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Local Wind: Small Packages, Big Benefits Economic Advantages Seen in Local Wind-Power Projects

DES MOINES, Iowa (April 26, 2005) – Megawatt for megawatt, small, locally owned wind projects deliver greater economic benefits in Iowa communities than do large projects, a new report shows.

The Iowa Policy Project (IPP) report reviewed three studies that compared the economic development benefits of small and large projects. All showed more dollars are more likely to stay in the local economy when wind-projects are small-scale and owned by community members.

A bill moving through the Iowa Legislature, SF390, would make a tax credit available to owners of small-scale wind and other renewable energy projects. It passed the Senate and has moved to the House.

“Iowa has done good things to advance wind power, but it is important for the state to stay competitive with policies that assure small-scale, locally owned projects are feasible,” said David Osterberg, executive director of the IPP.

IPP Research Associate Teresa Welsh, who authored the report, noted one analysis found nearly 10 times more economic activity at the community and state level from small, locally owned wind generation than from large, out-of-state companies. Specifically, the study found for every 1 MW of large-scale wind generating capacity owned by out-of-state companies, \$17,300 stays in the community and state annually and for every 1 MW of small scale generating capacity owned by local community members, \$167,200 stays in the community and state annually.

“As Iowa continues to promote wind energy, it is essential to consider the benefits of doing this in a manner that doesn’t let much needed dollars blow out of our economy,” Welsh said.

“Currently, wind generated power accounts for a small portion of Iowa’s energy consumption. Yet, our Hawkeye State has the 10th-highest wind potential in the nation and if fully utilized this represents enough power available to produce 4.8 times more energy than Iowans consume,” she added.

Welsh noted that some analysts believe state incentives are important to help small operators install wind systems because the federal renewable energy production credit is geared to large operators.

“Most don’t make enough from the small wind operation to make the federal credit pay off,” she said.

The Iowa Policy Project, based in Mount Vernon, is a nonprofit, nonpartisan organization that produces research reports for the public to foster better-informed debate on issues of importance to Iowa citizens. IPP reports are available to the public, free of charge, on the web at www.iowapolicyproject.org <<http://www.iowapolicyproject.org>>.

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