



August 12, 2013

The Honorable Fred Upton
Chairman
Committee on Energy and Commerce
United States House of Representatives
Washington D.C. 20515

The Honorable Henry Waxman
Ranking Member
Committee on Energy and Commerce
United States House of Representatives
Washington, D.C. 20515

Dear Chairman Upton and Rep. Waxman:

The decade-long effort to construct a wind turbine farm on Horseshoe Shoals in Nantucket Sound off Cape Cod known as Cape Wind should be examined by Congress.

Despite numerous economic and environmental concerns, Cape Wind's backers are trying to rush a request for a loan guarantee through the United States Department of Energy in order to meet statutory deadlines before the impact of the project can be thoroughly considered.

Cape Wind no longer makes economic sense. The 130 turbine wind farm is projected to cost \$2.6 billion. That works out to approximately \$20 million per turbine to generate energy for just 25 years. Furthermore, at .23 cents per kilowatt hour, the electricity produced will be 2 to 3 times the price of that produced by conventional means.

In a further blow to the economic competitiveness of Massachusetts, NStar and Northeast utilities have been forced to purchase power from Cape Wind at high rates, which will drive up energy prices for businesses in the state and further hamper prospects for economic growth.

These turbines will be one of the most expensive means of power generation to construct and will produce energy at a premium price. Investors have taken note of this and refused to back the project in the private financial markets. Cape Wind has had to go overseas to the Bank of Tokyo to find support for the financing, but only if the Department of Energy will guarantee the loan.

The 600-1000 U.S. jobs promised as part the project have disappeared. The turbines will be manufactured in Germany while Mass Tank, the U.S. firm that would have laid the monopole foundations, has lost the contract.

From top to bottom, Cape Wind is another Solyndra in the making. History has shown government backed loans, green jobs that never materialize, and mandated purchase of output do not alone make speculative projects economically viable.

The interests of the U.S. taxpayers must be protected. The plug should be pulled now, at least as far as any further federal involvement in Cape Wind's financing is concerned. For the above reasons, we respectfully request you look into the Cape Wind project and ask the Department of Energy to again deny its backers' request for a federal loan guarantee.

Sincerely,

George Landrith
Frontiers of Freedom

Grover Norquist
Americans for Tax Reform

Phil Kerpen
American Commitment

Larry Hart
American Conservative Union

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Tom Schatz
Citizens Against Government Waste

Heather Higgins
Independent Women's Voice

David Williams
Taxpayers Protection Alliance

Terry Scanlon
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Peter J. Thomas
The Conservative Caucus, Inc.

cc: Rep. Doc Hastings and Rep. Peter DeFazio, House Committee on Natural Resources
Sen. Ron Wyden and Sen. Lisa Murkowski, Senate Committee on Energy and Natural Resources

Affiliations are listed for identification purposes.