



October 1, 2015

The Honorable Lisa Murkowski, Chair
Senate Energy and Natural Resources Committee
709 Hart Senate Office Building
Washington, DC 20510

The Honorable Maria Cantwell, Ranking Member
Senate Energy and Natural Resources Committee
511 Hart Senate Office Building
Washington, DC 20510

Dear Chair Murkowski and Ranking Member Cantwell:

The Business Council for Sustainable Energy (BCSE) recognizes your leadership in moving forward with legislation, the Energy Policy Modernization Act, S.2012, to address energy challenges in the U.S. As the legislative process moves forward the Council encourages Congress to incorporate a tax title in the legislation. Federal tax policy has been as effective as any state or federal energy policy mechanism in helping to ensure an adequate, reliable, safe, clean supply of energy resources. For this reason, the Council believes that a tax title is a critical missing piece in the current legislative package.

BCSE is a coalition of companies and trade associations from the energy efficiency, natural gas and renewable energy sectors, and also includes independent electric power producers, investor-owned utilities, public power and commercial end-users. Founded in 1992, the Council advocates for policies that expand the use of commercially-available clean energy technologies, products and services. The coalition's diverse business membership is united around the revitalization of the economy and the creation of a secure and reliable energy future for America.

Stable tax policy provides predictable market conditions and enables clean energy businesses to grow, reduce costs and attract investment. Existing clean energy tax credits, such as the Production Tax Credit (PTC), Investment Tax Credit (ITC), and energy efficiency tax credits, such as the 179d credit for energy efficient commercial buildings and other energy efficiency credits for residential customers, have achieved substantial success and have allowed our nation to reap the significant energy, economic, national security and environmental benefits associated with utilizing clean energy resources while reducing costs for homeowners and businesses.

The Production Tax Credit (PTC) and Investment Tax Credit (ITC) encourage development of proven renewable energy projects, such as landfill gas, biomass, waste-to-energy, fuel cells, hydropower and marine and hydrokinetic, wind, solar, and geothermal resources. According to the 2015 edition of the BCSE-BNEF [Sustainable Energy in America Factbook](#), these renewable energy technologies occupy a prominent part of many states' capacity mix and provide a steady flow of power regardless of external conditions. A longer term extension of these credits is needed so that technologies, such as hydropower, geothermal, waste-to-energy and other bioenergy-based power, which have long business cycles, are able to access them.

In addition to a longer term extension, there are a number of other changes in clean energy tax policy which the Council

is seeking, including a modification of the “placed in service” standard for the ITC to a “commence construction” standard. The current “placed in service” requirement coupled with the lead time for installation of advanced energy projects, means that the ITC will effectively expire at the end of 2015, if not sooner.

BCSE also encourages Congress to expand Master-Limited Partnership (MLP) eligibility to renewable energy and energy efficiency technologies that are a growing part of America’s energy infrastructure. And as a counterpart to these private sector tax incentives the Clean Renewable Energy Bond (CREB) program provides tax credit bonds to consumer-owned utilities which assists in the financing of renewable electricity facilities whose benefits would flow directly to utility customers. Congress should provide adequate funding for the CREBs program or establish a policy mechanism similar to the PTC that works for public power.

The Council appreciates your consideration of this request and we look forward to working with you to incorporate these critical tax measures in the energy bill as it moves through the legislative process.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lisa Jacobson".

Lisa Jacobson, President
Business Council for Sustainable Energy

Cc: The Honorable Orrin Hatch, Chairman, Senate Finance Committee
The Honorable Ron Wyden, Ranking Member, Senate Finance Committee
Members of the United States Senate