

business

Clean-energy companies fueling a N. Colorado revival

Business and academic leaders sound off on how they're trying to make the area a hub of alternative-power development.

By Steve Raabe
The Denver Post

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Cameron Alberts, an engine lab technician for Woodward Governor Co. in Loveland, tests a fuel-metering valve the company makes. The valve is used on natural-gas bus engines. (Lyn Alweis, The Denver Post)

Fueled by a surge of clean-energy projects and research, the northern Colorado economy is regaining some of its lost strength.

The state's fledgling "new energy economy" is gaining an impressive foothold on the plains of

Weld County, along the Interstate 25 commercial corridor and in the research labs of Colorado State University.

More than 40 businesses involved in clean or renewable energy have set up shop in the region in recent years, bringing more than 1,300 jobs. Other shops such as Woodward Governor Co., which makes components for power-generation equipment, also have added jobs.

The gains fall short of making up for the more than 4,000 high-tech jobs northern Colorado lost earlier this decade in a devastating round of layoffs by Agilent Technologies, Advanced Energy, Celestica, Hewlett-Packard and LSI Logic. But regional officials say they're optimistic that projected growth in the alternative-energy sector will generate thousands of relatively high-paying new jobs.

Solar-panel manufacturer AVA Solar expects to have 400 to 500 workers on its Fort Collins payroll by the end of next year. Vestas Wind Systems, a maker of wind-turbine blades, says its new Windsor plant will employ up to 600.

Like the rest of the state, northern Colorado has witnessed a slowdown in new jobs, population growth and housing starts, as well as rising rates of foreclosures and bankruptcies.

But economists expect the clean-energy sector to start making up for a 2 percent drop in the region's per-capita income since 2001 — a direct result of the high-tech job losses.

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The Denver Post recently sat down with northern Colorado business and academic leaders to discuss the region's economy.

The officials included:

- Maury Dobbie, president and chief executive of the Northern Colorado Economic Development Corp.
- Judy Dorsey, president of engineering consultant The Brendle Group.
- Russ Kanjorski, director of strategic planning for AVA Solar.
- Martin Shields, associate professor and regional economist for Colorado State University.
- Bryan Willson, director of CSU's Clean Energy Supercluster.

Here's what they had to say.

Post: What's happening with alternative-energy development?

Dobbie: We're working very hard to be one of the hubs in this country and in the world. Having CSU as a primary research university and with our other partnerships, we believe we can accomplish that.

Already, we are rated as having the fourth-highest concentration of clean-energy employment in the nation.

We want to diversify across that whole sector, and we are concentrating on three areas at this point: engines and low-emissions technology; renewable energy, particularly in wind, solar, biofuels and hydropower; and a very interesting unique one is the "smart grid" sector (to increase electricity efficiency and conservation).

Dorsey: We have an initiative called Fort ZED — it stands for net zero energy district.

It's kind of unique to northern Colorado — we have this incredible grassroots interest. In six weeks we raised half a million dollars in cash (to match a federal smart-grid grant). The largest donor was the downtown Fort Collins development authority, but we had everything down to \$50 donations and people who pledged their Toyota Prius tax rebates.

Post: Is there a risk of being too diverse in your renewable-energy efforts instead of putting your chips on one core technology, such as just wind, or just solar?

Willson: The future energy mix is going to be diverse. The sun may shine when the wind doesn't blow. Biofuels can be stored. To develop meaningful large-scale energy solutions, diversity is key.

Post: How do you go about developing this industry?

Dorsey: We're trying to grow a portfolio of initiatives. Some are direct, and some are indirect.

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For example, in wind power, we've gone through a mock scenario planning with industry experts to help make Larimer County more friendly for utility- scale wind development, or even agricultural-scale wind development. They either directly grow jobs or indirectly improve the climate for clean-energy businesses to thrive.

Dobbie: Through the Northern Colorado Workforce Initiative, we're connecting three dots: the educators and trainers of the workforce, the primary employers that need them, and the actual workforce that includes the underemployed that can be reskilled into these industries to make a great career path for them.

Kanjorski: AVA Solar is a good example of this. We started with zero employees in 2006 and now we're up to about 40. Many of these people had been underemployed. We've had people who worked at Celestica, H-P/Agilent. We've gotten very, very good people.

Post: Is there concern that the focus on renewables could be hurt by a possible crash in oil prices that could skew the economics, or Congress' failure so far to renew tax incentives for renewables?

Willson: We're all in this business because we believe that the fundamentals are strong.

With peak oil production, we're either there now or a few years in the future. Then you look at growing demand from India and China. Energy is an inelastic commodity and the prices are going to stay high.

If you look at potential greenhouse-gas legislation, it inevitably will put an economic value on carbon reduction.

Shields: People's view of the cost of energy is changing. It used to be whatever price we were paying for a barrel of oil. Now the cost is also the effect on the global climate. Now it's not just \$100 a barrel, it's some percentage on top of that. Then the low-carbon alternatives become relatively cheaper.

Kanjorski: This is not a dot-com business. It's based on hard-core physics and engineering.

Post: To what degree has the national and state economic slowdown affected northern Colorado?

Shields: Our forecast for 2008 is that we'll see a slowdown in northern Colorado, but not as much as Colorado or the U.S. overall. For 2008, we're projecting 1.9 percent job growth in northern Colorado compared with 1 percent for the entire state. Part of that's due to the diversity of our economy.

Post: But with the new emphasis on renewables, are you concerned about maintaining adequate diversity?

Dobbie: Are all our eggs in one basket? No.

Although we think renewables is a high-growth sector, we also know there are other growing industries, biosciences being one of them, that have a big impact on our economy.

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This community has an attitude of innovation and entrepreneurship, and that makes all the difference in the business climate.

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