

**Statement of Chairman Jeff Bingaman**  
**Senate Finance Subcommittee on Energy, Natural Resources & Infrastructure**  
**March 27, 2012**

**“Renewable Energy Tax Incentives: How have the recent and pending expirations of key incentives affected the renewable energy industry in the United States?”**

We have convened this hearing to understand how recent and pending expirations of energy tax incentives affects deployment of renewable energy facilities, energy efficiency measures, and advanced biofuels.

Last December this committee met to consider the effects of short-term extensions and frequent expirations on the renewable energy industry. Almost all of the witnesses argued that intermittent incentives severely stunt the promise of clean energy in the United States, and illustrated how the constant threat of expiration prevents the build-out of a robust manufacturing sector and supply chain - the very pieces that create the majority of jobs in these industries.

We undoubtedly will get some testimony on the extent of support that is being provided. In an Issue Brief released recently, the Congressional Budget Office observes, “tax preferences for energy were first established in 1916, and until 2005 they were primarily intended to stimulate domestic production of oil and natural gas.” CBO also notes that it wasn’t until 2006 that an increasing share of energy-related tax expenditures began to shift to renewables and energy efficiency. I’m sure we’ll get testimony on this very point.

Clean energy and energy diversity have not always been perceived as a partisan issue. In fact, the legislation that most directly put the U.S. on a path towards clean energy and efficiency, the 2005 energy bill, was conceived, written, and passed by a Republican-led Senate and Republican-led House, and it was signed into law by a Republican president.

Much of the discussion today will center on the credit for wind, which expires this year, and I think we need to understand the effect not extending that. There are other important incentives (and the markets they encourage) for advanced biofuels, energy efficient homes, buildings and appliances, combined heat and power, fuel cells, advanced vehicles, and these are all the subject of our hearing today.

Let me go ahead and defer to Senator Cornyn for any commitments he has and then I will go ahead and introduce the witnesses.