

Thompson Engineering

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Subject: Comments on the Wind Energy Production Tax Credit (PTC)

Summary

This memo urges the Congress to quickly extend the production tax credit (PTC) for wind and related renewables, such as through H.R. 3307. At only 2.2¢ per kw-hr, the PTC has proven extremely effective thus far in establishing this new, sustainable, clean energy source. A multi-year extension will cement these gains by attracting large, private investments leading to further develop of technology and markets. National security will be strengthened as wind-generated electricity for electric vehicles replaces imported fuel.

Discussion

As a Professional Engineer with experience and one patent in renewable energy, I think the progress made by wind energy in recent years is absolutely exciting!

The Nation benefits in multiple ways from the startup of a whole new clean, sustainable, domestic energy source. Wind energy manufacturing already employs some 30,000 people at 400 sites in 43 states. In recent years, some 10 million horsepower (7,000 megawatts) have been installed each year. Iowa and South Dakota already get about 20% of their electricity from wind. Ohio has the potential for deriving 95% of its electricity from wind, according to the National Renewable Energy Lab (NREL). The estimated cost over 10 years of about \$4 billion for the PTC -- which will further develop technology and markets in this new, vital, growth industry -- is in contrast to some \$40 billion (also over 10 years) in federal subsidies currently being received by the 150-year-old oil industry.

As I know all too well from personal experience, the development and successful market implementation of technological innovations is extremely difficult, time-consuming, risky, and expensive. Clear proof of the effectiveness of the PTC program is provided by the fact that some 35% of the total new electric generating capacity installed within the U.S. in recent years has been wind energy! This growth correlates directly with the availability of the PTC. Similarly, the cost of wind-generated electricity has been dramatically reduced by more than 90% since 1980!

Perhaps the most important reason to further develop sustainable wind energy is national security. Wind-generated electricity reduces oil imports from the Middle East when that electricity is used in electric vehicles (EV's) and hybrids. Another invaluable synergism is the energy storage which EV batteries provide for wind-generated electricity.

Now is the time to build on the superb foundation already established through quickly extending the PTC for the long term.

Hugh A. Thompson, M.S.M.E., P.E.