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U.S. House Ways and Means Committee:

Dear Members:

The U.S. should reduce subsidies for wind energy, starting by allowing the Production Tax Credit to expire, to bring costs and construction down to reasonable levels and allow the development of lower-cost clean energy sources that can provide more employment, and perhaps even environmental, benefits.

Excessive subsidies are allowing wind energy to capture 45% of U.S. capacity additions (at an annual cost of over \$30 billion); even though the capacity can generate only about 15% of new electricity generation. New wind capacity even exceeds natural gas at just over 40% (about \$10 billion)! Other lower-cost renewable energies, including cogeneration fueled by captive biomass wastes and some geothermal applications, deserve a chance to compete with wind on a level playing field.

1) Wind energy is a net jobs loser because it costs nearly three times as much as natural gas, and some biomass and geothermal applications, when including all subsidies (which are increasing the federal debt and energy costs). The wind and utility industries, environmental groups and federal and state governments have led the public to believe wind energy is practically free, or at least cost-competitive (at 4 cents per kWh), or maybe only needs the Production Tax Credit (2.2 cents). The truth is wind energy actually receives more from the PTC pre-tax (3 cents), along with many more subsidies from taxpayers and ratepayers totaling about 11 cents:

Estimated Economic Costs of Wind Energy	
Utility Contracts	4 cents / kWh
Federal PTC (pre-tax)	3 cents Fed
Accelerated Depreciation	2 - 2.5 cents
Other subsidy (e.g. state)	1 cent
Added Utility Transmission	2 cents
Utility Backup (Integration)	3 cents
Wind Energy total costs	15 cents

The claims about utility purchases of wind power at 3 to 5 cents are misleading since wind power receives massive tax shelters for large corporations like Florida Power and Light and also wealthy individuals through a Limited Liability Company (LLC). Some say biomass can receive the PTC also, but cooperatives don't have the passive income to use it like big companies.

The wind energy boom clearly fits the definition of a conspiracy to commit fraud. The utilities, wind industry, environmental groups and regulators cannot be allowed to continue to misrepresent the costs of wind energy in order to induce ratepayers and taxpayers to part with billions of dollars worth of subsidies on wind farms.

2) Wind energy doesn't even provide proven NET environmental benefits. The wind and utility industries, environmental groups and federal and state governments have led the public to believe wind energy has little environmental impact. The truth is they need to conduct some believable environmental cost studies before using environmental benefits as a reason for subsidization.

The environmental costs of wind energy include air, water, noise and visual pollution, dubious greenhouse gas savings, and bird and bat kills. The manufacturing of windmills requires greater (per energy output) use of raw materials, of which the mining and smelting causes air and water pollution, especially when using rare earth elements. The need to integrate wind energy with natural gas appears to drastically limit its potential to reduce greenhouse gases.

The wind industry cries it has collapsed when faced with PTC expiration, but that is largely because utilities wait for the subsidy to return so they can pay less to satisfy renewable mandates. Even the large utility Exelon admits the wind industry can survive without the PTC.

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