

# ***Gov. Mead continues to push for wind tax reduction***

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From the Associated Press



*Wyoming Gov. Matt Mead*

Gov. Matt Mead said he won't stop pushing for change in how Wyoming taxes wind energy projects despite a chilly reception to his proposals from some state legislators.

Wyoming next month will begin imposing a \$1 per megawatt hour tax on wind energy production. The state sales and use tax exemption on equipment used on wind energy projects also expires in January.

The sales and use tax rate varies by county but generally exceeds 5 percent. That tax promises to add up, considering that a typical 1.5-megawatt wind turbine costs up to \$3 million and a typical wind farm has about 66 turbines.

The Legislature's Joint Revenue Interim Committee in October shot down Mead's proposal to continue the tax exemption for wind energy projects while imposing a 2 percent impact fee on wind projects to support county governments.

Despite that setback, Mead said he's not giving up on addressing the wind taxation issue. He said he's pushing to try to get the Legislature to act on it in the session that starts in mid-February. It would take a two-thirds vote among lawmakers to bring it up.

"I don't think that's settled," Mead said in a recent interview. "We're going to continue to push that. We've had some pretty good discussions in the last month or so with folks in county commissions and the Legislature."

Mead said Wyoming needs a reasonable tax structure that provides certainty and clarity to wind companies, "because you can't ask for a huge capital investment without some certainty."

Some companies that have existing wind farms in the state say the new generation tax is unfair because they've already entered power supply contracts that didn't account for that extra cost.

Bob Stiens is spokesman for Santa Ana, Calif.-based Edison Mission, which has developed two wind farms in Uinta County, Wyo.

"We feel that this just sends a bad message not only to the wind community, but to the business community as a whole, that the state can go in and impose a retroactive tax," Stiens said Dec. 27 of the wind generation tax. He said he and other companies are hopeful they can drum up interest in the Legislature in addressing the issue.

Larry Wolfe, a Cheyenne lawyer and registered lobbyist for Duke Energy, said Tuesday that Wyoming's new higher taxes could hurt the state's competitiveness as developers consider the prospect of building wind energy projects in the state or elsewhere in the West.

Rep. Pat Childers, R-Cody, is chairman of the House Revenue Committee. He said Tuesday he's not aware of any bill coming up in the coming session.

"The people that want new wind power units are going to have to face that they have to pay that sales tax," Childers said. "And they're just going to have to determine whether their project is feasible or not."

Sen. Cale Case, R-Lander, a member of the Senate Revenue Committee, said he doesn't believe the wind industry is taxed enough. He said the 2-percent impact fee that Mead and others had supported, "really unacceptably lowered taxes on the industry, and I don't think that was appropriate."

Case said he doesn't accept the argument that they will no longer develop projects in Wyoming if the taxes remain on the books. "I think they're bluffing," he said.

Case said higher taxes represent an important element in what should be a statewide dialogue about the future of wind development.