

Excerpt from Fuel Fix.com, July 20, 2011

<http://fuelfix.com/blog/2011/07/20/wind-power-wants-u-s-oil-tax-break-used-by-kkr-blackstone/>

Wind power wants to tap oil tax break used by KKR, Blackstone

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Developers of wind farms and solar power plants have begun lobbying for legislation that would let them form master limited partnerships, a financial structure used by pipeline operators, drillers and mine operators, as well as private-equity companies such as KKR and Blackstone. The publicly traded equities, valued at more than \$230 billion at the end of last year, pay no corporate taxes, passing tax liability directly to investors.

Eliminating the corporate tax burden increases the potential profit of master limited partnerships and makes them appealing to wealthy investors. The tax vehicles were responsible for building much of the U.S. oil and gas pipeline networks, and investors such as John McKenna say they may deliver the same boost to alternative energy projects.

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The credits helped make wind farms the second-fastest growing source of new electricity after natural gas, and trade groups led by the American Wind Energy Association and the American Council on Renewable Energy are lobbying to make master limited partnerships a long-term replacement to help the industry compete with fossil fuels.

'Cheap Financing'

"I sit here and smile every time I hear the oil and gas industry complain about losing tax breaks that they've had for a 100 years," ..., chief executive officer of the American Wind Energy Association in Washington, said in an interview. "They got their start with cheap financing from MLPs and we want that, too."

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Indexes Gain

The Alerian MLP Index of 50 energy MLP's has gained 15 percent in the past year, compared with a 0.2 percent decline in the Wilderhill New Energy Global Innovation Index of 100 clean energy companies over the same period.

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New Capital

"The whole MLP objective is to bring new capital into an industry that otherwise wouldn't attract it," ...

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