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Green energy plan could drive GE jobs

Proposal may boost wind power

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A federal proposal to require electric utilities to generate a certain percentage of their power without burning fossil fuels could re-ignite the U.S. wind energy industry and be a boon to wind turbine production at General Electric's Greenville plant, a high-ranking GE executive said Tuesday.

John Krenicki, one of four vice chairmen at GE, said the wind energy industry was enjoying double-digit growth until the financial crisis.

Tax credits and loan guarantees for wind farms in President Obama's economic stimulus legislation will take time to kick in, he said.

Krenicki said GE favors legislation to require electric utilities to generate a certain amount of their power through zero-carbon methods such as wind and solar power -- two businesses the company is in. GE makes wind power equipment in Greenville and solar power equipment in Delaware.

Krenicki, chief executive officer of GE's 65,000-employee Energy Infrastructure business unit, discussed the struggling world economy and how it's affecting the global business he runs during a meeting with about 40 community and business leaders at the company's complex along Garlington Road.

The group included U.S. Rep. Bob Inglis, state Rep. Harry Cato, Greenville County Council Chairman Butch Kirven and numerous local business leaders. Also in attendance were Bill Standera, general manager of North American manufacturing for GE Energy, and Rick Stanley, a GE vice president who manages about 8,400 engineers in the Energy unit.

Krenicki spoke of challenging business conditions around the globe during a PowerPoint presentation in a wood-paneled boardroom.

In Germany, he said, demand for electricity has dropped 10 percent, something that hasn't happened since World War II. Other parts of the world, such as India and China, are still growing, he said.

"It's a crazy world out there," Krenicki said.

The business he runs makes a wide range of industrial goods, from water desalination systems, to oil and gas drilling equipment, to the multi-ton turbines made in Greenville that use wind or natural gas to generate electricity.

The Energy Infrastructure business unit operates in 140 countries and collected \$38.6 billion in revenue in 2008. It led all other GE business segments in 2008, posting 26 percent profit growth.

Krenicki predicted the ongoing economic crisis would affect the business over the next 24 months, but he was optimistic about its long-term prospects.

Global demand for electricity is expected to double over the next 20 years, he said, a trend that's good for GE and its plant in Greenville, which will continue to export electricity-generating machinery to the world.

In response to a question about how Greenville leaders could help GE succeed, Krenicki mentioned education.

"That's priority No. 1," he said.

Krenicki also led a tour of the manufacturing floor, where he pointed out gargantuan 9FA metal turbines being assembled for shipment to Siberia and Saudi Arabia.

Talking to reporters, he said the renewable energy standards under consideration by Congress could boost the wind energy business in Greenville.

"What we'd like to see to really bring it home and to make Greenville huge in wind is renewable energy standards," Krenicki said.

The proposal, however, is meeting resistance from utilities, including Duke Energy Corp., the Upstate's dominant electricity retailer.

Duke spokesman Dave Scanzoni said the Charlotte-based company prefers to leave the issue to individual states.

A "one-size-fits-all approach" from the federal government won't be good for consumers because the availability of renewable energy resources varies state by state, Scanzoni said.

States with few renewable energy resources might have to buy credits, a cost that would be passed on to consumers, he said. Scanzoni said Duke supported renewable energy standards when they were adopted in North Carolina and Ohio.

Inglis told reporters he expects legislation mandating renewable energy standards to come up on the House floor this year.

The Greenville Republican said he thinks nuclear energy should be counted as a "renewable" energy since nuclear plants don't emit the so-called greenhouse gases blamed for climate change.

U.S. Sen. Lindsey Graham of South Carolina, also a Republican, said he wouldn't vote for the renewable energy standards unless nuclear energy is counted as a renewable energy.

Graham said South Carolina and the Southeast would have a hard time complying with the standards if nuclear is not included because other renewable energy technologies such as wind and solar account for such a small portion of their electricity generation.
