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Hearing on Certain Expiring Tax Provisions

Chairman Tiberi, Ranking Member Neal, Members of the subcommittee,

Thank you for giving me the opportunity to come before the subcommittee today to discuss the importance of the Wind Production Tax Credit to Iowa and the United States.

As you may know, Iowa passed one of the country's first renewable generation laws in 1983. This law has allowed Iowa to be a leader in the wind industry for almost 3 decades. In fact, Iowa trails only Texas in total electricity produced by wind with 4,322 megawatts. Additionally, it should be noted that Iowa gets almost 20% of its total electricity from wind generation, which powers over 1 million homes in my state.

The bigger success story with wind generation in Iowa is not the electricity produced, but the jobs that have been created. There are between 4,000 - 5,000 jobs in Iowa that are directly affected by the wind industry. This includes 3,200 manufacturing jobs. Many are unaware that the components for the wind industry must be produced near the wind farms. A single wind turbine blade can be over 150 feet long, resulting in difficulty in transporting the blades over long distances. This means that businesses are moving into rural America to build the components necessary to construct wind farms. These jobs would not be in existence without the wind PTC in place.

The wind PTC has created stability in the industry for investors and companies to continue building wind farms across the country. The ability to plan over the long term has helped the industry to develop new and more efficient technologies. In 1990, the average wind turbine could produce 250 kilowatts of electricity - today, wind turbines produce an average of 1.97 megawatts of electricity. In 1990, the cost to produce electricity from wind was over 15 cents per kilowatt hour, now it can be achieved for under 5 cents per kilowatt hour in the right conditions. This great advancement in the industry can be attributed to the wind PTC providing the incentive for companies to invest and promote the wind industry.

I live in a very rural area of Iowa, and I can see wind turbines outside my windows. Without the wind PTC, these wind farms would have not been constructed, young people would have left the area to find work in other places, and the tax base of the entire area would suffer. This is why the wind PTC is so important. It provides economic opportunities for the construction workers and the landowners who lease land to the wind industry.

I can remember the last time there was a threat of the wind PTC ending. Mid-America, an energy provider in Iowa, had construction crews put in foundations for a massive wind farm. As the end of the year approached, towers were put up at a rapid pace so they could take advantage

of the wind PTC before it expired. To me, this is proof that energy companies want to have wind as part of their overall portfolio.

If the wind PTC is not renewed, the results would be devastating for Iowa. Job losses in the wind industry are already projected at 2,000-3,000 jobs beginning in the second half of this year. These job losses are primarily due to manufacturers not placing orders for next year due to the uncertainty that surrounds the future of the wind PTC. Businesses need stability so they can plan for the long term. We cannot cut off the wind PTC without giving businesses the ability to plan accordingly. This is why I have supported the idea of a long term ramp down of the wind PTC. Congress needs to work with the wind industry to determine the right amount of time needed to properly ramp down the wind PTC. This could be ten years or less, but we need to work with the industry first to make sure we aren't stifling the innovation and research that has already taken place within the industry while ensuring that wind energy will continue to grow and provide cheap, clean electricity to the United States.

In the near term, we need to pass an extension of the wind PTC that will give Congress the time needed to put together a long term ramp down. We should continue to look at all available options in passing a short time extension of the wind PTC. It is important for jobs in the United States and it is especially critical for jobs in Western Iowa.

Thank you for your time.