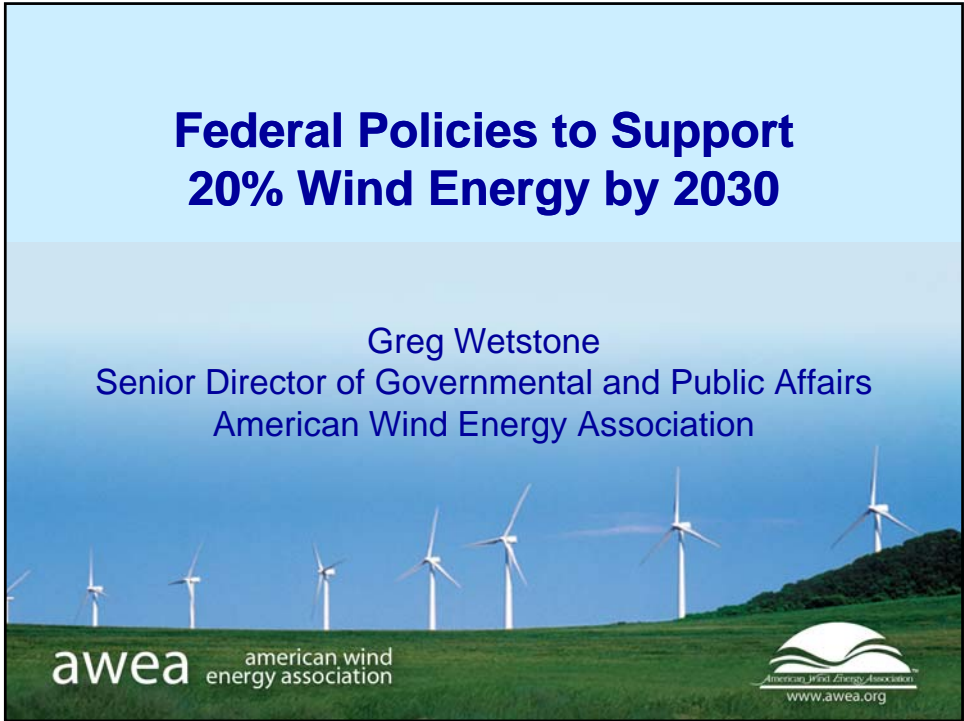


Federal Policies to Support 20% Wind Energy by 2030

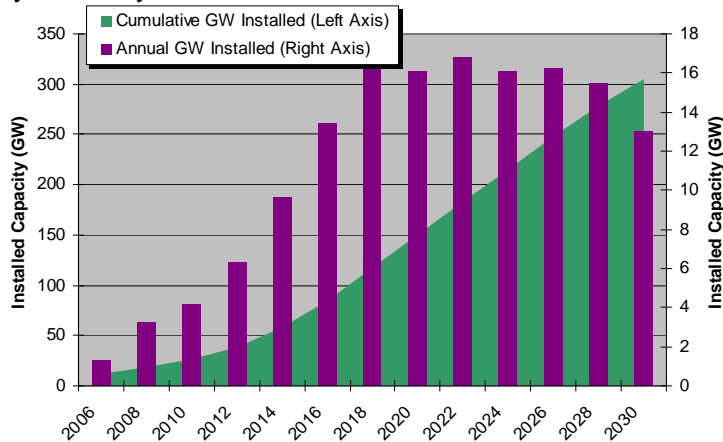
Greg Wetstone
Senior Director of Governmental and Public Affairs
American Wind Energy Association



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american wind
energy association

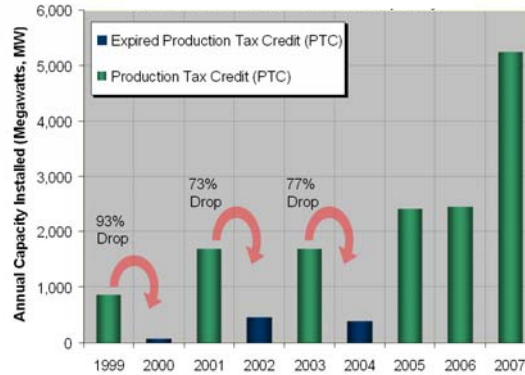
Growth Path for 20% Wind

- ◆ 305 GW of wind energy in total by 2030
- ◆ Ramp up to about 16 GW per year, compared to 3 GW per year today



Stable Production Tax Credit

- ◆ Primary federal wind energy incentive
- ◆ Set to expire December 31, 2008
- ◆ Stability is key to wind industry growth







A DIVERSE COALITION CALLS ON CONGRESS TO QUICKLY PASS BIPARTISAN LEGISLATION TO EXTEND CLEAN ENERGY TAX INCENTIVES

These incentives promote clean renewable energy and energy efficiency in homes, office buildings, appliances and other consumer products and will save consumers money on energy bills.

EVERY DAY THAT PASSES WITHOUT AN EXTENSION RISKS A TOLL ON AMERICAN JOBS AND CLEAN ENERGY INVESTMENT IN OUR COUNTRY.

25/26 • AORE • AES Wind Generation • Allena Solar • Alliance to Save Energy • Alliance for Clean Energy • New York • Alliant Energy • Association of Home Appliance Manufacturers • Amersm Corporation • American Institute of Architects • American Council for an Energy-Efficient Economy • American Wind Energy Association • Appliance • Arizona Public Service • Atlanta City Service • Avakian • Azura • BNSF • Borewind, LLC • Bullard Power Systems • Energy Windpower Co., Inc. • Broom Energy Corporation • BOSCH • BP Alternative Energy • BrightSource Energy • Building Owners and Managers Association International • Business Council for Sustainable Energy • California Energy Commission • CB Incorporated • Central Vermont Public Service Corporation • Constellation Energy • OH Energy Group, Inc. • Clippes Windpower Development Company, Inc. • Competitive Power Ventures, Inc. • Debonora Power • DTE Energy • Duke Energy • Edison • Edison Electric Institute • Edison International • DRI Corporation • Energy East Corporation • Energy Unlited, Inc. • enlco Development Corporation • Energy, Inc. • Environment America • Environmental and Energy Study Institute • EOn Climate and Renewables • Enx Energy America Corporation • Energies Solar • Enbridge Corporation • Enbridge Gas • Federal Performance Contracting Coalition • PPL Group • FirstEnergy • GE Energy • Global Energy Concepts • Great Plains Energy, Inc. • Great River Energy • Green Mountain Power Corporation • gscSolar • Hawaiian Electric Company • Haines Wind Energy • Honeywell • Hydrogenics • Iberdrola Renewables • iHatch • Institute of Real Estate Management • Interstate Power and Light • Intermex Energy Alliance • Iovenergy, LLC • PPL Corporation • Plug Power, Inc. • Portland General Electric • PSE • Pugen Sound Energy • Regal Power • Reliant • Renewable Energy Systems America, Inc. • Sempra • Sempra Energy • Sempra Solar • Sierra Pacific Resources • Signal Wind Energy • Solar Energy Industries Association • SunPower Corporation • Suntek Wind Energy Corporation • TechNet • The Dow Chemical Company • The Empire District Electric Company • The Federal Performance Contracting Coalition • The Real Estate Roundtable • TPI Composites, Inc. • Trade Wind Energy, LLC • Unity Commercial Source, Inc. • Union of Government Securities • United Energy Corporation • UnitedSteelworkers • U.S. Fuel Cell Council • UTC Power • Vestas American Wind Technology • Vesta Solar • Vestar Energy, Inc. • Windwood Corporation • Wind Capital Group, LLC • Windlogics, Inc. • Wisconsin Power and Light • Xcel Energy, Inc.

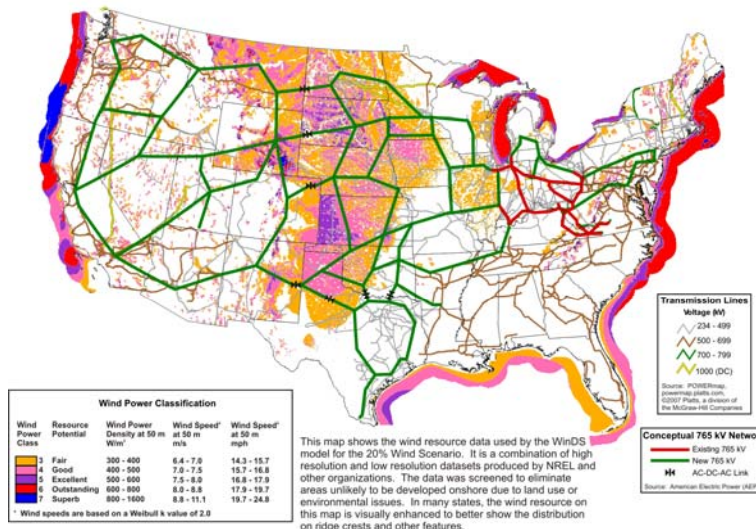
JP Morgan Chase • Johnson Matthey • League of Conservation Voters • LM Global, Inc. • LOGAMEnergy • Mesa Power LP • Mitsubishi Electric • Morrison Construction • MTR Power Systems, Inc. • National Association of Home Builders • National Association of State Energy Officials • National Electrical Manufacturers Association • National Grid • National Rural Electric Cooperative Association • National Wireless Digital Association • National Wildlife Federation • Natural Resources Defense Council • Noble Environmental Power • Northeast Public Power Association • NorthWestern Energy • North American Insulation Manufacturers • OGE Energy Corporation • Owens Corning • Pacific Winds, LLC • Pepsi Holding, Inc. • PG&E Corporation • Private West Capital Corporation • PNM Resources, Inc. • PPG Industries

- ◆ National Renewable Electricity Standard
- ◆ Would create a stable policy environment for investment in manufacturing and transmission infrastructure
- ◆ Would save American consumers over \$100 billion in lower electricity and natural gas prices *(Wood Mackenzie, March 2007)*
- ◆ 26 states and D.C. have state-wide renewable electricity standards in place
- ◆ National RES legislation has passed U.S. House and Senate separately, but has not passed into law

- ◆ Since January 2007, 28 new wind industry manufacturing plants have opened or been announced, including facilities in Arkansas, California, Colorado, Idaho, Illinois, Iowa, Michigan, Montana, Nebraska, New York, North Carolina, Oklahoma, South Dakota, Texas and Wisconsin.

- ◆ U.S. faces a lack of adequate transmission infrastructure and a balkanized operating structure
- ◆ Congress should direct FERC, DOE, and federal utilities to use their existing authority to expand regional infrastructure and regional power pools
- ◆ Good starting points for federal legislation:
 - Rep. Inlee and Rep. Blumenauer’s Rural Clean Energy Superhighways Act (H.R. 4059)
 - Sen. Reid’s Clean Renewable Energy and Economic Development Act (S. 2076)
 - Sen. Thune’s Clean Energy Corridors amendment

AEP’s Conceptual Transmission Plan to Accommodate 400 GW of Wind Energy



Effective Carbon Regulation

- ◆ Legislation to curb greenhouse gas emissions should:
 - encourage renewable energy in the early years as well as long term
 - send a strong and direct price signal
 - give direct financial recognition to renewable energy emission reductions
 - use auction revenues to support transmission infrastructure, renewable energy manufacturing, green jobs

Small Wind Incentive

- ◆ There is currently no federal incentive for residential scale wind turbines (100 kW or less)
- ◆ A 30% federal small wind investment tax credit (ITC) incentive would:
 - greatly drive up production volumes
 - lower costs
 - help this U.S.-dominated industry grow 40-50% per year

- ◆ Greater funding for wind energy research and development will decrease costs and improve performance
- ◆ Raise annual DOE wind program R&D budget from \$50 million to \$120 million

- ◆ Federal government should consult with wind industry and non-governmental organizations to research methods of minimizing wind turbine impacts on wildlife
- ◆ Base federal guidelines on best available science
- ◆ Scale up permitting and review capabilities at federal agencies

Federal Policy Timeframe

- ◆ Policies with near-term impacts:
 - Stable production tax incentive (PTC)
 - Small wind investment tax incentive (ITC)
 - Fair and efficient siting
- ◆ Policies with mid-term impacts:
 - National renewable electricity standard (RES)
 - Policies to promote renewable energy transmission
 - Research and development (R&D) funding
- ◆ Policies with long-term impacts:
 - Effective carbon regulation

Thank you!

Briefing materials available at:

www.eesi.org

www.20percentwind.org

20% Wind Energy
by 2030