

# Wind projects dominated new power production last year -- study

**Daniel Cusick, Environment and Energy Publishing, 2-7-13**

Electric utilities and independent power producers completed 430 new power plants accounting for 29,335 megawatts of new generation projects in 2012, a whopping 43 percent increase over the previous year, according to figures released yesterday by SNL Financial.

Six of the 10 largest projects were natural gas- and coal-fired generators in the Southeast and Midwest, while wind power accounted for the lion's share of new generation nationally, with 12,953 MW of added capacity, or 44 percent of the total.

"This gush of wind capacity came as the industry raced to complete projects ahead of the scheduled expiration of the production tax credit at the end of 2012, which has since been extended," SNL said in a report published on its website.

In total, developers spent nearly \$73 billion in construction costs for new electricity generation units, according to the firm's review of specific projects.

Solar power topped the list for the number of projects coming online, at 175, with a combined energy output of 1,557 MW. Almost all the new solar generation was built in Western states, the analysis found.

## **Gas and coal remain choice for baseload additions**

Natural gas-fired generation also soared to its highest level in recent years, the group said, totaling 9,979 MW, mostly in combined-cycle facilities. The surge in gas-fired generation was driven by widespread fuel switching by utilities to gas, which is currently cheaper than coal and faces less pressure from regulatory agencies seeking to reduce air pollution.

The Tennessee Valley Authority made the largest single investment in natural gas-fired generation last year with its 962 MW John Sevier combined-cycle project in east Tennessee.

Coal also remained in utilities' new generation mix, with 3,762 MW of new coal units coming online in 2012. Nearly half that generation came with the completion of the 1,600 MW Prairie State Energy Campus in southern Illinois. The mine-to-mouth power plant, which burns Illinois Basin coal, delivers electricity to eight utility companies and has been touted by its developers as one of the cleanest coal plants ever built.

"Some developers believe that the decision to build a coal power plant remains a wise choice given long-term forecasts for competitive pricing compared to natural gas and nuclear generation, as well as the benefit of stable fuel prices compared to natural gas price volatility," the analysis said.

The largest single coal unit to come online last year was Duke Energy's 825 MW Cliffside plant expansion. The \$2.15 billion steam turbine is also fitted with advanced pollution controls, according to the North Carolina-based utility.