



Pacific Economics Group

Economic and Litigation Consulting

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Representative Kevin Brady
Chairman of the Energy Tax Reform Working Group
House Ways and Means Committee
Washington, D.C.

Dear Representative Brady:

I have worked in the energy industry for more than 40 years. I am the former Chair of the Public Service Commission of Wisconsin, an academic, and also a consultant to industry, non-profit, and government entities. I recently prepared a report that shows that the inflated and erroneous claims of the wind industry that continuing the Production Tax Credit (PTC) for wind will increase jobs are just plain wrong. They are based on non-scientific and self-serving interviews of executives in the industry. In my Report, I explain that, contrary to the wind industry's claims, wind generation is a net job killer and should not be subsidized.

Wind is also very unreliable and costly to integrate into the national electricity grid. Consequently, more wind generation doesn't mean less of any other type of generation because older, less efficient fossil generation must frequently be used to back up the relatively uncertain continuous availability of wind. Wind adds costs to consumers with relatively no electricity benefits. It is not disputable that wind energy does not emit CO2 or green house gases. The benefits stop here. There are no job or increased economic activity benefits, despite the false claims that the wind industry and its supporters make.

Finally, the owners of wind generation do not need a subsidy to operate their generators when the wind is blowing. The underlying rationale that wind generators need to be encouraged to operate, and thus the PTC should be extended, was wrong, economically unnecessary, and inefficient from the get go.

I attach my recent Report on these matters and request that it be made part of the Public Comments in the Joint Committee on Taxation's Report to the House Ways and Means Committee.

My email address is cicchett@usc.edu.

Sincerely,

A handwritten signature in blue ink, appearing to read "Charles J. Cicchetti".

Charles J. Cicchetti, Ph.D.