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Big Wind, Small Town

Posted by **Roger Valdez**
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Renewable project benefits low income families, rural community.

There is a new project breaking ground in Grayland, Washington that vividly demonstrates how clean energy projects can directly benefit low income families in rural communities. Coastal Community Action Program (CCAP) is building a six megawatt, four turbine wind development that will go on line in June. And here is the important part: electricity generated by the windmills will be sold to Grays Harbor Public Utility District. The money it generates will support CCAP's ongoing services, like help with housing and food assistance for poor families.

Renewable energy projects, and even energy efficiencies, can sometimes get pegged in the media and by critics as fancy projects with no benefit to real working people. Take the discussion going on in Oregon about the Business Energy Tax Credit (BETC) program. Critics say that the program benefits big business at the expense of poor families. We've already weighed in on ideas to improve BETC through a bill that's now working its way through Oregon's special legislative session (see our paper on BETC).

There is no question, as we point out, that BETC can be improved. But it has significantly helped Oregon take leadership in our region—and in the nation—on turning clean energy into jobs. Critics of BETC should consider what the Grays Harbor project means for Washington. Here's what Craig Dublanko, CCAP's Chief Finance Officer says about their wind project:

> CCAP is excited about this project. Most people think of this as a renewable energy project but for us, it is social project, providing revenue to fund critical services for low income families in Pacific and Grays Harbor Counties.

Using a combination of state grant funding, New Market Tax Credits, and Renewable Energy Tax Credits, the Grays Harbor project will generate $500,000 in revenue every year for critical social services in a rural county. (The financing was put together by Shore Bank Enterprise Pacific Coast V, a partnership between Shore Bank Enterprise Cascadia, Wells Fargo Community Development Corporation, and the National Community Fund.) Remember, those tax credits mean that investors reduce their tax obligations to the federal government. The benefit for the investors is paying lower taxes. And that can be a very good thing when the public benefits as significant as they are with the project in Grays Harbor.

As I mentioned in an earlier post on BETC, I think tax credits are an important way to spur investment in clean energy at every level of the economy. It is a good idea.

On the other hand, some people worry that the system is being gamed, helping rich people avoid taxes while producing few public benefits. Sure, there are a few cases of tax credit projects having bad outcomes. But ending tax credit programs because a few projects aren't perfect makes about as much sense as ending the food stamp program because there are a handful of instances of fraud by individuals. Instead, clean energy tax credits, like other policies, should be evaluated comprehensively on whether the benefits outweigh the costs.

The project in Grays Harbor – an area with an unemployment rate around 13 percent —is an excellent example of how investors can benefit by generating clean energy, creating green jobs, and mitigating the impact of a down economy for those struggling most. Critics of tax credit programs in general, and BETC specifically, should take a new approach. Rather than arguing to end or attenuate the program they should push for more projects like the one in Grays Harbor – projects that use clean energy to generate revenue for social services, new jobs, and shift local economies toward conservation rather than consumption.

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