

False Claims by Horizon Wind Energy

In its August 11, 2008, edition, the Batavia (NY) Daily News published, in its commentary section, a letter from a Horizon Wind Energy¹ “Project Manager” under the heading: “In energy crisis, we need to harvest wind.” <http://www.batavianews.com/>

The letter from the Horizon Wind official contains false and misleading claims. Contrary to assertions in that letter:

1. More wind turbines will NOT reduce US or NY dependence on imported oil.

According to official US Energy Information Administration (EIA) data for 2007, (a) only 1.2% of the electricity generated in the US was produced from oil, and (b) only 5.35% of the electricity produced in New York was produced from oil. The Horizon official’s claim of 14% for NY is FALSE.

He is also wrong in claiming that wind could replace oil-fired electric generation in NY. Having previously worked for the NY PSC and NYSERDA, the writer must know that the reliability of NY electric service depends on the electric grid being kept in balance at all times (supply & demand, frequency, and voltage). He should also know that electricity being generated from oil in NY cannot be replaced by electricity from wind turbines for three key reasons: (i) most of that electricity is generated by large oil burning generating units in the NYC-Long Island area, (ii) until replaced by other reliable generating capacity, those units must be run to meet electricity demand and maintain grid voltage in the NYC-LI area, and (iii) most of the other oil-fired electric generation in NY comes from units that are used only when necessary to meet peak electricity demand.

2. Wind turbines cannot be counted on to produce electricity at the time of peak electricity demand -- which usually occurs on hot weekday late afternoons in July and August -- because wind speeds at the time of peak demand are not adequate to produce much, if any, electricity from wind turbines.

That’s why wind turbines have little or no real “capacity value” -- as that term is used in the electric industry. The Horizon official’s comparison of wind turbines to “peaking units” appears designed to mislead readers. “Peaking units” are designed to run (i.e., produce electricity) when needed to meet peak electricity demand. Unlike wind turbines, they *can* be relied on to produce electricity *when it is needed* – not just when the wind is blowing within the right speed range.

3. Claims of local and state economic benefit from “wind farms” are typically exaggerated by the wind industry and its lobbyists, and they are exaggerated in the letter published in the Batavia Daily News.

First, very few of the jobs during “wind farm” construction are filled by local workers. Instead, most jobs (often as many as 80%) are filled by specialized workers brought in from other areas. These workers often live and pay taxes elsewhere and probably go home on many weekends. Jobs that are filled locally during the construction period (perhaps 6 – 9 months) may include transit-mix drivers, laborers, and some heavy equipment operators. Few permanent jobs are created and many of these will be filled by technicians brought in temporarily for maintenance work.

Second, the overwhelming share of the capital cost of a “wind farm” is for turbines, blades, towers electronics, cables, etc. that are manufactured elsewhere (often imported from other countries). Very

little money is spent locally for supplies and services and even with these local purchases only the local value added portion (not the whole cost) provides local economic benefit.

Third, any income received by landowners has local economic benefit only if that money is spent or saved locally. Money received by absentee landowners or that is spent or invested elsewhere doesn't help the local economy.

Fourth, there is no longer any serious doubt that the key reason why "wind farms" are being constructed is due to the extraordinary generous federal and state tax breaks and subsidies available to "wind farm" owners – not because of environmental or energy benefits. Because of the tax breaks, companies owning "wind farms" are able to avoid paying millions of dollars in federal and state corporate income tax – and, in NY, they may also avoid paying any property tax. Tax burden avoided by "wind farm" owners is shifted to ordinary taxpayers who do not enjoy such tax shelters.

Fifth, if the "wind farm" owner is a foreign company – as in the case of Horizon Wind – most profits (paid for out of NY electric customers' monthly bills) probably flow out of NY and out of the US.

For more than a decade, the wind industry and other wind advocates have been greatly overstating the environmental, energy and economic benefits of wind energy and understating or ignoring the adverse environmental, economic, scenic and property value impacts. They have misled the public, media, and government officials. The letter from the Horizon Wind official is a perfect example.

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ⁱ According to its web site, Horizon Wind Energy is owned by the Portuguese firm, Energias de Portugal (EDP), which purchased the company from Goldman Sachs in 2007. Prior to its purchase by Goldman Sachs in 2005, the company was known as Zilkha Renewable Energy.