

NextEra pulls turbine tax appeals

By Brenda Battel Tribune Staff Writer Published 9:35 am, Wednesday, September 20, 2017

UPPER THUMB — Local counties, municipalities and school districts will be able to hold on to disputed wind turbine tax revenue following recent action by NextEra Energy Resources.

All tax disputes involving NextEra wind turbines in Huron and Tuscola counties have been resolved.

NextEra has withdrawn its appeals with the Michigan Tax Tribunal (MTT) for its Pheasant Run and Tuscola Wind II wind parks.

Huron County Commissioner Ron Wruble said it was surprising, yet good news.

"That's good news, I guess, from a tax revenue standpoint," Wruble told his fellow commissioners at Tuesday's Committee of the Whole meeting.

In his comments to the Tribune, he said, "It's surprising. I don't know what (NextEra's) plans are ahead."

"At NextEra Energy Resources, we want the communities where we do business to benefit from our projects," NextEra officials said in a statement. "We also want them to know what they can expect to collect in tax revenue and have certainty in their budgeting processes."

"While there are many issues we would like the state to clarify with regard to assessing the taxable value of wind farms, our case with the MTT has simply dragged on too long. In the interest of maintaining strong relationships with the communities we serve, we have chosen to withdraw our case with the tribunal."

Wruble called it a "plausible outcome" considering the studies and data available on how turbine should be taxed.

NextEra's withdrawal of cases from the tax tribunal means that Huron and Tuscola counties, several townships and Huron and Tuscola Intermediate School Districts, among other entities, will not have to pay back tax revenue.

Pheasant Run has 44 turbines, and Tuscola Wind II has 59 turbines, according to a press release from the Michigan Renewable Energy Collaborative (MREC).

Pheasant Run consists of 31 turbines in Winsor Township; five in Sebawaing Township; three each in Brookfield and Fairhaven townships and two in Oliver Township.

Turbines owned by DTE Energy in Huron County remain under appeal with the MTT.

Those owned by DTE and Consumers Power in other counties are also still under appeal, Wruble told the board.

NextEra's turbines in Tuscola Bay 1 were dismissed earlier this month.

"We would like to acknowledge the professionalism of the leadership team at NextEra as well as the attorneys representing the company." stated Carl Osentoski, MREC coordinator in a news release. "They indicated to us that they did this in order build better relations with their host communities."

"The members of MREC have been fully supportive throughout this long process and we would like to thank them for their perseverance and advice during the appeals process," he added.

For several years, the five Michigan counties with wind farms have been at odds over the state's abrupt change in the taxing method and depreciation schedule of wind turbines.

Those counties – Huron, Tuscola, Sanilac Gratiot and Mason – formed MREC to challenge the changes.

Wruble noted in his report to commissioners that MREC is the only entity that has legitimately studied the taxation data.

"If you look at the studies and data available, that should be a plausible outcome," he told the Tribune.

Commissioner John A. Nugent said at the meeting that it's "cloudy" as to how much revenue is derived from wind turbines.

Wruble said that he would try to have numbers that demonstrate that at a future meeting.

"It's getting a little more solid," Wruble told the board. "There are not as many question marks."

"The coordinated efforts of Clark Hill, Appraisal Economics and our local township assessors, supervisors and trustees have led the local responses to the hundreds of tax appeals that have challenged MREC's positions on taxes and property valuations," the MREC release concluded.

© 2017 Hearst Communications, Inc.

H E A R S T