



## **H.R. 1743: WIND Energy Act of 2009**

On March 26, 2009, Congressman McCarthy introduced the WIND Energy Act (H.R. 1743), which would take the unprecedented step to extend the production tax credit (PTC) for the next decade and make it claimable against the Alternative Minimum Tax (AMT) to encourage American energy independence and create local jobs in our community. Wind energy and other renewable energy resources are a crucial component to ensuring that Americans have access to clean, reliable, and affordable electricity.

### **Background & Current Law**

- Created in 1992, the PTC provides a credit, initially at 1.5¢ per kilowatt hour, for electricity generated from wind and “closed-loop” biomass systems. Over the years the credit has been expanded to include certain geothermal, hydrokinetic, landfill gas, marine, solar, and trash combustion energy production facilities.
- The credit has been allowed to expire three times, only to be retroactively renewed and extended.
- In addition, Congress has very nearly allowed this credit to expire many times, but then has passed 11<sup>th</sup> hour extensions of the provision.

### **WIND Energy Act Summary**

- H.R. 1743 would extend the PTC placed-in-service date for eligible wind, biomass, geothermal, solar, landfill gas, trash combustion, and marine & hydrokinetic electricity production facilities through January 1, 2020.
- H.R. 1743 would make the PTC claimable against the AMT.

### **Benefits of the WIND Energy Act**

- *Tax Code Certainty:* Extending the PTC through January 1, 2020 provides long-term certainty in the tax code to encourage sustainable investment in the wind energy projects.
- *Long-Term Planning:* Tax certainty will stop the wind project boom-bust cycle by encouraging long-term project planning and development, which is vital to the wind industry to maximize efficiency and reduce costs, as well as enhance transmission line planning and private research & development investments.
- *Attracting Investment:* Extending the PTC through January 1, 2020 and making it claimable against the AMT helps wind energy developers attract more and a wider range of investors to finance wind projects.
- *Reduce Costs:* Long-term extension of the PTC has the potential to reduce the costs associated with wind energy projects by up to 15%, thereby making wind-generated electricity more viable and competitive with other sources of electricity.
- *Creates Jobs:* Long-term extension of the PTC will encourage more wind energy projects in Kern County and the United States, thereby increasing demand for wind energy technicians and engineers, as well as other skilled labor, including manufacturing.