

Resolution Supporting a Renewable Energy Production Tax Credit

WHEREAS, The demand for the services that electricity provides to consumers is expected to steadily increase in the coming years and the development and availability of a diverse portfolio of energy technologies is necessary to fulfill that demand; *and*

WHEREAS, Encouraging the cost-effective use of renewable energy resources has been an important national goal since the passage of the Energy Policy Act of 1992, and the generation of electricity from renewable energy has steadily increased its cost-effectiveness and performance since that time; *and*

WHEREAS, Renewable energy contributes to fuel diversity benefits, mitigates fuel price volatility by reducing dependence on natural gas, enhances national security by reducing dependence on imported fuels and decreases environmental impacts; *and*

WHEREAS, The Energy Policy Act of 1992 established a 1.5 cent per kilowatt-hour wind and closed-loop biomass production tax credit for energy produced from a new facility brought online after December 31, 1993, and before July 1, 1999, that is equal to 1.9 cents per kilowatt-hour in 2006 when adjusted for inflation; *and*

WHEREAS, The production tax credit has been extended five times over the past seven years, with a proactive effort being put forth in 2005 and 2006 to grant the extension prior to the expiration of the credit; *and*

WHEREAS, Additions to the nation's wind capacity have lagged in the years following the lapse of the production tax credit in 2000, 2002 and 2004; *and*

WHEREAS, The stability of public policy is critical to long-term investment in new renewable generating facilities and avoiding boom and bust cycles in the industry; *and*

WHEREAS, The development of renewable energy contributes to the growth of rural economies by stimulating capital investment; creating and sustaining jobs in the manufacturing, transportation and construction sectors; expanding the local tax base; and providing an alternative income area residents; *and*

WHEREAS, All renewable technologies could benefit from a production tax credit, just as wind has done; *and*

WHEREAS, Twenty five percent of the nation's electricity customers served by community-owned utilities should also have access to renewable generation made more affordable by production incentives; *now, therefore, be it*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners (NARUC), convened in its July 2007 Summer Meetings in New York, New York, hereby acknowledges the value of a production tax credit to the

continued development and commercialization of renewable energy technologies; *and be it further*

RESOLVED, That NARUC urges Congress to approve a ten-year renewal and extension of the 1.5 cent per kilowatt-hour (adjusted for inflation) production tax credit for electricity generated from new facilities brought online after December 31, 2008, using wind, solar, geothermal and biomass energy resources; *and be it further*

RESOLVED, That NARUC urges Congress to approve a similar investment tax credit linked to production or output for small renewable energy technologies installed by homeowners or small businesses that use wind systems to meet all or part of their electricity needs; *and be it further*

RESOLVED, That NARUC urges Congress to consider comparable financial incentives for those that are not able to take advantage of the production tax credit.

Sponsored by the Committees on Energy Resources and the Environment

Approved by the NARUC Board of Directors July 18, 2007