

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

**IN THE MATTER OF THE APPLICATION OF
CROWNED RIDGE, LLC FOR A FACILITIES PERMIT TO
CONSTRUCTION 300 MEGAWATT WIND FACILITY**

Docket No. EL19-003

**REBUTTAL TESTIMONY AND EXHIBITS
OF ANDREW BAKER**

May 24, 2019

INTRODUCTION AND QUALIFICATIONS

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Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Andrew Baker. My business address is 10990 Quivira Road, Suite 100, Overland Park, Kansas 66210.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed at Valbridge Property Advisors as a Director.

Q. PLEASE DESCRIBE YOUR BACKGROUND AND QUALIFICATIONS

A. I received a Bachelor of Arts from Case Western Reserve University in Cleveland, Ohio, with a major in Economics. In 2008, I began working for Integra Realty Resources, a commercial real estate appraisal firm in Westwood, Kansas. In 2012, I switched firms and began working at Valbridge Property Advisors | Shaner Appraisals, Inc. (“Valbridge”). Valbridge is a commercial real estate firm located in Overland Park, Kansas and the largest appraisal firm in the Kansas City metropolitan area with 15 appraisers at present. Over the previous 11 years I have worked as a commercial appraiser and have completed assignments for many different property types, including retail, office, industrial, multifamily, and agricultural land. Since 2015, I have completed several Value Impact Studies on how wind turbines affect surrounding property values for proposed wind energy projects in Kansas, Missouri, and South Dakota. My curriculum vitae is attached as Exhibit AB-R-1.

Q. HAS THIS TESTIMONY BEEN PREPARED BY YOU OR UNDER YOUR DIRECT SUPERVISION?

1 A. Yes.

2

3 **Q. HAVE YOU TESTIFIED BEFORE THE SOUTH DAKOTA PUBLIC UTILITIES**
4 **COMMISSION (“COMMISSION”)?**

5 A. No.

6

7 **Q. PLEASE DESCRIBE THE PURPOSE OF YOUR REBUTTAL TESTIMONY.**

8 A. The purpose of my testimony is to respond to Intervenors’ proposed conditions as set forth
9 in Staff witness Darren Kearney’s Direct Testimony, Exhibit DK-8.

10

11 **Q. THE INTERVENORS’ PROPOSED CONDITION 37 (KEARNEY EXHIBIT DK-8)**
12 **WOULD REQUIRE THAT CROWNED RIDGE WIND, LLC (“CRW”) OFFER**
13 **EACH NON-PARTICIPATING LANDOWNER WITHIN 2 MILES OF THE**
14 **BOUNDARY FOOTPRINT REIMBURSEMENT OF A PRE-CONSTRUCTION**
15 **PROPERTY APPRAISAL UP TO \$2,500 PER LANDOWNER. THIS OFFER**
16 **WOULD NEED TO BE COMPLETED BEFORE ANY CONSTRUCTION IS**
17 **COMPLETED AND REIMBURSEMENT WOULD NEED TO BE MADE BY THE**
18 **APPLICANT WITHIN 30 DAYS OF SUBMISSION OF THE RECEIPT TO THE**
19 **COMMISSION. IS THIS A REASONABLE AND NECESSARY CONDITION?**

20 A. No. The proposed condition is premised on an incorrect and unsupported assumption that
21 wind farms negatively impact property values. As more fully described in the
22 supplemental information in attached Exhibit AB-R-2, I completed a Value Impact Study
23 of the proposed project in December 2018, which shows the Intervenors’ premise to be
24 erroneous. The Value Impact Study demonstrates that there is no market evidence that the
25 CRW wind project will have a negative impact on surrounding property values.

1 To assemble the Value Impact Study, I studied the details of the CRW wind project,
2 surrounding land uses, and the zoning codes for Grant County and Codington County.
3 Based upon these factors, I analyzed how the Project would likely impact surrounding
4 agricultural and residential properties. I then reviewed the relevant academic literature,
5 conducted a paired sales analysis, and interviewed knowledgeable market participants who
6 had purchased or sold property near wind turbines in eastern South Dakota.

7
8 I reviewed a total of three academic articles that have appeared in peer reviewed journals
9 over the past five years. These articles are attached as Exhibit AB-R-3. In each of these
10 articles, the results of the study showed that the effects of wind farms on surrounding
11 property values were not statistically significant. I would also point out that in Appendix
12 K to CRW's Application there is a Lawrence Berkeley study that was completed by Ben
13 Hoen and other researchers. This study is probably the best-known study on the topic and
14 I summarized the results in Exhibit AS-R-2. This study collected data from more than
15 50,000 home sales near wind turbines in nine states, which was a much greater sample size
16 than any previous study on the topic. The researchers used several different models to
17 examine the effects on property values for homes within ½ mile and one mile of a wind
18 turbine. The study concludes "Regardless of model specification, we find no statistical
19 evidence that home values near wind turbines were affected in the post-construction or post
20 announcement/pre-construction periods."

21
22 In my evaluation, I also conducted a paired sales analysis for agricultural properties and
23 residential properties, and compared sales of agricultural properties with adjacent wind

1 turbines to nearby properties in Brookings County, South Dakota. The analysis showed
2 that the presence of wind turbines had no impact on property values. Also, interviews with
3 market participants in Brookings County did not reveal that the wind turbines were a major
4 concern or that they have impacted sales prices. Repeat sales of homes in Wright, Kansas
5 and Spearville, Kansas that occurred shortly before the construction of a nearby wind farm
6 and shortly after construction had been completed did not show an impact on value.

7
8 In addition, the consultation report by Rose M. Hoefs provided in Appendix K to CRW's
9 Application, beginning on page 223, analyzes a total of 28 paired sales in four counties in
10 North Dakota. I have reviewed this report, and it supports my conclusion that there is no
11 market evidence that wind turbines have a negative impact on property values. Therefore,
12 the Intervenors' requested condition is unnecessary, as it is based on the unsupported
13 premise that the Project will affect property values.

14 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

15 A. Yes.
16

STATE OF KANSAS)
) ss
COUNTY OF JOHNSON)

I, Andrew Baker, being duly sworn on oath, depose and state that I am the witness identified in the foregoing prepared testimony and I am familiar with its contents, and that the facts set forth are true to the best of my knowledge, information and belief.



Andrew Baker

Subscribed and sworn to before me this 24th day of May, 2019.

SEAL



Notary Public

State of Kansas, Notary Public
Janice S. Tittel
My Appt. Expires 8/21/2022

My Commission Expires 8/21/2022