I submit this testimony on behalf of eFormative Options, a small business that initiates community and cooperative development, enhances local economies, launches sustainable ventures, and guides future energy choices.

“Distributed wind” involves the use of typically smaller wind turbines at homes, farms, businesses, and public facilities to offset all or a portion of on-site energy consumption as well as projects with local ownership, or "community" wind. Distributed wind power is often owned and used by energy consumers at or near the site of generation, which means:

- Deployment of distributed wind power can reduce the need for new centralized generation and transmission facilities; and
- Local investors help drive localized employment and economic benefits.

Distributed wind projects often rely heavily on the Investment Tax Credit (ITC) to finance their projects and installation. This is because:

- Many Renewable energy investors cannot take advantage of the Production Tax Credit (PTC) unless the energy generated from that project is sold to a third party. Because distributed generation is designed to be consumed on-site and is seldom sold to a third party, PTCs are not generally available to small wind project developers.
- The PTC can only be used to offset passive income. This feature generally does not impede large, institutional investors, because they routinely realize significant passive income that can be offset by a PTC. However, because many potential investors in small, community or distributed wind projects have no passive income, they are precluded from taking advantage of this tax credit, making the ITC much more attractive to the distributed wind industry.
- Finally, and relatedly, in order to fully realize the significant multiplier effect of small, distributed wind projects on local economies, and minimize any concerns to new wind projects, it is ideal to develop a broad pool of local investors. If they are unable to utilize the PTC and the ITC is allowed to expire, this financial and personal support will not materialize and projects will not get done. Jobs will be lost.

Renewing the ITC for land-based wind power is also a matter of parity and fairness. Solar photovoltaic projects of any size are currently eligible for an ITC through 2016 and are widely used in large-scale applications. Extending the ITC for wind through 2016 creates a level playing field among competing renewable technologies and allows the customer to determine the optimal technology selection for a given site.

Thank you again for the opportunity to submit these comments and we look forward to working with you to ensure the continued expansion of this dynamic and growing American industry.

Sincerely,

Heather Rhoads-Weaver
Principal, eFormative Options, LLC