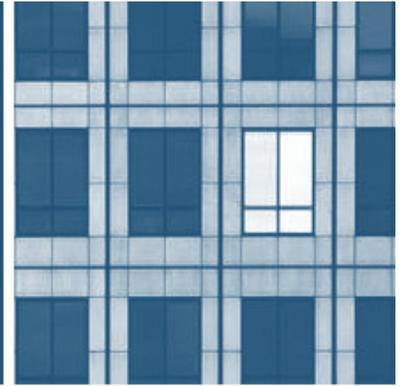


# On the Subject



## Energy & Commodities Advisory

March 8, 2010

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The proposed bills would specifically apply the production tax credit and the investment tax credit to offshore wind facilities and would provide for a January 1, 2020, expiration date of these tax credits.

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### Another Push Offshore: Proposed Legislation Introduced to Incentivize Offshore Wind Projects

On March 3, 2010, Senators Tom Carper (D-DE), Olympia Snowe (R-ME), Sherrod Brown (D-OH) and Susan Collins (R-ME) introduced legislation to provide tax incentives for the production of offshore wind energy. The proposed bill, S. 3062, would specifically apply the production tax credit (PTC) pursuant to Code Section 45 to offshore wind facilities and would provide for a January 1, 2020, expiration date of this PTC. The investment tax credit pursuant to Section 48 would also be amended to apply to offshore facilities placed in service after 2008 and before 2020. The bill defines an "offshore facility" as any facility located in the inland navigable waters of the United States, including the Great Lakes, or in the coastal waters of the United States, including the territorial seas of the United States, the exclusive economic zone of United States and the outer Continental Shelf of the United States.

In addition to S. 3062, a second Senate bill sponsored by Senators Snowe, Carper and Collins would provide a credit for the production of energy from deep water offshore wind. The new credit would be equal to 3.04 cents for each kilowatt hour of electricity produced by the taxpayer at a deep water offshore wind facility during the 10-year period beginning on the date the facility is placed in service and sold by the taxpayer to an unrelated person during the taxable year. The U.S. Treasury Department would be responsible for allocating the credits, and the allocations would be capped at 6,000 megawatts. A deep water offshore facility would be defined as a facility using wind

to produce electricity that operates in 60 meters or more of water, is located within the internal or territorial waters of the United States, and is placed in service after the date the credit is enacted and before January 1, 2030.

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