

Northwest Public Power Association (NWPPA)
Western Energy Resource Committee (WERC)
Talking Points - September 2007

Support for Renewable Tax Incentives

Key Messages:

To ALL: Thank the Governors for recognizing the importance of tax incentives to encourage renewable investment (See WGA Policy Resolution 07-16 – Transitioning the West to Clean Energy and Energy Security), However, Consumer-Owned Utilities need parity with Investor-Owned Utilities (See PTC) through Clean Renewable Energy Bonds (CREBs) and the Renewable Energy Production Incentive (REPI) Program.

NWPPA has [Resolutions 12-06, 19-06, 07-5 and 07-11](#) that support public power financing methods, the Renewable Energy Production Incentive (REPI) Program, increased domestic energy production and tax incentive comparability in all industry sectors.

WGA Positions:

1. In the WGA Policy Resolution 07-16 (policy statements #1, #2 and #7) the Western Governors state their support for the expansion of federal production tax credits (PTC) to include small hydropower, hydropower at non-hydro dams, hydrokinetic/ocean technologies and hydropower that existed prior to 2007 that satisfies certain criteria. Additionally, the Governors agree that federal tax credits apply to any near-zero emissions coal technology.
2. The [Clean and Diversified Energy Advisory Committee](#) (CDEAC) Report also recommends extending tax credits across all clean energy technologies, providing for the sharing of tax credits (tribes), *extending and raising the cap on new clean energy bonding authority for non-profits (public power)* and tribal authorities and raising the cap on residential investment credit to \$10,000.
3. While the CDEAC Report references clean energy bonding authority for public power, it is not specifically referenced in WGA's Policy Resolution 07-16.

NWPPA Positions:

1. NWPPA supports incentives for renewable investment and has specifically advocated to Congress for two programs that are of direct benefit to public power: the Clean Renewable Energy Bonds (CREBs) and Renewable Energy Production Incentive (REPI) Programs.
2. NWPPA supports the REPI program to encourage the development and investment in renewable energy by public power. NWPPA urges Congress to fully fund the program, which has historically been woefully under-funded, so that incentive payments are available to all eligible projects.
3. Because the REPI program relies on yearly appropriations, the CREB program was created for public power systems to try to give parity with the investor-owned utilities' Production Tax Credit (PTC), as public power is unable to take advantage of federal tax credits. NWPPA supports legislation that would provide permanent, comparable tax incentives for consumer-owned utilities, as those received by IOUs, to meet the needs and demands of their customers in providing renewable resources.

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4. NWPPA supports the recommendation in the CDEAC Report to extend and raise the cap on new clean energy bonding authority for non-profits (public power). If possible, NWPPA suggests the Western Governors include this recommendation in their next policy resolution to encourage the development and investment in renewable resources by public power.
5. NWPPA encourages tax-based or other incentives for the development and deployment of renewable and clean energy facilities and programs that provide comparability to all electric industry sectors, including public power.
6. NWPPA also sees increased appropriations and tax credits for renewable energy as a way to reduce dependence on foreign fuels and to increase national security.

WGA Management Directive:

WGA's Policy Resolution 07-16 includes a series of management directives.

Directive #9 – “The Western Governors direct the WGA staff to provide Congress the necessary information to convey its position in support of a long-term reauthorization of renewable production tax credits which are critical to expansion of renewable energy in the West.”

- Beyond the PTC, NWPPA members support the extension of the Clean Renewable Energy Bond (CREB) and Renewable Energy Production Incentive (REPI) Programs and can provide information regarding the benefits of these programs to consumer-owned utilities.