US Renewable Energy Market Reports Record Year in 2007

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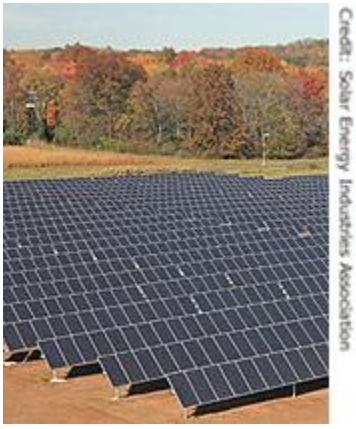
Last year was a record year for the renewable energy industry in the United States. The development and sale of power from wind, solar, geothermal, biomass and other renewable sources in 2007 infused $20 billion into the U.S. economy and created tens of thousands of jobs. But as VOA's Rosanne Skirble reports, industry leaders fear that growth could be stalled because of the failure of the U.S. Congress to ensure long-term support for renewable energy projects.

Renewable energy in the United States is growing at breakneck speed. "It was the third record year in a row for the wind industry," says **American Wind Association** executive director Randy Swisher. Citing an increase of 5,244 megawatts of electrical generating capacity (more than twice the largest prior record), Swisher calls 2007 "a blowout year." He says new wind projects accounted for 30 percent of all new energy generating capacity in 2007.



New solar installations grew by 125% in 2007

It was also a record year for solar power says Rhone Resch, president of the **Solar Energy Industries Association**. He says 314 megawatts of new solar were installed in the United States last year, an increase in energy of 125 percent over 2006.

Geothermal energy, that uses the steam and hot water produced inside the earth to generate electricity, showed a 40 percent gain in new projects over 2006. And **hydropower** from dams and other water driven systems saw increases in investments, jobs and resources in every region of the country.

The U.S. is a world leader in wind energy growth generation. Map reflects megawatts by state

Industry analysts say the rapid development of renewable energy has been driven by state policies that require renewables in the overall energy mix, and by federal tax credits that have helped lower the costs of renewable energy enterprises.

In addition, the rising price of oil and natural gas has helped boost the prospects for renewables, according to Chris Flavin, President of **Worldwatch Institute**, a research group that follows global energy and environmental trends.

"Electric utilities, which had been basically putting all of their investment into new [natural] gas plants, are now looking to diversify," he says, adding utilities are turning to wind. "It allows them to not only meet their state regulatory requirements, but in many cases it is now arguably less expensive, certainly when the tax credit is included in the equation, than gas-fired power."

The U.S. Congress cut renewable energy tax credits from the recent **2007 energy bill**. Solar Energy Industries Association president Rhone Resch says if the investment tax credit for solar energy is not extended and expanded early in 2008 solar could face a net job loss of over 40,000 by 2009.

"Very quickly we go from becoming an economic engine to becoming part of the industries in this country that are suffering," he adds.

The Solar Energy Industries Association, the American Wind Energy Association and other trade groups released a joint statement this week calling on Congress and the American public to help save their industries.

Nevada Solar One is the 3rd largest solar power plant in the world with 64 megawatts of generating capacity

"There is a range of interest groups that share our vision," says Swisher, "ranging from the environmental community to the electric utility industry to the venture capital association. It is a wide and growing array of interests that share this agenda."

Wind turbines at the Wild Horse wind project in Washington state generate enough power to meet the needs of 50,000 households

Chris Flavin expects that Congress will act, either as a short-term fix in the economic stimulus bill now before Congress or in a new tax law. Flavin hopes the tax credit can be adjusted, in the long run, as renewable energy industries continue to grow.

"Some of these technologies may not need tax credits four or five years from now, so maybe there should be an effort to phase them down," Flavin says, "Other technologies are just getting into the market. Solar thermal power may need even a greater incentive than they have today."

Flavin believes that solar, wind and other renewable energy technologies will soon be competitive with fossil fuels, and eventually replace them in the marketplace.