

ARTICLE FOR *THE JOURNAL RECORD*

May 1, 2008

WIND ENERGY – WHY OKLAHOMA, WHY NOW?

By Michael S. Laird, Director, Crowe & Dunlevy

Consider the following – wind energy has been commercially produced in this country as far back as the 1980s, and Oklahoma is one of the windiest places in America if not the world. Then why did Oklahoma have virtually no commercially viable wind farms until about 5 years ago? There are several reasons actually, all of which when taken together meant that the petroleum and natural gas based culture and economy coupled with our reliance on a great deal of coal to generate the State's electricity, put us in the position of not feeling the need to promote or develop the required expertise and financial support for the wind energy industry.

That all began to change a few years ago with the continuing evolution of production technologies for wind generated electrical energy, followed by the creation of incentives for wind energy development in the Federal Energy Policy Act of 2005. Both of these developments contributed to the improved financial viability of wind energy projects. The most current energy figures from 2007 indicate that Oklahoma is now ranked 9th among states that currently produce wind energy in commercial quantities, and Texas is now ahead of California leading the nation in wind generated electrical capacity.

Something else has begun to change here as well. It is people's attitudes on the topic of wind energy. From the farmer in rural Oklahoma to the executive of a traditional oil and gas company, people have begun to realize and appreciate the fact that wind energy is no longer just a token "green" or renewable component of our country's overall energy portfolio. Rather, it is now being viewed as a significant and rapidly growing player in the technologies that will enhance and expand the State's role in overall energy production. Nothing highlights this evolution more than a recent statement by T. Boone Pickens as quoted in a February edition of *The New York Times*: "I have the same feelings about wind as I had about the best oil field I ever found."

As with any other form of energy development, wind energy presents its own challenges. While it generates virtually no byproducts, it is expensive to produce in comparison to traditional fossil fuel sources, although the latter fact's significance is becoming less pronounced as you can tell from the last time you filled your car's gas tank. There are also land use issues (wind farms utilize enormous amounts of acreage, even if non-exclusively), wildlife impact concerns, as well as aesthetics questions (a typical wind tower is huge, rising over 200 feet to the hub of the generating turbine, and to the height of a 20 story building to the tip of the blade at its highest point), all of which can be of varying importance depending on where a wind farm is being sited.

In summary, it is a pretty safe bet that wind produced electrical energy will be an important and expanding component of not just national, but also worldwide energy production. The challenge for Oklahomans is to be a part of the leading edge of wind energy technology, production capability and integration with traditional energy sources, for our State's and our country's benefit.