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Hydropower, Geothermal and Biomass Power Executives Call for Extension of the Production Tax Credit

Industries with significant operations in Southeastern and Western states see risk to thousands of jobs

Washington, DC (February 8, 2012) – Today, executives from the hydropower, geothermal and biomass power industries called on Congressional leaders to extend the production tax credit through 2016 for hydropower, geothermal and biomass. The three industries operate in parts of the country not often associated with renewable energy – particularly the Southeast and Mountain West – and company and trade association leaders expressed concern for a looming crisis that has put thousands of jobs in these states at risk. The call comes as opponents of renewable energy tax policy place the future of these industries in jeopardy.

The group called for the immediate passage of H.R. 3307: American Renewable Energy Production Tax Credit Extension Act of 2011, which covers all renewable technologies, and is sponsored by Rep. Dave Reichert [R-WA8] and Rep. Earl Blumenauer [D-OR3] with over 60 bipartisan cosponsors, including 16 Republicans.

Participants in today's press conference included Linda Church Ciocci, Executive Director, National Hydropower Association; Mark Stover, Vice President of Corporate Affairs, Hydro Green Energy; Karl Gawell, Executive Director, Geothermal Energy Association; Jonathan M. Weisgall, Vice President, Legislative and Regulatory Affairs, MidAmerican Energy Holdings Company; and Robert Cleaves, President and CEO, Biomass Power Association.

"The geothermal industry has added over \$1 billion in new power projects to the grid since the Congress extended the PTC to geothermal energy in 2005, bringing several thousand drilling, construction and operating jobs to often rural areas with high unemployment. But with a project lead time of 4 years or more, the geothermal industry has already reached its so-called tax credit cliff, even if the legal deadline is 2013. This is not just undermining projects in 16 states with new geothermal power projects, it is also costing vendors lost orders in over 46 states that supply geothermal projects. It is more critical than ever for Congress to adopt a longer time frame for geothermal incentives. We urge action now to extend the tax deadline from 2013 to at least 2016," said Karl Gawell, Executive Director, Geothermal Energy Association.

"With long lead times and high up-front capital costs, there is a great need to de-risk the geothermal energy industry, and an extension of the PTC will help do just that," said Jonathan M. Weisgall, Vice President, Legislative and Regulatory Affairs, MidAmerican Energy Holdings Company.

"The biomass industry employs thousands of Americans, many of whom live and work in rural areas that were hardest hit by our nation's recent recession. To continue to employ these hard-working Americans, and to grow our industry by

making it a stable, long-term opportunity for investments, we need the production tax credit to be extended beyond 2013," said Robert Cleaves, President and CEO, Biomass Power Association.

"The hydropower industry supports jobs and low-cost clean energy around the country, from the Southeast to the Northwest. Our industry has huge potential to contribute even more to America's economy and clean energy future, adding as much as 60,000 MW of new capacity by 2025. This is why it is so urgent that Congress keep in place the policies that support renewable energy growth," said Linda Church Ciocci, Executive Director, National Hydropower Association.

"Hydro Green Energy's projects currently under development will provide enough clean, renewable hydropower to keep the lights on in over 137,000 homes each year. The extension of the production tax credit is vital to helping us continue to grow, and uncertainty about the fate of this policy is already affecting companies like ours," said Mark Stover, Vice President of Corporate Affairs, Hydro Green Energy. "At Hydro Green Energy, we want to create new American jobs, support our local communities and provide reliable, clean power to America's energy consumers; extending the PTC will help us to do that."

The call to action was accompanied by a letter to Congressional leaders.

The letter states:

"For most renewable electricity technologies in the United States, the tax incentives put in place over the last decade provided the first significant federal support in decades. By any measure, those policies have been tremendously successful in spurring construction of new projects and the deployment of new technologies, expanding the supply of affordable, clean electricity to the grid, supporting significant local economic opportunities, and creating tens of thousands of U.S. jobs in regions of the country not usually associated with renewable energy.

As the President rightly pointed out in his State of the Union address, clean energy tax incentives create jobs and a market for innovation. The production tax credit for hydropower, geothermal and biomass is no exception. Its looming expiration in 2013 is already leading to a decline in new projects and construction. Failing to extend these tax incentives will effectively bring these projects to a grinding halt and undermine the progress our industries have made in recent years.

Utility-scale hydropower, geothermal and biomass projects starting today would find it nearly impossible to be completed by the end of 2013. Recent examination of new geothermal projects finds lead times of four to eight years. Hydropower has a similar multi-year licensing schedule, followed by the construction timeline. For biomass, a recently completed 100 MW facility in Texas took more than five years before even breaking ground.

The tax incentives in place since the mid-2000s have helped usher in a renaissance in our industries. Like the federal tax incentives, the Department of Energy's investment in new technology represents the first significant federal support for new geothermal and hydropower technology in decades. We believe the investment will pay off, but sustaining the momentum to build new projects is critical.

As Congress considers extending certain key incentives this year, it will have a remarkable opportunity to protect recent growth in the geothermal, hydropower and biomass sectors as well as build upon the successes of those policies. That is why it is critical that Congress, at a minimum, extend the renewable energy production tax credits through 2016 for the full range of renewable energy technologies, including hydropower, geothermal, and biomass – all of which have much longer deployment lead times compared to other renewable energy technologies.

The benefits of our technologies are clear. All can provide high quality electric power with baseload reliability as well as flexible output to complement other technologies. All have large untapped resource bases across the rural economies of the nation, and their continued growth could provide tens of thousands of affordable, clean megawatts to America's electric grid while creating domestic jobs and driving local economic activity.

Currently, the investment tax credit for solar is the only renewable electricity tax incentive effective through 2016. Congress extended this credit in explicit recognition of the importance of stable and predictable tax policies. The duration of this effective program should be a model for enhancing the effectiveness of the federal tax incentives for the rest of the renewable electricity technologies.

The policies signed into law over the last decade sought to expand federal support and incentives to a wide range of technologies, and to provide longer-term incentives that support industry growth and new technology deployment. And they have been successful in creating momentum for new construction, new capacity and new jobs in America's renewable energy industry. Those policies and the investments and jobs that they help create need to be kept in place so they can continue to work for America's economy."

About National Hydropower Association:

The National Hydropower Association (NHA) is a nonprofit national association dedicated to promoting the growth of clean, affordable U.S. hydropower. It seeks to secure hydropower's place as a climate-friendly, renewable and reliable energy source that serves national environmental, energy, and economic policy objectives. NHA unites the diverse North American hydropower community, representing more than 180 companies in the North American hydropower industry, from Fortune 500 corporations to family-owned small businesses. Association members include both public and investor-owned utilities, independent power producers, developers, manufacturers, environmental and engineering consultants, attorneys, and public policy, outreach, and education professionals. Learn more about hydropower and NHA at www.hydro.org; Follow us on Twitter [@NatlHydroAssoc](https://twitter.com/NatlHydroAssoc) and find us on [Facebook](https://www.facebook.com/nha).

About Biomass Power Association:

Biomass power is a \$1 billion industry with 80 facilities in 20 states and provides over 14,000 jobs nationwide. Power plants are predominately located in rural communities, creating thousands of jobs and producing millions in revenue for small towns. Biomass power is a clean and abundant source of electricity that will allow states to pursue even more aggressive goals for increasing their use of renewable energy in the future.

About the Geothermal Energy Association:

The Geothermal Energy Association (GEA) is a trade association composed of U.S. companies who support the expanded use of geothermal energy and are developing geothermal resources worldwide for electrical power generation and direct-heat uses. GEA advocates for public policies that will promote the development and utilization of geothermal resources, provides a forum for the industry to discuss issues and problems, encourages research and development to improve geothermal technologies, presents industry views to governmental organizations, provides assistance for the export of geothermal goods and services, compiles statistical data about the geothermal industry, and conducts education and outreach projects. For more information, please visit <http://www.geo-energy.org/>. Check out GEA's [YouTube Channel](https://www.youtube.com/channel/UC8vYUwYUwYUwYUwYUwYUwYUw). Follow GEA on [Twitter](https://twitter.com/gea). Become a fan on [Facebook](https://www.facebook.com/gea).

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