



**Governors'
Wind
Energy
Coalition**

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November 15, 2011

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Honorable Harry Reid
Majority Leader
U.S. Senate
522 Hart Senate Office Building
Washington, D.C. 20510

Honorable John Boehner
Speaker of the House
U.S. House of Representatives
H-232, U.S. Capitol
Washington, DC 20515

Honorable Mitch McConnell
Republican Leader
361-A Russell Senate Office Building
Washington, D.C. 20510

Honorable Nancy Pelosi
Democratic Leader
235 Cannon House Office Building
Washington, DC 20515

Dear Senator Reid, Senator McConnell, Speaker Boehner, and Democratic Leader Pelosi:

As governors from diverse regions of the nation, we share an interest in the development of our states' wind energy resources and the associated manufacturing and infrastructure modernization benefits — an interest that will be severely damaged if the wind production tax credit expires.

Although the tax credit for wind energy has long enjoyed bipartisan support, it is scheduled to expire on December 31, 2012. Wind-related manufacturing is beginning to slow in our states because the credit has not yet been extended. If Congress pursues a last minute approach to the extension, the anticipated interruption of the credit's benefits will result in a significant loss of high-paying jobs in a growing sector of the economy. We strongly urge Congress to adopt a more consistent and longer-term federal tax policy to support wind energy development in the United States and to support recently introduced legislation such as the *American Renewable Energy Production Tax Credit Extension Act* (H.R. 3307).

The leading wind project developers and manufacturers are slowing their plans for 2013 and beyond due to the current uncertainty. Some developers have no projects scheduled for 2013, and are beginning to lay off employees. The ripple effect of this slow down means reduced orders for turbines and decreased business for the hundreds of manufacturers who have entered the wind industry in our states. If the tax credit is allowed to expire at the end of 2012, there will be negative impacts on the high-tech manufacturing jobs that the industry has brought to or created in our states.

The nation's wind industry is again facing the boom-bust cycle in large measure due to an inconsistent tax policy. Like the oil and gas industries — which enjoy substantial tax credits that have not expired in nearly 100 years — wind energy, a domestic source of energy, needs a predictable policy for sustained economic growth and innovation. When Congress allowed the tax credit to expire in 1999, 2001, and 2003, the development of new wind installations dropped significantly, between 73 percent and 93 percent, and thousands of jobs were lost. Providing renewable energy tax credits in order to provide consistency with conventional energy tax credits is the right policy to

move the nation forward in an energy sector that offers global export opportunities and the ability to modernize a segment of our electric production infrastructure.

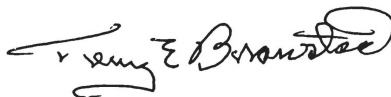
The United States has some of the best wind resources in the world, but our lack of long-term national policies hinders our ability to develop them fully. Extending the production tax credit this year, rather than delaying action, is critical to the stability and growth of wind manufacturing in our states. A multi-year extension of at least 4 years would encourage investment of new capital, help catalyze the export of wind energy technologies and related products, and support the goal of increasing domestic energy production. Without policy certainty, investors, developers, and manufacturers will move projects and jobs elsewhere.

We respectfully urge Congress promptly to pass a multi-year extension of the wind tax credit.

Sincerely,



Lincoln Chafee, Chairman
and Governor of Rhode Island



Terry Branstad, Vice Chairman
and Governor of Iowa

c:

Members, Energy and Natural Resources Committee

Members, Finance Committee

Members, House Ways and Means Committee

The Honorable Steven Chu, Secretary, U.S. Department of Energy

The Honorable Ken Salazar, Secretary, U.S. Department of the Interior