October 30, 2019

The Honorable Nancy Pelosi
Speaker
House of Representatives
1236 Longworth House Office Building
Washington, DC 20515

The Honorable Steny H. Hoyer
Majority Leader
House of Representatives
1705 Longworth House Office Building
Washington, DC 20515

Dear Speaker Pelosi and Majority Leader Hoyer:

We write to urge you to prioritize the inclusion of critical clean energy tax policies in negotiations around must-pass legislation this year. For the sake of American security and future generations, we must take every opportunity we can to pass important climate policies immediately.

This fall the House Ways and Means Committee will be taking action on a clean energy tax package, demonstrating the importance of these policies to the Committee and Chairman Neal. We urge inclusion of as many clean energy tax policies as possible in must-pass legislation, but in particular, we believe it is vital to include all of the policies outlined below:

- **Storage:** Make energy storage eligible as a stand-alone technology for the Investment Tax Credit (ITC) and provide it with an ITC extension. The ITC and the production tax credit (PTC) have been instrumental in lowering the costs of deploying solar and wind energy, respectively. In the same way, clarifying the ITC to explicitly include energy storage technologies will be essential to driving down the costs of emerging storage technologies while simultaneously creating demand in new markets. By allowing grid operators the flexibility to store clean energy and dispatch it when it is needed, energy storage provides an essential service that will be necessary to grow the percentage of our energy demand that can be met with clean energy resources.

- **Zero Emission Vehicles:** Extend the tax credit for plug-in electric vehicles (EV tax credit) by increasing the cap for this tax credit and extend the tax credit for fuel cell vehicles. The Driving America Forward Act (H.R. 2256), which allows an additional 400,000 vehicles per manufacturer to be eligible for a credit of up to $7,000 before the credit begins to phase out, has the support of the automotive industry, utility sector, and environmental community. The transportation sector is now the largest source of greenhouse gas pollution in the United States. Enacting tax policies that will help accelerate the transition to zero-emission vehicles is essential to addressing the climate crisis.

- **Offshore Wind:** We encourage you to give specific attention to the needs of offshore wind development by extending the 30 percent investment tax credit for offshore wind facilities through 2025. Because of the complex nature of siting projects in the underwater environment and the necessity to engage a variety of stakeholders in a mixed-use ocean
area, offshore wind projects can take considerably longer to develop than their onshore wind counterparts. For this reason, we need to extend the efficacy of the offshore wind incentives with these challenges in mind to be sure that this industry develops to scale.

- **Investment Tax Credit (ITC) Extension**: Provide a broad extension of the ITC for all qualified technologies at the current 30 percent rate and expand eligibility to wind power. This tax incentive has helped spur the growth of renewable energy generation across the country. Its extension is important for continuing that growth in the face of Trump Administration efforts to roll back the Clean Power Plan and withdraw us from the Paris Climate Agreement.

- **Energy Efficiency**: We encourage an extension of the 179D deduction for energy efficient commercial and multifamily buildings. We also encourage extensions and updates for the 25C incentive for homeowner efficiency improvements and Section 45L incentive for energy efficient new homes that reflect new technologies and changed market conditions. Extending and modifying energy efficiency tax credits will help reduce greenhouse gas emissions, save customers and businesses money, and reduce dangerous air pollution.

Tax incentives have been an important and powerful policy tool in reducing greenhouse gas emissions and increasing use of clean energy technology. The above outlined policies would go a long way in providing planning certainty for clean energy investments, furthering the advancement of clean energy across the country, and helping us strive towards and ultimately beyond our Paris Agreement commitments. In addition, these policies, along with others that ensure strong labor standards and incentives for domestic manufacturing, can help ensure American leadership in clean energy technology, drive domestic manufacturing, and the support the creation and maintenance of good American jobs in the next generation of technology.

With only a decade to take transformative action, we can’t miss a single opportunity to pass pro-active climate policies. Thank you for your leadership on this important issue, and we look forward to continuing to work with you in this fight.

Sincerely,

Paul D. Tonko  
Member of Congress  
SEEC Co-Chair

Gerald E. Connolly  
Member of Congress  
SEEC Co-Chair

Doris O. Matsui  
Member of Congress  
SEEC Co-Chair

Chellie Pingree  
Member of Congress  
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Raul Ruiz, M.D.
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William R. Keating
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Bill Foster
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Betty McCollum
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Yvette D. Clarke
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Jim Costa
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Robert C. "Bobby" Scott
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Grace F. Napolitano
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Lucy McBath
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David N. Cicilline
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Anthony G. Brown
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Charlie Crist
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Rick Larsen
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Josh Harder
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Donald M. Payne, Jr.
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Dina Titus
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Flemion Vela  
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Brenda L. Lawrence  
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