



October 10, 2018

Congressman Kevin Brady
Chairman
Committee on Ways and Means
1011 Longworth House Office Building
Washington, DC 201515

Congressman Richard Neal
Ranking Member
Committee on Ways and Means
341 Cannon House Office Building
Washington, DC 201515

Senator Orrin Hatch, Chairman
Senate Finance Committee
104 Hart Senate Office Building
Washington, DC 20510

Senator Ron Wyden, Ranking Member
Senate Finance Committee
221 Dirksen Senate House Office Building
Washington, DC 20510

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

I am writing on behalf of the Business Council for Sustainable Energy (BCSE) to ask that Congress enact legislation before the end of the year to extend key clean energy tax measures that were left unaddressed by recent tax reform legislation.

The Business Council for Sustainable Energy is a broad-based coalition of companies and trade associations from the energy efficiency, natural gas and renewable energy sectors. It includes independent electric power producers, investor-owned utilities, public power, manufacturers, commercial end users and service providers in energy and environmental markets. Founded in 1992, the coalition's diverse business membership is united around the continued revitalization of the economy and the creation of a secure and reliable energy future in America.

BCSE urges Congress to support legislation that provides durable tax policy that is equitable across eligible technologies. While Congress has made significant inroads on tax policy, much remains to be done in these important sectors.

Renewable energy, energy efficiency and natural gas deliver jobs, increased economic growth, greater energy productivity and fewer emissions for the United States. This market dynamism and success is partly credited to tax policy frameworks that have benefitted some, but not all, clean energy technologies.

It is critical that Congress formulate and enact stable, long-term tax policy frameworks that will support investment and job creation. Tax incentives in the energy sector should be structured such that benefits are provided to all qualifying technologies in accordance with the energy, environmental and other public benefits they generate. Additionally, it is important that tax policies are established over a sufficient duration to provide investors with the confidence they need to proceed with major investments. As such, Congress should quickly enact the following:

1. **Enact H.R. 4137, the "Renewable Electricity Tax Credit Equalization Act"**, introduced by Rep. Elise Stefanik (R-NY) to address an inequity for "baseload" renewable energy technologies including: biomass, geothermal, landfill gas, waste to energy, hydropower, marine and hydrokinetic energy. The §45(d) and §48 tax credits for these technologies have lapsed, while the credits for other renewable resources, such as wind and solar, received long-term tax credit extensions. The tax credits for "baseload" renewable energy should be extended.

2. **Enact H.R. 6274/S.3449, the “Electric CARS Act”**, introduced by Rep. Peter Welch (D-VT) and Sen. Jeff Merkley (D-OR), which is an attempt to accelerate the adoption of fuel cell electric vehicles and plug-in electric vehicles, spur the build out of more needed infrastructure, and foster growth of domestic resources. The bill would accomplish these goals by extending the credits for fuel cell electric vehicles (§30B,) alternative fuel vehicle refueling infrastructure (§30C), as well as modify the 200,000 per manufacturer phase-out of the credit for plug-in electric drive vehicles (§30D).
3. **Enact H.R. 4649/S. 1868 to clarify that the entire portfolio of energy storage (i.e., grid batteries, pumped hydro, compressed air/liquids, thermal storage) qualifies for a \$48 tax credit** as a stand-alone, eligible advanced energy technology. The legislation has been introduced by Reps. Ryan Costello (R-PA) and Mike Doyle (D-PA) and Sens. Dean Heller (R-NV) and Martin Heinrich (D-NM).
4. **Enact H.R. 1090/S. 1409, the “Technologies for Energy Security Act”, specifically Sections 3(a) and (c), as well as S. 2256, the “Tax Extenders Act of 2017,” specifically Sections 311(a) and (c), to allow commercial geothermal to qualify for the same \$48 tax credit** commercial solar can utilize. Absent this change, commercial geothermal is unable to compete on a comparable basis with commercial solar S. 1409 also includes waste heat to power (WHP) while the House bill does not. S. 1409 should be the model for WHP language.
5. **Extend a range of energy efficiency-related tax credits**, with certain updates and modifications to promote high-efficiency measures including:
 - the §179D Energy Efficient Commercial Building Tax Deduction, which promotes energy efficiency in commercial and multifamily buildings,
 - the §25C Nonbusiness Energy Property Credit that incentivizes homeowners for efficiency upgrades and equipment purchases such as weatherizing or installing new windows or more efficient heating and cooling equipment, and
 - the §45L Energy Efficient Home Credit.

The Council encourages swift action on these pieces of legislation. We would welcome the opportunity to meet with you and your staff to further discuss the Council’s position. Please contact Ruth McCormick with the Council’s staff at rmccormick@bcse.org to schedule a time to meet.

Sincerely,



Lisa Jacobson, President
Business Council for Sustainable Energy

CC: Member of the House Ways and Means Committee
Members of the Senate Finance Committee