

Resolution Supporting an Extension of the Wind and Biomass Production Tax Credit

WHEREAS, Encouraging cost-effective use of renewable energy resources has been an important national goal under past utility regulatory policy, including the Energy Policy Act of 1992; *and*

WHEREAS, Renewable energy production has steadily improved in cost-effectiveness and performance and promises continued improvement; *and*

WHEREAS, Renewable energy supply brings fuels diversity benefits and mitigates fuel market power in the nation's mix of energy supplies, enhances national security by reducing dependence on imported fuels, and decreases environmental impacts; *and*

WHEREAS, Public preference and customer demand support cost-effective renewable energy product development and commercialization; *and*

WHEREAS, The Energy Policy Act of 1992 included a wind and biomass energy production tax credit; *and*

WHEREAS, The wind and biomass production tax credit currently provides a 1.5 cent per kilowatt-hour tax credit (adjusted for inflation) for energy produced from a new facility brought on-line after December 31, 1993 and before July 1, 1999, for the first ten years of the facility's existence; *and*

WHEREAS, The wind and biomass production tax credit expires on July 1, 1999; *and*

WHEREAS, Given the two-to-three-year lead time required for bringing facilities on line, the impending expiration of the production tax credit is currently slowing the implementation of future projects, just as wind and biomass, with continuing improvement in cost effectiveness and performance, stand to assume a new and competitive role in the domestic energy market; *now, therefore, be it*

RESOLVED, That the Executive Committee of the National Association of Regulatory Utility Commissioners ("NARUC"), convened at its 1998 Winter Meetings in Washington, D.C., acknowledges the value of a production tax credit to the continued development and commercialization of wind and biomass technology; *and be it further*

RESOLVED, That the NARUC urges the Congress to approve a five-year extension of the existing 1.5 cent per kilowatt-hour (adjusted for inflation) production tax credit for electricity generated from new facilities brought on line after July 1, 1999 using wind energy and biomass technologies.

*Sponsored by the Committees on Energy Resources and Electricity
Adopted March 4, 1998*