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## Wind Energy Tax Incentive Wins Extension to End of 2005

### *Congressional Action Should Pave Way for Strong Industry Growth Next Year*

Washington, D.C.--The American Wind Energy Association (AWEA) said today that the wind energy Production Tax Credit (PTC)--a critical factor in financing new wind power installations--will be reinstated through 2005 as part of a major tax package (H.R. 1308) extending a number of individual and business tax provisions. The House and Senate approved the bill last night, and President Bush is expected to sign it into law. The PTC provides a 1.5 cent-per-kilowatt-hour tax credit (adjusted annually for inflation) for electricity generated with wind turbines.

The PTC, which had expired December 31, 2003, will be extended retroactively from that date to December 31, 2005. AWEA also continues to support a longer-term extension (to December 31, 2006) now included in the corporate tax/JOBS (Jumpstart Our Business Strength) bill (H.R. 4520) still pending before Congress. The JOBS bill also calls for creation of a new tax credit to encourage the use of small wind systems for homes, farms and small businesses.

"The American wind energy industry welcomes Congressional passage of a 15-month extension of the wind energy production tax credit," said AWEA deputy executive director Tom Gray. "This action by Congress and the expected signature of President Bush mean that about \$3 billion in wind energy investments forecast over the next several years are now back on track across the country. More importantly, hundreds of furloughed wind industry employees can now go back to work building and installing new high-tech wind turbines.

"We believe wind energy can provide 6% of U.S. electricity by the year 2020, or about as much electricity as hydropower generates today, and this action allows us to go forward toward that goal. AWEA will continue to pursue policies--such as a long-term PTC extension and a renewables portfolio standard (RPS)--that will move the wind industry beyond the boom-and-bust cycles that have resulted from short-term PTC extensions in the past."

The delay in extending the PTC came following a banner year for the U.S. wind industry, in which it installed a near-record 1,687 megawatts (MW) of generating capacity--enough to serve nearly half a million average American homes. This year, a sharp drop in new installations is expected due to the absence of the incentive for nine months.

"Gaining the PTC extension became a reality through the cooperative leadership of Sens. Chuck Grassley (R-IA) and Rep. Bill Thomas (R-CA)," said AWEA Legislative Director Jaime Steve. "AWEA is also very appreciative of strong efforts by Sens. Max Baucus (D-MT), Byron Dorgan (D-ND), Tom Daschle (D-SD), Harry Reid (D-NV), Kent Conrad (D-ND), Gordon Smith (R-OR), Jeff Bingaman (D-NM), Mike Crapo (R-ID), Norm Coleman (R-MN), Jim Jeffords (I-VT), Tim Johnson (D-SD), Tom Harkin (D-IA) and many others," Steve said. "On the House side, Reps. Jim McCrery (R-LA), Mark Foley (R-FL), Bob Matsui (D-CA), Jerry Weller (R-IL), Ron Kind (D-WI), Jay Inslee (D-WA), Mark Udall (D-CO) and Greg Walden (R-OR) were vital in gaining this extension."

"Particular thanks go to the entire team responsible for this victory," said AWEA Deputy Legislative Director Jon Chase, "including AWEA member companies and those participating in AWEA's Legislative Committee."

"This winning effort has spanned the tenure of two AWEA presidents: current president Sam Enfield (Atlantic Renewable Energy Corp.) and previous president John Johansen (Sunfire, LLC). It also has spanned the terms of two AWEA legislative committee leaders, Mark Haller (Haller Wind Consulting) and Roby Roberts (PPM Energy, Inc.)."

Since beginning the PTC extension effort, AWEA and its allies have achieved a number of milestones, including:

- Attracting 76 sponsors to the original stand-alone House PTC bill (H.R. 570, by Rep. Mark Foley, R-FL), including numerous members of the tax-writing House Ways and Means Committee.
- Gaining 15 sponsors on the original stand-alone Senate PTC bill (S. 395, by Sen. Chuck Grassley, R-IA), including numerous members of the tax-writing Senate Finance Committee.
- Gaining support from the Bush Administration through inclusion of a PTC extension proposal in the last three budget proposals and the Bush-Cheney energy plan.

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*AWEA, formed in 1974, is the national trade association of the U.S. wind energy industry. The association's membership includes turbine manufacturers, wind project developers, utilities, academicians, and interested individuals. More information on wind energy is available at the AWEA web site: [www.awea.org](http://www.awea.org)*

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