



Governors'
**Wind
Energy**
Coalition

2200 Wilson Boulevard, Suite 102-22
Arlington, Virginia 22201-3324
Phone 402 651-2948
www.GovernorsWindEnergyCoalition.org

South Dakota
Gov. Dennis Daugaard
Chairman

Washington
Gov. Jay Inslee
Vice Chairman

March 31, 2014

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

The Honorable Mitch McConnell
Minority Leader
S-230 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 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.)

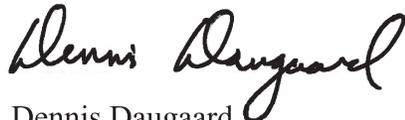
On November 6, 2013, 11 of the nation's governors sent the attached letter to you describing the impact the expiration of the wind energy production tax credit had on our states a year ago. Congress's failure to act promptly had real consequences in our states. Thousands of jobs were lost, as were substantial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

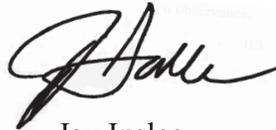
thousands of jobs as evidenced by plummeting orders for new wind turbines and their component parts in the 39 states that contribute to the wind-equipment supply chain. While tax reform is important, our states' wind energy jobs are also important and should not be unnecessarily put at risk, again. The 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



Governors'
**Wind
Energy**
Coalition

2200 Wilson Boulevard, Suite 102-22
Arlington, Virginia 22201-3324
Phone 402 651-2948
www.GovernorsWindEnergyCoalition.org

Oregon

Gov. John Kitzhaber
Chairman

South Dakota

Gov. Dennis Daugaard
Vice Chairman

November 6, 2013

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

The Honorable Mitch McConnell
Minority Leader
S-230 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 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.

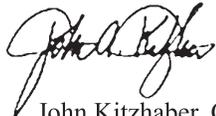
After Congress passed the tax credit extension in January, the nation's wind industry began a very troubled recovery. The clearest example is the loss of investments. In 2012, the wind industry invested nearly \$25 billion. In the first six months of 2013, the wind industry installed just one turbine — 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



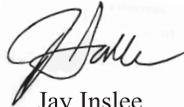
Dennis Daugaard, Vice Chairman
and Governor of South Dakota



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