

September 16, 2015

Dear Chairman Ryan:

In advance of your upcoming consideration of tax extenders legislation, we, the undersigned organizations with legislative scorecards, would urge you not to extend the Wind Production Tax Credit (PTC).

For decades, wind subsidy proponents have claimed that the wind industry is on the cusp of competitiveness and that it would only need federal support for a few more years. Yet each time the subsidy faces expiration, the wind lobby clamors for yet another extension. Since the wind PTC was enacted in 1992, it has been extended 9 times. This is unnecessary given the wind industry's repeated claims that wind energy is booming and is currently cost competitive. It is time for this subsidy for a large, mature, multi-national industry to come to an orderly end.

Ending this subsidy is more important now than ever. While not immediately apparent, the wind PTC is critical to President Obama's recently finalized carbon regulation. One of the "building blocks" used to determine state targets includes significant increased installation of renewable energy—especially wind. In fact, EPA assumes the wind industry will more than double its total capacity in just eight years. Without taxpayer subsidies like the PTC, the President will be unable to achieve his arbitrary renewable energy target.

By hiding the true cost of wind energy, the PTC makes the President's carbon agenda appear less costly than it actually is. Wind energy is one of the most expensive sources of electricity: power from new wind resources is nearly four times more expensive than from existing nuclear and nearly three times more expensive than from existing coal. Perhaps the most significant thing this Congress can do to protect ratepayers and taxpayers from the damage of the President's carbon regulation is preventing another extension of the wind PTC.

Further, if the committee is serious about tax reform, ending the PTC would send a strong signal to the public that Congress is ready to tackle this important challenge. For years, this committee has touted the economic benefits of reforming and condensing our bloated tax system. The economic benefits of ending the wind PTC are apparent, as wind energy raises electricity costs compared to existing sources. We recommend the committee stand up for American taxpayers by letting the subsidy remain expired.

Your colleagues in the Senate have already passed a tax extenders package that includes the wind PTC for another two years. The House now has a chance to take a different path by rejecting corporate welfare and business-as-usual tax policy that is hurting our country. The committee's treatment of the wind PTC will be an important factor as we consider whether to include final passage of tax extenders on the House floor as part of our organizations key-votes for our collective scorecards.

Sincerely,

Thomas Pyle, President, American Energy Alliance

Michael Needham, Chief Executive Officer, Heritage Action for America

David McIntosh, President, Club for Growth

Brent Gardner, Vice President, Americans for Prosperity

cc: Members of the Ways & Means Committee

Speaker John Boehner

Majority Leader Kevin McCarthy

Majority Whip Steve Scalise

AEA AMERICAN
ENERGY ALLIANCE

**HERITAGE
ACTION
FOR AMERICA**

**THE CLUB FOR
GROWTH**

**AMERICANS FOR
PROSPERITY**