March 31, 2014

The Honorable Harry Reid
Majority Leader
U.S. Senate
S-221 U.S. Capitol Building
Washington, DC 20510

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

The Honorable Mitch McConnell
Minority Leader
S-230 U.S. Capitol Building
Washington, DC 20510

The Honorable Nancy Pelosi
Minority Leader
H-204 U.S. Capitol Building
Washington, DC 20515

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

The Governors’ Wind Energy Coalition supports Congress’s work on reforming the nation’s tax code and recognizes its importance. However, existing tax initiatives that are critically important to our states and the nation’s wind industry also need action regardless of the status of tax reform. The wind energy production tax credit (PTC) is a very successful policy that has supported development of the nation’s wind resources and complemented state and private efforts.

With support of the PTC, the wind industry has grown nearly 600 percent since 2005 and has invested $105 billion in the nation’s economy, bringing our states jobs, manufacturing, and local economic benefits. Today, our four states alone produce nearly 14 percent of our electricity from wind energy (Iowa 27.4 percent; South Dakota 26 percent; Oregon 12.4 percent; and Washington 6.2 percent.)

On November 6, 2013, 11 of the nation’s governors sent the attached letter to you describing the impact the expiration of the wind energy production tax credit had on our states a year ago. Congress’s failure to act promptly had real consequences in our states. Thousands of jobs were lost, as were substantial new investments and local payments.

While the PTC as currently structured will apply to some wind development beyond this year, the impact of its impending expiration will soon again result in the loss of
thousands of jobs as evidenced by plummeting orders for new wind turbines and their component parts in the 39 states that contribute to the wind-equipment supply chain. While tax reform is important, our states’ wind energy jobs are also important and should not be unnecessarily put at risk, again. The livelihood of our citizens should not be sacrificed while longer-term, economy-wide tax code solutions are debated.

A stable federal policy upon which industry and our citizens can rely is a reasonable expectation. We respectfully request that Congress approve a multi-year extension of the production tax credit and investment tax credit as soon as possible.

Sincerely,

Dennis Daugaard
Chairman, Governor of South Dakota

Jay Inslee
Vice Chairman, Governor of Washington

John Kitzhaber
Former Chairman, Governor of Oregon

Terry E. Branstad
Former Chairman, Governor of Iowa

cc:
Members, Senate Energy and Natural Resources Committee
Members, Senate Finance Committee
Members, House Ways and Means Committee
The Honorable Ernie Moniz, Secretary, U.S. Department of Energy
The Honorable Sally Jewell, Secretary, U.S. Department of the Interior
The Honorable John Podesta, Counselor to the President

Attachment: Letter to Congressional Leadership, November 6, 2013
November 6, 2013

The Honorable Harry Reid
Majority Leader
U.S. Senate
S-221 U.S. Capitol Building
Washington, DC 20510

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

The Honorble Mitch McConnell
Minority Leader
S-230 U.S. Capitol Building
Washington, DC 20510

The Honorable Nancy Pelosi
Minority Leader
H-204 U.S. Capitol Building
Washington, DC 20515

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

Almost a year ago, many of our citizens who work in the wind industry were subjected to an unnecessary series of layoffs and hardships because Congress failed to extend the wind energy production tax credit in a responsible and timely manner.

Across the nation — from Oregon to Vermont — thousands of Americans working in one of the nation’s most important growth energy industries lost their jobs. We were witness to the hardships that over 5,000 Americans had to endure when they lost their jobs because of the anticipated expiration of the tax credit.

After Congress passed the tax credit extension in January, the nation’s wind industry began a very troubled recovery. The clearest example is the loss of investments. In 2012, the wind industry invested nearly $25 billion. In the first six months of 2013, the wind industry installed just one turbine — a 99 percent drop in investments. This Congressionally sanctioned uncertainty has hit the nation’s wind industry incredibly hard.

The current wind energy production tax credit is due to expire on December 31, 2013. We respectfully urge you not to repeat the legislative brinksmanship of 2012 and to adopt a responsible multi-year extension of the production tax credit so that the wind industry and related industries can plan for a smooth transition to the expiration of the tax credit.

Our nation has some of the best wind resources in the world, but the lack of stable policy hinders the nation’s ability to develop them fully. The nation’s wind industry developers do not need this
tax credit forever, but they do need policy certainty in the near term to bring their costs to a fully competitive level. Please support our states in the pursuit of economic strength, energy diversity, and consumer savings, by acting quickly to adopt a responsible multi-year extension, even if it reduces in value over time, of the production tax credit.

Sincerely,

John Kitzhaber, Chairman and Governor of Oregon

Dennis Daugaard, Vice Chairman and Governor of South Dakota

Terry E. Branstad, Former Chairman and Governor of Iowa

Lincoln D. Chafee, Former Chairman and Governor of Rhode Island

Jay Inslee, Member and Governor of Washington

Steve Bullock, Member and Governor of Montana

Martin O’Malley, Member and Governor of Maryland

Pat Quinn, Member and Governor of Illinois

Neil Abercrombie, Member and Governor of Hawaii

Mark Dayton, Member and Governor of Minnesota

Sam Brownback, Member and Governor of Kansas

c:
Members, Senate Energy and Natural Resources Committee
Members, Senate Finance Committee
Members, House Ways and Means Committee
The Honorable Ernie Moniz, Secretary, U.S. Department of Energy
The Honorable Sally Jewell, Secretary, U.S. Department of the Interior
The Honorable Heather Zichal, Deputy Assistant to the President for Energy and Climate Change