

February 27, 2020

The Honorable Richard Neal, Chairman
House Committee on Ways and Means
1102 Longworth House Office Building
Washington, D.C. 20515

The Honorable Kevin Brady, Ranking Member
House Committee on Ways and Means
1139 Longworth House Office Building
Washington, D.C. 20515

The Honorable Charles Grassley, Chairman
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Ron Wyden, Ranking Member
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairmen Neal and Grassley and Ranking Members Brady and Wyden:

We write on behalf of our millions of members, supporters and employees to ask that you prioritize enacting a robust package of critical clean energy tax incentives this year. These incentives create jobs, boost energy independence and cut greenhouse gas emissions that contribute to climate change. The science tells us we are running out of time to avoid the worst impacts of climate change, which threatens to devastate our communities and our economy. Accelerating the deployment of clean energy and electric vehicles is essential to addressing this crisis. Tax incentives remain our most effective federal policy tool, but many of them are phasing down, in need of modernization, or will soon expire. We cannot afford to backslide on clean energy and the climate. We ask that you come together to get these clean energy tax incentives done in the 116th Congress.

According to a December 2019 poll by the Global Strategy Group, 89% of Americans from across the political spectrum support extending clean energy tax credits for solar, wind and energy storage to combat climate change, grow the economy, and protect public health. These findings complement the conclusions of a recent Rhodium Group analysis showing that extending tax credits for solar and wind could grow renewables to as much as 38% of total U.S. electricity generation by 2030. From electric vehicles to energy efficiency, there are now over 3 million Americans working in the clean energy sector; these pro-business/pro-consumer incentives make clean energy more affordable and help create jobs in every state.

Updating and extending tax incentives for clean energy, energy storage, energy efficiency and electric vehicles is essential for addressing climate change, and we cannot afford further delay. We urge you to enact the following provisions this year.

- **H.R. 2096/S. 1142, “The Energy Storage Tax Incentive and Deployment Act of 2019”.** This bipartisan legislation will extend to batteries and electricity storage systems the same ITC currently offered to PV solar. Energy storage helps integrate more renewable energy onto our electric grid and increases grid reliability and resiliency.

- **H.R. 3961 and S. 2289, “The Renewable Energy Extension Act”.** Extending the investment tax credit for solar and other technologies will help us build on the current 2.6% of solar in our electricity mix. The ITC can spark major investment in renewable energy at this critical time, create hundreds of thousands

of jobs, and help ensure that immediately available technologies are deployed rapidly to meet pressing climate goals.

***Extend the Production Tax Credit (PTC) for wind as included in the House Ways and Means Committee's GREEN Act proposal.** Extending the current PTC for wind for an additional five years will expand the 500 manufacturing facilities involved in producing wind energy components and dramatically reduce carbon emissions. In 2018, the electricity generated from wind turbines avoided an estimated 201 million tons of carbon pollution, or more than 43 million cars' worth of CO2 emissions. Alternatively, Congress could create a technology-neutral tax credit for renewable energy technologies based on their contribution to carbon emissions reduction.

- **S. 1988/H.R. 4887, "The Offshore Wind Power Act", and S. 1957/H.R. 3473, "The Incentivizing Offshore Wind Power Act".** By extending the 30 percent investment tax credit for offshore wind facilities, these bills will give us another tool in the climate fight by unlocking vast quantities of affordable, zero-emissions electricity.

- **H.R. 2704, "The Renewable Energy Transferability Act".** This bipartisan bill would provide limited transferability for renewable energy investment tax credits (ITCs) and production tax credits (PTCs), which would expand the pool of investors for existing renewable energy incentives and drive additional renewables deployment. Alternatively, Congress could facilitate tax credit monetization through a "direct pay" approach as outlined in the House Ways and Means Committee's GREEN Act proposal.

- **H.R. 2256/S. 1094, "The Driving America Forward Act".** Transportation is the largest source of U.S. greenhouse gas (GHG) emissions, and cars and light-duty trucks are responsible for about 60 percent of those emissions. This bill will increase the number of electric vehicles that are eligible for the existing tax credit, thereby dramatically increasing the number of electric vehicles on the road, improving air quality and cutting carbon emissions.

- **H.R. 4506/S. 2588, "Home Energy Savings Act"; H.R.4646/S. 2595, "New Home Energy Efficiency Act".** The residential and commercial sector accounts for 40 percent of U.S. energy consumption. Improved efficiency will reduce harmful emissions, save businesses and consumers hundreds of millions of dollars annually on energy bills, and reduce the demand on the electric grid. The 25C incentive for homeowner efficiency improvements, the Section 45L incentive for energy efficient new homes, and the Section 179D deduction for energy efficient commercial and multifamily buildings are outdated and should be modified to reflect new technologies and market conditions.

We ask that you prioritize support for these critical clean energy tax incentives so that we can create jobs, increase energy independence, and make progress on addressing climate change instead of going backwards. While not all the undersigned organizations work directly on each of these policies, we are united in our request for your consideration of these crucial clean energy priorities.

Sincerely,

American Council on Renewable Energy
American Wind Energy Association
Business Network for Offshore Wind
Citizens Climate Lobby
Climate Hawks Vote
Earth Justice
Electric Drive Transportation Association
Energy Storage Association
Environment America
Environmental Defense Fund
EV Drive Coalition
Friends Committee on National Legislation
League of Conservation Voters
National Audubon Society
National Wildlife Federation
Natural Resources Defense Council
Protect Our Winters
Public Citizen
Sierra Club
Southern Alliance for Clean Energy
Solar Energy Industries Association
The Climate Reality Project
Union of Concerned Scientists
Voices for Progress
World Wildlife Fund