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Renewable Energy Groups Applaud Senate Finance Committee Vote to Enhance Production Tax Credits

Modification of Qualifying Criteria is Critical for Continued Growth of Baseload Energy Sources Biomass, Hydropower, Waste-to-Energy and Geothermal

Washington, DC – August 3, 2012 – Leaders of four renewable energy trade associations today commended a last-minute vote by the Senate Finance Committee yesterday afternoon to extend and enhance production tax credits (PTCs) for all renewable energy sources. The tax credits are essential for the development of clean energy-generating facilities by offsetting the high cost of construction. Yesterday's action by the Committee will give renewable baseload technologies equitable access to this important program by allowing eligible facilities to qualify for the tax credits when construction is commenced.

"We are highly encouraged that the Senate Finance Committee passed this tax credit extension, and we urge the full Senate and the House to approve the credit before the end of the 112th Congress," said Bob Cleaves, President and CEO of Biomass Power Association. "The construction of new biomass facilities can be prohibitively expensive, and our industry relies on one-time tax credits to attract private investors to support the building of new plants. An extension of PTCs will help ensure that renewable energy sources continue to produce a growing share of electricity for our nation."

"The Senate Finance Committee should be applauded for taking action to address uncertainty that is harming the economy and undercutting renewable power development," said Karl Gawell, Executive Director of Geothermal Energy Association. "The proposed changes in the tax code would encourage new renewable technologies across the board. Allowing projects to qualify by starting construction will spur development of geothermal power projects that would otherwise be on hold due to the impending PTC cliff. At this critical time,

The Committee's action will create jobs and support U.S. companies in highly competitive global energy markets. We thank Senators Baucus and Hatch for their leadership."

"The Energy Recovery Council commends the Senate Finance Committee for including important changes to the production tax credit that will allow all renewable technologies to benefit from this important program," said Ted Michaels, President of Energy Recovery Council. "Modifying the definition of placed in service will provide more opportunities for waste-to-energy facilities to utilize the renewable tax credit, which will in turn drive sustainable waste management practices in the United States."

"NHA commends the Finance Committee for approving an extenders package containing improvements to the PTC and ITC. These changes allow more baseload renewable energy like hydropower to be built as part of our national energy portfolio and increase America's access to reliable, affordable electricity," said Linda Church Ciocci, Executive Director of the National Hydropower Association. "We look forward to working with Finance members and staff further on the provisions so that hydropower project developers can better utilize these important incentives."

Baseload energy sources – which provide consistent power independent of external factors like weather or time of day – particularly rely on PTCs at a time when fuel costs are high and electricity prices are low. These sources of energy combined produce almost 75% of the nation's renewable electricity, according to the U.S. Energy Information Administration.

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