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October 30, 2019

Chairman Richard Neal
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C.

Dear Chairman Neal:

We, the Democratic members of the Select Committee on the Climate Crisis, write to urge you to use any year-end tax deal to accelerate the transition to a clean energy economy and cut carbon pollution.

The 2018 National Climate Assessment made clear that the United States is already experiencing the consequences and costs of the climate crisis. The urgency of the climate crisis demands that we do as much as we can as soon as we can. Instead, President Trump has blocked any administrative action on climate change and promised to withdraw the United States from the Paris Climate Agreement.

Tax incentives for clean energy and clean vehicle technologies are an opportunity for this Congress to secure meaningful progress in the fight against climate change. Those opportunities are few and far between, and we cannot let this one pass us by.

The Select Committee Democrats request that you prioritize the following clean energy tax policies in your end-of-year tax package.

**Zero Emission Vehicles:** The transportation sector is now the largest source of carbon dioxide emissions in the United States. Vehicle electrification is a critical part of the solution. To expedite the deployment of plug-in light-duty electric vehicles, Congress should increase the existing electric vehicle tax credit's per-manufacturer cap and support electric vehicle fueling infrastructure. The Rhodium Group estimates that lifting the manufacturer cap would double the number of battery-electric and plug-in hybrid vehicles on America's roads by 2025 compared with business-as-usual.

**Solar and Onshore Wind:** The solar investment tax credit (ITC) for utility-scale and distributed solar has been instrumental to the growth of solar-powered electricity generation in the United States. According to the Solar Energy Industries Association, extending the solar ITC would add 82 gigawatts of solar over the next ten years, drive $87 billion in economic investment, and create 113,000 jobs in the U.S. solar industry. This one action would reduce U.S. carbon emissions by 363 million metric tons over the next decade, which is the equivalent of eliminating 93 coal plants. Tax incentives also have been crucial for the development of the U.S. onshore wind industry, which has leveraged billions of dollars in private investment and now supports more than 110,000 jobs in engineering, manufacturing, and construction across the country. Wind projects are providing sustained economic benefits to rural and low-income counties, and manufacturing of wind-related materials occurs in 42 states, according to the American Wind Energy Association.

The ITC is one of the most important federal programs in place to achieve carbon pollution reductions from the power sector since the Trump administration rolled back the Clean Power Plan. Congress should extend the solar ITC at the 30 percent rate and extend appropriate tax benefits to wind projects to provide parity between renewable energy technologies and maximize carbon pollution reductions.

**Offshore Wind:** Offshore wind offers a tremendous, yet largely untapped, reserve of renewable energy. Offshore wind projects are complex technical endeavors that require significant time for siting, stakeholder engagement, and development. Congress should extend the 30 percent ITC for offshore wind facilities through 2025 to give project developers enough time to ramp up and deliver operational facilities.

**Energy Storage:** Energy storage plays an essential role in enabling electricity generation from variable renewable energy sources, including wind and solar. Achieving a net zero electricity grid will require a variety of energy storage technologies and capacities, including longer-lasting, lower-cost batteries to store and dispatch clean energy on demand. To spur innovation and deployment of energy storage technologies, Congress should make energy storage eligible for a stand-alone 30 percent ITC.

Clean energy tax incentives are powerful tools to drive down carbon pollution in the short-term and build the foundation for achieving a net-zero emission energy economy by no later than 2050. We urge you to include in any year-end tax package the incentives described in this letter as a down-payment for the ambitious climate action we need to avert the worst impacts of climate change.

Sincerely,

Kathy Castor
Chair

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Member of Congress

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Member of Congress

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