



July 20, 2020

The Honorable Mitch McConnell  
Senate Majority Leader

The Honorable Charles Schumer  
Senate Minority Leader

The Honorable Kevin McCarthy  
House Republican Leader

The Honorable Nancy Pelosi  
Speaker of the House

The Honorable Chuck Grassley  
Chairman, Senate Finance Committee

The Honorable Ron Wyden  
Ranking Member, Senate Finance Committee

The Honorable Kevin Brady  
Ranking Member, House Ways and Means  
Committee

The Honorable Richard Neal  
Chairman, House Ways and Means Committee

Majority Leader McConnell, Minority Leader Schumer, Speaker Pelosi, Leader McCarthy, Chairman Grassley, Ranking Member Wyden, Chairman Neal, and Ranking Member Brady:

In order to mitigate a remaining risk for onshore wind deployment that COVID-19 poses and to preserve the benefits onshore wind development delivers to the U.S. economy, the workforce and the communities in which the wind industry operates and invests, the undersigned companies strongly encourage Congress to create a 100% direct pay option for the production tax credit (PTC)/investment tax credit (ITC) value to address liquidity and tax equity availability issues for those same projects.

With over 100 gigawatts (GW) of electricity capacity, U.S. wind power has more than tripled over the past decade, offsetting carbon emissions and combatting climate change while supporting 120,000 direct jobs in all 50 states. Beyond supporting a robust workforce, the industry also provides over \$1.6 billion to state and local governments and private landowners every year, invigorating rural communities. The wind industry is expected to deliver over 45 GW of land-based wind in the next five years<sup>1</sup>. These projects represent approximately \$100 billion in capital investment and billions of dollars in tax and lease payments to state and local communities. Importantly, they are also critical to supporting and growing wind jobs across the country, which are expected to total 165,000 direct jobs by 2024.

While the Department of Treasury's flexibility for 2016 and 2017 addressed the immediate and most acute impacts onshore developers were facing, COVID-19's full economic impacts are reducing the supply of available tax equity and creating challenges securing construction loans. Without this financing stream, otherwise viable projects will potentially be postponed or shut down due to capital constraints and an inability to monetize tax credits. Constricted tax equity markets can be particularly detrimental to project developers with limited tax liability or for smaller, less established developers facing high tax equity financing costs or an inability to access tax equity financing.

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<sup>1</sup> According to Wood Mackenzie's U.S. wind market outlook



Tax equity investments are already being put on hold and project developers are reporting some tax equity suppliers have exited the market due to the pandemic. Direct payment of the PTC/ITC effectively eliminates this COVID-caused financing shortfall. Under direct pay, PTC/ITC credits would be reflected as an overpayment of taxes due, enabling a refund to the taxpayer in that taxable year. Accordingly, the wind industry is seeking a 100% direct pay option for any PTC/ITC qualifying projects being placed in service in 2020 - 2022.

A reliable supply of affordable energy is a necessary component of our nation's response to this COVID-19 emergency and continued wind deployment will play a critical role in our nation's economic recovery. The wind energy workforce is working hard to help keep the lights on during this trying time, providing dependable electricity to local communities and ensuring our country emerges stronger from this global emergency and wind industry developers are poised to invest billions more to continue to benefit the U.S. workforce and communities across the country.

But the wind energy industry is not immune to investment uncertainty currently afflicting the country. In order to provide relief for these immediate impacts, it is essential for Congress to create a direct pay program for the PTC/ITC.

Sincerely,

American Wind Energy Association  
Aeris Services LLC  
Algonquin Power & Utilities  
Alimak Group USA Inc  
AllEarth Renewables  
ALLETE Clean Energy  
Alliant Energy  
Apex Clean Energy  
Arcosa Wind Towers  
ArcVera Renewables  
August Friedberg Americas Inc.  
Bachmann electronic Corp.  
Bennett Motor Express  
Benton Moore, Inc.  
Black & Veatch  
Blade Platforms  
Blattner Energy Inc.  
Blount Boats Inc.  
Burns & McDonnell  
Caithness  
California Wind Energy Association  
Capital Power  
Castrol  
Clearway Energy



Clobotics  
Consertek USA Inc.  
Cooper and Turner Manufacturing  
Danhydra Inc.  
DARE Strategies LLC  
DEIF Wind Power Technology  
DNV GL  
EDP Renewables  
EMA Electromechanics  
Enel Green Power, NA  
Energy Challenges LLC  
Ensemble Energy Inc.  
Epsilon Associates, Inc.  
Fersa NKE Bearings North America  
Harness Energy  
Hill Country Wind Power, LP  
HINE Hydraulics Corporation  
Ingeteam  
Innergex Renewable Energy  
Innovant Public Relations  
Interwest Energy Alliance  
Intuitive Safety Solutions  
Invenergy LLC  
JMS Wind Energy, Inc.  
JRC Construction Services  
Jupiter Bach North America  
K2 Management, Inc.  
Khatri International, Inc.  
Korecarbon  
Leavitt Cranes  
LS Cable America  
Molded Fiber Glass Companies  
Mortenson  
Natural Power, LLC  
NGC Renewables  
Nordex USA  
Nord-Lock Inc.  
Omega Service and Supply  
Palmer Capital Corporation  
Pattern Energy  
PowerWorks Inc.  
PRC Wind  
Pronto Solutions



Renewable Energy Buyers Alliance  
Renewable Northwest Project  
RRC Power & Energy, LLC  
RWE Renewables Americas, LLC  
Saint James Marine LLC  
Scout Clean Energy LLC  
Sky Climber, LLC  
Skyline Renewables  
Stafford Crane Group  
SWEB Development USA, LLC  
Sweetwater Economic Development  
TCTS LLC  
Technostrobe  
TerraPro Solutions  
TPI Composites, Inc  
TRC  
Trendline Insights  
Tri Global Energy  
UL LLC  
Ulteig Engineers  
University of Massachusetts Lowell  
Ventus, LLC  
Vermont Environmental Research Associates, Inc.  
Vestas-American Wind Technology, Inc.  
Vortex  
Westwood  
Williams Form Engineering, Corp.  
Wind Tech Recruiters  
Working AT Height Group  
Xcel Energy