

Higher Renewable Energy Standard Needed, Industry Leaders Say

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By Ross Dolan, Staff Writer

SIOUX FALLS, S.D. -- Mitchell Technical Institute President Greg Von Wald was among those who spoke out Tuesday for a higher national renewable electricity standard for wind-generated power, which he said would help South Dakota create new jobs, keep the wind-related jobs it has, and draw investment to the state.

Von Wald participated in a press teleconference that also included Steve Wegman, executive director of the South Dakota Wind Energy Association, Pierre; Richard Morrison, CEO of Molded Fiber Glass Companies, Aberdeen; Sampson Brown, president and CEO of the Knight & Carver Wind Group, which has a facility in Howard; and Jan Deuter, a Ree Heights cattle rancher and wind energy landowner.

The Obama administration wants 10 percent of the nation's electricity to be generated by renewable means by 2012 and 25 percent by 2025. South Dakota's 10.3 percent renewable energy production means that it has already surpassed Obama's original goal, as well as a goal set by the state Legislature of 10 percent by 2015.

Wegman said he would like to see the national RES "solidified" at 20 percent by 2025, and South Dakota's goal pushed up to 15 percent for 2015. The latter is an attainable goal that could be met without raising the price of electricity, he said.

About 13 percent of the state's electricity will be produced through renewable energy sources by the third quarter of 2010, said Wegman, who added that 1,000 megawatts of generation capacity will cover 30 percent of the state's electrical needs. He believes the state will be able to produce 7,500 megawatts by 2025.

Wegman said South Dakota can easily reach any renewable energy standard level of wind development for its own needs, which means the state's energy surplus can be exported to other states. The state needs a renewable standard to encourage continued investment and to develop more transmission lines to move power where it's needed, said Wegman.

South Dakota at present is generating 305 megawatts of wind-generated power — 101 megawatts created in 2009. Approximately 10 percent of South Dakota's electricity is generated by renewable energy, which ranks the state third nationally, behind Iowa (13 percent) and Minnesota (12 percent).

Von Wald said MTI has made a significant investment in its new wind energy program, which trains about 40 technicians a year for the wind industry. Without a higher RES to support growth, he said, those wind techs will become “exported commodities” and will be forced to look elsewhere for work.

Von Wald called the wind industry a potential “gamechanger” for the state.

“South Dakota has experienced, and continues to experience, a significant outmigration from its small towns and rural areas,” he said. “But for the first time in over 100 years there’s an opportunity for the expansion of a new industry that locates in rural areas (and) which produces better-than-average wages that can contribute to the growth of these communities.”

Von Wald and others said only a national renewable energy standard will help to drive development of the state’s educational and other industry-related facilities.

Brown said South Dakota needs a long-term “planning horizon” to draw investment dollars. Brown said his company cannot anticipate the needs of customers “because our customers have so much uncertainty about projects. That leads to industry starts and stops — and starts and stops scare off investors. Without investment, the industry can’t grow to what it needs to be.”

As states go, South Dakota’s investment in wind energy is relatively small, said Wegman, “but impressive for a small state.”

The renewable energy leaders, followed by megawatts of production include: Iowa, 3,000 megawatts; Minnesota, 1,800; Wyoming, 986; North Dakota, 767; South Dakota, 305; and Nebraska, 150.

Wegman said South Dakota has invested about \$550 million in wind turbines, a number that does not include investment by firms such as Trail King of Mitchell, which is an industry leader in the manufacture of special trailers for hauling wind turbine blades.