

SUN DAY CAMPAIGN

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SUSTAINABLE ENERGY STUDY #18

New Study Finds That Developing Wind Energy Will Energize Ohio's Economy:

Environment Ohio, August 23, 2007

<http://www.environmentohio.org/newsroom/energy/energy-program-news/new-study-developing-wind-energy-will-energize-ohios-economy>

As Governor Strickland and Ohio's leaders consider an energy plan for Ohio, Environment Ohio joined by consumer, business and labor leaders from across the state are urging them to prioritize the development of more homegrown renewable wind energy.

"Ohio's wind energy resources, manufacturing base and technological know-how are a recipe for Ohio to become a leader in the development of clean renewable energy," stated Amy Gomberg, Environmental Advocate with Environment Ohio. "Diversifying our electricity mix by requiring at least 20% of Ohio's energy come from clean renewable sources like wind would create more jobs, provide a bigger boost to our economy and make Ohio more energy independent than staying the course."

Currently, nearly 90 percent of Ohio's electricity comes from burning coal while less than one percent of Ohio's energy comes from renewable sources. In 2005, Ohio spent \$1.5 billion dollars importing 60% of its power plant fuel supplies used to generate electricity.

Meeting Ohio's increasing demand for energy from through 2020 with energy from Ohio's clean and renewable wind resources would result in more jobs, higher salaries and a bigger boost for Ohio's local economies than staying the course with increasingly expensive imported fossil fuel resources.

"Energizing Ohio's Economy: Creating Jobs and Reducing Pollution with Wind Power" a new report released today by Environment Ohio reveals that a 20% commitment to wind energy by 2020 would result in a:

- * Gain of 40,000 person-years of employment,
- * Additional \$3.7 billion in wages paid,
- * Increase the Ohio gross state product by \$8.2 billion,
- * Generate up to \$1.5 billion dollars in property taxes to county governments,

* Supplement rural landowner' income by \$200 million dollars,

* Avoid 170 million metric tons of global warming pollution (CO₂), which is equivalent to taking over 2 million cars off the road.

“Our company believes that we have a lot of potential to expand in the renewable energy industry. If Ohio passes a renewable energy standard it will make it much easier for us to move down that road,” stated Dave Champagne, the Manager of Wind Energy at The Minster Machine Company in Minster, Ohio. “That policy is a clear commitment to renewable energy that will help us develop cost effective renewable technologies, keeping these jobs in Ohio.”

There are over 70 businesses across the state of Ohio that are already involved in the renewable energy supply chain. Ohio companies are involved in the production of raw materials, manufacturing of component parts, installation of renewable energy systems, and operation and maintenance of wind turbines.

“Honeywell is proud to be a supplier in Ohio’s renewable energy industry. We know that if Ohio makes a commitment to renewable energy with a renewable energy standard, our business is bound to grow,” stated Jeff Jacobs, the Technical Support Manager with Honeywell’s Urbana location.

Currently 25 other states in the U.S. have passed renewable energy standards which require that a certain percentage of a state’s electricity come from clean renewable energy sources like wind and solar. Illinois is the most recent state to pass a standard whereby 25% of the state’s electricity must come from renewable sources by 2025.

States in the Midwest are increasingly enacting renewable energy standards as a way to not only diversify their electricity mix but also as a way to lure new businesses and manufacturers of component parts for renewable energy technologies to their states.

“Clearly Ohio’s leaders should support and enact a renewable energy standard that is strong enough to ensure that Ohio can compete with our neighbors in Pennsylvania, Illinois and Michigan for new jobs,” stated David Caldwell Director of the Ohio United Steelworkers Union. “Because of Pennsylvania’s commitment to developing wind energy, Gamesa, a large manufacturer of wind turbines recently established their American corporate headquarters in Pennsylvania and created hundreds of union jobs.”

Tim Burga, Chief of Staff for Ohio AFL-CIO stated, “We believe that an energy plan for Ohio should be an integrated policy, including a unique standard for renewable energy sources such as wind. This will be a catalyst for creating the much needed sustainable jobs in Ohio.”

In addition to creating more jobs, increasing local tax revenue and making Ohio more energy independent, advocates contend that a commitment to renewable energy will be a good deal for Ohio consumers.

“With stronger environmental regulations on the horizon and the increasing costs of fossil fuels, renewable energy and efficiency programs are all the more attractive to ratepayers. Choices we make today will affect the electric prices and environmental quality of our future generations,” said Janine Migden-Ostrander, Ohio Consumers’ Counsel. “Residential consumers need the long-term benefits of Ohio’s untapped renewable energy potential coupled with energy efficiency programs that would lessen our demand for electricity.”

Environment Ohio’s Energizing Ohio’s Economy report also showed that increasing Ohio’s wind energy generation would significantly reduce emissions of carbon dioxide, the leading cause of global warming, as well as, speed progress in reducing soot, smog and mercury pollution, which damage public health.

“Ohio needs to take decisive action now if we are to mitigate the worst effects of global warming. Ohio is ranked as the 4th largest emitter of global warming CO2 pollution in the country” stated Ellen Hawkey, the Sierra Club Ohio Chapter Conservation Program Manager. “As congress considers global warming pollution limits, Ohio needs to diversify our energy resources by investing in energy efficiency technologies and renewable energy sources.”

“Making a commitment to renewable energy is a win-win-win situation. It is good for jobs, the economy, and the environment. I urge Governor Strickland and Ohio’s legislative leaders make it a priority to pass a 20% by 2020 renewable energy standard by the end of the year,” concluded Gomberg.

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Executive Summary - "Energizing Ohio's Economy: Creating Jobs and Reducing Pollution with Wind Power"

Developing Ohio’s wind energy resources will advance Ohio’s economy. Clean, renewable and home-grown wind energy will help to make Ohio more energy independent, create jobs, increase incomes, and help to prepare our economy for a potential national cap on global warming pollution.

In this report, we use an economic model to evaluate the impact of increasing wind energy production to 20 percent of Ohio retail electricity sales by 2020, in comparison with continuing business as usual.

We find that wind energy can provide significant benefits for Ohio’s economy and environment. Accordingly, wind power and other renewable energy resources should play a central part in Ohio’s energy policy.

Wind energy creates jobs.

Diversifying Ohio’s electricity supply with 20 percent wind energy by 2020 would create an estimated net of 40,000 person-years of employment through 2020, or the equivalent of 3,100

permanent, full-time jobs. It would also increase wages paid to Ohio workers by a cumulative net total of \$3.7 billion through 2020.

Harnessing Ohio's well-developed industrial base to manufacture renewable energy technologies for export would provide additional economic advantages. For example, the Renewable Energy Policy Project and Policy Matters Ohio estimate that a national commitment to wind energy could create more than 13,000 wind turbine component manufacturing jobs in Ohio – more than in any state except California.

Wind energy creates economic growth.

Diversifying Ohio's electricity supply with wind energy would increase gross state product (GSP) by an estimated net of \$8.2 billion through 2020.

Ohio's rural areas can benefit from wind energy development.

Landowners can lease land for wind farms, creating an additional income stream. Increasing Ohio's use of wind energy could supplement landowner income with cumulative total lease payments of \$200 million through 2020.

Developing Ohio's wind power resources would generate on the order of \$1.5 billion in property taxes (total through 2020) to fund education and other local government services, mainly in rural areas of the state.

Communities can maximize local benefits by organizing and financing their own wind projects, much like the Bowling Green wind farm.

Wind energy reduces pollution. In total through 2020, wind power would prevent the release of:

- * 170 million metric tons of carbon dioxide, the leading global warming pollutant (equivalent to retiring more than 2 million cars from the road);
- * 470,000 tons of soot-forming sulfur dioxide;
- * 120,000 tons of smog-forming nitrogen oxides; and
- * 4,000 pounds of mercury, a neurological toxicant.

Wind energy can help prepare Ohio for a future cap on global warming pollution, protecting the economy from the rising cost of fossil fuels.

The growing urgency of global warming makes limits on carbon dioxide pollution likely for the future.

As these limits are set, power from carbon-heavy fossil fuels will become more expensive – and investments in fossil-fueled power plants will become less valuable. Since power plants can last 30 years or longer, it makes sense to consider the impact of global warming pollution limits now.

In contrast, wind power and other renewable energy resources emit no global warming pollution, and will not be subject to price increases from future global warming policy. By diversifying its electricity resources with wind, Ohio can protect its economy from the rising cost of fossil fuels. Wind energy could make up 20 percent of Ohio's electricity consumption by 2020.

Ohio has substantial wind resources along the glacial ridges of central Ohio, across the farmlands of northwest Ohio, as well as along and off the shores of Lake Erie. The National Renewable Energy Laboratory (NREL) estimates that wind turbines on three-hundredths of 1 percent of the land area of Ohio could produce 20 percent of Ohio's electricity needs in 2020.

In addition to wind, Ohio has other renewable energy resources like biomass and solar energy that could contribute to a reliable electricity supply for the state. Ohio ranks 7th in the country in the availability of biomass stocks available at less than \$40 per dry ton, according to the Oak Ridge National Laboratory – enough biomass to generate about 7.5 percent of Ohio's forecast electricity needs in 2020. Solar photovoltaic panels on 1 million Ohio rooftops could produce almost 3 percent of Ohio's forecast electricity needs in 2020.

Now is the time to move Ohio toward a clean energy future. To make this future a reality, Ohio's leaders should:

Adopt a renewable electricity standard of 20 percent by 2020. Ohio should require utility companies to obtain a growing share of their electricity from in-state renewable sources of energy, beginning in 2009 and reaching 20 percent of sales by 2020. The standard should focus on renewable resources like wind, solar and clean biomass – while excluding toxic sources of energy like trash incineration, and excluding fossil fuels.

Reduce Ohio's global warming pollution. Ohio should pursue the cheapest carbon-free sources of electricity first, including energy efficiency and renewable energy, before considering proposals that would increase the state's contribution to global warming. Moreover, Ohio should not allow any new coal facility to be built unless it includes carbon capture and sequestration, with verifiable and permanent carbon storage.