



Governors'
Wind
Energy
Coalition

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South Dakota

Gov. Dennis Daugaard
Chairman

Washington

Gov. Jay Inslee
Vice Chairman

December 2, 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
U.S. Senate
S-230 U.S. Capitol Building
Washington, DC 20510

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

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

As the current and former chairmen of the Governors' Wind Energy Coalition, we are writing to you today to urge the House of Representatives to pass a tax extenders package during this end-of-year session that includes a two-year extension of the Production Tax Credit (PTC) and Investment Tax Credit (ITC) for renewable energy. As you know, a two-year PTC and ITC extension is included in the bipartisan Senate *EXPIRE Act*.

Our states are national leaders in wind power. Today, 26 percent of South Dakota's power generation comes from wind. In Washington State, developers added 2,800 megawatts of wind energy between 2001-2012, representing more than \$5.7 billion in economic investment. Oregon generates over 12 percent of its electricity from wind and ranks fifth in the nation in terms of installed wind capacity. In Iowa, where 27 percent of the state's electricity generation comes from wind, MidAmerican Energy made the largest capital investment in the state's history — building a wind farm that will add over \$2 billion to Iowa's economy. These achievements are directly attributable to the PTC — a successful federal policy that, along with supportive state policies, continues to drive private investment in our states. The PTC provides tax relief to wind developers who in turn can sell their product at a lower cost to consumers. In fact, in states that produce at least 7 percent of their electricity from wind, electricity prices have decreased over the last 5 years, while all other states have seen their electricity prices increase by nearly 8 percent. Further, the ITC is important to the nation's emerging off-shore wind industry, which has the potential to supply significant wind energy by 2030 according to the U.S. Department of Energy.

Our states are not alone in seeing the benefits of wind power. The nation now generates over 4 percent of our electricity from wind resources, providing a low-cost, domestic, clean power source that delivers a valuable hedge both against commodity-priced fuels, as well as water-dependent thermal power sources in regions faced with increasing scarcity of water resources. This is why over 70 percent of Americans support continuing tax incentives for wind power. The U.S. Department of Energy has estimated that wind can readily supply over 20 percent of the nation's electricity with substantial benefits to the economies of our states, the nation, and to the environment.

Congress has a history of supporting the domestic energy sector through a variety of public policies. While we recognize there is support in Congress for phasing down these various tax incentives for all sectors in a comprehensive tax reform package, until we do, we must allow the nation's wind industry to compete with other energy sources that also receive federal support. The PTC and the ITC have proven to be an excellent return on the taxpayers' dollar. We urge you to seek its inclusion in an end-of-year tax extenders package.

Sincerely,



Dennis Daugaard
Governor of South Dakota and
Chairman



Jay Inslee
Governor of Washington and
Vice Chairman



Terry E. Branstad
Governor of Iowa
Former Chairman



John Kitzhaber
Governor of Oregon
Former Chairman

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

The Honorable Michael Boots, Acting Chairman, White House Council on
Environmental Quality