

Trapped wind?

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Hundreds of new wind turbines are under construction right now in Wyoming to serve a growing demand for renewable energy across the West.

This emerging "green" energy export industry promises to create dozens -- perhaps hundreds -- of full-time jobs in the state.

Yet partisan politics in Washington, D.C., could stall what looks to be the beginnings of a boom in Cowboy State wind and power line development, according to local energy experts.

After several temporary extensions, the federal production tax credit for "utility scale" wind development is again set to expire, this time at the end of the year. Wind advocates say the start-and-stop nature of the tax credit has likely restrained the development of wind energy for years.

But the looming expiration date has almost completely stalled plans for projects that are not already under construction, according to one developer.

"It is imperative that our political leaders support the extension of support for renewable energy, right now. Otherwise, this growing industry will come to a complete halt," said private wind developer Bruce Morley.

Both Sens. John Barrasso and Mike Enzi, R-Wyo., voted against a measure this month that included an extension of the production tax credit. They said they were forced to vote against it because it was lumped in with other energy tax measures they didn't agree with.

Wind advocates say the overwhelming bipartisan support of the tax credit for wind makes a tempting target to attach other, more partisan tax measures. Senate Republicans and Democrats have been locked in a battle over tax breaks to the established fossil-fuel industries versus emerging renewable energy industries.

"Had the tax credit been voted on by itself, it would have passed the Senate almost unanimously with Sen. Enzi 100 percent behind it," said Enzi spokeswoman Elly Pickett.

"Sen. Barrasso is very supportive of incentives for clean energy, but the details matter. This legislation contained a number of provisions he did not agree with, and as such, he could not lend his support to it," said Barrasso spokesman Gregory Keeley.

On Friday, Pickett said, Enzi had just signed on as a co-sponsor to a "stand-alone" measure to extend the tax credit for another year.

Morley said new investment in Wyoming wind is at an absolute standstill. Developers need certainty, perhaps even more than the federal tax incentive itself. He said even an extension of the tax credit with a scheduled phaseout would help wind developers make plans with the investment banking community.

"Further, we need a long-term, stable government policy toward renewables, clean coal and nuclear," Morley said. "We can't afford to play political games with this, even though this is an election year."

Ron Lehr of the American Wind Energy Association said both Republicans and Democrats are guilty of playing politics with the tax credit.

"They're putting politics ahead of the interest of their state," Lehr said. "It has bipartisan support, but it gets trapped in these political battles."

Bryce Freeman, administrator for the Wyoming Office of Consumer Advocate and member of the Wyoming

Infrastructure Authority board, testified before a congressional committee this week about the need to give renewable energy developers some certainty, particularly for electrical transmission.

"There are costs associated with inaction. Those costs are real and in the long term could prove to be much higher than the costs of the transmission investments," Freeman testified before the Senate Committee on Energy and Natural Resources.

On behalf of the Infrastructure Authority, Freeman advocated for giving states tax-exempt bonding for electrical transmission, "experimental" business models to recover investments in systemwide grids and designating national corridors for the infrastructure.

In an interview with the Star-Tribune, Freeman said projects such as the Wyoming-Colorado Intertie are likely to move forward without the legislative requests. That project spans 300 miles and only two states.

But transmission proposals such as Gateway West and TransWest Express each span more than 1,000 miles and several states.

"These other projects we're working on, (congressional proposals) could be the tipping factor in getting people interested in developing," Freeman said.

All told, there are projects in various stages of development that would add nearly 10,000 megawatts of new electrical generation in the region -- mostly Wyoming. That's a significant new "value-added" industry for the state to complement its exports of raw energy materials.

"It doesn't matter what we decide to use as far as a future resource, we're going to need transmission to get it done, even for demand-side management," Freeman aid.

Freeman said the Wyoming Infrastructure Authority isn't directly addressing the production tax credit for commercial wind development. But he said developers in the region seem justifiably frustrated.

"From my own personal perspective, I think it's crazy," he said. "There are a lot of people with money -- the Wall Street types in institutional development -- just waiting to develop these renewable projects. But they're paralyzed because it's on again and off again."

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