



February 21, 2008

The Honorable Charles Rangel  
Chairman, House Committee on Ways & Means  
U.S. House of Representatives  
1102 Longworth House Office Bldg.  
Washington, D.C. 20515

Dear Chairman Rangel:

On behalf of the Board of Directors of the American Wind Energy Association (AWEA) and our over 1,200 member companies, I write to express our appreciation for your efforts to extend the Section 45 renewable energy Production Tax Credit, or PTC, for an additional three years and to create a new incentive for purchases of small wind systems.

Strengthening our nation's energy security, revitalizing rural economies, and addressing climate change are all central goals of the 110<sup>th</sup> Congress. Wind energy is a large part of the answer. Fostering the growth of wind energy to support these goals requires the continuation of a favorable investment climate that allows for creation of new jobs. We greatly appreciate the investment the Committee has made in renewable energy by providing a long-term extension of Section 45 and a new incentive for small wind systems. While we have concerns regarding details of both provisions, we support the goals and direction of the committee bill.

The wind energy industry participates in highly competitive wholesale electric markets that feature relatively low margins of return on investment. In addition, today's cost of seeing a wind project through to completion is higher than just two years ago. These cost increases are due to increased costs for steel, copper and other materials as well as the devaluation of the U.S. dollar relative to the Euro. Because of these new economic realities, we are concerned that altering the structure of the PTC now, when the industry is on the verge of making a significant contribution to our nation's electric supply, may create unintended consequences.

We support the House energy tax bill and look forward to working with you to secure an extension of the Production Tax Credit as soon as possible, while retaining the benefits realized under the PTC's current structure. An expedient extension of the PTC under would ensure the continuing growth of clean domestic renewable energy like wind power and prevent the loss of over 75,000 jobs through the end of 2009. We also look forward to working together to provide a strong tax incentive for small wind systems used by farmers, homeowners and small businesses.

Sincerely,

A handwritten signature in black ink that reads 'Jaime Steve'. The signature is fluid and cursive, with the first name 'Jaime' and the last name 'Steve' clearly distinguishable.

Jaime Steve  
Legislative Director  
American Wind Energy Association  
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Washington, D.C. 20005