

# Provide Tax Incentives for Small Wind Systems



- ❖ An American-led advanced technology with broad public support and serious near term cost reduction potential
- ❖ On-site power for homes, farms, and small businesses – **more consumer choice and improved grid reliability**
- ❖ Consumer protection against natural gas price spikes.
- ❖ Jobs Creation: Manufacturing and installation creates ~ 5 times the jobs of equivalent conventional generation
- ❖ No federal incentives since 1985. Some states offer incentives, but the federal government offers nothing.
- ❖ A 30% federal tax credit for homes and businesses for 5 years would put this technology over the cost hump.
- ❖ **What you can do:** Ask your Representative to co-sponsor HR 790 and ask your two Senators to co-sponsor S. 759
- ❖ Additional Briefing Points on reverse side

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World's leading supplier  
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## Additional Briefing Points

- Small wind equipment is too expensive today (~ \$40,000 for a typical home) principally because of very low manufacturing production volumes. A tax credit will increase sales; increase manufacturing, and lower costs.
- The Energy Bill included a 15% residential credit, capped at only \$2,000. It did not include a tax credit for businesses. These provisions are too weak to spur the market.
- The Energy Bill provided a 20% tax credit for residential and business purchases of fuel cells, capped in both cases at \$1,000 per kilowatt of capacity.
- Small wind systems are the lowest cost form of “personal sized” renewable energy systems – less than 1/2 the cost of solar.
- American companies lead in technology and market share of small wind. Foreign companies dominate the solar and large-scale wind energy industries.
- The wind energy Production Tax Credit (in place since 1992) covers large wind only, it does not help homeowners, farmers, and small businesses that want to install their own wind power systems.
- The Congressional Joint Tax Committee has priced the 30% incentive at \$24 million over 10 years, or ~ 1/16<sup>th</sup> of 1% of the total energy bill tax package.
- There are 15 million homes in America suitable for small wind systems (1 acre or more, Wind Class 2 or better) and over 1 million businesses. Small wind is effective in all 50 States.
- A November, 2001 Gallup Poll showed that 91% of Americans support increased development and use of wind power, solar power, and fuel cells.
- Small wind systems spread out on the electric grid can improve power quality and reduce the burden on the transmission infrastructure – improving reliability.
- Small wind systems can be used to extend the operating life of oil and gas stripper wells – reducing the need for imported oil.
- A 10 kW residential wind system is the pollution equivalent of taking an SUV off the road.