

The foundation trap

Wind energy opponents frequently present frightening cost calculations to stir up negative feelings towards wind energy. Really, however, everything is carefully regulated. Costs can only get out of hand if contract negotiations were not managed well.



It is well known that wind energy does not enjoy unanimous support. On the contrary, wind power opponents seem to be increasing in line with the number of turbines being set up. The quality of the arguments against wind power varies greatly, from absurd claims – one argument in France was that turbines are as loud as military jets – to sound observations on aspects like short distances from residential areas.

Over the last two years, the argument has been gaining ground that it is not the planning and erection of one or more wind turbines but the final stages that cause problems. Turbine dismantling, and foundation removal in particular, is said to send costs spiralling – and not for the operators but for the lessors. Ultimately, according to this claim, they are the ones left with the costs of removing the foundations, which use up all of the income generated from the lease. The conclusion this argument comes to is that anyone who decides to lease their land to wind power developers is committing financial suicide.

Dark premonitions

This argument is not in itself a new one, but it was given a big push in early 2011 by an article published on the online service run by the German publishing company Kopp Verlag. In the article, entitled “The horrendous costs of foundation removal”, the author warns against leasing land to wind farms and even single turbines, writing that property owners could be left with the removal costs. “Unfortunately, proprietors

have no idea yet and are still excited about the environmentally friendly wind turbines...which will cost them dearly in the end,” the author points out to his readers. The article was widely acclaimed among anti-wind groups, who added it to their arsenal of cost-based arguments.

One such group is the citizens’ group BI Windkraft Wetter, which is only revealed as an anti-wind initiative upon a closer look. Last year, the activists scared the property owners of a planned wind farm with a headline on their website stating “landowners bear insolvency risk”. The very first sentence of the article that followed made the argument clear: “We warn all landowners against carelessly passing the issue of turbine removal at the end of the lease on to their grandchildren.”

In an interview with S&WE, initiative spokesperson Horst Althaus refers to “several cases” where lessors have faced financial ruin. “They only see the great returns and do not think about the removal costs,” Althaus laments. He puts these costs at 5 % of the manufacturing and installation costs, or about € 150,000 per turbine, resulting in a turbine price of at least € 3 million. Other anti-wind campaigners speak of € 120,000 per turbine, amounting to a turbine price in about the same range. Opponents say that landowners would have to pay for such sums should the operator become insolvent.

The wind industry refutes this. “This situation is stipulated in individual contracts,” says a large German manufacturer’s press spokesman. “It is generally agreed that the lessee of the land must provide





Photo: dpa

Thinking ahead

Martina Beese, a lawyer at Engemann & Partner, clarified the facts: “Responsibility for foundation removal should be an essential element in the lease agreements. In practice, it is generally the lessee who removes the turbines and restores the areas concerned. When the lease expires, the terrain should be restored to the state it had been in at the commencement of the contract. Of course, the extent to which the foundation should be removed can be individually stipulated, depending in part on the type of foundation. This obligation has to be ensured in the interests of both parties for the term of the planned utilisation period.”



a financial guarantee.” Another option is to provide cash as collateral. German law approved this possibility at an early stage, allowing the Hesse Higher Administrative Court to dismiss the complaint of a woman who wished to refuse to pay a collateral to provide for turbine removal. For certain construction projects, current construction law requires a statement of formal obligation for removal, which means that stipulating collateral is allowed.

Indeed, that is exactly what is happening in practice, confirms wpd AG’s Christian Schnibbe, adding that it would be contractually stipulated whether a guarantee or collateral was opted for. He points out that cost coverage is ensured – and if it’s not, then the contract is not particularly good.

There are a number of provisions that can be included in individual contracts as the parties involved see fit, such as statements that foundations can be left in place if they are covered by at least 1.5 m of soil starting from the foundation’s upper edge. The wind power opponents’ campaign therefore turns out to be a lot of hot air. The lesson to be learned here is that careful deliberation and precise wording are very important when it comes to contracts – but, of course, that is always the case, anyway.

Jörn Iken



From the technical point of view the decommissioning of turbines is not a too great challenge. The question is rather: who pays for it? Photos (7): Windkraft Diemarden



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