

## Indiana's wind farm buildout grinding to a halt

**Wind energy association says Indiana has an opportunity to put out the welcome mat.**

MUNCIE -- Indiana long ago put out the welcome mat for the ethanol **industry**, whose capacity is close to 1 billion gallons of production a year in the Hoosier state.

But Indiana has not yet done the same thing for the wind **energy** industry.

As a result, construction of wind farms in Indiana is grinding to a halt this year after four years of building.

Longtime plans to construct a wind farm in Randolph County have been put on hold, and a wind farm is being built in Ohio across the border from Fort Wayne because of Ohio's pro-wind policy.

The wind energy industry has stalled in Indiana, reportedly because of the state's lack of a renewable-electricity standard (RES). Twenty-nine other states have enacted RES mandates, which require utilities to increase the amount of wind or other **renewableenergy** in their electricity portfolio until they reach a specified target by a specified date. Ohio's RES, for example, calls for 25-percent renewable electricity by 2025.

"Construction has slowly rumbled to a stop in Indiana," said Brad Lystra, manager of state campaigns for the American Wind Energy Association. "The buildout is going to come to a stop. Indiana is one of the last key states to adopt this law, and it is a state with a really impressive wind resource, strong transmission infrastructure and open, rural landscape.

"There will be no new construction in Indiana this year," Lystra added. "There is very little potential in 2012 and the horizon doesn't look particularly strong moving beyond that."

State Sen. Beverly Gard, R-Greenfield, responded, "They're crazy. We heard this same argument before they started putting up everything (wind farms in West Central Indiana). We have been leaders in wind

energy in this part of the country.

"They just want to make it easy for themselves. They don't want to compete in the market. If there is a state mandate, they can get higher prices. But an open market will keep **energycosts** far more competitive."

Gard's Senate Bill 251, which has passed the Senate, would provide **financial** incentives to Indiana electric utilities for clean- energy projects, including not only wind but also nuclear and clean coal.

"The coal industry is a homegrown energy source, too," Gard said. "We've also done very well with energy from corn.

"The wind energy industry wants a mandate, but we believe in a market-driven approach to developing wind energy," Gard added.

While 29 states have adopted RES laws, seven others have enacted voluntary standards like those Gard is backing.

Critics of SB 251, including the Hoosier chapter of the Sierra Club, say it gives the green light to utilities to develop more coal and nuclear plants under the guise of clean energy, and to pass the bill for those new plants to ratepayers in advance.

"The Indiana Energy Association (a trade group of electric and natural gas utilities) controls energy policy in this state," said Grant Smith, director of Citizens Action Coalition. "The governor and the

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Legislature say they are against mandates, but they are more than willing to put mandates on ratepayers and taxpayers -- to put them on the hook for the design, construction and operational risks of financially obsolete coal and nuclear plants. This bill does that."

As a result of the recent nuclear crisis in Japan, Gard says nuclear energy "will be coming out of that bill."

Gard also says Smith is mis-analyzing the bill. "Without question, the Indiana Utility Regulatory Commission has a great deal of ability to scrutinize costs in my bill," she said.

According to Lystra, more than half of Indiana's wind energy development to date has ridden on the coattails of RES laws enacted by other states, including Illinois. In other words, much of the energy created by Indiana wind farms to date is being sold in Illinois or to other states in the wholesale market, to satisfy RES requirements in other states.

"The opportunities for Indiana to meet other states' renewable electricity requirements are becoming few and far between," Lystra said. "Indiana's 'sit-back-and-wait' approach was wise while construction was taking place, but the door is closing on Indiana benefiting from other states' policies. Indiana now has the opportunity to develop its own law and double down on economic development, jobs and **taxes** generated by wind energy."

The wind energy industry says a RES law would actually create competition between independent **power** producers and Indiana's heavily regulated, monopolistic electric utilities. Without such a law, electric utilities have little incentive to buy from third-party wind energy companies. Utilities don't get a return on investments in wind farms, unless they own the wind farm.

Contact reporter Seth Slabaugh at 213-5834.

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