

## Wind power faces turbulence

**Although the U.S. wind power market had another strong year in 2008, the global recession is expected to take its toll on industry growth into early 2010.**

July 20, 2009

A report by Lawrence Berkely National Laboratory released last week by the U.S. Department of Energy shows that U.S. wind power capacity additions increased by 8,558 megawatts in 2008, reflecting a \$16 billion investment in new projects.

Wind power represented 42 percent of all new electricity-generating projects nationwide — though still only represents two percent of total U.S. power generation — and remains as the No. 2 new capacity producer behind natural gas, but ahead of coal-powered and nuclear installations.

Texas led the nation by far with 7,118 megawatts of installed new wind capacity.

Still, despite the strong growth of new installations — 60 percent higher than in 2007 — tax equity investment actually decreased due to credit market issues. What's more, the overall decrease in electricity demand due to the recession and continued low natural gas prices are also expected to affect wind industry growth.

“The unfolding financial crisis caused the outright demise of several prominent tax equity investors in wind projects (Lehman Brothers, Wachovia) and let to the exodus of many others, such that only a handful of tax equity investors remained active (and on less-favorable terms at the end of 2008),” the report said.