

December 22, 2017
Submitted via email to Katie.Altshuler@gov.ok.gov

Governor Fallin,

Earlier this week, representatives from NextEra Energy, Enel, Southern Power, Apex Clean Energy, E.ON, Invenergy, and Tradewind Energy met with a representative from your office. We were joined alongside our partners at the State Chamber and the Wind Coalition. Not present, but represented through our collective efforts was General Electric, Exelon, Duke Energy, and several other companies with investments in Oklahoma.

Together, these companies and their financial partners have brought more than \$20 billion of capital investment in energy infrastructure to Oklahoma. We acknowledge the work the Legislature must accomplish in this second Special Session and appreciate the opportunity to express our concern with various proposals being discussed in the capitol.

First, the principal purpose of our meeting was to express our concern and dissatisfaction with representations that other industries in Oklahoma's business community are recommending limiting, reducing, or repealing current tax policy for electricity generation facilities powered by wind. To date, our companies have not been included in any discussion about tax policy that would alter our business. More importantly, our companies would never advocate for altering tax policy on another business.

As you know, our industries have always been willing to discuss solutions for Oklahoma's fiscal challenges. Oklahoma's wind companies have worked to help provide budget appropriators with stability, while also keeping Oklahoma attractive for investment. This is evidenced by legislation you signed into law that accelerated the qualification date for tax incentives for power production from wind and eliminated the property tax exemption for those facilities. Today, new wind generation investments receive no industry-specific Oklahoma tax incentives and are subject to the same tax burden as other electric power generators in the state.

Therefore, as some of Oklahoma's leading businesses, this letter serves as our request to be included in any further discussions related to tax policy in the State that have an impact on our businesses and the consumers of the electricity we produce.

Second, in our meeting, the State Chamber offered you the opportunity to convene representatives from across the business community to have discussions about the budget and the long-term fiscal health of the State. Certain political forces have tried to create a false similarity when it comes to tax policy choices and options in Oklahoma. While all State incentives for new electric facilities fueled by wind projects in Oklahoma have now ended, included in the State Chamber's 2018 Legislative Agenda are two policy priorities worth mentioning in response:

- (A) Protect valuable economic development incentives to keep Oklahoma competitive; and,
- (B) As part of an all-inclusive energy approach, support a stable and reliable tax structure for all energy development that protects existing investment and promotes new capital investment in Oklahoma.

Third, various revenue proposals that single out the wind industry are ill-advised and are already having a dampening effect on investment in the State. This is not just true for our businesses, but for all of Oklahoma's businesses.

The soundness and stability of Oklahoma's business climate and tax policy helped us deploy substantial capital in Oklahoma. Material alterations to that stability will be disruptive for investors, power purchasers, the power markets, and Oklahoma ratepayers. As one of Oklahoma's growing industries, we must have a voice in the policy discussion to preserve Oklahoma's place as a leader in renewable energy growth.

Continued

Respectfully,

/s/John DiDonato
Vice President
NextEra Energy

/s/Mark Goodwin
President & CEO
Apex Clean Energy

/s/Jeff Clark
President
The Wind Coalition

/s/Andrew Dickson
Vice President
Duke Energy

/s/Rafael Gonzalez
President & CEO
Enel Green Power

/s/Sean Logsdon
Vice President
E.On

/s/Casey Kelley
Sr. Manager
Exelon

/s/Rob Freeman
President & CEO
Tradewind Energy

/s/John Pemberton
SVP, CAO, & GC
Southern Company

/s/James T. Murphy
President & COO
Invenergy