

**WindPower 2008
Houston, Texas
June 2, 2008**

**Thomas C. Dorr
Under Secretary for Rural Development
Keynote**

Good morning. Thank you, Randy, for that very generous introduction.

It is a pleasure to with you today here in Houston, Texas ... the wind capital of the world.

“The wind capital of the world.” How great it is ... after the United States for so many years being an also-ran on wind ... to be able to say that about Texas and, by extension, the nation as a whole. That reflects the leadership of then Governor George W. Bush.

We have come a long way ... not just in wind, but in renewable energy across the board ... since the beginning of this decade.

This is a compelling, and exciting, story. Since 2000, ethanol production in the United States has increased four-fold; installed wind capacity, seven-fold; and photovoltaic shipments ten-fold. Biodiesel has increased from 2 million gallons in 2000 to 450 million last year. The United

States now leads the world in biofuels. We lead the world in bringing cellulosic ethanol to market. We lead the world in geothermal, lead solar thermal and lead waste to energy.

And last but certainly not least ... we have led the world three years running in new installed wind capacity and we are on track to overtake Germany as the overall leader on wind by the end of next year. Much of that is singularly due to YOU ... all of you here today ... people in the industry ... investors ... partners in the public and non-profit sectors ... Randy Swisher and the terrific folks at AWEA ... your colleagues in the other renewable energy industries ... you ARE making a difference.

This is a moment of transition. Clearly we are still in the early stages of what will be a long-running transformation. But renewables ARE now mainstream, thanks to you and thank you to President Bush. The nation is in your debt. Thank you.

This is the first time that USDA has been invited to participate in this Conference... but I trust it will not be the last. My good friend,

Assistant Secretary Andy Karsner from DOE, will be speaking in a few minutes, and the Department of Energy's participation really needs no explanation. But USDA Rural Development may be another story.

Some of you I'm sure already know us. Some of you have already partnered with us. Many more of you may have attended our Advancing Renewable Energy Conference in St. Louis back in 2006.

Others perhaps attended WIREC 2008 in Washington, D.C. just three months ago, where rural development was for the first time a core track at a major international renewable energy conference.

But for those who are NOT already familiar with USDA Rural Development, let me say simply that we are here because renewable energy ... due to its feedstock and siting requirements ... is largely rural energy. That makes renewable energy very much OUR business as well as yours. We are the commercial financing arm of renewable energy and wind in the federal government. We are to commercial and development finance, what DOE is to research.

USDA Rural Development is committed to the future of rural communities ... and we recognize that renewable energy, including wind, is probably the greatest new opportunity for economic growth, jobs, and wealth creation in rural areas in our lifetimes.

Our job is to help rural communities realize that potential, and we are eager to partner with YOU to do it.

USDA Rural Development, not long ago, was widely considered a lender of last resort. Today we are essentially an investment bank for rural America. We have a current portfolio in excess of \$100 billion invested in rural infrastructure, housing, community facilities, and businesses.

Renewable energy is a relatively recent but rapidly growing part of our portfolio. From Fiscal Years 2001 through 2007, we invested \$674 million of your tax dollars in grants, loans, and loan guarantees for more than 1,700 renewable energy and energy efficiency projects.

On average we achieved a roughly 3-1 leveraging, so the investment total rises to nearly \$2.5 billion. These projects have spanned the

**spectrum ... wind ... solar ... ethanol ... cellulosic ethanol ... biodiesel
... biomass ... methane gas recovery ... geothermal ... and small hydro.**

We are engaged across the full spectrum of renewable energy.

**We are also, after much reorganization and name changes, the
institutional successor to the old Rural Electrification Administration.**

**We are the funding agency for the Rural Electric Coops, which today
sell 7 percent of the nation's kilowatt hours, cover three quarters of the
nation's land area, and maintain over 50 percent of the grid.**

**At the same time, we recognize that the build out of distributed
generation will require improvements to the grid as well as new
transmission corridors to move rural wind power to urban markets.**

This is a key priority for you, and for us.

So there is a lot on the plate.

**We are cognizant, of course, of the urgent national security, economic
security, and environmental imperatives related to renewable energy
today. But from our perspective, this is first and foremost an historic**

opportunity for rural America ... an opportunity that, with your help, we are determined to seize.

This is not business as usual. It is an agency-wide priority.

- **As an agency we have recently consolidated 350 offices and are relocating and retraining staff to reorient on new opportunities and new partnerships.**
- **Just as we are the historic funding agency for rural electrification, we are the historic funder for the rural telecommunications system.**
- **It is therefore our responsibility to provide the technical infrastructure ... particularly rural broadband ... that is needed to seamlessly integrate distributed generation into the grid.**
- **On the financial side, in addition to our direct project-specific investments, we have recently completed a review of business and investment models intended to identify approaches that facilitate the aggregation of local capital and participation by local investors.**

- **From a national energy policy standpoint, it makes no difference if the investment dollars for a wind farm come from New York, London, Dubai, or local investors. But from a rural development perspective, a local equity stake makes a very tangible difference by recirculating capital at home.**

- **Farmers, other rural landowners and investors already own the underlying resource ... the land on which the turbine will be installed and across which the transmission lines will run. That is an advantage that we hope to leverage.**

- **We are cognizant as well that rural America is awash in latent investment capital. Largely because of the renewable revolution, farm equity ... primarily land value ... has more than doubled in this decade. At nearly \$2.3 trillion, America's net farm equity is larger than the GDP of all but the world's seven largest nations.**

- **In short, rural America brings enormous assets to the table, if we can find ways to harness them.**

For all these reasons, I am delighted to be with you today. I have read with interest DOE's new report, *20% Wind Energy by 2030*. It is appropriate for Andy Karsner to discuss it in detail if he chooses ... it's his report.

But I will say simply that, as I read it, we have work to do. Wind power has reached liftoff in the United States. The task ahead is large. It will challenge all of us. But together, we WILL get it done. Thank you.