

Excerpt from Forbes, August 21, 2008

http://www.forbes.com/markets/2008/08/21/wind-turbine-closer-markets-equity-cx_ra_0821markets35.html

Bloomberg's Windy City

Ruthie Ackerman

New York Mayor Michael Bloomberg's vision of windmills atop the city's bridges and skyscrapers may sound like *Alice in Wonderland*, but the reality is that wind farms may be closer than New Yorkers think.

On Thursday, the [billionaire](#) mayor backpedaled from his windmill proposal, pitched at a conference in Las Vegas, after his alternative energy dreams were mocked by the media as impractical and overly expensive. (See "[NYC's Bloomberg Presses The Alt-Energy Key](#).")

On the one hand, there are many concerns about urban wind farms, from the danger of the spinning blades to the installation costs to worries over whether city buildings can handle the enormous weight. But the idea of [wind turbines](#) in or around New York City isn't a bad one. "The question is not when we're going to get wind turbines, but where they're going to go," said Kaufman Brothers analyst Theodore Rudd O'Neill. "But we know for sure they're not going on top of buildings in Manhattan."

Putting wind farms offshore seems to be a no-brainer, says O'Neill. Bloomberg said offshore turbines could be placed "as much as 15, 20, 25 miles offshore, where it's virtually invisible to land."

O'Neill said it would cost approximately \$1 million a megawatt for the installation of an offshore [wind farm](#). "If they put 100 offshore at an average of 2 megawatts each it would cost a half a billion dollars," he said. "It would not be enough to power the city, but it would be a start."

The Long Island Power Authority's proposal to build windmills off Jones Beach got shot down last year after fees for the project escalated and the price of energy from the turbines soared higher than the cost for electricity.

Yet the obstacles to building wind farms haven't deterred billionaire oilman [T. Boone Pickens](#) from investing in the industry. In early July Pickens asserted that the U.S. should generate 20% of its electricity through [wind power](#) within a decade. [Pickens](#) recently ordered 667 turbines to create a windfarm on the Texas panhandle. (See "[Green Pickens](#).")

A recent United Nations report noted significant interest in alternative energy investments, with wind currently being the favored alternative. (See "[Wind Sees](#)")

Green.") Unlike solar energy, the cost per watt of [wind energy](#) is close to the cost of electricity, which makes it a cheap and viable energy source.

All of this is good news for companies in the wind industry, such as GE Energy, a subsidiary of **General Electric** (nyse: [GE - news - people](#)); **Siemens** (nyse: [SI - news - people](#)), the maker of wind turbine parts; **Broadwind Energy**, which makes wind turbine towers; **American Superconductor** (nasdaq: [AMSC - news - people](#)), the maker of wind turbine components; and **Zoltek** (nasdaq: [ZOLT - news - people](#)), which makes wind turbine blades.

GE Energy Financial Services has invested \$4 billion in renewable energy since 2004, \$1 billion of which was invested in the first half of this year, says Kevin Walsh, managing director of the renewables group.

....

PowerShares WilderHill Clean Energy, an exchange-traded fund that invests in alternative power sources, gained 60.4% last year, but is down 28.1% so far in 2008. The solar-heavy vehicle rose 0.5% on Thursday, gaining 1 penny, to \$19.90 .