

Congress extends renewable energy tax credit

Washington, D.C., Dec. 12, 2006 -- The production tax credit (PTC) for wind and other renewable energy technologies will be extended for one additional year -- through December 31, 2008 -- as part of a tax and trade policy bill passed during the closing hours of the 109th Congress. President George Bush is expected to soon sign the measure into law. The PTC, which was scheduled to expire on December 31, 2007, provides a 1.9 cent-per-kilowatt-hour (kWh) tax credit for electricity generated over the first ten years of a project's operation.

"This is the second time that Congress has approved an extension of the production tax credit before it expires, and this continuity is vital for the U.S. wind energy industry," said American Wind Energy Association (AWEA) executive director Randall Swisher. "The extension needs to take place at least eight months in advance of expiration to avoid a slowdown in the market, so this action by Congress comes at the right moment: the timely extension provides the stability that companies need to plan for growth and meet the nation's fast-increasing demand for renewable energy."

"Extending the credit now -- a full year before it was set to expire on December 31, 2007 -- is enormously important," said AWEA legislative director Jaime Steve. "This timely action by Congress will boost significant upward growth and investment for wind energy, spurring thousands of new jobs and millions of dollars in rural economic development while also bringing cleaner air to all Americans. Extending the credit is also an investment in fighting climate change and increasing America's energy security."

For more news and exclusive features from *Utility Automation & Engineering T&D* and *Electric Light & Power* online, please click [here](#).