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Howard a hot spot in jobs debate

Wind energy boosts town, but worries persist about climate bill

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HOWARD - This eastern South Dakota community is humming even before the autumn sun rises.

Surrounded by fields of beans, corn, flax and prairie grasses, Howard is banking on a new crop: wind. It's already delivered dozens of new jobs through two local plants, one of which builds blades for energy-producing wind turbines, and another that repairs and remakes turbine components such as gearboxes, blades and brake stations.

In March, the town's rural learning center is starting a program that will train residents to become wind-machine technicians.

It wasn't long ago that this city of about 1,000 people was withering. People who did not want to farm were leaving for better jobs. Now, the same winter winds that can make life on the Great Plains harsh are breathing new life into the community. Homes are being built, tax revenues are growing and the local supermarket is among the businesses benefiting from Howard's new industry, which has brought about 80 jobs that start around \$13.50 an hour, according to Mayor Don Arens.

"It's made a big difference here in town," Arens, a grain broker, said. "There was nothing here to hold the younger generation around, but now we're getting these other industries going. Knock on wood, it's going to bring a lot of 'em back to Howard."

Jobs have emerged as an increasingly important issue in the congressional clatter about climate change.

Supporters of a cap-and-trade system being debated on Capitol Hill predict that almost 2 million jobs would be created as the country shifts from polluting fossil fuels to alternative energy sources such as wind. Under cap and trade, energy producers that exceed emissions caps would pay extra under a market-driven system that determines prices.

With equal fervor, cap-and-trade opponents predict that the program will cost 2 million jobs as emission restrictions drive up the cost of energy for businesses, which they say will have little choice but to lay off workers.

"It seems that the debate over jobs and the environment has been around about as long as we have had either jobs or an environment," Senate Finance Chairman Max Baucus, D-Mont., said during a hearing last week examining the effect of cap and trade on the economy.

Part of that debate centers on the assumptions made when calculating the effect on jobs: What will the final legislation look like? What exactly is a "green" job? How much blame should be assigned to environmental regulations when jobs are eliminated?

The math remains fuzzy for South Dakota as well.

A University of California study released last month projected that the climate-change bill authored by Senate Democrats Barbara Boxer of California and John Kerry of Massachusetts would provide South Dakota about 10,000 jobs by 2020.

Conversely, a report in August from the American Council for Capital Formation and the National Association of Manufacturers analyzing a similar though slightly less ambitious cap-and-trade bill that narrowly passed the House this summer predicts the loss of up to 8,740 jobs in the state by 2030.

Rep. Stephanie Herseth Sandlin, D-S.D., voted against that bill, saying that it could lead to dramatic rate increases for South Dakota utility customers and that it does not go far enough in expanding the definition of renewable energy.

The full Senate has yet to vote on its version. Sen. John Thune, R-.D., calls it a "jobs killer," while Sen. Tim Johnson has said he's interested in doing something to halt global warming and is flexible on the details.

Herseth Sandlin, Thune and Johnson all worry about the Senate bill's effect on farming, a carbon-intensive industry with generally low profit margins.

For both sides of the debate, the example in the community of Howard is instructive.

Legislation that would speed up America's search for renewable fuels, such as solar and wind power, should help a state that boasts the nation's fourth-largest supply of wind energy potential. But uncertainty about the climate change bill and its costs also was blamed for the decision this month not to build the Big Stone II coal-fired power plant near Milbank, which would have provided needed transmission capacity to move wind-generated energy to other parts of the country.

Some of the concerns that stoke support for a climate-change bill - environmental degradation, reliance on foreign oil, global competition - are pushing expansion of renewable fuels as well. But those steps are being taken because of economic opportunity, not because of anything Congress has done or is planning to do to combat global warming, said Steve Wegman, executive director of the South Dakota Wind Energy Association.

Six years ago, Wegman said, the state had three jobs in the wind industry. Today there are more than 1,000 - and more are on the way. For rural communities dependent almost entirely on agriculture, wind provides, as Howard found out, a chance to survive by diversifying the local economy and attracting workers looking for more than just farming.

"This is our chance to bring good jobs to rural America," Wegman said. "You're not going to build a Ford Motor Company here. We're not going to have Philips Lighting building a manufacturing plant here. We've got to have diversity in the economy. No economy can sustain life on a single industry."