Congress of the United States
Washington, DC 20515

December 07, 2015

The Honorable Paul Ryan
Speaker of the House
H-232 The Capitol
Washington, DC 20515

The Honorable Kevin McCarthy
House Majority Leader
H-239 The Capitol
Washington, DC 20515

Dear Speaker Ryan and Majority Leader McCarthy:

We offer our full support of the current process undertaken by the House Committee on Ways and Means that will allow the most anti-competitive and economically harmful tax provisions, specifically the wind energy production tax credit (PTC), to expire.

Extending the wind PTC is a key priority for the Obama Administration's efforts to prop up wind and other favored "green energy" technologies while advancing an extremist climate change agenda. Under President Obama, federal subsidies for wind have grown from $476 million per year when he first took office to $4.98 billion per year today. According to the Joint Committee on Taxation, the one-year retroactive extension of the wind PTC in 2014 cost American taxpayers over $6.4 billion. Proponents of the wind PTC continue to call for an extension despite growing evidence that this subsidy has not only cost taxpayers billions, but has caused significant price distortions in wholesale electricity markets.

By ending this program now we will have given the wind industry a more than generous phase-out for a credit that is being awarded to a mature technology with over 67,870 megawatts of generation installed across the country and 9,800 megawatts expected to be added in 2015. According to the U.S. Department of Energy, over 44% of all electric generation nameplate capacity additions in 2015 will be from wind, overtaking natural-gas fired generation as the leading source of new power generation. This increase in wind development is occurring despite flat demand for power leading to a strain on the electric grid and threatening reliability due to the dramatic increase in an intermittent power resource as a share of the market.

Growth in wind energy is not driven by market demand, but instead by a combination of state mandates and a federal tax credit that is now more valuable than the actual market price of the electricity these plants generate. These very same market distortions that are driving wind energy expansion have also led to higher electricity costs for American families.

To make matters worse, the wind PTC is essential to the implementation of President Obama's economically disastrous climate change regulations, also known as the "Clean Power Plan." From driving up the cost of electricity to American consumers to the loss of jobs due to power plant closings and increased manufacturing prices, the Clean Power Plan is without a doubt one of the most disastrous regulations ever proposed. The recently published final rule significantly increases the targets for new renewable energy, with EPA assuming that the U.S. will add as much new wind capacity each year from 2024-2030 as the wind industry did in 2012, a record year. *This means that the Clean Power Plan requires the addition of more wind capacity from 2022-2030 than the wind industry added in the previous 18 years combined.* These renewable targets will make the final rule more expensive for ratepayers and more dependent on federal subsides, like the wind PTC, to succeed.

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A recent study by the Institute for Energy Research found that electricity from new wind energy sources is three times as expensive as electricity from existing coal and four times as expensive as electricity from existing nuclear generation facilitates. When you combine the wind PTC with the clean power plan, things go from bad to worse. Preventing the extension of the PTC is a critical step in hindering implementation of the rule and protecting American taxpayers from its harmful effects.

Ensuring that our nation's patchwork tax code undergoes significant reform is a noble goal and, as part of this process, we believe Congress should stop picking winners and losers and finally end the wind PTC. We applaud Speaker Ryan's leadership on this important issue during his tenure as Chairman of the Ways and Means Committee and urge you to stand firm in opposition to extending this provision and allow wind energy to compete on its own.

Sincerely,

Mike Pompeo
MEMBER OF CONGRESS

Kenny Marchant
MEMBER OF CONGRESS

Brian Babin
MEMBER OF CONGRESS

Andy Barr
MEMBER OF CONGRESS

Joe Barton
MEMBER OF CONGRESS

Marsha Blackburn
MEMBER OF CONGRESS

John Carter
MEMBER OF CONGRESS

Earl L. 'Buddy' Carter
MEMBER OF CONGRESS

CC: Subcommittee Chairmen, House Ways and Means Committee

Walter Jones
MEMBER OF CONGRESS

Jim Jordan
MEMBER OF CONGRESS

Adam Kinzinger
MEMBER OF CONGRESS

Raúl R. Labrador
MEMBER OF CONGRESS

Barry Loudermilk
MEMBER OF CONGRESS

Cynthia M. Lummis
MEMBER OF CONGRESS

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MEMBER OF CONGRESS

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MEMBER OF CONGRESS

Tim Murphy
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MEMBER OF CONGRESS

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MEMBER OF CONGRESS

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MEMBER OF CONGRESS

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MEMBER OF CONGRESS

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Andy Harris
MEMBER OF CONGRESS

Richard Hudson
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Marlin Stutzman
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Doug Lamborn
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