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FOCUS: WIND ENERGY

Towers of power along the lake

Eight giant turbines are planned for Bethlehem site

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Derek Gee/Buffalo News
Lackawanna Mayor Norman Polanski with model of wind turbine planned for former Bethlehem Steel site.

Eight giant wind turbines, each taller than Buffalo City Hall, are slated to become permanent fixtures on the Lake Erie waterfront.

Two wind energy developers plan to erect the massive windmills on the long-abandoned Bethlehem Steel site by Thanksgiving.

They call the project "Steel Winds."

Wind energy advocates hail the project as an environmentally friendly and smart use for the old steel plant site.

"The Bethlehem Steel site is perfect for it," said Walter Simpson, director of the University at Buffalo's Green Office who also serves as UB's energy officer.

The university, one of the state's biggest wind energy buyers, has put in a bid to buy power from Steel Winds.

"It's only going to add an attractive element," Simpson said of the proposed wind farm.

"I think it's going to do wonders for Buffalo's image to have a state-of-the-art wind farm in sight of downtown Buffalo. It will be seen as a progressive community. It's a win-win kind of development."

But critics say wind farms are inefficient and unreliable - and that the wind energy industry is being lavished with generous government subsidies and tax credits.

"It's a very lucrative investment because of the tax breaks," said Glenn R. Schleede, an energy consultant who served in the White House under presidents Nixon and Ford and was an executive with the National Coal Association.

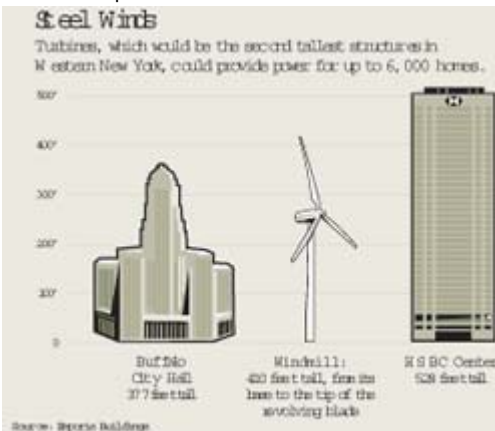


photo illustration of the original proposed windfarm project on the former Bethlehem Steel site.

energy consultant who served in the White House under presidents Nixon and Ford and was an executive with the National Coal Association.

The mayor of Lackawanna believes the wind farm will help put his city on the map, both as a pioneer in the increasingly popular wind energy industry and even as a sightseeing destination.

"People will come from far and near to look at these to marvel at them," Mayor Norman Polanski said.

A sight to see

There's no question the wind turbines will command attention.

Steel Winds plans to put eight of these giant turbines on a 32-acre plot at the top of a hill made from slag, the hard byproduct of steel production. The site is along the lake shore of the 1,600-acre Bethlehem Steel property.

The eight windmills would be seen easily from Route 5 and from across the harbor.

"Wherever you are on the lake, you'll be able to tell where Lackawanna is from now on," Polanski said of the proposed project.

"And not in a negative way. You won't see smoke. You'll see a beacon."

From the base to the tip of the blades, the turbines headed to Lackawanna are 410 feet tall, more than twice the height of Niagara Falls.

In Western New York, they will be second in height only to the HSBC Center.

The "stems" of the windmills alone are 260 feet tall - about the height of Buffalo's Central Terminal, visible for miles around the East Side.

The turbines will be among the first commercially available "Liberty" windmills sold through a California-based company called Clipper that's publicly traded in the United Kingdom but not in the United States.

Each costs between \$3.25 million and \$3.75 million and can produce 2.5 megawatts per hour - enough electricity to provide power to 500 to 700 households for an hour.

But that's only if the wind is blowing nonstop.

With most turbines churning out about 30 percent of their capacity, the wind farm can be expected to produce about 50,000 megawatt hours of electricity every year.

That would mark just a small notch toward Gov. George E. Pataki's plan to have 25 percent of the state's electricity come from renewable sources by 2013 - or 12 million megawatt hours.

BQ Energy, the partnership that plans on building the wind farm, is based in an office in Pawling, near Poughkeepsie.

It is headed by two former oil executives, Paul Curran, who worked for Texaco for 24 years and helped develop a wind farm on an industrial complex in the Netherlands, and Jim Falsetti, a former Shell Oil executive.

The company is also trying to build a wind farm at Fresh Kills landfill on Staten Island.

BQ Energy made a failed bid to put a turbine on the top of Freedom Tower, the skyscraper planned for the site of the fallen World Trade Center.

So far, they have yet to put up one windmill. However, BQ Energy has partnered with a second wind farm developer, UPC, which is developing projects in Prattsburgh, Hawaii, Maine and Vermont.

EPA decision awaited

Curran, the director manager of the Steel Winds project, declined to comment on most aspects of the deal while the details are being hammered out.

He did confirm that plans are on track to make an announcement as early as next month. If all goes well, the wind farm will be up and running by the end of November.

"It's going to be a good, long-term sustainable project for Western New York," Curran told The Buffalo News. "We see this as, together with Niagara Falls, a world-wide capital for renewable energy."

Polanski says the wind farm is "a done deal."

Not yet, but close.

The developers are waiting for a decision by the federal Environmental Protection Agency to have the state take over as the primary agency in charge of the Bethlehem Steel site.

Once that happens, Steel Winds would be eligible for the state's brownfield program and the plans can proceed.

Big tax credits

The developers' decision to build their wind farm on the Bethlehem Steel site isn't just about avoiding aesthetic issues.

They stand to gain a state tax credit, up to 20 percent of the value of the development deal, through the state brownfield cleanup program.

They also are eligible to bid into what's called the state's renewable portfolio standard.

Through it, companies building new renewable resource facilities can bid for the state to buy their "attributes," essentially credits for the amount of clean energy produced, according to John Saintcross Jr., senior project manager of the program.

That means, if Steel Winds opts to bid into the portfolio, it could receive a little over \$1 million a year for the length of the contract.

"To get to 25 percent by the year 2013 [under Pataki's plan], we have to pay something, and we want to make sure we fund it," Saintcross said.

The federal government also offers two major tax incentives for wind and other energy developers.

Energy companies building new facilities can write off all of their capital costs over five years.

They also receive a tax credit of \$19 per megawatt hour they produce - which could be about \$1 million.

Only the beginning?

Many environmentalists embrace wind energy as a potentially major source of "green" energy.

But some communities, including several in Western New York, haven't welcomed wind energy with open arms.

Many property owners in rural areas have fought wind farms tooth and nail, arguing that the giant turbines would ruin the natural beauty of their landscapes, kill birds that fly into the blades and lower their property values.

"The site is at least an industrial site already," Sue Sliwinski, a Sardinia resident who helped fight a proposed wind farm in her community, said about Steel Winds. "I'm still very concerned about the bird issue."

Sliwinski believes Steel Winds is only the beginning.

"These eight, that's just the first of hundreds that they're talking about in this area, especially along the lake and the river," Sliwinski said.

She may be right. Erie County conducted a state-funded study last year that found the lake's wind development potential to be "very good" to "excellent."

"Several national/international wind development companies are assessing other locations in Erie County and have expressed serious interest in future onshore and offshore wind development," reads a blurb on the study on the county's Web site.

The developers of Steel Winds, BQ Energy and UPC Wind are hoping that by putting their wind farm on a polluted "brownfield," the public will be more amenable.

That's exactly the niche market BQ Energy is going after.

While critics say the industry is bilking taxpayers, those who believe in wind power say it's the only way to get the business world to invest in clean energy.

It's such an enticing deal that billionaire Buffalo Sabres owner B. Thomas Golisano, who had previously helped several Western New York communities fight wind farms in rural areas, is starting his own wind energy company. Golisano is hoping to develop wind farms but give most of the profits back to the surrounding communities.

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