Suzlon puts squeeze on

Indian owner reaches the point where it can buy out remaining minority shareholders and take full control of REpower

US$19/NKr120/E12/S$30/E15 • Issue 111 • 8 April 2011
Spotlight on state’s $5.4bn success story

RENEWABLE-ENERGY ADVOCATES SAY THE INDUSTRY HAS INVESTED $5.4bn IN OREGON SINCE 1999.

The estimate, from the Renewable Northwest Project (RNP), comes amid a battle over the continuation of a tax credit that has helped spur green growth.

As cash-strapped state and local governments across the country struggle with the issue of industry support, the RNP is highlighting the economic and environmental benefits of renewables in the context of “dramatic tragedies (that) have shaken the confidence of traditional energy industries”, says executive director Rachel Shimshak.

She cites the Japanese nuclear disaster, the BP Gulf of Mexico oil spill and last year’s Massey coal mine explosion, which killed 29 men in West Virginia.

Meanwhile, lawmakers continue to examine Oregon’s Business Energy Tax Credit (BETC), which has helped attract wind developers and solar-equipped manufacturers to the Beaver State.

The policy has been criticised for being too generous to the industry, and even though it was reined in last year, the state’s largest newspaper recently carried a series of articles questioning its value in creating jobs as Oregon’s unemployment rate hovers at 10.2%.

The RNP is campaigning the breadth of economic impacts that renewable energy has had on Oregon’s economy.

It held a press conference outside Iberdrola Renewables’ National Control Center in Portland, where dispatchers and system analysts monitor more than 2,500 wind turbines across the country, including some in Sherman County, about 165km to the east.

Judge Gary Thompson of the Sherman County Board of Commissioners explains how the growth of renewables has played out for the 1,800 people who live there, farming wheat.

The county has gone from 235MW of wind installed in 2002 to more than 1GW today, and still growing. That has brought in more than $17m of property taxes to the county, compared with a non-wind tax base of about $3m.

“We’re one of the few counties in the state of Oregon that doesn’t have to worry too much about their budget,” Thompson says, listing the $100,000 for each town “to play with”, a $500-per-household rebate, and new and improved facilities funded by wind development.

The county’s schools now boast new musical instruments and computers. “We have a bright picture for Sherman County schools as a result of the wind energy,” says superintendent and principal Ivan Ritchie.

Sherman County’s surplus is rare as the effects of the recession linger across much of America. More than half of the 500 counties that responded to a national survey had fewer staff now than in 2010. Many are delaying projects and cutting programmes. Declining revenue from the government was the top reason for lower county revenue, according to the National Association of Counties survey.

In Oregon, a $3.5bn budget shortfall has prompted a top-to-bottom examination of state incentives, including another look at the BETC, which is scheduled to expire in 2013 for renewable-energy and efficiency projects, and in 2013 for manufacturers.

“We want to demonstrate that investments being made in Oregon increase revenue to the state, not only to make up for the incentives that are being offered, but really to increase the tax base across the board,” Shimshak says.