



Governor Terry E. Branstad
Governor Sam Brownback

February 1, 2012

Dear Conference Committee Members:

As you draft legislation to address the expiring payroll tax cut and other provisions, we urge you to include an extension of the wind energy production tax credit (PTC), currently set to expire at the end of this year. The wind energy sector is an American success story that is helping us build our manufacturing base, create jobs, lower energy costs, and strengthen our energy security. Our states have experienced the economic benefits of wind energy first hand, and we cannot overstate the importance of extending this tax provision early in the year so the wind industry has the certainty it needs to grow.

As a country, we should support energy diversity and development of all domestic resources, creating an "all of the above" energy strategy. In order to prevent the nation from being too heavily reliant on a single energy source, our state and national energy plans have long-relied on varying policies and incentives, such as the PTC, to deploy technologies that ensure a diverse, domestic energy fleet.

The American wind industry now includes over 400 manufacturing facilities in forty-three states. At least sixty percent of the value of a wind turbine is now produced domestically, compared to just twenty-five percent prior to 2005. Unfortunately, the leading wind project developers and manufacturers are canceling their plans for 2013 and wind development will grind to halt due to the uncertainty of a PTC extension. Few, if any, developers have projects scheduled for 2013 and many are beginning to lay off employees. The ripple effect of this slowdown means reduced orders for turbines and decreased business for the hundreds of manufacturers who have entered the wind industry in our states. A recent report completed by Navigant finds that an expiration of the PTC would lead to a nearly fifty percent decrease in the number of wind energy jobs.

The PTC was originally developed and enacted into law with strong bipartisan support that continues today. It is a tax policy that has been successful, and we urge you to act expeditiously to extend the wind energy PTC. Thank you for your time and consideration.

Sincerely,

Handwritten signature of Terry E. Branstad in blue ink.

Terry E. Branstad
Governor, State of Iowa

Handwritten signature of Sam Brownback in blue ink.

Sam Brownback
Governor, State of Kansas