

Industrial Wind Turbines Costs and Subsidies

Billions of Your (Taxpayer) Dollars Blown Away By Wind

The wind energy industry has been subsidized by taxpayers with billions of taxpayer dollars for 30 years. Today, wind still produces only 1% of US power.¹ Yet, billions of taxpayer dollars, through subsidies and other programs, continue to prop up thousands of wind turbines across the US. Following is a discussion of these subsidies and costs to taxpayers.

◆ In 2010, wind developers received \$5 billion in federal subsidies through Federal incentive programs.²

◆ Of the \$2.1 billion from the American Recovery and Reinvestment Act, more than 79% percent of it has gone to foreign manufacturers of wind turbines.³

◆ The Federal Production Tax (PTC) is the largest provider of taxpayer dollars to wind, providing an income tax credit of 2.2 cents per kilowatt-hour for the production of electricity from utility-scale turbines. When it expired in 1999, wind development dropped to nearly no activity. Some estimates have the PTC costing taxpayers over \$2.5 billion per year if extended in 2012.⁴

◆ The Federal 1603 Grant Program, (for up to 30% of project cost), created by the 2009 stimulus bill, totaled \$7.7 billion for wind as of November 22, 2011.⁵ The largest 1603 grant, \$276 million, supported creation of wind manufacturing jobs in Denmark and Vietnam through a Portuguese company. Many companies received grants for projects already completed before creation of the program in 2009 – not a stimulus, but a giveaway.⁶

◆ Under The Federal Loan Guarantee Program, taxpayers, through the Department of Energy, repay the loans if borrowers cannot. \$1.67 billion in loan guarantees was awarded to five wind projects as of June 2011.⁷ As with other subsidies, including \$95 million for wind energy technology development, the loan program is proposed for renewal in the 2013 budget.⁸

◆ In March 2012, Senator Lamar Alexander testified before Congress that according to the Joint Tax Committee, wind subsidies would cost \$27 billion from 2007 to 2016.⁹ He further argued that billions of dollars spent on the wind industry largely comes from borrowed money, as the Government borrows 40 cents of every dollar it spends.¹⁰

◆ GE is the nation's leader in the manufacture of wind turbines, with 12,519 installed in the U.S. as of May 2012.¹¹ Yet GE paid **zero** U.S. federal taxes in 2010 due to its aggressive twin strategies of fierce lobbying for tax breaks and innovative accounting that enables it to concentrate its profits offshore.¹²

◆ DOE's Wind Program alone was funded with \$93.5 million for FY-12 for its role in the acceleration of the deployment of wind technologies.¹³



Samsung 2.5MW wind turbine. Lubbock, Texas

◆ As of March 2012, wind facilities in the Pacific Northwest are being paid to shut down due to a reported surplus of hydro power, another form of renewable energy. The payout could reach \$50 Million per year, costing consumers even more.¹⁴

◆ The American Wind Energy Association openly admits that consumers' electric rates go up if they use wind energy.¹⁵



A U.S. stimulus grant helped a Danish wind company import these turbine towers made in Vietnam for a Portuguese windfarm in Indiana.³ Nathan Sandel photo, Used with permission

¹ <http://www.windindustry.org/wind-basics/learn-about-wind-energy/wind-basics-wind-energy-today-and-tomorrow/wind-energy-today-and>

² <http://www.wind-watch.org/alerts/2011/12/03/oppose-extension-of-production-tax-credit/>

³ <http://investigativereportingworkshop.org/investigations/wind-energy-funds-going-overseas/story/renewable-energy-money-still-going-abroad/>

⁴ <http://www.utilipoint.com/2011/11/us-wind-industry-awaits-tax-credit-renewal>

⁵ http://www.seia.org/galleries/pdf/TGP_Awards.pdf

⁶ <http://washingtonexaminer.com/politics/2011/04/boondoggle-tax-code-subsidies-green-energy/112949>

⁷ <http://gigaom.com/cleantech/doe-offers-135-76m-loan-guarantee-for-99mw-wind-farm/>

⁸ <http://www.instituteforenergyresearch.org/2012/02/16/the-obama-budget-and-wind-power/>

⁹ <http://www.chattanooga.com/2012/2/15/219538/Alexander-Opposes-Production-Tax.aspx>

¹⁰ <http://www.tennessean.com/article/20120310/NEWS02/303100005/Alexander-says-subsidies-wind-energy-waste>

¹¹ <http://blogs.denverpost.com/thebalancesheet/2012/05/01/ge-leads-wind-turbine-derby-vestas-distant-storm-clouds-coming/4519/>

¹² http://www.nytimes.com/2011/03/25/business/economy/25tax.html?_r=1&pagewanted=all

¹³ <http://www1.eere.energy.gov/wind/budget.html>

¹⁴ <http://nation.foxnews.com/wind-power/2012/03/08/wind-farms-pacific-northwest-paid-not-produce>

¹⁵ http://archive.awea.org/faq/wwt_costs.html



Imported wind turbine towers and blades on the Columbia River, photos by Nathan Sandel