The Business Council for **Sustainable Energy**®

December 5, 2016

With Congress preparing to consider its last set of bills for the 114th Congress, the Business Council for Sustainable Energy (BCSE) urges Congress to provide a seamless, multi-year extension of the clean energy tax provisions that are currently slated to expire at the end of 2016. Inaction on these measures risks job loss and stalled investment in the energy sector.

Here is what industry leaders are saying about the impact of inaction on these critical provisions:

Chief Executive Officers At Bloom Energy And Plug Power Say Uncertainty Creates A "Chilling Effect" In Their Businesses. "While our industry has benefited from these tax credits for a little over five years and this has helped establish American fuel-cell technology leadership, other technologies have benefited from similar tax credits for decades and current law guarantees those will continue indefinitely. [...] We are not seeking these tax credits indefinitely, and repeat our commitment to a phase out in five years. We are medium-sized companies with finite resources. The uncertainty that this issue creates is having a chilling effect on our growth in our core businesses right now." (Andrew Marsh And KR Sridhar, "Op-ed: Create A Level Playing Field And Let The Market Pick Winners And Losers," The Hill, 7/5/2016)

"The federal tax credits continue to play an indispensable role incentivizing the deployment of new clean, renewable hydropower generation across the country, along with the local economic and job opportunities associated with these projects. The impending expiration of these credits will put the hydro industry at a distinct competitive disadvantage, needlessly limiting the amount of new baseload renewable power and the grid benefits it provides. In addition, in the coming years, if these credits are extended they could support new innovative marine energy projects that are close to commercialization. We urge the Congress to act immediately to extend these critical provisions." **Jeff Leahey, Deputy Executive Director, National Hydropower Association**

"The 179D federal tax deduction is the only incentive in place for commercial building efficiency improvements. It has been a valuable tool that allows a private commercial, and multi-family, or public sector building owner to receive a $1.80 per square foot deduction for an energy efficiency upgrade. While improvements are needed to the Section 179d deduction, allowing it to expire on December 31, 2016 would impact local US jobs and much needed investment in commercial buildings." **Mark Wagner, Vice President, Government Relations, Johnson Controls, Inc.**

"As a provider of combined heat and power (CHP) systems throughout the country, our company will be able to complete more energy- and cost-saving projects with the assistance of the investment tax credit (ITC). CHP can be used with nearly any fuel source, and can serve as a resilient, on-site source of electricity to protect facilities from power outages as was demonstrated by our New Jersey projects during super storm Sandy. Allowing the federal tax incentive for CHP to lapse would hurt our clients' ability to invest in such systems, costing us business and leaving commonsense energy savings on the table." **Frank E. DiCola, Chairman/CEO, DCO Energy, Mays Landing, New Jersey**

Morry Markowitz, Fuel Cell and Hydrogen Energy Association President "Recent announcements of layoffs are a preview of what might happen if this is not resolved...At a time when voters overwhelmingly voted with their top priority being their economic future, why would we risk any losses?" Read his statement here.

From the American Gas Association "Existing combined heat and power (CHP) installations fueled by natural gas consume approximately 4.5 Tcf of natural gas, representing 18% of annual demand. An investment tax credit for CHP could increase annual demand of natural gas by an additional 13%."

Kateri Callahan, President of the Alliance to Save Energy "It is urgent to hold the energy efficiency tax incentives in place. Improving the efficiency of existing homes, and building efficient new houses directly creates jobs in communities across America that cannot be outsourced and shipped overseas. This is exactly the kind of smart tax policy and economic activity we need to encourage."

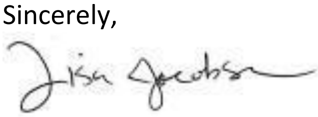
“For the emerging biogas industry, the Section 45 tax credit is one of the only incentives our industry can use. Expiration will not only stop project development in its tracks, the uncertainty of whether this credit will be available or not puts our small- and medium-sized businesses at a huge disadvantage compared to other industries that already have 5-year certainty for their tax credits. America needs a strong biogas industry which offers baseload renewable energy and infrastructure built with American workers and American materials to recycle inedible food scraps, manure and biosolids. It's worth investing for 3-5 years to develop enough new projects so natural market forces can take over for further industry growth.” **Patrick Serfass, Executive Director, American Biogas Council**

"Biomass facilities support many rural economies with thousands of good-paying jobs, and solve problems beyond power generation. millions of tons of hazardous fuel are piling up in dry forests across the country - fuels that biomass facilities could help clear out and put to use, helping share the costs the federal government bears for forest fire prevention. The extension of the PTC would provide some power price stability, helping biomass developers attract investments for facilities that will meet many needs." **Bob Cleaves, President & CEO, Biomass Power Association**

<u>The time to act is now.</u>

BCSE urges Congress to provide a seamless, multi-year extension of these important tax provisions before Congress adjourns. We look forward to working with you to achieve this important goal, and thank you in advance for your consideration.

Sincerely,



Lisa Jacobson, President

For a copy of the BCSE October 28, 2016 letter to Members of the House of Representatives, go [here](), and for a copy of the BCSE October 28, 2016 letter to Members of the United States Senate, go [here]().