how many wind towers are there in Antelope County now? [LB504]

DEAN SMITH: It's in excess of 200 that have paid taxes. [LB504]

SENATOR HUGHES: Are there any under construction then? [LB504]

DEAN SMITH: There are...the Upstream project which is part of these 168 is under construction. [LB504]

SENATOR HUGHES: Okay. Okay. [LB504]

DEAN SMITH: I believe, as I have testified to our county commissioners, you know, there's so much here we don't know. If this is going to be ongoing and be tax creating, Antelope County could be the envy of the state. But if it goes the other direction, Antelope County could be in a lot of trouble. [LB504]

SENATOR HUGHES: Okay. Are there additional questions? Seeing none, thank you for your testimony. [LB504]

DEAN SMITH: Thank you. [LB504]

SENATOR HUGHES: Next proponent. Welcome. [LB504]

CRAIG ANDRESEN: (Exhibit 10) Good morning, senators, Chairman Hughes, and legal counsel. My name is Craig Andresen, C-r-a-i-g A-n-d-r-e-s-e-n; and I live in Wood Lake, Nebraska, between Valentine and Ainsworth. Our Nebraska Sandhills are a unique and fragile place where buffalo trails made nearly 150 years ago when this state was just becoming a state,

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look as fresh today as they did when they were first worn into the ground. It's cattle country out there. It's a destination for tourism that sits atop the largest fresh water aquifer in the world. The Sandhills are ranching country home to hundreds of species of birds, migratory routes, habitats for hundreds of various forms of wildlife. But what the Sandhills are not is a place for mechanical industry. We have a lot of questions in Cherry County and throughout the Sandhills. What would be the cost to tourism should our great Nebraska Sandhills be strewn with 425- to 600-foot tall towers? What would be the cost to the ecosystem, the bird and bat populations and two other forms of wildlife? And what might be the cost of the land itself? If those buffalo trails are now visible as they were 150 years ago, how can the land ever be reclaimed when the wind farms are taken down, when they're abandoned? Massive footings comprised of hundreds of thousands of tons of concrete will irreversibly damage the fragile ground, not only as a result of damage done during the building of such wind farms, but the access roads that are necessary to service them and the power lines and through erosion. And what of the fragile aquifer that lays below the surface of the grass when those footings have to be blasted out to beneath four feet off grade? And that is the only way to remove them is with dynamite. What effect will those turbines and wind farms have on cattle? We're already aware of studies done in other countries that indicate ill effects on livestock breeding due to the low frequency sound the turbines make. And for that matter, what effect will the low frequency have on people? The guidelines right now are a patchwork from county to county. There is no uniformity. What we have is questions; what we don't have are articulated answers. And the answers that are being provided to us from wind farm companies are answers that are provided from other places where the ecosystem and the ground is not what we have in the Sandhills. It's time to get real answers to valid questions compiled by independent sources from around the world and around the country rather than relying on bought and paid for answer from wind farm companies that have a direct stake in what might happen. What we need is LB504 to be adopted by the full Legislature, passed along to them by this committee so that this two-year moratorium can help provide those answers, and at the same time help provide a way for the people of the Sandhills to recognize true answers and come together so the fighting ends. I want to thank Senator Tom Brewer for bringing LB504 to this committee. And I'd like to thank the committee itself for taking the time to hear our deep concerns. [LB504]

SENATOR BOSTELMAN: Thank you, Mr. Andresen. Are there any questions? Seeing none, thank you for coming; appreciate it. [LB504]

CRAIG ANDRESEN: Thank you. [LB504]

SENATOR BOSTELMAN: Next proponent. [LB504]

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BRUCE KENNEDY: (Exhibit 11) Good morning and happy birthday to our state of Nebraska. It hasn't been said yet, so I had to say it. Mr. Chairman, members of the Natural Resources Committee, my name is Bruce Kennedy, B-r-u-c-e K-e-n-n-e-d-y. I am here this afternoon...this morning representing Wachiska Audubon Society. We are the local chapter of the National Audubon Society. Our operating area is 16 counties in the southeastern part of the state. We are known for our work, preservation, if you will, on our native prairies. I'm going to be very brief this morning. I know there's a number of people that want to testify. We have delivered a letter to the committee, February the 28th. And I guess this letter probably pretty well spells out our feelings on Senator Brewer's bill. We appear before you to underscore our support for this measure which will take a look at what's going on and maybe figure out what's happening. For 150 years, we have been very protective, very proud of our Nebraska Sandhills. And now development is coming in and changing some things, changing the farming and ranching practices that have been going on there for a long time. I think that this is a very important measure. And we sincerely thank Senator Brewer for offering this. We hope that the committee will take action. We hope that this will be passed on to the full Unicameral. Questions? [LB504]

SENATOR BOSTELMAN: Thank you, Mr. Kennedy. Are there any questions from the committee? Senator McCollister. [LB504]

SENATOR MCCOLLISTER: Thank you, Vice Chair. Thank you, Mr. Kennedy, for being here. The letter and your testimony this morning are only for the Sandhills area of Nebraska? [LB504]

BRUCE KENNEDY: Yes. [LB504]

SENATOR MCCOLLISTER: And do you support wind development in the other parts for the state? [LB504]

BRUCE KENNEDY: Don't believe our chapter has taken a position on that, Senator. [LB504]

SENATOR MCCOLLISTER: Okay. Thank you, Mr. Kennedy. [LB504]

SENATOR BOSTELMAN: Are there other questions from the committee? Seeing none, thank you, Mr. Kennedy. [LB504]

BRUCE KENNEDY: On my way over here, I envisioned this large birthday cake up in the Rotunda of the Capitol in the shape of the state of Nebraska. You think that really exists? [LB504]

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SENATOR KOLOWSKI: 1:30. [LB504]

BRUCE KENNEDY: Thank you very much for the opportunity to testify. [LB504]

SENATOR BOSTELMAN: Thank you, sir. Next proponent. Welcome. [LB504]

TOM HANSEN: (Exhibit 12) Good morning. My name is Tom Hansen and I'm a lifetime resident of the Nebraska Sandhills, north of North Platte and I've lived on our family ranch that was started in 1878. I'm also a former senator from District 42. [LB504]

SENATOR BOSTELMAN: Excuse me, sir. Please... [LB504]

TOM HANSEN: Tom Hansen, T-o-m H-a-n-s-e-n. I forgot how to do this in two years. (Laughter) I want to thank Senator Brewer for introducing LB504 that calls for a moratorium on the large scale of the development of wind...of wind or solar generation until local zoning boards have determined the appropriate siting location in the Sandhills. I stopped at the NACO office a couple of weeks ago and had to go upstairs and we researched how many counties in the Sandhills have zoning regulations...zoning boards. And all but Banner County, unless there was some on the very eastern edge, do have zoning boards set up. Some have wind...have gone through that of talking about the wind, have wind regulations. I don't know how many of those there are, we couldn't find that. I handed out a map and it's a little more detailed. And Chairman Hughes asked several times about if this is the best way to delineate the Sandhills. And I think it is. It's a soil map. And that's how things are done in Nebraska, and none of them are straight lines, none of them follow county lines or highways, they are soil maps. And I think that's the best way of delineating where the Sandhills are. If you looked down in Kansas in the eastern part, the light yellow there, it's number 28, I guess it is, in Kansas, that soil type is the Flint Hills and this is...the Flint Hills is a very distinct area, and so is the Sandhills in Nebraska. In 1870, the settlers followed the railroads to western Nebraska and these are the families, there are many of them here today, but they're the families that live in these fragile hills that control the fires. They managed the grazing habits of their livestock and they limited the number of cattle to the grass available. They added to the stability of the Sandhills, because prior to that, there were fires, there were buffalo that were detrimental to the stability. But as a fourth-generation rancher in Nebraska, I would contend that the Sandhills are in a better condition now than they were in the 1950s--less open blowouts, thicker grass to aid in the stabilization, maybe better condition, but may not be for wind towers. But I do agree with Senator Brewer and the amendment that he's come up with. I think it probably should come out of this committee rather than the Department of Natural Resources. So are there any questions? [LB504]

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SENATOR BOSTELMAN: Thank you, Mr. Hansen. Are there any questions from the committee? Seeing none, thank you, Mr. Hansen. [LB504]

TOM HANSEN: Thank you. [LB504]

SENATOR BOSTELMAN: Next proponent. Welcome. [LB504]

BUFFALO BRUCE: (Exhibit 13) Greetings, Chairman Hughes and committee members. I'm Buffalo Bruce from Chadron, Nebraska, B-u-f-f-a-l-o B-r-u-c-e, representing Western Nebraska Resources Council. And we're in favor of this moratorium because less than a dozen states have site indexing...siting criteria for the wind turbine farms right now. And we certainly need it with our natural areas that we do have that will be impacted tremendously. Biologists refer to the Nebraska Sandhills as the most important biologically intact focal area within the Great Plains. That's a pretty big statement within North America. But one example would be the Blanding's Turtle, it's an international species of concern. It's fully protected through most of its native habitat in the states and nations. The Sandhills of Nebraska is home to over 80 percent of this species worldwide because it's not fragmented by the massive roads. Fragmentation is a key word here. This is why any natural area...intactness of it is protected if they have less fragmentation. For a wind turbine farm to be less intrusive, they must be placed in already disturbed areas such as a farm land or lawns, otherwise it can only result in a more negative effective by accelerating climate change and damaging our health as it destroys a small amount of irreplaceable native habitat we have left. One wind farm to proceed, you must have millions of pounds of acid-based concrete poured...distributed in fragmented areas for many square miles. It calls for more roads with large trucks to assemble and maintain the complex of structures. That represents a small percentage of starting the project. And there are...I've heard questions on...if you're past articles or studies done, there's lots of studies done related to cost and habitat loss. One of the largest ones which include over a hundred nations is a study in the journal, "Science," shows that the economic loss of all ecosystems far outweighs the value of converting these areas to crop land, housing, or any human use. In terms of hard cash, natural habitats are worth far more if left intact than if they're exploited. We've known this to be true, but before this study, we didn't have any idea on to the extent. It's over 100 to 1, at least. A prime example I give to my students is the Indian Ocean tsunami of 2004. It was a national event, but the damage was man-caused. Twenty years prior to that, the World Bank persuaded most of these coastal countries to put...to cut down their mangrove forests and get rid of their barrier reefs to put up resorts for economic development. Well, there's nothing better on earth you can invent than a barrier reef to be buffer to a tsunami wave. Those were gone. Okay, compared to this study, in the first two weeks of economic aid after the tsunami, it cost...more money was spent by...with international help than what they made profits from these resorts in 20 years. That's just an example and these examples are everywhere. This is...and I have this handout and there's a...with all this, where

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lots...there's lots of studies. And this is one reason why this moratorium should happen to compile these studies. [LB504]

SENATOR BOSTELMAN: Mr. Bruce, your red light is on, could you please finish up, please. [LB504]

BUFFALO BRUCE: Okay. Well, that's...there's a study going on currently within Nebraska on the bat populations and the impact from these turbines. There what's called...they're not killed by the blades, they're killed by barotrauma and that's abrupt air pressure changes in the tail wind which changes the inner organs of bats and kills them instantly. And it draws them from over two miles away. [LB504]

SENATOR BOSTELMAN: Mr. Bruce, we really need to conclude this. [LB504]

BUFFALO BRUCE: Okay, thank you. I'm done. Any questions? [LB504]

SENATOR BOSTELMAN: Thank you. Does the committee have any questions? Seeing none, thank you, Mr. Bruce, appreciate it. [LB504]

BUFFALO BRUCE: You bet. [LB504]

SENATOR BOSTELMAN: Next proponent, please. [LB504]

KATHLEEN TORPY: Good morning. [LB504]

SENATOR BOSTELMAN: Welcome. [LB504]

KATHLEEN TORPY: (Exhibit 14) My name is Kathleen Torpy, K-a-t-h-l-e-e-n, Torpy, T-o-r-p-y. I'm representing The Nature Conservancy today. On behalf of the 4,500 member households of The Nature Conservancy in Nebraska, I would like to offer testimony in support of LB504, but with some suggestions for amendments to improve the planning process called for by the bill. The Nature Conservancy is the leading conservation organization working around the world to protect ecologically important lands and waters for nature and people. We have worked in Nebraska for 46 years. To be clear, The Nature Conservancy is pro-wind and we would like to see more renewable energy development in Nebraska. The long-term success of our conservation mission depends on increasing the role of renewables in our energy portfolio. Nebraska has great potential to contribute to this transition through development of its wind energy resources. On

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the other hand, grasslands are among America's least conserved habitats. Wind energy development sited in the wrong places can have negative impacts on species and habitat. The Nature Conservancy helps communities plan for energy development compatible with wildlife using our Development by Design approach. The Sandhills are among the most ecologically sensitive lands we have in Nebraska and we want to see a thoughtful and well-planned approach to siting wind energy in the Sandhills, which is why we support this bill. LB504 previously called for a 13-member task force to make siting recommendations. Prior to hearing Senator Brewer's amendment identifying a committee of the Legislature to replace the DNR task force, our recommendation was that one of the 13 of the task force seats goes to the Nebraska Game and Parks Commission. As the leading wildlife agency in the state, Game and Parks has already done much to study this issue. The Wind and Wildlife Map distributed with this letter is an example of its leadership and a consortium of conservation organizations, including The Nature Conservancy. It's a valuable tool for siting wind sources. The expertise of the Game and Parks will assure a better planning process. And we still strongly recommend that they be considered a resource to this committee. The second recommendation we have to ensure the best results from this planning process is that public meetings be convened in the Sandhills to ensure broad input from all communities and stakeholders. The Nature Conservancy has studied wind energy siting in Nebraska and our analysis shows that we have a lot of good places to put wind in Nebraska. In fact, for Nebraska to contribute its share of the Department of Energy's rule to produce 20 percent of U.S. energy by 2030, there's 20 times the gigawatts necessary...20 times the gigawatts necessary could be sited on low-impact land. That is land that is...that subset of disturbed areas where wind is viable and wildlife sensitivity is low. So it's all the more reason to be intentional on how we protect our most ecologically sensitive areas. That's my testimony. [LB504]

SENATOR BOSTELMAN: Thank you. Are there any questions from the committee? Senator McCollister. [LB504]

SENATOR McCOLLISTER: Thank you, Vice Chair. Thank you for your testimony this morning. And you're aware that Game and Parks has to approve any wind siting in Nebraska before it occurs. [LB504]

KATHLEEN TORPY: Yes. [LB504]

SENATOR McCOLLISTER: And does that alleviate some of your concerns about siting? Are you looking for a blanket moratorium in some areas of the state? [LB504]

KATHLEEN TORPY: Not necessarily, but the concern would still remain because they...if there is a recommendation for development, say, in certain areas that there are endangered species, then that would undo some of the work of the committee. So we think that there's a resource that

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needs to be involved at the start to make sure that those recommendations aren't invalidated later. [LB504]

SENATOR McCOLLISTER: Do you know of examples where Game and Parks have approved a site that would be improper in your view? [LB504]

KATHLEEN TORPY: No, I cannot think of one. I do not know. I can... [LB504]

SENATOR McCOLLISTER: Thank you for your testimony. [LB504]

SENATOR BOSTELMAN: Are there any other questions? Senator Kolowski. [LB504]

SENATOR KOLOWSKI: Thank you, Mr. Chairman. Ms. Torpy, thank you for your discussion this morning and aiding us with our thoughts on this. When the...if this is passed and the commission is put together, the makeup of that committee becomes very important. And if we follow what we did with the water sustainability efforts the last couple of years, I think that would be a very important step to take that we have a mixture of people from across the state looking at the issues not only ecologically, but economically. And I hope we can do it correctly, as you have stated, and many others have stated this morning. I think it's good that we are careful and look at things. Part of my question though is one of...what projects are possibly underway that would be held back or even we might lose it from our state in the next two years, or three years, if we look ahead on that. And that's something I have to ask a broader section of people, but I'm kind of...economically from a possibility of losing a potential site becomes crucial to us. [LB504]

KATHLEEN TORPY: Certainly. I'm not aware...I know that there have been proposals in Cherry County, but I'm not aware that they are currently permitted. Some others might be able to speak more clearly to that. [LB504]

SENATOR KOLOWSKI: Okay. Thank you very much. [LB504]

SENATOR BOSTELMAN: Are there any other questions? Thank you very much for your testimony. [LB504]

KATHLEEN TORPY: Thank you. [LB504]

SENATOR BOSTELMAN: Next proponent. [LB504]

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ANN MANNING-WARREN: Good morning. [LB504]

SENATOR BOSTELMAN: Good morning. Welcome. [LB504]

ANN MANNING-WARREN: (Exhibit 15) And I, too, say happy birthday, Nebraska. My name is Ann Manning-Warren, W-a-r-r-e-n, and I ranch with my family in Cherry County, along the North Loup River. [LB504]

SENATOR BOSTELMAN: I'm sorry, could you spell your first full name, please. [LB504]

ANN MANNING-WARREN: My first name? A-n-n. [LB504]

SENATOR BOSTELMAN: Thank you. [LB504]

ANN MANNING-WARREN: Our family ranch is on the North Loup River in Cherry County. And I'm sure you, like most of us Nebraskans, when we travel out of state, we run into people that find out where we're from. And they say--you know, I've driven through your state, Interstate 80, and it's all really flat. And so my geology class begins on the Sandhills of Nebraska and what a very unique and fragile ecosystem we have there. Our short time in history of being settled, we've been called by many different names--the Great American Desert; God forsaken; God's Country; and the greatest cattle country in the United States. But the name that I cherish and believe most represents us is that there's no other place in the world quite like it. And as unique as the Sandhills are in our beloved state of Nebraska, so are the people that live there. You see because our neighborhood covers a hundred mile radius. And there's still respect and there's integrity and we all are very strong proponents of personal property rights and we would fight for them. That is until we start infringing on each other's private property rights. And within wind energy development, there are many implications of this happening and that goes against everything we "Sandhillers" stand for. My great, great grandfathers were not new to government subsidies. We had the first one in the name of the Homestead Act where you were given 160 acres and I want you to plow it and plant it. It didn't work. It was a failure. But they continued on and they were the first environmentalists. Many people have said no to wind energy. Other people have said yes and wished they said no. Let's not get in a hurry and let's not be hasty. We are so fragile and we are a natural national wonder. Thank you, Senator Brewer, for putting forth this bill. And I ask you to join with me in supporting that. Thank you. [LB504]

SENATOR HUGHES: Thank you, Ms. Manning-Warren. Are there questions? Seeing none, thank you for your testimony. How many additional proponents do we have? Okay. I said at the start we would maybe go an hour and a half. I guess I'd like to stop. We've been about an hour on

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proponents, so I would like to give the opponents an hour. It's my intent to stay until everybody who has...wants to speak has spoken, but I just want to make sure that everybody has a chance and we keep it relatively fair. So we'll do one more proponent, and then I would invite the opponents to come up and they will get an hour and then we will move to neutral, if any, and then back to proponents. Welcome. [LB504]

WAYNE EATINGER: Thank you. My name is Wayne Eatinger, W-a-y-n-e E-a-t-i-n-g-e-r. My trip was spur of the moment; I don't have prepared remarks and I'll be brief here, just a couple of things from the heart here. And thank you, Mr. Chairman, and the Natural Resources Committee and Tom Brewer for allowing me to speak in favor of LB504. My ancestors drove cattle up in Cherry County and I'm five miles west of Highway 83, 50 miles south of Valentine, and 20-some miles north of Thedford which is in Thomas County. In 1878, and of course the traditions and the heritage is a big thing for us there. And you can't imagine what the area looked like then. I can't image what it looked like. The meadows were productive; the hills were bare. The horses sunk into their forearm. And I've heard that the Calvary avoided the area and went east to get on harder ground just because of the soft, soft ground for the horses. And it's all that's important to us. And I would just say that if this wind development is the thing to do, it will be the thing to do, you know, a couple of years from now. And that the Sandhills deserves special accordance and special consideration and I would welcome this task force and these studies. And I just think it's very important. If there's a magical place on earth, it's the Sandhills. It really is quite a dynamic hydrology ecosystem and it is quite amazing. And I would speak to Senator Brewer's concern, too; there is some bitterness out there. I'm fortunate, I have very good friends on each side of this issue and we are friends and will be, but that hasn't been the case everywhere. There's some bitterness, as Senator Brewer was mentioning. And I think this moratorium would help that situation and give everybody a chance to weigh in properly here. So I really appreciate this. And thank you for your time. Any questions? [LB504]

SENATOR HUGHES: Thank you. Are there any questions? Senator Walz. [LB504]

SENATOR WALZ: Thank you for coming. Thank you, Chairman. Were you involved in any of the process of how this all came about? And can you explain how the process went? [LB504]

WAYNE EATINGER: Are you talking about the...I was on the planning commission years back. [LB504]

SENATOR WALZ: Okay. [LB504]

WAYNE EATINGER: Cherry County Planning Commission, and have been involved in meetings and hearings and so forth. The planning commission...the Cherry County Board has

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accorded the planning commission time to revamp its wind regulations in Cherry County. And that's going on right now. The planning commission did hear the application from Bluestem...BSH, the 30-turbine projects out at Kilgore, as some of you may know about, and voted no on that back in July. And so that process, and they went ahead and took the application of the county board of commissioners, oh, this past fall, I forget what the date was, and the commissioners voted it down as well. And so there's been that process going on in our county. And so you have revisions to the wind regulations going on as we speak in the county. [LB504]

SENATOR WALZ: Okay. All right. Thank you. [LB504]

WAYNE EATINGER: All right. [LB504]

SENATOR HUGHES: Any additional questions? Senator Albrecht. [LB504]

SENATOR ALBRECHT: Well, thank you and I'm sorry I was late; I was in another testimony. But you were on the planning committee, you said? [LB504]

WAYNE EATINGER: Was. [LB504]

SENATOR ALBRECHT: Was for Cherry County. And how much talk was there amongst the folks, the people of Cherry County when that wind program came in, effect up there, before it was all voted down? I mean, was it just individuals that they went to? Did they have open meetings with the public to help understand what was coming? And how many would be erected? [LB504]

WAYNE EATINGER: Are you talking about the conditional use permit for BSH Kilgore specifically? [LB504]

SENATOR ALBRECHT: Not necessarily the permit, but just how did the residents of Cherry County...how did you all find out about this? Was this just something that was individually based that they came to certain potential residents that would get a wind turbine in their area? Or did they call for an open forum to ask questions? Can you help me understand? [LB504]

WAYNE EATINGER: I live quite a ways from Kilgore. It is my understanding that the locals up there would have been informed. I know, myself, and my neighbors didn't know about it until there was a hearing scheduled in Valentine to come before the planning commission. [LB504]

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SENATOR ALBRECHT: Okay. [LB504]

WAYNE EATINGER: And it surprised us. And there were locals around Kilgore that were kind of surprised, too. They felt it happened very quickly. [LB504]

SENATOR ALBRECHT: Okay. Thank you. [LB504]

SENATOR HUGHES: Any additional questions? Thank you for your testimony. [LB504]

WAYNE EATINGER: All right. Thank you. [LB504]

SENATOR HUGHES: Okay, at this point we will switch to opponents of LB504. And we will come back to proponents. Welcome. [LB504]

BREE DeNAEYER: (Exhibit 16) Good morning. My name is Bree DeNaeyer, B-r-e-e D-e-N-a-e-y-e-r. Dear Natural Resources Committee members: Please dispense with LB504 as this is not a plan for conservation in Nebraska Sandhills, but a bill simply against wind energy. I completely concur with Senator Brewer's statement of intent included in this bill, and that is that wind energy development in the Sandhills is a divisive, contentious issue. However, it's one that we must be allowed to deal with at a local level. Adding this temporary statewide ban, banning potential economic development is just simply a conflict of local zoning regulations in current state statute as is stated 66-913, as well as 66-914 that use the words "encouragement of solar energy and wind energy use and the protection of access to such." And the source laws are in front of you. Our local zoning, planning and commissioner boards in Cherry County, specifically, have had the pulse on and are hearing what is best for our area and are actively enacting regulations to reflect the will of our local citizens. Speaking as a Cherry County landowner and board member of the Cherry County Wind, LLC, our county zoning board has in place and is reviewing currently some of the strictest wind regulations in the nation. We can quote some of the current county California regulations for the beginning of our zoning and planning minutes. And the intention of these strict regulations is to protect all county interests including its people as well as its natural resources. This two-year moratorium will simply appease only one side of this issue and will continue to obstruct the rights of private property owners who invested in responsible wind energy systems built wholly on voluntary landowners with voluntary easement. The chaotic environment pitting neighbor versus neighbor is very accurate. But I don't believe it's something that can be legislated against. It's something that it is each individual person's responsibility to mend their own fences and figure out how we can get through this. We're not going to be mollified by state laws or a two-year ban. It's simply going to kick the can down the road. This two-year moratorium examining the impact of wind energy development can also be seen as duplicitous as wind farm developers must complete

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environmental impact studies including bird, bat, and beetle studies for each siting. And the Nebraska Sandhills have successfully hosted a large wind energy project since 2005, which was the one referred to earlier that's south of Ainsworth, without any of the feared effects of disrupting this fragile ecosystem. The motivation to responsible wind energy are many, not the least of which is a pro-conservation approach to energy production in this country. Becoming an active participant in renewable energy movement goes right along with a rancher prerogative to constantly improve the quality of his range land. You don't have to go very far in the past to find out that our grass counties are in better shape with fewer blowouts and greater biodiversity. I'd be remiss to not discuss the revenue impacts, but in concession, and I'm out of time, so I'm going to ask you to not pass LB504. [LB504]

SENATOR HUGHES: Thank you, Ms. DeNaeyer. Are there questions? So you are a member of the Cherry County Wind, LLC, can you explain to me what that is? [LB504]

BREE DeNAEYER: Cherry County Wind, LLC, is actually a very interesting cooperative. Every landowner that owns more than a hundred acres of land in Cherry County was given a letter six to seven years ago, it was the beginning of Cherry County Wind Association is how it began. And every landowner with more than a hundred acres in Cherry County was offered an opportunity to purchase...to buy in, as well as voluntarily sign in to this Cherry County wind cooperation. And the point then would be that there would be more acres and more people represented to sell electricity to, to bring more acres represented into mitigation acres, production acres, and access acres, as well as people involved. So a lot of the really horrific stories of turbine leases and leases being sold to company after company after company, different developers taking things over and people losing control would be, hopefully, mitigated by having more purchase power in the beginning with every Cherry County landowner having access to getting into this in the very beginning. [LB504]

SENATOR HUGHES: What kind of a percentage of the landowners joined? [LB504]

BREE DeNAEYER: Percentage, it's a small number. We are 70 land...at one time we were called...we were 70 landowners, when you boil down who is a brother and a sister and a son, it gets down to a lower number than that. I cannot speak to the number of acres represented. [LB504]

SENATOR HUGHES: Can you give me a rough idea of the percentage of the county. I mean, is it in a block or... [LB504]

BREE DeNAEYER: No, it's countywide. And it's not development acres; let me clear on that. There are people that own Cherry County land that will never see a turbine, they'll never host a

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turbine; they don't live close enough to power lines to have access to, but they are still considered members. Which means that that electricity...we have the capability...I'm not speaking to this as well as people who know it better than I do, meaning that more people, more school lands, more actual acres are represented in this, and that money is distributed as kilowatts of energy are actually sold, not on tower lease structures. [LB504]

SENATOR HUGHES: So it's a division of the profits are going to a wide variety of people, even though they may not have turbines. [LB504]

BREE DeNAEYER: Thank you, you said that better than I did. [LB504]

SENATOR HUGHES: Okay. Can you give me an idea of what percentage are people who live in that area and people that own land that do not...that signed up that do...are absentee land owners, yes? [LB504]

BREE DeNAEYER: As an absentee landowners? [LB504]

SENATOR HUGHES: Just a ballpark. [LB504]

BREE DeNAEYER: A ballpark, I can't give you that. Maybe 10 percent are absentee landowners. A lot of us live there and we'll see them and we'll be actually impacted directly. We'll have to ranch around a turbine. [LB504]

SENATOR HUGHES: Okay. Yeah. Any other questions? Senator Albrecht. [LB504]

SENATOR ALBRECHT: Can I just ask a quick one? Are you...so you're part of this wind (inaudible)? [LB504]

BREE DeNAEYER: Cherry County Wind, LLC. I have a recent...I'm a recent board member, yeah. [LB504]

SENATOR ALBRECHT: Okay. So you're a recent board member. [LB504]

BREE DeNAEYER: Um-hum. [LB504]

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SENATOR ALBRECHT: Would you have an interest in the turbines being on your property? Are these people that came together that actually did have an opportunity before it failed to go through, are you a property owner that would have wind on it? [LB504]

BREE DeNAEYER: I'm a property owner. I am not a vested member in Cherry County Wind. I sit on the board; makes me an anomaly. My mother-in-law owns her homestead ranch that her family got through the Homestead Act and Kinkaid Act. She is a voluntary vested landowner which is how I fit under the umbrella. [LB504]

SENATOR ALBRECHT: Okay. But again, would you have been approached to have a wind turbine on your property? [LB504]

BREE DeNAEYER: No, I would not be approached to have a turbine on my property. And these were voluntary meetings. When we all got the letters to show up at the meeting, the big hearings for the last seven years, these were...this was... [LB504]

SENATOR ALBRECHT: So you have had meetings for the last seven years. [LB504]

BREE DeNAEYER: Absolutely. [LB504]

SENATOR ALBRECHT: Okay. [LB504]

BREE DeNAEYER: Yep. There was...the ones that I went to specifically were hosted in Mullen, which, of course, isn't in Cherry County, but it's closest to the southern border of Cherry County, and then another one in Thomas County in Thedford. [LB504]

SENATOR ALBRECHT: Very good. Thank you. [LB504]

SENATOR HUGHES: Okay. Additional questions? Senator Kolowski. [LB504]

SENATOR KOLOWSKI: Thank you, Mr. Chairman. Ma'am, thank you for your testimony this morning. Do you know of any projects, major projects that might be halted or slowed down because of this two-year process? [LB504]

BREE DeNAEYER: I can speak to two that will be directly impacted. And the last paragraph of my testimony speaks to the additional construction costs and hold up and that is the Kilgore Wind Farm project that Mr. Eater spoke of. And that's a smaller...smaller...it's going to be less

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than 30 turbine project. And the other would be a much larger and that's called the Cascade (phonetic) project, which we haven't filed any...there's no paperwork currently filed on it, we're just in the planning phases. [LB504]

SENATOR KOLOWSKI: Though, now, is the number of turbines or any height (inaudible)? [LB504]

BREE DeNAEYER: I would be shooting that entirely out of the ballpark. [LB504]

SENATOR KOLOWSKI: Okay, that's fine. And we would lose those if they...if we have a delay, do you think there's a chance of losing those or would it just be put on hold? [LB504]

BREE DeNAEYER: There's potential that we could continue that, but as you well know, this electricity is sold in a very complicated manner and we have to file all kinds of acronyms in order to get the power sold and where this isn't a large wind developer who already has electricity sold and each landowner will just simply be paid on the turbine lease structure, this is actually electricity being sold from the entire project. It's far more complicated for Cherry County. [LB504]

SENATOR KOLOWSKI: Sure. [LB504]

BREE DeNAEYER: And that's the only ones I'm speaking about. [LB504]

SENATOR KOLOWSKI: Would that go to the Southwest Power Pool, like everything else? [LB504]

BREE DeNAEYER: Precisely. [LB504]

SENATOR KOLOWSKI: Thank you. [LB504]

SENATOR HUGHES: Additional questions? Seeing none, thank you, Ms. DeNaeyer, appreciate your testimony today. Next opponent. Welcome. [LB504]

TOM BUDLER: (Exhibit 17) Chairman Hughes and members of the Natural Resources Committee, my name is Tom Budler, T-o-m, B-u-d-l-e-r, and I'm president of BHE Wind and I appear before you today in opposition of LB504. BHE Wind is a subsidiary of BHE Renewables, which is also a wholly-owned subsidiary of Berkshire Hathaway Energy, and a sister company

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with Iowa's largest rate-regulated utility of MidAmerican Energy Company. In total, Berkshire Hathaway Energy serves 11.4 million customers worldwide. And BHE Renewables owns and operates more than 4,100 megawatts of wind, solar, gas, geothermal, and hydro resources, and has invested more than \$11 billion in renewable energy resources throughout the United States. As you may be aware, in December of 2016, BHE Renewables completed construction of the 400-megawatt Grande Prairie wind farm in Holt County, Nebraska. The Grande Prairie wind farm is the largest wind energy project in the state's history and constitutes an approximate \$610 million investment in the state of Nebraska, one of the largest investments of any kind in the state's history. The project created approximately 350 temporary construction jobs, 25 full-time, on-site permanent jobs, and generates approximately \$2.5 million per year in landowner lease payments. In addition, the project will generate approximately \$2 million in new property tax revenue annually for Holt County, or nearly 10 percent of its total property taxes. Over two-thirds of the new revenue is expected to go to the Holt County schools. In addition, the project had a direct local spend during the construction of approximately \$7.7 million and upgraded 72 miles of local public roads. With the completion of the \$610 million project, BHE Renewables is very pleased to be delivering low-cost energy, renewable energy, to Omaha Public Power District and its customers. As you may know, the project has a long-term power purchase agreement with OPPD for 100 percent of the project's output. BHE Renewables had an excellent experience working with the local community during the development and construction of the Grande Prairie project. And the project had multiple public hearings and unanimous approvals from the Holt County Planning Commission and the Holt County Board of Supervisors. Our team worked very closely with Holt County officials to develop both a roads agreement and the decommissioning plan in order to safeguard the people of Holt County. In addition, the project completed regulatory consultations with the United States Fish and Wildlife Service, and Nebraska Game and Parks, and the Federal Aviation Administration. BHE Renewables would like to continue to make additional investments in Nebraska above our current \$610 million. For example, Omaha Public Power District currently has a request for proposal for an additional 450 megawatts of renewable energy. A two-year moratorium on any wind development in the Sandhills could definitely hamper Omaha Public Power District's efforts to deliver low cost renewable energy to its rate payers and our ability to further invest in the state. [LB504]

SENATOR HUGHES: Thank you, Mr. Budler. Were you finished? [LB504]

TOM BUDLER: Just...I would say, more generally, it would send a message that Nebraska is not open for the business of wind development and would encourage us and other likely developers to focus our financial resources in other states. [LB504]

SENATOR HUGHES: Thank you, Mr. Budler. Are there questions? Senator Albrecht. [LB504]

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SENATOR ALBRECHT: Just real quick, thank you, okay, there's a time line here, obviously, because of federal dollars, correct, to be able to get these turbines in place? [LB504]

TOM BUDLER: Correct. [LB504]

SENATOR ALBRECHT: And I guess my question, if it's not the Sandhills, I've seen lots of maps, is there anywhere else that you would be interested in, in the state of Nebraska in doing business or are you just, generally, looking right there? [LB504]

TOM BUDLER: Yeah, we would...I would say we are looking throughout the state. But we do know of roughly 5,500 megawatts of development currently planned in the Sandhills. If we look at the Southwest Power Pool queue, it gives you a very good indication of the number of projects that are there. There are other projects located in the state that are not in the Sandhills, but definitely is a very good wind resource that developers have picked up on. [LB504]

SENATOR ALBRECHT: Is it in the top three as places that you'd like to land? [LB504]

TOM BUDLER: In the state of Nebraska? Definitely would be in the top three, sure. [LB504]

SENATOR ALBRECHT: Okay. [LB504]

SENATOR HUGHES: Senator Bostelman. [LB504]

SENATOR BOSTELMAN: Thank you, Mr. Chair. Mr. Budler, could you tell me what's the cost to decommission one tower? [LB504]

TOM BUDLER: The cost to decommission one tower, we've seen, it really depends on the location and the timing. Historically, I'm going to have to do a little bit of math in my head, if you don't mind. [LB504]

SENATOR BOSTELMAN: Let me ask you this, \$100,000, \$200,000? [LB504]

TOM BUDLER: Probably in the \$150,000 to \$200,000 range. [LB504]

SENATOR BOSTELMAN: Per turbine. [LB504]

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TOM BUDLER: Per turbine. [LB504]

SENATOR BOSTELMAN: Okay. [LB504]

TOM BUDLER: Which it can be...and largely offset by the salvage value of the steel material that...if you take a tower down, obviously, you're not going to just throw that tower into a land field, you're going to salvage the value of that steel and repurpose the metal at that point. So in part, it can be offset largely by the salvage value of the equipment. [LB504]

SENATOR BOSTELMAN: Okay, the other question I have, and I won't...I don't know what steel price is now, salvage, and be able to get something, I don't know if that...how that equates out in today's pricing; in order to put up a new facility, you have a planning process. How long does that planning take? Is that a year, two years, three years? [LB504]

TOM BUDLER: Well, the planning process...I mean, if you go from initial development through the generation queue time period to the actual notice to proceed could be a three- to four-year process. [LB504]

SENATOR BOSTELMAN: Okay. My understanding is...make sure I'm understanding what your answer...so if BHE was looking to build a facility at location A, you're looking at a two- to three-year potential process of going through before you would actually turn dirt, is that...would that be an appropriate analysis? [LB504]

TOM BUDLER: Not for the way we operate our business. We actually acquire projects much farther down the pipeline. So they've already been through initial development; they've been through a lot of the generator interconnect process. And so we like to acquire projects that are near shovel-ready. So the projects that we would be looking to acquire actually could begin construction potentially within six months. And normally that's where we like to acquire the projects is when they're more towards the shovel-ready stage. [LB504]

SENATOR BOSTELMAN: Sure. But to get to that shovel-ready state could be a two- to three-year process? [LB504]

TOM BUDLER: Correct. [LB504]

SENATOR BOSTELMAN: Okay. Thank you. [LB504]

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SENATOR HUGHES: Additional questions? Tom, I would like a little clarification on the federal subsidies that are available. Is there a time line on those? I mean, I know what the change in the administration that's probably a change to some things, but is there a deadline that you're working under now as a wind developer? [LB504]

TOM BUDLER: There is. And actually, 2016 was the last year that you could qualify projects for the full value of the federal production tax credit. And so from 2017, 2018, 2019, and 2020, we see a 20 percent reduction in the value of that production tax credit through 2020. So currently is due to sunset in 2020 at a decreasing value. Now, you can qualify in 2016 in a number of different ways. One would be to start construction on a project which would be initially pushing access roads and installing foundations and getting a start of construction; or qualifying with a safe-harbor purchase of turbine, which is actually what we at BHE wind did, which would allow us to potentially build an additional 1,400 megawatts of fully-qualified projects. [LB504]

SENATOR HUGHES: So the qualification is either to move dirt or purchase product for wind. [LB504]

TOM BUDLER: Correct. It's called safe harboring... [LB504]

SENATOR HUGHES: Okay. [LB504]

TOM BUDLER: ...which you would have to spend roughly 5 percent above the total project costs in order to safe harbor a project. [LB504]

SENATOR HUGHES: Okay. And that...that...so the clock ticks when either of those things are done be it '16 or '17 or '18... [LB504]

TOM BUDLER: Correct. [LB504]

SENATOR HUGHES: ...when the project actually begins generating electricity. [LB504]

TOM BUDLER: That is correct. And then we would have from the time that we qualify you'd have four years from that time period to complete the project. [LB504]

SENATOR HUGHES: Okay. Okay. Thank you. Senator McCollister. [LB504]

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SENATOR McCOLLISTER: Thank you for your testimony. Are there any state subsidies that you receive with construction of a wind project? [LB504]

TOM BUDLER: No. [LB504]

SENATOR McCOLLISTER: Thank you. [LB504]

SENATOR HUGHES: Additional questions? Seeing none, thank you, Mr. Budler. [LB504]

TOM BUDLER: Thank you. [LB504]

SENATOR HUGHES: Next opponent. Welcome. [LB504]

DAVE HAMILTON: (Exhibit 18) Good morning, Chairman Hughes, members of the committee, I'm Dave Hamilton, D-a-v-e H-a-m-i-l-t-o-n. I'm from Thedford. I'm a landowner, a cattleman, and a member of the Cherry County Wind Energy Association. I want to thank you for the opportunity to testify on LB504. A fellow member testified a few minutes ago and she described what Cherry County Wind Energy Association fairly well, but I think there's a couple of things that need to be emphasized on some things that she said. As she said, the Cherry County Wind Energy Association started as a task force that were appointed by the Cherry County commissioners in 2011. The origin of the Cherry County Wind, as Bree DeNaeyer mentioned, started with a letter to all landowners in Cherry County to measure interest in wind energy development. From that, the 75 members representing 450,000 acres in Cherry County are the number of members and acres that were represented. It's not in a block, but they're all in Cherry County. Ninety percent of those landowners will never have a turbine. The 10 percent or less that would host a turbine have the opportunity to declare constructable acres or non-constructable acres. The main objectives of the association from a county standpoint is to create jobs. We think that in the short term the development would ripple up and down main street from the grocery stores, the restaurants, the quick-service stations, and entertainment venues would bring lots of economic growth to the community. In the short term, it would bring a few maintenance jobs. In rural counties, such as Cherry County, with Class C and D schools, a few jobs with a few children, 10 to 12 children, is a big deal in terms of community support. The Cherry County Wind Energy Association opposes LB504. We think that it's a delay and stall tactic. We think that property tax relief and creating more economic development to grow the number of jobs in rural Nebraska is very important. I think Governor Ricketts and you as a body, Nebraska Legislature, share those same objectives. Wind energy development not only generates more property taxes, it would diversify and grow the property base in rural Nebraska for being so totally dominated by ag land. Wind energy development also diversifies landowner revenue in critical market times such as 2016 when nearly all ag commodities were at or below cost of

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production. Wind energy development in the Sandhills isn't new. There are several successful developments that have been pointed out in earlier testimony. Only in recent years has the economics of wind energy spurred new growth and new opportunities. In areas of high quality wind, such as northern and western Nebraska, wind energy is the cheapest source of electrical generation when compared to coal, natural gas, hydro, and nuclear. And I direct you to a Web site, www.lazard.com. [LB504]

SENATOR HUGHES: Mr. Hamilton, could I get you to wrap up, please. [LB504]

DAVE HAMILTON: Okay, thank you. To those who fear there would be a wind turbine on every hill in the Sandhills, there are reasons that won't happen: connectivity is limited to export the electricity out; environmentally sensitive range sites such as choppy sands and sub-irrigated sites will not be developed for obvious reasons and personal preference. There is no eminent domain declarations with private wind energy development if you choose not to develop, that is your choice. Once again, our wind energy association opposes LB504; I think it needs to die in committee. Thank you. [LB504]

SENATOR HUGHES: Thank you, Mr. Hamilton. Questions? Senator Bostelman. [LB504]

SENATOR BOSTELMAN: Thank you, Mr. Chairman. Mr. Hamilton, a couple of questions: one question is, is once a person signs a contract with a wind developer, that wind developer then can site and do what they want on that ground; is that correct? [LB504]

DAVE HAMILTON: No. [LB504]

SENATOR BOSTELMAN: It's not? [LB504]

DAVE HAMILTON: As a group, our association has a board of directors and we negotiate with the developer on behalf of the landowner association. So that's all negotiated, the siting is all... [LB504]

SENATOR BOSTELMAN: So you know exactly before you sign a contract where that turbine, if there's going to be a turbine built, where that turbine will be located if there will be... [LB504]

DAVE HAMILTON: Not... [LB504]

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SENATOR BOSTELMAN: I'm sorry, if there will be power lines go across the land that you'll know exactly where that's at. But that wind developer does not have the right in the contract to site where they may...and the reason why I'm asking that is the fragile lands we're talking about. So if I would own a quarter section of ground, whatever it might be, and I have fragile grounds on my property, and I sign a contract, do I have any recourse within that contract to not allow that development to go across my fragile ground? That's what I've been trying to understand. That's why I'm asking the question here. [LB504]

DAVE HAMILTON: I guess I'll repeat one of the tenants in the structure was that if you're a member of the association, the landowner group, you have the option to declare whether you want to have constructable acres or non-constructable acres. And so to specifically answer your question, when the contract is signed, do we know exactly where the site will be? No. [LB504]

SENATOR BOSTELMAN: Okay. [LB504]

DAVE HAMILTON: Was that your questions? [LB504]

SENATOR BOSTELMAN: I mean, I'm just trying to understand...yes, because we're talking fragile grounds. [LB504]

DAVE HAMILTON: Yes. [LB504]

SENATOR BOSTELMAN: So if I have a ranch and I've got some of those plans that you're talking about, you know, that soil types that are on my property, is there some type of a guarantee that when I sign up I know it's not going to come through that area because of my concern, or your concern, let's just say, on the fragile grounds how it might disturb that area that we keep it out of that area. [LB504]

DAVE HAMILTON: The landowner maintains control of that, because, you know, we're just as concerned, or maybe more concerned than anybody about environmentally sensitive areas in the Sandhills and as far as managing that ground, yeah, that's a huge concern of ours as well. [LB504]

SENATOR BOSTELMAN: Sure. Appreciate that completely. The other question I have is, we heard about there's one site out there that was voted to not build by the county commissioners, I believe, is there another site? Has that happened in your county as well, like where your association is? Is there... [LB504]

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DAVE HAMILTON: Currently, there's just one project that's in progress. [LB504]

SENATOR BOSTELMAN: And is that, I guess, is that being...is there any...and I don't know your areas out there enough to know, has there been hearings of other support for or against that? [LB504]

DAVE HAMILTON: Oh, definitely. [LB504]

SENATOR BOSTELMAN: And where does that...what...just so I understand, what's come of that if anything? Is it still in discussion? [LB504]

DAVE HAMILTON: There's been several hearings both at the zoning commission level and at the county board level. And at the most recent county board meeting, I think the numbers were pretty evenly split, half and half. At some of the early zoning commission meetings, there were more opponents than proponents. [LB504]

SENATOR BOSTELMAN: Okay. Thank you. [LB504]

DAVE HAMILTON: Yes. [LB504]

SENATOR HUGHES: Additional questions? Senator McCollister. [LB504]

SENATOR McCOLLISTER: Yes, thank you, Chairman Hughes. How much wind development has actually occurred in Cherry County? Do you know the number of turbines? [LB504]

DAVE HAMILTON: There's one. [LB504]

SENATOR McCOLLISTER: Just one. [LB504]

DAVE HAMILTON: By the city of Valentine. And then there's two just to the northeast near Springview. [LB504]

SENATOR McCOLLISTER: How many in process, if you know? [LB504]

DAVE HAMILTON: How many are in the process of being built? [LB504]

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SENATOR McCOLLISTER: Yeah. [LB504]

DAVE HAMILTON: Well, there's a proposal, what's called the Kilgore project, there's nothing currently under construction. [LB504]

SENATOR McCOLLISTER: How many turbines will be built in that project, if you know? [LB504]

DAVE HAMILTON: The project is...the application will be for 60 megawatts. [LB504]

SENATOR McCOLLISTER: Sixty. [LB504]

DAVE HAMILTON: And there's still some decision on, depending on technology, how many turbines, but it will be approximately 20, either 20 to 30 turbines for a 60 megawatt product. [LB504]

SENATOR McCOLLISTER: Has the county board approved that project? [LB504]

DAVE HAMILTON: The county board has turned it back to the zoning commission, as was mentioned by previous testimony, and they are...they have upgraded...or they are in the process of upgrading some of the regs. And so we plan to resubmit in the near future. [LB504]

SENATOR McCOLLISTER: But as of yet, no disposition of that project. [LB504]

DAVE HAMILTON: That's right, sir. [LB504]

SENATOR McCOLLISTER: Okay. Thank you, Mr. Hamilton. [LB504]

DAVE HAMILTON: Yes. [LB504]

SENATOR HUGHES: Any additional questions? I've got a couple. So your Cherry County Wind, LLC, has not benefited its members at this point by having a wind farm somewhere within the jurisdiction and dividends being paid? [LB504]

DAVE HAMILTON: That's correct. [LB504]

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SENATOR HUGHES: Is that a fair statement? [LB504]

DAVE HAMILTON: Yes. [LB504]

SENATOR HUGHES: Have you been close to having a development show up in Cherry County? [LB504]

DAVE HAMILTON: Yes. [LB504]

SENATOR HUGHES: And what was...why did it fall apart? [LB504]

DAVE HAMILTON: The...three of the changes...or the updates that the zoning commission are looking at are...there were concerns about fire control. So one of those updates is to communicate with the local fire chiefs in Cherry County. The second one was to review a study of Lancaster County project to look at the health effects of wind turbines. And the third was to study land values in the areas of wind energy development to see if there's any effect on land values in areas of development. [LB504]

SENATOR HUGHES: So, you're... [LB504]

DAVE HAMILTON: And they're currently in the process of reviewing those. [LB504]

SENATOR HUGHES: ...your group has not met with the developer and not been able to come to terms. It's always been someone beyond that point--the zoning board or the county commissioners or something has (inaudible)? [LB504]

DAVE HAMILTON: Oh, we're in close contact with the developer. [LB504]

SENATOR HUGHES: Okay. Have any other counties kind of come to your group and said we like what you're doing, you know, to develop a county wind group to follow your guidelines? To me, it sounds like you guys are doing it the right way that is local control and everybody benefits, you know, from the project whether or not they have a turbine. [LB504]

DAVE HAMILTON: Mr. Chairman, we've been told and we believe as well it is a good model. We're a large group of landowners willingly are volunteer members of the association that...and have a board that negotiates for them. We have not had other counties come to us asking how did we do it. [LB504]

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SENATOR HUGHES: Okay. Senator McCollister. [LB504]

SENATOR McCOLLISTER: Yeah, thank you, Chairman Hughes. Cherry County is a big county. [LB504]

DAVE HAMILTON: Yes, sir. [LB504]

SENATOR McCOLLISTER: We've seen maps of the Sandhills. What percentage of the Sandhills area is Cherry County? [LB504]

DAVE HAMILTON: What percent of the Sandhills area is represented in Cherry County? I'm going to say, estimate, 15 to 20 percent. [LB504]

SENATOR McCOLLISTER: Of the Sandhills is Cherry... [LB504]

DAVE HAMILTON: That's an estimate. [LB504]

SENATOR McCOLLISTER: Okay, thank you. Thank you. [LB504]

SENATOR HUGHES: Okay. Additional questions? Seeing none, thank you, Mr. Hamilton. [LB504]

DAVE HAMILTON: Thank you, sir. [LB504]

SENATOR HUGHES: Welcome back, Senator. [LB504]

KEN SCHILZ: Thank you, Chairman Hughes, members of the Natural Resources Committee, thank you for the opportunity today to testify. My name is Ken Schilz, spelled K-e-n S-c-h-i-l-z, and I'm a registered lobbyist for Bruning Law Group, representing Bluestem Energy Solutions today, and we're here today in opposition to LB504. Just a few simple quick things: the economic development, obviously, is important to rural Nebraska; obviously, the property tax issues are real. And we see any attempt to curb development as problematic. The state should not be exacting moratorium on development of any sort. We had the same conversation, if I remember last year, on LB101 talking about a matrix for livestock development within the state and whether the county should take that on. So one of our questions to you is what sort of authority would a task force have? Would they be set up to tell the counties how their zoning should be put in place? Will they be set up to force the counties to exact the same sort of zoning

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parameters as the other counties around them. We see that as very problematic. We believe that counties have the ability and are capable of making those decisions for themselves. And so...and in that respect, we think the task force could be problematic. Local control, like I said, is also important. Different communities may have different goals. And this isn't bad. Diversity in development is always good. Obviously, once again, what authority would the task force have? Will you be setting up standardized zoning, set backs, and things like that for each county to adopt? And what is the...how would that work? If this is just an opportunity to get together and talk about how it should be, that opportunity is afforded to anyone that wants to step up and create a group to talk about these sort of things, both within their county and with other counties coming together as well. So I think there's opportunities and ways to do that now without having to pass a law. We talked about the permitting process: Game and Parks, Fish and Wildlife Service, possibly Department of Environmental Equality; many others are involved throughout the process to make sure that all these questions you asked about the fragile...fragility of the land and things like that are answered on a case-by-case basis, even a tower-by-tower basis to make sure that...to make sure that they are following the prescriptions of what that land needs and what impacts they will have moving forward. So a lot of that work is being done today, was set up when we put the law into place, LB1098 back some time ago. You asked about other areas in the state that are using associations to do this--Kimball County Wind Association; Banner County Wind Association does the same sort of things. I know there's a Saline County Wind Association; I see a couple of their members are here today. But there are areas in the state that are doing exactly as you asked before and they are set up as such to provide as much inclusion as possible. Bluestem Energy Solutions is always willing to come and help and sit down and talk with folks, stakeholders that are serious about finding solutions. And with that I'll end my testimony and answer any questions...or try and answer any questions you might have. [LB504]

SENATOR HUGHES: Thank you, Senator Schilz. Are there questions? Senator Geist. [LB504]

SENATOR GEIST: We've heard...or I've just talked off record with some other people about the ways that some of these contracts are put together. And I'm curious with Bluestem, do you have, for the people who may sign a contract, do you have in the contract any information about what the plan for decommission would be? [LB504]

KEN SCHILZ: Well, according to LB1048, it's required--you have to have a decommissioning plan, otherwise you can't build a project. So yes, that would be included within those contracts, I would guess, yes. [LB504]

SENATOR GEIST: Okay. [LB504]

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KEN SCHILZ: And to the other question that Mr. Hamilton was asked about whether or not the landowners have any say in where those towers go; the answer is yes. In some contracts that we signed up on, we got to go to each...because we have quite a few pivots on our farm, so we got to go around and say, okay, we don't want them here; we don't want them here; here would be okay, and here would be okay. Well,... [LB504]

SENATOR GEIST: So that just differs company to company? [LB504]

KEN SCHILZ: I suppose it could. [LB504]

SENATOR GEIST: Okay. [LB504]

KEN SCHILZ: This was not...the company that our farm operation is dealing with was not Bluestem. [LB504]

SENATOR GEIST: Okay. [LB504]

KEN SCHILZ: It was a different company and we were doing it there. The interesting thing is, once they did the studies and they found out that it didn't quite fit what they want, what they wanted on our ground, they released us from every contract. So we were only in that contract for about 18 months. And once they saw that it didn't give them what they thought, they released us all, didn't ask for any payment back or anything like that on the thing. So there are very good developers out there that do the right thing for the landowners. And I think that's the takeaway here. And there's always going to be people that try to take advantage of situations. The key is, as a landowner and as somebody that is looking to develop something on their ground, it's incumbent that you understand the situation and that you're able to act accordingly. Obviously, in that situation, there was never any problem of showing it to our attorneys; there was never any problem showing it to our banks or anybody like that. So a lot of this stuff...now, I can't speak for others, but in my own personal situation that's our experience. [LB504]

SENATOR GEIST: And if I could just ask one follow-up. [LB504]

KEN SCHILZ: Sure. [LB504]

SENATOR GEIST: Just for my information, can you tell me a little bit about what a decommissioning process looks like? [LB504]

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KEN SCHILZ: You know, I would like to be able to, but I've never seen a decommissioning take effect. [LB504]

SENATOR GEIST: Okay. [LB504]

KEN SCHILZ: In the ten years, or eight years I've been working on these things, we've not see that yet. [LB504]

SENATOR GEIST: Okay. [LB504]

KEN SCHILZ: So when and if I do, and I'll actually go look for some information on that and try and get it back to you. [LB504]

SENATOR GEIST: Okay, thank you. [LB504]

SENATOR HUGHES: Additional questions? Senator Bostelman. [LB504]

SENATOR BOSTELMAN: Thank you, Mr. Chairman. Mr. Schilz, a couple of questions, if I have a contract that I've signed with a company, your company or any other company, and I decide I do not want you on my land anymore, can I revoke that? [LB504]

KEN SCHILZ: I don't know. It depends on what it says on the contract. Quite honestly, I mean... [LB504]

SENATOR BOSTELMAN: But you just...you just testified to the fact that there are... [LB504]

KEN SCHILZ: The contract that I signed? The contract that I signed, what it would have done, and this was not Bluestem so I can't speak for that contract, but what it did is while we were under the terms of the contract, right? [LB504]

SENATOR BOSTELMAN: Um-hum. [LB504]

KEN SCHILZ: And we signed that; then they had the ability to come in wherever their towers would be and conduct maintenance, conduct repairs... [LB504]

SENATOR BOSTELMAN: Right. [LB504]

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KEN SCHILZ: ..things like that. So, yes, they had the ability to come on the land at any time they needed to fix things. [LB504]

SENATOR BOSTELMAN: I'm sorry, I didn't ask my question correctly. [LB504]

KEN SCHILZ: I'm sorry. [LB504]

SENATOR BOSTELMAN: That's okay. And I understand and agree with what you're saying on the access to land that the owner has access 24 hours, 7 days a week, 365 days a year, whenever they want they can go out and they can maintain, because they need to, the structure, buried cables, whatever it is, they can go out and take care of that--understand that. My question is if I sign or an individuals signs an option agreement, and anytime up until that...I'll say turn dirt, we'll just do that point, that that landowner may they or may they not remove themselves from that contract? [LB504]

KEN SCHILZ: I would guess that those stipulations are set out within the contract. And I'm sure there are ways to move out of those contracts. The one that we had, because we studied the contract and knew what it said, we were not uncomfortable with the situation of them being able to come and be able to do what they wanted. So it is incumbent...it is always incumbent upon the landowner, it is a buyer beware on the landowner to understand what they're signing. And, you know, as a Nebraska landowner, it's not just a simple cheap deal anymore to own land, and so the sophistication of contracts and business arrangements that are out there really need to be taken seriously by those that are looking at it because there could be situations like you said. [LB504]

SENATOR BOSTELMAN: I agree 100 percent. And that kind of comes to my last, I guess, question that comes to mind right now, is if in a certain area of the state a company wants to come in and potentially develop a site, develop land for wind generation, why is it that they don't come in upfront and say we're looking to study this land; we want to come out here and we want to talk to landowners upfront rather than people finding out about it one, two, three years down the line? [LB504]

KEN SCHILZ: And what you're finding more and more today are those kind of partnerships are becoming available. [LB504]

SENATOR BOSTELMAN: Are those partnerships becoming available because people, such as a Saline County Wind Association or the Cherry County Wind Association, are taking the initiative to come out first and ask for that versus areas in the state where they don't have those

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associations and they just come in and start developing by going to individuals and having contracts signed with or without public knowledge, I guess I would say? [LB504]

KEN SCHILZ: To your premise, I think that is probably correct. But the last time I checked, I don't need to check with anybody to sign a contract for something to do on my land. [LB504]

SENATOR BOSTELMAN: Well, that's true and I understand that, but I'm also at the point where I don't have to have somebody sitting across the table and putting pressure on me to sign the land before I understand...sign a contract before I fully understand it. And my understanding, talking to landowners that that does happen. So my concern is, and why I'm asking the questions is, is it public knowledge. Because if this is something that's going to affect an area, I think it's best that the public knows about it and that we're just open in communication on that. [LB504]

KEN SCHILZ: Right. Right. And I will say this, back when we developed LB1048, which opened up wind for export in Nebraska, we actually went through and put in what should landowners look for in contracts; what should be in there; what you should be careful of and moving forward. So we did that in statute so that people could see that. [LB504]

SENATOR BOSTELMAN: Sure. [LB504]

KEN SCHILZ: Like I said, I mean, I'm not saying that people aren't taken advantage of because that happens. I'm just not sure that every time that it's one side's fault or the other. [LB504]

SENATOR BOSTELMAN: Thank you. [LB504]

KEN SCHILZ: Thank you. [LB504]

SENATOR HUGHES: Additional questions? I've just got one. One of the earlier testifiers commented where one of the energy producers was late in their property tax payments. And there is a 5 percent penalty and a \$10,000 fine. But unlike real estate, the county cannot attach or...they don't want to take over the wind tower. So any ideas how we could make sure that those dollars are being paid because schools and counties, I mean, they build their budgets off of those projected revenues. [LB504]

KEN SCHILZ: Right. Yeah, and I think that's a great question. And I'm trying to remember specifically in the bill if there's any clawbacks or anything like that for that. And I don't know that for sure, but I will check that out and let you know. [LB504]

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SENATOR HUGHES: Yeah. I think that's a potential problem that may come into play in the future that we need to possibly think about. [LB504]

KEN SCHILZ: We will expand that to all businesses in an area that don't pay taxes. [LB504]

SENATOR HUGHES: It's different if it's attachable property, a piece of land or a home that has value. I'm thinking a wind turbine that has gone broke, probably doesn't have a lot of value... [LB504]

KEN SCHILZ: Yeah. [LB504]

SENATOR HUGHES: ...to the county to attach and auction off. [LB504]

KEN SCHILZ: Yeah. And I'm trying to think. Let me check that out and get back to you because I want to make sure I tell you right. [LB504]

SENATOR HUGHES: Thank you. Senator McCollister. [LB504]

SENATOR McCOLLISTER: Thank you, Senator Hughes. Are you aware of any wind energy company that has gone broke? [LB504]

KEN SCHILZ: Oh, I'm sure there has been. I mean, it's like everything else. I mean, 80 percent of companies at some point end up going down. So I...in my personal experience, no I have not. But I know there's been a lot of consolidation, a lot of movement in that direction. So what the impetus is for that I can't tell you for sure. [LB504]

SENATOR McCOLLISTER: I'm speaking of in Nebraska. [LB504]

KEN SCHILZ: Yeah. No, not that I know of. But that's...I don't have any...I don't have any information that would tell me that though. [LB504]

SENATOR McCOLLISTER: Thank you, Senator. [LB504]

SENATOR HUGHES: Senator Albrecht. [LB504]

SENATOR ALBRECHT: Just a quick question. Who are you representing? [LB504]

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KEN SCHILZ: Today I'm representing Bluestem Energy Solutions. [LB504]

SENATOR ALBRECHT: Bluestem, and they're the ones that are interested in going into the Sandhills? [LB504]

KEN SCHILZ: Yes. They're one of them, yes. [LB504]

SENATOR ALBRECHT: And just a quick followup. When whatever...what broke down, what kind of communications broke down at the time that you were so close to getting the wind in there? [LB504]

KEN SCHILZ: Well, I think that...I think that when you step into this process and you're doing this, it's a...it is rather lengthy, it's rather complex at times. Notification, things like that, those are all things that played into what had happened up there. But the biggest reason, from what I can understand, and this is from the outside looking in, was that the project had the potential to change, including, I think, it was fewer towers; and there may be some here that can answer this better than me, fewer towers. And when that came around that the project was different than what the permit had asked for by taking...by developing fewer towers, the county saw that as a reason to hold off and go back to the drawing board and stuff. And it has given the opportunity for Cherry County Wind to talk about the fire suppression and what needs to happen there. So, you know, everything happens for a reason. And most the time things happen the way they're supposed to, I mean, whether folks agree with it or not. And so I think any time you get this, you need to take as an opportunity to find better solutions than you had before. [LB504]

SENATOR ALBRECHT: Thank you. [LB504]

SENATOR HUGHES: Any additional questions? Seeing none, thank you, Senator Schilz. [LB504]

KEN SCHILZ: Thank you, Senator Hughes, members of the committee. [LB504]

SENATOR HUGHES: Next opponent. [LB504]

MIKE DEGAN: Good morning. [LB504]

SENATOR HUGHES: Welcome. [LB504]

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MIKE DEGAN: Mr. Chairman, members of the committee, my name is Mike Degan, M-i-k-e D-e-g-a-n. I'm an attorney with the Kutak Rock Law Firm in Omaha; and I'm testifying here today as an attorney who has been involved in the development of wind policy for over ten years. And during that time, I've also had the pleasure of representing several different wind developers. And I'm testifying in opposition to LB504 because I think it is both unwarranted and would dangerously chill the prospect of wind development in Nebraska. There's been testimony today that this bill is necessary in order to pause a rush to wind development in Nebraska. And that may be a perception by some, but I think the facts bear out otherwise. In fact, Nebraska has moved very cautiously and very slowly to allow wind development in the state of Nebraska. Despite the fact that we have one of the nation's best wind resources, we lag behind all of the other wind belt states. We are last in actually developing our wind resource. And we just recently topped the 1,000 megawatt threshold. This bill, by taking a significant chunk of the state out of play where some of the best wind resources lie, would really risk setting us back even further, now that we've finally passed LB824 last year, we would really be going in the wrong direction. We would be sending the wrong signal to wind developers who have been slow to come into Nebraska by signalling that we are not open for business. So the basis...the purported need for this bill was articulated by Senator Brewer as being primarily rooted in community concerns. But I would suggest to the committee that those local concerns are best suited and dealt with on a local level. And in fact it's working. If you look at what transpired just last year, there was a large wind project approved in Antelope County, while Cherry County denied local land use permitting for a project in that county. Contention is normal in any large economic development. It's no different with hog farms or with WalMarts. We should allow those local leaders to make these decisions. Environmental concerns, LB824 requires wind developers to comply with Game and Parks. They actually physically walk these projects. So these projects are not sited if they do not meet Game and Parks approval. Rather than a study, we really need to look no further than the state of Iowa, right next door. They've developed, currently, six times the amount of wind development that we have here in Nebraska. And they just signed up for another 3,000 megawatts from Berkshire. They do that with local control. They have no statewide regulations and they have no statewide siting requirements. It's worked in Iowa; they've been doing utility-scale wind since the 1990s. We should follow their lead. Finally, I think there's some concerns with this bill in terms of how it would affect existing development. There was testimony that these projects take three to four years to develop and so there are a number of projects that are currently in development that could potentially be affected by this bill, and that certainly would raise due process concerns. So with that, I see my light is one, and I will take any questions. Thank you. [LB504]

SENATOR HUGHES: Thank you, Mr. Degan. Are there questions? Senator McCollister.
[LB504]

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SENATOR McCOLLISTER: Thank you, Mr. Chairman. Thank you for your testimony, Mr. Degan. From the standpoint of income to a landowner and income to a county from wind generation, can you cite some statistics that would indicate what kind of remuneration would occur. [LB504]

MIKE DEGAN: Well, it certainly depends on the development, it depends on the land, it does even vary from developer to developer, county to county. But generally speaking, we're talking thousands of dollars to the landowner in lease payments and significantly more in tax receipts, both through the nameplate capacity tax, but also through property tax and sales and use tax. Currently, I'm aware that wind developers, I believe, are either the top tax payer or one of the top tax payers in three different counties in Nebraska. So the economic development and tax benefits are substantial. [LB504]

SENATOR McCOLLISTER: I've heard numbers like \$8,000 to \$12,000 per tower is that in the ballpark? [LB504]

MIKE DEGAN: Yes, it is. It can be upwards of \$15,000 in Nebraska on the high end. [LB504]

SENATOR McCOLLISTER: Thank you very much. [LB504]

MIKE DEGAN: Thank you, Senator. [LB504]

SENATOR HUGHES: Senator Bostelman. [LB504]

SENATOR BOSTELMAN: Thank you, Mr. Chairman. Fifteen thousand per turbine to the landowner in Nebraska, is that what you said? [LB504]

MIKE DEGAN: Correct. [LB504]

SENATOR BOSTELMAN: Okay. Point of clarification for me, perhaps, on contracts we discussed before with Mr. Schilz, if I sign a contract and there's no provision within that contract for me to exit that contract prior to the end of that contract, can I get out of that contract if I so choose not to, if I don't want to do it anymore, can I just say--sorry, guys, changed my mind? [LB504]

MIKE DEGAN: Senator, I've been practicing law for almost 25 years and if that's what the contract says, I don't know how to get you out of it. [LB504]

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SENATOR BOSTELMAN: Thank you. [LB504]

SENATOR HUGHES: Any additional questions? Seeing none, thank you for your testimony. Oh, I'm sorry, Senator Geist. [LB504]

SENATOR GEIST: Thank you. [LB504]

SENATOR HUGHES: Higher, higher. [LB504]

SENATOR GEIST: Okay. I'm just curious, being a bit new to wind energy and all of its interest and technology and all of that, if you could let me know if Nebraska is a great place for wind, which I understand to be the case, is through the Sandhills the best place in Nebraska for wind? [LB504]

MIKE DEGAN: There are certainly regions within the Sandhills that would fall in to that category. I'm not an engineer, but they do modeling where the wind is tracked by putting up met towers and they tend to follow the ridge lines. And there are ridges that run through the Sandhills that have excellent wind quality. So we would be taking a fairly large segment of the very best quality wind out of play in Nebraska. Certainly environmental concerns are significant tension and something that needs to be dealt with and is dealt with by Game and Parks and by the local government bodies when these turbines are actually sited. But another tension is residents and people who live around the turbines. And so one of the advantages to the Sandhills is there are less residential housing in that regions, so, yes, there are environmental concerns; they can be navigated and managed, but it also would allow these facilities to be sited away from human population. So there is a benefit there. [LB504]

SENATOR GEIST: Okay. Thank you. [LB504]

MIKE DEGAN: You're welcome. [LB504]

SENATOR HUGHES: Senator Kolowski. [LB504]

SENATOR KOLOWSKI: Thank you, Mr. Chairman. Thank you, sir, for your comments this morning. Your one comment in particular is really hits home and that the Iowa being six times ahead of us as far as the potential in wind development and having driven across northern Iowa, Route 80, back to northern Illinois where I have family for the last 50 years, I saw all this come about, and northern Illinois is also sprouting wind turbines everywhere because of the wind power that's available there. I don't know what the dollar amount would be that we've lost or

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have slipped behind as far as the overall potential of our state, but it certainly has to be a staggering figure when you look at it compared to where we could be. And I hope we can be very cognizant of the environmental needs, but also the economic needs for our state as we move ahead. And I thank you for your comments today. [LB504]

MIKE DEGAN: Thank you, Senator. And just to clarify, it's six times today, but when those 3,000 additional megawatts come on line, it will be almost ten times the amount that we have developed here. And so that's a real concern that we continue to lag behind our neighbors; and, ultimately, these developers have limited resources. So if Nebraska is not open for business, they're going to continue to go to our neighboring states. [LB504]

SENATOR KOLOWSKI: Thank you. [LB504]

MIKE DEGAN: Thank you. [LB504]

SENATOR HUGHES: Any additional questions? Seeing none, thank you, Mr. Degan. [LB504]

MIKE DEGAN: Thank you, Senator. [LB504]

SENATOR HUGHES: Next opponent. Now before everybody gets up front, about one or two more opponents and then we will be switching to neutral and then back to proponents because we've just about used up an hour. Welcome. [LB504]

JOSHUA FRAMEL: (Exhibit 19) Thank you. Good morning, Mr. Chairman and members of the committee. My name is Joshua Framel, J-o-s-h-u-a F-r-a-m-e-l, and thank you for the opportunity to testify this morning. I'm appearing before you as a representative of Invenergy, we are a developer, owner, and operator of clean energy projects. We've developed and operated the 310 megawatt Prairie Breeze project in Antelope and Boone Counties and are actively pursuing opportunities in the state. We have invested over \$500 million in Nebraska through Prairie Breeze, and each year it contributes more than \$3 million to the local community via tax payments, landowner payments, staff salaries, and local spending. Job opportunities during both construction and operation of the project resulted in over 300 jobs including approximately 18 full-time local positions. My role at Invenergy is to work with landowners, local communities, and environmental agencies to obtain the permits and approvals necessary for potential wind projects. Besides finding where the wind blows, I start by talking to landowners, planning and zoning officials, and local county supervisors to understand the priorities of the community. Simultaneously, we also engage with numerous environmental agencies including the U.S. Fish and Wildlife Service, the Nebraska Game and Parks Commission, and the Department of

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Environmental Quality to gain insight into environmental aspects of the area. It is my priority, and Invenenergy's responsibility to develop projects that will provide maximum benefits with the minimal amount of impact. We invest millions of dollars into studies and research that all go into siting and optimizing the locations of our towers and our projects. We find that wind energy is a good fit for rural Nebraska. Lease payments made to landowners provide a steady source of long-term income that help offset fluctuating commodity prices; diversifying farming operations by including the ability to harvest the wind--a clean and homegrown source of power. Projects can further contribute to property tax abatement, economic development opportunities, and clean energy jobs now and into the future. LB504 would create an uncertain climate for the advancement of projects and ignores the years of due diligence that is already a part of a success wind farm highlighted by the Prairie Breeze project that Invenenergy has completed. Wind farms bring much needed infusions of good jobs and substantial revenues to rural Nebraska communities. A moratorium would lead developers to re-evaluate investments in Nebraska potentially in favor of other opportunities. We would like to see these benefits stay here in your districts and not move to neighboring states. The bill would also inhibit the ability of local communities to determine their own needs and to take advantage of the local investment that wind energy can provide. For these above reasons, Invenenergy opposes LB504 and we ask you to vote no. Thank you very much. [LB504]

SENATOR HUGHES: Thank you, Mr. Framel. Are there questions? Senator Albrecht. [LB504]

SENATOR ALBRECHT: Thank you, Chairman. Thank you for your testimony. How long has Holt County had the wind energy? [LB504]

JOSHUA FRAMEL: Holt County? [LB504]

SENATOR ALBRECHT: Holt, yes, [LB504]

JOSHUA FRAMEL: Holt County, I believe that the Grande Prairie project, which was spoken to earlier today, I think is built last year. [LB504]

SENATOR ALBRECHT: Just last year. And, again, how many property tax dollars go to that particular county? [LB504]

JOSHUA FRAMEL: I'm not as familiar with Holt County. The project that I spoke to, which was the Prairie Breeze project, is in Antelope and Boone. And I think, like was mentioned before, it's one of the top tax payers in the county. [LB504]

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SENATOR ALBRECHT: But you don't have a figure. [LB504]

JOSHUA FRAMEL: I don't, but I could definitely get it for you. [LB504]

SENATOR ALBRECHT: But I appreciate what you talked about in how you went about bringing that wind project to the area because I really believe that it is local control. You just have to really engage, and I don't believe that as a state that we should have to put laws in so that you...it makes it easier for you to get in there. You should be able to get in there based on the local community and the local governments and the...just the folks there to decide. So I appreciate your testimony. Thanks. [LB504]

SENATOR HUGHES: Additional questions? Senator Bostelman. [LB504]

SENATOR BOSTELMAN: Thank you, Mr. Chairman. Real quick--endangered species, threatened species, bald eagles, there's a turtle mentioned, whooping cranes, is that federally...are those handled through the feds or through the Game and Parks? [LB504]

JOSHUA FRAMEL: Both. If it's a federal endangered species, then we would work with U.S. Fish and Wildlife on understanding what the habitat of that is. [LB504]

SENATOR BOSTELMAN: So is U.S. Fish and Wildlife involved in this, especially since we're talking about migratory routes of, say, whooping cranes? [LB504]

JOSHUA FRAMEL: Absolutely. Every project that Invenenergy works on, we follow the wind energy guidelines which comes from U.S. Fish and Wildlife. [LB504]

SENATOR BOSTELMAN: Fish and Wildlife, okay, thank you. [LB504]

JOSHUA FRAMEL: Um-hum. [LB504]

SENATOR HUGHES: Any additional questions? Seeing none, thank you, Mr. Framel. I'll allow one more opponent and then we will go to neutral testimony. [LB504]

JOSHUA FRAMEL: Thank you very much. [LB504]

SENATOR HUGHES: Welcome. [LB504]

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DAVID LEVY: (Exhibit 20) Thank you, Mr. Chairman. Senators, I will be very brief. David Levy, D-a-v-i-d L-e-v-y with the Baird Holm Law Firm appearing before you today as registered lobbyist for BHE Renewables, Geronimo Energy, and the Northeast Nebraska Public Power District. I also practice in this area in Nebraska for approximately ten years and have personally touched almost every wind project operating or under construction in the state. Very briefly, but much more generally than wind energy, I've also practiced in the area of land use and zoning law for over 25 years in multiple states and I can tell you in every state that I've worked in, zoning is local; land use is local. Almost always what state law says about zoning and land use is it enables the cities and counties to engage in land use regulation and it sets out minimum procedural standards like hearings and notices for those local entities when they engage in that practice of substantive land use planning. LB504 would be an extreme departure from that fundamental structure of land use law across the country between state law and local control. I've handed out to you a study of property tax impacts on...of wind energy on counties in Nebraska. This is a study we did with a client a few years ago. What it shows is that a 200-megawatt wind project, so a wind project just half the size of the Holt County project, in a county like Perkins County, Nebraska, would increase Perkins County's property tax base by approximately 40 percent. Spending stays level, that means everybody in that county gets a 40 percent reduction in their property taxes in one fell swoop. That's substantial. Senator Albrecht, you asked about the Grande Prairie project and its property tax payments, those are over \$2 million each year annually. That is approximately 10 percent of Holt County's property tax payments. I want to also try and quickly answer a couple of questions that have come up. Senator Bostelman, you asked about if a wind lease...somebody signs a wind lease and nothing happens; can that landowner get out of that contract? In 2009, I believe it was, the Legislature passed LB568 which put a provision into Chapter 76, Article 30 that says that if I'm a wind developer and I have a lease with you and I don't do anything with that lease, I don't build anything for ten years, that lease terminates by operation of law. So state statute allows that landowner out of that lease after ten years if nothing happens with that lease, regardless of what that lease might say in its pages. Also, there was a question about what happens in the case of a late name plate capacity tax payment. Two quick points on tax payments: There's the name plate capacity tax which is \$3,518 a year; and then there's real property tax paid on the foundations, the roads, operation and maintenance buildings. So the actual number is approximately \$6,000 per megawatt per year. Name plate capacity tax is paid to the Department of Revenue. They have all the same legal mechanisms to come and collect that from you if you don't pay it, as if you didn't pay your state income tax. There are also penalty provisions in the statute, but the Department of Revenue has the full force of the laws and their enforcement authority behind them to come collect that tax. With that, my time is up, and I know time is short, and I thank you all. [LB504]

SENATOR HUGHES: Thank you, Mr. Levy. Are there questions? Senator McCollister. [LB504]

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SENATOR McCOLLISTER: One of the major topics, Mr. Levy, has been decommissioning. What assurances does the property owner have that a wind turbine, when it's used, it's reached its useful life is actually decommissioned? [LB504]

DAVID LEVY: Sure, there are about four or five of them. And again, I will try and be quick. Every wind lease that I have worked on has decommissioning provisions in it. So the landowner has the legal right under that contract to go require the decommissioning. County regulations, every county regulation that I've worked requires a decommissioning plan and a decommissioning bond from the developer. So the developer goes away, the landowner doesn't want to spend the money to go hire a lawyer and file a lawsuit, the county has a bond for the cost of decommissioning, less the cost of salvage, if the county has to go out and decommission or help the landowner decommission. LB824 also put a provision in statute that if the county doesn't have regulations, you have to provide the decommissioning plan and the decommissioning bond to the Nebraska Power Review Board and they have injunctive authority. So they have legal authority through the Attorney General to go require decommissioning. And then last, but probably biggest, certainly not least, all of these projects are financed. So if a wind developer walked away, you have a bank that has probably a nine-figure loan on one of these projects. That project and the operation of that project, the sale of electricity, that's their security for that very large debt. They will step in and operate the project, typically, or repower the project to make sure that they're able to make good to their investors and owners. And these projects, after 20, 25 years, what we're seeing in some of the early ones, they are repowered; because you still have the underground collection lines, you have the roads, you have the leases, so, typically, they turn over at the end of the useful life of a turbine. [LB504]

SENATOR McCOLLISTER: Thank you. [LB504]

DAVID LEVY: Thank you. [LB504]

SENATOR HUGHES: Additional questions? Seeing none, thank you, Mr. Levy. [LB504]

DAVID LEVY: Thank you very much. [LB504]

SENATOR HUGHES: Okay, so now we will switch to neutral testimony. Is there anyone wishing to present neutral testimony? Welcome. [LB504]

KEN WINSTON: (Exhibit 21) Good morning. Senator Hughes and members of the Natural Resources Committee, my name is Ken Winston, K-e-n W-i-n-s-t-o-n, appearing on behalf of The Bold Alliance in a neutral position on LB504. The Bold Alliance is neutral on LB504 in its

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current form because we have a strong record in support of both wind development and protecting the Nebraska Sandhills. However, we would support LB504 if an amendment, including pipelines, injection wells, major transmission lines, and other major infrastructure projects were added to the moratorium study. And on the back of my testimony is a proposed amendment. We have some additional concerns that we want to bring up. First of all, Bold believes that all significant industrial and infrastructure projects that have the potential of harming the water, the agricultural, or wildlife resources of the Sandhills should be included in order to protect them. Second, we have concerns about whether this bill in its current form would withstand a legal challenge based upon due process provisions singling out wind energy while ignoring other issues which have the potential for equal or greater damage to the Sandhills may not meet the due process standards. We're also concerned about whether the Department of Natural Resources is the proper entity to convene a task force on this subject. And I just heard this morning that Senator Brewer has other ideas about how that would be done. But we would suggest that at least the energy office, Game and Parks, and DEQ be involved in this. And then if I could just talk a little bit about my own personal experience in this area. I grew up in the Sandhills. I grew up in Sheridan County, not too far from where Senator Brewer is from. I've seen a lot of different things over my 65 years that have had negative impacts on the Sandhills. And I've also...I probably testified in support of wind as many times as anybody, I know John Hansen may arm wrestle me over that title, but I've spent a lot of time supporting wind energy in my days as an advocate. So I really...I'm a strong supporter of wind energy. But I'm also a person who also is a strong supporter of protecting our natural resources in whatever form they may be. And I've also spoken out in support of wind siting guidelines on numerous occasions, including before this committee just a couple of weeks ago on LB392. And I've also spent a lot of time fighting for protection of the Sandhills. And one of the reasons why The Bold Alliance is asking for this amendment is there have been some huge amounts of damage caused by some of these other kinds of projects. For example, pipeline spill in Michigan has caused more than a billion dollars to clean up and it still hasn't been cleaned up. So if we're going to be thinking about these kinds of things, let's include everything that has the potential of damaging the Sandhills. And then finally, pipelines and transmission lines are also very divisive and very controversial. They should also be included. That concludes my testimony. I would be glad to answer any questions. [LB504]

SENATOR HUGHES: Thank you, Mr. Winston. Are there any questions? Seeing none, thank you. [LB504]

KEN WINSTON: Thank you, Chairman Hughes. [LB504]

SENATOR HUGHES: Any additional neutral testimony? And let me be clear, even though some of our committee members have additional things, I'm going to stay as long there are people who want to testify; maybe with a break, but I plan on staying. Welcome. [LB504]

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ELAINE MENZEL: Thank you. Chairman Hughes and members of the...had to remember which committee I'm in, Natural Resources Committee, for the record my name is Elaine Menzel, that's E-l-a-i-n-e M-e-n-z-e-l, and I'm here on behalf of the Nebraska Association of County Officials, as I am in a neutral capacity. I know earlier you had asked a question about the counties which are zoned in the Sandhills area, former Senator Hansen confirmed that we had spoken to him about a map that we have put together from the association of the counties that are zoned throughout the state. There are only ten counties that are not zoned: four of those do have comprehensive plans, but zoning does require that you have the comprehensive plan plus the zoning regulations. And those four never went ahead and adopted the zoning regulations. I would be glad to forward, if it's okay with you, a copy of that map; I'll e-mail to each of the committee members a copy of that after our testimony this afternoon. And then also, as I was sitting through this hearing, I was reminded of, and I believe it was 1999, when counties were given the authority, rather than a moratorium, temporary zoning authority. And that was at a time frame when many...when livestock confinement was attempting to expand significantly throughout the state. And what, at that time, several counties, and I'm not remembering the number off the top of my head by any means, but did not have zoning of any degree at all. So what the Legislature opted to do at that time is they created legislation which allowed counties kind of a stop-gap time frame, and I believe it was two years. But they set out kind of an outline, guidelines of like three or four issues for the counties to consider and adopt from potentially neighboring counties or similar counties for purposes of at least having something in place to address that type of an issue. So at this point, I would be glad to respond to any questions you have of me and I would follow up with other information if I don't happen to have it at this time. [LB504]

SENATOR HUGHES: Okay. Thank you, Ms. Menzel. Are there questions? Seeing none, thank you for your testimony. [LB504]

ELAINE MENZEL: Thank you. [LB504]

SENATOR HUGHES: Additional neutral testimony? Seeing none, we'll move back to proponents. Do we have neutral testimony letters? Go ahead and read those in please. These are neutral letters. [LB504]

LAURIE LAGE: (Exhibits 22, 23, 24) Troy Stowater, Nebraska Cattlemen; Tom Richards, Omaha Public Power District, Jeff Fassett, Department of Natural Resources. [LB504]

SENATOR HUGHES: Okay, back to proponents of LB504. Welcome. [LB504]

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CRAIG MILES: (Exhibit 25) Thank you, Senator, hearing committee, and everyone here today. And thank you, Senator Brewer, for bringing LB504 to the floor in front of this committee. I'd like to urge you folks on this committee to highly consider the wisdom behind... [LB504]

SENATOR HUGHES: Can I get you to state and spell your name? [LB504]

CRAIG MILES: I'm sorry, I apologize. Craig Miles, C-r-a-i-g M-i-l-e-s, Thedford, Nebraska; I'm fourth generation rancher in Cherry County. I don't think we have to have a Ph.D. to sit here this morning and recognize the paid suits that have been sitting here talking about the need for wind energy. I think everybody recognizes the difference between the cowboys that are here and the paid suits. But I just want to encourage you to consider the wisdom behind LB504 and taking the time to take the high road to protect this natural environment. I had a speech, and after hearing some of this stuff this morning, it's null and void. I'm just going to come at it from the heart. I have a question for you members of this committee. How many of you have stepped foot in the Sandhills of Nebraska, particularly Cherry County? Very good. If I could get you for a moment to take a little trip in your mind with me, currently, right now, just close your eyes, put your mind at peace, put your thoughts into the Sandhills of Nebraska. I have one of the highest hills in Cherry County. I can see the Halsey lookout tower 25 miles away on a clear day to my southeast. Listen to the wind brushing across your face, the rustle of the grass sweeping around your feet. You see cattle grazing contently. You might see some mule deer or whitetail deer. You can see a coyote or two. And if you're fortunate enough to be in the Sandhills in the month of June, the green landscape before you is amazing. Do we really want to look, as you're standing on that hill, looking across, watching the cattle in the valleys and on the hills, maybe seeing a few other home sites, ranch headquarters in the valleys below, do we want to see wind turbines on the horizon? We have a very fragile environment. I can go on and be redundant about the economics of wind turbines, the environmental impact of wind turbines, but I think it's safe to say that the wisdom behind Senator Brewer's bill, LB504, is taking the high road to consider the impact that it's truly going to have on this fragile and vast and immense and great resource to the state of Nebraska. Thank you for your time and I appreciate your consideration. [LB504]

SENATOR HUGHES: Thank you, Mr. Miles. Are there questions? Seeing none, thank you for coming today. Next opponent...or proponent, I'm sorry, proponent. Welcome. [LB504]

GEORGE CUNNINGHAM: (Exhibit 26) Thank you, Senator. My name is George Cunningham, G-e-o-r-g-e C-u-n-n-i-n-g-h-a-m. I currently serve as the conservation chair of the Nebraska Chapter of the Sierra Club and my comments today represent those of the chapter. The Sierra Club is a long supporter of alternative renewable energy development. Moreover, the Sierra Club has long recognized the science of global climate change and fully supports multiple endeavors across the U.S. to reduce and ultimately eliminate fossil fuel use. As such, the Sierra Club is a

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proponent of sustainable wind energy, as long as it is properly sited. However, it is this issue of siting priorities and the conservation of the state's unique and native ecosystems that bring us here today for LB504. We believe the issue of wind energy siting regulations is important for meeting the criteria of sustainable renewable energy, and as such, the Nebraska Chapter of the Sierra Club supports Senator Brewer's efforts with LB504. Because the Sandhills is one of the largest grass-stabilized dune regions in the world, attempts to place industrial infrastructure such as energy facilities, transmission lines, confined animal feeding operations, fossil fuel pipelines, and etcetera, we believe, is inappropriate. We are in support of efforts like LB504 that will initiate a robust analysis of the best economic activities suited for a landscape composed of highly sandy soils, abundant ground and surface water, and high biological diversity. Again, let me be abundantly clear here, the Sierra Club supports renewable energy development so long as it is sustainable and properly sited. However, an important statement regarding the global biodiversity crisis is needed at this point in my remarks. The consensus among conservation scientists is that the destruction and degradation of natural systems, that is habitat loss, along with over exploitation of plants and animal species and the presence of invasive species are significantly greater threats to global biodiversity than climate change at the present time and in the short-term, foreseeable future. If one of the purposes of implementing alternative energy development is to address global climate change, which in the long run will modify habitat and ecosystem processes for nearly all life on earth, should not these new sources of energy development be sustainable and nondestructive to the very species and habitats we are trying to ensure persist through time? Preventing further habitat fragmentation, which is essential to conserving species and ecosystem processes, should be primary in the decision making process for renewable energy development. Given all the land that has been converted to row-crop agriculture, some 16 million acres in the state, were municipal industrial development in Nebraska, we see no need to place energy development facilities on native grasslands, river bluff lands, or near wetland complexes. We believe the acreage necessary to meet Nebraska's needs for wind power can be met through existing converted lands. With that red light, I guess that my time is up. [LB504]

SENATOR HUGHES: Thank you. [LB504]

GEORGE CUNNINGHAM: The rest of my comments are in the written material I presented to you. [LB504]

SENATOR HUGHES: Thank you, Mr. Cunningham. Are there questions? Seeing none, thank you for your testimony. Additional proponents? [LB504]

JUDY KING: I just have a quick one, so. [LB504]

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SENATOR HUGHES: Welcome. [LB504]

JUDY KING: My name is Judy King, J-u-d-y K-i-n-g, and I'm here to testify in support of LB504. And I have mixed feelings on this because I believe truly in renewable energy, clean renewable energy. My family is from the Sandhills. My grandfather had a ranch out there by Bingham. And my father lived out there as a child and I've spent a lot of time in the Sandhills. And we had great lakes with sandy beaches filled with irrigation water to swim in and boat and ski and the picnics that these lakes, you know, fill me with wonderful memories. I've always felt the need that we need to protect the Sandhills and along with the water below in the aquifer. If we're worried about windmills damaging the Sandhills, then we need to protect the water and the soil underneath the sand. It makes sense to exclude the...it makes no sense...it makes sense to exclude the pipelines in this area. I have seen the leaks from pipelines and damage done from those leaks working in the pipeline and underground storage tank division at the state of Nebraska. I would have to call the leaks in over to DEQ. I just ask that you please protect the Sandhills from anything that would damage the fragile area or the water beneath. And that's all I have to say. [LB504]

SENATOR HUGHES: Okay. Thank you, Ms. King. [LB504]

JUDY KING: Thank you. [LB504]

SENATOR HUGHES: Are there questions? Seeing none, thank you for your testimony. [LB504]

JUDY KING: Thank you. [LB504]

SENATOR HUGHES: Additional proponents? Don't be bashful. Welcome. [LB504]

AMY BALLAGH: (Exhibit 27) Thank you. I'm sorry for being slow, and I have testimony I'm going to pass out to you that you can look at. I think I've already e-mailed some of you also. My name is Amy Ballagh, A-m-y B-a-l-l-a-g-h, and I live on a ranch 25 miles north of Burwell. That's about an hour south of O'Neill. My husband and I and my four sons and their families, we all ranch together on a place that was homesteaded in 1884. I have to say it's really an honor to be here on in the State Capitol on the 150th statehood day. I would not have come except for this, so that's great. I'm just going to kind of skip my testimony as far as reading it and share some thoughts I have. One is, I just want you to think about the Sandhills as a treasure. We have been talking a lot about local control and I think that's really important. But I don't think it's really wrong for our state to say--we have the Nebraska Sandhills. And, you know, there's enumerable

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environmental reasons that we need to protect it. So I would urge you to support this bill. Let me take a breath so I don't shiver the whole time. (Laughter) I know that you talked about O'Neill and those wind farms, and there's been a lot of things talked about how it brought jobs and boost the economy for a little while. Actually, that's not what the people that live there will really tell you. It brought a big boom of out-of-state people, that's where the jobs are. There were license plates, my boys had fun seeing how many license plates we could find. But the people are different culture and that's part of why this bill is really important is because in this treasure of the Sandhills isn't just the environment, it's the people, it's these homesteaded families. That's why this community being torn apart is really hard because we've all gone to school together. Not me, I grew up in the Flint Hills and so I'm aware of the Flint Hills protection project down there as well. But in O'Neill, after this big influx came in and then left, they...now everything is just kind of like out of balance, and it actually kind of destabilized the area. A lot of people that signed up and were happy about it now are sorry. Even some of the commissioners up there, you'll hear from testify that they're not so sure that was a great decision they made. So I think that this bill would give us...my second "t" would give us time. And I think we need to look at a lot of issues that are involved. Skip over to my other notes here. Time will tell us a lot of things. Time will tell us a better place to put it. Time will tell us--do we really want wind turbines? Why do we keep saying that this is such an economic advantage? If the subsidies are going to run out, and they can't really make it last for a long time, we might be ending up with a big problem later on. I'm not sure that, you know, necessarily we want to rush into something. So I think this is great. I don't know if you've read the books The Lorax. I'm an elementary school teacher, so The Lorax talks a lot about how we can try to be making money and doing everything so great, and then we lose what we already had. So I think we really need to do that. And then my third one is transmission lines. Don't forget the impact that transmission lines will have when you start looking at this. I'm unfortunate enough to be in what's now proposed to be the R-Project Line. And we found out that environmental studies don't really get the full support that they should because there's higher-ups and the politics involved. We found out that landowner rights don't really matter a lot. I have a lot of veterans in my family and to think of them, you know, being awarded Purple Hearts and dieing on the field for freedom and then landowner rights are all of a sudden lost. And so I think that's something you have to really take into consideration. And this R-Project was put into affect before we really had a plan. I mean, they had a plan. The wind people met and started saying we need transmission to do this. But there was not a general plan. So it's going through where there's no road access. I see my red light, so I'll hurry. There's no red access (sic)...no red access...no road access and there's a lot of environmental issues involved. Some places 93 miles will be up to three miles off of any road. So I mean, there's a lot of issues involved. And my last "T" is just thank you. Thank you for serving and being here and listening to us and it's a great honor that we have in our state that we can come and talk. So are there any questions? [LB504]

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SENATOR HUGHES: Thank you, Ms. Ballagh. Are there questions? Seeing none, thank you for coming and testifying today. [LB504]

AMY BALLAGH: Thank you. [LB504]

SENATOR HUGHES: Welcome. [LB504]

JIM DUCEY: (Exhibit 32, 33) Hi. Get my eyes on here. My name is Jim Ducey; I'm from Valentine; name is spelled J-i-m D-u-c-e-y. It is a rare opportunity indeed to be able to sit in this hearing room and I'm sorry...and listen to the heart-felt words of so many great Nebraskans, especially on the 150th anniversary of the day when our state was established. This hearing truly represents democracy. The people present here today represent what it means to create a vibrant and distinct state. This is notably represented by the many from the so special Sandhills that have taken time from their busy ranching schedules to drive to Lincoln to make certain their important words are heard. Ranch communities among the dunes represents so many qualities essential to understand and carry out what has been necessary to care for the sand hill land, its flora and fauna, and as notably the people. So many Sandhills people, amidst many rural settings, are descendants of strong pioneers that found and appreciated places which became their homes and property which generations have clung to so tenaciously. Personally, I've had the opportunity to spend 35 years studying birds throughout the Sandhills. I have visited more than a thousand different localities to learn about the more than 400 representative wild bird species that are known to occur throughout the region in the last 125 years. During those 35 years, I took the opportunity for two or three years, because I had to plan this all out, and I visited all the tallest hills among the Sandhills. So I actually went to the geologic maps, figured out elevations, figured out where the properties were, got a hold of the landowners, got permission, and I drove my four-wheel drive truck to the top and I spent...at one hill a big baldy, or old baldy in southwest Cherry County, I spent three days parked up there. And I enjoyed the nights and I sat out there and I was shaken to death by a thunderstorm, but it gave me a real understanding of what water is and what the hills mean because that night it rained and I looked out and all the meadows were covered with water and it was like a big lake, and it was grassland. But water was everywhere just standing and I got up the next morning, there was no water, it had all soaked in. And that's one of the natural features that we have in the Sandhills. So it is essential that the Sandhills resource and its vibrant people be given the proper consideration essential for maintaining the features that make the homes and the region so specially unique. Adding multiple towers, including cellular towers, will dramatically alter the opportunity for future generations to know and appreciate what can be so important to many right now. Proper consideration of this land's features--it's people. And yes, its spirit can best be accomplished by enacting a moratorium. Please pass LB504 to help heal the community. Thank you. [LB504]

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SENATOR HUGHES: Thank you, Mr. Ducey. Are there any questions? Seeing none... [LB504]

JAMES DUCEY: Thank you. [LB504]

SENATOR HUGHES: ...thank you for your testimony today. Additional proponents? Welcome. [LB504]

TWYLA WITT: (Exhibit 34) Hello. Thank you. My name is Twyla Witt, T-w-y-l-a W-i-t-t. And I thank you, Senator Hughes, as Chairman, and the committee for being here; and especially for your service to the Natural Resources Committee. I think our great state of Nebraska has some of the most amazing natural resources of anywhere in the United States. But I also want to wish you happy statehood day. And I am extremely honored to be here in the state Capitol on this honorable day. I'm here to support LB504 and to thank Senator Brewer for introducing it. The bill is extremely important to Nebraska, and especially the Sandhills. In the past week, I've seen numerous articles that reinforce the fact that placing a two-year moratorium on the industrial development of wind energy projects and the appointment of a special task force to study and make recommendations to the siting for wind energy projects in the Sandhills of Nebraska is utmost importance. To begin with, I'm going to quote just a little bit from each one of these articles and I've included the entire article for you in what was passed out. Just last Monday, from the Los Angeles Time, the headline said: Wind Power is an Attack on Rural America. Quoting from the article: since 2015, more than 120 government entities in about two dozens states have moved to reject or restrict the land devouring, subsidy-fueled sprawl of wind energy megawatt projects. Also, from the Tulsa World, dateline February 25, 2017: Former Governor Frank Keating stated: "I signed wind industry tax breaks, and I was wrong." It was for tax breaks in Oklahoma. And that article is also attached. From the Bismark Tribune, dated February 21, 2017: A North Dakota Senate Committee tweaked legislation Bill 2314 Tuesday. That put a two-year moratorium on new wind energy development and it also called for a legislative study of long-term energy plans in North Dakota. These three articles show that there are many other states studying wind energy issues, or wishing they had. Thus the reason that I urge you, as responsible Nebraskans, to pass LB504 out of committee onto General File. I've lived in the Sandhills of Nebraska and I've lived other places. In fact, my family are long-time home...my great grandparents homesteaded in 1884. So I've lived there. The Sandhills are a huge natural wonder that's world class. We need to allow them to stay that way. I have a couple of notes that I took while listening to all this testimony. One of them was--my grandfather, when he first came there, said the tops of the hills were just sand, there was no grass. It's taken the stewardship and the management of the ranchers there to maintain those sand hills and use them for what...some of the best beef industry in the nation. Another thing is, the last two...this last past year, I have attended the Cherry County Commissioner meetings and also the Thomas County Commissioner meetings and practically every one of those meetings and let me tell you it's a challenge. Those

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people, those commissioners are diligent people, but they're business people, and many of them are ranchers. And they don't have the time to study like they should. [LB504]

SENATOR HUGHES: Ms. Witt, if I could get you to wrap up, please. [LB504]

TWYLA WITT: Oh, okay. Planning Commission was likewise the same. And Iowa is not the Sandhills. I appreciate your time and I urge you to support LB504. Thank you. [LB504]

SENATOR HUGHES: Thank you, Ms. Witt. Are there questions? Seeing none, thank you for coming today. [LB504]

TWYLA WITT: Thank you. [LB504]

SENATOR HUGHES: Next proponent. Welcome. [LB504]

TYLER RATH: (Exhibits 30 and 31) Hello members of the Natural Resources Committee of Nebraska. My name is Tyler Rath, Tyler, T-y-l-e-r, Rath, R-a-t-h. I'm from Thedford in the heart of the Sandhills of Nebraska. I'm a homeschooled 15-year-old junior in high school and I'm currently attending my freshman year at the University of Nebraska-Lincoln. I've lived on my family's ranch for as long as I can remember. I testify before you today in strong support of LB504 and to discuss the implications of renewable energy development in the Sandhills. The purpose of LB504 is to protect the Sandhills. For those of you who are unfamiliar with the Sandhills, the Sandhills are the largest sand dune region stabilized by grass in the Western Hemisphere and one of the largest in the world. The Sandhills is also a very special place, because it sits on one of the largest and most important freshwater aquifers in the world, the Ogallala Aquifer. However, what sets the Sandhills apart from other formations is how well it has been preserved since Europeans arrived in the Western Hemisphere. You can walk out into the Sandhills and see it in all of its glory exactly how James Mackay saw it in 1795. James Mackay was the first white man to see the Sandhills. You can't walk outside and see eastern Nebraska as Captain Meriwether Lewis and Lieutenant William Clark saw it in 1804. The same goes for even Kansas. You can't walk outside and see the Great Plains as Francisco Coronado saw it in 1541, during his search for the Cities of Cibola. The Sandhills are the only place left in the American West where you can truly feel as if you were still in that early period of discovery. Please view the map that I have provided illustrating the last intact natural landscapes of the American West. As you can see, the Sandhills is one of the largest areas still preserved in its natural form. Also view in eastern Nebraska and the rest of the Great Plains there are no other natural landscapes still preserved, especially in the size and the scope of the Sandhills. Farming was the threat to the natural landscape of eastern Nebraska and the Great Plains. That is what eradicated the natural landscape. The Sandhills of Nebraska were protected from farming

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because the conditions were too variable and not favorable enough for farming. However, today the threat to the Sandhills is wind energy and high-voltage transmission development. This is the technology in which the Sandhills will become just like eastern Nebraska--no natural landscape, no longer preserved, exactly how the creator intended. Not only is the natural landscape threatened, but also the grass that has stabilized the dunes for thousands of years and the liquid treasures of clean water below the sand. On my family's ranch, the standard well depth for pumping water is two joints, that's roughly 40 feet. Our ranch is even a higher elevation than most. The wind farm being proposed by Bluestem Energy Solutions and Cherry County Wind, LLC, just north of Thedford, Nebraska, is a 147 turbine project. This project also referred to as the Cherry County Wind Farm or BSH Cascade, LLC, is just three miles to the north. BSH stands for Bluestem Holdings. The land in that area is composed of gentle, flat lying hills similar to our ranch. Along the north boundary of BSH Cascade is a stream called Calf Creek. Calf Creek is also a very productive valley and meadow. The proposed wind turbines are close to 450 feet tall and will require 25 by 45 foot concrete foundation... [LB504]

SENATOR HUGHES: Mr. Rath, if I could get you to wrap up, please. [LB504]

TYLER RATH: ...which also contains several thousands of tons of rebar. Now think back a moment. I mentioned the standard well depth on our ranch is less than 40 feet. BSH Cascade is located on similar land and a decreasing elevation to Calf Creek and is using 25 by 45 foot concrete foundations. So you see what this situation equates to. Most of those turbines will most likely be implanted directly into the Ogallala Aquifer by five feet or more. I'll go and skip to my conclusion and compress my speech as much of... [LB504]

SENATOR HUGHES: If you would, please. [LB504]

TYLER RATH: If you turn down LB504 you will be ruining a bright future that awaits the next generation. You may not have to live with the results of your decision, but I will, and many others the same age as me and those yet to be born. That is why you must accept LB504, not just to conserve the Sandhills and Nebraska, but to conserve and preserve the bright future that awaits the next generation. To conclude, I would like to quote Luke 14: "For which of you, intending to build a tower sitteth not down first and counteth the cost, whether we have sufficient to build it? Lest haply, after he hath laid the foundation, and is not able to finish it, all that behold it begin to mock him, saying this man was not able to build and was not able to finish." If you truly believe in the betterment of Nebraska and her citizens, you will accept LB504. Thank you. [LB504]

SENATOR HUGHES: Thank you, Mr. Rath. Are there questions? Seeing none, very good job, thank you for your testimony today. [LB504]

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TYLER RATH: Thank you. [LB504]

SENATOR HUGHES: Additional proponents? Welcome. [LB504]

MERRIAL RHOADES: (Exhibit 32, 33) Hello. Good morning, Chairman, Senator Hughes, senators of the committee, I appreciate and thank you for your service to our state. I am Merrial Rhoades, that is M-e-r-r-i-a-l R-h-o-a-d-e-s; that's 39920 East Calf Creek Road, Thedford, Nebraska. I support LB504. My husband and I live on a ranch in the heart of the Sandhills. We are located 12 miles north of Thedford, Nebraska, on Highway 83, which is 40 miles south of Valentine, and 80 miles north of North Platte. This area is called the Sandhills, God's Cattle Country. The Sandhills is a very prestige area which is wide open space and has the Ogallala Aquifer beneath it. We raise cattle and enjoy our life like our parents, our grandparents, and our great grandparents. It is not right that the "wind people" can come across our property and make roads with big industrial equipment or put in transmission lines for them to make money and cause blowouts on my property. Did you know it takes approximately 40 to 50 concrete trucks weighing 96,000 pounds for one wind turbine foundation? Now take that times 146 wind turbines that are proposed for a wind farm near me. That would be 6,570 trips just for the wind turbine foundation, and that doesn't count the trucks hauling the rebar, the turbine base, the blades, the hub, the construction workers or whoever of many other heavy trucks. These trucks will be going across my property causing deep trails, blowouts that no way can be healed in a thousand years. Can you envision 146 wind turbines along Highway 83 with the high voltage transmission line and feeder lines? This is just one of the proposed wind farms in Cherry County that you will be able to see. The high voltage transmission line is coming from Sutherland, Nebraska, and coming north to Thedford and turning east toward O'Neill, covering 247 miles across the Sandhills. Nebraska Public Power who is building this line has finally admitted the line is coming this way to connect to the wind farms in Cherry County. The energy from these wind farms is not even for our use; it is for a company, Southeast Power Pool, which most, if not at all, of the energy will be sent out of Nebraska to the southern states. Local neighbor investors have caused a lot of havoc in our county. Wind investors that live eight miles from us are no longer our neighbors. Neighbors in the Sandhills help each other and stand beside each other. These investors have lied to us and don't give a darn about my property rights or what they do on the sand hill. These wind investors not only have lost neighbors they have even broken up their own families. Why are they doing this only for the money for the wind companies they say they will receive, which is money that is not guaranteed? As president of the Preserve the Sandhills, a group of ranchers and business people located in the Sandhills that are diligently trying to protect and preserve our Sandhills, I would like to share with you a list of over 300 signatures from people who live in the area, a few prior residents who have visited the area recently, and some who are traveled around the area from out across the United States. They enjoy the beautiful drive. These people have voluntarily signed these sheets of paper that include a statement that they are against wind farms and high-voltage transmission lines. I invite each one of you to come

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to our ranch and tour the Sandhills to actually see how it will ruin a natural prestige area that God created for each one of us. I respectfully ask you senators to seriously listen and read all the material that has been given to you today and vote for LB504. There needs to be a great deal of time taken to do this study. [LB504]

SENATOR HUGHES: Thank you, Ms. Rhoades. Are there any questions? Seeing none, thank you for coming today. [LB504]

MERRIAL RHOADES: Thank you. [LB504]

SENATOR HUGHES: Additional proponents? Welcome. [LB504]

JUDITH RATH: Hello. I am actually reading a letter from a local resident; he was unable to travel. He is elderly and wanted to have his voice heard also. [LB504]

SENATOR HUGHES: Could you state your name and spell it, please. [LB504]

JUDITH RATH: (Exhibit 34) I can. My name is Judith, J-u-d-i-t-h, Rath, R-a-t-h. I am regrettably unable to appear in person due to distance and conditions, but appreciate your consideration and request that this written testimony be read and entered into the record. I am a retired surgeon, born and educated in Nebraska, serving in rural Nebraska the past 30 years, involved over 15 years in development focused upon conservation values. In or near the Sandhills are six golf developments with national reputations; one the premiere ranking within "Best Modern" the most outstanding courses built since 1959 nationwide, for 22 consecutive years, the other five are in that vaunted list as well. These courses are considered "remote", difficult to get to, all relying heavily on players coming long distances seeking a level of sanctity not found on their home venues; and each community in which these courses are located benefits immensely in jobs and economic diversity to its agricultural profile. At least one of these projects has afforded 40 local students college scholarships averaging nearly \$30,000 each, paid by its non-local members. A major feature of each course is the allure of its unblemished vistas, the opportunity from every vantage point to view a horizon unfettered by contraptions that otherwise clutter players' home course. There is such value in this aesthetic that the courses spend hundreds of thousands of dollars just to have the power lines buried. At question is whether forfeiting this beauty, perhaps now preserved only in the Sandhills, is worth whatever is gained from the imposition of behemoth, unsightly, whirling structures as tall as the state Capitol, topped with a blinking red light that will mar the finest night skies east of the Rockies. Is it fair that an individual receive payment to allow one or many of these contraptions on his property when it is seen for 30 miles in every direction, affecting every landowner within 2,900 square miles? The impact of turbine construction and transmission lines on sandy roads will

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impact local budgets and tax bases; the noise and structures will affect wildlife; the decommissioning methodology is vague. Our communities struggle to remain united amid a matter divisive and very destructive to neighbors. The wind does not blow only in the Sandhills and it is nonsense to sacrifice a Nebraska treasure for unstudied impacts. We are a poor region where many remain because of aesthetic values--the skyline, night skies, wildlife, and solitude; and it is wrong that others who do not live here seek to influence our future to enhance theirs. It merits study. Please advance LB504 to the General File for full legislative debate. Thank you for hearing these concerns. Respectfully, Cleve Trimble. [LB504]

SENATOR HUGHES: Thank you, Ms. Rath. Are there any questions? Seeing none, thank you for your testimony. [LB504]

JUDITH RATH: Thank you. [LB504]

SENATOR HUGHES: Additional proponents? If you wish to testify, if you'd come to the front row, that would be great just to expedite the process a little bit. Welcome. [LB504]

CHARLENE REISER-McCORMICK: (Exhibit 35) Thank you. And I would like to thank you first of all, Chairman Senator Hughes, and all the rest of the committee members, for giving us this chance to speak. It's a big opportunity, we appreciate it so much because it's like somebody said, that's why people go off to wars and give their lives so we have the freedoms that we have today. I'm not going to read...I forgot to tell who I was, excuse me. My name is Charlene, C-h-a-r-l-e-n-e, two last names hyphenated, Reiser, R-e-i-s-e-r, hyphen, McCormick, M-c-C-o-r-m-i-c-k. I have e-mailed most of you some information in the last few days, and so that's one reason why I won't be reading this, some factual things. You heard a lot today, so I'm just going to kind of wing it. A little bit about me--I live on a ranch 40 miles south of Valentine that my relatives homesteaded there back in 1880. Okay, most of the landowners that are proponents of the wind turbines have about a stack of information at home about a foot and a half tall. And as much as I appreciate it, the three minutes that we're given doesn't even begin to scratch the surface to provide the information that needs to be made to give...to come to an educated decision on this matter. That's why I feel there needs to be a task force. That's why I support LB504. I will say this--the more research you do, the more you find, the more you read, the more it scares the heck out of you. That's why we need a task force. The adverse effect on human health and wildlife is enormous. You cannot imagine all of the factual, unbiased information that is out there. And that's the kind that I pray our task force looks at, not the information that is backed by the energy companies. To examine all of this information and the adverse effects to the land, the wildlife, the ecosystem, to our water just takes time. If we've collected a foot and a half of information in nine months, you can imagine what's out there. Two years will hardly be enough to go through it all. And the...so the rest I'm just going to reply to some comments somebody else made. First of

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all, I believe it was you, Senator Walz, I think, made a comment about keeping this at the local level. Most of the time I would agree with you. Cherry County is the largest county in the Sandhills. We have three commissioners. All three of our commissioners have a conflict of interest. In fact, one of the commissioner's wives spoke today. She is the newly hired secretary of Cherry County Wind. The second commissioner is an investor in Bluestem and Cherry County Wind. The third commissioner, her dad and mom, her two brothers, and her sister are all investors in the wind turbines in Cherry County Wind and Bluestem. [LB504]

SENATOR HUGHES: Ms. Reiser-McCormick, could I get you to wrap up, please. [LB504]

CHARLENE REISER-MCCORMICK: Yes. I'm sorry, I didn't see the...and so that is another reason why we need Senator Brewer's bill to do an unbiased look and a study because I don't think it can be done in Cherry County at the local level. Thank you. [LB504]

SENATOR HUGHES: Thank you. Are there any questions? Seeing none, thank you for your testimony today. Additional proponents. No more proponents? Okay, we will read into the record the letters that were submitted by the proponents. [LB504]

LAURIE LAGE: (Exhibits 36 through 73) Brad McCormick, Valentine; Gordon Moshman, northeast Garfield County; LeRoy and Carolyn Semin, Kilgore; Mrs. Fowler; Barb Otto, Spencer; Steve and Carol Moreland, Merriman; Judith Rath, Thedford; Chase Rath, Thedford; Marion Rhoades, Thedford; Glenda Phipps, Whitman; Dr. Carla Ericksen, Lincoln; Lyle Rath, Thedford; Janet Schawang, Omaha; Marilyn Ericksen, Seneca; Albert Ericksen, Seneca; Alfred and Leola Homan, Pierce; Randy and Lana Peterson, Kilgore; Paul Leahy, Lincoln; Twyla Gallino, Valentine; James and Gail Herrman, Nenzel; Deb Ramm, Valentine; Charles Stoner, Kilgore; Monty Neiffer; Bette Nygren, Brewster; Merle Weihe; Frank Utter, Brewster; Brenda and Shawn Semin, Lincoln; Grace Coleman, O'Neill; Rose and Richard Stehno, North Platte; Linell Schultz, Doniphan; Pam Moody and Russ DeNaeyer, Purdum; William Stetter, Valentine; Sheldon Otto, Spencer; Joy and Sam Miles, Valentine; Curtis Kayton, Southwest Public Power District; C.J. Lewis, Thedford; Julie Walker; and Donna Roller. [LB504]

SENATOR HUGHES: Okay. Thank you, Ms. Lage. Okay, opponents? Welcome. [LB504]

BUZ SCHOTT: Good afternoon now. Thank you very much for allowing me to speak today. My name is Buz Schott, B-u-z S-c-h-o-t-t, and I'm with Sempra Renewables. We're owned and operated by Sempra Energy based in San Diego, California, and we have wind, solar, and natural gas, and utility assets throughout the United States, Mexico, and South America. Sempra Renewables is the proud owner of Broken Bow II in Custer County. It's a 75-megawatt wind farm and has been operating very well since 2014. It has provided economic development to

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Broken Bow. It created hundreds of construction jobs and good full-time jobs that are occurring now. It has been a value member of the Custer County and Broken Bow communities. We're also the developers of a new wind farm in Custer County called Prairie Hills. Earlier this year we entered into a 50-megawatt agreement with the city of Grand Island. Sempra Renewables has more than 2,400 megawatts of wind/solar generation throughout the United States. We oppose LB504. In our opinion, it is not good policy to address one form of energy generation in one geographic region. The proposed legislation does not clearly define the Sandhills, and we're not sure if it affects our property in our proposed project. We also believe that the local municipalities are the best qualified site-to-site renewable generation and address those issues that affect their communities. All of our facilities throughout the United States were approved by local jurisdictions. And as was mentioned earlier, state and federal agencies also play a part in this. Another concern is the impacts to personal property rights from LB504. We value relationships we have developed with landowners at the Broken Bow facility. Many of them have said that the income allowing their wind turbines on the property have helped their operations and had very little impact. And the economic impacts, as I mentioned, to Broken Bow and Custer County have been a great benefit as well. Finally, the uncertainty that it is created by LB504 will discourage companies from investing in Nebraska. Sempra Renewables and other wind developers commit millions of dollars to develop wind before they even put anything in the ground, and the ambiguity from this legislation would help drive companies out into other locales. We believe that the Nebraska Legislature has done a great job developing energy policy and has encouraged a very balanced approach to electric generation. We respectfully request you vote against LB504. Thank you. [LB504]

SENATOR HUGHES: Thank you, Mr. Schott. Are there any questions? Seeing none, thank you for your testimony today. Additional opponents? Welcome. [LB504]

LARRY SCHERER: (Exhibit 74) Thank you. Good afternoon, Senator Hughes, Chairman of the committee, and members of the Natural Resources Committee. My name is Larry Scherer, L-a-r-r-y S-c-h-e-r-e-r, and I'm here representing the Nebraska State Education Association, which you may think is strange. But, when...as...it's fitting today's the statehood anniversary, because as a condition to become part of this state in this union, the state had to dedicate two sections per township for the support of public schools. And a large portion of the remaining school lands are located in the Sandhills. And the Board of Education Lands and Funds is the entity that manages those in trust for the school children of the state and the public schools, and this will affect them in that there's two pieces to it. The income from wind and solar development is dedicated to professional staff development for teachers and administrators in the state. That now amounts only to about a quarter of a million dollars, but as you can tell, it's growing. And on top of that, the other \$35 million to \$40 million goes for support of all the schools in the state. So this is important. On the back here, you see an example of how it affects individual schools, and this is the Elgin District that was mentioned earlier, they're looking at \$470,000 in property tax relief

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this year. And so you're looking at property tax relief in rural areas, especially...which tend to be left out the property tax relief in the TEEOSA formula. So this is something that is valuable to them. There's no doubt there are environmental and economic issues involved and you have a difficult job. Just don't want you to forget the school issue and the trust that these lands are held in for the public schools of the state. So if there's any questions, I would try to answer them, otherwise, need more information, please let me know. [LB504]

SENATOR HUGHES: Thank you, Mr. Scherer. Are there questions? Seeing none, thank you for your testimony. [LB504]

LARRY SCHERER: Thank you. [LB504]

SENATOR HUGHES: Welcome. [LB504]

LUCAS NELSEN: (Exhibit 75) Thank you. Good afternoon, Chairman Hughes and other members of the Natural Resources Committee, my name is Lucas Nelsen, L-u-c-a-s N-e-l-s-e-n, and I'm here on behalf of the Center for Rural Affairs. I'll keep my testimony brief, I know that there's a celebration to go to later today, but the Center opposes LB504 because we believe it is not a step towards protecting the ecosystem of the Sandhills, but instead is focused on removing the ability of local communities and property owners to responsibly development wind energy in our state. This bill, essentially, wrests local control from Nebraska communities. Nebraska communities, I think it's worth noting, already have the ability to regulate wind energy, to require decommissioning plans, to look at siting standards; everything that is of note for opponents/ proponents, any community member that is concerned about wind energy. And also, there's nothing stopping them from, essentially, pushing the pause button, which was the advocacy behind this bill and taking a step back and looking at these measures. So it seems that LB504 is unnecessary for its intent. I think it's also notable that there were some concerns about how to draw a boundary around the Sandhills. I've included four maps with my testimony. And I think it's worth thinking about, where are the borders of the Sandhills? How are we going to determine these borders? What is the process for identifying those borders and ensuring that we are encompassing the area that ought to be encompassed when we're talking about that as a region. Chairman Hughes, I believe you brought that up initially this morning and I think that's...assume that deserves much more consideration in this bill. Thank you. [LB504]

SENATOR HUGHES: Thank you, Mr. Nelsen. Are there questions? Seeing none, thank you for your testimony. Additional opponents? Welcome. [LB504]

DARREL HAYEK: Good afternoon, Senator Hughes and members of the committee. My name is Darrel Hayek, D-a-r-r-e-l H-a-y-e-k. I am the founder and the vice chair at Saline County

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Wind Association. We're opposed to this bill because it takes away the rights of the landowners to use their ground in a lawful way to produce income. And the moratorium is a two year. By the time that two years is up, a lot of the production tax credit would be gone. And if a developer would come in right now, it would take him three to four years, as you've heard before, before he could turn ground anyway. Right now, we're not...this bill doesn't address solar. Solar takes seven acres to produce one megawatt of power, where a wind turbine takes a half to three-quarters of an acre to produce one and a half to three megawatts of power. And Saline County Wind does not go by with one year without being contacted by landowners on how to protect themselves. We've done presentations all the way from Frontier County up to Lynch, southeast into Burchard, Belvidere, and we're doing one in two weeks in Pierce. And if anybody wants to come to know how to get everybody on board to protect your rights, they're more than welcome to come. And I'll take any questions. [LB504]

SENATOR HUGHES: Thank you, Mr. Hayek. Are there questions? Seeing none, thank you for your testimony today. Welcome. [LB504]

DAVID M. VAVRA: Well, when I made my notes this morning, it was good morning. Mr. Chairman, it's good afternoon. My name is David M. Vavra, D-a-v-i-d, Vavra, V-a-v-r-a. I'm the chairman of the Saline County Wind Association and we represent nearly 300 to 400 members, landowners, in this association. How we came about is we were approached by a couple of developers. And instead of letting them go ahead and cherry-pick, we decided to organize and negotiate contracts. And I am here to oppose LB504, and I've got mixed feelings about it. I understand preserving the pristine nature of the Sandhills. But then if we're going to preserve the pristine nature and worry about the acid concrete, then we must be thinking about pulling up all the concrete and asphalt that is already been laid down there as ribbons of highway. All the roads, the railroads, for years have dumped their oil on the railroad tracks while they still were running the old engines, and they still even with the diesels they still dump that. So I don't want to minimize the environmental effects, but I think it comes down to a simple...one simple word, and that's NIMBY. Everybody knows that one? NIMBY, that's an acronym for "not in my back yard." I didn't pass out a lot of papers today because I figured we're going to kill enough trees and there wasn't any need for that. But this moratorium is not going to lessen the pressure or the angst between people. How we did it in Saline County and how Cherry County did it was we organized, we got out information, we invited people to the meetings. Every one of my meetings, I start off with the slide of up in Minnesota where there's hundreds of wind turbines across the landscape. My second slide is the wind turbine that burned up in Bloomfield when an electrician happened to lay a wrench and after 20 minutes that tower was totally and the deal was destroyed. So I say, landowners, you decide. And it comes down to the local control. Not necessarily the county commissioners, but to the landowners. The landowners could decide because if you don't get the land, there's no right of eminent domain. If you don't have enough land site, the wind developers will not come in. I'm going to put in another plug for a good friend of mine hard

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work, John Hansen, with the Farmers Union. He's been working for years with the Nebraska Wind and Solar Conference. And for people to say they don't know about it is when...I've spoken at that conference a number of times, and yet to get the people to come and listen, Saline County Wind Association, this year, offered to Fillmore County and Saline County, any county commissioner, any planning and zoning member, we would pay their tuition to attend the meeting; and not a single one showed up. So when it comes down to it, for people to say--we don't know, it's because they choose not to know. My time is up. [LB504]

SENATOR HUGHES: Thank you, Mr. Vavra. Are there questions? Seeing none, thank you for your testimony. Additional opponents? Welcome. [LB504]

CHELSEA JOHNSON: (Exhibit 76) Hi. My name is Chelsea Johnson, C-h-e-l-s-e-a J-o-h-n-s-o-n. And I'm here representing the Nebraska League of Conservation Voters. And I've submitted my written testimony because it reiterates a lot of the points that have already been said, so I don't want to restate those. It also includes several hundred of our members who have signed on in support of our letter of opposition; they come from across the state, so that is also submitted. So I just want to take a couple of minutes to respond to what we've all heard today and it's very clear...this is a very divisive issue. But I think it would be misguided to see this bill as a pro-conservation bill because of the many points that have been made before me. There's already quite a bit of development of roads, transmission lines, there are irrigation wells, all of these are developments that are also detrimental to wildlife, habitat, etcetera. Furthermore, the 19,300 square mile area stated in the bill is equal to about 25 percent of the state's land area. And I think there are a few legitimate arguments that could say that, you know, farming, for example, or modern agricultural practices are not detrimental to wildlife or ecosystems. It is. But why don't we take 25 percent of our land out of commission for agriculture is because we have some of the best soil in the nation, some of the most abundant water resources in the nation; and those are both natural resources that allow us to have this agricultural identity. And I think it's time for us to also view our wind resources as a natural resource, just as soil, just as water is viewed in that way. We are ranked third in the nation in our wind resources. And like many have said that means a lot of revenue for the state to fund things such as education, Department of Health and Human Services, you know, many other agencies that...especially in this budget climate are facing huge cuts. So it can bring a sense of stability in the future. Of course, we think that it needs to be developed responsibly, and maybe that means increasing the sort of environmental requirements that are already in statute. Maybe that means increasing the public input opportunity, but we don't think that means taking out 25 percent of our state for two years and giving up the opportunity that could exist for landowners in that area to benefit from wind energy development. And that is my testimony. [LB504]

SENATOR HUGHES: Thank you, Ms. Johnson. Are there any questions? Seeing none, thank you for your testimony. Welcome. [LB504]

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RON SEDLACEK: Good afternoon, Chairman Hughes, and members of the Natural Resources Committee. For the record, my name is Ron Sedlacek, R-o-n S-e-d-l-a-c-e-k. I'm here on behalf of the Nebraska Chamber of Commerce and Industry in opposition to the legislation before you. I'll be brief and nonrepetitive; I know there are a couple of topics I was going to talk about, and that was already covered by Mr. David Levy, as well as Mike Degan. And just would like to say that the state chamber believes this is sending the wrong message to the business community, in particularly one industry, and the fact that we could have legislation that could affect that industry to its detriment; it could fall victim to legislation that would jeopardize legal agreements between developers, landowners, and other parties. It seems that the testimony that been hearing from the proponents, although the bill facially says a two-year moratorium, it appears that a majority of them would like to see an absolute moratorium on wind development. And we would oppose that as well. [LB504]

SENATOR HUGHES: Thank you, Mr. Sedlacek. Are there any questions? Seeing none, thank you for your testimony. Additional opponents? [LB504]

JOHN HANSEN: Mr. Chairman, members of the committee, good afternoon. For the record, my name is John Hansen, J-o-h-n, Hansen, H-a-n-s-e-n, I'm the president of Nebraska Farmers Union. We have traveled across the state of Nebraska for many years helping local landowner associations get formed. And they were formed because they wanted, as a self-help mechanism, to be able to find a way to bring new economic development to their communities, new income to their farms, new jobs to their communities, new tax base to their communities, and they're pursuing the opportunity to do something that is legal, that is economically beneficial, that is a kind of energy we are, as former Governor Johanns said, the Saudi Arabia of wind. We have the third best wind resources in American, and yet there is no other state at our level of potential that has done less with our wind resources than has the state of Nebraska. So we are behind and we are slow. And we have said that's okay, but let's do things right. And doing things right means that we follow a process of local control and decision making, and we don't go where we're not wanted, but we allow the local process to work. This bill, in our opinion, is a heavy-handed, anti-business, anti-local control, anti-private property rights effort. And that is...I don't know how else to see it; because our landowners, as me...as my...on my own land, I have the right to decide what it is that I can do within certain reasonable limits. But my rights don't extend to my neighbor where I can tell my neighbor that I really don't think you ought to put up a blue silo. I don't like the way blue silos look. I don't think you ought to put up a leg, a grain leg, or a grain bin, or a radio tower, or any of the other things. I don't get to use a viewshed denigration as a standard for abrogating my neighbor's private property rights. We are strongly opposed to this bill because it...it...yet it picks sides in the local control babble, and I will tell you that a two-year timeout will solve nothing. It will just...you will move that cat fight, at the (inaudible) pen from the local level into the Legislature, if the Legislature goes down this path and it will not solve the problem. And the folks who are in strong disagreement are going to be in strong disagreement and they're

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going to have to be able to work that out at the local level. It is a fundamental mistake for the state of Nebraska to get in the middle of this local control issue. And I would be glad to answer any questions if I could do so. [LB504]

SENATOR HUGHES: Are there any questions? Seeing none... [LB504]

JOHN HANSEN: Thank you very much, and good luck. [LB504]

SENATOR HUGHES: Additional opponents? Welcome. [LB504]

RICHARD LOMBARDI: Thank you, Senator; thank the committee. My name is Richard Lombardi. I'm appearing today as the registered lobbyist for The Wind Coalition. The Wind Coalition is a trade association of wind companies that are doing business in and outside the state of Nebraska. I guess the message I want to say is that Nebraska... [LB504]

SENATOR HUGHES: Excuse me. [LB504]

RICHARD LOMBARDI: Yes, sir. [LB504]

SENATOR HUGHES: Spell, please. [LB504]

RICHARD LOMBARDI: (Exhibit 77) Oh, sorry. L-o-m-b-a-r-d-i, Lombardi, Richard, R-i-c-h-a-r-d. I'm passing around to you a document that is really a product of this committee and the previous Natural Resources Committees. The Nebraska Legislature is single-handedly responsible for the development of wind in the state of Nebraska. And what I have before you are the series of strategic steps that the Legislature has taken over the years to remove unique barriers in the state of Nebraska and has been extremely successful at it. And this has been an incredible collaboration. You can see the results of the levels of investments that have occurred. Last week, 50 percent of the electricity that we got in this building came from wind. If you are in Omaha or if you're in Lincoln, that the public power districts have entered into long-term, fixed-cost arrangements with wind companies to provide electricity to their citizens. The diversification that public power has done in a relatively, incredibly short time is a real credit, I think, to the work that the Legislature has done. So if there's any question in the frustration that many of you will have during the remaining part of this legislative session about legislation, legislation makes huge differences...huge differences. And this is just a demonstration in this particular microcosm. I wanted to share that with you. Of course, as an industry that is separated out from other industries, we're not too excited about the bill. But I just wanted to provide the committee; and again, thank this committee and your predecessors for some incredible amount

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of work that has resulted in significant investments in rural Nebraska that's providing low-cost electricity to the citizens of the state. Thank you, Senator; thank you all for all of your time. [LB504]

SENATOR HUGHES: Thank you, Mr. Lombardi. Are there questions? [LB504]

SENATOR GEIST: I do have one. [LB504]

SENATOR HUGHES: Senator Geist. [LB504]

SENATOR GEIST: I believe Prairie Breeze might...or Grande...I don't know, I'll ask you the question... [LB504]

RICHARD LOMBARDI: I know. [LB504]

SENATOR GEIST: Which of these are located in the Sandhills? [LB504]

RICHARD LOMBARDI: The ones that...and again, I think there's a little bit of a definitional challenge, but the Broken Bow projects are on the edge of the...could be included in the Sandhills in Custer County. Grande Prairie and Prairie Breeze, again, are in those areas that... [LB504]

SENATOR GEIST: Periphery. [LB504]

RICHARD LOMBARDI: Yeah, dependent upon how you...how you divide it up. [LB504]

SENATOR GEIST: Okay, thank you. [LB504]

RICHARD LOMBARDI: Well, thank you. [LB504]

SENATOR HUGHES: Any additional questions? Seeing none, thank you, Mr. Lombardi. [LB504]

RICHARD LOMBARDI: Thank you all. [LB504]

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SENATOR HUGHES: Additional opponents? Seeing none, is there...we have written...opponents? [LB504]

LAURIE LAGE: (Exhibits 78 - 100) Chelsea Richardson, Lincoln; Mary Harding, Plattsmouth; Bob Servedio, Lincoln; Kathleen Green, Lincoln; Nancy Meyer, Cedar Bluffs; Twila Phillips, Cherry County; Lyle Vannier, Lincoln; Greg Ptacek, Neligh; Larry Ridenour; Mark Johnson; Ken Haar, Malcolm; Kevin Fitzgerald; Sheila Schrader, Garland; Robert Klein, Sterling; Chris Abbott; Lyn Messersmith, Seneca; Shirley Osborn; Mary Jo Guinan, Omaha; Don Goebel, Fairbury; Jeffrey Clark, The Wind Coalition; Bruce Messersmith, Alliance; Alex Houchin, Lincoln; and Sandhills Energy. (see also C. Michael Gregg). [LB504]

SENATOR HUGHES: Okay, is there anyone else who wishes to testify proponent, opponent, or neutral? Seeing none, Senator Brewer, you're welcome to close or waive closing. Welcome back. [LB504]

SENATOR BREWER: Thank you. Well, it has been an interesting array of lobbyists and lawyers, along with some of the parties that are being affected out in the Sandhills. Before we index today, let's backtrack just a little and let me explain how I took a personal interest in this. I was there this summer when they had the meeting in Valentine. And what happened was, as people assembled, there was a point the Fire Marshal had to say--enough is enough. And we departed the court house and went to the high school because it was the only place big enough for everyone to go to. And it started a process that went through the afternoon, into the evening, and ended at 2:00 in the morning when they finally called the question. What was obvious from this endless testimony was that for every ten people that were opposed only one walked up in favor. Now, maybe they just didn't come. I can't say that. But what's obvious is, that this is an issue that affects a lot more people than are here today. Think of the distance that they're traveling, it's calving season. So I will tell you that if circumstances were different, this room would be full all day long with people giving testimony. And I love the fact that everyone comes in with all kinds of issues like what's going on in Saline County. I don't care what happens in Saline County. I don't care what happens in Holt either. What we're talking about is western Nebraska and the Sandhills. And I especially don't care what happens in Iowa or how many wind towers they have in Iowa. It's two different states; it's two different situations. And we're not talking about anti-wind here; although the wind people seem to want to take it that way. What we're talking about is freeze-framing long enough to figure out what's going on and to answer questions. And, obviously, that's not what many want to do because answering questions may give them answers they don't want to hear. And it does anger me in ways to have them come in and, essentially, put a gun to our head and say either you do it our way and give us wind or we'll leave Nebraska. It's not about putting up towers other places. If we've got other avenues and places, then let's put it up; I'm all for it. But not in the Sandhills until we get some answers. The issue of local control is the whole reason this came up is because there was such controversy.

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When people on your commissions, on your boards, on your panels are the ones invested in the wind energy, how can you get a honest answer? If you don't think that this whole issue of safe harboring isn't going to happen; if this bill leaves here and goes to the floor, the panic is going to run through those guys and they're going to start out with shovels digging holes and pouring concrete as quick as then can. And that's self-serving and it's wrong. But again, we need to have oversight because the counties don't have the resources to understand what would be right and what would be wrong with the depths for water table issues, with water fowl, with fire issues. These are beyond what the capability of these counties have. They have to, if nothing else, talk to the other counties within there and there's no mechanism to do that. That's why we need to do it at our level. We talked about decommissioning. It sounds great; they'll put up bonds. But there's a lot more issues than that. Unlike Saline County, where if a tower burns, it's going to affect a quarter section, a half-section section. There it could affect hundreds of square miles once the wildfire is going. And nobody wants to talk about what the cost would be, if you run a thousand head of cattle into fences, at \$2,000 a head, you'll run into millions and millions of dollars right away and that doesn't cover the cost to fix fences and all the rest that comes with that. How can one county examine all these things and get the right answer? I want to bring up issues like-- well, they've already built roads and there are train tracks, so we ought to have a green light to build as many towers as we want because we're already disturbed nature. That is the most wrong-headed and ridiculous thing I've ever heard. I'm also, quite frankly, concerned that one of the people that's got a letter in is a senator. One of our counter-parts, who also sends a message out to us saying don't vote for it, he hasn't heard the evidence. That is wrong from the very get-go. And maybe I shouldn't be bitter about that, but I am. We should give people a fair chance to hear their voices, hear the issues, then make up our minds whether it's good or not. So as we get ready to break here today, all I'm asking is let's bring it to the floor, let's let a good voice on both sides be heard and come to a resolution. Look at the stack of names that aren't here. They went to so much work to collect these names and try and have their voices heard, to let it die in committee is ridiculous. So I would just ask that we don't let big wind and big money decide this. Let the members of this Legislature hear it out on the floor and make a decision. Thank you, sir.

[LB504]

SENATOR HUGHES: Thank you, Senator Brewer. Are there any questions? Seeing none, that will conclude our hearing today of LB504. I appreciate everybody's cooperation; I know it was a long morning. [LB504]