

AGRICULTURAL LAND & RENEWABLE ENERGY

POLICY BRIEF

Renewable energy has support from the Wisconsin state government and its share in the economy is constantly increasing, while the cost of installation and the overall required investment continues to decrease. Agricultural land can serve as a valuable asset in renewable energy policy without sacrificing the work that agricultural producers have been doing for centuries. Renewable energy installations on agricultural lands raise concerns such as a visual disruption of rural lands, noise pollution, and shadow flicker from wind turbines.

PROPERTY VALUE IMPACTS

The Berkeley National Lab conducted a study on wind facilities and property values in which they collected data on almost 7,500 sales of single family homes situated within 10 miles of 24 existing wind facilities in nine different U.S. states. The study found that there is no conclusive evidence of the existence of any widespread property value impacts for communities near wind energy facilities. If these impacts do exist, they are too small to result in any widespread, statistically observable impact. A study conducted in Illinois determined that the value of properties within one mile of a solar farm increased by an average of 2% after the installation of the farm. Visual land disruptions can be minimized by strategic fencing and/or landscaping. WI Public Service Commission (PSC) wind siting laws require that an owner provides shadow flicker mitigation to nonparticipating residents who will experience 20 hours or more per year of shadow flicker.

RESIDENTIAL SOLAR ARRAYS

There are small scale ways to invest in renewable energy on your land. If you are interested in getting a residential solar array on your land, there are many solar companies who are available to help survey its suitability. Net metering is a billing system that allows you to sell back excess electricity to your utilities which is then dispersed to neighboring residences. For developments that are 100 Megawatts (MW) or under, final decisions will be based on local renewable energy regulations. Consult with your community about your project to clarify details and address neighbor concerns.

TAX INCENTIVES

The Rural Energy for America Program (REAP) Grant¹ can reduce project costs by 50%. The Inflation Reduction Act, provides over \$2 billion to the REAP Grant program for renewable energy systems and energy efficiency improvement grants for agricultural producers and rural small business owners through 2031. The Federal Tax Incentives can now reduce project costs by 30%. Wisconsin state law exempts owners from paying sales tax on renewable energy systems and from paying property taxes on additional value to their home that results from renewable energy systems.

Renewable Energy in WI

- 2005 - Wisconsin's Renewable Portfolio Standard is passed
- 2010 - WI Public Service Commission adopts final wind siting rules which include regulation for notifying communities of renewable energy developments, setback distances from nearby landowners, and noise and shadow flicker guidelines.
- 2019 - Wisconsin's Clean Energy Plan is passed.
- 2021 - Inflation Reduction Act is passed which dedicates over \$4 billion to renewable energy



UTILITY SOLAR AND WIND

Utility companies rent land from private landowners to develop large energy systems. Developments that have a capacity greater than or equal to 100 MW must be approved by the Wisconsin Public Service Commission.

Developers conduct a survey of the land to determine if it is suitable for renewable energy development. The developer will examine the amount of available land, grading, shading, easements, soil conditions, and proximity to power lines, among many other factors. Renewable energy lease contracts can provide 30+ years of stable income for landowners.

“Utility scale solar in Wisconsin has the potential to provide good economic return to the landowner, significant utility aid to local governments, and renewable energy to the community.”

-- Phil Verges, WFU Member



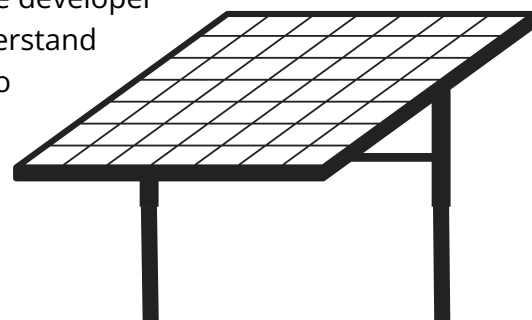
IS A UTILITY SCALE RENEWABLE ENERGY PROJECT COMING TO YOUR AREA?

QUESTIONS YOU CAN ASK

- What is the proposed scale (MW capacity) of the project?
- How long will the project take from development and construction to the commercial operation date (COD)?
- How is rent calculated?
- What land will be leased? What is the effect on non-leased land?
- Who will maintain the land and how will the land be maintained?
- What are the expectations for communication throughout the project?
- How will the community be impacted?

TIPS FOR CONTRACTING

1. Consult an attorney and an accountant on the details of the contract presented by the developer.
2. Do research on the company you are working with and how it may impact your community. Midwest Rural Energy Council (mrec.org) provides outreach, education, and research on various rural energy related topics.
3. Ask questions! Be sure you communicate thoroughly with the developer to ensure you understand and fully consent to the terms of the contract.



¹ Source: USDA Rural Development. https://www.rd.usda.gov/sites/default/files/fact-sheet/508_RD_FS_RBS_REAP_RE.pdf

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