

SPEAKING TRUTH TO "WIND" POWER

Submission to Legislative Committee on Bill 150



by Michael Trebilcock



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Michael Trebilcock, a renowned economist and friend of the environment, will be appearing at the Ontario legislature tonight, arguing against the Ontario government's proposed Green Energy Act. For the many good reason he outlines, this green act is anything but green.

His excellent presentation appears below.

I. INTRODUCTION

My wife and I (like many other residents) chose a retirement home in Grey Highlands because it is one of the scenic treasures of southwestern Ontario, dominated by the Niagara Escarpment, Beaver Valley, Lake Eugenia, the Saugeen River, and rolling rural countryside, woodlands and wetlands. Now, however, the residents of Grey Highlands and the many tourists and visitors it attracts (major drivers of the local economy) are threatened with the prospect that its landscape will be blighted by 400 foot, 35-story high industrial wind turbines that cause documented health and environmental risks, dramatically lowering property values and impacting one's quality of life. The Green Energy Act (Bill 150), now before the Ontario Legislature, is designed to expedite this process by taking planning responsibilities away from local municipalities like ours and remitting key decisions to subsequent ministerial regulations, leaving local residents no say in matters that will dramatically impact their lives and future generations. While we are obviously personally affected by this legislation, the following comments reflect a professional career studying economic regulation, including a year as Research Director of the Ontario Government's Electricity Market Design Committee (1998). I have four major objections to the legislation.



II. THE CASE AGAINST INDUSTRIAL WIND TURBINES

1) Industrial Wind Turbines Have Minimal Impact on Carbon Emissions
There is no evidence that industrial wind power is likely to have a significant impact on carbon emissions. The European experience is instructive. Denmark, the world's most wind-intensive nation with more than 6,000 turbines generating 19% of its electricity, has yet to close a single fossil fuel plant. It requires 50% more coal-generated electricity to cover wind power's unpredictability, pollution and carbon dioxide emissions have risen (by 36% in 2006 alone). Flemming Nissen, the head of development at West Danish generating company ELSAM (one of Denmark's largest energy utilities) tells us

that "wind turbines do not reduce carbon dioxide emissions." [1] The German experience is no different. Der Spiegel reports that "Germany's CO2 emissions haven't been reduced by even a single gram," [2] and additional coal and gas-fired plants have been constructed to ensure reliable delivery. Indeed, recent academic research shows that wind power may actually increase greenhouse gas emissions in some cases, depending on the carbon-intensity of back-up generation required because of its intermittent character. [3] On the negative side of the environmental ledger are adverse impacts of industrial wind turbines on birdlife and other forms of wildlife, farm animals, wetlands, and viewsheds.

2) Industrial Wind Turbines Are Uneconomic

Industrial wind power is not a viable economic alternative to other energy conservation options. Again, the Danish experience is instructive. Its electricity generation costs are the highest in Europe (15 cents/kwh compared to Ontario's current rate of about 6 cents). Niels Gram of the Danish Federation of Industries says, "windmills are a mistake and economically make no sense." [4] Aase Madsen, the Chair of Energy Policy in the Danish Parliament calls it "a terribly expensive disaster." [5] The U.S. Energy Information Administration reported in 2008, on a dollar per MWh basis, the U.S. government subsidizes wind at \$23.34 - compared to reliable energy sources: natural gas at 25 cents; coal at 44 cents; hydro at 67 cents; and nuclear at \$1.59, leading to what some U.S. commentators call "a huge corporate welfare feeding frenzy." [6] The Wall Street Journal advises that "wind generation is the prime example of what can go wrong when the government decides to pick winners." [7] The Economist magazine in a recent editorial, "Wasting Money on Climate Change" [8] notes that each tonne of emissions avoided due to subsidies to renewable energy such as wind power would cost somewhere between \$69 and \$137, whereas under a cap-and-trade scheme the price would be less than \$15. Either a carbon tax or a cap-and-trade system creates incentives for consumers and producers on a myriad of margins to reduce energy use and emissions that, as these numbers show, completely overwhelm subsidies to renewables in terms of cost effectiveness.

The Ontario Power Authority advises that wind producers will be paid 13.5 cents/kwh (more than twice what consumers are currently paying), even without accounting for the additional costs of interconnection, transmission and back-up generation. As the European experience confirms, this will inevitably lead to a dramatic increase in electricity costs with consequent detrimental effects on business and employment. [9] From this perspective, the government's promise of 55,000 new jobs is a cruel delusion. A recent detailed analysis (focusing mainly on Spain) finds that for every job created by state-funded support of renewables, particularly wind energy, 2.2 jobs are lost. [10] Each wind industry job created cost almost \$2 million in subsidies. Why will the Ontario experience be different?

3) Industrial Wind Turbines Cause Insufficiently Researched Health Effects

A growing body of scientific and medical evidence suggests that the health effects on those subjected to long and frequent periods of pulsating, low-frequency noise associated with wind turbines include sleep disturbances leading to depression, chronic stress, migraines, nausea and dizziness, exhaustion and anger, memory loss and

cognitive difficulties, cardiac arrhythmias, increased heart rate and blood pressure. Kamperman and James[11] list no fewer than 13 studies that show noise from wind turbines at night can disturb residents more than 2 km away. Those living close to the source of noise can develop what has been termed "Vibroacoustic Disease (VAD). Noise from wind turbines exhibit the characteristics of noise experienced in various occupations (aircrews, aircraft maintenance workers, ship workers and an islander population exposed to environmental infra and low frequency noise) and has been shown to lead to VAD. Complaints from people living near wind turbines are the same as those from persons who have developed VAD.[12] Also, flicker from turbines at a minimum are disruptive and annoying. Flicker poses a potential risk of photosensitive seizures.[13]

The refusal of the provincial government to order full independent environmental assessments, including assessments of health effects, of any wind turbine project, undermines the credibility of claims that there will be no such negative effects.

4) Industrial Wind Turbines Have Adverse Effects on Adjacent Property Values

A three-year study of 600 property sales near the Melancton wind turbine developments north of Shelburne, Ontario showed that property values decreased by 20% to 25% (an average of \$48,000), were on the market more than twice as long as properties in adjacent areas, and a large number (four times those that did sell) could not be sold at any price.[14] While wind developers deny that industrial wind turbines have any effect on property values of neighbouring residents, simple common sense suggests otherwise: how many readers familiar with this development would be prepared to buy recreational or retirement homes in this area, even at sharply discounted prices? In a recreational area that promotes its scenic attractions, like Grey Highlands, these effects on property values are likely to be even more pronounced. Refusal by either wind developers or the provincial government to provide legally enforceable guarantees of compensation for property value losses warrants further skepticism over the claim that there will be no such losses.

III. MINIMIZING THE DAMAGE

Even if one thinks (contrary to my views), that wind turbines are a good idea environmentally and economically, there is a simple solution to the impact on rural residents, who are being conscripted to bear most of the burden of solving a problem they mostly did not create. Ensure that set-backs from residences conform to international standards as endorsed by renowned medical and scientific bodies that have closely examined the health and environmental risks. The French Academy of Medicine recommends 1.5 km, pending further research on health effects of persistent exposure to low-intensity noise. Alternatively, the government could concentrate wind farms in more remote or sparsely populated areas, as has been done in Quebec and much of Europe. These measures would also minimize negative impacts on property values. But these are modest palliatives to the fundamental policy flaws in Bill 150 and do not address industrial wind power's failure to reduce significantly carbon emissions and its exorbitant cost to taxpayers and consumers.

IV. GOOD POLITICS, BAD POLICY

In debates over climate change, and in particular subsidies to renewable energy, there are two kinds of green. First there are some environmental greens who view the problem as so urgent that all measures that may have some impact on greenhouse gas emissions, whatever their cost or their impact on the economy and employment, should be undertaken immediately (see Bill McKibben, "The Fierce Urgency of Now," Toronto Star, 25th March, 2009: "We have to do everything we can imagine, all at once."). Then there are the fiscal greens, who being cool to carbon taxes and cap-and-trade systems that make polluters pay, favour massive public subsidies to themselves for renewable energy projects, whatever their relative impact on greenhouse gas emissions. These two groups are motivated by different kinds of green. The only point of convergence between them is their support for massive subsidies to renewable energy (such as wind turbines).

This unholy alliance of these two kinds of greens (doomsdayers and rent seekers) - a classic Baptist-Bootlegger coalition, harking back to the Prohibition era - makes for very effective, if opportunistic, politics (as reflected in the Ontario government's Green Energy Act), just as it makes for lousy public policy: politicians attempt to pick winners at our expense in a fast-moving technological landscape, instead of creating a socially efficient set of incentives to which we can all respond.

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