



# Investing in American Energy

**We are at a pivotal moment in the energy transition**—balancing the need to address climate change while securing energy independence and ensuring national security.

We can, and should, achieve these goals together. The geopolitical effects of the crisis in Ukraine only strengthen the urgency to achieve energy independence and resilience.

Key to our success is the urgent enactment of strong policies that complement the private sector's efforts to innovate and build a clean, energy-independent future for the country – restoring the wind production tax credit and enhancing the tax credit for carbon sequestration.

Together with our customers, GE provides one-third of the world's electricity. As the only U.S. company with expertise across wind, gas, hydro, grid, and nuclear, [GE supports clean energy tax credits](#) to ensure success in decarbonization efforts and continued U.S. leadership in energy manufacturing and jobs – both today and in the future.

An all-inclusive approach across the energy industry avoids the arbitrary selection of winners and losers and gives room for markets to work. In addition to the wind production tax credit (PTC) and 45Q tax credit for carbon sequestration detailed below, a comprehensive package of clean energy tax credits would support diverse generation sources, such as wind, solar, and nuclear, while creating new incentives for storage (including pumped hydro storage), hydrogen, and transmission, as well as manufacturing credits.

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*"I think there's a bipartisan consensus... that we need to do something not only with respect to wind and the production tax credit, but frankly a range of other incentives, including 45Q... We just need to have that policy certainty."*

**- GE CEO Larry Culp at the Milken Institute Global Conference**

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## Securing long-term clean energy tax credits will help:

Reinforce U.S. energy independence by providing support to a variety of energy resources

Strengthen national security by bolstering reliable energy in the U.S.

Ensure continued U.S. leadership in manufacturing and breakthrough technologies critical to meeting our decarbonization targets

Build a strong domestic supply chain to lead the energy transition globally

Create domestic jobs



## Restoring the Wind Production Tax Credit (PTC)

The wind PTC has been critical to accelerating decarbonization, building a strong domestic supply chain, and ensuring U.S. leadership in the industry; however, the PTC expired for all renewable energy technologies commencing construction after **December 31, 2021**, significantly slowing new U.S. wind projects and investments.

Already, the wind industry is feeling the effects of a lack of policy certainty around the PTC that has resulted in decision-making on projects being deferred. According to a leading market expert, the U.S. market will decline from 18 gigawatts of wind installations in 2020 to a forecast number of 11 gigawatts for 2022.<sup>1</sup> The potential employment fallout from failing to support the U.S. wind industry is clear.

The global effects of this slowdown in the U.S. wind industry are readily apparent. As a recent **Bloomberg article** states, "a slowdown in U.S. turbine manufacturing risks further weakening the country's energy independence. ... Now, Chinese competitors see opportunity in the wind market. Companies including Xinjiang Goldwind Science & Technology Co., Envision Group and Ming Yang Smart Energy Group Ltd. plan to invest in factories abroad to take market share."

## Enhancing the Tax Credit for Carbon Sequestration

Carbon management is a critical component of an effective climate strategy and represents an opportunity for the U.S. to lead the development of breakthrough technologies. These technologies will enable a diverse, reliable, and affordable mix of power generation, including natural gas and hydrogen, sustaining jobs and creating new economic opportunity. They will play a key role in meeting our climate goals as one of several solutions to tackle emissions from the industrial and power sectors, according to the **International Energy Agency**.

Proposed enhancements to the Section 45Q tax credit complement important carbon management demonstration programs led by the U.S. Department of Energy. These updates to the tax code will mobilize and sustain the necessary private capital to propel this innovative sector forward, and drive wider, scalable deployment of commercially viable projects that deliver substantial emission reductions.

A look at the economic potential of the wind industry shows:

 Wind technician is the **second-fastest growing job** in America, with **employment of wind turbine technicians** projected to grow 68% from 2020-30 compared to the 8% nationwide average.<sup>2</sup>

 The wind sector supported more than **115,000 jobs in 2020**.<sup>3</sup>

 Accelerating the rate of clean energy deployment to account for 70% of electricity generation by 2030 would result in **more than \$291 billion in domestic investments in wind**.<sup>4</sup>

**GE urges Congress and the Biden administration to work together to enact these policies as soon as possible to provide the U.S. energy industry with certainty and support.**

This will enable continued investments in the technologies needed to achieve energy independence, strengthen national security, create jobs and technologies here at home, ensure our competitiveness with foreign manufacturers, and make our climate targets achievable.

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*For more information on GE's perspective on the energy transition and expertise across energy sources, please visit: [ge.com/about-us/energy-transition](https://www.ge.com/about-us/energy-transition).*

<sup>1</sup> Wood Mackenzie Q1 2022 Global Wind Power Market Outlook Update

<sup>2</sup> U.S. Bureau of Labor Statistics

<sup>3</sup> American Clean Power Association's 2021 Clean Energy Labor Supply

<sup>4</sup> Ibid.