

**Congress of the United States**  
**Washington, DC 20515**

The Honorable David Camp  
Chairman  
U.S. House of Representatives  
Committee on Ways and Means  
1102 Longworth House Office Building  
Washington, D.C. 20515

The Honorable Sandér Levin  
Ranking Member  
U.S. House of Representatives  
Committee on Ways and Means  
1006 Longworth House Office Building  
Washington, D.C. 20515

The Honorable Pat Tiberi  
Chairman  
Subcommittee on Select Revenue Measures  
Washington, D.C. 20515

The Honorable Richard Neal  
Ranking Member  
Subcommittee on Select Revenue Measures  
Washington, D.C. 20515

December 16, 2013

Dear Chairman Camp, Chairman Tiberi, Ranking Member Levin, and Ranking Member Neal,

The nation's tax code is in need of comprehensive reform, and we support your continued efforts to ensure that our tax code better reflects America's priorities and values. However, as we approach the end of the calendar year, many tax programs that are critical for creating jobs, deploying clean energy, and cutting pollution are facing expiration. If a broader tax code overhaul cannot be achieved by year's end, it is imperative that these key clean energy tax incentives are renewed as soon as possible.

In recent years, provisions like the production tax credit and the investment tax credit have helped technologies like wind and solar create tens of thousands of American jobs and generate an increasing share of America's power. These tax credits have helped scale up production and drive down the cost of clean energy technologies. They remain critical to addressing the market failures that prevent cost-effective, market-ready technologies from being deployed to their full potential. With continued support, clean energy will help Americans save money on their energy bills and reduce harmful pollution.

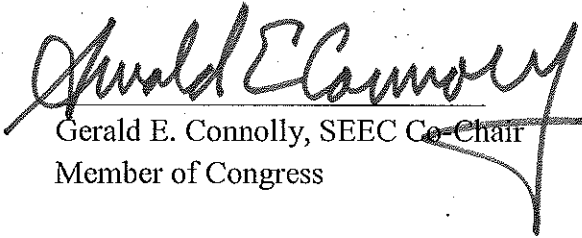
The tax incentives below have a demonstrated history of providing strong economic and environmental benefits. They have garnered bipartisan support. In the context of a tax code that has permanent tax entitlements to oil and gas, nuclear, and other energy technologies, these programs merit permanent or long-term extensions. At a minimum, they should each be extended in the short term or until a more comprehensive tax reform agreement is in place.

- **Section 45 Renewable Electricity Production Tax Credit (PTC):** This provision, which is set to expire at the end of the year, has been a critical tool to support investments in wind, biomass, hydropower, geothermal, landfill gas, municipal solid waste, hydrokinetic power, anaerobic digestion, tidal energy, wave energy, and ocean thermal energy. In the wind sector alone last year, the credit drove \$25 billion in private investment and led to the installation of more than 13,000 megawatts of new production capacity, enough to power more than 3 million American homes. Allowing this credit to expire for wind production would threaten more than 80,000 jobs across nearly every state.

- **Section 48 Investment Tax Credit (ITC):** This tax credit traditionally supports the deployment of solar heating and electric generation, fuel cells, combined heat and power systems, small wind, geothermal heat pumps, and microturbines. Under current law, an offshore wind project will also be eligible for the ITC if that project commences construction before the end of 2013. While the National Renewable Energy Lab has estimated that the United States has more than 4,000,000 megawatts of untapped offshore wind potential—enough to meet the power needs of the entire nation—there are currently no offshore wind facilities operating in U.S. waters. This is due in large part to the long planning horizon of these projects and the short-term nature of the tax credits. A long-term extension of the ITC for offshore wind is needed to jumpstart this industry. Additionally, changing the applicability of the ITC from projects that are operational by the expiration date to projects that have commenced construction would make the tax credit consistent with the PTC and help drive the deployment of thousands of megawatts of additional new solar capacity. This change would allow the American solar industry, which has grown from 15,000 employees in 2005 to 120,000 today, to continue creating jobs in the United States.
- **Section 48C Advanced Energy Manufacturing Tax Credit:** Created in 2009, this program drove \$5.4 billion in vital private sector investments in 183 new, expanded, or re-equipped clean energy manufacturing projects throughout the country, boosting growth and creating over 40,000 new U.S. manufacturing jobs. Despite huge ongoing demand, no new money has been allocated since the program's creation.
- **Section 45L and 45M Tax Credits for Efficient New Homes and Appliances:** These low-cost, highly successful incentives have transformed the market for energy efficient new homes and the production of energy efficient appliances. The tax credit for energy efficient new homes provides a credit for new homes that reduce heating and cooling energy consumption by 50 percent. Adding a new tier for even higher efficiency homes should be added. The energy efficient appliance credit provides manufacturers of high-efficiency appliances, like clothes washers, refrigerators, and dishwashers, with a per-unit tax credit based on the unit's efficiency.
- **Section 132 (f) Transportation Fringe Benefits:** Since 2009, employer-provided transit and vanpool benefits have enjoyed tax parity with parking benefits. This has helped increase transit and vanpool ridership across the country in the face of increased energy and transportation costs. However, parity for transit and vanpool benefits will expire at the end of 2013, and the resulting decreased transit benefit could act as a \$500 per-year tax on some transit riders.
- **Section 179D Commercial Building Tax Deduction:** This provision incentivizes building owners and designers to cut energy use in commercial buildings by 50 percent or more. With energy expenditures for commercial buildings topping \$100 billion annually, energy efficient new construction and retrofits can result in significant savings for U.S. businesses.
- **Section 30B(d)(2)(B) Credits for Hybrid Medium- and Heavy-Duty Trucks:** Medium- and heavy-duty vehicles are second only to automobiles in oil consumption, and they are responsible for 20 percent of U.S. transportation-based global-warming pollution. Medium and heavy-duty vehicles equipped with hybrid and electric drives can increase fuel efficiency from 20 to over 50 percent.

Clean energy tax incentives are critical to ensuring that American consumers have access to clean, low-cost energy and critical to keeping American businesses and workers competitive in this key growth sector of the global economy. We urge you to include these incentives in any tax extender package that the House considers.

Sincerely,




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Gerald E. Connolly, SEEC Co-Chair  
Member of Congress



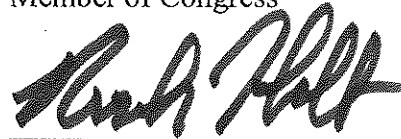
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Paul Tonko, SEEC Co-Chair  
Member of Congress



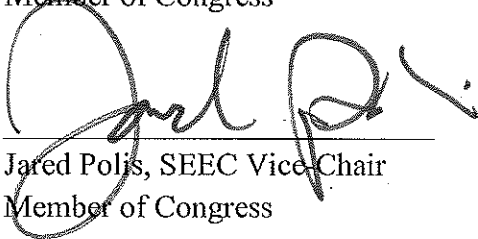
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Steve Israel, SEEC Co-Chair  
Member of Congress



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Rush Holt, SEEC Vice-Chair  
Member of Congress



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Jared Polis, SEEC Vice-Chair  
Member of Congress



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Doris Matsui, SEEC Vice-Chair  
Member of Congress



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Chellie Pingree, SEEC Vice-Chair  
Member of Congress