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Chairwoman Lummis, Chairman Broun, Ranking Member Swalwell, Ranking Member Maffei and Members of the Committee, thank you for inviting me to testify today. My name is Rob Gramlich and I am the interim Chief Executive Officer of the American Wind Energy Association, or AWEA.

AWEA represents over 1,200 businesses that have been transforming the American energy sector over the past decade.

Americans are getting a good deal on wind energy and that's why they want more of it. There is nothing in this report by GAO to change that conclusion.

A recent Gallup Poll found that 71 percent of Americans want more emphasis on developing our wind resources. According to another poll by George Mason and Yale universities, more than three-quarters of self-identified Republicans said the nation should use more renewable sources of energy, with 69 percent saying renewables should be used immediately.

Last year, wind was the number one source of new electric generation capacity. Wind energy provided over 80,000 full-time U.S. jobs and injected $25 billion of private investment into the U.S. economy in a single year. Today, wind projects in 39 states and Puerto Rico generate enough electricity to power over 15 million American homes. At least 74 electric utilities bought or owned new wind power installed in 2012, up 50% from a year ago. Already, Iowa and South Dakota produce enough wind energy to meet more than 20 percent of their electricity needs, and wind energy now produces more than 10 percent of the electricity in nine states. Chairwoman Lummis' home state of Wyoming is almost there, with 9.9% of its electricity coming from wind energy.

Wind projects in the U.S. bring economic growth to rural communities. They pay roughly $400 million in property taxes or similar payments to communities. And annual lease payments to farmers and ranchers amount to around $120,000 per turbine over its lifetime.

And wind energy is helping to revitalize American manufacturing, with 550 factories in 44 states supplying the industry as domestic content has shot up to almost 70 percent "made-in-the-USA."

Americans are getting a good deal on wind energy. The benefits described above come at a very modest cost. A single incentive, the Production Tax Credit, is by far the dominant policy driver for wind energy in the US. The budget impact of less than $2 billion per year is more than paid back in taxes, and that amount leverages up to $25 billion in private capital that would not otherwise be invested in the country. That is over a ten-to-one matching of taxpayer funds with private investor capital.

Contrary to some of the news reports about this study, clean energy incentives are on the decline. A report last year by the Brookings Institute points out that federal support for renewable energy was scheduled to drop 75% by 2014.

We see nothing in this report that changes the conclusions above. Wind energy and the federal tax credits that support it are still a great deal for America. It would be wrong to use this report to conclude otherwise, as:

- It suggests that 82 initiatives support wind, when only two are truly wind-specific.
- It counts dozens of initiatives that are defunct, rarely or never financially supported wind energy[1], or are regulatory in nature.
- It counts some initiatives twice, or more.
- Even the biggest potential for supposed program "duplication" identified by GAO was relevant less than 1% of the time.

I will elaborate on these points briefly:

AWEA's analysis of the GAO report and appendices turns up only two initiatives that are truly wind-only[2], meaning 97% are available for other activities or have equivalent programs that are. And, one of these two – Bonneville's wind integration efforts – is aimed at non-discriminatory transmission service and is not a wind incentive.

Half of the initiatives listed specifically support non-renewable sources of energy as well, or have equivalent programs at the same agency that do so. There are many other programs that support non-renewable technologies that were not addressed in this report.

Given the widespread eligibility for the initiatives, it is simply not credible to label them as wind energy initiatives.

GAO acknowledges that nearly 90% of the initiatives provided little to no financial support for wind energy. In fact, the vast bulk of the support was just two incentives, the PTC and 1603, the latter of which is no longer even available to new wind projects.

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[1] For example, (1) Of the Bureau of Reclamation Programs cited, one of them does not appear to have funded a single project related to wind and the other funded only two from 2005-2011. (2) Of the 275 ARPA-E projects, only 16 are cited by the agency as wind-related, and of those, 11 are actually on magnets, which have limited relevance for wind. (3) The various smart grid and storage initiatives mentioned are not particularly relevant to wind energy.

[2] Joint Wind Energy Program: Atmospheric Velocity Gradients (NOAA), Bonneville Power Administration Wind Integration (DOE)

Even in the area where GAO identified the biggest potential for duplicate financial support – namely with tax credits, grants and loan guarantees – there is no basis for countering the claim that wind is a great deal. The GAO report fails to note that:

- Fewer than 1% of wind projects installed from 2009-2012 took both a tax incentive and a DOE loan guarantee. That is four projects out of 500, and all four of those succeeded and are generation projects with long-term contracts to sell power, so there is no cost to the taxpayer.

- There are statutory prohibitions against claiming several of the tax incentives on a single project.

- Several of the other grant and loan guarantee programs identified by GAO also appear to have been utilized rarely, if at all, by wind energy facilities.

Finally, at least seven of the initiatives identified by GAO are either expired or explicitly no longer support wind energy.[3]

Also, the report double counts one program[4] and by having separate line-items for various aspects of the BLM and BOEM permitting processes[5], which is different from how the Forest Service permitting program is accounted for by GAO, the results are further inflated and misleading.

We believe that any full and accurate picture of incentives for wind energy will find that the limited incentives available to wind energy are a great value to the country.

Thank you again for the opportunity to appear today. I am happy to answer any questions you may have.

[3] Bioenergy National Program (USDA), Conservation Security Program (USDA), USDA/Navy MOU, Green Technology Pilot Program (U.S. Patent Office), 1705 loan guarantee program (DOE), Desalination and Water Purification R&D Program (Bureau of Reclamation), 1603 payment in lieu of ITC (Treasury).
[4] Marine Cadastre is counted under both BOEM and NOAA.
[5] BLM activities were cited as three separate initiatives and BOEM activities were cited as nine separate line items while the