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Overcoming President Obama's wind power addiction

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This spring, Secretary of the Interior Ken Salazar announced federal approval for the construction of a huge new offshore wind farm in Massachusetts. The so-called Cape Wind project will include 130 turbines, each roughly 440 feet tall, and span 25 miles of ocean off the coast of Cape Cod. Construction is expected to commence this fall—assuming the troubling economics of the project can be resolved.

Getting Cape Wind approved was no easy task. The project had been stalled in controversy for nearly a decade. Even the late Sen. Ted Kennedy opposed the turbines for spoiling the tranquility of his seaside vacation home.

But Cape Wind survived its environmental review. And that's in no small part due to the Obama administration. Expanding wind power is core to the president's peculiar, ill-defined green energy agenda. At an April visit to a Pennsylvania turbine manufacturing facility, he went so far as to declare wind "the future of American energy."

That's quite a claim—and hardly true. Our country's history with wind power consists of grand promises from politicians, huge investments of taxpayer dollars, ratepayer sacrifice and embarrassingly underwhelming returns. More of the same can be expected.

Of the \$10 billion invested by wind developers last year, \$3.4 billion came in the form of federal grants. Thus taxpayers picked up a full one-third of the tab. And ratepayers have no choice but to pay the extra cost from wind power in states that mandate its use even after the tax subsidies.

Cumulative federal subsidies for wind are now well north of \$100 billion. The very business running the Pennsylvania facility at which Obama made that bold prediction—Spanish wind company Iberdola—has received an astounding \$1 billion in grants, tax credits and other incentives from the U.S. government (a.k.a., you and me).

And yet wind *still* can't compete with traditional energy sources. Meanwhile, the oil and natural gas sectors—old-school energy often lambasted by wind advocates—continue to improve in efficiency, environmental impact and convenience for customers. Combined, these industries still supply 60% of American energy.

And experts project that even by 2035, fully half the nation's energy demands will still be met by oil and natural gas alone.

Despite all the help, the wind industry is projected to fall well short of key growth goals set by the administration.

Notably, the Department of Energy has aimed at getting wind to contribute 20% of the energy market by 2030. With a total of around 40,000 wind megawatts currently up and running in the

US, meeting that mark requires the creation of over 13,000 new megawatts of wind annually—twice the growth rate the industry posted last year, which was a historic high. In the face of record federal budget deficits, wind power, hardly an infant industry, is set for decline.

So why hasn't wind energy taken off despite seemingly limitless government entitlement?

For starters, it's inherently unreliable. No matter where you are in the country, wind cannot produce a steady flow of power. That inconsistency—called intermittency in the trade—produces an inferior product at inflated cost.

The Cape Wind project is itself facing a serious problem of low demand due to high prices. The starting rate for its power is set at 18.7 cents per kilowatt—that's almost double the average U.S. cost of electricity according to the Energy Information Administration. As a result, one of the two major Massachusetts utilities, NSTAR, has decided not to buy from Cape Wind and is buying renewable energy elsewhere.

Industrial wind parks are also generally located in wide open, rural areas far from major population centers. Or they're offshore, located far away from just about everything. Delivering such electricity to towns and cities requires special transmission facilities sized for wind's peak load, leaving the system poorly utilized. Such extra transmission expense drives up the delivered cost of wind vs. facilities that are closer to market.

But what about the environment? Surely even a highly inefficient energy source can be worth supporting if it makes a significant dent in greenhouse gas emissions.

There is *zero* independent scientific evidence that wind energy can make a consequential reduction in CO2 levels. Wind's intermittency requires that fossil-fuel-fired generation fill the valleys to make sure wind can keep the lights on. So the net CO2 savings for the average wind facility is actually quite low. And that leaves wind's negative environmental impacts that have caused growing grassroots opposition.

Despite decades of effort, wind energy still hasn't proved to be a significant or efficient means of America energy production. Showering the industry with even more laurels and tax dollars isn't going to change the situation. Yet that's exactly what the president is proposing.

Enough. Time to get government out of energy markets and fully unleash the competitive forces that have worked wonders everywhere else in the economy. Let wind play its natural role in the American energy sector: very marginal at best.

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