

FOR IMMEDIATE RELEASE: November 5, 2009

**SCHUMER URGES OBAMA ADMINISTRATION TO
BLOCK \$450M IN STIMULUS FUNDS SOUGHT BY
WIND FARM PROJECT WITH PARTS BUILT IN
CHINA**

*Organizers of \$1.5B Wind Farm In Texas Seeking
Stimulus Funding Even Though The Manufacturer Is
Based In China*

*In Letter To Energy Secretary Chu, Schumer Says
Stimulus Funds Should Support Job Creation In United
States, Not China*

WASHINGTON, DC—U.S. Senator Charles E. Schumer (D-NY) announced Thursday that he is urging the Obama administration to block any stimulus money from financing a proposed wind farm in Texas that would rely entirely on wind turbines built in China.

Organizers of the \$1.5 billion project, which would create an estimated 2,000-3,000 jobs in China, but only a small fraction of that in the United States, have said they will seek to defray up to 30 percent of the cost, or \$450 million, with funds authorized by the American Recovery and Reinvestment Act. In a letter sent to U.S. Energy Secretary Dr. Steven Chu, Schumer urged that the project receive no stimulus dollars unless the project relies on American-built products rather than the Chinese turbines.

“I’m all for investing in clean energy, but we should be investing in the United States, not China,” Schumer said. “The goal of the stimulus was to spur job creation here, not overseas. This project should not receive a dime of stimulus funds unless it relies on U.S.-manufactured products.”

Last week, a joint venture comprised of China’s Shenyang Power Group, a Texas company called Cielo Wind Power and the U.S. Renewable Energy Group announced their plan to build a 648-megawatt wind farm in west Texas, covering 36,000 acres. The electricity generated by this wind farm will be enough to power 135,000 to 180,000 American homes every year. The project will break ground in March and cost around \$1.5 billion.

Schumer said the project was certainly worthwhile, but regretted that it did not rely on U.S. manufacturing. As it is, Schumer said the venture should definitely not be eligible for

stimulus funds. While the project is anticipated to generate as many as 3,000 jobs in Shenyang, China—which, according to the project’s announcement, will be the main site of the wind turbines construction—its job impact in the United States will be roughly one-tenth that amount. According to the New York Times, the project will only generate 330 jobs in the United States—and 300 of those are temporary positions.

Schumer added that subsidizing China’s clean-energy sector runs counter to another goal of the stimulus—jumpstarting the clean-energy industry domestically. Schumer noted that Secretary Chu is well aware of these concerns, noting that he recently testified before the Senate about the rise of foreign countries like China in the race to pioneer clean-energy technologies.

But unfortunately, the Texas wind farm project appears to be part of a larger trend. Since September 1, the U.S. government has doled out over a billion dollars in clean-energy grants—and 84 percent of that funding went to foreign wind companies, according to the Investigative Reporting Workshop.

“Our domestic clean-energy sector has the potential to emerge as a global leader and it is counterproductive to invest U.S. stimulus funds in Chinese companies rather than our own,” Schumer said.

“China is fast emerging as one of our main rivals in the race to build the technology that can help us achieve energy independence. We should not be giving China a head start in this race at our own country’s expense,” Schumer added.

A copy of Schumer’s letter to Secretary Chu appears below.

November 5, 2009

The Honorable Dr. Steven Chu
Secretary of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Dear Secretary Chu,

I write to express serious concern about reports that Recovery Act funds could be used to finance a utility-scale wind power farm built with Chinese components.

Press reports indicate that Chinese manufacturer A-Power, based in Shenyang, has teamed up with a Texas company

and a U.S. private equity firm to develop a wind farm across 36,000 acres in Texas. The wind power project would require 240 2.5 megawatt wind turbines, all of which would be manufactured in China, and will cost \$1.5 billion. News reports further indicate that the project will seek to secure 30 percent – \$450 million – of its financing from funds authorized by the American Recovery and Reinvestment Act. The idea that stimulus funds would be used to create jobs overseas is quite troubling and, therefore, I urge you to reject any request for stimulus money unless the high-value components, including the wind turbines, are manufactured in the United States.

A critical Recovery Act priority is investment in the *domestic* renewable energy industry, not investment in foreign manufacturers. Yet a recent report by Russ Choma at the Investigative Reporting Workshop highlights the shocking fact that 84 percent of the \$1.05 billion in clean-energy grants distributed by the U.S. government since September 1st have gone to *foreign* wind companies. Of the 11 wind farm projects that have received grants to date, 695 of the 982 wind turbines installed were built by foreign manufacturers. Our U.S. wind industry, including companies located in my state, is fully capable of providing these and other high-value components, and U.S. wind farms financed with stimulus money should be buying American-built turbines and parts.

Mr. Secretary, in recent congressional testimony before the Senate Committee on Environment and Public Works, you lamented the fact that the United States has fallen behind China in renewable clean energy investment. In fact, China has been shielding and subsidizing its clean energy sector for years. Trade barriers keep out U.S. investments and products and government subsidies give Chinese manufacturers an unfair advantage in the global marketplace. Why then would the U.S. government ever agree to use stimulus funds to bolster China's renewable energy sector?

The purpose of the Recovery Act was to jump-start the economy to create and save jobs – American jobs. Yet, the Texas wind farm project would create an estimated 2,000-3,000 clean energy manufacturing jobs – *in China*. American taxpayer dollars should not be used to finance those Chinese jobs. I respectfully urge you to deny Recovery Act funding to this project unless the majority of components are manufactured in the United States.

Thank you for your time and attention to this important issue.

Sincerely,

Charles E. Schumer
United States Senate

###