



April 25, 2014

Congressman Dave Camp
Chairman
Committee on Ways and Means
341 Cannon House Office Building
Washington, DC 20515

Congressman Sander M. Levin
Ranking Member
Committee on Ways and Means
1236 Longworth House Office Building
Washington, DC 20515

Dear Chairman Camp and Ranking Member Levin,

Congress did the right thing and allowed the wind production tax credit (PTC) to expire at the end of last year. Resurrecting this massive subsidy will make the electricity grid less reliable, increase electricity rates, increase investment uncertainty, and increase the debt burden for our children and grandchildren.

Sen. Grassley said that the PTC should have done its job by now. In 2003, he was quoted as saying:

I'd say we're going to have to do it for at least another five years, maybe for 10 years. Sometime we're going to reach that point where it's competitive [with other forms of energy]. I think the argument for any tax credit is to make the new source of energy economically competitive.

The fact that Sen. Grassley stated that the PTC should have run its course by now means that either the PTC cannot make wind economical or the wind industry is economically competitive and the PTC is a handout to wind producers. Either way, the PTC should not be re-extended.

Choosing to extend the wind PTC further will only serve to place more burden on taxpayers. The projected cost of another one-year extension is \$6.1 billion dollars and a five-year concession would cost \$18.5 billion. The American people deserve a full airing of the cumulative economic impacts of wind subsidies.

What is so dangerous about the wind PTC is not only that we are choosing to throw away money on a technology completely incapable of keeping the lights on, but the PTC is designed to harm reliable sources of energy like nuclear and coal through predatory negative prices that the PTC enables. The PTC is so large that it allows wind producers to pay the electricity grid to take their electricity and still make money.

The PTC has been a failure for taxpayers and ratepayers. In exchange for tens of billions of dollars in handouts to wind producers, the states with the highest wind production have seen their electricity rates increase nearly five times faster than the national average. In fact, states with at least 7 percent wind power have seen their electricity rates increase at an average of 17.4 percent over the last 5 years compared to an increase of only 3.5 percent for the U.S. as a whole.

As an energy source, wind cannot stand alone. Other, more reliable sources of energy such as natural gas, coal, nuclear, and hydro are needed to pick up the slack when the wind does not blow. This means there are very little to no savings from wind production.

The wind industry has been around for at least 115 years. It is time that it stands on its own without the massive tax subsidy that is the PTC. As Sen. Grassley suggested more than ten years ago, the PTC was meant to be temporary. The best course of action for American taxpayers and ratepayers is for the PTC to remain expired once and for all.

Sincerely,

**American Energy Alliance
Heritage Action for America
Competitive Enterprise Institute
Americans for Prosperity
Frontiers of Freedom
American Commitment
Taxpayers Protection Alliance
Independent Women's Voice
Less Government
Let Freedom Ring
Taxpayers for Common Sense
Concerned Residents of Hammond
Tea Party Nation
Citizens Power Alliance
Caesar Rodney Institute
Cohocton Wind Watch**

**American Conservative Union
R Street Institute
Citizens Against Government Waste
Freedom Action
Independent Women's Forum
60 Plus Association
National Tax Limitation Committee
National Center for Public Policy Research
Advocates For Prattsburgh
Hamlin Preservation Group
Laurel Mountain Preservation Association
Save Western Ohio
Western Catskill Preservation Alliance
We Oppose Windfarms
Concerned Citizens of Cattaraugus County**

Cc: Members, Committee on Ways and Means
Speaker John Boehner
Rep. Eric Cantor
Rep. Nancy Pelosi
Rep. Fred Upton

¹Kevin Bullis, Don't Extend the Wind Production Tax Credit. Fix it. MIT Technology Review, Oct. 24, 2013. <http://www.technologyreview.com/view/520731/dont-extend-the-wind-production-tax-credit-fix-it/>

²Lamar Alexander and Mike Pompeo, Puff, the Magic Drag on the Economy, Wall Street Journal, Sep. 18, 2012, <http://online.wsj.com/news/articles/SB10000872396390444517304577653403069902104>.

³See Energy Information Administration, Electric Power Monthly, Table 5.6.B, Dec. 2013, http://www.eia.gov/electricity/monthly/epm_table_grapher.cfm?t=epmt_5_06_b. This compares Dec. 2008 compared to Dec. 2013.

⁴David Dismukes, The Case for Ending the Wind PTC, The Institute for Energy Research, Dec. 17, 2012, <http://www.instituteforenergyresearch.org/2012/12/17/dismukes-the-case-for-ending-the-wind-ptc/>.