

Michigan Great Lakes Wind Council

Meeting Summary

9:30 AM, January 19, 2009
Lansing Community College, West Campus
Lansing, Michigan

WELCOME, AGENDA REVIEW & NEWS UPDATES

At 9:40, council chairman Skip Pruss welcomed the council and asked the members to introduce themselves for the benefit of the members who were attending for the first time. He also reviewed the agenda briefly.

Mike Klepinger provided a summary of recent news events related to offshore wind in the Great Lakes and on the east coast of the United States. He also asked John Hummer from the Great Lakes Wind Collaborative to introduce himself to the council and describe his role at the Great Lakes Commission in the Great Lakes Wind Collaborative.

State Representative Dan Scripps (D-Leland) was acknowledged by the Chairman and invited to address the council. Representative Scripps acknowledged that the council's deliberative process will benefit the legislature and the state.

DRAFT LEGISLATIVE LANGUAGE UPDATE

Shivaughn Rayl, council staff, presented the draft legislative language developed by a committee of the council and invited questions and comments on the draft, which are listed below.

- The legislation should include a provision that requires the regulatory agency to consider public comments in its decision-making process and provide a responsiveness summary or other written justification at key decision points in the leasing and permitting process.
- Prequalification of bidders and potential lessees is important, but might need to be broken into two phases to accommodate site assessment and construction/operations.
- Funds directed to the Great Lakes Wind Energy Trust Fund should be legislatively designated for protecting and improving Great Lakes habitat and ecosystems and should follow the successful model of the Michigan Natural Resources Trust Fund.
- Language should be changed in Sections 6 and 14 to provide an affirmative right to proceed with the development of a project if explicit requirements for site assessment are met.
- Language in Section 30 on lease revocation should be deleted.
- The legislation should reference the findings of the council, specifically the criteria used in the Lakebed Alteration Tool, to identify most favorable, conditional, and least favorable areas.

- The method for determining royalties is unclear. (Council discussion of this point indicated that the royalties were set as minimums and would be subject to any subsequent development and implementation of incentives.)
- Bottomland conservancies were suggested as an alternative that would exclude certain areas from offshore wind development and would create a revenue stream for the state. (Council discussion of this point indicated that this policy was envisioned and designed as a next-generation energy policy and not a vehicle to generate a revenue stream for the state.)
- Protection of cultural resources should be explicitly added to the sections that list requirements for site assessment and construction and operation.
- Treaty fishing rights should be included wherever commercial and tribal fishing rights are mentioned in the legislation.

Shaun Johnson of the Dykema law firm gave a brief overview of the companion legislation developed to regulate siting of transmission that will serve offshore wind developments. John Hummer of the Great Lakes Commission indicated he would forward information on the Great Lakes Wind Collaborative's Transmission working group to Sean. Council staff committed to providing council members a copy of the draft transmission legislation for their review and comment.

MAPPING CRITERIA WORK GROUP UPDATE

Dennis Knapp provided an update of the mapping criteria work group's activities. He said that commercial fishing data recently became available and that commercial and tribal fishermen will be consulted to discuss the significance of data related to fishing areas identified in the Lakebed Alteration Tool. He advised that the Department of Natural Resources and Environment's fish and wildlife biologists and perhaps fishing industry leaders will be consulted for recommendations on appropriate weights to apply to various layers of data related to fishing resources. He noted that current funding provides for tool developers to add weighting for many if not all of the decision tool criteria, but that this step would require some time, perhaps more time than is available to the council. He further indicated that as a result of recent work the number of Wind Resource Areas dropped from six to five; the inner Saginaw Bay is no longer categorized as a most favorable area.

He explained that the data would be available by one-degree-by-one-degree grid cell squares in the offshore areas, and that leasing blocks will likely be 400 grid cells, or approximately 20 square miles.

The tool is not currently available to the public because it is a work in progress. The ultimate goal is to make it available to the public while protecting and/or limiting some sensitive or confidential data layers.

Subsequent council discussion indicated potential use of the tool as a decision support tool to advance public acceptance of offshore wind and to inform the narrative developed for public engagement activities.

PUBLIC ENGAGEMENT WORK GROUP UPDATE

Wil Cwikiel provided an update of the Public Engagement Work Group's activities. He outlined the plans for three coastal community meetings, one each in Bay City, Escanaba, and Muskegon. These meetings are tentatively planned between mid-March and mid-May.

The council discussed key messages that might be presented at the coastal community meetings. The following suggestions were provided:

- The value of deep water ports and supporting infrastructure should be highlighted in the key messages. These assets (e.g., shipyard resources, vessels, and staff that conform to the Jones Act) should be capitalized upon in any future development.
- The bullet point about the aging power plants should be eliminated.
- The messages should start with the basics describing the potential benefits of a strong offshore wind regime. Also, the offshore wind regime in the Great Lakes is relatively close to a customer base and allows installation of wind turbines in comparatively large, commercial-scale areas that can lead to more efficient operation and maintenance.
- The reference to price should be removed from the key messages. Instead, the message should focus on energy self-sufficiency.
- A key message should reiterate the legislative finding in the draft legislation that emphasizes transformation of Michigan's manufacturing facilities and expertise, including advanced manufacturing technologies in battery storage.
- The messages should be developed with the recognition that the public struggles to understand the scale of the challenge inherent in shifting to new technologies in energy infrastructure.
- The benefits of public compensation from the harvest of the offshore wind regime should be highlighted.
- Messages should incorporate general concepts of wind energy technology and the related wind energy industry, similar to those presented by Dan Radomski in the November council meeting.
- Offshore wind energy has a demonstrated track record in Europe.
- The council is not charged with advocating for or championing offshore wind and the messages should reflect a neutral, informative tone.

Council members requested a plan for preparing to participate in the coastal community meetings. Staff committed to providing council members a briefing packet that includes talking points, a primer on offshore wind, and frequently asked questions and answers.

Mike Klepinger then demonstrated Turning Point software as it was proposed to be used at the coastal community meeting by asking the council members a series of questions and displaying their aggregate answers and explaining how answers from individual respondents could be correlated while maintaining anonymity.

UPDATE ON OFFSHORE PROPOSALS

Chairman Pruss gave a brief status update on the latest developments in the Havgul proposal for an offshore wind development in Lake Michigan. He explained the timing of this proposal in the context of the council's work and the work that preceded the council, including the dry run siting exercise.

Tom Graf gave a brief update on the status of the proposal submitted to the Department of Environmental Quality (now Department of Natural Resources and Environment) by Lake Light & Power for a 100-square-mile offshore wind project in Lake Michigan. This application file was closed before completion due to lack of sufficient information from the applicant.

PUBLIC COMMENT

Chairman Pruss invited comment from the members of the public in attendance.

David Webster commented that the Department of Energy property value study cited in the Scandia presentation is not relevant to offshore panoramic views. He asked whether the council's criteria for siting wind developments six miles from shore is a suggestion or a requirement, and why six miles was selected as the criteria. He suggested the metric should not address the distance, but the optical impacts.

Patrick Harp expressed his positive impression of the council and its broad foundation, indicating that his attendance at the council's meeting has improved his comfort level with the process for decision making related to offshore wind development in Michigan's Great Lakes. He suggested that the visual aids used at public meetings should provide accurate perspective of wind turbines at varying distances from shore for attendees to examine and review.

David Ladd, representing Lake Michigan POWER, informed the council that opposition to the Scandia proposal was overwhelming at the community meetings. He further indicated that opposition to the Scandia proposal would cause Lake Michigan POWER to fight the council's legislation if it appeared that the legislation would enable the siting of the project. He also cautioned that if the legislation were developed before the public engagement, it could sabotage the legislation. He said inland communities should not be ignored in the process and that the public engagement meetings should provide a forum for public input and that the clicker approach may not be responsive to public needs.

Deborah Hirst asked who would conduct site assessments, and expressed the need for those people to be well-established Michigan researchers, as opposed to outside developers who massage data and mix public relations messages. She also observed that wind technology is going through major changes, and asked the council whether multiple companies based locally, in Michigan-, and in the United States will be encouraged to enter bidding. She advised the council to reconsider the perspective of the value of the history of offshore and onshore wind in Europe, calling the discussion naïve. She asked whether the council could step away from focusing on Michigan and consider partnering with Wisconsin, Illinois, Indiana, and Ohio to coordinate a plan to wisely use the resource of wind and other renewable energies.

David Roseman, a member of the Oceana County Planning Commission, suggested that the council review the GIS data for shipping lanes in light of the 14907/14901 National Oceanic and Atmospheric Administration map. He said Scandia and the council have galvanized the local community against wind, and that he was disappointed that the six-mile minimum distance from shore was a soft number, suggesting instead that the siting of wind turbines should be scaled to the height of the turbines to minimize the visual impact.

Don Knepp expressed his support for wind power, but encouraged development of win/win scenarios, specifically the placement of wind turbines out of sight. He said he didn't want another Gary, Indiana, developed in Michigan's offshore area.

Gene Jankowski thanked the council for its work, and then explained his perception of the magnitude and footprint of a 100-square-mile wind farm on land. He said the Lake Michigan fishery is a source of pride and tourism is important.

Duane Hamburger of the Pentwater Township Planning Commission expressed appreciation for the council's work, said he was not opposed to wind power, but said it needs to be done responsibly. He said he hopes the council is looking into the resulting economic impact of wind plants if they are not done correctly.

Sue Hamburger said the six-mile setback is not sufficient and that the turbines must be out of sight to protect the beautiful sunsets, marinas, and tourism. She asked how the Department of Homeland Security might limit fishing in the wind farms.

Don Hines asked what effect the proposed legislation would have on the Great Lakes Submerged Lands Act. (Tom Graf answered that the proposed legislation would provide a more comprehensive review for wind farms.)

William Paxton asked about cost comparisons between various forms of energy.

John Hummer, representing the Great Lakes Wind Collaborative, mentioned the overlap of the Collaborative's work and that of the council. He said the Collaborative is seeking funders to complete a Great Lakes-wide public acceptance and perceptions survey. He said a report on the capabilities of Great Lakes port facilities should be released in February 2010. He mentioned the Collaborative's coordinating calls with the U.S. Army Corps of Engineers with regard to preliminary environmental impact statements for offshore wind developments in the Great Lakes. He also mentioned the Great Lakes Wind Atlas as a publicly available mapping tool that is currently available online and is continually evolving.

Nick Leno asked about the draft legislation's provisions for transferring responsibility from developers to those who will construct and operate a project. He expressed concern that a developer could abandon a project after the idea has been developed. He referenced a report from Denmark that describes negative mussel and algae biomass impacts.

NEXT STEPS

Coastal community meetings are scheduled for March through May. The council will meet again after the coastal community meetings have been held.