



February 15, 2012

**RE: Testimony presented to Michigan State House of Representatives, Tax Policy Committee regarding HB 5278 (Damrow) and HB5279 (Damrow).**

Good morning. My name is Rick Wilson and I am the Vice President of Operations for Heritage Sustainable Energy. Heritage is a Traverse City- based company established in 2004. We are Michigan people using Michigan money to develop, own and operate utility-scale wind energy projects in Michigan. To date we have successfully developed the 60 MW – 29 turbine, Stoney Corners Wind Farm in Missaukee and Osceola Counties. This project began construction and operations in 2008 with the final phase being completed in 2011. We are currently in the construction phase of the 28MW - 14 turbine Garden Wind Farm in Delta County. This project will be commercially operational in the third quarter of 2012.

While we respect Representative Damrow's efforts and believe that the concept of establishing a utility wind farm-related tax based upon production may be appropriate, Heritage is not in support of HB 5278 and HB5279 as currently proposed for the following reasons:

- **They will impose a dramatic tax increase on existing projects which are already built and operating under existing financial models. The financial models used for existing projects use the existing tax structure and altering this imposes a retroactive tax.**
- They will impose a substantial tax burden on future projects.
- They will not promote entrepreneurial investment in the State of Michigan.
- These bills will not promote the creation of Michigan-based renewable energy generation facilities.
- These bills will not promote the creation of Michigan-based manufacturing jobs to support renewable energy project development, operations and maintenance.
- These bills will not result in lower electrical costs to the citizens of Michigan.
- These bills will drive the development of wind projects and entrepreneurial investment into neighboring and competing states that currently have much lower tax rates. Ohio, Illinois, Wisconsin and Minnesota all have taxes on commercial wind equipment that is significantly lower than both our existing tax structure and that proposed.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rick Wilson", is written over a faint, larger version of the signature.

Rick Wilson  
Vice President, Operations