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WHISTLING RIDGE ENERGY LLC
PEGGY BRYAN
PREFILED REBUTTAL TESTIMONY
EXHIBIT NO. 41.01R

BEFORE THE STATE OF WASHINGTON
ENERGY FACILITY SITE EVALUATION COUNCIL

In the Matter of Application No. 2009-01: EXHIBIT NO. 41.01R
WHISTLING RIDGE ENERGY, LLC;
WHISTLING RIDGE ENERGY
PROJECT

**SKAMANIA COUNTY ECONOMIC DEVELOPMENT COUNCIL'S
PREFILED REBUTTAL TESTIMONY
WITNESS #2: PEGGY BRYAN**

Q What is the purpose of this rebuttal testimony?

A I am testifying in response to the direct pre-filed testimony of Robert J. Michaels.

Q Are you able to answer questions under cross examination regarding your testimony?

1 A Yes.

2

3 Q Peg, you have reviewed Robert J. Michaels' pre-filed testimony at pages 28
4 through 30 regarding the economic benefits to Skamania County as a result
5 of the Whistling Ridge Energy Project. Has it in any way changed your mind
6 about the opinions you expressed in your direct pre-filed testimony in this
7 matter?

8

9 A Absolutely not.

10

11 Q It is Michaels' overall opinion at page 28, lines 3-4 that "[r]elative to the
12 delivered value of the power, the benefits to the PNW are small." What is your
13 response to his characterization of the Project's economic benefits?

14

15 A I believe that Michaels deliberately chose his words in order to minimize the
16 economic benefits of this project, and then balanced them against an
17 incorrect measure. He dilutes the positive by spreading the Project's
18 projected economic benefits across the entire Pacific Northwest. In this way,
19 he has avoided any real analysis of economic benefits to Skamania County in
20 particular. Instead, he demeans this distressed county by marginalizing 143
21 construction jobs as "temporary" and inferring that 17 permanent, family wage
22 jobs are insignificant in the big scheme of things.

23

24 He then weighs that against the "cost and availability of power in the PNW
25 and on its environmental consequences." *Michaels Pre-Filed Testimony at*

26

1 28:19-21. I am unaware, and candidly cannot not believe, that EFSEC must
2 assess local economic benefits in Skamania County by weighing them
3 against the cost of power and the value of environmental consequences of
4 the Project across the entire Pacific Northwest
5

6
7 Q How do the 143 construction jobs and 17 permanent jobs compare against
8 the employment figures in Skamania County?
9

10 A The workforce in Skamania County in October 2010 was 4960. The county,
11 as of the 2009 Office of Financial Management data, only has 10,800
12 residents to begin with. According to the Washington State Labor Market
13 Research branch of the Employment Security Department, among the 4,960
14 working residents here, between fifty and sixty percent of our resident
15 workforce commutes to places outside the county in order to find work, which
16 in turn, contributes to trade leakage from Skamania County calculated at
17 between \$35 and \$50 million in trade leakage annually.
18

19 Among the county resident workforce, the unemployment rate was 10.3%.
20 That means that 510 people were unemployed. When I use the term
21 “unemployed” I am referring to people who are still collecting unemployment
22 benefits, still trying to find jobs without success This does not include those
23 whose benefits have run out and have been unable to find work, or who have
24 given into despair and are no longer actively seeking work.
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26 This is the circumstance in which 143 construction jobs would arise during the

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development of the WREP. Many of those jobs would be filled locally, providing quality employment wages for up to a year. Notwithstanding the temporary nature, this is one year of workers potentially not having to receive unemployment benefits. While I cannot quantify it using a dollar metric, pride and self-esteem go along with the money that comes from being employed. The current recession we are in has put a spotlight on the difficulties associated with unemployment – loss of homes, marital difficulties, despair and loss of self-worth. Providing 143 jobs in Skamania County should not be trivialized as mere “temporary” employment. The payroll for the construction period is estimated by Hovee (Hovee 2010) at over \$21 million. These jobs represent one year’s earnings that will be plowed into the community at stores, restaurants, and hotels. This may make the difference between a person’s ability to keep their home through these current difficult economic times or not.

The project is also projected to create 12 direct new full-time family wage jobs, and 5 indirect full-time family wage jobs. Each dollar spent by project employees at local businesses makes it more likely those businesses will be able to retain their current employees, and perhaps even invest in growing their businesses. Every dollar injected into the local communities works its way through other businesses, suppliers and service providers. As noted in the Hovee report, an operational WREP is estimated to provide increased payroll and business revenues of \$17 million annually.

Likewise, the estimated annual increase in total tax revenues of \$656,000 to the county’s general fund and taxing districts as a result of increasing the tax

1 base of the county is extraordinary, especially as federal timber dollars have
2 all but dried up.

3
4 These are extremely positive economic impacts to Skamania County. In the
5 23 years I have been affiliated with the SCEDC, I can say that it is a very rare
6 and unlikely event that a single project or employer creates 143 year-long
7 Construction jobs and up to 17 full-time family-wage jobs in Skamania
8 County.

9
10
11 Q Why are construction labor jobs and permanent project-related jobs so
12 important to Skamania County?

13
14 A Skamania County is made up of 1,070,000 acres. Of that amount, 82% is
15 taken up by the Gifford Pinchot National Forest. An additional 12% of
16 Skamania County's land base is owned by other state and federal agencies.
17 Of the remaining scarce private land less than 2% is taxable at full value. In
18 1986, the passage of the Columbia River Gorge National Scenic Area Act
19 severely restricted development in Skamania County across nearly 300,000
20 acres. Nearly 20,000 acres in Skamania County has been purchased by the
21 federal government alone and taken off the County tax rolls as a result of
22 passage of the Scenic Area Act.

23
24 While the purposes of the NSA are to promote economic prosperity while at
25 the same time preserving the designated scenic area, there has been no
26 flood of tourism dollars into the county as a result of the "scenic" designation

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that has replaced the loss of full-time family wage jobs. The jobs that do support tourism are often in the nature of service industry jobs – gas station attendants and restaurant cooks and food servers waiting on the tourists passing through, or housekeepers at the scant few motels/hotels that have opened and managed to stay in business to serve those tourists. These are not high-paying, family wage jobs and it is very difficult for people without solid family wages to buy homes, invest in their community, and remain for a lifetime.

Skamania County traditionally survived on the timber industry across the vast publicly-held forests for jobs and tax revenues that supported schools and local government services. At the same time that economic development opportunities were being eliminated across thousands of acres through the passage of the NSA legislation, the timber market began to collapse. The decline was hastened by the listing of the Northern Spotted Owl as an endangered species under the federal Endangered Species Act. Skamania County has since relied more and more on the federal government to subsidize its economy while it awaited the return of an invigorated timber industry. It has not happened. The jobs are still lost.

Lest the point not be clear enough, the timber industry did not just experience a few hiccups: timber harvests were reduced from an average of 350,000,000 board feet annually to less than 10,000,000. But for the Secure Rural Schools and Communities Self Determination Act passed by Congress, which provided federal funding to affected timber-dependent counties while new

1 industry could be developed and timber harvests could return to sustainable,
2 well-managed levels, this county would have been broken. Skamania County
3 went from over 1,200 timber related jobs to less than 200 in just one decade.
4 Spurring economic development in a small county as this is difficult in good
5 times. As the Economic Development Director in a jurisdiction whose
6 economic development was already constrained by massive public lands
7 ownership and further by the restrictions mandated by the NSA, the loss of
8 these jobs truly been devastating, Even as the stop-gap funding to provide
9 interim support related to the timer impacts has dwindled, the timber jobs
10 have never come back.

11
12 Q What has the county or the EDC done to try and stem the tide of lost jobs and
13 economic devastation?
14

15 A Taking a page out the book of their neighbors to the east in Klickitat County,
16 Skamania County tried to adopt zoning for the county that would allow wind
17 energy development on the few privately-held lands left here, thinking it would
18 kick-start private investment, generate jobs and increase tax base. The
19 SCEDC has consistently supported the Board's efforts at trying to encourage
20 renewable energy development and investment here. However, the County's
21 zoning efforts were opposed by local environmental groups. Dissatisfied with
22 the nearly 300,000 acres that are already protected by the NSA legislation, it
23 now appears that supporters of the NSA want even more land restricted from
24 development, only this time, those protections would apply outside the NSA.
25 That Friend of the Columbia Gorge supports extension of the NSA protections
26

1 beyond the strict Scenic Area boundaries is unsurprising – it was one of the
2 fears articulated in my original pre-field testimony. The economic impacts of
3 the NSA have had a role in putting Skamania County in the position it is in
4 today, notwithstanding Michaels’ failure to take a hard look at the economic
5 situation on the ground before minimizing it.
6

7 Since the creation of the NSA, FOCG has made a cottage industry out of
8 challenging land use and economic development efforts. They have fought
9 the installation of cell towers, master plan resorts, casinos, even RV parks. In
10 fact, on the FOCG website, one of the key topical menus is “Protect the
11 Gorge”. Entering that part of the website allows readers to stay current on all
12 the litigation efforts that FOCG maintains, assists in or supports in order to
13 stop development. <http://www.gorgefriends.org/section.php?id=64> On the
14 other hand, it has not been my experience that FOCG has sought in a
15 meaningful way to be a leader in promoting the other purpose of the NSA,
16 which is to encourage a healthy economic condition here. The only way the
17 Scenic Area legislation will ever achieve its full objective is if both these
18 purposes are served.
19

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21 Q To summarize, then, is it your testimony that the economic benefits of the
22 WREP to Skamania County are significant, positive effects of the WREP that
23 should not be minimized by weighing them against measures that include the
24 entire Pacific Northwest?

25 A Yes. The economic benefits to this county from the WREP are tremendously
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significant notwithstanding Michaels' testimony brushing them aside as insignificant as compared to bigger interests across the entire Pacific Northwest power grid.