

Budget uncertainty hits geothermal sector

By Jason Hildago, Reno Gazette-Journal

The highly-polarized budget debate combined with wishy-washy renewable energy policy from Washington, D.C., were identified as key threats to the speedy development of the U.S. clean economy, said experts at a national geothermal conference in Reno.

The need to pare an extra \$1.2 trillion from the federal budget especially raised concerns at the Geothermal Energy Association's National Geothermal Summit, largely because of its potential impact on federal tax credits and incentives currently available for renewable energy projects.

These include temporary tax credits and loan guarantees that developers consider essential in kick-starting expensive and oftentimes high-risk projects.

"The debt ceiling and debt reduction issue in Washington, D.C., really sucked the oxygen out of many firms," said Jonathan Weisgall, vice-president of legislative and regulatory affairs for MidAmerican Energy Holdings Co. "It is really the overriding issue that will trickle to all parts of the economy, including renewables."

The concern was echoed by Keith Martin, a partner with international law firm Chadbourne and Park, LLC.

"Think about what was going on just a year ago – there was incredible euphoria about renewables," Martin said. "Now, renewable folks are trying to stay in the shadows while trying to find "» which budgets will get cut (by Congress). They're hoping to come out into the daylight next year and push an extension for these incentives."

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