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MEMORANDUM

To: Henry Woltag, ConnectGen
From: Teifion Rice-Evans and Luke Foelsch
Subject: Response to CEC Inquiry Regarding Fountain Wind Project
Economic and Public Revenue Impact Study; EPS #201094
Date: June 29, 2023

The Economics of Land Use



Economic & Planning Systems, Inc. (EPS) appreciates the opportunity to review and comment on the California Energy Commission (CEC) inquiries related to our April 28th, 2023 Technical Memorandum entitled, "Fountain Wind Project Economic and Public Revenue Impact Study." The CEC has inquired about and suggested that the analysis should be revised to focus on a 48-turbine layout rather than the 45-turbine scenario EPS analyzed.

The 2023 EPS memorandum assesses the estimated economic and public revenue impacts of Fountain Wind, LLC's (Applicant) utility-scale wind turbine project, utilizing a representative 45-turbine scenario to generate up to the proposed 205 megawatts (MW). Because the project could include 48 wind turbines, CEC staff has requested an updated analysis for the full 48-turbine scenario, consistent with the Project Description submitted by the Applicant.

It is EPS' professional opinion that a revised economic and public revenue impact study that analyzes an additional three turbines (48 turbines instead of 45) would not produce materially significant changes to the estimates presented in the April 28th, 2023 memorandum.

A marginal increase in the number of turbines would produce marginal increases in some estimates and make no difference to others. The small increase in the number of turbines is expected to result in a small increase in the estimated capital cost of the project and associated construction workforce and have no effect on the operation workforce (that would not need to change between the 45- and 48-turbine projects). These two values, Project cost and required workforce, are the key drivers of the impacts derived in EPS' economic and public revenue impact study, so marginal or no changes to these values will produce marginal or no changes to estimated impacts.

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Because the changes in the economic and public revenue impacts will so modest, the analysis of the 45-turbine scenario provides a robust and reasonable estimate for projects of a similar size. To the extent, there are changes, modest increases in tax revenues would be expected, suggesting that the 45-turbine analysis can be viewed as a conservative estimate of the total tax revenues that could be generated by the Project.