

Testimony of Roby Roberts
On behalf of the American Wind Energy Association (AWEA)
Before the House Natural Resources Committee hearing on “American Energy Initiative: Identifying
Roadblocks to Wind and Solar Energy on Public Lands and Waters, Part II –
The Wind and Solar Industry Perspective”
1324 Longworth House Office Building
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Chairman Hastings, Ranking Member Markey and other members of the Committee, thank you for the opportunity to testify today. My name is Roby Roberts, and I am Vice President of Communications and Government Affairs for Horizon Wind Energy LLC (“Horizon”). I am testifying on behalf of the American Wind Energy Association (AWEA), where I currently serve as the Chair of AWEA’s Siting Committee and previously served as Chair of AWEA’s Board of Directors and Legislative Committee.

AWEA is the national trade association representing a broad range of entities with a common interest in encouraging the deployment and expansion of wind energy resources in the United States. AWEA members include wind turbine manufacturers, component suppliers, project developers, project owners and operators, financiers, researchers, renewable energy supporters, utilities, marketers, customers and their advocates.

Horizon and its subsidiaries develop, construct, own and operate wind farms throughout North America. Based in Houston, Texas with 27 wind farms, over 300 employees and over 15 development offices across the United States, Horizon has developed more than 3,600 MW and operates over 3,400 MW of wind farms. Horizon ranks third in the United States in terms of net installed capacity. Horizon is owned by EDP Renewables, a global leader in the renewable energy sector that develops, constructs, owns and operates renewable generation facilities.

Wind energy is a clean, affordable and homegrown energy resource. It contributes to rural development through property taxes that support schools and communities, the royalty payments that help families keep on their farms or ranches, and through the good jobs, both long-term and short-term, that it brings to communities with all too few such jobs.

Wind energy is also an important part of a diverse energy portfolio. It is commercial, rapidly scalable, and, taking into account federal incentives received by all energy technologies, wind energy costs have fallen below the costs of most new conventional sources, and are close to cost-competitive with new natural gas generation. Because the “fuel” for wind energy is free and inexhaustible, prices can be locked in for 20 years, thus acting as a hedge on volatile fuel prices. Deploying wind energy domesticates our energy supply and bolsters energy security.

In short, it is good for our economy, our national security, public health and the environment.

The wind energy industry currently employs 75,000 people in the U.S. The industry has been one of the few bright spots in the otherwise difficult economy. In 2010, the industry installed 5,116 megawatts, representing \$11.1 billion in investment. Total cumulative installed capacity stands at 40,181 MWs, enough to power 10 million homes. Average annual growth for the past five years was 35 percent, second only to natural gas and more than nuclear and coal combined. The industry has utility scale wind projects operating in 38 states and more than 400 manufacturing facilities in 42 states.

The industry's potential as a jobs and economic engine is much greater. The U.S. Department of Energy released a report in 2008 analyzing a scenario of 20 percent of U.S. electricity coming from wind energy by 2030. According to that report, which was prepared by the Bush Administration's DOE, the wind energy industry would support 500,000 jobs at that level of deployment, which is achievable with existing technology.

The biggest roadblock facing the wind energy industry right now is the lack of a consistent and long-term federal policy to support renewable energy. Despite bipartisan support, tax credits for wind and other forms of renewable energy have been on-again, off-again. The production tax credit, which is the key existing federal tax incentive for wind energy development, expires at the end of 2012. Failure to extend this incentive will result in a large tax increase on wind energy developers that will be reflected in the cost of wind power, making it less competitive with competing sources that also receive federal incentives. We request that Congress block this tax increase and extend the production tax credit for wind energy this year. Given lead times for project development, it is important to act now to avoid a lull in development post-2012. Business decisions for 2013 are already being made.

And, again, despite bipartisan support, there is no long-term demand signal, such as a renewable or clean electricity standard.

Without more stable federal financial incentives and demand-side policies, any changes to make developing wind energy projects on public lands more attractive will be of only marginal benefit, at best.

The wind energy industry is also facing urgent challenges as a result of two documents released in February 2011 by the U.S. Fish and Wildlife Service ("the Service"). The first document is the Draft Land-Based Wind Energy Guidelines and the second is the Draft Eagle Conservation Plan Guidance. I will focus my testimony on the draft guidelines¹ as Susan Reilly from RES Americas will discuss the Eagle Guidance.² I would like to ask that the executive summaries of AWEA's public comments on both of these documents be made a part of the record for this hearing.

In 2007, then-Secretary of Interior Kempthorne created a federal advisory committee (FAC)³ comprised of 22 individuals primarily from state agencies, industry, academia and wildlife conservation organizations to provide recommendations on wind turbine siting guidelines. Secretary Salazar extended the FAC charter. The Committee submitted consensus recommendations endorsed by every single member in March 2010. Having industry, states, and NGOs unite around a single set of recommendations was a significant achievement. By agreeing to these recommendations, the wind energy industry was voluntarily agreeing to be held to a higher standard for wildlife study and protection than any other industry in the country.

Unfortunately, the draft land-based guidelines issued earlier this year by the Service differ in fundamental ways from the FAC recommendations and are unworkable for industry and will result in substantial delays or even abandonment of thousands of MWs of proposed wind projects.

Among industry's key concerns are:

¹ AWEA's full comments on the draft land-based wind energy guidelines can be found here:

http://www.awea.org/issues/siting/upload/AWEA-Comments-on-USFWS-Wind-Energy-Guidelines_May-19-2011.pdf

² AWEA's full comments on the draft eagle conservation plan guidance can be found here:

<http://www.awea.org/issues/siting/upload/AWEA-Comments-on-USFWS-Eagle-Guidance-May-19-2011.pdf>

³ Available at http://www.USFWS.gov/habitatconservation/windpower/wind_turbine_advisory_committee.html.

- The scope of covered species and covered impacts
 - We recommend the narrower scope proposed by the FAC;
- The scope and duration of pre- and post-construction monitoring
 - We recommend duration be based on the risk profile of the site rather than the three to five years of minimum study recommended by the Service;
- The role of the Service
 - We recommend a developer-led process as proposed by the FAC rather than having the Service in a decision-making role;
- Questionable science used to justify certain recommendations (for example, requiring study of noise impacts on wildlife and studying airspace as habitat);
 - We recommend the use of sound science and that topics that are less clear be researched rather than evaluated at every project;
- The lack of a phase-in prior to implementation
 - Requiring immediate adherence is not practical, which is why the FAC recommended a two-year phase-in;
- Mitigation recommendations that are neither practical nor proven to be effective
 - Mitigation recommendations should be proven and cost-effective, not speculative.

I would strongly urge this Committee and this Congress to express support to the Department of Interior and the Service for returning to the consensus FAC recommendations.

To fully utilize the wind energy resources in our country, we also need to expand our nation's transmission infrastructure. The BLM has an important role to play in permitting transmission projects in the west. But, coordination needs to be improved among the many field offices working on major transmission projects, including the establishment of national project teams, with an individual who has ultimate decision-making authority.

Finally, I wanted to offer a few other suggestions for changes that could improve the ability to pursue projects on public lands. Though, as I noted earlier, these will be of only marginal benefit without stable federal policy to support renewable energy and without fixing the problematic draft guidelines and guidance proposed by the Service:

1. Establish reasonable timelines for agency responses.
2. Allow commercial negotiation of terms of cost-recovery agreements, right-of-way agreements and memorandums of understanding with federal agencies such as BLM and the Service, which is a standard practice in the private sector, particularly for agreements like those entered into with BLM that may last 20 years.
3. Require that policy changes proposed and implemented through instruction memorandums be subject to a public comment process, which would allow industry to challenge recommendations that would make wind energy projects on public lands impractical, regardless of whether those came from BLM itself or resulted from BLM implementing a recommendation from another agency like the Service.
4. Allow a portion of the revenue paid by wind energy projects on BLM lands to be recycled back into the agency for the purpose of improving processing of future permits as is already done for oil and gas, geothermal, film production and communications towers.

5. Provide for categorical exclusions for putting up temporary meteorological towers to test wind speeds on public lands. This is already allowed under BLM's wind energy development policy, but is not consistently used.

Thank you again for the opportunity to testify. I am happy to answer questions.