

# United States Senate

WASHINGTON, DC 20510-7110

April 12, 2016

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
S-230 Capitol Building  
Washington, DC 20510

The Honorable Harry Reid  
Minority Leader  
United States Senate  
S-221 Capitol Building  
Washington, DC 20510

Dear Leadership:

We write to urge you to work with us to extend tax programs that encourage the development of offshore wind energy.

As you know, last year's omnibus bill included extensions of the Production Tax Credit (PTC) and Investment Tax Credit (ITC), which benefit the wind and solar industries. Unfortunately, the unique nature of offshore wind technologies renders the timeframes of these credit extensions useless for projects that are currently being planned. Quite simply, the planning and permitting stages for offshore wind development can take far longer than those of other renewable technologies. In fact, the National Renewable Energy Laboratory's analysis of the impacts of the PTC and ITC extensions found that no future offshore wind projects would be able to qualify for these offshore wind tax credits prior to their expiration in 2019.

Development of offshore wind power is just getting started in the United States. If we look at other regions like Europe it is clear that offshore wind can become a robust industry. Last year nearly 3,000 MW of new offshore wind capacity and 419 new turbines were added across Europe. The first offshore wind project, Deepwater Wind near Block Island, Rhode Island, is expected to come online later this year. This project was initiated nearly eight years ago and required stakeholder engagement, extensive planning, and a long permitting process prior to construction. Other offshore projects are in various stages of planning, but may not proceed without greater certainty on the future of federal tax incentives.

To create true parity with other renewable technologies, offshore wind needs longer-term tax credits. For instance, a proposal put forward by Senators Markey and Whitehouse would extend the Investment Tax Credit for offshore wind through 2025 to give this industry sufficient time to develop these projects. Another proposal from Senators Carper and Collins, S.1736, the Incentivizing Offshore Wind Power Act, would allow the first 3,000 megawatts of offshore projects to qualify for the ITC regardless of timing. We hope that you will consider supporting such extensions when the Senate considers tax-related legislation.

Sincerely,

*Edward J. Markey*

Edward Markey  
United States Senator

*Tom Carper*

Tom Carper  
United States Senator

*Jack Reed*

Jack Reed  
United States Senator

*Jeffrey A. Merkley*

Jeff Merkley  
United States Senator

*Brian Schatz*

Brian Schatz  
United States Senator

*Sheldon Whitehouse*

Sheldon Whitehouse  
United States Senator

*Kirsten Gillibrand*

Kirsten Gillibrand  
United States Senator

*Chris Coons*

Chris Coons  
United States Senator

*Ben Cardin*

Benjamin L. Cardin  
United States Senator