

United States Senate

WASHINGTON, DC 20510

July 21, 2020

The Honorable Charles Grassley
Chairman
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Grassley:

The tax credit for producing electricity from wind will not be available for facilities that begin construction after the end of this year. We believe it is appropriate for the credit to expire as scheduled.

The wind production tax incentive was originally intended by Congress to support a technology that was too expensive in its early stages. It was supposed to be temporary in order to level the playing field with other power generators. However, over time, the reverse has occurred. This tax provision has become a competitive advantage to wind generators. According to the Energy Information Administration (EIA), in 2019, wind provided 7.3 percent of the nation's electricity generating capacity. Based on EIA estimates, the per kilowatt costs for wind electricity generation have declined 43 percent over the last decade. The American Wind Energy Association's website acknowledges wind is now competitive without renewed subsidies: "Growth in the wind industry is expected to remain strong when the PTC is fully phased out. Because the PTC has been successful in helping to establish a reliable, competitive domestic wind industry, wind will continue to expand capacity..." The wind PTC has enjoyed numerous extensions under generous safe harbor rules, and it is time for it to finally expire.

We agreed with your decision to phase out the wind credit by 2019 and were disappointed when credit eligibility was extended for an additional year. The wind industry is now mature and does not need more taxpayer subsidies. This would only exacerbate the distortive effect of wind on electricity markets.

Some parties continue to seek a further extension of the wind credit, possibly when Congress considers extensions of expiring tax provisions or through the appropriations process. We oppose any such wind credit extension.

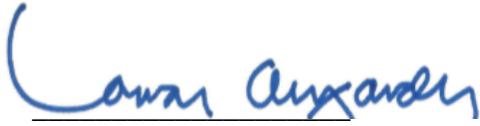
Sincerely,



Kevin Cramer
United States Senator



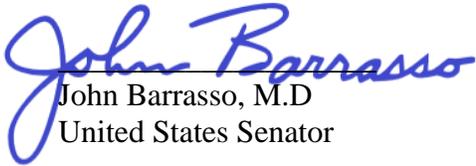
Shelley Moore Capito
United States Senator



Lamar Alexander
United States Senator



John Hoeven
United States Senator



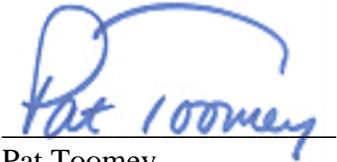
John Barrasso, M.D.
United States Senator



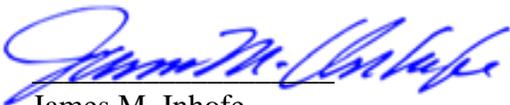
Michael B. Enzi
United States Senator



James Lankford
United States Senator



Pat Toomey
United States Senator



James M. Inhofe
United States Senator