

Renewable-energy advocates look for answers to push wind power in Nebraska

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While Nebraska's ethanol boom is in full gold-rush swing, some energy advocates are worried that the state is missing out on another renewable energy explosion that has been spreading across the Midwest: the wind boom.

The statistics marking wind power's proliferation are piling up. According to the American Wind Energy Association, 35 wind plants in Iowa are producing 837 megawatts (MW) of power, and four more are under construction. Minnesota has 66 plants online.

And the totals from Nebraska, which ranks sixth in the nation — ahead of both Iowa and Minnesota — in wind energy potential? Five plants, producing 73 MW. And no new ones are in the works.

It's enough to make renewable-energy advocates start tugging at their hair.

"There's no other state in the country that has as much wind energy potential as Nebraska that has done as little as Nebraska to develop it," said John Hansen, president of the Nebraska Farmers Union.

Most of the resistance to wind energy in Nebraska, these advocates say, comes from the state's public power system. While they embrace the public power concept as a whole, they're frustrated with reluctance the state's public utilities, and especially the Nebraska Public Power District, have shown toward wind energy.

NPPD, for its part, has dipped a toe into the wind power pool. Last year, it opened a 36-turbine, 60 MW wind farm in Ainsworth with a consortium of municipal utilities. NPPD media specialist Jeanne Schieffer said it has been a remarkable success, adding more than 224 million kilowatt-hours of power to its portfolio while causing rates to increase just 0.06 percent.

But in other ways, public power, whether by law or conviction, has proved a hindrance to the growth of wind energy in Nebraska. The most significant reason is outside of any utility's control: As public organizations, Nebraska's utilities cannot receive the tax incentives offered to private organizations that invest in renewable energy systems.

The Ainsworth plant was built without incentives, and though Congress has authorized a production tax credit for such public projects, the program has been consistently underfunded and expires at the end of next year.

"It's gotten difficult to create incentives to facilitate the creation of wind energy," said Gary Mader, Grand Island's utilities director. (The city owns 1 MW of the Ainsworth wind farm.)

The lack of enticing incentives keeps wind power projects from being as immediately economical as coal and nuclear power. That's a particularly daunting obstacle for NPPD, whose highest commitment as a nonprofit organization, according to Schieffer, is providing the most cost-effective power possible for its customers.

“If cheap electricity is our only priority or our highest priority, there isn’t a reason to put in wind energy, at least in the short term,” said Jerrod Haberman, director of the Panhandle Area Development District in Gering. “But if we want to include economic development issues and environmental issues, then there are reasons to potentially pay more for wind energy.”

NPPD’s low-cost policy has won it a lot of appreciation — Nebraska’s power rates are 10th-lowest in the nation — but many Nebraskans believe that the importance of pursuing renewable energy trumps low costs.

A 2003 NPPD poll found that 96 percent of its customers supported developing renewable energy, such as wind, even if it cost them a bit more.

Of course, one of the simplest ways to spur the development of wind energy is by mandating it. The Iowa and Minnesota wind booms were started in large part because of renewable portfolio standards passed by state legislatures that required a certain percentage of power to be produced through renewable resources. According to the U.S. Department of Energy, 20 states have adopted some form of the standards.

State Sen. Don Preister of Omaha has introduced renewable portfolio standard bills six times since 1997 in the Nebraska Unicameral, but none have made it out of committee.

The reason? As a 2006 study by Haberman found and as Preister attests, public power’s lobbying organization, the Nebraska Power Association, exercises an immense amount of power over the Legislature.

Nebraska’s public power districts are opposed to a state-mandated portfolio standard, preferring instead to use their own, which advocate using renewables, in the words of NPPD’s standard, when they “meet the needs of our customers and provide sufficient value as compared to their cost.”

Some renewable-energy advocates are convinced that a statewide renewable portfolio standard is necessary to create true wind energy growth in Nebraska. Dennis Keim of Lincoln, an independent wind energy educator, suggests that they bypass public districts’ power by pushing a ballot initiative.

But others are seeking different avenues. The Nebraska Farmers Union is advocating a community-based approach that has seen much success in other states, with public power partnering with local investors to qualify for valuable economic incentives. (A proposal for such a plant in northeast Nebraska was tabled in August because it couldn’t meet a deadline for federal funds, said the Farmers Union’s Hansen.)

Others, such as Robert Byrnes of the Nebraska Renewable Energy Association in Oakland, are hoping that a change in the state’s metering laws would reward small wind producers and start grass-roots change.

Nebraska’s position as the nation’s only entirely public-power state will likely call for a unique blend of ideas to start a wind revolution, said Jerry Loos, spokesman for the Nebraska Energy Office, a government body that gives assistance to renewable-energy projects.

“You can’t use the Iowa model or the Minnesota example because some parts may work, but other parts don’t,” Loos said. “So you have to kind of cobble them together.”