

# TIME TO COME CLEAN

By invitation

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Wind power is clean, but its supposed champions can be pretty grubby at times. In 2008, wind became the leading growth energy technology in both the EU and the US—a timely breakthrough given that many old fossil and nuclear plants are at the end of their useful lives. Wind and the other renewables, it seems safe to assume, will be the natural choice for the massive program of replacement required. But that would be a dangerous assumption to make. Wind power is being talked down by eminent companies already behind much of its growth.

There are too many entrenched players—large energy companies, utilities and power plant vendors—who want to do what they have always done: nuclear, gas, or coal. Or all three. The fuels that have either contributed massively to global warming (coal, gas) or have no compelling economic or safety case (nuclear) continue to find loud support. In times when global warming and melting ice-caps (and melting banks) form headline news, wind and renewables are being dismissed on the basis of absurd claims made by those who know a lot better.

Two of the world's largest utilities, EDF and E.ON, today rank seventh and ninth in the list of most active wind power owners. Yet in a “warning” to the British government, rather than an expression of good tidings, they “may be forced to drop plans to build a new generation of nuclear plant unless the government scales back its targets for wind power.” The reason given is at best bizarre and at worst rather silly. “The deployment of high levels of intermittent renewables for electricity generation will require the construction of additional carbon-emitting plant as back-up for when renewables are not available to meet demand,” EDF argues. But as EDF and E.ON well know, no dedicated back-up for wind is required, and the modest increase in existing reserve (needed for thermal generation, which can also go offline) when wind is added to a power system does not mean that more fossil fuel is burned overall. On the contrary, the more wind power produced, the less fossil fuel used—and the less need for nuclear. What the world seeks from the energy establishment is objective advice. What it gets is witchcraft.

Shell is another example. Having spent a decade talking up wind power, it has now grandly told us that wind is “not economic” and it will not be investing more. “Wind and solar are interesting [but] we may continue to struggle with other investment opportunities in the portfolio even with big subsidies in many markets.” The poison pill message from Shell is that, even when subsidised, wind does not work. Particularly galling is the reference to “big subsidies,” as if coal, gas and good old nuclear arrived of their own volition, with no support at all, past or present.

Now for some truths. In the EU alone, support for coal has included: €34 billion in direct subsidy over five years, with Spanish and German coal aid running at an average of over €140 a tonne; operating aid of €15 billion for 2003-2010; closure aid of €3 billion; aid for “inherited liabilities” of €12 billion for 2003-2010; and aid plans for “clean coal” carbon capture and storage. Nuclear power has been with us for almost half a century, well subsidised, but even the reportedly “mature” second stage of nuclear in the EU received aid of €55 billion. Nuclear players in the US are asking for government backed loans approaching \$200 billion. Natural gas aid in the EU during 1995-2001 was over €68 billion. The litany could continue, but the fact is that the entire global energy market is heavily subsidised and heavily politicised and let us not pretend otherwise.

## MORE COMMITMENT, LESS FALSEHOODS

With a possible few exceptions, including the respected ex-boss of BP, Lord “Beyond Petroleum” Browne, the wind industry cannot currently rely upon the old power companies to argue the case for replacing technologies which are bringing the planet to its knees. While utilities now account for about ten of the top 15 buyers of wind plant, they have multiple agendas. Of 23 corporate members of the Global Wind Energy Council, only two are utilities. Throwing a bit of money into a national wind association or two is one thing; throwing falsehoods into government thinking that affects our children is quite another.

These big energy firms with state-owned origins should be the champions of the wind industry. They and our governments should listen to Lord Browne and learn: “High oil prices provided a strong market pull. But governments also gave industry a helping hand, creating generous tax incentives and regulations, and helping to build strategic infrastructure. There’s even more cause for government intervention today. That’s because energy security and climate change mitigation are public goods.”

For its part the wind industry and its lobby associations need to step up further and become more assertive. The prize of mainstream adoption of wind power, hundreds of gigawatts a year, is too great to miss. The main energy companies—the customers—must unite with the main wind turbine manufacturers to dispel the myths, argue the facts, and usher in a new age of clean electricity. If a new convert to wind, like hard nosed oil veteran T. Boone Pickens, can find \$50 million for a national US advertising push for wind power, the established players can surely follow his lead: it is finally time to come clean.

### About the author

Bruce Woodman is a founding director of Pure Energy Professionals, a British advisory firm that works with investors, developers and technology companies across a range of countries. He is in his 20th year in the wind industry, having worked with turbine manufacturers, project developers and owner/operators internationally. He deeply regrets the inadequacy of the UK’s efforts in adopting wind power.