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Contact: Josh Gackle (651) 644-3400

Statement of Wind on the Wires on Wisconsin Assembly Bill AB-146 and the Future of Renewable Energy and the Wind Energy Industry in Wisconsin

Wind on the Wires (WOW) is making this statement on Wisconsin Assembly Bill AB-146 introduced in the Assembly on May 20. The bill as drafted would essentially gut Wisconsin's existing Renewable Portfolio Standard (RPS). The practical effect of the bill would be that very few major new renewable energy projects would be constructed in Wisconsin, threatening the state's economic development, job creation, and clean energy future.

Wind on the Wires is an organization that includes businesses providing goods and services to the wind industry, wind developers, and clean energy advocates. Our mission is to overcome the barriers to bringing wind power to market by addressing technical and regulatory issues, as well as through education and public outreach. We are a key regional partner of the American Wind Energy Association and work closely with them on wind power issues. For more information please visit our website at www.windonthewires.org.

We strongly recommend that this bill not be approved as it solves no known problem in Wisconsin and seeks only to roll-back policies on renewable energy that have served the state well and are otherwise benefitting Wisconsin residents with cleaner air and lower prices for electricity. In addition, Wisconsin has a number of thriving and growing businesses in the renewable energy field, especially in the renewable energy supply chain and wind turbine component manufacturing. This bill threatens the livelihood of those companies and the workers they employ in the state.

AB-146 will reduce the number of jobs in Wisconsin and will send jobs to neighboring states. We call on the Wisconsin Assembly to not act on this bill and instead to reconsider efforts to CREATE jobs in the renewable energy and wind energy sectors in Wisconsin.

The specifics of AB-146 focus on renewable energy credits, used by utilities to comply with the state Renewable Portfolio Standard (RPS). Currently, renewable energy credits (RECs) have a four-year expiration. This encourages new renewable energy development by limiting the banking of large numbers of credits for use in future years while at the same time providing flexibility for the state to meet its renewable energy goals. Nearly all states with an RPS limit credit banking through an expiration date or some other mechanism. Without some type of limiting mechanism, utilities could bank enough credits such that they would not need to create or purchase any renewable energy in future years.

AWEA and WOW are opposed to AB-146 and are also calling for an immediate suspension of the repeated efforts to erode renewable energy at large and the wind energy industry in particular. This bill is the latest in a string of unwarranted attacks on the Wisconsin wind energy industry. Specifically:

- *Introduction of special session bill SS-SB-9/SS-AB-9 that would have required unreasonable setbacks of 1,800 feet from property lines.*
- *Suspension of the uniform wind siting rules (PSC 128) by the Joint Committee for Review of Administrative Rules.*
- *Passage by the Senate of the large hydro bill (SB-81) that allows large Canadian hydroelectric generation to count toward the RPS, displacing in-state wind generation and other forms of local renewable energy generation.*

Wisconsin has almost 500 megawatts (MW) of operating wind power capacity on-line today, but only 54 MW were added in 2009 and only 20 MW were added in 2010. The existing projects bring direct economic benefits to Wisconsin each and every day – not to mention cleaning the air we breathe. And each year, these operating wind projects provide:

- Annual property tax payments by wind project owners of \$870,000
- Annual land lease payments to property owners of \$1.35 million

However, Wisconsin continues to fall behind our neighboring states in wind power development:

- Indiana has over 1,000 MW of wind projects installed
- Minnesota and Illinois both have over 2,000 MW installed
- And Iowa has well over 3,000 MW installed, producing almost 15% of the state's electricity and reaping the benefits of thousands of jobs in the wind energy industry in the state.

Wisconsin has new wind projects ready for development, but these projects will never see the light of day if our state cannot establish a stable set of siting requirements and keep intact the RPS law. Already this year, three utility-scale wind projects have been canceled or suspended due to continued regulatory uncertainty in the state. These projects would provide a vital hedge against fossil fuel price volatility and help keep energy rates lower. Wisconsin currently relies on coal and natural gas for 73% of its energy needs. This over-reliance on fossil fuels puts the state at risk of inevitable fuel price spikes in the future. Wisconsin has no fossil fuels, and every year exports billions of dollars to pay for coal and natural gas.

Further, old, inefficient coal plants place an increasing cost burden on Wisconsin ratepayers due to the need for extensive repairs and retrofits. Since 2004, Wisconsin utilities have spent over \$2 billion of ratepayer money for these repairs and retrofits.

As a Minnesota Power spokesperson recently said, "Our rate increases have been largely the result of large environmental retrofit projects to reduce emissions at our largest generating facilities." Indeed, many Wisconsin coal plants will continue to require additional costly retrofits to meet compliance requirements for sulfur dioxide, nitrogen

oxide, mercury, water usage, fine particulates, ash disposal, and other impacts on health and safety.

All of this is in sharp contrast to the cost to ratepayers of wind power, which has fixed capital costs and no fuel costs.

If Wisconsin is serious about economic development, then it must look to establish a stable environment for wind project development and for wind turbine component manufacturing in the state. Turbine manufacturers and makers of major components want to locate factories (and jobs) close to where projects are being installed. States that are "open for business" to the wind energy industry, like Iowa, Kansas, and Texas, are reaping the benefits of associated manufacturing jobs as well. In Wisconsin over 2,000 existing jobs that directly or indirectly support the wind energy industry are at stake, as well as \$1.8 billion dollars of new wind project investment and over 2 million construction job hours in the next few years.