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Article – **BLOWING IN THE RIGHT DIRECTION**
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Blowing in the Right Direction

Entrepreneur forms distributorship to sell wind turbines to rural households

Hondo Realtor Kevin Christiansen wanted to do the right thing by the environment, perhaps lower his home electric bill a bit and avoid what he sees are big utility bill increases down the road – so he bought a 45-foot-tall wind turbine.

Or rather he tried to. The more friends he told about his plans, the more they wanted one as well. So he ended up buying a wind turbine dealership instead.

Now, nine months later, he's sold 10 turbines designed for private residences, and believes he has found a market niche that is set for the future.

He looked at solar – he says he found it expensive "and about 5 or 6 p.m., solar shuts down" – but settled on a Skystream model wind turbine manufactured by Southwest Windpower or Flagstaff, Ariz. "I called the company and they said, for 10 units, I could become a dealer. I asked around and, before I knew it, I had 10 sold", Christiansen says.

"Actually, I had nine sold and one for myself but, before the truck got here, and attorney who does a lot of work for me said he wanted one as well. So the one that was supposed to go to my house went to him." Christiansen finally installed his own in early November.

The turbines, supported by 10 feet of underground concrete and sitting on narrow towers 33 to 45 feet tall, have blades 12 feet in diameter. The turbines sell for around $16,000 to $18,000 each. Christiansen bought out a Southwest Windpower dealer in Devine and now has a total of 45 customers throughout South Texas. He named his new firm RePower Energy South Texas Ltd.

Christiansen says the experience opened his eyes to the environment and to the business possibilities.

"Everything that you watch on television is talking about going green," he explains. "It has been a real educational process for our whole society, because it makes people ask if they really need to use more energy. We've already been through a tremendous learning curve with the price of gasoline. Now what the country is going to go through, the next learning curve, is electricity. When electric cost double or triple because of cap and trade, people will start thinking in different ways."

Legislative impact

Proposed federal legislation, dubbed cap-and-trade laws, would limit greenhouse gas emissions including carbon dioxide for a number of national business sectors, including power plants and factories. A credit system would allow companies that operate with emissions above the restrictions – the "cap" – to buy credits and businesses with leftover credits to sell – or "trade" – them on the open market.

The U.S. House of Representatives approved controversial climate change legislation that included cap-and-trade provisions by a narrow margin in July and, in early November, a Senate committee passed a similar bill for eventual consideration by the full upper chamber.

Critics say that, if passed, cap-and-trade will cause sharp increases in fuel and electric prices. In a Nov. 9 press conference, Gov. Rick Perry called the proposed legislation "the largest tax hike in the history of our country" and said it would hurt Texas by eliminating thousands of jobs. But polls conducted in late October by CNN/Opinion Research and NBC/Wall Street Journal showed that, as of October, the general public favored the cap-and-trade concept becoming law.

Christiansen says that other federal legislation now in place is actually helping him generate more interest and sales. "There are some tremendous tax advantages to putting one of these in," he explains. "The biggest one is the standard 30 percent federal tax credit, no questions asked, on the total expense of purchasing and installing one."

The credit, passed earlier this year with President Obama's stimulus package, covers all residential wind turbines generating 100 kilowatts or less and certified solar hot water systems placed in service before the end of 2016. Christiansen estimates that one of his wind turbine units should pay for itself in six years after the tax benefit.

"Not for everyone"

Hondo rancher Slim Crapps purchased two from RePower Energy, for each of his two local ranches, and says he saved $130 off his monthly electric bill on one 1000-acre property, and $140 off the second 800-acre ranch. "I'm really excited about saving some energy, and making my own, really" he says.

Triggered by winds of more than 8 miles per hour, the turbine feeds electric current into the customer's home by means of underground cables. Any excess electric power is fed back into the community power grid through a "net meter," and subtracts that energy from the home's total usage.

“Residential wind turbines of this size are not supplying 100 percent of a home’s electric needs,” says Mark Rollans, general manager of the Hondo-based Medina Electric Cooperative, “and I don’t think that is intended. These folks want to do the right thing for the environment and maybe save some energy cost at the same time.”

Rollans adds that while his co-op currently doesn’t offer rebates or incentives for homegrown electricity generation, it was researching the potential of buying a wind turbine to set up as a test to determine how effective such a system might be. “We”re like everybody else,” he says. We’re trying to learn from that technology.”

Guadalupe Valley Energy Cooperative, to the north of the Alamo City, offers rebates of up to $6000. for wind generators on top of the federal tax credit. “Not many folks have the space for it,” says co-op spokesperson Tammy Thompson. “The absolute return on investment is not quick and it doesn’t take the place of all your electric needs. So when most people find out the price and that it doesn’t take over when the lights go off, they usually back off – unless they have that money laying around.” Within the city of San Antonio, however, the potential of wind turbines in residential back yards is doubtful, according to Tony Guion, project manager of retail energy for CPS Energy. We’re in Zone 1, the lowest level of wind you can find, and you have to have a certain level of wind to make wind generators work.”

CPS Energy currently purchases electric power from commercial wind farms in North and West Texas and, as of October, from a new wind farm near Corpus Christi. “As far as residential, I don’t really see if here, “ Guion said, “but, if it would ever happen, the tower would have to be 100 feet or more in the air.”

RePower’s Christiansen agrees that his product is not for everyone. “My system is not necessarily going to work in the city where you have small lots,” he says. “You have to have some elevations and long views to get the kind of wind that you need. If you are in a valley, this probably won’t work for you.” He adds, however, that because the cost of solar technology is coming down, he is looking into the potential of adding installation of solar power generation as an additional service.

Meanwhile, can Christiansen make a living selling home wind turbines? “It is going to be tough,” he says, “but I’m able to pay my overhead cost and for my employees and I’m satisfied at this point just doing that. I’m putting them in right now at our cost so they can start working for people. The rest will build on itself”