



June 18, 2018

The Honorable Fred Upton  
Chairman  
Subcommittee on Energy  
House Committee on Energy and Commerce  
2125 Rayburn House Office Building  
Washington, DC 20515

The Honorable Bobby Rush  
Ranking Member  
Subcommittee on Energy  
House Committee on Energy and Commerce  
2125 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Upton and Ranking Member Rush:

The National Hydropower Association (“NHA”), the American Biogas Council (“ABC”), the Biomass Power Association (“BPA”), and the Energy Recovery Council (“ERC”) provide this statement for the record regarding the June 20 hearing titled, “The Benefits of Tax Reform on the Energy Sector and Consumers.”

While the Tax Cuts and Jobs Act of 2017, signed into law on December 22, 2017, has improved the environment for both businesses and consumers in the electric sector, the extension of the tax credits for renewable baseload power resources (hydropower, biomass, biogas and waste-to-energy), a critical tax policy for the advancement of our industries, remains unfinished.

Currently, the production and investment tax credits (PTC and ITC) for our industries have lapsed, while the credits for other renewable resources, such as wind and solar – industries with which we directly compete – have long-term extensions. This disparity puts development of our resources at a severe competitive disadvantage in the market for new renewable electricity generation, particularly in the eyes of investors who seek clarity and certainty.

Every day that passes without an extension further increases the uncertainty and harmful economic impact for project developers and sends a negative economic market signal to the investment community. Certainty in tax policy is needed to accommodate the longer development lead times for projects in our sectors that have highly capital-intensive projects for which the tax credits are an important tool for attracting tax equity capital investment.

If not addressed, there will certainly be less deployment of reliable, affordable, renewable baseload power in our sectors, along with the jobs, economic opportunities and other ancillary benefits that accompany our projects. We do not believe this is the intent or desire of Congress and clearly not in line with an all-of-the-above energy strategy.

Our associations are willing to work with you and the Ways and Means Committee to identify opportunities to advance legislation to address this inequity. Specifically, we have endorsed H.R.

4137, the Renewable Electricity Tax Equalization Act (sponsored by Rep. Elise Stefanik), which would create tax parity among all renewable power sources.

We thank you for this opportunity to address these tax and energy inequities. If you or your staff have any questions, please feel free to reach out to any of our associations.

Sincerely,



Linda Church Ciocci, CEO  
National Hydropower Association



Patrick Serfass, Executive Director  
American Biogas Council



Robert E. Cleaves, IV, President and CEO  
Biomass Power Association



Ted Michaels, President  
Energy Recovery Council