

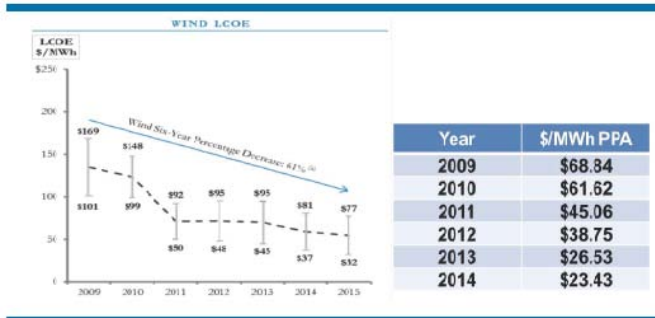
U.S. WIND INDUSTRY PRODUCTION TAX CREDIT (PTC) MULTI-YEAR EXTENSION



Now More Than Ever, Wind Energy is a “No Regrets” Investment for Utilities

In December 2015, Congress passed a five-year extension of both the Production Tax Credit (PTC) and the alternative Investment Tax Credit (ITC), providing the U.S. wind industry with the policy stability needed to continue advancing wind turbine technology, driving down costs, and passing the savings on to American families and businesses.

The multi-year PTC extension builds on recent historical wind cost reductions. Data from both Lawrence Berkeley National Laboratory (LBNL) and Wall Street investment firm Lazard shows that the market price utilities pay to buy wind energy has already fallen by two-thirds since 2009.



Now is the prime opportunity for utilities to harness the full value of the PTC by investing in utility-scale wind projects. The PTC is now extended at full value through 2015 and 2016, continuing at 80 percent of present value in 2017, 60 percent in 2018, and 40 percent in 2019.

The benefits of the multi-year PTC extension are reflected in recent quotes from utilities describing the low-cost, low-risk benefits from buying wind energy.

Utilities Recognize the Value of the Multi-Year PTC Extension

[Kansas City Power & Light on 500 MW PPA Announcement with Osborn and Rock Creek Wind Projects in Missouri, 4/7/2016](#)

“Both of these projects qualify for the federal PTC. This tax credit allows KCP&L to pass savings along to customers, keeping rates lower than would otherwise be possible.”

[Appalachian Power on 120 MW PPA Announcement with Bluff Point Wind Energy Center in Indiana, 6/2/2016](#)

“The extension by Congress ... of the wind PTC provides cost advantages to wind energy resources constructed over the next five years and makes this agreement cost-effective for Appalachian Power customers.”

[NextEra Energy Resources, 4/28/2016](#)

“With the extensions, we believe that renewables are well-positioned to support a higher base opportunity set than what would otherwise have been the case, not only

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through 2018 but into the next decade.”

[Lansing Board of Power and Light Integrated Resource Plan, 5/10/2016](#)

“After the extension of the PTC and the ITC, BWL ... added a scenario which included a potential 85 MW wind energy project assumed to be eligible for the PTC. PTC eligibility lowers the cost of renewable energy by allowing investors to pass on the tax savings in the form of lower purchase power cost.”

[Xcel Energy, 5/31/2016](#)

“The addition of cost-effective renewables that take advantage of the recently extended PTC and ITC can still provide significant savings in power supply costs for customers.”

[Southern California Edison on Submission of 298 MW PPA to California Public Utilities Commission, 2/9/2016](#)

“SCE decided on the total projected contract energy it signed based on several factors, including ... the impact of reducing federal tax credits.”

[WPPI Energy on 100 MW RFP Announcement for Wind or Any Other Renewable Energy Resource, 6/6/2016](#)

“With the recent extension of federal renewable energy tax credits, we anticipate that bidders might be able to offer renewables to cost-effectively fill our need for future power supply resources.”

Utilities Are Acting Quickly to Harness the Full Value of the PTC

[Iowa Economic Development Authority on MidAmerican Energy Announcement to Invest \\$3.6 Billion in Wind XI Project, 4/14/2016](#)

“Investments of this scale are viable because federal production tax credits are at their highest level. It makes sense to leverage that benefit to solidify Iowa’s leadership in wind energy. Today’s announcement continues to build Iowa’s legacy in the renewable energy space – and in a very real way, provides economic benefits to all Iowans.”

[Xcel Energy on Intent to Build New 600 MW Wind Facility in Colorado, 5/9/2016](#)

“PSCo expects to submit a proposal to build, own and operate a 600 MW wind facility at a cost of approximately \$1 billion, including transmission investment. PSCo plans to request approval of its application by November 2016, in order to commence the project timely and capture the full PTC benefit for customers.”

[PacifiCorp Integrated Resource Plan, 3/31/2016](#)

“To take full advantage of PTC cost savings, PacifiCorp intends to issue [an] RFP in spring 2016 to complete the RFP evaluation, selection and contracting process by fall 2016. This schedule provides the best opportunity for customers to benefit from potentially cost effective wind and solar proposals that can take full advantage of the PTC and ITC.”

[Portland General Electric, 4/29/2016](#)

“We are now planning to request an accelerated RFP process in order to procure renewable resources to maximize the economic value of available tax credits on behalf of our customers.”

[Otter Tail Power Company Resource Planning Document, 6/1/2016](#)

“The 200 MW of wind additions early in the plan is due to the impact of the PTC.”