

# Will Wind Power Make it Into the Longer-Term Energy Mix?

By David Mercenter, AP Writer

CHICAGO, Ill. (AP) -- When it comes to new sources of electricity, few things have moved faster over the past decade than wind.

But the wind-power industry is looking for a bit of stability: a commitment from the federal government that could help pull it out of the doldrums of the past six months by guaranteeing it a place in the country's long-term energy mix. And industry officials are cautiously optimistic that they'll get their wish.

The Senate Committee on Energy and Natural Resources is considering legislation that would require the country to generate 11 to 15 percent of its power from renewable resources, including wind and solar, by 2021. The House is weighing similar legislation. And President Barack Obama has called for an even more ambitious goal: 25 percent by 2025.

A federal standard, combined with grants and tax credits in the government stimulus package, could help draw billions of dollars in investments, spur plans for new wind farms from Wyoming to Illinois and convince turbine manufacturers to set up shop in the United States, industry officials say.

"What's needed to make that happen is a long-term, stable policy," said Declan Flanagan, CEO of E.ON Climate and Renewables North America, an arm of the massive German utility E.ON.

"Energy is a policy-driven business no matter what energy you're in," Flanagan said at the American Wind Energy Association convention in Chicago earlier this month. The wind-power industry enjoyed unprecedented growth in the decade before last year's financial crash, with nationwide capacity increasing by 500 percent, to just over 21,000 megawatts, according to the American Wind Energy Association.

Though that's still a tiny part of the energy grid — just over 1 percent of the U.S. electricity supply — industry officials say wind energy could grow significantly over the next few years.

"The general consensus in the industry is that the combination of the stimulus provisions and the move toward (a renewable energy standard) has created, at minimum, the optimism to unlock a lot of development activity," said Joshua Magee, an analyst with Cambridge, Mass.-based Emerging Energy Research.

While construction of new wind farms has fallen with the economy, the industry is riding a high like it's never seen before.

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An energized Chicago convention drew more than 23,000 people and almost 1,300 companies — far more any previous year. The industry also got a boost from a high-profile publicity blitz by Texas oil man T. Boone Pickens, who plans to build a huge Texas wind farm. That project is postponed because of the economy.

Analysts from Britain's HSBC Bank said in a report last Tuesday that the United States could add 6,700 megawatts of wind power generation this year, with the combination of a renewable energy mandate and the stimulus program. That would increase the country's production capacity by almost a third.

Government assurances also could lead to more U.S.-based manufacturing of wind turbines, manufacturers say. Half or more of all the hardware used in a wind-power farm has been built overseas because of the lack of U.S. government policy, they said.

But some analysts warn that the wind business still has challenges.

For one, some of the country's windiest places are in rural areas, including in North Dakota and Wyoming, far from the current electric grid — an expensive problem that would take decades to fully address.

And if natural gas prices remain low, there may be little incentive to buy more wind power than the government mandates. But those concerns aren't stopping people in the industry from feeling optimistic.

Stefan Noe, president of Chicago-based developer Midwest Wind Energy, went to his first wind convention around 2001.

"You were counting people in the hundreds, right?" he said. "It's just amazing for me to see how the industry has grown over a relatively short period of time."

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