

Resolution Supporting a Renewable Energy Production Tax Credit

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 included a wind production tax credit of 1.5 cents per kilowatt-hour (adjusted for inflation) for energy produced from a new facility brought online after December 31, 1993, and before July 1, 1999; *and*

WHEREAS, The production tax credit has been extended twice over the past five years, in 1999 and again in 2001, both times after the credit expired; *and*

WHEREAS, The production tax credit expired again on December 31, 2003; *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, All renewable technologies could benefit from a production tax credit, just as wind has done; *now therefore be it*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners (NARUC), convened at its March 2004 Winter Meetings in Washington, D.C., 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 the NARUC urges the Congress to approve a five-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, 2003, using wind, solar, geothermal and biomass energy resources; *and be it further*

RESOLVED, That the NARUC urges the Congress to approve a similar investment tax credit linked to production or output for small wind turbines installed by homeowners or small businesses that use wind systems to meet all or part of their electricity needs.

Sponsored by the Committee on Energy Resources and the Environment and the Committee on Electricity

Adopted by the NARUC Board of Directors March 10, 2004