Developing a Renewable Energy Siting Approach for Wyoming

Situation Assessment and Stakeholder Interviews

Wyoming Outdoor Council, November 2020

Background

Between May and November 2020, the Wyoming Outdoor Council (WOC) conducted informal interviews with key stakeholders in the state regarding the siting of large-scale renewables. The purpose of the interviews was to explore perceptions, ideas, concerns and benefits related to siting these projects and what it means to do it "right" for Wyoming. Stakeholders included solar and wind developers, private landowners, local governments, state legislators, state agencies, NGOs, and others across the state who have an interest or stake in future renewable energy development projects. (See list of those interviewed at the end.) Topics ranged widely, addressing pros and cons of approaches, need for policies, differences between wind and solar, private and public lands, county and state authority and more.

Summary of Stakeholder Conversations

WOC staff interviewed 35 individuals representing 25 different organizations and groups. Interviews ranged in length and questions were tailored to the knowledge and experience of those interviewed.

Takeaways from these discussions:

- **Wyoming will see a massive build out of renewable capacity in the next 3-5 years.** One interviewee said that renewable-related construction in our nation will be the most expensive infrastructure development since the national highway development of the '50s. Rocky Mountain Power alone is looking at $6 billion in transmission and renewable resource investments over the next 20 years in our state. Much of the planning for this has already started and bids for 2020 RFP closed last August. One possible way to influence the siting of this build out would be to somehow prioritize sites that have met some standard for low conflict with wildlife and other important Wyoming concerns (like a "good house-keeping seal of approval"). In concept, projects that meet a certain set of good siting criteria would then receive higher prioritization for selection in Rocky Mountain Power's RFP process. It's unclear how this can be done within the PSC framework.

- **There is a disconnect between politics and public perception.** According to the University of Wyoming Haub School's polling Wyomingites are largely in favor of renewables. Most folks we talked with had not seen this research. There was wide agreement, however, that Wyoming's policy makers are out of step with that majority public opinion. There is a lot of political energy focused on managing the present economic downturn with our state's legacy industries, and this is coming at the expense of developing a vision and the planning necessary to enact long-term solutions for an energy transition. In general, politically, there is a strong anti-renewables narrative in the state that people thought needed to be changed.

- **There is support for a conversation.** Utilities, developers, and industry advocates are willing to support the conversation about siting facilities right if we are talking about incentives for siting. Understandably, there is some skepticism and fear that diving into this topic could wind up adding another layer of regulation that they have to deal with.

- **There is room for a proactive approach to siting.** There was a fairly broad consensus that "having the state conversation" about addressing siting through a proactive frame was important. By proactive – that means that locations or types of locations that are more suitable for our state's values, with fewer conflicts, could be pre-identified and development could be incentivized to locate in those areas early on. This is a different process than our current Industrial Siting Act permitting, where a developer spends significant time planning their location, and after a lot of investment and commitment to that location, they bring an application before the ISC. At that point it is too late to make major locational changes. On the flip side of the incentives to site in preferable locations, many pointed out that it should then be made to be harder, longer or costlier to site in locations outside those preferred areas. It was noted also that utility regulation and renewables development is fragmented in regulation, idiosyncratic, complex and somewhat haphazard as a result.

- **Focus on an incentive-based approach to siting.** Using a carrot, not a stick approach is favorable when addressing renewable siting and the "Holy Grail" of private property rights have to be respected. In terms of incentives, developers are not quite sure what to ask for. Potential incentives that were brought up in conversation to "site it right" could be reductions in property taxes or reduced/ expedited county, state, and federal permitting requirements. Some developers feel they are already "doing it right" upfront and well in advance of selecting a site, so as to avoid missteps, public pushback and regulatory set-backs. For better or worse, Wyoming's lack of siting guidance keeps options open to developers. Some developers think that the current permitting requirements are enough of an incentive to do a good job with siting. In other words, poor siting results in a drawn out and lengthy permitting process that costs the company time and money. However, the flip side of this is the bad-apple effect, like what we saw in Sweetwater County, where a badly placed solar project gets a lot of negative press that actually harms good industry actors. Poor siting gives renewable opponents ammunition and negatively influences public perception of future projects.

- **Too late for discussion on wind energy?** Most folks thought that addressing wind at this point might be challenging, since so many projects are already in planning and development phases, whereas solar is still new to the state and there's opportunity to get out ahead of that.

- **Wind and solar have different impacts.** Everyone noted that large-scale wind and solar present very different types of impacts, and locational concerns need to reflect those. Wind is far more dependent upon the right location for capturing the resource; solar is less. Wind is viewed as covering a vast amount of landscape, but also allowing for a range of other uses on that land (grazing, some wildlife, recreation, etc..). Solar completely takes away all other uses of the land, but also can be less visually evident.

- **Wildlife conservation is important.** Wildlife, conservation and public lands advocates especially agree that siting renewables right in Wyoming is important. Wildlife impacts are the most cited concern. The WY Game and Fish Department is updating its guidelines for renewable energy projects and adding in solar. To date, these are in a draft form. They also support a programmatic EIS approach on solar with the BLM/Department of Interior for public lands.

- **State and local tax revenue is important.** County and state officials are very concerned about their tax-base and revenue. Counties with big renewable projects (like Carbon County) are

seeing their tax-base grow largely because of new investment from wind development. It was noted, however, that counties with more traditional energy sources (coal, oil, etc.) appear to be those most opposed to renewables.

- **Developers want certainty.** Developers are looking for certainty and they are not getting that with Wyoming right now. What does certainty look like? At the state level, we heard multiple times that it means stopping the aggressive push for tax increases on renewables, and legislative tinkering with the PSC, and ensuring fair, predictable, and competitive regulation of renewables in Wyoming. At the local level, developers are also very concerned about reactionary decisions made by counties and planning and zoning commissions that change requirements on renewable development in response to proposed projects.

- **There are opportunities to simplify the permitting process.** Developers in Wyoming typically have 1-3 layers of permitting requirements to satisfy. This includes county permitting (which can vary widely across the state), and with most large projects, permitting through the State's Industrial Siting Act. If the project implicates federal lands, additional federal permitting is needed through NEPA for the project. Permitting represents a significant cost to developers and we have heard from some officials that some developers have tried to come up with creative ways to avoid this (like phasing projects to come in under ISA review thresholds). Federal permitting in particular is burdensome which is why most developers avoid federal lands and stick to private or state lands. Additionally, there is frequently some redundancy in these permits, and counties do not always have expertise on issues (for example, state wildlife concerns or cultural resources) and depend on state agencies or analysis from other permits (like NEPA documents). *Importantly, there could be opportunities to simplify permitting, like a "one stop shop" approach that would be a win-win for everyone.*

- **Permitting requirements vary across counties.** Permitting requirements for large-scale renewables can vary significantly from county to county and counties appreciate having this local control and input into the process. A State-wide siting initiative would almost certainly have to interact with county level permitting processes and recognize, somehow, the importance of local control.

- **Siting approaches should differ between private and public lands.** People recognized the importance of different approaches for private versus public lands. Private landowners understand the need for "reasonable" constraints on private property and the need to respect neighbors' private property, but also acknowledged the value renewables can provide to the landowner, and especially to keep ranch operations solvent. Counties were seen as probably the most appropriate venue for sorting out the balancing of these private lands interests, due to the localized input. Incentives could help for private land siting, but this was mostly seen as a valuable tool for public lands.

- **There is common interest in a new approach for siting renewables on public lands.** Developers would like a less cumbersome process that a programmatic EIS might provide for them, and counties would benefit from the early and thorough analysis provided in advance, with the opportunity to weigh in. Public lands were identified by nearly all as the best place for state involvement in a proactive siting approach, with pre-identified zones or areas or conditions for a carrot and stick approach. There is a strong belief that this approach makes more sense with solar, which is more broadly applicable and less developed at this time than with wind.

- **Siting on brownfields is an opportunity.** Everyone seems to agree that prioritizing siting renewables in appropriate brownfields makes common sense. This could be a low hanging fruit in terms of policy consideration. Three big factors are holding this back.
    (1) Liability and assumption of risk passed to new developers,
    (2) Fear that there could be a potential of market rebound, and
    (3) Additional permitting challenges to building on brownfields.

  It could be fruitful to take a deeper look into this topic, as numerous brownfield sites (for example, coal-fired plants slated for closure) have significant transmission infrastructure nearby. Private property concerns wanted to make sure that this focus on brownfields didn't take away the opportunity for landowners to supplement their finances through having renewables on their private lands.

- **A regional approach might make sense.** There was recognition that a regional approach to renewables siting might make sense – one that crosses county lines, but shares some common connections. For example, a regional economic zone or planning effort could encompass counties in Wyoming's "windbelt." This idea has intrigued folks, as there are just a handful of counties where a lot of development will be centered in the next decade or two for wind. Some type of economic development zone that could have preferential siting or streamlined permitting for developers could be envisioned (the carrot), but would likely need a stick approach (etc. higher taxes, more uncertainty?) in areas where development is inappropriate.

- **Should development be timed to coincide with locally available labor?** Some interviewees have cautioned against developing too quickly – renewable resources will always be here and the demand is not going away. One solution to many concerns might be to consider "staged" development of projects so workers could stage contracts and get steady labor (not just boom/bust with construction) and prioritize bids that take steps to hire local contractors and workers. Developers have expressed an interest in hiring locally if the talent pool is available – the state or counties could assist with this by helping make local connections to contractors and workers.

- **A few bad apples can spoil the bunch.** There is a clear tension between the "bad apple" projects that attract a lot of public attention and turn public opinion against large renewables versus the operators that believe they are working to "do it right" but are tainted by the public narrative. Added to this is the political viewpoint that renewables are perceived as a threat to traditional energy – particularly coal – and thus shunned, in spite of their economic benefits for the state. Until these two conflicting dynamics are addressed openly and directly in our state, it is our feeling that Wyoming will continue to careen between opposing forces and efforts about renewables, without a clear path forward that guides development on Wyoming's terms. Nearly everyone interviewed affirmed that it is important to "put Wyoming in the driver's seat" of guiding this future development and siting. While folks did not necessarily have the perfect solution, they felt it was an important conversation to have now for the state and to build state consensus and leadership for action.

Specific Policy Actions or Opportunities to Explore

- Insure that the **Wyoming Game & Fish Department's wildlife guidance** for large-scale wind and solar siting are formalized this fall. Then explore opportunities to make them effective:
    - Utilize as part of the formal Governor's Consistency Review with BLM plans (especially the Rock Springs Field office plan revision due soon) to drive siting of renewables to areas with fewer wildlife conflicts.
    - Create a special streamlined track or other incentive for ISC permitting when proposed development on public lands is pre-certified as meeting the WGFD's guidance.
- Remove barriers to and incentivize renewable **development on brownfield/pre-developed sites**. (TNC is researching Wyoming laws and regulations that may be barriers to such siting.)
- Influence **current and future RFP's to prioritize projects in locations with the fewest resource conflicts**, or at a minimum, that meet the WGFD's wildlife renewable siting guidance (For example, Rocky Mountain Power's 2020 RFP's preferred scenario includes 1900 MW new wind, and 350 MW new solar in Wyoming). This may be a stretch of the PSC's authority. Informal consultation with utilities, or an executive order or emergency rule might be a mechanism.
- Conduct a **regional economic development planning effort** with state, local and federal government to pre-identify low conflict locations along the RMP transmission network where current electrical capacity is proposed to be replaced.
- Consider a county by county or **regional planning approach to influencing renewable siting**, with conditions for staged development that can better sustain a steady workforce and communities. This approach could prioritize local labor by also helping developers connect with local workers.
- Request a **BLM Programmatic EIS for solar developm**ent on federal lands in Wyoming or in certain regions of the state.
- Create a **county-level guidance template for assessing and conditioning permits** for large scale renewables– based on best practices from counties that have experience and with relevant guidance from state agencies, such as WGFD. Provide upfront assistance and resources to counties.
- Create a **streamlined and cheaper process for ISC approval** to incentivize early "siting it right," possibly coordinated with county permits for a one-stop process.
- Explore options such as executive orders, MOUs, emergency rules and other mechanisms to **insert Wyoming's siting preferences into federal land management processes** or to provide us time to conduct regional plans for the long term.
- **Convene a small, efficiently-focused work group of stakeholders** to consider a selection of policy ideas to refine and recommend, or utilize the Haub School resources to conduct such a short-term collaborative so that policy action steps are developed in time for making a difference for Wyoming's future.

List of Stakeholders Interviewed by the Wyoming Outdoor Council (May – Nov 2020)

	Interviewee	Organization	Title	Category
1	Rob Godby	University of Wyoming	Haub School Faculty - Economics	Academic
2	Jess Western, Corrie Knapp	University of Wyoming	Haub School – Social Science, Collaboration	Academic
3	Steve Smutko	University of Wyoming	Haub School - Collaboration	Academic
4	Alex Daue	The Wilderness Society	Assistant Director for Energy and Climate at TWS	Conservation NGO
5	Julia Stuble	The Wilderness Society	WY Public Lands and Energy Associate	Conservation NGO
6	Jennifer Lamb	The Nature Conservancy	WY Southwestern Program Manager	Conservation NGO
7	Hayley Mortimore	The Nature Conservancy	WY State Director	Conservation NGO
8	Nate Blouin	Interwest Energy Alliance	Policy Manager	Trade Group
9	Jeremy Bluma	BLM	National Renewable Energy Program Lead	Federal Gov
10	Christine Mikell	Enyo Renewable Energy	Principle, Enyo Renewable Energy	Developer
11	Angie Bruce	WYGFD	Deputy Director WY Game and Fish	State Agency
12	Ryan Fitzpatrick, Sarah Qureshi	NextEra Energy Resources	Executive, Lobbyist, Roundhouse Renewable, LLC	Developer
13	Kara Choquette	Power Company Wyoming	Communications and Government Relations Director	Developer
14	David Gertsch	Albany Planning Dept	Planning Director	Local Gov.
15	Tasmin Johnson	AFL-CIO	Executive Secretary	Union/Workers
16	John Espy	Carbon County	County Commissioner	Local Gov.
17	Chris Petrie	WY Public Service Commission	Chief Counsel	State Agency
18	Rick Kaysen, Rita Meyer, Sharon Fain	Rocky Mt. Power	Executives & Consultant	Utility
19	Jeremiah Reiman, Bailey Brennen	WY County Commissioners Assoc.	Executive Director & Staff Attorney	Local Gov.
20	Sen. Cale Case	State Senator	Revenue Committee Chairman	State Gov.
21	Ken Lay	Laramie Range	Landowner, Activist	Landowner
22	Jim Magagna	WY Stockgrowers	Executive Director	Ranchers/Land Owner
23	Nick Gann	WY Office of Tourism	Strategic Partnerships Manager	State Agency
24	Sarah Young	WY Energy Authority	Public Affairs and Comms Director	State Agency
25	Amanda McDonald, John Kuba	ConnectGen	Project Development Manager Tie Siding Wind Project and Director of Environmental Affairs	Developer
26	Chris Floyd	WY Outdoor Recreation/Parks	Shoshone District Manager	State Agency
27	Chris Brown	Powering up Wyoming	Executive Director	Trade Group
28	Travis McNiven	McNiven Strategies	Owner	Consultant
29	Colin McKee	WY Industrial Siting Council	Senior Policy Advisor	State Agency
30	Tom Darin	American Wind Energy Association	Senior Director of Western State Affairs	Trade Group