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Judge Gary Thompson

Sherman County

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Re: Hearing on Certain Expiring Tax Provisions

To the House Ways and Means Committee:

All throughout Eastern and rural Oregon communities, families, friends and neighbors are suffering. Jobs are scarce, costs for everything from food to energy are high, and several county and city governments are facing crippling deficits and unimaginably difficult decisions about what vital services they have to cut.

In Sherman County we have been able to weather these tough economic storms by harnessing the wind. We built our first wind farm in 2002 and Sherman County wind development projects now have more than 1,000 megawatts of wind turbine capacity. Taxes, fees and assessments on those wind projects have brought in approximately \$21 million to Sherman County over the past nine years. That money has helped fund essential public services, paid for additional sheriff deputies, built a library and allowed us to put money in the pockets of Sherman County citizens during challenging economic times. Wind development has played a very important role in our economic survival and that of other Oregon counties that have embraced development of renewable energy. This is a rare growth industry for our part of the state and I truly believe that renewable energy development, wind in particular, can save rural Oregon.

Strategic government policies have been critical in promoting wind development in rural Oregon. At the state level, the Renewable Portfolio Standard ensures our state utilities will generate a certain amount of their energy from local, renewable sources. This has prompted investment in wind and brought jobs and economic development to places like Sherman County.

At the federal level, the wind Production Tax Credit has helped bring wind development projects and jobs to rural Oregon. Now Congress is considering letting the Production Tax Credit expire, which would result in a significant loss of economic development and jobs for Sherman County and the rest of rural Oregon.

The wind Production Tax Credit is a smart federal investment which helps private companies develop local energy resources and create jobs at home. It rewards only successful performance and has become a multiplier for private sector growth. In each of the past three years, the wind industry has made between \$10-20 billion of capital investment in the United States. Without this critical pro-development tax policy, additional investment will disappear.

Sherman County and all of rural Oregon will be hurt if Congress allows the Production Tax Credit to expire but my concern extends beyond Oregon. There are more than 400 manufacturing plants and 75,000 wind-related jobs in the United States today. Those jobs are at risk. Already, due to the uncertainty around the future of the credit, leading wind project developers and manufacturers are slowing their plans for 2013 and beyond. Some developers have no projects scheduled for 2013. When the tax credit expired in the past, installations have dropped by as much as 93 percent, with corresponding job losses.

Without the Production Tax Credit, jobs, manufacturing, energy development and funding streams for rural Oregon all will suffer. Renewable energy development has been a life line for Sherman County and is very important to the revitalization of all of rural Oregon. The time to act is now. Due to the lead time required for orders to manufacture and assemble infrastructure elements, the industry will suffer major setbacks in production timelines if the wind Production Tax Credit is not extended in the next few weeks. We cannot afford to wait any longer. Congress must extend the wind Production Tax Credit to advance America's independent energy future and keep rural Oregon moving forward.

Thank you for your time.

Sincerely,

Gary Thompson

Gary Thompson
Sherman County Judge