

# United States Senate

WASHINGTON, DC 20510-1806

June 29, 2020

The Honorable Steven T. Mnuchin  
Secretary of the Treasury  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue NW  
Washington, DC 20220

Secretary Mnuchin,

We are encouraged to see that the Treasury Department revised the continuity safe harbor provision for energy projects qualifying for the production tax credit (PTC) and energy investment tax credit (ITC). Relief is needed, as the COVID-19 pandemic is resulting in substantial project delays, due to myriad factors, including continued disruption to labor markets, supply chains, and construction operations. However, Treasury's revised guidance is too narrow to adequately contemplate the unique challenges facing the offshore wind industry. Today, we write to encourage the Treasury Department to further extend the safe harbor provision, thereby providing ample relief across industries.

While existing IRS guidance provides exceptions to the safe harbor period for specified setbacks in construction, these exceptions do not anticipate the wide-ranging interruptions faced by developers now or in the aftermath of the pandemic. Even as projects slowly resume, operations are not likely to meet their prior efficiency levels for several years. To exacerbate matters, project construction must also be carefully timed around mammal migration patterns, among other factors. As such, COVID-19 implications will undoubtedly ripple beyond the scope of the pandemic itself. Accordingly, we request that you use your authority to provide relief sufficient to prevent devastation across the offshore wind industry.

Extending the continuity safe harbor by a total of three years, in addition to the standard four-year period, for all open offshore wind projects (i.e., those beginning construction between 2016 and 2020) will fully address interruptions resulting from COVID-19. Making this change also enables these projects to remain eligible through the pursuit of state and federal permitting activities, engineering studies, and design work. Finally, this adjustment provides businesses with the certainty needed to move forward with existing projects, including the first generation of utility scale offshore wind projects. These projects are important to many job creators in our state, including shipbuilders, manufacturers, offshore services companies, and offshore wind developers, among others.

We appreciate your time and attention to this important matter and look forward to your response.

Sincerely,

*Bill Cassidy, M.D.*

Bill Cassidy, M.D.  
United States Senator

*Sheldon Whitehouse*

Sheldon Whitehouse  
United States Senator

/s/

John Kennedy  
United States Senator

/s/

Edward J. Markey  
United States Senator

/s/

Chris Van Hollen  
United States Senator

/s/

Tim Kaine  
United States Senator

/s/

Jack Reed  
United States Senator

/s/

Benjamin L. Cardin  
United States Senator

/s/

Mark R. Warner  
United States Senator