

Catching Wind

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State's Hostility Toward Renewables Escalates

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At the urging of Wisconsin utilities, several lawmakers have introduced a bill to allow a renewable energy credit (REC) to be banked indefinitely. If adopted, this measure (AB 146) would constitute the most devastating legislative assault yet on the state's renewable energy marketplace, which is already reeling from the suspension of the statewide wind siting rule this March and the loosening of renewable energy definitions to allow Wisconsin utilities to count electricity generated from large Canadian hydro projects toward their renewable energy requirements.

Under current law, a REC is created when a utility either generates or purchases a megawatt-hour of renewable energy. Wisconsin's Renewable Energy Standard (RES) allows utilities to bank a REC for up to four years before using it to satisfy its requirement under the law. A REC produced in 2010, for instance, can be banked through 2014. But that same REC cannot be applied to a utility's 2015 compliance target.

This mechanism forces utilities to periodically "refresh" their renewable energy supplies with new sources through the remainder of this decade. Indeed, absent a limit on the useful life of credits, utilities can stretch out their renewable energy acquisitions many years beyond the compliance dates specified in law.

Here in Wisconsin, if the Legislature were to adopt AB 146, a utility could then apply any REC it generated or acquired after January 1, 2004, to a future compliance target. Such a relaxation of existing law would enable every Wisconsin utility to coast through

the next 10 to 15 years without even thinking about adding a fresh source of renewable energy to its resource mix.

Virtually every state with an RES limit credit banking through an expiration date or some other mechanism. Like Wisconsin, neighboring Minnesota sets a four-year ceiling on the shelf life of a REC. In Michigan, RECs expire after three years, while in Ohio, RECs have a shelf life of five years. Notably, Illinois doesn't even allow the utilities subject to its RES to bank RECs.

Should AB 146 become law, utility-scale wind development in Wisconsin would cease to be a viable enterprise.

In a May 19 letter to legislators supporting AB 146, Wisconsin Utilities Association (WUA) executive director Bill Skewes wrote:

"When the RPS was originally passed [in 2006], the consensus was that allowing the credits to expire [after four years] would result in additional renewable generation being built in Wisconsin, such as wind farms, which would boost the 'green jobs' economy."

"Since that time, however, the environment for building wind in Wis-

consin has changed dramatically. Rules for uniform wind-siting standards have been suspended and others have been proposed that would raise the bar even further, making Wisconsin a less attractive location than other states. Thus, the primary motivation for the expiration of RECs no longer exists."

WUA's justification for extending the shelf life of Wisconsin RECs—that utilities are hobbled by the presently unfavorable siting climate in Wisconsin for wind energy—is nothing if not disingenuous. Several utilities, including Wisconsin Power & Light and Madison Gas & Electric, have committed themselves to wind prospects in other states. Two years ago, MGE acquired sites in Iowa to accommodate up to 170 MW of new wind generation. As for Alliant Energy, its 200 MW Bent Tree wind project now operating in Freeborn County, Minnesota, can be expanded to 400 MW at any time.

Here in the Badger State, there are several fully permitted wind prospects that could be built to serve Wisconsin utilities, among them Quilt Block

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"Leaders" Lag Citizenry on Wind Support

Public support for wind energy development has held strong against the attacks launched by Governor Walker and the Legislature's new Republican majority, according to a poll conducted between April 11 and April 18 by the St. Norbert College Survey Center for Wisconsin Public Radio.

Asked whether Wisconsin should "increase, decrease or continue with the same amount" of energy supply from various sources, 77% favored increasing wind power, the highest of any option (60% favored increasing hydro-power, 54% biomass, 39% natural gas,

27% nuclear, and 19% coal).

All of the arguments for wind energy development gained the support of more than three-quarters of the respondents: decreases reliance on foreign oil (88%), decreases reliance on coal and natural gas (82%), improves the environment (89%), and creates jobs (77%).

Completely out of step with the public, Walker and the Legislature kicked off their campaign against wind-power with a bill mandating 1,800-foot setbacks between wind turbines and adjoining properties. Though that bill did not pass, the 10-member Joint Com-

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in Lafayette County and the E-Wind project in Columbia County. The only reason they cannot go forward is that Wisconsin utilities are not interested in signing Power Purchase Agreements with independent power producers, because they would rather own the generating facilities outright. As for utility-owned wind projects, We Energies can easily expand both its Blue Sky Green Field and Glacier Hills projects. No additional transmission upgrades would be necessary to accommodate an expansion at either site.

Mr. Skewes' letter carefully avoids the inconvenient fact that neither the WUA nor any of its members bothered to oppose the suspension of PSC 128, the statewide wind siting rule promulgated by the Public Service Commission last December. It's fair to say that the utilities' silence on the proposal to suspend the siting rule spoke volumes to the legislative leadership. The utilities' refusal to defend PSC 128 emboldened legislative leaders to effectively declare "open season" on the wind industry.

Wisconsin and AB 146 received unfavorable attention during a CEO panel at the American Wind Energy Association's annual conference held in Anaheim this May. Steve Trenholm, Wisconsin resident and CEO of E.ON Climate and Renewables North America and chair of AWEA's Legislative Committee, told thousands of wind industry members that "we're seeing onerous proposals and direction" from the Wisconsin Legislature. "The industry has tried to work with the leadership there and has not met with much success."

"From our perspective, we're active in other states in the Midwest for development. Investment that might be needed [in Wisconsin] is basically going to other places. They're getting left behind," Trenholm said. "We would welcome the chance to sit down and talk with the governor and policy leaders in Wisconsin."



Turbine erection commences on the first of 90 turbines at Glacier Hills Wind Park in Columbia County. (Photo courtesy of We Energies)

"Leaders" Lag

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mittee on Review of Administrative Rules voted in March to suspend the compromise statewide wind siting rule supported by the wind industry.

If anything, the pace of legislative rollbacks on renewable energy is quickening. Earlier this month, the Legislature passed a bill (SB 81/AB 114) that would allow utilities to meet future renewable energy targets with electricity generated from new hydroelectric facilities in Manitoba. The most recent assault to emerge (AB 146) shapes up to be the most damaging yet. Presented as a technical adjustment to an arcane provision on banking renewable energy credits, AB 146 would grant utilities an extended holiday from adding to their renewable energy supplies as required by Wisconsin law (see previous article).

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Most survey respondents said they would even pay a few extra dollars a month for wind energy. 68% said they would pay an extra \$2 a month and 51% said they would pay an extra \$5.

Coal and nuclear sources of power did not enjoy strong support. 41% of the respondents believe we should decrease generation from coal, and 39% felt the same for nuclear. By contrast, only 11% support a decrease in wind generation.

"When asked, open-ended, to name harmful effects of wind power, 36 percent couldn't name any. Twenty percent mentioned bird/wildlife issues, and only 12 percent cited noise. Cost, land use, aesthetics, and health hazards only mustered single digits," wrote Ken Paulman, editor of the *Midwest Energy News*.

Touching on siting regulations, "the survey seems to indicate support for the less restrictive standard -- 69 percent said they would favor having 8-10 wind turbines located 'close' to their homes. Although, without a sense of what 'close' means (100 feet? 2 miles?) it's hard to gauge what that actually means," Paulman added.

A smaller survey conducted by the Southwestern Wisconsin Regional Planning Commission in the fall of 2007 also found overwhelming support for wind and solar energy and lesser support for ethanol.

Asked whether Grant County jurisdictions should pursue ethanol plants, solar energy, or wind energy alternatives as a form of economic development, 91% strongly agreed or agreed on pursuing wind, 84% on pursuing solar energy, and 55% on pursuing ethanol plants.

Both surveys "mirror those of nationwide polls and surveys in other states, but are more significant coming after a recent period during which wind power has been the subject of debate in the Wisconsin media," wrote Tom Gray in the American Wind Energy Association's blog.