

Corruption allegations swirl around push for wind power

Joseph Spector, Albany bureau

At first there were sporadic complaints last year to the office of Franklin County District Attorney Derek Champagne.

Then the outcry grew. North Country residents alleged that undue influence was being put on local leaders to approve multimillion-dollar wind farms, with turbines 200 feet or taller, in their rural communities near the Canadian border.

To Champagne's dismay, he thought some of the public officials approving the contracts were also leasing their own land to the wind developers. Champagne found as many as seven town board members in Franklin County who had apparent conflicts of interest.

"These elected officials (who had lease agreements with wind developers) were the same ones who would have to pass the appropriate local legislation to allow them to be constructed," Champagne said last week at his office in Malone. "And they would do it."

As New York seeks to produce 25 percent of its energy from renewable sources by 2013, the push by developers and the state to expand wind farms is creating unintended results: bitterly divided communities, accusations of corruption and complaints of poor state oversight for a new type of energy.

Champagne calls it New York's version of a "gold rush" and said it could be the next Enron scandal in the making. He sent out a memo to every town board in his county, urging them to adopt stronger ethical codes.

Some critics question whether the wind farms will produce adequate electricity or instead are being built to tap into public subsidies and sell wind-energy credits on the open market to offset pollution from other industries.

Michael Lawrence, supervisor of Brandon in Franklin County, said the battle over whether to have a wind farm "has created devastation in the community."

Champagne has turned over his cardboard box of documents on cases across the state to Attorney General Andrew Cuomo. Last week, Cuomo issued subpoenas to two of New York's major wind-farm developers, saying that "if dirty tricks are used to facilitate even clean-energy projects, my office will put a stop to it."

The investigation comes as wind-farm companies are lining up at town halls with deep pockets and the promise of economic development for governments starved for new revenue to fund schools, fix roads and pay for emergency services.

Roughly 65 wind projects are being developed in New York, and about eight are already operating, mainly in the Southern Tier, the Finger Lakes and the North Country. The state plans to have about 1,000 megawatts of wind power production — enough to power about 800,000 homes — by year's end.

Advocates and land owners under contract with wind companies say the projects come at an opportune time because of skyrocketing fuel costs.

Paul Wolcott, a farmer from Cohocton, Steuben County, said he expects to have 13 wind turbines operated by First Wind of Newton, Mass., on his property later this year. He will get a percentage of the revenue from the energy sold to suppliers.

"What a waste of taxpayers' dollars for the attorney general to be investigating this," Wolcott said. "Here we are talking about getting an alternative source of energy, a renewable source that's local."

First Wind and Noble Environmental Power LLC of Essex, Conn., are being investigated by Cuomo's office. A

First Wind spokesman could not be reached for comment last week, and a Noble spokeswoman declined to comment.

Critics of the companies said their concern is not whether wind is a viable alternative energy source. They worry that wind companies are running roughshod over ill-prepared town boards, the final arbiters for the projects, and allege that companies are deliberately entering into contracts with town officials to grease the process.

In Prattsburgh, Steuben County, Supervisor Harold McConnell has come under fire for voting on wind-farm issues and also reportedly having a contract with a wind developer, according to the *Naples Record*.

In Hamlin, residents have questioned the role of Town Board member Paul Rath, who said he has leased land to a developer but has been abstaining from votes about wind energy. He did, however, vote to start a Wind Advisory Committee.

Opponents say public officials sometimes negotiate agreements with wind companies, then leave office and go to work for them.

"We need a consistent, thorough, comprehensive regulatory process that oversees the development of all these projects," said James Hall, a founder of Cohocton Wind Watch.

Hall and others contend that the state plays too small a role in the oversight of wind farms. Lawmakers have been trying to devise a more comprehensive system of regulation, but after years of debate the Legislature has been incapable of producing a law to streamline site selection for power plants.

"It puts a lot of pressure on municipalities who have to make tough decisions," said Carol Murphy, executive director of the Alliance for Clean Energy New York, which represents wind companies and wind-energy supporters.

Murphy said, "we expect our members to uphold the highest, strictest standards of developing projects" and said groups opposing the wind farms often make baseless claims.

She and some state regulatory officials said the state has adequate oversight and provides aid and incentives only to properly vetted projects.

"They can't sell any credits without producing energy," said John Saintcross, senior project manager for the state Energy Research and Development Authority.

Some of the opponents' protests have made their way to court. In Howard, Steuben County, Gerald Hedman is suing to seek the removal of Town Board member William Hatch, who is also the county Republican chairman, for alleged conflicts of interest. The case is to be heard in October in state appellate court in Rochester.

The lawsuit contends that Hatch spent years negotiating with a wind company and has voted on local laws that affect wind development, according to Hedman's attorney, Arthur Giacalone. This year Hatch entered into an agreement with EverPower Renewables that could put turbines on his property, but he said he has since recused himself when the board deals with wind-farm issues.

"They have been suing us for every reason they can, and this appears to be the last one they came up with, I guess," Hatch said of the wind-farm opponents. He said a company has only an option to lease his land and he won't receive any money unless a wind project is built.

If the town gets the 25 wind towers proposed, Hatch said, it could reduce town property taxes 40 percent because of payments made by the company to the local government."

For the community, it's a great thing," he said.

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