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Top Story

Report: PTC uncertainty threatens wind's benefits to Illinois economy

Illinois's 23 largest wind farms have generated 19,047 construction and maintenance jobs and will add \$5.8 billion to local economies over the lifetime of the projects, according to a study released Tuesday by the Center for Renewable Energy at Illinois State University. But the study's author said further jobs and economic development are threatened by the impending expiration of the federal wind energy Production Tax Credit (PTC).

"It's important that decision-makers are educated about the economic development impact wind energy has on state and local communities so that informed decisions regarding future adoption of wind energy projects can be made," said the Center's director, David Loomis. He presented his findings at a press conference Tuesday at the sixth annual Advancing Wind Energy in Illinois conference in Normal, Ill.

The report adds that wind farms support about 814 permanent jobs in rural areas with an annual payroll of nearly \$48 million. The farms generate \$28.5 million in annual property taxes and \$13 million a year in extra income for landowners who lease their land to developers.

"Strong clean energy policy combined with the PTC has helped fuel the growth of more than 10,000 MW of wind power in the Midwest ISO in the last decade," said Beth Soholt, executive director of AWEA regional partner Wind on the Wires. "We would like to see that continue to grow and provide the economic benefit described in this report to the entire nation."

Executive Leadership

Denise Bode
Chief Executive Officer

Planned wind farm projects statewide would mean an additional 12,700 jobs and millions more to local economies through payments to landowners and property tax revenue. But those projects are on hold because of uncertainty about the extension of a federal tax break for wind energy developers. The PTC, which was created in 1992 and helps offset the cost of producing electricity during a wind farm's first 10 years, is set to expire at the end of this year.

McLean County leads the state with permitted projects, with plans for turbines totaling 700 MW of generating capacity, or enough electricity to power about 192,000 homes each year, based on average household use. Livingston County follows with 501.5 MW, Henry at 411.6 MW and Ford with 145 MW.

"In order to keep new jobs coming from wind energy, we need to see important state and federal policies in place," Loomis said.

Illinois continues to be a leader in wind energy development, leading the nation in 2011 with 404 turbines installed. The state ranks fourth in the country in wind-powered generating capacity.

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Community Wind

First through the gate after Wisconsin siting reform, community wind project dedicated

The two-turbine Cashton Greens Wind Farm, a community wind project that will provide power for a consumer brand familiar to many Americans, was dedicated this week.

The 5-MW project, Wisconsin's first community wind development, is owned by La Farge-based Organic Valley Cooperative and Gunderson Lutheran Health System, La Crosse. Cashton Greens will generate enough electricity to offset the energy use for Organic Valley's corporate headquarters and distribution center, as well as meet 5 percent of Gunderson Lutheran's energy needs. Organic Valley is America's largest cooperative of organic farmers and a national organic brand. Gunderson Health System provides health services at its hospital and clinics throughout west Wisconsin, southeast Minnesota, and northeast Iowa.

In addition to being Wisconsin's first community wind project, the facility marks another milestone for the state. It is the first wind project permitted following the enactment of Wisconsin's wind siting law (2009 Act 40). The siting rules [took effect after a long process](#) that saw the rules put on hold for a time. The Village of Cashton approved the project in June 2010.

And the project boasts other firsts, according Michael Vickerman, director of programs and policies for RENEW Wisconsin. "Cashton Greens is both Wisconsin's largest customer-owned renewable energy installation and the largest ever to receive a grant from Focus on Energy, the state's energy efficiency and renewable energy program," he noted.

The two Clipper Liberty 2.5-MW turbines rise alongside Organic Valley Cooperative's distribution center, 40 miles southeast of La Crosse.

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“RENEW and all of our members salute the team of Organic Valley, Gundersen Lutheran, and the village of Cashton for their audacious commitment to energy independence,” said Vickerman. “They are plowing ground that will result in new renewable energy systems supporting Wisconsin’s economic vitality while protecting its environmental health.”

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Project News

Farmers' Electric Co-op board approves 18-MW wind power contract for New Mexico project output

The board of the Farmers' Electric Cooperative has OK'd a power contract under which it will receive the output of an 18-MW New Mexico wind farm slated to be online by the end of the year.

The project, according to Broadview Energy and Minneapolis-based National Renewable Solutions LLC, is considered to be a first phase of a much larger 500-MW project in Curry County, N.M. and Deaf Smith County, Texas. The cooperative intends to make the required filing regarding the purchase from the project, considered a “Qualifying Facility” under federal regulations, with the New Mexico Public Regulation Commission by the end of July.

The project is being developed and will be managed by National Renewable Solutions. With a construction schedule designed to meet the deadline to qualify for the current federal Production Tax Credit (see top story), the project is expected to begin construction in mid-August and be completed in mid-November.

Lance Adkins, general manager of Farmers' Electric Cooperative, said the co-op is “very excited about the project.” He continued, “Broadview has worked to overcome significant challenges to make the project a reality. In addition, energy from the project will help to reduce wholesale energy price volatility, caused by natural gas, for the members of Farmers’.”

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Transmission

Clean Line teams with Okla. agency on lesser prairie-chicken conservation

Addressing environmental sensitivities as it moves forward with development work for a transmission line that would carry vast amounts of clean, renewable energy, Plains and Eastern Clean Line Oklahoma LLC (Clean Line) signed a memorandum of understanding with the Oklahoma Department of Wildlife

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Conservation (ODWC) to create a collaborative working relationship for lesser prairie-chicken conservation.

The lesser prairie-chicken was identified as a species of greatest conservation need in the Oklahoma State Wildlife Action Plan and is a candidate species for listing as a federal threatened or endangered species. Under this agreement, Clean Line and ODWC will work together to minimize any adverse effects to the species from the planned Plains & Eastern Clean Line transmission project.

The Plains & Eastern Clean Line transmission project would connect thousands of megawatts of wind energy in western Oklahoma, southwest Kansas, and the Texas Panhandle to utilities and customers in Tennessee, Arkansas, and other markets in the Mid-South and Southeast. The project would consist of an approximately 800-mile overhead high voltage direct current transmission (HVDC) transmission line.

One way the ODWC can support Clean Line's efforts is that it has a spatial planning tool that allows industry to avoid, minimize, and offset habitat impacts in selecting sites for wind farm and transmission line development. Under the MOU, Clean Line will cooperate with the ODWC to protect, enhance, and/or restore lesser prairie-chicken habitat in northwest Oklahoma and the Panhandle in an attempt to offset any unavoidable adverse effects. The agreement solidifies a common goal between both agency and industry to promote lesser prairie-chicken conservation and sustainable energy development in Oklahoma. Clean Line is participating in ODWC's Oklahoma Lesser Prairie-Chicken Conservation Action Plan, as well, in an effort to demonstrate to the U.S. Fish and Wildlife Service that all reasonably practicable actions are being implemented to ensure the viability of this species.

"Clean Line is pleased to establish this important relationship with ODWC to develop a workable set of voluntary best practices that will minimize adverse effects to the lesser prairie-chicken and its habitat in Oklahoma," said Michael Skelly, president of Clean Line Energy. "We strive to set an example as a steward of the environment and are committed to the responsible development of our transmission projects."

Clean Line plans to invest approximately \$2 billion for the transmission project, enabling approximately \$7 billion of investment in 3,500 MW of new clean power generation.

"This agreement with Clean Line is another example of how we are actively coordinating conservation efforts with industry," said Richard Hatcher, director of the Oklahoma Department of Wildlife Conservation. "These types of agreements are essential to both the long-term viability of the lesser prairie-chicken and continued development of wind energy in areas with prairie-chickens."

Meanwhile, progress continues on the transmission project. The Plains & Eastern Clean Line project team has met with over 1,200 individuals in the project area and held roundtable meetings with local officials and community leaders in more than 30 counties across Oklahoma, Arkansas, and Tennessee to gather feedback about the study area and responsibly site the project. Clean Line also hosted more than 30 state and federal agencies in Oklahoma, Arkansas, and Tennessee at workshops where participants provided insight on their approval processes and engaged in discussions on sensitive areas to avoid, as well as other environmental issues. In addition to the agreement with ODWC, Clean Line has entered into agreements with The Nature Conservancy of Arkansas and The Nature Conservancy of Oklahoma to share information and knowledge to



minimize the environmental impacts of the project. Based on current estimates, the project is expected to achieve commercial operation in 2017.

"We applaud Clean Line Energy and the Oklahoma Department of Wildlife Conservation for working collaboratively to help facilitate new transmission for clean energy projects," said Mike Fuhr, state director of The Nature Conservancy of Oklahoma. "This is a great example of a private company working with the state as they continue toward environmentally friendly siting of renewable energy projects here in Oklahoma."

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Project Finance

Caney River wind farm in Kansas gets funding

Enel Green Power S.p.A., through its US subsidiary Enel Green Power North America Inc. (EGP NA), has been awarded a \$99 million tax credit reimbursement in connection with its 200-MW Caney River wind farm in Kansas.

The U.S. Treasury reimbursement came via Section 1603 of the American Recovery and Reinvestment Act of 2009, also known as the economic stimulus package; the 1603 provision has expired after successfully providing a short-term solution to the devaluation of the Production Tax Credit during the recession. During that time, tax credits lost their value because companies were not turning a profit and therefore had no taxable income. The Caney River project, which entered commercial operation in 2011, qualified for the stimulus program prior to its expiration, allowing for the project to be built and create jobs during the economic downturn.

The funding will be allocated to the consortium led by J. P. Morgan, with which EGP NA, in 2011 signed a tax equity partnership agreement for Caney River and for the Rocky Ridge wind farm, for a total of approximately \$340 million. The other members of the consortium are Wells Fargo Wind Holdings LLC and Metropolitan Life Insurance Company.

Caney River's output is purchased by the Tennessee Valley Authority under a 20-year contract.

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Offshore

Lesson from heatwave: Offshore project would pump lots of electricity during summer peaks, says Deepwater

Record-high temperatures along the East Coast in recent weeks have spurred conversation about the availability of electric capacity during peak usage, and one offshore developer has a point to contribute to that conversation: hot temperatures are a boon for offshore wind energy.

Deepwater Wind this week released data showing that its planned Deepwater Wind Energy Center (DWEC), a 900-MW offshore wind farm that would be

located 20 miles off the coasts of Massachusetts and Rhode Island, would reach maximum output on the hottest days of summer in the Northeast, just when electric grids most need the energy.

During the first heat wave of the season, in late June, temperatures and the electric demand on Long Island surged. For example, on June 21, a new high for the date was set on Long Island as the temperature peaked at 95 degrees in the late afternoon. Electric demand followed that temperature rise. Likewise, demand for electricity in New England also soared during the heat wave.

Data modeled by Deepwater Wind's meteorological experts, AWS Truepower, show that DWEC would have been operating near its maximum output during the afternoons of both June 20 and June 21, when the heat wave was at its peak. While the wind farm is projected to produce at an average of approximately 45 percent capacity over the course of a full year, it would have been producing much more, in the range of 65-90 percent capacity, during most of the hottest hours of the heat wave.

"One of the great benefits of offshore wind power is that its output surges during those hot afternoons in the dog days of summer," said Deepwater Wind CEO Bill Moore. "This is because of the well-known 'sea breeze' effect. When temperatures rise on shore and heat the air, that hot air rises. The resulting drop in air pressure on shore causes cooler air from the ocean to accelerate toward the coast. Those cooler ocean breezes also produce steady wind that powers our offshore wind turbines."

Another Northeast developer, Cape Wind, has pointed to similar data from its wind measurement instruments during heat waves.

Deepwater Wind has proposed to sell power from DWEC to the Long Island Power Authority via a new transmission system connecting Long Island and southeastern New England. The developer also intends to market power from DWEC to Massachusetts and Rhode Island.

"This is one more reason that offshore wind is the best new energy resource option for New England and Long Island," said Moore. "Both areas are close to one of the best offshore wind sites in America, and we can deliver that clean, renewable energy exactly when we need it—on hot summer days and all year long."

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Project News

Enel's first wind farm in Mexico goes online

Enel Green Power's Bii Nee Stipa 2 project, the company's first wind farm in Mexico, recently went online.

The \$160 million, 74-MW facility leverages the excellent wind resources on the Isthmus of Tehuantepec in the Mexican state of Oaxaca. Enel has been operating in Mexico since 2007 via its hydroelectric operations. The wind farm features 37 Gamesa 2-MW turbines.

"We will continue to grow in the country with this technology as well as hydro, a sector in which we are already present in Mexico," said Enel Green Power CEO Francesco Starace. "We have development plans in this important country, encompassing all the generation technologies we have at our disposal, given the major opportunities we can see in this sector."

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AWEA News

Introducing AWEA Online Education

Company resources are tight, your time is valuable, BUT specialized industry education is critical to your professional development and for staff training. Let AWEA Online Education help you and your team meet your goals and get the education and solutions needed to solve business and project challenges with these upcoming webinars. Additional webinars on various topics and for more advanced experience levels will be available soon.

Sign up for one or both of these upcoming webinars:

Wind 101 - The Business of Wind

Tuesday, July 24th - 1:00 PM EDT / 10:00 AM PDT

Seasoned industry veterans give a high-level view of the business of wind power. Get up to speed on required financial planning and economic intricacies of wind projects, and the siting issues and challenges to building onshore or offshore wind projects.

Speaker Line-Up

- Jeff Anthony, Director, Business Development, AWEA
- Sara Bergan, Attorney, Stoel Rives LLP
- Taylor Geer, Department Head, Energy Group, North America

[Register.](#)

Wind 101 - Laying the Technical Foundation

Thursday, July 26th - 1:00 PM EDT / 10:00 AM PDT

Get a deeper technical understanding of the wind energy industry – from project economics and how site planning impacts project development, to wind dynamics and how to get wind power to the transmission grid. Leave this session with a solid understanding of wind technology, resource assessment, and transmission issues facing wind industry growth.

Speaker Line-Up

- Brendan Taylor, Lead Systems Engineer, NRG Systems, Inc.
- Paul Veers, Chief Engineer, National Renewable Energy Laboratory
- David Berry, Vice President, Clean Line Energy Partners, LLC

[Register.](#)

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AWEA News**AWEA Regional Wind Energy Summit - New England**

With a focus on New England, this seminar is packed with experts who specialize in issues pertinent to wind development in this region of the United States. The Regional Wind Energy Summits have been a popular new addition to the AWEA lineup, and the latest installment comes to New England for the first time Sept. 5-6 in Portland, Maine. [Learn more.](#)

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