



**Written Comments for the Record in Support of the Production Tax Credit for Wind
Energy Facilities**

Hearing on Expiring Tax Provisions

House Ways and Means Subcommittee on Select Revenue Measures

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Comments submitted by:

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Chairman Camp, Ranking Member Levin, Select Revenue Measures Chairman Tiberi, Ranking Member Neal and esteemed members of the United States House Ways and Means Committee:

I am President and Chief Operating Officer of NextEra Energy, Inc. We are a leading clean-energy company with revenues of more than \$15 billion, more than 41,000 megawatts of generating capacity and approximately 15,000 employees in 24 states and Canada as of year-end 2011. NextEra Energy has the second largest fleet of power plants in the nation, capable of producing the electricity needed to power more than 17 million homes. Over the last five years, we have invested more than \$27 billion in capital projects focused on building America's clean energy infrastructure. These projects have created thousands of jobs, and improved our ability to generate electricity from domestic sources of fuel both of which are key ingredients for the United States' economic growth and prosperity.

NextEra Energy has two major subsidiaries: Florida Power & Light Company (FPL) and NextEra Energy Resources, LLC.

FPL is one of the country's largest electric utilities, serving 4.6 million customer accounts across half of the state of Florida. FPL's electric bill for the typical residential customer is the lowest among Florida's 55 electric utilities and about 25 percent lower than the national average. Lower electricity prices foster business creation and growth, and also provide our customers with greater discretionary income to invest, or to spend on other goods and services. FPL delivers power that is not only affordable, but very reliable. FPL ranks number one in service reliability among investor-owned utilities in Florida, and one of the best among all utilities in the nation.

NextEra Energy Resources is our competitive energy generation business operating in 22 states and Canada as of year-end 2011. In total, NextEra Energy Resource's generation portfolio would rank as a top 15 United States utility in its own right.

NextEra Energy has a very clear philosophy. We believe an energy company can be low cost and clean at the same time. And our actions prove it. NextEra Energy is the prototype "all of the above" energy company, developing a diverse array of generation technologies and fuels that are clean, efficient and produced in the United States.

Specifically, NextEra Energy has done the following to help the United States pursue an "all of the above" energy strategy:

First, at FPL, over the three-year period from 2011 through 2013, we will invest approximately \$10 billion in our home state of Florida. This investment will strengthen and improve our electric generation and delivery system, and improve our industry-leading reliability - all while helping to keep customer bills low over the long term.

FPL's investments in new clean generation infrastructure also reduce our dependence on foreign oil. In 2001, we burned more than 40 million barrels of fuel oil - almost all of it imported from overseas - to generate electricity. This year, we are projecting that we will burn less than 600,000 barrels. That is a reduction of more than 98 percent in just 10 years, which is a tremendous benefit to our customers when the price of oil is once again nearly \$100 a barrel.

Second, we are expanding our use of nuclear energy. We are big believers in safe, reliable zero-emission nuclear power. In fact, we have the third-largest nuclear fleet in the United States. We are currently investing more than \$3.5 billion to increase the amount of power generated at our nuclear sites in Florida and Wisconsin, adding approximately 650 megawatts of clean, reliable generation and investing heavily in local communities.

Third, at NextEra Energy Resources we are building more renewable energy facilities; we are currently working on our largest-ever backlog of projects. We are the United States' clean energy leader, the nation's largest generator of renewable electricity.

NextEra Energy Resources' wind fleet includes approximately 85 wind farms in 17 states and Canada generating over 8,500 megawatts of wind energy. This is over 50 percent of NextEra Energy Resources' overall generation capacity as of year-end 2011, and enough wind energy to power over 2 million homes. NextEra Energy Resources plans to invest approximately \$2.5 billion on new 2012 wind generation in the United States.

As for solar power, our fleet includes facilities in New Jersey, New Mexico and California as well as an additional \$3.4 billion in projects under construction in California and Spain. We currently operate about 315 megawatts of solar, and plan to have an additional 850-950 megawatts of solar online by 2016. We were the first company to bring commercial-scale solar power to Florida, and we can now generate up to 110 megawatts of solar power in the Sunshine State.

We commend the Committee's focus on expiring tax provisions. We agree that America's tax code needs reform.

High corporate tax rates place American firms at a competitive disadvantage compared to those from most other industrialized nations, and the complexity of our tax structure imposes high costs of compliance as well. Moreover, the temporary nature of many tax provisions creates additional uncertainty for job creators, especially for those of us in capital-intensive industries that realize returns over many years or even decades.

While Congress considers options to make America's tax code more competitive, current tax policy that encourages private investment in American manufacturing jobs should continue. A prime example of this tax policy is the Production Tax Credit (PTC) for wind energy. The PTC does not enable the federal government to choose which companies prosper, but rather creates a market in which smart investments and sound operations can be successful, and in which American consumers reap the benefits associated with a diversified energy portfolio. Moreover, the PTC is an effective policy because it is doing what it was designed to do: promote technology innovation that has helped to reduce the cost of wind for consumers. According to the Lawrence Berkley National Lab and the National Renewable Energy Lab, due to technology advancement across the industry, the cost of wind has dropped nearly 40% over the last 10 years.

Thanks in large part to the incentive offered by the PTC over the past five years, the American Wind Energy Association estimates that private industry has invested an average of more than \$15 billion annually in the United States wind industry while directly employing 75,000 skilled workers. The 38,000 wind turbines in operation today across the United States can power more than 12 million homes. Over the last four years, wind energy accounted for more than 35 percent of all additions to our nation's electricity supply. In 2011 alone, American wind capacity grew by 17 percent.

The American wind energy industry is a classic success story – creating a domestic manufacturing base and promoting national energy security. However, the withdrawal of federal policy supporting wind will derail this critical progress.

When the PTC lapsed in the past, wind development came to a crashing halt. The Energy Information Administration has already predicted a dramatic drop in wind generation in 2013. Equally important is the loss of domestic manufacturing jobs that will occur, absent an expedient extension of the PTC. There are currently over 450 wind-related manufacturing facilities scattered across the United States supporting 37,000 U.S. manufacturing jobs, which now, are at risk. The expiration of the PTC will devastate tens of thousands of manufacturing jobs at facilities throughout the United States. Simply put, a PTC extension in 2012 will determine whether wind development and related manufacturing continues in our nation in the future.

Supporting both the domestic production of energy and maintaining the diversity of electricity supply is good public policy that not only promotes a domestic manufacturing base, but encourages billions in capital investment and improves our national security. This is sound policy that has been embraced throughout history.

One hundred years ago, Winston Churchill explained the importance of diversity in oil supply to the British Empire by saying, “On no one quality, on no one process ... must we be dependent. Safety and certainty in oil lie in variety and variety alone.” If you substitute “electricity” for “oil,” you have the foundation of a sound energy policy for the United States.

Today we must fashion public policy to bring about a greater diversity of electricity supply. Reforming the tax code and extending the Production Tax Credit for wind energy are two important steps in the right direction.

Chairman Tiberi, Ranking Member Neal, thank you again for drawing attention to expiring tax provisions such as the PTC. We will continue to work with Republicans and Democrats on the Committee and share with them how the PTC helps create jobs across America. The PTC has won bipartisan support many times over as well as the support of a broad spectrum of trade associations, and it remains worthy of that support in the years ahead.

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