

## CTC for Wind & Solar Charrette Agenda

The River House  
Carbondale, CO  
March 27, 2017

9:00am Coffee and light breakfast

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9:30am Welcome

- Welcome – Chip Comins
  - CTC Principles and Charrette Process – **Who?**
  - CTC Financial Impact and C-T-C framework of the day – **Who?**
  - *Objective for today = to create specific, actionable policy recommendations (aka “actionable proposal(s)”) relating to Clean Tax Cuts (CTC) for wind and solar.*
  - *Process*
  - Roundtable introductions of stakeholders
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10:15am What is CLEAN?

1. How is “clean” defined and measured in the wind and solar sectors? What are the major wind and solar impact categories and metrics?
  2. How reliable and useful is the current approach to clean? i.e. What’s working well? What’s missing? Who is setting the best standard?
  3. How might we qualify the wind and solar sectors so that they impact-fully earn CTC rate reductions, using existing market participant analysis and verification? What metric targets should trigger tax reduction and how will that be documented or verified?
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10:45am Which TAXES do we target?

1. Which tax payers and taxes do we target and why? Where is the best point of leverage on the sector? Who is making a taxable profit? What is the potential impact of targeting certain taxes? Should we consider state and local as well as federal taxes? International taxes? What would it take to make the wind and solar sectors triple-tax-free (or triple-tax-reduced)?
2. How do we measure economic and environmental impact on any CTC proposal? What do we need to know? What model to use?
3. Is there a way to use the wind and solar impact verification to reward tax reduction on equity returns?

4. How much of a tax cut is needed to create impact? And how would this relate specifically to wind and solar?

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11:15am	How do we CUT? <ol style="list-style-type: none"><li>1. What is the mechanism for awarding tax rate reduction? What alternatives, options, pros &amp; cons? What is the mechanism for ordinary taxes now and in the near future? Can we mimic that?</li><li>2. How do we pay for CTC? What are the tax credits or regulations that might be eliminated and what is their value? Is dynamic growth arbitrage realistic and possible to model?</li><li>3. What sector differences exist? Do differences suggest different mechanisms? What are the barriers, opportunities and potential unintended consequences?</li></ol>
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11:45am Set up break out groups #1 – mission and questions

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12:00pm *Lunch Break*

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12:30pm	<p>Break out #1 – <b>Creating the Elements of the Straw Proposal(s)</b></p> <p><b><u>Instructions to groups – ALL</u></b></p> <ul style="list-style-type: none"><li>• Approximately 1 hour to discuss, including time to create report back flip-charts with key points for group discussion.</li><li>• Please ensure these are clear and can be understood by the wider group as they will be used to create the “straw proposal(s)” for policy recommendations.</li><li>• Assign someone to capture key points, and some to provide the report out to the wider group.</li><li>• Questions:<ol style="list-style-type: none"><li>1. What specific policy choices need to be made in order to set new policy around Clean Tax Cuts?</li><li>2. What additional information would be needed to take this further? Who would need to be involved?</li></ol></li></ul> <p><b><u>Instructions to groups – By category</u></b></p>
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**CLEAN:**

Consider the questions discussed earlier this morning as well as:

1. What is the metric that is being rewarded?
2. Why this metric and not others?
3. How might this be more (or less) relevant for the wind and solar sectors, issuers and impacts?

4. How would tax payers prove this CLEAN factor?

*Prepare menu of options for discussion with the wider group. These options may form part of a complete policy proposal.*

*Focus on CLEAN, but if relevant TAX and CUTS elements emerge, capture them on a separate sheet.*

**TAX:**

Consider the questions earlier this morning as well as:

1. Which tax payers are affected by this, e.g. is it capital taxes lenders and stakeholders pay on interest and capital gains?
2. What is the impact of tax cuts for wind and solar on, e.g. reducing GHGs; making the tax code more efficient; growing the existing market? Are there other impacts?
3. How can we model these expected environmental and economic impacts from cutting these taxes for wind and solar?
4. What is the current state of the solar and wind markets and what would a CTC do to them? (growth, expansion, reduction etc.)

*Prepare menu of options for discussion with the wider group. These options may form part of a complete policy proposal.*

*Focus on TAX, but if relevant CLEAN and CUTS elements emerge, capture them on a separate sheet.*

**CUTS:**

Consider the questions discussed earlier this morning as well as:

1. What are the tax credits that might be eliminated and what is their value?
2. How do we make the switch? Is it voluntary? Phase-in?
3. If you eliminate other tax cuts/subsidies to pay for this, what does that mean for the big picture?
4. What straw proposal mechanisms seem the easiest and most impactful, and best to develop further?

*Prepare menu of options for discussion with the wider group. These options may form part of a complete policy proposal.*

*Focus on CUTS but if relevant CLEAN and TAX elements emerge, capture them on a separate sheet.*

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- 1:30pm Report back – Menu of possibilities for CLEAN TAX CUT policies
- Breakout leaders report findings, ~10 minutes per group, with facilitated Q&A across the full group
  - Facilitated discussion to identify most promising straw proposals to develop further
  - Before breaking – all participants will select which one area they'd like to go further with in the next round
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2:00pm Set up break out groups #2 – mission and questions

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2:15pm *Coffee Break*

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2:30pm Break out #2 (or plenary TBD) – **Refining the Straw Proposals**

Breakout groups refine straw proposals, using CLEAN-TAX-CUT menu now visible on the wall. Instructions to breakout groups are to:

- Develop actionable plan that can be modeled;
  - Answer key questions for each proposal such as who could be a pioneer of this policy or policies? Who might oppose it and why?
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- 3:20pm Report back – Menu of possibilities for CLEAN TAX CUT policies
- Breakout leaders report findings, ~10 minutes per group, with facilitated Q&A across the full group
  - Facilitated discussion to identify most promising straw proposals to develop further
  - Before breaking – all participants will select which one area they'd like to go further with.
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- 3:50pm Summary and wrap up
- Brief recap of where we landed, key messages emerging
  - Closing remarks from hosts, including next steps
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4:00pm *Adjourn*

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