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Cost a downside of turbines

Wind-generated energy no quick solution, expert says

By **MATT PHINNEY**, mphinney@sastandardtimes.com or 659-8253

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John Schwartz doesn't want to quit farming, but he wouldn't mind slowing down.

The 68-year-old owns about 4,200 acres of land in Tom Green and Runnels counties. Working the land is getting tougher. Schwartz jokes he wouldn't mind downsizing so he can "farm accidentally."

His intrigue in setting aside large chunks of West Texas farmland to plant booming wind turbines is easy to understand.

"Any time we get money out of something like this, that is a gift, we'll take it," he said. "But not if it's one tower out in the middle of a field. But if I'm going to get a wind farm, they can take it (his land)."

Farmers, ranchers, economic development leaders and local politicians are interested in tapping into the growing trend of wind energy. They say there are almost no downsides to constructing wind turbines in Tom Green and Runnels counties.

While proponents of wind energy see a potential economic boom by harnessing the wind, at least one state public policy think tank researcher is warning that turbine farms aren't a panacea. He says the cost of transporting the electricity generated in the Concho Valley to urban markets in Dallas, Houston and San Antonio might sap the long-term value of rural wind energy generation.

Still, Tom Green County Commissioner Ralph Hoelscher is gauging landowner interest in wind energy. At two meetings Hoelscher hosted, nearly 350 landowners gathered to explore the potential of creating wind farms.

Hoelscher is modeling his effort after a similar campaign in Runnels County, where landowners have joined forces to create enough property to sustain wind farms. Developers typically want larger tracts of land for wind farms to maximize the electricity-generating potential of a given area.

Wind energy companies are looking at 5,000- to 10,000-acre plots of land for wind farms, Hoelscher said.

For now, Hoelscher is tracking interest with a yellow marker and a county map. The map has a few large tracts of land highlighted. Hoelscher will keep the map at the office until June when he plans to make a decision on whether to pursue wind farm development.

If Hoelscher can pool enough land for a wind project in Tom Green County, Schwartz says Mother Nature will do the rest. Modern turbines need about a 6-mph wind to generate electricity. That sort of breeze is common in West Texas, Schwartz said.

The project, he said, seems most appealing to dryland farmers who don't have water to irrigate their crops. Schwartz said he is content to farm around any towers that might be built on his land.

Wind energy "is so clean," he said. "There's no waste to it and there's no smell or sound. The blades come around and all you hear is a 'swoosh.' "

Zollie Steakley, a Sweetwater lawyer who negotiates wind farm leases, said lease prices vary between energy companies and depend upon the amount of energy generated. Leases range from \$4,500 to \$12,000 per turbine per year, he said.

Grape Creek farmer Ernest Michalewicz said wind farms and wind energy could be the best thing to ever happen to West Texas. He has farm and ranch land in Tom Green and Coke counties.

Wind farm turbines, which are expensive and taxable, can add to counties and school districts' tax bases, he said.

"We have a lot of wind out here, so why don't we take advantage of it," Michalewicz said. "It's going to help us in the long run."



Standard-Times photo by
PATRICK DOVE

As a way to generate more income, rural landowners in Tom Green County have expressed interest in bringing wind turbines, like these on County Road 179 in Nolan County, to their properties. County Commissioner Ralph Hoelscher is actively gauging interest in the prospect.

Wind farming isn't new to West Texas. The large turbines dominate the skyline from Sweetwater to Big Spring to Abilene and McCamey.

Wind farms first sprang up in Upton County in the late 1990s. The first wind turbine was constructed in Nolan County in 2002. Nolan County, some 75 miles north of San Angelo, is home to the third-largest wind farm in the United States, Sweetwater economic development officials said.

Electric generation has been a windfall in Sweetwater. At least two new hotels have opened there to accommodate wind farm workers. A restaurant has been built in the small community of Nolan for workers as well, said Mike Hatley, executive director for the Sweetwater Enterprise for Economic Development, the city's economic development agency.

Sweetwater is trying to attract businesses that manufacture various parts of wind turbines.

In Tom Green County, the Llano Independent School District is researching whether a ranch it owns north of San Angelo is suitable for producing wind energy.

San Angelo could attract wind turbine manufacturing businesses because of its proximity to large wind farms, said Michael Dalby, president of the San Angelo Chamber of Commerce.

"There is real opportunity here," Dalby said. "We can leverage San Angelo on existing businesses such as steel fabrication. This is a new technology and an economy that I feel like has a real future in West Texas. As long as the wind blows, we can leverage off that."

Roughly one job is created per 10 turbines. Those jobs can pay from \$40,000 to \$100,000 annually.

Wind energy seemingly is a nice fit for Tom Green County.

There is a 145-mile, 345,000-volt transmission line in the northern part of the county to transport electricity out of the area. The line was built, in part, to carry wind power from the growing number of wind farms in West Texas.

Hoelscher said another transmission line might be necessary to facilitate landowner interest in wind electricity generation.

The cost of building a new transmission line, however, might be a roadblock to the project.

Terry Hadley, spokesman for the Public Utility Commission of Texas in Austin, said transmission lines cost "several hundreds of thousands" per mile, depending upon the terrain. Those costs are picked up by electric customers.

On thing is clear: Texans will be buying more wind-generated electricity in the future.

"There is legislation mandating a certain amount of the electricity generated comes from renewable power, so you are essentially talking about wind," Hadley said. "And you cannot store electricity. Those turbines don't work unless there is wind, so you go where the wind is."

A federal production tax credit is in place for companies that have turbines up and spinning by the end of 2007. The credit expires after that.

Tom Green County commissioners passed a resolution that supports extending the tax credit. Dalby also said the tax credit should be extended.

Bill Peacock, the Texas Public Policy Foundation's director for the center of economic freedom, said federal tax credits and the Texas Legislature's mandate are essentially subsidies for renewable energy companies.

According to the legislative mandate, energy companies must either provide more renewable energy, almost all of which is wind energy in Texas, or buy renewable energy credits from companies that do.

Peacock opposes taxes credits for wind energy. He said the future of Texas' energy should be formed by the free market, not by governmental mandates and subsidies.

The Austin foundation's mission is to improve Texas by researching data on state issues, and recommend findings to opinion leaders, policymakers, the media and general public.

He questions whether building more wind farms in West Texas to provide energy for Texas' largest cities is efficient because the transmission lines will be long and expensive. Clean coal might be a more efficient choice for power because those facilities can be

built closer to those cities, he said.

Wind energy is "a new emerging technology worth exploring," he said. "But we can't pin our future hopes on it. You need to develop diversity in energy production, and let the free market do it."

Texas power

No 2: Texas' ranking by the American Wind Energy Association for the state with the most wind energy installed by capacity.

1,995 megawatts: Amount of wind-generated electricity in Texas. California leads the nation with 2,150 megawatts of wind-generated electricity. Texas is predicted to overtake California this year.

No. 3: Nolan County wind farm, Horse Hollow Wind Energy Center, ranks as the third-largest wind farm in the United States. This is the first year the wind farm has received a national ranking from AWEA.

210 megawatts: Amount of electricity generated annually by Horse Hollow.

Source: Sweetwater Enterprise for Economic Development Corp.

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