

REBUTTAL TO THE ARTICEL IN GLOBE AND MAIL ON DANISH WIND POWER

Get your facts straight, Mr. Reynolds

On July 11th, Mr. Neal Reynolds (NR) put forward a number of harsh views on wind power in this newspaper. These views were to a large extent based on incorrect “facts” regarding wind power in Denmark.

Mr. Reynolds is entitled to his opinion. But would it be too much to ask for the opinion to be based on correct data instead of fiction? Luckily the many errors from Neal Reynolds are easy to correct.

Denmark has deployed 5,206 wind turbines and not more than 6,000 as claimed. These turbines produce on average the equivalent of 21 pct. of the total Danish power consumption. By 2011 the wind power share of total power consumption is expected to rise to approximately 28-29 pct when additional 1,300 MW have been deployed.

According to Mr. Reynolds, wind power received subsidies in the amount of \$517 million (US) alone in the first half of 2007. The figure was \$362 million (US) for all of 2007, confirmed by the Danish Transmission Service Operator (TSO). Subsidies for renewable energy technologies are important for spurring development of an industry. However, the economic model used for pricing nearly offsets the subsidies paid. Danish power consumers receive a substantial economic benefit from the turbines because the turbines reduce the market price of power. In periods with high wind speeds the turbines produce at full capacity thus lowering the marked price for the consumers. This effect (which nearly offsets the subsidies paid) must be taken into account when evaluating the economics in wind power for the consumer.

It is claimed by Mr. Reynolds that only 3.3 pct of the power from turbines is accepted by the grid and that 84 pct is exported. This is simply nonsense. First of all it is not possible to distinguish between different technologies and tell which type of physical power is consumed domestically and which type of production is exported. Secondly the optimal thing to do in periods with high wind power production would be to turn down the fossil power production.

Wind power is exported with a loss according to NR. Losses for whom? Again simply not true if you have insight as to how the Danish power market works. In times with high wind power production the price in Denmark decreases which benefits the consumer, cf. below. But the power that is exported receives the price in the country that it is exported to and not the price in Denmark. Exporting power is no different than exporting any other commodity and in all other cases export would be considered a positive thing. Further

more the Danish TSO makes a substantial profit every year on this cross border trade with wind power.

Not a single CO₂-emitting power plant has been closed since the introduction of wind in Denmark, claims Reynolds. Not true, 5 power plants have been closed from 1982 until present time. Since 1997 alone 18 pct of the installed conventional capacity has been decommissioned. How can you get a simple fact like that wrong?

Wind turbines use a substantial amount of power even when not running. Not true. A modern turbine uses approximately 15,000 kWh/year. It produces 6-8,000 MWh/ year, which gives a own consumption of 0.2 pct. I would like to see a conventional power plant compete with that. By applying the logic of NR one should by the way stop drilling for oil. After all often you don't find any oil when drilling but you use huge energy resources.

Denmark will continue to build renewable energy facilities – along with Germany, Spain, USA and the rest of the world. Why? Because it will make an important contribution to decrease the emission of CO₂ But just as importantly it will make an important contribution to counter the effect on the economy steaming from increasing oil gas and coal prices. Disconnecting economic growth from rising energy prices will day by day become more and more important. Renewable energy and wind power will be a part of the answer to that challenge – and we hope Mr. Reynolds understands that. Someone in Canada does, because in Canada alone, it is the fastest growing renewable energy source. Current installed capacity is 1846 MW making it 69% of total installed power in renewable energy in Canada. This is expected to grow to 5600 MW by 2012., with the sector forecasted to create 13,000 jobs by 2012.

By Rune Moesgaard, Economist, Danish Wind Industry Association