

TECHNOLOGY TO ASSIST WIND COMPANIES WITH ONGOING PAYMENT OBLIGATIONS



While so much attention has been focused on development of new oil and natural reserves, wind power capacity has increased dramatically, albeit somewhat under the radar.

The American Wind Energy Association reports that the wind industry has added 35 percent of all new electric generating capacity in the U.S. over the past five years, second only to natural gas. The increased capacity of wind is more than added nuclear and coal capacity combined.

During the first three quarters of 2012, 4,728 megawatts (MW) of wind capacity were installed, bringing total U.S. capacity to 51,630 MW. Today, there are more than 40,000 wind turbines in the U.S.

Canada is aggressively increasing wind capacity. In its July-August 2012 issue, Renewable Wind Energy reported installations in Canada nearly doubled in 2011 from the previous year to 1,267 MW.

Today, more than 1 million homes in Canada are powered by electricity provided through wind. The Canadian Wind Energy Association says the U.S. northern neighbor has only scratched the surface of its wind potential.

It appears Canada is well on its way to achieving the national goal of 20 percent of electricity from wind by 2025.

While it is easy to see and be impressed with the results, it is no simple task to develop and operate a wind farm. It requires a great deal of upfront planning, management of the project during construction, and ongoing tracking of operational tasks.

Wind industry officials tell us that their number one pain point in developing and operating wind farms is meeting ongoing payment obligations. Absent a good strategy and the right technology, these companies struggle with this necessary aspect of doing business.

Consider the process of developing a wind farm. Once a suitable location is determined, both in terms of availability of wind and proximity to transmission lines, the company must acquire the necessary right of way. Contracts and lease agreements must be finalized. Permits must be obtained.

The electricity anticipated from the wind farm must be sold. A great deal of effort is expended in the development phase even before construction begins. After the wind farm is built and operating, the company must ensure ongoing lease and royalty payments are issued accurately and on schedule.

Meeting all of these payment obligations, through the stages of developing, constructing and managing a wind farm, can be complex. Property ownership can change. The property owner might change addresses. Absent an established format for landowner information, there can be differences in how company staff input landowner and payment information in the database, which can create bottlenecks and, worse, lead to erroneous information in the database and delays in making payments.

Missing payments or issuing an incorrect amount can disrupt the wind farm project. It can create ill will with landowners and contractors. Not having the proper strategy and tools for proper management of ongoing payment obligations can slow a wind project down or bring it to a grinding halt.

Wind energy companies employ various means to meet ongoing payment obligations. Many work off of spreadsheets where information can be erroneous or inconsistent. Others work from computer calendars. Some even work from paper. In these systems, information is input manually.

Emails with supervisors or payment administrators must be exchanged. It's a clunky, inefficient process that is slow and wrought with the possibility of error.

Technology exists that makes it possible to manage and conduct ongoing payment obligations through one software system customized to company and project needs. All landowner and payment information is brought into the software, and the system manages and tracks the necessary ongoing payments automatically. With tools provided in the software, such as lease management, royalty payment calculator, automatic reminders, payment tracker and scheduler, tasks related to ongoing payments that once took two weeks to complete can now be accomplished in minutes.

Developing new wind capacity faces many challenges. There is competition from other sources of conventional and alternative energy, most notably natural gas and oil. There are public policy issues, such as the possibility that the Production Tax Credit will not be extended by the U.S. Congress. Layoffs have already occurred at companies that develop and operate wind projects or manufacture turbines, due in part to uncertainty over federal action on the Production Tax Credit.

The right technology can take the headaches associated with meeting ongoing payment obligations off the table for wind power companies. Utilizing the right technology can increase efficiency and reduce the cost of developing and operating wind farms.

That can provide added incentive, even in these uncertain times, to development of even more wind capacity.

Dan Liggett is Communication and Public Relations Manager for geoAMPS. For more information, call 614-389-4871 or visit www.geoamps.com.

You might like:

- [Tips For Choosing the Right Energy Service Company](#)
- [How India's Blackouts Impact Our Views On The U.S. Grid](#)
- [Cappemini & Intel Partner To Make Home Energy Products Smarter](#)
- [Are We Near the End for Bonds?](#)

RECENT STORIES

- [Clean Energy Aid to Poor Nations Hits \\$8 Billion, Lower than Promised](#)
- [On-Bill Repayment Shows Promise for Energy Efficiency, but Challenges](#)
- [U.S. Army Corps of Engineers Moves into New Energy Efficient Office](#)
- [Gift of Energy Certificates Available Through Consumers Energy](#)
- [GSEA Applauds Decision to Increase Solar Energy](#)
- [U.S Army Housing to Get Solar Panel Makeover](#)
- [Energy Saving Tips this Thanksgiving](#)
- [The Libya Summit - One of the Largest Business Events in Libya Kicks](#)
- [California's Cap-and-Trade Auction Deemed 'A Success'](#)
- [Fan Energy - The Often Overlooked Energy Hog](#)

[See All Recent Stories](#)

WATCH OUR RECENT VIDEO



[All Videos](#)

WEEK IN REVIEW NEWSLETTER



Subscribe to our mailing list

First Name

Last Name

Email Address

Subscribe

* indicates required

JOIN THE CONVERSATION

- [Kvsreddy On Detroit Thermal Participating With Ford Field Stadium's Energy Efficiency Initiatives](#)
- [Christine Cox On Austin Chamber Of](#)