

My View Column, Cape Cod Times

John D. O'Brien, Government Affairs Liaison, Cape Cod Chamber of Commerce

The Cape Cod Chamber of Commerce has consistently opposed the construction of 130 wind turbines in Nantucket Sound, viewing this mammoth project as the industrialization of a fundamental part of our economy and way of life.

The Chamber, as with all major public policy issues, thoroughly investigated all aspects of the proposal and the results of this objective, extensive cost/benefit analysis led us to conclude that the benefits of the wind plant did not exceed the costs associated with this power plant construction. We continue to have our doubts about its effect on prices, air quality and energy independence; at least in the measures that the developer and his adherents expound.

Now the Draft Environmental Impact Statement, recently released by the Department of the Interior, confirms the negative economic effects of the proposal. The report concludes that the electricity generated by the turbines would be more than double the average cost of electricity as of January 2007 (12.2 cents per KWH versus 5.87 cents per KWH). This price includes the effects of the Production Tax Credit and other tax incentives.

Peer reviews incorporated into the Draft Environmental Impact Statement conclude that Cape Wind has not adequately explained to Materials Management Services how, in the absence of long-term contracts, the project is economically viable. It would appear that prospective costs far outweigh projected revenue. It also is difficult to understand how the developer can insist that the rate payers of New England could save \$25 million directly as a result of this installation. Cost associated with off-shore wind farms have been accelerating precipitously and recent proposed large installations off Long Island and Delaware have been scrapped as not being economically viable.

Consumers might be willing to pay more for clean, renewable energy if the benefits directly led to cleaner air and less use of fossil fuel. We remain skeptical about these claims in light of an understanding of a very complex industry.

All power generation has inherent problems associated with its production. Fossil fuels obviously contribute to global warming, but renewable energy like solar and wind are deemed intermittent and nondispatchable, meaning if the wind doesn't blow or the sun doesn't shine, then there is less power generated. In addition, because you cannot store electricity, if the wind blows at midnight but you need the power at 4:00 in the afternoon, wind power is not very helpful at peak demand times. Reports from both California and New York authorities further reduce efficiency levels from 30-35 percent to below 10 percent at peak demand times. So the idea of shutting down a fossil fuel plant as this project comes on-line is not evident in Independent System Operator planning (ISO manages the New England system). Wind and solar have their place, but they need to be integrated into a system that has back-up and standby that insures power availability when the consumer needs it.

Additionally, we still see no comprehensive energy policy that gives state and federal agencies more authority to site off shore wind turbine generators. The public interest in sensitive coastal areas must be represented in other development threats such as ocean aquaculture, ocean dumping, gambling boats, LNG platforms and any other fixed structure now largely unregulated. We need the type of proactive planning provisions such as found in the Oceans Act bill (S.2346) sponsored Senator O'Leary if we are going to modify the Massachusetts Ocean Sanctuary Act, which currently protects Cape Cod and Buzzards Bay. There must be a comprehensive plan for our coastal waters that fundamentally allows for bidding procedures and lease or tax payments for the use of public property. The Dept. of the Interior has not given us any regulations for offshore development of renewable energy.

If a wind farm is allowed to develop, the regulators should have the authority to take out of service an older coal or oil fired generator. A trade-off with proper tax and stranded cost mitigation procedures should be in place. Currently, there are no provisions for taking another plant off line or bestowing authority to regulators to address ways to do this.

Our call for a stronger conservation and energy efficiency program for our region and state appears to be answered by the new Energy bill recently passed by the House and Senate and now in conference committee. This Energy bill will cap carbon dioxide emissions and promote a host of efficiency measures, where we believe real change can be effected.

The Chamber takes very seriously its mission and obligation to be objective about major public policy issues that affect that Cape's economy and its workforce. In five important areas, the Chamber has taken positions and then acted in order to improve the well-being of our small businesses and their employees regardless of whether they are members. Economic Development, Wastewater, Transportation, Smart Growth, and Workforce Development are all part of a backdrop that reflects a number of concrete, pragmatic policy decisions that have resulted in regional improvements in our economy.

We will continue to be dedicated to the Cape's well-being and we will continue to oppose the project in Nantucket Sound.