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September 16, 2011

The Honorable Pat Tiberi
Chairman of the Subcommittee
on Select Revenue Measures of the Committee
on Ways and Means
Capital Building,
Washington, DC

RE: Extension of Geothermal Production Tax Credits (PTCs) to 2016

Dear Congressman Tiberi:

My colleagues and I respectfully request that your committee give consideration to and enact an extension of the Production Tax Credits for geothermal energy. These are now scheduled to expire at year end 2013 and we request they be extended to year end 2016.

We note that tax credits for several of the other technologies also are scheduled to expire in 2016. We would also request a three-year phase out of all credits after year end 2016 at the rate of 20% at year end 2017, 20% at year end 2018 and 60% in year 2019. These phase outs are important in that they will allow more projects to be scheduled for start-up which if not completed on time will not face economic disaster from missing their start date. A close deadline can also result in overtime leading to inflated costs and hurried work which could push safety limits.

Our firm has 128 MWs of capacity amongst 4 sites we can bring on-line with these credits. Without the credits I doubt we can get any of these projects financed. The price of natural gas is so cheap that the tax credits serve as a major incentive in the context of soft and declining power prices, ie. they supplement low prices from the utility and hence benefit the ultimate purchaser of retail electricity. At \$4500/KW installed for both the plant and a 20 year fuel supply 128 MWs represent expenditures of \$576 million. Each site will involve 200 people mostly full time or approximately 800 new jobs.

We note that your committee will be considering HR 1380 by Congressman John Sullivan of district 2 here in Oklahoma. We fully support replacing oil based fuel for transportation with natural gas based CNG.

Sincerely yours,

Ronald C. Barr Class of '66 Denison University, Granville, Ohio past resident Oberlin, Ohio

cc. The Honorable John Sullivan, 2nd District Tulsa, OK