

Statement of Rep. Henry A. Waxman
Subcommittee on Select Revenue Measures
April 26, 2012

Mr. Chairman, Americans all across the country agree that we need to move toward a clean energy economy. A clean energy economy means good jobs in the United States, cleaner air, and American industries that can succeed in the massive global clean energy market.

We are making significant progress. America's wind industry is a prime example of the strides we have taken in recent years. Over one-third of all new electricity generation capacity built during the past five years comes from wind power. Wind now provides 3% of the nation's electricity. The growing demand for wind power has translated into American manufacturing jobs. Five years ago, just 25% of the wind components used in the U.S. were manufactured domestically. Now, 60% of those components are made in the U.S.

The production tax credit, or PTC, has played a crucial role in expanding wind generation and increasing jobs in the wind sector. Without Congressional action, the PTC will expire at the end of the year. That would be a big step backwards. It is critical that Congress act soon to extend the PTC.

In the past, when the PTC has lapsed, the wind market has dropped significantly as a result. We cannot afford to have the number of new wind installations plummet by 80%, as they did the last time the PTC was allowed to expire. We need that renewable energy. And we need those clean energy jobs.

If a project is going to be built in 2013, the parts and turbines need to be ordered and built this year. The uncertainty about whether the PTC will be extended has caused wind developers to hold off on placing those orders. That means layoffs now – eight months before the PTC actually expires.

According to the American Wind Energy Association (AWEA), there are 470 wind manufacturing plants employing 30,000 workers in 42 states. And those are just the manufacturing jobs. The industry employs a total of 75,000 Americans. Those jobs are obviously good news. But they are also at risk if Congress pulls the rug out from under this industry. AWEA expects 37,000 jobs to be lost by January 2013 if the PTC is not extended. This is an industry that has been growing even as the economy has been struggling. Congress should provide stable support for clean energy generation so that developers have the certainty they need to make investments and keep those workers.

The PTC is not the only important energy tax credit that should be extended. The Energy Policy Act of 2005 created a tax credit for alternative fuel motor vehicles and a tax credit for the installation of alternative fueling property. This provision, which offered a 50 cent per gallon equivalent tax credit for transit operators who utilize alternative fuels, including compressed natural gas (CNG) and liquid natural gas (LNG), expired at the end of 2011. Renewing this tax credit would provide an important source of revenue for many public transportation agencies that

utilize natural gas for a portion or all of their fleet fueling needs. Not only would this provision provide significant offsetting revenues to agencies' fuel budgets, it would further support the goals of enhancing our nation's long-term strategy for energy security and its contribution to the reduction of carbon pollution. In 2010, transit providers nationwide saved over \$61 million, and in California, which has adopted CNG and LNG fleets to help improve some of the worst air quality in the nation, transit providers saved over \$34 million. I ask that you consider extending this tax credit as well, as your committee evaluates tax credit extension legislation.