

Ikea buys wind farm in Illinois

April 15 2014

These days, Ikea is assembling more than just furniture. About 150 miles south of Chicago in Vermilion County, Ill., the home goods giant is building a wind farm large enough to ensure that its stores will never have to buy power again.

"It's about taking care of the environment and living within our means," said Rob Olson, chief financial officer of Ikea U.S.

With the project, its first wind investment in the U.S., Ikea is among a growing number of companies taking care of their energy needs by buying or investing in power produced by the wind and sun.

Microsoft announced late last year it would purchase power from a 55-turbine wind farm in Texas. At the same time, Facebook announced it would power its new Iowa data center using energy from a wind farm MidAmerican Energy is constructing in the state. In the past few years, Google has been ticking up its wind power purchases and investing in wind projects in Iowa, Oklahoma and Texas.

The American Wind Energy Association credits big box retailer Wal-Mart Stores Inc. with starting the trend in 2008, when it made a substantial purchase of energy from a Duke Energy-owned wind farm in Texas.

"These are companies that often have corporate sustainability or carbon-reduction targets, and they're putting their money where their mouth is," said Emily Williams, senior policy analyst at American Wind Energy

Association. "Making these huge multimillion-dollar investments, they're showing to their shareholders but also to the customers who frequent these businesses, use their products, that they're living up to their corporate responsibility."

Greg Hasevlat, sustainability research analyst at Pax World Management LLC, said large energy users such as Intel, Microsoft and Google as well as large retailers such as Whole Foods, Staples and Starbucks are investing in renewable energy as a hedge against volatile price fluctuations of fossil fuels.

"All those stores in aggregate consume a lot of electricity," Hasevlat said. "These are not small investments; these are long-term business decisions."

Ikea's Illinois project is expected to produce enough electricity to power the equivalent of 34,000 homes and is part of Ikea's goal of offsetting its own electricity needs by 2020.

The company said the wind farm ultimately will produce 65 percent more electricity than its U.S. operations consume. Those operations include 38 stores, five distribution centers, two service centers and one factory.

While 90 percent of Ikea's stores host solar panels that directly flow power to those stores, the Illinois wind farm is too far from Ikea's properties to power their energy needs directly. Instead, the retailer said it will sell its [power](#) on the open market and recoup its energy costs, plus some, from selling that electricity.

Hoopeston Wind is the most recent in a series of renewable energy investments by the Ikea Group. Ikea has invested in [wind farms](#) in eight other countries: Canada, where Ikea is now the largest retail [wind energy](#)

investor; Denmark; France; Germany; Ireland; Poland; Sweden; and the United Kingdom.

Olson at Ikea said the company is committed to building renewable [energy](#) projects because it minimizes carbon emissions and makes financial sense.

"We invest in our own [renewable energy](#) sources so that we can control our exposure to fluctuating electricity costs and continue providing great value to our customers," he said.

"We haven't figured out if it will say 'Ikea' on the blades," Olson said. "Or maybe we'll use the iconic names for our products on the wind turbines. We're not sure."

Ikea isn't using a few pictographs and an Allen wrench to build the wind farm. Instead, it's turning to Apex Clean Energy, a wind developer based in Virginia. The farm, consisting of 49 wind turbines, is expected to be operational in early 2015.

The company said the wind farm is expected to create around 36 construction jobs and 54 total jobs in the state, five of which would be permanent.

In Vermilion County, officials say the project has been in the works since 2010 and has had several owners. The county didn't know Ikea was investing in the project until the news was announced Thursday. Ikea didn't disclose how much it had paid for the project.

The privately held company with sales last year of \$36 billion said it also is in the midst of spending \$150 million on solar projects in the U.S. Ikea said that will make it the second-largest solar owner and user in the country.

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Citation: Ikea buys wind farm in Illinois (2014, April 15) retrieved 27 April 2024 from
<https://phys.org/news/2014-04-ikea-farm-illinois.html>

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