



Goldman Likes Wind. The Kennedys and DoD Don't?

Posted by [Glenn](#) on June 13, 2006 - 8:33pm in [The Oil Drum: Local](#)

Topic: [Policy/Politics](#)

Tags: [goldman sachs](#), [investment](#), [peak oil](#), [tax incentives](#), [treasury](#) [[list all tags](#)]

Goldman Sachs has bet long on Green investments over the last few years. Investing in wind farms, solar energy and ethanol producers, building up a \$1 Billion stake in renewable energy investments. The NY Times Editorial Page [calls for more incentives](#) to reward "green" investments. With the former CEO Henry Paulson of Goldman set to become the Treasury Secretary, it might be that rewarding green investments is an idea whose time has truly come.

If Washington is smart, it will throw its weight behind these efforts by providing the necessary incentives, whether as loans, direct grants or targeted tax breaks. But Washington is dawdling; several excellent bills designed to advance the development and wider use of various alternative fuels, cleaner cars and carbon-free power plants are languishing in the election-shortened legislative year.

I would add that perhaps setting some type of standard of what "green" is would be a big help, since I don't think there is very good evidence that ethanol from corn grown on factory farms is very environmentally friendly.

And wind should be a no-brainer for incentives, except the current incentives may expire this year if it is not renewed.

It is no less important to preserve good programs already on the books. For example, a tax credit to encourage wind power is set to expire next year, at a time when high energy prices are raising interest in that clean technology.

Except that that the Defense Department (despite [an Army report on Peak Oil](#)) has [halted a number of wind projects](#) within 40 miles of a military base because a study of the impact on radar equipment which was supposed to be complete in April has not finished and there is no timetable for its completion.

The de facto moratorium on windmill farms could end up costing those developing them millions of dollars in federal tax credits that expire at the end of 2007. Perhaps more important, the DOD/DHS opposition to the farms has disrupted momentum in a shift from development of gas and coal-fired plants to wind power, which is regarded as the cheapest form of alternative energy. Wisconsin has at least 10 projects stalled by the study and it has proponents worried. "This is the worst possible time to place roadblocks in the way of wind development, when Wisconsin is making critical decisions about building new generation," Katie Nekola, program director for Clean Wisconsin, told BusinessNorth.com. "Wind energy is by far the best choice we have, and has to be an available option."

Could this be a coordinated assault on the development of wind farms in favor of continued

The study is threatening not only the Cape Wind project off the coast of Massachusetts, but other wind farm projects around the country as well.

The study was inserted in the 2006 Defense Authorization Act by senators who want to block Cape Wind, according to wind farm developers cited by the Washington Post.

"This legislation was intended to derail Cape Wind, but it has a boomerang effect and affected a lot of projects around the country," Michael Skelly of Horizon Wind Energy, which is building the nation's largest wind farm near Bloomington, Ill., told the Post.

Wind turbine facilities in the works in Wisconsin, North Dakota, South Dakota and Illinois have received word from the federal government that the projects must be put on hold while the study is ongoing.

Whatever is hold back the wind is fighting a losing battle as the benefits of wind power seem to be self evident to regular folks on the ground. Just look at this [editorial about a victory for Wind Power in Kennebec, Maine](#):

Last week, voters in Freedom who were in favor of building a three-tower wind energy project on Beaver Ridge outnumbered opponents two to one. While the vote was not binding, wind power developers Competitive Energy Company of Portland had said they would not build their project in a town whose residents did not want them.

The tide was decidedly in the opposite direction when a day earlier, the Land Use Regulation Commission allowed a number of organizations opposed to a western Maine wind farm to intervene in their consideration of a permit for that project. The groups include Maine Audubon, the Appalachian Mountain Club and other environmental organizations; they say the region's ridglands are the wrong place for the development, where they claim it poses threats to rare plants and animals as well as to the scenic quality of the landscape.

The conflicts over wind power development here mirror similar conflicts over construction of a large wind farm in Nantucket Sound as well as other projects in Vermont and Maryland. In many of these cases, the battles resemble internecine warfare as one group of environmentalists is pitted against another. One camp says, "These projects will kill important species, make too much noise and scar the view," while the other side says, "There won't be any animals left for you to defend if we don't do something to stop global warming."

There is a difference between a project like Freedom's and a project like the one in the Western Mountains of Maine. Freedom's development includes three turbines; the other one calls for 30 turbines. **One is virtually a backyard development; the other is an industrial-level project that will affect an entire region. We believe both are necessary.**

The evidence is mounting that global warming poses a critical threat to our planet's wellbeing and that its effects are likely already being felt. The migration routes of animals have been altered, which may affect their survival; glaciers are melting; our weather is changing. We need to take measures now to stem global warming's progress; wind power offers a way to do that.

In the best of all possible worlds, this country would conserve its way out of our addiction to burning fossil fuels, which is the largest human contribution to global warming. We would discourage consumption and heavily subsidize the development of alternative, non-polluting energy sources. **We'd have a president who set an example for all of us, who wore sweaters instead of turning up the heat and whose motorcade consisted entirely of hybrid cars and not gas guzzling SUVs.**

Yet we must act long before that dream becomes a reality.

Wind power must be a significant element in our fight to counter the effects of global warming. We cannot and should not fight every development, in a war of attrition that will ultimately discourage the use of this important alternative energy source. We understand the feelings of those who lament the loss of a beautiful view, the potential damage to wildlife species and the industrialization of a largely untouched landscape. But not developing wind power carries an even higher price, a price we should not be forced to pay while we argue over the one place in this state where we might be willing to place a turbine.

Perhaps Mr. Paulson can lend his voice of reason and fiscal fortitude within the current ailing Administration to get renewable incentives on the agenda.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](http://creativecommons.org/licenses/by-sa/3.0/).