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 March 28, 2008, 3:00 pm [Visit WSJ.com's Environment Page](#)

Wind Power: Crunch Now, Clear Skies Ahead

Posted by Keith Johnson

Wind power is already the fastest-growing source of new electric power in much of the world, the U.S. included, where wind power accounted for one-quarter of new generation capacity installed last year. And that will continue unabated—provided the industry can finally solve the turbine-supply problems that have plagued it for the last few years.



(Wikipedia)

That's the verdict from a pair of new industry forecasts. The most bullish: Danish wind power consultants [BTM Consult](#), which expects the global wind power total to triple to 287 gigawatts by 2012. The Brussels-based trade group Global Wind Energy Council [figures the world](#) will have 240 gigawatts by 2012. At the end of last year, the world had total capacity of 94 gigawatts. (A gigawatt is about the size of one new nuclear reactor, though they work more often than wind power does.)

GWEC upwardly revised its estimates because of consistent growth in the U.S. and China. The Chinese government just doubled its own forecast for wind power development by 2010. BTM figures China can increase its wind capacity seven-fold in the next five years, while the U.S. could reach 60 gigawatts of wind, up from 16 gigawatts today.

But the whole sector's future depends on solving two problems: subsidies and supply.

Both GWEC and BTM assume U.S. renewable-energy tax credits will be extended; they are set to expire this year, and have been shot down twice in Congress.

The other hurdle is tougher to solve: Wind turbine makers can't keep pace with demand. China has ramped up its domestic wind-turbine manufacturing business, but that's for local consumption. It does ease pressure elsewhere for finished turbines, but Chinese manufacturers also need the same [components](#) their rivals do, [straining](#) already tight supply chains. That, in turn, means some wind farm developers have to wait years—and pay higher prices—for turbines.

“Growth could be much stronger also in the future, were it not for continuing supply chain difficulties which considerably limit the growth...for the next two years,” said GWEC chairman Arthouros Zervos.

Or more. Per Krogsgaard, Director of BTM Consult, says the difficulty turbine makers have sourcing components like castings, ball bearings, and gear-boxes mean supply shortages will last “for three to five more years.” But he sees an opportunity: Growing confidence in wind power's future should drive more investment throughout the supply chain, eventually easing all the bottlenecks.

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Environmental Capital provides daily news and analysis of the business of the environment. It tracks how growing green concern, particularly over climate change, is roiling established industries and spurring new ones – and how that shift is affecting investors, consumers and the planet. The Journal's Keith Johnson, who spent the past decade reporting from Europe, increasingly on energy issues, is the lead writer. The Journal's Jeffrey Ball, who has covered the auto and oil industries and now covers the business of the environment, is the blog's editor and a contributor. Environmental Capital also includes contributions from others at the Journal, WSJ.com, and Dow Jones Newswires. Write us at environmentalcapital@wsj.com.

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the numbers sound significant, the intent/direction are great. but—you fail to place the activity into perspective.

is this much activity making any significant inroad to change the mix of polluting generators vs growth in total power consumption?

are we gaining for GW solution, losing or trading water? perspective please!

Comment by fran - March 28, 2008 at [6:13 pm](#)

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TODAY'S MARKETS 7:35 p.m. EDT

STOCKS		LAST CHANGE	%CHANGE
Dow Jones Industrials *	12216.40	-86.06	-0.70
S&P 500 *	1315.22	-10.54	-0.80
Nasdaq Composite *	2261.18	-19.65	-0.86
Russell 2000 *	683.18	-9.21	-1.33

COMMODITIES		LAST	CHANGE
Gold, June		935.20	-18.80
Crude Oil		104.95	-2.63

TREASURYS		YIELD	CHANGE
10-Year Note *		3.4433	22/32

CURRENCIES		LAST	PRIOR DAY
Yen (per dollar)		99.2100	99.76
Euro (in dollars)		1.5804	1.5775

Source: Reuters and Dow Jones * At close
Note: Closing quotes are preliminary

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