

# SUBSIDIZED WIND

## QUICK STATS

- ✘ **CONFERENCE:** Spending
- ✘ **TEAM:** Internal Revenue Service
- **FUMBLE:** \$6 billion
- **HOW TO RECOVER THE BALL:** End the “temporary” tax incentive after 23 years



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Even during the hottest part of summer and the coldest part of winter, many families still keep tight control of their home’s thermostat. Electric bills can be expensive and difficult to pay.

In 1992 Congress created the Wind Production Tax Credit to kick-start the development of the relatively young wind energy production industry. The credit has changed over the last 23 years, but it currently grants a tax credit of 2.3 cents per kilowatt-hour of energy produced for the first ten years a new wind farm is up and running.<sup>15</sup>

In terms of boosting a relatively young wind industry, the credit has wildly succeeded; wind

generation capacity has grown more than 3,000 percent nationwide since it was first put into law.<sup>16</sup> As an example, wind now contributes almost 15 percent of the State of Oklahoma’s net power generation.<sup>17</sup> Thirty-eight states have renewable energy portfolio standards, including wind, that are either mandatory or voluntary,<sup>18</sup> and some have financial incentives at the state level as well.

Wind efficiency is up dramatically. This quality energy resource is now fully viable and useful. Every time the credit is extended another year, taxpayers pony up more than \$6 billion over ten years for an industry that is already profitable.<sup>19</sup> With trillions in federal debt, this taxpayer money should be used to pay for highways, national defense, or deficit reduction.

## RECOVERY

There is no longer a need for a federal subsidy to kick-start wind development; after 23 years it is fully developed. Wind energy has a place in the diverse portfolio of many utilities, but the federal taxpayer should not determine that place. American families, who are already worried about their own bills, should not subsidize the wind as it comes sweepin’ down the plain. To protect the taxpayer, I have introduced S. 2158, the PTC Elimination Act, which would permanently eliminate this subsidy from the tax code.

***For more information, please visit:***

[U.S. Energy Information Administration: Oklahoma Profile Overview](#)

[U.S. Energy Information Administration: Most States Have Renewable Portfolio Standards](#)

[CRS Report: U.S. Renewable Electricity: How Does Wind Generation Impact Competitive Power Markets?](#)

[CRS Report: The Renewable Electricity Production Tax Credit: In Brief](#)