



6/28/2012

Ways and Means Committee Office  
1102 Longworth House Office Building  
Washington D.C. 20515

Dear Committee Members,

As you are keenly aware, the U.S. economy is struggling to emerge from recession and is currently crippled by high unemployment in many parts of the nation. One bright area that has shown job growth during this difficult time is renewable energy. Our renewable energy affiliate, Patriot Renewables, has recently put hundreds of people to work on various wind power projects in the region. We have several additional projects ready to move forward in the next couple of years, however uncertainty surrounding the federal Production Tax Credit (PTC) extension makes future planning and development very difficult.

While the industry was fortunate to gain short-term extensions in the past, these shorter time periods create uncertainty and a “boom-and-bust” cycle of short-term planning, bi-annual job and layoff cycles, higher cost turbines, and ultimately higher energy costs. Without a long-term policy, manufacturers are discouraged from investing in, and expanding, manufacturing facilities in the U.S., and investors shy away from developing new projects. For these reasons, the wind industry seeks a multi-year extension of the PTC at full value to ensure consistency and market certainty.

There are several negative consequences of Congress waiting until the last minute to extend the PTC, as the industry has seen in the past. At least six to eight months before the tax credit expires, investors hesitate to provide capital for wind projects because of the uncertainty created by the impending expiration of the credit. This stalls wind project development, and adds costs. The same issue occurs on the manufacturing side. For these reasons, we urge Congress to pass legislation that provides a long-term extension of the PTC this year.

The PTC is a positive program for both the developers and federal government. It provides a tax credit to wind projects that would not have otherwise been built. Any long-term tax revenue paid by a project, not to mention the jobs and supporting industries that support these projects, are a positive source of tax revenue that would not have occurred without the PTC.

If the PTC were to lapse and fail to be extended, our group and a vast majority of the wind industry would shutdown. All of our projects are developed utilizing the PTC as an essential revenue source to make these project economic and to reduce the price of power to consumers. Without an extension of the PTC all of our projects would be on hold indefinitely and all future development work would be suspended.



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For nearly 100 years, old technologies like coal and oil have benefited from policy stability that provides a consistent environment in which to plan, operate, and grow. Those of us in the wind power industry simply ask now for the same opportunity. I strongly urge you to take up an extension of the wind energy production tax credit, so that the industry can grow and realize scale economies, and ultimately become even more competitive.

Sincerely,

Jay Cashman, Chairman of the Board

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