The Iowa Policy Project



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Wind Power and the Iowa Economy

Report: Enormous Potential Seen for Energy Option in 'New Economy'

DES MOINES, Iowa (Oct. 1, 2003) – Iowans could promote cleaner air and a more sound economy by encouraging the wind-energy industry through public policy, Iowa analysts reported Wednesday.

"We are seeing that even the strides we have made won't be enough to keep Iowa as a national leader in the development of wind energy. Our state policies need to be updated," said David Osterberg, executive director of the Iowa Policy Project and co-author of a new report, Wind Power and the Iowa Economy.

The report by Osterberg and IPP Research Associate Elaine Ditsler follows a recent IPP report, *The State of Working Iowa 2003*, which showed Iowa's reliance on slow-growth, "old-economy" sectors. The new report shows Iowa is well-positioned for an even greater piece of the emerging wind-energy industry that is growing worldwide.

"We know Iowa is a good place to capture wind as an energy resource," said Osterberg, a former state representative who was active in passage of Iowa's first renewable energy requirements on utilities in 1983. "There are so many things we can do to encourage the growth of this industry, so we can keep more dollars at home in Iowa, working for us."

The authors recommended increasing the state's "Renewable Energy Standard," a requirement for a percentage of renewable energy in the generation mix used by every utility. Currently, the standard in Iowa is 2 percent and applies only to investor-owned utilities, while the authors propose a 15 percent standard that would cover all utilities.

"Iowa's RES is low compared to other states that are seeking a piece of this economic growth," Ditsler said. "Look at Minnesota, which is requiring a 10-percent renewable standard for its largest utility. Because of that, Minnesota soon will pass Iowa as the third-largest producer of wind energy."

"We often hear our elected officials talk of keeping Iowa 'competitive' with other states," Osterberg said. "This is one issue where that is really important for Iowa, particularly with our state's wind potential. Iowa is the 10th-windiest state in the nation."

The authors also propose tying state government electricity purchases to a 10 percent renewable standard, and helping school districts produce wind energy with Grow Iowa Values Fund grants for wind turbines. In addition, they suggest using the Values Fund for grants for small-scale wind projects that can get matching federal grants.

The Iowa Policy Project is a non-profit, non-partisan research organization headquartered in Mount Vernon, Iowa. The IPP engages scholars at Iowa's public and private colleges and universities to perform research on issues of importance to the citizens of Iowa. IPP reports are available to the public, free of charge, on the web at www.iowapolicyproject.org.