

House Republican Policy Committee Public Hearing on Wind Energy - June 11, 2010
Statement of Rep. Robert W. Godshall

We are here today to hear testimony from all sides of the wind energy platform and I would like to take a brief opportunity to express that while I support the development of wind as part of a comprehensive energy policy, I am concerned about costs associated with the development of this resource and its overall effect on the reliability of the electric grid and consumer electric bills.

Wind power has a place in the mix of energy generation resources used in the Commonwealth. However, we must weigh the value of what we are attempting to achieve against the actual costs of implementing those ideas. Pennsylvania taxpayers have paid approx. \$1 billion towards the development of renewable energy projects, on top of federal subsidies provided to promote and sustain renewable resource generation methods. It is unclear how much more taxpayers and consumers can withstand before their budgets are stretched to the breaking point. Given the current economic climate, for most consumers, the breaking point cannot be far away.

It is estimated that the development and construction costs associated with a wind turbine are \$1.3 to \$1.7 million per MW of installed capacity. These figures do not include the additional costs of building transmission lines to carry the electricity generated to the electric grid. Wind energy has a capacity factor of 30% which means that it is only available to meet demand 30% of the time. Because of its intermittent characteristics, I'm concerned that the additional cost of ensuring that adequate back-up supply is available to meet electricity demand when the wind is not blowing will increase energy costs paid by consumers.

Additionally, the need to have these ancillary facilities idling to protect system reliability significantly reduces the "green-ness" of wind energy. Idling facilities are not operating at maximum efficiency and actually produce more carbon dioxide emissions than when operating at peak capacity. The variable nature of wind energy production and the necessity of back up generation will increase costs to consumers well above wind's average levelised cost of \$0.04 and \$0.06 per kWh. I also question whether renewable energy policies are achieved when reliance on generation from an emission free resource actually causes increased levels of CO₂ emissions from necessary back-up generation facilities.

I'm also concerned about the viability of claims that renewable energy policy will create "green jobs". A Spanish study concluded that Spain's \$3.7 billion investment in a wind energy program in 2007 which purportedly created 500,000 "green jobs" actually resulted in a net loss of 2.2 jobs for every "green job" created because the increased energy costs resulting from the program led to widespread lay-offs so that businesses could pay their energy bills and stay in business. Pennsylvania businesses cannot sustain further increases in energy costs and we must be sensitive to protecting the jobs of the employed while creating real sustainable long term employment opportunities for the unemployed.

I support the development of renewable energy and believe that the Commonwealth's natural resources should be protected; however, I do not believe that government should pick energy generation winners and losers particularly when it will impact the affordability of electricity to consumers. We must ensure that, above all, consumers continue to receive affordable, reliable electricity.