

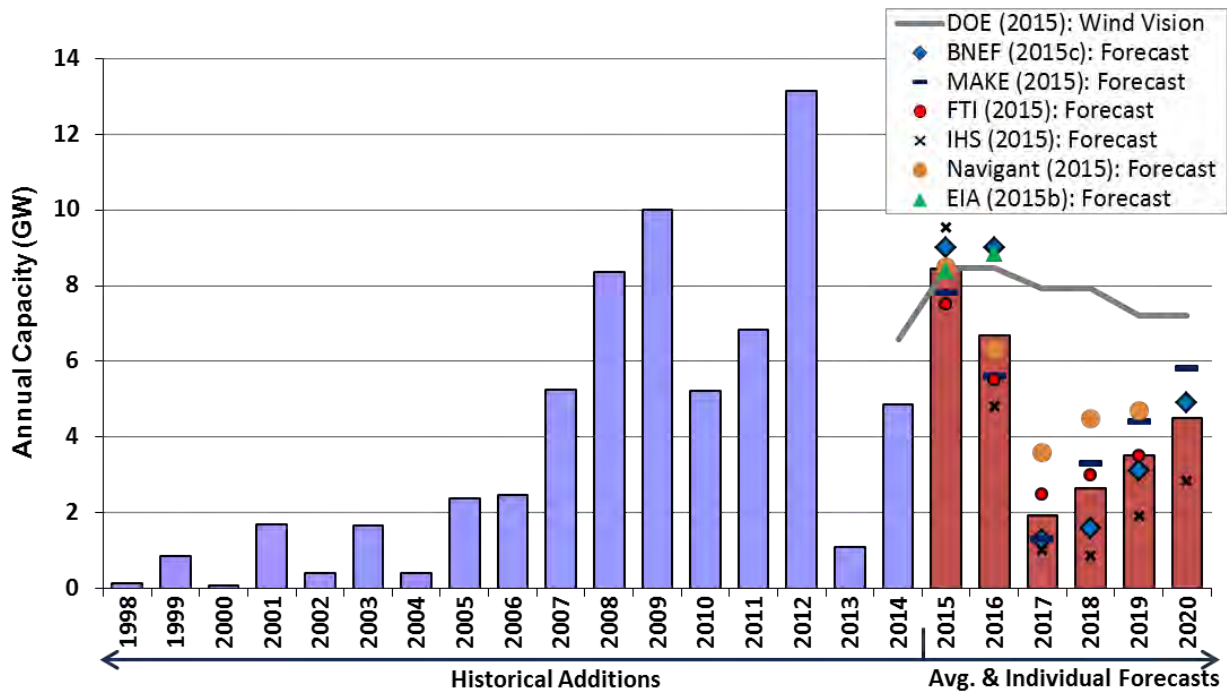
2014 Wind Technologies Market Report

August 2015



9. Future Outlook

Because federal tax incentives are available for wind projects that *initiated* construction by the end of 2014, a further resurgence in new builds is anticipated in both 2015 and 2016 as those projects are commissioned. Near-term wind additions will also be driven by the recent improvements in the cost and performance of wind power technologies, which have resulted in the lowest power sales prices ever seen in the U.S. wind sector. Growing corporate demand for wind energy and state-level policies play important roles as well. Among the forecasts for the domestic market presented in Figure 53, expected capacity additions range from 7,500 to 9,500 MW in 2015 and from 4,800 to 9,000 in 2016. With AWEA (2015b) reporting that more than 13,600 MW of wind power was under construction at the end of the first quarter of 2015, the industry appears to be on track to meet these expectations. Still, the upper end of the forecast range for 2015 and for 2016 does not approach the record build level achieved in 2012.



Source: AWEA (historical additions), individual forecasts, DOE 2015 (Wind Vision)

Figure 53. Wind additions: historical installations, projected growth, DOE Wind Vision report

Projections for 2017 show a steep downturn in additions in that year, and then a steady rebound through 2020. Forecasts for this period are uncertain. The PTC has expired, and its renewal remains in question. The “base-case” forecasts presented in Figure 53 generally assume no further PTC extensions in the near term. Expectations for continued low natural gas prices, modest electricity demand growth, and limited near-term renewable energy demand from state RPS policies also put a damper on growth expectations, as do inadequate transmission infrastructure and growing competition from solar energy in certain regions of the country. Industry hopes for a federal renewable or clean energy standard, or climate legislation, have also dimmed in the near term. At the same time, recent declines in the price of wind energy have been substantial, helping to improve the economic position of wind even in the face of relatively low natural gas prices and boosting the prospects for future growth even if state and federal