



Pre-election PTC Extension Update

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The current Congress has been the least productive of any Congress in the last 40 years. To provide some context, 700 bills were enacted by the 100th Congress (1987-1988) during President Reagan's second term. President Clinton signed more than 300 bills during the 104th Congress (1995-1996), and the second President Bush signed more than 500 bills during the 108th Congress (2003-2004).² These statistics demonstrate the main reason that the PTC has not yet been extended: dysfunction in Washington has led to gridlock, which means that very little is happening on the legislative front. We can only hope that the members return from the election ready to work as legislators to do the country's business.

Second, on October 30, Energy Secretary Ernest Moniz restated his support for the extension of the PTC and the investment tax credit: "We need to extend those renewable tax credits and do it in a way that there is predictability on all sides."³

Third, on October 29, Defense Secretary Chuck Hagel implicitly endorsed the PTC extension without referring to it directly: "From my perspective, within the portfolio that I have responsibility for-security of this country-climate change presents security issues for us. [It] is critically important that we pay attention to this."⁴

Fourth, a General Electric (GE) policy expert articulated GE's current view of the PTC. David Malkin, director of government affairs and policy for GE Energy Management, stated that GE is advocating for an extension of the PTC through 2015 and a three- to five-year phase out.⁵ This raises the question of whether GE would be prepared to progressively reduce the price of wind turbines over that five-year period.

The GE policy expert added that extending the master limited partnership (MLP) tax rules to wind would help with the transition to a post-PTC era, but expansion of the MLP tax rules to include wind was not the industry's top priority.⁶ [Here](#) and [here](#) are blog posts that address the extension of the MLP rules to renewables.

¹ Statistics provided by Maria Sanders of Legislative Intent Service, Inc. (www.legintent.com).

² *Id.*

³ Anthony Adragna, *Moniz Urges Renewal of Energy Tax Credits, Vows Continued Progress on Climate Change*, Daily Tax Report G-3 (Oct. 31, 2014).

⁴ *Id.*

⁵ Julia Pyper, *GE Gov't Affairs Dir.: Midwest Wind Can Compete Without a Fed. Tax Credit*, Green Tech Media (Oct. 29, 2014) available at <http://www.greentechmedia.com/articles/read/ge-govt-affairs-director-wind-ptc-can-expire-after-2015>.

⁶ *Id.*

Categories

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