

Adopted Oct. 7, 2008

## **Resolution: Support for extension of the Federal Production Tax Credit and Federal Energy Efficiency Policy**

**Whereas**, the production tax credit (PTC) provides a tax credit for the first 10 years of a renewable energy facility's operation; and

**Whereas**, power plant air emissions are responsible for approximately one-third of nitrogen oxide emissions, two-thirds of sulfur dioxide emissions, and one-third of carbon dioxide emissions nationally; and

**Whereas**, renewable energy sources such as wind, solar, geothermal and biomass can avoid or reduce these air emissions, as well as reduce water consumption, thermal pollution, waste, noise and adverse land-use impacts; and

**Whereas**, the PTC, originally enacted as part of the Energy Policy Act of 1992, expired on three separate occasions between 1999 and 2004; and

**Whereas**, the PTC was set to expire on Dec. 31, 2007, but was extended through Dec. 31, 2008, as part of the Tax Relief and Health Care Act of 2006 (H.R. 6408); and

**Whereas**, the PTC has been a major driver of wind power development over the past six years; and

**Whereas**, wind power contributed 68 percent of all new electric power generating capacity in the Great Lakes states in 2007; up from 24 percent in 2006, 6 percent in 2005, and 1.2 percent in 2000-2004; and

**Whereas**, according to a technical report by the U.S. Department of Energy, an 8,000 MW increase in wind development among the Great Lakes states (1,000 MW in each state) is estimated to generate \$9.7 billion in economic output and save more than 11 million gallons of water; and

**Whereas**, the U.S. Department of Energy report further shows that by achieving a 20 percent wind contribution to the U.S. electrical supply by 2030, the Great Lakes states would conserve more than 616 billion gallons of water – 70 times the amount of bottled water consumed in the U.S. in 2007 or about 90 percent of all Great Lakes water consumptively used in a year – and generate \$79 billion in economic output; and

**Whereas**, the U.S. Department of Energy report further shows that by achieving a 20 percent wind contribution to the U.S. electrical supply by 2030, the Great Lakes states would reduce carbon emissions by 1.2 billion tons; and

**Whereas**, the inconsistency of the PTC contributes to a boom-bust cycle of development that plagues development of wind and other renewable energy sources; and

**Whereas**, a July 2008 letter from the National Governors Association to congressional leaders unanimously called for congressional action to extend the federal PTC and support federal incentives to increase energy efficiency across the nation; and

**Whereas**, the PTC is a critical federal policy incentive to produce new jobs and develop clean energy sources that will benefit the Great Lakes region.

**Therefore Be it Resolved**, the Great Lakes Commission applauds the U.S. Congress for passing legislation to extend the Production Tax Credit; and

**Be it Finally Resolved**, the Commission urges Congress to support extension of the Production Tax Credit and energy efficiency measures beyond 2009.