July 26, 2019

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

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

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

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

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

As a diverse community of stakeholders intent on tackling the climate crisis and reducing pollution from our energy use, we write on behalf of our millions of members, supporters and employees, to ask you to incentivize clean energy deployment through the tax code, as it is our best opportunity to meaningfully address climate change in this Congress.

The United States will not be able to adequately reduce its emissions and meet its commitments under the Paris climate agreement if we do not incentivize wider deployment of clean energy technologies, including energy storage, electric vehicles, renewable energy and energy efficiency. Many of these clean energy tax incentives are outdated, are phasing down, or have expired. Updating and extending these tax credits is critical to addressing climate change, and we urge you to include the provisions below in the next tax vehicle.

- H.R.2096 and 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 30 percent 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.2256 and 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. 3473 and S. 1957: The Offshore WIND Act: By extending the 30 percent investment tax credit for offshore wind facilities through 2025, this legislation 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 ITCs and production tax credits, which would expand the
pool of investors for existing renewable energy incentives and drive additional renewables deployment.

- Extend and modify several tax incentives for energy efficiency, which save residential consumers and businesses money, reduce harmful air pollution, and represent the most cost-effective way to reduce greenhouse gas emissions that contribute to climate change. The Section 179D deduction for energy efficient commercial and multifamily buildings is expired and must be extended. The 25C incentive for homeowner efficiency improvements and Section 45L incentive for energy efficient new homes are outdated and should be modified to reflect new technologies and market conditions.

- Extend the Investment Tax Credit (ITC) for solar, wind and other clean energy technologies to maximize greenhouse gas emissions reductions and provide technology parity. The ITC has helped to create hundreds of thousands of jobs and spurred billions of dollars in economic growth. Alternatively, the Committee could create a technology-neutral credit for renewable energy technologies based on their contribution to carbon emissions reduction.

Tax incentives have been our nation’s most powerful policy tools for driving down emissions and increasing our nation’s use of clean electricity over the last decade. But the phase-out or absence of tax credit support without replacement by other federal market signals means these technologies will not be rewarded for their zero-carbon benefits - meanwhile other industries can continue to emit climate pollution at no cost. Renewables should not be competing on an unlevel playing field. The tax code should be working for the benefit of the climate as opposed to against it. Without continued tax support for renewable technologies the clean energy momentum we are seeing across the country will slow, and we are unlikely to be on a trajectory to avoid the worst impacts of climate change.

These efforts, along with others that ensure strong labor standards and incentives for domestic manufacturing, can help ensure American leadership in clean energy technology and drive domestic manufacturing and the creation and maintenance of good American jobs in the next generation of technology. We ask that you prioritize support for energy storage, clean transportation, clean energy and energy efficiency in any legislation that modifies the tax code, so that we can continue to 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 tax priorities.

Sincerely,

American Council on Renewable Energy
American Wind Energy Association
Business Network for Offshore Wind
Center for Biological Diversity
Citizens Climate Lobby
Clean Energy Action
Clean Water Action
Climate Hawks Vote
Environment America
Environmental Defense Fund
Greenpeace USA
League of Conservation Voters
National Audubon Society
National Wildlife Federation
Natural Resources Defense Council
Polar Bears International
Public Citizen
Sierra Club
Solar Energy Industries Association
Sunrise Movement
The Wilderness Society
Union of Concerned Scientists
World Wildlife Fund