Written Comments for the Record: Hearing on Certain Expiring Tax Provisions

House Ways and Means Subcommittee on Select Revenue Measures

April 26, 2012

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Pattern Energy urges Congress to extend the renewable energy Production Tax Credit (PTC) as quickly as possible in order to spur continued U.S. wind energy development and U.S. job creation.

Pattern Energy is a U.S.-based wind energy developer with more than 520 megawatts (MW) of wind projects in operation and is working to bring more than one gigawatt of wind energy into construction.

The pending expiration of the PTC puts all of the progress that the U.S. wind industry has made at risk, and American jobs and manufacturing facilities in jeopardy. Indeed, the pending expiration of the PTC has already caused Pattern to stop all new wind-project planning in the U.S.

The federal PTC has been a useful tool to keep consumer’s electricity rates low and encourage development of proven clean energy projects. The PTC has attracted private capital to the deployment of wind technology in the U.S. In the past five years while the PTC has been continuously available, about 35,640 MW (or, 76 percent of total U.S. wind power) have been constructed. This growth has been complemented by technology advancements with wind turbines now generating 30 percent more electricity per turbine today than five years ago, all while driving down costs. The PTC has helped grow an American wind power fleet that now powers over 12 million homes and employs tens of thousands of people in good-paying jobs across our country.

On an industry-wide scale, Navigant Consulting estimates that the U.S. wind industry would lose 37,000 jobs and over $10 billion of private investment if the PTC is not extended. Wind energy project development entails an 18-month process. The industry needs policy certainty over the course of that time period in order to move projects forward. With the pending expiration of the PTC, an increasing number of jobs will be lost over the course of the year.

With a timely PTC extension, the wind industry would be on track to contribute as much as 20 percent of America’s electricity supply by 2030, and support a corresponding 500,000 American jobs, as the U.S. Department of Energy found to be achievable under the George W. Bush Administration. The main hindrance to this level of growth, however – in addition to a need for simplicity and financial liquidity – is inconsistent federal policy.

In order to maintain U.S. economic activity and job creation when it is most needed, Pattern Energy urges Congress to swiftly extend the renewable energy Production Tax Credit.