

United States Senate

WASHINGTON, DC 20510

June 19, 2019

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Charles Schumer
Minority Leader
United States Senate
Washington, DC 20510

The Honorable Charles E. Grassley
Chairman
Senate Finance Committee
United States Senate
Washington, DC 20510

The Honorable Ron Wyden
Ranking Member
Senate Finance Committee
United States Senate
Washington, DC 20510

Dear Leader McConnell, Leader Schumer, Chairman Grassley, and Ranking Member Wyden:

As the Senate Finance Committee and Congress considers extending expired and expiring tax incentives and investments in our nation's aging infrastructure, we should prioritize extending clean energy tax incentives that are set to phase down at the end of this year.

Among these should be the Investment Tax Credit (Sec. 48) and residential renewable energy tax credit (Sec. 25D). The decrease of both credits should be delayed by at least as much time as it will take to implement a technology-neutral incentive or other federal legislation to reduce carbon emissions from electricity generation.

The ITC and residential renewable credits have a very strong track record of fueling solar deployment, jobs, and carbon reductions. Because of these credits, solar energy has averaged 50 percent annual growth for a decade. Yet, while this growth is promising for our hopes of addressing climate change, solar energy still only makes up roughly 2.3 percent of energy generation, far from what is needed to meet widely acknowledged climate goals. This is especially concerning since U.S. emissions surged last year, endangering future generations. In order to continue amplifying renewable energy growth and a meaningful transition to clean energy utilization, our country will need to continue policies that have already proven to drive investment, or otherwise pass new policies that dis-incentivize carbon emissions.

In December 2015, Congress passed the Consolidated Appropriations Act extending the ITC and the residential credit and then decreasing them over two years, beginning in 2020. At the time of this extension, states were scheduled to begin implementing their plans to reduce power plant carbon emissions under the Clean Power Plan, putting the U.S. on a path towards meeting its global carbon reduction commitments.

In light of the materially different policy environment we are in today, with no major federal programs to incentivize deployment of renewable energy or to directly dis-incentivize carbon emissions, Congress should act quickly before the ITC and residential credits begin to decrease. In the absence of any other national policy or program to deliver carbon reductions that are essential to making progress on climate change, we must continue the tax incentive policies that constitute the core of federal policy and single most effective tool our nation has had for investing in renewables and growing the economy.

We are also concerned about the impact on jobs if the ITC decreases at the very moment it is needed most. In the solar industry alone, there are 240,000 workers nationwide. The overwhelming majority of companies working in the field are small businesses. At a time when more and more Americans are seeking employment in the renewable energy sector, we should make every possible effort to avoid putting these jobs at risk.

We hope that in light of the urgency of addressing climate change, you are able to join us in prioritizing the continuation of clean energy tax incentives and avoid a situation in which our country is left without any major federal policy encouraging solar and other renewable energy generation investments.

Sincerely,



CATHERINE CORTEZ MASTO
United States Senator



SHELDON WHITEHOUSE
United States Senator



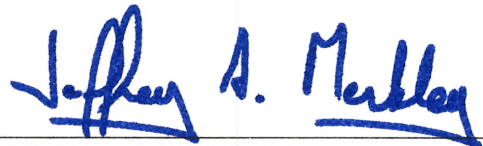
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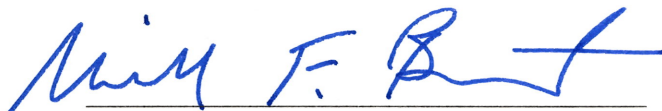
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MARTIN HEINRICH
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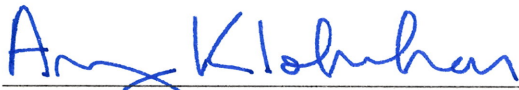
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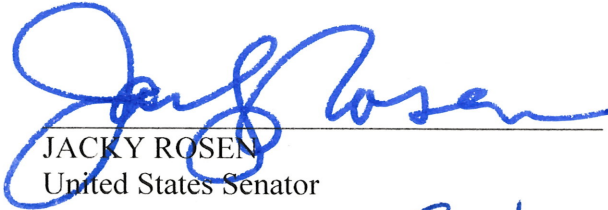
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CHRIS VAN HOLLEN
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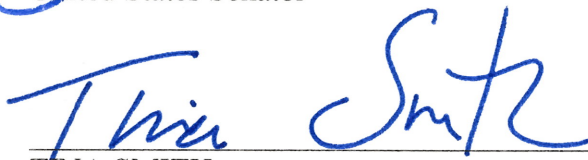
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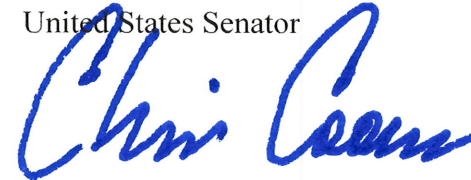
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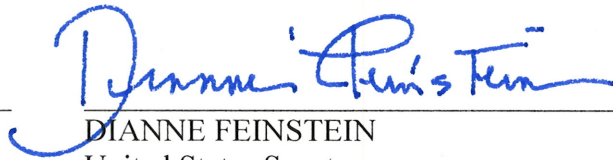
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KAMALA D. HARRIS
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