

U.S. Wind Power Doubles in Two Years

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The amount of wind power that the United States can generate has doubled to more than 20 gigawatts in the last two years, the American Wind Energy Association said Wednesday.

Renewable-energy policies, such as state mandates that require utilities to get a certain amount of their energy from renewable sources, have helped drive the growth of U.S. wind from 10 gigawatts in 2006.

The wind association, also known as AWEA, attributes part of the success of wind specifically to its lower production cost compared with other renewables, such as solar power.

Earlier this year, the association said the United States had passed Germany as the world's biggest wind-energy generator. Germany still wears the crown for having the most installed wind-power capacity, but the United States generated more wind power due to stronger winds.

AWEA expects the U.S. wind industry to reach a total capacity of about 24.3 gigawatts by the year's end.

Such expansion would mark wind as one of the fastest-growing electricity sources in the nation, second only to natural gas, in terms of production capacity. Wind made up 35 percent of the total electricity capacity installed in 2007, according to AWEA.

But capacity doesn't equal production. Wind power only provides about 1.5 percent of the nation's electricity.

The U.S. Department of Energy in May forecast that wind power could reach 20 percent of the nation's power supply by 2030.

AWEA said it is concerned that wind power might not realize its full potential if the federal government does not extend a production tax credit, which is set to expire at the end of this year.

The credit pays 2 cents per kilowatt-hour of wind electricity generated from utility-scale wind projects.

China also is attracting more wind power. On Wednesday, Canadian greentech project developer Global 8 Environmental Technologies said it would form a joint venture with China Tong Liao Baolong New Energy Ltd. to build more wind farms in the Asian country.

The two companies plan to build a research center focused on converting the wind blowing through the Tongliao region of China into energy.

The new company will be called Tong Liao Wind Energy Production Ltd. The venture hopes to develop \$1 billion of wind farms with the capacity to generate a total of 1 gigawatt of electricity annually.

The first phase of the project calls for 33 wind turbines with an annual capacity of 49.5 megawatts, according to Global 8.

China ranks fifth in the world when it comes to installed wind-energy capacity, according to the council, with more than 6 gigawatts installed by the end of 2007.

The country holds the potential to lead the world in wind-energy development, according to the Global Wind Energy Council. China's installed wind-power capacity could reach 122 gigawatts by 2020, the council predicted in a 2007 study.

Editor's note: Do you need investment exposure to the wind industry, but don't know where to start?

*In "How to Outperform the Market and Manage Risk With ETFs," Scott Rothbort writes that you can use an industry-specific exchange-traded fund (ETF) as a "placeholder" as you do the necessary homework on individual stocks. The **First Trust ISE Global Wind Energy Index Fund (FAN - Cramer's Take - Stockpickr)** and the **PowerShares Global Wind Energy Portfolio (PWIND - Cramer's Take - Stockpickr)** are two wind-focused ETFs.*

To hear about the First Trust wind ETF from Robert Carey, chief investment officer at First Trust, play the video below: