

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

producers by renewing a tax credit worth more than \$12 billion over the next decade.

Jan. 21, 2013

After much dithering, Congress earlier this month gave a lift to wind-power producers by renewing a tax credit worth more than \$12 billion over the next decade.

But the public subsidies alone likely won't be enough to propel more than a dozen proposed wind farms in Washington state to quickly start spinning their giant blades. Cheaper natural gas, environmental concerns and plentiful renewable-energy sources for utilities are among a confluence of factors that have taken much wind out of new turbines' sails.

The Whistling Ridge Energy Project in Skamania County, for instance, remains in limbo as it awaits a June state Supreme Court review of claims that the project would harm wildlife and mar scenic areas. Friends of the Columbia Gorge and another advocacy group are challenging former Gov. Chris Gregoire's 2011 approval for the 75-megawatt wind farm, which would be the Northwest's first built on commercial timberlands.

And in November, EverPowerWind Holdings said it will postpone building Coyote Crest Wind Park in Lewis County because it can't secure buyers for the 120 megawatts of power its 47 wind turbines would generate.

That's partly because many of the region's utilities already exceed the state mandate to obtain at least 3 percent of their electric power from renewable energy by 2012 — and the benchmark won't rise again until 2016. The requirement doesn't count most hydropower as renewable energy.

Taken together, the market forces could clip the double-digit growth the wind-power industry has enjoyed for the past half decade.

Not counting hydropower, wind is the largest renewable source of electricity in the

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

Wind power's explosive growth has been driven, in large part, by federal subsidies. As part of the vote to dodge the "fiscal cliff" of expiring Bush-era tax cuts and automatic spending reductions earlier this month, Congress extended through this year a production tax credit worth \$22 per megawatt of wind power.

But lawmakers' support for the tax credits has been unreliable, and the subsidies have lapsed temporarily four times since 1999. Critics contend the taxpayer assistance is misguided and too generous, equal to half the wholesale price of electricity in some parts of the country.

The erratic congressional handout has prompted frustrated wind-power producers to ponder how they might wean themselves off the subsidy, said Robert Kahn, executive director of the Northwest and Intermountain Power Producers Coalition, a trade group.

Nonetheless, Kahn said, doing away with the tax credits anytime soon "would be a nightmare" for an industry that is trying to gain traction against coal, natural gas and nuclear power.

In 2011, wind generated 3 percent of the nation's electricity. Washington is one of the top producers of wind power, although the prime conditions are in the gusty Great Plains region.

Renewal of the production tax credit hasn't been enough to fast track some proposed wind farms throughout Washington. In Klickitat County, Spain's top power company, Iberdrola, has yet to begin construction on two wind farms, Lund Hill and Juniper Canyon 2.

Paul Copleman, an Iberdrola spokesman, said the company is assessing which of its projects around the country should proceed first.

“I hesitate to say any project is on hold, as activity doesn’t really cease at a

Hello. It looks like you’re using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

east of the mountains have slowed down.

Renewable energy

Wind-power producers say a more aggressive push by the state to require the use of renewable energy would help stir demand.

Washington’s Renewable Portfolio Standard mandates large public and private utilities to generate at least 3 percent of their electricity from renewables. That will rise to 9 percent in 2016 and to 15 percent in 2020.

New Gov. Jay Inslee has long championed renewables, but his administration has not made any proposals to accelerate the mandate’s timetable.

“What is needed is for utilities in the Puget Sound and I-5 corridor area to make additional commitments to renewable energy to go even beyond” state requirements, McClain said.

But there is little urgency to do that for utilities that are far ahead in meeting the renewable standards. Since 2012, for instance, Puget Sound Energy (PSE) has been getting about 10 percent of its total power from its three wind farms, said Roger Thompson, a spokesman for the utility.

On top of that, a plunge in natural-gas prices has made wind power less competitive, Thompson said. Thanks in part to fracking, a controversial method for extracting natural gas from rock pores, natural gas costs about a quarter of what it cost at the recent peak in the summer of 2008. As a result, gas-fired power now is mostly cheaper than wind power.

Given that, Thompson said, PSE won’t be locking itself in to a 10- or 20-year wind-power contract unless “that’s where we can get the best value for our customers.”

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

Sponsors.

© 2024 Firmworks, LLC. All rights reserved