Coalition to Congress: Support PTC Elimination Act
July 27, 2015

Dear Representatives,

On behalf of the millions of members that our organizations represent, we encourage you to support HR 1901, The PTC Elimination Act, introduced by Congressmen Marchant and Pompeo earlier this year. This is a commonsense bill that protects Americans from the large costs of an out-of-control subsidy.

This legislation phases out the wind Production Tax Credit and includes several other important provisions. In the short term it reduces the subsidy to make it harder for wind producers to profit while selling electricity at a loss because of the very generous tax benefit (this is called negative pricing). It also repeals the entire statutory framework on December 31, 2025 to ensure the subsidies do not drag out beyond the next decade. Lastly, it includes a sense of Congress that the PTC should not be extended and should remain expired. Effectively this is a true and fair phase out of this subsidy. Should this legislation be included in the end of the year tax extenders package it would be a significant improvement over existing law.

Ending the wind PTC is an important initiative for several reasons. First, it is pro-taxpayer. Since it was created in 1992 taxpayers have sent billions of dollars to large multinational corporations in the wind industry. The last extension alone is estimated to cost taxpayers over $6 billion over the next ten years. Secondly, it is pro-consumer. Since wind is an unreliable source of energy it is often more expensive than other sources of energy. Eliminating the PTC allows the market to decide when wind power makes sense for consumers, and when it doesn't.

The subsidy also kills jobs and stifles innovation. The PTC leads to net destruction of jobs by diverting capital away from projects that make the most financial sense and because wind is a more expensive form of electricity. For example, one study of Spain's green energy subsidies found that for every 1 green job created, 2.2 jobs were eliminated elsewhere.

Finally, the wind PTC is an essential component of EPA's regulatory agenda, including the looming carbon rule. EPA regulations are projected to shutter 90 GW of reliable energy by 2020. The EPA is pursuing aggressive regulations of existing power plants that amount to a federal takeover of the electricity system. One of the goals of this regulation is to shift electricity from reliable, low-cost sources like coal toward renewable energy like wind. Without the wind PTC, mandating renewables is a much more difficult task because the true cost of wind is not obscured by a large subsidy. Extending the wind PTC helps enable this federal takeover by the EPA.

As Warren Buffett once said, "On wind energy, we get a tax credit if we build a lot of wind farms. That's the only reason to build them. They don't make sense without the tax credit." Extending the wind PTC further enriches wealthy wind developers at the expense of the American people. Supporting H.R. 1901, which is pro-consumer, pro-free market, and pro-taxpayer, would finally end this costly wind welfare.

Sincerely,

Thomas Pyle, American Energy Alliance
Mike Needham, Heritage Action for America
Brett Gardner, Americans for Prosperity
Grover Norquist, Americans for Tax Reform
Adam Brandon, FreedomWorks
Myron Ebell, Competitive Enterprise Institute
Phil Kerpen, American Commitment
Matthew Kendrach, 60 Plus Association
George Landrith, Frontiers of Freedom
David Williams, Taxpayers Protection Alliance
Sabrina Schaeffer, Independent Women's Forum
Heather Higgins, Independent Women's Voice
Judson Phillips, Tea Party Nation
Colin Hanna, Let Freedom Ring
Andrew Moylan, R Street
Marita Noon, Energy Makes America Great
Seton Motley, Less Government
Kristin Fecteau, Campaign to Free America
Horace Cooper, Project 21
Tom Brinkman, Coalition Opposed to Additional Spending and Taxes